

LIVERPOOL CITY REGION LOCAL ENTERPRISE PARTNERSHIP

At a meeting of the Liverpool City Region Local Enterprise Partnership held in the Sensor City Liverpool, 31 Russell Street, Liverpool , L3 5LJ on Thursday, 19th July, 2018 the following Members were

PRESENT:

Asif Hamid MBE (Chair)
Kath Boullen MBE
Dr Laura O'Brien
Chris Fry
Councillor Phil Davies
Councillor Rob Polhill
Metro Mayor Steve Rotheram
Paul Corcoran
Councillor Derek Long
Councillor Graham Morgan

APOLOGIES:

Mayor Joe Anderson OBE
Professor Dame Janet Beer
Dr Jonathan Hague
Mike Houghton
Amanda Lyne
John Syvret CBE
Professor Nigel Weatherill
Angela White OBE
Mark Whitworth
Sara Wilde-McKeown

1. DECLARATION OF INTERESTS

The Chairman highlighted the importance of declaring interests and sought any Declarations of interest from Board Members.

No Declarations of interest were submitted by Board Members.

2. MINUTES OF THE PREVIOUS MEETING

The Board considered the minutes of the meeting held on 22 March 2018 and were received as a correct record and signed by the Chair.

3. LCR DIGITAL INFRASTRUCTURE ACTION PLAN (P)

The Board considered a report which provided an overview of progress on the development of a Digital Infrastructure Action Plan (DIAP) for the Liverpool City Region and highlighted the proposed way forward.

Mark Basnett thanked John Whaling, who had led on the DIAP for the City Region. The Board was informed that the purpose of the DIAP was to create an extensive fibre network across the City Region and seeks to connect the GTT transatlantic

internet fibreoptic cable landing at Southport and the high performance computing capabilities at the STFC Hartree Centre in Daresbury.

The Board was informed that the proposed approach was a holistic one which sought to complement a range of City Region policies and investments including energy, planning, housing, skills strategies and transport. To develop this work, it was reported that a Core Group comprising of representatives from the six Local Authorities, the LEP, Combined Authority Policy Leads and Merseytravel had been established in September 2017.

In conclusion, the Board was informed that the DIAP would comprise of a three-fold approach which would involve an innovative cooperative asset sharing infrastructure development model, the provision of a series of Digital Exchanges, which would aim to have one in each of the six Local Authority areas and a City Region wide 'dig once' policy.

In considering the report Board Members raised the following questions and comments:-

- Metro Mayor S Rotherham drew Board Members' attention to paragraph 3.2 and 3.9 within the report which outlined that each Local Authority could benefit from approximately £220 million in savings and economic uplift. Furthermore, this approach would ensure that the City Region was at the forefront of data analytics and provided opportunities to generate economic growth across the City Region.
- The Chairperson, Mr A Hamid MBE, stressed the importance of this development and how it would ensure the City Region was at the forefront for attracting to business to the area.
- Kath Boullen MBE sought clarity on paragraph 3.8 of the report which suggested that St Helens and Wirral could be excluded from the programme?

The Board was advised that the intention was to ensure that all six Local Authority areas were included within the Plan as it was recognised that there would be a greater impact for the entire City Region to be digitally connected.

- Paul Corcoran indicated that the Creative and Digital Board should not be used as the only means for stakeholder engagement in the development of the Plan and emphasised the importance of engaging the digital community in the process. He also highlighted that the Plan would have a broader impact than just the digital community and highlighted how by creating the right environment, through the Investment Strategy and the Place Making Strategy businesses could scale up as well as encouraging new start-ups.

It was AGREED that the Board:-

- (i) note the context, significance and positive potential economic impact for the City Region of the proposed delivery of a full fibre spine network;
- (ii) the ambition to become the most digitally connected City Region in the UK be supported;
- (iii) the next steps as outlined in the report now submitted be endorsed; and

- (iv) to ensure the maximum impact for the City Region all six Local Authority areas be included.

4. LIVERPOOL CITY REGION COMBINED AUTHORITY UPDATE ON PROGRESS TO DEVELOP STRUCTURES AND EXECUTIVE CAPACITY (P)

The Board considered a report which provided an update on the progress the LCR Combined Authority had made since May 2017 to establish the executive capacity required to deliver the Mayoral, Combined Authority and LEP priorities.

The Chairman, Mr A Hamid MBE, informed the Board that the LEP was responsible and accountable for LGF projects.

Frank Rogers, Interim Head of Paid Service, LCR Combined Authority, reported that the LCR Combined Authority was formally established in April 2014 and at that time it was agreed that the Combined Authority would not directly employ its own staff. Instead staff were deployed on an ad-hoc basis from constituent Local Authorities, Merseytravel and the LEP to deliver and support the Combined Authorities priorities. This position continued until the Mayoral Combined Authority became a statutory body on 8 May 2017 and Steve Rotheram was elected the first Mayor of the Liverpool City Region.

The Board was informed that following the election it was evident that the Combined Authority required a dedicated executive team. Accordingly the following key appointments have been made:-

- Mark Bousfield – Director of Commercial Development and Investment;
- Kirsty Pearce – Director of Policy and Strategic Commissioning;
- John Fogarty – Director of Corporate Services; and
- Jill Coule – Chief Legal Officer and Monitoring Officer.

The Board was advised that the recruitment process was ongoing and it was critical for the Combined Authority to ensure it had the right capacity and talent to maximise the opportunities available to it. This was particularly evidenced following discussions with Central Government which had secured a change in the capital/revenue split from 75/25 to 60/40. This change had provided the Combined Authority with an additional £4.5million revenue to develop projects and was recognition from Central Government that the Combined Authority was making progress.

In conclusion, the Board was informed that recruitment was still ongoing and the direction now for the Combined Authority was to focus on delivery.

Metro Mayor S Rotheram emphasised the importance of the Combined Authority having the required capacity to ensure projects were delivered across the City Region.

In considering the report, Board Members raised the following questions and comments:-

- The Chair, Mr A Hamid MBE, sought clarity on the timeframe in which the recruitment process for the Combined Authority would be concluded?

The Board was informed that the structure would continue to be populated to suit the requirements of the Combined Authority. It was reported that the Combined Authority had recently submitted an unsuccessful bid to Homes England as a consequence of not having fully sufficiently developed the bid which was as a direct consequence of not having the appropriate skilled staff within the organisation.

In learning from this experience it was imperative that the Combined Authority recruited the optimal number of staff to generate successful funding bids in the future. Consequently, as part of ongoing discussions with Central Government, they had acknowledged that the Combined Authority was making progress with its recruitment and as such had indicated that should robust schemes for Homes England be developed in the future then they would consider those submissions.

- The Chair, Mr A Hamid MBE, reflected upon the previous allocation of SIF monies and reported that a barrier to the timely allocation of funds had been the limited number of staff available to deal with the applications.

Frank Rogers informed the Board that this particular issue had been recognised as part of the review of the SIF process. He informed the Board that future SIF applications would be conducted with greater expediency, in particular noting that the production of the business case and developing the funding agreement would be conducted in parallel to reduce timeframes.

- Paul Corcoran sought clarity on how the structure was being developed, particularly to avoid duplication with what was already in existence within the Local Authorities.

Frank Rogers reported that the development of the Combined Authority structure had been undertaken in conjunction with the Chief Executives of the Local Authorities. It was recognised that the practise of seconding staff from Local Authorities was not sustainable and where appropriate the Combined Authority was looking to transfer those staff. The recruitment to some positions had required candidates to demonstrate different skills and attributes to those which would normally be found from within a Local Authority environment.

- The Chair, Mr A Hamid MBE, sought an update on when the recruitment to the post of Head of Paid Service to the Combined Authority would be resolved. Noting that Mr Frank Rogers had been the Interim Head of Paid Service to the Combined Authority since May 2017.

Metro Mayor S Rotheram reported that it had been important for the Combined Authority to develop its capacity which it had made significant progress in achieving. He paid tribute to the remarkable job Frank Rogers had undertaken during his time as the Interim Head of Paid Service and recognised that this required addressing in the long term.

It was AGREED that:-

- (i) the contents of the report be noted;

- (ii) the approach being followed with regard to the resourcing of the LCR CA to build executive capacity be endorsed; and
- (iii) updates on the progress of building executive capacity across the LCR CA be brought to future meetings of this Board.

5. LOCAL GROWTH FUND DATA RETURN Q4 2017-18 (PR)

Tony Wade, Finance Director, Liverpool City Region Local Enterprise Partnership provided a verbal update on the Local Growth Fund Data Return for Quarter 4 2017-18. He referred to the LGF Data Return Dashboard and accompanying report that were circulated separately, the Dashboard cannot be published until cleared by government. He reported that the overall performance of the Local Growth Fund was rated green in quarter 4, however, this is an aggregate score and there were 4 projects which had been rated as red/amber.

The Board was informed that improved performance continued during Quarter 4 and ensured the award value for 2017-18 was fully utilised. However, an underspend of £49 million would be carried forward, this was created in prior years. In terms of commitment of funds, rather than expenditure incurred, it was noted that there was approximately £40 million of uncommitted funds against the total award value of £279 million. However, there were projects in development which could be allocated from this uncommitted fund and would result in the reduction of the uncommitted funds.

Mick Allen, Cities and Local Growth Unit (CLoG) reported that they were satisfied that there had been continued and significant improvements in this quarter's performance.

In considering the presentation, the Board debated its role in monitoring the LGF Fund and ensuring the funds were delivered in a timely manner. To support the Board in this role, Members were informed that a performance dashboard would be developed and an update will be provided at the next meeting.

It was AGREED that:-

- (i) the verbal update be noted; and
- (ii) an update on the development of a performance dashboard be presented to the next meeting of this Board.

6. LIVERPOOL CITY REGION INTERNATIONAL STRATEGY (P/PR)

The Board considered a report which provided an update on the development of the International Strategy and Delivery Plan. The Board was informed that the development of the Plan had been supported by an International Working Group which consisted of representation from business, higher education and public sector.

It was reported that EY had been appointed in March 2018 to work with the LEP, LCR Combined Authority and City Region partners to develop an International Strategy for the City Region. The Strategy sought to utilise the areas of trade, investment, visitors, students and research as these areas were deemed to have a strong baseline for the City Region and also provided an opportunity to capitalise on emerging for markets.

Accordingly, the Board received a presentation from representatives from EY and Mickledore which set out the following: -

- Outlined the five key themes of the Strategy which included Foreign Investment, Trade, Visitors, Oversea Students and Research and Development;
- Explained how the key themes had been identified through baseline analysis, available public information, future trends and over 30 stakeholder events involving businesses and other organisations;
- Summarised the five enablers which would support sustainable growth across the City Region and be key factors within the International Strategy, which included: -
 - Network and collaboration – this would utilise existing networks for business development, talents, R&D and knowledge sharing;
 - Skills and capabilities – boosting skills and attracting and retaining talents from across the City Region and in particular the Universities;
 - Physical connectivity – strengthening the supply chains and supporting agglomeration;
 - Digital and smart technology – promoting digital solutions and enhancing digital connectivity; and
 - Low carbon – capitalising on the City Region’s assets and expertise within this sector.

In considering the report and presentation, the Board Members raised the following questions and comments: -

- Metro Mayor S Rotheram suggested that in addition to benchmarking against national standards it would be worthwhile to compare the performance of the LCR Combined Authority against the other six Combined Authorities in England;
- The Board was informed that the Strategy recognised the importance of encouraging visitors to extend their stay beyond the City Centre. The Strategy also recognised the importance of creating the right job opportunities for students once they had completed their studies across the City Region. Furthermore, the Strategy also recognised the importance of encouraging and embedding within international students a strong alumnus with the City Region, thus when they left the area they would act as an ambassador to develop strong trade relationships with their home country.
- The Board was informed that the work of the International Strategy had a number of cross cutting themes with the local Industrial Strategy and the Investment Strategy and requested that Kirsty Pearce and Mark Bousfield be invited to join the International Strategy Working Group to ensure these areas of activity were aligned.
- The Chair, Mr A Hamid MBE, recognised that the creation of the Strategy had removed some of the fragmentation which had previously been experienced.

- Councillor P Davies highlighted that a key factor to the success of the Strategy would be to improve communications, in particular, with the significant companies across the City Region, so they understood the work of the Strategy, what it was trying to achieve and the role they could play within this.

It was AGREED that the presentation given in support of the paper provided in the Board pack be circulated to allow further feedback and comments on the strategy and delivery plan, by Friday 27 July, to allow the draft Strategy to be endorsed. The direction of travel and the development of a business led delivery plan to execute the Strategy be noted.

7. SKILLS (V)

The Board was introduced to Kirsty Pearce, Director of Policy and Strategic Commissioning who had recently joined the LCR Combined Authority.

Kirsty informed the Board that she wanted to utilise the knowledge and experience from within the business community to support the skills agenda across the City Region.

Board Members raised the following questions and comments: -

- The Chair, Mr A Hamid MBE, requested that a separate session focusing on skills be arranged.
- Metro Mayor S Rotheram informed the Board that there were fundamental barriers to attainment across the City Region. He highlighted that the City Region had the poorest rates of NVQ Level 3 in the Country and highlighted how NVQ Level 3 should be the precursor to go on and achieve NVQ Level 6. He explained how, if Central Government devolved the Apprenticeship Levy to the City Region, this would provide an opportunity to address the skills shortage. However, to achieve this the necessary evidence had to be shared with Central Government to demonstrate how the skills base had declined and to also outline how the City Region was best placed to address this.

It was AGREED that:-

- (i) the verbal update be noted; and
- (ii) a skills session be arranged.

8. LCR STRATEGIC INVESTMENT FUND STRATEGY (PR)

The Board received a presentation from Mark Bousfield, Director of Commercial Development and Investment, which provided an update on the development of the LCR Strategic Investment Fund Strategy.

Board Members were informed that the Strategic Investment Fund Strategy had been drafted to guide the Combined Authority's investment activities for the coming 18 months. The Board was informed that the seven LEP Sector Boards had been engaged in the development of the Strategy. The Strategy provided the framework for the Strategic Investment Fund, including its sources of funding, its principles and

priorities, approval process and fund recycling model. The Strategy was also built on the three priorities of the Single Growth Strategy which were : -

- Productivity;
- People; and
- Place.

Mark informed the Board that the significant change for this Strategy was that it was demand led and would be focused on generating economic activity across the City Region. Furthermore, applicants will be asked to demonstrate how they would be able to repay awards from the Strategic Investment Fund. He also outlined how the internal processes within the LCR Combined Authority had been changed to reflect the emphasis of the Strategy which would now be supported by an Investment Team.

The Board were provided with an overview of the four stage process for determining future SIF applications, which included Concept (Strategic Outline Case), Interim (Outline Business Case), Final (Full Business Case) and then approval by the LCR Combined Authority.

In considering the presentation, Board Members raised the following questions and comments: -

- Councillor P Davies welcomed the Strategy in particular the structure it provided in dealing with economic opportunities. However, he sought clarity on whether the Strategy would provide an indication of the length of time the bidding process would take, as a guide for applicants.

The Board was informed that the time frame for each application would vary. However, when dealing with the applicants at the beginning of the process an indication of the timeframe would be provided to them.

- The Chair, Mr A Hamid MBE, welcomed the simplified process and suggested that discussions should take place with businesses across the City Region to highlight the opportunities available with the Strategic Investment Fund Strategy.
- Paul Corcoran was encouraged by the Strategy, in particular welcoming the approach to encourage submissions which generated sustainable economic growth in the City Region.

In conclusion, Mark Bousfield noted that there was a requirement for the LCR Combined Authority to inform businesses of the opportunities available from the Strategic Investment Fund Strategy.

It was AGREED that:-

- (i) the draft LRC Strategic Investment Fund Strategy be supported; and
- (ii) Mark Bousfield and Paul Corcoran devise an approach to communicate to businesses the opportunities available with the LCR Strategic Investment Fund Strategy.

9. ENERGY UPDATE (PR)

Board Members received a verbal update from Mark Knowles, LCR LEP – Head of Low Carbon Sector which provided an update on the two energy challenges of zero carbon by 2040 and the Mersey Tidal power.

Mark informed the Board that the Energy Strategy would be finalised in September 2018 and would include a number of proposals explaining how the challenge of achieving zero carbon by 2040 could be achieved. The Board was also informed that a sustainable business case was being developed for the Mersey Tidal Power project and would be presented to the LCR Combined Authority at their next meeting for consideration.

The Chair, Mr A Hamid MBE, wished to place on record his thanks to Mark Knowles for the work and dedication in developing the proposals for the Mersey Tidal power project.

Metro Mayor S Rotheram echoed those comments and thanked Mark for his incredible leadership and understanding of both projects which were of significant importance to the City Region.

It was AGREED that the Energy Update be noted.

10. CHAIR'S UPDATE (V)

The Chair informed the Board that Kath Boullen MBE had served her maximum term of membership on the LEP Board and as such today was her last meeting. He thanked Kath for the work she had undertaken for the City Region, in particular in shaping the European Regional Development Fund and wished her continued success in her future endeavours.

He also reported that 18 expression of interest forms had been received to identify Kath's replacement on the LEP Board alongside the existing vacancy. He reported that an Executive Summary would be prepared and shared with Board Members and from this a short list of candidates would be identified. He also noted that the position of Vice-Chair of the LEP Board was still vacant. Accordingly, he invited the private sector Board Members to write to him with expressions of interest for the position.

The outcome of the LEP Review would be published on Monday 23 July 2018. A summary of the findings would be circulated to all Board Members.

Minutes 1 to 10 be received as a correct record on the 20 day of September 2018.

Chairperson of the Board

(The meeting closed at 11.09 am)