

Lancashire Enterprise Partnership Limited

Informal Note of the Inquorate Meeting held on Tuesday, 22nd March, 2022 at 4.30 pm at the Health Innovation Centre

Present

Andrew Pettinger (Deputy Chair)

Miranda Barker

County Councillor Aidy Riggott

In Attendance

Sarah Kemp, LEP Chief Executive Officer

Laura Sales, Director of Corporate Services, LCC and Company Secretary

Neil Kissock, Director of Finance, LCC - representing the Section 151 Officer

Andy Milroy, SDemocratic Services Manager (Companies), LCCI

Michele Lawty-Jones, Director of the Skills Hub (In part for items 6 and 12 via MS Teams)

Sue Roberts, Commercial and Business Support Manager, LEP

1. Welcome and Apologies for Absence

It was noted that there were not sufficient LEP Directors present to be quorate so an informal discussion was held by those LEP Directors present. LEP Board Deputy Chair, Andrew Pettinger, chaired the informal discussion.

2. Minutes of the meeting held on 23rd November 2021

Item deferred to the next formal LEP Board meeting.

3. Matters Arising

Item deferred to the next formal LEP Board meeting.

4. Declarations of Interest

Item deferred to the next formal LEP Board meeting.

5. LEP Governance and Committees Report

It was noted that this item was not for decision and a new updated report would be presented to the next formal LEP Board meeting.

6. National Skills Fund: Skills Bootcamps for 2022/23

Michele Lawty-Jones, Director of the Skills Hub, briefed the LEP Directors present on the key points of the report and the time sensitive decisions required.

Directors present clarified linking with the Skills Development Fund and also sought clarification on the £2.6m ask and if whether a lesser amount is awarded the project can proceed. It was confirmed that the project could proceed with a lesser amount.

Resolved: The Directors present were therefore satisfied with the report and given the need for approval to the recommendations to be sought as soon as possible, recommended that the item be presented to the LEP Directors for approval via Written Resolution.

7. LEP - Programmes Update Report

It was noted that this item was not for decision and a new updated report would be presented to the next formal LEP Board meeting.

8. Annual Plan and Budget (2022-23) including End of Year (2021-2023) Financial Forecast and Performance

The Directors present sought clarification on the key points contained within the report.

Sarah Kemp, LEP Chief Executive Officer provided a brief summary:

End of Year Forecast:

- Income received £993.7k against a budget of £982k
- Expenditure £1.03m against a budget of £1.68m – mainly due to recruitment freeze imposed by government and associated post activity
- Reserves at year end of £2.14m against a forecast of £1.46m

2021/22 Performance

- Performance on Programmes – set out separately with the Programmes Update Report, but no concerns on performance. However, the loss of European Funding will have a severe impact on revenue programmes, BOOST Growth Hub and Skills. Continuity of these programmes requires urgent action in respect of choice and allocation of UKSPF by local District Councils.
- Key highlights of the year – set out within the report – testament to the commitment and hard work of the respective LEP/Partner teams that so much was achieved during the pandemic

Annual Plan for 2022/23:

- 2021-24 objectives remain as approved in last year's Annual Plan
- Specific in-year objectives set against LEP Delivery, Partnership Delivery

and LEP Advisory role

- Delivery of the Strategic Framework
 - Delivery of the Capital Programme
 - Partnership Delivery
 - Bringing the voice of business to the heart of policy and decision-making and advocating for business
- Assumes continuation of 2021/22 activity for completion and implementation

Operating Budget for 2022-23

- Budget set within the 3 year Financial Strategy approved by the LEP Board in March 21
- Assumes income of £905k
- Proposes expenditure of £1.3m
- Assumes use of reserves to balance the budget of £485k
- Forecast end of year position on reserves is £1.6m

Risks and Challenges

- Government has not yet concluded the LEP Review and we anticipate a letter imminently, which sets direction on functions of LEPS and details of any financial settlement. Although it is not anticipated that this will have a material impact on the Annual Plan in the short-term, the Board might anticipate a mid-year revision of Annual Plan and budget, particularly in respect of any unanticipated changes and to ensure alignment with County Deal proposals.
- If there is no financial settlement for LEPs and no local matched funds provided, the only income the LEP will receive will be interest payable, mainly on Growing Places loans, of £150k. Under these circumstances, the LEP will rely more heavily on reserves to deliver the Annual Plan. If the status quo is maintained, the reserves will be depleted by mid-2023/24. Funds to meet contingent liabilities will be ring-fenced within reserves

Governance:

- Indicative ratings for end of year (21/22) Performance Review by Cities and Local Growth Unit have found the LEP to have met all requirements, and noting that there are some governance issues which are not reasonable to progress whilst the LEP Review is in force
- In year improvements include publication of an Annual Report, delivery of an Annual Conference, establishment of a Joint Scrutiny Committee, review of the Local Assurance Framework and appointment of a new Chair

The Directors presented noted that the recommendations of the report were fair but recognised concerns about the future and suggested that focus should be on those projects that can be delivered quickly in the short term. It was also noted that the future of LEPs was discussed at the Northern Powerhouse 11 meeting with BEIS confirming that a letter was due to be sent imminently. There was also a discussion regarding potential County Deals.

Resolved: Given the time critical nature of approving the LEP Budget and Business Plan for 2022/23 the Directors present were content to recommend that the LEP Directors consider approving this item via Written Resolution.

9. Annual Review - Local Assurance Framework 2022/23

Andy Milroy, Democratic Services Manager (Companies), Lancashire County Council briefly discussed this report explaining that it was time sensitive as it needed to be refreshed each year and published ahead of the new financial year in April. It was noted that it contained standard updates to things like membership and updates on the structures of the LEP and its Committees.

Resolved: Given the time sensitivity regarding approval timescales the Directors present recommended that the item be included in LEP Directors Written Resolution.

10. Any Other Business

LEP Director Miranda Barker provided an update on a Shared Prosperity paper which had also been discussed via the LEP Business Support Management Board. It was agreed that Sarah Kemp, LEP Chief Executive Officer, would take away an action regarding scaling this project up.

11. Date of Next Meeting and Programme of Meetings for 2022/23

The LEP Directors present noted the date of the next meeting and also that the Programme of Meeting dates for 2022/23 had been circulated to all LEP Directors.

12. Exclusion of the Press and Public

Item not required to be considered as no formal meeting held.

13. Grant Renewals

Michele Lawty-Jones, Director of the Skills Hub, gave an overview of the report to the Directors present.

Clarification was sought that Lancashire County Developments Limited had match funded along with the LEP.

Resolved: The Directors present were supportive of the recommendations in the report and also noted the time sensitive nature of the approvals required so therefore recommended that this item be included in the Written Resolution for LEP Directors to approve.

14. Growing Places Report - PEARL 2 Brierfield Mill

Sue Roberts, Commercial and Business Support Manager, LEP, briefed the

Directors present on this item.

Directors clarified that this item was not time sensitive and could wait for the next scheduled LEP Board meeting in June for a decision to be taken. The Directors present also expressed a view that it would be best to invite a representative from the construction firm, Barnfield, to discuss the report and the request given the queries that LEP Directors had regarding this item when it was considered by the LEP Board previously.

Resolved: The Directors present recommended that the item be deferred to the next LEP Board meeting in June as it was not time sensitive, with Barnfield Construction invited to attend the June Board meeting to discuss directly with the LEP Board.