

LLEP INVESTMENT PANEL

15.00 – 17.00 11th March 2021

MS Teams Call



AGENDA

TIME		ITEM	REPORT	DECISION / INFORMATION	LEAD
15.00	1.	Welcome and Apologies			Chair
	2.	Declarations of Interest			All
	3	Actions of last meetings	Paper A Paper A1	Information	Chair
	4	Written procedure – GBF return	Paper B	Information	Chair
15.20	4.	Growing Places Fund – Broadnook Garden Village	Paper C	Decision	Andy Rose and applicant
16.15	5.	Programme Monitoring Local Growth Fund outputs Programme Return approval	Presentation Paper D	Information Decision	Cathy Martin Helen Miller
16.50	6.	AOB – Risk tolerance meeting feedback			All
	7	Date of Future meetings 20 th May 2021 22 nd July 2021 16 th September 2021 18 th November 2021			

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

21 January 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	
Susan Littlemore	SL	Leicester City Council- PMO	
Stuart McAvoy	SM	Leicester City Council – Accountable Body	
Helen Miller	HM	LLEP	
Mark Oakley	MO	Leicester City Council- PMO	
Mandip Rai	MR	LLEP Chief Executive	
Andy Rose	ARo	LLEP	
Colin Sharpe	CS	Leicester City Council – Accountable Body	
Advisors			
Jaqueline Moody	JM	Cities and Local Growth Unit (CLGU)	
Stephen Meynell	SMe	Hinckley and Bosworth Borough Council (HBBC)	

Minute**Action**

<p>1.</p> <p>10.1</p> <p>10.2</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>NK declared an interest as a member of Loughborough Town Board. AR also declared an interest as a Non-Executive Director to Incus Performance, which was based at The Attic, at the LUSEP site.</p>	
<p>3.</p> <p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p>	<p>Minutes and Actions – 3 November 2020 and 19 November 2020</p> <p>The minutes of the meetings held on 3 November 2020 and 19 November 2020 were agreed as a correct record.</p> <p>It was suggested that a Summary of Actions document be produced for the Investment Panel.</p> <p>There was a discussion on the level of discussion relating to risk at the previous LLEP Board meeting. It was noted that no clear agreement was made on the matter. It was suggested that a document with clear options for agreement should be brought to the Board. It was also suggested that there could be a separate meeting to discuss the matter of risk in detail.</p> <p>It was AGREED that:</p> <ol style="list-style-type: none"> 1. A Summary of Actions be produced for each meeting of the Investment Panel 2. A meeting of the Investment Panel be held to have a detailed discussion of risk, to take back clear options to the Board. 	<p>Democratic Support</p> <p>HM/MR</p>
<p>4.</p> <p>4.1</p> <p>4.1.1</p> <p>4.1.2</p>	<p>Historical Business Rates Enterprise Zone Investment</p> <p><u>Hinckley and Bosworth Borough Council – MIRA EZ</u></p> <p>HM introduced the report and noted that the original proposal was brought to the 3 November meeting.</p> <p>It was noted that the funding in question was not held by the LLEP , as this is funded from retained business rates the funding currently sits with LLEP allocated funding, meaning that the LLEP did not hold that money at present, the Local Authority in question did.</p>	

Minute**Action**

4.1.3	It was noted that appraisal had shown that there had been an improvement, with the number of interventions going down from 9 to 6. These key interventions were related to business investment, and employment and skills.	
4.1.4	It was noted that appraisal has revealed areas that were still unsatisfactory, including concerns around additionality relating to business grants, and the fact that the breakdown of costs on inward investment couldn't yet be brought to the Panel.	
4.1.5	Changes to State Aid due to the UK leaving the EU were noted, meaning that applicants would need to review the compliance against the new subsidy rules. .	
4.1.6	It was noted that the applicant would need to reallocate the £15,000 contingency budget.	
4.1.7	It was noted that an external GVA assessment had been undertaken relating to business grant impact .	
4.1.8	In response to queries about timetables and clarity on new state aid rules, it was suggested that the present guidance note could be circulated to Panel Members.	HM/MR
4.1.9	In response to a panel members query It was noted that the quarter 3 monitoring report for MIRA had not yet been received but would be imminently.	
4.1.10	Panel members raised a concerns about the reasons for the job losses , which are being blamed on the pandemic when there might be other reasons .	
4.1.11	In response to concerns about the targets of jobs created being conservative, it was suggested that the priority at the time was the retention of jobs.	
4.1.12	At this point Stephen Meynell joined the meeting.	
4.1.13	More clarity was sought on the reason for job losses. SMe noted that he did not have that information and that the ongoing grant assessment would have that information. SMe stated that he would ask for this information and bring it back to the Panel.	
4.1.14	There was discussion around getting the evidence necessary to make decisions about what intervention to take regarding impact on MIRA of the economic shock caused by the pandemic. There was acknowledgement that the new state aid rules had caused confusion and it was noted that some of the information desired might be sensitive. SMe stated that he would try to bring the information back to the 1 February meeting. HM commented that this was a self imposed deadline which was suggested in order to bring this	

Minute**Action**

	<p>decision to a conclusion ahead of the February Board with the applicant not wishing to wait a further few months until the April Board for an outcome.</p> <p>4.1.15 SMe stated that he would need to discuss where the £15,000 contingency budget would be placed.</p> <p>4.1.16 Panel Members requested a more simplified version of the report, making the potential steps and outcomes clear. It was suggested that SMe could write a 2-page summary, making outputs and direction over the last 2 years clear and let the Investment Panel make a final decision.</p> <p>4.1.17 At this point SMe left the meeting.</p> <p>4.1.18 It was noted that the Business Rates Legal Agreement had not yet been signed. MR stated that HBBC had the final version and that once it was signed off it would be sent to AR. It was also noted that the Legal Agreement would be an agenda item at the next Board meeting.</p> <p>4.1.19 It was AGREED that:</p> <ol style="list-style-type: none"> 1. The Investment Panel accepted the recommendation for areas of improvements and would review the responses at the meeting on 1st February. 2. SMe would request more detailed information from MIRA to bring back to the Panel. 3. HM would provide SMe with a condensed logic chain to bring to the Panel. 	<p>SMe</p> <p>HM /SMe</p>
<p>5.</p> <p>5.1</p> <p>5.1.2</p> <p>5.2</p> <p>5.2.1</p> <p>5.2.2</p> <p>5.2.3</p> <p>5.2.4</p>	<p>Growing Places Fund</p> <p><u>Broadnook Garden Village</u></p> <p>It was noted that the Broadnook item had been deferred to the 1 February meeting.</p> <p><u>Haywood Estate</u></p> <p>ARo gave a verbal update on the Harwood Estate.</p> <p>It was noted that a Loan Variation Agreement was prepared which included more formal monitoring arrangements and repayment milestones.</p> <p>It was noted that progress on repaying the current milestone had been positive.</p> <p>It was noted that 4 plot sales were in the pipeline, all of which were anticipated to complete before April.</p>	

Minute**Action**

<p>5.2.5</p> <p>5.2.6</p> <p>5.2.7</p> <p>5.2.8</p> <p>5.2.10</p> <p>5.2.11</p> <p>5.2.12</p>	<p>It was hoped that enough plot sales would happen by February 2022 to clear the total debt.</p> <p>Panel members had been consulted before Christmas on the proposal that had been brought forward by Haywards for a discounted sale of the upper plot. The need for a formal proposal no longer existed as the sale had fallen through early in the year. AR advised that a land valuation of the plots would still be coming soon as this issue may well arise in the future. .</p> <p>It was noted that the draft audited accounts and cashflow projections were due at the end of January. This would be put into a monitoring report which would be brought to the Panel or the Board.</p> <p>It was asked what the penalties were for not meeting deadlines on the Loan Variation Agreement. It was noted that not meeting a deadline would be an act of default under the original loan agreement and there would be several options including taking ownership of the vacant plots.</p> <p>.</p> <p>There was discussion about whether the Accountable Body had said they would allow the LLEP Board to take ownership of the plots or not. Clarification was requested over the point. SM offered to take the issue to his colleagues and report back.</p> <p>It was noted that land interest from SMEs was encouraging. It was asked who was interested in these plots and ARo offered to bring that information back to the Panel.</p> <p>It was AGREED that:</p> <ol style="list-style-type: none"> 1. Clarification be sought on the Accountable Body's position on taking ownership of vacant plots. 2. Information to be brought to the Panel about which SMEs are interested in land. 	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p>SM</p> <p>ARo</p>
<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>Economic Recovery</p> <p>It was noted that the two outstanding areas of investment for the GPF funds were what was being presented.</p> <p>At the Investment Panel meeting on 3rd November 2020, panel members were concerned that access to skills development in rural areas could be at risk due to the threatened closure of the ESF funded WiLL project, subject to bridging funding being made available by the Big Lottery Fund. In the absence of absolute confirmation of continue</p>	<p></p> <p></p> <p></p>

Minute

Action

funding the Investment Panel requested that this should remain in consideration. FB advised that that funding for the continuation of this project has been secured.

6.3 Digital Poverty

6.3.1 It was noted that the Skills Advisory Panel (SAP) had deemed it appropriate to utilise funding designated for digital skills for interventions targeted at individual recipients.

6.3.2 It was noted that the SAP's consensus was that the LLEP should issue a call for evidence on the issue of digital poverty. This would ensure that any interventions would be evidence based.

6.3.3 It was noted that the call for evidence would be carried out by LLEP officers, but further work would be needed to develop a more granular picture.

6.3.4 In response to queries about how whether there would be a focus on business skills, FB reported that the focus would be on the Place aspect of the LLEP.

6.3.5 There was discussion around what level of skills the project was looking to help facilitate. FB stated that the SAP felt that more basic digital skills were what needed focusing on. The issue of access to devices was raised as a potential area to work on.

6.3.6 It was suggested that a Digital Tsar could be recruited to steer this rather than hiring a consultant firm. FB noted that the Digital Skills Coordinator was in the process of being recruited and would take on a similar role. There was debate around this issue, FB stated that the LLEP did not currently have the capacity to currently deliver the project.

6.3.7 It was AGREED that:

1. The Investment Panel supported the proposal in principle, subject to further revisions and the paper coming back to a future investment panel.

FB

6.4 Place Marketing

6.4.1 It was noted that place marketing was an area which had been underinvested in previously. The Board had agreed to ringfence some of the GPF for place marketing activities, up to £100k but that money couldn't cover all potential areas of place marketing. Therefore, additional funding of £85k was being requested.

6.4.2 Concerns were raised about the level of ambition of the proposal, with some feeling that that better use could be made of innovative technologies to

Minute**Action**

	highlight the technological advancement in the city. SL stated that utilising such technologies would likely have to be its own project, and that in 2021 there might be more interest in more authentic experiences which was what projects such as Uncover the Story were focused on.	
6.4.3	It was suggested that the LLEP could pool and share resources and content with businesses in the area also working on place marketing. It was also suggested that positive stories could also be pooled together and reused.	
6.4.4	At this point AKM left the meeting.	
6.4.5	There was discussion about whether the money would be focused on inward investment or tourism. It was hoped that the two were linked as those who came to the area as tourists would be more likely to want to invest in the area. It was also noted that this was a county-wide effort, working with all the districts.	
6.4.6	It was AGREED that: 1. The Panel approved the Business Case and additional funding.	HM
7.	Programme Monitoring	
7.1	It was noted that the Enterprise Advisor Network update would be deferred to the 1 February meeting, and the Local Growth Fund Update would be deferred to the next full meeting of the Panel.	
8.	Any Other Business	
8.1	There was no other business	
9.	Date of Future Meetings	
9.1	The dates of future meetings were noted.	
10.	Close of Meeting	
10.1	The meeting closed at 5.34pm.	

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>	

Minute

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	

Minute**Action**

5.1	<u>Hinckley and Bosworth Council – MIRA EZ</u>	
5.1.1	HM noted Paper D, which answered several of the queries raised at the last Panel meeting regarding MIRA, including a Logic Chain revision.	
5.1.2	It was noted that the main outstanding issue was detail around criteria for the Grants.	
5.1.3	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.	
5.1.4	It was noted that a clear plan of forward investment had been presented by HBBC for the ringfenced funds.	
5.1.5	AR thanked the LLEP staff for their work to improve this application.	
5.1.6	It was AGREED that: 1. The Panel approved the recommendations presented in Paper D.	
6.	Close of Meeting	
6.1	The meeting closed at 4.31pm.	



RESULTS OF WRITTEN PROCEDURES GETTING BUILDING FUND

1. PURPOSE OF REPORT

- 1.1 To inform the Panel of the results of written procedures to determine an item between meetings, in accordance with the Local Assurance Framework (LAF).

2. RECOMMENDATION

- 2.1 The Panel is recommended to note the results of written procedures and the associated decision.

3. BACKGROUND INFORMATION

- 3.1 The Investment Panel was recommended by the LLEP and the Accountable Body to:
- a) Note the current position of the GBF programme
 - b) Approve the GBF data return for Q3 2020/21
- 3.2 The Democratic Support Officer contacted all members of the Panel by email on 19 February 2021 asking for votes within an agreed timeframe. Board members received relevant papers as an attachment to that email.
- 3.3 Panel Members agreed to the recommendations.
- 3.4 A table showing the distribution of votes can be found at Appendix 1.

For further information please contact:

Jacob Mann
Democratic Support Officer
Leicester City Council (Accountable Body to the LLEP)
Tel. 0116 454 5843

Written Procedures - Table of Responses

LLEP Membership Applications

	VOTE
Emma ANDERSON	Approve
Neil McGHEE	Approve
Nik KOTECHA	Approve
Andy REED	Approve
TOTAL:	4 - FOR 0 - AGAINST

Decision Paper

PROGRAMME MONITORING PAPER

1. PURPOSE OF REPORT

1.1 To propose options for discussion regarding reporting requirements for funding programmes and the Investment Panel's role.

2. RECOMMENDATIONS

2.1 The Investment Panel is recommended to:

- i. discuss the proposed options outlined in section 4 of the report.
- ii. agree the preferred option for the approval of LGF/GBF programme returns and programme monitoring.

3. BACKGROUND

3.1 There are number of funded programmes managed by the LLEP, such as the Local Growth Fund (LGF) and Getting Building Fund (GBF), that are required to submit monitoring/data returns to Government on a quarterly basis providing information on the previous quarter's achievements. These returns are in a prescribed format, often very lengthy and with complicated spreadsheets providing information of a very detailed nature. The majority of these claims and monitoring returns need to be 'signed off' by the Accountable Body's S151 Officer before being submitted.

3.2 The LGF returns were approved by the Programme Board, and since the inception of the Investment Panel this has continued. Due to the timing of the Investment Panel meetings being held bi-monthly, this causes issues in terms of presenting and approving quarter end monitoring returns for each programme by the deadlines determined by the funding body.

3.3 Traditionally only the LGF and GBF programmes have been presented to the Investment Panel for approval. Furthermore, information provided in the monitoring returns, whilst detailed, does not necessarily provide the relevant information to allow the Investment Panel to determine the main areas of interest, achievement, concerns, or action.

PAPER D

4. PROPOSED OPTIONS

4.1 The options for approving future returns are outlined below.

- i. Delegate sign off to 2 members of the Investment Panel who would review and approve LGF/ GBF data returns on behalf of the Panel - this could be the Chair and another member of the panel.
- ii. Continue with the current arrangements accepting that it will be necessary to approve some returns by written procedure.
- iii. Delegate approval to the Chief Executive and Head of Programmes, who will review and approve returns alongside the Accountable Body, as is the case for a number of other programme returns.
- iv. In conjunction with either of the above, a programme summary report will be presented at Investment Panel meetings following the submission of quarterly monitoring returns. The report would include:
 - outline of programme/project process
 - performance on spend and outputs
 - programme/project risks and remedial action
 - communications activity

4.2 The LLEP Executive recommends a combination of options iii and iv as the preferred approach. This approach would ensure operational efficiency with regular programme performance reports being provided to the Investment Panel.

For further information please contact

Helen Miller
Head of Programmes
Tel: 0116 454 6157
E-mail: helen.miller@llep.org.uk