

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 10th February, 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	Dr M McVicar
Cllr S Blackburn	CC J Mein
Mr J Carter	Mr C Robson
Mr G Cowley	Cllr M Townsend
Mr M Damms	Mr M Tynan
Mr R Evans	

In Attendance

Mr B Bailey	Mr M Kelly
Mr D Colbert	Mr A Milroy
Ms B Joyce	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 Mike Blackburn and Councillor Stuart Hirst. Officer apologies were also noted from Harry Catherall, Neil Jack and Jo Turton.

2. Minutes of the meeting held on 15th January 2015

Resolved: The Board approved the minutes of the meeting held on 15th January 2015 as an accurate record, the minutes were duly signed by the Chair.

3. Declarations of Interest

Two Declarations of Interest were made:

Richard Evans declared that in relation to item 8 on the agenda (Lancashire EZ Governing Body) that his employer, KPMG, is the auditor for BAE Systems and Eric Wright and that he is the audit partner for both.

Graham Cowley declared that in relation to items 7,8,10 and 11 (Growth Deal, Lancashire EZ Governing Body, Lancashire Strategic Prospectus and Blackburn

to Manchester Rail Corridor) that his employer, Capita, may be involved in design of projects by virtue of its partnership with Blackburn with Darwen Borough Council, although at this stage nothing specific has been confirmed.

It was agreed that both Directors were able to participate in these items.

4. Matters Arising

It was noted that the agenda for the meeting had not been circulated 5 working days in advance of the meeting and that efforts would be made to ensure it is produced 5 working days in advance for future meetings.

5. Protocol on the Disclosure of Confidential Information for Directors / Observers / Officers and other attendees at Lancashire Enterprise Partnership Board Meetings

Mr I Young, Company Secretary, presented a report (circulated) which outlined a protocol on the disclosure of confidential information for Directors, Observers, Officers and other attendees at Lancashire Enterprise Partnership (LEP) Board meetings.

It was noted that the LEP had at its 9th December 2014 Board meeting agreed to make information it holds freely available to the public in fulfilling its responsibility for openness and accountability, whilst respecting the rights of individuals and other organisations and its own commercial interests to the extent recognised by the Freedom of Information Act.

The report outlined a protocol containing how confidential information will be identified and what is expected of anyone who receives confidential information regarding its disclosure. In addition, the report outlined a protocol for Observers attending LEP Board meetings and their responsibilities regarding disclosure of information and procedure for engagement with the Board at meetings.

Resolved: The Board approved the protocol on the disclosure of confidential information and attendance of Observers as presented.

6. Sub Committee Appointments

Mr E Booth, presented a report to the Board (circulated) that outline a number of changes to the LEP representation on a number of the sub committees of the LEP.

Mr Booth explained that he wished to nominate Mr Graham Cowley as his representative on the Transport for Lancashire Committee and Mr Jim Carter as his representative on the City Deal Executive.

In addition, in light of the recent resignation of the Vice Chair of the LEP, it was

proposed that the Lancashire Skills Board be chaired by the current Vice Chair of the Skills Board, Ms Amanda Melton and in order to strengthen the representation on the Skills Board that two additional members be appointed, namely Mr Graham Howarth (HR and Legal Director of Crown Paints) and Mr Paul Holme (Chair of the North West Training Provider Network).

Resolved: The Board noted and approved that:

- (i) Mr Graham Cowley be appointed as the Chair's nominated representative on the Transport for Lancashire Committee;
- (ii) Mr Jim Carter be appointed as the Chair's nominated representative on the City Deal Executive;
- (iii) The requirement for the Lancashire Skills Board to be chaired by the LEP Skills champion be waived pending revised Terms of Reference being submitted to the Board for approval;
- (iv) Ms Amanda Melton, the current Vice Chair of the Lancashire Skills Board, be appointed as the Chair of the Skills Board; and
- (v) Mr Graham Howarth and Mr Paul Holme be appointed as private sector representatives on the Lancashire Skills Board.

7. Growth Deal 2 Update

Mr M Kelly, Director of Economic Development and Ms B Joyce, Head of Strategic Development both Lancashire County Council presented a report (circulated) which provided an update on the Growth Deal implementation and the Assurance Framework for the LEP.

The Board was reminded that the LEP has secured one of the country's most significant first round Growth Deals, with the announcement of an investment programme valued at £370m, of which £234m was competitively secured from the Government's Local Growth Fund (LGF). In addition, Government recently announced an extension to the Lancashire Growth Deal which was previously described as Growth Deal 2 which confirms an additional £17.2m of LGF, which the LEP has prioritised to be allocated on key projects: including: UCLAN's Engineering and Innovation Centre; Burnley Vision Park; Rawtenstall Redevelopment Zone; M6 J28 Improvements and Employment Growth Opportunities; and Fab Lab – Making Rooms in Blackburn.

Ms Joyce provided an update on the establishment of the Shadow Growth Deal Programme Board following the decision taken by the LEP at its December 2014 meeting to establish the Programme Board, Chaired by Mr Graham Cowley.

The Board was presented with draft Terms of Reference for the Programme Board for consideration and approval. In addition it was suggested that the Programme Board report to the LEP Board on a quarterly basis.

Mr Cowley reported that the initial Shadow Programme Board meeting had been positive with a volume of work identified for the Shadow Programme Board to undertake and report back to the LEP Board.

Updates were also provided on progress of the Assurance Framework, with key milestones for the approval process for the Framework presented to the Board.

Resolved: That the Board:

- (i) Approved the draft Terms of Reference for the Growth Deal Programme Board, as set out in Annex 1 (to the report).
- (ii) Requested that a detailed report on the LEP's media and communications strategy, in support of key programmes and projects, be submitted to the LEP Board meeting on 21 April 2015.
- (iii) Requested a presentation on evaluation options be made to the LEP Board on 17 March 2015.
- (iv) Requested that the draft Assurance Framework be submitted for detailed consideration at the LEP Board meeting on 17 March 2015.
- (v) Requested that the final draft Implementation Plan be submitted for detailed consideration by the LEP Board at its meeting on 17 March 2015.
- (vi) Requested that the final draft Monitoring and Evaluation Framework be submitted for detailed consideration by the LEP Board at its meeting on 17 March 2015; and
- (vii) Approved the engagement process with local MPs and local authority leaders, as outlined in section 5 of the report.

8. Lancashire EZ Governing Body - Revised Terms of Reference

Mr Kelly presented a report (circulated) the purpose of which was to agree revised Terms of Reference for the Lancashire Enterprise Zone Governance Committee. The report also contained a Membership list and it was noted that due to the significance of the Enterprise Zone the Governance Committee will be chaired by the Chair of the LEP, Mr Booth.

Resolved: The Board approved the revised Terms of Reference and membership of the Enterprise Zone (EZ) Governance Committee, Programme Board and Project Board in relation to the Lancashire Enterprise Zone, as detailed in Appendix 'A' to the report.

9. Blackpool Airport Corridor EZ Application Update

Mr Kelly report gave a verbal update regarding the Blackpool Airport Corridor EZ application. Mr Kelly confirmed that the application had been submitted to Government by the deadline, and that an announcement on the outcome of the application would be made after the Chancellors budget on 18th March 2015.

Resolved: The Board noted the verbal update on the Blackpool Airport Corridor EZ application.

10. Lancashire Strategic Transport Prospectus

Mr D Colbert, Lancashire County Council, presented a report (circulated) that set out the potential implications for Lancashire of the 'Connected North' agenda, and proposed a way forward to enable Lancashire to align its own strategic transport priorities alongside this fast emerging agenda through the preparation of a Strategic Transport prospectus for Lancashire.

The prospectus included those strategic priorities that have emerged to date through the highways and transport masterplanning process and development of the Strategic Economic Plan which was submitted by the Lancashire Enterprise Partnership to the Government in March 2014.

Mr Colbert reported that the Transport for Lancashire Committee had considered the Lancashire Strategic Transport Prospectus at its meeting held on 3rd February 2015 and the feedback received from that meeting would be incorporated into the final version of the Prospectus, the main thrust of which was to include more details about Lancashire as a place and what it offers.

Resolved: That the Board:

- (i) Noted progress to date in preparing the Strategic Transport Prospectus;
- (ii) Noted the proposed modifications proposed by the Transport for Lancashire committee;
- (iii) Approved in principle the approach adopted in preparing the Strategic Transport Prospectus and the priorities set out therein; and
- (iv) Authorised Transport for Lancashire to receive and sign-off a final draft at its next meeting on 13th April 2015.

11. Blackburn to Manchester Rail Corridor Improvement Scheme

Mr Colbert presented a report on behalf of the Chair of the Transport for Lancashire Committee regarding the Blackburn to Bolton Rail Corridor Improvement Scheme. The Board was reminded that Lancashire's transport investment programme as a scheme is due to commence works in 2015/16. In accordance with the Lancashire Enterprise Partnership's Assurance Framework, the scheme is therefore subject to a two stage approvals process, the first stage of which is a Conditional Approval decision by the Board.

Independent scrutiny of the Outline Business Case had been undertaken by Jacobs UK Limited on behalf of the Transport for Lancashire Committee. It was

reported that the consultant's view was that the Blackburn to Manchester Rail Corridor Improvement Scheme be granted Conditional Approval to enable it to progress to Full Business Case submission, subject to a number of conditions that the scheme promoter will need to address as part of that submission.

Mr Colbert reported that the Transport for Lancashire Committee had considered the detailed report from Jacobs at its meeting held on 3rd February 2015 and resolved to recommend that the LEP Board grant conditional approval to the scheme.

Resolved: That the Board:

- (i) Approved the granting of Conditional Approval for the Blackburn to Manchester Rail Corridor Improvement Scheme; and
- (ii) Requested that officers advise the scheme promoter that the six conditions set out in the Jacobs report need to be addressed in the Full Business Case submission.

12. Update on the Civil Nuclear Market in the UK

Mr M Tynan, Board Director and Chief Executive of Nuclear Advanced Manufacturing Research Centre (AMRC) provided a presentation to the Board on nuclear fuel.

Mr Tynan explained the setup of the current UK civil nuclear marketplace and that it consists of three fleets, containing 16 operating reactors, all at coastal locations which produce almost 20% of the UK's electricity. 14 are Advanced Gas Cooled Reactors (AFR's) that are due to close progressively from 2018, although owners are seeking a 9 year life extension on average, one Magnox Reactor located at Wylfa on Anglesey which is due to close in December 2015 and one Pressurised Water Reactor (PWR) at Sizewell in Suffolk – due to close 2045, the owner is seeking a 10 year life extension to this site.

There are plans to construct new reactors in the UK. The first of which is likely to be Hinkley Point C, which is a French reactor, the scheme is owned by EDF Energy, this is due on line mid 2020's and construction may start in 2017, with a cost somewhere between £20 - £30 billion. A second reactor by scheme promoters from Japan is proposed for Wylfa Newydd, this is also due on line mid 2020's, construction may start in 2019 with cost estimated at £20 billion. A third reactor is planned for Moorside which has two scheme promoters, this reactor is due on line mid 2020's, construction may start in 2019 at a cost of £20 billion.

It was noted that the North West, and specifically Lancashire has opportunities to increase economic development in this area as Sellafield in West Cumbria is a reprocessing facility, Springfield's in Fylde manufactures nuclear fuel and supplies the existing facilities and there are National Nuclear Laboratories at Springfields, Sellafield and Birchwood (Warrington).

It was further noted that Small Modular Reactors (SMR's) are a potential development for the UK, they are not yet licensed but have large potential for exporting, in addition the manufacture of specialised containers that are used in the decommissioning of existing nuclear sites represent another potential development for the UK.

Resolved: The Board thanked Mr Tynan for his presentation, noted the development opportunities in the UK nuclear market and welcomed further information being presented as new nuclear technology develops.

13. ESIF Update

Mr B Bailey, Blackburn with Darwen Borough Council presented a report (circulated) on European Structural and Investment Funding for 2007 – 13 and 2014 – 20.

The Board was reminded that the Government has established a National (England) Growth Programme for EU funding over the period 2014-20. The Growth Programme will include the European Regional Development Fund (ERDF), European Social Fund (ESF) and a proportion of European Agricultural, Farming and Rural Development Fund (EAFRD). The EU Growth Plan is worth £5bn in England, with Lancashire having a notional allocation of £231m. The allocation is split £136.5m ERDF, £89.5m ESF and £4m EAFRD.

It was noted that the first informal meeting of the Lancashire Area ESIFs Partnership was held on 24th November 2014 and was chaired by the LEP Board Champion for European Funding.

More recent discussions at the English National Growth Board have indicated that the Government's proposed governance role for ESIFs Partnerships has changed. The Government has advised that as a result of continuing discussions with the European Commission the role of ESIFs Partnerships will be purely advisory.

In the case of ERDF and ESF activity the Government have indicated, with the formal guidance yet to be received, LEPs can request limited 'at risk' calls in March 2015. Although it not anticipated that the ERDF and ESF Operational Programmes will be formally approved until June 2015 the Government wishes to run limited calls prior to purdah. A more detailed report will be presented to the Lancashire ESIFs Partnership at its next meeting on 5th March 2015.

Resolved: That the Board:

1. Noted the issues raised in the report; and,
2. Endorsed BOOST Growth Hub and LEP Skills Board priorities, as forming the key elements of any early funding calls initiated by Government and the Lancashire ESIFs.

14. Department for Transport Local Highways Maintenance Challenge Fund

Mr Colbert presented a report (circulated) with information regarding the establishment of the Local Highways Maintenance Challenge Fund announced by the Government in the 2014 Autumn Statement.

The LEP Board was invited to endorse three bids:

- Lancashire County Council: M65 Motorway Exceptional Infrastructure Maintenance
- Lancashire County Council: Upgrading of Street Lighting
- Blackpool Council – Bridge Repair

It was noted that an additional bid was forthcoming from Blackburn with Darwen Borough Council and would be circulated to the LEP Board for approval as soon as possible.

Resolved: That the LEP Board approved the three Local Highways Maintenance Challenge Fund bids as presented, and noted a further bid from Blackburn with Darwen Borough Council would be submitted in due course.

15. Any Other Business

Mr M Damms as Chair gave a brief update on the activities of the LEP's private sector and business intermediary Stakeholder Group. It had Terms of Reference and had thus far focussed on business support and on communication through its networks. Membership included Chambers, Institute of Directors, Downtown in Business, NW Society of Chartered Accountants, Federation of Small Businesses and Marketing Lancashire.

16. Date of Next Meeting

It was noted that the next Board meeting was scheduled for 17th March 2015, 6pm, County Hall, Preston.