



## Lancashire Enterprise Partnership Limited

**Private and Confidential: No**

**Date:** Tuesday, 23 June 2020

### **LEP Governance and Committees Report**

(Appendix 'A' refers)

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#### **Executive Summary**

This report extracts the key items considered by each of the Lancashire Enterprise Partnership Board (LEP) Committees at their recent meetings and, where applicable, and if not considered elsewhere on the Board's main agenda, contains decisions referred to the Board by its Committees for approval.

#### **Recommendation**

The Lancashire Enterprise Partnership Board is asked to:

- (i) Note the updates provided in this report in relation to Governance, urgent decisions taken since the last LEP Board meeting and the Committees of the Lancashire Enterprise Partnership as set out.
- (ii) Approve the membership changes to the LEP Committees as set out in the report and approve the attached updated Assurance Framework attached at Appendix 'A' as part of its required annual refresh ; and
- (iii) Authorise the Company Secretary in consultation with the LEP Chief Executive Officer to make the necessary updates to the LEP Assurance Framework in accordance with these decisions.

#### **Background and Advice**

This is a standing report provides which provides an update on governance issues and meetings of committees of the LEP since the last ordinary meeting on 18 December 2019 in accordance with the LEP Assurance Framework dated December 2019, publicly available on the Lancashire Enterprise Partnership website:

<https://lancashirelep.co.uk/about/policies/>



## Governance Updates

At its meeting held on 11<sup>th</sup> March 2020 the Lancashire Skills and Employment Advisory Panel requested that the Terms of Reference be amended to explicitly reference employment programmes. The LEP Board are asked to approve that this amendment be made and authorise the Company Secretary to make the necessary change to the LEP Assurance Framework, this change is highlighted in the attached updated Assurance Framework at Appendix 'A'.

## Current LEP Committee Vacancies

A number of LEP Committee vacancies exist within the LEP Assurance Framework as follows:

- 2 x Enterprise Zone Governance Committee Members
- 2 x Performance Committee vacancies for a Chairman and an additional Committee Member
- 1 x Business Support Management Board Chairman
- 1 x Transport for Lancashire Committee Member
- 1 x Growth Deal Management Board Chairman
- 1 x Skills and Employment Advisory Panel Private Sector vacancy
- 1 x City Deal Executive Committee Chairman and 1 x Champion for Strategic Development

With regard to Committee vacancies, the LEP Chairman has made the following recommendations for **approval**:

- Ann Dean to become a Business Support Management Board Member and also the Chairman of Business Support Management Board.
- Dave Holmes to become an Enterprise Zone Governance Committee Member and also the Chairman of Enterprise Zone Governance Committee.
- Steve Fogg to become a member of the Transport for Lancashire Committee
- Michael Ahern (UCLAN and existing Growth Deal Management Board Member) to continue as the Interim Chairman of the Growth Deal Management Board, noting that a vacancy remains (to replace former LEP Director Graham Cowley).
- Steve Fogg to become the City Deal Executive Member and LEP Champion for Strategic Development (in place of Jim Carter) and will therefore become Chairman of the City Deal Executive and a Member of the City Deal Stewardship Board.

The LEP Board is asked to **note** the following Committee Member changes that respective organisations have made:

- Geoff Mason has replaced Alan Welsh as the representative from the North and Western Lancashire Chamber of Commerce on the Business Support Management Board.



- Beckie Joyce has left Lancashire County Council to be replaced by Steve Burns, Head of Strategic Development therefore Lancashire County Council have nominated Steve to replace Beckie on the Growth Deal Management Board as the Lancashire County Council Committee Member.
- Heather Murray has replaced Chris Hebblethwaite as the Department for Works and Pensions observer on the Skills and Employment Advisory Panel.
- Joanne Pickering has resigned as a Private Sector representative on the Skills and Employment Advisory Panel, a recruitment process has commenced to fill this vacancy.

**In accordance with the above the LEP Assurance Framework has been updated and is attached at Appendix 'A' for approval, changes are marked as tracked and this also completes the requirement to annually review the Assurance Framework for the 2020/21 municipal year.**

It should be noted that should the above changes be approved the following Committee vacancies shall remain:

- 1 x Enterprise Zone Governance Committee Member (LEP Director)
- 1 x Growth Deal Management Board Member (LEP Director)
- 1 x Skills and Employment Advisory Panel Member (Private Sector)

### **LEP Annual Review with Government**

The Annual Performance Review of the LEP by CLGU took place on the 13<sup>th</sup> January 2020. The LEP Chief Executive has provided the following summary of the outcomes:

The purpose of the review was to look at the performance of each LEP across the three themes: governance, delivery and strategic impact.

The outcome of the review was as follows:

- Governance: Requires Improvement
- Delivery: Good
- Strategic Impact: Requirements Not Met

LEP Directors may recall that at previous reviews, governance was rated as 'good' by CLGU including the mid-year review which took place 6 months earlier in September 2019. Consequently the LEP disputed and sought further clarification from CLGU to determine the rationale for the 'requires improvement' rating. The LEP was advised that whilst all compliance criteria had been met and good progress made during the transition year, there remained a number of outstanding legal issues to ensure greater transparency in the relationship between the LEP and LCC. Work is on-going to resolve these issues and the agreed action plan following the review.



## **Updates from recent LEP Committee Meetings / Decisions taken by the Urgent Business Procedure of the LEP**

### **1. Urgency Business Procedure Decisions**

#### **Gatsby Foundation – Extension of 'Routes Ready' Project – 22<sup>nd</sup> January 2020**

The Lancashire Enterprise Partnership Board approved the proposal to the Gatsby Foundation, to extend the current 'Routes Ready' Project until the end of August 2022, and, if successful in the proposal, agreed to the entering into of such legal documentation as is required to drawdown the grant and agreed by the LEP Interim Chief Executive or Chief Executive as presented.

#### **Growth Deal Funding Allocation – South East Blackburn Scheme – 4<sup>th</sup> February 2020**

The Lancashire Enterprise Partnership Board approved Growth Deal funding of £9.050m to the South East Blackburn scheme as presented, via written resolution.

#### **Growth Deal Funding Allocation – Blackpool EZ and EIC Drone Command Centre – 17<sup>th</sup> April 2020**

The Lancashire Enterprise Partnership Directors approved:

1. The contents of the report and approved Growth Deal funding allocations to the following projects:
  - (i) Blackpool EZ - £0.800m
  - (ii) EIC Drone Command Centre project, subject to identification of funds - £1.341m
2. That the Growth Deal reporting submission to the Cities and Local Growth Unit for the Quarter 3 2019/20 as presented be submitted.

#### **Appointment of two additional Co-opted LEP Board Members – Andrew Pettinger and Kate Shane – 17<sup>th</sup> April 2020**

The Lancashire Enterprise Partnership Directors approved the appointment of Andrew Pettinger – Partner at Addleshaw Goodard Llp and Kate Shane – Head of Blackpool Cluster at Merlin Entertainments Group as Co-opted LEP Board Members with immediate effect for a one year period in accordance with Government rules regarding Co-opted LEP Board Members.

#### **Growth Deal Allocations - Blackpool Airport / EIC / Lomeshaye – 28<sup>th</sup> May 2020**

The Lancashire Enterprise Partnership Directors:

1. Approved Growth Deal funding allocations and approvals for the following projects, subject to conditions as detailed in each of the Business Case Assurance reports,



and the finalisation and execution by Lancashire County Council (as accountable body for the LEP) under the guidance of the Directors of Corporate Services and Economic Development and Planning of a Grant Funding Agreement and other relevant legal documentation as may be necessary to protect the interests of the LEP:

- (iii) Blackpool Airport Enterprise Zone Specialist Manufacturing Facility - £0.800m
- (iv) EIC Drone Command and Control Centre - £1.210m
- (v) Lomeshaye Industrial Estate Phase 1 Extension - £1.500m

## 2. Transport for Lancashire Committee

A meeting of the Transport for Lancashire Committee was held on 30<sup>th</sup> January 2020 and the following items were considered / approved:

**South East Blackburn Funding Application** – It was reported that this scheme is one of three infrastructure packages that collectively form the 'Pennine Gateways' project. It comprises various improvements in the A6077 Haslingden Road and B6231 Blackamoor Road corridors to support delivery of over 600 houses and 90,000 square metres of commercial floor space.

It was further reported that the total risk adjusted cost of the scheme is expected to be £11.56 million, funded through a maximum £9.05 million contribution from the Local Growth Fund through the Lancashire Growth Deal and a £2.51 million contribution from Blackburn with Darwen Council. The council's Section 151 letter confirmed the council's commitment to fund the local contribution together with any overspend.

Having undertaken independent assurance of the Strategic Outline Business Case on behalf of the Lancashire Enterprise Partnership (LEP), Jacobs advised that they were satisfied that the project had been developed to the expected standard and that they have confidence in a high value for money outcome. They therefore recommended that funding approval be granted to enable works to begin in April 2020.

**Resolved:** That the Lancashire Enterprise Partnership Board be recommended to grant the scheme a maximum of £9.050m of Growth Deal funding.

Full agendas and minutes for Transport for Lancashire meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeId=956>

## 3. City Deal Executive and Stewardship Board

The Combined City Deal Executive and Stewardship Board met on 3<sup>rd</sup> December 2019 and considered / approved the following:

**Six Monthly performance monitoring report – Year 6 April-Sept 2019** - The City Deal Executive and Stewardship Board noted the overall performance of the Programme in the last six months from April – September 2019 and endorsed the monitoring return to Government as set out in the report.



**Social Value Update** – the Board received a report focused on capturing Social Value information and the measures being used including the direct employment of construction workers in the supply chain under the Unite Construction Charter. The Board noted the report and considered the logistical challenges of mapping, monitoring and the reporting of Social Value across the programme portfolio.

**City Deal Review** – a private and confidential report was received regarding City Deal Review – Proposal for a Revised City Deal. Following consideration a series of revised recommendations were approved as follows:

The City Deal Executive and Stewardship Board:

- (i) Noted the draft proposals for a revised City Deal outlined in the report, which comprised a new funding model, infrastructure delivery programme, housing and delivery target and governance for the City Deal.
- (ii) Authorised the Programme Board to prepare Heads of Terms in accordance with the proposals set out in the report, subject to clarification by the Chief Executives of the three local authorities.
- (iii) Requested that the three local authority partners seek their Council's agreement, by no later than 31<sup>st</sup> January 2020, to the additional housing numbers in order to ensure that the funding bid to Government's Small Sites Fund can progress in accordance with the requirements set out in this report; and
- (iv) Noted that LEP Board approval to the revised terms will be sought at the appropriate time.

**Homes England – Small Sites Fund** – the Board received a private and confidential report regarding the Homes England – Small Sites Fund. Following consideration a series of revised recommendations were approved as follows:

The City Deal Executive and Stewardship Board:

- (i) Agreed to support the preparation of the SSF business case, in order for it to be considered by HMT and MHCLG, on the basis of the additional housing numbers offered by the district councils and the commitment to continue to work towards an agreed revised Heads of Terms.
- (ii) Agreed to delegate authority to the Council Chief Executives to agree final content of the business case; and
- (iii) Requested that the LEP Board receive an update on the SSF proposal at its meeting in February 2020 (meeting was cancelled) in order to provide its support for the business case.

**City Deal Finance Report** – the Board received a private and confidential report regarding the City Deal Finance report for the period ending October 2019. Following consideration, a series of revised recommendations were approved as follows:

The City Deal Executive and Stewardship Board:

- (i) Noted the October 2019 Finance Update.



- (ii) Noted the work ongoing and required to be resolved to address the deficit forecast in the infrastructure delivery model.
- (iii) Supported the funding bids in place to attract funds to the model.
- (iv) Noted the key risks and potential going forward and accepted mitigation is needed to ensure the model remains balanced over the lifetime of the deal utilising the three strategies advised by the Steer Review report of expenditure mitigation, income generation and scheme prioritisation.
- (v) Agreed to write to Government seeking clarification on the impact of New Homes Bonus funding to the City Deal; and
- (vi) Agreed to liaise with other City Deal Schemes to see how they might be affected from the current consultation on New Homes Bonus by the Government.

The Combined City Deal Executive and Stewardship Board also met on 03 March 2020 and considered / approved the following:

**Homes England Quarterly Monitoring Report – Quarter 3 2019/20** – The City Deal Executive and Stewardship Board noted the contents of this report and the progress made by Homes England during Quarter 3 of 2019/20

**Preston Western Distributor – Update** - The City Deal Executive and Stewardship Board received a presentation which provided an update on this projected commencing and progress made to date on the key milestones.

**City Deal Review** – The City Deal Executive and Stewardship Board received a private and confidential report regarding the City Deal Review which was noted.

**Finance Monitoring Report – Quarter 3 (October – December 2019)** – The City Deal Executive and Stewardship Board received a private and confidential report in which they noted the finance return for Quarter 3 2019/20 and noted the work ongoing and required regarding the current forecasts in the infrastructure delivery model.

**Infrastructure Delivery Performance Monitoring Report – Quarter 3 (October – December 2019)** - The City Deal Executive and Stewardship Board received a private and confidential report and approved that:

- (i) Only those schemes where there is a contractual, planning or health and safety obligation to meet are delivered with City Deal funding at this point and that all uncommitted project spend is paused, until the City Deal review has concluded and revised heads of terms are agreed.
- (ii) Delegated authority to the City Deal Programme Board to agree exceptions to the pause on spend outlined in (i) above, up to a maximum spending limit of £100,000, in order to avoid significant delays and significant further costs (for example in instances where further restrictions and delay could jeopardise the success of funding bids). Exceptions requiring more than £100,000 would need to be referred to the City Deal Executive for approval, and in order to avoid unnecessary delay, can be determined via written resolution if required; and



- (iii) Noted the Quarter 3 project monitoring report for the period October - December 2019, which takes account of recommendation 1 above.

Full agendas and minutes for the Combined City Deal meetings can be accessed here: <http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1072>

#### **4. Growth Deal Management Board**

The Growth Deal Management Board met on 04 March 2020 and considered / approved the following:

**Growth Deal Programme and Project update** – the committee received an update report on the programme and resolved:

1. That the Grant Funding Agreements for the following projects, as presented, are approved:
  - ACADEME Plus
  - Padiham Town Hall Business Hub
  - STEM Technology Centre
  - Preston Western Distributor
  - Samlesbury Aerospace Enterprise Zone
2. That the Programme Manager continue to monitor the M55 St Annes Link Road project and update the Board on the position after the final deadline at the end of March 2020.
3. That the Programme Manager investigate the viability of reallocating the funding from Phase 2 to Phase 1 of the Lomeshaye project, with any remaining balance to be allocated to the Northlight Call Centre and update Board members on the deliverability of the projects and transparency of the process before the next meeting so that if appropriate consideration can be given as to whether to proceed on that basis, or agree that the funding remain unallocated.
4. That officers commence the re-payment processes for Phase 1 of the Spinning Point project and that the balance for Phase 2 of the project be returned to the programme for reallocation
5. That the Lancashire Enterprise Partnership Board be recommended to approve:
  - a) the allocation of £0.800m to the Blackpool Airport Enterprise Zone project
  - b) that, when the remaining unallocated balance reaches £1.341m (or a lesser amount agreed with the applicant) the funding be allocated to the EIC Drone Command Centre project.
6. That the Blackpool Conference Centre project be held on the pipeline list

**Growth Deal Finance Report** – the committee received a report outlining the fund position as at February 2020 and resolved:

1. To note the spend and forecast as presented.





2. That the current project funding reallocation process be used to reallocate funds clawed back from projects

The reports and minutes for Growth Deal Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1218>

## 5. Enterprise Zone Governance Committee

The Enterprise Zone Governance Committee met on 30 January 2020 and considered / approved the following:

**Blackpool Airport Enterprise Zone** – the committee received a report which included updates on progress on the Enterprise Zone's Masterplan; fiscal incentives; current phase one activity; highways and the Eastern Gateway Access Road; the M55 link road; initial speculative development; planning applications; Squires Gate Industrial Estate; communications infrastructure; marketing; Blackpool Airport; output delivery; the project team; and the risk register.

It was agreed that an extension to existing Enterprise Zone fiscal incentives should be sought.

**Hillhouse Technology Enterprise Zone** – the committee received a report which included updates on progress on activity since the last meeting including the implementation plan; marketing; site activity; job creation; a joint agent for LAMEC cluster; fiscal benefits; and forthcoming activity.

**Samlesbury Aerospace and Warton Aviation Enterprise Zones** – the committee received a report which included updates on progress on achievements to date; the North West Advanced Manufacturing Research Centre; governance; whole site delivery strategy; Growth Deal funding; the Asset Management Facility; Warton Aviation.

The Enterprise Zone Governance Committee also met on 12<sup>th</sup> May 2020 and considered / approved the following:

**Blackpool Airport Enterprise Zone: Progress Report** – The committee considered a report which included updates on progress on the Enterprise Zone's Masterplan; fiscal incentives; current phase one activity; the M55 link road; initial speculative development; planning applications; Squires Gate Industrial Estate; communications infrastructure; marketing; Blackpool Airport; output delivery; the project team; and the risk register with the report noted and agreement that a separate discussion take place between the Chairman and Officers regarding maturity and scale of the top 10-15 Enterprise Zone enquiries.

**Hillhouse Technology Enterprise Zone: Progress Report** - The committee considered a report included updates on progress on activity since the last meeting including the implementation plan; marketing; site activity; job creation; Hillhouse EZ Board and Project team meetings; Communications infrastructure; fiscal benefits; and



forthcoming activity with the reported noted and a further request to produce a comprehensive view of the metric set for Committee Members quarterly.

**Samlesbury Aerospace and Warton Aviation Enterprise Zone: Progress Report –**

The committee received a report that included updates on progress on achievements to date; the North West Advanced Manufacturing Research Centre; governance; Commercial Development Framework; Site Wide Utility Strategy; Growth Deal funding; the Asset Management Facility; Warton Aviation Enterprise Zone; and marketing and promotional activities with it resolved that:

- i. the progress report, and updates presented, be noted.
- ii. Officers contact Marketing Lancashire to receive an update on the progress of the LAMEC website; and
- iii. That the Committee be provided with a KPI showing the milestones and overall balance between the grants and any slippages.

Full agendas and minutes for the Enterprise Zone Governance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1171>

**6. Lancashire Skills and Employment Advisory Panel**

A meeting of the Lancashire Skills and Employment Advisory Panel was held on 11 March 2020 and the following items were considered:

**Skills Hub update** – the panel received an update on Skills Hub activity and, following guidance from the DfE, agreed to recommend to the LEP Board that the Lancashire Skills and Employment Advisory Panel Terms of Reference be amended to explicitly reference employment programmes.

Updates were also received on the Growth Strategy, the Local Industrial Strategy, Institutes of Technology, the Auger Review and College of the Future.

Full agendas and minutes for the Lancashire Skills and Employment Advisory Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1011>

A meeting of the Lancashire Skills and Employment Advisory Panel was also held on 3 June 2020 and the following items were considered:

**Impact of COVID-19 on Skills and Employment in Lancashire** – It was resolved: that the Director of the Skills Hub would incorporate the comments from the meeting into the developing paper and that feedback from LEP Board would be brought to the committee.

**Lancashire Digital Skills Landscape Research – Next Steps** – It was resolved that the Skills and Employment Advisory Panel requested that a collated ranking be circulated by email and that the Digital Skills Partnership be congratulated on their shortlisting in the national Digital Leaders 100.



**Skills and Employment Advisory Panel** – It was resolved that the Skills and Employment Advisory Panel noted the planned use of the SAP grant in 2020/21 and would recommend to the LEP Board that the LEP accept the £75,000 grant being offered by the Department for Education.

**Expansion of the Lancashire Careers Hub** – It was resolved that the Skills and Employment Advisory Panel note the options submitted to the CEC, and the request to roll out the Careers Hub across the whole of the Lancashire area.

## 7. Performance Committee

The Performance Committee has not met since the last ordinary meeting of the Lancashire Enterprise Partnership Board held on 18 December 2019.

Full agendas and minutes for the Performance Committee meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1216>

## 8. Business Support Management Board

A meeting of the Business Support Management Board was held on 17 December 2019 and the following items were considered / approved:

**Lancashire Scale Up** – the Board received a report on the developments in Lancashire to encourage and support businesses to scale up and the new brand for the Scale Up programme was presented. They requested a further update on the progress of pilot programmes in the New Year, and an item on the Shared Prosperity Fund on the next agenda.

**Progressing Procurement Processes and Practices in Lancashire** – Matthew Baqueriza-Jackson presented his interim findings, the committee discussed the report and agreed that an update be brought to a future meeting.

A meeting of the Business Support Management Board was also held on 21<sup>st</sup> March 2020 and the following items were considered / approved:

**Boost – use of BEIS Grant in 2020/21** – Andy Walker presented a report on the use of BEIS Grant for Growth Hub Activity in 2020/21 with it resolved: that the Business Support Management Board

- i) Endorse the suggested use of BEIS resource as set out in the report, and recommend that the LEP Board approves the proposals for the grant of £328,000
- ii) Requests the Head of Service Business Growth, Director of Growth, Employment and Planning at Lancashire County Council and the LEP Chief Executive to draw up proposals for the supplementary funding of £208,500, reflecting the need to respond to challenges to Lancashire Businesses as a result of COVID-19



**COVID-19 – Business Impact and Responses in Lancashire** – Andy Walker gave presentation, supported by Sue Smith, UCLan, regarding national business support offers, a breakdown of Boost enquiries, data from the Chamber of Commerce, cash flow and reserve data and key actions. It was resolved that the Business Support Management Board:

- i) Request the strapline work around recovery be circulated to the Business Support Management Board for review and comment
- ii) Support the bid submission from the Centre for SME Development to the UK Research & Innovation (UKRI) for coronavirus research funding
- iii) Support the Centre for SME Development's request to play a role in helping analyse or coordinate responses to various surveys, or to send out a separate survey

Full agendas and minutes for the Business Support Management Board meetings can be accessed here:

<http://council.lancashire.gov.uk/ieListMeetings.aspx?CommitteeID=1220>

#### List of Background Papers

Paper	Date	Contact/Tel
none		
Reason for inclusion in Part II, if appropriate		
N/A		