



**LLEP Board of Directors**

**11am, Wednesday, 19 April 2023**

**Face to face: College Court, Leicester**

**Organiser: Sharif Chowdhury**

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

**Directors present: Sonia Baigent (SB), Lorraine Boorman (LB), Verity Hancock (VH), Dr Gosia Khrais (GK), Neil McGhee (NM), Cllr Jonathan Morgan (JM), Dr Nik Kotecha OBE (NK), Anne-Marie Hunt (AH), Cllr Terry Richardson (TR), Glynis Wright (GW) Chas Bishop (CB).**

**In Attendance: Elizabeth Botmeh (EB), Jo Dexter (JD), Colin Sharpe (CS), Sharif Chowdhury (SC), Sue Tilley (ST), Alison Greenhill (AG).**

**Apologies: Emma Anderson (EA), Peter Bedford (PB), Nishan Canagarajah (NC) Jo Tallack (JT), 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	AM welcomed those present to the meeting and provided an overview of the structure of the day.	
1.2	AM noted apologies from EA, PB, NC, JT, RM and DM.	
<b>2.</b>	<b><u>Declarations of Interest</u></b>	
2.1	There were no new declarations of interest.	

<u>Minute</u>		<u>Action</u>
<p><b>3.</b></p> <p>3.1</p> <p>3.2</p> <p>3.3</p> <p>3.4</p> <p>3.5</p> <p>3.6</p>	<p><b><u>Minutes and Actions LLEP Board of Directors Meeting held on 14 February 2023</u></b></p> <p>The Board agreed to record the minutes of the previous meeting on the 14<sup>th</sup> of February 2023 as a true and accurate record.</p> <p>AM commented on the Action Items, 8.7 was discussed regarding sending an email to EB with comments and suggestions for the hybrid grant programme. EB confirmed that no comments had been received. However, she confirmed the Board had until the end of May to make a submission, and that the programme was currently being scoped out and that it would be reviewed by the finance and investment committee, with a deadline yet to be set.</p> <p>AM referred to Action 15.3, regarding the revised governance structure and welcomed any updated views on having a finance and investment committee and an audit and risk committee. AM proposed there is no longer sufficient purpose in forming the new committees given the announcement from government.</p> <p>The Board <b>AGREED</b> with the proposal and to continue with the current Investment Panel for the next twelve months with a re-evaluation of the committee in twelve months' time. The Board agreed for NK to continue as the Investment Panel chair.</p> <p>Members discussed the operating budget deficit, which had been predicted to be £375K for six months. CS had conducted an activity analysis, and a high-level picture was presented.</p> <p>AM shared that a consultant was not progressed, given the internal work and the recent Government announcements on the future of LEPs. CS will provide an update with further details and a plan of assurance with proposals for the board to consider at the June Board meeting.</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p><b>CS</b></p>
<p><b>4.</b></p> <p>4.1</p>	<p><b><u>Team Away Day</u></b></p> <p>ST provided an update on the LLEP Team Away Day which had been facilitated by external consultant, Martin Coats. The purpose of the Team Away Day had been to provide the wider LLEP team with the opportunity to come together and to have a voice. To create feedback for the LLEP Board, in advance of the LLEP Board awayday and to demonstrate the breadth of knowledge and experience of the team so the team felt more secure about creating a better future.</p>	<p></p>

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4.2	There were four sessions held through the day; Culture, LLEP Successes, LLEP Weaknesses and New Opportunities. ST presented on the detailed findings, observations and recommendations made by the LLEP team. Due to sensitive nature of the content and findings of the day, the LLEP Board was asked to refer to the original presentation for more detail.	
4.3	ST highlighted the need for the findings of the day to be evaluated by the board and actions ensuing progressed with urgency. Collaboration with DBT and potential partners for LLEP workstreams and programmes was of paramount importance, as was the need to develop a comprehensive timeline of activity	
4.4	AM thanked ST for organising and sharing the LLEP Team Away day findings as the feedback was especially useful.	
4.5	<p>Board members raised several points and concerns:</p> <ul style="list-style-type: none"> <li>• Emphasis was made on the importance of avoiding losing skills and existing staff members due to the ongoing uncertainties regarding the future of the LLEP.</li> <li>• Addressing the concerns of individual employees affected by any changes. The board acknowledged that employees might be apprehensive and uncertain about their future roles.</li> <li>• Importance of fully understanding the legacy of the LLEP as not all activities would finish in March 2024.</li> <li>• Positive activities already underway. New LLEP Director had been appointed and there was now clarity around the core and growth hub funding that would be available in 2023/24.</li> <li>• AG advised that discussions are planned with districts and county regarding potential transfer and redeployment of staff.</li> </ul>	
4.7	AM reiterated the importance of focusing on the essential priorities, sustaining the organisation financially, and addressing individual concerns in times of change.	
4.8	AM recorded thanks to the LLEP team for their hard work, achievements, and outcomes achieved as LLEP. The constraints were acknowledged, but it was emphasized that the board appreciated the team's efforts.	

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<p><b>5.</b></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><b>Head of LLEP Report to Board</b></p> <p>ST presented extracts from the Head of LLEP Report highlighting the key points of focus. The report highlighted the likely withdrawal of government core funding and support for LEP's from April 2024 and notification that LEP functions should be delivered by democratically elected local leaders in the future.</p> <p>The board was also asked to note the requirement for the completion of a LEP Future Funding questionnaire that requires LLEP Board input which must be completed and submitted to Government by 19<sup>th</sup> May.</p> <p>ST referred to the following funding allocation notifications that had been received from Government during March:</p> <ul style="list-style-type: none"> <li>• Core funding for 2023/24 of £250,000 (formerly £373,000 2022/23)</li> <li>• Growth Hub Funding 2023/24 of £298,250 (a small increase on 2022/23)</li> </ul> <p>An outline grant description had been received from the Careers and Enterprise Company (CEC) for the academic year 2023-24. ST highlighted that the project would continue to require substantial match funding and is a significant contract that extends beyond April 2024. The future arrangements are being considered nationally considering the likely changes to LEPs and further discussions and consideration will need to be undertaken by the board.</p> <p>Growth Hub: ST welcomed the confirmation of Government funding to April 2024 for the Growth Hub, as in June 2023 ERDF funding ceases. The provision for business support by district councils utilising UKSPF is limited and likely to be fragmented. It is the intention that the refreshed Growth Hub offer (to manage the ending of ERDF) will be a triage service providing a one stop shop for business. There will be a dedicated refreshed website, with support finder service platform, webinars, and workshop programmes in conjunction with private sector partners, regional innovation projects and provision of business intelligence reporting and skills support.</p> <p>ST highlighted two high profile Growth Hub events that had taken place recently including the highly successful Leicestershire Innovation Festival 2023, which saw the biggest attendance in its 5-year history and significant media interest. As part of the festival a significant meeting at Space Park Leicester had taken place between Innovate UK CEO Indro Mukerjee and the LLEP Innovation Board led by Dr Nik Kotecha. The Survive and Thrive in business expo hosted</p>	

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5.7	<p>by LLEP directors Sonia Baigent and Glynis Wright had attendance approaching 200 delegates and collaboration with a range of private and public partners offering SME's a wide range of business tools.</p> <p>The Growth Hub team continue to look to new ways of enhancing the offer for businesses in collaboration with private sector partners. The latest being the free access to Santander Navigator, a digital portal for all exporting businesses from start up to seasoned exporters.</p>	
5.8	<p>The board members agreed to explore how enterprise opportunities could dovetail with the export vision and to diversify ways of delivering the Growth Hub service by engaging more with the private sector.</p>	<b>ALL</b>
5.9	<p>The board were asked to note that the Careers Hub had hosted a highly successful round table event with Robert Halfon, the Minister for Skills, Apprenticeships and Higher Education, chaired by Baroness Nicky Morgan (Chair of the CEC). The Minister had publicly commended the work of the LLEP Hub at the Education Select Committee in Westminster.</p>	
<b>6.</b>	<b>County Deal/Government plans for LEPs</b>	
6.1	<p>AR commented on County Deals advising there were no significant updates to report. AR informed the Board that he met with colleagues at County and some of the districts and discussions are ongoing.</p>	
6.2	<p>The amount of work required to achieve a County deal is significant, and even if the LLEP were to cease to function in its legal capacity on April 1st, 2024, there would still be outstanding work to be completed with external partners.</p>	
6.3	<p>The board expressed a commitment to creating the best possible outcome for both staff and the people who would benefit from their work, with a long-term focus on continuity and devolution. However, given the time constraints, they needed to make fast decisions and ensure high-level communication.</p>	
6.4	<p>TR shared that district councils are presently focussed on local elections, and responses would be formulated to the devolution proposal soon after. The board acknowledged the complexity of the matter and the need for a rational response.</p>	

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6.5	JM questioned how best the LLEP should fashion a response as the Leicester and Leicestershire locality does not fit the government devolution model.	
6.6	The board also discussed the point at which a decision on extending fixed term and temporary contracts beyond 30 September 2023 should be taken. AG advised that a proposal should be brought to the next meeting.	
<b>7.</b>	<b>Future funding questionnaire</b>	
7.1	ST presented the draft response to the Future Funding Questionnaire to the board members and requested that they take time to review it. The response had been largely completed.	
7.2	The board was asked to consider and provide response regarding Section 3: <ul style="list-style-type: none"> <li>point 9 <i>If you do not continue to receive core funding would you be likely to a. continue operating b. transfer functions where appropriate and cease operations and</i></li> <li>point 10 <i>If you would be likely to continue operations what functions would you cease to deliver in the absence of core funding.</i></li> </ul>	<b>AR/AM/ALL</b>
7.3	AM said that he would liaise with ST and CS to finalise the response for board members to review and sign off for submission by May 19th, informed by discussions to be held at the LLEP Board Away Day.	<b>AM/ST/CS</b>
<b>8.</b>	<b>Operating Budget update</b>	
8.1	CS reported on the budget update paper E which was presented at the meeting highlighting a forecasted final surplus of £1m for 2022/2023. This is due mainly to interest income from the Gresham GPF loan and increased income on LLEP funds as the base rate has increased. The LLEP reserve would be around £2.8m at the end of March 2023.	
8.2	CS shared information on the 2023/24 forecast, with a full year deficit at £0.5m which provides a framework going forward to identify further areas to review activity and costs.	
8.3	CS specified that two key areas of activity, the Careers Hub, and the Growth Hub, will require detailed discussion by the LLEP Board.	

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8.4	CS reminded the Board that the Careers Hub was part funded by the Careers and Enterprise company and that significant match from the LLEP was required for the present operating model.	
8.5	AG responded that the LLEP would need to consider what as a company it can legally do to finance projects beyond March 2024; and that should the Board be minded to sign a new CEC offer letter, the AB could have to seek legal opinion, as the LLEP would be committing finances beyond the current financial year.	
8.6	EB explained the complexity of the CEC funding, in that the roles were capped at an amount that was not commensurate with the actual pay costs and that a considerable amount of match funding was required.	
8.7	CS reported that an offer letter has been received for the Growth Hub and that the funding for 2023/24 has increased by £30k to £298k. There is an expectation that the Growth Hub would break-even with this year's funding. The Board should be mindful with regards to any future offer, as associated funding is developed over coming months.	
8.8	AG informed the Board that discussions will need to be held with the districts and county to understand the needs of the area and where there are overlaps with existing LLEP delivery to understand the preferred structure going forward.	
8.9	CS commented that the Core functions would need to be reviewed in line with the announcement that Government is minded to withdraw funding from April 2024.	
8.10	CS reported that going forward a 2.5% management fee would be applied to programmes, to reflect the support given from core staff.	
8.11	CS commented that staff contracts had been extended until September 2023, and that this is understandably now adding to the uncertainty amongst the team. He proposed that he and/or the incoming director/CEO would bring a further paper to the June Board to review staff arrangements in addition to an updated budget/forecast.	
8.12	The Board discussed different arrangements including whether finances from the reserves can be ring-fenced and committed beyond March 2024.	
8.13	NK suggested that the LLEP should explore opportunities to make their money work better, for example the interest being paid by the	

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8.14	<p>AB is below the current market rates. and there could be further revenue generating opportunities.</p> <p>NK referred to the Innovation Board and what appetite there may be for further sponsorship to bring in additional funds where possible.</p> <p>AR discussed the configuration of the current budget and the level of match funding required. AR asked JD how other areas are addressing the issue of match funding.</p> <p>JD commented that the LLEP Board should consider the LLEP's function going forward in conjunction with the different eventualities as to how a potential combined authority may be structured.</p>	
<b>9.</b>	<b>GPF outstanding debt update –</b>	
9.1	Discussion on this item is not for publication.	
<b>10.</b>	<b>Any other business</b>	
10.1	There was no other business.	