

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



LLEP INVESTMENT PANEL

Minutes of the Meeting

1 September 2020

Attendance and Apologies:

Members		Representing	
Andy Reed OBE	AR	LLEP Board of Directors	Chair
Emma Anderson	EA	LLEP Board of Directors	
Sonia Baigent	SB	LLEP Board of Directors	
Ajmer Kaur Mahal	AKM	LLEP Board of Directors	
Dr Nik Kotecha OBE	NK	LLEP Board of Directors	
Neil McGhee	NM	LLEP Board of Directors	
Cllr Terry Richardson	TR	LLEP Board of Directors	
Officers			
Fiona Baker	FB	LLEP	
Cathy Martin	CM	LLEP	
Stuart McAvoy	SM	Leicester City Council – Accountable Body	
Helen Miller	HM	LLEP	
Mandip Rai	MR	LLEP Chief Executive	
Advisors			
Jaqueline Moody	JM	Cities and Local Growth Unit (CLGU)	
Peter Sutton	PS	Cities and Local Growth Unit (CLGU)	

Minute**Action**

1.	Election of Chair	
1.1	AGREED that AR be elected Chair of the Panel.	
2.	Welcome and Apologies	
2.1	AR welcomed those present to the meeting.	
2.2	There were no apologies for absence.	
3.	Declarations of Interest	
3.1	NM declared that he had a business relationship with Mike Kapur, Chairman of the National Space Centre. In view of this, NM advised that he would not vote on the Project Change Request from the National Space Centre to be considered at this meeting.	
4.	Terms of Reference	
4.1	It was noted that the Panel's Terms of Reference currently contained no specific reference to operational matters that had been delegated to it, such as Project Change Requests or the Panel's role in Local Growth fund reporting. The suggestion was made that these should be included.	
4.2	MR advised that a further potential area of work for the Panel could be monitoring of applications for funding from the Getting Building Fund, but directions from government on how this fund would operate were still awaited. Scrutiny of programme performance also was a potential area of work, although it was recognised that the main responsibility for this lay with the Board of Directors.	
4.3	It also was suggested that the Terms of Reference should be amended to reflect that the Panel's the quorum for meetings should be three members who were non-executive directors.	
4.4	The Panel expressed the hope that the Board of Directors would accept this Panel's detailed discussions on matters within its remit and not repeat those discussions at Board meetings.	
4.5	<p>It was AGREED that the Board of Directors be asked to amend the terms of reference for the Investment Panel to reflect:</p> <ul style="list-style-type: none"> a) more detail of this Panel's operational role, including, but not exclusively, making recommendations on project change requests and its role in monitoring and delivery of LLEP investment programmes and services; and b) that the quorum for meetings of this Panel should be three members who are non-executive directors. 	<p style="text-align: right;">MR</p> <p style="text-align: right;">MR</p>

Minute**Action**

<p>5.</p> <p>5.1</p>	<p>Membership of the Panel</p> <p>AGREED that the membership of the Investment Panel be noted.</p>	
<p>6.</p> <p>6.1</p> <p>6.2</p>	<p>Dates of Panel Meetings 2020 - 2021</p> <p>HM drew attention to the fact that, although the Panel’s Terms of Reference, stated that meetings of this Panel should be bi-monthly, the dates of those meetings needed to be appropriate to enable the Panel to fulfil its function within government timescales. For this reason, the proposed dates of meetings were provisional and would be confirmed in due course.</p> <p>It was AGREED that meetings of this Panel provisionally be held at 3.00 pm on Tuesday 3 November 2020, Tuesday 5 January 2021 and Tuesday 2 March 2021, these dates to be confirmed or revised as the Panel’s work programme is clarified.</p>	<p>All to note/ HM</p>
<p>7.</p> <p>7.1</p> <p>7.2</p> <p>7.3</p> <p>7.4</p> <p>7.5</p>	<p>Project Change Request – National Space Centre: Vision 2025</p> <p>CM introduced a report seeking approval from the Panel to the Project Change Request for Local Growth Fund (LGF) Project LG18 – National Space Centre: Vision 2025.</p> <p>CM advised that six months were left in which to claim remaining LGF funding. Five of the projects approved for this funding were on target, but this project had been financially impacted by Covid-19. If it was decided to not support, or only partially support, the Project Change Request from the Space Centre, consideration could be given to whether any funding remaining in the LGF as a result could be reallocated to any of the other projects in receipt of LGF funding. Although it should be noted that there was limited time to do this.</p> <p>MR advised that there were restrictions in the LGF process regarding what funding could be reallocated to. Completed projects could not be considered for additional funding, so at present only the other five projects still in progress could be considered for any reallocation of funds and approval would depend on whether additional outputs could be evidenced.</p> <p>It was noted that although the overall cost of the project had been reduced, the previously agreed level of LGF funding was still being requested. As other funding sources had been reallocated to help the Space Centre weather the impact of COVID, this increased the proportion of the project to be funded through the LGF to approximately 25% of the project cost.</p> <p>A question was raised about the project’s finance plan and it was questioned whether all funders provided 25% of their contribution at the same time. However, CM advised that with LGF schemes all funding could be claimed at the start of the project and match funding from other sources was reported separately. In this case, some funding was not in place at the start of the project,</p>	

Minute**Action**

so other funding was sought as it progressed. It was not known if the LLEP Board was aware of this when approving the original request for LGF funding. In all cases, claims were assessed as part of the monitoring done for each project and records kept of match-funding obtained. This information also was included on the data returns that would be submitted quarterly to the Panel (previously Programme Board) before onward transmission to the government.

- 7.6 In reply, CM noted that other funding bodies were still committing funds to the Space Centre, but these were focussed on sustaining the business during the Covid-19 lockdown. As a result, less funding was available for this project, but the project was seen as integral to the Space Centre's expansion plans. In addition, five of the originally forecast 20 jobs had been created, but a conversation could be held with the Space Centre to determine what jobs it anticipated would be created over the life of the project.
- 7.7 In response to a question on deliverability, CM confirmed that the Space Centre was confident that, with the proposed rescoping of the project, full expenditure could be achieved by the end of the current financial year.
- 7.8 The Panel questioned how certain the Space Centre could be that the project would generate the level of income asserted, particularly with the focus of the project having changed. CM undertook to discuss this with the Centre.
- 7.9 Some concern was expressed that the project only referred to providing opportunities for disadvantaged children. This excluded children who were not classed as disadvantaged, but who were from families without the resources to use the Space Centre's facilities. CM explained that the Space Centre already provided a variety of programmes and workshops for people of all ages. The work proposed through this project would be specifically tailored for disadvantaged children and would be in addition to, not instead of, the programmes and workshops already provided.
- 7.10 Concern also was expressed that there should be a condition placed on the LGF funding that required staff to be retained for a minimum period following receipt of that funding. CM advised that the staff jobs currently were at risk, so by continuing the project, 32 members of staff would continue to be employed and it was intended that those posts would remain permanent at the end of the project. The Panel expressed reservations that this was not more definite, but it was recognised that it was very difficult to give absolute assurances.
- 7.11 CM advised the Panel that the jobs it was anticipated would be created through this project were in a range of areas, such as in the café, running exhibitions and in technical areas.
- 7.12 The Panel questioned whether a thorough financial assessment had been undertaken of the likelihood of the Space Centre continuing to operate, particularly in view of the reduction in visitor numbers and income as a result of the Covid-19 pandemic. CM advised that this had not been done but could be

Minute

Action

	<p>Change Requests include full information on the rationale for recommendations made in relation to changes requested, this information to include financial information sufficient to enable the Panel to give full scrutiny to organisations and projects;</p> <p>3. That officers undertake a programme of training to help new and existing Board members understand the processes and monitoring requirements of the different LLEP investment strands;</p> <p>4. That the Board of Directors be asked to provide guidance to the Investment Panel on the risk policy to be followed, including the approach to be taken when a company is in financial difficulty and when it is appropriate to continue funding a company in such a position, and the level of delegation of the operation of the risk policy to this Panel; and</p> <p>5. That when preparing future reports for consideration by the Investment Panel, officers take account of the level of scrutiny that this Panel will give to such reports.</p> <p><i>In view of his declaration of interest, (see minute 3 above), NM did not vote on this item.</i></p>	<p>HM / MR</p> <p>Board of Directors / MR</p> <p>All</p>
<p>8.</p> <p>8.1</p> <p>8.2</p>	<p>Recovery Plan Investment Discussion</p> <p>FB gave a presentation on Recovery Plan Investment.</p> <p>FB advised that:</p> <ul style="list-style-type: none">• The recovery situation was still very fluid, so it was not possible at this stage to fully assess how the recovery was proceeding;• The partnership with the Department for Work and Pensions was continuing to develop the national programmes;• Experian had predicted that unemployment would peak at over 8%. In July 2020, job postings had been 29% lower than usual;• The level of house prices was a concern, as many people currently could not afford them;• A number of cross-cutting themes for recovery were starting to emerge, so it could be more appropriate to focus on these to shape action plans, rather than the list produced by the LIS Foundations. The Foundations' list contained similar issues, but the themes emerging were tailored for the local situation;• The LLEP Board had agreed at the June meeting to the repurposing of £1.6million of Growing places Funding , In terms of the LLEP reserves the August Board report had advised that there was a requirement for between	

Minute

Action

£900,000 - £1million be retained as a reserve, which would potentially release between £800 – 900,000 from the end of year forecast of £1.8million. The remainder could be added to discretionary funding to aid recovery. This gave a maximum total of approximately £2.5million potentially available for investment;

- A commissioning model for bespoke investment in a skills development fund could be considered. It was suggested that approximately £400,000-500,000 would be ideal for bespoke and targeted interventions;
- Expressions of interest already had been received for capital and revenue grants from the European Regional Development Fund (ERDF), even though these grants had not been launched yet;
- It was suggested that the investment in Flex D of up to £1.1 million could be considered., This had been part of the Getting Building Fund and was also in receipt of Business Rates pooling fund; and
- Place marketing was important to repair the reputational damage caused by the extended lockdown in Leicester.

8.3 MR stressed that this was a modest resource, so it was suggested that it should be focussed within a few themes. HM confirmed that these would be short to medium term projects, running from September 2020 – June 2021, with work on a separate long-term strategy shortly to be started.

8.4 It was suggested by NM that the arts were an area in which modest investment could benefit a large number of people, making this a potential area for recovery investment.

8.5 NM and TR considered the investment into Flex D could be supported via the private sector and it was noted that many grants were already available for district authorities to invest in infrastructure for electric vehicles. NM was keen to explore the investment in Green energy and low carbon, as part of a longer-term green recovery plan.

8.6 Many panel members were supportive of supporting businesses that had not already been in receipt of any funding. Many small businesses did not qualify for assistance under government schemes, so it was suggested that this funding could help such businesses, particularly if they employed other people. Small grants could be of significant assistance to these businesses.

8.7 HM advised that an allocation already existed to enable business investment of up to £3,000 in approximately 180 businesses, but demand for this was very high. As this was ERDF funding, very specific conditions were attached to it, but the LLEP could set its own criteria for similar levels of support from the recovery investment funding under discussion. There also was the potential for some additional ERDF support.

<u>Minute</u>		<u>Action</u>
8. 8	It was recognised that there was a need to ensure that the projects funded under these proposals tied in with other work, such as planning and development, to assist in helping shape the recovery. As the assistance would be for short – medium term projects, this could mean that the projects receiving assistance were less innovative. Care also should be taken to ensure that the recipients were also receiving the same assistance from elsewhere.	
8.9	<p>It was AGREED that</p> <ol style="list-style-type: none"> 1. This Panel supports the suggestion that the recovery investment funding discussed under this item focuses on short – medium term projects topping up projects relating to skills, businesses and reputational damage and green recovery; and 2. This Panel requests that the points raised in the discussion and recorded above are taken into consideration in establishing criteria for this assistance. 	<p style="text-align: center;">MR</p> <p style="text-align: center;">MR</p>
9.	Any Other Business	
	a) <u>Recording of Meetings</u>	
9.1	It was AGREED that future meetings of the Panel be recorded.	Democratic Support
	b) <u>Action Points from Meetings</u>	
9.2	It was AGREED that Democratic Support provide Action Points from future meetings within 48 hours of the meetings' closure.	Democratic Support
10.	Close of Meeting	
10.1	The meeting closed at 5.35 pm	