

LEP - Growth Deal Management Board

Minutes of the Meeting held on Wednesday, 8th March, 2017 at 1.30 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

Present

Mr G Cowley

Mr B Bailey
Mr A Cavill
Dr M Lawty-Jones
Mrs S Procter

Mr G Smith
Professor R Walsh
Ms J Whittaker

Observers

Mick Allen, Department for Business, Innovation and Skills

In Attendance

John Holden-Ross, Locum Solicitor, Lancashire County Council.
Heather Gittins, Company Services Officer, Lancashire County Council.
Julia Johnson, Principal Lawyer, Lancashire County Council
Kathryn Molloy, Head of Service LEP Coordination, Lancashire County Council.
Anne-Marie Parkinson, Programme Manager, Lancashire County Council.
Holly Tween, Company Services Officer, Lancashire County Council.

1. Welcome and Apologies for Absence

The Chair welcomed everyone to the meeting and noted that apologies for absence had been received from Kathryn O'Connor, Joanne Ainsworth and Andy Swain.

2. Declarations of Interest

Alan Cavill and Brian Bailey declared an interest in relation to the agenda as they represented organisations which were involved in some of the projects.

3. Minutes of the meeting held on 07 December 2016

Resolved: That Minutes of the meeting held on 07 December 2016 are confirmed as an accurate record and signed by the Chair.

4. Matters Arising

It was noted that Georgia Siora, Managing Director from Warwick Economics & Development, would not be attending this meeting. The first interim evaluation report was due in July, and would be circulated to members as soon as it was received. Georgia Siora would therefore be invited to present the report to the Committee at the September meeting.

It was noted that the Local Growth Fund Agreements for the Lancaster Health Innovation Campus and Blackpool Integrated Traffic Management had been approved via written resolution since the last meeting.

The Committee agreed that they would receive updates on the Lancaster HIC at each meeting, rather than each month as in the previous minutes.

Resolved:

- 1) That the first interim evaluation report from Warwick Economics & Development is circulated to Members on its release in July
- 2) That Georgia Siora be invited to the GDMB in September to present the first interim evaluation report
- 3) That the Committee note that the Local Growth Fund Agreements for the Lancaster Health Innovation Campus and Blackpool Integrated Traffic Management had been approved via written resolution since the last meeting
- 4) That updates on the Lancaster HIC would be brought to each meeting

5. Communications Update

Kathryn Molloy, Head of service LEP Coordination, Lancashire County Council presented the Communications Update report.

The Committee considered the report and noted the progress made.

Although the Committee felt the RAG format was helpful, it was requested that future reports give more detail on areas showing as amber or red, and what was being done to address any issues. It was also commented that it would be useful to tie in communications monitoring with the quarterly claims monitoring.

The Committee discussed the need to use projects' publicity to raise the profile of the LEP and the Growth Deal Management Board, the expectation that the communications strategy should pick up on strategic opportunities, and that SKV should be pushing publicity for those projects with a large impact. Kathryn would link with Marketing Lancashire and SKV to ensure publicity was as comprehensive and strategic as possible and that all marketing was being

reported. It was agreed that the communications strategy would be shared with Mick Allen at BEIS.

Committee members were reminded to keep track of their projects and any activity that may need to be communicated.

Resolved:

- 1) That the committee note the report and progress made
- 2) That communications reporting be tied in with the other quarterly reporting, and provide more detail on projects rated amber or red
- 3) That Andy Swain send the communications strategy to Mick Allen
- 4) That Kathryn link with Marketing Lancashire and SKV to ensure publicity was as comprehensive and strategic as possible and that all marketing was being reported

6. Grant Funding Agreement Approval - Rawtenstall Redevelopment Zone (Spinning Point)

At this point the Committee approved that the meeting move into Part II, Private and Confidential to consider the items which contained exempt 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.

Gareth Smith declared a direct interest in relation to Rawtenstall Redevelopment Zone (Spinning Point). As the Committee did not wish to enter in to a debate regarding this item Gareth was allowed to remain in the meeting.

Kathryn Molloy presented the report. It was noted that at the meeting of the LEP Board held on 08 June 2016 a maximum Growth Deal funding contribution of up to £1.9m was approved to Rawtenstall Redevelopment Zone (Spinning Point) project subject to the satisfaction of the GDMB that all other funding for the scheme is secured and that Rossendale Borough Council agree to manage and operate the bus station for a period of 25 years.

John Holden-Ross explained that the Grant Funding Agreement (GFA) (included in the agenda papers) between the LEP and RTB has been amended to provide additional security for the LEP in the event of clawback for RTB Default.

The Committee approved the Grant Funding Agreement for the Rawtenstall Redevelopment Zone (Spinning Point) project. It was noted that the agreement would be signed on Friday 10 March 2017.

The Committee recognised that this has been a complex project and many

lessons had been learned which would be useful for future projects. Kathryn informed the Committee that she and Brian Bailey planned to attend the best practice session with Julia Johnson and John Holden-Ross.

Resolved: That the Grant Funding Agreement for the Rawtenstall Redevelopment Zone (Spinning Point) project be approved

7. Programme and Projects Update

Anne-Marie Parkinson presented the programme update report.

It was noted that currently the programme is delivering in accordance with Lancashire's Growth Deal agreed milestones and Government reporting requirements and that 99% of the funding has been allocated and 80% of the projects within the programme have completed their contracting in line with their original objectives.

It was reported that there are now 38 projects within Lancashire's Growth Deal programme across four priorities rather than 39, as LAL is now within Brierfield Mill.

The Committee were updated on the 7 remaining schemes.

Concerns were raised regarding the information available to partners on the M55 to St Annes Link Road project and progress made. The project sponsor of this project would be requested to bring a report to the next meeting. Further information on the M6 J28 Improvements and Preston Western Distributor would also be brought to a future meeting.

On current project performance it was noted that since the reports had been produced the Engineering and Innovation Centre had delivered on budget, and that claims had now been received from Making Rooms.

Monitoring visits had been undertaken on five of the live projects listed in the papers since the last GDMB meeting and, to date, 77% of live projects within the programme have had at least one monitoring meeting. More site visits will be arranged.

It had been noted at the last GDMB meeting that a small number of projects were failing to provide claims on time and/or complete them accurately. A number of actions had been taken to resolve the issue and an improvement in the quality of claims now provided had been observed.

It was noted that the concern raised at the previous meeting regarding Nelson and Colne College had now been resolved.

The Board were informed that the Monitoring and Evaluation Sub-Group had been reviewed. The recommendation was to disband the existing group and replace it with a new sub group who would provide monitoring and technical

support to projects to assist with contract completion. The Committee agreed.

It was highlighted that social value should be reported on every 6 months by the project sponsor. There was discussion around the difficulty in using the existing template to report social value on infrastructure projects. The Committee felt it was also unclear how long social value reporting was expected to continue after a construction project was complete, and whose responsibility this was. It was agreed that Anne-Marie would speak to Balfour Beatty to resolve these issues and report back to the Committee.

Resolved:

- 1) That the update information presented be noted
- 2) That Sue Procter arrange for the project sponsor for M55 to St Annes Link Road to present an update report at the June Committee meeting
- 3) That further information on the M6 J28 Improvements and Preston Western Distributor be brought to a future meeting.
- 4) That the recommendation to replace the Monitoring and Evaluation sub group with a new sub group who would provide monitoring and technical support to projects to assist with contract completion was approved
- 5) That Anne-Marie Parkinson speak to Balfour Beatty regarding Social Value reporting infrastructure projects

8. Growth Deal Finance Update

It was agreed that item 8 and item 11 would be discussed together.

Kathryn Molloy presented the report and updated the Committee on the financial aspects of The Local Growth Fund.

It was noted that all of the £204.12m has been allocated to projects within the Growth Deal 1 and 2 programmes except £1.8m, which was the unallocated skills capital amount being set aside until 2018/19, awaiting the outcomes of the Further Education Skills Area reviews. This fund will remain under the management of GDMB to ensure the best outcomes for the overall programme.

The Committee were referred to Appendix A and noted the current position of the Local Growth Fund projects' financial profiles. Some slippage was reported, largely due to the HIC project, but most was forecast to be recovered in year.

Discussions were ongoing with Growth Deal 3 projects to ascertain spend profiles and delivery dates. The programme funding profile was expected to be Year 1 - 15%, Year 2 - 15%, Year 3 - 20%, Year 4 - 30%. Pinch points were expected but the profile was considered manageable.

The Committee requested information on the Growth Deal 3 projects to be circulated, and updates to be included on future agendas. There was also some press release information which would be circulated.

Resolved:

1. That the spend to date, and the spend made in 2016/17 and 2017/18 be noted
2. That information on Growth Deal 3 projects be circulated to the Committee
3. That Growth Deal 3 Update be added as a standing item to future meetings
4. That the press release information around Growth Deal 3 be circulated to the Committee

9. Overview of Growth Deal Skills Capital

Michele Lawty-Jones, Skills Hub Co-ordinator, presented the update report on Growth Deal Skills Capital, and gave a detailed overview of the skills programme.

It was reported that to date projects are running smoothly with some minor changes to dates and profiles. Some concerns had previously been raised in relation to Runshaw College (Science and Engineering Innovation Centre); the Skills Hub were in contact with project leads to consider contingency plans.

It was noted that it had been agreed by the Committee and the LEP Board to wait until after the Area Based Review (ABR) process before issuing any further calls for Skills Capital projects. The ABR had completed in February, but the results had not yet been officially published.

The Committee discussed the £1.8m which had been left unallocated pending the outcome of the ABR. There was agreement that this funding should not be allocated until the outcome of the ABR had been officially announced in May, and until the financial position of the programme as a whole was clear. At this time the Committee would decide whether this funding should be ringfenced to projects specifically affected by ABR outcomes, or whether allocation should be by open competitive process. It was highlighted that communications regarding the allocation of this funding should be clear, as there may previously have been some misunderstanding that it had been ringfenced.

Kathryn and Michele would lead on this work.

It was noted that there was a pipeline of 13 future skills capital projects. Based on an initial review, 3-4 projects would have strong strategic fit with the Strategic Economic Plan and the Lancashire Skills and Employment Strategic Framework and that 2 additional projects would consolidate international centres of excellence in Lancashire.

Resolved:

1. That the Committee note the information presented
2. That the decision on the unallocated £1.8m would be taken only after the ABR outcomes had been officially announced and the financial position of the programme was clear

10. Projects requesting additional funding

No additional funding requests had been received.

Gareth Smith asked to place on record his thanks to the LCC officers who had helped with the Northlight and Spinning Point projects, both of which had been complex schemes.

The meeting then returned to Part I of the agenda (items publicly available).

11. Growth Deal 3 Update

This item was considered alongside item 8.

12. Reporting to Lancashire Enterprise Partnership Board

There was nothing to report to the LEP Board.

13. Any Other Business

There was no other business.

14. Date of Next Meeting

The next meeting of the Growth Deal Management Board was scheduled for 1.30pm on the 7th June 2017 in Cabinet Room B – The Diamond Jubilee Room, at County Hall, Preston.