

Minutes of a Meeting of the Cumbria Local Enterprise Partnership held on Friday, 28 September 2018 at Redhills, Penrith at 9.30 am

Board Members Present:

Lord Richard Inglewood (Chair), Ms Jackie Arnold (Vice-Chair), Cllr Stewart Young (Vice-Chair), Cllr Giles Archibald, Mr G Booth, Mr John Coughlan, Cllr Colin Glover, Mr Jim Jackson, Mr Mike McKinley, Professor Julie Mennell, Cllr Alan Smith, Mr MJ Smith (OBE), Ms Rebecca Weston and Mr Nigel Wilkinson

In Attendance:

Jackie Currie	Board Secretary - Cumbria County Council
Sami Falou	Assistant Director - Cities and Growth, BEIS
Alison Hatcher	Chair of the Technical Officers Group - Cumbria County Council
Jo Lappin	Chief Executive - Cumbria LEP
Paul Martland	Carlisle Airport
Kate Willard	Story Group

153 APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr S Curl and Mr R Johnston.

154 DECLARATIONS OF INTEREST

Mr Nigel Wilkinson declared a non pecuniary interest in Agenda Item No 15 – Chief Executive’s Report, as he manages the Lakes Line Community Rail Partnership.

Professor Julie Mennell declared a non pecuniary interest in Agenda item No 5 – Presentation from Carlisle Airport as she was a member of the Carlisle Airport Committee.

155 MINUTES OF PREVIOUS MEETING

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

Minute No 48 – LEP Travel and Subsistence Policy – second bullet point, change from ‘up to 100,000 miles’ to ‘up to 10,000’ at 45p and ‘over 100, 000 miles at 25p’ change to ‘over 10,000 miles’

156 UPDATE FROM THE CHAIR & VICE CHAIRS

The Chair updated on the following issues:

Governance - The Chair had spent the majority of his time on governance issues for the LEP and the need to create a new Local Assurance Framework. Government's expectations of LEPs had changed and it was essential that these issues were right. The LEP Network was playing an increasingly important role in feeding into the Government on issues.

Development of the Northern Powerhouse 11 - the Chair advised that it was intended that the Northern Powerhouse 11 brings together the 11 Northern LEPs to focus on issues of shared interest and on which there would be added value in collaborative working. The Chief Executive informed members that SDG Economics had been appointed to help develop and refine the work programme.

The Chair was pleased to report that he personally was involved in developing the emerging thinking on the places theme. John Coughlan said he would be interested in learning more about this, as he was aware that some of the private sector businesses had concerns about this.

Action Point: John Coughlan to advise the Chair of these concerns.

Stewart Young expressed some concern about the number of Government bodies which were being created, such as Transport for the North, the Northern Powerhouse, and Council for the North etc. He felt some clarity was needed on the roles and responsibilities of each of these bodies to ensure that there was no duplication of roles.

It was agreed that a further update would be provided at the next meeting.

Action Point: A substantive report to be presented on NP11 and other Northern bodies at the next Board meeting.

The Vice Chair (subsequently appointed Deputy Chair) Private Sector updated on the following:-

Visit by Jake Berry - a meeting had taken place on 27 September with Jake Berry. He had spent the day touring around parts of Cumbria. Discussions had taken place around the NW Energy Squared Project, but Jackie was conscious that the Board had not yet had the opportunity to discuss this. She was also aware that a number of conversations had taken place around this with different Board members and the Executive.

Dong Energy/Orsted - Jackie had been holding talks with the lead officer at Dong about offshore windfarms. Dong Energy/Orsted was looking to create and develop a Cumbrian cluster for the maintenance of offshore energy, which needed further exploration. More widely, there was a need to consider the LEPs role in supporting the development of Cumbria's significant and growing energy sector. It was agreed that a meeting should be convened to discuss this further.

Action Point: Jackie Arnold, Rebecca Weston and the Chief Executive to meet to discuss how energy could be considered in the new governance arrangements and LIS.

Increasing diversity on the LEP Board - The Vice (subsequently deputy) Chair Private Sector felt this needed more work. Cumbria had some very successful senior woman working in industry in Cumbria, but for some reason they were not putting themselves forward for positions on the LEP Board. She would continue to work with the Chief Executive on this.

Action Point: Jackie Arnold and Jo Lappin to continue to encourage women to consider appointments to the CLEP Board.

The Vice Chair Public Sector updated on:

Carlisle Southern Link Road - Stewart Young confirmed that the HIF bid for the creation of a Southern Link Road, in support of the St Cuthbert's Garden Village, had been submitted on 10 September 2018. He hoped there would be announcement on this before Christmas.

157 MATTERS ARISING NOT COVERED ELSEWHERE ON THE AGENDA

The update provided by the Chief Executive focusing on matters arising not covered elsewhere on the agenda was noted.

PART II - ITEMS CONSIDERED NOT IN THE PRESENCE OF THE PRESS AND PUBLIC

158 PRESENTATION FROM KATE WILLARD ON DEVELOPMENTS AT CARLISLE AIRPORT

Professor Julie Mennell declared a non pecuniary interest in Agenda item No 5 – Presentation from Carlisle Airport as she was a member of the Carlisle Airport Committee.

The Board received an update from Kate Willard, Head of Projects at Stobart Group on recent developments at Carlisle Airport. The presentation included details on:-

- History to the development of Carlisle Airport
- Air traffic controllers update
- Stakeholders
- Changes to conditions of grant
- Future plans for the airport services and site

Stewart Young, Board member commented that he was surprised that the Stobart Group was caught unawares by the problems with the lack of air traffic controllers nationally. The Head of Projects accepted this and explained that plans that had been put in place to try to resolve this issue.

John Coughlan said he did not think the Stobart Group had engaged enough with the business community. More work needed to be done to engage with business in future. Ms Willard agreed with this, and said engagement would be more focused with the business community going forward.

Board members asked for details of how the Stobart Group planned to deal with the onward transmission of passengers. Kate Willard outlined the proposed plans for this, including shuttle buses, car hire (including electronic), bicycle hire, mini bus hire and even helicopter services.

Giles Archibald asked Kate if any research had been carried out in relation to the net increase of greenhouse gases from emissions once flights commenced from Carlisle Airport. Kate Willard said she did not have the figures to hand but would ensure a written response was provided.

Board members were looking for reassurances that the Carlisle Airport Project was sustainable. Kate responded that there was a plan and a strategy in place move the project to a position of sustainability, although she accepted this may take a number of years to achieve.

Kate thanks the Board for the chance to come to the meeting to update the board on developments, and she extended an invite to all Board members visit the site, either individually or collectively.

The Chair thanked Kate for her update.

Members expressed their concern that there was a lack of detail on some issues. There was also concern as to whether the airport could spend the money, given the delays. On the latter point, the Chief Executive confirmed that the money had already been spent, and that it was compliance with the condition relating to ensuring that passenger flights would be delivered, that was the issue. If this was satisfactorily resolved money would be released immediately. It was therefore essential that this outstanding condition was resolved and the Investment Panel had agreed the negotiating brief.

Action Point: It was agreed that the Chief Executive should ensure that the outstanding issues were addressed and that the Board was kept updated.

159 BOARD APPOINTMENTS

The Chief Executive presented a report which informed the Board that the Cumbria LEP's Local Assurance Framework required that at the outset of the Annual General Meeting the appointments of the Chair, Deputy Chair and Vice Chair in the year of his/her reappointment, were notified. In terms of the ratification of appointments, this would take place in a closed session prior to the start of the open, public Annual General Meeting, given that only LEP Board members were entitled to vote. Board members were therefore asked to ratify the Chair's appointment.

In relation to Jackie Arnold MBE's re-appointment, the Executive had sought the opinion of BEIS to confirm that an extension of up to 12 months would not cause any issues in terms of compliance, given the need for business continuity during the

handover period. BEIS had confirmed that it had no objections to this, for a time limited period. Board members were invited to agree that Jackie Arnold be re-appointed as Vice-Chair.

At this point the meeting was adjourned to allow the private sector board members the opportunity to consider and agree their nomination.

Adjourned at 11:50 and reconvened at 12pm.

When the meeting reconvened the private sector Board members confirmed their support for Jackie Arnold and **AGREED** that she be reappointed as Deputy Chair (Private Sector) for a period of up to 12 months.

The public sector members were invited to nominate their Vice-Chair candidate to the Board for approval. It was **AGREED** that Stewart Young be appointed as the Vice Chair (Public Sector) for a further 12 month period.

The Chair wrote to all Board members on 3 September 2018 advising that following the Board recruitment exercise offers of appointment had been made to Graham Booth, Steve Curl and Mike Smith OBE, all of whom have accepted their appointments. The Board **AGREED** these appointments.

Since the July Board meeting the Further Education Sector (FE4) had written to the LEP Chief Executive requesting that a place be provided to the sector in line with the position in most other LEP's.

The LEP had also re-categorised HE as private sector in line with the National Accounts Sector Classification of organisations. If members agree that FE4 should be invited to nominate a representative to the Board this too was assumed to be classified as a private sector appointment, although this was subject to confirmation. It was noted that it would be for the sector to use its own processes to identify their nominee.

The Chief Executive advised that the new LAF made provision for a Voluntary and Community Sector representative, operating as a social enterprise, to join the board. Members were invited to confirm their agreement to the Executive approaching the sector for a nomination. This was **AGREED**. It was noted that it would be for the sector to use its own processes to identify their nominee.

Board members noted that the LEP was falling significantly below the 2020 target of a third of women, at only half of this level, and as such it was proposed that a targeted marketing campaign be undertaken to encourage women and those from protected characteristics to apply for Board positions on the LEP. This was **AGREED**.

In relation to equality and diversity monitoring, and in order to monitor progress the LEP needed to establish a baseline position. Board members were therefore invited to agree that monitoring forms be completed by all members to establish the current position for future monitoring purposes. This was **AGREED**.

RESOLVED that, the Cumbria LEP Board

- (1) ratified the appointment of the Chair, prior to formal notification of this at the Annual General Meeting, in line with the Terms of Reference;

- (2) agreed that Jackie Arnold MBE's appointment as Deputy Chair be extended for up to 12 months to ensure continuity of handover; and for notification at the Annual General Meeting, in line with the Terms of Reference;
- (3) agreed Stuart Young's appointment as Vice-Chair, following the nomination of the public sector, for a 12 month period, and for notification at the Annual General Meeting, in line with the Terms of Reference;
- (4) ratified the appointments of Graham Booth, Steve Curl and Mike Smith OBE to the Board;
- (5) subject to clarification of FE's categorisation on the National Accounts Sector Classification of organisations it was agreed that Further Education be invited to have a specific place on the Board, in line with many other LEP's;
- (6) agreed that a targeted Board recruitment exercise is undertaken to encourage female representatives and those with protected characteristics to apply to the Board;
- (7) agreed that the Voluntary and Community Sector is invited to nominate a representative from a social enterprise;
- (8) agreed that a baseline position is established for the Board for monitoring purposes.

160 AWARD OF CONTRACT - CATALYST GOVERNMENT HUB

The Board considered a report from the Chief Executive, which sought approval for the award of a contract for the Cumbria Growth Catalyst Contract.

The 2017/18 contract for BEIS funded business support triage, diagnostic and business support services was operationally completed by 31 March 2018 and financially concluded by 31 July 2018. The move to the new contract was delayed due to the compliance issues identified in the deep dive report, but after resolution of the issues the Invitation to Tender went live on the North West Procurement Portal, "the Chest" on 1 August 2018.

The Chief Executive took members through the report, detailing the background to the new contract and the tendering process undertaken.

The Chief Executive asked the Board to award the contract subject to clarification of the following issues:-

- Status of Cumbria Growth Catalyst
- Data Sharing
- Programme Management
- Resource deployment
- Learning from Best Practice

John Coughlan asked a question about the information that was now being sought in relation to data and whether this had been made clear in the tender specification. The Chief Executive confirmed that the requirements of the BEIS metrics and evaluation framework had been included in the tender document.

John then asked whether charges could be made by the company if any of the BEIS requirements were not listed in the tender document. The Chief Executive said the requirements from BEIS had been made clear in the tender document. However, in any contract there may be elements that change over time and the decision whether to proceed on that basis was really for the tenderer to determine.

John Coughlan went on to say that if some of the elements were to change and were not included in the original tender document then the company should not be expected to provide these free of charge. He said that he also had concerns about the second recommendation in the report, which he did not feel was explicit enough in stipulating the information required to be provided. The Chief Executive reiterated that the Tendering Process had made clear that there was a requirement to provide all data required to manage the contract, and that penalties were in place for non-compliance.

Stewart Young, Leader of Cumbria County Council, was supportive of the recommendation and said that as the Accountable Body, if outcomes were not achieved then penalty clauses would be applied.

A Board member had been made aware of an issue where an individual had contacted the proposed delivery organisation for some business advice, and the telephone number he rang had been charged at the business rate, which was charged at a higher rate. They had been happy with the business advice they had been given, but were disgruntled by the cost of the telephone charges, which had been applied to access this service.

The Board felt that this was a reputational issue for both the LEP and for the delivery organisation, and the preference of the Board was that the service would be provided via a free phone number, or reduced cost, for access into the service.

They asked that the Chief Executive raised this issue with all of those concerned (BEIS, Accountable Body and tenderer).

RESOLVED that, the Board

- (1) award the Cumbria Growth Catalyst Contract to the Cumbria Chamber of Commerce, subject to satisfactory clarification of a number of outstanding issues;
- (2) note that the contract will be subject to revised monitoring arrangements during the contracting period, to ensure delivery of all agreed outcomes and performance management information;
- (3) asked that the Executive explore the potential for the tenderer to apply a free phone number, or charge at the lower rate, for all initial contacts into the service.

Colin Glover left the meeting at this point.

PART I - ITEMS CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

161 REVISED LEP ASSURANCE FRAMEWORK AND GOVERNANCE ARRANGEMENTS

The Board considered a report from the Chief Executive which asked the members to agree the Local Assurance Framework and revised governance arrangements for the Cumbria LEP.

At its Board meeting on 13 July 2018, the Board agreed to the production of a revised Local Assurance Framework (LAF) and governance structure to respond to a series of reviews that had taken place including government's Deep Dive, the Mary Ney Review and S4W report.

The need for updating the LAF was first identified some eighteen months ago, and the cumulative issues identified within the subsequent reviews meant that the LAF was non-compliant and needed urgent amendment. Additionally, government had been withholding funding on the basis of non-compliance, with the progress to date resulting in release of Quarters 1 and 2 Growth Deal funding and core and strategic running cost funds.

Government had already informed the LEP that release of the remainder of both the Core and LGF funding was subject to the provision of a Board agreed improvement plan with key milestones based on the recommendations from the recent governance review and subsequent deep dive. This improvement plan must also ensure adherence/compliance to the National Assurance Framework, Mary Ney recommendations and LEP Governance and Transparency Best Practice Guidance and progress must have been made towards achieving these milestones.

The Board was aware that the funding released to date runs out on 30 September and the Accountable Body, which underwrote Cumbria LEP's finances for the first half of the financial year, whilst previously awaiting government funding, had identified an understandable unwillingness to do so again.

Government had therefore asked that the LEP Board provided formal confirmation of its agreement to the LAF and governance structure, in-line with current decision making processes. Once the approval was secured the LEP would request that Government initiate the process for the release of the remainder of the funding.

Since the Board met on 13 July 2018 Government had released its review of LEP's "Strengthened Local Enterprise Partnerships", which had identified its future expectations of LEPs, in terms of roles and responsibilities, leadership and organisational capacity, accountability and performance and geography. A number of comments were focused on the implications of this, including the geography question raised within this.

Board members noted that Cumbria LEP had joined the national working group on developing the new National Assurance Framework to ensure that it was helping to inform the discussion and could anticipate any likely revisions and prepare for these.

The Chair said that this was a living document, which would be reviewed and amended on an ongoing basis.

John Coughlan was disappointed that he had not had the opportunity to review the comments made with other Board members, and he felt at the Board should have had the opportunity to debate these before they were included in the framework.

Alan Smith and Colin Glover supported this and agreed there should have been an additional board meeting convened to discuss this.

The Chair advised that the Board collectively had agreed the process and what had been delivered was the process agreed at the 13 July Board meeting. The majority of the Board were supportive that the collective decision reached on 13 July was implemented, as agreed.

Alan Smith speaking on behalf of the District councils said he felt unable to support the framework. He had raised on a number of occasions, the fact that the district councils wanted an increase in the number of public sector seats on the Board. He asked that his objection be minuted.

The Board understood the concerns raised by the district councils, but it was not possible to allow a further 3 seats to be allocated to the districts as this would mean the board was non-compliant, with government's requirement for two-thirds of the Board to be from the private sector and for Boards to have a maximum membership of 20.

The Chief Executive advised that she had raised attendance of the other three districts as observers with the Chair, and he was very supportive of this. The Board confirmed that they would be very happy with this as the Board is an open meeting.

Action Point: Alan Smith to advise the District leaders of Barrow, Copeland and Eden that they would be welcome to attend future meetings.

Alan Smith also raised concerns about engagement between the LEP and the Leaders. The Chair advised that he had written to Alan Smith, in his capacity as Chair of the Leaders, inviting the Leaders to advise him and the LEP as to how they wanted to engage. He therefore re-iterated the offer in his letter, confirming that the LEP was willing and committed to engage with the Leaders, and were waiting for a response as to how the Leaders wished to take this offer forward.

Action Point: Alan Smith to advise how the Leaders wished to engage with the LEP going forward.

Giles Archibald asked that his support for the LAF be noted and he thanked the Chair and Chief Executive for the significant amount of work that had gone into producing this in a short amount of time.

The Chair understood the concerns of Alan Smith, Colin Glover and John Coughlan as outlined in the meeting, but due to the tight deadlines imposed by Government it had not been possible to fit in an additional meeting to discuss this.

Mike Smith asked if the Local Assurance Framework had been benchmarked against best practice, and the Chief Executive had confirmed that it had.

He then asked if the framework had been the subject of an external audit. The Chief Executive said that the framework had been audited by Cumbria County Council as the Accountable Body, and it had also been considered by the National Assurance team at BEIS.

John Coughlan raised his significant concern about the 'in extremis' provision in the LAF, and the reason for the inclusion of this. The Chief Executive advised that this had been included at the request of the Accountable Body as very recently there had been an issue on decision making in relation to projects at a quorate Board meeting, due to numerous conflicts of interest. The potential of this being implemented was significantly reduced by the increased size of the Board. The Chair advised that this was fairly standard practice and it was for the Board to ensure that should this ever be required, the Chief Executive discharged this properly.

The majority of Board members were in support of the proposals and it was therefore, **RESOLVED** that, Board members

- (1) confirmed acceptance to the Local Assurance Framework and governance structure and requested that government now released further funding;
- (2) noted the comments received in response to the draft Local Assurance Framework and the response to these (Annex A);
- (3) noted the revised Local Assurance Framework accommodating the changes identified in Annex A (Annex B);
- (4) noted the compliance review undertaken by the Accountable Body and how these issues have been addressed (Annex C);
- (5) noted that a further revision to the Local Assurance Framework will be produced once the revised National Assurance Framework is published.

162 POPULATING THE NEW GOVERNANCE STRUCTURE

Board members considered a report from the Chief Executive, which updated them on taking forward the implementation of the LEP's new proposed governance structure.

The LEP Board members received a revised governance proposal on 31 July 2018, for consideration in correspondence by 24 August 2018. The governance proposal was commented on by the Board members and those had been provided under Agenda Item 9. This paper therefore focused on taking forward the revised governance proposals outlined in the CLEP Local Assurance Framework.

Appointing Chairs

The Investment Panel Terms of Reference stated that the Deputy Chair would take responsibility for the Chairing of this Panel.

The Terms of Reference for the Strategy Boards confirmed that the five Boards should be Chaired by a member of the CLEP Board. The one exception to this was the Transport and Infrastructure Strategy Group which also fulfilled the function of the Transport Board, and as such it was felt that this group should to be chaired by the Statutory Transport Authority.

The Sector Panels were a mixed appointment process in that there were insufficient Board members to populate all groups operating, given the new policy of only Chairing one Group, unless with the explicit approval of the Chair.

The Kingmoor Park Board Chair would also need to be appointed from the Private Sector members.

John Coughlan felt that in relation to the Chairs of the working groups and panels there was an inequity between the number of public sector chairs and private sector chairs. He was disappointed that he had not had the opportunity to input into this.

The Chief Executive said that all Board members were invited to express a preference to Chair any of the Boards that had not been appointed by virtue of role (e.g. Innovation Panel and Transport and Infrastructure Strategy Group), and that there was no reference in the LAF to a distinction between public and private sector Chairs, all sub-Board bodies were open to all members. The Sector Panels were also open to non-Board members who could come from any sector.

The Chair confirmed that he would be contacting all Board members to identify preferences and would then present a proposal for agreement as soon as possible for appointing Board Chairs.

Appointing Other Members

The intention was that Board members of existing governance bodies, which were deemed analogous, be invited to join the successor body and be migrated over to the new structure. Any gaps in the structure would then be identified and filled by an open recruitment process, widely advertised on the LEP website and through existing communication channels.

This would be open to the private, public and voluntary and community sectors. Interested candidates would be invited to submit an expression of interest for consideration by the Chair and Chief Executive, who would then draw up a proposed membership list for ratification by the full Board at its next meeting.

Board members noted that individuals on the Private Sector Advisory Panel would be individually contacted and invited to migrate over to the new governance structure.

Combined Economic and Productivity Scrutiny Committee

Members noted that the new structure proposed the formation of a Combined Economic and Productivity Scrutiny Committee. The intention was that this would consist of elected members from each local authority potentially economic portfolio holders, together with the finance from the Accountable Body.

It was recognised that the specifics of this Combined Scrutiny Panel were still to be developed, including membership, agenda priorities, etc. The Chief Executive advised that she was meeting with Local Authority Chief Executives to develop the detail.

Action Point: The Chief Executive to work with the Local Authority Chief Executives to develop the details of how the new Scrutiny Committee would work.

Terms of Reference

All Sub-Board Chairs would be invited to agree the Terms of Reference with their new Boards at the 'inaugural' meetings of the Sub-Boards. Board members supported the suggestion that the Terms of Reference would be tailored to meet specific requirements of existing work programmes or the strategic theme or sector panel.

Implementation

The Chair wanted the roll out of the new governance structures to start with immediate effect with all bodies expected to have met in their new format by 31 December 2018.

One of the Board members raised concerns that there was no representation on the Board for the Energy Sector, especially as Cumbria was home to one of the biggest windfarms in the country.

The Board debated this and upon conclusion it was **AGREED** that the structure be approved as proposed, and then discussions be held outside of the meeting in relation to the representation of Energy around the table, as agreed under the Deputy Chair's update. This would be brought back to a future meeting, if required.

RESOLVED that, the Board:

- (1) Noted the process for the appointment of Chairs to each of the Sub-Board bodies and that the Chair will be in contact to discuss these appointments;
- (2) Noted that proposed appointments will be ratified at the earliest possible opportunity;
- (3) Noted that members of the existing structure will be invited to migrate over to the new structure;
- (4) Agreed that an open recruitment exercise will take place to secure additional Sub- Board members;
- (5) Noted that individuals previously on the Private Sector Advisory Panel would be contacted to invite them to join other Sub-Board bodies;
- (6) Agreed that the new governance structure will be rolled out with immediate effect and should be fully operational by end November 2018;
- (7) Agreed that Chairs will have the flexibility to tailor individual Terms of Reference to reflect specific work programme priorities, subject to approval by the Board.

163 STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS - IMPLEMENTATION PLAN

The Chief Executive presented a report which asked the Board to agree the Implementation Plan that needed to be submitted to government in response to the strengthened: Local Enterprise Partnership report.

Government published its “Strengthened Local Enterprise Partnerships” report in July 2018. This outlined new requirements of LEP’s in terms of:

- Roles and Responsibilities
- Leadership and Organisational capacity.
- Accountability and Performance
- Geography and
- Mayoral Combined Authorities (where applicable)

The report was the conclusions of Government’s policy review of LEP’s. Stephen Jones, Director BEIS, subsequently wrote to all LEP’s asking that they complete a geography proposal to be completed by 28 September and an Implementation Plan and a request for additional funding, which needed to be completed by 31 October 2018. A draft response to each was provided at Annex B of the report.

Members were invited to note that the response to the geography would need to be submitted immediately after the Board meeting to meet government’s deadline.

Board members noted that in order to progress the Implementation of the plan an Officers Working Group had been formed to take forward the work programme. This group would ensure that all necessary approvals were secured from the Board.

An important early decision was the form of legal identity for Cumbria LEP as an incorporated body and an options appraisal paper was being prepared for consideration by the Board at the 23 November meeting.

The other urgent early decision was the agreement of a single Accountable Body as Cumbria LEP would not be able to proceed to incorporation without this, as roles and responsibilities needed to be negotiated with the Accountable Body as part of that process.

The CLEP Board was invited to note that a request would need to be made for a suitable public sector body to take on this role and offer any thoughts on this, prior to formal agreement at the November Board meeting. If the Board was able to make an early request this would enable work on the development of the Memorandum of Understanding to proceed.

Board members were invited to consider the draft response and approve it, prior to submission to government.

Giles Archibald asked how the Lancashire and South Cumbria Economic Area would be reflected in the plan, and the Chief Executive confirmed that this would be with text in the document that stated the LEP was supportive of external relationships and

partnership working, and the response on geography would be amended to record this. This was noted.

RESOLVED that, the Board

- (1) note the content of the “Strengthened Local Enterprise Partnerships” report at Annex A of the report;
- (2) agree the draft Implementation Plan at Annex B of the report, subject to including reference to the relationship with the Lancashire and South Cumbria area and other external relationships;
- (3) note that a working group has been formed to undertake the actions identified in the Implementation Plan, once this is approved by the Board;
- (4) note that a proposal on the LEP’s legal identity, the single Accountable Body and a new draft Memorandum of Understanding will be provided to the November Board meeting.

164 DEVELOPING THE LOCAL INDUSTRIAL STRATEGY

The Board had before it a report from the Chief Executive, which asked the members to agree the next stage of consultation on Cumbria’s Local Industrial Strategy.

Work had continued on the development of the Local Industrial Strategy, in line with the project plan agreed by the Board at its May meeting. The work had been taken forward through the LIS Steering Group, which had done an excellent job in working collaboratively and productively to develop our thinking. This had resulted in the production of an early draft skeleton document at Annex A. This still needed significant ‘polishing’ prior to consultation to address the following issues:

- Storyboarding
- Developing the intellectual model
- Balancing the twin platforms
- Transformational actions
- Developing the ‘Asks’
- Evidence Base
- Capturing variable geographies
- Strengthening Externalities
- Maps and visuals

Economic Review Document

The Board agreed that a sister Economic Review document should be prepared and the significance of this was heightened at a recent meeting with government policy leads, who flagged that economists would complete a deep dive on the evidence base. A proposed format for the document had been produced, at Annex B of the report and Board members were invited to confirm their agreement to this.

Consultation Events

The LEP had committed itself to a highly consultative approach to the development of the LIS, with all of those who attended the initial consultations in July advised that further events would take place once the skeleton draft was produced. The intention was to undertake further consultation events on 31 October and 1 November.

At the last consultation events, Board members took an active leadership role in hosting and facilitating the events and again members were invited to do this.

Julie Menell and Mike Smith commented that the references within the strategy did not convey the strength of the He and FE offer, and felt more work needed to be undertaken on this. The Chief Executive acknowledged this and said that these issues would be addressed in the further drafting.

The Leader of South Lakeland District Council felt that Brexit and the Ageing Population of Cumbria should be emphasised more in the document.

The Chief Executive said that it would be too soon to include Brexit in the consultation draft, as the impact of this was as yet unknown. However, she understood further work was needed on this, and suggested that a separate economic impact assessment be completed. The Board **AGREED** this.

It was **AGREED** that Board members be given a further two weeks to feed back any further comments on the draft consultation document before it was published.

RESOLVED that, the Board:

- (1) agreed that the skeleton draft (Annex A) should form the basis for consultation at the next round of events;
- (2) noted the further work that is to be undertaken on the draft document;
- (3) provided developmental comment on the draft document by 11 October 2018;
- (4) agreed the format for the development of the economic review document (Annex B)
- (5) agreed that the consultation events should take place on 31 October and 1 November;
- (6) confirmed availability to participate in the Consultation Events at the Board meeting by 19 October 2018.

165 APPRENTICESHIP UPDATE

The LEP Board considered a report from the LEP Head of Skills which asked them to consider how to address the national decline in apprenticeship starts which was being mirrored in Cumbria.

The Government had set a target of 3 million Apprenticeship starts to be achieved over the lifetime of this Parliament.

This target was to be achieved at a time when the Department for Education (DfE) was implementing significant changes to the way Apprenticeships were funded and delivered, including:

- Apprenticeship Levy
- Apprenticeship standards
- Register of Apprenticeship Training Providers
- Off the job training

These reforms were taking time to bed into the skills sector but statistics released by the Education and Skills Funding Agency (ESFA) revealed that between March 2017 and March 2018 there was a 52% drop in starts (23,900 from 50,000).

The position in Cumbria was set out in the report. The Board noted that only the construction sector had shown an increase with a 16% rise.

The LEP Skills Team was currently working on the following actions to address this issue:

- Working with the Carlisle College led Edge Partnership
- Working with partners to develop the community apprenticeship programme
- Working with the Learning and Work Institute to review data provided by ESFA.
- Leading an Apprenticeship conference in the autumn
- Working with the Cumbria Work Based Learning Provider Forum
- Ensuring that the Careers Hub promoted the range of Apprenticeship opportunities available to young people.
- Working with the Apprenticeship Employer Ambassador Board to develop further Apprenticeship Ambassadors for Cumbria.

Julie Mennell noted that the report was helpful and requested that a broader, more wide ranging discussion on skills was put on the agenda for a future meeting. This was **AGREED**.

RESOLVED that, the Board

- (1) note the decline in Apprenticeship starts across Cumbria;
- (2) note the actions being taken to address the issue;
- (3) provide observations on how the decline in Apprenticeship starts can be addressed;
- (4) agree that a report on the wider skills agenda be brought to a future meeting for discussion.

166 CUMBRIA LEP FINANCE UPDATE 2018/19 BUDGET

Board members considered a report from the Chief Executive, which detailed the latest position in relation to 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 outturn of £58,774 and £55,717 respectively, if all income streams were secured and current budget and commitment figures were respected.

Currently, the LEP was waiting for government to release Quarters 3 and 4 core and strategic funding for 2018/19. The release of further funding was dependent on the Board's agreement of the Local Assurance Framework and revised governance arrangements, which had now been approved.

The delay in funding presented a potential cashflow issue and CLEP had worked with the Accountable Body to confirm that there were no immediate 'going concern' issues. However, this was reliant on the release of the funding contribution from Sellafield Ltd and early progress in securing quarter 3 and 4 funding.

As part of the next financial update the Board members asked for an update on which local authorities had contributed to the LEP funding. This was **AGREED**.

RESOLVED that, the Board

- (1) noted the current financial position as at Annex A;
- (2) noted that a submission to release Quarter 3 and 4 core and strategy funding to government cannot be made until the Local Assurance Framework and governance arrangements are agreed;
- (3) noted that there is sufficient cashflow to continue trading beyond 30 September;
- (4) that a bid has been developed to secure further funding from government as outlined under the Strengthened Local Enterprise Partnerships agenda item.

167 CHIEF EXECUTIVE'S REPORT

Mr Nigel Wilkinson declared a non pecuniary interest in Agenda Item No 15 – Chief Executive's Report, as he manages the Lakes Line Community Rail Partnership.

The Chief Executive presented a report which updated the Board on a number of issues, including:-

- Careers Strategy
- Nuclear Sector Deal
- Borderlands
- Programme Delivery
- Growth Programme
- Lakes Line Electrification

- Windermere Station Uplift
- Funding Opportunities
- Business Basics Fund
- NP11 – Growth Hub Stream
- Made Smarter Pilot
- Construction Skills Fund

RESOLVED that, the report be received and noted.

168 PREPARING FOR THE AGM

The proposed plan for the AGM this afternoon was noted.

169 LEP COMMUNICATIONS (STANDING ITEM)

It was **AGREED** that a press release be issued in relation to the new Board members.

170 FORWARD PLANNER (STANDING ITEM)

The Forward Planner was noted.

It was **AGREED** that discussions re Brexit, and Development of Place – North of England would be added to the agenda for the November meeting.

171 SCHEDULE OF MEETINGS 2019

RESOLVED that, the schedule of dates for forthcoming meetings be agreed.

172 ANY OTHER BUSINESS

University of Cumbria – Academy with Sellafield

Professor Julie Mennell updated the LEP Board on the recent development of The Project Academy. The academy was a collaboration between the University of Cumbria and Sellafield to help facilitate training and development of project management skills in the nuclear industry. The LEP Board was delighted to hear of this.

Cumbria Leadership Board (CLB) Update

Giles Archibald gave the board an update on recent discussions from the CLB, including:

Brexit – the CLB had concerns about who was speaking for Cumbria in relation to the issues surrounding Brexit. They wondered if this was a role for the LEP.

The LEP Board understood and shared the concerns raised by the CLB, and as agreed previously would ensure that a Brexit Economic Impact assessment was completed. This would include input from economists It was **AGREED** that this would be a substantive item on the agenda for the next meeting.

Climate Change – the CLB had recently received a presentation on Climate Change. The CLB was engaged with this issue and would be writing to all leaders of both public and private sector organisations about this.

173 DATE & TIME OF NEXT MEETING

The Annual General Meeting (AGM) was taking place following this meeting at 2pm Redhills, Penrith.

The next LEP Board meeting will take place on Friday 23 November 2018 at Redhills at 9.30am.

The meeting ended at 1.35 pm