

Minutes of the Meeting of the Cumbria Local Enterprise Partnership Board held on Friday, 15 June 2018 at Redhills, Penrith, Cumbria at 9.30 am

### **Board Members Present:**

Ms J Arnold, (Vice Chair in the Chair), Cllr Jackie Arnold (Vice-Chair), Cllr Stewart Young (Vice-Chair), Cllr Giles Archibald, Mr John Coughlan, Cllr Colin Glover, Mr Mike McKinley, Professor Julie Mennell, Cllr Alan Smith and Mr Nigel Wilkinson

### **In Attendance:**

Jackie Currie	Board Secretary - Cumbria County Council)
Alison Hatcher	Chair of the Technical Officers Group - Cumbria County Council
Sami Falou	Assistant Director - Cities and Growth, BEIS
Craig Ivison	Head of Skills, Cumbria LEP
Jo Lappin	Chief Executive - Cumbria LEP
Stephen Nicol	Nicol Economics
John Reynolds	Head of Communications, Cumbria LEP

Urgent item the Acting LEP Chair informed the Board that she had agreed to accept an urgent item of business for the agenda today in relation to the Appointment of the LEP Chair.

It was not known at the time of the agenda despatch and publishing whether the appointment process would be concluded in time, so the item was not added to the agenda. However, as the appointment process had now been completed, and the LEP urgently needed a Chair, it would cause unnecessary delays to wait until the next meeting of the Board in July. The Board unanimously supported this decision.

It was **AGREED** that this item, along with the other confidential item – Growth Deal Re-prioritisation, would be dealt with immediately after the apologies for absence and the declarations of interest.

### **120.APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Jim Jackson and Mr Rob Johnston.

### **121.DECLARATIONS OF INTEREST**

Ms Jackie Arnold declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation, Project No. 5 – Carlisle Citadels as she is the Professor of

Practice at the University of Cumbria, one of the potential beneficiaries of the scheme. She did not take part in discussions about this, nor did she vote

Mr Mike McKinley declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 4 – Optimising Connectivity, as the Lake District National Park Authority is the applicant for ERDF funding for the project. He did not take part in discussions about this, nor did he vote

Professor Julie Mennell declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 5 – Carlisle Citadels as she is the Vice Chancellor at the University of Cumbria, one of the potential beneficiaries of the scheme. She did not take part in discussions about this, nor did she vote

Cllr Alan Smith declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No 3 – Lillyhall North, as Allerdale Borough Council owned this site. He did not take part in discussions about this, nor did he vote.

Mr Nigel Wilkinson declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 4 – Optimising Connectivity, as his business traded adjacent to Bowness Promenade. He did not take part in discussions about this, nor did he vote

Cllr Stewart Young declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 4 – Optimising Connectivity, as Cumbria County Council was the applicant for this project. He did not take part in discussions about this, nor did he vote

Cllr Stewart Young also declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 5 – Carlisle Citadels as Cumbria County Council was the land owner of this site. He did not take part in discussions about this, nor did he vote

## **PART II ITEMS - NOT CONSIDERED IN THE PRESENCE OF THE PUBLIC**

### **122.ADDITIONAL URGENT ITEM APPOINTMENT OF CHAIR**

The Acting Chair took members through the report, which presented an update on the appointment of the LEP Chair. The report sought agreement of the recommendation to appoint the preferred candidate.

The Cumbria LEP Board had secured Penna to support the appointment process by identifying suitably qualified candidates. The search process had now been concluded and the report contained the recommendation on the preferred candidate for the appointment of the Chair, for the Board to consider.

The Board discussed the recommendation, and upon conclusion of the deliberations the appointment of Lord Inglewood was **RESOLVED** subject to his becoming Non Affiliated in the House of Lords, as he had offered to do.

## 123. GROWTH DEAL RE-PRIORITISATION OF INVESTMENT

Ms Jackie Arnold declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation, Project No. 5 – Carlisle Citadels as she is the Professor of Practice at the University of Cumbria, one of the potential beneficiaries of the scheme. She did not take part in discussions about this, nor did she vote.

Mr Mike McKinley declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 4 – Optimising Connectivity, as the Lake District National Park Authority is the applicant for ERDF funding for the project. He did not take part in discussions about this, nor did he vote.

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Cllr Stewart Young declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 4 – Optimising Connectivity, as Cumbria County Council was the applicant for this project. He did not take part in discussions about this, nor did he vote

Cllr Stewart Young also declared a non pecuniary interest in Agenda Item No 16 – Growth Deal Re-prioritisation Project No. 5 – Carlisle Citadels as Cumbria County Council was the land owner of this site. He did not take part in discussions about this, nor did he vote.

Agenda Item No. 10 – Coastal Rail – Strategic Outline Business Case was also considered at this time, due to the close links to the Growth Deal Re-prioritisation.

The LEP Board considered a report from the Chief Executive of the LEP, which asked them to consider proposals for the re-prioritisation of investment for the Growth Deal programme for Cumbria. The Chief Executive asked that members considered the process on a project by project basis so that declarations of interest could be effectively managed in a clear and transparent way, and to ensure that the Board was quorate for decision making purposes on each project. This was **AGREED**.

The Board had previously been made aware that the Executive was undertaking a pipeline review exercise for the 23 May meeting of the Investment Panel, and that

recommendations from the Investment Panel on Growth Deal funding priorities would be presented to this Board meeting. The report presented the recommendations for the Board to consider.

The Board considered each project in turn and upon conclusion of the deliberations, it was **RESOLVED** that, the Board

- 1) agreed that Growth Deal funding is re-prioritised to create £9.963 million of funding for re-allocation;
- 2) noted that the Investment Panel has considered the applications available for this funding and developed a prioritisation based upon this;
- 3) agreed that £0.59m from the South Ulverston project is made available for re-allocation.
- 4) agreed that the high priority projects identified at Annex A receive a provisional allocation and are invited to submit a Full Business Case, with the view to Growth Deal funding being provided;
- 5) agreed in principle that £1.0112m is made available on a forward funding basis for the development of the Outline Business Case (OBC) for the Coastal Rail project subject to DfT confirming the remaining funding to develop the OBC and with clear commitments and timescales from NuGen, and WCM as to how they will support the repayment of the forward funding to the LEP, and discussions with SL and LLWR to agree similar commitment;
- 6) noted that the LEP is not linking its funding to planning consents.

#### **PART I ITEMS - THOSE CONSIDERED IN PUBLIC**

#### **124. MINUTES OF PREVIOUS MEETING**

**RESOLVED** that, the minutes of the previous meeting held on Friday 15 May 2018 be agreed with the following amendments:-

On Minute No 114 – Chief Executive’s report in the second last paragraph, John Coughlan had asked that the underpinning plan be circulated to all members, not to him specifically. The Chief Executive to action this (**Action: JL**).

On Minute No 108 – Update from Chair and Vice Chairs, page 8 bottom bullet point – change the title to Transport and Infrastructure Advisory Group.

#### **125. UPDATE FROM THE CHAIR & VICE CHAIRS**

The Acting LEP Chair updated the Board on the following:

- Private Sector Board Members – this would now be moved forward as a priority following the appointment of the new LEP Chair.
- Nuclear Representative – the Acting Chair was waiting for confirmation of the nomination from Sellafield Ltd.
- Funding and BEIS - it was hoped this would be resolved quickly now that the new Chair had been appointed.
- Meeting with Government Officials – a meeting was being held on 19 June with the Prime Minister, Secretary of State BEIS, Secretary of State MHCLG and the Northern Powerhouse Minister to discuss the development of the Local Industrial Strategy, and how the LEP was supporting the Government with the development of skills. The newly appointed Chair would be attending.

There were no additional updates from the Vice Chair – Public Sector, apart from the update on Rail Northern (Minute No. 126 refers)

## **126.MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA**

The Board considered an update report from the Chief Executive, which detailed matters arising from previous meetings. Specific discussions took place in relation to:-

### Rail

Board members had raised serious concerns about the lack of services being operated on the Lakes and Furness Lines and had asked that this be raised with David Brown, Managing Director, Arriva Rail North and for him to be invited to a future Board meeting to discuss this.

The Acting Chair wrote to David Brown inviting him to attend either the June or July meeting. The Chief Executive had followed this up and Northern had suggested that they would send a substitute for David Brown, which she advised was unacceptable. His office was therefore looking into rescheduling his diary or providing suitable alternative dates.

The Leader of Cumbria County Council members suggested that the Secretary of State for Transport should also be invited to attend with David Brown to allow the Board to understand the full picture. He also stated that Transport for the North was responsible for overseeing the franchise, and earlier this week representatives from Cumbria County Council had attended a meeting of TfN in Manchester.

The latest situation was that Arriva Northern had been asked to ensure that by early July a dedicated train shuttle service was in operation between Oxenholme and Windermere, with a full train service timetabled by the end of July. A marketing campaign for businesses adversely affected by the lack of train services was planned and the Board noted that Cumbria Tourism would be involved in this.

The LEP members accepted that the priority was to get the timetable fully back into operation, but once this was done the Board needed to ensure that upgrades to the Lakes and Coastal Lines became a top priority for the LEP going forward. This was **AGREED**.

Cllr Stewart Young was pleased to report that Energy Coast Rail Upgrade was also high profile at the TfN meeting, and the level of support for Cumbria from the other partners had been very encouraging.

### Business Support

Business Support - several meetings had taken place with BEIS to discuss the Growth Hub and moving forward to the next contracting round. The LEP now had a very clear understanding of the issues that must be 'designed in' in order to ensure strong performance against the five principles.

The LEP was expecting its offer letter shortly and had prepared a tender specification, in line with the Board's decision on 16 March 2018 that delegated authority is given to the LEP Director to finalise the tender specification in consultation with BEIS and the County Council's Section 151 officer to ensure compliance with BEIS funding requirements.

John Coughlan, Board Sponsor, had suggested to the Business Support Advisory Group that any members without a prejudicial interest might wish to 'sit in' during the assessment of the tenders. The Chief Executive advised that anyone who wished to take up this offer would need to confirm that they had no potential for vested interest in relation to bidding or relationships with potential bidders and would need to be trained in the procurement processes in advance of the assessment. This was noted.

## **127.CUMBRIA'S LOCAL INDUSTRIAL STRATEGY**

The Board considered a report from the LEP Chief Executive, and a presentation by Stephen Nicol, Nicol Economics which updated them on the latest position on developing Cumbria's Local Industrial Strategy.

At the previous Board meeting members agreed the headline process for Phase 2 development of the LIS; the headline project plan to support this; and that the appointed consultant, Stephen Nicol, was invited to hear members' views on the development of the LIS.

Since the last Board meeting there had been two meetings of the Writing Group, which had concentrated on developing the work programme to deliver a high-quality LIS. This had focused on identifying the gaps in the evidence base, ensuring that there were appropriate commissioning arrangements in place for the work programme and identifying the issues that needed to be explored to ensure that the strategy could deliver economic and social prosperity.

In working with the Writing Group it had become clear that the name was a misnomer, as the group was actually fulfilling the role of a task and finish Steering Group, ensuring that the work programme was progressing well and that the views of all key stakeholders were being heard and factored in as the development process progressed.

Some members would inevitably provide written input to the strategy, but this was distinct and separate from the traditionally accepted model of a Writing Group. Board members were asked to confirm that they were content that the actual role of the Writing Group was better recognised in its title and that this becomes a time limited Task and Finish Group providing oversight of the development process.

The frequency of meetings had also been reviewed as fortnightly meetings were too frequent to allow significant progress on strategy development work. Members had therefore agreed that meetings should be held on a monthly basis, to allow substantive items to be presented for discussion and consideration.

### Consultation Events

Board members had agreed to host consultation events, with as many partners as possible, and that these should be held in late June/early July. The dates for these had now been secured with FE colleagues offering to host these gratis:

- 9 July 9.30-12.30 Carlisle College
- 10 July 9.30-12.30 Lakes College (new Nuclear College building)
- 11 July 9.30-12.30 Furness College and
- 11 July 1.30 -4.30 Kendal College

A draft agenda was provided for Board members consideration. The intention was that the events would look to gain input from a wide range of public, private and third sector stakeholders, with all inputs captured and formally recorded as an output from the day. Members were invited to consider the role of Board members at the events, with individual Board members invited to volunteer for roles at each of the events. It was **AGREED** that the Chief Executive would contact Board members to check their availability for attendance at the workshops (**Action: JL**).

The Chief Executive advised that the LEP had volunteered to engage in an ERSC research project and was also actively exploring the potential for some rural trailblazers being identified to work with Government, alongside the City trailblazers, in the hope that Cumbria LEP could become one of these. She would keep the Board updated on the progress of this.

The Leader of Cumbria County Council asked about the leadership referred to in proposed structure identified on the presentation, and whether this would be provided by the LEP. The Chief Executive confirmed the leadership referred to related to the partnership governance structure (Advisory Groups etc.) and arrangements that the LEP had in place to ensure that the LIS could be delivered.

**RESOLVED** that, the LEP Board

- (1) noted progress since the last Board Meeting and the key issues under consideration (Annex A);
- (2) agreed the process and timescales for the development of the Local Industrial strategy (LIS) as summarised at Annex B;

- (3) noted that Stephen Nicol attended the Board to seek members views on the development process;
- (4) agreed the agenda for the Consultation Workshops (Annex C) and
- (5) agreed that the Chief Executive contact Board members to check availability for attendance at the workshops.

## 128. CAREERS STRATEGY FOR CUMBRIA

The Board considered a report from the LEP's Head of Skills, which updated them on the development of a Careers Strategy for Cumbria.

At the May meeting the LEP Board it was agreed to delegate the development of a bid for a Careers Hub to the Future Workforce Group and to delegate the development of a Careers Strategy for Cumbria, and funding model, to the Employment and Skills Advisory Group.

The bid for the Careers Hub was submitted to the Careers and Enterprise Company (CEC) and the LEP were invited for interview on 5 June 2018. The LEP was supported by Jacqui Longrigg, Head of Talent and Skills at the Nuclear Decommissioning Authority, and Grant Glendinning, Principal of Carlisle College. The outcome would be known at the end of June 2018.

The Careers Strategy, attached as an appendix to the report had been developed through consultation with members of the Employment and Skills Advisory Group, LEP employer panels and theme groups.

It aimed to address the issues of fragmentation set out in the LEP Skills Investment Plan, the views of employers from employer panels, the Generating Solutions event and the assessment of careers and enterprise education in Cumbria provided by the Careers and Enterprise Company (CEC).

The strategy also set out a proposed funding model linked to European Social Funding (ESF) priority 2.2, with the timescale for the strategy linked to the availability of these funds.

Cllr Colin Glover asked the LEP Head of Skills to ensure that support to get those with disabilities into work, and also flexibility for those that have had to change careers to become carers. The Board wanted the strategy to be adaptable for anyone with the ability to work. The LEP Head of Skills noted this.

Professor Julie Mennell raised a concern over the coverage of HE provision with the Careers Strategy and specifically the role of the University of Cumbria as an anchor institution within the County. The LEP Head of Skills **AGREED** to look at this.

**RESOLVED** that, the Board

- (1) agreed the draft Careers Strategy and associated funding model;
- (2) agreed to look into HE coverage within the strategy and

- (3) agreed that the Executive should ensure that the strategy supports those with disabilities, caring responsibilities or furthest from the labour market.

## 129. COMMUNICATIONS STRATEGY FOR CUMBRIA

The LEP's Head of Communications presented a report which updated the Board on the development of a refreshed communications strategy for Cumbria LEP.

In 2017, the LEP Board endorsed a strategic communications plan that set out in broad terms how future activity would be prioritised, co-ordinated and delivered to enhance understanding and support for the organisation. The timescales associated with that strategy proposed significant revision during the early part of 2018, following the outcome of the governance review and personnel changes.

A revised over-arching communications strategy had been produced for the Board's consideration, further impetus having been delivered by the LEP's role in developing Cumbria's Local Industrial Strategy.

A key principle behind the revised strategy was the desire to work in partnership with other organisations to produce a common approach to marketing Cumbria as a world class location to live, visit, work and do business. An early example of this approach was a project currently being undertaken in partnership with Cumbria Tourism and the CN Group-led Choose Cumbria brand, which would see Cumbria promoted at various locations in Manchester Airport later this year.

The strategy represented a framework around which to build communications and proposed objectives, messaging, communications channels, audiences and evaluation measures. It would evolve to take account of outputs as they emerge from The Local Industrial Strategy and other initiatives.

Board members' comments on the approach outlined and suggestions for inclusion in the strategy were welcomed. The Head of Communications asked all Board members to contact him directly with suggestions (**Action: All**).

John Coughlan suggested that a sub group could be established to drive this forward, and proposed that Board members be contacted to garner interest.

**RESOLVED** that, the Board endorsed the approach outlined in the draft Communications Strategy and considered items for further development.

## 130. CHIEF EXECUTIVE'S REPORT

The Chief Executive presented a report to the Board, which updated on programme delivery issues since the last Board meeting held on 18 May 2018.

Included in this report were detailed updates on:-

- Growth Deal Performance
- ESIF Performance

- ERDF
- ESF
- EARFD
- Infrastructure - Port of Workington
- Employment and Skills - Apprenticeship Starts

**RESOLVED** that the report be received and noted.

### 131. COASTAL RAIL - STRATEGIC OUTLINE BUSINESS CASE

This item was dealt with under Item 16 – Growth Deal Re-prioritisation (Minute No. 123 refers).

### 132. CUMBRIA LEP FINANCE UPDATE 2018/19

Board members considered a report from the Chief Executive which provided them with an update on the budget position for 2018/19.

The income and expenditure accounts showed that whilst there were some variations on a line by line basis, both the core and strategic budgets demonstrated a positive income and expenditure balance of £94,440 and £27,217 respectively, if all income streams were secured and current budget and commitment figures were respected.

In relation to the income, the LEP was currently waiting for government to release its core and strategic funding for 2018/19. The LEP Chief Executive wrote to Stephen Jones, Director, BEIS requesting that the funds be released. It was understood that as a result of this a submission had been made requesting that the LEP's Quarter 1 and 2 core and strategic funding be released; together with Quarter 1 Growth Deal funding.

The LEP had worked with the Accountable Body to follow up outstanding contributions from Cumbrian partners, which had levered in contributions from 6 partners. Requests would be issued to the three partners with outstanding contributions totalling £110,000 to explore how these might be expedited. Clearly, until government and Cumbrian partners funding was received the LEP would adopt a very prudent approach to expenditure, given cash flow considerations.

The LEP was actively exploring opportunities to secure ESIF funding, in collaboration with other partners, to help deliver the Board's strategic priorities. Board members were invited to note that the Executive would be exploring options to secure new funding via the ESIF Programme.

All expenditure had been reviewed and the LEP was working with partner organisations to develop alternative delivery models, which would deliver better value for the organisation. Once these discussions were further advanced, an update report would be provided to the Board.

John Coughlan requested a breakdown of staffing and communications costs for the LEP. The Chief Executive **AGREED** to provide a breakdown of all LEP income and expenditure.

**RESOLVED** that, the Board

- (1) note the current financial position as at Annex A;
- (2) noted that a submission has been made to release Quarter 1 and 2 core and strategy funding to the LEP;
- (3) noted that the LEP is working with partner agencies to develop funding bids which can be used to deliver business activities.

### **133.LEP COMMUNICATIONS (STANDING ITEM)**

There was no discussion on this item. However, members noted that in relation to the appointment of the new LEP Chair a press release would be issued once this was agreed with the successful candidate.

### **134.FORWARD PLANNER (STANDING ITEM)**

The Forward Planner was noted.

### **135.ANY OTHER BUSINESS**

#### Lancaster and South Cumbria Economic Area

The Leader of South Lakeland District Council reminded the Board that the Lancaster and South Cumbria Economic Area had now been established. This would involve cross border working across three districts; Barrow, South Lakeland and Lancashire.

#### Governance and Accountability

John Coughlan stated that it was important that the new incoming Chair led the work on the development of the new governance and accountability arrangements.

#### GDPR

John Coughlan asked that the LEP ensured it was fully compliant with GDPR. The LEP confirmed that it was looking to ensure this, and an update report would be provided at a future meeting.

#### LEP Presentations

John Coughlan suggested that the LEP Chair should look to undertake external presentations on behalf of the LEP. This was noted, diary permitting.

#### LEP Review

Cllr Colin Glover requested an update in relation to the LEP Review. The Chief Executive updated the Board, based on an update that had been provided by Jake Berry, MP, Northern Powerhouse Minister. There was still some debate as to whether the results of the LEP review would be released pre or post recess.

#### Acting Chair

Members thanked the Vice Chair (Private Sector) for all the hard work she had done on behalf of the LEP during her role as the Acting Chair of Cumbria LEP.

**136.DATE & TIME OF NEXT MEETING**

The next meeting will be held on Friday 13 July 2018 at Redhills, Penrith at 9.30am.

The meeting ended at 12.50 pm