

**Minutes of the Cheshire and Warrington Local Enterprise Partnership**

**Performance and Investment Committee Meeting**

**held on 23rd January 2017 at Wyvern House, The Drumber, Winsford, Cheshire, CW7 1AH**

**Present:** Ged Barlow (Chair) Howard Hopwood Martin Ashcroft

Paul Goodwin Mark Livesey

**Apologies:** Alison Knight Peter Bates

**In attendance:** Kerry Billington Francis Lee Philip Cox (AI 5i and 5ii)

**Agenda Item 1: Welcome, Introductions and Apologies**

Apologies were received from Peter Bates and Alison Knight. Paul Goodwin and Susie Woodward-Moor representatives attended in their place respectively.

**Agenda item 2: Conflicts of Interest**

No conflicts of interest were declared from Committee members. Paul Goodwin noted that Cheshire East Council is the Planning Authority for the Cheshire Green Employment Park project

**Agenda Item 3: Minutes and Actions from the meeting on 19th December 2016**

The minutes of the 19th December had previously been agreed as a true and accurate record as they were required for presentation to the LEP Board.

**Agenda Item 4: Activity Log Review**

The action log was reviewed to review dates for completion of actions and those completed or ongoing, all other actions have been completed, or addressed in the meeting agenda.

**Agenda Item 5i: RESTRICTED – COMMERCIALLY SENSITIVE**

**Agenda Item 5ii: LGF Skills Capital – Reaseheath Update and approval to increase in grant**

KB presented a report to Performance and Investment Committee and asked the members to note that the College could now proceed with the second phase of the Sports Science project as it had been able to secure their 2:1 match for it along with the other approved projects. A part of the match included the land values in all the projects which had not been included in the original submissions. This had resulted in an overall increase across the programme of projects increasing the LGF grant requirement at 2:1 match.

The Committee **noted** the report and discussed that land costs had been included in other LGF projects and were considered eligible project costs and therefore reasonable to include in the projects presented, noting that these made up some of the match funding element of the applicant. It was also made clear to the Committee that the increases to the projects were for the land costs only and that any other increases were to be borne by the applicant.

The Committee **approved** the increase but made it clear there would be no further grant available for these projects.

**Agenda Item 6: Feedback from Strategy Committee**

KB informed the Committee that the January meeting of Strategy Committee had taken place on 19th January and that the minutes were not available and she would circulate when they were. KB did inform the Committee that the Cheshire Green Employment Park Ltd GPF proposal had been also presented to that meeting for approval, subject to final approval by P&I and had been approved.

**ACTION: KB to circulate the minutes of the 19th January Strategy Committee once they were available.**

**Agenda Item 6: Performance Monitoring**

**6i Programme Risk Register**

KB presented the latest risk register to the Committee and members noted:

* The number of red uncontrolled risk entries remain the same as on the last risk register presented to P&I;
* There have **no** **new** **risks added or closed** to the risk register since the register presented in December;
* The only significant change has been to the risk below (last months no 4):
	+ In the event that one of more of the LA's were to leave the Sub-Region to join another Sub-Region, this would create a lot of uncertainty across existing and future programme delivery, leading to disruptions and/or delays
* The likelihood of this risk has reduced from 3 to 1 following the vote by the Warrington Labour Group this month (14-1) for Warrington Borough Council to remain in the Cheshire and Warrington sub-Region. There now follows a formal sign off by the Executive to sign off the Combined Authority before this risk can be closed.

The Committee **noted** the report and changes presented.

**6ii LGF Update**

KB presented an update to the Performance and Investment Committee and asked members to **note**:

1. **Note** that **£8,474,143** LGF has been drawn down this financial year of the LGF funding of **£45,787,235 paid** to the LEP’s Accountable Body in April 2016. The future years’ payment profile remains the same as indicated previously.
2. **Note** that there is still however a risk to the 2016/17 profile from those projects started in 2015/16, because the FE skills capital sub-programme is not yet fully committed and the current contractual arrangements for drawdown of funds by the Life Science Fund Manager to meet current pipeline investments will not achieve the LGF profiling of this project. The LEP’s Programme Manager is in discussions with the LEP’s Accountable Body about any mitigations that could potentially be put in place during 2016/17 to address this;
3. **Note** there are ongoing discussions with Reaseheath and West Cheshire Colleges to take forward projects, subject to approval by Strategy Committee and satisfactory due diligence and appraisal by P&I to take up the remaining headroom of the FE Skills programme;
4. **Note** that Dr Vijay Barathan joined the GMCLSF base in Alderley Park, as a Life Science Partner and is taking a leadership role in raising additional investment at a fund level;
5. **Note** there is still risks to the remainder of the LGF projects due to start in 2016/17 and to date only the business case for the M62 J8 highway improvements scheme has been submitted to the LEP for conditional approval, however there is significant work underway in developing these and the latest dates for these are shown below;
6. **Note** all the above risks to 2016/17 have resulted in the currently quarterly forecast as profiled at the beginning of the year at risk and significant pressure on performance in the final quarter;
7. **Note** a detailed review is taking place on current outputs and outcome forecasts to show the latest forecasts per year over the Growth Deal lifetime to assess whether there are any risks to achievement of the targets;
8. **Note** this year’s annual conversation took place on 5th December;
9. **Note** the LEP’s Assurance Framework is being reviewed and will also need to consider changes made in the revised National Assurance Framework which has been issued in October 2016. This work needs to be completed and signed off by the Accountable Body by the 28th February 2017. The work is on track to achieve this;
10. **Note** the LGF3 announcement of the £43.3 million additional Growth Deal funding is due before the end of January.

The Committee **noted** the update.

**ACTION: KB to include a table of spend to date plus outturn by project in future LGF performance reports**

**6iii Growing Places Fund Update**

KB presented a report to the Committee to update them on the loan applications received by the LEP and interest on other schemes for investment from GPF:

**Cheshire Green Employment Site**

* Strategy Committee have agreed the loan application in principle, Due diligence has now been completed and a report has been submitted to Strategy Committee on 19th January and also to P&I Committee on 23rd January for approval to the loan. Subject to the 2 approvals, the loan agreement will be completed to allow the scheme to proceed.

**Digital 2020**

* CWLEP have just been informed that on taking further legal advice and discussing with DCLG and BDUK the clarity of using gainshare to repay the gp loan is simply just not there. Therefore, the risk exposure is too high and the applicant has re-scoped the project without the loan and **WITHDRAWN** the loan application.

**Cheshire Science Corridor Enterprise Zone**

* A further loan has been proposed and discussed at the Enterprise Zone Board of £500,000 to actively promote and develop the Science Corridor and the Enterprise Zone, which will be paid back from future revenues generated from the Business Rate Income. This is expected to be drawn down in 2 tranches in 2017/18 and 2018/19. Further details will follow once agreed.
* the LEP.

The Committee **noted** the contents of the report.

**6iv ESIF Update**

FL presented a report to the Committee to provide an update on the ESIF Programme and The Growth Hub. The key points the Committee were asked to note are:

**ERDF Calls/Projects Update**

• We have £37m worth of ERDF projects approved of which £29m is legally committed and we have a further £31m to allocate.

• New project calls for Priority 1 Innovation, and Priority 4 Low Carbon Economy have now been advertised on the ESIF Funding Finder page on the GOV.UK website.

• The deadline for stage 1 applications is 17th February 2017.

**ESF Calls/Projects Update**

* Memorandums of understanding amounting to £23M million are now in place with our Co-Financing Organisations who manage the budget. The result of this is that approximately half of programme budget has been committed by the Managing Authority.

**EAFRD Calls/Projects Update**

* Defra is working closely with the LEP with EAFRD allocations on future calls these should come out in February 2017. This will commit the bulk of the £2.5 rural funding towards final tourism, food processing and business support projects.

**ESIF Policy / Growth Hub**

* The LEP continues to work with Treasury and departments to secure future funding for Cheshire and Warrington and a sustainable Growth Hub and is working with other LEP areas to highlight what has been achieved to date and to deploy the remaining funds.

FL also included an update on the detail of the projects funded to date.

The Committee **noted** the contents of the report.

**Agenda Item 7: LGF3**

KB updated Performance and Investment Committee members that the announcement on the detail of the LGF3 award of £42.28m was due this month and regular updates on this programme would be brought to the Committee.

**Agenda Item 8: Cheshire and Warrington Growth Hub**

The Committee **noted** the Growth Hub December performance report. ML informed the Committee that the LEP are still in discussions with the Growth Hub about broadening their role and whether we bring the service within the LEP and have a much more hands-on role with the provider. These discussions have not yet been concluded.

**Agenda Item 9: AOB**

**Date, time and venue of next meeting:**

Due to a number of members unable to attend the next meeting scheduled for Monday 20th February, it was agreed to move the meeting to Friday 24th February at 10:00 at WYVERN HOUSE, THE DRUMBER, WINSFORD, CHESHIRE, CW7 1AH.

**ACTION: KB to confirm room availability at Wyvern House for the new meeting date and time and update the calendar invite and notify attendees for that meeting of change of time and date.**