

NB: In line with our Local Assurance Framework (LAF) all minutes are published as a draft record until formal ratification at the next Board of Directors Meeting



LLEP BOARD OF DIRECTORS' MEETING

Minutes of the Meeting – 4 February 2020

Attendance and Apologies:

Directors		Representing	
Kevin Harris	KH	Private Sector	Chair
Andy Reed OBE	AR	Private Sector	Vice-Chair
Prof Robert Allison	RA	Universities	
Emma Anderson	EA	Private Sector	
Sonia Baigent	SB	Private Sector	
Chas Bishop	CB	Private Sector	
Verity Hancock	VH	Further Education	
Anne-Marie Hunt	AH	Private Sector	
Ajmer Kaur Mahal	AKM	Private Sector	
Neil McGhee	NM	Private Sector	
Jaspal Singh Minhas	JSM	Private Sector	
Cllr Jonathan Morgan	JM	Leicestershire District Councils	
Cllr Terry Richardson	TR	Leicestershire District Councils	
Nick Rushton	NR	Leicestershire County Council	
Karen Smart	KS	Private Sector	
Sir Peter Soulsby	PS	Leicester City Council	
In Attendance			
Kamal Adatia	KA	Leicester City Council	
Fiona Baker	FB	Leicester City Council	
Ann Carruthers	AC	Leicestershire County Council	
Alison Greenhill	AG	Leicester City Council	
Iain Gillespie	IG	Universities	
Kevan Liles	KL	Voluntary Sector	
Helen Miller	HM	LLEP	
Mandip Rai	MR	LLEP Chief Executive	
Andy Rose	ARo	LLEP	
Colin Sharpe	CS	Leicester City Council – Accountable Body	
John Sinnott	JS	Leicestershire County Council	
Andrew Smith	AS	Leicester City Council	
Peter Sutton	PSu	Cities and Local Growth Unit (CLGU)	
Rowena Limb	RL	Cities and Local Growth Unit (CLGU)	
Apologies			
Dr Nik Kotecha OBE	NK	Private Sector	
Anil Majithia	AM	Voluntary Sector	

<u>Minute</u>		<u>Action</u>
<p>1.</p> <p>1.1</p> <p>1.2</p>	<p><u>Welcome and Apologies</u></p> <p>KH welcomed all present to the meeting.</p> <p>Apologies for absence were received from Anil Majithia and Dr Nik Kotecha OBE.</p>	
<p>2.</p> <p>2.1</p> <p>2.2</p> <p>2.3</p> <p>2.4</p> <p>2.5</p>	<p><u>Declarations of Interest</u></p> <p>At the invitation of the Chair, KA reminded Directors of what should be taken into consideration when making declarations of interest in items being considered at meetings of the Board of Directors.</p> <p>KA drew particular attention to the provisions of the Companies Act 2006 and Appendix 4 of the Local Assurance Framework (Code of Conduct). The need also to be aware of that Directors could become aware of information, or opportunity, or advantage without a "decision" being taken.</p> <p>The extent of any interest (trivial or non-trivial) and conflicts of interest also were described.</p> <p>CB declared an interest in item 10, "Local Growth Fund Update" in recognition of his role as Director of the Space Centre.</p> <p>RA declared an interest in item 9, "Enterprise Zones Investment", in recognition of his involvement in the LUSEP Site EZ.</p> <p>NR declared an interest in the general business of the meeting as a member of both Leicestershire County Council and North West Leicestershire District Council.</p> <p>KH declared an interest in item 8, "Growing Places Fund", in recognition of the fact that Norton Motorcycles (UK) Ltd was a client of his business. In view of the nature of his interest, KH advised that he would vacate the Chair and leave the meeting during consideration of this item.</p>	
<p>3.</p> <p>3.1</p>	<p><u>Minutes and Actions – LLEP Board 3 December 2019</u></p> <p>The minutes of the meeting held on 3 December 2019 were agreed as a correct record.</p>	<p>All to note</p>
<p>4.</p> <p>4.1</p> <p>4.2</p>	<p><u>Written Procedures – GPF Loan</u></p> <p>It was AGREED that the results of written procedures and the associated decision in relation to the Gresham / Fenwick Redevelopment – Growing places Loan Fund be noted.</p> <p>The Directors discussed the use of written procedures for key investment decisions. It was agreed that the process should be considered as part of the wider governance review, including options for teleconference meetings to enable discussion.</p>	<p>All to note</p> <p>All to note</p>
<p>5.</p> <p>5.1</p>	<p><u>Annual Review of Written Procedures</u></p> <p>It was AGREED that the report on the use of written procedures in 2019 be noted.</p>	<p>All to note</p>

Minute	Action
<p>6. Annual Performance Review 2019/20</p> <p>6.1 RL reminded the Board that all LEPs nationally were undergoing a process of Annual Performance Reviews (APR). Once this was complete, results would be collated to give a national view of how LEPs were operating.</p> <p>6.2 An open and honest discussion had been held with the LLEP. Changes in governance, and the impact of these, had been assessed and the LIS had been reviewed, but some consideration still needed to be given to some projects.</p> <p>6.3 Formal outcomes from the review were expected at the end of February 2020, which would trigger the release of LGF funding, but overall the outcome had been positive.</p> <p>6.4 RL advised that the LIS had not been put on hold, as the Secretary of State wanted to ensure that LEPs set out their work programmes, but consideration of how LISs should be structured and which government area would lead on them was ongoing.</p> <p>6.5 It was AGREED that the update be noted.</p>	<p>All to note</p>
<p>7. LLEP Governance</p> <p>7.1 MR presented a report seeking the Board's agreement to a review of LLEP governance and the draft terms of reference for the governance review.</p> <p>7.2 Attention was drawn to the proposed four stages of the review set out in the report.</p> <p>7.3 MR confirmed that consideration would be given to whether there should be local government representation on the review team. NR suggested that, if there was, representatives from all tiers of local government should be included.</p> <p>7.4 It was AGREED that:</p> <ul style="list-style-type: none"> i) a review of LLEP governance be undertaken; ii) the terms of reference for the governance review be agreed as set out in the report; iii) the Chair and Deputy Chair of the Board of Directors be included in the review team, plus NK as Programme Board Chair AM and EA; iv) that no directors from local government be included in the review team; and v) it be recommended to the review team that external support be introduced. 	<p>MR</p> <p>MR</p> <p>KH, AR, NK, AM, EA / MR</p> <p>MR</p>
<p>8. Growing Places Fund</p> <p><i>It was noted that the paper for this item had been marked <u>NOT FOR PUBLICATION</u> by virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</i></p> <p>8.1 ARo submitted a report updating the Board on operating and governance issues relating to Haywood Estates (UK) LLP and Norton Motorcycles (UK) Ltd and reporting on the outcome of the recent decision taken via written procedures regarding the conditions for the approved loan for the Gresham/Fenwick's development.</p>	

Minute	Action
<p>a) <u>Norton Motorcycles (UK) Ltd</u></p> <p><i>KH vacated the Chair and left the meeting during consideration of matters relating to Norton Motorcycles (UK) Ltd.</i></p> <p><i>AR in the Chair</i></p>	
<p>8.2 ARo and AG updated the Board on the current situation regarding Norton Motorcycles (UK) Ltd, noting that formal notice of the LLEP's first ranking charge over the land involved had registered with the administrators of Donington Hall Estates Ltd.</p>	
<p>8.3 AG reported that a Freedom of Information request had been received from a reporter from a national newspaper, so they would be sent links to documents already in the public domain, in advance of the Accountable Body's formal response to the FOIA request.</p>	
<p>8.4 MR advised that a review of due diligence processes will be undertaken as part of the wider governance review.</p>	
<p>8.5 It was AGREED that the current position regarding Norton Motorcycles (UK) Ltd, and the consequent delay to the settlement of its first GPF repayment instalment, be noted.</p> <p><i>KH returned to the meeting and resumed the Chair</i></p>	<p>All to note</p>
<p>b) <u>Haywood Estates (UK) LLP</u></p>	
<p>8.6 ARo updated the Board on the current situation regarding Haywood Estates (UK) LLP, advising that Option C set out in the report was the preferred option at this time.</p>	
<p>8.7 AG advised that the remaining plots were fully accessible, so holding a first charge was beneficial. Therefore, once the valuation report was received, further consideration would be given to which option was the most appropriate.</p>	
<p>8.8 AG noted that this matter required urgent resolution and that should we be in a position to present a report to the next Board meeting on 7 April, we would do so.</p>	
<p>8.9 It was AGREED that:</p>	
<p>i) LLEP officers seek to receive the valuation report in relation to the Old Dalby site as soon as possible;</p>	<p>ARo</p>
<p>ii) the deadline for full repayment of its outstanding GPF loan by Haywood Estates (UK) LLP be extended to 16 June 2020, in order to formalise the current position and protect the interests of the LLEP and Accountable Body; and</p>	<p>AG / ARo</p>
<p>iii) a further report be presented to the next meeting of the Board of Directors for approval of actions taken and/or proposed in relation to the GPF loan to Haywood Estates (UK) LLP.</p>	<p>ARo</p>

Minute		Action
8.10	<p>c) <u>Gresham / Fenwick's Loan Agreement – Outcome of Written Procedures</u></p> <p>It was AGREED that the outcome of a written procedure amendment regarding the terms of the approved £4million GPF loan to Aimrock Holdings Ltd for the Gresham / Fenwick redevelopment be noted.</p>	All to note
8.11	<p>d) <u>General</u></p> <p>It was AGREED that the current financial position and operating principles of the GPF programme be noted.</p>	All to note
9.	<u>Enterprise Zones Investment</u>	
9.1	<p>It was noted that the Directors who had declared interests in this item, (see minute 2, "Declarations of Interest"), did not consider themselves to have conflicts of interest, as this was an update report.</p>	
9.2	<p>MR presented a report informing the Board of the outcome of additional appraisal of project business cases seeking Enterprise Zone Business Rates investment, reaffirming the next steps in the process and providing an update on the Business Rates Legal Agreements.</p>	
9.3	<p>MR drew attention to the original and updated scores set out in the report.</p>	
9.4	<p>The next stage in the process also was set out in the report, as part of which MR and AG had already held two meetings with the local billing authorities. The next meeting was due to take place shortly.</p>	
9.5	<p>RA raised a concern regarding the proposal to have an open call to invite local authority partner(s) to invest on the prioritised project(s) if the relevant local billing authority declined the opportunity, as the only body able to decide who could invest on university land was Council, the University's governing body and this power could not be passed to a third party.</p> <p>In reply, MR advised that only local authorities can invest, based on future receipts from expected business rates growth. Therefore, this was not an investment, (for example, as in ownership of property in the Enterprise Zone), as this related to advancing funding to other bodies.</p> <p>In view of this, RA requested that the wording of paragraph 6.1(ii) be amended, as it currently stated the billing authority would be "invited to fund the project".</p>	
9.6	<p>It was AGREED that:</p> <ul style="list-style-type: none"> i) the additional project appraisals undertaken by external consultants Dow Schofield Watts be noted; ii) the next steps of the process be noted, subject to the wording of the stages in the process being amended to not refer to local billing authorities funding projects; iii) progress on the Business Rates Legal Agreements be noted; and iv) the intention for these matters to be approved by the Board at its April meeting be noted. 	<p>All to note</p> <p>All to note / MR</p> <p>All to note</p> <p>All to note</p>

<u>Minute</u>	<u>Action</u>
10.	<u>Local Growth Fund Update</u>
10.1	HM presented a report informing the Board of the updated position of the Local Growth Fund (LGF), the progress of a final reserve project list for the LGF and an outline approach for the review of LLEP pipeline projects.
10.2	<p>HM and MR updated the Board as follows:</p> <ul style="list-style-type: none"> • Quarter 3 claims had been submitted and were slightly higher than anticipated; • Officers were confident that expenditure would be defrayed in accordance with the profile set out in the report; • Negotiation had started with the project sponsor to resolve the outstanding issue on the Flood Risk Management Strategy Project. It was anticipated that this would conclude in the next few weeks. If a new project could not be taken forward, it was possible that £1.3million would be de-committed from the Fund; • The pipeline was being reviewed to determine what could be spent and delivered, but not all of the required information had been received yet. Consequently, a reserve list had not been compiled at present, but would be prepared for the Board meeting in April; • Some projects being included in the Local Industrial Strategy were not included in the pipeline at present, but the potential to develop projects if funding became available was needed; • Work was needed to enable gaps in the pipeline to be identified more easily; and • Recategorization of projects in the pipeline is being undertaken, to facilitate future funding. Work on this would be undertaken in consultation with partners, to ensure that information on all projects was captured.
10.3	<p>It was AGREED that:</p> <p>i) the position of the Local Growth Fund Programme be noted;</p> <p>ii) progress made to date in developing a final Local Growth Fund reserve list for any underspend in 2020/2021 be noted and officers asked to give work on completing this a high priority; and</p> <p>iii) the proposed approach to reviewing the wider LLEP pipeline be noted.</p>
All to note	
All to note / HM	
All to note	
11.	<u>Skills Advisory Panel Update</u>
11.1	VH presented a report informing the Board of the development of Skills Advisory Panels (SAPs).
11.2	VH advised that the SAP was very pleased with the draft documents produced. These still were draft, but good progress had been made, although it was recognised that more work was needed to identify priorities. Any comments from Directors would be welcome. JM asked whether the document could provide district level information.

Minute		Action
11.3	VH agreed that where available, district level information would be included.	
11.4	RA welcomed the report, noting that an outcome from a 2019 review of higher and further education was likely to be that the sectors would be required to work more closely together, particularly where skills gaps and/or shortages existed. The LLEP therefore needed to be ready to act quickly if funding became available for this.	
11.5	It was AGREED that the report be noted.	All to note
12.	<u>Business Gateway Board Update</u>	
12.1	NM gave a verbal update on the work of the Business Gateway Board.	
12.2	Directors noted that a model for the Board's work had been identified that recognised that the majority of businesses in the LLEP area were small and medium-sized enterprises, with many of these being very small enterprises.	
12.3	The model identified covered a wide range of elements, including a service providers' knowledge base that could be used to identify business needs and business users.	
12.4	NM reported that there was strong interest in creating business networks, such as by type of business.	
12.5	It was AGREED that the report be noted.	All to note
13.	<u>National Policy Update</u>	
13.1	It was AGREED to note that all issues had been covered, so no update was needed.	All to note
14.	<u>Any Other Business</u>	
	a) <u>Freeport</u>	
14.1	KS verbally reminded the Board of previous discussion on the potential opportunity for Freeport status. Initially, the government had seen these as being seaports, but East Midlands Airport had lobbied for its position to be recognised as ideal for an inland port.	
14.2	The D2N2 LEP had now taken this up as a regional issue and had been linked to the East Midlands Development Corporation.	
14.3	It was understood that there could be a government request for how "economic additionality" would be assessed to be identified.	
14.4	It was AGREED that the update be noted.	All to note
	b) <u>Massachusetts Institute of Technology Monitoring Programme</u>	
14.5	MR reported verbally that the LLEP was one of six successful bidders for participation in the Massachusetts Institute of Technology Monitoring Programme. If successful, approximately £20-25,000 funding would be received, which would be matched locally.	
14.6	It was AGREED that the update be noted.	All to note

Minute		Action
	c) <u>Away Day – 6th March 2020</u>	
14.7	KH encouraged all Directors to attend the Away Day on Friday 6 March 2020.	
14.8	KH advised that Board effectiveness would be considered on the Away Day, including how to get the most out of Board meetings. Suggestions of other things that could be considered were welcomed.	All
	d) <u>Peer Review</u>	
14.9	KH reported verbally that he had participated in a peer review with the Enterprise M3 LEP on 31 January 2020. This had been a useful experience, providing some interesting ideas, details of which would be circulated to Directors.	KH
14.10	It was AGREED that the report be noted.	All to note
	e) <u>Ground-Breaking Ceremony at Space Park</u>	
14.11	CB reported verbally that the Right Hon Chris Skidmore MP had visited Leicester for the ground-breaking ceremony for the Space Park and he had commented positively on the development, particularly noting how the LLEP had driven it forward.	All to note