

NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent meeting.



LLEP INVESTMENT PANEL

**Minutes of the Meeting
(Adjourned from 21.01.21)**

1 February 2021

Attendance and Apologies:

Members		Representing	
Andy Reed OBE	AR	LLEP Board of Directors	Chair
Emma Anderson	EA	LLEP Board of Directors	
Sonia Baigent	SB	LLEP Board of Directors	
Dr Nik Kotecha	NK	LLEP Board of Directors	
Ajmer Kaur Mahal	AKM	LLEP Board of Directors	
Neil McGhee	NM	LLEP Board of Directors	
Cllr Terry Richardson	TR	LLEP Board of Directors	
Officers			
Fiona Baker	FB	LLEP	
Cathy Martin	CM	LLEP	
Gerarde Manley	GM	LLEP	
Stuart McAvoy	SM	Leicester City Council – Accountable Body	
Helen Miller	HM	LLEP	
Mandip Rai	MR	LLEP Chief Executive	
Andy Rose	ARo	LLEP	
Colin Sharpe	CS	Leicester City Council – Accountable Body	
Advisors			
Josephine Dexter	JD	Department for Business, Energy and Industrial Strategy (BEIS)	
Jaqueline Moody	JM	Cities and Local Growth Unit (CLGU)	

Minute**Action**

<p>1.</p> <p>1.1</p> <p>1.2</p>	<p>Welcome and Apologies</p> <p>AR welcomed those present to the meeting.</p> <p>There were no Apologies for Absence.</p>	
<p>2.</p> <p>2.1</p>	<p>Declarations of Interest</p> <p>EA declared that Freeths had given professional advice regarding the Broadnook development.</p>	
<p>3.</p> <p>3.1</p> <p>3.1.1</p> <p>3.1.2</p> <p>3.1.3</p> <p>3.1.4</p> <p>3.1.5</p> <p>3.1.6</p> <p>3.1.7</p> <p>3.1.8</p> <p>3.1.9</p>	<p>Programme Monitoring</p> <p><u>Enterprise Adviser Network (EAN)</u></p> <p>GM presented an update on the EAN. The origins of the EAN were explained and a recent Government White Paper committing more support to schools and colleges to deliver careers education was noted. The national structure of the Careers and Enterprise Company (CEC) was explained.</p> <p>The Gatsby Benchmarks were explained, and it was noted that all schools now had to use these Benchmarks.</p> <p>The current staffing level of the EAN was noted. It was highlighted that there was now a full complement of staff at the network for the first time.</p> <p>It was noted that 80% of Leicestershire schools now worked with the EAN, the EAN was part of the first wave of Careers Hubs, and that there were 67 active Enterprise Advisers in the area.</p> <p>The funding of the programme was explained, it was noted that funding was shared equally between the LLEP and the CEC with an additional CEC Grant to support schools.</p> <p>The progress of KPIs for the EAN was noted. It was highlighted that a number of factors had affected the progress of meeting the KPIs including the impact of Covid, new schools joining the EAN, and increased capacity in the EAN team.</p> <p>Several of the impacts of the EAN outside of the benchmarks were noted.</p> <p>The future goals and challenges facing the EAN were also explored.</p> <p>In response to questions about tracking how contacts result in jobs it was noted that one of the sub-benchmarks related to the destinations of young people, which involved tracking progress but that the Department for Education held that data and not the LLEP.</p>	

Minute**Action**

<p>3.1.10</p> <p>3.2</p> <p>3.2.1</p> <p>3.2.2</p> <p>3.2.3</p>	<p>It was suggested that Leicestershire could create a Further Education College specifically around preparing people for the world of work, similar to what Norwich had set up. GM stated that he would look into this possibility.</p> <p><u>Local Growth Fund Quarterly Return</u></p> <p>CM noted the progress laid out in the paper.</p> <p>It was suggested that the Growth Deal Dashboard could be further explored in a future meeting. It was noted that outputs in certain areas wouldn't meet targets until developments were complete in several years.</p> <p>It was AGRRED that:</p> <ol style="list-style-type: none"> 1. An item on the Local Growth Dashboard be added to the next meeting of the Panel. 	<p>GM</p>
<p>4.</p> <p>4.1</p> <p>4.1.1</p> <p>4.1.2</p> <p>4.1.3</p> <p>4.1.4</p> <p>4.1.5</p> <p>4.1.6</p> <p>4.1.7</p>	<p>Growing Places Fund</p> <p><u>Broadnook Garden Village</u></p> <p>ARo presented an update on the Broadnook Garden Village.</p> <p>It was noted that the key issues at the moment were loan security, interest rates, and the repayment schedule.</p> <p>It was stated that discussions had been initiated with Homes England regarding finance options. However, it was felt that substituting a GPF contribution with a Homes England one would cause significant delay to the project.</p> <p>Concerns were expressed about whether the project fell under the remit of the LLEP. Attention was drawn to Appendix 1 of the report which explained how the project fit in the LLEP's GPF criteria.</p> <p>Enquires were made about how the carbon footprint of the development would be minimised.</p> <p>Clarification was sought over land ownership.</p> <p>It was noted that the minimum interest rate recommended by the AB was 2.95%, subject to a review of the new subsidy rules. It was noted this was below the rate that might be available on the open market. The relatively low interest rate that could be offered by the GPF was noted as being attractive for potential developers. The LLEP Directors could choose to apply a higher rate.</p>	

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Action

4.1.8 4.1.9 4.1.10 4.1.11 4.1.12	<p>In response to questions about the balance in the GPF pot for other potential projects, AR advised that expected repayments would recycle more funds for lending in due course.</p> <p>It was noted that section 106 had been signed in November 2020.</p> <p>It was stated that more due diligence would need to be done on the project in terms of the title as well as an independent valuation, clarifying the land areas offered as security. It was stated clearly that a loan agreement would not be signed until adequate security was in place.</p> <p>There was acknowledgment that the Panel should have earlier sight of these kind of proposals.</p> <p>It was AGREED that:</p> <ol style="list-style-type: none">1. In summary panel members concluded that they were supportive of the project concept but there were a number of areas that needed additional work/consideration as outlined below <ul style="list-style-type: none">• Clarification on ownership vehicle• Interest rate level – panel members queried the suitability of the recommended minimum interest rate 2.95% and questioned what the interest rate was for the other finance that had been secured by the applicant. The Accountable Body advised that the 2.95% interest rate would be the minimum that they would be satisfied with and the panel and LLEP Board may want to consider a higher interest rate, notwithstanding the implications this could have on the business case.• Valuation of the proposed plots – queries were raised regarding the value of the plots and where these plots are in relation to the build out timeline and security.• Land Covenants - this matter has been raised in the report and panel members highlighted this – it was acknowledged that there is additional work to do on this but legal advice to date indicated that this may not be an insurmountable issue.• Investigation of other finance options. – including Homes England funding.	
5.	Historical Business Rates	

<u>Minute</u>		<u>Action</u>
5.1 5.1.1 5.1.2 5.1.3 5.1.4 5.1.5 5.1.6	<p data-bbox="261 212 810 246"><u>Hinckley and Bosworth Council – MIRA EZ</u></p> <p data-bbox="261 280 1236 358">HM noted Paper D, which answered several of the queries raised at the last Panel meeting regarding MIRA, including a Logic Chain revision.</p> <p data-bbox="261 392 1220 470">It was noted that the main outstanding issue was detail around criteria for the Grants.</p> <p data-bbox="261 504 1236 616">Concerns were expressed that details on job losses still hadn't been provided. It was thought that HBBC didn't know those details and only had the net total on jobs.</p> <p data-bbox="261 649 1204 728">It was noted that a clear plan of forward investment had been presented by HBBC for the ringfenced funds.</p> <p data-bbox="261 761 1141 795">AR thanked the LLEP staff for their work to improve this application.</p> <p data-bbox="261 828 518 862">It was AGREED that:</p> <ol data-bbox="311 940 1204 974" style="list-style-type: none"> 1. The Panel approved the recommendations presented in Paper D. 	
6. 6.1	<p data-bbox="261 1086 502 1120">Close of Meeting</p> <p data-bbox="261 1153 662 1187">The meeting closed at 4.31pm.</p>	