



LLEP Board of Directors

3pm, Tuesday, 13 June 2023

Face to face: City Hall, Leicester

Organiser: Sharif Chowdhury

Co-Chair: Anil Majithia (AM).

Directors present: Emma Anderson (EA), Sonia Baigent (SB), Peter Bedford (PB), Chas Bishop (CB), Lorraine Boorman (LB), Cllr Adam Clarke (AC), Verity Hancock (VH), Dr Gosia Khrais (GK), Neil McGhee (NM), Dr Nik Kotecha OBE (NK), Anne-Marie Hunt (AH), Cllr Terry Richardson (TR), Jo Tallack (JT).

In Attendance: Elizabeth Botmeh (EB), Phoebe Dawson (PD), Jo Dexter (JD), Amy Oliver (AO), Colin Sharpe (CS).

Apologies: Nishan Canagarajah (NC), Rani Mahal (RM), Andy Reed OBE (AR), Glynis Wright (GW).

Minutes Taken By: Elizabeth Botmeh

CC To: All

MINUTES

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| 1. | <u>Welcome and Apologies</u> | |
| 1.1 | AM welcomed those present to the meeting and provided an overview of the structure of the day. | |
| 1.2 | AM welcomed PD to the LLEP as the new CEO, and the Board introduced themselves. | |
| 1.3 | AM stated that since the last Board meeting, we have lost two of the public sector directors, and that he wanted to thank Cllrs Jonathan | |

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| 1.4 | <p>Morgan and Danny Myers for their contribution to the Board during their tenure, and he wished them well for the future.</p> <p>AM noted apologies from AR, NC, and RM.</p> | |
| 2. | <p><u>Declarations of Interest</u></p> | |
| 2.1 | <p>There were no new declarations of interest.</p> | |
| 3. | <p><u>Minutes and Actions LLEP Board of Directors Meeting held on 19 April 2023</u></p> | |
| 3.1 | <p>The Board agreed to record the minutes of the previous meeting on the 19th of April 2023 as a true and accurate record.</p> | |
| 3.2 | <p>AM commented on the Action Items, 3.6 AM stated that since original decision was made to seek an independent consultant, significant changes had taken places, and it was now thought a consultant was not required.</p> | |
| 3.3 | <p>AM referred to Action 5, regarding the opportunities available to the Board members to diversify ways of delivering the Growth Hub service by engaging more with the private sector. PD commented that that the recently submitted funding application stated our intention was to involve the private sector in delivery, but we have yet to formalise any relationship.</p> | |
| 3.4 | <p>AM stated that regarding Action 7, the Future Funding Questionnaire, had been submitted and we were awaiting an update from DBT. JD stated that DBT were hoping to have completed their review by the end of the month. However, it was worth noting that there had been over 200 submissions from LEPs, Accountable Bodies and other interested parties</p> | |
| 4. | <p><u>CEO Update</u></p> | |
| 4.1 | <p>PD thanked the Board for their lovely comments regards her first weeks in the role.</p> | |
| 4.2 | <p>PD gave a summary update on work undertaken since joining the LLEP on the 1st May including meeting with stakeholders and undertaking 1-2-1s with all the team members.</p> | |
| 4.3 | <p>PD highlighted that during the Board away day, the Board had decided to cease operations in its current form, due to the planned withdrawal of core funding and the government commitment to integrating LEP</p> | |

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| | functions into local democratic institutions. PD reiterated that since this decision was taken outside of the normal governance process the decision would now need to be ratified formally by the Board. | |
| 4.4 | PD explained that a transition group, comprising of Board members and officers, would be established to plan a smooth transition. A Terms of Reference for the Transition group would be brought before a future Board meeting for approval. | |
| 4.5 | There was a general consensus amongst the board members that the date has to be fixed for cessation of current LLEP Activities as there has to be clarity on when the Board Members role and obligations end and the decision is 31/03/2024. Beyond that Transition Group will need to agree ongoing governance processes. | |
| 4.6 | JD reiterated that whilst the DBT funding may end in March 2024, there is no reason why the Board could not carry on for a further 6 months utilising reserves. | |
| 4.7 | AM clarified that the date was picked to enable succession planning and so that the team had clarity. | |
| 4.8 | EA commented that the Board would need clarity on their legal responsibilities. | |
| 4.9 | AM thanked EA for her support in identifying legal and contractual obligations of the Directors. Process to move this forward is that EA will work with PD and Accountable Bodies to create a Checklist of Directors obligations and then Accountable Body will work with Legal experts to mitigate those obligations by 31/03/2024. PD will allocate one of her Team members to monitor and facilitate timely progress. EA & GW be engaged to provide Board with independent assurance of progress on this legal stream | |
| 4.10 | Action: PD to talk to GW with reference to compiling a list of checks on Board responsibilities in conjunction with EA. | PD |
| 4.11 | PD highlighted that once the Board had formally ratified their decision the members of the company would be formally notified, and a press release would be issued. | |
| 4.12 | Majority of the Board members agreed that this was a good opportunity to share a positive message of the LLEP and the achievements it has helped deliver. | |

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| 4.13 | The PR will emphasise the transition of the LLEP and the recently appointed new CEO. | |
| 4.14 | Decision: The Board agreed to formally ratify their decision to cease the LLEP and the Board in their present form by 31 March 2024 and approve the establishment of a transition group chaired by the CEO. | |
| 4.15 | PD gave a summary overview of the highly successful Careers Hub covering the concerns that had been expressed in the past on the amount of match funding provided by the LLEP. PD explained that any reduction in local match funding would mean a similar reduction in funding for CEC. | |
| 4.16 | By signing the contract this does not mean the team is not part of any review, funding is pro rata and any future decisions on the LLEP will be taken in a fair and transparent way. | |
| 4.17 | PD explained that she has consulted with partners from both the City, County and District councils and they support the proposal for the Board to authorise the Accountable Body to sign the contract to deliver the CEC programme until 31 August 2024. | |
| 4.18 | PD reminded the Board that by signing the contract this would pre-commit the LLEP reserves until contract completion. | |
| 4.20 | Decision: The Board authorised the Accountable body to sign the CEC Contract for 23/24 academic year delivery. | |
| 4.21 | Since starting in post as the new CEO, PD has undertaken 1-2-1s with all of the team, the report presented highlighted the impact that the uncertainty over funding and the lack of clarity around the role, both individually, and as a team had generated a lack of morale within the team. | |
| 4.22 | PD reported that she has since found a renewed sense of optimism from within the team and the next phase was to set each individual's objectives via their respective managers, which will help shape the delivery plan and be reported back to the Board via the CEO update. | |
| 4.23 | PD stated with anticipated increase in work as we approach the transition, and the CEO review only just beginning, it is clear there is going to be a requirement for greater flexibility across the organisation, and resources may well need to be repurposed as work increases. | |

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| 4.24 | In addition, by extending staff contracts this does not in itself preclude activity changing and transferring ahead of 31 March 2024 as part of the transition process. | |
| 4.25 | Decision: The Board approved contract extensions for LLEP staff on fixed term and temporary contracts to 31 March 2024. | |
| 4.26 | Following on from recent budget reports presented to the Board, CS highlighted the need for the Board to formally approve an agreed budget. | |
| 4.27 | Notable differences since the last report is the lack of local match. This is no longer a requirement by DBT to enable the drawdown of the Core funding. | |
| 4.28 | CS confirmed that local authorities were not prepared to offer match funding based on reserves and the forthcoming transitions process. | |
| 4.29 | CS confirmed that the deficit could be accommodated from within the reserves. | |
| 4.30 | NK queried whether the reserves were truly un-ringfenced, CS replied that there was at least £2m after allowing for the CEC contract to August 2024 and that this could be utilised to keep activities going within the transition period and to meet any transition costs. | |
| 4.31 | AM and other board members expressed concern at approving £625k deficit in an annual income of £2.3m However, Board recognised that PD needs time to work through with partners the activities and staffing going forward. Board strongly urged PD to continue her focus on mitigating the deficit size | |
| 4.32 | PD commented that there was currently a recruitment freeze, and whilst she was undertaking a review of LLEP activities she would not be rushed into a restructure until this activity had completed. | |
| 4.33 | <i>This note has been removed as it is not for publication.</i> | |
| 4.44 | Decision: The Board approved an indicative operating deficit of £625k in 2023/24. | |

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| 5. | Operational Budget 2022/23 -Outturn | |
| 5.1 | CS presented the final operating outturn position for 2022/23, this is largely in line with what had been presented to the Board previously. | |
| 5.2 | Notable variances include income from GPF loans, not previously budgeted for and increased interest generated on LLEP funds. In addition to the successful application to the Create Growth Programme ran by DCMS. | |
| 5.3 | A query was raised with regards to the remaining GPF funds, and what should happen in the event of the LLEP Ltd being put into liquidation. | |
| 5.4 | EB clarified that as the funds have now been used for their original purpose (having been a Government grant to the AB) and recycled, they could now be used free of the original restrictions (although recognising the AB now holds the funds as capital receipts, from the repayment of the earlier loans). | |
| 5.5 | At the February Board meeting, the Board approved in principle utilising the funds to develop a hybrid grant / loan programme aimed at Improving Productivity, EB stated she was now working on a scheme delivery plan for utilising the GPF, and this would be presented to the Investment Panel before signing off by the Board. NM & CB had made representations to EB to feed into the scheme. | |
| 5.6 | AO stated that the Board need to be mindful when approving GPF spend that would go beyond the lifetime of the LLEP, as this would be tying the AB into contractual obligations. | |
| 5.7 | It was suggested that the transition group should look at this in parallel with the Board. | |
| 5.8 | A query was raised as to what would happen in the event of the Board not spending the remaining GPF funds. In line with the Articles of Association these could be transferred to another body with objects similar to those of the LLEP. The LLEP and AB would however need to be mindful of any guidance issued by the Government and of the obligations on the AB regards the proper use of public funds | |
| 5.9 | CS explained that some of the fund may be utilised for a legacy organisation to take on LLEP staff, in the event that funds remained. | |

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| <p>6.</p> <p>6.1</p> <p>6.2</p> | <p>LLEP Ltd Company Accounts</p> <p>Paper D was presented which seeks the Board approval of the Leicester and Leicestershire Partnership Ltd Company accounts for 2022/23 and the submission to companies house.</p> <p>Decision: The Board AGREED for the LLEP to submit the Company accounts for 2022/23 to companies house and present to company members at the Annual General Meeting.</p> | |
| <p>7.</p> <p>7.1</p> | <p>Any other business</p> <p>Following a recent Innovation Board meeting, NK sought the Board approval to:</p> <ul style="list-style-type: none"> • Commission Geoff Rowe, formerly of Leicester Comedy Festival, to develop a commercialisation plan for the Innovation Festival. Cost £3,500 • To confirm the date of the festival as Monday 5 February through to Friday 16 February 2024 • To confirm the date of the Innovation Awards as Thursday 15 February 2024 • On behalf of the LLEP, to invite a minister to deliver the keynote speech. <p>Decision: The Board AGREED with the proposal.</p> | |