

## **LEP - Performance Committee**

**Tuesday, 22nd May, 2018 in Exchange Room 2 - County Hall - The Exchange, at 9.30 am**

### **Agenda**

#### **Part I (Items Publicly Available)**

- 1. Welcome and Apologies for Absence**
- 2. Declaration of Interests**
- 3. Minutes of the meeting held on 20th September 2017** (Pages 1 - 4)
- 4. Matters Arising**
- 5. Performance Committee - Terms of Reference** (Pages 5 - 10)
- 6. Any Other Business**
- 7. Date of Next Meeting**

The next Committee meeting will be held on 9<sup>th</sup> October 2018 at 10:30am in Room CHG:08 - A Floor, County Hall, Preston.
- 8. Exclusion of the Press and Public**

The Committee is asked to consider whether, under Section 100A(4) of the Local Government Act 1972, it considers that the public should be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the appropriate paragraph of Part I of Schedule 12A to the Local Government Act 1972 as indicated against the heading to the item.

#### **Part II (Private and Confidential)**

- 9. Lancashire Enterprise Partnership Financial Outturn Position 2017-18 and Proposed Draft Operational Budget 2018-19** (Pages 11 - 18)
- 10. Reporting to Lancashire Enterprise Partnership Board**

*For the Committee to record any items to be referred formally to the LEP Board for consideration.*



## LEP - Performance Committee

**Minutes of the Meeting held on Wednesday, 20th September, 2017 at 10.00 am at the Committee Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

### Present

Richard Evans

Edwin Booth

Graham Cowley

### In Attendance

Joanne Ainsworth, Subject Matter Expert/Specialist Advisor: Finance, Lancashire County Council

Ruth Connor, Chief Executive, Marketing Lancashire Limited

Heather Gittins, Democratic Services Officer, Lancashire County Council

Kathryn Molloy, Head of Service - LEP Coordination, Lancashire County Council

Laura Sales, Director Legal, Democratic and Governance, Governance Finance and Public Services Lancashire County Council

Andy Walker, Head of Service Business Growth, Lancashire County Council.

### 1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting and noted that apologies had been received from Committee Members Councillor Peter Rankin and David Taylor. Officer apologies were presented from Martin Kelly.

### 2. Declarations of Interest

No declarations of interest were made in relation to items on the agenda.

### 3. Minutes of the meeting held on 1st June 2017

**Resolved:** That the minutes of the meeting held on 1 June 2017 are confirmed as an accurate record and signed by the Chair.

### 4. Matters Arising

At the previous meeting of the LEP Performance Committee it was noted as an action for Edwin Booth to speak to the Shadow Combined Authority regarding support to the Local Transport Body. After discussing this it was agreed that it be deferred for the meantime.

## **5. Any Other Business**

The Committee noted that the Annual report for 2016/17 and the three year Business Plan had been approved at the LEP Board at the end of June.

Kathryn Molloy, Head of Service - LEP Coordination, Lancashire County Council informed the Committee that the Leaders had considered the LEP's Business Plan and had been provided with the opportunity to feedback comments to officers prior to the LEP Board meeting in November.

The Committee were informed that the concerns raised by Local Authorities regarding the proposed constitution and powers of Transport for the North that was reported at the last LEP Performance Committee meeting had now been resolved.

It was noted that a query had been received regarding one of the City Deal Schemes. The Committee agreed that Laura Sales look in to this further and report back to the Performance Committee as soon as possible.

### **Resolved:**

- i. That Kathryn Molloy circulate feedback from Leaders on the LEP's Business Plan prior to the LEP Board meeting due to be held on 7<sup>th</sup> November 2017.
- ii. That Laura Sales report back to the Performance Committee with more information relating to the query raised regarding one of the City Deal schemes.

## **6. Date of Next Meeting**

It was noted that the next meeting of the Performance Committee was scheduled for 10.30am on Thursday 30 November 2017 in Room CHG:09, County Hall, Preston.

## **7. LEP Operational Budget 2017/18 - Update Report**

The Committee received a report (circulated) setting out the final outturn position for the LEP's operational Budget for 2016/17 and the revised Operational Budget for 2017/18. It was noted that the LEP Board had approved the Operational Budget at its meeting on the 29 June 17.

Included was a balance statement of the LEP's Growing Places Investment Fund as at 31 March 2017 and it was agreed that this would be presented at each future meeting of the Performance Committee.

It was noted that in January 2017 a draft 2017/18 Operational Budget was approved by the Board. It was commented that subsequently a small number of additional items of activity and related expenditure were included and some areas of expenditure being reduced in the 2017/18 Operational Budget. Kathryn Molloy talked the Committee through the additional items of activity and explained where

areas of expenditure had been reduced as set out in the report.

It was reported that a match funding contribution of £250,000 from the County Council had been secured in 2017/18 and that future years match funding contributions are subject to discussions with the County Council.

The Committee were informed that Jake Berry MP and Margot James MP, on behalf of Government, had written to the LEP Chairs over the summer advising them that a review will be taking place in the coming months into the future of the LEP's to explore ways of putting LEP's on a more consistent footing legally whilst still giving LEP's the freedom and flexibility to attract private sector talent to their Boards. It was noted that they would be expecting more information on this matter in the coming weeks.

Kathryn informed the committee that the posts funded by LCC don't charge until the end of the year and that the two additional posts have been included in the budget but not yet recruited.

The Committee discussed where the Luneside East scheme was up to and were informed that a strategic plan for this project was expected by December and once this was received officers would provide the Performance Committee with an update.

It was noted that the SEP and the reports that officers have produced have been really helpful and clear and thanked officers for all their work on this.

**Resolved:**

- i. That the contents of the report including the LEP's financial outturn position for 2016/17 be noted.
- ii. That the Operational Budget for 2017/18 be noted;
- iii. That the spend to date in 2017/18 be noted;
- iv. That the balance statement for the LEP's Growing Places Investment Fund be noted;
- v. That the balance statement for Growing Places Investment Fund be presented at each future meeting of the Performance Committee; and
- vi. That a further update on the Luneside East Growing Places Investment fund scheme be provided to the LEP Performance Committee Members when the Strategic Plan is received in December 2017.

**8. Marketing Lancashire Limited**

Ruth Connor, Chief Executive, Marketing Lancashire, presented a report (circulated) to the Performance Committee setting out the funding position of Marketing Lancashire including the funding provided by other public and private sector partners.

Ruth talked the Committee through the background of Marketing Lancashire,

what it does and explained what the vision for Marketing Lancashire is.

It was noted that to date Marketing Lancashire is predominantly funded by Lancashire County Council with significant programme funding also provided by the LEP. The remit of the organisation is to help support and promote a strong inward investment agenda and secure additional private sector funding.

Ruth informed the Performance Committee that Funding from LCC had been agreed at cabinet last week for 2017/18, and the following three years but it is subject to annual performance reviews.

It was recognised that a lot has been done recently to align Marketing Lancashire with partner objectives and to drive other income generation within the Company itself.

Ruth explained that Marketing Lancashire want to push the LEP forward where possible and focus on delivery. It was highlighted Marketing Lancashire's focus over the next three months will be MIPIM, Energy HQ investment and the Enterprise Zone website.

It was noted that it would be good to see more national coverage of the LEP and perhaps one option would be to release information together in a package rather than bit by bit. It was also discussed that the way information is illustrated is important and it needs to be clear and easy for people to access.

It was highlighted that access to financial information had been an issue when looking at what is available and there needs to be a clear message of how to access business finance. It was proposed that a simple process chart be put together that is user friendly.

**Resolved:**

That the LEP Performance Committee note the contents of the report.

**9. Reporting to Lancashire Enterprise Partnership Board**

There were no items to be reported to the LEP Board.

**10. Informal Workshop Session focussing on Income Generation**

At this point the formal meeting of the LEP Performance Committee ended. The Committee Members had an informal workshop to discuss income generation.



## **LEP – Sub Committee**

## **LEP - Performance Committee**

**Private and Confidential: NO**

**Date:** Tuesday, 22 May 2018

## **Performance Committee - Terms of Reference** (Appendix 'A' refers)

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

### **Executive Summary**

Following the appointment of a new Chair to the Lancashire Enterprise Partnership's Performance Committee, the Committee is requested to note the Committee's current Terms of Reference as approved by the Lancashire Enterprise Partnership within the Lancashire Enterprise Partnership's updated Assurance Framework.

The Committee is also asked to consider and review its key areas of activity, specifically the collation and reporting of KPIs relating to the Lancashire Enterprise Partnership's key economic initiatives, regular attendance at the Performance Committee by other Committee Chairs, management of the LEP's Risk Register and managing compliance in relation to the LEP's governance and accountability requirements as identified in the Assurance Framework and other national guidance.

### **Recommendation**

The Performance Committee is asked to:

- (i) note its Terms of Reference as attached at Appendix 'A' to this report; and
- (ii) consider and review its key areas of activity, specifically the collation and reporting of KPIs relating to the Lancashire Enterprise Partnership's key economic initiatives, regular attendance at the Performance Committee by other Committee Chairs, management of the LEP's Risk Register and managing compliance in relation to the LEP's governance and accountability requirements as identified in the Assurance Framework and other national guidance.



## Background and Advice

As part of its Assurance Framework approved by the Lancashire Enterprise Partnership Board on 17<sup>th</sup> March 2015 a number of Committees of the LEP were established and Terms of Reference for each Committee approved.

The Assurance Framework is reviewed regularly by the Board, most recently at its meeting on the 24<sup>th</sup> April 2018 with each Committees Terms of Reference being reviewed.

Following the appointment of a new chair to the Performance Committee, the Committee is asked to note its current Terms of Reference as currently contained with the Assurance Framework.

## List of Background Papers

Paper	Date	Contact/Tel
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N/A		
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Reason for inclusion in Part II, if appropriate

N/A



## **PERFORMANCE COMMITTEE**

### **Governance Structure and Terms of Reference**

#### **Composition**

1. Unless otherwise agreed by the LEP, the Performance Committee shall comprise a minimum of 3 and a maximum of 8 members.
2. The Members of the Performance Committee shall be appointed by the LEP and shall draw a minimum of 3 private sector directors as members.
3. A place will be reserved on the Performance Committee for the nominee of the Lancashire Leaders Group.
4. The Members of the Performance Committee, as at the date of adoption of these Terms of Reference, are as follows:

<i>Liam Finnigan</i>	<i>(Chair)</i>	<i>LEP Director</i>
<i>Edwin Booth</i>		<i>LEP Director</i>
<i>Graham Cowley</i>		<i>LEP Director</i>
<i>Ann Dean</i>		<i>LEP Director</i>
<i>Councillor Peter Rankin</i>		<i>Lancashire Leaders Group Nominee</i>
<i>David Taylor</i>		<i>LEP Director</i>

Members can nominate substitute representatives, with written notification provided to the Clerk in advance of the meeting. Substitutes will be counted towards the quorum and will be entitled to vote. The use of substitutes shall be by exception rather than rule.

5. The Performance Committee may invite any persons it sees fit to attend meetings as observers. Observers shall be subject to the LEP Assurance Framework protocol on observer attendance at meetings.
6. The County Council's Director of Governance, Finance and Public Services (and LEP Company Secretary) and Section 151 Officer (or their nominees) will attend meetings of the Performance Committee.

#### **Chair and Deputy Chair**

7. The Performance Committee shall appoint one of its number to act as Chair ("the Chair"). The Chair of the Performance Committee will be a private sector representative and be a member of the LEP Board.
8. The Chair shall not have a casting vote.
9. The Performance Committee may appoint one of its number to act as Deputy Chair ("Deputy Chair").

## **Quorum**

10. The quorum for Performance Committee meetings shall be a minimum of 3 directors. In the event that the Chair is not present the Committee should appoint one of the members present to act as Chair in his/her absence.
11. If within 15 minutes from the time appointed for the holding of a Performance Committee meeting a quorum is not present, the meeting shall be adjourned. The Secretary shall arrange for the meeting to take place within two weeks and if at that meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting the Members present shall be a quorum.

## **Secretary**

12. The LEP's Company Secretary (or their nominee) shall serve as the Secretary ("The Secretary") to the Performance Committee.
13. The Secretary shall produce minutes of all meetings of the Performance Committee and will maintain a list of conflicts of interests, in accordance with the LEP's Assurance Framework. Performance Committee agendas will include a standard item requiring declarations to be made in relation to specific items of business.

## **Meeting Frequency**

14. The Performance Committee shall meet at least once in a 12 month period, and as necessary according to operational need.

## **Decisions in Writing**

15. A resolution in writing signed by the majority of the members of the Performance Committee for the time being shall be as valid and effectual as if it had been passed at a meeting of the Performance Committee.

## **Remit**

16. The Performance Committee will provide oversight on six key areas of performance:
  - (i) Quantum of resources secured by the LEP;
  - (ii) Investment decision making;
  - (iii) Implementation and delivery of key LEP initiatives;
  - (iv) Monitoring and evaluation of key LEP initiatives;
  - (v) Compliance with LEP policies and procedures, as set out in the LEP's Assurance Framework; and
  - (vi) Risk management.
17. The Performance Committee will not make recommendations on individual scheme approvals.

## **Governance Relationship with the LEP**

18. The LEP is responsible for agreeing the Terms of Reference of the Performance Committee and has the power to vary the same.
19. The Performance Committee shall review its Terms of Reference from time to time as necessary and report their findings to the LEP.
20. Minutes of the Performance Committee meetings shall be submitted to the LEP Board at the LEP's request.
21. The Chair shall provide update reports to the LEP Board at the LEP's request.

#### **Relationship with Lancashire County Council**

22. Lancashire County Council, as accountable body to the LEP, shall provide legal, audit, financial and programme management support through, respectively, the Director of Corporate Services, (LEP Company Secretary), Head of Internal Audit, Section 151 Officer and Director of Economic Development and Planning.
23. Lancashire County Council shall maintain an official record of the Performance Committee proceedings and a library of all formal Performance Committee documents.

#### **Publication of Papers**

24. The agendas and papers of the Performance Committee will be published on the LEP's website in accordance with the LEP's Assurance Framework.



# Agenda Item 9

(NOT FOR PUBLICATION: By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972. It is considered that all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information)

Document is Restricted



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