

**LEP Company Executive Board Meeting
via MS Teams conference call
Thursday 17th June 2021
Final Minutes**

Board Directors

Alun Rogers (Chair)	risual
James Leavesley (Vice Chair)	Leavesley Group
Mohammed Ahmed	Homeserve
Hannah Ault	Valentine Clays
Prof. Liz Barnes	Vice-Chancellor, University of Staffordshire
Caroline Brown	Caja Group
Prof. Trevor McMillan	Vice-Chancellor, University of Keele
Sara Williams	Staffordshire Chambers of Commerce
Cllr Doug Pullen	(Alternate)
Cllr Simon Tagg	Leader, Newcastle-under-Lyme Borough Council
Cllr Philip White	(Alternate) Deputy Leader, Staffordshire County Council

Advisory/Secretariat

Simon Ablewhite	SSLEP Accountable Body
Anne Boyd	SSLEP Chief Executive
Jo Kemp	SSLEP Business Engagement Officer
Sam Hicks	SSLEP Policy Officer

In Attendance

Clare Hannah	Area Lead, Cities and Local Growth Representative
Phil Creswell	Director of Place Growth and Prosperity, Stoke-on-Trent City Council
Martin Hamilton	Chief Executive, Newcastle -under-Lyme Borough Council
Nicola Kent	SSLEP Growth Hub
Craig Jordan	Lichfield District Council
Karen Tierney	Stafford Borough Council

Apologies

Emma Catterall	Camping & Caravanning Club
Cllr Jeremy Oates	Portfolio Holder Heritage & Growth, Tamworth Borough Council
Cllr Patrick Farrington	Leader, Stafford Borough Council
Cllr Abi Brown	Leader, Stoke-on-Trent City Council

1. Introductions

The Chair welcomed everyone to the meeting.

SA confirmed that the meeting was quorate.

2. Apologies

These were noted, as above.

3. Declarations of Interest

SW with regard to any potential discussion about Growth Hub/Chambers contracts.

4. Notes of the previous meeting and matters arising

Minutes were agreed as an accurate record, with the following comments:

- **SW** asked that vague comments are avoided in the minutes e.g. clarity, not comments like *“Regarding function there is already some agreement that LEPs will continue to have the following three functions:.....”* from the previous minutes. **AR** confirmed that functions had been signed off by officials and the Secretary of State.
- **TM** asked that now there are two AB that there is clarity attributed to whom specific comments were from (Anne Boyd or Abi Brown) JK confirmed that she adds ‘Cllr’ for the latter but hadn’t prepared last month’s minutes.

5. Chair’s Update and Delegated Decisions

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

- One to ones with Districts & Boroughs.
- West Midlands LEP chairs & ME9.
- LIS/LEP sub-group continued activity.
- Midlands Engine strategy - 5 sessions over 5 weeks.
- Weekly LEP CEO one to one.

Sinéad Butters had provided **AR** with her resignation from the Board. **AR & JL** expressed thanks to **Sinéad** for all she has done through the past 18 months, being a large part of SPMG & GBF.

This leaves 3 Board spaces, so a decision on recent recruitment activity is now key.

6. LEP review

Evolution - **AB** advised that the evolution of LEPs and the three key functions has been confirmed within Government.

Functions remain as the three key pillars, Strategy, Sector Development and Business Support. The detail within these 3 pillars is under development

Strategy – the LIS Council was disbanded in March as Government announced the new Plan For Growth within the Budget Speech. LIS is superseded by Plan for Growth (PfG) which builds upon the LIS foundation. LEPs will play a key role in delivering the Plan For Growth at a local level. Suggestion for sub-groups to assess fit with current work programmes.

Geography – AB is on the national geographical working group. The focus is on overlaps, and West Midlands LEPS have been cited specifically on this which obviously includes us. The early Government position is to ensure that LEP footprints are co-terminus with Mayoral Combined Authorities (MCA). There are 3 LEPS in the West Midlands which are not contained within the footprint of their MCA. LEP chairs have agreed to come together to attempt to reach a solution.

Relationships with local government is part of ongoing discussions. LEPs have emphasised the importance of continued close working relationships with Local Government.

Funding has not been announced yet, but the fact that the Plan for Growth is a Treasury-led Strategy should support future funding. There remains a clear message that LEPs won't be directly managing large scale infrastructure funds, which has historically been a key tool enabling the delivery of our strategy. However, the Shared Prosperity Fund (SPF) door is not closed to LEPs, so we await further news. LEPs remain accountable for ongoing management of existing funds and contractual deliverables.

8. Forward Plan & Budget

AB reinforced that proposals were not about defining the detail of future strategy, but about ensuring that we have a robust foundation, in line with our peers, to progress any future strategy. AB showed the Board a 'Preparing for Change 2021/22' slide deck, (detailing historic evolution, policy change, economic/social changes & organisational evolution), explaining that SSLEP adopted a different approach to its peers when additional capacity for staffing had been allocated in 2018. This has resulted in a modest team (4.3FTE) comparative to national counterparts (average 20FTE per LEP). Additional capacity will be key in supporting the Board to deliver its ambitions, given that all financial resources have been fully allocated.

Evolution of the LEPs has been ongoing since 2011. Initially voluntary partnerships with no public funding, being about advocacy & involving businesses to shape the future. By 2012-14 government used us to divest funds, hence strategy & funding, arrived with us. 2018 saw more robust accountability, Assurance Frameworks & funding (£500k) to provide additional staffing capacity to support the board on delivery of its strategic ambitions. To date there has been no discussion of reduction to this core funding.

SSLEP evolved differently, and we need to ensure that we have sufficient capacity to delivery moving forward. Looking to the future the right elements need to be in place for innovation, infrastructure, skills, 'Global Britain', net zero, 'Levelling-Up' & matching existing sub-groups to the new strategy areas. Government wants the future of business support to be free, accessible & consistent in quality, i.e. local programmes to tie in with a national directive, with direct leadership around Growth Hubs.

The ask of the Board is:

- Phase 1 - to approve phase 1 of the proposal, enabling us to progress cautiously whilst nationally things are unpicked.
- Budget approval for additional £53k on reserves, but with a phased draw-down.
- A Task & Finish group to oversee operational changes between Board meetings, to ensure that the Board are cited.
- Extend the Business Engagement role for 3 months (initial 18-month contract runs out on 05/07/21).

- Approve a commission for granular level insight/work to achieve a step-change in local insight and map current business support provision, to ensure that it meets current needs of business community (and risk assess against future change).
- Align marketing & Growth Hub to ensure leadership (SPMG to oversee governance of GH).
- Improve LEP governance of Growth Hub via SPMG

We need to maintain visibility during this period of change to secure ongoing confidence. The proposed plan to secure a strong foundation for the future has been shared with BEIS & LEP Network and has their support. **AR** added that changes are not looking to take over the Board strategy but is about being organised & getting on the front foot.

LB stated that the Board don't want to argue against it, but just want to point out that in future they are made aware of impacts sooner. Re: The £53k needed - what will it be spent on? What outputs have we had from the Business Engagement post? Caution was urged on recruiting staff too soon. Also, in respect of staff - if they're funded by LEP how are they seconded to it too?

AB pointed out that the £53k related to the budget accompanying the paper, which set out proposed expenditure and rationale. **AB** further highlighted that much of the expenditure was consistent with the original budget presented to the Board in April which included funding for the Business Engagement post which is due to expire in July. This post may not fit with any new structure and the immediate risk is the position's expiry on 5th July, given current workload and already limited human resource within the team. Staff are paid by the LEP but employed under varying contracts which needs to be sorted to ensure equity and efficiency. 3 are contracted via Chambers contracts; 2 are under Staffordshire CC but funded by LEP - thus fragmented & not standard practice. Most (other LEP staff) are employed through a single accountable body or similar.

LB agreed that these need tidying up in governance moving forward.

JL asked about budget papers on staffing costs, how is VAT charged to us? Is NI included too? Why are there high redundancy costs if people are on secondments?

AB explained that other LEPs managed to bypass this VAT issue on staff paid by partners. Simon Ablewhite is looking into this. The figures do include NI costs. Redundancy liability is very limited given length of service of existing contracts.

Cllr PW urged caution about relying on a new direction of travel. What's relevant now might not be relevant in Sept. A T&F group seems most feasible but should be formed from the most willing & engaged.

This was echoed by **HA** who suggested it starts with sub-group Chairs, as they have knowledge of the team, then any further Board members who wanted to join, with the suggestion of an immediate start to investigating the way forward.

TM also agreed with **PW**, asking what core skills are needed, as the LEP transitions from a commissioning body to one that enables delivery. If the LEP is the only entity covering Stoke & Staffordshire this gives them a strong role which no other organisation can match, which should influence the new roles.

Cllr ST concurred with these comments, agreeing that sub-group Chairs take things forward & he looks forward to working in alignment.

SW is happy to work on sorting out employment issues, which was an historic issue. However, the language around aligning marketing & direct leadership of Growth Hub (GH) needs clarity. Hopefully this will be further explained at an early stage.

AB added that Phase 1 is about tidying up what we already have, apart from insight resource a.s.a.p. Whoever becomes Chair of the T&F group should be able to explore in detail & appraise the Board of safety to proceed to Phase 2. The LEP has always had accountability for its GH, but the language & position from BEIS has strengthened the need to have direct leadership & governance. This isn't a proposed change its about compliance with contractual obligations for the LEP to manage its Growth Hub. For clarity the GH person in the proposal is the person already paid for & in situ. This is not coming from the LEP budget. The LEP is awarded £536k this year to cover delivery of its Growth Hub which needs to be overseen from an operational viewpoint as well as Governance.

SW was happy with the explanation that the implication isn't that the GH have not been compliant in its local delivery, it's now an understanding that its due to BEIS' position on GHs.

HA asked about the issue of aligning of marketing – is this more about bringing in support i.e. digital or comms support? The reporting mechanisms are in place, they perhaps only need formalising.

AB agreed yes & no. The CEO is accountable for the staff who currently don't report to the post, this clearly needs to be addressed to ensure effective oversight of operations and support of staff. There needs to be a golden thread between strategy and operations that link to individual workplans for the team, to ensure that they support the Board in delivering the strategy. **AR** agreed - it's about reporting lines being clear & managed to ensure accountability

Cllr DP suggested that ToR for the T&F group might give us some confidence about what we're agreeing to.

Various Board generally thanked **AB** for comprehensive presentation.

AR brought this item to conclusion by seeking agreement of Phase 1 as set out in the proposal and presentation

Motion carried.

It was then agreed that the T&F group would be from sub-group Chairs, plus Cllr PW. The group will create its ToR & elect its Chair in the first meeting.

Emergency CRF item:

AB introduced this item, which was not on the agenda, to ensure that Board are sighted on activity. A funding opportunity arose with short timetables requiring a quick turnaround for Community Renewal Fund (CRF). This could be a real opportunity to get behind the Net Zero agenda.

The Net Zero Clusters accelerator is a technical platform to assess business & help their ambition to reduce carbon footprint. The intention is to engage with local landowners to help carbon offset through increased understanding, enabling technology & then connecting with projects. The bids are via Staffordshire & Stoke-on-Trent Councils, done with the help of Sam Hicks & Hatch. LEP match funding is £46k; £16k of which comes from Zellar.

Questions were invited.

SW stated that whilst it was a good thing to deliver, it is a change of direction for the LEP to bid directly & should have been discussed at the last Board meeting, it being a product being used with LEP funding, when there is a myriad of products available.

HA supported the bid and felt that the potential support to the ceramics industry was good to see, especially for the British Ceramic Confederation.

9. SPMG update

JL raised the issue under delivery of a Growing Places Fund project - a property developer was paid for the construction of student's flats. They have paid interest on the loan but not repaid the loan itself. Guarantees are in place, but a £15k per quarter payment means 7 years to recover it. If we liquidate the company, we might not get anything back. This is the 2nd time the issue has come to Board. It is understood that the last few years have been tough & the feeling of the SPMG board was it is best to get paid slowly with interest, rather than risk nothing being received.

Good news re: GBF - Contingencies were in place, which have now been brought forward, due to monies coming back under the original allocation from 2 sources. 5 funds were on the contingency list, 4 of which were further reviewed (1 scored badly under a Hatch programme review & therefore was deemed not good enough to go into the reserves). As a result of this the LEP/MHCLG sent approval/offer letters this week.

Questions were asked about the governance of the first issue:-

LB stated that as a Board member it would have been worth this being captured via a report, due to the loss, albeit it is not JL's job to write such a report. **AB & AR** accepted this feedback & confirmed that a report will be created as an addendum to this meeting

TM queried if this the unpaid money under Growing Places Fund would it go under scrutiny?

SA advised that as a Growing Places Fund project it's a rolling investment fund, therefore the rolling balance will be reduced until repaid.

10. A&F Committee

MA detailed that the Risk Report does pick the above-mentioned risk up. The property has been on our radar as an amber risk. Perhaps we learn here to support JL/SPMG from a governance issue.

There are 2 new amber & 1 new red risks this month. The new red being business continuity under the LEP review. A&F feel more confident now, so it will be moved to amber, with the caveat that we must move more quickly when things approach red.

Ongoing red issue are:-

- LEP geography.
- City Deal Growth Deal (LGF) – we missed March 2021 outputs. We will hit anticipated outputs. The suggestion was a downgrade to amber as it's a long-range output.
- Drakelow – a meeting is to be held but is out of our LEP control. D2N2 take responsibility, so we need a clear oversight, which they are happy to provide.

CB confirmed that City Deal Growth Deal was discussed at length at A&F & we are comfortable with this. LEPs will continue to be accountable for decisions until 2025.

11. Social Values

SW thanked **EC & SH** for their work done on this report too. Social Value was discussed some months back & mapped into a charter. Attention was drawn to sector 6 recommendations in the pre-board papers, which is important for both public & private sector partners. It was suggested that we follow this in our procurement & bidding, using LEPs in a convening role to encourage other partners to encourage a consistency around SV statements. This will need to be added to the Risk Register & budget as changes to some decisions may be needed in the future.

JL commented that it was an excellent paper, asking if attention to what BCorp are doing in the US had been made.

SW stated that Staffordshire Chamber was 1st of 67 UK based BCorp organisations. The US version won't drive SV here, but the US model is only one of several. We need to develop a set of principles which can be judged.

AR asked if the Board were happy to adopt these SVs

Motion carried.

12. 2020/21 Annual Report

HA explained that this should be e-mailed out today, with a partner's pack put out for ease of promotion. Clare Abbotts & Social should be congratulated. This shakes things up compared to previous reports & the Board will hopefully be proud to promote & share. 'Page Tiger' has been used, to make it digitally engaging, links therein can be clicked on. It also includes the top 10 impacts over our 10 years; case studies for a localised element - all interactive so you can learn more. Please all help to promote & use **#SSLEPimpact** to spread on social media.

13. Forward Plan

LEP review will continue.

LB advised that a Skills Development report has been produced.

<https://www.stokestaffslep.org.uk/skilled-workforce/education-trust/skills-advisory-panel-board/>

We need to think about how we position that & drive elements forward. **AR** suggested this be brought to the next Board meeting, ahead of the summer recess.

14. AOB

LB - Sub-groups were mentioned in the CEO's presentation; identified as key for the move into the next part of the planned strategy, therefore Chairs would welcome more guidance about what the Board want their to focus be. These sub-group are floundering lately about priorities & focus, so Board should help determine this. **HA** agreed – the Growing Business sub-group is mostly private sector members, who can't keep spending time if our message is unclear.

AR offered thanks for the valuable contribution from all throughout.

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

Location: Via MS Teams.