

NB: In line with our Local Assurance Framework (LAF) these minutes are published as a draft record until formal ratification at the subsequent Board of Directors meeting.



LLEP BOARD OF DIRECTORS

Minutes of the Meeting

6 August 2019

Attendance and Apologies:

Directors		Representing	
Kevin Harris	KH	Private Sector	LLEP Chair
Emma Anderson	EA	Private Sector	
Chas Bishop	CB	Private Sector	
Verity Hancock	VH	Further Education	
Neil McGhee	NM	Private Sector	
Jaspal Minhas	JM	Private Sector	
Andy Reed OBE	AR	Private Sector	
Cllr Terry Richardson	TR	Leicestershire District Councils	
Karen Smart	KS	Private Sector	
Sir Peter Soulsby	PS	Leicester City Council	
In Attendance			
Mike Durban	MD	LLEP	
Scott Knowles	SK	Chamber of Commerce	
Tom Purnell	TP	Leicestershire County Council	
Mandip Rai	MR	LLEP Chief Executive	
Colin Sharpe	CS	Leicester City Council – Accountable Body	
Apologies			
Prof Robert Allison		Universities	
Dr Nik Kotecha OBE		Private Sector	
Anil Majithia		Voluntary Sector	
Helen Mitchell		BEIS (Cities and Local Growth Unit)	
Cllr Jonathan Morgan		Leicestershire District Councils	
Nick Rushton		Leicestershire County Council	

Minute**Action**

<p>1.</p> <p>1.1</p> <p>1.2</p>	<p>Welcome and Apologies</p> <p>KH welcomed those present.</p> <p>Apologies for absence were noted as above.</p>	
<p>2.</p> <p>2.1</p>	<p>Declarations of Interest</p> <p>There were no Declarations of Interest.</p>	
<p>3.</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>3.7</p> <p>3.8</p> <p>3.9</p>	<p>Minutes of Previous Meetings</p> <p>a) 2 April 2019</p> <p>The Minutes of the Board Meeting held on 2 April 2019 were agreed as a correct record.</p> <p>MR provided the following updates on the EZ agreements (Minute 3.4 refers)</p> <p><u>MIRA Technology Park EZ</u></p> <p>It was reported that meetings had been convened with the new leader and the Chief Executive of Hinckley and Bosworth Borough Council (HBBC). It was expected that the Memorandum of Understanding for the EZ agreement would be progressed in time for submitting to the meeting of the Board of Directors on 1 October 2019. It was noted that this was dependent on the matter being submitted to and agreed by a full Council meeting of HBBC in the interim.</p> <p><u>Loughborough and Leicester EZ</u></p> <p>It was reported that following further communication between partners, the Loughborough and Leicester EZ Memorandum of Understanding had been progressed, with a view to it also being submitted to the meeting of the Board of Directors on 1 October 2019. It was also reported that work would be commissioned to review the original business case and establish an accurate forecast of business rates and a future funding mechanism.</p> <p>b) 22 May 2019 (Special Meeting – Leicester and Leicestershire LIS)</p> <p>The Minutes of the Special Meeting held on 2 April 2019 were agreed as a correct record, subject to noting that since the incorporation of the Limited Company, references to the Board Members required updating to Directors.</p>	
<p>4.0</p> <p>4.1</p> <p>4.2</p>	<p>LLEP Governance</p> <p>MR referred to the intended meeting of LLEP Members prior to this Board of Directors meeting. It was clarified that the paper issued for consideration by Members could not be considered as unfortunately, due to a number of apologies for absence, the required 75% of Members were not present.</p> <p>As a definition of class of Members could only be changed by 75% of Members in writing, or by passing a special resolution at such a meeting, the paper would now be re-issued with requests for consideration of the recommendations by email.</p>	

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4.3	MR submitted a report, and commented that the Board's agreement could be sought on the remaining governance aspects as follows:	
4.4	i. <u>Business Board</u>	
4.5	MR explained the proposal to establish a Business Gateway Board as a successor to the current Business Board as outlined in the report. The formalised governance structure of the Business Gateway Board and its future role to lead the development of the business support strategy was clarified. The draft Terms of Reference were submitted for approval.	
4.6	It was also clarified that other roles of the Business Board involving allocation of ERDF funding had become the overall responsibility of the ESIF Committee.	
4.7	It was proposed that should the recommendation be approved, NM would continue to Chair the Business Gateway Board, as successor to the Business Board that he already chaired. NM commented that he would be pleased to continue with the role.	
4.8	ii. <u>Place Board</u>	
4.9	MR explained the proposal to disband the Place Board, commenting on its inception and evolution from the former Housing, Planning and Infrastructure Group. It was reported that the Programme Board now had responsibility for managing all the LLEP's programmes with decisions made in accordance with the Local Assurance Framework.	
4.10	It was also noted that since the formation of the Members Advisory Group (MAG) and the Strategic Planning Group (SGP), the role of the Place Board had diminished significantly.	
4.11	It was proposed that as adequate representation existed on the SPG and the MAG to oversee the Strategic Growth Plan, and its alignment to the emerging Local Industrial Strategy (LIS), the Place Board be disbanded.	
4.12	KS commented on the emerging LIS and numerous previous references to the importance of 'place' during discussion on the drafting of the document. It was questioned whether the disbanding of the Place Board would lead to a loss of emphasis, having regard to this earlier intention to be ambitious about the 'Place'.	
4.13	MR provided assurance that the emphasis would not be lost during the ongoing consideration of the LIS and commented that the Board's role would be to continue to lead the importance of 'place'. To support this view it was reiterated that the SPG and MAG were well represented by local authority leads, however these groups were principally concerned with housing, infrastructure and planning. A wider definition of 'place' than the physical environment would be highlighted to promote culture and tourism, in accordance with the previously approved Strategic Economic Plan.	
4.14	In conclusion and in response to a question, it was confirmed that all key organisations and partners would retain their influence as part of the process.	
4.15	iii. <u>Local Assurance Framework (LAF)</u>	
	MR referred to recommended changes to the LAF concerning the revised Terms of Reference for the Programme Board and Executive, copies of which were appended to the report.	

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4.16	In respect of the Articles of Association allowing votes to be sent by email, should a Director be unable to attend, TR questioned whether such a vote would be acceptable if the debate on an item had altered a recommendation.	
4.17	It was noted that such decisions could only be allowed as long as they were unanimous. It was advised that the vote by email would only be allowed where the recommendation had not significantly or materially changed.	
4.18	In debating the proposed Terms of Reference of the Business Gateway Board, the following comments were noted:	
4.19	<ul style="list-style-type: none"> • Membership (Appendix 1 - para 2.1 refers) <p>Consideration should be given to the minimum membership being increased to include more than one District Council representative, and to include a Further Education representative, having regard to each of the three universities being represented.</p>	
4.20	<p>In debating the proposed Terms of Reference of the Programme Board, the following comments were noted:</p> <ul style="list-style-type: none"> • Funding Allocation (Appendix 2 – para 1 Objectives (x) refers) <p>There should be an identified timeframe to consider Project Change Requests so that repeated requests could not be submitted in a specific period.</p> <ul style="list-style-type: none"> • Format and Timing of Meetings (Appendix 2 – para 3.6 refers) <p>The reference concerning the quorum of Programme Board meetings should refer to Directors and not members. It was noted that the Terms of Reference for the Programme Board and all other related documents would be reviewed to ensure consistency.</p>	
4.21	<p>It was AGREED:</p> <ol style="list-style-type: none"> 1) That the Business Board becomes the LLEP Business Gateway Board and its Terms of Reference be approved, subject to the suggested review of membership at Minute 4.19 above. 2) That the Place Board be disbanded. 3) That the changes to the Local Assurance framework (LAF) including the revised Terms of Reference for the LLEP Programme Board and Executive be approved, subject to the comments at Minute 4.20 above 4) To note the revised process for extending the membership of the LLEP company, with requests for consideration of the special resolution being issued by email. 	
5.	Draft Finance Strategy	
5.1	CS submitted a report, which sought approval of the two-year finance strategy and provided details of the reserves and risks associated with finance.	

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5.2	In submitting the draft strategy document, copies of which were appended to the report, it was clarified that the two-year plan had been prepared on that timeframe due to the difficulties in predicting and forecasting the LLEP's financial situation in terms of operational project and programme funds over a longer period, due to national policy uncertainties.	
5.3	In terms of the situation concerning reserves, it was noted that these seemed considerable at approximately £1.4m. It was not considered that this would result in diminished future funding streams at this stage, however the situation was being monitored by the Chief Executive and Accountable Body.	
5.4	It was also confirmed that budget monitoring reports would be submitted to future meetings of the Board of Directors.	
5.5	The role of the Programme Board in budget monitoring was also referred to. It was emphasised that detailed quarterly updates were submitted to Programme Board meetings on the Local Growth Fund (LGF) and the Growing Places Fund (GPF), together with summaries of other spending profiles.	
5.6	TR commented on the extent of reserves, making particular reference to the high level of reserves identified for redundancies. It was reported in response that the redundancy reserves were high due to costs, which would be incurred should all employees be made redundant at any one time. The implications of continuous staff service were explained and noted.	
5.7	Although it was accepted that the reserves could be specifically accounted for leaving a suitable non-earmarked working balance, it was suggested that a reserves policy be developed and brought back to the Board.	
5.8	<p>It was AGREED to:</p> <ol style="list-style-type: none"> 1) Approve the Finance Strategy. 2) Request the Chief Executive and Accountable Body to prepare and present a reserves strategy to a future meeting. 3) Note the risks associated with the finance strategy. 	
6.	Draft Local Industrial Strategy (LIS)	
6.1	Prior to consideration of the item, the Chair referred to recent changes in Government including the new Prime Minister and Cabinet, including the appointment of Nicky Morgan MP as Secretary of State for Digital, Culture, Media and Sport.	
6.2	The recent positive progression of the Space Park development including further funding and planning approval was also noted.	
6.3	It was considered that these recent developments provided high profile opportunities for the LLEP to promote the LIS and that further meetings of the LIS Steering Group would be convened in due course.	
6.4	The Chair also commented that the recent accelerated progression of the LIS had been noted by Government colleagues. The importance and influence of regular attendance at the LIS Steering Group and separate input by colleagues was recognised.	

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6.5	It was noted that other recently published LIS documents from other LEPs had been circulated. It was considered that these followed a similar format and style and that the draft Leicester and Leicestershire LIS was stronger in terms of language and interpretation. It was confirmed that the draft document as circulated with the agenda pack had been updated since publication and that further updates on technical issues and expertise were expected.	
6.6	MD gave a presentation on the current position with the LIS and the next steps.	
6.7	<p>During the presentation, the following points were noted:</p> <ul style="list-style-type: none"> • The co-authoring of the document meant that some wording and emphasis would need to be tested with Government. In this regard the separate nature of the generic and specific statements was clarified. It was noted that the LIS would not include actual proposals or fiscal 'asks' but would demonstrate and refer to previous successful bids to justify further investment. • The approach to identify a 'Healthy Climate for Growth' required greater emphasis and explanation. The initiative to promote an Employers' Charter was reiterated. • References to 'Market' Towns should be removed, as the importance of other towns in the County could be diminished by misinterpretation of the definition. • Links to the Midlands Connect strategy should be re-examined as major transport schemes and their links to proposed housing growth were currently uncertain. Stronger links and references to the approved Strategic Growth Plan could be included. 	
6.8	In terms of the next steps, it was noted that the development of the LIS would continue over a two month period. It was expected that conversations and meetings with Government would influence further drafts of the strategy, together with the further expert input from Directors and partners as previously referenced.	
6.9	Board members were asked to send any feedback or comments on the draft document to MD by Friday 16 August 2019.	
7.	Other Business	
7.1	a) Head of Strategy - Mike Durban	
7.2	It was confirmed that Mike Durban was to leave the LLEP on 30 August 2019 to take up a position at the University of Nottingham.	
7.3	Mike was thanked for his work undertaken as the LLEP's Head of Strategy, particularly in regard to the considerable effort involved in progressing the Local Industrial Strategy.	
7.4	b) Smart Cities	
7.5	It was AGREED that 'Smart Cities' be included as a future agenda item.	