

LEP - Joint Scrutiny Committee

Friday, 18th November, 2022 in Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston, at 10.30 am and as a Hybrid meeting via Microsoft Teams

Agenda

Part I (Items that are Publicly Available)

- 1. Welcome and Apologies**
- 2. Declaration of Interests**
- 3. Minutes of the meeting held on 8th March 2022 (Pages 1 - 4)**
- 4. Matters Arising**
- 5. LEP Update and future operation of the Joint Scrutiny Function (Pages 5 - 48)**
- 6. Growing Places Fund Process (Pages 49 - 56)**
- 7. Date of Next Meeting**

The next LEP Joint Scrutiny Committee meeting is scheduled to be held at 2pm on 8th March 2023, County Hall, Preston with the option to dial in via Microsoft Teams.



LEP - Joint Scrutiny Committee

Minutes of the Meeting held on Tuesday, 8th March, 2022 at 3.30 pm at the Savoy Suite 2 - The Exchange - County Hall, Preston

Present

Mike Leckie (Chair)

Councillor Dave Brookes

Councillor Christopher Dixon

Councillor Terry Howarth

Councillor Zainab Rawat

County Councillor Cosima Towneley

Councillor Matthew Vincent

In Attendance

Paul Evans, Assistant Director, BEIS, Cities and Local Growth Unit

Debbie Francis OBE, Chair, Lancashire Enterprise Partnership

Gary Halsall, Democratic Services, Lancashire County Council

Sarah Kemp, Chief Executive, Lancashire Enterprise Partnership

Dr Michele Lawty-Jones, Director of the Lancashire Skills Hub

Andy Milroy, Democratic Services, Lancashire County Council

Sam Parker, Democratic Services, Lancashire County Council

Laura Sales, Director of Corporate Services, Lancashire County Council and LEP Company Secretary

Andy Walker, Economic Development, Lancashire County Council

Matt Wright, Innovation Manager, Lancashire Enterprise Partnership

1. Constitution, Membership and Terms of Reference of the Committee

The report presented set out the Constitution, Membership and Terms of Reference of the LEP Joint Scrutiny Committee. In addition, in accordance with the Terms of Reference, the Committee was asked to consider the appointment of a Deputy Chair. There was one nomination received for the role of Deputy Chair, County Councillor Cosima Towneley, no other nominations were received and the Committee approved the appointment of County Councillor Cosima Towneley as Deputy Chair.

Resolved: The LEP Joint Scrutiny Committee:

- i. Noted the update on the Constitution, Membership and Terms of Reference of the committee, as set out in the report including that Mike Leckie had been appointed as the new Independent Private Sector Chair of the committee, and
- ii. Approved the appointment of County Councillor Cosima Towneley as the Deputy Chair of the committee.

2. Welcome and Apologies

The Chair, Mike Leckie, welcomed everyone to the meeting. Apologies were received from Councillors James Flannery, Michael Hindley, Stuart Hirst and Peter Moss.

3. Declaration of Interests

None

4. Minutes of the meeting held on 24th March 2021

Resolved: The minutes of the meeting held on 24 March 2021 be confirmed as an accurate record.

5. Matters Arising

None

6. Introduction to Lancashire Innovation Ecosystem

Matt Wright, Innovation Manager, presented the report which set out an introduction to innovation policy, challenges and opportunities in Lancashire aimed at informing scrutiny members of the key issues to be considered.

The report set the scene for the innovation ecosystem in Lancashire, giving an introduction to the field of innovation, the trends and opportunities presented by innovation and technology and the emphasis placed on innovation in current and emerging LEP plans.

Innovation was a core component of the LEP strategy and was illustrated as a cross cutting theme in the Strategic Framework which set out the key sectors and activities which could benefit from innovation.

A Powerpoint presentation was delivered which covered the following key points:

- Introduction to the Lancashire Innovation Ecosystem
- LEP Strategic Framework and Innovation
- Defining Innovation
- Technology / Societal Challenges Driving Change
- Policy Arena
- Structures and Staff – LEP/LCC, etc
- Establishment of the Lancashire Innovation Board
- Delivery of an annual Innovation Festival
- Investing in Key Assets in our Mission Areas
- Specialist Help from Ideation and Peer Learning to Technology Advice,

- Incubation, Facilities, Labs and Investment
- Strategic Aims and Refreshment of the Innovation Plan
- Lancashire Innovation Strategy
- Frontier and Cross Sector Tiers

Comments and questions raised were as follows:

- It was felt that there was not enough innovation towards the agricultural sector. Agriculture was key and the committee was informed that the LEP sector groups included food and farming.
- It would have been helpful to have information on how the committee intended to back this particular strategy especially around the skills needed. Skills was a critical part of the innovation agenda.
- The committee enquired about where in the strategy was there information on the safe disposal of battery technology. The low carbon section of the strategy dealt with this.
- It was felt that the Cyber Section of the strategy could be a lot stronger. The committee was informed that there were real strengths around Cyber security. It was vital to actively counter Cyber security threats. This was central to the innovation plans.

Resolved: The Joint Scrutiny Committee noted and commented on the report enabling members to consider areas they might want to scrutinise further in terms of Innovation policy and delivery.

7. Lancashire Skills and Employment Strategic Framework: Future Workforce

Dr Michele Lawty-Jones, Director of Lancashire Skills and Employment Hub, presented the report building on the presentation and discussion at the last committee meeting which focused on the process undertaken to develop and refresh the Lancashire Skills and Employment Strategic Framework. The report focused on one of the strategic themes: Future Workforce, and the work of the Lancashire Careers Hub and Enterprise Adviser Network in raising careers aspirations and enabling young people to make informed choices about their pathway into the world of work.

The report outlined how the Careers Hub was working in partnership with businesses across Lancashire to enable young people to gain a wide variety of insights into sectors, jobs and local companies, through employer encounters and experiences. The aim being to enable young people to secure good employment and to build a future talent pipeline that met the needs of Lancashire's economy now and in the future.

The Strategic Framework highlighted 4 strategic themes for Lancashire:

- Future Workforce
- Skilled and Productive Workforce
- Inclusive Workforce
- An Informed Approach

Comments and questions raised were as follows:

- Members thanked Michele for the update and all the work that was going on.
- It was important to help children and young people in care and build up their aspirations and develop and provide opportunities for them.
- It was felt that there did not seem to be a strategy for people who went into the creative arts and the environmental side of green jobs.
- There was a piece of work being done at the moment with the Food and Agriculture Sector informing it of careers provision.
- It was important to make young people aware of the different routes into employment.
- There were certain employment practices especially the building industry whereby a person came on an apprenticeship and received the requisite amount of training but when it came to the end of their apprenticeship they were put on the self-employed market. They were not enabled to develop their skills sufficiently to hold down full-time jobs. It was felt longer and more thorough apprenticeships needed to be considered. There had to be mere flexibility with the Apprenticeship Levy.

Resolved: The LEP Joint Scrutiny Committee noted the content of the report and reflected on the presentation at the meeting and the implementation of the Future Workforce strategic theme.

8. Any Other Business

There was an enquiry about an update on the Enterprise Zone at Warton. The LEP was actively looking at Warton at the moment with BAE Systems about what the proposition should be before the site was developed.

9. Date of Next Meeting

It was noted that the next meeting would take place in September 2022, exact date, time and venue to be confirmed.



LEP – Sub Committee

LEP - Joint Scrutiny Committee

Private and Confidential: No

Date: Friday 18th November 2022

LEP Update and future operation of the Joint Scrutiny Function (Appendix 'A' refers)

**Report Author: Andy Walker, Tel: 01772 535629,
andy.walker@lancashire.gov.uk**

Executive Summary

This report and accompanying presentation are intended to provide the members of LEP Joint Scrutiny Committee with an update on context within which LEPs are operating and to share updates on the main components of the LEPs work programme.

Recommendation

The LEP Joint Scrutiny Committee are asked to note the report and consider what other areas of LEP activity the board might want to explore as part of their Forward Plan.

Background and Advice

Despite some short-term assurances from the Department of Levelling Up, Communities and Housing and the Department for Business, Energy and Industrial Strategy, the future policy on Enterprise Partnerships will not be clear until a Prime Minister and cabinet have taken office later in September. Even with a will to continue with LEPs as a part of the Levelling Up and regeneration landscape, recession, inflation, and the cost-of-living crisis make it unlikely that additional resources will start to flow via LEPs as a conduit. The core grant award to LEPs was reduced for 22/23 for the first time in several years. In Lancashire grant will fall from an annual £500,000 to £375,000 and the local match ask of 50% falling from £250,000 to £187,500. This new total grant income of £562,500 can be paired with Growing Places interest and other income to give a total income figure in 22/23 of £717,500 down by 30% on the total income in 21/22.

This policy uncertainty and reduced funding has forced the LEP to strip back budgets and actions plans for the coming year, focussing on some key projects and areas where the LEP can continue to add value. In response to this new role, the LEP Board



are asking what the new vision for the LEP will be. This report sets out these new budget constraints, work programme priorities and vision for the LEP moving forward.

With continued uncertainty around the future role of Local Enterprise Partnerships, a reduction in core funding for 22/23 and a medium-term objective to better align the LEP with nascent aspirations to establish a County Combined Authority in Lancashire, the LEP in Lancashire has re-cast its action plan and budgets and seeking Board confirmation for a renewed vision of its role.

Resources 2022/23

In terms of revenue budgets, once staff and operating costs have been deducted, the LEP retains a limited discretionary revenue budget covering: -

Work with Sectors	£60k
Work to support the establishment of National Cyber Force	£65k
Marketing (events, reports)	£72.5k
General project funding, consultancy and prof. services	£45k
Total	£202.5k

Against this, the LEP has existing or planned in year costs in respect of Eden Levelling Up Fund (LUF) case-making (£60k) and NCF – Samlesbury Innovation Hub feasibility (£60k).

In terms of capital, the LEP retains and earns interest from the £20m Growing Places Investment Fund, the majority of which has already been recycled once and is available for investment.

Reserves

At the start of financial year, 2022-23, the reserves position is forecast to be £2.139m. The Operating Plan for 2022/23 requires further investment of LEP reserves to the plan £170k, assuming continuation of grant funds from Government and Company Members.

Work Programme Priorities

Reductions in staffing (reduced CEO capacity and loss of Innovation co-ordinator) and budget have also informed a rationalisation of the work programme which the LEP can actively progress in the coming year.

- The LEP retains its on-going responsibility to ensure that Growth Deal and Getting Building Fund projects fully meet the obligations set when grants were awarded to projects.
- The LEP has worked well to coalesce a Team Lancashire approach to identify, qualify and land new investment opportunities such as the National Cyber Force. The team will continue to support activity streams to fully realise



the benefit of this and other potential investments and to develop new propositions where aligned opportunities exist.

- The LEP will continue to oversee the work of its six business-led sector groups, with a view to understanding business issues in real time, to inform existing support services and initiatives and to understand where the priorities for future investment programmes might lie, should funding become available.
- Key sub-group and programmes supporting Employment and Skills, Business and Innovation will continue as a focus for strategy and the deployment of continued resource.
- Whilst Lancashire's Enterprise Zones individually now have their own momentum, the LEP will continue to discharge its responsibilities regarding these sites and to support collective activity where appropriate.
- The LEP will maintain strong governance and assurance standards and represent Lancashire within national and regional forums and organisations.



Lancashire
Enterprise Partnership

Lancashire Enterprise Partnership Overview for Scrutiny

18 th November 2022

Appendix 'A'



Lancashire
Enterprise Partnership

Andy Walker Chief Executive

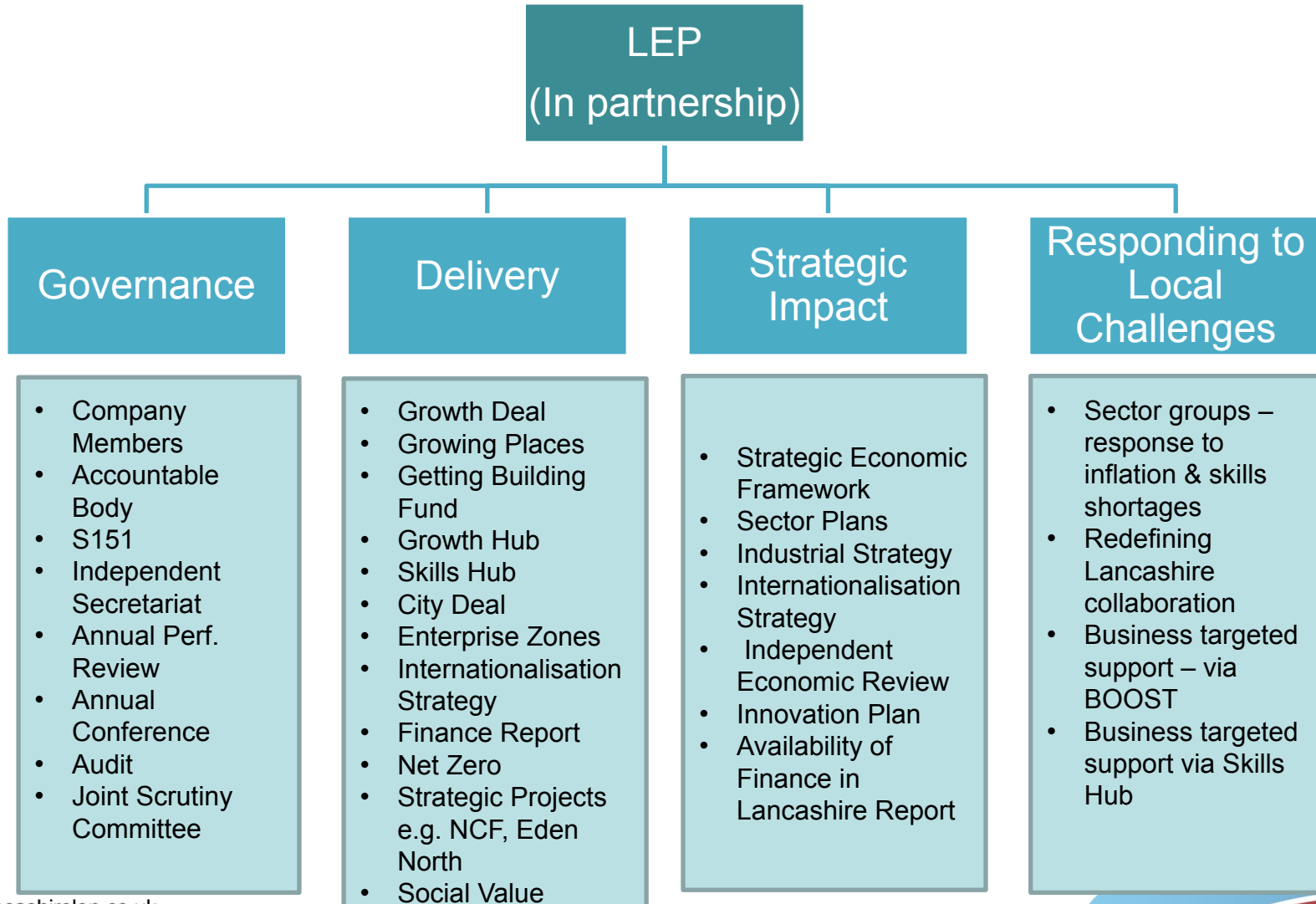
andy.walker@lancashirelep.co.uk



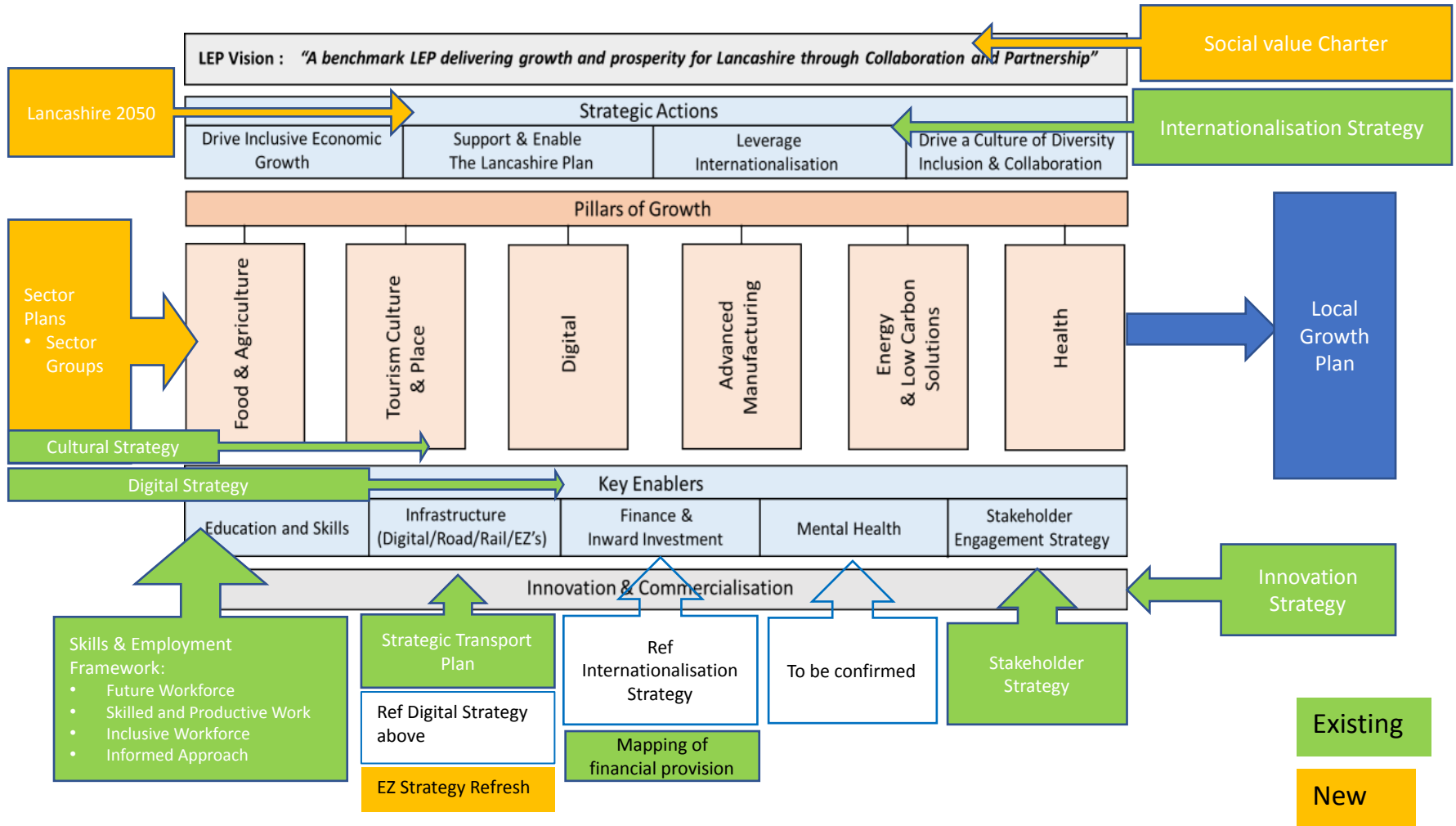


LEP Overview

Government Reporting



LEP Strategic Framework



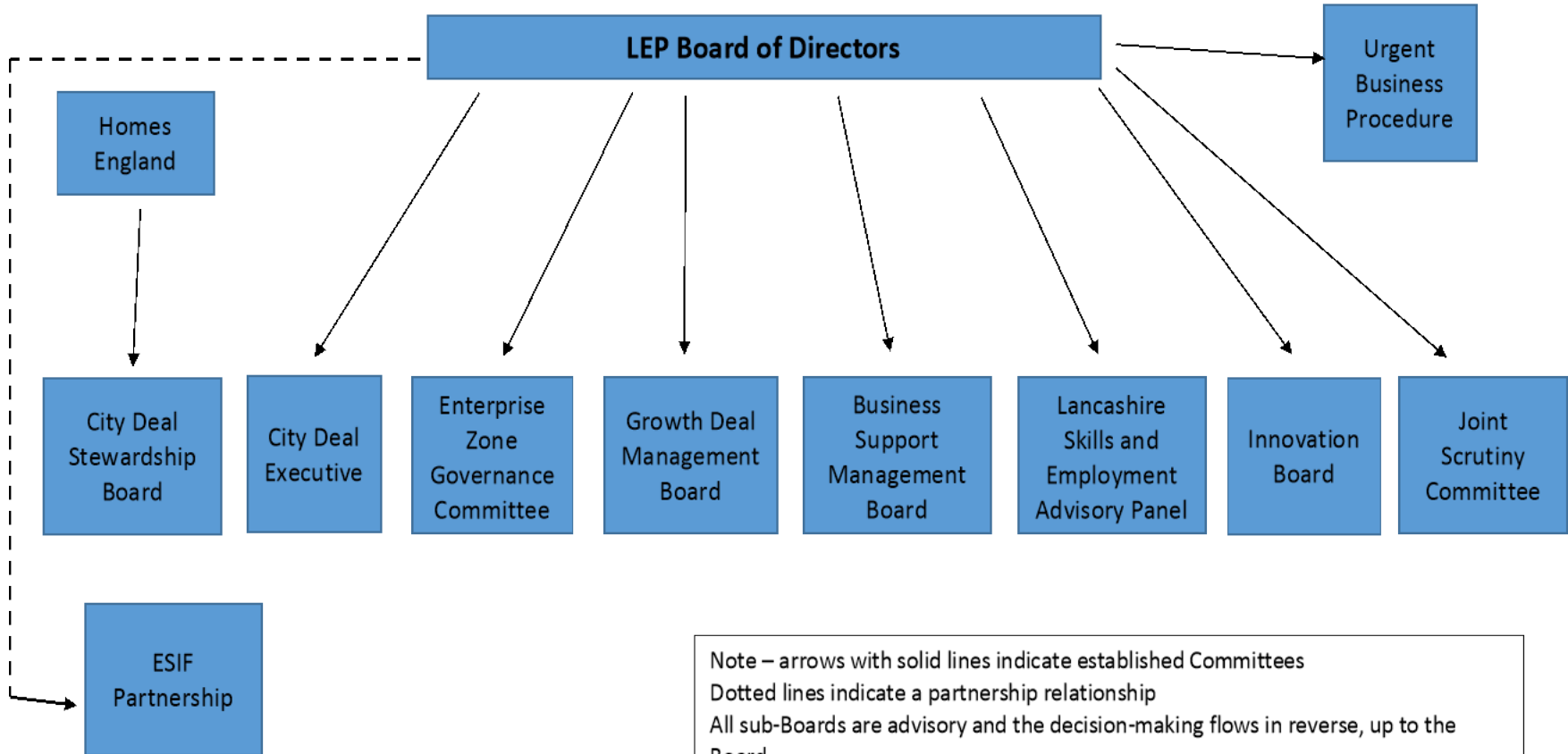


Governance

- The LEP was established as a company limited by guarantee (no shares) in 2011. It files dormant accounts because the accountable body – Lancashire County Council – holds accounts on behalf of the LEP and undertakes all significant financial transactions on its behalf.
- Following an external audit the setup of the Lancashire LEP is accepted as being compliant with relevant company law and also Government requirements for LEPs. 12 out of the 38 LEP's in England are setup in this way.
- LEP Directors need to given consideration to two elements – complying with the requirements of company law in terms of Companies House filings but also comply with the Government National Assurance Framework requirements / Nolan Principles.
- LEP Directors have a Directors Liability Insurance policy in place.
- In accordance with both company law and the Government National Assurance Framework – the Lancashire LEP has a Local Assurance Framework in place which is updated annually by the LEP Board.
- As part of the National Framework requirements – all LEPs must have a Scrutiny Committee.



Governance



Note – arrows with solid lines indicate established Committees
Dotted lines indicate a partnership relationship
All sub-Boards are advisory and the decision-making flows in reverse, up to the Board.



Local Growth Deal Fund

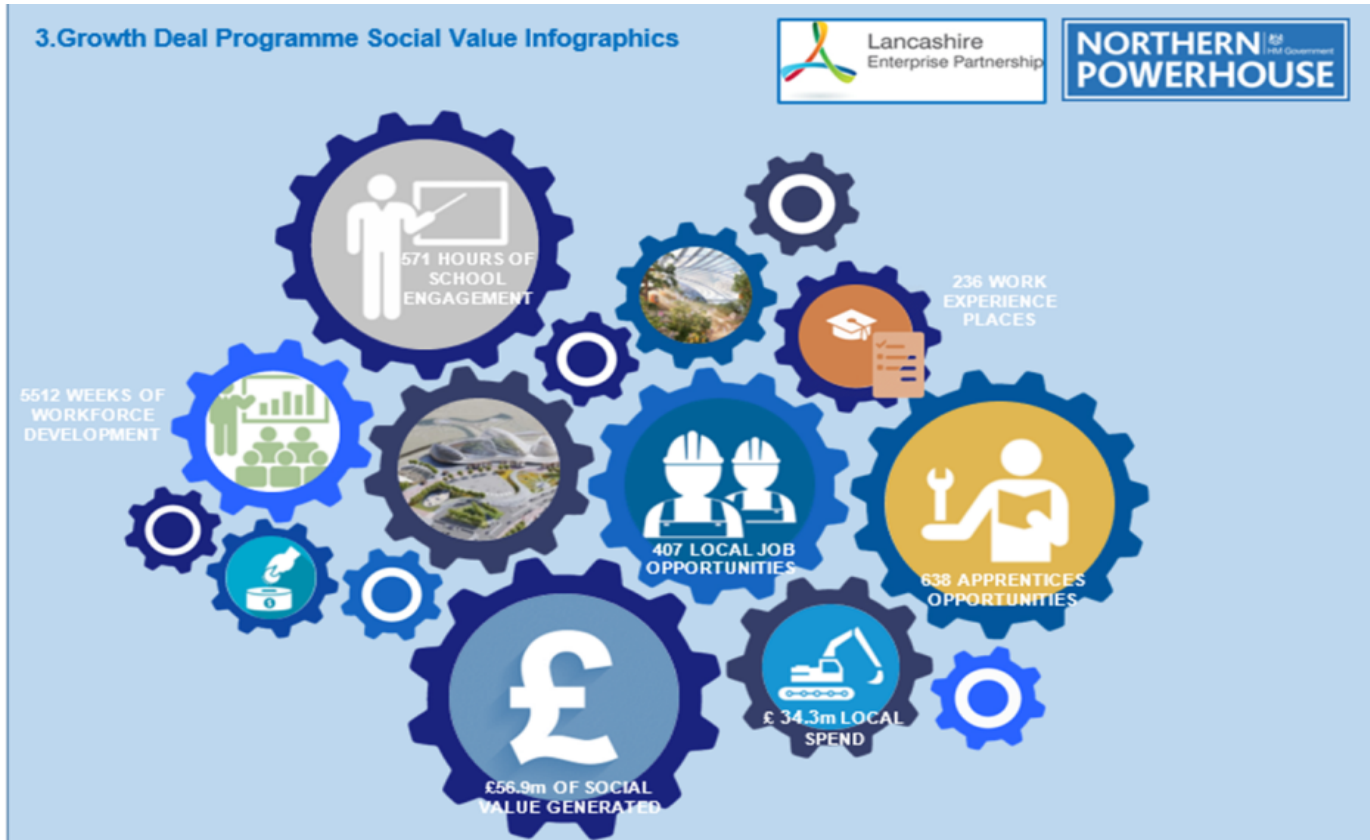
- **£320m** secured from government between 2014-17. Total programme value **£640m**.
- Funding contracted to **52** capital projects delivering to the LEP Strategic Framework.
- Projects delivered across Pan-Lancashire by the public, private, and HEI institutions.
- Project themes; Transport, Skills, Regeneration, Business, Innovation projects.
- By 2025 expected to bring to Lancashire's economy:
 - **11,000 new jobs / 3,900 homes / £1.2bn private sector investment**
- 82% of projects achieved PC. Programme on target to deliver its 2025 contracted targets.
- Projects due to achieve PC end 2023.
- Major projects (£10m+ GD) include:
 - A6 Broughton-Bypass £15.5m GD
 - Advanced Manufacturing Research Centre North West £20m GD
 - Blackburn Bolton Rail Corridor £12.4m GD
 - Blackpool Conference Centre £15.5m GD
 - Blackpool Tramway Extension £16.4m GD
 - Engineering Innovation Centre £10.5m GD
 - Lancaster Health Innovation Campus £17m GD
 - Pennine Gateway £14.7m GD
 - Preston Western Distributor £58m GD
- £56.9m Social Value generated as at March 2021.
- The full list of projects and status is available on the [LEP Website](http://www.lancashirelep.co.uk).





Social Value

- ❖ Social Value embedded in LEP Capital Programmes since 2016 – Social Value Toolkit
- ❖ £56.9m generated by Growth Deal projects
- ❖ Ambitions to create a Lancashire wide Social Value Charter





Getting Building Fund

- **£34m** secured from government 2021. Total programme value **£113m**.
- Funding contracted to 10 capital projects delivering to the LEP Strategic Framework.
- Projects delivered across Pan-Lancashire by the public, private, and HEI organisations.
- Project themes; Transport, Regeneration, Business, Innovation projects.
- By 2025 expected to bring to Lancashire's economy:
 - **1,500 new jobs / 1,000 homes / 42,000sqm commercial floorspace.**
- Projects due to achieve Practical Completion end 2023.
- Projects include:
 - Abingdon Street Market - £3.6m GBF
 - Burnley Pioneer Place Retail/Leisure Development - £3.6m GBF
 - Hillhouse International Business Park - £0.5m GBF
 - Houndshell Shopping Centre Extension Scheme - £5.0m GBF
 - Lancashire Centre for Alternative Technologies – RedCAT - £1.5m GBF
 - Low Carbon Demonstrator (AMRC) - £2.5mGBF
 - M55 St Anne's Link Road - £5.7m GBF
 - Project Neptune - £4.0m GBF
 - Strawberry Meadows Business Park (formerly Alker Lane) - £2.2m GBF
 - Tatton Development - £5.2 GBF
- Further project information can be found on the [LEP website](#).





Enterprise Zones



- LEP secured Enterprise Zone (EZ) status for four development sites across Lancashire:
 - Samlesbury
 - Warton
 - Blackpool Airport
 - Hillhouse (Wyre)
- Enterprise Zone sites have a strong, complementary industrial focus building on Lancashire's national and international strengths in aerospace, advanced engineering and manufacturing, energy and chemicals.
- Enterprise Zones have establishing themselves as the driving force of local economies as they unlock key development sites, consolidate infrastructure, attract business and create jobs.
- Incentives - Infrastructure, Planning, Cluster Activity, financial benefits.
- For further information please visit the [LEP Website](#)





National Cyber Force (NCF)

- NCF formed in 2020, a partnership between defence and intelligence, responsible for operating in and through cyberspace to disrupt, deny, degrade and contest those who would do harm to the UK and its allies, to keep the country safe and to protect and promote the UK interests at home and abroad.
- Government decision in 2021 to locate the headquarters of NCF at Samlesbury. Partnership Board established 2021, including the LEP and other key strategic bodies required to deliver the vision and objectives, maximising the opportunity for Lancashire and the North West.
- **Vision** - To establish Lancashire as the undisputed national leader for cyber and security related capabilities, delivering enduring security, resilience and prosperity for the nation.
- **Objective** - To ensure the successful establishment of NCF at Samlesbury, at the heart of the NW Cyber Corridor. Build on the solid foundation of a booming industrial sector, a world-leading research and innovation base, deep-rooted educational and training assets and a diverse regional talent pool, to support the development and sustainment of a thriving and collaborative interdisciplinary ecosystem.
- Expected to generate over 2000 new direct jobs in Lancashire by the end of the decade.



Eden Project North

- A new £125m visitor destination, in a region in serious need of economic stimulus.
- Regenerate the seaside town of Morecambe, provide new jobs, deliver an education programme to local schools focused on the project's key themes of sustainability and the environment.
- Undertake ground breaking R&D, linking with world class research generated at Lancaster University.
- Commissioning Partnership: Eden / Lancashire Enterprise Partnership / Lancaster University / Lancaster City Council / Lancashire County Council.
- Levelling Up R2 bid submitted August 2022 – Outcome pending, expected end 2022.



Lancashire
Enterprise Partnership

Skills and Employment Hub



Strategic Approach in Lancashire

- Lancashire Skills and Employment Advisory Panel and Hub, supporting the work of the LEP and Local Authorities
- Oversight, development and implementation of the Lancashire Skills and Employment Strategic Framework – refreshed version published January 2021
- Collaboration at the heart – working with partners, stakeholders and employers across Lancashire
- Contributing to the development of Lancashire 2050

Lancashire Skills and Employment Strategic Framework 2021



LANCASHIRE SKILLS
& EMPLOYMENT HUB

Future Workforce

- + Careers Hub: Excellent careers provision underpinned by Labour Market Intelligence (LMI)
- + Technical Education Vision: roll out of T levels & progression pathways to higher technical qualifications
- + Digital Workforce of the future
- + Supporting young people who are NEET to reengage with learning and work

Skilled and Productive Workforce

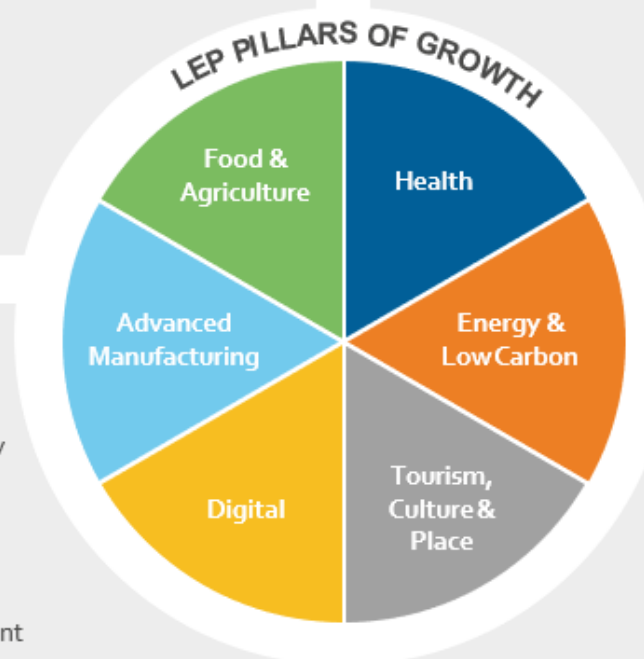
- + Technical Education Vision: Apprenticeships aligned with business needs, alongside growth in higher level and degree Apprenticeships
- + Reskilling & Upskilling the current workforce – with focus on digital skills to support technology adoption & the growth pillars
- + Leadership & Management capacity in SMEs
- + Healthy Workplaces

Inclusive Workforce

- + Boost employability & skills of unemployed & economically inactive residents & support journey into work, particularly in disadvantaged areas
- + Sector specific initiatives targeted at areas with labour market demand
- + Raise digital inclusion
- + Embed social value in commissioning, procurement and planning processes

An Informed Approach

- + Maintain a robust evidence base in the form of an effective and open source suite of relevant data
- + Evidence based approach to prioritising, influencing and directing funds
- + Collaboration with Local Stakeholders, other LEPs and Mayoral Combined Authorities, and sharing of good practice
- + Work with government to evaluate what works to influence future priorities and programmes



An “informed approach”

- From the Lancashire Skills and Employment Hub’s Strategic Framework, one of the strategic themes is an “informed approach”.
- This focuses around understanding Lancashire’s current and future skills needs, and wider labour market and economic challenges.
- We do this by creating, maintaining and analysing an open source online interactive toolkit, as well as commissioning and writing bespoke reports into topics of interest.
- By making sure that all of our interactions with data are robust and transparent, we can provide LEP members, policymakers, and wider stakeholders with up to date and insightful skills and socio-economic analysis.

An “informed approach”

- By maintaining and continually improving our evidence base:
 - We help an evidence based approach to prioritising, influencing and directing funds.
 - We collaborate with Local Stakeholders, other LEPs, MCAs and share good practice
 - We work with government to evaluate what works and what doesn't, in order to influence future priorities and programmes.
- We make use of publicly produced data, we also buy in data from vendors where this adds value, and commission research.
 - Some of this data that we buy in helps us respond to various different initiatives, such as DiT propositions and cheerleading for Lancashire businesses who are high tech and innovative in important emerging and growing sectors.

Practically, this looks like:



- We have an online interactive dashboard that is well-received and well used by our partners and stakeholders:
 - This lives here: www.lancashireskillshub.co.uk/our-people/evidence-base
- We have a private online interactive forecasting dashboard that we share with members of the Lancashire Economic Development Directors Group (14 Local/Unitary Authority Districts).
 - This is used to ensure all areas of Lancashire are working from a single source of the truth for future economic forecasts, and is regularly accessed by consultants commissioned by the authorities to do various studies and plans.
- We have a series of Travel to Work area LMI reports for Lancashire's 6 functional economic work and learning geographies. We also have these as careers resources for young people.
- We also commission sector specific LMI, having recently published a Food and Agriculture Sector LMI report, and last year an Energy and Low Carbon Skills Needs report.
- We also run webinars to inform stakeholders of latest labour market and economic developments, contribute to economic development strategies and assist with bid writing for initiatives which align with our own objectives.

Boost, Lancashire's Business Growth Hub

Contact Boost
0800 488 0057
visit

www.boostbusinesslancashire.co.uk

Andrew Leeming
Boost Programme Manager
Andrew.leeming@lancashire.gov.uk





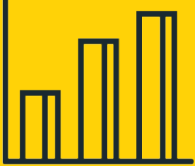
8th November 2022



Where we are

- » Lancashire's Business Growth Hub
- » A £2M per year programme backed by the ERDF, supported by the Lancashire LEP (Local Enterprise Partnership) and funded by Lancashire County Council (value add from BEIS)
- » Established in 2013
- » Providing a single user-friendly point of contact for growth advice and support

How Boost works

1.  Thinking of Growth
2.  Visit our website
3.  Contact our team
4.  Access relevant growth support
5.  Grow

» Boost was established in 2013 and is performing well against its specified targets and objectives. Since its launch it has engaged with over 12,000 businesses, of which over 3,000 have benefitted from more intensive support. Over £60m of additional GVA has been generated for the Lancashire economy, 1,000 new entrepreneurs have been assisted to create a business and over 3,000 new jobs created.

Boost: where we are

Since 2013 Boost has:



Supported

6,000+
businesses



Created

2,200
new jobs



Added

£70m+
to the Lancashire
economy

The support available

35+ programmes of support available, including:

- » Funding and access to finance
- » Mentoring from experienced businesspeople
- » Start-up support
- » International trade advice
- » Skills and training support
- » Product development and innovation
- » Sector-focused support



Lancashire
Enterprise Partnership

Communications & Stakeholder Engagement





Our Communications Guiding Principles

Transparent	Information on decisions taken by the LEP Board is available and how ongoing engagement has informed key decisions and strategy development. When we are unable to share information, we will explain the reasons fully and clearly
Two-way	The LEP will actively create opportunities for open and honest dialogue
Timely & Targeted	Information is provided when needed, ensuring it is relevant and set within the right context
Clear	Communication will be in plain English, easy to understand and not open to interpretation
Credible	The LEP's messages will mean something, the content is trusted, and free of undue influence



LEP Key Messaging:

The LEP is partnership driven

The LEP takes a collaborative, inclusive and supportive approach to all activity which is based on consensus to drive strategic activity underpinned by a robust evidence base to achieve positive demonstrable outcomes and inclusive growth throughout the whole of the county

The LEP is business led

The LEP is viewed as an organisation with strong relationships with the Lancashire business community and thorough understanding of what those businesses need to grow the Lancashire economy

The LEP is strategic

The LEP is recognised as the sole pan-Lancashire organisation with the overarching strategic oversight with the convening power to bring together a range of stakeholders. It is promoted by both BEIS and MHCLG as the leading organisation for economic development, growth and job creation

The LEP is investment focussed

The LEP promotes Lancashire's key strengths regionally, nationally and internationally to ensure the Lancashire offer is seen as a significant contributor to the North West and UK economies and wins an increased share of investment



Corporate Communications & Stakeholder Engagement

- Enhance the LEPs reputation and increase the effectiveness of its communications to drive Lancashire's economic growth and deliver its strategic intent
- Create and develop new partnerships to deliver the LEPs core objectives
- Foster a positive image of the LEP
- Influence how the general public and key stakeholders see the LEP; increased advocacy by key stakeholders
- Increase the interest of key stakeholders in the LEP's activities
- Raise the profile and enhance the credibility of the LEP, its activities, its people and its policies – increased legitimacy to create public value
- Create a constructive climate for businesses for information, recognition and involvement
- Bring the concerns and opinions of Lancashire businesses into the centre of the LEP's strategic decision making
- Taking our social and economic values and vision into the world



Lancashire
Enterprise Partnership

Sector Groups





Lancashire
Enterprise Partnership

6 x Sector Groups



Digital



Health



**Energy & Low
Carbon**



**Advanced
Manufacturing**



**Food &
Agriculture**



**Tourism, Culture
& Place**





Sector Groups

- Six sector groups have been established, aligned to the pillars of growth in the Strategic Framework
- Membership of the groups predominantly private sector with specific industry knowledge, along with experts from academia, public sector and other agencies (eg NHS)
- Provide real-evidence and insight as to what would have the most impact for their sector and will inform conversations with HMG
- Tasked with development of sector plans to identify to develop growth potential of each sector, PESTLE analysis and barriers to growth
- Initially looking at impact of Covid – some sectors far more impacted than others: aerospace and tourism in particular
- Fiscal environment means thinking more strategically about the policy drivers which can be used to effect change
- Interventions validated and prioritised by the group, as well as articulating the weight of demand on the enablers and how existing provision (eg business support) can be adjusted
- Plans to be 'triaged' to identify cross-sectoral commonalities (eg raising profile of Lancashire capabilities)
- Identification of cross-sectoral fertilisation (eg drone capabilities for use in agriculture)



VISION					
STRATEGIC IMPERATIVES					OUTCOMES
Significantly increase the number of digital pre-start and start-up businesses (including university spin outs)	Provide the conditions to allow more existing and new start businesses to scale up (demonstrate 20% + growth in jobs and revenues year on year)	Attract inward investment from two or three major digital employers	Increase the number of Lancashire businesses in all sectors using data and digital tools and services to increase employment and productivity	Greater collaboration and partnership between digital businesses and other priority sectors of Lancashire's economy, including advanced mobility, clean growth and health	<p>Lancashire has reclaimed its identity as an economic powerhouse on the global stage, at the forefront of a digital industrial revolution</p> <p>Lancashire is the fastest-growing digital economy in the UK and increase the contribution of the digital sector to over £5 bn per annum</p> <p>Lancashire is the location of choice for businesses and investors looking to develop and apply innovative digital solutions to significant global challenges in advanced mobility, supply and distribution of clean energy and net zero technologies, cyber security and health</p> <p>The benefits of improved skills and better access to job opportunities are available to everyone in Lancashire, regardless of race, creed, colour, gender, disability, sexual orientation or socio-economic background, leading to a better quality of life and standard of living for all</p> <p>Lancashire has leapfrogged other UK and international regions by focusing on its strengths</p>
ENABLERS					
Digital skills and talent development, providing inspiration for children and young people in education, upskilling and reskilling the existing workforce to address skills gaps and shortages and attracting and retaining more skilled people	A best-of-breed entrepreneurship and innovation ecosystem, inspiring leadership and a culture of co-creation and collaboration	Digital and physical infrastructure to support clustering and knowledge exchange, linking existing digital workplaces to county-wide provision offered through Samlesbury Super Hub	An escalator of strategic interventions in grant, debt and equity funding and network building to stimulate private sector investment	Investment in marketing and communications to project a positive, rich, dynamic, and forward-thinking image of Lancashire	
Digital Ecosystem	A	B	C	D	
Business Growth and Investment	E	F	G		
Digital Skills and Talent	H	I	J	K	L
Identity, Marketing and Promotion	M	N			



Lancashire
Enterprise Partnership

Sue Roberts

Commercial & Business Support Manager

sue.roberts@lancashirelep.co.uk



Growing Places Fund

Scheme Details

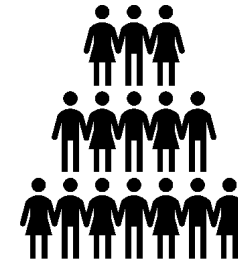
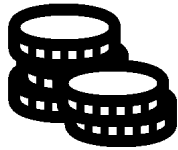
- £19.3 million grant provided by Government
- Has been used to create a revolving fund but new Investment Strategy under consideration
- 10 schemes completed
- 1 live scheme
- 3 schemes agreed at Head of Terms stage
- 1 scheme agreed In Principle
- Pipeline – 2 schemes value £5.75m

Impact of Fund



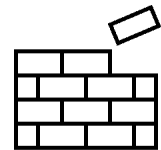
£39.3m Capital loaned

£107.3m Private Sector leverage



2,135 Jobs created

776 housing units



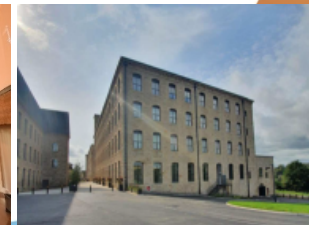
201,563 sqm commercial and residential space developed



Porsche Centre Workshop



ETC Urban Union Lofts



Northlight Apartments



Internationalisation Strategy

- 5 Pillars

Exports, Foreign Direct Investment, Capital Investment, Innovation & Visitor Economy

- 7 Priority Growth Sectors



- 14 Priority overseas markets

Page 44

	Germany	USA	France	Sweden	Ireland	India	Canada	China	Denmark	Norway	Australia	Netherlands	Singapore	Malaysia
Exports														
FDI														
Capital investment														
Innovation														
Visitor Economy														

- Feeds into Northern Powerhouse Trade & Investment Group
- [Executive Summary](#) published





Finance in Lancashire

- EKOS commissioned in early 2020
- Report identified 10 recommendations
- Stakeholder group created to oversee improvements to Financial eco-system in Lancashire
- [Executive Summary](#) and [Action Plan](#) published
- Ambitions
 - To create a vibrant and thriving financial ecosystem in Lancashire where companies and investors can find the information they need to create wealth in the county
 - Increase the amount of finance available in Lancashire including R&D grants
 - Be a source of information for international investors and companies



Lead Responsibilities

Andy Walker

Overview | Partnerships | Innovation | Emerging Sectors

Andy Milroy

Governance

Anne Marie-Parkinson

Capital Programmes| Enterprise Zones| National Cyber Force Campus | Eden North

Michele Lawty-Jones

Skills Hub | SAP | Social Value

Joe Mount

Evidence based data

Andrew Leeming

Boost, Lancashire's Growth Hub

Martine Winder

Comms | Stakeholder Engagement | Sector Groups

Sue Roberts

Growing Places Fund | Internationalisation Strategy | Finance Report | Northern Powerhouse



Summary

- » Broad range of activity
- » Strategy Development and Delivery
- » National policy position of LEPs uncertain and dependent on devolution position for each area.
- » Scrutiny – to determine a programme to call in and examine activity.



LEP – Sub Committee

LEP - Joint Scrutiny Committee

Private and Confidential: NO

Date: Friday, 18 November 2022

Growing Places Fund Process

(Appendix 'A' refers)

**Report Author: Sue Roberts, Tel: 01772 536605,
sue.roberts@lancashire.gov.uk**

Executive Summary

The LEP's Growing Places Fund has been available to bring forward stalled sites in Lancashire since 2012. The process for assessing the suitability of applicants for a Growing Places loan, approval, draw down and repayment of the loans are the subject of this paper.

Recommendation

The Members of the LEP Joint Scrutiny Committee are asked to note the report and presentation and raise any questions of clarification or additional information required.

Background and Advice

- 1.1 The Growing Places Fund (GPF) was launched in 2011 as a joint initiative of Department for Communities and Local Government (DCLG) and Department of Transport (DfT) who sought assurance that local partnerships were committed to using GPF for the provision of infrastructure and would target projects which represent good value for money.
- 1.2 When the GPF was launched, it was strongly encouraged by Government, to be used as a revolving Fund to unlock stalled investment; this has been the approach to-date in Lancashire with 100% of allocations being made in this way.
- 1.3 In 2012 the Lancashire Enterprise Partnership (LEP) was allocated £19,378,944 million in two tranches.
- 1.4 GPF has three overriding objectives,



- To generate economic activity in the short term by addressing immediate infrastructure and site constraints and promote the delivery of jobs and housing,
- To allow LEP's to prioritise the infrastructure they need, empowering them to deliver their economic strategies,
- To establish sustainable revolving funds so that funding can be reinvested to unlock further development and leverage private sector investment.

1.5 The purpose of GPF is to grow the economy of Lancashire by bringing forward development on marginal schemes which would not have come forward if left to market forces.

1.6 The Lancashire LEP uses the interest generated from the GPF to pay for salaries of officers and strategic initiatives to supplement the grant funding received from government and company members in the operational budget.

1.7 For every £100,000 of GPF loan, the LEP can expect to receive an average return of 4% plus the Bank of England base rate.

2. Growing Places Fund Process

2.1 The criteria for GPF is a stalled scheme based in Lancashire. The funding is for development sites which include housing, infrastructure, commercial or industrial buildings. This criteria was agreed by the LEP board prior to the application to government.

2.2 In order to provide evidence of need in Lancashire for the application process, the LEP approached Local Authority Chief Executives for schemes that would meet the fund's criteria.

2.3 The original application identified three schemes where GPF could be used with ownership, legal and planning consents in places with another three having been identified for the remaining GPF monies. A further seven schemes were submitted by partners for subsequent phases of investment, subject to suitability.

2.4 The process for delivering the loans was set up in line with LCC Financial Controls and Quality Assurance processes. This ensured that there is an audit trail and all expenditure is in line with agreed authority standards.

2.5 The Local Assurance Framework states the process for Growing Places loans. The LEP is responsible for the strategic investment of its £19.3m GPF which was established in 2012. The fund is managed by the LEP in consultation with its, Accountable Body, via a stage process.

- a) stage one assesses initial expressions of interest and market interest



- b) stage two focuses on the management of successful funding applications and agreement of funding agreement
 - c) stage three concerned with on-going monitoring and performance of the investment
- a) **Stage One** The purpose of stage one was to ensure that the proposed scheme is aligned with the LEP's Strategic Economic Plan and also that repayment terms can be met within an agreed timeframe of usually two/three years. Stage one was progressed through meetings with the project sponsor and concludes with the preparation of Heads of Terms for consideration by the LEP Board, and approval (if agreed by the LEP Board) to prepare loan and security documentation.
- b) **Stage Two** Stage two involves the appointment of solicitors to negotiate and draft the detailed terms of the loan and security documentation.
- c) **Stage Three** Stage three ensures that the project is monitored and that the GPIF investment is drawn down and repaid, in accordance with an agreed financial and development programme agreed by the County Council and the project sponsor. The LEP Board receives update reports on the management and performance of GPF.
- 2.6 The practicalities of delivering the fund follows the process detailed in the flowchart at Appendix A to ensure that the above Stages are adhered to.
- 2.7 The benefit of this approach has been to create an Evergreen Fund which contributes to the economic success of Lancashire. The outputs and impacts of the scheme are outlined in Section 3 below.
- 2.8 The nature of GPF in the alternative finance market is that schemes can take a long time to come forward. Many borrowers have not previously gone through a rigorous due diligence and monitoring process which has subsequently resulted in developers being much more robust in their approach going forward after a Growing Places scheme.
- 2.9 GPF has successfully brought forward development continuously since 2012 and has been fully recycled.

3. Outputs and Impact

- 3.1 As at 15 November 2022, the Growing Places Fund has delivered the following outputs.

Measure	Output
Number of completed schemes	10
Number of schemes on site	1
Value of loans	£39,328,361
Value of loans repaid	£37,745,982
Private sector investment	£107,301,465



Interest received on loans	£2,177,036
Square Foot/Square Metres developed	2,125,128 Sq Ft (201,563 sqm) buildings plus 215,278 sq ft (20,000 sqm) public realm
Jobs created	2,135
Housing units delivered	776

3.2 Types of schemes developed.

Type of scheme	Number
Commercial	2
Mixed Use	2
Housing	2
Land remediation	1
Infrastructure	1
Retail	1
Leisure	1
Total	10

3.3 The impact of GPF has been to support private sector development on the back of public sector investment in places such as in Burnley, Wyre and Pendle. GPF schemes have come forward as a result of public sector investment via the Growth Deal or Getting Building Fund programmes and has widened the impact of those schemes.

3.4 It has supported Local Authority strategic aims in West Lancashire and Preston with GPF schemes kick starting regeneration in those boroughs as developers had the confidence to realise their ambitions. In these instances, the banks were not prepared to lend to the borrowers. Again, further private sector development has ensued.

3.5 It has enabled new developers in Lancashire to start their development journey hereby growing capacity in the market.

4. Reporting

4.1 The LEP board approves in principle the loans and Heads of Terms and delegates the Facility Agreement and loan documentation to the LEP CEO in consultation with the Section 151 Officer and LCC's Director of Corporate Services.

4.2 Ongoing reporting is through the LEP Programme report which the board receive twice a year and includes the following information,

- Capital Loaned
- Capital Repaid
- Private Sector Investment

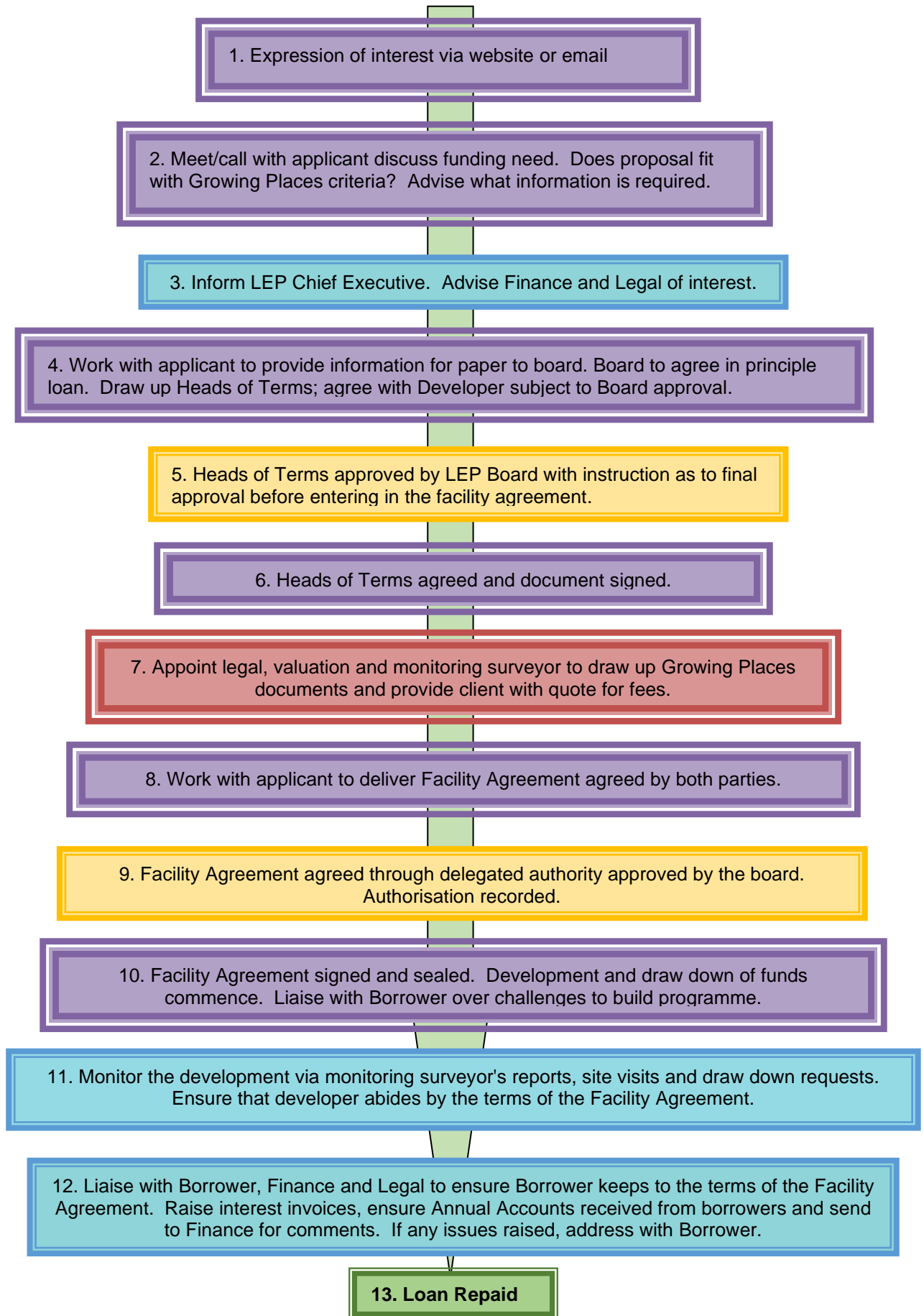


- Interest Received
- Capital Available to Invest
- Jobs Created
- Space Developed
- Housing Units delivered

A programme risk register is also provided along with the report

Appendix 'A'

Growing Places Fund Application Process



Key:

- Growing Places team
- External Legal Firm
- Developer
- LEP Board

Growing Places Fund Application Process

Overview of application process

1. Applications come to the LEP via various means such as emails, telephone conversations, referrals from business support activities and website Expression of Interest.
2. Conversation between the applicant and the Commercial and Business Support Manager discuss scheme and check that it fits with the criteria of the Fund.
3. The Commercial and Business Support Manager works with the applicant to develop a business case for the LEP CEO.
4. Once CEO satisfied with quality of the proposal, work with the applicant and take a paper to board for agreement in principle to the loan. Finance (including section 151 officer) and legal to sign off board paper.
5. Work with applicant to agree Heads of Terms subject to LEP board approval. The board may delegate authority to the CEO, Company Secretary and Section 151 officer to sign off the Facility Agreement.
6. Both parties sign the Heads of Terms.
7. Appoint a valuer and monitoring surveyor and legal firm to draw up the Facility Agreement and do the Due Diligence. Do credit checks in house.
8. Work with the applicant, monitoring surveyor, valuer, internal and external legal teams to get the construction documents agreed.
9. Work with applicant, internal and external legal teams and finance to agree Facility Agreement. Once Conditions Precedent completed, the Facility Agreement and other security documents presented to the delegated authority for signature.
10. Facility Agreement signed/sealed. External lawyers to provide the Bible of documents. Development phase can commence and drawdowns as per the terms of the Facility Agreement.
11. Monitoring of the scheme commences with monthly reports from the monitoring surveyor and drawdown of funds. Any issues identified brought up with the borrower.
12. Annual interest invoices raised, annual accounts and any other terms of the facility agreement monitored to ensure compliance with the Facility Agreement.
13. Liaise with Finance and internal Legal team in relation to partial and full repayment of the loan.