

Minutes of the Meeting of the Cumbria Local Enterprise Partnership held on Friday 13 July 2018 at Redhills, Penrith at 9.30 am

**Board Members Present:**

Lord Richard Inglewood (Chair), Stewart Young (Vice-Chair), Giles Archibald, John Coughlan, Colin Glover, Jim Jackson, Rob Johnston, Mike McKinley, Professor Julie Mennell, Alan Smith, Rebecca Weston and Nigel Wilkinson

**In Attendance:**

Rebecca Bryning - BEIS  
Jackie Currie - Board Secretary - Cumbria County Council  
Caleb Deeks - Cumbria LEP Sponsor Director, BEIS  
Angela Jones - Assistant Director - Economy and Environment  
Jo Lappin - Chief Executive - Cumbria LEP

The Chair warmly welcomed Rebecca Weston to her first meeting as a newly appointed Board member; and Caleb Deeks to his first meeting as government's senior sponsor. Caleb was Director of Policy, Delivery and Private office at BEIS. They introduced themselves and gave details of their background and then everyone else around the table introduced themselves to Rebecca Weston and Caleb Deeks.

The Chair asked the Board to agree that the Part II items (Items 15 and 16) be brought forward and considered immediately after Item 4 – Updates from Chair and Vice Chairs. This was **AGREED**.

137 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Jackie Arnold and Sami Falou.

138 **DECLARATIONS OF INTEREST**

Mr Nigel Wilkinson declared a non pecuniary interest in Agenda Item No 8 – Chief Executive's Report, and Item No 16 Windermere Station Update, as the company he manages is one of the funding members of the Lakes Line Community Rail Partnership.

Mr Nigel Wilkinson declared an interest under the Members Code of Conduct as Mr Caleb Deeks is a former employee and shareholder in his business.

## 139 **MINUTES OF PREVIOUS MEETING**

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

On Minute No 123 – Growth Deal Re-prioritisation of Investment Mr Giles Archibald asked that it be recorded that he stated he did not want the North Lonsdale Terrace Scheme removed from the list of projects.

At the end of Minute No 126 – Matters Arising add the following line: ‘Mr M McKinley, Ms J Mennell, and Mr N Wilkinson left the meeting at this point.’

On Minute No 135 – Any Other Business – Lancaster and South Cumbria Economic Area, change the last word in this paragraph from Lancashire to Lancaster.

## 140 **UPDATE FROM THE CHAIR & VICE CHAIRS**

The Chair reported on two meetings held recently, one with the Prime Minister and the other with Stephen Jones, Director of Cities and Growth.

During the discussions with the Prime Minister, she had confirmed that Government was committed to the Local Enterprise Partnerships, and that there was potential for the role to increase.

The meeting with Stephen Jones was a fact finding discussion, which gave the Chair the opportunity to talk about the background and history of the LEPs and what Cumbria LEP needed to do to raise its standing and reputation with Government.

In the absence of Jackie Arnold, Private Sector Vice Chair, the Chair invited Rob Johnston to update the Board on the progress with the appointment of the new private sector representatives to the Board. He confirmed that there had been 10 applicants for the additional private sector vacancies, and the intention was to interview all 10 applicants. It was hoped that the appointment process would be completed before the Annual General Meeting in September. This was noted.

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

### 141 **GOVERNANCE AND ACCOUNTABILITY - RESPONDING TO THE DEEP DIVE REPORT**

The Chair introduced this item and the Chief Executive distributed copies of the deep dive report for Board members to consider. The report detailed the result of the Government’s governance and transparency deep dive on Cumbria LEP.

The meeting then adjourned at 9.55am to allow members sufficient time to read the report, and reconvened at 10.15am.

The Government Internal Audit Agency and LEP Compliance Team undertook a deep dive on the Cumbria LEP from 6-15 March 2018.

Government had noted that progress had been made since the deep dive, and following the appointment of the Chief Executive recognised that governance processes had been improved, and were still improving. However, now that the Chair had been appointed it required the LEP to address those recommendations awaiting his arrival, to be addressed as a matter of urgency. The report provided the detail.

The Chair and Chief Executive had provided the immediate response to the report, which members were invited to note. The following process had also been developed to ensure that all of the findings within the report were addressed as quickly as possible.

The LEP Executive was currently working with Government and the LEP Network to identify LEPs that were exemplars on governance and accountability and would be ensuring that Cumbria learned from these, in developing the revised governance and accountability arrangements.

The Board discussed the report in detail and debated the issues contained within it. Upon conclusion of the debate it was **RESOLVED** that, the Cumbria LEP Board:

- (1) note the report and the LEP's proposed initial response to each of the points raised
- (2) note that the report, and its contents, were provided on a strictly confidential basis and should not be publicised or shared with any third party without the explicit approval of MHCLG;
- (3) note the Chair's covering note to the report and the importance of developing an urgent and substantive report to the findings;
- (4) agree the initial response to the report at the Board meeting on 13 July 2018; and
- (5) note that in order to respond to the findings a draft revised Assurance Framework and governance structure would be circulated in correspondence on 31 July 2018, for response by 24 August 2018;
- (6) note that the proposed implementation date for the new arrangements is 3 September 2018.

## 142 **WINDERMERE STATION UPDATE**

Jim Jackson presented a report which provided an update of progress on Windermere Station.

In January a press release was issued explaining that the LEP was working with a range of partners including the LDNPA, NT, CCC and Network Rail to upgrade the Windermere station to be a fitting Gateway reflecting UNESCO World Heritage Site status. Jim Jackson, Board sponsor, had now confirmed that the next important stage of the study work had been completed.

A final report, which was partly funded by the LEP, was expected from AECOM at the end of July.

The next key stages were likely to conclude by December and the Infrastructure Lead would keep the Board briefed as appropriate.

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

The meeting then adjourned at 11am and reconvened at 11.10am.

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

### 143 **MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA**

The Chief Executive presented her report, and updated on an exceptions basis, on the following items:-

**Rail** – the meeting with David Brown had taken place on Monday 9 July, and had, been a positive, constructive meeting. The discussion at the meeting covered the following:-

- Compensation
- Resumption of normal services
- Quality of rolling stock
- Future timetable

Giles Archibald felt that the meeting was positive but still had concerns about the ability of Northern Rail to resolve the issues. The Board discussed this further and upon conclusion of the discussions it was **AGREED** to keep a watching brief on this to ensure normal service was resumed by 31 July 2018.

Once the timetable was operational 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**.

Jim Jackson reported that Transport for the North had been very supportive of Cumbria and the issues being faced. Transport for the North Board members had worked to secure a compensation package with government, which would include compensation for marketing activity on a number of lines, including the Lakes Line.

It was suggested that the Chair speak to the Mayor of Manchester about this. This was **AGREED (Action: RI)**.

**Business Support** - The LEP had still to receive an offer letter for the 'Business Support' contract and as such the tender process was yet to proceed. Rebecca Bryning advised that the offer letter should be issued during the following week. The Board noted this update.

**Careers Hub for Cumbria-** The Chief Executive was very pleased to report that Cumbria had been successful in its bid to become a Careers Hub, which was a major plank in delivering the ambitions within the Careers Strategy. The contract with the Careers and Enterprise Company, provided an important opportunity to further develop the relationship and the Executive was already exploring opportunities for Cumbria to engage in further pilot activity.

**GDPR** – John Coughlan still had concerns about whether the LEP was fully GDPR compliant, and had requested that a GDPR audit be undertaken. The Chief Executive **AGREED** to take this forward (**Action: JL**).

## 144 **DEVELOPING THE LOCAL INDUSTRIAL STRATEGY**

The Chief Executive presented a report which detailed the latest position on developing Cumbria's Local Industrial Strategy.

She fed back on the four consultation events which had been held recently and reported that positive feedback had been received from all of the events. Many of the Board members had been present at these, and the Chair and Chief Executive thanked them for their attendance. Positive feedback had been received about the visibility of the LEP Board members at all of the events.

As well as the consultation events the LEP Executive had provided a series of presentations to alert partners to the development of the LIS and to outline the approach that would be taken, which would be highly collaborative, consultative, communicative and challenging to ensure that a very strong Local Industrial Strategy was developed for Cumbria.

Board members felt that the events had been very positive. However, Giles Archibald was somewhat disappointed with the attendance of the major large employers at the event that he had attended. John Coughlan suggested that it might be advantageous to hold a key event from a Cumbria wide perspective with the larger employers in Cumbria. Rob Johnston advised that the Chamber of Commerce could help with this, from their business base.

Rebecca Weston commended and welcomed the work on the LIS. It was something that organisations such as Sellafield and BAE and others could align their own work to, particularly in relation to place.

The Chief Executive felt that most of the attendees had left with a much better understanding of the Cumbrian economy, and there was a much wider attendance from individuals and organisations that had never been involved before, particularly the voluntary and community sector and wider public sector. The LEP was still in the process of building strong relationships with all businesses and going forward all options would be explored to ensure really strong engagement with all businesses.

Jim Jackson said that there had been a few younger people at the event that he had attended, and he felt they brought with them positive energy and enthusiasm, especially as the labour supply and skills gap was one of the major issues being faced in Cumbria. The Chief Executive confirmed that the Executive was undertaking some work to develop networks with young people – Shadow Boards,

Young Professional Networks etc. to gather their input into the further development of the LIS.

Colin Glover said Cumbria needed to position itself to encourage businesses to locate headquarters within the county. The Chief Executive confirmed that place marketing was a major theme that had been raised at all events and the need to encourage businesses, employees and young families to locate here, given the challenges around working age population.

Professor Julie Mennell reminded the Board about the role that the University of Cumbria could play in developing the future workforce, and meeting the employee needs of business. She was also disappointed that the feedback referred to the University of Cumbria as having no research facility, which was inaccurate, as there was a growing offer with 110 PhDs secured to date. The need to ensure that the University's offer was better understood was noted.

The Chief Executive confirmed that the 1<sup>st</sup> draft of the Local Industrial Strategy was expected by end of September.

**RESOLVED** that the Board members

- (1) note progress since the last Board Meeting;
- (2) note the think paper (Annex A) and slides (Annex B) prepared for the Consultation events.

Giles Archibald and Rob Johnston left the meeting at this point.

#### 145 **EMPLOYER PANEL WORK PROGRAMME**

Board members considered a report from the Chief Executive, which updated them on the work programmes of the Employer Skills Panels. She advised that there was potential for the Panels role to be extended in the new governance structure to focus on the entirety of the sectoral agenda – policy, legislation, infrastructure, investment etc. This was noted.

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

#### 146 **CHIEF EXECUTIVE'S REPORT**

Mr Nigel Wilkinson declared a non pecuniary interest in Agenda Item No 8 – Chief Executive's Report, and Item No 16 Windermere Station Update, as the company he manages is one of the funding members of the Lakes Line Community Rail Partnership.

The Board had before it a report from the Chief Executive which updated them on a number of issues, including:-

- Energy Plan
- Nuclear Deal

- Programme delivery
- Lakes Line electrification
- Organisational development
- Website development
- Premises
- Funding opportunities

Professor Julie Mennell asked the Board to note that the Cultural Development Fund would make up to £20m available over the next two years to support towns and cities to develop transformative culture-led economic growth and productivity strategies by investing in place-based cultural initiatives and the creative industries.

Expressions of Interest were invited from local partnerships, which should be led by a LEP, Local Authority or other appropriate body and submitted by 15 August 2018. Bids should be between £3-7m with an expectation that at least 20% of the total project costs would be provided through partnership/match funding. Activities must start no earlier than 1 February 2019 and end no later than 31 March 2022.

The Board members felt that the Cultural Strategy should be closely aligned with the Local Industrial Strategy. This comment was noted.

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

#### 147 **CUMBRIA LEP FINANCE UPDATE 2018/19**

The Board considered a report from the Chief Executive which updated them on the LEP's financial position.

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 £74,622.85 and £25,717.10, respectively.

Government had now paid the Quarter 1 and Quarter 2 LEP Core and Strategic Funding (£250,000 in total). This was a significant step forward and would allow the LEP to meet its financial commitments through to September. Government had also paid the Quarter 1 instalment of Growth Deal monies.

At the June meeting of the Board, a query had been raised in relation to the funding provided to Cumbria County Council, the LEP's Accountable Body, for resource provided to the LEP for general programme support activity. A breakdown of this funding had therefore been included in the report.

Moving forward, the LEP had been in very positive discussions with colleagues in the Accountable Body about re-shaping the resource to meet the business priorities that would emerge as the LEP moved forward into its next phase.

John Coughlan asked the Chief Executive to look at the possibility of using apprentices to strengthen the resources needed within the LEP. There may also be the opportunity for the local authorities to sponsor these. The Chief Executive would progress this **(Action: JL)**.

Questions had also been asked about the communications contract. The Chief Executive confirmed that this included the communications work, which provided support for all LEP related external communications work, including media relationships, Press Releases, editorial and advertorial content, web maintenance, design work, publications and promotional materials.

The Chief Executive also confirmed that work was continuing to identify new and additional funding streams.

**RESOLVED** that, the Board notes:

- (1) the current financial position as at Annex A;
- (2) the activity currently delivered by Cumbria County Council on behalf of the LEP;
- (3) the activity that the LEP is undertaking to secure additional income streams.

#### 148 **LEP TRAVEL AND SUBSISTENCE POLICY**

The Board considered a report from the Chief Executive which sought approval for the introduction of an expenses policy for private sector Board Members.

At its April meeting the Board asked that the Executive produced a new policy for the payment of private sector members expenses, where it would not be reasonable to expect the Board member to pay these, for example because they undertook significant LEP related activity (e.g. Chair) or were a sole trader or micro-SME. It had been decided that this should be deferred to await the arrival of the Chair, and as such was now being presented at this meeting.

The Board was conscious of the need to use funds wisely and transparently and given that the LEP was predominantly funded by public sector monies it would seem appropriate that any expenses should be paid in line with widely accepted public expenses rates.

A draft policy was attached at Annex A of the report for LEP Board members' consideration and approval.

It was proposed that this policy be implemented for the 2018/19 financial year (i.e. as from 1 April 2018). Board members were invited to agree this policy and its implementation date.

John Coughlan outlined his concerns about the policy and felt that re-imbursing should only be made to the Chair, with all other private sector members meeting their own travel costs. This was perceived as inequitable by other members, with the consensus being that all private sector members should be eligible to apply, should they wish to. It was noted that there was no requirement for private sector members to submit claims, if they did not want to.



The Board discussed the proposed policy in detail, and Stewart Young suggested that the Board as Non-Executives should be aligned with Local Authority members rather than officers. This was agreed by Board members and as such the following changes would be made to the policy:

- Mileage to be paid up to 100,000 per annum at 45p per mile
- Over 100,000 to be paid at 25p per mile
- Subsistence would not be available under this revised model

John Coughlan asked how this was going to be funded. The Chief Executive confirmed that there was sufficient headroom in the Travel and Subsistence budgets to meet these costs.

It was noted that all private sector members were potential beneficiaries of the policy and as such any claims would be declared and made publically available, on request.

**RESOLVED** that,

- (1) a new policy for the payment of private sector members expenses is introduced, as outlined at Annex A, with the amendments detailed above;
- (2) this policy is implemented for the 2018/19 financial year.

#### 149 **LEP COMMUNICATIONS (STANDING ITEM)**

The appointment of Rebecca Weston to the Board.

#### 150 **FORWARD PLANNER (STANDING ITEM)**

Noted.

#### 151 **ANY OTHER BUSINESS**

##### **LEP Resources**

The Chair of the Rural and Visitor Economy Sub Group had been delighted with the support provided to his sub group from Joe Broomfield from Allerdale BC. However, his secondment had ended in June and the sub group was now under-resourced.

The Chair noted this and said it was imperative that the LEP provided the frameworks to support the sub groups going forward. The Chief Executive confirmed that the Executive was working to ensure that all governance bodies were effectively supported.

## **Carlisle Airport**

The Board were concerned to hear the news of the delays to the scheduled flights out of at Carlisle Airport, and asked what would happen to the LEP's £4.95 million investment. The Chief Executive advised that the money had not yet been paid, as its release was subject to conditions that had still to be met. The Board asked that the Chief Executive provide a note outlining the details on this. **(Action: JL)**

The Board also requested that the Executive look seriously into what was happening and asked that Kate Willard come along to a future meeting to update the Board. It was **AGREED** that the Chair and Chief Executive would make initial enquiries and update the Board **(Action: RI/JL)**.

## 152 **DATE & TIME OF NEXT MEETING**

The next meeting will be the Annual General Meeting which was scheduled for Thursday 13 September 2018 at 5pm at Redhills, Penrith.

The meeting ended at 12.20 pm