

## Cumbria LEP Investment Panel

09:30, Tuesday 21<sup>st</sup> March 2017

LEP Conference Centre, Redhills

### Minutes

#### **1. Welcome and Apologies**

In Attendance

##### Investment Panel Members

Jackie Arnold (Chair)

Alison Hatcher

Rob Johnston

David Southward

##### Officers

Pam Duke (Section 151 representation)

Graham Haywood

Ruth Pugsley

Corinne Watson

##### Apologies

Simon Sjenitzer

Peter Hensman

Eleanor Farrell

#### **2. Minutes of the last meeting**

The minutes from the last meeting were agreed.

Corinne Watson noted that South Tynedale District Railway had been invited to apply for a SBDL of up to £100,000. They had also been encouraged to look into applying for EAFRD support under the Tourism Infrastructure call. South Tynedale District Railway have not elected to pursue the loan offer to date.

As requested by the Investment Panel, the LEP met with Atlantic Geomatics and have made a SBDL offer of up to £100,000. Contracting is currently underway.

#### **3. Growth Deal 3 Update**

Graham Haywood gave a verbal update on the current position of the Growth Deal 3 programme. The LEP had received indication of a potential split of GD3 funding between 2017/18 and 2020/21 which was more positive than had originally been anticipated with some funding available in both 2017/18 and 2018/19. The confirmed profile is expected any day and will be brought to the

Investment Panel alongside a re-profile of the Growth Deal programme at the April meeting.

Good progress is being made on developing the full business cases for both Whitehaven and Lillyhall. The aim is to have both sufficiently progressed to be discussed by the Investment Panel and Board by July. The Panel noted the complexity of the Whitehaven scheme with Graham underlining he was in regular contact with the Project team.

**4. Programme Update**

The Panel considered a paper providing an update on all LEP programmes. Graham Haywood highlighted the following key points relating to the Growth Deal Programme;

- A forecast underspend of £1.2m in 2016/17 across some of the County Council projects.
- The Implementation Agreement between Network Rail and the County Council will not be signed within this financial year which means the planned £2m spend on the Port of Workington project will not be drawn down in 2016/17.
- Carlisle Airport is unlikely to receive its State Aid notification until April 2017, thus the profiled £1m for 2016/17 will not be drawn down until the next financial year. The Airport would like to complete the project within the 2017/18 financial year. Currently there are insufficient funds within Growth Deal
- Total underspend is likely to be in the region of £4.2m.
- Cumbria County Council has agreed to cashflow the Growth Deal underspend from its Capital programme.
- Noted that a revised Growth Deal profile will be brought to the April Investment Panel, subject to confirmation of the GD3 funding.

The position regarding opportunities for European Funding was presented, as well as an update on the RGF programme.

The Panel received an update on the current position of the CIF programme including a financial and projects breakdown. Including new commitments such as Atlantic Geomatics there is a balance of £207,858. The update also takes into consideration the £3m required to cashflow the Growth Deal in 2017/18. The Panel requested that they receive regular updates to ensure that they are able to direct CIF to be used to unlock schemes when opportunities arise.

The Panel also received a request from CIF Project 038 Burger Parlour for a repayment holiday for the next two quarters on the capital element of their loan alongside a six month extension to the loan period.

**Record of decision:**

**The Panel agreed to the request to the repayment holiday and a six month loan extension for CIF project 038.**

**4. Project Decisions**

Project	Record of Decision
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<p><u>LEP 041</u></p> <p>£2.5m of LEP funding is sought to contribute towards the cost of designing and building a 127 room Holiday Inn Express in Barrow with build planned to start in late Spring 2017.</p> <p><u>Cross-a-Moor</u></p> <p>Request for £1.735m to underwrite developer contributions needed to match £3m from Highways England towards a new junction at Cross-a-Moor, Ulverston to unlock a series of housing developments. Funding is requested for April 2019.</p> <p><u>Infrastructure Funding Scheme</u></p> <p>Request for;</p> <ul style="list-style-type: none"> <li>• £40,000 to support scheme development on enhancements to the Cumbria Coast Line.</li> <li>• £60,000 to support scheme development of strategic highway schemes on the A595, A66 and A590 and further scheme development of the Whitehaven Relief Road.</li> </ul> <p>The proposal is to utilise CIF Revenue funding generated through the interest repaid into the fund. There are insufficient funds within the LEPs Strategic Planning budget to accommodate the request.</p>	<p>The IP discussed the submitted SOC. The Panel believed that the project should be commercially viable. The Panel also noted that there was insufficient funding currently within the CIF to accommodate the request.</p> <p><b>Record of Decision: Investment Panel rejected project application.</b></p> <p>It was noted that the decision on funding support will need to be taken by the Board as it is over £1m. It was also noted that not all of the £1.7m may be required.</p> <p>The Panel agreed that the project fit the aims and objectives of CIF.</p> <p>Once the commitment to use CIF to cashflow the Growth Deal has been repayed, there will be sufficient funding to accommodate the request.</p> <p><b>Record of Decision: The Investment Panel agreed to recommend to the LEP Board that the application be supported.</b></p> <p>The Investment Panel noted that the proposal was one of strategic importance and recognised the time sensitive need to inform Highways England and TFN planning cycles.</p> <p>The Panel also noted an unease at utilising a significant portion of the CIF revenue for the proposal, highlighting the need to have funding available to support strategic schemes in the future.</p> <p><b>Record of Decision: The Investment Panel agreed to support the application using CIF revenue funding. The Investment Panel requested that any underspend in the LEP's Strategic Budget in 2017/18 be used to replenish the revenue fund.</b></p>
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#### **5. Centre for Nuclear Engineering**

The Investment Panel considered a Strategic Outline Case from the University of Manchester requesting £2m towards the development of a Centre for Nuclear Engineering at the West Lakes Science and Technology Park. Due to the recent receipt of the application, it had not been possible for the Economic Programmes Team to assess the submission.

The Panel requested that an assessment be completed on the project in advance of the next meeting.

The Panel noted that the application required further development, particularly around the need to involve the University of Cumbria and other HE providers. The Panel also noted that the LEP funding request seemed disproportionately high and greater leverage from other partners should be considered.

The applicant should be invited to develop the application further, however there is currently insufficient funding to accommodate support. The application would also need to be considered alongside the other projects currently on the LEP Pipeline.

The Panel recommended that the LEP meet with the University to discuss the development of the project further.

#### **6. LEP Growth Hub**

Rob Johnston declared a conflict of interest in the item and left the meeting.

The meeting became inquorate for this item and the Chair requested that the paper was circulated for decision by written procedure.

Date of Next Meeting **09:30 Tuesday 18<sup>th</sup> April 2017 – The Mintworks, Kendal**