



Cumbria
**Local Enterprise
Partnership**

unleashing potential through partnership

Minutes of a Meeting of the Cumbria Local Enterprise Partnership held on Friday, 17 November 2017 at Redhills, Penrith at 9.30 am

Board Members Present:

George Beveridge (Chair) Giles Archibald, John Coughlan, Colin Glover, Jim Jackson, Rob Johnston, Julie Mennell, Alan Smith, Nigel Wilkinson and Stewart Young (Vice-Chair)

In Attendance:

Graham Haywood	LEP Director
Jackie Currie	Cumbria County Council
Sharon Keith	Arriva Northern (Item 6)
Alison Hatcher	Cumbria County Council
Craig Harrop	Arriva Northern (Item 6)

31 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mrs J Arnold and Mr M McKinley.

32 DECLARATIONS OF INTEREST

Mr G Archibald declared a non-pecuniary interest in Agenda Item No 10 – Northern Cultural Regeneration Fund as South Lakeland District Council owned the Brewery Arts Centre.

Mr C Glover declared a non pecuniary interest in Agenda Item No 10 - Northern Cultural Regeneration Fund as Carlisle City Council were one of the applicants.

Mr N Wilkinson declared a non pecuniary interest in Agenda Item No 6 – Arriva Northern Presentation as his company is one of the funders of Lakesline Community Rail Partnership.

He also declared a non pecuniary interest in Agenda Item No 10 – Northern Cultural Regeneration Fund, as his company was one of the funders of Lakeland Arts via charitable donation..

Mr SF Young declared a non-pecuniary interest in Agenda Item No 8 (b) – Mark House Growth Deal Application as Cumbria County Council was one of the owners of BEC, who were the applicants.

33 MINUTES OF PREVIOUS MEETING

RESOLVED that the minutes of the previous meeting be agreed with the following amendment:-

Minute No 20 – Infrastructure Development and Promotion change the words in the introduction ‘from the Chair of the Infrastructure Panel’ to ‘the Lead Board Member for Infrastructure’.

Minute No 21 – LEP Programmes Update in the fourth paragraph from the end change ‘ion’ to ‘in’.

34 UPDATE FROM THE CHAIR & VICE CHAIRS

The Chair updated on a number of issues, including:-

- GSK Ulverston
- Electricity North West
- Market Manchester
- LEP Network Workshop
- NewGEN Update
- Enterprise Zone
- Meeting with the Parliamentary Under Secretary of State for the Department for Transport

Board members were interested to note the update on Marketing Manchester and wondered if it would be possible to undertake something similar for Marketing Cumbria. It was **AGREED** that this would be added to the Forward Planner for LEP business.

The Vice Chair Public Sector updated on the following:-

- Major Route Networks Funding
- Post Brexit EU Funding

35 MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA

Board members asked for an update on when the AGM might take place and when the LEP Review would come to the Board. The LEP Director said it was hoped that the Annual General Meeting would take place in January 2018, and that the LEP Review would also be considered at this meeting.

On Minute No 19 – Housing one of the members asked for an update on the setting up of the Partnership Board for Housing. The LEP Director said an update would be brought to the January LEP Board meeting.

On Minute No 25 – LEP Directors Report members asked for an update on when the LEP Away Day would be taking place. After discussion it was **AGREED** that the LEP Away Day would take place after the January LEP Meeting on 19 January.

The Leader of Allerdale District Council asked the LEP Board to consider inviting the 3 district leaders not currently on the board as members to this Away Day. However, the Chair confirmed the intention was only to invite full Board Members to this meeting. A wider session would be held at a later date and the 3 districts not currently on the Board would be invited to this.

36 ARRIVA NORTHERN - PRESENTATION

Mr N Wilkinson declared a non pecuniary interest in this item as his company was one of the funders of Lakesline Community Rail Partnership.

The Chair welcomed Sharon Keith, Regional Director and Craig Harrop, Stakeholder Manager from Arriva Northern to the meeting, and explained they would be providing the Board with an update on progress with Arriva Northern services.

The presentation covered the following:-

- Cumbrian Coast Line
- Furness Line
- Lakes Line
- May 2018 Timetable
- Other Projects

Members thanked the Regional Director and the Stakeholder Manager for their comprehensive presentation. They commented that they understood Sellafeld Ltd was very keen to get vehicles off the road and onto the rail network, but the problem was that the public would only switch to rail services if they were reliable.

The Chair asked if there was anything the Cumbria LEP could do to support the franchise in their objectives of making station improvements and improvements to timetabled services.

The Regional Director said unfortunately the improvements and the introduction of additional timetabled services would come down to finance/budgets being available.

Board members asked if any discussions had been held with Government about the refurbishment and reopening of old stations such as Gilsland and Scotby.

The Regional Director said some discussions had been held but ultimately the funding of such schemes would be based entirely on the strength and quality of the Business Cases.

A brief discussion then took place about the performance of the current services and the rolling stock and the need for both of these to be improved going forward.

The Stakeholder Manager reassured the LEP Board that any refurbished stock would be refurbished to a very high standard.

The Chair thanked the Regional Director and the Stakeholder Manager for attending the meeting and updating the Board on progress.

The meeting then adjourned at 11.30am and reconvened at 11.40am.

37 INFRASTRUCTURE UPDATE

The Board considered a report from the LEP Director which provided a further update on Rail projects and provided a more general update on the Road Programme.

In relation to the rail projects updates were provided on the following:-

- Port of Workington

The long standing negotiations with Network Rail about the Port of Workington Bridge works were now concluded satisfactorily (subject to contract) and therefore the scheme and the LEP Investment of £2m should proceed.

- Coastal Rail Line

The ongoing Network Rail technical studies were nearing completion which would enable the Rail Programme Board to assess the delivery and funding issues which were likely to be challenging.

- Windermere Line

Jim Jackson had chaired a Partnership Group to discuss the rail and commercial challenges and opportunities. AECOM had been engaged to provide consultancy support to draw up a Masterplan, particularly for Windermere Station and surrounding land. The options report/Draft Masterplan was to be produced by the 15th December.

Members felt that the Borders Network should be referenced and included when supporting any rail projects going forward. The Leader of Carlisle City Council said the Managing Director of Scot Rail would be very supportive of this. This line would be important to the north of the county. This was **AGREED**.

In relation to the road schemes the following updates were given:-

- A66/A69 Government Schemes (East of the M6)

The Consultants for these schemes had held an initial Stakeholder meeting in Darlington and were planning to specifically visit Cumbria for more detailed discussions with the LEP/CCC.

- West of M6 Schemes

The schemes agreed by the Board as Cumbria's priorities had been fed into Highways England, Dft and Transport for the North. Details had been circulated to all MP's.

TfN had included the LEP's corridors of priority in their Draft Strategic Transport Plan – which they were currently consulting upon with a wide range of stakeholders in Carlisle on 28th November (1 – 4pm)

- Whitehaven Relief Road

There seemed significant Government support for this project and to strengthen the case for this (and the Coastal Rail Line) an economic case had been commissioned as the emphasis needed to be clearly economically based rather than the traditional DfT model that tended not to favour schemes from places like Cumbria.

- Carlisle Southern Link Road

CCC had submitted a proposal to the Housing Infrastructure fund to enable provision of the road to be accelerated to support the St. Cuthbert's Garden Village scheme for 10,000 homes. The LEP, TfN and the Carlisle M.P. had all provided strong letters of support.

The LEP had issued positive press releases to the media on the road/rail priorities and the LEP Chair met with the Roads Minister, Jesse Norman M.P. on the 15th November in London.

RESOLVED that,

- (1) the LEP Board note the range of activity being undertaken in relation to Rail and Road projects;
- (2) the LEP Board and Board Members individually take every opportunity to promote the importance of these schemes to economic growth.

38 INVESTMENT PANEL UPDATE

(A) Investment Panel Update

The LEP Director presented a report on behalf of the Chair of the Investment Panel, which set out a summary of progress against the existing Growth Deal as well as other LEP Programmes, and also activity at the November Investment Panel on 7th November 2017.

Cumbria LEP had a Growth Deal funding profile of £7,123,593 for 17/18. The profiled spend for the year was £14,795,191 therefore an overspend is expected. This profiled overspend would be managed through utilising CIF funding as well as repayments from the Cumbria County Council Capital programme.

Claims had now been received for Quarter 2 and expenditure of £2.24m had been claimed. A total of £3.63m had been spent over the first two quarters. The majority of projects were forecasting delivery to be against anticipated profile.

The greatest areas of concern for the Growth Deal programme related to the following projects:-

- Ulverston Infrastructure. £5m of Growth Deal funding is allocated to the project which is not planned to commence until the final year of the Programme. A full business case has not yet been developed and this coupled with the pressure for late spend makes the project high risk. Monthly meetings have been established to monitor progress against the project. Sufficient planning work will have been completed by May 2018 to enable the Investment Panel and the Board to make a decision on the viability of the project.
- Carlisle Airport Update. The Investment Panel received a verbal update from the LEP Director on the Carlisle Airport project. Initial indications were that due to the delay in receiving their State Aid notification, the costs had increased on the project. The Investment Panel reiterated their strong support for the project but noted that there was insufficient room within the existing Growth Deal programme to accommodate a significant increase in grant to the project.

The Investment Panel **RECOMMENDED** that the LEP Board consider providing an additional £200,000 of grant funding towards the project subject to the Airport providing suitable evidence of cost increases.

- Lillyhall North - the Investment Panel received a verbal update on the project. As a result of significant cost increases in the Lillyhall scheme, James Walker, the proposed anchor tenant, had decided to stay at its Cockermouth site, however this was dependent on its ability to protect the site from future flood events.

The Investment Panel underlined its desire to support James Walker to remain at its current location and reduce the risk of leaving Cumbria. Subject to the formal withdrawal of the Lillyhall project by Allerdale Borough Council, the Panel welcomed the submission of a Full Business Case from James Walker and **RECOMMENDED** to the Board that some of the funding previously allocated under the Lillyhall scheme be made available for this new project.

Initial indications were that the funding request would be less than the £5m originally allocated to the Lillyhall scheme. The final costs would be outlined after the detailed designs had been completed. James Walker was paying for the designs directly at a cost of £200,000. The project would safeguard 425 high value jobs in the area.

The Leader of Allerdale District Council said the district council was happy to support the new James Walker Project, but wished the rest of the budget to remain within the Lillyhall Project budget line.

The LEP Director explained how the funding for individual projects worked and said it would not be possible to agree to this request.

Board members were concerned that it appeared that the Board was being asked to reallocate money from one project to another without any substantive documentation to support this.

The LEP Director reassured members that the Business Case for the new James Walker project would not be given any preferential treatment and would be judged on merit the same as all other projects.

The LEP Director also confirmed that should a proposal for funding a project at Lillyhall come forward, this would also be judged in the same way as the others.

SIS Proposal

The Investment Panel considered the submission of a Strategic Outline Case from SIS Manufacturing. The company recently experienced a serious fire resulting in the loss of warehouse space and caused the company to consider its options to realise its growth aspirations, including relocating outside Cumbria.

The company was requesting £350,000 of grant support towards a reconfiguration of its existing site which would enable the company to remain in Maryport , safeguarding 57 jobs and increasing its workforce by 15 people. The total project costs were estimated at £1.6m.

The LEP Board was asked to consider the inclusion of the SIS project within the Growth Deal Programme subject to the successful development and agreement of a Full Business Case.

RESOLVED that,

- (1) the Board agree to provide an additional £200,000 of funding support to the Carlisle Airport project;
- (2) the Board withdraw the Lillyhall project from the Growth Deal programme and include a new project proposal from James Walker (subject to a full business case being prepared and considered by the Investment Panel and the Board);
- (3) the Board agree the inclusion of the SIS project within the Growth Deal Programme.

(B) GD023 Mark House Growth Deal Application

Mr SF Young declared a non-pecuniary interest in Agenda Item No 8 (b) – Mark House Growth Deal Application as Cumbria County Council was one of the owners of BEC, who were the applicants.

The LEP Director presented a report which sought approval; of the Growth Deal 023 Mark House Scheme in Whitehaven.

The Mark House Full Business Case had come forward as part of the wider Whitehaven Town Centre North project which was submitted as part of the Cumbria LEP Growth Deal 3 submission. Reflecting the lower than anticipated Growth Deal 3 announcement, the Mark House scheme was the first of the phases to realise the overall Whitehaven Town Centre North project. The scheme links intrinsically to the recently approved funding from DfT from their National Productivity Investment Fund for transport improvements within Whitehaven Town Centre which would facilitate the next phases of development.

The full business case for the project had been assessed by KPMG and Due Diligence had been undertaken by Cumbria County Council. The risks identified within the KPMG assessment and the Due Diligence process were considered by the Investment Panel. The project was **RECOMMENDED** for approval subject to the Contract Conditions identified at the end of the document.

The Mark House project was to be an exemplar, modern, office development that would transform the appearance and perception of Whitehaven's historic harbour side. The project was led by Britain's Energy Coast (BEC), and was being developed in close collaboration with the Whitehaven Harbour Commissioners (WHC) and Copeland Borough Council (CBC). The applicant for the project was Energy Coast West Cumbria Properties Ltd (ECWC). On completion of the project they would also own and manage the development.

KPMG Assessment Overall, the business case was strong in many areas. The project promoters had worked to develop the business case over recent weeks adding additional information and evidence. However, there were still some areas which KPMG had assigned an amber or red rating to, reflecting areas of risk and concern.

The Investment Panel met on the 7 November to consider the project, and the risks to the project were discussed, the conditions in the Due Diligence considered and final conditions agreed. The panel considered these risks and had **RECOMMENDED** inclusion of conditions to mitigate the risks. The project had clear links to Cumbria LEP's Strategic Economic Plan's objectives, a clear rationale for intervention, a clear and detailed economic appraisal, clear procurement and stakeholder management strategies and a detailed funding breakdown.

The Leader of South Lakeland District Council had serious concerns about this, especially in relation to the due diligence undertaken. The Leader of South Lakeland District Council said that he was not supportive of the proposed scheme, and asked that this be noted.

RESOLVED that the Board approve the Mark House Project subject to the identified conditions.

39 NUCLEAR AND ENERGY UPDATE

The Board considered a report from the LEP Director which updated them on recent activity on the Nuclear and Energy excellence prong of the Strategic Economic Plan.

- Nuclear

The principal activity had been Nuclear Sector Deal activity for the NW LEP's and working with those LEP's and other partners e.g. CONE, University of Cumbria/Dalston Institute, NNL and the Business Cluster to develop a 'Place' dimension to the Nuclear Sector Deal being prepared by the Nuclear Industry Association/ the Nuclear Industry Council and BEIS. A key feature had been our collaborative work with the Heart of SW LEP on behalf of the SW to provide a strong

voice from those geographic areas that had the strongest asset base capability and capacity to support the delivery of the Nuclear Sector Deal.

The announcement about the Nuclear Sector Deal was now awaited, and was likely to be when the Industrial Strategy White paper was announced in the next few weeks.

- Energy

The LEP secured £50,000 in March 2017 from the BEIS Local Energy Team to enable the development of a Local Energy Plan. Following a competitive tender process, Carbon Trust had been appointed to develop the Plan by April 2018.

The consultants had recently started reviewing the evidence base alongside highlighting key funding opportunities that Cumbrian partners could take advantage of. They would shortly start engaging as widely as possible with key partners and businesses to ensure the Plan is as robust as possible.

A draft Plan would be available for the LEP Board in the New Year.

RESOLVED that the update be received and noted.

40 **NORTHERN CULTURAL REGENERATION FUND**

Mr G Archibald declared a non-pecuniary interest in Agenda Item No 10 – Northern Cultural Regeneration Fund as South Lakeland District Council owned the Brewery Arts Centre.

Mr C Glover declared a non pecuniary interest in Agenda Item No 10 - Northern Cultural Regeneration Fund as Carlisle City Council were one of the applicants.

Mr N Wilkinson declared a non pecuniary interest in Agenda Item No 10 – Northern Cultural Regeneration Fund, as his company was one of the funders of Lakeland Arts via charitable donation..

Board members had before them a report from the LEP Director which updated them in relation to the development of the bid from Cumbria LEP and sought endorsement for the bid, which would be submitted to DCMS before the 30 November deadline.

In response to an open call for stage 1 NCRF applications across Cumbria, 8 bids were received from organisations across the County. All applications were assessed by a team from Cumbria County Council's Economic Programmes Unit in accordance with the criteria set out by DCMS and with respect to our Rural and Visitor Economy growth plan. This initial assessment was then considered by a LEP sub-panel, made up of LEP Board members, LEP Officers and a representative from the Arts Council, who identified Lakeland Arts as the preferred bidder.

It was agreed that the scores were a guide but the panel needed to assess the deliverability, the real match-funding position and the need to put forward a strong bid from Cumbria that would compete strongly with bids from the other 10 LEPs across the North.

The panel considered all of the projects, and upon conclusion of the considerations it was **RECOMMENDED** that the Board endorses the Stage 2 application for the Lakeland Arts Project in collaboration with the Wordsworth Trust.

The panel felt that the Lakeland Arts (supported by Wordsworth Trust) proposal had the potential to make a genuine step change in terms of arts, culture and visitors, particularly in light of the Lake District's World Heritage Site designation and Wordsworth's international recognition. Entitled 'World Heritage Cumbria' the Lakeland Arts proposal celebrates the rich diversity of Cumbria's cultural heritage through the essential completion of three world-class capital projects: Windermere Jetty: Museum of Boats, Steam and Stories; Dove Cottage and the Wordsworth Museum; and Abbot Hall Art Gallery and Museum. NCRF supported elements would include:

- Creation of a project space within the old Fire Station in the grounds of the Museum at Windermere Jetty. This will support learning in the environment and allow contemporary artists and other practitioners to undertake residencies and longer term projects in response to the Museum and its surroundings.
- Landscaping and public access improvements throughout the site to create significant outside space for activities and new public access to the east shore of Windermere.
- Create a new first-floor gallery to the rear of Wordsworth Museum (the project's only new-build). This will increase the Museum's overall gallery space by 25%.
- Open up outdoor spaces to link the experience of Wordsworth Museum to its surrounding landscape. This will include a rooftop viewpoint terrace, a new space for outdoor games, and viewing and pause spaces across the Museum.
- Improve and refurbish Abbot Hall, a Grade 1 Listed Building, to transform the Art Gallery's exhibition and display spaces and create new opportunities to bring world-class art and artists to Cumbria.

RESOLVED that the Board endorses the Stage 2 application to the Northern Culture Regeneration Fund.

41 **LEP DRAFT BUDGET 2018/19**

The LEP Director presented a report to enable the Board to review and discuss the emerging draft budget for 2018/19.

On proposing this budget it was assumed that Government would continue to provide core and strategic funding at the same levels for 2018/19. Additional BEIS financial support from 2018/19 was anticipated following the budget announcements on 22 November 2017.

The Chair updated the Board on plans for staffing once the current LEP Director left his position. He would keep members updated on progress.

RESOLVED that,

- (1) the emerging draft budget for 2018/19 be noted
- (2) the LEP Director produces a final draft budget for 2018/19 for the January Board Meeting.

42 **LEP DIRECTOR'S REPORT**

The LEP Director presented a report which updated the Board Members on the activity carried out since the last Board meeting that was not covered elsewhere on the agenda.

The report included information on the following topics:-

- ESF Funding
 - DCLG report on assurance – NEY Report
 - Annual Conversation
-
- ESF Funding

The LEP and the LEP Network had been pressing for the ESF funding deadline to be extended beyond July 2018. The ESFA had not yet confirmed this but they had asked us how existing ESF contracts could be extended to March 2019 – which was encouraging.

- NEY Report – DCLG

The DCLG commissioned Mary Ney to produce a review of LEP's Assurance and how the National Guidelines for the Assurance Framework could be strengthened. The report had previously been circulated to the Board the Director had been working with the Accountable Body Officers to draw up a schedule of the NEY recommendations to assess current compliance and what, if any, further action was required.

- Annual Conversation

The normal Annual Conversation with BEIS was scheduled to be held in Manchester on the 13th December. There was a requirement to produce a set of papers prior to the event and it was intended to circulate these to all Board members about a week before the event.

RESOLVED that

- (1) the LEP continues to press for the deadline for ESF funding to be extended to March 2019;
- (2) the Board note that a detailed analysis of the NEY report recommendation is being prepared by the LEP and the Accountable Body officers and will be circulated to the Board once completed;

- (3) the Board note the arrangements for the Annual Conversation on the 13th December and that all Board members will receive copies of the submitted papers approximately a week before the event.

43 LEP CORE AND STRATEGIC REVENUE BUDGET UPDATE - 2017/18

The LEP Director presented a report which provided the Board with an update on the 2017/18 budget position on the LEP's core and strategic funding spend for 2017/18 as at 31 October 2017.

The outturn position for the LEP core funding as at the 31 October was an underspend of £0.080m, and a potential underspend of £500 for the strategic funding.

RESOLVED that the report be received and noted.

44 LEP COMMUNICATIONS ACTIVITY (STANDING ITEM)

RESOLVED that the report be received and noted.

45 FORWARD PLANNER (STANDING ITEM)

The Forward Planner was noted. The following items were added to the planner:-

Friday 19 January 2018 – add Update on Housing

Friday 16 March 2018 – add Marketing Cumbria

46 ANY OTHER BUSINESS

Brexit

The Leader of South Lakeland District Council felt the LEP should have an informed view on Brexit, and that this should be shared with the local authorities and small businesses in Cumbria. Many people were looking towards the LEP for guidance and information but so far the Board had remained silent on the subject.

The Chair said the LEP should be wary of 'going in to bat' in what was a political environment. It was still very difficult to establish the facts in relation to Brexit, and the LEP would be in a difficult position making a statement without understanding the implications of this.

It was **AGREED** that Rob Johnson would provide regular updates to the Board on Brexit (**Action: RJ**)

Arts Council North West

The Vice Chancellor of the University of Cumbria informed the Board that the Chief Executive of the Arts Council would be visiting the university in January 2018 and she asked the Board to feed any idea they might have for discussion back to her.

47 DATE & TIME OF NEXT MEETING

The next meeting will be held on Friday 19 January 2018 at Redhills, Penrith at 9.30am

The meeting ended at 1.10 pm