Local Enterprise Partnership (LEP) Scrutiny Board

10.00 am, 16 September 2019

Present at the meeting

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<tr>
<th>County Councillors</th>
<th>Borough/District Councillors</th>
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<tr>
<td>Mr J Airey</td>
<td>Ms C Bell</td>
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<td>Ms C Driver</td>
<td>Ms H Edwards</td>
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<td>Mr K Hamilton</td>
<td>Mr J Bainbridge</td>
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<td>Mr J Lister</td>
<td>Mr R Ashcroft</td>
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<td>Mr B McEwan</td>
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<td>Mrs V Tarbitt</td>
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<td>Mr B Wearing</td>
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<td>Mr M Wilson</td>
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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 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