

Lancashire Enterprise Partnership Limited

Minutes of the Meeting held on Tuesday, 25th June, 2019 at 4.30 pm at the Lancashire Energy HQ, Blackpool Airport Enterprise Zone, Squires Gate Ln, Blackpool FY4 2QS

Present

David Taylor CBE DL (Chairman)

Miranda Barker
Jim Carter DL
Ann Dean DL
Dave Holmes

Dennis Mendoros OBE DL
Councillor Phil Riley
Professor Mark Smith
Amanda Melton

In Attendance

Neil Jack, Chief Executive, Blackpool Council
Martin Kelly, Director of Growth and Development, Blackburn with Darwen Borough Council
Richard Kenny, Interim Director of Economic Development and Planning, Lancashire County Council
Andy Milroy, Senior Democratic Services Officer, Lancashire County Council
Paul Evans, Assistant Director, Cities and Local Growth Unit, Department for Business, Energy and Industrial Strategy
Andrew Pettinger, Interim Chief Executive Officer, Lancashire Enterprise Partnership
Angie Ridgwell, Section 151 Officer, Chief Executive and Director of Resources, Lancashire County Council
Laura Sales, Company Secretary and Director of Corporate Services, Lancashire County Council
Stephen Young, Executive Director of Growth, Environment, Transport and Community Services, Lancashire County Council
Anne-Marie Parkinson, Growth Deal Programme Manager, Lancashire Enterprise Partnership
Michele Lawty-Jones, Director Skills Hub, Lancashire Enterprise Partnership
Anthony Lockley, Director of Strategy and Assistant Chief Executive, Blackpool Council
Jo Ainsworth, Lancashire Enterprise Partnership and Special Projects Finance Manager, Lancashire County Council
Ed Matthews Gentle, Senior Project Officer Business Growth, Lancashire County Council
Andy Walker, Head of Business Growth, Lancashire County Council
County Councillor Michael Green, Cabinet Member, Lancashire County Council
Councillor Mark Smith, Cabinet Member, Blackpool Council

1. Welcome and Apologies for Absence

The Chairman, David Taylor, welcomed all to the meeting. Apologies for absence were presented from County Councillor Geoff Driver CBE, Graham

Cowley, Khalid Saifullah MBE DL, Mark Rawstron, Mike Blackburn OBE, Mick Gornall, Councillor Simon Blackburn, Councillor Alyson Barnes, Councillor Stephen Atkinson, Claire Whelan and Co-opted Member Tony Attard OBE DL.

It was noted that Councillor Mark Smith was observing the meeting on behalf of Councillor Simon Blackburn and that County Councillor Michael Green was observing the meeting on behalf of County Councillor Geoff Driver.

2. Minutes of the meeting held on 1st May 2019

Resolved: It was noted the Councillor Phil Riley was present at the meeting on 1st May 2019 and subject to amending the attendance section the minutes of the Board meeting held on 1st May 2019 were approved as an accurate record and duly signed by the Chairman.

3. Matters Arising

None

4. Declaration of Interests

Councillor Phil Riley declared an interest in Item 13 – Growth Deal – it was recorded that he is a member of Blackburn with Darwen Borough Council who have two bids under consideration and that he would take no part in voting on this item.

Amanda Melton declared an interest in Item 13 – Growth Deal – it was recorded that she is the Principal of Nelson and Colne College which has received Growth Deal Funding and that she would take no part in voting on this item.

5. Lancashire's Local Industrial Strategy

Andy Walker, Head of Service Business Growth, Lancashire County Council introduced a report and presentation regarding the development of Lancashire's Local Industrial Strategy.

Andy introduced Simon Pringle and Scott Dickinson from Steer Economic Development who were commissioned by the Lancashire Enterprise Partnership to develop the Strategy.

Scott Dickinson gave a presentation containing the results of the Lancashire Local Industrial Strategy study that Steer had undertaken. This included an overview of the purpose, the objectives and outputs. The two outputs identified were to have an evidence based Local Industrial Strategy for Lancashire, and, to have a visible and transparent development process.

It was noted that with regard to work planning and milestones that following scoping and evidence base data analysis the next stage over the summer of 2019 was to develop the vision and strategy. Following this in the Autumn action planning and workshops will be held to develop the framework, governance and implementation with full implementation from March 2020 onwards.

In terms of the key inputs for the Strategy, key technology drivers were highlighted along with key European, UK, Northern Powerhouse, Lancashire (including existing LEP policies) and Local policies that will shape and influence the Lancashire Local Industrial Strategy.

Benchmarking information was presented comparing Lancashire to North West and national comparators, this included GVA growth trends and projects which showed that over the period 1991 to 2016 Lancashire was below the North West and UK national figures and the growth projections for 2017 to 2038 also showed Lancashire to be below both North West and national projections.

In order to implement the scale and rate of projected change to increase Lancashire's GVA it will require support to works to enable them to reskill to move sectors and upskill to take new roles within existing sectors and place based strategies.

It was noted that there was variation on the GVA mix across all of the Lancashire District and Unitary areas with for example some areas have a high percentage of manufacturing outputs versus some areas that have high percentages of public administration, education and health. It was further noted that the Lancashire Strategy would need to be tailored to take account of the variety in each area.

In terms of the next stages of development it was noted that options for the structure of the Strategy need to be developed around emerging themes set out in the presentation.

LEP Directors provided feedback on the work undertaken so far to develop the Strategy and proposed that a small group of Directors form a Lancashire Local Industrial Strategy Working Group to work with officers and consultants to develop the Strategy with it proposed that LEP Director Miranda Barker led on this piece of work.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the report and presentation provided and provided officers and consultants with feedback and suggestions regarding the development of strategic priorities for Lancashire; and
- (ii) Agreed to form a small Working Group of Directors, led by Miranda Barker, to further develop the Strategy with officers and consultants, with Directors to be invited to volunteer to be part of the Working Group via the Company Secretary and Interim LEP Chief Executive.

6. A Cultural Strategy for Lancashire

Andy Walker introduced a report and presentation regarding the development of a Cultural Strategy for Lancashire. Andrew Erskine, representing Tom Fleming Creative Consultancy, presented the LEP Board with the latest developments on the Cultural Strategy.

It was noted that with the right level of support, investment and coordination, the talent, heritage and identity of the county can play a key role in a re-imagined cultural offer for Lancashire.

In the urban centres, such as Preston, Lancaster, Burnley and Blackburn, there is an increasing growth-orientated creative economy that is helping to generate new types of activity. Coastal areas continue to be closely linked to the visitor economy while inland connections are made to the natural environment.

Further updates were provided on how culture and creatively contribute to the economy via growing creative industries, the arts and cultural sector, exports and visitor economy.

In addition, it was noted that for culture in Lancashire to deliver to its potential it will require strategic investment in infrastructure, people, capacity, skills, networks and programmes.

With regard to partnerships and delivery it was recommended to the LEP Board that a Cultural Investment Board be established with a primary role to maximise the role that culture can play in the economic growth of the county. It was proposed that it would be advisory – its role being to coordinate, advocate and connect. One of the first roles for the proposed Cultural Investment Board will be to implement an action plan for the first year, setting out short, medium and long term goals. This will include a set of Key Performance Indicators (KPIs) which will connect the ambitions of wider LEP and county strategies.

Board Members provided feedback to the consultants on the direction of the Strategy.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted that Tom Fleming consultancy will produce a final Cultural Strategy for Lancashire report; and
- (ii) Agreed to delegate authority to LEP Chairman and interim / permanent Chief Executive Officer to signoff the Strategy.

7. Lancashire Enterprise Partnership Limited - Director Defined Term Limits

Andrew Pettinger, Interim Chief Executive Officer, Lancashire Enterprise Partnership, presented a report (circulated) regarding non-democratically elected LEP Directors having defined term limits.

It was highlighted that the report proposed to adopt the same fixed terms that apply in the national Local Enterprise Partnership guidance to Chair's and Deputy Chair's of LEP's to non-democratically elected LEP Directors. It was stated that the terms shall be a maximum defined term of three years, with the option to extend for a further three years in exceptional circumstances.

It was also highlighted that introducing the fixed term for non-democratically elected LEP Directors would provide the opportunity for the Board to continue to make progress towards a Board that is reflective of the local business community (including geographies, gender and protected characteristics). In addition it was noted that the LEP Board had not yet achieved the required government target of having at least one third female Directors by 1st January 2020 and that introducing the fixed term policy for all Directors will assist the LEP to ensure it is compliant with this requirement by the end of 2019.

Board Members endorsed the proposals and requested that succession plans be put in place to ensure that any non-democratically elected Director vacancies be filled with the appropriate skills set.

In endorsing the recommendation and recognising that he was one of the affected Directors – Dennis Mendoros announced his resignation from the LEP Board with immediate effect.

The Chairman, and the rest of the Board, formally thanked Dennis for all his work on the LEP Board and his additional roles such as ESIF Committee.

Jim Carter endorsed the proposals and announced his intention to step down from the Board and Chairman of the City Deal Executive at the end of December 2019 at which point the half way point in City Deal will have been reached.

The Interim Chairman, David Taylor, advised that he had made contact with two other Directors affected by the proposed introduction of fixed terms for non-democratically elected Directors and advised that further discussions would be held with those individuals to determine an appropriate date to retire as Board Members.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved the introduction of the three plus three year fixed term for all non-democratically elected LEP Directors.
- (ii) Noted the immediate resignation of Dennis Mendoros and the intention of Jim Carter to step down from the Board in December 2019.
- (iii) Requested that the Interim Chairman identify a retirement date with the two remaining affected LEP Directors; and
- (iv) Requested that officers update the Assurance Framework to incorporate the addition of fixed terms for non-democratically elected LEP Directors.

8. Lancashire Enterprise Partnership Limited - Governance and Committees Report

The report, for information, was noted as presented. In addition, David Taylor proposed that the Lancashire Enterprise Partnership formally confirm its two nominees to sit on Transport for the North. It was noted and proposed that Mark Rawstron should continue as one of the two nominees with it recommended that Khalid Saifullah, who is on the Transport for Lancashire Committee, be approached to be the second nominee.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the updates provided in this report in relation to Governance and the Committees of the Lancashire Enterprise Partnership; and
- (ii) Approved that Mark Rawstron and Khalid Saifullah (subject to confirmation from Khalid) be appointed as the LEP nominees on Transport for the North.

9. Any Other Business

None

10. Date of Next Meeting

It was noted that the next Lancashire Enterprise Partnership Board meeting was scheduled to be held at: 4:30pm on 12th November 2019. In addition to this meeting it was agreed that an additional LEP Board meeting be arranged in September 2019 and that the new September meeting be held at the Academy for Skills and Knowledge, BAE Samlesbury.

11. Exclusion of the Press and Public

At this point the Lancashire Enterprise Partnership Board approved that the meeting move into Part II, Private and Confidential, to consider the remaining agenda items as they contained information defined as confidential or exempt in accordance with the relevant paragraph of Part I to schedule 12A to the Local Government Act 1972 as set out in each report or presentation. 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. Lancashire Enterprise Partnership Budget Outturn 2018-19 and Operational Budget 2019-20

Andrew Pettinger presented a private and confidential report (circulated) which presented the Board with the Lancashire Enterprise Partnership Budget Outturn position for 2018/19 and a proposed Operational Budget for 2019/20.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Noted the 2018-19 outturn position for the LEP.
- (ii) Approved the draft operational budget for 2019-20.
- (iii) Approved the appointment of an additional 2 year fixed term Grade 8 resource for the Growth Deal Programme.
- (iv) Approved the recommendations in the report for the use of reserves going forward.
- (v) Approved the principle of creating a brief for a marketing strategy for Lancashire and agreed to delegated authority to the Chief Executive/ Interim Chief Executive to approve expenditure against this brief; and
- (vi) Noted the position of the Growing Places Investment Fund as at 31st March 2019.

13. Growth Deal Approval and Programme Update Report

Anne-Marie Parkinson, Programme Manager, LEP Coordination presented a private and confidential report (circulated) regarding the Growth Deal Programme including proposals from the Growth Deal Management Board regarding prioritisation of unallocated Growth Deal funding.

Board Members were clear that funding should be allocated, in priority order, and only where there was sufficient funding remaining to cover the full cost requirement of the project. Based on the figures presented, this would enable the top 5 projects to be fully funded. Should the updated Business Cases for the proposed top 7 confirm their current ranking and funding bids, the top 5 projects would be fully funded with further consideration to be given by the Board to the remaining unallocated funding.

Resolved: The Lancashire Enterprise Partnership Board

- (i) Approved a Growth Deal funding allocation of £58.000m to the Preston Western Distributor project, subject to the following conditions:
 - a. The final approval from the Secretary of State; and
 - b. Lancashire County Council providing an update on the projected final target cost in advance of final sign-off.

- (ii) Approved, in respect to the unallocated funding within the Growth Deal programme:
 - a. That prioritisation of projects should be made on the basis of the best ranked projects from both 'existing' and 'GD3 Pipeline' projects, as detailed in Table 4.2 of the independent appraisal report as presented.
 - b. The prioritisation of the projects as ranked in Table 4.2 and invite those projects to develop business cases, with the understanding that this is a conditional programme, subject to the information received through the business case process.
 - c. Should a project as detailed within Table 4.2 be unable to progress, that the funding available, plus any further underspend identified within the Growth Deal programme, be allocated to the project ranked next highest within Table 4.2. This will be subject to it being affordable and deliverable within the Growth Deal programme timescales; and
 - d. That should the production of business cases for each project result in the same scoring that the top 5 projects would receive full funding and that any underspend identified in the programme should be reviewed and further allocations to the next ranked projects be considered by the Growth Deal Management Board and presented to the LEP Board for approval.
- (iii) Approved to withdraw and re-allocate the £1.980m Growth Deal funding allocation to the M55 to St. Anne's Link Road project, should the outcome of the review in respect of deliverability, which in the view of the Growth Deal Programme Manager continues to represent a significant risk to the Growth Deal programme.
- (iv) Approved the Growth Deal reporting submission to the Cities and Local Growth Unit for the Quarter 4 2018/19 Quarterly Reporting Summary Dashboard, as attached at Appendix B to the report; and
- (v) Noted the overall performance of the Growth Deal programme as contained within this report.

14. Recruitment of the Lancashire Enterprise Partnership Chairman

The Interim Chairman, David Taylor, presented a private and confidential report regarding the recruitment process of a new permanent Lancashire Enterprise Partnership Chairman.

Fellow interview panel members commented that they had considered a number of strong candidates and they were delighted to recommend that Mr Steve Fogg be appointed as the new permanent Chairman.

Resolved: The Lancashire Enterprise Partnership Board endorsed the appointment of Mr Steve Fogg as the Chairman of the Lancashire Enterprise Board and recommended the Members of the company formally approve his

appointment as a Director and Chairman, with a term of office, in accordance with the Assurance Framework, of three years (with the option to extend for a further three years).

15. Lancashire Enterprise Partnership - Review Update

Andrew Pettinger presented a private and confidential report (circulated) which provided the Board with an update on the Lancashire Enterprise Partnership review.

Resolved: The Lancashire Enterprise Partnership Board

- (i) noted the progress made in relation to the previously agreed implementation timeline; and
- (ii) considered and approved the recommendations as set out regarding:
 - a. the membership and constitution of the Lancashire Enterprise Partnership, and the Accountable Body Agreement with Lancashire County Council;
 - b. the incorporation of special rights exercisable by Lancashire County Council as Accountable Body and employer in certain limited circumstances; and
 - c. approved the recommendations regarding defining the relationship between the Lancashire Enterprise Partnership and Lancashire County Council.