

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

3pm, Thursday, 18 November 2021

MS Teams (Recorded)

Organiser: Sharif Chowdhury

Chair: Andy Reed OBE (AR)

**Directors: Emma Anderson (EA), Dr Nik Kotecha, (NK) Ajmer Kaur Mahal (AKM),
Cllr Terry Richardson (TR)**

**In attendance: Andy MacDonald (AM) Sharif Chowdhury (SC) Cheryl Maguire
(CM) Mandip Rai (MR) Andy Rose (ARo) Colin Sharpe (CS) Sue Tilley (ST)**

Apologies: Sonia Baigent (SB), Neil McGhee (NM)

Minutes Taken By: Sharif Chowdhury

CC To: All

MINUTES

ITEM		ACTION
1.	Welcome and Apologies	
1.1	AR welcomed those present to the meeting.	
1.2	Apologies were received from SB and NM.	
2.	Declarations of Interest	
2.1	There were no Declarations of Interest.	
3.	Minutes of LLEP Investment Panel 22nd July 2021	
3.1	The meeting held on the 22 nd of July was recorded as a true and accurate record.	
4.	MIRA Enterprise Zone Investment	
4.1	MR referred to Paper B which outlined the case for funding the MIRA Low Carbon Innovation Hub and Phase One Infrastructure.	
4.2	NK and EA referred to the Accountable Bodies' comments regarding the risk of paying an interest rate of 4% above the Public Works Loan Board (PWL) to Hinckley and Bosworth Borough Council (HBBC) and queried whether there is any alternative source of funding for the projects.	

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4.3	MR reiterated that HBBC were the only authority to come forward and confirmed there is no other available source of funding.	
4.4	AM presented to the panel the opportunities that could be lost if the terms of the Forward Funding Agreement are not agreed. AM highlighted the growing requirement for space at MA within the short-term, which is restricting companies to grow on site due to unavailability of facilities.	
4.5	AM highlighted the planned actions to utilise 25,000 square feet of space to enable growth and host collaborative projects in start-ups, low carbon, electric vehicles, and hydrogen.	
4.6	It was emphasised that the funding has a key role in creating further investment opportunities in future, as MIRA technology park has seen a huge increase in job creation and employment opportunities for businesses who now require expansions.	
4.7	It was highlighted that further delays in Forward Funding Agreements which impact on the cost of inflation and the timelines required by the engineering companies.	
4.8	Other opportunities which depend on the Forward Funding agreement includes the installation of an electrolyser to deliver a more cost effective and green hydrogen. MIRA have an existing partnership with Octopus, one of the largest renewable managers with a division of £3bn in assets in solar, wind and hydrogen. The partnership will put the EZ are the forefront of hydrogen R&D in the UK.	
4.9	TR provided the view that the interest rate being 4% above the PWLB is not an unreasonable request given that the funding will be 80% of HBBC's budget, a substantial investment for the council which will impact on their borrowing powers.	
4.10	CS provided context to the context highlighted by the AB within the report that HBBC will receive a high interest rate to the detriment of the LLEP area.	
4.11	CS appreciated TR's comments on the level of risk invested into by HBBC, and that potential opportunities will be lost for all parties without a funding agreement.	
4.12	EA emphasised the unique set of circumstances regarding the investment and the specific issues which warrant the higher rate of interest above the PWLB.	

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4.13	<p>The Investment Panel AGREED with the recommended to:</p> <ul style="list-style-type: none"> i. note the negotiations of the Forward Funding Agreement (FFA) with HBBC regarding the two MTP EZ projects, Low Carbon Innovation Hub and Phase One Infrastructure; ii. consider the interest rate of 4% above the Public Works Loan Board rate being sought by HBBC and agree to recommend to the LLEP Board an interest rate payable to HBBC on the forward funding; and iii. advance funding of £100k from the historic Enterprise Zone rates receipts currently held by the LLEP for the Phase One Infrastructure Project. 	
<p>5.</p> <p>5.1</p> <p>5.2</p> <p>5.3</p> <p>5.4</p> <p>5.5</p> <p>5.6</p>	<p>Historical EZ Rates - Project Change Request</p> <p>CM reported that the Historical EZ Rates project was approved earlier in the year but was not progressed due to delays in the business rate agreement sign-off, the advance Forward Funding Agreement for MIRA and other contracting issues with Hinckley.</p> <p>CM referred to Paper C which recommends approving the Project Change Request for the COVID-19 MIRA project funded through the historic business rates.</p> <p>The Investment Panel was informed of MIRA’s intention to repurpose the existing funding by reducing their Project Officer role requirement and instead offering an improved outdoor seating and wellbeing facilities including installation of open-air fitness assets.</p> <p>CM outlined the benefits this will bring including greater appeal to potential new companies to the MIRA site, attract and retain a high-skilled workforce and encourage existing employees to come back into a physical office environment.</p> <p>The Investment Panel were informed of further intended outputs relating to skills. The site aim to host a festival for 200 delegates with 5 events, and an employer workplace experience programme to encourage people into the new high skilled jobs being created.</p> <p>The Board AGREED to approve the Project Change Request for the COVID-19 MIRA project for the creation of outdoor seating and wellbeing areas, and installation of open-air fitness assets.</p>	

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<p>6.</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>Growing Places Fund – Haywood Estates Update</p> <p>ARo referred to Paper D on Haywoods Estates where the Investment Panel were recommended to consider two options relating to accrued interest outstanding and the loan interest rate. A third option is for Haywoods to go into administration.</p> <p>ARo informed the group the required financial information has been unattainable from Haywood Estates.</p> <p>It was noted that a pre-pandemic evaluation of the remaining plots has been commissioned, and the investigations are underway regarding the charges on the previous lands released.</p> <p>EA requested a full financial report of the actual project figures to assess against the projected amounts suggested by Haywoods to allow the LLEP to maximise recovery.</p> <p>The Board unanimously AGREED that the deadline cannot be extended for Haywood Estates at this point and will require a review of the financial report prior to making any further decisions.</p> <p>ARo has requested the implications of Haywoods going into administration and will report back the information provided by the first week of December for the change.</p>	<p>ARo</p>
<p>7.</p> <p>7.1</p>	<p>AOB</p> <p>There was no other business.</p>	