

## BUCKINGHAMSHIRE ADVANTAGE BOARD MEETING

11<sup>th</sup> September 2014

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

**In Attendance:** Philippa Batting (Observer), Deborah Andrew (Observer), Howard Machin (Machin & Co, Auditor), Jim Sims (Bucks Advantage) and Liz Thomas (Bucks Advantage).

**Apologies:** Neil Gibson.

1.	<p><b>Minutes of the meeting of 29<sup>th</sup> July 2014</b> The minutes were agreed as an accurate record.</p>	
2.	<p><b>Matters arising from the Minutes of the meeting of 29<sup>th</sup> July 2014</b>  <b>i) Directors' Liability:</b> Richard explained that Wragges had originally provided advice in a series of e mails and that once all issues of concern had been noted, Wragges would be asked to produce a briefing note for circulation.  <b>ii) Promotion Agreement:</b> A synopsis of the promotion agreement for the College Farm land had been circulated with the Board papers for information.</p>	RH
3.	<p><b>Draft End of Year Accounts to 31<sup>st</sup> March 2014</b>  Richard explained that as Bucks Advantage (BA) had evolved from Aylesbury Vale Advantage (AVA), the draft accounts related to the last accounting period of AVA and did not include any expenditure relating to BA. Sums of AVA monies have been ring-fenced in order to carry out legacy business. The Company is solvent and next year the End of Year Accounts will focus on the AVA residual funds and the BA funds.  Philip queried the position regarding Corporation Tax. Howard Machin advised that as interest has been received from outside parties it is subject to Corporation Tax and added that a similar situation was reported in the last set of accounts as interest was received relating to the Parkway project. It was agreed that the Company may wish to consider the merits of transferring to a LLP in the future if interest is received in order to maximise the Company's financial position.  Adrian queried the position regarding the AVA legacy money. Richard explained that within the constitution documents, provision has been made for a subset of the BA Board (AVA Legacy Board) whose membership is Neil Blake and Andrew Grant of AVDC and Martin Tett and Neil Gibson of BCC in order to administer and monitor the ring-fenced legacy funds. The legacy board also oversees and monitors three projects including two Town Centre projects and the Aylesbury Woodlands project connected to the Eastern Link Road.  Karen queried when the BA budget for 2014/15 will be presented to the BA Board. Richard advised that a budget could be brought to the November</p>	RH

	<p>Board but as BA does not have any funds, it will be dependent on the LEP Board agreeing to release funds to support BA and/or investment from partner organisations. Richard added that once business planning is in place, it would also help shape the budget requirements.</p> <p>Alison pointed out that in the Members' Agreement a financial statement should be available on a regular basis.</p> <p>Richard explained that it is important to note that although the Local Growth Deal funds begin to flow through in 2015/16 they will not reside with BA and currently the Legacy Funds are the only funds that reside with BA.</p> <p>Andrew pointed out that as BA is the delivery arm of the LEP, it should consider giving revenue support to run BA as currently all the funds held in BA relate to legacy funding. Richard advised that a proposition needs to be submitted to the LEP and as part of this exercise it will be necessary to confirm available funds from the BA partner organisations to support revenue activity.</p> <p>Andrew added that as project management resources are required in order to deliver the projects the LEP should passport the funds to BA to fund this.</p> <p><b>It was agreed that:</b></p> <p>i) The Draft End of Year Accounts are agreed and that they should be presented to the AGM for approval later in the year.</p>	<p>LT</p>
<p>4.</p>	<p><b>Feedback from the BTVLEP Board meeting of 5<sup>th</sup> September</b></p> <p>Richard explained that this includes an update on the SEP, the Assurance Framework and Growth Bidding 2016/17.</p> <p>In terms of the SEP, the bulk of the funding relates to the GPF (Growing Places Funds) and LGD (Local Growth Deal) both revenue and capital with a requirement to match fund via CIL, section 106 contributions and land value release. It is also necessary to produce an Assurance Framework to support implementation and monitoring to give confidence to the Government to hand the baton from the LEP Board to the BA Board.</p> <p>Adrian queried where BA can make a difference and add value.</p> <p>Richard explained that the process has been inherited as bids were submitted prior to BA being created. The pitch for funding was not for 100% of project costs as there was a need to lever in LA funds to help deliver projects early which in turn could improve chances for funding in the future.</p> <p>The Assurance Framework provides an oversight and scrutiny of projects. Although some project boards have been set up, the government expects the LEP to ensure value for money and the question is how best to ensure value for money with minimal bureaucracy. Developing the Assurance Framework is 'work in progress' and the Government is likely to set minimum standards highlighting how the process should work. The responsibility to ensure value for money sits with the LEP and a balance will need to be struck in terms of assessing value for money between section 151 officers and an external provision. The proposed model will be presented to the BTVLEP Board in October and is largely based on the Local Transport Board approach.</p> <p>Richard added that while funds have to be spent in year, profiling is necessary but funds will not be lost through non performance and funds do not have to be spent on the identified item (although it still has to be delivered).</p> <p>Adrian explained that it is important to understand how the project is structured in addition to the detail behind the project in order to review if works can be procured better to keep costs down. This in turn will help to</p>	

	<p>identify ways in which BA can make a profit and create a pot of cash. Andrew agreed and commented that it is critical to understand the projects. By inviting the project managers to attend the BA Board meetings to explain the project details, the assumptions, how the project finances have been structured and the interdependencies within the project, it will help the Board to form a view as to how value can be added and if there is a more efficient and effective approach.</p> <p>In terms of bidding 2016/17, the projects will be presented to the LEP Board meeting in October for inclusion in the submission to Government in November. The funding announcement is expected in early 2015. Currently conversations are being undertaken at different levels as part of the testing of delivery principles and assumptions (particularly in relation to transport projects).</p> <p>Karen mentioned that we need to focus on the opportunity for bidding and funding for 2016/17 whilst at the same time; we need to monitor the projects funded in 2015/16.</p> <p><b>It was agreed that:</b></p> <p>i) Project Managers be invited to the next meeting to present their projects</p>	RH
5.	<p><b>Resources</b></p> <p>Richard explained that at the end of the LEP Board meeting the appointments of Guy Birkby and Richard Belfield to fill the remaining two Private Sector Director spaces were agreed. Guy has a banking and finance background and will be meeting with Richard next week. Richard is the Group Development Director with FCC Environment and has expertise in procurement and large scale infrastructure projects.</p> <p>Richard added that a request for additional resources was put to the LEP Board and two fixed term contract appointments (6 months and 12 months duration) were agreed relating to programme management, project management and financial regulations to support the projects which need to be delivered through the Local Growth Deal. In addition as two members of staff are currently on secondment, there are less resources but there are funds to backfill the posts.</p>	
6.	<p><b>2015/16 Local Growth Fund Implementation</b></p> <p>This has to be completed by the end of October. A template has been provided and it is essentially work in progress at present. Jim explained that it marks the transition from bidding to delivery. Whilst the transport projects are more finessed, there is still some work to be done on the Amersham College project and it is anticipated that a detailed cost model will be available by the end of October. The project manager will be invited to the next Board Meeting to outline the project.</p> <p>In terms of the 5G project, Warren Ralls is continuing discussions with Enterprise M3. We are the only other LEP to secure funds for 5G and we need to provide more information on 5G Innovation and its impact for Bucks.</p> <p>The Government is considering where best to utilise the funds for the Local Growth Hub and to make sure that gaps are plugged.</p> <p>In terms of the transport schemes, the DfT were satisfied with the cash use and milestones although it is work in progress. At the recent DfT meeting, discussions centred on an assessment of the cash flow and identifying</p>	

	<p>showstoppers.</p> <p>Adrian pointed out that if the Stocklake PWLB project could make a profit it would enable funds to be brought into the Company.</p> <p>Deborah explained that BCC are undertaking work to assess the risk associated with the PWLB loan and subsequent negotiations with Barratts will be critical. Richard added that the section 106 is contracted to BCC with a charge over the land and a parent company undertaking.</p> <p>Adrian queried the position on security and contingency especially in terms of what would happen if spend is not achieved and would it still be allocated to the LEP and/or ring-fenced.</p> <p>The Growth Fund Implementation Plan needs to be completed by the end of October and a series of meetings are being sought which will seek information to populate the plan in preparation for submission.</p>	
7.	<p><b>2016/17 Bidding Round</b></p> <p>The Government has advised that there are little funds available and that as the tail of the submitted 2015/16 programme had very little detail, the LEP is being urged to review this as part of the 2016/17 bidding.</p> <p>Jim explained that criteria is being proposed as to how to evaluate the projects and it is necessary to design a process so that a recommendation can be made by the BA Board to the LEP Board. A scoring system to assess schemes in terms of gearing and deliverability has been drafted up.</p> <p>Jim explained that there is £2m recycled funds from GPF which could be used as either revenue or capital to reinvest and a parallel process calling for schemes which could be supported by those funds at the same time as the 2016/17 Local Growth Funds bidding is taking place on the basis that an existing project may be able to speed up on delivery if a loan is given. For example revenue funds for early days work is difficult but it may be possible for a loan to undertake feasibility work.</p> <p>It is important to set aspiration, identify game changers and projects of national significance and raise the level of ambition. The announcement on funding allocated is anticipated around Christmas/ early January 2015 and it is anticipated that circa 80% of the projects will be related to roads and jobs.</p> <p>Richard added that local priorities are important and that failed schemes from the previous round, new schemes and private sector schemes could be included.</p> <p>Alison queried how to bring in schemes from the private sector. Richard explained that various meetings had taken place with the private sector including GE Healthcare and that a public invitation to business to participate would be issued.</p> <p>Alison asked if there may be any projects on boundaries with other LEPs. Richard advised that conversations had been taking place with Thames Valley, Oxfordshire and SEMLEP.</p> <p>Andrew mentioned the large deficit in infrastructure, which if met could assist with housing growth and queried if any of the bidding could focus on the provision of housing in the form of new settlements or a new town rather than a series of small scale developments.</p> <p>Michael emphasised the importance of jobs and housing going hand in hand. Richard added that the Housing Investment model has been presented to the LEP Board and would give an opportunity to tackle the pressing issue.</p> <p>Jim advised that in the run up to the general election attractive infrastructure</p>	

	<p>schemes are likely to do better in the bid for funds, especially if it is possible to address a deficit that CIL/grants cannot meet. Infrastructure that is linked to the industrial strategy, development work around new settlements and projects that can deliver quickly will help build the case for funding. A call out for schemes will take place tomorrow with a deadline for returns of 3<sup>rd</sup> October. Following this the schemes will be assessed independently and a report setting out the scored schemes will be drawn up by the independent advisor and circulated to the BA Board on 10<sup>th</sup> October. During 13<sup>th</sup> to 16<sup>th</sup> October, it will be necessary to meet to decide priorities, review scoring and take a view on whether there is additional opportunity to be exploited. It was agreed to meet on Monday 13<sup>th</sup> October at 9am at Saunderton to review the scored schemes and draw up a list of priority schemes to be recommended to the LEP Board for inclusion in the bidding process.</p> <p><b>It was agreed:</b></p> <p>i) Jim would send out the independent report setting out the scored schemes on 10<sup>th</sup> October.</p> <p>ii) That the Board would meet on Monday 13<sup>th</sup> October at 9am to assess the bids for recommendation to the LEP for inclusion in the submission to Government.</p>	<p><b>JS</b></p> <p><b>ALL</b></p>
8.	<p><b>Any Other Business</b> There was no Any Other Business.</p>	
	<p>The meeting ended at 5.45pm</p>	