

Lancashire Enterprise Partnership Limited Board

Minutes of the Meeting held on Tuesday, 31st January, 2017 at 4.30 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Edwin Booth (Chairman)

Councillor Simon Blackburn
Jim Carter
Graham Cowley
Mike Damms
Ann Dean
Richard Evans
Dave Holmes
Dr Malcolm McVicar

County Councillor Jennifer Mein
Mick Gornall
Councillor Phil Riley
Khalid Saifullah
Professor Mark Smith
David Taylor
Councillor Mark Townsend
Claire Whelan

In Attendance

Joanne Ainsworth, Special Advisor Finance, Lancashire County Council
Brian Bailey, Director of Planning and Prosperity, Blackburn with Darwen Borough Council
Andrew Good, Head of Service Financial Management, Lancashire County Council
Neil Jack, Chief Executive, Blackpool 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
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 Mike Blackburn and Councillor Stuart Hirst.

2. Minutes of the meeting held on 8th November 2016

Resolved: That the minutes of the Board meeting held on 8th November 2016 be approved as an accurate record and signed by the Chairman.

3. Matters Arising

None

4. Growth Deal Update

Martin Kelly, Director of Economic Development, Lancashire County Council provided an oral update on the Lancashire Enterprise Partnership (LEP) Growth Deal funding bid.

It was reported that the LEP confirmed it has successfully secured a significant multi-million pound investment allocation from government to drive a range of new infrastructure, skills and regeneration projects across Lancashire.

The £69.8m settlement, which is part of the government's national Growth Deal programme, is one of the largest in the country. Such a substantial funding package reflects the confidence that the government has in the ability of the LEP to deliver effectively and that more investment in Lancashire will help to maximise its pivotal role within the Northern Powerhouse.

The LEP Directors stated how pleased they were with the settlement and thanked officers for their role in drafting the bid.

Resolved: The LEP Board noted the update regarding the Growth Deal funding investment.

5. Declarations of Interest

Dave Holmes declared an interest in Item 7 – AMRC Update, his employer, BAE Systems, are a level one partner within the AMRC Network. It was agreed that Mr Holmes could remain present for this agenda item.

6. Welcome and Introduction to New LEP Directors

The Chairman welcomed four new Directors to the Board, namely Ann Dean, Mick Gornall, Khalid Saifullah and Claire Whelan. Each new Director briefly introduced themselves to the Board and gave an overview of their career history.

The remaining LEP Directors welcomed the new Directors and noted that they would be valuable assets to the Board with skills sets that will complement the existing Board members.

7. Advanced Manufacturing Research Centre (AMRC) North West - Presentation

Part II

At this point the LEP Board approved that the meeting move into Part II, Private and Confidential, to consider a presentation regarding Advanced Manufacturing Research Centre (AMRC) North West as it contained information provided in confidence as defined in the Freedom of Information Act 200. 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.

Emma Hutton and John Baragwanath, AMRC Group, gave a presentation on AMRC North West. It was highlighted that the Centre was devoted to the research and development of new means, methodologies, tools and techniques for Advanced Manufacturing Technology.

The presentation included information regarding the partners involved, machining, composites manufacturing, research and development, design, medical, castings and nuclear technologies.

It was noted that the vision of AMRC North West is to place Lancashire amongst the most innovative regions in the UK, with applied research facilities comparable with the best in the world, ensuring Lancashire is an attractive destination for inward investment and the creation of new businesses, in addition to providing world-class support for existing manufacturers.

Resolved: The LEP Board noted the AMRC North West presentation.

8. LEP Governance and Committees Decisions Report

Part I

The meeting returned to Part I, publically available information, at this point.

Andy Milroy, Senior Democratic Services Officer, Lancashire County Council presented a report (circulated) which provided the LEP Board with an update in relation to the Committees of the LEP and some Governance matters for approval.

The LEP Board were reminded that the LEP is a Company Limited by Guarantee and as such is subject to the Companies Act 2006 with regard to the filing of accounts and annual returns. The LEP does not conduct financial transactions itself as Lancashire County Council carries out this function, on behalf of the LEP, as the Accountable Body. Therefore the LEP's accounts are in essence dormant but still require the formalities of being signed and filed at Companies House.

In addition the LEP Board were asked to approve revised Terms of Reference for the Growth Deal Management Board, the only change being to formally appoint two Observer representatives.

Resolved: The LEP Board:

- (i) Noted the updates provided in the report in relation to the Committees of the LEP.
- (ii) Approved the accounts and financial statements for the period ending September 2016 as set out at Appendices 'A' and 'B', and;
- (iii) Approved the revised Terms of Reference for the Growth Deal

Management Board, and in doing so agreed that Mick Allen and Katherine O'Connor from BEIS be formally appointed as Observers as set out at Appendix 'C'.

9. LEP Operational Budget 2017-18

Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council presented a report (circulated) which contained proposals for the LEP Operational Budget for 2017 / 18.

Kathryn explained that the Operational Budget had been produced under the guidance of the LEP's Performance Committee which met on the 22 November 2017 and more recently on the 16th January 2017. In setting the Operational Budget for 2017-18, the Committee has reviewed the LEP's previous and current income streams, budget position and staffing and resource capacity.

Resolved: The LEP Board:

- (i) Considered and approved the Operational Budget for 2017-18, as set out in the report, including the proposal to fund additional staffing resource in 2017-18 and 2018-19 on an initial two-year fixed term basis to enhance LEP core capacity;
- (ii) Authorised the Performance Committee to work with the County Council, as Accountable Body for the LEP, to finalise employing arrangements for proposed additional posts; and
- (iii) Approve the Performance Committee to oversee the production of Management Accounts for 2016-16, which will include a final outturn figure, and present this information to the Board early in the next financial year.

10. Key Initiatives Report

Kathryn Molloy presented a report (circulated) which provided an activity and progress update on the LEP Key Initiatives, namely: City Deal Programme, Growth Deal Programme, Enterprise Zone Programme, Boost Business Growth Hub and Growing Places Investment Funding.

Kathryn highlighted the achievements, current challenges, future issues and financial performance metrics for each Key Initiative.

Resolved: The LEP Board noted the updates on each of the LEP's Key Initiatives as presented and set out in the report.

11. LEP Assurance Framework Review

Kathryn Molloy presented a report (circulated) which provided the LEP Board with an update on the LEP Assurance Framework Review process.

It was noted that in October 2016 Government issued a revised National Assurance Framework which superseded the 2014 Local Enterprise Partnership National Assurance Framework. The purpose of the new framework is to ensure that LEPs have in place the necessary systems and processes to manage delegated funding from Government budgets effectively.

County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new framework. The LEP's Assurance Framework is found to be fully compliant.

However, it was recommended that following the announcement of Growth Deal 3 funding to LEPs, that a further review be undertaken to identify any areas for further improvement, in line with the revised National Assurance Framework.

In addition, the LEP Network, with Government support, has instigated an officer-led LEP Buddy Peer Review. The Lancashire LEP has been asked to review the Stoke-on-Trent and Staffordshire LEP. The Greater Lincolnshire LEP will review Lancashire. The Peer Review will take place through face-to-face meetings of LEP pairs which will begin in mid-February.

Resolved: The LEP Board:

- (i) Noted the contents of the report, specifically that County Council officers have undertaken a review of the LEP's Assurance Framework against the Government's new National Assessment Framework and it is found to be fully compliant;
- (ii) Authorised Lancashire County Council's Section 151 Officer to submit a letter, on behalf of the Accountable Body for the LEP, to DCLG's Accounting Officer by 28 February 2017 certifying that the LEP's local assurance framework has been agreed, is being implemented, and meets the revised standards set out in the National Assurance Framework;
- (iii) Authorised the Chair of the Growth Deal Management Board, with the support of County Council officers, to undertake a rapid review of the LEP's LGF procedures to identify any areas for further improvement, in line with the revised National Assurance Framework, and report any proposed changes to the Board at its next meeting;
- (iv) Reconfirmed that Mike Damms is the nominated Board member to represent and engage with the SME business community as the LEP's SME Champion;
- (v) Considered appropriate mechanisms to ensure meaningful local public engagement in the refresh of the LEP's SEP and in reporting progress against the delivery of the SEP, including key projects; and

- (vi) Authorised the County Council's Director of Economic Development, with the support of County Council officers, to fully participate in the LEP Network's LEP Buddy Peer Review.

12. Strategic Economic Plan Refresh - Update

Martin Kelly presented a report (circulated) which provided an update on the Strategic Economic Plan Refresh.

It was reported that the Strategic Economic Plan (SEP) has played a central role in establishing the LEP's leadership role; in forging new ways of working between public and private sector partners; in securing and directing unprecedented levels of national public investment in support of locally agreed growth priorities; and, in turn, enabled the LEP and its local partners to be recognised by Government as high performing.

It was noted that at the LEP Board meeting held in November 2016 it was agreed that a "refresh" of the SEP should be undertaken, in conjunction with the shadow Lancashire Combined Authority (LCA), with a view to completing this task by April 2017.

Resolved: The LEP Board:

- (i) Noted the contents of the report, including the revised timetable which has been extended to enable key policy research inputs to fully inform the SEP refresh;
- (ii) Authorised the LEP Chair to continue working with the shadow LCA to develop the refreshed SEP;
- (iii) Agreed to work with the shadow LCA, whilst engaging with public and private sector partners, to identify new strategic and transformational priorities, programmes and scheme proposals for consideration by the LEP Board;
- (iv) Authorised the Director of Economic Development of the County Council to continue working with the team of local authority officers identified by the shadow LCA to support the SEP refresh – and especially regarding spatial, housing growth, inclusive growth and pipeline development priorities; and
- (v) Requested that a Draft refreshed SEP be submitted to the LEP Board for consideration as soon as possible.

13. Industrial Strategy Update

It was noted that Industrial Strategy had been discussed as part of the previous item regarding the Strategic Economic Plan Refresh.

14. European Structural and Investment Funds - Post Autumn Statement 2016 Update

Sean McGrath, External Investment/Funding Programme Manager, Lancashire County Council, presented a report (circulated) which provided a post Autumn Statement 2016 update on European Structural and Investment Funds.

It was reported that 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 recent Autumn Statement which indicated that contracted projects would have their funding guaranteed even after the UK leaves the EU.

Resolved: The LEP Board:

- (i) Noted the contents of the report, including current commitment levels and "at risk" ESIF resources.
- (ii) Noted the issues related to the European Social Fund (ESF) capacity, as detailed in the report.
- (iii) Noted the broader issues related to the future of the ESIF programme and the need to plan for a successor programme(s) as highlighted in the report; and
- (iv) Agreed that in light of the Building Our Industrial Strategy Green Paper, that officers, on behalf of the LEP Board, lobby Ministers directly to raise the issues contained in the report.

15. Marketing and Communications Update

Ruth Connor, Chief Executive, Marketing Lancashire presented a report (circulated) which provided an update on Marketing and Communications activities since the last LEP Board.

It was highlighted that Place North West was scheduled to be held on 7 February 2017, the Northern Powerhouse Conference from 21-22 February 2017 and MIPIM Cannes is scheduled to be held from 13-17 March 2017. The LEP will be represented at all events.

The Board also viewed the recently produced "We are Lancashire" promotional video which Board members stated was an excellent, well produced video that showcased Lancashire.

Resolved: The LEP Board:

- (i) Noted the contents of the report.
- (ii) Approved the proposed approach to continuing to develop a strategic marketing proposition for Lancashire, as set out in the report; and
- (iii) Noted 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 strategic marketing and communications activity and its outputs.

16. Combined Authority Update

Councillor Simon Blackburn, Leader of Blackpool Council and LEP Director, gave an oral update on the work of the Shadow Combined Authority, it was noted that discussions were ongoing with Government on the timescales for the establishment of the Combined Authority and further updates would be provided to the LEP Board as discussions progress.

17. Any Other Business

None

18. Date of Next Meeting

It was noted that the next LEP Board meeting was scheduled to be held at 4.30pm on 28th March 2017 in Cabinet Room 'D' – The Henry Bolingbroke Room, County Hall, Preston.