

**Report to the Cabinet**

Meeting to be held on Thursday, 11 July 2024

**Report of the Director of Growth and Regeneration**

**Part I**

Electoral Division affected:  
(All Divisions);

**Corporate Priorities:**  
Supporting economic growth;

**Lancashire Economic Growth and Development Investment Fund - Funds Managed by Strategic Development**

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**Brief Summary**

The purpose of this report is to provide a programme update on the Lancashire Economic Recovery and Growth Fund and Lancashire Levelling Up Investment Fund and to request approval for the consolidation of unallocated resources into a single funding pot and programme extension.

This is deemed to be a Key Decision and the provisions of Standing Order C18 have been complied with.

**Recommendation**

Cabinet is asked to:

- (i) Approve the combining of any unallocated Lancashire Economic Recovery and Growth Fund, and its related additional funding, and the Lancashire Levelling Up Investment Fund into a single economic growth funding programme.
- (ii) Authorise the Executive Director of Growth, Environment, Transport and Health, in consultation with the Cabinet Member for Economic Development and Growth, Director of Law and Governance and Director of Finance and Commerce, to award funding to projects and agree and enter into appropriate

contractual arrangements.

(iii) Agree to a programme funding extension for the spending of related project activity with a target review date of June 2026.

## **Detail**

### **Lancashire Economic Recovery and Growth Fund**

The county council's £12.8m Lancashire Economic Recovery and Growth Fund was approved by Cabinet on 3 September 2020 to support targeted economic recovery and growth activities, primarily to tackle some of the impacts of COVID-19.

The Lancashire Economic Recovery and Growth Fund was one the key Lancashire responses to "Redefining Lancashire: Our approach to Recovery", and which noted the risk of irreparable damage to key sectors and Lancashire's economic base for years to come for which targeted public sector intervention was required to assist with the economic recovery process.

The key focus of the Lancashire Economic Recovery and Growth Fund was to support the themes and priorities of tourism, leisure and hospitality, for example through town investment, and with support to manufacturers, including Lancashire's key aerospace sector. Longer-term investment was also supported for Lancashire's development pipeline to unblock strategic economic development and infrastructure projects.

The Lancashire Economic Recovery and Growth Fund established a programme approach to appraising and approving project activity, and which was based upon internal strategic input from key Directorates, plus liaison with the district councils to understand any locally important strategic interventions that could be supported.

An update was recently provided to the 11 March 2024 meeting of the Environment, Economic Growth and Transport Scrutiny Committee with a detailed account of the significant programme achievements to date, including a range of specific project successes and benefits derived from each funding investment, including the significant public sector funding that has been levered in. Notable outcomes, led by the county council, include supporting the delivery of town centre improvement schemes, employment and education space, skills support activity, rural recovery schemes and aerospace sector development.

To date, £11.6m has been successfully committed, by the county council, supporting a diverse range of projects throughout Lancashire. An additional £1.8m was approved to supplement the Lancashire Economic Recovery and Growth Fund geared towards next phase infrastructure investment.

### **Lancashire Levelling Up Investment Fund**

The county council's £5m Lancashire Levelling Up Investment Fund was approved by Cabinet on 5 May 2022 to enable, accelerate, unlock and assist in the delivery of



Lancashire's multi-£billion pipeline of major development projects and infrastructure programme, complementing the Government's Levelling Up White Paper.

The fund supports county council led projects as well as those delivered in partnership with both public and private sector organisations focused on Lancashire's contribution to the levelling up agenda and the emerging vision and ambitions of "Lancashire 2050".

£3m of Lancashire Levelling Up Investment Fund has been allocated to date.

### **Combined Programme**

To allow officers the flexibility to take forward relevant project funding requests for approval in what is a dynamic economic development and regeneration environment, it is proposed that the two funding programmes (Lancashire Economic Recovery and Growth Fund and Lancashire Levelling Up Investment Fund) are combined.

It is recognised that economic recovery and opportunities to lever in significant other public sector resources remains as development activity and project interventions continue to be developed. The original objectives of the Lancashire Economic Recovery and Growth Fund therefore remain relevant and focussed in respect of providing targeted support.

Lancashire has built upon the work which has already taken place around the Lancashire 2050 framework, which adds an additional opportunity for a combined programme fund to complement future economic development activities potentially providing support also, for example, into new and emerging cyber, robotics and innovation technology sectors.

In respect of the above successful outcomes and the opportunity remaining to achieve significant economic benefit, Cabinet is requested to approve the consolidation of the remaining unallocated funding into a single funding programme, which collectively amounts to c£5m out of the total original funding programme of £19.6m.

It is expected that all funding will be spent by June 2026, however this timeframe may be subject to flexibility depending upon, for example, development pipeline project requirements. It is therefore proposed that this is a programme funding target review date.

It is also the intention that the funding parameters and eligibility will remain aligned with that of the original Cabinet approvals, but with flexibility to facilitate major project delivery and to allow continuing alignment with current and emerging Government policy.

The fund will therefore not be overly prescriptive and will support a range of physical and sector growth opportunities, including new and emerging cyber, robotics and innovation-related technologies.



Governance will continue to focus upon quick and timely interventions whilst ensuring that clear approvals systems and necessary county council processes are in place, adhering to the county council's new Scheme of Delegation.

It is recommended that this funding is used for the purposes as referenced above and, as per the original funding purpose, for example to include:

- Tackling the continuing economic impacts of COVID-19 in Lancashire and stimulating economic growth, as per priorities set out within "Redefining Lancashire: Our Approach to Recovery", such as:
  - 'Visit Soon, Safely' (including Tourism, Leisure, Hospitality and Town Centres); and
  - 'Made in Lancashire' (including aerospace and manufacturing).
- Helping to deliver the longer-term economic potential of Lancashire's development pipeline and lever further investment from the private sector and other stakeholders including Government by unblocking strategic economic development and infrastructure projects, including:
  - Business case making (e.g. to secure further funding), specialist work and advice.
  - Strategic acquisition of key land or property.
  - Site preparation and infrastructure (e.g. surveys, studies and reports; masterplanning, design and planning applications; fees; remediation, structural or other physical interventions including demolition, public realm, utilities and digital infrastructure).
  - Direct delivery or construction of buildings, developments or Infrastructure.
  - Commercial investment, joint venture; economic or business support including inward investment incentives, grants, loans for target occupiers, uses and/or sectors.
- Unblocking larger major projects, road, rail, and other infrastructure that can generate significant benefits through jobs and investment.
- Accelerating exceptional smaller capital projects across Lancashire which can potentially generate activity in the more immediate term.
- Any other relevant and focussed activities to develop the existing and emerging project pipeline, as such enabling an accelerated delivery of activity aligned to the county council's major priorities and strategic objectives, for example, key transport infrastructure, utility, site preparation, environmental/sustainability, and Economic Development activities.
- Any other activities to support new and emerging key sector opportunities within cyber/robotics/innovation technology.

## Next steps

The combined programme fund will be based upon existing project development, management and approval processes, which will allow funds to be allocated efficiently.



It is proposed that the Executive Director of Growth, Environment, Transport and Health be authorised, in consultation with the Cabinet Member for Economic Development and Growth, Director of Law and Governance and Director of Finance, to award funding to projects and to enter into contractual arrangements.

Monitoring and reporting mechanisms will be similar to those of the Lancashire Economic Recovery and Growth Fund and Lancashire Levelling Up Investment Fund programmes.

Project Management methods will be maintained with any updates being provided to the Executive Director of Growth, Environment, Transport and Health via the county council's Growth, Environment and Planning Major Developments Steering Group and Board and to the Executive Management Team.

### **Communications**

A comprehensive communications plan will continue to be implemented to ensure publicity milestones are clearly identified and programmed to promote the investment, the outcomes and benefits to Lancashire as a whole.

### **Consultations**

N/A

### **Legal**

The legal services team will provide support in the drafting of appropriate grant funding agreements or other legal documentation required; such agreements will include provisions relating to eligible expenditure, record keeping, monitoring and clawback in the event of default.

Support will also be provided in the due diligence process, particularly in respect of subsidy control compliance.

### **Financial**

The programme will be funded by the county council and will be monitored through the Major Developments Steering Group and Board.

All funding awarded under this programme will be subject to a suitable level of due diligence, to be identified and managed with input of the county council's financial management colleagues and, where required, backed by appropriate agreements/processes in line with the county council's financial regulations.

### **Risk management**

A process of detailed due diligence will be undertaken on each project awarded grant funding. Suitable measures will be put in place to ensure surety of programme, and risk mitigation measures will need to be identified by applicants and as appropriate key items will be monitored through current county council processes.



## List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A

