



Cumbria
**Local Enterprise
Partnership**
unleashing potential through partnership

Minutes of a Meeting of the Cumbria Local Enterprise Partnership held on Friday, 19 May 2017 in Kendal Town Hall, Georgian Room, Highgate, Kendal, Cumbria at 9.30am

Board Members Present:

George Beveridge (Chair), Jackie Arnold (Vice-Chair), Giles Archibald, Colin Glover, Rob Johnston, Julie Mennell, Mike McKinley, Alan Smith and Stewart Young (Vice-Chair),

In Attendance:

Graham Haywood	LEP Director
Jackie Currie	Cumbria County Council
Alison Hatcher	Cumbria County Council

77 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr J Jackson and Mr D Peake.

78 DECLARATIONS OF INTEREST

Mr R Johnston declared a pecuniary interest in Agenda Item No 9 – LEP Director's Report as the Cumbria Chamber of Commerce was one of the providers mentioned in the Skills performance element of the report.

Ms J Mennell declared a pecuniary interest in Agenda Item No 9 – LEP Director's Report, as the University of Cumbria was one of the providers mentioned in the Skills performance element of the report.

79 MINUTES OF PREVIOUS MEETING

The minutes of the previous meeting held on 31 March 2017 were agreed with the following amendment:-

Minute No 66 c) final paragraph should say ERDF rather than EAFRID .



80 UPDATE FROM THE CHAIR & VICE CHAIRS

The Chair updated on the following:-

Private Sector Vacancies on LEP – applications had now closed for these vacancies and the Chair and Vice Chair Private Sector would be meeting with the Private Sector Advisory Panel in the near future to produce a shortlist for interview.

Higher Level Degree Apprenticeships – the Chair had attended a conference yesterday in Manchester and updated on Cumbria's position on Higher Level Degree Apprenticeships. In the last few weeks funding had been reduced for these apprenticeships which was having a detrimental affect on small businesses. A solution was needed quickly for this but so far none had been agreed. It was likely this would be done after the elections on 8 June.

The Vice Chair Private Sector had attended a meeting recently with DCLG to discuss the ERDF Programme. She reported that so far DCLG had not acknowledged the concerns. The Vice Chair was still progressing this and would keep the Board updated on any progress.

The Vice Chair Public Sector felt that once the elections were over, there would be a major lobbying exercise to be done with the new Ministers for Cumbria. The Chair reported that a list of topics was being prepared for discussion with the new Ministers after the election.

81 MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA

There were no matters arising on this occasion.

82 FINAL DRAFT RURAL AND VISITOR ECONOMY GROWTH PLAN

It was **AGREED** that this item be deferred to the July meeting, to enable further comments to be obtained from the Cumbria Chamber of Commerce, Cumbria Tourism and the NFU.

83 UNIVERSITY OF CUMBRIA - STRATEGIC PLAN

The Vice Chancellor of the University of Cumbria updated the Board on the University of Cumbria's Strategic Plan 2017/18 – 2019/20.

She outlined the strategic aims of the university to deliver long term institutional sustainability and success through:-

- Working in strategic partnerships with employers, education providers and stakeholders to provide an appropriate and accessible academic portfolio and educational offer, which capitalises on place and meets individual, regional, sector and employer needs



- Providing an excellent learning, teaching and research environment and student experience, equipping our graduates with the skills, attributes, confidence and resilience to succeed on graduation and beyond
- Contributing to practice, knowledge, place and communities across our locations, for social, cultural, environmental and economic benefit
- Equipping and enabling our staff to succeed, and celebrating success

The Vice Chancellor said over the next three years to achieve the strategic aims, the university would focus on:-

- Capitalising on place
- Extending the student base
- Enhancing the portfolio
- Student and graduate success
- Equipping and enabling staff
- Sustainability and success

The Chair reminded the Board of the long standing aspiration of the LEP to develop higher level qualifications for the visitor economy, and would be interested in working with the university to develop this further. The Vice Chancellor confirmed this would be something the university would be interested in discussing with the Board.

The Chair thanked the Vice Chancellor for the update.

84 INVESTMENT PANEL - GROWTH DEAL PROFILE

The Chair of the Investment Panel presented a report which set out a proposed profile for the Growth Deal Programme, incorporating the new Growth Deal 3 allocation from Government.

Overall Growth Deal Position

Cumbria had a total Growth Deal allocation of £60.3m allocated between the years 2015-2021 in the following way;

2015/16 - £9,070,000
2016/17 - £19,556,536
2017/18 - £7,123,593
2018/19 - £6,057,068
2019/20 - £6,818,265
2020/21 - £11,694,598

Growth Deal funding was provided in annual allocations, with each allocation dependant on delivery and achieving spend in the previous year.

Where there had been an underspend in previous years, the County Council had agreed to cashflow the balance from eligible expenditure within its Capital Programme. This had then been repaid to the programme the following year.



The LEP received confirmation of the split of Growth Deal 3 funding between 2017/18 and 2020/21 in April 2017. The Investment Panel took this opportunity to review the entirety of the Growth Deal profile.

In reviewing the Growth Deal profile, the Investment Panel considered individual project performance, project delivery profiles, availability of funding as well as risk.

The Investment Panel considered the proposed profile at its meeting on 18th April 2017 and again via written procedure w/c 8th May 2017.

Growth Deal Profile Detail

Cumbria LEP had a Growth Deal funding profile of £19,556,536 for 2016/17. The total Growth Deal claim was expected to be in the region of £14,557,252. This was a shortfall of £4,999,284 against our profile.

The main areas of underspend were as follows:-

- £2m due to the failure to agree the Implementation Agreement for the Port of Workington Project.
- £1m due to the State Aid notification not being finalised for Carlisle Airport.
- £750k underspend on the Devolved Majors scheme due to delays in the Maryport element of the programme. These works are expected to complete within 2017/18.
- £900k underspend on the South Ulverston programme as a result of ongoing land ownership issues with the North Lonsdale Terrace element of the scheme.

This funding would need to be rolled forward into future years.

The Board was asked to note the following key elements in the proposed profile:-

- There is £14.79m of profiled spend in 2017/18 against a Growth Deal offer of £7.12m. The profile suggests utilising CIF and the County Council's Capital Programme to cashflow the difference.
- £3m of Cumbria Infrastructure Funding (CIF) will be utilised to help cashflow project delivery within 2017/18 and 2018/19. The CIF funding will be repaid in 2019/20 and 2020/21.
- The Connecting Cumbria programme will be able to utilise its BT contribution earlier than originally planned. This reduces its profile for 2017/18 from £3.12m to £878k. The remaining Growth Deal funding will be drawn down in 2018/19.
- Carlisle Airport allocated their full £4.75m allocation within 2017/18, subject to State Aid confirmation.
- The Port of Workington's £2m allocation is moved to 2018/19 to allow for finalisation of the Implementation Agreement between Network Rail and the County Council.



- The North Lonsdale Terrace element of the South Ulverston programme is moved into 2018/19 to allow for re-scoping of the project. This equates to just over £800k.
- The proposed financial profile for the new Growth Deal 3 projects is provisional and based on funding availability. Subject to the successful submission of Full Business Cases, these profiles may need to be reviewed later this year.
- The high level of risk in 2020/21 should be noted with over £11m of spend due to be delivered. The Investment Panel is considering mitigation options.

Board members asked if there were contingency plans in place if any of the projects failed. The Chair of the Investment Panel confirmed there was a pipeline of projects, which had been maintained for circumstances such as this.

RESOLVED that the LEP Board approve the proposed profile subject to ongoing monitoring and review throughout the year.

85 LEP DIRECTOR'S REPORT

Mr R Johnson and Ms J Mennell had both declared pecuniary interests in this item and left the meeting for the skills section of this report.

The LEP Director presented a report which advised the LEP Board on key activity since the last meeting, and included information on:-

- Industrial Strategy
- LEP Review
- Infrastructure
- LEP Growth Hub Contract
- Post General Election Activity
- Skills

➤ Industrial Strategy

The LEP response was submitted on the 17th April and copies were circulated to Board members and posted on the LEP website. The General Election had clearly delayed follow-up with Government.

The best advice from BEIS, subject to the General Election outcome, was that there would be a Government White Paper in the Autumn followed by some initial Sector and Place Deals at the Budget in November.

Cumbria needed to have some sector proposals prepared in collaboration with sector partners and potentially with other LEP's by September/October. Place Deals were as yet unclear, as to format and governance. They may be similar to City Deals i.e. multi-year programmes covering a wide range of actions around economic growth projects, skills, business support, housing. More advice would emerge post-General Election but again Cumbria needed to begin to formulate a proposition by September/October.



➤ LEP Review

The Review procurement had been completed and the Private Sector Scrutiny Panel members had selected S4W as the Consultants. It was believed that the Review recommendations would come forward to the LEP Board in July.

➤ Infrastructure

(a) Rail

The Rail Programme Board, chaired by Jim Jackson, had continued to meet and retains support from the various Developers to ensure a co-ordinated delivery with Network Rail.

The current franchises with Northern Rail were still programmed to deliver the agreed service improvements but from May 2018 rather than Autumn 2017. Northern Rail would be invited to attend a future board meeting to provide an update.

A paper has been prepared jointly by the LEP and the County Council to submit our views on the forthcoming re-tender of the WCML franchise. It has been discussed at the Technical Officers Group and was attached to the report for comments.

(b) Road

Further strategic outline Business Cases were being prepared for the A590, A66, A595 as a more focussed, prioritised range of schemes for submission to DfT, Highways England and TfN. These studies build on the West of M6 Studies completed in 2016.

In addition a Strategic Outline Business Case was being prepared for the Whitehaven Relief Road for submission in the Autumn to DfT Local Majors programme and/or TfN and Highways England.

All of these consultancy studies had been awarded to WSP (who did the West of the M6 Studies and the A66/A69 Strategic Studies for Highways England) and were being funded jointly by the LEP, the County Council and Highways England.

The intention was to submit these Strategic Outline Business Cases to Highways England and TfN as they begin to shape their future investment plans. In addition the M6 Strategic Corridor document agreed at the last Board meeting would be used to advocate for investments on the A66/A69/A689 corridors to the east of the M6.

➤ LEP Growth Hub Contract 2017/2018

The extension to the existing contract with the Chamber of Commerce had been concluded. It was more heavily focussed on intensive assists to businesses, including approximately 25% for scale-up activity for those businesses with credible



plans for rapid growth over the next 3 years. Initial advice/information would be provided via the National BE helpline which was free to use for all businesses across all sectors. The LEP contract was specifically targeted to non-ERDF eligible sectors.

➤ Post General Election Activity

Following the Election and the formation of a new Government it would be important to engage with the new Ministers, MP's and Government officials. Timely information on the Cumbria offer in terms of economic growth and the role that the LEP could play in delivery would be prepared for a series of written and face-to-face Briefings.

It was requested that the Director be authorised, in consultation with the Chair and Vice-Chairs, to draw up a programme of activity to engage with the new Government Ministers, Cumbria MP's and Government officials quickly after the General Election.

➤ Skills

The LEP Skills Investment Plan detailed a number of targets relating to qualifications and programmes of learning for Cumbrian residents, linked to the emerging needs of employers in the local economy.

The targets were developed using data from DfE on performance of the skills and education system in Cumbria and had recently been updated (April 2017).

There were a number of issues about the ability of the providers to deliver on these targets and the Chair had asked the LEP Skills Adviser to provide a briefing note for him to take to his meeting with colleagues in the provider organisations.

He would also be speaking to the Skills Funding Agenda about the probable underspends with funding to see if there was any possibility of reprofiling the money.

RESOLVED that,

- (1) the Board note the LEP response to the Industrial Strategy Consultation by Government and support the Director/Executive Team preparing ideas for how Cumbrian LEP might start to shape potential Sector Deals and a Place Deal for Cumbria by October for discussion with Government and potential partners.
- (2) the Board note the progress on the LEP review.
- (3) the Board note and welcome the increased level of activity on rail and road infrastructure schemes and the detailed engagement with DfT, Highways England, Network Rail and Transport for the North (TfN) to promote Cumbrian schemes in their respective Investment Programmes.
- (4) the Board note the completion of the 2017/18 LEP Growth Hub extension to contract with Cumbria Chamber of Commerce.
- (5) the Board authorise the Director, in consultation with the Chair and Vice-Chairs, to draw up a programme of activity to engage with the new



Government Ministers, MP's and Government officials quickly after the General Election.

- (6) the Board note the Skills update and the intention to bring a Performance report to the next Board meeting.

86 **FINANCE REPORT - 2017/18 CORE AND STRATEGIC REVENUE BUDGET**

Mr R Johnson and Ms J Mennell returned to the meeting at this point.

The LEP Director presented a report which provided the revenue outturn position on the LEP's core and strategic funding spend for 2016/17, and an update on the 2017/18 Budget position as at 30 April 2017

The outturn position for the LEP Core funding as at 31 March 2017 was a carry forward of £0.117m. For the Strategic Funding the position was a £0.026m carry forward. Overall this results in £0.143m of carry forward for the LEP in 2016/17. This was an increase of £0.045m from the underspend forecast of £0.098m as at 31 Dec 16 reported to the LEP Board in January 17.

This would be carried forward into 2017/18 and the budget approved by the LEP Board in January 17 had been updated to reflect this position.

The revised potential carry forward at the end of 2017/18 had now also increased by £0.45m to £0.114m.

2017-18 Forecast Outturn

The actual income brought forward from 2016-17 was £0.143m. Grant funding of £0.500m had been received for 2017-18 along with £0.100m of match funding from partners, with further partner invoices due to be raised to the sum of £0.028m. In addition surplus income from running of the Redhills site was budgeted to be £0.015m. This gave total funding for 2017-18 of £0.786m. Other match funding would be received from partners in kind.

RESOLVED that Board members,

- (1) Note the outturn position for 2016/17;
- (2) Note the updated forecast outturn position for 2017-18.

87 **LEP COMMUNICATIONS (STANDING ITEM)**

There were no communication actions required from this meeting.



88 FORWARD PLANNER (STANDING ITEM)

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

- Cumbria Rural & Visitor Economy Growth Plan

The Board then discussed venues for future meetings and it was decided that all future LEP Board meetings would be held at Redhills, Penrith. The Board felt there was no reason why meetings should be held elsewhere when the LEP already had its own venue. This was **AGREED (Action: JC)**.

89 ANY OTHER BUSINESS

LEP Away Day

It was suggested that it would be advantageous to the new private sector board members, when appointed, to hold a LEP Away Day. This was **AGREED (Action: GH)**.

90 DATE & TIME OF NEXT MEETING

The next meeting will be held on Friday 21 July 2017 at Redhills, Penrith at 9.30am.

The meeting ended at 12.00 pm