



Lancashire Enterprise Partnership Limited

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**Growth Deal Implementation Update
(Annexes '1' and '2' refer)**

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Executive Summary

The purpose of this report is to provide an update regarding the Growth Deal Implementation and consider recommendations relating to its implementation.

Recommendation

The Board is asked to:

- (i) Approve the draft Terms and Reference for the Growth Deal Programme Board, as set out in Annex 1;
- (ii) Request that a detailed report on the LEP's media and communications strategy, in support of key programmes and projects, be submitted to the LEP Board meeting on 21 April.
- (iii) Request a presentation on evaluation options be made to the LEP Board on 17 February, 2015;
- (iv) Request that the draft Assurance Framework be submitted for detailed consideration at the LEP Board meeting on 17 March, 2015;
- (v) Request the final draft Implementation Plan be submitted for detailed consideration by the LEP Board at its meeting on 17 March, 2015;
- (vi) Request the final draft Monitoring and Evaluation Framework be submitted for detailed consideration by the LEP Board at its meeting on 17 March, 2015; and
- (vii) Approve the engagement process with local MPs and local authority leaders, as outlined in section 5 of this report;



1. Summary

- 1.1 The Lancashire Enterprise Partnership (LEP) secured one of the country's most significant first round Growth Deals (GD1), with the announcement of an investment programme valued at £370M, of which £234M was competitively secured from the Government's Local Growth Fund (LGF).
- 1.2 Government has also recently announced an extension to the Lancashire Growth Deal, which was previously described as Growth Deal 2. At this point in time, only the leading Core City LEPs of Manchester, Leeds, Birmingham, Sheffield and Newcastle have secured significantly more than Lancashire, in terms of LGF. This is a major achievement in its own right, but especially so given the LEP's original starting position. The LEP's total Growth Deal programme now has an investment value of over £500m, with the capacity to generate nearly 8,000 jobs and create over 3,300 new homes.
- 1.3 The Growth Deal extension confirms an additional £17.2m of LGF, which the LEP has prioritised to be allocated on key projects, including: UCLAN's Engineering and Innovation Centre; Burnley Vision Park; Rawtenstall Redevelopment Zone; M6 J28 improvements and Employment Growth Opportunities; and Fab Lab - Making Rooms in Blackburn.
- 1.4 Northlight (aka Brierfield Mill) remains a LEP Priority 1 scheme and local partners and Government continue to explore possible funding routes to support the delivery of this major regeneration initiative. An update report on the Northlight scheme will be submitted to the next LEP Board meeting on 17 March.
- 1.5 At its meeting in December 2014, the Board considered a report which provided information on the suite of documents (LEP Assurance Framework, Growth Deal Implementation Plan and the Growth Deal Monitoring and Evaluation Plan) that would need to be prepared in advance of drawing down the LGF resources.
- 1.6 At this meeting, the Board agreed to establish a Shadow Growth Deal Programme Board and appointed Mr Graham Cowley as the interim Chair of the Programme Board.
- 1.7 As agreed, the draft Terms of Reference of the Programme Board have been prepared, and they are submitted for consideration and approval by the LEP Board (see Annex 1).
- 1.8 The LEP Assurance Framework is the most significant of the three documents and, as well as being approved by the LEP, also needs to be agreed by Lancashire County Council, as the LEP's Accountable body.



- 1.9 The LEP Board is scheduled to consider the draft Assurance Framework at a special meeting in March. The County Council's Cabinet will then consider the Assurance Framework at its April meeting. The County Council's final view will also be informed by the contribution of its own Scrutiny Committee, which is focusing on accountable body (and not LEP) issues.
- 1.10 The Assurance Framework is required to describe the relationship between the LEP and the local authorities in the relevant LEP area. In this regard, the progress being made by local authority leaders, in terms of developing a Combined Authority for Lancashire, is a positive step. The Assurance Framework will set out the timeframe towards the establishment of the Combined Authority, which has been agreed in principle by the Lancashire Leaders.
- 1.11 The Assurance Framework also needs to define proposed mechanisms which will demonstrate appropriate and proportionate measures to scrutinise the LEP. Scrutiny arrangements should not be designed to stifle or retard the LEP's ability to conduct its business, nor establish means of creating un-necessary delays in decision-making processes. The scrutiny of the LEP should therefore be focused on overarching priorities, key themes, and/or specific programme delivery issues.
- 1.12 Securing the Growth Deal Programme has significantly enhanced the LEP's investment programme and provides a timely opportunity to bolster public communications on programme and scheme delivery, with a strengthened media and public relations capacity, which can be initially funded from the LEP's agreed core budget. The LEP Chair will submit a more detailed report on the way forward with this issue to the Board meeting on 21 April.

2. Background and Context

- 2.1 The LEP secured one of the country's most significant first round Growth Deals, with the announcement of an investment programme valued at £370M, of which £234M was competitively secured from the Government's LGF. With Government's confirmation of Lancashire's Growth Deal extension of £17.2M, the total Growth Deal Programme now has an investment value of over £500m, with the capacity to generate nearly 8,000 jobs and create over 3,300 new homes.
- 2.2 In addition to confirming the schemes and initiatives to be supported by the Growth Deal, with an indicative financial allocation, the Government's Growth Deal statement sets out a number of requirements which need to be addressed before the LEP, via the County Council, as accountable body, can draw down LGF from April 2015.



- 2.3 The LEP is now required to prepare and submit a suite of documents for Government consideration and approval prior to any draw down of LGF. The documents are: A LEP Assurance Framework; a Growth Deal Implementation Plan; and a Growth Deal Monitoring and Evaluation Framework.
- 2.4 The Board, at its meeting in December 2014, agreed to establish a Shadow Growth Deal Programme Board to oversee the preparation of these documents. The Board also appointed Mr Graham Cowley as the interim Chair of the Programme Board.
- 2.5 The draft Terms of Reference of the Programme Board, as requested, are submitted for consideration and approval by the LEP Board (see Annex 1).
- 2.6 The Programme Board has now met on two occasions and has agreed an intensive and challenging work programme to enable the preparation of the documents set out in 1.5 above. The work programme timeline is attached at Annex 2.
- 2.7 Significant progress has been made on the three key documents and draft final versions of the documents will be submitted for consideration and approval to the March meeting of the LEP Board.
- 2.8 The remainder of this report summarises progress on the preparation of the three documents and draws the attention of the Board to key matters arising.

3. Growth Deal Implementation Plan

- 3.1 The Implementation Plan, which is intended to be a living document, will set out the key actions and milestones Government, the LEP and its delivery partners need to undertake to ensure that the Deal can be implemented at the start of the 2015/16 financial year. The Implementation Plan will also provide a strategic framework with high-level milestones that cover the 6-year life of the Growth Deal. These milestones will be used by the LEP and Government to assess and monitor progress.
- 3.2 Significant work has already been undertaken, with project sponsors, on the preparation of the Implementation Plan with key project delivery milestones, risks, monitoring metrics as well as the actions required to progress the freedoms and flexibilities set out in the Growth Deal.
- 3.3 Subject to approval by the Interim Chair of the Programme Board, in consultation with the LEP Chair, a draft of the Implementation Plan will be shared informally with Government in the coming weeks, with a final draft submitted to the LEP Board in March for detailed consideration and approval.



4. Growth Deal Monitoring and Evaluation Framework

- 4.1 Government require all LEPs to provide quarterly progress reports on Growth Deal project delivery, outputs and outcomes. As previously reported, there is no additional resource from Government to support this element of work.
- 4.2 The Growth Deal Programme Board has established a monitoring and evaluation sub-group with leading experts from Lancaster University, with retained transport consultants Jacobs, along with officers with significant experience in this area from the County Council, and Blackburn with Darwen and Blackpool Councils. As well as overseeing the preparation of the Monitoring and Evaluation Framework, this sub-group will also make recommendations to the Programme Board on monitoring report templates and methodology.
- 4.3 Significant work has been undertaken on the preparation of a robust Monitoring and Evaluation Framework. All GD1 project sponsors are fully engaged in the process and have each agreed their project specific metrics which will be used for monitoring purposes. Project sponsors understand that the monitoring requirement will be formalised in the legally binding LGF grand funding agreement and that it will be their responsibility to resource this monitoring requirement.
- 4.4 In addition to standard project monitoring analysis, Government also expects each LEP to undertake/commission project evaluation. Government have advised that the extent, nature and scope of evaluation is a decision for individual LEPs. Notwithstanding that there is no additional budget for evaluation, it is important for the LEP to understand the outcomes and impact of its Growth Deal programme.
- 4.5 At the Board meeting in December, it was agreed that Lancaster University, in conjunction with UCLAN and Edge Hill University, host an evaluation learning workshop with all Growth Deal project sponsors. This well attended workshop took place in January and provided the first opportunity for project sponsors to meet and begin to understand the complexity and scale of the Growth Deal Programme. The session will enable Lancaster University, and other University partners, to prepare and cost a range of evaluation options. These will be considered by the Board at its meeting in March.
- 4.6 Subject to approval by the Interim Chair of the Programme Board, in consultation with the LEP Chair, a draft of the Monitoring and Evaluation Framework will be shared informally with Government in the coming weeks, with a final draft submitted to the LEP Board on 17 March for detailed consideration and approval.



5 LEP Assurance Framework

- 5.1 The Assurance Framework is arguably the most significant of the suite of the documents that need to be prepared and submitted to Government. As previously reported to the Board, the Assurance Framework will set out arrangements for: governance and decision making; local authority partnership working; transparent and accountable decision making; and ensuring value for money.
- 5.2 Many elements of the Assurance Framework are already in place, for example the roles and responsibilities of all LEP sub-committees are well defined, and there is an approved Assurance Framework for Transport for Lancashire, which will be embedded in the LEP's overarching Framework. There is already an existing methodology and independent project appraisal process in place, with regard to Growth Deal and Growing Places. In addition, many of the project delivery groups are already established and are well placed to move individual projects forward to the implementation stages.
- 5.3 The section in the Assurance Framework on local authority partnership working will dovetail and reflect the on-going and significant progress being made by Lancashire's local authorities towards the establishment of a Combined Authority. It is expected that a Combined Authority will be established in shadow form by September 2015. A more detailed update on proposed Combined Authority arrangements for Lancashire will be provided to the Board meeting in March.
- 5.4 The Assurance Framework also needs to define proposed mechanisms which will demonstrate appropriate and proportionate measures to scrutinise the function and performance of the LEP. However, scrutiny arrangements should not be designed to stifle or retard the LEP's ability to conduct its business, nor establish means of creating un-necessary delays in decision-making processes. The scrutiny of the LEP should therefore be focused on overarching priorities, key themes, or specific programme delivery issues. The initial views of the LEP Board are sought on this matter, though more detailed proposals will be submitted to the meeting in March.
- 5.5 Given the potentially important role played by the Assurance Framework, albeit acknowledging that there is a requirement to review the document annually, active engagement is essential with two key stakeholder groups, namely local MPs and local authority Leaders.
- 5.6 With regard to engagement during the preparation stages of the Assurance Framework, and subject to LEP Board approval, it is proposed that all MPs and local authority leaders are made aware of the process now underway



and advised that a draft document will be issued for comment later this month.

- 5.7 With regard to engagement with local authority leaders, this will be enhanced by the on-going process guiding the development of the shadow Combined Authority.
- 5.8 With regard to engagement with local MPs, it is proposed that LEP representatives meet with MPs formally, once every term of Parliament, here in Lancashire - essentially three times per year. In terms of developing the Assurance Framework, it is proposed that a briefing session, in late February/early March, be offered to local MPs.
- 5.9 The County Council, as the Accountable Body, is required to approve the Assurance Framework and to confirm to Government that the Framework has been approved by the LEP and the Accountable Body, in accordance with the guidance issued by Government. To this end, the County Council is scheduled to consider the final Assurance Framework on 3 April. In advance of this meeting, the County Council's Scrutiny Committee will be asked to consider a working draft of the Assurance Framework at its meeting on 13th March, with a view to focusing on the accountable body aspects of the Framework.
- 5.10 To ensure consistency, Blackpool and Blackburn with Darwen Councils will also take the Assurance Framework, as an information item, through their respective decision-making processes in April.
- 5.11 The final Assurance Framework will be published on the LEP's website and will be reviewed annually by the LEP and the County Council.
- 5.12 Subject to approval by the Interim Chair of the Programme Board, in consultation with the LEP Chair, a draft of the Assurance Framework will be shared informally with Government in the coming weeks, with a final draft submitted to the LEP Board on 17 March for detailed consideration and approval.