

Cumbria LEP Investment Panel
12th September
Agenda Item 4
Paper 4.1



Cumbria
Local Enterprise
Partnership

Minutes of a meeting of the Cumbria Local Enterprise Partnership Investment Panel held on Wednesday 23rd May 2018 at Redhills Penrith, Cumbria at 13:30

INVESTMENT PANEL MEMBERS PRESENT:

Jackie Arnold (Chair), Alison Hatcher, Peter Hensman, Simon Sjenitzer,

IN ATTENDANCE:

Rebecca Bryning	Deputy Area Lead Cumbria, Cities and Local Growth Unit
Eleanor Farrell	Economic Programmes Team , Cumbria County Council -
Jo Lappin	LEP Chief Executive
Corinne Watson	LEP Programme Manager

APOLOGIES FOR ABSENCE

Apologies for absence were received from Pam Duke, Rob Johnston and David Southward.

DECLARATIONS OF INTEREST:

Investment Panel Members were advised of the requirement for Panel Members to complete the Cumbria LEP Register of Interest template to ensure compliance with the LEP's implementation of the recommendations of the Mary Ney Review. Members will be sent electronically a copy of the template which should be returned to Eleanor Farrell.

ACTION/AGREEMENT: Cumbria LEP to send Investment Panel Members the Cumbria LEP's Register of Interest template for completion and for this template to be returned to Eleanor Farrell.

A non pecuniary declaration of interest was received from Jackie Arnold with regard to Agenda Item 9 LEP Prioritisation Process with regard to her employment at the University of Cumbria. A non pecuniary declaration of interest was received from Alison Hatcher with regard to Agenda Item 9 for those projects where Cumbria County Council is the applicant.

MINUTES FROM THE PREVIOUS MEETING

The minutes of the previous meeting were agreed.

MATTERS ARISING

The revised minutes from the March meeting were not included with the Papers. The revised minutes will be sent out to the Investment Panel for agreement.

The Options Paper relating to the use and direction of the Cumbria Infrastructure Fund is to be presented at the next meeting of the Investment Panel.

PROGRAMME UPDATE – LEP INVESTMENT PANEL PROGRAMME UPDATE

PART II – RESTRICTED ITEM - NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH(S) 3 OF PART I OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972, AS THIS REPORT CONTAINS EXEMPT INFORMATION RELATING TO FINANCIAL OR BUSINESS AFFAIRS OF ANY PARTICULAR PERSON (INCLUDING THE AUTHORITY HOLDING THAT INFORMATION)

The Investment Panel considered the report relating to LEP programme delivery which covered the Growth Deal Fund, the Cumbria Infrastructure Fund and the Cumbria Growth Hub. The Investment Panel was advised of the ongoing delivery challenges experienced on the North Lonsdale Terrace element of the scheme and that further information would be provided to the panel on the project and whether unspent funding would be returned to the Growth Deal programme for reallocation. Growth Deal - The Investment Panel was advised that at the April meeting of the Cumbria LEP Board the GD025 James Walker (Project Arc) scheme was approved subject to the identified conditions. The project has now moved to the contracting phase and meetings have been convened with the applicant, LEP Officers and the County Council to progress the Funding Agreement. The applicant has raised concern over two of the contract conditions.

Firstly, the applicant has raised concern over the inclusion of a charge on the property on which the scheme will be delivered as the land is owned by their Parent Company and is already subject to a charge against its Pension Fund for which agreement to include a subsequent charge is unlikely to be approved by the applicant's legal advisors. The Panel were advised that Officers from the Accountable Body are due to meet their Legal Services to discuss alternative forms of security that could be considered for the scheme.

Secondly, the applicant has requested an amendment to the timescale for delivery of the Private Sector Investment from three years to five years to allow sufficient time for this output to be delivered.

RESOLVED that, The Investment Panel approve the extension of time for delivery of £9.8m of Private Sector Investment from 3 years to 5 years.

The Investment Panel was advised of ongoing conversations with Britain's Energy Coast (BEC) on the GD023 Mark House scheme. Concerns continue to be ongoing relating to the possibility of the development being used as a Public Sector Hub and deviation from the original approval. Officers continue to meet with BEC on this issue to identify the proportion of the building that a Public Sector Hub would utilise. The LEP Chief Executive has agreed to visit the site.

A review of the output delivery for the programme is underway. As part of this exercise the Barrow Waterfront scheme has reported that it is unlikely to deliver the outputs profiled this year. However there are likely to be jobs delivered through other schemes within the programme against Optimising Connectivity and the Daltongate element of the South Ulverston Infrastructure project.

Cumbria Growth Hub – The audit of the Growth Hub is to be completed by the end of July. The Investment Panel noted the performance achieved to date and requested future reporting included the targets as well as the achievements to date. It was **AGREED** that future reporting would include this.

Cumbria Infrastructure Fund- An Options Paper for future delivery will be brought to the next meeting. The Investment Panel was advised that there is £43k of CIF available for 18/19 however this figure may increase if the contribution required for the delivery of the Cross a Moor scheme is less than the original approval.

Kingmoor Park Enterprise Zone

There have been management changes at the Enterprise Zone and the LEP Chief Executive and Chair of TOG have been to a meeting of the Enterprise Zone. A new Private Sector Board Member is required for the Enterprise Zone Board and this may be an opportunity for one of the new LEP Board Members.

BUSINESS CASE DECISIONS

It was agreed to consider the Strategic Outline Case for LEP 052 under the prioritisation process.

CUMBRIA INFRASTRUCTURE FUND 051 – CLASSIC DESSERTS CHANGE CONTROL

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The paper covered a request to amend the schedule of repayments for the above project.
Background

RESOLVED: That an alternative schedule of repayments is introduced that show a ‘stepped’ increase in repayments for 18/19 as agreed.

GD017 ULVERSTON INFRASTRUCTURE PROGRAMME UPDATE

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This report provided an update for the Investment Panel on the Ulverston Infrastructure Project (flood infrastructure). The Ulverston Infrastructure Project has been RED rated for some time and the Investment Panel requested an update at its May 2018 meeting to enable the viability of the scheme to be considered. Following a report from the Environment Agency it is clear that the project would be unable to commence activity until at least August 2021 which is outside of the Growth Deal timescales. The Environment Agency had noted that there could be other schemes that may be able to be delivered within the Growth Deal timescales that could protect land and businesses from flooding. The details of these are not currently available.

It was **AGREED** to recommend to the LEP Board that the Ulverston Infrastructure project is removed from the Growth Deal and the £5m allocation to be made available for appropriate re-allocation.

It was **AGREED** that the Executive would meet with the Environment Agency to discuss ways of working together going forward.

GD005 SOUTH ULVERSTON INFRASTRUCTURE PROGRAMME

To be considered by written procedure.

LEP PIPELINE PRIORITISATION

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Background

The Investment Panel requested that the Executive bring a both a summary of the LEP Pipeline as well as a detailed update on high risk projects to the May 2018 meeting, in order to undertake a prioritisation exercise to consider if there was an opportunity to include any new projects within the Growth Deal.

Following the meeting, all projects currently on the LEP Pipeline were contacted and given the opportunity to re-submit their Strategic Outline Business Cases, providing information on any key changes.

The LEP Executive reviewed the information and attempted an initial sift of the projects. The sift exercise was based on the prioritisation principles set out in the LEP Central Assurance Framework which are;

- Strategic Fit
- Deliverability
- Value for Money

The paper suggested a prioritisation 'grade' of either;

- High priority – projects with a high likelihood of deliverability, strong strategic fit, good value for money and contribution to Growth Deal outputs.
- Medium priority – projects that may fit well strategically, but may require further development work to give confidence in deliverability.
- Low Priority – projects that may fit strategically, but are insufficiently developed at this stage.