

**LEP Company Executive Board Meeting
via MS Teams conference call
Thursday 18 March 2021
Final Minutes**

Board Directors

Alun Rogers (Chair)	risual
James Leavesley (Vice Chair)	Leavesley Group
Mohammed Ahmed	Homeserve
Hannah Ault	Valentine Clays
Sinéad Butters	Aspire Housing Ltd
Caroline Brown	Caja Group
Emma Catterall	Camping & Caravanning Club
Prof. Martin Jones	Alternate for Prof. Liz Barnes, University of Staffordshire
Prof. Trevor McMillan	Vice-Chancellor, University of Keele
Sara Williams	Staffordshire Chambers of Commerce
Cllr Abi Brown	Leader, Stoke-on-Trent City Council
Cllr Patrick Farrington	Leader, Stafford Borough Council
Cllr Jeremy Oates	Portfolio Holder Heritage & Growth, Tamworth Borough Council
Cllr Sybil Ralphs	(Alternate) Leader, Staffordshire Moorlands District Council
Cllr Alan White	Leader, Staffordshire County Council

Advisory/Secretariat

Simon Ablewhite	SSLEP Accountable Body
Mark Parkinson	SSLEP Chief Executive
Sam Hicks	SSLEP Strategy & Research/LIS Lead
Jo Kemp	SSLEP Secretariat/Business Engagement Officer
Lucy Sefton	SSLEP Secretariat/Governance and Project

In Attendance

Andrea Whitworth	Assistant Director, Cities & Local Growth Unit
Clare Hannah	Area Lead, Cities and Local Growth Representative
Jon Rouse	City Director, Stoke-on-Trent City Council
Phil Creswell	Director of Place Growth and Prosperity, Stoke-on-Trent City Council
Matt Chadburn	Strategic Manager; Finance and Commercial Finance, Strategy & Resources, Stoke-on-Trent City Council
Tim Clegg	CEO, Stafford Borough Council

Apologies

Cllr Simon Tagg
Prof. Liz Barnes
Cllr George Allen

Leader, Newcastle-under-Lyme Borough Council
Vice-Chancellor, University of Staffordshire
Deputy Leader, East Staffordshire Borough Council

1. Introductions

The Chair welcomed everyone to the meeting.

SA (151 Officer) confirmed that the meeting was quorate.

2. Apologies

These were noted, above.

3. Declarations of Interest

AB, PC, JR & MC – Stoke-on-Trent City Council re: Item 7 & 8
JL - St. Modwen interest at CVEZ re: Item 7 & 8

4. Notes of the previous meeting and matters arising

Minutes were agreed as an accurate record.

5. Chair's Update and Delegated Decisions

The Chair informed the Board of his activity with the following this month:

- HS2 Ltd Local Business Roundtable
- Budget 2021 Comms
- CEO Recruitment panels w/c 22nd February
- CEO and Leader 1 to 1's
- LEP Chairs: West Midlands & ME9
- LEP Peer Review c/o LEP Network
- Stoke-on-Trent CC Prospectus Launch

The CEO provided an update on activity since the last meeting - attendance at a variety of internal networking and consultation events including:

- Countywide Redundancy Task Force
- Economy & Prosperity Recovery Meeting
- Growth Deal and Economic Growth District Directors
- Transforming City Fund Programme Board
- Kidsgrove Town Deal Board
- Business Crime Strategy Implementation
- Panel for Assistant Director Strategy, Workforce & Communications (Stoke-on-Trent City Council)
- Restart Prime Providers – SAP
- River Trent Partnership – Environmental Agency

6. Budget 2021, HM Treasury policy - Build Back Better: Our Plan for Growth

SH was invited to provide the Board with an overview regarding the shift from BEIS's LIS to HMT's Build Back Better.

- DFE will support apprenticeships £3k new incentive for each apprentice taken on (all ages)

3 pillars of growth are:

- Infrastructure – Capital spending for broadband, roads, rail and cities; Levelling-Up plus UKSPF funds to regenerate struggling towns; funding for projects under the Ten Point Plan for a Green Industrial Revolution; investment and advice on public/private projects to accelerate progress to net zero.
- Innovation - financing for start-up & scale-up; talent attraction for highly skilled immigrants; support for SMEs - management & Digital
- Skills – reforming technical education; lifetime skills & Skills Bootcamps; apprenticeship levy flexibility.

Plans also include further detail for:

- 'one... globally competitive City' ... per region (details unknown as yet).
- Centres of excellence to improve jobs access through digital and transport connectivity
- Freeports (1st of 8 announced thus far).
- Transition to net zero
- Support for a vision of Global Britain

Strategy development timescales are intended as:

- Within 3 months - Heat & Building, Industrial Decarbonisation, Integrated Rail (Midlands & North).
- Within 6 months - Hydrogen, Innovation, R&D, Transport Decarbonisation
- Within 12 months - Devolution & Local Recovery, Digital, Net Zero, Sector Visions

AW commented on the end of the LIS, that the Government is clear that industrial policy remains a priority. They refer to this as a transition from the LIS to the new framework, reacting to new challenges. Existing sector deals will continue. BEIS will support Build Back Better (BBB). The Industrial Strategy Council is to be stood down, but the BBB council has been convened. CLGU is still in place as a MHCLG & BEIS collaboration. MHCLG own the Levelling Up fund but CLGU will continue act as delivery arm. Local figures have not been announced

A LEP Comms campaign update was supplied by AR, with focus on a Lockdown Exit Campaign & raising the LEP's position as central to business support.

- A 'Supporting Business Out of Lockdown' survey is being launched.
- Future comms strategy is intended to have a consistent rhythm, with timely communications, with one voice across Stoke-on-Trent & Staffordshire

7. Ceramic Valley Enterprise Zone Pt.1 *Commercially Confidential*

MP introduced Items 7 & 8 of the Agenda & reiterated the LEP Conflicts of interest. Assurance Framework extracts were shown.

AR suggested that after the discussion, during which all will be present, conflicted members should leave the meeting during item 8.

Board comments & approval was sought & agreed, including that of Stoke-on-Trent City Council Officers, as the conflicted parties & the S151 Officer. JL will also leave the meeting at decision time

AB provided a quick recap of the CVEZ project, with which the LEP had been involved at the outset 6 years previously, under David Cameron's Premiership. Board support was given in 2015 & the EZ legal status was confirmed in 2016, as a partnership with the LEP & LA's. Its success thus far is down to all involved. Stoke-on-Trent has one of the best EZs in the country. There is a good relationship with the developers too. Some of these brownfield sites had previously sat empty for 40 years. Business Rate Discounts (BRD) is a big deal for both developers & occupiers - most occupiers have moved from homeworking into units, BRD helped make the difference. There has been a high take up. The City's Covid Vaccination centre is currently occupying one of the units & it is hoped that all the units would be occupied soon after that centre has gone.

BRD ends on 31/03/21. Gap funding & additional funding has helped. No further Government support can be obtained, although there have been numerous ministerial visits & AW has been a huge support.

Matthew Chadburn (Strategic Manager; Finance and Commercial Finance, Strategy & Resources, Stoke-on-Trent City Council) was introduced to provide further details to the Board.

- Business Rate Retention scheme is not to be confused with BRD which is offered to tenants
- Stoke-On-Trent City Council is the accountable body for the CVEZ.
- Use of Business Rates - Enterprise zones may require pump-prime investment to kick-start take-up and growth. Until sufficient uplift is generated, this investment (i.e. Etruria Value Link Road) is required to be funded by partners. Following LEP approval of such investments, expenditure by the investing partner is recouped through the business rates uplift
- The forecast for 2019- 20 (pre pandemic) was that a surplus would be reached by 2026. The existing BRD lasted from 2016 - 21 to encourage growth. The discount was up to £55k p/a, but no further government funding has been forthcoming.
- The CVEZ Project Board therefore propose that any new occupants from April 2021 to March 2026 receive up to £60k p/a discount. No retail businesses will be eligible.
- The expected benefits from filling the units with this incentive are to attract approximately 65 new businesses & unlock 2750 jobs, with GVA of £20m outweighing costs of £3.4m
- However, surplus will be delayed until c.2028.
- Risk of displacement - <18% of SME occupants have moved from elsewhere in the city thus far. This is considered low & displacement is not always negative, as vacated units can be backfilled. Displacement is preferable to SMEs moving outside of the city.
- No onus on the LEP to make similar offers to other areas - each EZ is unique & assessed on its own merits.

2 main proposals:

1. That the Board approve the implementation of a locally funded BRD scheme at a cost of £3.4, noting the economic benefits.
2. That the Board approve that the increased costs of EVLR be recouped through the business rates uplift by Stoke-on-Trent City Council.

The 3rd item being;

3. That the Board approve the revised Strategic Implementation Plan (SIP)

AR invited any questions before moving onto Agenda item 8.

MJ asked about 'We have calculated the number of net additional jobs expected and then monetised these using a GVA of £47,000 per job' (per page 24 of pre-Board papers) - What's the cost of getting there?

MC advised that a green book approach had been used, based on units & take up to a £20m figure, then the cost = £3.4 m discount given. He later added via the online chat – "The average 'cost' on a per job basis would be roughly £8k, this would be differ depending on the rates charge for each business and also the number of jobs per that same business".

(Cllr JO made apologies & departed @ 5pm).

8. Ceramic Valley Enterprise Zone Pt.2 *Commercially Confidential*

JL to talked through technical detail from SPMG viewpoint, based on the report & all documents as presented by MC tonight.

EZs are given to areas of the UK where commerce doesn't naturally go, so is of great importance. Occupational costs are drivers & seeing what has happened has been great. However, the economy has stalled things, without this problem there would be more take up & less 'ask' now. A decent infrastructure is key for attracting occupants.

SPMG has already asked why not retail? Where have costs come from? They are therefore happy that all has been well explained to them. They have debated heavily & are satisfied with their questions & the answers supplied. Therefore, the suggestion to the LEP Board is that the 3-point plan is decided upon.

AR invited any questions for JL.

TM enquired;

- i. about any potential match funding issue for EVLR – are there any concerns it might not be signed off & we default on that funding
 - ii. When does an EZ stop being one?
 - iii. Does the EZ provides an unfair advantage to the city & EZ areas.
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- i. SA confirmed that it is Local Growth Deal money so there were no match funding conditions.
 - ii. AB confirmed that EZ status ends after 25 years.
 - iii. JL countered that this will always be the case with an EZ due to the benefit offered.

AW added that ECA continues for longer. She will confirm, but each site can have either a BRD or Capital Allowance Scheme, not both. EVV site has Capital allowance.

SB assured the Board that SPMG had spent a great deal of time on this issue, understanding the complexities & risk mitigation. The choice seemed to be to protect the EZ as risk mitigation, as if not cleared it might not go ahead at all.

AR asked relevant people to leave. It was suggested that remaining Board members do not voice their responses in the online chat facility, to retain anonymity.

1. No opinions to contrary - supported
2. Ditto
3. Ditto

Decision - All 3 items were carried.

TM expressed thanks to SPMG for their level of scrutiny, which gives confidence to the rest of the Board.

AR readmitted the parties who had left the meeting. Thanks were expressed to all for making it a comprehensive conversation & decision.

9. Strategic Programme Management Group:

Project updates were given for the Local Growth Fund (LGF) and Getting Building Fund (GBF)

LGF: The project list for was shown. Some projects were subject to reallocation of funds, CELR had been moved to Green. Blythe Bridge had been moved to Amber, with the possibility of £1.25m back if this fails to contact in time. Reserve projects can adopt & absorb this. If SPMG feel any schemes are not fitting, then the catch-all is i54.

GBF: - reserve projects have received consideration as the Four Ashes scheme has been withdrawn. SPMG will review the contingency list, but GBF project changes require CLGU/BEIS/MHCLG approval. The Drakelow scheme submission has gone to D2N2 LEP. We need to ensure we receive press coverage to highlight our part.

10. Annual Performance Review & LEP Peer Review

CH appraised the Board that there were no issues from BEIS with February's APR.

AR advised that the Peer Review with Cumbria LEP occurred on 9th March.

Key discussion areas for us with Cumbria had been around their Start-ups, GBF & airport. The upshot was that SSLEP had found it interesting & felt confident at the review's conclusion.

MP added that Cumbria LEP is perceived as one of the higher performing LEPs in the North West. They had been particularly impressed with our approach to innovation and deal concepts with the anchor institutions (e.g. Keele Deal).

11. Annual Report 2020/21, Delivery Plan and LEP Budget 2021/22

MP updated the Board – this year's Delivery Plan is in progress, along with the with Annual Report. Q4 outputs will be required for completion of the latter.

The LEP Budget will be brought to the next meeting.

12. LEP Chief Executive Recruitment

MP left the meeting whilst AR advised the Board about the successful candidate.

AR thanked the Board members who were involved on both the stakeholder & final interview panels. Anne Boyd is the successful candidate. Her employer references were received back today & the formal job offer was issued, with a suggested start date of 01/04/21. SA confirmed that she has, this afternoon, accepted the post & commencement date.

MP returned to the meeting - AR thanked him for all his hard work, commitment & support in the past 10 months & his grace during this recruitment process.

13. Forward Plan

MP informed the Board that there is abundance of material to pick from for April & May's Board meetings, including:-

- The Annual Reports & Delivery plan will need signing off in due course.
- Future High Street/Towns Funds - Kidsgrove town board; Cllr Simon Tagg & Simon McEneny (N-U-L BC), plus Cllr Patrick Farrington (Stafford BC) could report on their successful bids.
- Other items are on the Agenda, under Forward Plan.

14. AOB

AR reminded the Board that it was Andrea Whitworth's last Board meeting, conveying thanks for the great support she has been for our LEP. This was re-iterated & echoed by many others verbally & via the online chat facility.

AW coyly extended her thanks for the comments.

AB – informed the Board that the company 'Capital & Centric' from the North West have been brought to Stoke-on-Trent, to help champion the area. Tim Heatley is their lead contact.

AR invited AW to close the meeting, which she did with charm & refinement.

Date of Next Meeting: Thursday 15th April 2021 @ 4pm

Location: Via MS Teams.