

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 21st April, 2015 at 6.00 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Mr E Booth (Chair)

Cllr M Bateson
Mr M Blackburn
Mr J Carter
Mr G Cowley
Mr M Damms

Dr M McVicar
CC J Mein
Mr M Smith
Mr D Taylor
Cllr M Townsend

In Attendance

Mr B Bailey
Mr H Catherall
Mr D Colbert
Mr A Good
Mr N Jack
Ms B Joyce

Mr M Kelly
Mr A Milroy
Ms P Smith
Ms J Turton
Mr A Walker
Mr I Young (Company Secretary)

1. Welcome and Apologies for Absence

The Chair, Mr E Booth, welcomed all to the meeting. Apologies for absence were noted from Councillor Simon Blackburn, Cliff Robson, Mike Tynan, Richard Evans and Councillor Stuart Hirst.

2. Minutes of the meeting held on 17th March 2015

Resolved: The Board approved the minutes of the meeting held on 17th March 2015 as an accurate record, the minutes were duly signed by the Chair.

3. Matters Arising

It was noted that the LEP Assurance Framework had been submitted to Government and was live on the LEP website.

4. Declarations of Interest

None declared.

5. Growth Deal Monitoring and Evaluation Framework

Dr Cathy Garner and Phil Ternouth, Consultants at Lancaster University Management School joined the meeting at this point.

Ms Beckie Joyce, Head of Strategic Development, Lancashire County Council, Dr Cathy Garner and Phil Ternouth presented a report (circulated) and gave a presentation regarding the Growth Deal Monitoring and Evaluation Framework.

It was noted that Central Government has devolved significant resources to LEPs through Growth Deals and that all LEPs are required to prepare and submit a Growth Deal Monitoring and Evaluation Framework (MEF). In addition it was noted that a Shadow Growth Deal Implementation Board, lead by LEP Board Member Mr Graham Cowley, has, via its Monitoring and Evaluation Sub-Group, overseen the preparation of the MEF.

The Board was reminded that at the LEP Board meeting held on 17th March 2015 it agreed the principles to underpin the MEF, as set out in the report.

In order to develop the MEF, the County Council, as accountable body for the LEP, is required to submit a quarterly financial return for the Growth Deal to Government. Project sponsors have been involved in the process and the draft MEF, as presented, has been shared with Government and incorporates feedback received. It was proposed that the new Performance Committee (of the LEP) and the Growth Deal Management Board ensure robust monitoring for all LEP initiatives.

It was reported that £100,000 has been set aside from the LEP Core Funding budget to meet set up and cover initial evaluation costs.

The Board was advised that in approving the MEF, the County Council, as accountable body, will advise on the optimum route to procuring the external validation and exemplar evaluation.

Six exemplar projects will be selected in Tier 1 from the following eight: Brierfield Mill, Engineering Innovation Centre, Burnley – Pendle Growth Corridor, East Lancashire Cycle Network, Preston Western Distributor, Energy HQ, Lancaster Health Innovation Park and Blackpool Bridges Maintenance.

The two not selected in Tier 1 will be validated in Tier 2.

Resolved: Following a short discussion of the key points of the MEF, the LEP Board:

- (i) Noted that the LEP Board agreed an overarching approach to Growth Deal evaluation at its meeting in March 2015;
- (ii) Approved the submission of the draft Growth Deal MEF to Government, based on the document set out in Annex 1 (to the report);

- (iii) Noted that the MEF is a live document and will be reviewed annually and according to business need;
- (iv) Noted that an initial allocation of £100,000 has previously been set aside for monitoring and evaluation from the LEP's existing core funding allocation;
- (v) Noted that the implementation of the MEF will be overseen by the proposed Growth Deal Management Board; and
- (vi) Requested that detailed draft Terms of Reference for the Growth Deal Management Board be submitted to the June 2015 meeting of the LEP Board for consideration.

Dr Cathy Garner and Phil Ternouth, Consultants at Lancaster University Management School left the meeting at this point.

6. Growth Deal Funding Agreement Principles

Mr Martin Kelly, Director of Economic Development, Lancashire County Council presented a report (circulated) regarding the Growth Deal Funding Agreement Principles.

Mr Kelly highlighted that all LEP's are required to provide assurance to Government that there is adequate provision in place for the protection of the Local Growth Funds (LGF) allocated through Growth Deals. All project sponsors are required to sign a Growth Deal Grant Funding Agreement, prior to draw down of funds, with the agreements including provisions for the protection of public funds.

Once agreements are in place, they will be signed by the County Council, as the accountable body for the LEP and individual project sponsors / the project delivery agents.

The LEP will require assurance that all conditions set out in the LGF Agreements have been discharged prior to draw down of resources and it was proposed that the Growth Deal Management Board be tasked with undertaking this role and that draft Terms of Reference be brought to the Board for consideration at its June 2015 meeting.

Resolved: The LEP Board:

- (i) Noted the requirement for the accountable body, on behalf of the LEP, to ensure there are adequate provisions in place for the protection of the LGF resources;
- (ii) Approved the Key Principles documents for incorporation into legally binding LGF agreements for Growth Deal projects;

- (iii) Agreed to delegate to the Director of Governance Finance and Public Services of the County Council and Director of Economic Development of the County Council responsibility for the preparation of the individual LGF agreements based on the Key Principles;
- (iv) Approved a requirement that individual LGF agreements be brought back to the LEP Board, if project sponsors are unable to meet the key principles;
- (v) Agreed that the proposed Growth Deal Management Board be tasked with ensuring that any conditions set out in the LGF Agreements be discharged appropriately prior to final draw down by the project sponsors; and
- (vi) Requested that draft Terms of Reference for the proposed Growth Deal Management Board be brought to the LEP's Board meeting in June 2015 for detailed consideration.

7. Report from Transport for Lancashire - Growth Deal Funding Decisions

Mr Dave Colbert, Specialist Advisory Transportation, Lancashire County Council presented a report (circulated) regarding Growth Deal Funding recommendations from the Transport for Lancashire Committee.

It was reported that the Transport for Lancashire Committee met on Monday 13th April 2015 and considered Business Case Schemes for Blackburn to Manchester Rail Corridor Improvement Scheme, Blackpool Bridges Maintenance Scheme and Centenary Way Viaduct Maintenance Scheme and recommended all three schemes for approval by the LEP.

Resolved: The LEP Board:

- (i) Approved the granting of Full Approval to the Blackburn to Manchester Rail Corridor Improvement Scheme;
- (ii) Approved the granting of Full Approval to the Blackpool Bridges Maintenance Scheme and request the Growth Deal Management Board ensure the four conditions set by Jacobs are discharged; and
- (iii) Approved the granting of Full Approval to the Centenary Way Viaduct Maintenance Scheme.

8. ESIF Update

Mr Brian Bailey, Director of Regeneration, Blackburn with Darwen Borough Council and Mr Andy Walker, Head of Business Growth, Lancashire County Council presented a report (circulated) updating the LEP Board on the European Structural and Investment Funds (ESIF) Strategy.

It was reported that as a result of the current UK Government and European Commission negotiating position, it has become clear that the role of LEPs will be to ensure the project fit of investment priorities with the LEPs agreed Strategic Economic Plan (SEP) and ESIF plans, but with project appraisal and ultimate decision-making responsibly remaining with the UK Government, as the Managing Authority.

It is anticipated that the UK Government will make a decision in Autumn 2015. In anticipation of this decision the LEP Board was presented with a detailed programme of active ESIF calls in Lancashire, totalling a committed amount of £29.5m at Table 1 to the report, with the initial programme anticipated to commence in October 2015 and run through to January 2016.

Resolved: The LEP Board:

- (i) Noted and clarified the national situation on the issues raised in the report and requested that the Lancashire ESIFs partnership give further consideration to the project detail at their next meeting;
- (ii) Requested a more detailed report be submitted to the June 2015 meeting of the LEP Board to consider the pipeline of capital and revenue projects proposed for the initial three years of the 2014-2020 ESIF operational programme, consistent with the LEP's Strategic Economic Plan; and
- (iii) Requested that proposals regarding governance of LEP business support activities be submitted to the June 2015 meeting of the LEP Board, as part of the on-going development of the LEP's Assurance Framework.

9. Any Other Business

None

10. Date of Next Meeting

It was noted that the next meeting of the LEP Board was scheduled for Tuesday 16th June 2015, at 6pm, in Cabinet Room 'D', County Hall, Preston.

Part II (Private and Confidential)

11. Growing Places - Luneside East

This item was private and confidential as it contained exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information).

Mr Martin Kelly presented a report (circulated) regarding the Luneside East development which is one of the LEP's Growing Places loan investment schemes.

The Board noted the current position with the scheme as presented and was asked to consider a revised strategy moving forward in order to maximise the interests of the LEP.

Resolved: Following careful consideration and discussion of the scheme, the LEP Board:

- (i) Approved a revised Growing Places loan agreement with Luneside East Limited, based on the rationale and conditions set out in the private and confidential report;
- (ii) Authorised the Company Secretary and the Directors of Financial Resources and Economic Development at Lancashire County Council to finalise the revised Growing Places funding agreement, on behalf of the LEP, with Luneside East Limited; and
- (iii) Requested that the revised funding agreement be submitted for approval to the LEP's Executive Committee, given pressing deadlines.