



MINUTES OF CUMBRIA LEP SCRUTINY PANEL MEETING

11th September 2017, Dodd & Co, Carlisle

Present: Chris Holmes (chair), David Beeby, Martin Ward, Heather Bradley, David Moore, Suzanne Caldwell (minutes), Rob Wadsworth (S4W), Brian Holdsworth (S4W)

1. APOLOGIES FOR ABSENCE AND INTRODUCTION

Apologies from Graham Vincent. Chris welcomed everyone to the meeting.

2. DRAFT LEP REVIEW

This meeting was specifically to review the first draft of the LEP Review.

Chris highlighted the confidentiality agreement in relation to this and the reasons for that. It was agreed that there was no issue of conflict of interest or confidentiality in relation to Suzanne's secretariat role.

The Panel went through the Review in detail with comments as follows. Actions have not been highlighted as all points require action(s).

It was agreed that S4W would edit the report and send next iteration for checking for accuracy.

1.3 It was recognised that the funding did not allow for an in depth review. This meeting was to review the draft and highlight what is needed to move it to the final version. The reference to the private sector Scrutiny Panel needs taking out of 1.3 and 1.4 as the public sector members have also been involved in the review other than the scoping.

1.8 A list of those contacted for interview and actual interviewees are to be added as appendices. There was a concern that, for example, MPs have not been interviewed. It was agreed that S4W would seek telephone interviews with some MPs, putting the onus on the MPs to respond. Suzanne is to resend the contact list and panel members agreed who would contact which MP.

3 District Leaders did not respond to S4W's request for interview. Mike Starkie, Kevin Beaty and Colin Glover were interviewed.

2.8 Note and clarify that this is a national not local statement.

3.1 Clarify that this is an education not an HE/University of Cumbria position. The seat on the Board was initially held by Moira Tattersall (FE College Principal).

It was highlighted that 1 year is not long enough on the Board to be effective.



Neither George nor Jackie have ever put themselves forward for re-selection, despite the requirement in the initial terms of reference.

It is “Cumbria Leaders’ Board” not “Leadership”.

3.4 It should be “Local Growth Fund” not “Regional Growth Fund”.

3.5 Evidence around “concern expressed” was queried. There is an issue around the timescale for papers coming out and being able to review/consult/engage and also around then finding out at the meeting that decisions have already been made. S4W to check if this needs reinforcing.

3.7 The reference should be to the Growth Deal/Local Growth Fund not RGF. There is a need to amend the reference to the Business Growth Hub as this is a term for which the Chamber has intellectual property in the Cumbrian context. ERDF etc. is not delivered or contracted by the LEP, it is delivered and, where relevant, matched by other organisations. The LEP did have RGF programmes in earlier rounds but does not have currently.

3.10 Cumbria Deal - £300m over 30 years is about £10m pa. The Districts advised that this is peanuts for county this size. The deal offered was not a wonderful deal and not attractive. There was also not confidence that this funding would really come through. If the prize was big enough then there would probably have been compromise around an elected mayor. The devo deal should not have affected the LEP but there was a divide because of the split of support which knocked on into the LEP. How important is this in relation to the review? The view is that this is a piece of context in relation to the quality of partnership working so there is an argument that it should be left in but changed to “exacerbated tension”, “additional tension” or something like that.

3.11 The Panel asked whether the summary was word for word and asked that the review clarify that it is a Government not LEP summary.

3.13 Do nothing is clearly not a real option. Although there is not pressure from BEIS to change the LEP structure, BEIS recognises their parameters of performance are quite narrow and don’t necessarily reflect local issues/requirements.

4.5 There is a need for a refresh of the SEP. The emphasis of the SEP was put on geographically driven issues and common threads down played. There was tension around the focus on sectors in particular areas at the time. The LEP should focus on tier 2 nuclear as it can’t influence tier 1, focussing on keeping more of the money in Cumbria. The SEP has exacerbated geographic divisions. There is a need for a joined up approach to infrastructure. The SEP is not fit for purpose and needs to be refined/refreshed – this needs to be absolutely clear in the review.

4.9 It was agreed that “minority” would be removed.

4.11 More clarity is needed on the reasons for issues around engagement.



4.13 The operating budget is around £0.5m pa. There is a need to articulate the actual issues more clearly – which are not the level of funding. There is a need for proper scoping of the team against needs. “Stifled” in this context means not very effective.

4.14 Greater Manchester’s 200 staff is because they have basically backed their economic development function into the LEP – so this is not really comparable.

The BEIS view of performance is in relation to their narrow terms – for example how money is given out rather than the decision on priorities.

4.15 The Board is there re strategy so this is a big failing.

4.17 KPMG were drawn from the County Council framework and paid and managed through the County Council. There was no clear strategy of what Cumbria needs, with lack of clarity on strategy and lack of clear leadership. The decision not to prioritise and where this came from needs to be highlighted. Lack of capacity to produce business cases was raised.

5 More clarity is needed on who the actual partners are and engagement. Having a seat on the Board isn’t everything. There are a whole range of other structures. However these are also not working. This needs clarifying.

There is division within partners, for example within the public sector.

There needs to be consideration of how the Leaders’ Board gets representatives to represent the whole of Cumbria not local interests. There is a need to look at strategic not local level.

5.3 The private sector is not self appointed. It is also the case that it was the Government which set the requirement for private sector involvement in LEPs and for LEPs to be private sector led. There is an issue attracting potential private sector members. There is also a need to include appropriate SME representation.

5.5 There are a lot of politics around the issue of clarity of strategy.

The issue of district representation on the Board needs addressing more clearly and in more detail. There is a need to highlight the issues rather than go straight to a conclusion. The Districts would be more able to take a Cumbrian perspective if they saw the business cases including the argument, with more transparency around projects and their selection.

5.7 The University should also be representing FE with a mechanism for doing that.

There needs to be a comment on the make up of sub groups and both the public and private sector need to sort his.

There is a section numbering issue from here.



The Private Sector Advisory Panel needs to be more forceful about Board rotation and positions. An explanation is needed around George's appointment and the latest AGM.

There are issues around balancing decision making and representation. Private sector representation could be increased with or without increasing public sector numbers. Public sector numbers could be increased to include more Districts and/or other parts of the public sector. There was discussion around lack of trust and therefore a feeling of the need to be on the Board.

The issue of the private sector not applying was raised. A key reason is that they don't feel they can contribute because of the way the Board operates. The importance of visible openness, transparency and criteria was highlighted. Districts would feel happier about not being on the Board if that and an appropriate strategy were in place.

The accountable body should only check process not make decisions.

Consistency of references to tenures is to be checked.

Board members are appointed not elected.

The report needs to be clear on the strong need for change and focus hard on this, with the need for proper transparency as part of that. Need also to add the context of, for example, everyone needing to focus on Cumbria overall, openness, transparent processes, etc.

Check that the right organisations are represented and should it be further extended?

5.10 Need to clearly address conflicts of interest and how they are dealt with – both private and public sector. Note the private sector partners are business membership organisations.

5.11 There is a need to follow arguments through in the text to the conclusion.

5.14/5.15 Offers have been made. For example Districts offered to be accountable body, others have offered resources.

5.17 The EU issue is primarily about lack of available match.

Recommendation 3 – There is a need to explain why incorporation is not seen as appropriate.

Capacity – Again £0.5m is quite a lot of money if focused. There is a need for a clear and appropriate strategy and to focus staffing on that.

Recommendation 3 – Make sure the report clarifies that Districts are already contributing funding.

5.2.4 It should say "raised" not "raided".

5.4 Highlight transparency of strategy and decision making.



5.36 There is currently a selective approach to conflicts of interest depending on the organisation. It should not always be necessary to leave the room/not take part in discussion and such an approach can lead to helpful contributions being excluded.

5.29 KPMG was appointed by the County Council through its framework and managed by the County Council.

There needs to be clarity of what funding the County Council has or hasn't had and what is loans/grants. Also how the County Council scheme came to be number one in the list of priorities. If it was a loan a business would have to have demonstrated it couldn't borrow the money elsewhere.

Transparency recommendation – There was discussion around the Investment Panel with a view that some of the issues could be dealt with if it recommended to the Board rather than making decisions. There is an issue around the close involvement of the County Council in the operation of this Panel with the County Council taking part in decisions on giving money to itself.

5.4.5 What does this mean? S4W explained that as the LEP is a non statutory body it does need an accountable body to act on its behalf – BEIS say this.

Recommendation 5 – It was suggested S4W look at local government codes on conflict of interest (Nolan and additional) which clearly set out pecuniary, non pecuniary, personal, etc.

5.44 The review should clarify that the decision on spend should not be by the County Council. The County Council should only confirm that the rules followed are followed.

5.54 Note that people have been approached/encouraged but declined to put themselves forward. Context should be added around recruitment. There was a discussion of the public sector vice chair position – how does that get selected?

Lack of similarity between Cumbria and the other LEPs considered was highlighted. Also the smallness of Cumbria compared to these areas and the minimum LEP size specified by Government.

On staffing, just because Cumbria LEP does not have posts in its staffing does not mean that the activity is not happening. For example the LEP does not deliver some of what the comparators do – it is delivered &/or funded by other organisations – for example business support (see Appendix D).

App D – The appointment of two new private sector Board members hasn't really addressed the problem – it has just addressed some resignations. The reasons for this should be highlighted. There is a need to consider whether we have got the right people.

Summary actions:

- S4W to contact the MPs for discussion and input



Cumbria
**Local Enterprise
Partnership**

unleashing potential through partnership

- S4W to make the amends discussed
- S4W to send the revised draft to Chris, who will then share it with the rest of the Scrutiny Panel

3. ANY OTHER BUSINESS

There was no other business.

4. DATE OF NEXT MEETING

This is to be arranged.