

LEP - Growth Deal Management Board

Minutes of the Meeting held on Wednesday, 12th October, 2016 at 1.30 pm at the Room X212 Runshaw College - Euxton Campus, Euxton Lane, Chorley PR7 6AQ

Present:

Mr G Cowley (Chair)

Mr B Bailey

Mr A Cavill

Mrs S Procter

Mr G Smith

Professor R Walsh

Ms J Whittaker

Observer

Katherine O'Connor, Senior Ministerial and Policy Manager (Growth Hubs and Lancashire)

Also in Attendance

Miss J Ainsworth, Specialist Advisor: Finance, Lancashire County Council

Mrs H Gittins, Company Services Officer, Lancashire County Council

Mrs H Tween, Company Services Officer, Lancashire County Council

Mrs J Johnson, Subject Matter Expert/Specialist Advisor, Legal and Democratic Services, Lancashire County Council

Ms K Molloy, Head of Service LEP Coordination, Lancashire County Council

Mr M Neville, Senior Democratic Services Officer, Lancashire County Council

Miss A M Parkinson, Programme Manager, LEP Coordination, Lancashire County Council.

Mr A Swain, Media Manager, Communications, Lancashire County Council

Before the start of the meeting the members of the Committee and Officers were taken on a tour of the College accompanied by the Principal, Finance Officer and Head of Facilities to see the new Science and Engineering facility and refurbished areas within the existing College buildings which had all been financed from the Growth Deal Fund.

Members of the Committee discussed the investment which had been made in the College and considered how the success of investment in skills related projects could be maximised. It was suggested that with future skills capital investment further information should be sought regarding demand for new skills provision in order to demonstrate that any investment fully reflected local business need.

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting and noted that apologies for absence had been received from Dr Lawty-Jones.

2. Declarations of Interest

Mrs S Procter declared an interest in item 8 as she represented an organisation which was involved in one of the projects which would be the subject of a Local Growth Fund Agreement.

3. Draft Minutes of the meeting held on the 6th September 2016

When considering the draft Minutes the Committee agreed that there had been sufficient evidence presented at the previous meeting to reassure the Committee that the NHS and other partner organisations would be engaged in the project.

Resolved:

1. That resolution 2 a) in respect of item 12 in the draft Minutes from the meeting held on the 6th September 2016 be amended to read
 - a) A clearer explanation of the proposed phasing between the investment of funds and delivery of outcomes.
2. That, subject to the amendment specified at 1 above, the Minutes of the meeting held on the 6th September 2016 are confirmed as an accurate record and signed by the Chair.

4. Matters Arising

There were no matters arising.

5. Quarterly Communications Activity Update - October 2016

Mr Swain, Media Manager, updated the Committee on communications activity in relation to Growth Deal projects and reported that a significant amount of publicity had been generated by various schemes, including Runshaw College, Training 2000 and Junction 12 at Burnley.

In discussing the report the Committee noted the need to ensure that the timing of communications associated with Growth Deal projects aligned with the decision making process, that communications were less reactive and that early coverage still made reference to the fact that the project concerned was to be funded by the LEP.

It was noted that Officers would continue to work with the LEP PR agency - SKV Communications to produce a quarterly summary of media activity relating to Growth Deal projects and to coordinate activity in line with future key milestones for projects.

Resolved:

1. That the report is noted.
2. That the quarterly summary of Growth Deal related media activity to be produced by SKV Communications is presented to a future meeting of the Committee.
3. That information relating to media activity associated with Growth Deal projects be forwarded to the Department for Business, Energy and Industrial strategy in order to keep officials informed of progress within Lancashire.

6. Social Value

Miss Parkinson informed the meeting that in accordance with the decision of the Committee work was being undertaken to ensure that the City Deal and Growth Deal programmes adopt a consistent approach with regard to capturing social value. It was noted that the approach to be used would be based on the framework adopted in the growth deal programme and that an assessment tool to quantify social value in monetary terms was not necessary.

It was reported that information would be added to the table of social value metrics as more projects progressed and that the work would help to identify activity in Lancashire which could then be used to feed communications activity discussed earlier in the meeting. Ms K O'Connor referred to the innovative approach to social value which had been adopted in Lancashire and suggested that she and Mr Allen be provided with further detail so that they could feedback to colleagues in Government.

The Committee also agreed to request Dr Lawty-Jones to produce a report for the next meeting in relation to identifying "soft" outputs/outcomes in relation to social value.

Resolved:

1. That the report is noted.
2. That Dr Lawty-Jones be requested to include in the Social Value report for the next meeting the 'outcome/impact' of social value in relation to the LEP outcomes.
3. That Mr M Allen and Ms K O'Connor be provided with further information regarding the identification of social value in Lancashire.

7. Lancaster Health Innovation Campus (HIC) Project Funding

Not for publication – exempt information as defined in paragraph 41 (Information

provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Ms Molloy updated the Committee on developments since the last meeting in relation to Lancaster University's Health Innovation Campus (HIC) project and reported that the independent consultant had confirmed all the outstanding technical matters discussed at the previous meeting had been addressed.

The Committee discussed the funding required for the project and was informed that Lancaster University had provided a detailed funding profile which included elements of Growth Deal funding, European Structural and Investment funding, (ESIF) Higher Education Investment Funds and investment by the University.

It was noted that the funding profile provided by the University would be circulated to members of the Committee for consideration and approval prior to the LEP Board on the 8th November 2016.

In considering the report the Committee recognised it was proposed that any Growth Deal Grant Funding Agreement would provide for a limited amount of grant to be made available for draw down prior to ESIF (or alternative equivalent funding) being secured. Such funding would be matched by Lancaster University and would enable early development works to take place ahead of a formal decision being made in relation to ESIF funding.

With regard to the remainder of the Growth Deal funding required the Committee was informed that funds would only be released for draw down once the whole of the funding package had been secured. It was noted that in the event of ESIF or alternative funding not being secured the University would be required to repay any grant funding which had been drawn down and the remaining allocation would lapse.

The Committee also noted that the LEP Board on the 13th September 2016 had agreed to lobby Government regarding uncertainty surrounding ESIF and its impact on projects such as the HIC.

Having considered the report the Committee concluded that as all technical matters had been satisfactorily addressed and measures would be implemented to minimise risk associated with the project, together with the work being undertaken to lobby Government on ESIF funding the LEP Board should be recommended to approve funding for the HIC project at the meeting on the 8th November 2016.

Resolved:

1. That the LEP Board be recommended to agree a funding approval of up to £17m for the Lancaster Health Innovation Campus (HIC) Project, subject to

Lancaster University identifying alternative sources of funding or exploring the possibility of scaling down or re-phasing the project in the event that European Structural and Investment Funds (ESIF) are unavailable;

2. That approval be given to an initial drawdown of a maximum of £1.5m of Growth Deal funding, prior to ESIF or alternative funding having been secured, which will be subject to clawback provisions in the Grant Funding Agreement;
3. That in the event of further clarity regarding secured funding for the project not being provided by the end of Quarter 1 the Committee will undertake a review of the project and inform the LEP Board of its findings.
4. That the Committee receive further updates in relation to any requirements for the clawback of Growth Deal funding or the scaling down/re-phasing of the project in the event that reduced funding is secured.
5. That the Committee receive an update on the HIC project at each future meeting.

8. Growth Deal Programme and Projects Update

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Mr Cavill and Mr G Smith declared an interest in this item at this point as they represented organisations which were involved in the projects which would be the subject of a Local Growth Fund Agreement.

Miss Parkinson reported that the project summary document had been updated since the last meeting and confirmed that there had been no significant slippage on milestones for existing projects. It was reported that since the last meeting draft Local Grant Funding Agreements for 5 projects had been completed.

The Committee was also informed that a Grant Funding Agreement in connection with the Rawtenstall Redevelopment Zone was also nearing completion and would be circulated to members of the Committee for consideration and a decision outside of the meeting.

Resolved:

1. That the contents of the report be noted.
2. That the Local Grant Funding Agreements in respect of the following projects, as set out in the report presented, are approved.

GF01-05 Preston City Centre Improvements

- GF01-21 Blackpool Town Centre Quality Corridors
- GF01-32 Energy Simulator Suite (equipment) for Lancashire Energy HQ
- GF01-33 Mechanical & Electrical Replacements South and Montreal Buildings
- GF01-31 Lancashire Centre for Excellence for Digital Technology and Innovation.

9. Growth Deal Finance Summary

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Miss Ainsworth presented her report on the financial aspects of the Local Growth Fund and informed the meeting that spending across the programme was on target.

It was noted that a report would be presented to the next meeting in order to clarify the level of slippage on projects across the programme in Q3 and identify any projects where spending could be accelerated.

Resolved:

1. That the spend to date, together with the spend to be made in 2016/17 and 2017/18, as set out in the report, are noted.
2. That the forecast of funding to be balanced to the funding available, as set out in the report, is noted.
3. That consideration is given to the continued profiling of funding forecasts for projects being as accurate as possible with the Committee managing existing projects in order to recoup slippage and ensure new projects remain on track with spend in 2016/17.
4. That the potential to accelerate spend for schemes within the programme be discussed with Project Sponsors.

10. Projects requesting additional funding

Not for publication – exempt information as defined in paragraph 41 (Information provided in confidence relating to contracts) of the Freedom of Information Act 2000. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Miss Parkinson reported that requests for additional funding had been received from three projects and that these and other requests would continue to be

monitored and the Committee kept informed.

11. Reporting to Lancashire Enterprise Partnership Board

Ms Molloy informed the meeting that Growth Deal updates will be a standing item on the LEP Board agenda to ensure directors are kept informed of developments in relation to major projects.

Resolved: That the recommendation to agree a funding approval of £17m in respect of the Lancaster Health Innovation Campus project be presented to the LEP Board on the 8th November 2016 for consideration.

12. Any Other Business

In response to a query regarding the appropriateness of the current core GFA in relation to private scheme developers it was noted that there may be a requirement to review the core GFA in the future and consider potential alternative models.

13. Date of Next Meeting

It was noted that the next scheduled meeting would be held on the 7th December 2016 at 1.30pm in the Meeting Room at Lancashire Record office, Bow Lane, Preston.