



Cumbria
Local Enterprise
Partnership

Cumbria LEP Investment Panel

AGENDA 18th April 2017

09:30– 11:00 Conference Room - The MintWorks, Highgate, Kendal

1)	<p>Attendance:</p> <p><u>IP Members</u> Jackie Arnold (Chair) Peter Hensman Simon Sjenitzer David Southward</p> <p><u>Officer Attendance</u> Graham Haywood Emma Turner Ruth Pugsley Pam Duke Corinne Watson</p> <p><u>Apologies</u> Apologies received from Ian Hanley and Alison Hatcher</p>
2)	<p>Declarations of Interest</p> <p>No Declarations of interest were declared</p>
3)	<p>Minutes of previous meetings</p> <p>The minutes from the previous meeting were agreed</p>
4)	<p>Matters Arising</p> <p>No matters arising</p>
5)	<p>Investment Panel Programme Summary</p> <p>The paper on LEP programmes was presented. The paper provides an overview of the existing LEP programmes for which the Investment</p>



Panel has a role in the Governance process, as well as the European Funds, which although the Panel has no formal input into the Governance process, an awareness is required to maximise the drawdown of leverage to the LEP programmes for projects where European Funds may be an eligible source of match.

The IP welcomed the paper and a discussion was held regarding the approach to the Cumbria Infrastructure Fund.

The Infrastructure Fund is currently committed to projects approved by the IP and for the Growth Deal. The IP discussed the possibility of releasing the CIF currently used to cashflow the Growth Deal and requesting CCC to undertake this role. The risk to the Council would be minimised if the annualised funding offers were replaced with three yearly offers.

It was agreed that this option would be discussed and explored in more depth post May elections.

The IP discussed the European Funding currently available and commitments issues the programme currently faces. The ERDF programme has committed approx. 25% of the funding available with only 3 further funding rounds to go (May July and November). Projects must have completed spend by 20/20 and demonstrate deliverability at the point of application. Reasons for the low commitments figures are, lack of availability of match, lower than other areas university base, ineligibility of the Nuclear Sector, minimum grant request of £500m.

The IP agreed that revisiting the Growth Deal 3 pipeline to look at possible European eligible projects would be a worthwhile exercise to see whether any of these could be funded through this route.

The IP queried with CLG the possibility of delivering a small scale capital grants programme that would overcome the issue of the £500k minimum ESIF grant requirement, a barrier to many projects. CLG stated that this would not be possible as all grants must be appraised and contracted with CLG directly with no possibility for delegated schemes.

Issues are also faced on EAFRD programme where £7m of funding is available, however delays in the administration of the programme by



	<p>the RPA increase the pressure on this funding not being committed.</p> <p>The IP recognised the importance of influencing the successor to the European programmes and initiatives that will come from the Industrial Strategy.</p> <p>The IP requested that Growth Hub monitoring and Enterprise Zone monitoring be part of the Programme Report to ensure visibility of the programmes at the Panel, as well as reporting up to the LEP Board.</p> <p>Regarding the Enterprise Zone it was agreed that a presentation in June would be beneficial to provide the IP with a greater understanding of the Enterprise Zone and the reporting requirements.</p>
6)	<p>Programmes Update</p> <p>The paper on the performance of the programme to date was presented. The IP expressed disappointment at the spend of the programme being £5m less than the annual offer of £19.5m (this funding isn't however lost as the gap has been met by the CCC Capital programme and will be replenished in 17/18).</p> <p>The programme has experienced external difficulties from external bodies. The funding allocation to Carlisle Airport was unable to be fulfilled in 16/17 due to the State Aid exemption being delayed until into 17/18. With regard to the Port of Workington Network Rail have halted the progress on completion of the funding agreement due to requiring a different type of agreement.</p> <p>The IP discussed the possibility of looking at options to avoid an underspend in year occurring again. It was agreed that at the June IP the programme could be looked at in more depth and options and flexibilities, such as overprogramming considered.</p> <p>The closure of the CIF SBDL was discussed and the bring forward of Growing Our Potential to support projects that were ineligible for support. It was agreed that no final decisions should be made at this point and discuss at the June IP.</p>



7)	<p>Risk Register</p> <p>The Risk Register was considered. It was agreed that it should be more focussed and provide a trajectory of the direction of travel of the risks. It was also agreed that public/private sector leverage would also be included as a risk. The Enterprise Zone should also feature.</p>
8)	<p>Growth Deal Reprofile</p> <p>The paper on the proposed Reprofile was presented. The paper identified the issues faced by the funding envelope provided by Government and the pressure faced in the next couple of years with demand for funds exceeding the amount available. The IP discussed the paper presented and recognised the pressures faced by the programme.</p> <p>The paper detailed the issues faced by projects within the deal and delays in delivery specifically the issues faced by South Ulverston and the cost escalation the project is currently experiencing; delays in signing the contribution agreement on the Port of Workington project and the possibility of this slipping into 18/19; large amount of funding for the Environment Agency's Ulverston Flood Improvements project.</p> <p>The IP discussed the option of setting a hard date later in the year for these projects to set out their progress and reallocate funds to other projects within the year.</p> <p>Possible options such as replacing activity with CIF, and requesting CCC to cashflow the Growth Deal programme instead were also discussed.</p> <p>The option of overprofiling was discussed and bringing forward the Growing our Potential project as a programme that could be utilised for this purpose. The programme could focus on the non eligible sectors of NPIF so as not to compete.</p> <p>The progress of the projects approved within the GD3 submission was discussed. Lilyhall North and Whitehaven Northshore Development are expected by the end of May. These will then have a pre check by the appointed external consultants with business cases considered by the Board in July. All business cases will also be subjected to due diligence against the 5 case model.</p>



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	No records of decision were made at the meeting, however the IP welcomed the opportunity to discuss the new profile, within the context of a greater understanding of the other funding programmes within the LEP's control.
9)	Any Other Business- Date of next meeting 11 th May 2017 11-13:00 at the Mintworks Kendal.