

New Anglia Local Enterprise Partnership Board Meeting

Wednesday 21st March 2018

10.00am to 12.30pm

The Jockey Club, 101 High St, Newmarket, Suffolk CB8 8JL

Agenda

No.	Item	Duration
1.	Welcome	20 mins
2.	Apologies	↑ ↓
3.	Declarations of Interest	
4.	Horse Racing Industry Presentation from Rachel Hood	
5.	Actions / Minutes from the last meeting	
Forward looking		
6.	Institute of Technology - Confidential	Update
Governance and delivery		100 mins
7.	2018/2019 Budget – Confidential	For approval
8.	Capital Growth Programme Bid – Snetterton Heath including Confidential Appendices 2 and 3	For approval
9.	Growth Deal Funding Change Request – NATS Packages	For approval
10.	Growth Deal Funding Change Request – Cornhill	For approval
11.	Growing Places Fund – Atex Business Park – Confidential	For approval
12.	Scheme of Delegation	For approval
13.	Chief Executive’s report including PwC Implementation Plan	Update
14.	Finance Report including Confidential Appendices	Update
15.	Board Forward Plan	Update
16.	Any Other Business	Update

Date and time of next meeting: 18th April 2018. 10am-12.30pm

Venue: The Green Britain Centre, Turbine Way, Swaffham PE37 7HT

New Anglia Board Meeting Minutes (Unconfirmed) 21st February 2018

Present:

Cllr David Ellesmere (DE)	Ipswich Borough Council
Doug Field (DF)	East of England Coop
Cllr Cliff Jordan (CJ)	Norfolk County Council
Dominic Keen (DK)	High Growth Robotics
Colin Noble (CN)	Suffolk County Council
Steve Oliver (SO)	MLM Group
Cllr Andrew Proctor (AP)	Broadland District Council
Johnathan Reynolds (JR)	Nautilus
Prof David Richardson (DR)	UEA
Lindsey Rix (LR)	Aviva
Sandy Ruddock (SR)	Scarlett & Mustard
Jeanette Wheeler (JW)	Birketts

In Attendance:

Vivienne Gillespie (VG)	Suffolk New College (For Nikos Savvas)
Mike Stonard (MS)	Norwich City Council (For Alan Waters)
Vince Muspratt (VM)	Norfolk County Council (For Tracy Jessop)
Shan Lloyd (SL)	BEIS
Chris Dashper (CD)	New Anglia LEP
Chris Starkie (CS)	New Anglia LEP
Helen Wilton (HW)	New Anglia LEP
Sue Roper (SuR)	Suffolk County Council
Steven Greenwood (SG)	Cities and Local Growth Unit
Peter Sutton (PS)	Cities and Local Growth Unit
Jeannine Hoeckx	Government Internal Audit Agency
Patrick White (PW)	Metro Dynamics - For Items 6 and 7

Actions from the meeting: (21.02.18)	
Declarations of Interest – Ascertain whether regular Board substitutes need to complete Declaration of Interest Forms.	CS
Economic Indicator Trajectories and Targets: To receive a paper on CO2 reductions for consideration of inclusion in the economic strategy targets.	CS/JR
Brexit Analysis - To receive an action plan detailing the next steps, timescales and measures of success	LiR
Governance Review - To receive a proposed scheme of delegation and decisions log at the March meeting	CS
1	Welcome from the Chair
<p>Doug Field (DF) welcomed everyone to the meeting and thanked Lindsey Rix for hosting. He welcomed the attendees including Vivienne Gillespie, deputising for Nikos Savvas, Mike Stonard deputising for Alan Waters and Vince Muspratt, deputising for Tracy Jessop.</p> <p>Chris Starkie (CS) updated the meeting on the Annual Conversation and the resulting deep dives being carried out on a number of underperforming LEPs. New Anglia has been identified as a high performing LEP and will be used as a control deep dive over the next 3 days. DF then welcomed those carrying out the deep dive namely Jeannine Hoeckx who was in attendance and Steven Greenwood and Peter Sutton, who joined the meeting at 10.20.</p>	
2	Apologies
<p>Apologies were received from:</p> <p>Cllr Alan Waters Cllr John Griffiths Dr Nikos Savvas Tim Whitley Tracy Jessop Lisa Roberts</p>	
3	Declarations of Interest
<p>Full declarations of interest can be found at http://www.newanglia.co.uk/about-us/the-board/. The board were reminded that declarations of interest are required as part of LEP scrutiny and must be submitted to the LEP office at the earliest convenience. Declarations relevant to this meeting: None</p> <p>Mike Stonard (MS) questioned whether those who regularly attend Board meetings as substitutes needed to complete the Declarations of interest form. CS agreed to investigate further and advise the Board.</p>	
4	Welcome from Aviva
<p>LR welcomed attendees to the meeting and gave an overview of Aviva, its role as a large local employer and its importance to the region.</p>	
5	Minutes of the last meeting 17th January 2018
<p><i>Actions from last meeting updated as follows:</i></p> <p>Capital Growth Programme Projects - Identify whether other LEPS have received requests for investment in flood defence schemes. Investigations are ongoing.</p> <p>Chief Executive's Report For CS to produce a paper on the impact of GCGP changes - complete</p> <p>Andrew Proctor (AP) queried whether the incorrect scoring on the Capital Growth Fund paper presented at the last board had impacted on the decisions made about the bids. CS confirmed that that decisions were based on the correct scoring.</p>	
6	Brexit Analysis
<p>CS took the majority of the paper as read and provided background information on the Brexit analysis carried out by Metro Dynamics.</p> <p>Patrick White (PW) from Metro Dynamics updated the meeting on the background to the research and the approach taken which aimed to link the analysis to the Economic Strategy. The approach reviewed key sectors and then targeted individual companies to assess the</p>	

	<p>impacts of Brexit specifically focussing on the impacts on trade, regulations, workforce and funding.</p> <p>The impact on the workforce was specifically identified as particular issue for this region given the reliance on seasonal working and the issues already faced by companies in recruiting staff with appropriate skills.</p> <p>It was also noted that a replacement for current EU funding will be required however the details of how this will be delivered remain unclear.</p> <p>DF advised that the main report contained an initial action plan which will be progressed and developed together with actions and targets. Timescales and measures of success will be brought back to the Board in April or May.</p> <p>David Ellesmere (DE) noted that companies employ staff elsewhere in the EU and the fall in the value of the pound has already impacted upon the cost of employing them, Jeanette Wheeler (JW) stated that companies were already struggling to recruit workers from the EU and the LEP should focus on what can be done to assist in recruitment as all vacancies will not be filled from within the UK.</p> <p>Colin Noble (CN) felt that the LEP could have an important role post Brexit as it is a non-political body which can have a key role in bringing together individuals and organisations across the political lines. He also identified the skills shortage as the main issue and felt that the LEP can lead on this point.</p> <p>David Richardson (DR) agreed that the skills shortage would be significant and felt that the LEP could be leading on co-delivery of programmes which would help to address this. He requested that work start immediately to identify the skills gaps and investigate how they can be addressed rather than leaving the work until Brexit has actually happened.</p> <p>The meeting discussed how the Brexit research tied in with the Economic Strategy.</p> <p>Shan Lloyd (SL) updated the meeting on Government work on the replacement of EU funding advising that LEPs would play a key role in defining requirements.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> • To note the content of the report • To support the recommendations in the report • To receive an action plan detailing the next steps, timescales and measures of success 	LiR
7	Economic Indicator Trajectories and Targets	
	<p>CS took the majority of the paper as read and updated the meeting on the process followed to build the trajectories and targets.</p> <p>Dominic Keen (DK) queried whether economic fluctuations would be accounted for in the projections. CS confirmed that progress against the targets was unlikely to be smooth but the trajectory took this into account.</p> <p>LR noted that having up to date data was key to ensuring that the projections were as accurate as possible and also asked whether any qualitative measures were place. CS confirmed that these would be included and proposed surveying businesses as an example of how these could be gaged. LR proposed using a set of sample businesses who would participate in a roundtable on a regular basis in order to monitor opinions.</p> <p>Johnathan Reynolds (JR) proposed using sector groups and CS suggested contacting those businesses which had received LEP funding to obtain views.</p> <p>Vivienne Gillespie (VG) asked whether the skills targets could be broken down further. PW confirmed that sub-metrics existed which would be recorded and reported back to the Skills Board.</p>	

	<p>The meeting discussed the role that the LEP should play in housing development given that the LEP can drive provide infrastructure and help businesses in order to boost the demand for housing but is not directly responsible for the provision of homes.</p> <p>JR noted that there were no targets on CO2 emissions which were identified as key in the Pathfinder project and recommended that this be included. It was agreed that a paper would be submitted to a future Board meeting for consideration.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> • To note the contents of the report • Agree the methodologies that have been developed to set the targets for each of the indicators up to 2021. • Agree the approach to monitoring and reporting on the indicators to the Board. • To receive a paper on CO2 reductions for consideration of inclusion in the economic strategy targets. <p>PW left the meeting.</p>	JR/CS
8	Governance Review	
	<p>DF noted that, in order for the LEP to remain compliant, all Terms of Reference needed to be published on the web site by 28th February and suggested that they be agreed by the Board before going to each individual committee for approval. Part of each committee's work programme would be an annual review of its terms of reference to ensure its appropriateness.</p> <p>CS updated the meeting on the background to the review and on work carried out to date. CS thanked those Board members who had volunteered to sit on the various committees and reviewed the high level details of the groups. He also confirmed that work was continuing on the Scheme of Delegation and the Decision Log which would be brought to the March Board.</p> <p>Chris Dashper (CD) outlined the Terms of Reference for the Investment Appraisal Committee explaining its link to the Growing Business Fund Panel. Changes suggested at the recent committee meeting would be incorporated into Terms of Reference.</p> <p>It was noted that the Terms of Reference needed to include details of the committee substitution policy.</p> <p>DE proposed using the same approach to substitution as the main Board. This was agreed.</p> <p>JW noted that the duration of appointment to each Board should be included.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> • To note the content of the report. • To agree the Terms of Reference for each of the Committees and Board subject to the above changes. • To confirm the appointment of members to the new committees within the new structure. • To receive a proposed scheme of delegation and decisions log at the March meeting 	CS
9	24 Month Operational Plan Review	
	<p>CS took majority of the paper as read and those areas where improvement had been made.</p> <p>CJ asked whether sustaining businesses should be included as future aim as well as growing the local economy. CS advised that this paper was a review of the previous plan which had focussed on growth and agreed that this was included in future objectives as part of the Economic Strategy. It was noted that the Board had agreed not to intervene in struggling businesses but should support those existing ones which wish to evolve and expand.</p> <p>JR queried the current status of the Oil & Gas Taskforce. CS advised that this was still operational and he would be happy for JR to be involved in the future.</p>	

	<p>The Board agreed:</p> <ul style="list-style-type: none"> To note the content of the report and the progress made against the 24 month Operational Plan 	
10	New Anglia LEP ERDF Bid	
	<p>CD took the majority of the paper as read and updated the meeting on the issues encountered during the approval process for the last bid.</p> <p>The Board was advised that, should the approval be delayed then there is a risk that there will not be funding available for the Small Grants Scheme and Growth Hub after 31st August 2018 when current funding expires.</p> <p>CD proposed that the Growth Hub and Small Grant Scheme continue in their current form until the end of October 2018 to allow for possible delays and reduce the risk of the Programme being disrupted. This would be achieved by using BEIS Growth Hub funding and Growing Business Fund funding and would be recouped when ERDF funding was approved. In the event that a decision on funding from MHCLG is still pending by September, the LEP Executive would present a paper on future options to September's board meeting.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> To note the content of the paper. To support the submission of a request for £7.4m of ERDF funding To agree to the allocation of £150,000 of BEIS funding and £200,000 of the Growing Business Fund to continue activity, should ERDF approval be delayed beyond August 2018. 	
11	Sub-National Transport Forum	
	<p>CS took the majority of the paper as read and updated the meeting on the background to the sub-national transport bodies and progress of the various bodies created to date.</p> <p>A meeting was held in December 2017 which agreed to establish a sub-national transport forum to be known as Transport East.</p> <p>Steve Oliver (SO) asked how the LEP Transport Strategy was linked to this. CS advised that the LEP would have its own strategy which will be presented at the May Board. Individual counties or towns could also have strategies and this forum would pull together the various strategies at a regional level.</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> To note the content of the report. To agree to be a full member of Transport East For DK to be a New Anglia LEP representative on Transport East 	
12	Chief Executive's report including PwC and Mary Ney Review Implementation Plan	
	<p>DF advised that a COO had been appointed with view to starting early in the summer. DF thanked all those involved in the recruitment process.</p> <p>CS took the majority of the paper as read and provided an update on the following items:</p> <p>Growth Deal - CS reviewed the delivery of the Growth Plan detailing changes in spending from last month.</p> <p>Capital Growth Programme – CS advised that CEFAS & Bacton had been advised of the decision. Deferred projects will be brought back to the Board meetings together for future consideration.</p> <p>Mary Ney Review – CS reviewed progress against the implementation plan.</p> <p>The meeting was advised that the assurance framework needed to be updated in the light of the changes agreed at this Board Meeting. This will be updated by the LEP team and added to the web site by 28th February.</p>	

<p>JW asked whether requests for funding made to the Growing Business Fund would be added to the web site. CS confirmed that only details of approved requests would be added as this involved the spending of public funds. Those declined would not be included</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> To note the content of the report 	
<p>13</p>	<p>Finance Report</p>
<p>CS took the majority of the papers as read and asked for questions from the Board. It was noted that the cost of the Opportunity Area Director & her assistant were not included in the budgeted costs but neither was the associated income so the net effect was nil. The Budget will be presented to the March Board</p> <p>The Board agreed:</p> <ul style="list-style-type: none"> To note the content of the report. 	
<p>14</p>	<p>Any Other Business</p>
<p>DF advised that the Board Forward Plan would be a standing item at future meetings.</p> <p>DF asked Board members whether they would prefer to receive appendices to Board papers as a separate pack or as part of main paper. Board members agreed that they wished to continue to receive them as part of the main pack.</p>	

Next meeting:

Date and time of next meeting: 21st March, 2018. 10am-12.30pm

Venue: The Jockey Club, Newmarket, Suffolk

Actions from New Anglia LEP Board Meetings

Date	Item	Action	Update	Actioned By	Status
21/02/2018	Declarations of Interest	Ascertain whether regular Board substitutes need to complete Declaration of Interest Forms.	Declarations will be required. Charley Purves will contact Board substitutes to arrange completion	CS	On-Going
21/02/2018	Economic Indicator Trajectories and Targets:	To receive a paper on CO2 reductions for consideration of inclusion in the economic strategy targets	CS and JR liaising	CS/JR	On-Going
21/02/2018	Brexit Analysis	To receive an action plan detailing the next steps, timescales and measures of success	Draft action plan is being produced	LiR	On-Going
21/02/2018	Governance Review	Governance Review - To receive a proposed scheme of delegation and decisions log at the March meeting	Scheme of Delegation presented at March Board meeting	CS	On-Going
17/01/2018	Capital Growth Programme Projects	Identify whether other LEPS have received requests for investment in flood defence schemes.	Verbal update to be provided at March Board meeting	CD	Complete
22/11/2017	Business Performance Reports	To receive a proposal on the Eastern Agri-Tech initiative by email.	On hold pending clarification on the situation at GCGP	CS	On Hold



New Anglia Local Enterprise Partnership Board

Wednesday 21st March 2018

Agenda Item 8

Capital Growth Programme Bid: Snetterton Heath Employment Area

Author: Chris Dashper

Summary

The Capital Growth Programme call for projects was launched immediately following the October 2017 LEP Board meeting.

Under the call, £9m of grant funding from the Growth Deal was made available to support projects that help to deliver the new Economic Strategy.

At the January meeting of the LEP Board, the board agreed to support two of the 29 project applications received. The remainder of the applications were either deferred pending further information or rejected. The updated table of deferred projects is included for reference as a confidential appendix to this paper.

One of the deferred projects, Snetterton Heath Employment Area Electricity Upgrade Scheme has now supplied the required additional information necessary for a decision to be made on the financial support for the project.

Appendices 2 and 3 are deemed confidential because they contain commercially sensitive information.

Recommendation

The Board are asked to:

- Approve the award of Capital Growth Programme grant funding in the amount of £2.65m to the Snetterton Heath Employment Area Electricity Upgrade Scheme, following recommendation by the Investment Appraisal Committee.

Background

The Capital Growth Programme Call for Projects was launched after the October LEP Board meeting, with £9m from the Growth Deal made available to support projects that helped to the deliver the new Economic Strategy.

A total of 29 project Expressions of Interest were received as a result of the call, with sectors including infrastructure, transport, employment projects, skills and cultural themed projects.

At the January 2018 LEP Board 2 projects, Bacton to Walcott Coastal Management Scheme and CEFAS Research Centre were approved, allocating £2.48m of the £9m round. A further 20

of the project applications were deferred, pending further information. One of the deferred projects was the Snetterton Heath Employment Area Electricity Upgrade scheme.

Since the January LEP Board meeting, the applicant for the Snetterton project, Breckland District Council, has provided significant additional information on the delivery of the Snetterton Heath Employment Area project and has also secured planning permission for the electricity substation, one of the principle outstanding requirements necessary to allow approval of the project.

Key issues

- **The Site**

Snetterton Heath is the one of the largest of the A11 employment sites and one of the most visible from the A11, five miles west of Attleborough and located in the Breckland District Council area. It is an established location, with most of the spine infrastructure already provided including grade separated A11 access. The Snetterton motor racing circuit, an internationally recognised venue, forms part of the site and provides a potential basis for further employment. The only infrastructure issue restricting the growth of site is the electricity constraints, an upgrade of the supply being necessary to encourage further development.

- **Funding**

Breckland District Council has applied to New Anglia LEP for a Capital Growth Programme grant of £2.65m towards the cost of a £3.5m scheme to upgrade the electricity supply to the employment land. The costs of the project include a new substation to be located within the boundary of the nearby Biomass Powerstation and new cabling to various parts of the employment area. The balance of funding required will come from a grant from the Norfolk Business Rates Pool.

- **Project proposal**

The project proposal is to construct a new substation at the biomass plant to convert 33kv to 11 kv and link to the existing UKPN network. 11kv cable will then be run to the edge of each landholding but no further. It will be the landowner's responsibility to distribute the power thereafter to individual parcels. Occupiers will also need to provide their own onsite substations to step down the 11kv supply. Breckland proposes to fund the whole cost upfront so that individual users can connect, as and when they arrive.

- **Consents**

Heads of terms have been agreed for the siting of the substation. The majority of the cable runs are along public highways and Norfolk County Council has confirmed that these can be accessed without difficulty. There is no need to cross any other land not owned by the local landowners. With planning permission now in place, this means there are no major constraints to the delivery of the project.

- **State Aid**

State Aid is often an issue for projects involving the supply of utilities. New Anglia LEP has commissioned an independent legal report on the State Aid issues facing this project. The legal advice confirms that in this circumstance, the aid is a permissible subsidy to UKPN to extend its network, to the boundary of each site, to which the public has the right to connect. The effect of the subsidy is to enable the serviced land to be offered at market price rather than at above market price and does not give it a competitive advantage over other sites on the A11. Ultimately the site would not be viable if the full cost of connection had to be met. An alternative loan arrangement would not work in this circumstance.

- **Timescale**

Breckland District Council are intending to start work almost immediately after approval of the grant request. This ensures that the price quoted by UKPN remains viable. Cabinet approval of the grant will be required and this has been scheduled for discussion in early April 2018.

- **Project history**

New Anglia LEP has been supportive of the concept of improving the electricity supply at Snetterton, this being a well-known local issue for some time. A previous attempt to address this situation, with a confirmed grant offer from the Growth Deal could not ultimately be delivered due to the costs involved and complex access rights including passing under the railway line. The grant offer had to be withdrawn, the funding recycled back into the Growth Deal and therefore forming part of the funding for the current Call for Projects.

The current version of the project is a much improved, comprehensive arrangement, considerably more deliverable than before and fully State Aid compliant.

- **Financial implications**

Approval of the project would bring the total formal allocation under the £9m call to £5.13m, including the £2.48m allocated at the January 2018 Board meeting.

This would leave £3.87m to be allocated to the remaining deferred projects, subject to additional information and appraisal. A further review paper on these projects is scheduled for the May 2018 Board meeting.

A further £23m would then remain for a future call to be held in the summer/autumn. This could support some of the deferred projects.

Link to the economic strategy

New Anglia LEP has previously invested in infrastructure including the A11 corridor and has supported other successful large-scale employment sites with direct and indirect infrastructure investment, including the 16 Enterprise Zone sites across Norfolk and Suffolk. Rarely viable in conventional investment terms, this type of site often requires a public intervention to allow progress to be made towards achieving growth, appropriate outputs and addressing issues such as productivity.

The Cambridge-Norwich Tech Corridor and its developable employment areas including Snetterton Heath are key aspects of the new Economic Strategy.

Recommendation

The Board are asked to:

Approve the award of Capital Growth Programme grant funding in the amount of £2.65m to the Snetterton Heath Employment Area Electricity Upgrade Scheme, following recommendation by the Investment Appraisal Committee.

Appendix 1: Appraisal process

Appendix 2: Confidential – consultants appraisal

Appendix 3: Confidential – deferred projects table

Appendix 1: Appraisal Process

Hewdon Consulting have been engaged to complete the initial appraisal of the project applications received during the Call for Projects launched in October 2017.

All projects have been appraised in accordance with HM Treasury Green Book principles of viability, value for money, achievability, affordability and need.

Following the receipt of additional supporting information, the Snetterton Heath Employment Area project has been reappraised by Hewdon Consulting and re-scored in line with the October 2017 Call for Projects key criteria:

Capital Growth Programme Core outputs

- Connectivity- investing in essential projects and assets that improve the infrastructure and which create a modern, mobile, accessible future-proof digital connected economy.
- Unlocking Growth- investing in infrastructure that unlocks or protects housing or commercial developments in our key growth locations.
- Investing in skills- investing in projects that deliver the higher level skills needed to drive growth across our economy with a particular emphasis on our 'innovation' and 'enabling' sectors,

Key project assessment criteria

- Whether the need for the project has been clearly demonstrated
- Evidence of option appraisal and business case
- How well the project meets the priorities of the Economic Strategy
- How well the project fits with local and sub-regional plans and priorities
- Potential for alternative funding, partnering and joint schemes
- Estimated costs with level of detail to reflect the current stage of the project
- Potential of the project to contribute to economic growth
- Potential of the project to achieve payback
- How likely the project is to be successful
- How risks will be managed and mitigated
- Economic outputs and impacts created by the project
- How the benefits of the project will be sustained after LEP funding finished

Appraisal techniques used in the assessment of projects:

- Justification of local economic need
- Evidence of failure in commercial markets
- Viability gaps for development of sites
- Opportunity to accelerate delivery of development
- State Aid

Strategic Prioritisation Framework

Projects have also been assessed against the LEPs own Prioritisation Framework, which includes the following key assessment criteria

- **Strategic Fit.**

Consideration of whether the aim of the project is referenced in the Economic Strategy. Also consideration of national economic development policy priorities, particularly those in the Autumn Budget 2017 and the Industrial Strategy White Paper.

- **Deliverability**

The main criterion was whether the project was sufficiently well advanced to draw down LEP funding in 2018/19 and to complete by 2020/21 as the Call required. Key indicators of deliverability included:

- Planning consent and land acquisition in place
- Other funding being committed
- A well-developed business case

- **Additionality**

Projects should be able to demonstrate the addition of measurable direct outputs corresponding to those in the Economic Strategy – such as jobs, houses, or Gross Value Added (GVA) increase.

- **Economic Impact and Vfm.**

Ideally the outputs should be converted to a monetary value such as GVA and compared with the cost to obtain the Net Present Value of the intervention. The exception is transport projects for which a Benefit: Cost Ratio (BCR) is used.



New Anglia Local Enterprise Partnership Board
Wednesday 21st March 2018

Agenda Item 9

Growth Deal: Norwich Area Transportation Strategy (NATS)

Author: Chris Dashper, Jonathan Rudd

Summary and Recommendation

The LEP Board is requested to approve;

1. Transfer of £350,000 from the NATS A11 Corridor Package to the NATS City Centre Package to balance out an underspend on one scheme (Daniels Road Junction) and overspend on another (Guardian Road Junction).
2. Inclusion of a new scheme (Plumstead Road Roundabout) in the NATS City Centre Package to replace a £400,000 scheme which is no longer deliverable (Salhouse Road Bus Rapid Transit Scheme).

Background

Prior to the Growth Deal capital programme, the Department of Transport delegated responsibility for allocating funding for capital transport projects to the Norfolk and Suffolk Local Transport Body (LTB), an unincorporated entity. The LTB was subsequently subsumed into the LEP as a sub-committee of the LEP Board and the LEP is responsible for managing the LTB capital programme.

The LTB operates a two-stage approval process which incorporates DfT requirements; an initial assessment as part of the appraisal on new projects prior to Growth Deal Programme entry and a further approval of constituent schemes on completion of the design stage involving a proportionate Business Case.

The Norwich Area Transportation Strategy (NATS) is a Growth Deal project, approved by the LEP board in 2015. It was originally promoted as a city-wide collection of schemes, but at the request of government it was divided into the following two packages:

- **NATS City Centre Package (£7M)** – principally to improve connectivity and accessibility within the core retail and business district by removing through traffic from the city centre, but retaining access to car parks, businesses and other premises. The package comprises of:
 - Phase I; Chapelfield North scheme (pre-Growth Deal),
 - Phase II (£2M); Golden Ball Street, Westlegate, All Saints Green, Ber Street and Finkelgate
 - Guardian Rd Junction (£1.55M); with A1074 Dereham & A140 Sweetbriar.
 - Roundhouse Way Bus Interchange (£0.45M); Northwest of A11 junction.
 - Phase III (£2.6M); Prince of Wales Road, Rose Lane and Agricultural Hall Plain.
 - Salhouse Road Bus Rapid Transit (£0.4M).

- **NATS A11 Corridor Package (£4.175M)** - focussed on the A11 corridor, to connect Norwich city centre to growth areas in the south west including at the Norwich Research Park, University and Hospital cluster, Cringleford, Wymondham and Hethersett:
 - Part 1 (£2.175m);
 - UEA Bus/Transport Interchange, major upgrade,
 - Cycle link extension from Hethersett to Wymondham (off-carriageway),
 - A11 North slip road - Cringleford cycle track,
 - Eaton Centre to Newmarket Rd south slip Rd cycle facilities,
 - Toucan crossing on Newmarket Rd between poplar Ave & Unthank Rd.
 - Part 2 (£2m); Junction improvement at A11 (Daniels Rd) & Outer Ring (Newmarket & Mile End Roads).

Key Issues

1. Transfer of £350,000 between NATS Packages.

Introduction. On 23 Feb 18, the Local Transport body was asked to support a request to reallocate £350,000 funds between the two NATS packages for the following reason:

- Delivery of the Guardian Road junction improvement, part of the NATS City Centre Package, will likely cost £700,000 more than the initial forecast of £1.55M.
- Conversely, the cost of delivering the Daniels Road scheme within the NATS A11 Package is estimated to be £350,000 below the initial forecast of £2M.

NCC raised the likely overspend on the Guardian Road junction back in October 2017, and the possibility of covering the cost through virement from the NATS A11 was discussed. However, planning for the Daniels Road scheme was not mature enough to present to the LTB or accurately predict the saving. Consequently, NCC submitted an Expression of Interest to the November 2017 Call for Projects. This was rejected, since it is a standard condition that the total funding amount set out in our grant agreements is the maximum allocated to deliver the Project, irrespective of any cost increase, and there is no commitment to any uplift in the level of funding offered.

Notwithstanding this, in their feedback the LEP reiterated the possibility of covering the cost overrun from the likely underspend in the NATS A11 package and stated that “the LEP Board would be happy to receive a formal proposal to this effect via the Local Transport Body”. The formal proposal was submitted to the LTB on 23 Feb 18, who recommended to approve the transfer of £350,000 from the NATS A11 Corridor Package to the NATS City Centre Package.

Delivery

- Guardian Road Junction. Provision of a new enlarged roundabout in place of the existing roundabout, controlled pedestrian (toucan) crossings, reduction in the length of an existing bus lane, new 30mph limits and altered segregated footway/cycleways.
- Daniels Road Junction. Involves provision of dedicated turn lanes on selected arms of the roundabout and reconfiguration of traffic lights and toucan crossings at adjacent junctions.

Funding. The saving from Daniels Road junction to be reallocated to the Guardian Road junction to make up half of the increased cost, with NCC to meet the remaining £350,000, as follows:

Guardian Road Scheme Delivery timetable					
Funding Source	15/16	16/17	17/18	18/19	Total
Growth Deal	£50,000		£1,451,000	£499,000	£1,900,000
NCC			£350,000		£350,000
Totals	£50,000		£1,801,000	£499,000	£2,250,000

Link to Economic Strategy

- Guardian Road Junction. This scheme will improve connectivity and access within Norwich; reduce congestion and journey times for businesses and commuters, improve bus reliability and conditions for pedestrians and cyclists, and bring forward growth.
- Daniels Road Junction. This aims to reduce delays experienced by bus passengers and general traffic on Newmarket Road (A11) and ensure the ring road remains sufficiently free flowing. This will benefit all modes of transport on this key transport corridor linking the city centre with the radial routes to the south-west of Norwich where growth is planned at housing and employment sites in Cringleford, Hethersett and Wymondham, as well as further afield at Thetford.

2. Plumstead Road Roundabout.

Introduction. This is a new scheme under the pre-agreed NATS City Centre Package. It is proposed to replace the Salhouse Road Bus Rapid Transit (BRT) scheme that formed part of the original LEP Board approval. The BRT scheme is currently undeliverable due to both insufficient demand and support from the bus operators.

Delivery. The scheme includes the redesign of a 3-arm offline roundabout, designed as part of initial planning by property developers Lothbury, to incorporate a 4th arm and spur onto Broadland District Council land. Planning permission has been granted for this new roundabout junction and an agreement has been drafted with Lothbury to share the costs of developing and building the junction. This will enable Lothbury to deliver the permitted 600 homes to the south of Plumstead Road and provide access to a parcel of land in the ownership of Broadland District Council which could be developed for a further 35 houses.

Funding. Growth Deal Funding remains consistent with the approved allocation of which £400k of Local Growth Fund has been earmarked. The full £1M cost of the scheme will be met as follows:

Funding Source	15/16	16/17	17/18	18/19	Total
Growth Deal	£10,000	£189,000	£201,000		£400,000
Developer				£400,000	£400,000
Local Authority/Other				£200,000	£200,000
Totals	£10,000	£189,000	£201,000	£600,000	£1,000,000

Link to Economic Strategy. This roundabout is aligned with the new Economic Strategy by accessing land for two new housing developments. The new junction forms part of a strategic growth area to the North East of Norwich identified in Broadland District Council's Growth Triangle Area Action Plan (GTAAP). The GTAAP was adopted in July 2016 and allocates sites within the growth area for delivery of 7,000 houses by 2026.

Approval is sought for this scheme since the purpose falls outside of that approved for the whole package; connectivity and accessibility within the core retail and business district. The formal proposal was submitted to the LTB on 23 Feb 18, who recommended to approve this scheme within the package and use of £400,000 of Growth Deal funds previously allocated to the Salhouse Road Bus Rapid Transit scheme.

Summary and Recommendation

The LEP Board is requested to approve;

1. Transfer of £350,000 from NATS A11 Corridor Package to the NATS City Centre Package.
2. Inclusion of the Plumstead Road roundabout scheme into the NATS City Centre Package and use of £400,000 of previously allocated funds.



New Anglia Local Enterprise Partnership Board

21st March 2018

Agenda Item 10

Growth Deal: Request for Additional Funding for the Cornhill Project, Ipswich

Author: Chris Starkie/Cathy Frost

Summary

To enable the successful completion of the Cornhill Regeneration Scheme in Ipswich, an additional £50K is requested from New Anglia LEP to cover a slight shortfall in funding as a result of exceptional circumstances. This project is a major town centre enhancement scheme supported financially by Ipswich Borough Council, Suffolk County Council, New Anglia LEP and Ipswich Central.

It is one of the main objectives of the Ipswich Vision and is supported by the seven main stakeholders of the project (New Anglia LEP, IBC, SCC, UOS, Suffolk Chamber in Greater Ipswich, Ipswich Central and Sandy Martin MP).

This contribution, a small proportion of the overall cost, will leverage match funding of £350k already offered by other partner organisations. Without this additional money the project will be unable to reach a satisfactory conclusion and compromises will have to be made to the design, detrimentally affecting the original brief and impact for the town.

Recommendation

The Board is asked to agree the provision of an additional £50k to cover the shortfall in the funding as a result of exceptional circumstances.

Background

The Cornhill Regeneration Project will provide a high-quality design and revitalisation to the Cornhill central square in order to solidify its status as the main activity hub in the town centre and is recognised as one of the main priorities for the Ipswich Vision.

It will enable the Cornhill to become a flexible and unique space. Local contractor Brooks and Wood started on site on 29th January 2018, with a target completion date of 30th October 2018. There will be a phased approach to the delivery of the project in order to minimise as far as is possible the disruption to the town centre and those businesses trading in and around the area.

The Ipswich Market has already been relocated to Princes and Queen Street. The project will comprise of the following elements

- Levelling and repaving of the Cornhill square
- Centrally located water feature incorporating water jets which can be turned off
- Four sculptural archways approximately 4.5m high-public art element

- Series of benches, new bins, lighting element and 5 new trees.

There is evidence that during the development and promotional phase of the project, there has been significant interest from the business community and renewed confidence and investment in the town centre.

It will act as a hub for creative events, scoping is now being undertaken by IBC to ensure a varied number of events are programmed. It will also showcase the heritage and architecture on the square itself and the wider offer of the town and waterfront. This will in part be achieved through the storytelling on the 4 arches, public engagement has already been sought to help identify the important stories. This activity will have a positive impact on the visitor economy, helping to attract new visitors to the area and boosting retail trade and local services.

The LEP is currently providing £1.6m of the total £3.2m of the scheme, with significant contributions coming from Ipswich Borough Council and Suffolk County Council.

Key considerations

Since the budget for the scheme was agreed, costs have risen. This is chiefly because the public consultation led to changes in the overall design which have led to different features and materials being utilised.

Further the Ipswich Vision partners had hoped to use £750k secured from the Coastal Communities Fund, but the CCF Fund ruled has to be ringfenced for work on St Peter's Dock.

Partners have sought to reduce the cost of the scheme by value engineering - with this achieving a saving of £234k. The shortfall is now confirmed as £400k, with the overall cost rising from £3.2m to £3.6m.

In order to meet this shortfall, there is now commitment of an additional £100k from Suffolk County Council, £50k from Ipswich Central and £200k from Ipswich Borough Council.

It is vital that this project can secure this additional funding from New Anglia LEP in order to release the sizeable financial commitments made by the project partners.

The LEP executive team has already identified a small amount of underspend in the annual allocation of funding which is set aside to administer the Growth Deal programme which can be utilised to provide the £50k.

Link to the economic strategy

Ipswich and the surrounding area have been identified in the Economic Strategy as a priority place. The revitalisation of the Cornhill will lead to Ipswich having a strong central commercial area ready to meet the changing demands on the use of town centres.

We have already seen two new businesses commit to the Cornhill - Pret a Manger and a new public house since the plans were announced.

There is also interest from several restaurant chains in the old Post Office Building. All of these businesses will directly benefit from the work and there is no doubt that this business confidence will be a catalyst for further inward investment and strengthen the position of Ipswich as part of our wider 'offer to the world'.

The Cornhill has and will continue to play an important role in the visitor economy of the town, a key sector recognised within the Economic Strategy, and this work will have a significant positive impact on the perceptions of the town to increase visitor numbers and boost retail trade.

Recommendation

The Board is asked to agree the provision of an additional £50k to cover the shortfall in the funding as a result of exceptional circumstances.



New Anglia Local Enterprise Partnership Board
Wednesday 21st March 2018

Agenda Item 12

Scheme of Delegation

Author: Chris Starkie

Summary

This paper asks for board approval of the LEP's new scheme of delegation. The scheme of delegation has been developed as part of the implementation of the PwC review of the LEP's governance and operations. It sets clear lines of responsibility for key areas such as governance, strategy, finance, programmes and human resources.

Recommendation

The board is invited to approve the LEP's new scheme of delegation.

Background

The PwC review of Governance and Operations made a number of recommendations designed to improve the overall effectiveness of the LEP.

These were endorsed by the LEP board last year along with an implementation plan.

This has included:

- The creation of the roles of chief executive and chief operating officer.
- A review of the structure of key LEP boards and terms of reference.
- A review of the format of board meetings and the content of board papers.
- A review of the LEP's Assurance Framework.
- A new appraisal mechanism for capital projects.

The PwC review also recommended the creation of a scheme of delegation.

Key issues

Schemes of delegation set out the main responsibilities and functions of an organisation and the level to which they have been delegated.

They provide clarity and certainty to the board and also executive team members over where responsibility and accountability lies.

In looking for best practice – it is clear there is no single model for a scheme of delegation. Schemes of delegation range from a single page covering a very small range of functions, to a very complex document covering hundreds of functions.

In developing the LEP scheme of delegation, we examined schemes of delegation for other LEPs where available and a range of other organisations from the public and private sector.

New Anglia LEP's proposed scheme of delegation can be found at Appendix 1.

It is designed to focus on the LEP's key responsibilities and functions, and strike a balance between brevity and detail.

It should also be seen as a part of a suite of LEP governance documents including: Local Assurance Framework, the LEP's articles of association, terms of reference of sub-boards and sub-committees and the legal agreement between Suffolk County Council as accountable body and the LEP.

Link to the Economic Strategy

The scheme of delegation will improve the governance and processes of the LEP, supporting more effective delivery of the economic strategy.

Recommendation

The board is invited to approve the LEP's new scheme of delegation

Appendix 1

New Anglia LEP scheme of delegation

New Anglia LEP Scheme of Delegation

Context

The New Anglia Local Enterprise Partnership is company limited by guarantee, with 16 voluntary directors, supported by a full-time executive team.

This scheme of delegation sets out the main responsibilities and functions of the organisation and the level to which they have been delegated.

The scheme of delegation is part of a suite of LEP governance documents including:

Local Assurance Framework, Articles of Association, terms of reference for sub-boards and sub-committees, and agreement between Suffolk County Council (accountable body) and the LEP.

The scheme of delegation is reviewed annually and changes require board approval.

Key responsibilities of the LEP Board

The board is responsible for:

- Approving the strategic direction of the LEP
- Agreeing clear objectives to focus activity and drive ambition
- Ensuring the LEP runs efficiently and effectively with appropriate controls in place covering performance, finance and risk
- Upholding the values, ethos and culture of the organisation

Scheme of Delegation

Issue	Delegated To
Strategy	
Vision, mission and values	Board
Development and approval of Economic strategy	Board
Implementation of Economic strategy	Economic Strategy Delivery Coordination Board recommendations to main Board
Changes to the overall operating structure of the LEP	Board
Approval of the Organisation brand	Board

Programmes

Design of capital and revenue funding programmes	Board (on recommendations from Investment Appraisal Committee and relevant sub-boards)
Awarding of capital or revenue funding to programmes £500k	Board (on recommendations above from IAC)
Awarding of capital or revenue funding to programmes £500k or below	IAC
Awards from Growing Business Fund up to £500k	GBF panel
In programme funding changes above £100,000	Board
In programme funding changes up to £100,000	IAC
Change requests from programmes/projects with no financial implications but major changes to outputs or timeline	IAC
Change requests from programmes/projects with no financial implications but minor changes to outputs or timeline	CEO – reported retrospectively to the Board quarterly

Governance

Responsibility for compliance with Government National Assurance Framework	Chair and CEO
Annual declaration of compliance to Government	Board
Maintenance of Register of Interests	Suffolk County Council 151 Officer
Timely publication of agendas, reports and minutes	Board and CEO
Committee and Delivery Board appointments	Chair, CEO and COO
Code of conduct, Complaints and Whistleblowing policies	Board

Finance

Approval of financial budgets and forecasts	Board
Approval of annual accounts and financial statement and audit letter of representation	Board on recommendation from Audit and Risk Committee
Approval of bank account and mandate policy	Board on recommendation of Audit and Risk Committee

Treasury policy	Board on recommendation of Audit and Risk Committee
Bank investments execution	Audit and Risk committee
Prior authorised expenditure for day to day business, in accordance with strategy budget and approved policies:	
Over £150,000	Board
Between £50,000 and £150,000	Chair and CEO or COO
Up to £50,000	CEO and COO or financial controller

Human Resources

Performance management and remuneration of CEO	Chair and Remuneration Committee
Remuneration of Chief Operating Officer	Chair, CEO and Remuneration Committee
Recruitment of board members	Board (with recommendations from sub panel comprising board members)
Recruitment of CEO	Board (with recommendations from sub panel comprising board members)
Operational procedures and policies for Leadership team and below	CEO in conjunction with COO and Leadership team

Overview

This section provides a snapshot of main LEP team activity since the February board meeting



Governance review

The LEP has been given positive feedback following the deep dive conducted by the Government. Government colleagues spent two days with the LEP examining our processes and governance, speaking with board members and a number of the LEP executive team.

It follows our annual conversation with Government where the LEP was rated as one of the top four LEPs in the country for our governance, strategy and delivery.

For more information see below.

Institute of Technology

A number of members of the LEP executive have played a key part in the bid for an Institute of Technology. The LEP has played a key role bringing partners together, but also in writing several sections of the bid with colleagues from the county councils and colleges. A full update is available at agenda item 6

Economic strategy consultation

The latest round of our economic strategy consultation with businesses has now concluded after a series of events across Norfolk and Suffolk.

The consultation events, which were attended by nearly 300 people, gave businesses the chance to talk about how they would help contribute to the delivery of the strategy.



Growth Deal

The focus of the Growth Deal team continues to be managing delivery of live projects, finalising legal agreements and ensuring payments to projects.

As outlined below, there have been a number of projects which have suffered delays and some continuing challenges in getting some projects to claim funding.

Following the close of the financial year we will be conducting a review of all projects to see if there are any additional ways of speeding up delivery of projects.



Communications

Media coverage was dominated by the Brexit analysis report, which gained exposure on television, radio, in print and online.

In Ipswich, the start of work on the Cornhill has gained significant media coverage.



Finances

Management accounts for 11 months to 28 February 2018 – year to date income £1,248k with an operating surplus of just under £170k which is ahead of budget by just over £135k

Operating cash balance is £303k which is in line with management expectations.

The LEP draft budget has been developed and will be discussed in more detail – Agenda item 7

LEP actions and activity

This section provides a detailed update on other activities and key issues since the January board meeting



Governance deep dive

As board members are aware, New Anglia LEP was rated good with exceptional qualities in the Annual Conversation, which is the Government's annual review of LEPs.

This ranking placed New Anglia LEP in the top category of LEPs, with just three of the 37 other LEPs given this ranking.

In total one LEP was judged to be inadequate, the bottom ranking, with a further 19 judged as requiring improvement. A further 14 were rated as good, with just four, including New Anglia LEP rated as good with exceptional qualities.

As a consequence of this, New Anglia LEP was invited to participate in a control deep dive of our governance and processes. This was in order to help the Government team prepare for a series of deep dives with 10 underperforming LEPs.

Three members of the Government's deep dive team attended February's board meeting and participated in two days of interviews with LEP board members and executive team members.

We are awaiting the formal report on the deep dive, but the verbal feedback received has been very positive.

A small number of recommendations have been made, which are being actioned. These include: ensuring SME champion accompanies the text on the website for our private sector board members with that responsibility (Sandy Ruddock and Dominic Keen), continuing to implement the PwC review, providing training for executive staff on the new complaints and governance policies and asking members of the Growing Business Fund and Small grants panels to sign the register of interests. Finally for substitute board members also to sign register of interests.

Mary Ney Review

The LEP is now compliant with all aspects of the Mary Ney review. This has included publishing our updated Assurance Framework on our website. This was also a requirement of the PwC review.

A number of updates have been made to the LEP website. This has included new Sub Board and Committee pages to include membership, terms of reference and papers for all sub boards.

An internal process of signing-off minutes and papers in order to be uploaded to the website in line with government deadlines is now in place.

General Data Protection Regulations (GDPR)

Work to ensure that the organisation is compliant with GDPR regulations continues. In late February, all managers were invited to a GDPR workshop, led by our IT providers Breakwater. They were talked through the regulations, what they mean for us, changes which need to be made and a data audit has started, mapping where personal data is stored on our systems so that a complete review can be undertaken.



Integrated Transport Strategy

The Integrated Transport Strategy is currently in the final stages of development and was reported to and endorsed by the recent Local Transport Board meeting on 23 February.

In developing this work over the past few months we have focussed on aligning the Strategy with the Economic Strategy. During April we will be seeking endorsement from partners by presenting to the Chambers of Commerce, the Norfolk Strategic Growth Group, the Suffolk Growth Programme Board ahead of it being presented to the LEP Board in May for approval. Both Norfolk and Suffolk County Councils will be reporting it to Members ahead of this decision.

Transport East

The first meeting of Transport East took place on 13 March. The inaugural meeting considered governance, the future work programme and DfT's consultation on the Major Road Network. Dominic Keen represented the Board and brought attention to the importance of LEP's in the regional debate and in their ability to provide strategic evidence and transport priorities to feed into Transport East's regional strategy work – it was noted by the Forum that the voice of business was critical.

There was some debate regarding funding which officers have asked for additional information about before committing any contribution. Dominic will provide any additional feedback as necessary.

Local Energy East Strategy

The tri-LEP Local Energy East project has been funded by the Department for Business, Energy and Industrial Strategy (BEIS) since March 2017. Greater Cambridge Greater Peterborough (GCGP), New Anglia and Hertfordshire LEPs have developed the Local Energy East Network which has a lead coordinating role amongst nine similar networks across the country. Local Energy East is investigating the demand and supply issues relating to grid connectivity, as well as wider local energy market opportunities.

On 26th February 2018 nearly 100 stakeholders took part in the Big Strategy Conversation at Newmarket Racecourse. Stakeholders provided feedback on the analysis and emerging strategy themes. Local and whole area (the tri-LEP area) priorities were identified and will inform the Strategy for the tri-LEP area.

Metro Dynamics have been appointed to work with the partnership to draft and produce the strategy. The draft Strategy will be presented to the LEP Board in April providing an opportunity to input with a final strategy being signed off by all three LEPs in May.

Delivering the Local Energy Strategy will require resources and BEIS has allocated

funding for the co-ordination, management and technical feasibility studies needed to promote and accelerate delivery of new local energy infrastructure.

This will be in the form of five Energy Hubs being established from April 2018 in England to resource this need. GCGP LEP on behalf of 11 LEPs covering the East of England, Greater London, the South East and the Oxford to Cambridge growth corridor will create and manage the Hub team with project managers and technical specialists. BEIS have committed to fund these Hubs for a period of 2 years from April 2018 onwards.

Brexit action

A draft action plan has been developed building on what was agreed at February's Board meeting and the recommendations set out in the Brexit report. On 21st March the LEP is meeting with Norfolk and Suffolk County Councils to discuss and develop further the action plan. We are in the process of approaching business intermediaries and businesses to gather the latest Brexit intelligence. James Allen has now started in the role of Growth Manager to lead on gathering business intelligence moving forward.



LEP Programme Delivery

Growth Deal

The LEP Growth Deal programme has 25 live projects/programmes and 11 projects are now complete.

We continue to develop legal agreements for new projects, including those allocated funding under the third round of Growth Deal.

Currently, eleven projects have an 'amber' status. These are predominately due to delays in delivery or issues that need to be resolved before the legal agreement can be put in place.

As the financial year end approaches the LEP team has been focused on working with project promoters to keep projects on track.

Many of the amber projects are Norfolk County Council schemes and we have made good progress in the last month ensuring spend remains on track.

The main issue has not been the delivery of the projects, but the time lag the authority takes in submitting claims for payment or to agree the legal agreement.

However delays in spend do mean that there will be an under spend in 2017/18. Most of this will be accommodated through capital swaps with Norfolk and Suffolk County Councils, the mechanism for which has been agreed.

Despite this the capital swaps will not fully cover the underspend. This underspend (10% of the annual allocation) will be rolled over into the following financial year and spent early in the 2018/19 financial year. This has been discussed and agreed with central Government colleagues.

Growth Deal Spend in 2017/18	Amount	Change
Government allocation <i>(This is the government allocation of funding for 2017/18).</i>	£41.334M	£0.0M
Spend paid to projects <i>(Note that a project can only be paid once the project has a legal agreement in place and has provided evidence of eligible expenditure).</i>	£12.370M	+£0.972M
Projects with legal agreements in place <i>(This is projects with legal agreements in place which allows them to claim spend when ready).</i>	£16.989M	-£0.332M
Projects with legal agreements pending <i>(This is projects with legal agreements not yet in place, they therefore cannot be paid any funds).</i>	£2.015M	-£0.641M
Under allocation <i>(This is the amount of funding that has not been allocated in the current financial year. This is due to slippage on a number of projects.).</i>	£9.960M	£0.0M

Status of projects:

Note: amounts given below in brackets refer to the total Growth Deal grant amount and the budgeted allocation for this financial year. The majority of current projects are being delivered over multiple financial years.

Amber: Attleborough Sustainable Transport Package (£4.6m - £0.275m) – major slippage occurred due delays associated with the public consultation, with £1.2M of funds moved backward into the 2018/19 financial year.

Amber: Great Yarmouth Transport Package (£8.875m - £2.361m) – delivery of cycle and pedestrian schemes has improved following delays due to extensive consultation. There will likely still be a small underspend this financial year.

Amber: A47/A1074 Longwater Junction, Norwich (£2m - £1.196m) – the project has been further delayed by land acquisition, but it is scheduled for delivery by 2019 with the remainder of the LEP funding being claimed early next financial year.

Amber: Norwich Area Transportation Strategy - City Centre Package (£7m- £2.433m)– Although we anticipate an overall overspend, the project is ‘amber’ as delivery of Phase 3, the Prince of Wales Road and Rose Lane gyratory, was delayed pending public consultation, and requires further extension to the funding timeline.

Amber: Norwich Area Transportation Strategy - A11 Corridor (£4.175m- £1.332) – work in progress. The project is ‘amber’ as there has been slippage in delivery due to an unexpected requirement for land acquisition (for cycle way) & changes to parking restrictions.

Amber: Beccles Southern Relief Road (£5m - £3.692m) – works started in August 2017 and is expected to take one year to complete. The spend for this year is going well, with a forecast overall overspend, but given the substantial amount to be claimed this FY, it remains on the list of projects at risk.

Amber: Lowestoft Flood Alleviation Scheme (£10m - £0.7m) - the project is in progress. Detailed design is underway with a final business case anticipated to be submitted Spring-Summer 2018. Progress is being made with the Grant Agreement, although the delivery schedule and expenditure has slipped.

Amber: Ely Area Rail Enhancement Scheme (£3.3m -£0.286m) - The legal agreement is now in place and the first grant claim is paid, but overall the delivery has been delayed and the impact needs further clarification at the next Project Board meeting.

Amber: Enterprise Zone Accelerator Fund (£15m -£1.5m) – The total of this year’s funding will support construction of a new headquarters for Proserv at Beacon Park Enterprise Zone. Loan Agreement should be in place end of March 2018.

Amber: West Suffolk College Engineering and Innovation Centre (£7m- £0m) – Phase One is complete, the premises & site has been acquired using Growth Deal funds. Phase Two is now focusing on refurbishment of the building. After a delay to occupation, the detailed application is being developed for consideration by the LEP Board. Completion of this has been slower than anticipated following queries arising from the LEP appraisal.

Amber: East Coast College Energy Skills & Engineering Centre (£10m -£2.138m) – the LEP Board approved this project in May 2017. Works are beginning Autumn 2017 for opening in September 2018. The due diligence on the project has now been completed and the legal agreement is in place. In Amber as slippage is likely.



Norwich and Ipswich Opportunity Areas

The LEP team continues to play an active part in both Norwich and Ipswich Opportunity Areas.

Chief executive Chris Starkie represents the LEP on both partnership boards which meet on a monthly basis.

He also chairs the advice, transitions and destinations working group on the Norwich OA and participates in the equivalent group within the Ipswich OA.

The LEP also hosts the Norwich EA director post along with her admin assistant. The University of Suffolk provides a similar hosting role

Ipswich OA officially launched its plan on February 1st. Key priorities are: ensuring all children are prepared to learn for life by developing key behaviours such as resilience and self-regulation.

Strengthening the teaching profession in Ipswich by providing world class support and development.

Improving attainment for disadvantaged pupils by embedding evidence based practice in English and maths.

Inspire and equip young people with the skills and guidance they need to pursue an ambitious career pathway.

In Norwich key priorities are: Improving speech and language in early years. Improving Continuous Professional Development for schools to boost attainment. Reduce exclusions and improve support and information for young people at transition points.

In Norwich two thirds of schools have significantly engaged with the programme and are looking at ways they can align their School Improvement Plans to activity planned in the year ahead.

Key projects now commissioned include: Communications Champions - a speech and language initiative to improve the communication of early years children.

The development of an Inclusion charter, which will ensure all schools work together and have the support to reduce exclusions.

Community mentoring. A programme to develop a network of volunteers to support and provide positive role models for young people.

In both OAs there is a real focus on evaluating the impact of any interventions in order to maximise the impact, drive value for money and ensure sustainability of the

programme.

New Anglia Careers and Enterprise Conference

Around 200 delegates from schools, colleges and employers were expected to attend Bridging the Gap – the New Anglia Careers and Enterprise conference on Thursday March 15th at Center Parcs at Elveden.

The conference aimed to strengthen links between schools, colleges and businesses across Norfolk and Suffolk and was organised by the New Anglia Enterprise Adviser Network, which is part-funded by the LEP.

The conference provided updates on the Government's new Careers Strategy, work of the Careers and Enterprise Company and the LEP, as well as showcasing best practice.

There was a particular focus on the two Opportunity Areas, the Enterprise Adviser programme and the Network of East Anglian Collaborative Outreach programme (NAECO). This programme run by our universities provides an outreach service to schools to encourage more people to enter higher education.

Great Eastern Mainline Taskforce

The Great Eastern Main Line Rail Taskforce, which is chaired by Will Quince MP and coordinated by New Anglia LEP, met at Westminster on 26 February 2018.

Attendance included a number of regional MPs including Chloe Smith, Bernard Jenkin, Sandy Martin, Vicky Ford, Therese Coffey, Priti Patel and Giles Watling, as well as senior representatives from Network Rail, Greater Anglia and the Department for Transport and the South East and New Anglia LEPs.

At this meeting, Will Quince MP announced that he was stepping down as Chair, due to his recent promotion as Minister of Defence, and Priti Patel MP has agreed to take over this role. New Anglia LEP continues to provide project management and communications support to the Taskforce.

The Taskforce recognised the challenge in securing funding for rail infrastructure priorities which are essential to achieve 'Norwich in 90' in what is now a much more mobile environment, rather than working to a fixed control period.

The Taskforce agreed that there is an urgent need to refresh the economic case for the Great Eastern Main Line – reiterating the economic benefits that investment in key priority projects will bring to our region and ensuring that these economic benefits are widely promoted. This evidence refresh will be led by New Anglia LEP and supported by the South East LEP.



Business Engagement

Our economic strategy delivery plan events were attended by nearly 300 people, including many businesses which have not engaged with us in the past. The events were well received and feedback from attendees has been positive.

Other conference and speaking engagements

Doug Field spoke at the NAAME Advanced Manufacturing sector conference, prompting businesses in the sector to engage with the LEP on issues around productivity and growth.

Doug also spoke at the Suffolk Chamber networking lunch and a Sustainability in the Food Chain Conference.

Recommendations

The board is invited to note the contents of this report.

Agenda Item 13

Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
1. Board					
<p>1. Review the options available to the board to ensure transitional arrangements are made for the handover of activities currently undertaken by the existing chair. Options may include one or a combination of the following:</p> <ul style="list-style-type: none"> • Re-allocation of strategic and representative duties to other Board members. • Creation of the position of a Deputy Chair(s) • Or creation of a new executive position focused on delivery of some of the activities currently undertaken by the Chair. 	High	Board	<ul style="list-style-type: none"> • Chair to have discussion with individual board members. • Organisation to be reviewed – CEO / COO roles to be agreed 	Pure Executive appointed for COO recruitment	Interviews completed. Offer made and accepted. Start date being confirmed.
<p>2. Undertake a review of the current committees and groups, including their roles and responsibilities, in order to simplify the governance structure of the organisation and to improve the transparency of the decision making process. In particular, consideration should be made with respect to:</p> <ul style="list-style-type: none"> • Creation of a single Investment Committee, responsible for assessment of all investment proposals (perhaps with the exception of the Micro Grant bids); • Review the purpose of the Performance and Risk Committee within NALEP governance structure and clarify the rationale for the Board Members attendance at the Committee. This should include consideration if the committee should continue to operate as a Board Committee or a management group. • Review the quality of the Committee outputs for the Board to ensure the Board has clarity over the Committee’s activities. 	Medium	Exec	<p>Once economic strategy published in October:</p> <ul style="list-style-type: none"> • Review committees, sub-board and groups to ensure they align with priorities • Design reporting structure for committees, sub-board and groups 	Complete	
<p>3. Review the focus of the Board, including the Board papers, to ensure balance between providing strategic focus and vision to NALEP and reviewing operational matters and decisions. Review the format and content of the Board papers and management information reported to the Board in order to increase quality of the Board reporting.</p>	Medium	Board	Chair to work with Exec team to align Board meetings with ambitions detailed in economic strategy	Complete	

Agenda Item 13

Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
4. Develop a register of decisions , with particular focus on funding decisions. Develop a scheme of delegation for the Board, sub-boards and committees and the executive team. Review the annual Board planning calendar to establish key decision points for the Board, while ensuring flexibility for decision making is maintained. (Recommendation repeated in Governance section)	Medium	Exec	<ul style="list-style-type: none"> Determine scope and timeframe of decisions to include on register Prepare register of decisions 	On track	To be considered at April board
5. Ensure that there is a process in place to escalate and address issues of persistent non-attendance and lack of engagement, that may result in skills shortages at the Board. Deputisation should continue to be considered unacceptable.	Medium	Board	Chair to prepare paper for Board discussion on deputisation.	Complete	
6. Develop a Board Member handbook that would provide new Board members with guidance on the operations of the Board and NALEP, the governance structures and decision making. This should include the explanation of NALEP duties for meeting the requirements for appropriate spending of public funds and ensuring value for money, and the list of the Nolan principles.	Medium	Exec	<ul style="list-style-type: none"> Discuss current process with new Board members and incorporate lessons learnt into process going forward 	On track	HR manager to discuss process with new Directors in early 2018.
7. You may also wish to consider a rehearsal or implementation of standard Board effectiveness training as well as a practical training session for those in a scrutiny role. This could ensure greater consistency of understanding between members from differing backgrounds (private / public / education).	Medium	Exec	<ul style="list-style-type: none"> Review need for Board effectiveness training once new organisation, committee and reporting structure is in place 		
2. Governance					
8. Undertake a comprehensive review of the Assurance Framework to ensure that it reflects the organisational structure and provides a clear and transparent view of the decision making process at NALEP.	High	Board/ Exec	Once economic strategy published in October <ul style="list-style-type: none"> Review committees, sub-board and groups to ensure they align with priorities and update Assurance Framework 	Complete	Updated Assurance Framework published

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Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
9. Formalise the reporting process from the sub-committees, boards and groups to the Board on the activities undertaken by those bodies. Such updates can range from a regular formal update papers with request to scrutinise and approve decisions, to an annual or bi-annual presentation on activities undertaken by the sector groups.	High	Board/ Exec	Once economic strategy published in October <ul style="list-style-type: none"> Review committees, sub-board and groups to ensure they align with priorities Design reporting structure for committees, sub-board and groups 	On track	Partially completed with tier one review. To continue through tier two structure review
10. The formal risk management process, as outlined in the Assurance Framework, should be validated by the Board. This will include clarity over the aggregation and escalation of risk. A routine and dynamic assessment of risk should be implemented (quarterly reviews by the Board are considered good practice). Part of this exercise should include horizon scanning and the identification of current and future mitigation activities as well as assurances obtained. The annual development of a risk derived assurance map will allow the Board focus resources as required. A succinct format of reporting risks should be developed and agreed with the Board to ensure strategic focus is maintained.	High	Board	<ul style="list-style-type: none"> Review risk register in light of new economic strategy Create a task / finish group to include members of the Executive and Board to agree format of risk reporting 	On track	Audit and Risk committee established to take action forward
11. Clearly define a NALEP scheme of delegation. Articulate the change management process, including the need for re-submission to the Board in case of significant changes to the approved Growth Deal schemes.	Medium		Component part of reviewing committees, sub-board and groups to ensure they align with priorities	On track	Paper to March board
12. Review the governance arrangements for NALEP representation on the New Anglia Capital board, and the feedback mechanism to update NALEP Board on the New Anglia Capital activities on regular basis (currently monthly).	Low		Component part of reviewing committees, sub-board and groups to ensure they align with priorities	Complete	
13. In future, NALEP may wish to consider opening the Board meetings to public, or operating a public forum system enabling public to ask questions relevant to the Board agenda. However, any such changes need to be assessed, and may require a restructure of the Board agenda and papers in order to protect confidential information.	Low		Chair to prepare paper for Board discussion on transparency	On Track	Board discussion on transparency scheduled Q3 2018

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Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
3. Organisation					
14. While we appreciate there are differences between the different types of funding provided by NALEP, the existing appraisal processes should be reviewed in order to seek synergies and improve efficiency. The existing funding appraisal documentation should be reviewed and further developed to identify clear criteria for the bids assessment, including clear requirements for assessment of value for money.	High	Exec	New appraisal mechanism being developed as part of Economic Strategy implementation	Complete	Changes introduced as part of Capital Growth Programme Investment round.
15. The creation of a new structure should be considered in order to provide total focus on the design and implementation of the strategic vision. In turn this will enable the Board to move away from input into LEP operations and re-focus on strategic leadership of the organisation. (also recommended in team section)	High		Organisation to be reviewed – CEO / COO roles to be agreed	Complete	
16. Develop a more detailed (and where feasible, standardised) methodology for the project identification, commissioning, appraisal and prioritisation , including clear criteria for ensuring value for money is robustly scrutinised during the project assessment. Review the existing project pipeline to ensure the proposed projects clearly identify how they meet value for money criteria. Develop methodology for benefits realisation assessment for projects that have been completed for Growth Deal but also for projects funded from other LEP funds.	Medium	Exec	New appraisal mechanism being developed as part of Economic Strategy implementation	Complete	Changes agreed as part of Capital Growth Programme investment round
17. We recommend NALEP executive team: <ul style="list-style-type: none"> Reviews the format of the Business Performance reporting in order to summarise and simplify the programme reporting, with a succinct report for the Board supported by further detail in the report appendix. Develops an integrated business dashboard which will provide overview of the project positions and outline key matters for the Board to focus on. It which would include information on the Growth Deal and other funding programmes, but also on the status of the project pipeline and the outputs measured for the funded projects. The dashboard should be linked to the strategic objectives, and could provide further analysis for the high profile programmes (such as the Growth Deal transport or skills projects). Develops a financial dashboard could show the financial position of NALEP and performance against the budget, but also show available funding and future spending profiles. 	Medium	Exec	Chair to work with exec team on format of new board papers and integrated dashboards	See Forward Programme	New board papers begin being introduced during remainder of 2017 and 2018

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Review of our Governance and Operations – Recommendations and Implementation Plan

Recommendation	Rating	Owner	Way Forward	Status	Next Steps
18. Develop a more detailed methodology for RAG rating and escalation of issues with individual projects. The methodology should include robust quantitative assessment of changes such as delays to key milestones and impact on completion, changes to spend profile and re-profiling of funding across financial years, changes to outputs and predicted benefits, and cumulative impact. Linkage to the risk management system is encouraged for good practice.	Medium		New appraisal mechanism being developed as part of Economic Strategy implementation	See Forward Programme	Under development
19. Confirm with the Board the methodology for escalation of slippages to the Board's attention.	Medium		Component part of reviewing committees, sub-board and groups to ensure they align with priorities	On Track	Forms part of action 11
20. The Board and Exec team should consider both the skills mix and backgrounds of individuals as part of any new recruitment exercises to ensure a mix of private and public sector experience is achieved. Whilst there are wider issues with recruitment from the private sector (e.g. pay rates), this should help to ensure that there continues to be a rich mix of experience within the Executive team as the LEP grows further.	Medium	Exec	Approach to recruitment already in place with a policy recruitment policy designed to attract recruits from a mix of backgrounds	Complete	
21. The Board and Executive team should continue to explore opportunities to share skills and collaborate on strategy delivery with other LEPs.	Medium	Exec	Work already underway. Executive already regularly meets with neighbouring LEPs and LEP MD and senior team playing a key role in the LEP Network – sharing best practice with fellow LEPs.	Complete	



New Anglia Local Enterprise Partnership Board

Wednesday 21st March 2018

Agenda Item 14

Finance Report

Author: Keith Spanton

Summary

This report provides board members with an update from the finance department on the LEP's finances to the period ending 28 February 2018. The report includes **confidential** appendices:

Appendix A - core management accounts period ended 28 February 2018

Appendix B - core monthly and year to date graphs

Management accounts

The LEP's core income and expenditure account and graphs for the month ended 28 February 2018 are shown in confidential appendices A and B.

28 February 2018

Headline figures 11 months are: Total income £1,248,003 of which £685,667 represents core contribution with recharges and other income of £562,336 making up the balance. Costs to 28 February total £1,078,143 leaving a surplus of £169,860, ahead of budget by £135,057.

This is ahead of management expectations. This has been due to some delays in the recruitment of new staff, however these posts are now occupied with the final role being filled during February 2018.

Further detail of the accounts and some of the larger variances will be explained at the board meeting.

Recommendation

The board is invited to note the contents of the report.

New Anglia LEP Board Forward Plan

Date	Venue	Forward Looking	Governance & Delivery
17 th January	Orbis, Lowestoft	<ul style="list-style-type: none"> ● Aims and Objectives for the Year 	<ul style="list-style-type: none"> ● Capital Growth Programme projects ● Voluntary Community Sector Programme ● New Anglia Capital ● The Malthouse ● (WSC 2nd Phase Project) ● Governance review new structure ● Annual review of current operational plan. ● ERDF bid
21 st February	Marble Hall, Norwich	<ul style="list-style-type: none"> ● Economic Indicator trajectories and targets ● Brexit Analysis 	
21 st March	Jockey Club, Newmarket	<ul style="list-style-type: none"> ● 2018/19 budget 	<ul style="list-style-type: none"> ● Institute of Technology (IoT) ● Capital Growth Programme bids ● Growing Places Fund bid
18 th April	Green Britain, Swaffham	<ul style="list-style-type: none"> ● Driving Inclusion and Skills - presentation ● Impact of GCGP Changes ● Tri-Lep Local Energy East Strategy 	<ul style="list-style-type: none"> ● Enterprise Advisor Network ● Review of professional advisors ● Investment appraisal framework
23 rd May	Co-op Education Centre, Ipswich	<ul style="list-style-type: none"> ● Theme Discussion – Offer to the World ● Inward Investment Strategy ● Transport strategy and delivery plan 	<ul style="list-style-type: none"> ● Enterprise Zones ● PwC report – review of implementation ● Showcase of our case studies / region exemplars
20 th June	The University of East Anglia	<ul style="list-style-type: none"> ● Theme Discussion Driving Business Growth and Productivity 	<ul style="list-style-type: none"> ● Growth Hub ● Growth Programme start up programme
18 th July	The Innovation Centre, Ipswich	<ul style="list-style-type: none"> ● Economic Strategy evidence refresh scope ● Theme Discussion (suggested Competitive Clusters) ● Innovation 	<ul style="list-style-type: none"> ● Draft accounts ● Growth Deal ● Board Transparency
August		No Board Meeting	
19 th September	Aviation Academy	<ul style="list-style-type: none"> ● Economic Strategy Priority Places 	<ul style="list-style-type: none"> ● LEP AGM ● Growing Business Fund and Small Grants
18 th October	Sizewell, Suffolk		<ul style="list-style-type: none"> ● EEEEGR ● Review of Mary Ney implementation plan
21 st November	Keystone Centre, Thetford	<ul style="list-style-type: none"> ● Economic Strategy Review – LEP Board, Leaders and Sector Chairs 	
December		No Board Meeting	

2019 Items

[Review of Committee structure](#)