



## **LLEP Board of Directors**

**3pm, Tuesday, 14 February 2023**

**Face to face MIRA, Pavilion Room**

**Organiser: Sharif Chowdhury**

**Co-Chair: Andy Reed OBE (AR), Anil Majithia (AM).**

**Directors present: Sonia Baigent (SB), Lorraine Boorman (LB), Nishan Canagarajah (NC), Verity Hancock (VH), Dr Nik Kotecha OBE (NK), Anne-Marie Hunt (AH), Cllr, Terry Richardson (TR). Glynis Wright (GW).**

**In Attendance: Elizabeth Botmeh (EB), Jo Dexter (JD), Cheryl Maguire (CM), Amy Oliver (AO), Colin Sharpe (CS), Sue Tilley (ST), Declan Allen (DA).**

**Apologies: Emma Anderson (EA), Peter Bedford (PB), Chas Bishop (BP), Gosia Khrais (GK), Ajmer Kaur Mahal (AKM), Neil McGhee (NM), Cllr Jonathan Morgan (JM), Jo Tallack (JT), Stewart Smith (SS). Rani Mahal (RM), Cllr Danny Myers (DM).**

**Minutes Taken By: Sharif Chowdhury**

**CC To: All**

## **MINUTES**

<b>1.</b>	<b><u>Welcome and Apologies</u></b>	
1.1	AR welcomed those present physically to the meeting.	
1.2	Apologies were received from EA, PB, JM, RM, DM, CB, GK and JT.	
<b>2.</b>	<b><u>Introduction and Welcome to Horiba MIRA</u></b>	
2.1	Declan Allen, Managing Director of Horiba MIRA provided an update on its recent progress. He highlighted that the company was known for	

<u>Minute</u>		<u>Action</u>
2.2	<p>vehicle engineering, testing and consultancy whilst the MIRA Technology Park provided a range of property options for mobility companies to locate themselves onsite.</p> <p>It was noted that there has been significant progress in attracting global customers for the engineering and testing capabilities available. The Managing Director also noted that the MIRA Technology Park was moving into phase two of its growth plans, which focussed on larger scale developments, and a focus on the technology solutions of the future for the sector, such as hydrogen fuel.</p>	
2.3	Declan Allen left the meeting at this point.	
<b>3.</b>	<b><u>Declarations of Interest</u></b>	
3.1	AR announced that Rani Mahal has a new role at the OPCC as the Deputy Police and Crime Commissioner.	
3.2	There were no Declarations of Interest.	
<b>4.</b>	<b><u>Minutes and Actions LLEP Board of Directors Meeting held on 1 November 2022</u></b>	
4.1	The minutes were recorded as a true and accurate record.	
<b>5.</b>	<b><u>Update on Midlands Engine Investment Fund (MEIF)</u></b>	
5.1	AMH provided an update on the MEIF Strategic Oversight Board where there is a significant fund held by British Business Bank that requires ongoing monitoring and plans for a roll out of a further MEIF 2 fund. AMH shared that the LLEP board will be regularly informed on an ongoing basis.	
5.2	LB provided further updates from the MEIF Regional Advisory Board, which she attends on behalf of the LLEP. LB shared that the meetings occur quarterly and that detailed reports are provided to monitor the progress of the fund.	
5.3	LB shared that results for the LLEP area have been positive. The evaluation of the first phase of the MEIF has demonstrated the value of investing in SMEs to achieve growth across the Midlands. The British Business Bank will be sharing the results wider, and a will be a series of events in partnership with the West Midlands Combined Authority, the East and West Midland LEPs.	

<u>Minute</u>		<u>Action</u>
5.4	LB clarified that the purpose of the events will be focussed on assembling intermediaries but also introducing the coming MEIF 2 Fund.	
<b>6.</b>	<b>Head of LLEP Report to Board</b>	
6.1	Sue Tilley referred to the Head of LLEP report and highlighted some of the key areas from the report to the Board.	
6.2	<b>Andy Rose Retirement:</b> ST noted the LLEP team will be losing Andy Rose, a long standing and highly valued member of the LLEP team, who will be retiring from the Economic Strategy Manager position in February. Andy's long history, breadth of experience and capabilities within Economic Development will be missed by the team. ST thanked Andy for his dedicated service and wished Andy a fulfilling and long retirement.	
6.3	NK and SB voiced concerns about the loss and replacement of Andy Rose who has always been the main spokesperson for projects and matters relating to devolution. EB explained that monitoring projects will be shared through the teams and the LMT will cover other areas led by Andy Rose.	
6.4	<b>Draft Delivery Plan:</b> ST shared that despite the uncertainty about future funding, the LLEP Team are working on a draft delivery plan for 2023-24.	
6.5	<b>New Delivery Programmes:</b> ST advised that the team have been very busy throughout the period with officers taking on new areas of responsibility and working on new delivery programmes and projects.	
6.6	<b>New programmes of activity:</b> ST updated that the Made Smarter, Create Growth (£1.2m) and the new Microsoft 'LEAP' pilot scheme are all live and are gaining good traction with business and have received pipelines of enquiries.	
6.7	<b>Future Funding:</b> ST advised that the ongoing uncertainty around funding for LEPs and Growth Hubs remains a major concern. The LEP Network continues to lobby Government behalf of all the LEPs, The LEP Network submitted a letter to BEIS Secretary of State and the Chancellor. The LLEP have followed up with letters to local MPs lobbying for their support for continued Growth Hub funding. ST asked the Board to refer to Appendix 2. The letter expresses thanks from Kevin Hollinrake, Minister for Enterprise and Small Markets Growth to Jane Hunt MP who highlighted the work of the LLEP Growth Hub.	
6.8	<b>UKSPF:</b> The Board were asked to note that the ERDF funding comes to an end in June 2023. The funding is currently being used for Business	

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	<p>support activities including business advisors and the expected funding from BEIS is not yet known. The replacement UK Shared Prosperity Fund (UKSPF) and replacement for ERDF has been awarded directly to District Councils and Leicester City Council. The UKSPF is significantly lower in value and will go direct to the districts, instead of the LLEP, who have other existing priorities with little funding allocated to business support.</p>
6.9	<p><b>UKSPF Procurement:</b> ST advised that Leicestershire County Council are undertaking the procurement for the business support element of UKSPF on behalf of the districts to consolidate activities. The Growth Hub and LLEP senior management have ongoing contact with the districts, Leicester City and Leicestershire County Council and will monitor the situation to see if there is an opportunity to bid for any element of service provision. ST shared that the Board and the accountable body will need to decide whether to bid for this.</p>
6.10	<p><b>Growth Hub:</b> ST advised that based on BEIS existing contractual details the Growth Hub from June 2023 will be likely to revert to a triage service. The Growth Hub strategy will be to work more closely with the private sector. The LLEP team already in discussion with several organisations including Santander, Lloyds Bank, NatWest, and Microsoft to offer elements of free business support as part of the Growth Hub service.</p>
6.11	<p><b>Microsoft:</b> The LLEP Growth Hub is leading on an initiative with Microsoft to provide free digital support to SME's. The team worked with Microsoft's Chief Technology Officer to design the architecture for the scheme and a trailblazer pilot scheme commenced Leicester and Leicestershire week commencing 23rd January. There has been significant early interest and following an introduction by the LLEP to the LEP Network there are plans for a nationwide roll out.</p>
6.12	<p><b>Innovation Festival 2023:</b> ST updated that the LLEP Growth Hub is leading the 2023 Leicester Innovation Festival and will bring together innovators from across the region with the major focus being on productivity. Twenty events are planned between the 6<sup>th</sup> and 17<sup>th</sup> February, starting with the Innovation Launch at the Loughborough University Stadium on the 6<sup>th</sup> of February with 120 VIP guests and culminating with the 2023 Innovation Awards. ST shared that Dr Nik Kotecha, Innovation Board Chair will provide a comprehensive Innovation update later in the meeting.</p>
6.13	<p><b>Launch Pad:</b> The bid for the Innovate UK launch pad themed around Space and Advanced Manufacturing Sectors was submitted by the LLEP on 7<sup>th</sup> November. A strong consortium bid was led by the University of Leicester in conjunction with a range of stakeholders including the LLEP,</p>

Minute		Action
	<p>Leicester City Council, UoL, De Montfort University, Loughborough University National Space Centre, DIT, and the Midlands Engine. ST shared that a successful bid would result to funding of up to £7.5m. An announcement was expected in December, but it is understood that Innovate UK have been overwhelmed with applications.</p>	
6.14	<p><b>Innovation Festival:</b> NK commended the team on making the Innovation Festival a success and raising sponsorship of £31,500 which will help to fund innovation activities throughout the year. It was noted that there is now increased enthusiasm around innovation in Leicester, and that the government has recognized the importance of innovation and productivity. The original £150,000 allocated to the development of the original MITREAP plan for innovation is now exhausted. NK indicated that a further £250k of funding to support innovation activities going forward to ensure that the Innovation delivery plan can be progressed.</p>	
6.15	<p><b>Innovation Board:</b> NK reported that Indro Murkerjee, Chief Executive of Innovate UK would be attending the Innovation Awards and thanked Nishan Canagarajah and the University of Leicester for facilitating a meeting between Indro and the Innovation Board.</p>	
6.16	<p><b>UoL UK Space Agency Funding success:</b> NC announced that University of Leicester will lead on a Midlands space cluster development and had heard earlier that morning that a proportion of £6.5m of funding had been secured from the UK Space Agency. The University will be partnering with organisations in the West Midlands. Funding for £284,000 will be received to fund a Cluster Development Manager who will work with local government, businesses, and academia, over three years, to coordinate space activity and encourage collaboration and inward investment in the Midlands. Other key partners involved in the project include the Manufacturing Technology Centre (MTC), the University of Birmingham and the University of Nottingham, two of the universities working in the Midlands Innovation Space Group.</p>	
6.17	<p><b>Skills Advisory Panel:</b> VH updated on the Skills Advisory Panel, which has linked skills and business in a highly effective way ensuring that partners are collaborating and working together in the LLEP region to delivery better outcomes than other areas. Dr Gareth Thomas was commissioned to work with the East Midlands Chamber and the LLEP to ensure there is a shared understanding of the economic picture between businesses and partners. VH also reported that there have been digital property projects which has resulted in a huge amount of refurbishment, where technology has been reused by people who have less access.</p>	
7.	<p><b>County Deal</b></p>	

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7.1	JD reported that BEIS (Department for Business, Energy, and Industrial Strategy) has been restructured and she now works for the Department for Business and Trade. JD also confirmed that the Growth Hub funding has not yet been announced.	
7.2	JD informed that the LLEP has met all the conditions identified in the areas of governance, strategy, and delivery. Although there is no formal date for the delivery plan, the Board and LLEP team were encouraged to continue the positive work.	
7.3	The Board also discussed the devolution piece and the progress made in Rutland. The Board members expressed concerns about the potential lack of funding for Leicester should they choose to remain outside the agreement but noted that the issue remains a priority.	
7.4	NK emphasized the need to keep the discussions alive surrounding the County Deal and make sure that their issues are heard and addressed by the government.	
7.5	SB shared the importance of educating businesses on the issues that the LLEP and the region are facing, to provide direction as the business voice using the available intelligence.	
<b>8.</b>	<b>Growing Place Fund - Options</b>	
8.1	EB provided an update on repurposing GPF. Since the last report presented in November, Elizabeth Botmeh and Andy Rose have spoken to three other LEPs, a local grant manager, a university, and a banker from the private sector.	
8.2	EB presented Paper C presented to the Board including various models of delivery, the board were asked to comment and approve a model to take forward.	
8.3	The Board was asked to note the inherent risks with any loan scheme. EB commented that during the research one provider had asked any potential loan applicants to provide appropriate due diligence at their own costs, which may be a model to emulate.	
8.4	The Board commented on suggested priorities and referred to the four pillars of the Economic Growth Strategy (EGS).	
8.5	EB commented that Increasing Productivity was an umbrella term that could be applied to the programme and cover the themes of the EGS.	

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8.6	EB explained that the next steps would be to develop a scheme delivery plan for presentation at the Finance and Investment Committee.	
8.7	The Board were asked to email EB with comments and suggestions.	<b>All</b>
8.8	<b>AGREED:</b> Option 4 a hybrid / grant programme was to be developed into a scheme delivery plan for presentation to the Finance and Investment Committee.	
<b>9.</b>	<b>Scheme of Delegation</b>	
9.1	EB introduced Paper D, the Scheme of Delegation the paper and the accompanying appendix which sets out the approval process for all LLEP decisions.	
9.2	EB further highlighted that it was a requirement of the National Assurance Framework that all LEPs publish a scheme of delegation, and to date this LEP had not published one.	
9.3	AM recommended that the decision is put on hold, and the task is delegated to the Co-Chairs once the document had been reviewed.	
9.4	<b>AGREED:</b> The Board agreed to delegate the Scheme of Delegation paper to the Co-Chairs, and once the paper is approved it would be published on the website.	
<b>10.</b>	<b>Operational Budget 2022/23 Monitoring</b>	
10.1	CS discussed the current year operational budget noting that the forecasted income and spending was not too dissimilar from previous reporting.	
10.2	The Board were asked to note that funding from the Careers Enterprise Company was based upon an academic year, and although the income may appear to be high, the contractual spend must be completed before the end of August, rather than the fiscal year.	
10.3	CS further commented that income paid by the Accountable Body for interest on funds held had far exceeded the forecasted budget, due to the rises in the Bank of England base rate. The current payment model will be reviewed following discussions internally within the Leicester City Council (LCC), to ensure it is compatible with frequently changing base rates.	

Minute		Action
<p><b>11.</b></p> <p>11.1</p> <p>11.2</p> <p>11.3</p> <p>11.4</p> <p>11.5</p> <p>11.6</p> <p>11.7</p> <p>11.8</p> <p>11.9</p>	<p><b>Operational Budget 2023/24</b></p> <p>CS presented a six-month budget for 2023/24, which was based on current operational arrangements for the first six months of 2023/24, as requested. The Board were asked to note the inherent risks associated with this.</p> <p>The budget calculations were based on an assumed core funding from BEIS of £375k. However, since the report was written BEIS have confirmed funding of £250k, a reduction of 25% from last year, and overall, a 50% reduction from 2021/22.</p> <p>The forecasted budget showed a half-year deficit of £372k, however, the Board were reminded that this could be accommodated by reserves and funds earmarked from the GPF. Board was asked to consider whether they wish to continue funding the Careers Hub through matched funding, and the Growth Hub, if no Government funding was forthcoming.</p> <p>CS highlighted that over half of the team were on employed on fixed-term contracts, which was due to end in March 2023, and proposed these be extended to the end of September 2023</p> <p>A general discussion was held on the steps required to secure the LLEP future, it was noted that any review would be subject to a full business case and consultation with staff.</p> <p>The Board commented on the need to understand the rationale for changing direction, provide evidence supporting any changes and the impact on stakeholders before making any critical decisions.</p> <p>It was noted that as the LLEP Team are impacted by any changes, it is essential to be mindful of the potential impacts especially if there is a need to reduce the workforce.</p> <p>AM proposed that the budget would be discussed further in a private session of the Board.</p> <p><b>AGREED:</b> The Board agreed to extend staff contracts until the end of September 2023.</p>	
<p><b>12.</b></p> <p>12.1</p>	<p><b>Enterprise Zone – Charnwood Campus</b></p> <p>CM updated the Board on the proposed investment of LLEP Enterprise Zone Retained Business Rates for the Charnwood Campus B28E/B21 - Small Molecule Research and Development Facility project. CM</p>	

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	highlighted that an external project appraisal against Green Book principles had been undertaken and received positive feedback. The main concern raised had been around the certainty of the end-user for the building, however, confirmation of the status of investor discussions had been received and an Agreement to Lease was expected to be signed in March.	
12.2	CM informed that the next steps, as outlined in the paper, included identifying the business rate position. A high-level draft had been received from Charnwood Borough Council which showed that the funding requested could be underpinned by the forecast rates generation, but further detailed work was still needed.	
12.3	CM also shared that whilst an initial positive response had been received from Charnwood Borough Council regarding providing the forward funding for the project this still needed to go through their approval processes. Should Charnwood Borough Council decline, other local authorities would be approached which may have a negative impact on the length of the contracting process.	
12.4	CM noted that the investment request had come directly to Board and not gone through the Investment Panel. This was due to the time pressure on the project from the end-occupier meaning a quicker route to Board was required.	
12.5	<p><b>AGREED:</b> The LLEP Board agreed with the recommendations to:</p> <ul style="list-style-type: none"> <li>i. Note the project appraisal report from Dow Schofield Watts.</li> <li>ii. Approve investment of Enterprise Zone Retained Business Rates in the Charnwood Campus project subject to satisfactory completion of due diligence with delegated authority to Head of LLEP/LLEP Chief Executive regarding funding agreements.</li> </ul>	
12.6	Board was advised that an extraordinary Board meeting may be required before the next agreed date. This was due to changes in interest rates and business rates property re-evaluations relating to the previously agreed investment in three projects at Leicester Waterside EZ. Work was underway to understand any impact of these issues and further information would be made available to Board in due course. Post meeting note: The impact remains within reasonable parameters and hence an extraordinary meeting is not required.	
<b>13.</b>	<b>Tribute to Mandip Rai</b>	

<u>Minute</u>		<u>Action</u>
13.1	AR acknowledged the recent passing of previous Chief Executive Officer, Mandip Rai, and extended condolences to Mandip's family, colleagues, and friends.	
13.2	The chair acknowledged that this was a difficult time for all staff and encouraged members to make use of the counselling services provided by the City Council. The Board paid tribute to Mandip Rai, and the contribution he offered to the region.	
13.3	The chair thanked the members for their attendance and closed the meeting.	
<b>14.</b>	<b>AOB</b>	
14.1	The chair thanked the members for their attendance and closed the meeting.	
<b>15.</b>	<b>Board members only</b>	
15.1	The session moved into a director only meeting. No officers from the LLEP or accountable body were present.	
15.2	<b>AGREED:</b> The Board agreed to approve the budget for first 3 months on the terms that review of activities (to align the ongoing activities against the financials, priorities, and contractual requirements) is set up and effectively executed with external consultant and internal team support and facilitation as a matter of urgency.	
15.3	<b>ACTIONS:</b> The Board agreed to the following actions: 1) To share Terms of Reference 2) To ensure internal leadership aligned to facilitate the execution of the project 3) Should there be delays in recruitment of external consultants due to LCC procurement processes, then LLEP to hire directors 4) To note approval of budget for 1st quarter of 23/24	<p><b>AM</b> <b>CS</b></p> <p><b>Board</b></p> <p><b>CS</b></p>