



Agenda Item 4

Cheshire and Warrington Local Enterprise Partnership Overview and Scrutiny Committee Note of Informal Meeting – 6 September 2018

A formal meeting of the Overview and Scrutiny Committee had been planned for this date, but the meeting was not quorate. Accordingly, those present discussed the programmed agenda items on an informal basis.

Present: Councillor J Kerr-Brown

Also In Attendance: P Cox, Chief Executive, Cheshire and Warrington LEP, and J Joinson, Principal Democratic Services Officer, Warrington Borough Council for the Cheshire and Warrington LEP

1. Apologies

Apologies for absence were received on behalf of Councillor B Powell (Chair), A Boyd, (Deputy Chair) and G Butler

2. Declarations of interest

There were no declarations of interest made.

3. Minutes

Minutes of the Meeting held on 7 June 2018 were provided and would be submitted for ratification at the next formal meeting.

4. General Governance/Constitutional Matters

Terms of Reference

A report was provided which set out draft revised Terms of Reference for the Committee, based upon the decisions made at the previous meeting. The revisions included the following:-

- The procedure for clearing draft agendas and minutes in advance of publication;
- The use of complaints and other stakeholder feedback to inform the Committee's work programme;
- The introduction of a 15 minute public question time at meetings, publicised via social media; and

- The introduction of a 15 minute formal question time with the Chief Executive of Cheshire and Warrington LEP (or his representative).

Membership

The report advised Members about the resignation of Carol Thompson from the Committee, which left five remaining members and one vacancy. Mr Cox confirmed that the Appointment and Remuneration Committee would consider recruitment to the vacancy in the near future.

5. Public Participation

No public questions had been received.

6. Question and Answer Session with the Chief Executive, Cheshire and Warrington LEP

Philip Cox, Chief Executive, C&WLEP, provided brief update on the following issues and key areas of LEP business:-

Growth Hub

The Growth Hub is a service funded by the LEP which provides advice and support to new and growing businesses in the region. The advisers from the Hub visit clients to discuss their business needs and then put them in touch with relevant experts or funding streams. The Service is currently being provided on behalf of the LEP by Blue Orchid, but the plan is to bring the service in-house with effect from 1 October 2018.

C&WLEP is currently viewed by its peers and Government, as an excellent strategic body. It is important that, once the Growth Hub is delivered directly by the LEP that it matches the high standards the LEP is achieving in the other parts of its work. Consultants had been engaged to oversee the transition process, including an experienced former Chief Executive of the Cornwall LEP

The new service would see a significant increase in the staffing structure of the LEP Team from 10 to around 20 staff. The key to the success of venture was its leadership, and recruitment would be at a level and remuneration commensurate with the importance of the role. It was likely that one member of Blue Orchid staff would transfer under TUPE to the in-house team, with the rest of the new team recruited via an open recruitment process. The first of these has already been appointed. In addition, for an interim period the LEP will continue to pay for the use of some of the IT systems currently in use by Blue Orchid.

The Growth Hub will be combined with a 'Skills and Careers Hub', matching young people, colleges and employers with courses and jobs. This has already attracted funding from ESF, Bank of America and the Careers and Enterprise Company.

ERDF/ESF Funding

The LEP had access to around £60m of European ERDF/ESF funding, which the government had agreed to honour provided that it was fully committed before 29 March 2018, the date of Brexit. C&WLEP was on track to allocate that funding, although some minor delays had been caused in dealing with DWP. Notification had subsequently been received from the Government that the deadline had been extended to 31 December 2020, which coincided with the original date on which the European structural funds were due to end.

NP11

NP11 was the name for the partnership of all 11 LEPs in the Northern Powerhouse area, which had been coined by Jake Berry MP, Minister responsible for the Northern Powerhouse. He had expressed his vision for the NP11 LEPs to work more closely together and perhaps to deliver a single unified programme. That vision compared closely to the Midlands Engine structure, chaired by Sir John Peace, where related programmes were channelled through a single overarching body.

However, it was likely that the NP11 would adopt a somewhat different approach, given that within its footprint Transport for the North (TfN), Core Cities and Northern Mayors all had strong existing identities. NP11 will work with those partners, rather than seeking to usurp their powers.

A meeting of NP11 had taken place two days ago, at which some initial thoughts were discussed, for example the development of a single Northern Energy Strategy based on the concentration of nuclear and hydrogen fuel industries in the North. No firm decisions had been taken yet, but the LEPs would continue to meet monthly and to develop ideas. The Chair of NP11 was Roger Marsh (from Leeds City Region LEP) and Christine Gaskell (C&WLEP) was Vice- Chair. NP11 would arrange to meet Sir John Peace to see what could be learned from the Midlands approach.

UK – China Regional Leaders Summit

During the state visit of Chinese President Xi Jinping to the UK in 2015, the two countries agreed to improve commercial links between each other by participating in a series of annual Regional Leaders Summits. Since then, business leaders had undertaken reciprocal visits, which included Sheffield in 2015, Shanghai in 2016 and Northern Ireland in 2017. The location for the 2018 Summit would be Dalian, China, from 15 to 17 October 2018. The NP11 had been invited to be part of the delegation in 2018. Representatives from Tees Valley and Sheffield were keen to participate, but there was more concern in Cheshire and Warrington about the potential for negative press and adverse conclusions being drawn by the public about the nature of the visit. Liverpool City Region leaders did not wish to be involved on this occasion, as they already had well established links with Shanghai.

A useful role for the Overview and Scrutiny Committee might be to emphasise the importance of promoting the C&W economy on an international stage, particularly in the

immediate aftermath of Brexit. The Committee could promote a positive message to the public in view of the likely benefits to businesses and the local economy.

Councillor Kerr-Brown commented on the difficulties experienced by public officials in justifying trips abroad, due to public perceptions of wastefulness.

7. Review of Engagement

A report was provided which reminded Members that, at its June meeting, the Committee had agreed the scope of a review of effective engagement with private sector stakeholders by C&WLEP. The latest report presented the Invitation To Tender (ITT) document and proposed timeframe for the research project.

The planned timetable was as follows:-

06.09.18	Scrutiny Committee Approval for research project
28.09.18	Deadline for submissions
12.10.18	Panel shortlist meeting
19.10.18	Interview (if required)
02.11.18	Appoint Research team/consultants
09.11.18	Inception Meeting
10.11.18	Commence project (normally 3 months – extended due to Christmas holiday period)
06.12.18	Officer Report to Scrutiny Committee
22.02.18	Research team final Report to be submitted to C&WLEP Scrutiny Committee 'Clerk' for publication into Agenda Papers in public domain
07.03.19	Scrutiny Committee Meeting discusses report and final presentation and recommendations in public domain

Mr Joinson undertook to circulate the ITT documents under separate cover and to seek approval from Members of the Committee by e-mail to their formal issue. A preferred list of tenderers had been discussed by officers prior to the meeting and would be shared with Members as part of that correspondence.

8. Strengthened Local Enterprise Partnerships

A report was provided which introduced the Ministry of Housing, Communities and Local Government document *Strengthened Local Enterprise Partnerships*, issued in July 2018, following the Government's review of LEPs. The main document set out the role and

responsibilities of LEPs in driving local growth. It also set out how Government and LEPs would work together to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.

Up to £20 million of additional funding between 2018-19 and 2019-20 would be available to support the implementation of the changes identified in the document and embed evidence in Local Industrial Strategies.

The most significant changes proposed were:-

- The redrafting of boundaries, so that LEP areas did not overlap each other. Areas would need to be defined by 28 September 2018. The change was not an issue for C&WLEP, which already had a distinct and individual footprint.
- All LEPs would need to adopt a formal legal personality. In some areas the LEP remained an informal partnership arrangement, with financial and legal issues being undertaken on its behalf by the relevant local authority. The change was not an issue for C&WLEP, which had been incorporated as a company limited by guarantee for several years.

Other changes proposed included:-

- The need for a minimum representation on the LEP Board by women of one third by 2020 and for 50% representation by 2023. C&WLEP was already close to the first target with 4 out of 15 Members female.
- The need for a greater balance of representation on the Board of those persons with protected characteristics under equalities legislation, such as ethnicity.
- The need to formalise delivery plans at the start of each year and an evaluation report at the end of the year. C&WLEP already provided business plans to the Board at the start of the year and produced an annual report at year end. It was felt that this process could be tailored to meet the new reporting requirements.

C&WLEP would need to confirm its geography to MHCLG by 28 September 2018 even though no change was proposed. All LEPs were being asked to clearly set out how they would adopt the wider changes in the review document by 31 October 2018.

Councillor Kerr-Brown asked about the term of office for Board Members. Mr Cox reported that C&WLEP followed the Nolan Principles. Appointments were made following a process of open competition. There was a two stage interview process, first with the consultants, then with the Appointments and Remuneration Committee. In the last such exercise David Frost CBE (Chair, Stoke-on-Trent and Staffordshire LEP) served as an independent chair on the latter committee. Board Members served for a three year term and could be passported to a second three year term. Members would normally be asked to step down after a second term, but in exceptional circumstances could be permitted to apply for a third and final term by applying through the open competition. A number of Members were due to retire in 2019 and some senior Members would reach the end of their third term in around 18 months time.

9. Developing Cheshire and Warrington's Local Industrial Strategy Evidence Base

Mr Cox provided a verbal update in relation to the Government's Industrial Strategy which aimed to boost productivity by backing businesses to create good jobs and increase the earning power of people throughout the UK with investment in skills, industries and infrastructure. The government was currently working with three 'trailblazer' areas – Greater Manchester, the Oxford-Milton Keynes-Cambridge corridor and the West Midlands – to co-design and develop the first Local Industrial Strategies (LIS) and aimed to agree these by March 2019. C&WLEP would be in the second wave.

The Government had indicated that it would publish some guidance for LEPs on their role in developing a LIS in the summer 2018, but the guidance had not yet been received. C&WLEP was due to meet representatives of BEIS on Tuesday 11 September 2018 and might receive some more information at that time.

It was hoped to be able to provide a timetable to the LEP Strategy Committee at their next meeting on 19 September 2018. The aim was to finalise the LIS by summer 2019. However, there was a concern that the timeframe would clash with the all-out elections for the two 'Cheshire' Unitary authorities. It might therefore be necessary to put back the completion date to ensure compliance with purdah rules.

As part of the process of developing the Strategy, C&WLEP needed to strengthen its evidence base. Productivity in the region was strong, but the reasons for that strength were not fully understood. Accordingly, consultants had been commissioned to look into the evidence base.

C&WLEP was not starting from scratch in the development of its LIS, since a number of elements of the Strategy were already in place within the Strategic Economic Plan. However, there was a need to reframe that information into the language of Government, which should include reference to the Grand Challenges (AI and data; ageing society; clean growth; and future of mobility) and specific Sector Deals.

10. Work Programme

A copy of the current Work Programme was provided. Items proposed for the next meeting on 6 December 2018 were as follows:-

- Update as to progress on the Review of Engagement; and
- Mid Term Evaluation of Projects.

The latter report might help to inform the proposed Work Programme item on Agility of Decision Making.

11. Future Meeting Dates

Future meetings were due to take place on 6 December 2018 and 7 March 2019.