To: The Chair and Members of the Local Enterprise Partnership (LEP) Scrutiny Board.

Agenda

A meeting of the Local Enterprise Partnership (LEP) Scrutiny Board will be held as follows:

Date: Tuesday 3 March 2020
Time: 2.00 pm
Place: Conference Room A/B, Cumbria House, Carlisle

Please note that a pre-meeting will take place for members only at 13:30pm.

Dawn Roberts
Executive Director – Corporate, Customer and Community Services

Enquiries and requests for supporting papers to: Daniel Hamilton
Direct Line: 07920700299
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This agenda is available on request in alternative formats

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ACCESS TO INFORMATION

Agenda and Reports

Copies of the agenda and Part I reports are available for members of the public to inspect prior to the meeting. Copies will also be available at the meeting.

The agenda and Part I reports are also available on the County Council’s website – www.cumbria.gov.uk

Background Papers

Requests for the background papers to the Part I reports, excluding those papers that contain exempt information, can be made to the Democratic Services Unit at the address overleaf between the hours of 9.00 am and 4.30 pm, Monday to Friday.
AGENDA

PART 1: ITEMS LIKELY TO BE CONSIDERED IN THE PRESENCE OF THE PRESS AND PUBLIC

1 APOLOGIES FOR ABSENCE
To receive any apologies for absence.

2 MEMBERSHIP
To note any changes of membership.

3 DISCLOSURES OF INTEREST

Members are invited to disclose any disclosable pecuniary interest they have in any item on the agenda which comprises

1 Details of any employment, office, trade, profession or vocation carried on for profit or gain.

2 Details of any payment or provision of any other financial benefit (other than from the authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. (This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

3 Details of any contract which is made between you (or a body in which you have a beneficial interest) and the authority

(a) Under which goods or services are to be provided or works are to be executed; and

(b) Which has not been fully discharged.

4 Details of any beneficial interest in land which is within the area of the authority.

5 Details of any licence (alone or jointly with others) to occupy land in the area of the authority for a month or longer.

6 Details of any tenancy where (to your knowledge)

(a) The landlord is the authority; and

(b) The tenant is a body in which you have a beneficial interest.
Details of any beneficial interest in securities of a body where

(a) That body (to your knowledge) has a place of business or land in the area of the authority; and

(b) Either –

(i) The total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or

(ii) If that share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

In addition, you must also disclose other non-pecuniary interests set out in the Code of Conduct where these have not already been registered.

Note

A “disclosable pecuniary interest” is an interest of a councillor or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they are civil partners).

4 EXCLUSION OF PRESS AND PUBLIC

To consider whether the press and public should be excluded from the meeting during consideration of any item on the agenda.

5 MINUTES

To confirm the minutes of the meeting of the Trust held on 16 September 2019 (copy enclosed).

(Pages 7 - 12)

6 2019/20 ANNUAL DELIVERY PLAN - UPDATE

To consider a report by the Chief Executive, Cumbria LEP detailing the Annual Delivery Plan (copy enclosed).

(Pages 13 - 22)

7 LOCAL INDUSTRIAL STRATEGY WORK PLAN - FOCUS ON PLACES

To consider a report from the Chief Executive, Cumbria LEP which will provide an overview of the work plan which underpins the place priority of the Local Industrial
8  ANNUAL PERFORMANCE REVIEW - INITIAL ASSESSMENT

To consider a report from the Chief Executive, Cumbria LEP (copy enclosed).

(Pages 27 - 60)

9  DEVELOPING THE 2020/21 ANNUAL DELIVERY PLAN

To consider a report from the Chief Executive, Cumbria LEP with the purpose of providing an update on the development of the 2020/21 Annual Delivery Plan (copy enclosed).

(Pages 61 - 62)

10  BACKGROUND BRIEFING PAPERS

Briefing Papers on Cumbria LEPs work with regards to apprenticeships and climate change (copy enclosed).

For information.

(Pages 63 - 72)

11  DATE AND TIME OF NEXT MEETING

The next meeting of the Local Enterprise Partnership (LEP) Scrutiny Board will take place on the 10 September 2020 at Cumbria House, Carlisle.
Local Enterprise Partnership (LEP) Scrutiny Board

10.00 am, 16 September 2019

Present at the meeting

County Councillors

Mr J Airey
Ms C Driver
Mr K Hamilton
Mr J Lister
Mr B McEwan
Mrs V Tarbitt
Mr B Wearing
Mr M Wilson

Borough/District Councillors

Ms C Bell
Ms H Edwards
Mr J Bainbridge
Mr R Ashcroft

1 APOLOGIES FOR ABSENCE

Apologies were received from Mr C Hogg, Mr M Hawkins, Mr S Haraldsen and Mr J Kane.

2 MEMBERSHIP

It was announced that the Mr J Kane would fill the vacant seat as the Board’s representative from Copeland.

3 DISCLOSURES OF INTEREST

There were no disclosures of interest made on this occasion.

4 EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, the press and public not be excluded from the meeting during consideration of any items of business on the agenda.

5 Cumbria LEP Delivery Plan 2019-20

The Executive Director – Cumbria Local Enterprise Partnership (CLEP) took members through the 2019/20 Annual Delivery Plan which demonstrated the governance and strategy planning expectations of the CLEP.

The Delivery Plan was a new requirement for 2019/2020 as part of the response to the “Strengthened Local Enterprise Partnerships” report.

It was explained that the following were considered key indicators of performance for the 2019/20 Delivery Plan:-
• Supporting the creation of around 650 new jobs
• Levering in around £35 million of investment
• Creating and refurbishing 15,935 sqm of premises
• Helping the delivery of 145 new homes

Members asked for further explanation of the key indicators and sought assurance that the CLEP were on track to meet the targets. It was recommended that Members view the Growth Deal which provided a cumulative update on CLEP performance against agreed targets. The Executive Director highlighted areas where targets were exceeded including premises creation/refurbishment and also identified two areas which had seen slower growth than predicted. Members were assured that those two outcomes, job creation/safeguarding and new homes, were the main focus going forward. It was also explained to members that the CLEP would review projects which failed to deliver on their expectation for job creation.

Members asked for clarification on the make-up of the Investment Panel. It was explained that the panel was made up of representatives from the both the public and private sectors and was chaired by the Deputy Chair of the CLEP, further detail was given about district and county representation and members were told where they could find additional information. A question was raised about the organisations commitment to diversity and whether the Chief Executive would seek to reflect this in representation of the Investment Panel. Members were assured that the CLEP were committed to delivering diverse representation.

The Chair of the CLEP described the organisations clearly defined rules regarding the declaration of interests and contextualised the progress made in implementing the new governance structure. Members praised the work of the Chair and Chief Executive in developing and improving the standard of the CLEP’s new governance structure.

Members sought assurance that members of the CLEP would do as much as possible to ensure the success of the business case to the Department of Transport (DfT) to support the ‘Energy Coast’ Rail upgrade.

Members were asked whether there was scope to carry out work that was previously removed from the work programme if for example there was extra funding unused at the end of the financial year. It was explained that proposals are constrained by regulation which states they must be completed within the financial year if however the proposal was in line with this criteria then there would be scope to do it.

When discussing Local Growth Fund projects it was AGREED that a response be provided regarding outcome figures for Furness College in relation to the Skills Capital 1 project.

Concerns were raised about Borderlands and the relationship between Barrow and wider Cumbria. The Chair of the CLEP ensured the representative from Barrow that the CLEP is committed to working in collaboration across borders in both the south and north of the county to deliver the best for the population. It was reiterated that the Borderlands has the scope to impact all of Cumbria.

A discussion then took place regarding the Connecting Cumbria project and the need to recognise broadband as a utility. Particularly, to those in rural areas where
residents had often been told that provision of fast broadband was not economically viable. The Chair and Chief Executive of the CLEP agreed that broadband provision to rural areas would remain a priority. It was AGREED that a response be provided identifying broadband ‘notspots’ in Cumbria.

It was RESOLVED that, members note the report.

6 Identification of New CLEP Projects

With reference to the Local Assurance Framework the Chief Executive - CLEP outlined the following key points and how they related to the identification of new projects:

- Loosely or undefined schemes would not be considered for funding – projects need to be developed in a robust manner and compliant with the principles of HMT Green Book.
- Projects seeking less than £0.5m would likely be discouraged unless there is a clear and justifiable rationale for doing so.
- CLEP would not contribute more than 75% of total project costs and for skills capital projects, more than 50% unless in the case of exceptional circumstances.
- CLEP would only contribute towards the capital costs of projects.

The Chief Executive – CLEP informed members that of the 2018/19 funding £6.057m was spent which meant that the Growth Deal had been fully delivered. For 2019/20 a total of £6.818m was on track for delivery. There had been claims totalling £1.949m paid to projects in Quarter 1, representing 28.59% of the annual total. It was explained that in preparation for the next financial year there was £8.215m assigned provisionally to projects which were in development. Members were told that for the current financial year there was now £5.707 in unallocated funding following withdrawal of North Shore Hotel development.

A discussion took place regarding housing demand as well as the role of local authorities and developers in planning and building. The Chief Executive – LEP explained the scope of the promoting Cumbria strategy which aimed to encourage people from out of county to move, work and start a family in Cumbria.

A question was raised about the resilience and suitability of business sites around Cumbria within the context of the changing climate. The Chief Executive assured members that much was being done to safeguard jobs and workplaces. It was confirmed that issues relating to the changing climate would be identified in any planning process and be mitigated against.

The discussion turned to the opportunities that should arise from the ‘green energy’ agenda and the major role that the CLEP had in promoting the production of clean energy. Members heard how the CLEP would continue work with a number of businesses and continue to make contributions to the county-wide climate change group.

It was RESOLVED that, members note the report.
7 Developing the Local Industrial Strategy Work Plan for People, Employment and Skills

The Chief Executive – CLEP updated members on the development of the People, Employment and Skills Work Programme for Cumbria’s Local Industrial Strategy. It was explained that the People, Employment and Skills Strategy Group, one of the CLEP’s sub-board governance bodies, were responsible for driving forward the response to the challenges in relation to People and Skills.

The following priorities were highlighted:

- Making the best use of available talent
- Developing and retaining higher level skills in our economy
- Creating the future workforce and skills to meet the needs of our economy
- Developing our future leaders and managers
- Addressing worklessness and youth unemployment

A discussion took place about career and skills strategy and the opportunities that could arise to provide a platform for the youth voice. Members sought assurance from the CLEP that skills needs would be addressed through the input and contribution of Further and Higher Education professionals. The Chief Executive assured members that the board had very good representation from the relevant skills sectors.

A further discussion took place in relation to the retention of Cumbria’s skilled workforce and then a question was asked about how Cumbria could nurture entrepreneurs and increase the rate of business start-up. The Chief Executive explored the strategies which would create the atmosphere for attracting and retaining innovation, she highlighted the CLEPs work to secure premises and ensure access to superfast broadband.

Members and the Chief Executive – CLEP shared concerns over the age group of 18-24 year olds and the need to solve the issue of ‘worklessness’ on an individual level whilst promoting the strategy of inclusive growth. The Chief Executive explained an offer that had been made to teachers to endorse Cumbria as a location for educational professionals to live and work.

It was RESOLVED that, members note the report.

8 Update on Mid-Year Review

The Chief Executive – CLEP provided an update to members on the outcomes of the Mid-Year Review.

She explained to members that the purpose of the review had been to reflect on the progress of actions which arose from the 2018/19 Annual Performance Review and from the Annual Delivery and Improvement Plans and to show case the progress on delivery of Strategic Economic Objectives and Programmes as well as to identify the major milestones, projects and challenges expected in 2020-21.

In terms of governance performance the following was identified:

- Performance Review 2018/19 – acknowledged that all actions have been closed.
- Establishing the Company - now up and running as a standalone company as required in Strengthened LEPs
- Compliance Check – no issues identified
- Accountable Body’s Perspective – CCC confirmed pleased with progress made by CLEP on their governance changes and compliance with HMG guidance

In terms of delivery performance the following risks were highlighted:-

- North Shore – advised BEIS project was being withdrawn
- Port of Workington – noted that development issues need to be resolved asap or funding may be clawed-back
- Citadels – dependent on MHCLG decision on SOBC
- Barrow Waterfront – outcomes risks noted and dialogue with BAE for a new manufacturing facility would explore this

Members were informed that the Department for Business, Energy and Industrial Strategy (BEIS) had noted the plans CLEP had in place to ensure the Growth Deal funding would be spent by March 2021, including the recent expression of interest exercise.

Members were advised of an update to the Brexit Impact Assessment. It was AGREED that the Brexit Impact Strategy be shared with the Board.

9 DATE AND TIME OF NEXT MEETING

The next meeting of the LEP Scrutiny Board will take place on 3 March 2020 at 14:00pm.

The meeting ended 12:15pm
2019/2020 ANNUAL DELIVERY PLAN UPDATE

1. ISSUE

1.1 Reviewing the Quarter 3 update on CLEP’s 2019/20 Annual Delivery Plan

2. RECOMMENDATION

2.1 The LEP Scrutiny Board members:
   a) Review the Update;
   b) Raise any issues regarding this at the Scrutiny Board Meeting

3. BACKGROUND

3.1 The Annual Delivery Plan was introduced as a ‘light touch’ document for the 2019/20 Financial Year. The document was light touch in recognition that most Local Enterprise Partnerships had yet to agree their Local Industrial Strategy with Government. Cumbria Local Enterprise Partnership (CLEP) was in this position.

3.2 Prior to the formation of the formal LEP Scrutiny Board the Scrutiny Management Committee considered the draft Annual Delivery Plan and agreed that this would be reviewed at each of the Scrutiny Boards, once formed.

3.3 The latest update for Quarter 3 of 2019/20 is provided at Annex A for members consideration. The LEP Chief Executive will provide a short presentation on this at the Board meeting and members are invited to review this update in advance of the meeting to explore any specific issues in relation to this.
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### Strategy

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<thead>
<tr>
<th>Priority Activity</th>
<th>Target Achievement Date</th>
<th>Progress Update</th>
<th>Forward Look</th>
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<tbody>
<tr>
<td>Formalising operations of Construction and Professional Services Sector Panels.</td>
<td>July 2019</td>
<td>These Boards are now both fully operational. Joanne Holborn, Baines Wilson, has been appointed to Chair the professional services sector panel and has launched a recruitment campaign to attract new members.</td>
<td>Finalising the work programmes of both the Construction and Professional Services Sector Panels and move these into delivery mode.</td>
</tr>
<tr>
<td>Production of CLEP’s first Diversity Report.</td>
<td>July 2019</td>
<td>This was agreed by the CLEP Board at its 19 July meeting, when a revised Diversity and Inclusion Policy was also agreed. The Board also agreed to the formation of the Futures Forum (aged 18-35), who will ensure that CLEP’s strategic priorities are informed by the views of younger people.</td>
<td>Progress the development of the forward work programme with the Futures Forum at its meeting on 13 March 2020.</td>
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<tr>
<td>Priority Activity</td>
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<td>Progress Update</td>
<td>Forward Look</td>
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| Undertake an Economic Impact Assessment on LGF. | September 2019 | The Mid-Term Evaluation of the LGF programme was completed in line with government guidance. | Confirm that government is content with the LGF Evaluation.  
Government rejected the initial request to consider the business case and as such, the Chair is writing to the new MHCLG Minister requesting a meeting to discuss this. |
<p>| Explore the baseline and focus for the Enterprise Zone with Government. | September 2019 | Through the BEIS policy lead contact had been made with the EZ government policy leads, who have been provided with the necessary background papers to advise on BRR baseline and extending the focus of the EZ, post-NuGen. |                                                                                                                                               |
| Implementation of the NPH Key Account Management Work Programme. | September 2019 | The function is now fully operational with the Mid-Year Review with DiT confirming that they were satisfied with progress. The Internationalisation Strategy is now at final draft stage. | Finalise the Internationalisation Strategy, which includes a focus on investment alongside trade. Develop business cases for the inclusion of Cumbrian sites within the NPH prospectus. |</p>
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<tr>
<td>Finalisation of the Local Industrial Strategy.</td>
<td>October 2019</td>
<td>Initial LIS and revised LIS in current published format submitted. Version 9.1 of the evidence base submitted, which responded to all key points of feedback.</td>
<td>Complete the logic chain and submit this to government by 6 March 2020.</td>
</tr>
<tr>
<td>Move CLEPs performance level to the next level at the Annual Performance Review.</td>
<td>March 2020</td>
<td>Provide all necessary paperwork to inform the APR process on 10 January 2020.</td>
<td>Complete APR process and respond to any actions identified.</td>
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## Governance

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<tr>
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<tbody>
<tr>
<td>Appointment of new Deputy Chair.</td>
<td>May 2019</td>
<td>Jim Jackson confirmed as CLEP Deputy Chair in May 2019.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Recruitment to achieve full Board complement.</td>
<td>September 2019</td>
<td>Two new Board members recruited for September meeting and successfully inducted. Board now at full complement.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Further Development of Annual Report to support AGM.</td>
<td>September 2019</td>
<td>Revised format developed and implemented for the 27 September 2019 AGM</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Annual General Meeting.</td>
<td>September 2019</td>
<td>Successful AGM held on 27 September attended by over 100 stakeholders</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Undertake Governance Review.</td>
<td>September 2019</td>
<td>This was completed and the decision reached was to retain the governance structure as implemented in September 2018.</td>
<td>COMPLETE</td>
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<tr>
<td>Priority Activity</td>
<td>Target Achievement Date</td>
<td>Progress Update</td>
<td>Forward Look</td>
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<tr>
<td>Ensure actions within the Governance Improvement Plan are fully embedded.</td>
<td>March 2020</td>
<td>These actions were all addressed prior to the outset of the 2019/20 reporting year.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Combined Economic and Productivity Scrutiny Committee (now known as LEP Scrutiny Board) in place.</td>
<td>March 2020</td>
<td>LEP Scrutiny Board now operational with the first meeting taking place on 12 September 2019.</td>
<td>COMPLETE – new scrutiny arrangements operational.</td>
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## Establishing CLEP as a Company

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<th>Forward Look</th>
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</thead>
<tbody>
<tr>
<td>Establishment of CLEP’s company financial operations.</td>
<td>May 2019</td>
<td>All financial systems and processes fully operational.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Recruitment of posts to complete CLEP’s new team structure.</td>
<td>June 2019</td>
<td>CLEP organisational structure now fully populated with all team members in place.</td>
<td>COMPLETE</td>
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# Delivery

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<th>Progress Update</th>
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</thead>
<tbody>
<tr>
<td>Complete a mid-programme evaluation of Growth Catalyst.</td>
<td>July 2019</td>
<td>Independent Mid-Term Evaluation completed by Amion July 2019. Evaluation highlights good performance and management of the Growth Catalyst as well as making a number of recommendations that will be taken forward with the delivery partner and BEIS.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Match all schools and colleges with an Enterprise Adviser.</td>
<td>July 2019</td>
<td>At the last measurement point in August 2019 Cumbria Careers Hub had a full complement of Enterprise Advisors.</td>
<td>COMPLETE</td>
</tr>
<tr>
<td>Develop funding calls and subsequent projects for ERDF &amp; ESF to utilise remaining funding.</td>
<td>September 2019</td>
<td>Final ERDF funding calls completed.</td>
<td>Identify any opportunities presented by Performance Reserve.</td>
</tr>
<tr>
<td>Review CIF commitments and commission activity to utilise available funding.</td>
<td>September 2019</td>
<td>Proposals identified that could utilise all remaining CIF Funding.</td>
<td>Formally contract remaining funding.</td>
</tr>
<tr>
<td>Priority Activity</td>
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<tr>
<td>Development of the LIS Work Programme.</td>
<td>March 2020</td>
<td>All governance bodies are developing work programmes based on the LIS evidence base and strategic priorities.</td>
<td>Complete the individual work programmes and draw this into a single Business Plan to implement the priorities within the LIS.</td>
</tr>
<tr>
<td>Support the delivery of £6.82m of LGF Spend in Cumbria.</td>
<td>March 2020</td>
<td>Re-profiling activity has taken place to ensure that this year’s funding of £6.82million can be fully spent.</td>
<td>Ensure that all Quarter 4 claims are submitted to meet 2019/20 spend profile.</td>
</tr>
<tr>
<td>Develop the CLEP Pipeline to ensure a robust supply of projects that can deliver any unallocated Growth Deal funds.</td>
<td>March 2020</td>
<td>All expressions of Interest appraised and project priorities agreed at November Board meeting.</td>
<td>Appraise all Full Business Cases and commit into contract the remaining funding.</td>
</tr>
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</table>
LOCAL INDUSTRIAL STRATEGY WORK PLAN – FOCUS ON PLACES

1. ISSUE

1.1  Reviewing the development of the Local Industrial Strategy Work Programme, with a particular focus on Places.

2. RECOMMENDATION

2.1  That the LEP Scrutiny Board note this report and that a more detailed presentation on this will be provided at the Scrutiny Board Meeting.

3. BACKGROUND

3.1  The Government produced its National Industrial Strategy in November 2017 and at the same point commissioned Local Industrial Strategies, which were to be developed in partnership by Local Enterprise Partnerships. CLEP developed an ambitious and highly inclusive process for the production of its Local Industrial Strategy (LIS) with the initial draft submitted to Government in March 2019.

3.2  Since the LIS was submitted the focus has been on agreeing and finalising the evidence base to underpin the LIS. CLEP’s evidence base has been deemed to meet all requirements. The intention was then to start negotiations with key government departments around specific economic development priorities within the LIS. However it is fair to say that the process has slowed somewhat, due to changes in the machinery of government.

3.3  Irrespective of this CLEP decided that it would continue to progress its underpinning work programme, given that the opportunities and the challenges identified in the LIS remained important for Cumbria. It was therefore important that the work proceeded, with the focus being on productivity, inclusive growth and moving to a net zero carbon economy.

3.4  Members are already aware that the Local Industrial Strategy is structured around the five drivers of productivity – Ideas and Innovation; People and Skills, Business Environment; Infrastructure and Places. At its last meeting the LEP Scrutiny Board considered the People and Skills element of the programme, and following discussion with the Chair, it was agreed that this Scrutiny Board meeting should focus on the Places theme, given that the importance of this agenda has significantly increased due to the current government’s commitment to the ‘Levelling Up’ Agenda.

3.5  The LIS identified 5 key priorities for places:

- PL1 – Address cold spots of worklessness and social deprivation in Cumbria.
- PL2 – Support local place shaping programmes.
- PL3 – Encouraging housing which is the right product at the right price, in the right place.
• PL4 – Encourage and support bespoke local area economic diversification strategies.
• PL5 – Work with public sector partners to deliver high quality public services.

3.6 The Places Strategy Group is responsible for overseeing the work programme in relation to this. In addition this Strategy Group is also responsible for promoting Cumbria, given the high degree of alignment between the places agenda and promoting place, the priorities within Promoting Cumbria are:

• PC1 – Develop Brand Cumbria to effectively market Cumbria’s enviable offer.
• PC2 – Develop soft landing packages for those relocating to Cumbria.
• PC3 – Promote Cumbria as the place where outdoor lifestyle meets technology businesses.
• PC4 – Promote Cumbria as a great location for inward investment.

3.7 The Places agenda has gained significant profile and traction with government as recognised by announcements on the Future High Street Fund and the Towns Deal programmes, which provide the potential of investment of up to £25 million in 100 and 101 places, respectively. Barrow, Carlisle, Maryport and Whitehaven have been shortlisted for Future High Streets Funds and Barrow, Carlisle, Cleator Moor, Millom and Workington for Towns Funds.

3.8 This level of coverage is significantly, in excess of what we might have expected. These announcements have over recent months provided the major focus for the work of the Places Group, given the potential scale of investment, which could lever in up to £225 million of investment. The Strategy Group organised a developmental workshop on maximising the potential of the funding and is in the process of working with individual District Councils to identify what specific support the Group can most helpfully provide in order to develop the proposals and to maximise the funding secured.

3.9 On the Promoting Cumbria agenda there has been significant focus on developing the Futures Campaign – Our Future and Your Future. Our Future is targeted at young people within the County and looks to promote the significant career and educational opportunities available to them. The Your Future campaign is targeted at a wide range of individuals currently living outside of the County and encouraging them to come to live, work and invest here. The Our Future campaign is currently being launched through both social and traditional media with the social media campaign currently live and a highly visible Stagecoach bus campaign due to launch in early March. Examples of the marketing collateral will be provided to the Scrutiny Board at their meeting.

3.10 In addition CLEP has also significantly increased activity in relation to inward investment and has for the first time had a Cumbrian site included in the Department of International Trade’s Northern Powerhouse Prospectus. It is hoped that the inclusion of Kingmoor Park will be formally announced at MIPIM the international property event.
3.11 The CLEP Chief Executive will provide a presentation on the work programme at the meeting.
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ANNUAL PERFORMANCE REVIEW – INITIAL ASSESSMENT

1. ISSUE

1.1 Feedback on CLEP’s Annual Performance Review with Government.

2. RECOMMENDATION

2.1 That LEP Scrutiny Board members note feedback from the Annual Performance Review and the next steps in the process.

3. BACKGROUND

3.1 CLEP’s Annual Performance Review (APR) with Government took place on 10 January 2020. The focus of the APR is around the three themes which government assess LEPs against – Governance, Strategy and Delivery. The meeting itself provided an opportunity for Government to explore and discuss CLEP’s self-assessment. Murryam Anwar, Area Director – North West and Northern Powerhouse, chaired the session with other Government leads including Sami Falou, CLEP’s Relationship Manager and Richard Perry, DfT Relationship Manager.

3.2 At this year’s APR there was no national representative to undertake the moderation role. This was reflecting the fact that input to the national moderation process would be provided by regional leads.

3.3 Shortly in advance of the APR, Jenny Dibden, Co-Director Cities and Local Growth Unit (a joint unit between BEIS and MHCLG) provided CLEP’s indicative mark. This advised that CLEP had been indicatively assessed as follows:

   **Governance:** Good
   
   **Delivery:** Good
   
   **Strategic Impact:** Requirements Met

3.4 In considering these indicative markings Scrutiny Board members will wish to note that there are four markings for the governance and delivery themes – inadequate; requires improvement; good; or exceptional and for the strategy theme two markings - requirements met or not met. At this stage in the process, no LEP will be marked as Exceptional until all of the APR meetings have taken place, in order that all LEPs evidence can be considered. Therefore, the markings received means that CLEP is in the most positive position that it could be at this point in time. A copy of the ‘2019-20 Annual Performance Review Guidance’ is appended at Annex A.

3.5 Over the coming weeks there is opportunity for CLEP to provide further information to support Government in its assessment process. CLEP has made clear its readiness to provide whatever else might be required to support Government in its deliberations, particularly around some of the best practice that has been implemented on CLEP’s governance. Conversations are also taking place...
between the LEP Network and Government to ensure that the process is working effectively and equitably for individual LEPs and the Network as a whole.

3.6 The indicative timetable in terms of next steps is outlined below:

<table>
<thead>
<tr>
<th>Month</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 January – 14 February</td>
<td>Annual Performance Review Meetings</td>
</tr>
<tr>
<td>21 February</td>
<td>Quarter 3 Local Growth Fund data return deadline</td>
</tr>
<tr>
<td>February - March</td>
<td>Cities and Local Growth Unit moderation</td>
</tr>
<tr>
<td>28 February</td>
<td>Section 151 Officer compliance letter to MHCLG Accounting Officer</td>
</tr>
<tr>
<td></td>
<td>Publication of the LEP Chair/CEx Governance Statement</td>
</tr>
<tr>
<td>1 March</td>
<td>Annual Performance Review Preparation (Part B completed) LEP return</td>
</tr>
<tr>
<td>April</td>
<td>Outcome letters sent to LEPs from the Director</td>
</tr>
<tr>
<td>Late April</td>
<td>Completion of the Annual Performance Review process and LGF payments</td>
</tr>
</tbody>
</table>

3.7 The Chair and Chief Executive will be happy to respond to any questions at the Scrutiny Board meeting.
2019-20 Annual Performance Review

Guidance

Version 2.0 – November 2019
Introduction

1. This guidance sets out the process for the LEP Annual Performance Review 2019-20. This guidance is being issued in November 2019 in the sensitive pre-Election period. This is because we consider the guidance to reflect business as usual to allow LEPs to continue to perform their role as custodians of public money. Any forward look timeline in this document is subject to review by an incoming government.

Background

2. The Accountability System Statement for Local Government and Local Growth Fund (LGF) sets out how local government funding and LGF are allocated, describing the robust local systems which are in place to ensure that resources are spent with regularity, propriety, and value for money.

3. In January 2019 the Ministry for Housing Communities and Local Government (MHCLG) published the National Local Growth Assurance Framework which provided parameters in which LEPs must operate and also guidance for Mayoral Combined Authorities (MCAs).


Annual Performance Review

5. The Annual Performance Review is the formal way by which the Government and each LEP meet to discuss the contribution the LEP has made towards driving forward local economic growth; to review LEP governance and assurance processes; to look at progress on delivery of key local growth programmes; and to discuss the LEP’s strategic impact, priorities and challenges for the year ahead.

6. Critically, the Annual Performance Review also acts as a key milestone in the process of confirming LGF payments for the following financial year.

7. The Annual Performance Review cannot be seen as a standalone event. Improvement plans and/or action plans after last year’s Annual Performance Review are reviewed throughout the year by the Cities and Local Growth Unit; and this year the Cities and Local Growth Unit introduced a Mid-Year Review into the process. This complements the Annual Performance Review which takes place towards the end of the financial year. Both reviews form part of the overall Annual Assurance Process which consists of the following elements:

   a) Compliance checks against the National Local Growth Assurance Framework;

   b) Regular dialogue between the Cities and Local Growth Unit and LEPs ensuring that emerging issues and risks are dealt with early and that improvement and/or action plans are regularly reviewed and actioned;
c) Quarterly and bi-annual LEP monitoring returns including total and forecast spend, and output metrics for the Local Growth Fund, Enterprise Zones and Growth Hubs;

d) On-going monitoring of LEP progress by the Cities and Local Growth Unit, regular attendance at LEP boards and sub-boards to allow continuous assessment of overall progress with Growth Deal delivery to provide an early warning system which highlights any emerging risks so that prompt action can be taken to address these;

e) A Mid-Year Review (September/October); and

f) An Annual Performance Review (January/February).

8. The Annual Performance Review provides government and LEPs with the opportunity to:

   a) Reflect on the LEP’s performance over the last six – twelve months in the areas of governance, delivery and strategic impact;

   b) Elaborate on key issues highlighted in their pre-annual performance review return and in the outcome of the Mid-Year Review;

   c) Showcase the progress to date on delivery of strategic economic objectives and programmes;

   d) Reflect on their current position and highlight to Government any barriers they are encountering; and

   e) Look forward to the major priorities and challenges expected in 2020-21.

9. The formal elements of the Annual Performance Review take place in the context of on-going and trusted dialogue between Cities and Local Growth Unit Area Leads and LEPs. Performance issues ought to surface and be dealt with in real time, in an honest and open fashion, and so the Annual Performance Review should not include any surprises for either LEPs or the Cities and Local Growth Unit.

**Mid-Year Reviews**

10. Following the Mid-Year Review a formal note was agreed. For the avoidance of doubt, matters that develop between the Mid-Year Review and the Annual Performance Review will be taken into consideration at the Annual Performance Review.

**Annual Performance Review Meeting**

11. As in previous years, the 2019-20 Annual Performance Review meeting will focus on three themes of Governance, Delivery and Strategic Impact. Annual Performance Review meetings will take place between 6 January and 14 February 2020. Unless
practicalities prevent this, it is expected that the meeting should take place in the region the LEP is based. The meetings will be chaired by a Cities and Local Growth Unit Deputy Director. Attendance must include:

a) LEP Chair;
b) LEP Chief Executive (or equivalent); and
c) S151/S73 Officer

It is also suggested that the LEP’s delivery lead is present and a representative from the MCA if Local Growth Fund forms part of the Single Pot.

12. LEPs will be expected to discuss the following in the APR meetings as a minimum:

d) Governance
   i. Report from the S151/S73 Officer;
   ii. Assurance statement from the Chair and Chief Executive;
   iii. Actions from the Mid-Year Review;
   iv. Deep dive reports (where applicable); and
   v. Action or improvement plans (where applicable).

e) Delivery
   i. Actions from the Mid-Year Review;
   ii. Delivery plans;
   iii. Action or improvement plans (where applicable); and
   iv. Quarter 2 2019-20 Local Growth Fund data returns.

f) Strategic Impact
   i. Actions from the Mid-Year Review;
   ii. Action or improvement plans (where applicable); and
   iii. LIS development and implementation (where applicable).

13. Ahead of the Annual Performance Review meeting, Cities and Local Growth Unit Area Leads will gather information from a variety of sources in preparation for the discussions. This will include data returns on government-funded projects and programmes, as well as an assessment on the progress against the agreed actions from the Annual Performance Review last year and the Mid-Year Review. Where improvement plans were agreed following the 2018-19 Annual Performance Review, there is a specific agenda item to review them.

14. The meeting agenda (Annex D) will be agreed with LEPs in advance in order to provide opportunities for LEPs to table agenda items for discussion.

15. Following consultation with the LEP Network working group, the Cities and Local Growth Unit will conduct a pre-Annual Performance Review moderation exercise in December in order to make an initial objective assessment of LEP performance and to provide consistency in the meetings. This will be based on an objective consideration of data and will not include any discussion of mitigating circumstances. The outcome of this internal exercise will not be formally shared with LEPs in advance of the APR,
but should instead be used to frame the discussion and focus LEPs on improvement areas.

**Annual Performance Review Preparation Report (Annex A)**

16. In order to obtain a shared version of the LEP’s position prior to the meeting, the Cities and Local Growth Unit have co-designed a report with the LEP Network working group which contains one document of information that is both pertinent and proportionate to the Annual Performance Review. See Annual Performance Review Preparation (Annex A).

17. LEPs are required to submit Part A of the Annual Performance Review Preparation (Annex A) by **16 December 2019**. This deadline has been set in order to create parity between all LEPs, so they have the same amount of time regardless of when their Annual Performance Review meeting is scheduled. The purpose of Part A is to help shape discussions at the Annual Performance Review meeting. It is not intended to be a detailed record of all evidence. Any additional information, wider context and mitigating circumstances that a LEP wishes to be taken into consideration should be briefly noted in the free text boxes, for full discussion at the Annual Performance Review meeting. LEPs should request specific agenda items accordingly. It is intended that there should be “no surprises” for either the LEP nor the Cities and Local Growth Unit.

18. Following submission of Part A of the Annual Performance Review Preparation (Annex A), the Cities and Local Growth Unit will check and verify the LEP data contained in the report. Any queries or anomalies will be raised with the LEP so that one shared view and understanding of the LEP’s position is reached before the meeting.

19. In recognition that a LEP’s position regarding the governance category requirements of board representation, gender diversity, and board size (as noted in Performance Assessment Key Indicators Annex F), may have progressed since submission of Part A of the Annual Performance Review Preparation, all LEPs are required to complete Part B of the Annual Performance Review Preparation confirming its position. The LEP should either submit a nil return where there has been no change or provide updated data no later than **1 March 2020**. This is in order for this evidence to be considered as part of the Cities and Local Growth Unit’s National Moderation.

**Quarter 2 LEP Data Return**

20. The Cities and Local Growth Unit will also utilise specific Local Growth Fund data returns in order to establish an accurate view of delivery performance. As such, it is imperative that LEPs have met the required deadline of **22 November 2019** for the return of their Quarter 2 Local Growth Fund data. If for any reason the LEP does not meet this deadline, the department will use Quarter 1 data **only** for the APR meeting. So that the Cities and Local Growth Unit can conduct appropriate analysis, the quality of this data return is also important, and this will be a category requirement for delivery (see Performance Assessment Key Indicators Annex F). LEPs are required to ensure
that data returns are fully completed and accurate and that they have a consistent use of language (i.e. project names).

Compliance Checks

21. The Cities and Local Growth Unit conducted a compliance check of all 38 LEPs in April and May 2019 and communicated the outcomes to LEPs. As part of our annual assurance process, the Cities and Local Growth Unit are conducting a small number of compliance “spot checks” before APRs. If your LEP is chosen, your Cities and Local Growth Unit Area Lead will communicate the outcomes to the LEP by the end of December 2019.

LEP Annual Performance Review Returns

22. The LEP must publish their Governance Assurance Statement (Annex C) on their website by 28 February 2020 and send confirmation of this to the Cities and Local Growth Unit at localgrowthassurance@communities.gov.uk copying the relevant Cities and Local Growth Unit Area Lead.

23. In line with the National Local Growth Assurance Framework, the Section 151/73 Officer must write to the Ministry of Housing, Communities and Local Government’s (MHCLG) Accounting Officer (a template is provided in Annex E) by 28 February 2020. Letters should be addressed to:

The Permanent Secretary
Ministry of Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

Letters must also be sent via email to: localgrowthassurance@communities.gov.uk copying in the relevant Cities and Local Growth Unit Area Lead.

24. Unless otherwise agreed, these are the deadlines for the submission of LEP documentation to localgrowthassurance@communities.gov.uk copying the Cities and Local Growth Unit Area Lead:

<table>
<thead>
<tr>
<th>Documentation</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Performance Review Preparation Part A (Annex A)</td>
<td>16 December</td>
</tr>
<tr>
<td>Section 151/73 Assurance Statement (Annex B)</td>
<td>16 December</td>
</tr>
<tr>
<td>Governance Assurance Statement (Annex C)</td>
<td>16 December</td>
</tr>
<tr>
<td>Section 151/73 Assurance Letter to the Accounting Officer (Annex E) – details in paragraph 23</td>
<td>28 February</td>
</tr>
</tbody>
</table>
25. The LEP Board should be informed that the Annual Performance Review meeting is taking place. LEPs may wish to share the completed documentation with the LEP Board prior to submitting it to the Cities and Local Growth Unit.

**DfT, ESFA and Homes England Engagement**

26. As with the Mid-Year Reviews, representatives from other government departments may attend. LEPs should make their Area Lead aware in good time if they want a nominated person to attend.

**Freedom of Information**

27. Please note that the Cities and Local Growth Unit is bound by the Freedom of Information Act and may have to disclose contents of this document on request.

**Following the Annual Performance Review Meeting**

**Record of the Annual Performance Review Meeting**

28. The Cities and Local Growth Unit will produce a record of the meeting which will include any agreed actions. This will be shared with the LEP and Section 151/73 Officer for comment and agreement ahead of being formally issued at the end of the Annual Performance Review process.

**Performance Assessment**

29. Following the Annual Performance Review meeting, the Cities and Local Growth Unit will undertake a performance assessment. This will look at the performance of the LEP across each of the three themes and will be based on a holistic view of LEP performance. The review will highlight and capture areas of good practice and/or areas for further development. This will involve reviewing the information provided for the Annual Performance Review along with other sources including (but not limited to): Growth Deal data returns and LEP governance processes and policies.

**Markings**

30. At the conclusion of the process LEPs will receive one of four markings: inadequate; requires improvement; good; or exceptional for the theme of delivery and for governance. This year, following consultation with the LEP Network working group, the Cities and Local Growth Unit will assess strategic impact as either “requirements met” or “requirements not met”. This change has in part been due to feedback from last year’s APR process, subsequent compliance checks, Mid-Year Reviews and the ongoing dialogue between LEPs and Area Leads, where there has been sufficient opportunities to ensure that standards have been met such that the Cities and Local
Growth Unit can now move to a more straightforward and simpler assessment of this theme.

31. Annex F Performance Assessment Key Indicators provides an overview of some of the key indicators that are used to inform the markings. It is important to note that this list is not exhaustive and that markings will be based not only on the information provided as part of the Annual Performance Review, but also on a holistic view of the assurance elements as outlined in paragraph 7.

32. In the interest of transparency, the Cities and Local Growth Unit have also included a number of category requirements for governance and delivery. The Cities and Local Growth Unit will take consideration of mitigating circumstances that might have prevented LEPs reaching a category requirement at the National Moderation. LEPs are required to table this evidence before the APR meetings for discussion at the APR meeting in order that both parties are aware of the issues. This will make for an open and productive discussion at the meeting. The Cities and Local Growth Unit will communicate additional delivery category requirements/ to LEPs.

National Moderation

33. Moderation will take place within the Cities and Local Growth Unit to help ensure consistency of markings as well as help to identify any common issues. It will compare opportunities and challenges identified in areas with similar characteristics.

34. Following moderation, markings for each theme will be confirmed.

35. If a LEP receives a marking of inadequate or requires improvement for governance or delivery, or requirements not met for strategic impact, the LEP will be required to produce an improvement plan which needs to be submitted to the Cities and Local Growth Unit Area Lead. These plans may be subject to Ministerial approval in the future. In addition, should there be a decision to withhold any funding, the LEP will be required to produce an action plan which sets out clear milestones/indicators to trigger the release of any further funding.

36. A deep dive may be triggered if a LEP is non-compliant against any of the requirements in the National Local Growth Assurance Framework or where they receive an inadequate marking. The Cities and Local Growth Unit may also conduct deep dives on LEPs selected randomly as part of the overall annual assurance process.

Outcome

37. The outcomes of this review, along with any further actions identified and the notes of the Annual Performance Review will be shared formally with the LEP by the Cities and Local Growth Unit Director once the process has been concluded, which is expected to be during March 2020.

38. The outcomes of the Annual Performance Review will inform whether or not, and in what way, the 2020-21 Local Growth Fund and LEP core funding grant payments will
be released. Where the need for further improvement is identified, the LEP must acknowledge this and set out an improvement plan, with milestones, to address the issue. If it is deemed that it is appropriate to apply conditions or sanctions in relation to future payments this will be communicated to the LEP at the earliest possible opportunity and an action plan agreed with Cities and Local Growth Unit.

Forward Look

39. The Cities and Local Growth Unit is committed to continually reviewing and improving this process. This is only possible with collaboration from across the LEP Network working group, and the Cities and Local Growth Unit plan to continue to engage on the development of the LEP assurance process going forward.

Indicative Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>November</td>
<td>Annual Performance Review Guidance Issued</td>
</tr>
<tr>
<td>22 November</td>
<td>Quarter 2 Local Growth Fund data return deadline</td>
</tr>
<tr>
<td>16 December</td>
<td>Annual Performance Review Preparation (Part A completed) LEP return</td>
</tr>
<tr>
<td></td>
<td>Section 151/73 Assurance Statement and Governance Assurance Statement returns</td>
</tr>
<tr>
<td>December</td>
<td>Pre-Annual Performance Review moderation</td>
</tr>
<tr>
<td>6 January – 14 February</td>
<td>Annual Performance Review Meetings</td>
</tr>
<tr>
<td>21 February</td>
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<td></td>
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</tr>
<tr>
<td>1 March</td>
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</tr>
<tr>
<td></td>
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<td>-----------------------------------------------------------------</td>
</tr>
<tr>
<td>April</td>
<td>Outcome letters sent to LEPs from the Director</td>
</tr>
<tr>
<td>Late April</td>
<td>Completion of the Annual Performance Review process and LGF payments</td>
</tr>
</tbody>
</table>

Introduction

The purpose of this document is to create a shared understanding of the LEP’s position in relation to delivery, governance and strategic impact in preparation for the Annual Performance Review meeting. This is in order that both LEPs and the Cities and Local Growth Unit are fully briefed and prepared for the meetings, to make for a more open, transparent and productive meeting.

The document is divided into two parts. Deadlines have been set in order to ensure parity across LEPs, regardless of when their meetings are scheduled.

The LEP is required to return this document to localgrowthassurance@communities.gov.uk copying the relevant Cities and Local Growth Unit Area Lead as follows:

<table>
<thead>
<tr>
<th>Action</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>PART A: LEP PREPARATION</td>
<td>To be returned to the Cities and Local Growth Unit by 16 December 2019</td>
</tr>
<tr>
<td>PART B: LEP UPDATED POSITION</td>
<td>To be returned to the Cities and Local Growth Unit by 1 March 2020</td>
</tr>
</tbody>
</table>
PART A: LEP PREPARATION
To be returned to the Cities and Local Growth Unit by 16 December 2019

LEPs are required to complete the information below to provide evidence on their current position (actual to date, as per the date of this document). As stated in the APR Guidance, the LEP’s Quarter 2 data will only be considered if the LEP met the 22 November deadline. This is not the sole source of information/evidence and the Cities and Local Growth Unit will gather performance information from a wide variety of sources. This report has been designed to capture key points on which to shape discussions at the Annual Performance Review meeting. Therefore, please keep comments brief as there will be time to discuss fully at the meetings. It intentionally does not cover each and every criteria detailed in Annex F Performance Assessment Key Indicators; it concentrates on those covered in the category requirements provided in that document and provides LEPs with the opportunity to submit important LEP data and information.

### Delivery

#### Local Growth Fund (LGF) Financial information

<table>
<thead>
<tr>
<th></th>
<th>Total LGF Allocation (£m)¹</th>
<th>Total LGF Expenditure (£m)</th>
<th>% of LGF Expenditure v total award</th>
<th>Actual LGF Contractual Commitment (£m)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 17-18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 18-19</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q2 19-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current position³ (to date)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-21 Forecast</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

#### LGF Project information

The tables below are to be populated based on your dashboard definitions of projects and their risk.

---

¹ Total LGF Allocation should not include any DfT retained schemes.
² Actual LGF Contractual Commitment is where a contract is actually signed e.g. the contract to deliver project A with company X was signed.
³ Current position is the updated position that the LEP is at on the date this form is completed.
<table>
<thead>
<tr>
<th></th>
<th>Total number LGF projects 4</th>
<th>Number of LGF Transport projects 5</th>
<th>Number of retained Transport schemes where LEPs are match-funding with LGF</th>
<th>Number of skills capital projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 19-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current position (to date)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Number of completed / in monitoring projects</th>
<th>Number of red or red amber risk rated projects</th>
<th>Number of in progress project</th>
<th>Number of projects in pipeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 19-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current position to date</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Value of projects

The tables below are to be populated based on your dashboard definitions of completed, in progress and approved pipeline.

<table>
<thead>
<tr>
<th></th>
<th>Value of completed Transport projects (£m)</th>
<th>Value of Transport projects in progress (£m)</th>
<th>Value of approved pipeline Transport projects (£m)</th>
<th>Value of completed Skills projects (£m)</th>
<th>Value of Skills projects in progress (£m)</th>
<th>Value of approved pipeline Skills projects (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 19-20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current position to date</td>
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<table>
<thead>
<tr>
<th></th>
<th>Value of completed Other projects (£m)</th>
<th>Value of Other projects in progress (£m)</th>
<th>Value of approved pipeline Other projects (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 19-20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current position to date</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4 Total number of LGF projects does not include DfT retained schemes.
Definition skills & transport.
5 Number of LGF Transport projects should not include DfT retained schemes.
Overview of activity undertaken from Q2 2019-20 (250 word limit)
Please add any context to the figures above and the developments (both positive and negative) since the LEP submitted its Q2 LGF return that could impact on any assessment undertaken by the Cities and Local Growth Unit. This could (but should not be limited to) additional expenditure, legal contracts entered into and the management of risk.

LGF Output information as at Q2 submitted by 22 November 2019

<table>
<thead>
<tr>
<th>Output</th>
<th>Forecast to end of programme</th>
<th>Actual to Q4 17-18</th>
<th>Actual to Q4 18-19</th>
<th>Actual to Q2 19-20</th>
<th>Current position to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td></td>
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<tr>
<td>Housing</td>
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<tr>
<td>New Learners</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Floorspace6</td>
<td></td>
<td></td>
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</tbody>
</table>

Overview of activity undertaken from Q2 2019-20 (250 word limit)
Please add any context to the figures above and the developments (both positive and negative) since the LEP submitted its Q2 LGF return that could impact on any assessment undertaken by the Cities and Local Growth Unit. This could (but should not be limited to) legal contracts entered into, the management of risk and explanations as to why outputs maybe significantly below projected targets e.g. there was a change of emphasis from the original projection from X to Y, because of A, this has resulted in B.

Delivery other than LGF

Overview of other non-LGF delivery activity (250 word limit)
Please add here any comments on how the LEP has/is influencing other programmes in their area that drive economic growth e.g. Growth Hubs, ESIF etc.

---

6 The amount of “new build” training/learning floorspace constructed. The amount of training/learning refurbished to improve building conditions and/or fitness for purpose.
Government Branding

Has the LEP requested a Ministerial quote and/or engaged with a government Minister regarding the promotion of LGF during this financial year? If yes, please provide evidence in the form of web links to promotional materials, press releases and/or coverage, photographs, or other marketing materials. The Cities and Local Growth Unit maintains a log of LEP requests for quotes, however, if the LEP has gone direct to the Minister, please provide evidence of this (100 word limit)
*excluding 6 November until after the General Election

This section enables the LEP to provide evidence around the theme of governance; and in particular for the category requirements explained in Annex F Performance Assessment Key Indicators.

April 2019 Compliance checks

Where applicable, if the LEP had compliance issues raised following the compliance check conducted by the Cities and Local Growth Unit in April 2019, please provide details. Please include a note of any mitigating circumstances and/or local context that the LEP may wish to raise. Please state what date the issue(s) was rectified? (150 word limit)

Where applicable, if the LEP has compliance issues still outstanding from the April 2019 compliance check, please provide details including your plan of when the issue(s) will be rectified. (150 word limit)

LEP Board

How many permanent LEP Board members are there? If the LEP has exceeded the maximum board size limit of 20 (excluding co-opted members) as defined in the National Local Growth Assurance Framework (paragraph 128, page 33), can the LEP confirm its plans to ensure it reaches the Government’s requirement by 1 April 2020? (100 word limit)
<table>
<thead>
<tr>
<th>Gender diversity</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

Please explain the LEP’s current position regarding female board representation. Please complete the table above. Has the LEP achieved the Government’s gender diversity requirement of 33% (excluding co-opted members)? If not, as detailed in the Mid-Year Review and in order for the Cities and Local Growth Unit to assess the LEP’s position and likelihood to reach 33%, is the LEP already at 26%? What plans are in place to achieve the 33% requirement by 1 April 2020? (100 word limit)

<table>
<thead>
<tr>
<th>Private sector representation</th>
<th></th>
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<tbody>
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</table>

Please explain the LEP’s current position regarding private sector board representation. Please complete the table above. Has the LEP achieved the Government’s requirement of two thirds private sector representation (excluding co-opted members)? If not, can the LEP demonstrate its plans to ensure it reaches the requirement by 1 April 2020? (100 word limit)

<table>
<thead>
<tr>
<th>Section 151/73 Officer Engagement</th>
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<tbody>
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</table>

Has the Section 151/73 Officer attended at least one LEP Board this financial year? Please provide web links to the relevant Board papers to evidence this. (100 word limit)
Scrutiny arrangements

Please provide details of the LEP’s scrutiny arrangements in line with the guidance set out in the National Local Growth Assurance Framework. Are scrutiny arrangements easily explained so that a member of the public can understand what they are and locate them with ease? Can the LEP demonstrate their scrutiny arrangements that go over and above the guidance? (150 word limit)

Strategic Impact

Strategic impact overview

Please provide an overview of the LEP’s approach to strategic impact. This is not intended to be a detailed account; it is intended to give the LEP an opportunity to highlight its overall approach to strategic impact, in preparation for the APR meeting where this can be discussed in more detail.

Can you explain your vision and ambition for the LEP and how that translates into a clear framework of strategic priorities and programmes? (250 word limit)

Can the LEP provide evidence of convening local partners and the wider community in delivering local growth? (250 word limit)

Improvement Plans

Following last year’s APR process, did the LEP have an improvement plan? If so, please attach and please explain briefly the status of the plan in terms of achieving the agreed milestones and progress on actions. (150 word limit)
In this section the LEP has the opportunity to raise any additional areas for discussion, or particular challenges or concerns that it would like to discuss further in the APR meeting. (200 word limit)

Signed:
Name:
Position: [Chief Executive]
Date:

PART B: LEP UPDATED POSITION AS AT 1 MARCH 2020
To be returned to the Cities and Local Growth Unit by 1 March 2020

Following their Annual Performance Review meeting, if LEPs have an updated position on the governance category requirements in relation to board size and representation, they must submit details to the Cities and Local Growth Unit by 1 March in order for this evidence to be considered at National Moderation. This is the final opportunity to submit information that will be taken into account when determining the final mark for governance.

Please also provide a nil return as appropriate.

LEP Board

Does the LEP have an updated position on the size of its permanent board? **Nil return or any further evidence (200 words maximum)**

<table>
<thead>
<tr>
<th>Total number of permanent female board members</th>
<th>Total number of permanent male board members</th>
<th>Percentage female (requirement 33% by 1 April 2020)</th>
</tr>
</thead>
<tbody>
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</table>

Gender diversity
Does the LEP have an updated position on its female board representation? Please complete the table above. **Nil return or any further evidence (200 words maximum)**

<table>
<thead>
<tr>
<th>Private sector representation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of permanent private sector board members</td>
</tr>
<tr>
<td>48</td>
</tr>
</tbody>
</table>

Does the LEP have an updated position on its private sector board representation? Please complete the table above. **Nil return or any further evidence (200 words maximum)**
The Section 151/73 Officer should here provide a report to the Annual Performance Review on their work for the LEP over the last twelve months and their opinion with a specific requirement to identify any issues of concern on governance and transparency. In particular, you should focus on any particular issues raised in Annex A Annual Performance Review Preparation. This should be sent to localgrowthassurance@communities.gov.uk copying the Cities and Local Growth Unit Area Lead by 16 December 2019. (max 500 words)

Signed:
Name:
Position:
Date:
Annex C: Governance Assurance Statement Template (also supplied in Word)

The LEP Chair and Chief Executive should here provide a brief formal assurance statement on the status of governance and transparency. This should include any overview and scrutiny function undertaken by the Accountable Body. This should be sent to localgrowthassurance@communities.gov.uk copying the Cities and Local Growth Unit Area Lead by **16 December 2019**. This statement should also be published on the LEP’s website by **28 February 2020** and confirmation sent to localgrowthassurance@communities.gov.uk **(max 500 words)**

Signed:
Name:
Position: [Chair]
Date:

Signed:
Name:
Position: [Chief Exec]
Date:
### Annex D: APR Meeting Agenda Template

[Insert LEP Name] Annual Performance Review 2019-20

<table>
<thead>
<tr>
<th>Location:</th>
<th>Date:</th>
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</thead>
<tbody>
<tr>
<td>Time:</td>
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</tbody>
</table>

| 1. | Introductions |
| 2. | Purpose of the Annual Performance Review |
| 3. | Update on actions from the Mid-Year Review 2019 |
| 4. | Review Improvement Plans (if applicable) |
| 5. | Governance |
| 6. | Delivery |
| 7. | Strategic Impact |
| 8. | Local Industrial Strategy [where in place discussion should be on implementation] |
| 9. | LEP feedback |
| 10. | AOB |
| 11. | Summary of Actions and Next Steps |

**5. Governance**

Suggested headings/discussion points:

- Chair & Chief Executive Statement
- S151/73 Officer report
- Board membership
- Engagement & challenge
- Transparent decision making
- Scrutiny arrangements
- Continuous improvement
- Government support

**6. Delivery**

Suggested headings/discussion points:

- Progress on published Delivery Plan
- Delivery of investment programme
- Risk management
- Branding and communications
- Government support

**7. Strategic Impact**

Suggested headings/discussion points:

- Vision/objectives
- Local engagement
- Political engagement
- Cross LEP working
- Government support

**8. Local Industrial Strategy**

Suggested headings/discussion points:

- Timeline / milestones
Perm
anent Secretary
Accounting Officer
Ministry of Housing
Communities and Local Government
2 Marsham Street
SW1P 4DF

Responses should be submitted by email to:
localgrowthassurance@communities.gov.uk

Date:

Dear Permanent Secretary

Re. [INSERT NAME] LEP

As the Section 151/73/127 [delete as appropriate] Officer for [INSERT NAME OF ACCOUNTABLE BODY], the LEP's Accountable Body, I would like to confirm that myself and my deputies have undertaken all the necessary checks to ensure that the LEP has in place the processes to ensure the proper administration of their financial affairs.

[Accordingly, having considered all the relevant information, in my role as the Section 151/73/127 [delete as appropriate] Officer I am of the opinion that the financial affairs of the LEP are being properly administered. The LEP's Local Assurance Framework is compliant with the minimum standards as outlined in the National Local Growth Assurance Framework (2019).]

OR

[Having considered all the relevant information, in my role as the Section 151/73/127 [delete as appropriate] Officer I am of the opinion that unfortunately the financial affairs of the LEP are not being properly administered. My main concerns are [please provide details]. I have advised the LEP Board that in order to rectify this, my recommendations are [please provide details]. The LEP have assured me that they are working to deliver my recommendations by [date]. I will write to you in due course with an update.]

Yours sincerely,

[NAME OF S151/73/127 OFFICER]
[NAME OF ACCOUNTABLE BODY]
Annex F: Performance Assessment Key Indicators

The Cities and Local Growth Unit recognises that a LEP has autonomy over how it implements the National Local Growth Assurance Framework (January 2019), to ensure compliance. It is appreciated that there is not a “one-size-fits-all” approach and that each LEP will face different circumstances and challenges.

It is important that the Nolan principles are embedded throughout the work of any LEP, from its governance to its delivery and strategic impact. Capturing how these principles are embedded requires consideration on a case-by-case basis. The outcome of the Annual Performance Review is to arrive at a set of agreed actions from an assessment of performance against the three themes of governance, delivery and strategic impact.

There are three sections below:

1. Areas included under each theme;
2. Performance indicators; and
3. Category requirements.

The information contained in this document is not exhaustive. Every LEP will have areas in which it can improve. The intention of the Annual Performance Review is to help LEPs identify these areas and form a considered plan to improve. The Cities and Local Growth Unit has set out some of the characteristics which may be demonstrated by LEPs across the four marking categories (exceptional, good, requiring improvement and inadequate) for delivery and governance; and for requirements met/not met for the theme of strategic impact. A series of category requirements are also included for delivery and governance which must be met by the LEP. If any criteria are not met, mitigating circumstances will be considered and the LEP will be provided with opportunities to raise these before and/or during their APR meeting.

Areas included under each theme

<table>
<thead>
<tr>
<th>Governance</th>
<th>Delivery</th>
<th>Strategic Impact</th>
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</thead>
<tbody>
<tr>
<td>Culture and Accountability</td>
<td>Board Membership</td>
<td>Delivery of Investment Programmes</td>
</tr>
<tr>
<td>Governance Policies</td>
<td>Section 151 Officer</td>
<td>Management of Risk</td>
</tr>
<tr>
<td>Transparency</td>
<td>Continuous Improvement</td>
<td>External Communications and Branding</td>
</tr>
<tr>
<td>Engagement and Challenge</td>
<td>Structure and Decision Making</td>
<td></td>
</tr>
<tr>
<td>Performance Indicators</td>
<td>Governance and Delivery</td>
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<tr>
<td>------------------------</td>
<td>------------------------</td>
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</tr>
<tr>
<td><strong>Exceptional</strong></td>
<td>No LEP should be a candidate for an exceptional marking unless they have made a fully rounded and excellent contribution which has gone beyond government’s expectations. The LEP should have consistently delivered to the highest standards. Being exceptional for Governance will include LEPs that perform above and beyond the guidance set by government, demonstrating a strong culture of accountable governance, where it is evident that the Nolan principles are embedded throughout. There should be robust and transparent structures and processes in place to ensure decisions are based on strong evidence and subject to rigorous challenge and scrutiny. Decisions made at LEP Board and sub-boards reflect the business voice and the LEP demonstrates effective representation of its local business community well. The LEP Board is inclusive and is already meeting or exceeding government requirements on Board size, female and private sector representation. There is a clear succession plan for the Board, and new members have a thorough induction programme so that they are able to make a strong contribution from the start. There should be evidence of active, consistent collaboration and engagement with external stakeholders which is energetic and enthusiastic; demonstrating leadership which role models highly positive attitudes and behaviours within the local area and beyond which makes positive contributions. The LEP should have a clearly defined culture of proactive, continuous improvement.</td>
<td></td>
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<tr>
<td><strong>Good</strong></td>
<td>The Good category covers a wide range of performance and includes LEPs who will have shown very strong and reliable performance through the year. LEPs in this category may also show some exceptional characteristics, but this may not be consistently and all of the time. Examples of good for Governance will include LEPs that meet the guidance set out in the National Local Growth Assurance Framework, where there is a culture of accountable and transparent governance and scrutiny, and where it is</td>
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</table>
evident that the Nolan principles are embedded throughout. There should be clear and transparent structures and processes in place to ensure decisions are evidence based, with active private sector challenge and engagement throughout the decision-making process. There should be evidence of good collaboration and engagement with external stakeholders with the LEP showing confidence, inspiration and influence. The LEP has met, or is on target to meet government requirements of a maximum Board size of 20 by 1 April 2020. LEP Board membership should have diverse representation and has met, or is on target to meet government requirements of one third female representation by 1 April 2020. There is a strong business voice; the Board has two thirds private sector representation, or is on target to meet this requirement by 1 April 2020. Succession planning for the Board is good, and new members have a thorough induction programme so that they are able to make a strong contribution from the start. The LEP is reactive to improvement opportunities.

Being good for **Delivery** will include LEPs that get the basics right, have an effective programme management, which enables programmes to be delivered to its expenditure profiles and achieve planned outputs over their lifetime. The LEP has an agreed pipeline of projects which is publicly available and underpinned by transparent selection processes. The pipeline is correctly aligned to the LEP’s strategic priorities and generally delivers value for money. The LEP has a clear, managed approach to risk including appropriate and deliverable mitigations which are presented to Board. The LEP will promote the projects it supports, but recognition of Government is inconsistent. The LEP generally adheres to the branding and communications guidelines.

| Requires Improvement | A LEP marked requires improvement means that they are not up to the standard expected and that there are specific areas where the LEP needs support to improve. Any LEP who does not meet the minimum requirements of good will be assessed as requires improvement. This does not make a LEP a poor performer. A poor performer is a LEP who is given the opportunity and support to improve but is unwilling or not able to do so. These LEPs could be placed in the inadequate category.

A LEP may be marked as requires improvement for its **Governance** where a LEP does not yet meet the standards expected by government as set out in the National Local Growth Assurance Framework and/or where the Nolan principles are not operating as expected, but this does not pose a risk to its overall governance. Examples of where LEP’s maybe marked as requires improvement are where the LEP’s local assurance framework has multiple areas of improvement needed and/or where the LEP is not fully implementing its local assurance framework. Where a LEP could make improvements towards a culture of good governance, it may not be evident that the Nolan principles are at the core of the LEP and sufficiently embedded in all aspects of the LEPs work. There is limited debate/discussion when making decisions or the private sector voice is crowded out. The LEP’s diverse representation on its Board is lower than expected and whilst The Cities and Local Growth Unit appreciates the efforts the LEP has made to achieve the requirement, at this point government does not have confidence that the LEP will reach the requirements regarding |
| **Inadequate** | LEPs who are marked inadequate will have fallen short of the expectation of government and the Nolan principles. 

A LEP may be marked as inadequate for its **Governance** where a LEP does not yet meet the standards expected by government as set out in the National Local Growth Assurance Framework (January 2019) and/or where the Nolan principles are not operating as expected, and this may pose a risk to its overall governance. There are multiple areas of improvement needed and/or the LEP is not fully implementing its local assurance framework. A culture of good governance is lacking. Decisions are taken without discussion or regard to due process, and there is little evidence that the business voice makes a difference. There may be some evidence of collaboration and engagement with external stakeholders but this is not to a satisfactory or consistent standard. Succession planning for Board members is weak and induction programmes are limited. The LEP may have ad hoc improvement which is pursued as a result of external pressure or not undertaken in a timely manner. A culture of good governance is lacking, and there could be concerns over whether the Nolan principles are being adhered to and embedded. LEP Board size and diversity is not in-line with government requirements of a maximum of 20, one third female, and two thirds private sector by 1 April 2020 and government has no confidence that this will change. There is resistance to improvement and the LEP has no appetite to reflect and implement improvements until required. 

A LEP may be marked **Inadequate for Delivery** when the LEP is most likely at risk of not achieving its investment programmes expenditure profile. The LEP may be consistently underperforming on output delivery. There is little or no evidence of a pipeline or active management of any programme/project slippage. The investment programmes lack the necessary alignment with strategic priorities and value for money is uncertain. There is little evidence of consistent risk |
management, with risks that are poorly defined, out-of-date or out-of-scope. The Board is poorly sighted or not aware of risks. The LEP is reactive to promotion of projects and the opportunity to communicate widely. Branding and communications guidelines are regularly ignored or not enforced.

### Strategic Impact

**Requirements met**

Requirements met for Strategic Impact will include LEPs that have a clear vision and ambition which translates into a clear framework of short, medium and long term strategic priorities and programmes. The LEP has clear ownership of the vision and ambition. Strategies, e.g. the Local Industrial Strategy, should be based on robust and testable evidence of their economy. Decisions are made after listening to the views of others, and the views of others are sought when developing vision, strategies and plans. The LEP is a good convenor of local partners, collaborating through cross-LEP and regional forums. LEP undertakes at least an annual internal review of its current strategies with some local stakeholder inputs. The LEP has a good understanding of its local economy drawing largely from local evidence and experience. The LEP sets clear KPIs from the outset, with regular monitoring so that the LEP is clear about how the economy and its places are changing through time, informing its plans and investment decisions.

**Requirements not met**

LEPs with requirements not met include those where vision and ambitions are limited and without clarity. There may be inconsistent ownership of the vision and ambition by the LEP Board. There is substantial evidence that the LEP focuses significant attention on issues that are not strategic priorities and has limited success in persuading others of its priorities. Decisions are made with little input or consideration of views of the wider private sector or communities of the area. The LEP has limited success in convening local partners and rarely works through cross-LEP or regional forums. There is little interest or evidence of action from the LEP in collaborating with neighbours or with sub-national and national arrangements. The LEP does not set clear KPIs or makes limited use of KPIs to inform its strategy.

### Category Requirements

**Improvement Plans**

Progress towards achieving the milestones set out in the Improvement Plan will be taken into consideration. Meeting milestones set out in the LEPs Improvement Plan will not automatically increase the marking of the LEP to good.

**Governance**

Where the S151 Officer has not attended at least one LEP Board meeting during this financial year, the LEP will not be able to obtain a mark higher than **good** for the theme of Governance.
<table>
<thead>
<tr>
<th><strong>Where LEP board gender diversity (excluding co-opted members) is below 26% female representation, the LEP will not be able to obtain a mark higher than requires improvement for the theme of Governance. NB. 25.5% or above can be rounded up to 26%.</strong></th>
</tr>
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<tbody>
<tr>
<td><strong>Where government does not have confidence that the LEP will reach 33% female board representation (excluding co-opted members) by 1 April 2020, the LEP will not be able to obtain a mark higher than requires improvement for the theme of Governance. Note, the LEP can submit an updated position by 1 March (See Annual Performance Review Preparation Annex A).</strong></td>
</tr>
<tr>
<td><strong>Where the LEP board size exceeds 20 (excluding co-opted members), indicating at this stage that the LEP will not meet the maximum board requirement by 1 April 2020, the LEP will not be able to obtain a mark higher than requires improvement for the theme of Governance. Note, the LEP can submit an updated position by 1 March (See Annual Performance Review Preparation Annex A).</strong></td>
</tr>
<tr>
<td><strong>Where the LEP board does not have two thirds private sector board representation (excluding co-opted members), indicating at this stage that the LEP will not meet the requirement by 1 April 2020, the LEP will not be able to obtain a mark higher than requires improvement for the theme of Governance. Note, the LEP can submit an updated position by 1 March (See Annual Performance Review Preparation Annex A).</strong></td>
</tr>
<tr>
<td><strong>Where there has been a non-compliance issue noted against the National Local Growth Assurance Framework, and where it was not resolved either within five working days, or within the agreed timescales that the LEP stated, the LEP will not be able to obtain a mark of higher than good for the theme of Governance.</strong></td>
</tr>
<tr>
<td><strong>Where there are outstanding compliance issues that were originally raised in checks undertaken during April/May 2019, at the Annual Performance Review the LEP will not be able to obtain a mark higher than requires improvement for the theme of Governance.</strong></td>
</tr>
<tr>
<td><strong>Delivery</strong></td>
</tr>
<tr>
<td>The LEP will not be able to obtain a mark higher than requires improvement for the theme of Delivery if the LGF data they have provided is not of an acceptable quality. For example, the Implementation Team require complete and full information, including commentary; a consistent use of language (i.e. project names); and accurate figures that are up to the scrutiny of an audit. The level of support/ intervention from the Implementation Team and Area Lead will be taken into consideration.</td>
</tr>
<tr>
<td>Strategic Impact</td>
</tr>
</tbody>
</table>

Where the LEP has not requested a quote and/or engaged with a government Minister during this financial year (excluding Purdah), the LEP will not be able to obtain a mark higher than good for the theme of delivery. This will be assessed internally from the Comms Hub log and/or the LEP can supply evidence if they have contacted the Minister’s office directly.

NB. Any additional category requirements for delivery will be communicated to LEPs
DEVELOPING THE 2020/21 ANNUAL DELIVERY PLAN

1. ISSUE

1.1 Developing CLEP’s 2020/21 Annual Delivery Plan.

2. RECOMMENDATION

2.1 That LEP Scrutiny Board members note:
   a) The process for the development of the Annual Delivery Plan;
   b) That the Annual Delivery Plan will be circulated to the Scrutiny Board in correspondence once it is available;
   c) Consider its inclusion as a substantive item for the September meeting of the Scrutiny Board.

3. BACKGROUND

3.1 At the point that the Chair of the LEP Scrutiny Board agreed the Agenda the assumption was that government would have clarified its requirements for the 2020/21 Annual Delivery Plan would have been clarified, given that the expectations for 2019/20 were ‘light touch’. However, the commissioning requirements are still to be confirmed.

3.2 In the absence of these CLEP has sought advice from Cities and Local Growth Unit colleagues in BEIS/MHCLG; and the LEP Network and proposed that the focus for the 2020/21 Annual Delivery Plan should be similar to the 2019/20 Plan but augmented by the inclusion of a high level version of the LIS Work Programme. This approach has been suggested to ensure that there is focus on macro-economic issues alongside the Annual Performance Review themes of governance, strategy and delivery. This is in recognition that the delivery of Cumbria’s socio-economic priorities will only be achieved through partnership working and delivery of the LIS priorities, which are focused on delivering productivity and inclusive growth.

3.3 This suggestion appears to have been well received and CLEP has agreed to prepare and produce a draft document by end of March 2020, given that the scope has still to be formally confirmed.

3.4 The Annual Delivery Plan will be circulated to LEP Scrutiny Board members once available. It is also proposed that this is a substantive agenda item at the September meeting of the Scrutiny Board, subject to the Chair and members’ agreement.
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BRIEFING PAPER
APPRENTICESHIPS IN CUMBRIA

1. ISSUE

1.1. Cumbria has a strong tradition of Apprenticeship recruitment and success. However, since 2015/16 there has been a significant reduction in the number of Apprentices recruited. This paper sets out the scope of the Apprenticeship programme, the context in which the programme is delivered and the challenges and opportunities that affect further development.

2. BACKGROUND

2.1. Apprenticeships form a crucial part of the education and skills system across Cumbria. They are distinct from other aspects of the system in that they are real jobs, with 20% of the working time spent in ‘off the job’ training at a College or other training provider. An Apprentice is an employee of any age who spends 50% of their working time in England.\footnote{Alternative arrangements exist for Apprentices in Scotland, Wales and Northern Ireland}

2.2. The Apprenticeship programme is structured as follows:

- **Apprenticeship** – a job provided by an employer, underpinned by an Apprenticeship standard relevant to the job being undertaken. These standards have been designed by employers to demonstrate competence in the role and may contain a mix of qualifications and employment standards.
- **Off the job Training** – usually delivered by a College or other training provider. It is the employer’s responsibility to source the ‘provider’ of their choice through the Department for Education (DfE) Apprenticeship Service.

2.3. The Apprenticeship programme across England has recently undergone significant restructuring, which has been designed to address the perception that it has been ‘supply led’ i.e. driven by Apprenticeship providers and to ensure that it is now ‘demand led’ i.e. driven by employers. The key aspects of this restructuring are:

- **Introduction of the Apprenticeship Levy** – for employers with a wage bill of over £3m. The levy is applied at 0.5% of the employers’ wage bill. The levy came into full effect in April 2017.
- **Introduction of the Apprenticeship Service** – an on-line account management system for levy paying employers through which they receive their levy funds; choose their training provider for the Apprenticeship; choose the relevant training for the Apprenticeship; agree prices and payments with the training provider; and pay for the Apprenticeship. Initially designed for levy paying employers, this service must now be used by non-levy employers to secure their Apprenticeship programme.

\footnote{Alternative arrangements exist for Apprentices in Scotland, Wales and Northern Ireland}
• **Introduction of Apprenticeship Standards** – replacing Apprenticeship frameworks, which set out defined qualifications for each Apprenticeship and were developed by sector bodies. Standards are occupation focused not qualification led and set out the skills, knowledge and behaviours an Apprentice will need. The standards have been developed by employers.

• **Introduction of End Point Assessment** - Each Apprentice is required to take an end-point assessment to complete their Apprenticeship. The assessment will be delivered by a registered end-point assessment organisation. The aim is to ensure that there is consistent quality and approach to assessment across an Apprenticeship standard, regardless of which organisation is delivering the assessment and where and when this is carried out.

• **Introduction of a contribution to Apprenticeships for smaller employers** – for those employers not subject to levy rules the Government initially set out a contribution of 10% of the cost of the Apprenticeship. This was later reduced to 5%.

3. **The Apprenticeship Programme in Cumbria**

3.1. Cumbria has a strong tradition of Apprenticeships underpinning skills support to all aspects of the economy. The County has regularly out-performed other areas of the Country in delivering Apprenticeship starts, often used as a measure of Apprenticeship success.

3.2. At the end of the 2018/19 academic year there were over 10,000 people in Cumbria undertaking an Apprenticeship programme. These Apprentices were supported by over 170 Colleges and training providers. The programme delivers high quality outcomes with attainment rates for Cumbrian Apprentices significantly higher than regional and national attainment rates.

3.3. For 16-18 year old Apprentices the success rate stands at 79.2%, some 9.8 percentage points higher than the regional figure and 9.7 percentage points higher than the national success rates. This success rate places Cumbria at the top of the Apprenticeship success rate league table for this age group.

3.4. For Apprentices of all ages the success rate is 73.2%, some 6.3 percentage points above the regional rate and 5.9 percentage points above the national rate, placing Cumbria 2nd in the all age league table.

3.5. The programme in Cumbria also secures high levels of positive destinations after the Apprentice completes the programme. For Cumbria the positive employment destination is 92%. The national rate is 89%, and this places Cumbria 2nd in the positive destination league table.

3.6. However, since 2016/17 there has been a substantial decline in the number of Apprenticeship starts in the County. During that academic year 5,865 Cumbrian residents commenced an Apprenticeship. By the end of the following academic year that figure had fallen to 4,535 Apprenticeship starts in the year, a 22.6% decline. This figure fell further in the 2018/19 academic year to 4,335 starts, a further 4.4% decline. The decline in starts between 2016/17 and 2017/18 mirrored a decline in starts nationally. However, between 2017/18 and 2018/19 the programme has seen a 4.6% growth in starts nationally.
3.7. The decline in Apprenticeship starts is evident in all parts of the County as detailed in the graph below:

![Apprenticeship Starts by District](image)

3.8. The reasons behind the decline in starts are complex. The restructuring of the programme is likely to be a contributing factor, with many employers taking time to adjust to the changes. There may also be the challenge for smaller employers contributing 10% towards the cost of the Apprenticeship. Whilst this was later reduced to 5% the initial costs may have had an effect. There may also be the issue of employers preferring other skills solutions. There is evidence to suggest that in the sectors where Apprenticeship starts have declined; there has been an increase in the number of starts in other forms of Further Education.

3.9. Whilst there has been a decline in starts overall, the number of recruits into Higher and Degree level Apprentices has increased by 120% over the same period, and a greater percentage of young people progress into an Apprenticeship at the end of Key Stage 4 than elsewhere in the Country.

4. Apprenticeships by Sector

4.1. The Apprenticeship programme in Cumbria continues to form part of the high quality skills support programme offered to employers and learners across the County, and supports a broad range of employers within each sector of the Cumbrian economy. However, the decline in Apprenticeship starts detailed above has had an impact on most sectors as set out below:

- **Health, Public Sector and Care** – traditionally the sector employing the most Apprentices in Cumbria, there has been a 39% decline in starts since 2016/17, with the greatest decline in Health and Social Care Apprenticeships.
• **Engineering and Manufacturing Technologies** – with over 38,000 employees across Cumbria this sector has a strong tradition of Apprenticeships. However, the decline in starts has been significant here also with a 16% decline, with the sub-sector most affected being manufacturing technologies. However, the engineering sub-sector has seen a growth in starts between 17/18 and 18/19.

• **Retail and Commercial Enterprises** – this sector has also seen significant decline in starts with the hospitality and catering sub-sector seeing a 70% decline in Apprenticeship starts.

• **Construction** – one of the few sectors showing an increase in Apprenticeship starts, with 40% increase since 2016/17.

5. **Next Steps**

5.1. The LEP People, Employment and Skills Strategy Group (PESSG) has identified the decline in Apprenticeship starts as a challenge and developed a series of actions to address this as part of its work programme.

5.2. However, whilst the decline in Apprenticeship starts, and the need to maintain the high quality delivery of Apprenticeships, is a priority it needs to be set in the wider context of skills reform and the breadth of support for learners and employers.

5.3. Within this context it is clear that the Apprenticeship programme is one part of a very complex offer to learners and employers, and that the ‘ask’ of employers to commit to Apprenticeships and other learning programmes is increasing.

5.4. As an example, an employer could:

  • **Consider employing an Apprentice** – they would then need to consider the training provider they wished to use and how they wished to utilise the funding available. The employers can select from any number of providers
  
  • **Be approached to employ an Apprentice** – many training providers will have a number of applicants for Apprenticeships and will be able to refer these applicants to employers. The employer could be approached by any number of the providers detailed previously
  
  • **Be approached to provide T Level Industry Placements** – during 2021 the T Level programme will be rolled out across Cumbria. Providing a high level technical route to sit alongside A levels, the T level programme must include up to 45 days industry placement with an employer
  
  • **Be approached to become an Enterprise Advisor** – a key part of the Careers Strategy the Enterprise Advisor Network recruit volunteers from industry to provide support to senior managers in schools and College to develop careers education practice and deliver a range of employer experiences for students
  
  • **Become an Apprenticeship Ambassador** – the Apprenticeship Ambassador Network (AAN) recruit industry partners to promote Apprenticeships to other businesses
  
  • **Become a T Level Ambassador** – the Department for Education are currently encouraging the development of a T Level Ambassador Network to support employers in developing industry placements
• *Provide work experience for young people* – the employer could be approached by a number of education establishments to support this

5.5. Much of the above, whilst valuable, is un-coordinated and risks employers being presented with a confusing array of options when trying to obtain the workforce and skills they needs to develop.

5.6. It is within this environment that the LEP PESSG is taking forward the following actions:

• *The development of a technical education vision for Cumbria* – this vision aims to simplify access to high quality skills and learning opportunities and encourages employers, learners and influencers to become informed and confident users of technical education. This will require greater collaboration and co-ordination across the skills system alongside consistent promotion of the high quality skills system across Cumbria.

• *The development of a curriculum for inclusive growth* – the PESSG has mapped the skills offer in Cumbria and identified a range of actions to support developments that will have a direct impact on Apprenticeships. These include:
  - An escalator model of support for unemployed residents – a key aspect of this will be supporting unemployed residents into Apprenticeships at the right point in their learning journey.
  - An effective approach to transition – many learners do not continue their learning programmes, or employment, due to a lack of support at transition. Addressing this could increase Apprenticeship starts and employment.
  - An approach to digital skills – digital skills are likely to be the defining skills challenge of the next few years. Our ambition is for Cumbria to be at the forefront of digital skills support and Apprenticeships will form a key part of the offer.
  - A high quality careers education strategy – enabling young people to understand the range of careers available to them and how to maximise their talents.

• *Careers Strategy* – at the heart of the Careers Strategy for Cumbria is the drive to engage more employers in providing opportunities for young people to engage with the world of work. The Cumbria Careers Hub has supported a wide range of initiatives and projects and highlights the range of opportunities available for young people to understand the range of opportunities available to them, including understanding the Apprenticeship offer.

• *Higher Level Skills* – Cumbria faces substantial challenges in developing and retaining higher levels skills within the economy. The growth of Higher and Degree level Apprenticeships will contribute to PESSG plans for a sustainable offer for higher level skills support across the County.

• *Supporting innovative use of the Apprenticeship Levy* – an example of this has been the development of the North West Nuclear Community Apprenticeship Programme (NWNCAP), which has utilised Apprenticeship Levy funding to support small employers, recruit Apprentices.
- **Edge Project** – developed in the partnership with Cumbria LEP and delivered by a consortium of skills providers, the Edge Partnership has facilitated the progression of over 900 people into an Apprenticeship, and has identified a large number of employers who would consider employing an Apprentice.
BRIEFING PAPER

CUMBRIA LEPs CONTRIBUTION TO NET ZERO CARBON CLIMATE CHANGE

1. ISSUE

1.1 Updating Scrutiny Board members on the work that CLEP is doing to respond to the Net Zero Carbon Agenda

2. RECOMMENDATION

2.1 That the LEP Scrutiny Board note this report, which is provided as background briefing.

3. BACKGROUND

3.1 At the agenda setting meeting with the Chair of the LEP Scrutiny Board, there was a request that CLEP provided a background briefing paper on its role in supporting Cumbria's commitment to net zero carbon for members to consider outside of the meeting. This recognised the significant importance of this issue and members interest in it.

3.2 CLEP is approaching net zero carbon from two different perspectives - firstly Cumbria’s role in Clean Energy generation and secondly reducing carbon emissions from across the business base. These are complimentary and equally important work streams.

New Energy Generation

3.3 Cumbria has a significant role to play in new energy generation, reflecting its significant expertise and experience on the nuclear agenda coupled with its offshore wind generation capability. This is alongside its wider energy generation interests in wave power, tidal, battery and hydrogen.

3.4 Rolls Royce is currently leading the UK Small Modular Reactor (SMR) consortium and is in discussion with representatives from Wales and Cumbria through the North West Nuclear Arc (NWNA). This is an informal partnership that covers the North West and North Wales geography to bring together a more joined up offer to developing new nuclear opportunities in line with a clean energy and net zero carbon future. CLEP is closely involved in NWNA, as are other partners across the Arc geography.

3.5 The discussions with the Consortium have focused on the development of the specific UKSMR design, with their plan being to develop an initial phase of ten 440MW units on sites including Wales and Cumbria, specifically Trawsfynydd, Wylfa and Sellafield/Moorside. These SMRs are Pressurised Water Reactors (PWR), an evolution of existing designs, with the initial phase being co-funded by Innovate UK and the UKSMR consortium to a total of £36m, with a second phase commencing in Spring 2021. This second phase is valued at £500m, subject to government approval of the relevant business cases.
3.6 Alongside work on the UK SMR consortium, BEIS is also currently running a competition for Advanced Modular Reactors (AMRs) consisting of 8 consortiums each proposing new technologies for the future development of these. This competition will eventually result in 4 candidates being selected to move to the next stage in the development process. The applicants include a Cumbrian-led consortium. The Government is also in the process of developing an Energy White Paper, which should provide a clear sense in the role of nuclear in future generation and its contribution to the clean energy agenda.

3.7 At this point in time, Cumbria is home to the world’s largest operational offshore wind farm in Barrow, which is owned by Orsted. Government is currently going through the process of licensing new sites which extend the available geography up the West Coast taking in the coast off Copeland and Allerdale. This could result in further new offshore wind developments in Cumbria, which could add significantly to Cumbria’s generation capability.

3.8 These two significant potential generation opportunities mean that Cumbria is very well placed to play a significant role in the future of clean energy, which would provide a marked contribution to Cumbria’s net zero credentials, assuming that contribution was credited to the point of generation.

Reducing our Carbon Footprint

3.9 CLEP is exploring with our businesses how current carbon footprints can be reduced. These discussions are predominantly taking place through the Business Strategy Group, which brings together all business intermediary bodies and each of the Sector Panels. In developing the final work programme CLEP is looking to see how net zero can be inbuilt into the programme as a ‘touchstone’ alongside productivity and inclusive growth.

3.10 At CLEP’s most recent Board meeting there was a presentation by Iggesund, during which senior leaders from the organisation shared their journey to net zero carbon and how their investment in their CHP Plant had helped achieve this. This sharing of best practice has led to other major energy users looking to learn from the Iggesund experience with site visits being arranged. More generally, the lessons learned are being writing up and will be shared more widely through the business base.

3.11 On the transport agenda, CLEP is working with Cumbria County Council in order to ensure that the updated Cumbria Transport and Infrastructure Plan has a serious focus on carbon reduction. This will consider issues such as the future of mobility, electric vehicle charging, increased access and usage of public transport and walking and cycling. The preparation of this document is being accelerated to ensure that implementation can start as soon as possible.

3.12 In terms of CLEPs investment process, the Investment Panel has agreed that additional consideration needs to be given to net zero carbon in any investments that it makes, beyond its existing commitments. This will therefore take effect for whatever programmes are introduced to replace the current Growth Deal monies, which are fully committed and will need to be financially completed by 31 March
2021. In order to take this forward, CLEP is keen to see what emerges from
government, in terms of any revised guidance for HM Treasury compliant business
cases, as it is important that any local changes to criteria sit within the national
framework. CLEP is also exploring environmental appraisal training for the team to
ensure that any additional requirements, beyond the current sustainability
assessment, can be fairly and appropriately applied.

3.13 CLEP is a member of the Cumbria Leadership Board's Net Zero Carbon
Group and has committed resource to help deliver its work programme. CLEP is also
committed to support the implementation of the action plan that is being developed
through its work programmes.

3.14 Finally and importantly, CLEP has made net zero carbon a standing agenda
item on every Board meeting. This is to ensure that progress is being made in
delivering on our commitments.
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