



Company Number: 07388600

Lancashire Enterprise Partnership Limited Board

Tuesday, 7th November, 2017 in Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston, at 4.30 pm

Agenda

Part I (Items Publicly Available)

- 1. Welcome and Apologies for Absence**
- 2. Minutes of the meeting held on 29th June 2017 (Pages 1 - 8)**
- 3. Matters Arising**
- 4. Declarations of Interest (Pages 9 - 10)**
- 5. LEP Governance and Committees Decisions Report (Pages 11 - 32)**
- 6. LEP Innovation Plan - Update on Progress (Pages 33 - 38)**
- 7. Update from the Lancashire Skills & Employment Board (Pages 39 - 44)**
- 8. Northern Cultural Regeneration Fund**
To follow
- 9. Planning for the Right Homes in the Right Places: Consultation Proposals – Response of the Lancashire Enterprise Partnership (Pages 45 - 60)**
- 10. Lancashire European Structural and Investment Fund (ESIF) programme - Update on Performance and Future Planning (Pages 61 - 68)**
- 11. Strategic Marketing and Communications Activity Update (Pages 69 - 76)**
- 12. Any Other Business**

13. Date of Next Meeting

The next LEP Board meeting is scheduled for Tuesday 30th January 2018, 4:30pm in Committee Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

Part II (Items that are Private and Confidential)

14. Establishment of an Urban Development Loan Fund for Lancashire Using European Structural and Investment Funding (Pages 77 - 80)

15. Growth Deal Programme Update and Project Funding Approval (Pages 81 - 88)

16. Appointment of a new LEP Director (Pages 89 - 94)

17. BAE Update

Chairman to introduce, oral update.

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Thursday, 29th June, 2017 at 4.30 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Edwin Booth (Chairman)

Mike Blackburn	Dave Holmes
Councillor Simon Blackburn	Mick Gornall
Jim Carter	Councillor Peter Mullineaux
Graham Cowley	Councillor Phil Riley
Ann Dean	Khalid Saifullah
County Councillor Geoff Driver CBE	Professor Mark Smith
Richard Evans	Councillor Mark Townsend
County Councillor Michael Green	

In Attendance

Jo Ainsworth, Specialist Advisor Finance, Lancashire County Council
Brian Bailey, Director of Planning & Prosperity, Blackburn with Darwen Borough Council
Ruth Connor, Chief Executive, Marketing Lancashire
Neil Jack, Chief Executive, Blackpool Council
Denise Johnson, Deputy Chief Executive, South Ribble Borough Council
Martin Kelly, Director of Economic Development, Lancashire County Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council
Warren Ralls, Director, LEP Network
Jo Turton, Chief Executive, Lancashire County Council
Ian Young, Company Secretary

1. Welcome and Apologies for Absence

The Chairman, Edwin Booth, welcomed all to the meeting. Apologies for absence were presented from David Taylor, Claire Whelan and Malcolm McVicar.

Part II (Private and Confidential)

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential, to consider a presentation regarding Project ERIC as it contained information provided in confidence as defined in 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.

12. Project Presentation

The Chairman moved that Item 12 be considered as the first substantive item on the agenda.

Resolved: A presentation was received in relation to Project ERIC by the LEP Board.

The meeting returned to Part I at this point.

2. Minutes of the meeting held on 28th March 2017

Resolved: That the minutes of the Board meeting held on 28th March 2017 be approved as an accurate record and signed by the Chairman.

3. Matters Arising

None

4. Declaration of Interests

Professor Mark Smith declared an interest in Item 12 – Outline of Project Eric – Lancaster University would potentially seek to take advantage of this project for research purposes.

Councillor Simon Blackburn declared an interest in Item 15 – Growth Deal Funding Application regarding the Winter Gardens Conference Centre Funding as the Leader of Blackpool Council.

Councillor Phil Riley declared an interest in Items 8 and 15 – National Productivity Investment Fund and Growth Deal Funding Application as two bids contained reference to Blackburn with Darwen Borough Council.

The LEP Board approved that all three would be excluded from voting with regard to the respective items they declared an interest in but could be present for those items.

5. A Forward View of LEPs including Accountability and Governance

Warren Ralls, Director of the LEP Network, gave an oral presentation on the LEP Network and explained that it is a gateway to news and information that enables LEPs to come together on areas of shared importance, engage with Government, and share knowledge and good practice.

Mr Ralls also explained that he was currently preparing a feedback report regarding all LEPs which will be submitted to Government. In the main the Lancashire LEP's feedback is positive with a few smaller issues to pick up

regarding declaration of interests. Generally the current feedback from Ministers regarding LEPs is positive with reference made to LEPs in the Conservative Manifesto prior to the General Election held in June 2017.

Further updates were provided on the current situation regarding the European Structural and Investment Fund (ESIF).

Mr Ralls stated that he will continue to work closely with the LEP and Economic Development Officers.

Resolved: That the LEP Board noted the oral presentation regarding the LEP Network and LEPs Accountability and Governance.

6. LEP Governance and Committees Decisions Report

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council, presented a report (circulated) regarding LEP Governance matters and updates from recent Committee meetings.

The LEP Board noted the recent Director changes as set out. With regard to the appointment of County Councillor Driver it was noted that in accordance with the Terms of Reference for the relevant Committees he (or his nominee) had been appointed to the Enterprise Zone Governance, Transport for Lancashire Committee, City Deal Executive and the Executive Committee. It was further noted that County Councillor Driver (or his nominee) would also serve of the European Structural and Investment Fund Partnership.

With regard to the second vacancy on the ESIF Partnership, the Chairman recommended that Miranda Barker, Chief Executive of the East Lancashire Chamber of Commerce be appointed.

It was noted that the remaining vacancies on Performance Committee, Transport for Lancashire Committee and Business Support Management Board would be considered by the Chairman following the meeting.

Resolved: The LEP Board:

- (i) Noted the updates provided in the report in relation to the Committees of the LEP.
- (ii) Noted the recent Director changes and Committee appointments stated in the report.
- (iii) Approved the appointment of County Councillor Geoff Driver (or his nominee) and Miranda Barker to the European Structural and Investment Fund Partnership.
- (iv) Approved the revised Transport for Lancashire Terms of Reference as attached to the report.

7. Establishment of a 'Fund of Funds' including Attracting Capital Investment

Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council, presented a report (circulated) regarding the establishment of a 'Fund of Funds' including attracting Capital Investment.

Approval was sought to review the LEP's current approach to managing and deploying its Growing Places Investment Fund, including giving consideration to the establishment of a 'Fund of Funds'. In addition, approval was sought to promote funds available in Lancashire in a cohesive manner, as part of Lancashire's wider investment offer, and to help develop new approaches to attracting and leveraging further private investment.

Resolved: The LEP Board

- (i) Noted the contents of this report;
- (ii) Authorised officers, with the support of external consultants, to review the Growing Places Investment Fund approach and consider the establishment of a 'Fund of Funds' including reviewing the provisional £10M provisional allocation within Lancashire's ESIF programme towards development finance;
- (iii) Agreed to appoint external consultants to work with officers and representatives from the Department for International Trade (DIT), to establish an approach to securing external investment to support the delivery of existing and emerging LEP economic priorities where there are funding and investment gaps available;
- (iv) Agreed to receive a report at a future meeting which sets out options on the above proposals; and
- (v) Approved officers to promote the variety of funds available in Lancashire in a cohesive manner alongside Lancashire's investment offer, primarily

8. National Productivity Investment Fund

Martin Kelly, Director of Economic Development, Lancashire County Council, presented a report (circulated) regarding the National Productivity Investment Fund which set out the process and requirements for project bids together with a brief summary of the bids being prepared for submission by Lancashire County Council, Blackburn with Darwen Borough Council and Blackpool Council.

Resolved: Following endorsement by the Transport for Lancashire Committee, the LEP Board approved the bids prepared for submission by Lancashire County Council, Blackburn with Darwen Borough Council and Blackpool Council as set out in the appendix to the report.

9. Strategic Marketing and Communications Activity

Ruth Connor, Chief Executive of Marketing Lancashire, presented a report (circulated) which highlighted marketing activity for the LEP since the last Board meeting.

Resolved: The LEP Board

- (i) Noted the contents of this report;
- (ii) Noted that that the Chief Executive of Marketing Lancashire, as the LEP's Media Communications and PR lead, will continue to provide regular updates to the LEP Board on the strategic marketing outputs and activity; and
- (iii) Approved that the LEP Website be redeveloped.

10. Any Other Business

Councillor Simon Blackburn, Leader of Blackpool Council and Shadow Combined Authority Chairman provided an update on recent correspondence with Government.

Resolved: That the update be noted.

Brian Bailey, Director of Planning & Prosperity, Blackburn with Darwen Borough Council provided an update regarding the ESIF Programme and a scheme in Chorley that was put forward but was turned down by DWP. Mr Bailey requested LEP Board approval that a response be sent to Ministers asking for this decision to be reviewed.

Resolved: The LEP Board approved that a response be sent to Ministers asking for the ESIF Programme decision in relation to Chorley be reviewed.

11. Date of Next Meeting

It was noted that the next LEP Board meeting is scheduled to be held on Tuesday, 7th November 2017, 4:30pm at County Hall, Preston.

Part II (Private and Confidential)

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining three reports as they contained information provided in confidence as defined in 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.

13. LEP Budget Outturn Report 2016/17 and Operational Budget 2017/18

Kathryn Molloy presented a report (circulated) regarding which contained the LEP Budget Outturn Report for 2016 / 17 and the proposed Operational Budget for 2017 / 18.

Resolved: The LEP Board

- (i) Noted the contents of this report including the LEP's financial outturn position for 2016/17;
- (ii) Approved the inclusion of the LEP's financial outturn position for 2016/17 in the LEP's first Annual Report which will be published on the Lancashire Enterprise Partnership website;
- (iii) Approved the proposed revised Operational Budget for 2017/18; and
- (iv) Noted the balance statement for the LEP's Growing Places Investment Fund.

14. LEP Business Plan 2017/20 and Annual Report 2016/17

Kathryn Molloy presented a report (circulated) seeking approval to the LEP Business Plan for 2017 to 2020 and Annual Report for 2016/17.

Resolved: The LEP Board

- (i) Considered and commented on the contents of the LEP's Business Plan and Annual Report documents;
- (ii) Approved that officers make the necessary changes and publish the documents on the LEP's website; and
- (iii) Authorised the Performance Committee to continue to monitor progress in relation to the delivery of the LEP's key economic initiatives and monitor the impact LEP activity is having across a range of economic indicators for Lancashire.

15. Growth Deal Funding Approvals

Kathryn Molloy presented a report (circulated) containing two Growth Deal Funding Approvals, namely, the 21st Century Blackpool Conference Centre and Blackburn Town Centre Project: Blakey Moor Improvements.

Resolved: The LEP Board

- (i) Considered the contents of this report, including the independent appraisal reports for the Blackpool 21st Century Conference Centre scheme and for the Blackburn Town Centre Improvements scheme attached as appendices;
- (ii) Considered the recommendations of the GDMB following its meeting held on the 7 June;
- (iii) Approved a maximum Growth Deal funding allocation of up to £15M for Blackpool's 21st Century Conference Centre scheme subject to the conditions identified in the independent appraisal report and the 6-week public consultation on the scheme business case; and
- (iv) Approved a maximum Growth Deal funding allocation of up to £200k for the Blackburn Town Centre Improvements scheme subject to the conditions identified in the independent appraisal report.

Agenda Item 4

Director's Declaration of Interest in Proposed Transaction or Arrangement

LANCASHIRE ENTERPRISE PARTNERSHIP LIMITED

Name	
Date of Notification	
Date of Consideration of Item (i.e. date of Board meeting)	07.11.07
Item Number (if relevant)	
Description of Transaction	
Nature of Interest	



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 7 November 2017

LEP Governance and Committees Decisions Report

Report Author: Andy Milroy, Senior Democratic Services Officer, (01772) 530354, andy.milroy@lancashire.gov.uk

Executive Summary

This report extracts the key items considered by each of the Lancashire Enterprise Partnership (LEP) Board Committees at their recent meetings and, where applicable, and if not considered elsewhere on the Board's main agenda, contains decisions referred to the Board by the Committees for approval.

The report also summarises the findings of the recent 'Review of Local Enterprise Partnership Governance and Transparency' led by Mary Ney (attached at Appendix 'A') with details of the LEP's upcoming 3rd Annual Conversation with Government.

Recommendation

The LEP Board is asked to:

- (i) Note the updates provided in this report in relation to the Committees of the LEP.
- (ii) Note the 'Review of Local Enterprise Partnership Governance and Transparency' Government Review attached at Appendix 'A', and
- (iii) Note that the LEP's 3rd Annual Conversation will take place on 27 November 2017.

Background and Advice

The Lancashire Enterprise Partnership Board (LEP) approved the LEP's first Assurance Framework on 17th March 2015 which was subsequently submitted to Government as final in April 2015. The LEP's Assurance Framework has subsequently been updated to reflect any changes to the LEP's governance arrangements and also to reflect updated national guidance. The Assurance Framework is made publically available on the LEP website:

<http://www.lancashirelep.co.uk/about-us/about-the-lep.aspx>

The Assurance Framework ensures that the LEP records decisions taken by the



LEP and its Committees in an open and transparent way. The purpose is to ensure that arrangements are in place enabling effective and meaningful engagement of local partners and the public, and that those arrangements operate transparently with LEP decisions capable of being independently scrutinised.

Since the implementation of the LEP Assurance Framework, the LEP and its Committees publish their agendas and minutes on the LEP website. In order to ensure the LEP's decision making is open and transparent in relation to the Committees this report presents updates from each of the Committees and, where applicable, contains decisions that are outside of the Committees powers and require referral to the LEP Board for approval.

Governance Updates

Following the resignations of Mike Damms and Malcolm McVicar some vacancies exist at Director and Committee level. An additional report, in the Part II section of this agenda is provided in relation to these vacancies.

Updates from recent LEP Committee Meetings

1. Executive Committee

No decisions had been taken by the Executive Committee since the last LEP Board meeting.

2. Transport for Lancashire Committee

The Transport for Lancashire Committee had not met since the last LEP Board meeting.

Full agendas and minutes for Transport for Lancashire meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=956>

3. City Deal Executive and Stewardship Board

The City Deal Executive and Stewardship Board met on 18 September and considered the following:

- A presentation from Mott MacDonald regarding the Preston City Centre Transport plan
- A report on the 2017-20 HCA Business and Disposal Plan, approved the HCA's current and future investment plan into the City Deal and noted the quarterly monitoring progress update
- Received an update on the delivery of infrastructure schemes in quarter 1
- Approved the transfer of £44k from the unallocated element of the Transport Corridor line into the Fishergate Central Gateway project
- Received an update on the Preston Western Distributor and East West Link Road schemes



- Approved a formal tender process to be undertaken for the delivery of the Broughton Village/A6 Improvement Works

Full agendas and minutes for the Combined City Deal meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1072>

4. Growth Deal Management Board

The Growth Deal Management Board, Chaired by Graham Cowley, met on 11 October 2017 and considered the following:

- A presentation from Warwick Economics & Development on the first interim evaluation report
- Approved the revised Communications Protocol
- Approved, subject to conditions, to recommend to the LEP funding of up to £15m for the Advanced Manufacturing Research Centre North West (AMRC NW) project
- Received an update on progress of M55 Link Road, Broughton Bypass, Preston Western Distributor and BHVA projects
- Approved amendments to the Core Grant Funding Agreement
- Considered the social value dashboard and toolkit

One project is recommended to the LEP Board for approval:

- That funding approval of up to £15m for the AMRC NW project be recommended to the LEP Board, subject to the following considerations:
 - Confirmation of ESIF Revenue funding to enable the project to be operational;
 - Establishment of a governance structure which provides for the LEP to be a long-term strategic partner with the AMRC;
 - Establishment of formal partnerships between AMRC NW and Lancashire HE providers;
 - Procurement of the scheme to be shared with Lancashire County Council, as Accountable Body for the LEP, to ensure value for money and deliverability with any cost overruns to be met by the scheme sponsor; and
 - Conclusion of a land agreement between Lancashire County Council and Sheffield University in respect of land at the Samlesbury Aerospace Enterprise Zone.

The LEP Board should also note that it was resolved to form a small Task Group of the Growth Deal Management Board to further clarify the focus and financial sustainability of this strategic initiative.

There is a separate report regarding the Growth Deal Programme and Project Funding approval on this agenda.

The reports and minutes for Growth Deal Management Board meetings can be accessed here:



<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

5. Enterprise Zone Governance Committee

The last meeting of the Enterprise Zone Governance Committee, Chaired by Edwin Booth, met on 14th June 2017, and considered the following:

- Received and gave feedback on a presentation from Marketing Lancashire and Richard Barber on the proposed branding and marketing for the Lancashire Advanced Manufacturing & Energy Cluster
- Received updates on the Blackpool Airport EZ, the Hillhouse International Technology EZ, the Samlesbury Aerospace EZ and the Warton Aviation EZ

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171>

6. Lancashire Skills and Employment Board

The Skills and Employment Board, Chaired by Amanda Melton, met on 18 October 2017 and considered the following:

- A presentation from the Construction Industry Training Board regarding the LEP Construction Labour and Skills research
- A presentation from the Chair of the BBL School Improvement Board on the Board's work and impact
- A report on the Area Based Review, including recommendations from the Implementation Group
- An update on the ESF ESFA projects

Full agendas and minutes for the Lancashire Skills Board meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1011>

7. Performance Committee

The Performance Committee, Chaired by Richard Evans, met on 20 September 2017, and considered the following:

- The LEP Operational budget
- A presentation on Marketing Lancashire's remit, objectives and funding

The Committee then held an informal workshop to discuss income generation.

Full agendas and minutes for the Performance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1216>

8. Business Support Management Board

The Business Support Management Board, Chaired by Mike Blackburn, was held on 11 October 2017 and considered the following:

- A presentation from Digital Lancashire on the work being done with key sectors
- A report regarding the Strategic Economic Plan – Evidence Base
- Co-ordination of Public Funded Business Support in Lancashire

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=122>

Review of Local Enterprise Partnerships

In April, Mary Ney (Non-Executive Director at DCLG) was asked to undertake an informal review of Local Enterprise Partnerships to consider further improvements in their governance. The findings of the six-week review, which are attached at Appendix 'A', were published on the 26 October and focus on areas of Culture and Accountability, Structure and Decision-Making, Conflicts of Interest and Government Oversight and Enforcement.

The current practice of the Lancashire Enterprise Partnership matches or exceeds the key benchmarks identified by the Ney Review. However, further governance improvements will be identified as part of the annual review of our current Assurance Framework.

The Board is also informed that Ministers, Jake Berry MP and Margot James MP, on behalf of Government, have written to all LEP Chairs advising them that they will be bringing forward proposals regarding the future of LEPs following the pledge in the Conservative Manifesto to explore ways of putting LEPs on a more consistent footing legally, whilst still giving LEPs the freedom and flexibility to attract private sector talent to their Boards. Further information is expected in the coming weeks.

Finally, the Board is also made aware that the LEP's 3rd Annual Conversation will be held with the Department for Business Energy and Industrial Strategy on the 27 November. The Chair will attend the session in Manchester along with the Chairs of the LEP's Performance Committee and Growth Deal Management Board supported by LCC officers and the County Council's S151 officer.



Department for
Communities and
Local Government

Review of Local Enterprise Partnership Governance and Transparency

Led by MARY NEY, Non-Executive Director, DCLG Board

September 2017
Mary Ney
Department for Communities and Local Government



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REVIEW OF LOCAL ENTERPRISE PARTNERSHIP GOVERNANCE AND TRANSPARENCY

1. Introduction to Local Enterprise Partnerships

- 1.1 Local Enterprise Partnerships (LEPs) were established as locally-derived business-led partnerships between the private and public sector that would drive local economic growth. There are now 38 LEPs and their role has developed considerably since 2010. They now have responsibility for around £12billion of public funding and are the mechanism for channelling the Local Growth Fund to localities. Each LEP has the flexibility to determine the details of its governance and accountability arrangements and there are a variety of models including those that have remained as partnerships, local authority Section 101 committees, community interest companies and companies limited by guarantee. Public funding for LEPs is directed via a local authority in the area of the LEP, which is appointed to undertake the accountable body role. The government also appoints Relationship Managers – regionally based civil servants who provide LEPs with day to day advice and support, and are the main channel of engagement between the LEPs and central government.
- 1.2 Each year the Department conducts a performance review (known as an Annual Conversation) with each LEP to review their progress on Growth Deal delivery over the past 12 months. The Annual Conversation also considers a range of issues, including governance and transparency. This leads to an agreed set of actions and next steps, if there are any issues to be addressed either by the LEP or by central government.
- 1.3 As the role of LEPs has developed, the government has reviewed the statement of arrangements it expects to see in place within the LEP and for the accountable body role. This is set out in the National LEP Assurance Framework and is one element of the wider assurance system, which also comprises LEP reporting to government on agreed outputs, evaluation frameworks and annual performance conversations. The National Assurance Framework sets out what government expects LEPs to cover in their local assurance frameworks. The last revision of the National Assurance Framework was issued in November 2016 in order to strengthen the rules which LEPs must follow to ensure greater transparency on how public money is spent. It required LEPs to review their arrangements and publish their own local assurance framework on their websites by 28 February 2017. It also required Section 151 officers to certify that a framework had been agreed and was being implemented to these new standards by writing to the DCLG Accounting Officer. At that deadline, DCLG found that not all LEPs were fully compliant, for instance not all documents were available on websites. However, all LEPs have now published their local assurance frameworks on their websites and Section 151 officers have certified compliance.

1.4 Following concerns raised about the governance and transparency arrangements of some LEPs, the Public Affairs Committee also looked at the role of LEPs in July 2016 and reported that DCLG '[...] should enforce the existing standards of transparency, governance and scrutiny before allocating funding. LEPs themselves also need to be more transparent to the public by, for example, publishing financial information'. The government has now put in place this internal review of LEP governance and transparency conducted by a Non-Executive Director from the DCLG board with the following terms of reference:

'To review whether the current systems provide sufficient assurance to the Accounting Officer and Ministers that LEPs fully implement existing requirements for appropriate governance and transparency; to consider whether the current requirements for LEPs are sufficient; and to make recommendations for improvements.'

It should be noted that this review has not investigated any specific allegations which are being pursued separately by the National Audit Office. In addition, in the time available, it has not been able to look in detail at every LEP and accountable body, to identify how arrangements are implemented in practice as part of normal business. The approach to the review is set out in paragraph 2.

2. Approach to the Review

2.1 The review commenced on 28 April 2017 and was required to be completed in a six week period. The approach has been to review key documents, view a sample of LEP websites and engage with a variety of stakeholders from the LEP sector in order to obtain an overview of both issues and practice. The focus has been on governance and transparency and not on other aspects of the assurance system such as those dealing with effectiveness or value for money. Whilst, in the time available, it has not been possible to undertake a deep dive into the practice of every LEP and accountable body, it is considered that sufficient information and views have been gathered to enable recommendations to be made to improve assurance.

2.2 Attached at Appendix A is the list of documents reviewed. In addition, a number of discussions have been held:

- Meeting with a Group of LEPs CEOs;
- Telephone conversations with seven LEP Chairs;
- Meeting with a Group of Section 151 officers;
- Telephone conversations with four council leaders/elected Mayors who sit on LEP boards;
- Follow-up meeting with a Group of CEOs of LEPs to test out findings.

Meetings were also held with:

- British Chamber of Commerce
- LEP Network
- Chartered Institute of Public Finance
- National Audit Office.

3. Overview of Findings

- 3.1 All those who contributed welcomed the review and expressed a shared desire to ensure that LEPs provided the highest standards of stewardship of public money. There was a widespread view that the sector should work collectively and avoid reputational damage from any inconsistencies in governance arrangements and transparency. In addition, some private sector board members were concerned that their association with weak practice in governance and transparency would have potential reputational implications for their companies. LEP board members are generally not remunerated albeit the role and expectations of time commitment have increased as the workload of LEPs has developed. A number of private sector participants in this review referred to the ethos of making a public service contribution. It is important that this ethos is supported and that proposals to achieve good governance are proportionate.
- 3.2 Some LEPs have a history of establishing robust governance arrangements and to some extent the National Assurance Framework lags behind the practice on the ground in these places. There is a general recognition that additional clarity on the requirements in the National Assurance Framework would assist in raising standards and consistency of stewardship across the sector. This was not seen by those participating as detracting from the flexibility for LEPs to develop local arrangements but rather assisting them with the journey they were on. Overall there appears to be commitment from the LEPs to meeting the requirements of the National Assurance Framework but issues remain on the effectiveness of implementation in some cases. This would be mitigated by additional clarity in the National Assurance Framework which is proportionate, as well as by increasing the sharing of best practice, peer challenge and support across the sector.
- 3.3 The British Chamber of Commerce, in conjunction with the Confederation of British Industry (CBI), the Engineering Employers' Federation (EEF), the Federation of Small Businesses (FSB) and the Institute of Directors (IoD), has also recommended improvements particularly on the financial information which should be published.
- 3.4 There is also a need to consider the position of public sector members on LEP Boards in the context of the changing role of local authorities and their increased involvement in commercial enterprises and alternative delivery mechanisms. This is currently somewhat underdeveloped in terms of LEP governance implications and is referred to below in greater detail.
- 3.5 A feedback session has been held with a group of CEOs of LEPs to test out the emerging findings and broad support was received to the range of issues which would be addressed in the recommendations. In addition a feedback discussion with CIPFA was also supportive of the proposals.

4. Culture and Accountability

- 4.1 As with any organisation, the establishment of an embedded culture across the LEP is a prerequisite to assurance that governance arrangements are fit for purpose and are being adhered to. This requires direct and proactive leadership from the Chair and CEO of the LEP to own the establishment of a culture of strong adherence to good governance and clarity about standards. At present the National Assurance Framework requires written assurance from the Section 151 officer that standards are being met. Whilst the Section 151 officer has a critical role to play, it is insufficient to place reliance on this alone. **It is recommended that the National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. the Chair and CEO), on the status of governance and transparency within their organisation and which can be explored in greater detail during the Annual Conversation process with government. This statement to be published on the website.** (See also section 10 below).
- 4.2 It will have the benefit of making the LEP itself more directly and publically accountable and will reinforce the role of the Chair and CEO in developing the culture and dealing with matters of good governance within their organisation. It will assist in formalising good practice, which is already being developed in some LEPs. To assist in establishing an organisational culture, LEPs need to put in place their own statements of their values and the standards of conduct expected from board members and senior staff. Indeed, a number of LEPs already have such statements in place. In some cases these expectations are based on the Nolan Principles of public life, but in others they are framed in terms of requirements of company board directors and do not sufficiently embrace the dimension of public sector accountability. This is inadequate as it does not reflect the dual dimension (i.e. public and private) of the role of board members. **It is recommended that the current National Assurance Framework requirement for LEPs to have a code of conduct, which all board members and staff sign up to, should explicitly require the Nolan Principles of public life to be adopted as the basis for this code.**
- 4.3 The National Assurance Framework should be explicit that the code of conduct for board members should address the way in which the board conducts business; the role of the board member; dealing with conflicts of interest; declarations of interest and transactions, gifts and hospitality; policy on fees and expenses. Information on some aspects was not always easily found on LEP websites and is essential to ensure transparency. For instance, not all websites state that the board member role is unremunerated. One instance of a reference to the position of Board members undertaking contracted work/services for the LEP itself was seen. This is a potential conflict of interest which should be avoided wherever possible and the code should be explicit and transparent about its approach to such situations should they arise.

5. Structure and Decision-Making

5.1 Each LEP has developed its own arrangements for decision-making which reflects its legal structure, the complexity and needs of the locality and compliance with requirements to ensure value for money, local engagement and democratic accountability. However, the review identified a number of key features of these decision-making processes which promote assurance on good governance. These are:

- a clear strategic vision and priorities set by the Board which has been subject to wide consultation against which all decisions must be judged;
- open advertising of funding opportunities;
- a sub-committee or panel with the task of assessing bids/decisions
- independent due diligence and assessment of the business case and value for money;
- specific arrangements for decisions to be signed off by a panel comprising board members from the local authority, in some cases including a power of veto;
- Section 151 officer line of sight on all decisions and ability to provide financial advice;
- use of scrutiny arrangements to monitor decision-making and the achievements of the LEP.

It is not appropriate to be descriptive on the specific arrangements which should be adopted due to the variety of structures **but it is recommended that the National Assurance Framework draws explicit attention to the importance of LEP decision-making structures accommodating these separate components of good governance and that they form an essential part of assurance and ensuring probity.**

5.2 Local assurance frameworks describe arrangements for decision-making, including urgent decisions and decisions in the absence of a formal meeting. Whilst there may be some exceptional circumstances requiring urgent decisions, extra care is needed in such circumstances to ensure propriety and to comply with the normal rigours of the decision making process. **Local assurance frameworks should set out that ALL decisions must be subject to the normal business case, evaluation and scrutiny arrangements; there must be a written report with the opportunity for the Section 151 officer to provide comments, that the conflicts of interest policy will apply to decision makers regardless of whether there is a formal meeting, and that decisions should be recorded and published in the normal way, regardless of how they are taken. It is recommended that the National Assurance Framework includes requirements in relation to this.**

6. Conflicts of Interest

6.1 The National Assurance Framework requires the publication of a conflicts of interest policy and a register of interests for each board member. Whilst LEPs comply with this requirement, the content of policies and approach to publication varies considerably and is dependent on the overall cultural approach within the organisation (see 5. above). For instance, some statements seem to focus on registering directorships only, exclude land and property

interests and any significant household member interests. Others seem to either use a proforma from another public body rather than having their own bespoke proforma or display board members' register from another public body. The conflicts of interest policy should be based on compliance with standards which promote good governance, transparency and stewardship. Given the wide variety of approaches currently operating it is suggested that there is a need to be more explicit about requirements to ensure consistency of standards. In addition, policies need to be clear on how conflicts are managed, the action to be taken when conflicts arise and the recording of that action. Policies should also make clear that consideration of conflicts of interest is not reserved for formal decision-making meetings and should be applied to any activity or involvement of the board member in the work of the LEP. **It is therefore recommended that the National Assurance Framework sets out specific requirements on the principles which each LEP must incorporate into its conflicts of interest policy and how it is implemented which includes:**

- **All board members taking personal responsibility for declaring their interests and avoiding perceptions of bias. This should be evidenced by producing and signing of their register of interests and publication on the website.**
- **Use of a bespoke proforma for collection and publication of the information which ensures all categories of interest are systematically considered.**
- **Categories of interest to include employment, directorships, significant shareholdings, land and property, related party transactions, membership of organisations, gifts and hospitality, sponsorships. Interests of household members to also be considered.**
- **Action in response to any declared interests applies to any involvement with the work of the LEP and is to be recorded.**

6.2 Whilst such declarations may be more familiar to public sector board members, it should be born in mind that it is not sufficient to merely refer to the councillors' declaration on the authority's website as some LEPs seem to do: a councillor's interest as a member of the LEP board may be different. Councillors will need to consider the interests they hold as council leaders/cabinet members for council land and resources, as well as for aspects of the council's commercial interests. As councils increasingly broaden their commercial undertakings and investment in land and property for income generation purposes, as well as the increasing use of council owned companies and trusts, there is increasing scope for conflict. Council leaders will need to consider the declarable interests this may give rise to in relation to their board membership of the LEP.

6.3 Similarly, it is in the nature of the role of LEPs that industrial and commercial expertise amongst board members should be utilised in developing strategies and decision-making, but which also has the potential to raise issues of conflict. The policy should explain how scenarios of both of these types will be managed without impacting on good governance. Not all policy statements address this explicitly and **it is recommended that the National Assurance Framework requires LEPs to include in their local statements how scenarios of potential conflicts of interest of local councillors, private sector and other**

board members will be managed whilst ensuring input from their areas of expertise in developing strategies and decision-making, without impacting on good governance.

7. Complaints

7.1 The National Assurance Framework requires LEPs to publish a complaints policy. Whilst LEPs comply with this requirement, very few refer to a whistleblowing policy. Whistleblowing arrangements which provide confidentiality to the complainant are an important measure in securing good stewardship of public resources and need to be part of anti-fraud policies. **It is recommended that the National Assurance Framework requires the publication of a whistleblowing policy and arrangements for confidential reporting of allegations of untoward concerns by third parties/ the public.**

8. Section 151 Officer

8.1 Public funding for LEP programmes is held and managed by a local authority acting as an accountable body. The National Assurance Framework requires the Section 151 officer of the accountable body to provide reassurance on the activity of the LEP and outlines the accountable body arrangements which the LEP should have in place. Given the volume of public funding which LEPs have available, this role is a significant workload and a significant area of risk for Section 151 officers. Overall LEPs and Section 151 officers report good working relationships and a variety of arrangements in place to meet requirements. In the main, the arrangements and the role have developed over time, as LEPs have grown. In some areas they remain on that basis and in others have developed into Memorandums of Understanding or Service Level Agreements.

8.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) publishes guidance on 'The role of the Chief Financial Officer'. Specifically of relevance to this role in LEPs is the need for the CFO to be 'actively involved in, and able to bring influence to bear, on all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the overall financial strategy.'

8.3 This review identified that LEPs have a variety of arrangements in place for the Section 151 officer to have line of sight and involvement in key decision making bodies including the LEP Board and in the main have the opportunity to bring influence to bear and provide their advice. However, it would be helpful if the National Assurance Framework provided additional clarity on the expectations of the role of the section 151 officer and the substance of how LEPs need to work with that role. **It is therefore recommended that further clarity is provided in the National Assurance Framework on the role of Section 151 officers and it is suggested that this be developed in consultation with CIPFA.** This will need to consider the mechanisms the Section 151 officer uses to fulfil their role, their requirements in terms of access to decision-making bodies, ability to provide written and verbal financial advice, role of their

transactional services, operation of normal checks and balances in approving expenditure, management of risk of fraud and corruption, monitoring of programme spend against resources, treasury management and borrowing, role of internal audit and external auditors and provision of an audit opinion for the LEP, visibility of reporting arrangements to both the accountable body and the LEP, production of accounts, inter-relationship with the LEP's own accounts, if relevant. The clarification of the role of the Section 151 officer could also consider the scope for the LEP CEO and the Section 151 officer to provide a formal joint Annual Governance statement which is reported to the LEP Board. **It is also recommended that the National Assurance Framework sets a requirement for the Section 151 to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.**

8.4 Finally, although not directly within the remit of this review, very many participants raised the difficulties experienced in financial programming which arise from the tension between LEP Programmes, which are by their nature longer term and spread over more than one financial year with complex phasing profiles, and the annualised budgets, sometimes with late notification of resources, and year on year uncertainty provided by government funding arrangements. Both LEPs and accountable bodies reported frustration with the diversion of effort on managing these tensions and associated risks. This could also impact on good governance if late and speedy decisions are made by LEPs which give insufficient time for all the checks and balances of the normal processes. The annual uncertainty of funding also has the consequence of some LEP staff being on fixed term contracts which is counter-productive in terms of efficiency and may have unintended impacts on good governance if it leads to insufficient organisation stability and continuity. **It is therefore recommended that government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period.**

9. Transparency

9.1 A number of the above recommendations refer to the need for publication of information in order to provide transparency and avoid any suggestion of untoward use of public resources. In addition, the National Assurance Framework sets out the requirements on publication of agendas, minutes and decisions etc. There remains some inconsistency across LEPs in how this is approached. The review of a sample of websites identified the following areas needing further attention in some cases:

- Publication of the approach to the appointment of board members and providing information on the time board members commit.
- Publishing the policy on claiming of expenses by board members. For instance, it is understood that some LEPs adopt the local authority code whilst others have a policy of no claims.
- Including an item 'Declarations of Interest' on all agendas and ensuring minutes record any declarations and the action taken e.g. to leave the meeting and not take part.

- Approach to publishing agendas, meeting reports and minutes varied widely from LEPs who have adopted the Local Authority Standards including public meetings, those who hold no meetings in public, those who only publish the agenda page and do not publish meeting reports, and those who record no information on confidential matters. With the exception of those LEPs following the Local Authority Standards, it is not always clear what criteria are applied for dealing with matters in private.

It is therefore recommended that the National Assurance Framework provides additional guidance on expectations on publication of agendas, meeting papers and decisions.

9.2 The differing legal basis for LEPs does result in a variety of requirements on LEPs to publish financial information and accounts. However, the LEP's own accounts will not necessarily cover those projects supported by the LEP where the funding is managed by the accountable body. In addition, the accountable body may include some financial information in their own accounts. However, this may provide only high level financial data and insufficient granularity on the detail of decisions and performance of funded programmes. In order to achieve greater transparency of financial data, co-operation and agreement between the LEP and the Section 151 officer on how best to provide financial data is needed. **It is recommended that more explicit guidance would be helpful and that this should be developed as part of the work on the role of the Section 151 officer referred to at paragraph 8.3 above. In particular, in addition to the publication of accounts, it is recommended that the LEP maintains on its website a published rolling schedule of the projects funded giving a brief description, names of key recipients of funds/contractors and amounts by year.**

9.3 A number of LEPs, but not all, refer to the role of scrutiny in overseeing their performance and effectiveness. Some LEPs are scrutinised from time to time by their accountable body Overview and Scrutiny function. This is an area for further development which would give increased independent assurance. Given the different structures across LEPs it is not appropriate to specify any particular approach to scrutiny. It is an area which could benefit from the sharing of good practice/'what works' to assist LEPs in shaping their own proposals. **It is recommended that LEPs report on this in their annual assurance statement (see paragraph 4.1 above) during the Annual Conversation process.**

10. Government Oversight and Enforcement

10.1 Government has a number of mechanisms which provide oversight of LEP performance and functioning including the National Assurance Framework, the assurance provided by the Section 151 officer, the Annual Conversation sessions with each LEP, and the government's LEP Relationship Manager who

also attend LEP Boards and have more detailed knowledge of the LEPs' functioning. Government has also made the allocation of funding conditional on compliance with requirements set out in the National Assurance Framework.

10.2 The Annual Conversation session with each LEP is a key opportunity for scrutiny and for holding LEPs to account. The focus of these conversations will be on the LEPs, strategy, its achievement of outcomes, value for money and delivery of programmes and individual projects. **It is recommended that the annual conversations have strengthened focus and designated time to examine the performance of LEPs in relation to governance and transparency and to discuss the assurance statements (see recommendation at paragraph 4.1 above) and the report of the Section 151 officer.**

10.3 This review has identified that whilst LEPs may be complying with the National Assurance Framework in terms of publication requirements, the approach to implementation locally will vary. The recommendations in this report seek to provide additional assurance without impacting on the ability to determine the detail that suits their local situation. In the main this will lead to the required improvements. However, there may be a residual need for government to be able to undertake a deep dive from time to time to provide assurance on the approach to implementation and how governance arrangements work on the ground. The LEP Relationship Manager has a key role in providing insight into that and it is important to ensure that they have the skills to identify the effectiveness of practice, perhaps using a good practice tool. In addition they should ensure that concerns about compliance are addressed by the LEP and have clear routes to escalate issues within government in a timely manner. They should contribute to the risk assessments to identify those LEPs who would benefit from a deep dive of their arrangements. **It is recommended that a risk based approach should be used to identify LEPs where a deep dive on governance and transparency would be of assistance. It is further recommended that this deep dive is undertaken by someone with no direct involvement with the specific LEP.**

10.4 The National Assurance Framework makes clear that serious non-compliance could result in delays to or loss of funding. **It is recommended that government sets out in the National Assurance Framework its approach to considering delay or withholding of funding for non-compliance so that LEPs have a clear and early understanding of the matters they need to address and the timescale to be met. In considering delay or withdrawal of funding from a LEP, government should consider the impact on the programme and the arrangements for projects to continue where appropriate under alternative mechanisms.**

11. Best Practice

11.1 The LEP Network currently supports a number of initiatives to share good practice and to provide support to LEPs at board and CEO level. This review identified a strong appetite amongst LEPs to further develop the sharing of

good practice, buddying arrangements, peer review and support, induction programmes for new chairs and for board members. The LEP Network receives a small amount of funding from government as well as a fee from its members. The support it can give on best practice is therefore limited. However, supporting self-improvement across the sector is a valuable mechanism and **it is recommended that government continue to support this work and discusses with the LEP Network how best to take this forward.**

12. Conclusion

12.1 This review has identified a number of measures which would give greater assurance to the Accounting Officer and government on the governance and transparency of LEPs. It found a sector which has a strong understanding of its responsibilities for stewardship of public funding and the need to improve its governance accordingly. There has been some historical concern that the strength of the LEP model, in providing private sector leadership of economic growth in localities, should not be damaged by an overly bureaucratic approach. This review has found that there is on the ground recognition that strong and proportionate governance arrangements can be pursued with overall benefit and safeguarding to all involved without becoming overly bureaucratic. In practice, some LEPs have already made their own choices to go beyond the current National Assurance Framework requirements and would welcome greater clarity in the NAF so that the sector as a whole can be seen to be excellent and effective stewards of public resources. The recommendations made in this report are intended to strengthen the improvement journey and are felt to be proportionate to the need for good governance and probity whilst promoting the uniqueness of the private-public relationships which the LEPs provide. These recommendations if supported should be taken forward in partnership with the LEPs and with accountable bodies and in doing so, consideration may need to be given to the resources and capacity of both to respond effectively.

12.2 Finally, I would like to thank all those who took part in this review and gave their time to provide information and views. I am particularly grateful that contributors were able to work to such short notice. I would also wish to acknowledge the work and support provided by the Cities and Local Growth Unit in undertaking this review.

Mary Ney
NED DCLG BOARD
JUNE 2017.

ANNEX A. Documents Consulted During the Review

1. National Audit Office report on *Local Enterprise Partnerships* – Mar 2016
2. Public Accounts Committee report on *Cities and local growth* – 1 July 2016

3. Public Accounts Committee report on *Devolution in England* – 18 Dec 2016
4. National LEP Assurance Framework - (Nov 2016 and Dec 2014)
5. Government response to PAC reports in *Treasury minutes* - Dec 2016
6. Table of Chronology on LEP Assurance and Accountability
7. Local Growth Fund Accountability and Assurance Process Map
8. Examples of LEP Local Assurance Frameworks
9. Single Pot Assurance Framework guidelines; examples of Single Pot areas
10. Daily Mail articles and background (including government response)
11. Recent NAO letter from Aileen Murphie to Jacqui Ward on Daily Mail follow up and suggestions for improvement
12. Business Representative Organisations note on LEP reform
13. Summary from the recent assurance and transparency spot checks following Section 151 officer letters
14. Examples of Section 151 officer letters
15. CIPFA. 'The role of the Chief Financial Officer'.
16. CIPFA. 'Managing the Risk of Fraud and Corruption'.
17. CIPFA/IFAC 'Good Governance in the Public Sector'.



Lancashire Enterprise Partnership Limited

Private and Confidential: No

Tuesday, 7 November 2017

LEP Innovation Plan - Update on Progress
(Appendix 'A' refers)

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Executive Summary

In August 2017, the LEP commissioned SDG Economic Development to support the production of an Innovation Plan. Work on Science and Innovation Audits (SIA) across the Northern Powerhouse, and specifically our work with Sheffield City Region, highlighted some LEPs are developing a more structured approach, in terms of their governance, forward planning, co-ordination and investment activities in relation to innovation. Given the recent success of the LEP in developing a major innovation investment programme with key priorities, it is clear that Lancashire can make further progress by forging an ambitious Innovation Plan.

This report details the progress being made in developing an Innovation Plan for Lancashire, the coalition of business, education and public agencies who are contributing to the development process, and the emerging framework of activity.

The process of developing a new Plan will conclude by the end of the year. We would welcome the LEP Board's input from this point onward to ensure that: the evidence and asset register is correct and forms a basis for promoting the better use of these resources; the suggested framework (see Appendix 1) properly reflects the key markets and technologies that will drive the local economy in the future; and the actions developed in support of the framework, are broadly-owned and reflect the key roles and contributions played by differing partners and sectors.

The final draft Innovation Plan will be submitted to the LEP Board meeting in January 2018 for further consideration and approval.



Recommendation

The LEP Board is asked to:

- (i) Note the progress made to date in preparing the Innovation Plan; and
- (ii) Welcome the engagement of industrial and education partners in the development of the Innovation Plan, and encourage their continued involvement at a senior level to help ensure agreed priorities are aligned and supportive of their own organisational plans.

Background and Advice

In August, the LEP commissioned SDG Economic Development to produce an evidence-based Innovation Plan for Lancashire with clear objectives and priorities for action. This short report provides an update on progress so far, and proposed next steps.

Building the Evidence-base and SWOT Assessment

The project launched with a series of scoping telephone calls with 12 key senior stakeholders from across the public and private sectors, this included representatives from the Advanced Manufacturing, Aerospace, Automotive, Nuclear, Digital, and Health Sectors. The purpose of these calls was to obtain early-stage inputs from a few well-placed experts about key aspects of innovation activity and development in Lancashire.

The key issues emerging from scoping were:

- There are strong supply chains in Aerospace, Automotive, Energy, and Chemicals processing that can be exploited for creative not cautious use;
- Unusual co-location of civil & military capability in Lancashire – each contributes to other in innovation;
- Nuclear sector's understandable caution could drive a broader focus on ultra-reliable technologies & their management;
- Disruptive innovations in Automotive, Aerospace/Space are a major opportunity with the right cultural transformation in the county . . . not just a threat;
- Some major health & social care processes & models to build on; and
- Better 'cross-pollination' both between sectors/supply chains in the county and vis-à-vis other LEP areas is also vital – opportunities will be missed without it.

Alongside these consultations, a comprehensive analysis of socio-economic and innovation datasets, econometric projections, and a call for evidence from key stakeholders and partners in Lancashire (some 40 documents were received). These analyses have been combined to form an assessment of the strengths, weaknesses, opportunities, and threats (SWOT) of Lancashire's innovation ecosystem.



The data analysis and SWOT assessment were presented at a workshop of over 20 stakeholders on 22 August to provide a check-and-challenge for the data and to augment the initial SWOT assessment. Following the presentation stakeholders were asked to comment on three aspects of the analysis/SWOT: i) how recognisable the socio-economic picture presented was, ii) what the most significant innovation challenges for Lancashire are, and iii) what should the main priorities of the innovation plan be.

The emerging messages from the SWOT workshop included:

- Real enthusiasm for doing 'something' and to change 'the culture', and a need to be ambitious collectively;
- Attention on GVA & quotients can make focus solely about growth rather than resilience;
- Existing assets need to be protected, exploited, and expanded;
- Creating & broadcasting Lancashire's 'Innovation USP' to develop a strategic marketing capability;
- A need to create opportunities for collaboration, not just within Lancashire but across the country and internationally; and
- More sectoral disaggregation of data and SWOT elements.

The final outputs of this stage are an 80-page data quarry and SWOT assessment, as well as a list of Lancashire's innovation assets. This is a live document which is being iterated as the project progresses with input from stakeholders.

Vision and Plan Development

Following the SWOT workshop SDG-ED developed a draft Strategic Framework (the latest version of which is appended to this report). This proposes five strategic aims and three cross-cutting themes. The five aims comprise two relating to innovation capability, and three relating to the innovation ecosystem. The three cross-cutting aims act as golden threads that join the aims together.

To test the emerging Strategic Framework a second workshop was held and attended by 25 stakeholders on 24th October. The workshop provided some additional data analysis and market futures research to enhance the evidence base, and the draft Framework was presented. Stakeholders were then asked to consider four questions relating to the draft framework:

- To what extent do you recognise and agree with the Strategic Aims in the proposed draft Plan Framework? Is it coherent, comprehensive, and communicable?
- What other perspectives would be helpful, and are there further Strategic Aims you would like to see?
- Should the Strategic Aims be given equal weight, or are more important than others? Which ones would you prioritise, and why?
- What would be your Group's 'Top 4' 'actions on the ground' to deliver the Strategic Aims?



Each group then provided feedback which was collated and will be used to inform the next iteration of the framework. The feedback on the four questions included:

- The Framework was agreed to be coherent and comprehensive, although it could be simplified to make it more communicable to stakeholders, particularly SMEs.
- Suggested further strategic aims, or suggested additions to the proposed aims, included:
 - Positioning Lancashire as the place where ideas are applied and turned in to action;
 - A focus on identifying existing barriers and challenges for innovators and how to break these down; and
 - An aim about developing an innovation mind-set that is pervasive across the county.
- The Strategic Aims were broadly thought to be of equal importance, but were dependent on the context for each stakeholder. There was broad agreement that Aim 4 “Letting the World Know” was viewed as a priority.
- Some of the key actions identified included:
 - Identifying and agreeing the message about Lancashire’s innovation offer that we should be promoting;
 - Defining a routeway model for how to navigate the innovation support offer for Lancashire businesses;
 - Establishment of co-ordinating group at a senior level – recognised figures from industry/academia to form an Innovation Board – to drive this work; and
 - Ensure links in to wider strategies such as Northern Powerhouse/Industrial Strategy including neighbouring (GM, Merseyside) and more local plans – e.g. skills.

Next Steps - Action Plan

SDG-ED are working with LEP officers on refining the draft Strategic Framework, which will revise, where necessary, the aims, cross-cutting themes, and vision. This will be checked and challenged through a series of calibration calls with key Lancashire stakeholders. The project will then move onto action planning, existing and pipeline actions will be mapped and gaps identified.

SDG-ED will work with stakeholders to propose new, transformational actions. This will be developed at an Action Planning Workshop in late November, where the revised final draft Framework will be presented and actions considered.

The final draft Innovation Plan will be submitted to the LEP Board meeting in January 2018 for comment and approval.

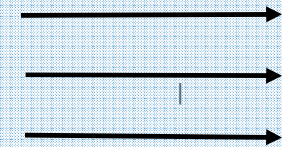
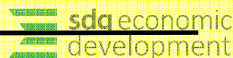
VISION: by 2030 Lancashire will have re-positioned itself as a globally connected & resilient innovation ecosystem. The way we innovate will embody excellence, collaboration & resilience, feeding through to greater commercialisation, entrepreneurship & competitiveness in our economy. We will have a track record as a centre for globally competitive knowledge clusters & talent, & as a developer of new solutions to the emerging challenges of our world.

Strategic Aim 1	Strategic Aim 2	Strategic Aim 3	Strategic Aim 4	Strategic Aim 5
<i>Innovation Capability – Staying Ahead</i>	<i>Innovation Capability – Routeways to Excellence</i>	<i>Innovation Ecosystem – Building Resilience</i>	<i>Innovation Ecosystem – Letting the World Know</i>	<i>Innovation Ecosystem – Enabling Infrastructures for Innovation</i>
Rationale	Rationale	Rationale	Rationale	Rationale
<ul style="list-style-type: none"> Lancs has recognised sectoral strengths & differentiators These need to be developed & worked harder to stay ahead of new/existing competitors Market & technology change will affect radically function & form of these established strengths & differentiators Major employment & GVA risk for county's economy 	<ul style="list-style-type: none"> Vital for county to keep 'recreating' its economic base 'Standing start' sectoral development increasingly difficult to deliver Connectedness & relatedness between existing sectoral strengths provide routeways for competence-based diversification Such activity vital for jobs/GVA 	<ul style="list-style-type: none"> Further economic shocks & restructuring a certainty, given market/tech change Narrowness/supply chain tightness of parts mean economic shocks easily multiplied Enterprise start rates below regional & national averages Risk of hollow-out by adjacent economies 	<ul style="list-style-type: none"> Competition between places & economies growing relentlessly Lancs' innovation a 'best kept secret' Good understanding within, poor understanding outwith Lancs not seen as 'the place for innovation solutions' Needs a clear, coherent, & comprehensive narrative 	<ul style="list-style-type: none"> Innovation critically dependant on skills/talents, specialist facilities, knowledge generation, & money Undue past emphasis on capital innovation schemes & facilities Innovation needs to be pervasive across the private, public & third sectors
Objectives	Objectives	Objectives	Objectives	Objectives
<ul style="list-style-type: none"> Maintain Lancashire's distinctive world-class prominence in priority sectors Develop supply chain capability & capacity servicing these sectors, & gap fill Identify innovation inter-dependencies with other geographies to build & root capacity & capability. 	<ul style="list-style-type: none"> Build distinctive cross-over driven strategy exploiting existing strengths eg advanced manufacturing, transport systems, nuclear energy & digital technologies >> ultra reliable techs Prioritise R&D & innovation for New Routeways areas Develop new global supply chain participation strategies to scale quickly these new areas 	<ul style="list-style-type: none"> Emphasis on competing on content rather than price Leverage Routeways to Excellence to open-up new, hard to emulate, sector opps Prioritise human capital development & re-deployability Anticipate & prepare for emerging threats Prioritise FDI & clustering investment in Lancashire 	<ul style="list-style-type: none"> A clear, coherent, & comprehensive narrative for innovation in Lancs A proactive function to promote & celebrate innovation in the county . . . but to also rebut when necessary Clear & expert leadership on shaping national innovation think Connecting relentlessly for innovation – GINs & GVCs 	<ul style="list-style-type: none"> Innovation embedded as a 'first nature' behaviour for Lancs Wider economic policies – enterprise, skills, & property aligned with this Plan to drive for success Securing access to the right centres of excellence, wherever they may be, for our innovators
Indicative actions	Indicative actions	Indicative actions	Indicative actions	Indicative actions

Use-inspired in our R&D & its deployment

Excellence in delivery, driven by *real* evaluation & learning

Collaborating to compete for Lancashire





Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 7 November 2017

Update from the Lancashire Skills & Employment Board

Report Author: Dr M Lawty-Jones, michele.lawty-jones@lancashirelep.co.uk

Executive Summary

This report provides an update from the Lancashire Skills & Employment Board on a number of key areas of activity, and also the development of the evidence base which will feed into the refresh of the SEP and subsequent refresh of the Lancashire Skills and Employment Strategic Framework. This includes the development of a Technical Education vision for Lancashire.

Recommendation

The Lancashire Enterprise Partnership Board are asked to:

- i) Note the contents of the paper.
- ii) Contribute to a discussion at the Board meeting in relation to the development of a Technical Education vision for Lancashire.

Background & Advice

1. Background

- 1.1 The Lancashire Skills and Employment Board continues to drive priority areas as outlined in the Lancashire Skills and Employment Strategic Framework <http://www.lancashirelep.co.uk/lep-priorities/skills-employment.aspx> , which was published in February 2016. This paper highlights progress against a number of key areas.
- 1.2 The committee are also undertaking a refresh of the evidence base, which will feed into the refresh of the Strategic Economic Plan (SEP) and in-turn a refresh of the Framework. The report highlights research currently being undertaken, including the development of a Technical Education vision for Lancashire.

2. Careers Education, Information, Advice and Guidance (CEIAG)

- 2.1 The Lancashire Enterprise Adviser Network, which was initiated in January 2016, is rolling out across the whole of the Lancashire area, following an initial pilot in Burnley and Blackburn with Darwen.



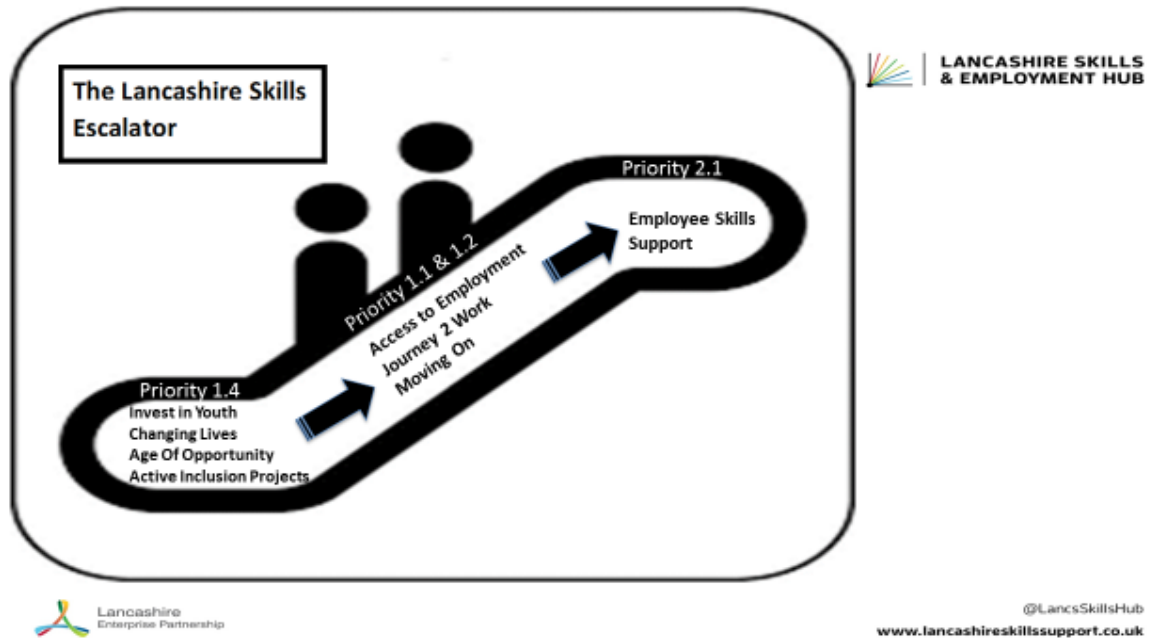
- 2.2 Essentially the Network involves funded Enterprise Coordinators (6 across Lancashire), working with a network of Enterprise Advisers (strategic business volunteers) matched to secondary schools and colleges. The Coordinators and the Advisers engage with senior leaders in the schools and colleges to support the development of careers and enterprise plans. Key is embedding planned employer encounters, to inspire young people and raise young people's insight into the local labour market, including Lancashire-based businesses. The activity aligns with the Skills and Employment Framework, which identifies CEIAG as a critical priority due to the current fragmented and inconsistent offer.
- 2.3 The Network is co-funded by Lancashire County Council, on behalf of the LEP, and the Careers and Enterprise Company (CEC). The Skills and Employment Board provides strategic oversight and the day-to-delivery and employment of the Enterprise Coordinators is contracted to Inspira.
- 2.4 At the end of September the number of schools and colleges engaged was 78 and the number of Enterprise Advisers (business volunteers) 87. By Christmas, it is anticipated that 100 schools and colleges will be engaged. The Network includes a dedicated Enterprise Coordinator in the Blackpool Opportunity Area (fully funded by CEC), working with all 13 secondary schools, academies and colleges.
- 2.5 Early evaluation suggests: that a step-change is underway with regard to the number of good quality employer encounters; improved teacher and tutor knowledge of current and future labour market opportunities; excellent feedback from students; improved awareness of different career pathways, including apprenticeship opportunities; and improved outcomes in Ofsted inspections.
- 2.6 The City Deal 'Bridge the Gap' Lego bridge building activity has been piloted in 5 secondary schools in central Lancashire throughout September. The pilot was delivered to 122 young people, 7 teachers and supported by 22 STEM Ambassadors. Over 74% of pupils said that 'Bridge the Gap' increased their interest in having a career in STEM and construction. Over 92% of pupils said they now knew more about jobs in construction. The activity is being rolled-out across all schools in the City Deal area.

3. European Structural Investment Fund (ESIF)

- 3.1 The performance of Lancashire's ESIF programme is considered in more detail in a report elsewhere on this agenda. As reported, the level of ESF management information provided by our Managing Authority, the Department for Work and Pensions (DWP), continues to be a concern, and was raised again at the ESIF Committee in September. A recent meeting between the national LEP Network and DWP officials raised similar issues. However, it is unclear whether this will be resolved.
- 3.2 It is worth noting that the Lancashire Skills Hub has established a Lancashire Skills Forum which brings together the accountable bodies of each ESF project. The purpose of the forum is to drive awareness and referrals, and ensure that



activity is complementary to mainstream provision. A key focus is the implementation of the Lancashire Skills Escalator (see below) and enabling referrals from project to project to maximise sustainable employment outcomes.



3.3 Looking ahead, there is growing concern that ESF is viewed as the primary funding source for employability programmes with many key target groups such as NEETs. Influence is required to ensure that current gaps in mainstream provision are not further exacerbated by Brexit negotiations with emerging proposals such as a new national Shared Prosperity Fund focused on both local productivity and inclusive growth priorities.

4. Growth Deal Skills Capital

4.1 The 16 projects that were approved are being monitored by the Growth Deal Programme Team. A number have completed the capital phase and outputs are now being monitored. Projects are progressing and all are currently RAG rated as green.

4.2 The opening of the Teaching Hub (University of Cumbria in Lancaster) and the launch of the Food and Farming Innovation Technology Centre (Myerscough College) both took place during September and were well attended. The opening of the Lancashire Adult Learning facility at Northlight also took place on Tuesday 17th October. The hub has been working with SKV to maximise publicity in relation to the launches and further detail will be provided in the marketing and communications update.



5. An informed Approach – Refresh of the Evidence-base

- 5.1 An evidence-base was established towards the end of 2015 to support the development of the Lancashire Skills and Employment Strategic Framework. This included analysis of various educational, skills and employment statistics, as well as the commissioning of 6 sector skills studies and a study into the implications of the City Deal. The existing evidence base, including Labour Market Intelligence Fact Sheets, can be accessed via the Hub's website: <http://www.lancashireskillshub.co.uk/about-us/evidence-base/>
- 5.2 The Skills & Employment Board are currently undertaking a refresh of the evidence base, which will feed into the refresh of the SEP and in-turn a refresh of the Framework.
- 5.3 The diagram below provides an overview. Activity includes events and skills conversations with Digital business and businesses in the Visitor Economy, a joint study with CITB analysing the supply and demand for construction skills in Lancashire and a refresh of the labour market intelligence by travel to work areas. The latter will result in a tool kit of resources, building on the positive response to the Fact Sheets from a range of education and skills providers and professionals.

An Informed Approach





- 5.4 Of most significance, is the development of a new technical education vision. To this end, SDG Economic Development (SDG-ED) have been commissioned by the Skills and Employment Board to develop a clear vision for a high performing technical education system in Lancashire. The vision will encapsulate Lancashire's future ambitions for technical education, identify objectives and priorities and suggest pragmatic recommendations for action, which are shared and owned by stakeholders.
- 5.5 The vision work will take into account the national policy context (including the industrial strategy, the apprenticeship reforms, the post-16 skills plan and the Northern Powerhouse developments), the forecast labour market demands in Lancashire's priority sectors, current and emerging physical learning assets and future ambitions of providers based in the Lancashire area. The vision will also feed into the LEP's emerging Innovation Plan and vice versa, recognising the correlation of skills with productivity and innovation.
- 5.6 Stakeholder engagement is a critical element of the vision work. The process underway is iterative and involves a number of stages involving one-to-one stakeholder consultation and workshops. Following a number of initial one-to-one stakeholder conversations, an initial workshop took place on 20 October which involved a mix of employers, providers and stakeholders. Further stakeholder interviews are planned, with view to undertaking a second workshop on 23 November to review the final draft.
- 5.7 SDG-ED are due to present the final draft vision at the Skills and Employment Board on 29 November. The LEP Board will be asked to consider and approve the final draft vision at its meeting in January.

6.0 Institutes of Technology

- 6.1 As referenced in the Industrial Strategy Green Paper, the Department for Education (DfE) are developing criteria for the proposed Institutes of Technology (IoT). The latest information suggests that IoT will be designed to raise the prestige of technical education – as a credible high quality alternative to academic routes; addressing primarily the technical skills gap at Levels 4 and 5 in STEM based industries to meet local economic needs; and enable local workforces to keep pace with rapid technological change.
- 6.2 DfE issued further guidance in September, asking for interested providers to register an interest, with view to the full prospectus being published before the end of 2017. This will be followed by a two stage application process which will be undertaken in 2018.
- 6.3 There is an expectation from DfE that LEPs will comment on bids from their local areas, with LEPs asked to rank proposals if there are multiple applications.
- 6.4 It is intended that the Technical Education visioning piece will help to frame the context in Lancashire, setting out ambitions and labour market requirements, building on the Area Based Review Skills Conclusion. For example, ideally an IoT in Lancashire would address the skills gaps in our STEM industries, utilise



Growth Deal investments that have been made in science, engineering and digital facilities and build a collaborative approach to engaging employers and upskilling the workforce – thereby closing the gap at Level 4 and above which currently exists in Lancashire. The approach would also need to incorporate digital skills and Industry 4.0.

- 6.5 Interested institutions have been encouraged to connect with the LEP before the launch of the national prospectus, and collaborative discussions are currently being facilitated and encouraged.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 7 November 2017

Planning for the Right Homes in the Right Places: Consultation Proposals – Response of the Lancashire Enterprise Partnership (Appendix 'A' refers)

**Report Author: Kathryn Molloy, Tel: 01772 538790,
kathryn.molloy@lancashire.gov.uk**

Executive Summary

The White Paper "Fixing Our Broken Housing Market" published on 7th February 2017 set out proposals to tackle the housing challenge the country faces. These focused on four main areas of action:

- Planning for the right homes in the right places
- Building homes faster
- Diversifying the market
- Helping people now.

The White Paper also stated that further consultation on specific issues would follow. This consultation published on 14th September 2017 sets out those specific issues and seeks views on changes to national policy including:

1. The proposed approach to a standard method for calculating local housing need.
2. Improving how authorities work together to meet housing and other requirements across boundaries through the preparation of a statement of common ground
3. How the new approach to calculating housing need can help authorities plan for the needs of particular groups and support neighbourhood planning.
4. Proposals for improving the use of S106 agreements, by making the use of viability assessments simpler, quicker and more transparent.

The Lancashire Enterprise Partnership (LEP) and City Deal partners welcome the opportunity to respond to the current consultation proposals. The response focuses on the strategic matters arising from the proposed approach to a standard method for calculating housing need and improving how local authorities work together to meet housing and other requirements across boundaries.

Recommendation



The LEP Board is asked to consider and comment on the proposed response attached at Appendix 'A' and approve its submission to Government by the 9 November 2017.

Background and Advice

The proposed consultation response examines the proposals and its implications for housing numbers in Lancashire. Concerns are set out about the LEP's growth agenda and the key initiatives and investments that are being taken forward including the Growth Deal Programme and the South Ribble, Preston and Lancashire City Deal. The response seeks re-assurance from Government that areas wishing to pursue growth will be supported to do so.

With regard to improving how authorities work better together across boundaries the response highlights the need for proposals for strategic cross boundary planning to be further supported and clarified to enable areas wishing to pursue growth to sit alongside areas adopting lower growth figures in a coherent way.

On this basis the proposed response sets out 6 key asks for Government to consider as follows:

1. The LEP and City Deal Partners would wish to see a commitment to maintaining housing growth numbers in the City Deal area in line with existing and future growth ambitions;
2. The LEP and City Deal Partners would wish to see a commitment to housing numbers commensurate with the strategic growth targets of place based and investment programmes to ensure planned delivery;
3. It is considered that the proposed new method has been oversimplified and doesn't allow for crucial adjustments to local circumstances. A more balanced approach which allows for a wider but guided set of factors would provide more robust figures;
4. The need to properly account for and assess housing need in relation to economic growth, economic ambitions and planned growth initiatives needs to form a key part of the proposed new methodology. Clear guidelines on the approach to be taken and the factors to be included for this should be set out in the proposed methodology to ensure transparency and avoid protracted deliberations over the validity of differing approaches;
5. In order for Lancashire's growth agenda and initiatives to proceed with certainty it is important that the economic growth elements referred to as grounds for deviation from the methodology are embedded into the methodology itself as economic factors. Economic growth should be a central part of the methodology not dealt with as an exception; and



6. Further support for and clarification of strategic cross boundary planning would enable authorities pursuing a growth agenda to do so alongside neighbours adopting a lower housing growth figure in a way that still allows for areas such as Lancashire to continue to grow and prosper overall.

Planning for the Right Homes in the Right Places: Consultation Proposals

Response of the Lancashire Enterprise Partnership and Preston, South Ribble and Lancashire City Deal Partners

Introduction

The White Paper "Fixing Our Broken Housing Market" published on 7th February 2017 set out proposals to tackle the housing challenge the country faces. These focused on four main areas of action:

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The White Paper also stated that further consultation on specific issues would follow. This consultation published on 14th September 2017 sets out those specific issues and seeks views on changes to national policy including:

1. The proposed approach to a standard method for calculating local housing need.
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4. Proposals for improving the use of S106 agreements, by making the use of viability assessments simpler, quicker and more transparent.

The Lancashire Enterprise Partnership (LEP) and City Deal partners welcome the opportunity to respond to the current consultation proposals. The response focuses on the strategic matters arising from the proposed approach to a standard method for calculating housing need and improving how local authorities work together to meet housing and other requirements across boundaries.

The Proposed Approach to a Standard Method for Calculating Local Housing Need

In the previous White Paper consultation, and in this one, it is argued that the current system for calculating local housing numbers is not sufficiently prescriptive and allows too much time for proposing, considering and challenging the methodology used before being able to establish a local housing number for an area. It is argued that the process leads to inconsistent policy interpretations across different local authority areas.

The proposed standard method sets out three steps for determining housing need:

- Starting with the average level of household growth (projected over a 10 year period by the latest official household projections) as a demographic baseline. This is to be regarded as the minimum local housing need figure.
- This would be multiplied by a calculation on affordability using the ratio of median house price to median income. In areas where this is more than four points, each one point rise would result in a 0.25% increase in household need.
- This would then be capped at 40% above the housing need assessment set in the local plan if it has been adopted in the past five years. It would be set at 40% above the local plan or 40% above the household projections if the plan is out of date.

Figures for Lancashire

The table below shows the housing numbers for Lancashire resulting from the new proposed method compared to the most up to date current local assessment of need. It should be noted that some of the current assessment numbers are not the most up to date. However they still give a useful overview of the order of change under the new methodology.

District	Proposed Formula Dwellings per Annum 2010-2026	Current Local Assessment
Blackburn with Darwen	153	300-530
Burnley	70	117-215
Hyndburn	60	180-350
Pendle	165	250-340
Rosendale	212	265
Ribble Valley	172	280
Blackpool	93	250-400
Fylde	296	415
Wyre	313	400-479
Chorley	634	417
Preston	225	507
South Ribble	228	417
Lancaster	401	650-700
West Lancashire	212	335

Question 1(a)

Do you agree with the proposed standard approach to assessing local housing need? If not, what alternative approach or other factors should be considered?

The LEP and City Deal partners do not agree with the proposed standard approach to assessing local housing need. It is agreed that a more standardised approach could assist in providing a more objective assessment however the current proposals contain a number of flaws.

The proposed new method leads to a significant fall in housing numbers for Lancashire as a whole and across all district and unitary authorities apart from Chorley. The reduction in housing numbers ranges from a 28% drop in Rossendale to an 83% drop in Hyndburn. Critically, significant reductions are indicated in growth areas and areas hosting key place based initiatives such as the Preston, South Ribble and Lancashire City Deal signed by local partners and Government in 2013. This raises significant concerns about delivering growth ambitions across the county and in particular maintaining and building on the place-based initiatives that are earning Lancashire recognition for achieving ambitious and strategic growth.

Lancashire's Growth Agenda

The LEP provides Lancashire's overarching economic framework through its agreed Strategic Economic Plan (SEP). Though subject to review, the current SEP has successfully provided a strategic framework to guide an ambitious growth programme for Lancashire focusing on an "Arc of Prosperity" running through the county. The Arc links key economic assets, high value business clusters, centres of research and training excellence and new housing growth opportunities. The SEP focuses on tackling major productivity challenges and capturing new growth opportunities with place based strategies at the heart of its approach. A refreshed SEP will seek to build on the success of this approach with Lancashire playing its full role in generating transformational growth outcomes of Northern Powerhouse significance whilst also delivering a local industrial strategy of national importance.

The LEP and partners are committed to providing the leadership needed to deliver the economic and housing growth that local communities in Lancashire require to prosper and thrive. The economic success of Lancashire both depends upon, and supports a new approach to housing growth. This includes enabling key growth areas to come forward, and bringing forward housing growth ambitions in areas that were previously characterised as failed housing markets.

The supply of new homes is a vital cornerstone of economic growth. It supports investment in strategic and local infrastructure including transport, schools, public realm, social and community facilities.

City Deal

A City Deal for the Preston and South Ribble area was agreed with the LEP, Preston City Council, South Ribble Borough Council Lancashire County Council, and the Homes and Communities Agency (HCA) and was signed by Government in 2013. The City Deal is taking forward £434 million of new investment, expanding transport infrastructure, supporting the creation of some 20,000 new jobs and generating the development of 17,000 new homes over a 10 year period.

Overall, since the start of the Deal period, housing completions at the end of 2016/17 were ahead of forecast with 2,614 completions compared to a target of 2,058. The number of housing units submitted for planning permission totalled 12,503 exceeding targets and planning consents were also higher than forecast in the same period.

The initiative is proving to be highly successful in delivering Government's key aim of increasing housing numbers and ensuring growth is rebalanced between the south and north of the country.

Under the proposed new method Preston and South Ribble would experience a significant fall in housing numbers from 507 to 225 in the case of Preston and from 417 to 228 in South Ribble.

Our City Deal, and the financial model underpinning it, is reliant on the order of housing numbers currently assessed and set out. The prospect of lower housing numbers runs the risk of undermining the continuing commitment by all partners to ensure housing sites come forward.

There is also a danger that the value of the infrastructure investment will not be maximised and the continuation of the highly successful City Deal approach to secure further investment will not be realised.

Key Ask

- 1. The LEP and City Deal Partners would wish to see a commitment to maintaining housing growth numbers in the City Deal area in line with existing and future growth ambitions.***

Other key growth areas within Lancashire would also have to manage potential reductions in housing numbers. For example, Lancaster is establishing a strategic place-focused approach to delivering new growth opportunities with the University, County Council, LEP, HCA and other partners to unlock the city's untapped potential and to deliver a range of new projects both commercial and residential. National Garden Village status has been recently secured at Bailrigg, with the south of the city expected to deliver at least 3,500 new homes. Under the new methodology this direction of

travel, commitment and momentum would then be set against a background of housing numbers being lowered from 700 to 401.

The LEP is concerned that the scale of housing numbers reduction in the east of the county will undermine the growth agenda for these areas particularly with reductions of 83% in Hyndburn, 71% in Blackburn with Darwen and 67% in Burnley. Ambitious housing targets are currently in place in these areas and are part of a strategic approach to bring a new housing offer to these areas which will support their overall growth. Under-performing housing areas in the east of the county appear to bolster the provision of affordable housing, but much of this offer is not attractive and cannot support the growth transformation required.

Housing growth also plays a critical role in bringing forward and making viable sites for economic and commercial development thereby creating new jobs and economic growth. The cross subsidy offered by residential development is important to the future delivery of new jobs across the country and particularly in parts of Lancashire where viability remains an issue. Lancashire's place-based approach to growth including the alignment of housing delivery is highly successful. Without an impetus to deliver further housing numbers of substance there is a very real risk of putting the brakes on overall growth.

There is a concern that major place-based growth and investment programmes such as City Deal and Growth Deal are at risk of being lost or significantly weakened.

Key Ask

2. The LEP and City Deal Partners would wish to see a commitment to housing numbers commensurate with the strategic growth targets of agreed place-based strategies and investment programmes secured to ensure planned delivery.

Delivering Growth: Lancashire's Success and Future Ambitions

Lancashire and the LEP have established a strong reputation and track record of delivering growth which is recognised by Government and public and private sector partners. This has been achieved through the delivery of significant and innovative initiatives including:

- the £434 million Preston, South Ribble and Lancashire City Deal which is recognised as one of the country's leading City Deals which is on track to deliver 20,000 new jobs and 17,000 new homes;
- the £320 million Growth Deal, the largest secured outside the core city regions, and which is on track to deliver up to 11,000 new jobs, 3,900 new homes and £1.2 billion in new private sector investment by 2021;
- the Lancashire Enterprise Zone cluster programme, based on three Zones (across four sites), is creating an investor offer of Northern Powerhouse significance capable of supporting 10,000 new jobs in the

- advanced engineering and manufacturing, energy and chemical sectors;
- the establishment of Transport for Lancashire has been fundamental to the development of a strategic transport programme to address major infrastructure constraints limiting economic and housing growth and also in supporting the strategic and economic ambitions of Transport for the North;
- Boost, Lancashire's high performing business growth hub, has worked with nearly 5,000 local SMEs and created almost 2,000 new jobs in three years;
- a major innovation programme anchored by Lancashire's three leading universities Lancaster, UCLan and Edge Hill, delivering new centres of excellence to exploit new growth opportunities and lift supply chain productivity levels in priority sectors;
- in collaboration with Sheffield City Region Lancashire has achieved Science and Innovation Audit (SIA) status with Government focussed on the Northern Powerhouse Advanced Manufacturing Growth Corridor;
- a major programme of renewal focused on Blackpool is helping to establish a stronger economic base whilst tackling the town's most acute social problems;
- Lancashire's Employment and Skills Board is one of only a few to have almost fully invested the LEP's £30 million Growth Deal Skills Capital Fund; and
- the LEP has fully recycled the £20million Growing Places Investment Fund in 8 commercial investments across Lancashire, including in some of the most deprived areas, helping to create almost 3,500 new jobs, 200 new housing units and almost 500,000 square feet of commercial floorspace, whilst generating £700,000 in interest for the LEP to re-invest.

These successes are interlinked and housing is a key element. Looking forward the LEP will be seeking to build on these approaches through a refreshed SEP linked to Government's modern Industrial Strategy and to scale up, accelerate and align with strategic cross-boundary opportunities. As one of the largest local economies in the North, Lancashire is looking to play its full role in delivering transformational growth outcomes of Northern Powerhouse significance.

In some areas of Lancashire it has been challenging for local planning authorities to adopt housing numbers in line with growth expectations. However, there is considerable evidence of local success in doing this. In order to maintain this approach it is important that Government sets a clear expectation that appropriate growth linked to housing continues to be a priority.

It is accepted that a more prescribed approach would be helpful in guiding and speeding-up local housing numbers calculations. Indeed the City Deal partners responded to the February 2017 consultation supporting the concept of a standardised approach. However this response emphasised the

importance of giving proper consideration to economic-led housing need. It is critical that any new methodology takes into account the key principles involved in promoting greater prosperity across the country as a whole. Not least, the need to support and promote growth and economic prosperity.

Over-Simplification of Proposed New Method

This proposed methodology differs from the current Objectively Assessed Need (OAN) process in several important ways.

It does not take into account local authorities working together at Housing Market Area (HMA) level. Considering housing need at HMA level allows a more realistic account to be taken of migration and commuting patterns across local areas.

The proposed methodology simply uses a single demographic data set as a minimum housing number. It relies on past delivery and does not fully take into account forecasts for growth. It is based on short-term demographic trends which have a particularly detrimental effect on Lancashire districts that have experienced low levels of housing growth in recent years. The majority of current OAN methodologies take the household growth projections as a starting point only and then consider them alongside other demographic models to ensure a model appropriate to the local area is used. These demographic-led assumptions take into account factors such as population growth, age profiles, past changes, etc.

The proposed methodology makes an adjustment for affordability using the ratio of median house price to median income. Current OAN methodologies generally consider affordable housing need in the context of wider housing delivery. In some areas of Lancashire there are large areas of poor or unfit housing, which is technically affordable, but does not on its own provide an acceptable housing solution for individuals and families that are resident in some of the country's most deprived communities. This skews the methodology towards low housing need numbers.

The proposed methodology takes no account of economic-led housing needs and makes no adjustments for economic growth. Current OAN methodologies generally consider demographic projections against future job numbers to see if housing supply would be enough to support those future jobs. Assumptions are also usually made about planned growth scenarios.

Key Ask

3. It is considered that the proposed new method has been oversimplified and does not allow for crucial adjustments to local circumstances. A more balanced approach which allows for a wider but guided set of factors would provide more robust figures.

Key Ask

- 4. The need to properly account for and assess housing need in relation to economic growth, economic ambitions and planned growth initiatives needs to form a key part of the proposed new methodology. Clear guidelines on the approach to be taken and the factors to be included for this should be set out in the proposed methodology to ensure transparency and avoid protracted deliberations over the validity of differing approaches***

Question 4

Do you agree with our approach in circumstances when plan makers deviate from the proposed methodology, including the level of scrutiny we expect from the planning Inspectors?

It is Government's expectation that local planning authorities will adopt the proposed method when assessing housing need. However paragraphs 44-47 set out circumstances in which a different approach may be taken.

Paragraph 46 states that plan makers may put forward proposals that lead to a local housing need above that given by the proposed approach. This could be as a result of a strategic infrastructure project, or through increased employment (and hence housing) ambition as a result of a "Local Economic Partnership" investment strategy, a bespoke housing deal with government or through delivering the modern Industrial Strategy. Government wants to make sure that proper support is given to those ambitious authorities who want to deliver more homes. To facilitate this it is proposed to amend planning guidance so that where a plan is based on an assessment of local housing need in excess of that which the standard method would provide, Planning Inspectors are advised to work on the assumption that the approach adopted is sound unless there are compelling reasons to indicate otherwise. Government will also look to use the Housing Infrastructure Fund to support local planning authorities to step up their plans for growth, releasing more land for housing and getting homes built at pace and scale.

At first glance the provisions for deviation would appear to answer a number of concerns raised by the LEP and City Deal partners. However, when examined in more depth, it is considered that there would be significant risk in adopting an approach whereby the housing numbers across key growth areas in Lancashire would be proposed on the basis of an exception and deviation from the expected methodology.

In the majority of the Lancashire authorities where growth initiatives, housing deals and investment strategies are priorities and are supported by current local assessments, the decrease in housing numbers as a result of the proposed new method would be significant. These reductions would be in the order of around 40% and in many cases more than 60% and as much as 83%. The scale of the deviation in housing numbers would be such that the ability to justify and evidence that difference would be challenging. The scale

of difference would also leave the process of proposing housing need figures open to challenge from those not supportive of housing growth. Indeed some local planning authorities in Lancashire are already seeing the proposed new methodology and resulting figures being used by those opposed to housing growth to challenge housing proposals.

Key Ask

5. In order for Lancashire's growth agenda and initiatives to proceed with certainty it is important that the economic growth elements referred to as grounds for deviation from the methodology are embedded into the methodology itself as economic factors. Economic growth should be a central part of the methodology not dealt with as an exception.

Improving How Authorities Work Together to Meet Housing and Other Requirements Across Boundaries Through the Preparation of a Statement of Common Ground.

The duty to co-operate, introduced through the Localism Act 2011 was designed to reflect the reality that strategic cross-boundary planning matters can only be effectively tackled when local planning authorities work together. The duty requires local planning authorities and certain public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of plan preparation in the context of strategic cross-boundary matters. Such matters include planning for housing need across a market area or developing integrated infrastructure.

Government has concluded that the duty to co-operate on its own is not working effectively.

It is therefore proposed that to support more effective joint working all local planning authorities should produce a statement of common ground for the housing market area or other agreed geographical area where justified and appropriate.

It is proposed that the statement will set out the cross-boundary matters, including housing need for the area, distribution and proposals for meeting any shortfalls. In setting out the strategic cross-boundary issues, the statement will record where agreement has, and has not been reached.

The statement of common ground provides a vehicle to set out where strategic cross-boundary infrastructure is required to unlock more land for housing. Where there are strategic cross-boundary infrastructure matters, local planning authorities will be expected to set out how they intend to resolve them and show that they have agreement with the relevant bodies. It is proposed therefore that the statement of common ground, once in place, should be submitted as supplementary evidence of effective co-operation between authorities when applying for strategic infrastructure investment.

Question 8

Do you agree that the proposed content and timescales for publication of the statement of common ground are appropriate and will support more effective co-operation on strategic cross-boundary planning matters?

Question 9

a) do you agree with the proposal to amend the tests of soundness to include that:

- i) plans should be prepared based on a strategy informed by agreements over the wider area; and**
- ii) plans should be based on effective joint working on cross-boundary strategic priorities, which are evidenced in the statement of common ground?**

b) do you agree to the proposed transitional arrangements for amending the tests of soundness to ensure effective co-operation?

The LEP and City Deal partners support increased co-operative working to develop a more strategic approach to planning for growth. The established joint planning approach of the Central Lancashire authorities provides a firm foundation to support the development of City Deal and helps enable the successful implementation and delivery of the agreed programme.

The proposals represent a more robust approach than the existing duty to co-operate process alone. The articulation and commitment to agreements over the wider area will be key to this and it would be helpful if the proposals emphasised and expanded on this. Indeed a firmer commitment to planning strategically, including for local housing needs, across multiple and wider boundaries in line with strategic growth priorities, would assist in delivering both Government's housing growth priorities and the modern Industrial Strategy.

As set out previously the key concerns of the LEP and City Deal partners relate to the significant decrease in housing numbers in key growth areas across Lancashire under the proposed new approach to calculating housing need. If local planning authorities pursuing a growth agenda find it difficult to establish and defend the numbers they wish to under the new methodology, and have to accept lower figures, a central plank of and key impetus for strategic cross-boundary working will be removed or significantly weakened.

Key Ask

- 6. Further support for and clarification of strategic cross boundary planning would enable authorities pursuing a growth agenda to do so alongside neighbours adopting a lower housing growth figure in a way that still allows for areas such as Lancashire to continue to grow and prosper overall.***



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 7 November 2017

Lancashire European Structural and Investment Fund (ESIF) programme - Update on Performance and Future Planning

**Report Author: Sean McGrath, External Investment and Funding,
Tel: 01772 531053, sean.mcgrath@lancashire.gov.uk**

Executive Summary

The report sets out the current position regarding the Lancashire European Structural and Investment Funds (ESIF), including details on current programme performance and commitment levels with information on planned future activity.

Recommendation

The LEP Board is asked to note the contents of the report, including current commitment levels and planned future activity. In particular the Board is requested to consider;

- (i) The overall performance of the ESIF programme;
- (ii) The issues related to the European Social Fund (ESF), as detailed in paragraph 2.3; and
- (iii) The broader issues related to the future of the ESIF programme and the need to plan for a successor programme(s) as highlighted in Section 3.

Background and Advice

1. European Structural and Investment Funds 2014-20 Implementation

1.1 The Government established a National (England) Growth Programme for EU funding over the period 2014-20, overseen by a National Growth Board. The Growth Programme is based upon an UK wide agreement with the European Commission (EC) until 2020 (unless altered as part of Brexit negotiations).

1.2 The Growth Programme includes 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 approximately £5bn in England, with Lancashire having an indicative allocation of



£216m (6th largest allocation in England and largest Transition Area allocation) with a requirement for at least £144m of match funding.

1.3 To access this funding all LEPs submitted a European Structural and Investment Funds (ESIFs) Strategy linking key local priorities to national Operational Programmes. The delivery of the ESIF programme remains in the control of three Government Departments managing the key Operational Programmes, namely:

- ERDF – Department for Local Communities
- ESF – Department for Work and Pensions
- EAFRD – Department for the Environment, Farming and Rural Affairs

1.4 In response to the allocation of finances and targets to Lancashire ESIF programme, the Lancashire ESIF Committee felt that some did not meet Lancashire's economic needs and/or were not achievable. The ESIF committee submitted a number of amendments to the programme in 2016.

1.5 Although not yet formally notified the Government have agreed to the following amendments to the Lancashire programme based upon our submission;

- An additional £2.4m for the ERDF programme, resulting from the statistical review, be added to the allocation for Priority 1 Research and Innovation. A call was issued earlier in the year to allocate this amount and project applications are currently going through the appraisal process
- The Priority 2 ICT infrastructure targets have been removed from the Lancashire programme due to the performance of the Lancashire Superfast Broadband Rollout in delivering 24mbps speeds to properties in Lancashire. Instead all remaining Priority 2 ICT resources have been transferred to Priority 3 Business Support to allow for joint projects delivering business and ICT support together (rather than individual projects).
- A reduction in the resources allocated to Priority 4 Low Carbon to put the Lancashire programme on par with the national Low Carbon allocation per LEP. In addition the criteria for Low Carbon have been widened to allow for a greater range of activity.
- An increased allocation for Priority 5 Climate Change (Flood Mitigation) to better reflect Lancashire's issues and the strong pipeline of activity that will support and protect businesses and homes (now worth up to £10m from £3m). A call is due to be issued in November 2017.

1.6 Post the EU Referendum the Chancellor had given a guarantee that all projects contracted prior to Brexit will have their funding honoured. In addition, Government Departments added an enhanced Value for Money assessment to project applications to ensure they support domestic priorities.



2. **Current Position of the ESIF programme**

- 2.1 The Lancashire ESIF Committee has overseen a number of calls across a range of activities since the ESIF programme was launched. At the time of writing £95m has been contracted, another £30m of projects is currently in appraisal, with up to £50m of calls planned to be issued in November 2017. This leaves approximately £47m of funds (21% of the programme total) possibly 'at risk' if not committed to projects prior to Brexit (March 2019).
- 2.2 Two key risks to the delivery of Lancashire's ESIF programme are delays in future calls, thereby not giving enough time before BREXIT for projects to be approved and delivered, and the availability of match-funding to support new project ideas and the continued delivery of programme outputs. These are in addition to ensuring that projects spend to financial profile to ensure that all funds are spend as planned.
- 2.3 ESIF Committee officers are engaged with Managing Authorities to ensure that local priority activity is identified for calls as soon as possible. However, given that the project calls schedule is being driven by national considerations and Managing Authority capacity, as opposed to local requirements, there may well continue to be a mismatch between local need for calls and the national position. However, where appropriate, call information is ready locally to ensure calls can be issued by Managing Authorities as soon as they give the go ahead.
- 2.4 Regarding the availability of match-funding this is very much dependent upon the financial capacity of delivery partners as well as the availability of other domestic funding streams. For example, In the case of the Priority 5 Flood Mitigation schemes (see below) a lack of guaranteed match-funding from the Environment Agency has meant Lancashire's priority projects have not been able to apply for ESIF resources. A lack of match-funding has also prevented the Education and Skills Funding Agency (ESFA) accessing its full allocation of ESF resources.
- 2.5 Current performance across all ESIF programmes is good against national benchmarks, though there is a need for improved performance in specific areas. This will be addressed through the issuing of projects calls (see below).
- 2.6 In addition, the ESIF committee is focused on ensuring project delivery against targets although, as indicated below, the performance information from Managing Authorities is variable. However, project deliverers still need to ensure that activity is on target and where there is underperformance/underspends Managing Authorities are notified as soon as possible. This will allow for remedial action and/or the recycling of resources in a timely manner that would retain money in Lancashire.



ERDF

- 2.7 Project applications currently being appraised include the Health Innovation Campus (Lancaster University) and the Advanced Manufacturing Research Centre NW (AMRC NW) for ERDF funding and Leadership and Management activity for ESF funding. A Lancashire ERDF Urban Development Fund is also in development, as part of a broader LEP investment framework and is the subject of a more detailed report elsewhere on this agenda. The calls planned for November 2017 will focus on Flood Mitigation, Low Carbon and Business Support continuation activity up to 2020 (with a final date still to be confirmed).
- 2.8 Another ERDF call is planned for March 2018, with a focus on the continued support for performing activity supported by Priority 1 Research and Innovation. It is unclear when the next ESF call will be.

ESF

- 2.9 In addition, there is £13m of ESF resources that were originally allocated to the ESFA (from the original £40m allocated) still to be committed. Due to issues regarding the future of the former Skills Funding Agency, only £27m of the original £40m was contracted for delivery until March 2018. As yet it is still not certain whether the ESFA will be able to continue delivery post March 2018 and if not whether other match-funding will be made available.
- 2.10 There have been a number of issues with the way the ESF programme is being managed by DWP, namely;
- A lack of detailed management information to allow the Lancashire ESIF Committee to take an informed view on the delivery of the Fund. Coupled with a lack of local capacity to provide information at meetings, the reporting of the performance by the DWP has been poor with local officers providing most of the detailed performance information. As a result there is a lack of clarity in certain priorities on performance that the Managing Authority are currently unable to resolve.
 - The DWP have added an extra appraisal stage to the ESF process, which occurs after projects have been appraised and recommended from approval using the transparent national process. The impact in Lancashire has been that the Chorley Inclusion and Employment Project, that had successfully passed the usual appraisal process and was recommended from approval by the ESIF Committee, was rejected by DWP. Both the Chair of the ESIF Committee and Chorley Borough Council requested the detail of the extra appraisal for this project, as well as appealing the outcome, but without any further significant information forthcoming.



- As previously reported the DWP have consistently not issued ESF calls due to the fact that Lancashire is not considered a priority area and this has impacted on our overall performance. This unacceptable approach has been raised with Government but there has been no material improvement in DWP's approach and no operational changes are planned.

EAFRD

- 2.11 Regarding the EAFRD programme all resources will be included in calls to be issued by December 2017. There will not be a local Rural Broadband call as the Government have issued a national call with a deadline of May 2018. Only those organisations currently leading on the delivery of Superfast Broadband, the County Council in the case of Lancashire, are eligible to bid. Early discussions have already started with Districts on eligible areas with regard to support for rural businesses.

Output Performance

- 2.12 Based upon currently contracted projects the allocated overall achievement against our Performance Framework Targets is as follows:

ERDF (Based upon 39% of ERDF indicative allocation contracted)

- | | |
|--|-----|
| • Number of enterprises receiving support | 40% |
| • Surface area of habitats protected | 30% |
| • Estimated annual decrease in Green House Gas (GHG) | 0% |
| • Businesses and properties with reduced flood risk | 0% |

These figures do not include projects going through appraisal which will increase performance against the number of enterprises receiving support target (as will the continuation calls due to be issued this year).

- 2.13 National performance against the Annual Decrease in GHG has been below target due to overly restrictive national project eligibility criteria. We are expecting a number of projects to come forward in response to the November 2017 call given that the project criteria has been widened, there are likely to be further projects as the project pipeline increases. For the businesses and properties with reduced flood risk, we are expecting performance to increase due to the issuing of a £10m call for flood mitigation projects in November 2017 with a strong pipeline of Environment Agency backed projects.

ESF (Based upon 48% of indicative allocation contracted)

- | | |
|----------------------|-----|
| • Total Participants | 54% |
|----------------------|-----|



Performance against sub-group targets is good and in line with financial commitments with the exception of the participants from BAME groups at 38%. It is expected that this figure will increase through the delivery of existing contracted projects and by a Widening Participation Call that has recently been issued. Performance in this area is being constantly reviewed and if required additional activity will be commissioned to ensure participants numbers from BAME groups is in line with overall performance.

The outputs for the *EAFRD* programme are job focused and currently the programme is performing to target.

3. Forward Planning Issues

- 3.1 There has been limited formal guidance from Government on the impact of the EU Referendum other than suggestions to carry on with "business as usual" with a degree of re-assurance offered by the Chancellor's statement which indicated that contracted projects would have their funding guaranteed even after the UK leaves the EU.
- 3.2 Based upon the projects that have been contracted, approved and calls issued the level of funding 'at risk' has reduced since the last Board report in January 2017 and is currently estimated at £47m (down from £92m). This is broken down as follows:

These figures do not take into account any calls that will be issued in 2018 to support continuation activity. This figure includes the £12m that could be accessed by the Lancashire programme if the national ESIF programme meets its Performance Reserve Targets.

- 3.3 From a Lancashire perspective, key issues for the Board to be aware of are:
- The need for contract length to be long enough to ensure projects have adequate time to deliver meaningful outputs and outcomes rather than a 'rush to spend' - this is particularly important for any continuation activity supported from late 2017/early 2018.
 - The Performance Reserve monitoring point in December 2018 at which point the England ESIF Growth Programme will be reviewed against expenditure targets. If successful this will allow the programme to access the remaining 6% of the programme, approximately £12m in Lancashire's case. Lancashire should achieve its contribution to this target but delays in issuing calls and/or projects not delivering to profile could be problematic.



- Ensuring adequate match-funding is available to draw down ESIF resources, it is becoming apparent match-funding is scarcer than it was at the start of the ESIF programme.
- The capacity of Government, especially DWP, to manage the ESF programme effectively and provide adequate information to the Lancashire ESIF Committee to allow for effective performance management.
- An increasing lack of acknowledgement by Government officials of local priorities in the delivery of the current ESIF programme.
- The need to establish a new national investment programme, of at least similar scale, to replace EU funding from 2020 that supports the delivery of locally determined economic growth and regeneration priorities. The UK Shared Prosperity Fund is the current proposed vehicle for this but as yet there is no detail as to how or when it will operate and/or what the priorities will be. It has to be assumed that performance in delivering the ESIF programme could be taken into account in the development of the Shared Prosperity Fund.
- The need to consult with LEPs on any successor programme to ESIF at the outset of programme development.



Lancashire Enterprise Partnership Limited

Private and Confidential: NO

Tuesday, 7 November 2017

Strategic Marketing and Communications Activity Update

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Executive Summary

This report updates the Board on the development and delivery of a strategic marketing and communications activity for the Lancashire Enterprise Partnership (LEP).

Recommendation

The LEP Board is asked to:

- (i) Note and comment on the contents of this report; and
- (ii) Note that the Chief Executive of Marketing Lancashire, as the LEP's Media, Communications and PR lead, continues to provide regular updates to the LEP Board on strategic marketing and communications activity and outputs.

Background and Advice

1. Context

The delivery of strategic marketing and communications activity for the LEP continues with outputs from PR, media and communications, branding, event planning and delivery and the promotion of the Lancashire narrative. This report outlines the continuing progress being made in each area.

2. Media and Communications Activity - overview July to October

This period has seen a wide range of different LEP-led and partner-led PR pieces developed and successfully pitched to the media featuring positive LEP messages and quotes. These have included the Insider Business of Lancashire Conference, the Paris Airshow and MIPIM UK.

In agreement with the Growth Deal Management Board, SKV have taken a more formal lead on the Growth Deal communications strategy, to ensure coherent and consistent messages supporting Northern Powerhouse and Growth Deal branding in



all activity, whether it be LEP-led or led by third party partners who need to ensure LEP inclusion and comment in relevant material.

There was also a series of major skills and education initiatives which all created good PR opportunities for the LEP across a range of sectors and topics.

2.1 Aerospace

Following on from the creation and launch of the Aerospace Lancashire initiative at Farnborough International Air Show last July, Lancashire's presence at the Paris Airshow this year was to reinforce the county's position as number one in the UK for aerospace using the recent research report produced by NWAA highlighting the size and significance of the Lancashire aerospace sector and its future prospects for growth.

The combination of a presence at Paris, and the 'reveal' of the new NWAA report, generated features and articles in national trade press and regional and local business media.

The Advanced Manufacturing and Energy Cluster (LAMEC) was an additional part of the aerospace story, and was also highlighted positively in a separate feature in Insider magazine about the 'health' of the North West's Enterprise Zone offer.

2.2 Skills and Training

PR activity for skills and training initiatives has continued at a pace during this period and the LEP's role in funding and delivering skills projects continue to be widely communicated.

Innovative schemes to engage with young people such as Digital Advantage, Enterprise Advisers, Moving On and the 'Bridging The Gap' City Deal learning activity have all enjoyed coverage in local and regional media whilst more complex issues, such as the impact of the apprenticeship levy on employers, have featured expert comment from the Skills Hub in both the Insider and Lancashire Business View.

The Social Value Toolkit, developed by the Skills Hub, has also been featured in local and regional business press, and messages about increasing social value and creating local skills and employment opportunities have been woven into comments and quotes from the Chair of the LEP on wider PR pieces.

Recent capital investments in skills infrastructure have also provided a number of PR platforms for the LEP to talk about the importance of vocational training and how it links to the LEP's Strategic Economic Plan. These have included the opening of the Sentamu Teaching Block at the University of Cumbria's Lancaster campus, the new £7.5m Food and Farming Innovation & Technology Centre (FFIT) at Myerscough College, and the relocation of Lancashire's adult learning service to the Northlight development in Pendle.

For all of these projects, SKV liaised closely with local partners to ensure not only that the LEP's role in each was highlighted, but also to emphasise that Growth Deal had been an enabling source of investment.



Working with local partners, and supporting them in terms of advice and strategy, resulted in extensive local and regional coverage for each separate story.

Through this new cohesive and co-ordinated approach for Growth Deal projects, SKV was also in a position to combine these separate opening events to create an overarching skills investment piece which highlighted the strategic significance of the LEP's skills strategy, the role of the Skills Hub, and the impact of the Growth Deal programme.

The release also featured quotes from the Chair of the LEP, the Director of the Skills Hub and the Northern Powerhouse Minister Jake Berry MP which ran as a full colour feature page in the Lancashire Post print edition. The Lancashire Telegraph also ran a rare 'countywide' positive LEP story in both print and online.

The national education trade title, FE News, also featured the Lancashire overarching skills investment story, as did Business Quarter magazine.

2.3 Business of Lancashire Conference and the Place North West Transport Summit

Since the last Board meeting, the LEP has sponsored two major regional events and seen both secure positive post-event media coverage.

The Northern Transport Summit was held at Manchester's Midland Hotel on June 26th. Speakers included the Mayor of Manchester Andy Burnham, David Brown (Transport for the North), Sir Richard Leese (MCC), John Cridland (Transport for the North), Robert Hough (Peel) and John McNulty (HS2).

By partnering with Place North West, a speaking slot was secured for County Councillor Geoff Driver, who shared with over 200 delegates, details of how the Growth Deal and City Deal were transforming Lancashire's transport infrastructure. County Councillor Driver also talked about how East-West connectivity was also becoming a key priority for Lancashire.

The event enjoyed a full write-up and image slideshow on Place North West's website at the end of June.

The July issue of Insider magazine carried a four-page report on the *Business of Lancashire* conference hosted at Preston North End on June 20th. With the LEP as lead sponsor, the half-day event featured 18 speakers including Graham Cowley, Jim Carter and Mick Gornall alongside other business leaders, policy makers and influencers.

Through the LEP's sponsorship there was an opportunity to help shape the agenda and topics under discussion and many of the LEP's strategic priorities, investments and economic growth initiatives were discussed and debated. This included priority sectors, skills, energy, the EZ cluster, transport and Lancashire's unrivalled quality of life offer, all of which were subsequently reported on in Insider's follow-up feature.

2.4 City Deal

The third anniversary of the City Deal gave LCC communications and the LEP the opportunity to update the media, partners and the public on what had been achieved



so far, and what is still to come. PR pieces were drafted and issued which revealed the progress that the City Deal Programme had made and more recently, the proposals for the Cuerden strategic site securing planning permission, has given the City Deal story increased significance and additional LEP coverage with comment opportunities having been secured as a result. This included an interview with the Director for the Skills Hub in Lancashire Business View about the legacy of the City Deal in terms of construction skills, jobs and social value.

A meeting is taking place on 7th November with all City Deal communications stakeholders to review the proposed Invest in Central Lancashire proposition. The aim is for this to have prominence within the main Invest in Lancashire website which is to be launched in March 2018.

3. MIPIM UK 18th/19th October

Lancashire saw its largest delegation attend MIPIM UK at Olympia with over 20 public and private sector partners working together. Premium partners were the Eric Wright Group, Lancaster City Council and Lancaster University. As well as exhibiting with a “We are Lancashire” stand presence, there were also dedicated showcase panel sessions at the conference with a focus on the City Deal on Wednesday 18th and Lancaster on Thursday 19th, highlighting the investment and development opportunities in and around Lancashire’s cities . The Lancashire LEP MIPIM UK Dinner was held at the President’s Dining Room at RICS where a gathering of public and private sector partners were hosted by LEP Directors, David Taylor, Jim Carter, Graham Cowley and Councillor Simon Blackburn. Lancashire was one of only 3 stands at the exhibition which received a visit from the Northern Powerhouse Minister Jake Berry MP who took the time to have several photos taken on the stand and also agreed to a short interview to camera that is being used in the post event communications.

Two stand events also took place this year, with Mott Macdonald presenting the developing masterplans for Blackpool Airport and Hillhouse Technology Enterprise Zones and Blackburn and Burnley Councils presenting on housing opportunities in Pennine Lancashire.

An extensive pre-event PR piece was drafted highlighting how Cuerden and the wider City Deal offered extensive investment opportunities in and around central Lancashire, and SKV liaised with the Cuerden scheme public affairs consultancy and Eric Wright Group to ensure that messaging was aligned.

Another key part of the MIPIM UK PR push was the showcasing of Lancaster as an emerging economic and investment destination in the north of the county. This centred on the new Health Innovation Campus development at Lancaster University, the 3,500 home Garden Village plan at Bailrigg, the Bay Gateway and the Canal Corridor North potential development together with the city’s rich cultural, environmental and lifestyle assets.

Pre-event coverage saw Lancashire Business View create a home page ‘banner’ at the top of their site signposting the MIPIM story whilst the Lancaster angle was used to secure coverage with the Lancaster Guardian and The Bay local radio station. Pre-MIPIM coverage was also secured in other local and regional media including



Commercial Property Monthly, Business Lancashire, Downtown In Business Lancashire and Lancashire Means Business.

By working closely with the Chief Executive of Marketing Lancashire and the MIPIM UK communications team, SKV;

- Arranged & supervised photography line ups with Minister Jake Berry with LEP representatives; Lancaster CC CEO and city representatives; and Blackpool councillor;
- Conducted an interview with the Northern Powerhouse Minister for LEP video;
- Liaised with MIPIM UK press office for ministerial visit arrangements;
- Attended Day 1 session and tweeted panel members' comments; and
- Drafted three press releases

A post-event piece was prepared, including transcribed quotes from Jake Berry MP and a number of We Are Lancashire partners. This, and a selection of images, were sold into media, which resulted in positive coverage recognising the LEP's role in the Lancashire Evening Post, Blackpool Gazette, NW Insider, BQ, Lancashire Business View and The Bay website.

A separate communication from marketing Lancashire is to be issued to all public and private sector partners to thank partners for their support, to highlight the event's 3,000 delegate numbers from 45 countries, social media impressions of 2 million potential reach and circa 500,000 in press coverage circulation, a photo gallery and a compilation video with key quotes from partners.

4. Business Support

The LEP is now regularly approached by the Northern Powerhouse Investment Fund (NPIF) to provide supportive quotes and/or attend photo-opportunities when a loan has been made to a Lancashire business. This has seen LCC's Head of Business Growth and the Chair of the LEP both featured in NPIF media stories in regional business press, on the NPIF website, and via social media.

The LEP was also recently asked to contribute to a piece about Boost celebrating its 'half-term' results for outputs and outcomes. This included details of over 290 jobs having been created, around 120 new businesses started, and £3.5m of additional economic activity generated.

The LEP's role in securing Boost a second round of funding in 2016 for a further three years was highlighted in the comments prepared on behalf of the Chair of the LEP. Wherever possible a BOOST business support story is featured weekly in the Lancashire Business Brief.

5. Growth Deal Communications

Since July SKV has been informally managing and co-ordinating PR activity around Growth Deal projects, including liaising with local partners and project sponsors (see skills section above for examples of this process in action).



This period has also seen SKV, the Growth Deal Programme Manager, Head of LEP Co-ordination and Development and the CEO of Marketing Lancashire all involved in shaping some new, official Growth Deal communication protocols.

These new protocols incorporate new branding guidelines and new key messages from Government which link to how the Northern Powerhouse brand is presented and described in all external collateral and communications.

A new Lancashire Growth Deal 'boiler plate' has also been created, which is an update from the original 'about Growth Deal' notes to editors first drafted in 2015.

The updated protocols, branding and key messages were recently approved by the Growth Deal Management Board and have now been circulated to all local partners. SKV has also created an online planning document which flags up 'at a glance' forthcoming Growth Deal milestones. It will also be updated on an ongoing basis so at any time the next PR opportunities for the LEP (and the NPH Minister) can be anticipated and planned for accordingly.

SKV will also now monitor and report on Growth Deal communications activity to the Growth Deal Management Board twice a year,

6. Forthcoming PR Opportunities & Milestones

- East-West connectivity research (was put on hold under Purdah)
- HIC ERDF funding announcement
- 'Learn Live' classroom broadcast/skills programme
- Launch of Lancashire Ambassadors' programme
- EZ Cluster prospectus 'launch' and promotion
- Launch of new "Invest in Lancashire" brand and web platform
- AMRC funding announcement (November TBC)
- Burnley Vision Park opening (November TBC)
- Blackpool Tramway – start on site (early 2018)
- Opening of Lancashire Energy HQ (now March 8th 2018)
- MIPIM International, Cannes (March 13-18, 2018)
- Farnborough Airshow (July 16-19, 2018)

7. Digital Communications

The number of subscribers for the Lancashire Business Brief (LBB) has grown to 1,145, an increase of 18% versus the prior year, with around 30% of subscribers opening the weekly email. The LBB continues to be a key source of positive



economic stories and business news on a weekly basis. The plan is to now incorporate contacts made from the Place North West, MIPIM, BOOST and NPH events into the LBB databases.

The LEP twitter account @lancslep number of impressions has reached 111,500 (July-Oct) with 1874 followers. October saw a significant spike in impressions due to the MIPIM UK activity.

A refreshed LEP website will be developed over the coming months that portrays the governance, projects, objectives and details of the LEP Board, its vision and key economic initiatives. Marketing Lancashire will work with the Head of LEP Co-ordination to ensure the new website reflects the work of the LEP, its structure and initiatives as well as adhering to the LEP Network guidelines.

8. Lancashire Advanced Manufacturing and Energy Cluster (LAMEC)

At the EZGC meeting in October a presentation from Richard Barber Marketing took place following months of stakeholder consultations and workshops which outlined to the Governance Committee the planned marketing collateral (online and print) for LAMEC as well as for the individual Enterprise Zone sites. The action points and next steps following the presentation were agreed;

- 1) For each of the stakeholders to review their relevant individual copy and feedback their amends/changes with final sign off from the LEP;
- 2) Call handling processes and protocols would be agreed with relevant calls to action so that enquiries can be measured and visible at any point.
- 3) At the consultation workshops it became clear that there needed to be a central point of contact for LAMEC which would need to be discussed with the LEP as part of the development of call handling protocols. This would also have to be taken into consideration for the Invest in Lancashire website due to be launched in March 2018.
- 4) A more specific/increased presence was required for automotive, energy, renewables, nuclear and the technology that surrounds these sectors plus a confidential enquiry form.
- 5) Results of the recent soft market testing for the Samlesbury Aerospace Enterprise Zone would be shared in due course to inform the marketing and positioning of the site.
- 6) All key stakeholders to take the time to make changes and feed into Richard Barber Marketing and the CEO of Marketing Lancashire so that the LAMEC websites can be soft tested early in 2018 with the major “reveal” to take place at MIPIM Cannes alongside the Invest in Lancashire proposition.

A communication will go out to all stakeholders reiterating the above and asking for input.



9. Developing an Inward Investment Proposition for Lancashire

Mickledore, an economic development agency, were commissioned to produce a data report on Lancashire's sector strengths by each local authority area as well as for the LEP area as a whole. This information would help bring together the content required to populate the proposed Invest in Lancashire website. This data report is also set within the context of inward investment trends over the last 10-years. Following this report, Mickledore have written copy for the website sections covering connectivity, education, R&D, key sites as well as developing content for the sector factsheets that can be easily downloaded as PDFs from the website. The sectors include:

- Advanced Engineering & Manufacturing (automotive & truck manufacturing; advanced materials; textiles and paper)
- Aerospace
- Digital (notably cyber security)
- Food and drink
- Energy (nuclear, wind and shale gas)
- Medical technology (medical devices and digital health)
- Business Services (financial services; Business Process Outsourcing and contact centres)

This information is to be reviewed with the LEP's Head of Co-ordination followed by a meeting with local authority contacts to review the content and to agree how to ensure the key strategic inward investment messages and contact details across the County can be promoted via the website and how we can measure the enquiries.

Agenda Item 14

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Agenda Item 16

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