

Report to the Cabinet

Meeting to be held on Thursday, 7 September 2023

Report of the Director of Growth and Regeneration

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Supporting economic growth;

Economic Development and Skills Promotion Activity Grants

(Appendix 'A' refers)

Contact for further information:

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Brief Summary

Economic development, skills and place promotion activity conducted within the county council, Local Enterprise Partnership and Marketing Lancashire has typically been dependent on attracting external grant resource from a range of sources including government departments and charities. As these bodies have become more integrated within the county council, new processes to authorise officers to compete for and receive these funds need to be put in place, balancing the pace and flexibility often needed to meet bid deadlines with an accurate recognition of ongoing costs, potential funding requirements, liabilities and risks in being accountable for the proper use of public funds.

Recommendation

Cabinet is asked to authorise the county council's Executive Director of Resources (Section 151 Officer) in consultation with the Director of Law and Governance (Monitoring Officer), and the Cabinet Member for Economic Development and Growth, to approve bids and receive external grant resource for economic development and skills promotion activities, as set out in the report and in accordance with the protocol, set out at Appendix 'A'.

Detail

Certain Economic Development activity in Lancashire has typically looked to external grant resource from external bodies including the national government and thematic charities to increase local resource for activities which advance the county council's agreed strategic priorities.

Both within the county council and through arm's length companies like the Local Enterprise Partnership and Marketing Lancashire, the region has established a strong record for securing additional resources and making effective use of these additional funds.

With the impending closure of the Lancashire Enterprise Partnership as a company, and the integration of both the partnership and Marketing Lancashire staff into the county council's establishment, new processes need to be set out which balance the need to respond sufficiently quickly to meet bidding deadlines with a proper assessment of risk and liabilities which the county council would be undertaking.

Proposed Approach

This will be subject to an appropriate assessment:

- That the activity is strategically aligned and significant
- That no Lancashire County Council match funding is required
- That risk is properly understood
- That any potential for on-going employment of financial liabilities is understood and appropriate provision made.

This will be applicable for:

- Any bid for opportunities or new grants up to a maximum value of £5 million
- Any repeat/annual grants – to a value of £5m

Attached at Appendix 'A' is a protocol which sets out the arrangements in full.

Currently, the county council's Scheme of Delegation to Heads of Service excludes officers from taking key decisions which, in financial terms, is any decision which would incur expenditure or savings of £2million or more. It is proposed to make an exception to this when bidding for funding opportunities up to a maximum value of £5million for the following reasons:

- Bidding opportunities of this scale are now regularly being promoted by government departments and charitable trusts which offer the opportunity for the county council and others to progress their economic strategy objectives. An example of this is the current [5G Innovation Regions call](#). This has a ceiling bid of £3.8million per applicant region and has a bidding window which opened on 1 August and requires bids to be submitted by 10 September. Progressing such a bid through the current decision-making mechanisms, i.e. Cabinet approval, might mean that Lancashire missed the opportunity to bid.



- Authority for officers to bid in these circumstances may create reputational risk for the organisation, but any financial or legal implications for the authority can be more fully explored and dealt with if bids are successful and grant offers are received by the county council. These will more fully detail any contractual requirements and reporting obligations associated with the use of grant. This would give the county council a further opportunity to amend or withdraw a bid at this stage.

Examples of Bidding Opportunities

Skills

The Employment and Skills Hub is currently bidding for and receiving specific activity grants in relation to activity with the Careers and Enterprise Company and via the Ministry of Defence and Department for Science, Innovation and Technology for skills programmes in colleges to support future workforce development for National Cyber Force.

These grants vary in scale from around £17,000 to up to £450,000, routed via the Employment and Skills Hub and Lancashire County Council as the accountable body and ultimately distributed as spend by the Skills Hub or to partner local authorities, local colleges and other skills-based contractors.

Innovation and Connectivity

Local partners including Lancashire local authorities are asking the county council to collate a bid to the current 5G Innovation Regions competition run by the Department for Science, Innovation and Technology. The bid closes on 10 September, providing an open competition for a national pot of £40m likely to be allocated across a maximum of ten locations.

This will enable overarching bids which cover how 5G capabilities can be used in a range of "use cases". In Lancashire this could be around existing or emerging industrial capabilities, new assets and attractions, new investment opportunities or even in terms of how the public sector could reduce costs and improve services using 5G.

Low Carbon Programmes

The Lancashire Enterprise Partnership was formerly Lancashire's lead representative on the North West Net Zero hub, one of a series of bodies across England channelling national resource and capability into areas to improve the quality of local net zero projects.

That relationship has brought funds for additional expert officer capacity in Lancashire and access to national, regional and locally ear-marked funds. Bidding opportunities for additional resource often come with a quick turn-around, at year end to absorb unspent departmental resource or requiring existing and defined financial and governance relationships with the hub.



Conclusions

Attracting grant resource is a routine and complementary activity for officers working in the economic development sphere, but as illustrated above, grant opportunities can require a quick turn-around and can be for variable levels of resource.

The approach proposed in this report will create a well-managed route where officers can compete for resource but qualify this with an appropriate legal and financial advice and authorisation which will be regularly audited.

The approval process for submitting and accepting grants is being reviewed holistically as part of the Constitution review being led by the Political Governance Working Group in 2023.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Implications, including risk management, are set out in the report and in Appendix 'A'.

Any bids in excess of £5million would require Cabinet approval.

List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

