

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



**LLEP BOARD OF DIRECTORS**

**Minutes of the Meeting – 4 August 2020**

**(Microsoft Teams)**

**Attendance and Apologies:**

<b>Directors</b>		<b>Representing</b>	
Kevin Harris	<b>KH</b>	Private Sector	Chair
Emma Anderson	<b>EA</b>	Private Sector	
Prof Robert Allison	<b>RA</b>	Universities	
Sonia Baigent	<b>SB</b>	Private Sector	
Chas Bishop	<b>CB</b>	Private Sector	
Verity Hancock	<b>VH</b>	Further Education	
Anne-Marie Hunt	<b>AH</b>	Private Sector	
Dr Nik Kotecha OBE	<b>NK</b>	Private Sector	
Ajmer Kaur Mahal	<b>AKM</b>	Private Sector	
Neil McGhee	<b>NM</b>	Private Sector	
Jaspal Singh Minhas	<b>JSM</b>	Private Sector	
Andy Reed OBE	<b>AR</b>	Private Sector	
Cllr Terry Richardson	<b>TR</b>	Leicestershire District Councils	
Nick Rushton	<b>NR</b>	Leicestershire County Council	
Sir Peter Soulsby	<b>SPS</b>	Leicester City Council	
<b>In Attendance</b>			
Fiona Baker	<b>FB</b>	Leicester City Council	
Alison Greenhill	<b>AG</b>	Leicester City Council	
Helen Miller	<b>HM</b>	LLEP	
Mandip Rai	<b>MR</b>	LLEP Chief Executive	
Colin Sharpe	<b>CS</b>	Leicester City Council – Accountable Body	
Andrew Smith	<b>AS</b>	Leicester City Council	
Stewart Smith	<b>SS</b>	Leicestershire County Council	Minute Item 6
<b>Apologies</b>			
Anil Majithia	<b>AM</b>	Private Sector	
Cllr Jonathan Morgan	<b>JM</b>	Leicestershire District Councils	
Karen Smart	<b>KS</b>	Private Sector	
Peter Sutton	<b>PS</b>	Cities and Local Growth Unit (CLGU)	

<b>Minute</b>	<b>Action</b>
<p><b>1. Welcome and Apologies</b></p> <p>1.1 KH welcomed all present to the meeting.</p> <p>1.2 Apologies for absence were noted as above.</p>	
<p><b>2. Declarations of Interest</b></p> <p>2.1 NK Declared an Interest in item 7 (Freeport), due to his involvement with the MAG Airport Group, which owns East Midlands Airport.</p>	
<p><b>3. Minutes and Actions - Extraordinary Board Meeting 14 July 2020</b></p> <p>3.1 The Minutes of the Extraordinary Meeting held on 14 July 2020 were agreed as a correct record, subject to amending the Declaration of Interest made by TR to delete the reference to Twycross Zoo and amending RA's title. (Minute 2.2 refers).</p>	
<p><b>4. Enterprise Zones</b></p> <p><i>It was noted that the paper for this item had been marked NOT FOR PUBLICATION by virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</i></p> <p>4.1 MR submitted a report, which informed the Board of the outcome of the responses to outstanding matters on the appraisal of project business cases seeking Enterprise Zone Business Rates investment.</p> <p>4.2 It was reported that further meetings had been held recently with the billing authorities with many outstanding issues being resolved and formal agreements were being shared with the respective legal teams and would be signed in due course.</p> <p>4.3 In terms of the ongoing process, the normal due diligence practices would sufficiently address any other issues arising from the funding agreements, including credit ratings and match funding.</p> <p>4.4 MR also provided an update on the recent announcement regarding Sport Park and J23 which had been supported separately through the Getting Building Fund. It was confirmed that those projects would be removed from the pipeline.</p> <p>4.5 In response to a question and comment from CB, it was accepted that there was a need to enhance promotion of the opportunities at Space Park. It was considered that currently the project and branding was underplayed and was not included sufficiently in local signage. In response reassurance was provided that publicity had been considered in recent EZ Steering Group meetings and would be accelerated.</p> <p>4.6 AGREED to:</p> <ol style="list-style-type: none"> <li>1) Note the response to the outstanding matters from the appraisal of the project business cases;</li> <li>2) Approve the projects outlined in Table 1 (as amended) subject to updating the Business Rates projections and agreement with the Accountable Body;</li> </ol>	<p style="text-align: right;"><b>MR/AG</b></p>

<b>Minute</b>	<b>Action</b>
<p>3) Note the appraisal outcome for the Charnwood Campus Medicinal and Synthetic Chemistry Research Centre and the recommendation to approve;</p> <p>4) Approve the progression of the EOI for MIRA Low Carbon Innovation hub to full Business Case; and</p> <p>5) Note the next steps of the process.</p>	<p><b>MR</b></p>
<p><b>5. <u>Growing Places Fund</u></b></p> <p><i>It was noted that the paper for this item had been marked <b>NOT FOR PUBLICATION</b> by virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework</i></p> <p>5.1 AG submitted a port, which presented a review of the overall progress of the Haywood Estates scheme at Old Dalby and outlined the anticipated position up to 16<sup>th</sup> September 2020 by when the Board had requested full repayment of the GPF loan and interest.</p> <p>5.2 The report also presented the options available to the Accountable Body and the LLEP Board in anticipation that no further sales would be completed and hence no further repayments would be received by 16<sup>th</sup> September 2020.</p> <p>5.3 The report also addressed the general use of personal guarantees, as referenced by the Board at its meeting on 7<sup>th</sup> July 2020.</p> <p>5.4 In considering the options, it was noted that the proposed extension to February 2022 had been identified as the best way to protect public funds.</p> <p>5.5 Further to the information contained in the written report submitted, it was noted that to support this proposal, conditions would be attached to allow greater scrutiny and interrogation of accounting transactions of the business in the deadline period. In discussing this point, it was considered essential that future controls on such projects were included in the Investment Panel's Terms of Reference, with information on 'triggers' to allow action to be taken earlier.</p> <p>5.6 AG also reported that in respect of the option for the accountable body working with the LLEP to take control of and market the plots at Old Dalby, it was explained that substantial costs would be likely to result. A detailed estimate of cost and description of the complexities had not been provided, as to do so at this stage would be cost prohibitive.</p> <p>5.7 TR commented on his previous concerns with the failure of the project to meet deadlines and the previous agreements. He raised further concern that the information within the separate finance report had not been made available to Directors prior to the meeting and reiterated his previous comments questioning the use and validity of personal guarantees.</p> <p>5.8 NK referred to the previous discussion on the project by the Programme Board over a considerable period, and commented that although the situation was regrettable, he considered that the recommended option presented was the best way forward.</p>	<p><b>MR</b></p> <p><b>MR/AG</b></p>

<b>Minute</b>	<b>Action</b>
<p>5.9 To progress the issue, it was suggested that AG and MR would consider the detail of the conditions to be attached to the extension of the agreement and that those be shared with the KH as Chair for endorsement.</p> <p>5.10 AGREED to:</p> <ol style="list-style-type: none"> <li>1) Note the position of the Haywood Estates loan to date and anticipated position as of 16<sup>th</sup> September 2020;</li> <li>2) Endorse the proposed intention of the Accountable Body to not, at this stage, exercise its first charge held on the remaining unsold plots or to force Haywood Estates into insolvency, appoint a receiver, or similar;</li> <li>3) Endorse the Accountable Body's proposed intention to extend the Haywood repayment deadline to 28 February 2022, subject to formal agreement by Haywood Estates (UK) LLP with conditions;</li> <li>4) Note the update on the use of personal guarantees; and</li> <li>5) Ensure future controls are included in the Investment Panel Terms of Reference.</li> </ol>	<p><b>MR</b></p>
<p><b>6. CV-19 Economic Recovery Plan and Reserves Policy</b></p> <p>6.1 FB submitted a report and presented slides, which provided an update on the progress of the Leicester and Leicestershire Economic Recovery Strategy and associated evidence base in response to the COVID-19 pandemic and ensuing economic crisis.</p> <p>6.2 This report also sought a decision on the targeted repurposing of GPF and reserve funds to mitigate the impact of Covid-19 on the local economy.</p> <p>6.3 It was confirmed that the comments and suggestions arising from research opportunities undertaken by the Universities would be pursued.</p> <p>6.4 In terms of the data submitted in the presentation, it was reported that this was refreshed by consultants on a quarterly basis. In response to a question it was clarified that more regular information was included in the fortnightly Economic Recovery Cell data which would continue to be shared with Directors.</p> <p>6.5 VH commented that the need to define the LLEP's role in the recovery process was important, particularly in terms of identifying the suitability of Further Education options.</p> <p>6.6 It was also confirmed that the outcomes arising from the economic recovery plan would need to be considered in reviewing the Local Industrial Strategy and other policies.</p> <p>6.7 In discussing the proposed repurposing of finance, it was confirmed that £1.6m had previously been agreed in principle for to aid Covid-19 recovery. With the reserves being higher than expected, a further £900k could be allocated, allowing £2.5m.</p>	

<b>Minute</b>	<b>Action</b>
6.8 It was suggested that the inaugural meeting of the Investment Panel be arranged in week commencing 7 September 2020 to continue the process and members would be canvassed for a preferred date by Democratic Support.	<b>DSO</b>
6.9 AGREED: To note the content of the report and presentation and approve in principle the repurposing of existing funds and use of reserves.	
<b>7. Freeport</b>	
7.1 MR provided an update in respect of the Freeport at East Midlands Airport and indicated that the formal submission had been made to Government on 13 July 2020 and a response was awaited. It was noted that the deadline for submission of the full business case was the end of October 2020 and would therefore be prepared over the forthcoming months.	
7.3 The update was noted.	
<b>8. National Policy Update</b>	
8.1 MR advised of the Getting Building Fund announcement and ongoing discussions with S.151 officers of Leicester City Council and Oadby and Wigston Borough Council regarding the recently announced £3m grant funding to support business impacted by the extended local lockdown.	
8.2 In response to a question, SPS expressed disappointment in the level of Government funding available to support businesses affected by the extended local lockdown.	
8.3 The update was noted.	
<b>9. Any Other Business</b>	
9.1 <u>Local Energy Supply</u> NM commented on the LLEP's role and potential in promoting local energy solutions. It was clarified that the issue was discussed regularly at the Midlands Energy Hub meetings. Issues could be forwarded to MR to be fed into that process.	
9.2 <u>Central Source of Information on Funding Opportunities</u> NM asked if the LLEP had an opportunity to produce a guide for businesses in accessing funding, separate from the role of the Growth Hub. It was noted that this had been considered previously but was complicated by the volume and complexities of available funding options and interventions.	<b>FB/HM</b>
9.3 <u>Pre meetings</u> It was noted that pre-meetings for Board members would continue and would be arranged for future meetings.	<b>MR</b>
9.4 <u>Sub-Group updates</u> It was noted that reports from the various Sub-Groups would appear on future agendas.	<b>MR</b>
9.5 <u>Written Procedures – LGF Data Return</u> The next quarter LGF data return would be determined by written procedures.	<b>DSO</b>

Commented [CS1]: Note BEIS absence?