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## **LLEP Board of Directors**

**3pm, Tuesday, 1 November 2022**

**Hybrid meeting: City Hall**

**Organiser: Sharif Chowdhury**

**Co-Chair: Andy Reed OBE (AR)**

**Directors present : Emma Anderson (EA), Sonia Baigent (SB), Chas Bishop (BP), Lorraine Boorman (LB), Nishan Canagarajah (NC), Verity Hancock (VH), Gosia Khrais (GK), Dr Nik Kotecha OBE (NK), Ajmer Kaur Mahal (AKM), Cllr Danny Myers (DM), Jo Tallack (JT), Glynis Wright (GW).**

**Directors' virtual attendance: Anne-Marie Hunt (AH), Anil Majithia (AM), Peter Bedford (PB).**

**In Attendance: Elizabeth Botmeh (EB), Jo Dexter (JD), Cheryl Maguire (CM), Colin Sharpe (CS), Stewart Smith (SS), Sue Tilley (ST).**

**Apologies: Alison Greenhill (AG), Neil McGhee (NM), Cllr Jonathan Morgan (JM), Terry Richardson (TR).**

**Minutes Taken By: Sharif Chowdhury**

**CC To: All**

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## **MINUTES**

<b>1.</b>	<b><u>Welcome and Apologies</u></b>	
1.1	AR welcomed those present physically to the meeting, and members dialling in virtually.	
1.2	Apologies were received from TR and JM.	

<u>Minute</u>	<u>Action</u>
<p><b>2.</b></p> <p>2.1</p>	<p><b><u>Declarations of Interest</u></b></p> <p>There were no Declarations of Interest.</p>
<p><b>3.</b></p> <p>3.1</p> <p>3.2</p>	<p><b><u>Minutes and Actions LLEP Board of Directors Meeting held on 16 August 2022</u></b></p> <p>The minutes were recorded as a true and accurate record.</p> <p>ST updated on Action Point 5.12 where George Oliver has issued press releases regarding the Board membership including information on the three new LLEP Board members.</p>
<p><b>4.</b></p> <p>4.1</p> <p>4.2</p> <p>4.3</p> <p>4.4</p> <p>4.5</p>	<p><b><u>Head of LLEP Report to Board</u></b></p> <p>ST referred to Paper B the LLEP 2022-23 Delivery Plan progress report which showed projects are progressing well and are either at green or amber status except for two items flagged in red which includes developing a peer-to-peer exchange through the Growth Hub, which is being delivered through the ERDF programme in collaboration with Leicester City Council, aimed at start-ups, and will now move to amber status.</p> <p>ST updated on the joint collaborative work that is being undertaken with Midlands Connect to fund a study to look at the decarbonisation of East Midlands airport under the sustainability pillar. The programme is currently at procurement stage with funding from Midlands Connect having been secured and will now move to amber status on the delivery plan.</p> <p>ST reported on the draft LLEP Delivery Plan for 2023/2024 where a skeleton framework has been developed showing the potential activities reflecting the current funding situation. ST noted a challenge for the Growth Hub with loss of ERDF funding and business advisors and the plan to become a triage service after June 2023, with focus on partnerships and local intelligence, subject to the LLEP receiving funding.</p> <p>ST reported that the LLEP are still awaiting news regarding BEIS funding and there continues to be a lack of clarity surrounding finances.</p> <p>JD informed the Board that BEIS had paused the deadline for the delivery plan 2023-2024, as the guidance had not been published but the vision was to go forward with this as growth is still being delivered for Leicester and Leicestershire.</p>

<u>Minute</u>	<u>Action</u>
<p>ST highlighted the successful consortium work the LLEP had undertaken with Lincolnshire and Derbyshire to secure funding from the Department for Digital, Culture, Media and Sport (DCMS). The work had been led by Stewart Smith and will provide support and funding for ambitious businesses in the creative sector, who are looking to grow and with the capability to work more strategically. The scheme will provide around £1.3m funding.</p> <p>4.6 The Board were asked to note Paper B1 which provided further detail.</p> <p>4.7 VH commented that there are opportunities in the pipeline and sometimes you must go with them and put the partnerships together once you have secured the funding.</p> <p>4.8 NK asked whether the LLEP will be reviving the works of the Local Industrial Strategy (LIS).</p> <p>4.9 JD noted that the Local Industrial Strategy is used by many partners and JD expressed the benefits of the sector update information.</p> <p>4.10 ST informed the Board that the LLEP intend to bring together the three universities as a sub-group of the Innovation Board to see where future funding opportunities lie.</p>	
<p><b>5. Chair's Update on County Deal</b></p> <p>5.1 AR shared that there has not been any substantial development regarding the County Deal since the last meeting, although there are ongoing meetings on a local level to support the business sector throughout the process.</p> <p>5.2 JD echoed similar sentiments and updated that BEIS are working to adapt to the changes in government leadership and possible adjustments to levelling up.</p> <p>5.3 JD reiterated BEIS are continuing in the background to work on devolution deals where appropriate until 2023.</p> <p>5.4 NK shared that a challenge remains that businesses feel a Level 3 deal with the six counties would be good for the region, although there is no tangible evidence for this.</p> <p>5.5 NK reported on an update from the latest CBI meeting where the group has asked for a report led by councils and government to evaluate the evidence and impacts of devolution deals in other areas. The report will</p>	

<u>Minute</u>	<u>Action</u>
<p>also provide an education piece to demonstrate why the deal matters to businesses and guide ongoing discussions.</p> <p>5.6 NK shared the importance of the report to understand potential benefits, as there does not seem to be any tangibles other than the fact D2N2 could possibly receive £38m a year.</p> <p>5.7 JD advised that eight weeks would be too long a duration and a report provided more swiftly would be beneficial.</p> <p>5.8 DM noted that local authorities expected their funding to be cut, and that they were all waiting on the Chancellor's statement on 17<sup>th</sup> November, and that any money offered under a devolution deal would probably be used to cover up the cuts.</p>	
<p><b>6.</b></p> <p>6.1</p> <p>6.2</p> <p>6.3</p> <p>6.4</p> <p>6.5</p> <p>6.6</p>	<p><b>Growing Place Fund - Options</b></p> <p>EB shared background on the Growing Places Fund which currently has £10.2m to utilise. The LLEP has received some enquiries, which do not satisfy the current criteria.</p> <p>EB explained that Paper C provides and recommends the board consider different options including whether to extend the criteria, invest in areas such as incubation units, and ringfence £2.3m to cover LLEP running costs going forward.</p> <p>CS shared that from the accountable body perspective the paper and suggested options are satisfactory.</p> <p>The Board shared possible options to invest funding. Including whether there is flexibility to reserve funds for LLEP running costs. Board members voiced the importance of not spreading finances too thinly at the consequence of projects having less impacts on the region.</p> <p>CS informed the Board that the £13.6m was a grant to the City Council as the accountable body for the LLEP in 2013 for infrastructure projects, and that the grant conditions had been discharged at the time.</p> <p>The Board discussed the challenges of the original criteria, in managing the risk versus the interest rate charged. CS stated that low risk projects could seek funding from commercial banks and funders, in comparison to an offer from the LLEP which would need to comply with the UK public Subsidy Requirements, and which might not be any lower.</p>

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6.7	AH updated the Board that there are numerous options available to the market and not just on the High Street, lenders report being extremely busy at present.	
6.8	AR summarised the discussion in that the future use of the funding should have impact, aligned to the four pillars of the Economic Growth Strategy, and reference the elements of the future elements of the LLEP work aligned to the county deal.	
6.9	The Board agreed to look at potential options in more depth and bring it back to a future board.	<b>EB</b>
<b>7.</b>	<b>LLEP Finance Report</b>	
7.1	CS provided an update on the financial report for 2022/2023, informing the Board that the full repayment of the Gresham loan has been received.	
7.2	CS shared that that the revised expenditure would be £2.412m, leaving a surplus of £361,700.	
7.3	CS updated the Board on the potential reserves anticipated at the end of 22/23 and reminded the Board the approximately £1.25m was ringfenced, leaving a surplus of circa £750k	
7.4	CS informed the Board of the existing audit arrangements. Internal audit is provided by Leicestershire County Council and a provisional 10 days is set aside annually to cover this.	
7.5	External Audit is undertaken by Grant Thornton working to nationally set local authority audit standards. GT has not (to date) undertaken a specific audit of the LLEP.	
7.6	CS invited suggestions for area for the internal audit to focus.	
7.7	JD shared that the regular BEIS mid-year audit reviews are currently in process with information expected to be provided to ST by the 25th of November. The main focus areas include Governance and Strategy and are expected to be 'light touch'.	
<b>8.</b>	<b>Future Funding Scenarios</b>	
8.1	The Board noted the three funding scenario situations and recognised the uncertainty when preparing the information.	

<u>Minute</u>		<u>Action</u>
8.2	<p>JD expressed thanks to the LLEP Board for the patience and forbearance during this period of uncertainty regarding funding.</p>	
8.3	<p>CS expressed the benefits from a governance perspective that the LLEP Board now have visibility on the reports provided, although a decision cannot be made at present due to the uncertainty over future funding. Once further clarity has been given by Government, further scenarios will be presented to the Board.</p>	
<b>9.</b>	<p><b>Programme dashboards – Business Rates Pool, Getting Building Fund, Enterprise Zone, Business Gateway Growth Hub</b></p>	
9.1	<p>ST referred to paper F on the Programme / Project Dashboards, and commented that the Business Gateway Growth Hub was very much driven by supporting existing delivery partners to achieve the output requirement the ERDF programme. The dashboard information presented were a sample of the local intelligence and social media engagement activities.</p>	
9.2	<p>SB shared ambitions from the Business Board which is looking to repurpose the vision and provide alignment with the four pillars which will bring further opportunities going forward.</p>	
9.3	<p>ST updated on the progress on the capital programmes which have been RAG rated and include targets versus achieved outputs.</p>	
9.4	<p>The Board noted the dashboards and welcomed seeing them and want to continue to see this form of reporting at going forward and thanked the team for putting them together.</p>	
	<p><i>GK left the meeting at this point after item 9 concluded.</i></p>	
<b>10.</b>	<p><b>Enterprise Zone – Charnwood Campus</b></p>	
10.1	<p>CM presented an Expression of Interest (EOI) from Charnwood Campus for a project to be considered for Enterprise Zone Retained Business Rates funding. The Board was reminded of the process for approving projects as outlined in the LLEP Local Assurance Framework. CM noted that after an EOI is endorsed by Board, project sponsors are required to submit a full Business Case which internally appraised by LLEP officers before external appraisal by independent assessors. All information is then presented to the Investment Panel for consideration and then to the LLEP Board for approval.</p>	
10.2	<p>CM advised that work on the Business Rates forecasting that would be required to support any investment would be carried out in parallel to the assessments. It was highlighted that Charnwood Campus had been put</p>	

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10.3	<p>forward to be an Investment Zone which may impact the business rates available to the LLEP if approved. Conversations with partners were ongoing to understand this further.</p> <p>The LLEP Board agreed the recommendation to:</p> <ul style="list-style-type: none"> <li>i. Approve the progression of the Expression of Interest for Charnwood Campus to full Business Case;</li> <li>ii. Approve for LLEP officers to undertake an internal assessment on the submitted Business Case;</li> <li>iii. Approve delegation of progression to external assessment to the Head of the LLEP, in consultation with the Chair, subject to assurances regarding EZ Business Rates availability for re-investment.</li> </ul> <p><i>GK returned to the meeting after Item 10 was concluded.</i></p>	
11.	<b>Risk Register</b>	
11.1	The Board noted the risk assessment and mitigations.	
12.	<b>Progress on the recruitment of a CEO &amp; formal Board approval.</b>	
12.1	CS referred to paper I and reported progress on the recruitment of a Director/CEO.	
12.2	<p>The Board agreed with the recommendations to:</p> <ul style="list-style-type: none"> <li>I. Formally approve the recruitment of a Director/CEO for LLEP.</li> <li>II. Request the Accountable Body to undertake the recruitment process, in conjunction with the Co-Chairs.</li> </ul>	<b>CS</b>
12.3	CS provided background on the process which will begin with an advertisement being published, including a job description and person specification, by the Leicester City Council HR team. The Board will be shown the documents before they are issued.	
12.4	Board members discussed the skillset required for the new CEO, with further comments expected once the job description and person specification are circulated.	
12.5	CS shared that as the position is a senior level appointment there will be an appraisal through an assessment centre involving stakeholders with successful candidates progressing to a Board interview with an observer from the accountable body in attendance..	
12.6	The Board were informed that depending on the pay level for the role, the city council's own employment committee may be triggered and may require further governance procedures.	

Minute		Action
<p><b>13.</b></p> <p>13.1</p> <p>13.2</p>	<p><b>LLEP Membership Applications</b></p> <p>EB provided background on LLEP membership and the rights and responsibilities of members and highlighted that parish councils were underrepresented within the LLEP governance EB highlighted the suggested members in the Appendix paper, the Board noted the suggestions and approved the call for new members.</p> <p>The LLEP Board:</p> <ul style="list-style-type: none"> <li>i. Noted and approved the requests for membership to Leicester and Leicestershire Enterprise Partnership Ltd;</li> <li>ii. Agreed to the formal template letter welcoming new members setting out their roles and responsibilities (Appendix 1).</li> </ul>	
<p><b>14.</b></p> <p>14.1</p> <p>14.2</p> <p>14.3</p> <p>14.4</p>	<p><b>Governance Review – Finance &amp; Investment ToR, Audit &amp; Risk ToR and Committee Membership.</b></p> <p>EB provided a background to the LLEP Board on the Finance and Investment Committee and the Audit and Risk Committee. The new boards would supersede the exiting Investment Panel and the previously agreed Finance and Audit Committee</p> <p>EB clarified that for the Finance and Investment Committee the proposal included a Chair and deputy Chair. The Chair will manage finance related issues whilst the deputy chair will focus on investment decisions. Therefore, further appointments will be required for the committee.</p> <p>The paper proposed to remove a separate Low Carbon Board given its crosscutting themes across all areas, but suggested that all decisions papers included reference to it, in the form of a paragraph. CB emphasised the importance of the Low Carbon Agenda to be a proactive part of the committees in particular hydrogen matters and energy supply.</p> <p>The LLEP Board:</p> <ul style="list-style-type: none"> <li>i. Discussed and agreed the proposed revised structure</li> <li>ii. Noted the draft terms of reference for the: <ul style="list-style-type: none"> <li>a. Finance and investment Committee;</li> <li>b. Audit and Risk Committee;</li> </ul> </li> <li>iii. Received a verbal update on thoughts on the Innovation Board, Business Board and Skills Advisory Panels from the Chairs of those forums.</li> </ul>	

<u>Minute</u>		<u>Action</u>
<b>15.</b>	<b>Youth Advisory Board</b>	
15.1	SS provided an update on Paper L regarding plans on engaging the Youth Advisory Board with the LLEP Board.	
15.2	SS shared that there are young business people on the Advisory Board who are important for the future business community going forward.	
15.3	The Board: noted the work of the YAB and: ii. Supported and endorse the work of the YAB. iii. Agreed to meet with the YAB once a year for a Youth Voice summit. iv. Agreed to allow the YAB to attend a future LLEP Board meeting. v. Ratified Neil McGhee as the main YAB LLEP Board sponsor. vi. Are considering participation in Youth Voice training.	
<b>16.</b>	<b>Sub-Group Updates</b>	
16.1	NK provided an update on the Innovation Board where there are ongoing works with Reach Publications to deliver the Innovation Festival. Several organisations are being asked to support the events, including Charnwood Campus.	
16.2	NK informed the Board of a recent Board meeting which took place at Holovis International Ltd, where the Innovation Board members agreed to take responsibility to champion twelve different themes including, culture and language aligned to the LLEP Delivery Plan 2022/23	
16.3	VH updated on the Skills Advisory Panel (SAP) where there have been linkages between the SAP and Local Skills Improvement Plan (LSIP). VH reported that Dr Gareth Thomas completed an exercise to investigate the labour market requirements and are now waiting on further proposals from the government.	
16.4	VH informed the Board of skills and labour shortages and challenges in addressing these gaps. There is not enough staff to train individuals and require assistance from businesses and Government funding.	
<b>17.</b>	<b>AOB</b>	
17.1	NK thanked the two Co-Chairs for their efforts in delivering the meeting with substantial papers which includes a high level of detail and variety.	
17.2	SB expressed thanks to the LLEP team for the work that has gone into producing the papers for the meeting which is appreciated.	

DRAFT