

## Lancashire Enterprise Partnership Limited Board

### Minutes of the Meeting held on Tuesday, 15th December, 2015 at 6.00 pm at the Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston

#### Present

Edwin Booth (Chair) - in part and County Councillor Jennifer Mein (Chair) - in part

Mike Blackburn  
Councillor Simon Blackburn  
Jim Carter  
Graham Cowley  
Mike Damms

Richard Evans  
Dave Holmes  
Councillor Phil Riley  
Professor Mark Smith  
Councillor Mark Townsend

#### In Attendance

Tom Flanagan, Director Place, Blackburn with Darwen Borough Council  
Andrew Good, Head of Service Financial Management, Lancashire County Council  
Martin Kelly, Director of Economic Development, Lancashire County Council  
Andy Milroy, Company Services Officer, Lancashire County Council  
Pam Smith, Chief Executive, Burnley Borough Council  
Jo Turton, Chief Executive, Lancashire County Council  
Ian Young, Company Secretary

#### 1. Welcome and Apologies for Absence

The Company Secretary, Ian Young, informed the Board that the Chair, Edwin Booth, Jo Turton (Chief Executive, Lancashire County Council) and Martin Kelly (Director of Economic Development, Lancashire County Council) would be late to the meeting due to a conference call they were undertaking with Central Government.

The Board resolved to appoint County Councillor Jennifer Mein as Chair in Mr Booth's absence.

The Chair welcomed all to the meeting, apologies for absence were presented from Board Members Malcolm McVicar, Councillor Stuart Hirst, Dennis Mendoros, Mike Tynan and David Taylor. Officer apologies were presented from Neil Jack (Chief Executive, Blackpool Council).

#### 2. Minutes of the Board meeting held on 6th October 2015 and Special Board Meeting held on 30th October 2015

**Resolved:** The minutes of the Board meeting held on 6<sup>th</sup> October 2015 and the Special Board meeting held on 30<sup>th</sup> October 2015 were agreed as an accurate

record and signed by the Chair.

### **3. Matters Arising**

None

### **4. Declarations of Interest**

Professor Mark E Smith declared an interest in items relating to Lancaster University due to his executive role at Lancaster University.

Councillor Mark Townsend declared as the Leader of Burnley Borough Council, that he had an interest in Item 14 – Growth Deal Process, specifically Burnley Vision Park.

Mike Blackburn declared as an employee of BT that he had an interest in Item 9 – Superfast Broadband Update as BT is the support of services to Superfast Lancashire.

Councillor Phil Riley declared, as the Regeneration Portfolio Member at Blackburn with Darwen Borough Council, that he had an interest in Item 13 – Northcote Café @ Blackburn Cathedral.

Richard Evans declared, in relation to Item 14 – Growth Deal Update, that on behalf of his employer KPMG he is the appointed Auditor of Maple Grove Developments Limited.

The Board approved that all Directors interest be authorised, permitted them to remain in the room during discussions, but excluded them from voting on their declared interests should a need to vote arise.

*At this point the Board agreed to consider a number of agenda items out of sequence.*

### **7. Developing a Strategic Marketing Proposition for Lancashire**

Ruth Connor, Chief Executive, Marketing Lancashire presented a report (circulated) which updated the Board on the development of a strategic marketing proposition for Lancashire.

It was reported to the Board that Mr Tony Attard OBE, Group Chief Executive of Panaz Ltd had been appointed as the new Chair of Marketing Lancashire. The LEP Board welcomed the appointment of Mr Attard.

The Board was reminded that at the Board meeting held in March 2015 approval was given to progress with the procurement of a strategic marketing tender that was split into two key elements – developing a Lancashire story and a 12 month media and communications campaign.

The Board subsequently appointed two agencies Thinking Place and SKV Communications at the Board meeting held in June 2015 to undertake the work.

With regard to progress made, it was reported that Thinking Place had been appointed to develop and deliver the Lancashire economic narrative or 'story' and had carried out an engagement exercise with both public and private sector through over 70 one-to-one conversations, 9 sector focus groups, 5 workshops, an online survey and desk research.

The evidence gathered was presented to the Steering Group on 25<sup>th</sup> September 2015 and 12<sup>th</sup> October 2015 with approval gained to progress to the next stages which include the creation of a visual identity, the development of a Lancashire Ambassador programme and for the Marketing Lancashire Board to take the role of the Place Board.

SKV has taken a proactive role in media engagement on behalf of the LEP and various examples of newspaper and magazine articles were presented to the Board that have featured the LEP with various others scheduled for the future. Additional updates were provided on communication work on the City Deal, Digital Communications, the LEP website, the LEP Newsletter, Twitter and other media. Various events have been arranged to raise the LEP's profile further in 2016 as set out in the report presented.

With regard to City Deal it was stated that in the LEP's 2014-15 Core Funding application, £25k was included to support specific marketing and communications activity to promote the City Deal. It was intended that this funding would support partners to raise the profile of this key LEP initiative amongst regional and national investors, developers and house-builders, using a wide range of communication and media channels. The £25k was identified on the basis that it would be matched by City Deal partners. The Board was requested to approve that this funding now be made available to City Deal partners to support the implementation of the City Deal's new marketing and communications strategy.

**Resolved:** The LEP Board:

- (i) Noted the report.
- (ii) Approved the proposed approach to continuing to develop a strategic marketing proposition for Lancashire, as set out in the report.
- (iii) Agreed to delegate authority to Lancashire County Council's Director of Economic Development and the Chief Executive of Marketing Lancashire to progress with the outputs required from this project.
- (iv) Noted and welcomed the recent appointment of Mr Tony Attard OBE, Group Chief Executive of Panaz Ltd, as the new Chair of Marketing Lancashire as set out in the report.
- (v) Approved the funding proposal, as set out in 5.9 and 5.10 of the report, to make available £25k for the City Deal Marketing and Communications

Strategy; and

- (vi) Approved the confirmation of the Chief Executive of Marketing Lancashire as the LEP's Media Communications and PR lead as set out in 5.23 of the report and requested that the Chief Executive provide regular updates to the LEP Board on the work programmes and outputs of the appointed consultants.

## **8. LEP Governance and Sub Committees Report**

Andy Milroy, Company Services Officer, Lancashire County Council presented a report (circulated) which provided an overview of the work undertaken by each of the LEP Committees since the last LEP Board meeting.

In addition to the information contained within the report, Mike Damms reported that he had, as the LEP's nominated representative, attended the Transport for the North – Northern Freight and Logistics Strategy Reference Group and would continue to provide updates of future meetings as appropriate.

The Chair of the City Deal Executive, Jim Carter, stated that whilst the City Deal Executive and Stewardship Boards have not formally met, lots of work had been undertaken and the City Deal continued to progress well towards its delivery targets.

**Resolved:** The LEP Board noted the updates provided in relation to the Committees of the LEP.

## **10. ESIF Update**

Sean McGrath, Development and Corporate Resources and Andy Walker, Head of Business Growth (both Lancashire County Council) presented a report (circulated) which set out the latest position on the development of Lancashire's European Structural and Investment Funds (ESIF) strategy.

It was reported that in October 2015 the Government issued revised ESIF funding allocations and outputs to all 39 LEP area sub committees. The revised allocations, for both European Regional Development Funds (ERDF) and Social Funds (ESF) were partly based upon a change in the exchange rate between the Euro and Sterling since the original allocations, some 18 months previous, and alterations made by Government in funding for different priorities.

The changes in the exchange rate (euro to sterling) have resulted in the overall Lancashire ESIF programme reducing from £230m to £188m. This is based upon a new planning exchange rate of £0.71 rather than £0.85. This translates into a £112m ERDF programme and a £75m ESF programme (£23m and £15m reductions respectively).

The exchange rate will be reviewed twice a year and as a result the allocation to Lancashire could up as well as down. It was noted that in the previous North

West European programme exchange rate changes result in an extra £50m becoming available which was used to support Superfast Broadband interventions in Lancashire and across the North West.

In summary, it was reported that there are still significant levels of resource to be accessed through the ESIF programme despite the reduction as a result of exchange rate changes. However, the ERDF programme is now focused on revenue type activity with any support for capital expenditure being limited. This will impact upon the ability of the ESIF programme to support eligible capital projects with Growth Deal funding and also increase the requirement locally for revenue match in support of direct business support (which will have been exacerbated by the Government's recent decision re MAS and the Business Growth service).

Workshops are scheduled to be held in the New Year which will support the develop of projects to access remaining resources but a key requirement will be the availability of local match funding to facilitate the drawdown of ESIF resources.

**Resolved:** The LEP Board noted the report and current position regarding ESIF, ERDF and ESF Funding.

## 9. Superfast Broadband Update Report

Sean McGrath presented a report (circulated) regarding the roll out of Superfast Broadband in Lancashire.

It was reported that the national target is to have 95% of premises with access to Superfast Broadband by the end of 2015, in Lancashire this figure is likely to be closer to or at 97% (taking into account commercial delivery).

Of the premises in Lancashire approximately 76% will be covered through commercial delivery (BT, Virgin and B4RN) leaving 24% in the 'white' area and eligible for public intervention. These areas are in the main rural but not exclusively so, e.g. South Shore and Bentham.

Phase 1, delivering to 21% of premises, commenced in 2013 through a partnership between Lancashire County Council and British Telecom with additional financial support from the North West European Regional Development Fund (ERDF), Broadband Delivery UK (BDUK), Blackpool and Blackburn with Darwen Borough Councils. The total Phase 1 project is currently worth c.£30m and will have delivered Superfast access to over 124,000 premises (households) by its completion, with another 22,000 able to access speeds greater than 2mbps yet less than 24mbps (Total coverage is 146,000 premises).

At the time of writing in excess of 120,000 premises and in excess of 9,000 ERDF eligible SMEs (a key delivery output in order to access ERDF funds) now have access to Superfast Broadband in the 'white area'.

The roll out of Phase 1 is anticipated to be completed by the end of January /

Early February 2016.

Phase 2 of the Lancashire project, the Superfast Extension Programme (SEP), will start early in 2016 and will provide access to an additional 12,000 premises by a target date of the end of 2017. This project will be worth a maximum of £7.68m provided by Lancashire County Council and BDUK on a 50:50 basis.

By the end of Phase 2 Lancashire Superfast rollout it is envisaged that approximately 99% of premises in Lancashire will have access to Superfast Broadband services (taking into account commercial delivery). BDUK and the County Council are currently looking at options for delivering to the very hardest to reach places and communities including Satellite, Wi Fi and 4G connectivity.

**Resolved:** The LEP Board noted the update regarding the Lancashire Superfast Broadband project.

## 6. Science and Innovation Audits

*At this point Edwin Booth, Jo Turton and Martin Kelly joined the meeting with Edwin Booth and took the Chair for the remainder of the meeting.*

Professor Mark Smith, Vice Chancellor, Lancaster University presented a report (circulated) which updated the Board on Science and Innovation Audits (SIAs).

Professor Smith explained that the report briefly set out the policy context and purpose of SIAs, and sought Board approval for developing Lancashire's approach to developing an EOI submission in early 2016.

It was reported that in late November 2015, the Department for Business, Innovation & Skills (BIS) announced their intention to invite organisations throughout the UK with an interest in research and innovation to form consortia and express an interest in undertaking a Science and Innovation Audit . SIAs are intended to help build evidence of potential global competitive advantage and begin to identify routes to realise that potential.

Following discussion the with LEP Chair, and subject to Board approval, the Vice-Chancellor has agreed to lead a small project team, including senior representatives from UCLAN and Edge Hill and Cumbria Universities, with support from LEP officers, to advise the LEP and progress Lancashire's SIA case-making.

It was reported that the First Wave Deadline for Expressions of Interest (EOI) was 29 January 2016 with decisions on highest priority SIAs taken during March 2016. During April – June 2016 the first wave of SIAs will be completed with the second wave opening for EOIs in summer 2016.

It was proposed that Professor Smith direct a small team, involving senior representatives drawn from Lancaster, UCLAN, Edge Hill and Cumbria University, with support from LEP officers, to scope Lancashire's approach to taking forward its SIA analysis and advising on possible consortia arrangements.

This work stream will also provide the opportunity to refresh the LEP's current innovation framework which was developed in support of the SEP. In the meantime, the initial views of the Board on the key strengths and assets for consideration in the development of Lancashire's SIA analysis were welcomed and received.

If required to advance this work stream, Professor Smith will submit a funding proposal, drawing on available LEP Core Funding, for future Board consideration and approval.

It was noted that the Board may need to hold a special meeting in late January, or the Executive Committee may need to consider an update report and agree the preferred way forward, as the next Board meeting is scheduled for 2 February. The deadline for first wave SIA Expressions of Interest is 29 January.

**Resolved:** The LEP Board:

- (i) Noted the contents of the report.
- (ii) Agreed to nominate Lancaster University, under the direction of the Board, as the lead body for a Lancashire-led Science and Innovation Audit, in consultation with UCLAN, Edge Hill University and Cumbria University.
- (iii) Appointed the Vice Chancellor of Lancaster University to lead and develop Lancashire's case-making, as outlined in section 5 of the report, and requested that he submit a further report to the Board to update and agree Lancashire's SIA approach; and
- (iv) Requested the Vice Chancellor of Lancaster University submits a funding proposal, with rationale in support of developing Lancashire's SIA case-making, to the next Board meeting.

## **5. Lancashire Combined Authority / Devolution Deal Update**

The Chair, Edwin Booth, and various public sector representatives, gave an update on discussions regarding the Lancashire Combined Authority / Devolution Deal.

It was reported that discussions had taken place with Baroness Williams to report on progress made to date by Lancashire and the feedback was positive.

The Chair stated that the LEP was there to serve Lancashire and the Districts in whatever form it takes in the future and would wish to work closely with all Councils to progress the proposals.

**Resolved:** The LEP Board agreed to support the Lancashire Councils to develop the case making in support of the Lancashire Combined Authority / Devolution Deal.

## 11. Any Other Business

None

## 12. Date of Next Meeting

It was noted that the next LEP Board meeting was scheduled for Tuesday 2<sup>nd</sup> February 2016, 6pm, Cabinet Room 'D' - The Henry Bolingbroke Room, County Hall, Preston.

### Part II

*At this point the LEP Board approved that the meeting move into Part II, Private and Confidential to consider the remaining items which contained exempt information provided in confidence as defined in the Freedom of Information Act 2000. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information.*

## 14. Growth Deal Update

Martin Kelly, Director of Economic Development, Lancashire County Council, presented an update report (circulated as private and confidential) regarding Growth Deal funding. It was explained to the Board that the proposals contained within the report had been considered and recommended for approval by the Growth Deal Management Board.

**Resolved:** The LEP Board:

- (i) Approved funding for the Burnley-Pendle Growth Corridor Improvements Scheme as set out in the report.
- (ii) Agreed to use any underspends which may arise in the LEP's Growth Deal programme to meet any increased call from existing schemes or small-scale pipeline projects.
- (iii) Agreed that schemes submitting Expressions of Interest for future Growth Deal funding consideration prepare and submit an Expression of Interest which is business case ready.
- (iv) Agreed to use unallocated Growth Deal funding to support priority schemes, including a maximum of £1.35m to support the delivery of Northlight, Burnley Vision Park and Café Northcote @ the Cathedral;
- (v) In relation to the M55 Heyhouses Link Road scheme approved a variation to the drawdown of the £2m Growth Deal funds allocated to the scheme to support its delivery as set out in the report.
- (vi) With regards to the AEM-TEC scheme, the Board requested that AMRC colleagues present a revised scheme to the LEP Board at its 2 February meeting.



- (vii) Agreed that up to £1.8m of the £3.68m unallocated Growth Deal Skills Capital Funding can be used to meet any increased call from existing Growth Deal schemes, and, agreed in principle to the Skills and Employment Board's request to use the remaining £1.88m of unallocated Skills Capital funding being used to support the outcome of the forthcoming Area Based Review.
- (viii) Supported the development of a strategic pipeline of schemes for consideration in any new Growth Deal allocations or other competitive funding opportunities.
- (ix) Approve the appointment of Warwick Economic & Development Ltd to deliver the Framework Agreement for Lancashire's Growth Deal Evaluation Plan Arrangements; and
- (x) Note the key points from the Chancellor's Autumn Statement as reported.

### **13. Growing Places Funding Update**

Martin Kelly presented a report (circulated as private and confidential) which provided an update on Growing Places Funding.

**Resolved:** The LEP Board:

- (i) Noted the performance of its Growing Places Fund.
- (ii) Approved that the Café Northcote @ the Cathedral project be allocated Growth Deal Funding.
- (iii) Agreed to consider and review the LEP's Growing Places Fund investment principles following the Board's Repurposing Event to be held in January 2016.
- (iv) Agreed to allow no more than 20% of the Growing Places Fund balance to be used in a cash-flow capacity to support the delivery of the LEP's Growth Deal programme; and
- (v) Agreed to use the interest generated to date from the LEP's Growing Places Fund in support of the delivery of the LEP's strategic objectives.

### **15. Growth Deal Skills Capital - Round 2 - Allocations**

Dr Michele Lawty-Jones, Director Lancashire Skills Hub, presented a report (circulated as private and confidential) regarding allocations from Round 2 of the Growing Places Fund.

It was reported that the second round of Growth Deal Skills Capital funding was launched on 14<sup>th</sup> September 2015. Expression of Interest (EOIs) were sought by

2<sup>nd</sup> November 2015 to allocate the remaining £12.6m of Skills Capital Funds. Ten EOIs have been received totalling £8.92m. The EOIs were considered by the Lancashire Skills and Employment Board with the following recommendations made to the LEP Board:

1. Lancashire Centre of Excellence for Digital Technology and Innovation (Equipment) – Amount of Grant £125,000 – Recommendation – Proceed to Full Business Case with conditions.
2. Energy Simulator Suite for the proposed Lancashire Energy HQ (Equipment) – Amount of Grant £166,500 – Recommendation - Request a revised EOI before going to Full Business Case.
3. Mechanical and Electrical Replacements, South and Montreal Buildings (Estate) - £524,808 – Recommendation - Proceed to full business case with conditions.
4. Lancaster Campus Teaching Hub (Estate) – Amount of Grant £2,500,000 – Recommendation - Proceed to Full Business Case with conditions.
5. The Edge Hill University Technology Hub (Equipment and Estate)– Amount of Grant £3,000,000 – Recommendation - Proceed to Full Business Case with conditions.
6. Lancashire Adult Learning College – move to Brierfield Mill (Estate) - Amount of Grant £750,000 – Recommendation - Request a revised EOI before going to Full Business Case.
7. Advanced Manufacturing Capital for Skills Development & Employer Engagement (ACaDEmE) (Equipment) - Amount of Grant £367,000 – Recommendation - Proceed to Full Business Case with conditions.
8. Food and Farming Innovation and Technology Centre (FFIT) (Equipment and Estate)- Amount of Grant £1,000,000 (total £3,000,000 as already awarded £2,000,000 in round one) – Recommendation - Proceed to Full Business Case with conditions.
9. Enhancing IT Infrastructure (Equipment) - Amount of Grant £400,000 – Recommendation - Proceed to Full Business Case with conditions.
10. Advanced Manufacturing Centre (Equipment) - Amount of Grant £88,860 – Recommendation - Proceed to Full Business Case with conditions.

**Resolved:** The LEP Board:

- (i) Approve the recommendations from the Skills and Employment Board in relation to the EOIs allocations as set out.
- (ii) Agreed to delegate authority to the Skills and Employment Board to approve the two revised EOIs for the Energy Simulator Suite and Lancashire Adult Learning applications should the concerns from the

appraisals be addressed to the satisfaction of the Skills and Employment Board.

- (iii) Approved the recommendation from the Skills and Employment Board to reserve the unallocated Skills Capital Funds to support the outcomes of the Area Based Review, and for this to be communicated to the Growth Deal Management Board who have oversight of the full Growth Deal Programme.

## **16. Proposed Scoping Study into a Supply Chain**

The Chairman, Edwin Booth, declared an interest in this item, under Part II (private and confidential). The Board agreed in accordance with the Company's Articles that the Chairman could nevertheless participate in the discussion although he opted not to vote on the issue.

Ian Young, Company Secretary presented a report (circulated as private and confidential) regarding previous discussions Board Members have had in relation to a proposed supply chain scoping study.

Mr Young set out the position of both the County Council, as accountable body for the LEP, and the position of the LEP in general with regard to the proposal.

Having regard to the debate, the Chairman indicated that he would consider the position further and report back to the next meeting of the Board.

**Resolved:** The Board noted the report and the Chairman's intention to report back to the next meeting.