

## BUCKINGHAMSHIRE ADVANTAGE BOARD MEETING

29<sup>th</sup> July 2014

**Present:** Alison Hadden, Adrian Brown, Philip Ingman, Alan Goodrum, Michael Garvey, Bob Smith, Karen Satterford and Richard Harrington

**In Attendance:** Philippa Batting (Observer)

**Apologies:** Neil Gibson and Andrew Grant.

1.	<p><b>Introduction</b></p> <p>Richard explained that the purpose of the meeting was to focus on the Growth Deal Award that had been announced since the last meeting; to consider and discuss governance arrangements to prepare for the dialogue with the BTVLEP Board which is scheduled to meet on 5<sup>th</sup> September 2014; and to agree the Chair of the BA Board.</p> <p>Richard added that Philippa Batting (Chief Executive of BBF) was attending as an observer in order to provide the link between Bucks Advantage and BBF. In future it was likely that a BCC officer would also attend in an observer capacity given that BCC are the Accountable body for the Growth Deal and other Government awarded funds.</p> <p>The Private sector directors confirmed that Adrian had offered to be the Chair of the Board and the rest of the Board were asked if they agreed to this appointment. The Board unanimously agreed to Adrian being appointed as Chair of the Board.</p> <p>Adrian then agreed to chair the meeting.</p>	
2.	<p><b>Notes of the meeting of 23<sup>rd</sup> June 2014</b></p> <p>The notes were agreed as an accurate record.</p>	
3.	<p><b>Matters arising from the Notes of the meeting of 23<sup>rd</sup> June 2014</b></p> <p><u>i) Directors' Liability:</u> Richard explained that insurance covering directors and officers in addition to professional liability were in place. In addition, Wragges the lawyers had advised that the Company is liable for any claims brought against it rather than individual directors. Richard agreed to circulate the advice.</p> <p><u>ii) Appointing additional Private sector directors and Vice Chair:</u> It is necessary to appoint a Vice Chair, but it was agreed that it would be prudent to wait until the other two private sector directors are appointed. Karen explained that she is still working on the nomination from Wycombe. Richard added that the BTVLEP Board meeting in September would give an opportunity to ratify nominations.</p> <p><u>iii) Appointment of Auditors:</u> Richard explained that usually at the AGM when the accounts are approved the auditor is re appointed or new arrangements are put in place. This may need to be revisited as a Board item.</p> <p><u>iv) Dates of future Board meetings:</u> dates for the remainder of 2014 have been circulated and dates for 2015 will be set up to dovetail with the BTVLEP Board meetings. At the meeting in June it was agreed to try to set up the BA Board meetings prior to the BTVLEP Board however the next two BA Board meetings are slightly after, but thereafter the meetings will take place in</p>	RH

	<p>advance of the BTVLEP Board meetings.</p> <p>v) <u>Aylesbury Woodlands paper</u>: due to a heavy work programme, this will be drawn up for the September Board.</p> <p>vi) <u>Board Updates</u>: Details of the Growth Deal announcement were circulated and the Board will continue to be updated as and when news and updates come through.</p>	RH
4.	<p><b>Growth Deal</b></p> <p>The announcement was made recently when Greg Clarke visited High Wycombe. Funds for the Growth Deal had been sliced from a number of departments and is therefore a mix of funding sources to be redistributed. Another bid round has been announced for 2016/17 and it is likely that previous bids for projects will be resubmitted with additional information in addition to newly identified projects.</p> <p>Richard explained that the BIS summary document sets out the award of £44.2m although this sum includes some funds already allocated through the Local Transport Board, so the actual figure is £35.9m from the Growth Deal. In addition there is an allocation of European revenue money of €360,000 and £350,000 allocation to the local growth hub (BBF) plus PWLB allocation of £36m (including £16m from the first phase). The paper sets out the projects namely; Aylesbury Eastern Link Road &amp; Stocklake Link, High Wycombe Southern Quadrant, A355 improvement, Amersham and Wycombe College, 5G Testbed and Cross rail &amp; East West Connectivity Projects. Details of public/private leverage are also included in the BIS summary document. It was queried if the funds had to be spent on the projects to which they had been allocated. Richard advised that although there is flexibility around this, the projects listed still have to be delivered.</p> <p>Richard explained that the paper Local Growth Deal (What did we get, how did we do and what are the learning points) highlights the projects for which bids were made and those for which funds have been allocated. Those projects highlighted in green have been allocated funding, those in yellow are still under negotiation and the red highlighted projects did not receive a funding allocation.</p> <p>Some projects that didn't achieve funding may be included in the next bid submission such as Project 8 (stimulating SME growth through capital investment).</p> <p>Project 10 (stimulating new film, VFX and games businesses through creating a hatchery at Pinewood) which has since obtained planning consent whilst at bid submission it was an in principal proposal rather than detail.</p> <p>Project 11 (creation of the Bucks Business driven housing investment fund) is under negotiation and the need to lever in public and private sector investment has been identified.</p> <p>Project 12 (Regenerating Aylesbury Town Centre through the Waterside development) was a shared project with SEMLEP. AVDC are moving forward the regeneration and have secured planning permission for one of the sites and project management arrangements are being put in place to take the scheme forward.</p> <p>There were also a series of negotiated asks (flexibilities and freedoms) which are part of the on going dialogue with CLG including investment in growth hubs including advisors in growth hubs.</p> <p>Funds allocated will be available in 2015/16 but thereafter there is some</p>	

	<p>uncertainty as there is likely to be a comprehensive spending review following the election in 2015.</p> <p>Adrian asked how much of the £44m is new money. Richard explained that is difficult to answer as funding from existing programmes has been cut so bids had to be made in order not to lose out. Essentially it is old money in a new pot with a change in the game and the LEP is the conduit to spend the money in ways that reflect local economic priorities and needs.</p> <p>There was some concern expressed that the figures in the BIS paper do not fully add up as it doesn't mention the Growth Hub funds, the Euro capital funds and the PWLB. Richard agreed to provide one set of figures on one page. Alison queried progress on the assumption of levering in public/private funds to support projects.</p> <p>Richard agreed that it would be helpful to invite the project managers to future meetings to provide an overview of the projects including risk factors and leverage.</p> <p>The Growth Deal will bring in a lot of resource for the project and delivery will be key. The LEP is not a constituted body and BCC as the Accountable body could retain the funds or passport them to BA to take on the responsibility. CLG will pay the funds over at the start of 2015/16 to BCC (as the Accountable Body) and then would be drawn down for each project.</p> <p>Karen queried if this would add another layer of bureaucracy and add overheads. Richard pointed out that leaving funds with BCC may lose an advantage, eg when funds are repaid and recycled would BA lose out in terms of flexibility and an opportunity to provide additional resources that are required. It was queried if the accountable body role could be broken and would there be a cost in managing funds in addition to potential duplication of work. Procedures would need to be set up including treasury management and it was recognised that BCC undertakes this role as part of their wider portfolio so it may be difficult and costly to do so on a smaller scale.</p> <p>Richard pointed out that AVDC undertook the accountable body role with AVA and once funds were repaid (to AVA) there was great flexibility going forward. There was not a huge amount of bureaucracy set up to deal with the flow of funds and when funds were repaid into AVA bank account the model was broken.</p> <p>Currently consideration is being given regarding the treatment of the £2m GPF which has been repaid in terms of whether it is BCC or LEP funds to go forward. There is recognition that the Company has £2m (by way of these recycled funds) and there is an opportunity for a dialogue as to how these funds could be used in the future. No formal bids have been sought although there have been some expressions of interest. Some of the funds could be used to match fund the European money. Equally the funds could be used as revenue (as there is little revenue in the Growth Deal) or to support those projects that weren't funded in the Growth Deal allocation. A transparent and open approach is required to deal with these issues and it is necessary that projects benefit all of the membership of this body. Although a decision does not have to be made in September, it is important to start the dialogue within the LEP Board as the LEP Board creates the oversight and strategic direction and framework whilst BA and BBF are the delivery mechanism in line with the operational plans drawn up.</p> <p>The bidding process was queried and Richard explained that the Growth Deal submission was based on projects created and proposed by infrastructure</p>	RH
--	---	----

	<p>groups (created by local authorities) according to identified priorities. The SEP document and supporting information provides the background information for the Growth Deal submission. In particular, the transport projects were subject to specific DfT requirements and business cases were drawn up to support the project bid. Adrian suggested it would be useful to have a simple guide to the programme setting out how it works, the discretion available to the Board and the added value that is obtained as a result of the project going forward in order to demonstrate the difference and value the vehicle makes to achieve buy in and highlight transparency. Richard pointed out that as the Government changes guidelines as the programme proceeds there is a degree of fluidity although essentially the programme is about bidding for and managing resources to be redeployed into priorities/investments to make a difference locally.</p> <p>Richard suggested that it may be useful to set up a directory for all to have access to and that project managers should be invited to the meetings to provide a synopsis. It was suggested that it would be useful to concentrate on the first batch of projects initially as there will be some projects which will start in 2015/16 eg PWLB funded projects. In addition, examining the bids for the next round of funding (2016 onwards) will be useful.</p> <p><b>It was agreed that:</b></p> <ul style="list-style-type: none"> <li>i) RH would provide a sheet setting out the simplified figure.</li> <li>ii) The Accountable body issue would need to be explored and further advice obtained particularly around the resource implications in order to put in place mechanisms at an early stage to give flexibility to allocate quickly to projects.</li> <li>iii) A discussion around how the award translates to delivery with the LEP &amp; BA Executive continuing to develop key delivery plans and processes relating to the programme.</li> <li>iv) The chair of BA should be invited to attend the LEP Board (5<sup>th</sup> September) to develop a relationship between the LEP and BA to focus on delivery by way of formal introduction and to seek attendance as a standing agenda item. The dialogue will need to cover projects in the 2015/16 programme and to identify any opportunities that can be progressed quickly, resource/revenue base for BA going forward in order to meet obligations and consider if it is necessary to buy in capacity.</li> <li>v) A discussion with LEP Board should take place to seek funds to flow to projects by analysing figures and making allocation to the identified projects.</li> </ul>	<p>RH</p> <p>RH</p>
<p><b>5.</b></p>	<p><b>Growth Deal Governance</b></p> <p>Richard explained that as part of the Growth Deal submission, Government were keen for a formalised structure to take on accountability and as the LEP was an informal partnership it was proposed that there would be delivery vehicles underneath the LEP that would be overseen by the Accountable body. The LEP Board would allocate funds and BA/BBF would provide the operational arm and focus on effective implementation and delivery strategies.</p> <p>A query was raised in relation to the European funding. Richard explained that the Euro funding had not been allocated to an individual LEP but a LEP area so there is a need to create a structure to invite bids and allocate funds to priority projects. Governance on the European funded projects is likely to be set up on a national level or possibly at the level of each of the 39 LEPs.</p>	

	<p>Once projects have been identified, appraised and funds allocated it will be necessary to ensure the appropriate match funding is available. Adrian queried the governance requirements and consultation with stakeholders. Richard agreed to look into this and confirmed that it is likely that it will be necessary to follow the prescriptive approach.</p> <p>Alison queried the range of rules, regulations and standing orders in place in addition to succession planning and reporting standards</p> <p>Richard explained that AVA had its own bank account with its own auditing and legal structures and was a limited company which was extended to derive BA so these arrangements could be inherited or reviewed.</p> <p>It was queried if reporting standards would need to comply with along the lines of those of the local authorities and although it was recognised that BA is a separate entity as it is a limited company there are examples where this is happening. In particular if funds remain with BCC then the tier 1 accountability would rest with them, but if the funds transferred to BA it would need to have its own governance structure. Alison agreed to look at the constitutional documents and raise the relevant points.</p> <p>Richard explained that collective decision making between the LEP and BA will take place in relation to the Growth Deal whilst recognising that LAs carry out their own programmes but that the Growth Deal programme is likely to include projects that would be difficult for Local Authorities to carry out on their own.</p> <p>Karen added that in terms of governance and accountability it would be helpful to draw up full proposals with a number of options so that decision making on projects could take place quickly at the Board level.</p> <p>At the LEP Board meeting on 5<sup>th</sup> September it is anticipated that it will need to demonstrate how it is planned to turn the award into an operational programme going forward and it will be important to draw up a strategy where being small plays to our advantage.</p>	<p>RH</p> <p>AH</p>
<p><b>6.</b></p>	<p><b>Any Other Business</b></p> <p>i) The size of the BA team was queried. Richard explained that in addition to himself there are a number of secondments including Jim Sims (who led the bid writing and has provided strategic advice to the LEP Board), Warren Ralls the Partnership Manager (who has been working with Alex on a national and local level including the 39 LEPs and GTV6 work), Richard Burton (the Comms manager), a person is also on secondment from BCC who deals with skills although this will end shortly. There is also a tie up with BBF which has more resources available and a mature programme to implement. There is also a matrix of people connected to partner organisations who have been brought in to work on projects and from the LEP point of view, Team Bucks provides a platform for working together in order to get things done.</p> <p>ii) Adrian commented that there is a lot of real decision making to be done in the future and the BA Board needs a logical and controlled approach.</p> <p>iii) Karen queried about the timing for considering the 16/17 expressions of interest. Richard explained that details on the bidding process have not yet been released but the decision will be made by CLG in December/ January, so it would be helpful to have some details of potential projects at the September BA Board.</p>	
	<p>The meeting ended at 3.40pm</p>	