

Members – David Frost (Chair), Ron Dougan, Philip Atkins, Nick Bell, Jonathan Dale, Kerry Diamond, Mark Kerrigan, Mohammed Pervez, John van de Laarschot, Ken Stepney, Sandra Booth, Mike Heenan, George Adamson

**STOKE-ON-TRENT AND STAFFORDSHIRE
LOCAL ENTERPRISE PARTNERSHIP**

**Note of Executive Group Meeting held on
17th July 2014
Staffordshire University, Stafford**

Present

Board Members

David Frost CBE, DL	(Stoke-on-Trent & Staffs LEP) - Chairman
Kerry Diamond	(Zytek Group)
CLlr Mohammed Pervez	(Leader - Stoke-on-Trent City Council)
CLlr Philip Atkins	(Leader – Staffordshire County Council)
Ken Stepney	(JCB)
Jonathan Dale	(Longton Avia)
Helen Riley (rep. Nick Bell)	(Staffordshire County Council)

Advisory/Secretariat

John Betty	(Stoke-on-Trent City Council)
Peter Davenport	(Stoke-on-Trent & Staffordshire LEP)
Alexander Greatholder	(Stoke-on-Trent & Staffordshire LEP)
Jeff Marlow	(Southern Staffordshire Partnership)
Kevin Postones	(BIS)

University Observer

Sandra Booth	(Staffordshire University)
--------------	----------------------------

1. Introductions

Helen Riley (Director of Place and Deputy Chief Executive of Staffordshire County Council) was introduced as Nick Bell's representative on the board in his absence.

2. Apologies

Cllr George Adamson	(Leader, Cannock Chase District Council)
Ron Dougan	(Trent & Dove Housing)
John van de Laarschot	(Chief Executive – Stoke-on-Trent City Council)
Nick Bell	(Chief Executive Staffordshire County Council)
Cllr Mike Heenan	(Leader, Stafford Borough Council)

3. Declarations of Interest

None

4. Notes of the Previous Meeting and Matters Arising

The previous notes from 12th June 2014 were approved with matters arising to be discussed at the meeting.

5. Growth Deal – Outcome and Future Actions

David Frost expressed his gratitude for all of the people involved in constructing and negotiating our Growth Deal.

Kevin Postones delivered an update on the Growth Deal.

National Picture

The LGF is currently a £12bn national pot which will be released over 6 years (approx. £2bn per year). In 2015/16, £1.1bn was already committed, which was mainly for transport projects. This left £930m left for allocation in 2015/16 and was over-subscribed by a multiplier of three. Out of this money, LEPs had their top priorities supported with commitment of the full £930 and an earmark placed for future funds through the project pipeline.

Given this earmarking, £6bn of LGF is now provisionally allocated. This leaves a further £6bn for future years if the projected pot of £2bn per year does not change.

This represents the start of the growth deal process; we must bid again for future years and so we should open discussions for future years as soon as possible.

Stoke-on-Trent & Staffordshire's Growth Deal

The LEP's priority projects involved those which developed key infrastructure to unlock employment sites, these were projects which received no investment through the City Deal. Government has allocated £13.6m to support top 5 priorities in 2015/16, including Etruria Phase 1, Lichfield Park, Meaford, Berricote Four Ashes and the Stafford Western Access highway. There is a further £14.1m allocated from 2016/17 to ensure that Stafford Western Access road is completed. In addition we have a provisional allocation of £34m for a pipeline of projects including, Etruria Phases 2 + 3, Branston Locks (the 5th of the sites first identified in the City Deal), LSTP and the Advanced Manufacturing Hub skills capital project.

Combined with pre-committed LGF (£16.4m major transport schemes and £4.1m RGF) our area is receiving £82.2m for the first iteration of the Growth Deal. There is also a further £250k for developing the Growth Hub.

It will be difficult for future government to back pedal on provisional allocations.

Outputs

Three outputs have been specified; jobs, homes and leverage for projects starting in 2015/16. There has been a conservative view taken of the estimates of jobs and homes and so has reduced the target by 30%. The key metrics for 2015/16 projects are provisionally; 5000 jobs, 1000 houses, £14.2m leverage.

What next?

We should now press ahead with developing the detailed project delivery plans for projects starting in 2015/16 and those in the pipeline.

Our Growth Deal document has outlined a number of items to be secured:

- We need confirmation of which LA will be the accountable body in receipt of the LGF advanced quarterly payments.
- We need to agree the approach to monitoring and evaluation by Sept 2014 and have an Evaluation Plan by April 2015.
- The LEP must strengthen governance arrangements to ensure effective project delivery.
- We need to open negotiations around Growth Deal 2 immediately.

We may also want to start developing assurance frameworks that show how risks will be managed, accountability preserved and delivery effectiveness maximised.

Action

- The LEP now needs to;
 - Strengthen its governance to ensure programme monitoring and evaluation is transparent and timely – **see below**
 - Ensure Implementation and demonstrate success
 - Progress the funded projects to ensure they deliver in 2015/16, **All project sponsors**
 - Agree monitoring and evaluation metrics by September 2014 **Secretariat and Executive Group**
 - Agree monitoring and evaluation processes with Cabinet Office before April 2015 **Secretariat and Executive Group,**
 - Communicate the outputs and outcomes **Communications and Secretariat**
 - Ensure value for money by agreeing an “Assurance Framework”. There is one already in place for the major transport schemes. **Secretariat and Executive Group**
 - Firm up the project pipeline, **All project sponsors, Secretariat, and Executive Group**
 - Develop “Growth Deal 2” **Secretariat and Executive Group**

6. Governance – Recommendations of the Working Group

Peter Davenport gave thanks to Lucy Sefton who had written the Governance Review Update which makes recommendations on the structure of the LEP and has been working in conjunction with the Governance Working Group to develop the new structure.

The exercise of reviewing the governance structure has required an examination of purpose and priorities of our LEP along with the requirements for delivery of the projects we have to monitor. This has heavily influenced the structures that are being proposed.

- Core to the new structure is the idea that the LEP needs 3 delivery programme groups covering delivery of projects under the ESIF, City Deal and Growth Deal.
- Policy advice must feed into these groups and up to the executive board, this will be covered by thematic sub-groups which will be used as sounding boards.
- Strategic Finance has been positioned into the structure below the executive and partnership boards but above all other groups to ensure that it can maintain a top down view of activity. The constituent members of the Strategic Funding group will need to represent a “complete cohort” capable of coordinating with all relevant partners.

Some people on the board believed that the structure was this too complex. They had concerns about the management of such a structure.

The point was emphasised that we are not a managing agent, rather we are a monitoring and evaluating body, therefore we need to avoid being surrogate management.

The point of sub-groups being loosely defined is to allow groups to form as needed and maintain flexibility. We want groups to organically grow and self-sustain rather than requiring excessive core LEP support.

As this governance work continues it is important to consider how it might impact on staffing capacity. We may have a senior officer responsible for each programme management group, shadowed by board member to report into the executive board.

The structure also needs to be conducive to upholding accountabilities, effective monitoring and evaluation. This will require simple clear KPIs and project tracking to meet deadlines.

In particular the ESIF Programme Management group is going to have to be a responsive team able to stay on top of any changes which may occur (exchange rates etc.).

In order to place ourselves in a strong position for future growth deal iterations we have to demonstrate that our governance is secure and supports effective delivery.

Helen Riley urged the board to consider and compare the value of one managing director in the LEP vs. three dedicated programme managers.

The executive group agreed that the LEP's Governance should be developed in accordance with the principles set out in the report, particularly the diagram on page 8 and that more detailed proposals should be developed for your September meeting covering more detailed terms of reference and the capacity required to monitor and evaluate the delivery of the City Deal, Growth Deal, and EU investment programmes as well as the operation of the LEP.

Action – Governance working group to develop proposals for the September meeting.

7. City Deal Programme Report

The group discussed the details of the city deal programme report which was circulated at the meeting and is available on request.

Concerns were raised over the state of the Innovative Growth in Stoke-on-Trent & Staffordshire (IGISS) programme. It was thought that IGISS needs more advocacy (especially in the southern districts of Staffordshire).

Action – Business Growth and Innovation Group review how IGISS can better be promoted, particularly across the centre and south of the LEP area.

8. Update on European Programmes and Rural Funding

Overall it was thought that we need to review the ESIF project pipeline and start demonstrating deliverability. Whilst some projects are well defined other areas receiving investment are not.

A revised map of LEADER coverage was tabled. Copy attached.

You agreed that we should establish a shadow "Local Management Committee" in accordance with the European Partnership Code of conduct. The Shadow LMC will meet in early September.

The LEADER Local Development Strategy has to be submitted to DEFRA by the 5th September. You agreed that the Vice Chair as Chair of the Strategic Funding and Finance Group be delegated to review and support the final submission.

The Secretariat is compiling a package of more detailed intervention areas that could be commissioned as the EU programme develops in the context of SEP priorities. They will be engaging partners as the work progresses and reporting to the shadow LMC as part of the required ESIF Implementation Plan.

Actions

- Shadow LMC to be developed in accordance with the code and nominations sought by the LEP – Secretariat NS/PH
- SCC Funding team to develop LEADER Development Strategy by the 4th September

- Peak District LEADER linkage to be recognised – SCC Funding Team

9. Key Performance Indicators

Concerns were raised about whether the dashboard gave an indication of skills shortages. Additionally there were concerns over the lower levels of apprenticeships in the LEP area, this is actually a national issue.

Kevin Postones advised that the three key KPIs against which growth deal performance is measured should be placed on the dashboard (jobs, houses, leverage)

The executive group supported the principles for future reporting but wanted to see further work done to develop a timely job measure which was more reliable than relying on claimant counts.

The background to the change in apprenticeships will be circulated separately.

Action

- Secretariat to action and develop a more timely job measure
- Group members to advise if they do not currently receive the economic bulletin

10. Sub Group Updates

- Business Growth and Innovation
 - Impact of the delay in the EU Programme on UKTI, MAS, and GA delivery is being addressed nationally
 - Regulation Charter to be signed on the 21st July
 - Planning Charter Mark to be amended in accordance with the 8 proposals in the report.
- Housing and Place
 - Housing Investment Work to be commissioned – **Action** – Secretariat/Sub Group
- Skills and the Education Trust
 - A report on the delivery of the locality project will be provided in September. This will also consider the funding and resources needed to support the Education Trust. – **Action** – Skills Secretariat team AB/JO/AM
- Sectors and Inward Investment
 - Update noted

11. Any Other Business

- Annual General Meeting – this is being planned for October and the Chair had requested a location close to a London linked railway station. The Moat House, Staffordshire University, and the Britannia Stadium were being examined as meeting the capacity and location requirements.
- Fuller Working Lives – As previously circulated DWP have approached the LEP to host a national conference on “Fuller Working Lives” with two Ministerial speakers on the 10th September. LEP’s and participants from across England are expected to attend.

Close of Meeting

Date of next meeting: 11/09/2014 at 6.00 p.m. (Executive Group)

Circulation

For Information: Association of Colleges; Staffordshire University,
Secretariat members, SEP CXO Lead, Sub Group Facilitators, Finance
Officers