

**LLEP BOARD OF DIRECTORS**  
**Minutes of the Meeting – 22 April 2021**  
**(Microsoft Teams)**

**Attendance and Apologies:**

<b>Directors</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	
Lorraine Boorman	<b>LB</b>	Private Sector	
Verity Hancock	<b>VH</b>	Further Education	
Anne-Marie Hunt	<b>AH</b>	Private Sector	
Clare James	<b>CJ</b>	Private Sector	
Dr Nik Kotecha OBE	<b>NK</b>	Private Sector	
Ajmer Kaur Mahal	<b>AKM</b>	Private Sector	
Anil Majithia	<b>AM</b>	Private Sector	
Neil McGhee	<b>NM</b>	Private Sector	
Jaspal Singh Minhas	<b>JSM</b>	Private Sector	
Cllr Jonathan Morgan	<b>JM</b>	Leicestershire District Councils	
Cllr Danny Myers	<b>DM</b>	Leicester City Council	
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	
<b>In Attendance</b>			
Fiona Baker	<b>FB</b>	LLEP	
Sharif Chowdhury	<b>SC</b>	LLEP	
Jo Dexter	<b>JD</b>	BEIS / CLGU	
Alison Greenhill	<b>AG</b>	Leicester City Council	
Helen Miller	<b>HM</b>	LLEP	
Jacqui Moody	<b>JMo</b>	BEIS / CLGU	
Mandip Rai	<b>MR</b>	LLEP	
Andy Rose	<b>ARo</b>	LLEP	
Colin Sharpe	<b>CS</b>	Leicester City Council	
<b>Apologies</b>			
Chas Bishop	<b>CB</b>	Private Sector	

**Minute****Action**

<p><b>1.</b></p> <p>1.1</p> <p>1.2</p>	<p><b><u>Welcome and Apologies</u></b></p> <p>KH welcomed all present to the meeting.</p> <p>An apology for absence from CB was noted as above.</p>	
<p><b>2.</b></p> <p>2.1</p> <p>2.2</p>	<p><b><u>Declarations of Interest</u></b></p> <p>NK declared an interest in Item 8 – ‘CEO Report’ relating to the progression of the Freeport, as a member of the Manchester Airports Group (MAG), which owns East Midlands Airport.</p> <p>CJ declared an interest in Item 8 – ‘CEO Report’ relating to the progression of the Freeport, as Managing Director of East Midlands Airport.</p>	
<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>3.7</p> <p>3.8</p> <p>3.9</p> <p>3.10</p> <p>3.11</p>	<p><b><u>Minutes and Actions LLEP Board of Directors Meeting Held on 11 February 2021</u></b></p> <p>The Minutes of the Meeting of the Board of Directors held on 11 February 2021 were agreed as a correct record.</p> <p>Updates on Actions which were not covered in the papers to be submitted as subsequent agenda items were noted as follows:</p> <p><u>Investment Decisions</u> (Minute 3.4 refers)</p> <p>MR confirmed that in accordance with the action, a meeting of interested parties had been convened at which the viability of projects was considered. It was agreed that a matrix explaining the risks and options would be submitted to future Investment Panel and Board meetings.</p> <p><u>Investment Panel Recommendations</u> (Minute 4.6 refers)</p> <p>In respect of the MIRA EZ, it was confirmed that following approval of delegated authority to the CEO and S151 Officer of the Accountable Body, the Historical Business Rates Enterprise Zone Investment had been finalised, together with the repurposed Growing Places Fund Place Marketing proposal.</p> <p><u>Governance and Scrutiny</u> (Minute 5.3 refers)</p> <p>MR confirmed that the issues raised concerning the Terms of Reference (ToR) and membership of the Scrutiny Committee had been included and the establishment of the Committee could now commence. Specific wording of the ToR would be submitted to the inaugural meeting once members had been confirmed.</p> <p><u>Operating Model Review/Effectiveness/Role of Board</u> (Minutes 7.3, 8.6 and 13.3 refer)</p> <p>Directors had contacted the Chief Executive to arrange consultation meetings and it was also reported that the issues concerning Board effectiveness had recently been referred to appointed consultants.</p> <p>It was noted that the issues arising from the government’s LEP Review and the update on the Operating Model Review would be reported at subsequent agenda items with</p>	<p><b>MR</b></p> <p><b>MR</b></p>

Minute		Action
	those actions arising from the previous meeting being considered in conjunction with those updates	
4.	<p data-bbox="276 248 659 273"><b><u>Results of Written Procedures</u></b></p> <p data-bbox="276 320 1302 488">4.1 MR submitted the paper prepared by Democratic Support, which confirmed the decision made by Written procedures in relation to Haywood Estates GPF loan and the reduction in loan repayments to enable works to progress sales. It was confirmed that following the decision, it was expected that a payment to the LEP would be made shortly.</p> <p data-bbox="276 535 1027 560">4.2 AGREED: to note the decision made under Written procedures.</p>	
5.	<p data-bbox="276 607 427 631"><b><u>CEO Report</u></b></p> <p data-bbox="276 678 1313 741">5.1 MR submitted a paper, which provided updates on LLEP matters that were not included separately elsewhere on the agenda.</p> <p data-bbox="276 788 954 813">5.2 The update included information on the following topics:</p> <ul data-bbox="328 860 863 1189" style="list-style-type: none"> <li>• Annual performance Review (APR)</li> <li>• Norton Motorcycles</li> <li>• East Midlands Freeport</li> <li>• Economic Recovery Strategy</li> <li>• Delivery Plan 2020/21</li> <li>• Annual Report / Annual Meeting 2020/21</li> <li>• Innovation Board</li> <li>• Business Gateway</li> <li>• Skills Advisory panel</li> </ul> <p data-bbox="276 1223 1286 1384">5.3 In respect of Norton Motorcycles, CS provided an update from the Accountable Body position and referred to decisions pending on the liquidation of the company. It was noted that a Bankruptcy Hearing would be held in May 2021 and the LLEP's position would become clearer from any decision at that time. This would include the issues concerning the first claims of various other creditors.</p> <p data-bbox="276 1433 1291 1594">5.4 In response to questions the implications for the debt and the value of the claim were confirmed and clarified, together with the LLEP's likely positioning as a creditor to the liquidated company. Issues concerning personal claims against the company owner were discussed and it was recognised that the issue had become more complex with the inclusion of claims concerning pension implications.</p> <p data-bbox="276 1644 1291 1776">5.5 In respect of the Freeport, it was noted that since publication of the paper, further governance arrangements had been agreed, with Leicestershire County Council being appointed as the lead authority. The next stages of the progress would therefore be undertaken by the County Council.</p> <p data-bbox="276 1825 1291 1919">5.6 DM commented on the need to ensure that the implications and effect on the City's economy were considered and monitored and asked what representation on the East Midlands Freeport Board could be expected.</p> <p data-bbox="276 1968 1267 2022">5.7 NR commented, in response, on the recent meetings with the consultants Ernst and Young, where membership had been considered, currently involving the main</p>	

<u>Minute</u>		<u>Action</u>
5.8	<p>interested local authority parties alongside the County Council, including North West Leicestershire DC, Rushcliffe BC, South Derbyshire DC, Notts CC, and Derbs CC.</p> <p>It was explained that the City Council would not have a representative on the EM Freeport Board and that influence would be maintained at Officer level, having regard to the issues affecting the County being largely the same to those affecting the City.</p> <p>NR also commented on the ambitions of the Freeport and the need to ensure that the Government's drive towards the 'green economy' were adhered to. It was envisaged that the Freeport would encourage aspirational developments and projects, including innovative redevelopment of the former power station site.</p> <p>AM commented on the need to ensure that future governance arrangements of the Freeport included the LLEP, however it was recognised that currently there would be no nomination on the Freeport Board.</p> <p>AGREED to note the updates.</p>	
6.	<p><b><u>Company Accounts 2020/21</u></b></p> <p>MR submitted report. seek board approval of the Company accounts 2020/21 for submission to Companies House. KH explained that dormancy status of the company and the submission of dormant accounts complied with the Companies Act.</p> <p>AG provided an update on the preparation of the accounts prior to the proposed Annual General Meeting of the Company.</p> <p>AGREED to:</p> <ol style="list-style-type: none"> <li>1) approve the Leicester and Leicestershire Enterprise Partnership Ltd. Company accounts 2020/21 for submission to Companies House and;</li> <li>2) present to company members at the Annual General Meeting (AGM).</li> </ol>	
7.	<p><b><u>Operating Budget 2021/22</u></b></p> <p>MR submitted a paper, which sought approval of the operational budget for the financial year 2021/22.</p> <p>It was reported that the proposed deficit was significant but could be managed using reserves, including the £73k surplus added to the reserves in 2020/21. The issues concerning income from EZ business rates agreements were highlighted.</p> <p>NR referred to the content of the report and attachments and asked the accountable body to clarify the position concerning the core costs and deficit.</p> <p>In noting the concerns, AG commented that the position was not helped by the annual Government decision on LEP financial support and the piecemeal nature in which income was received. It was accepted that structural changes to the LLEP's operation would be necessary and would be considered at a later item on the agenda. The Accountable Body remained content on the matter, however the implications on staff retention/redundancies were noted, it being confirmed that a number of staff are employed on fixed term contracts.</p>	

<u>Minute</u>		<u>Action</u>
7.5	MR commented on the recently published Delivery Plan which included the implications of the income from Government and the support to the Enterprise Advisor Network (EAN), to ensure that the structure and capacity was in place to be sustainable and met Government expectations.	
7.6	NM commented that the links to the delivery plan should be explained in more detail in future versions of the Operational Budget, as currently the relationship was vague. This view was accepted for future reporting.	
7.8	LB commented on the nature of the income received from the EZs and in response MR clarified the position concerning business rates uplift, noting that the Waterside EZ had not yet generated any rates.	
7.9	In reference to the deficit, KH referred to the nature of the LLEP's operation and that it should not be compared to a normal private business, although its income was unknown the sustainability was evident from the level of reserves. Comments concerning the potential need to reorganise were reiterated and noted.	
7.10	The difficulties in preparing budgets and financial plans with such a lack of clarity and understanding from Government were debated and the issues concerning the position on LEP's was raised.	
	AGREED that the operational budget for 2021/22 be approved.	
<b>8.</b>	<p><b><u>Investment Panel Recommendation</u></b></p> <p><i>The paper for the item was marked NOT FOR PUBLICATION by virtue of paragraph 3 as defined at Annex 7 of the Local Assurance Framework.</i></p>	
8.1	AR, as Chair of the Investment panel, submitted a paper, which outlined the key outcomes of the meeting of the Investment Panel on 11 March 2021.	
8.2	HM referred to the considerable work undertaken to ensure due diligence in bringing forward the recommendations.	
8.3	<p>AGREED that:</p> <ol style="list-style-type: none"> <li>1) the key outcomes of the meeting of the Investment Panel on 11 March 2021 be noted;</li> <li>2) in respect of the Growing Places Fund Broadnook proposal: <ol style="list-style-type: none"> <li>a) the comments of the Panel be noted;</li> <li>b) the proposed draft Head of Terms developed in response to suggestions/issues raised by the Panel be noted; and</li> <li>c) the recommendation for the Broadnook loan for £4m, with authority delegated to the LLEP Chief Executive and Section 151 officer to finalise due diligence and legal matters be approved.</li> </ol> </li> </ol>	
<b>9.</b>	<p><b><u>LEP Review</u></b></p>	
9.1	MR submitted a report, which provided an update on the government led review of LEPs.	

Minute		Action
9.2	It was noted that the issue had been referenced throughout the meeting in other items. It was clarified and confirmed that an announcement would be made before the Governments summer recess in July.	
9.3	It was noted that the Terms of Reference for the review had been or agreed by BEIS, Secretary of State and Paul Scully will be the Minister to lead the review in collaboration with LEP Network.	
9.4	The Terms of Reference and focus of the review were described in the report and noted with concern. MR confirmed that Directors had been informed of progress separately in recent email communications. Meetings had been held between government officials and the LEP Network to ensure a coordinated approach and response.	
9.5	KH commented on debates at LEP Chairs meetings and advised of liaison with other LEP CEOs.	
9.6	AGREED that the update be noted.	
<b>10.</b>	<b><u>Operating Model Review</u></b>	
10.1	MR submitted a report, which provided an update regarding the LLEP Operating Model Review.	
10.2	The 'SWOT' analysis submitted within the report was particularly referenced and the retention of the Operating Model Sub-group/review group was welcomed. It was noted that an action plan would be established to agree key short-term actions.	
10.3	NR expressed concern at the lack of information concerning the Government's position on LEPs as reported in the previous item and advised that he could not support any definite approval of the review, with the current uncertainties and the report having not been presented.	
10.4	KH accepted the comments and advised that on reflection the Board should maintain a position of agreeing an operating model to effectively move forward.	
10.5	AG reminded Board of the accountable body's position on short to medium term planning and advised that the recommendations could be supported.	
10.6	AGREED: <ol style="list-style-type: none"> <li>1) that the initial actions proposed at this stage as a result of the LLEP Operating Model Review be noted; and</li> <li>2) to progress actions to strengthen governance and accountability and consider future options once the governments review is concluded.</li> </ol>	<b>MR</b>
<b>11.</b>	<b><u>Any Other Business</u></b>	
11.1	It was reported that Helen Miller had resigned and would be leaving the LLEP shortly to take up a role in Northamptonshire.	
11.2	Directors expressed their thanks and appreciation to Helen for her considerable efforts in supporting the work of the LLEP in recent years.	

**Minute****Action**

11.3	It was also noted that the LLEP's governance would no longer be supported by the City Council, as the work had been taken in-house. The new Governance Officer, Sharif Chowdhury was introduced to the Board. Jason Tyler, Democratic Support Officer, was thanked for his work in supporting the LLEP over previous years.	
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