

**LEP Company Executive Board Meeting
via MS Teams conference call
Thursday 17th February 2022
Draft Minutes**

Board Directors

Alun Rogers (Chair)	Chair, LEP Network
Mohammed Ahmed	Chief Executive, Ice Telecommunications
Hannah Ault	Chief Executive, Valentine Clays
Caroline Brown	Chief Executive, Caja Group
Emma Catterall	Chief Executive, Camping & Caravanning Club
Prof. Martin Jones	Vice-Chancellor, University of Staffordshire
Prof. Trevor McMillan	Vice-Chancellor, University of Keele
Sara Williams	Chief Executive, Staffordshire Chambers of Commerce
Cllr Abi Brown	Leader, Stoke-on-Trent City Council
Cllr Jeremy Oates	Portfolio Holder Heritage & Growth, Tamworth Borough Council
Cllr Simon Tagg	Leader, Newcastle-under-Lyme Borough Council
Cllr Alan White	Leader, Staffordshire County Council

Advisory/Operational Team

Simon Ablewhite	Chief Executive, SSLEP Accountable Body
Anne Boyd	Chief Executive, SSLEP
Jo Kemp	Business Engagement Officer, SSLEP
Kirsten Trenell	E.A. to AB, SSLEP

In Attendance

Mark Bretton	Chair, LEP Network
Matt Chadburn	Strategic Manager; Finance & Commercial, Stoke-on-Trent, City Council
Phil Creswell	Director of Place Growth and Prosperity, Stoke-on-Trent City Council
Rupert Greenhalgh	Chief Executive, Growth Company
Clare Hannah	Area Lead, Cities and Local Growth Representative
Martin Hamilton	Chief Executive, Newcastle -under-Lyme Borough Council
Richard Jeffery	Chief Executive, Growth Company
Caroline Mairs	Investment Service Manager, 'Make It Stoke-On-Trent & Staffordshire'
Jon Rouse	City Director, Stoke-on-Trent City Council

Apologies

James Leavesley (Vice Chair)
Cllr Abi Brown (joining after 5pm)
Cllr Patrick Farrington

Leavesley Group
Leader, Stoke-on-Trent City Council
Leader, Stafford Borough Council

1. Introductions

The Chair welcomed everyone to the meeting, especially Mark Bretton, Chair of The LEP Network.

SA confirmed that the meeting was quorate.

2. Apologies

These were noted, as above.

3. Declarations of Interest

Phil Creswell re: CVEZ update.

4. Notes of the previous meeting and matters arising

Minutes were agreed as an accurate record. **CH** pointed out a typo on p.4, Item 8. **JK** duly corrected this before posting final minutes to LEP website on 18/02/22.

5. Chair's Update and Delegated Decisions

- **LUWP** was finally announced on 2nd February. LEPs are now embedded within policy, reinforcing our position as the voice of business. There had been positive engagement with Ministers in advance of the paper's release (Mark Bretton will expand).
- **APR** was held on 3rd February, good progress continues to be made, minutes have been circulated to Board for information. We are told to expect a letter within next 2-3 weeks to confirm funding and next steps.
- **Scrutiny** meeting occurred 6th January - a thorough meeting, with good engagement and positive feedback. Thanks to Staffordshire County Council for hosting
- **Stakeholder engagement** continues with regular 1-2-1's with LA colleagues, peers & regional partners.
- **Mohammed Ahmed** sadly submitted his resignation in January, from Board. Mohammed has played a significant role within the LEP, which will be noted nearer to his departure. He has kindly agreed to remain with us whilst we undergo transition and is expected to leave early Summer. New Board members will be needed in due course.

6. CEO's update

- Our Delivery Plan remains impacted by delays around LU & the LEP review and reduced resources.
- Partnership engagement remains strong. Thanks noted to Jo Kemp who has supported stakeholder engagement activity recently to ensure that SSLEP remains visible and engaging.
- UKSPF pre-guidance was published on the same day as the LUWP, therefore a briefing is suggested for the next Board meeting. Funds replace European funding following our exit

from the EU. £2.6bn should be released by 2025. UKSPF information enables places to start planning. Our Districts & Borough have been cited as lead bodies. Local ideas will be presented in the form Investment Plans for government. The LEP are happy to support all to start formulating ideas.

- Re: LEP financial settlement - whilst we can expect a letter in the next few weeks setting out our funding.
- Re: Growth Hub, there remains a risk to service, staff and therefore impact on local businesses as there is no current policy position or funding confirmed for Growth Hubs nationally. Our current Growth Hub lead has extended support until May, at which point must return to her substantive role. The Head of Growth Hub JD has already been approved by Board. There is a clear need to move to appoint.
- Staffordshire County Council is looking to reallocate space in County Buildings. We have the offer of hot desking space with LEP partners, so the LEP will relinquish our offices by the FYE.
- We have had significantly reduced marcomms support from Staffordshire CC over the last few months, due to illness & LA priorities. Marcomms support on a consistent basis is vital during this critical period of change.
- In addition, our Programme Manager, Sharon Palphreyman, is leaving at the end of May. This post oversees all current programmes and produces reports to Government, therefore business continuity remains an issue.
- This will be a year of transition. For immediate business continuity the CEO **seeks a mandate** from Board to recruit to vacancies referenced. CEO will work closely with SA & take proposals/JDs and recruitment timetables to SPMG for scrutiny, who will oversee this.
- Given policy changes, the CEO further seeks approval to commence discussions with LA Leader's. These early-stage conversations will help inform strategic fit between any reformed LEP & LAs to ensure added-value

Decision: No objections. Therefore approved.

7. The future for Local Enterprise Partnerships

AR introduced Mark Bretton, LEP Network CEO.

MB explained his background for the Board - Hertfordshire LEP Chair since Jan 2016, took over the Network in Dec 2019, began streamlining it, but Covid affected their mandate. Since then, they have built better relationships with LGAs, councils & developed networks with wider associations & MPs.

In March 2021 Government formally announced the LEP Review. Various options have been considered. The LEP Network highlighted the importance of LA relationships, and the need to continue after investing so much time into joint working, for what is now 10 years. Where we have bid together e.g., CRF, Freeports, we have had an impact.

The LUWP gives us a central policy remit. Ministers & officials took the opportunity to give the LEP Network a pre-brief, so we knew what to expect. The period of review has obviously been delayed, but an amount of joint working with Cities & Local Growth team has been done & an early set of ToR has been agreed with Minister Paul Scully, with whom they enjoy a good relationship, as the nominated MP for this, (relationships with MPs Nadhim Zahawi & Clarke too). 1000+ people work for LEPs nationwide, so clarity is needed to avoid attrition for personnel.

4 keys points are:

1. LEPs should complete work where funds have previously been allocated to them, around EZs, enterprise networks, SAPs, etc, not see it broken up around Whitehall, which would create delays & disruption to outputs.
2. Build on LIS & economic plans re: sector work, to use the Network itself for collaboration across LEPs & geographical boundaries. (e.g., in Stevenage there is a huge Cell & Gene Therapy Catapult; also, in Hertfordshire there are numerous creative studios for TV & films, so Herts LEP works with 2 other LEPs). We are better placed to bring this type of collaboration to BEIS, as networks & local economy information is already there.
3. Continue the focus on strategic business influence, although we don't have the capital which we did before. We have seen evidence of working well, or not, in other areas, (e.g., Leeds City Region, a Combined Authority, is working well). We need to ensure plans which come through for capital are well informed by LEPs knowledge of local businesses economies.
4. Growth Hubs were a very important part of the work we did over the past 18-20 months. Two million plus businesses came through for help. Some GHs are in-house, this model might become wider spread. Working well with LAs to get grants out has shown this value, especially with additional funds during Covid crisis. We now have a broad agreement of what LEPs are required to do & need to flesh this out against the 12 missions in the LUWP. Nadhim Zahawi is a huge supporter of LEPs & moved to education - there are positive talks about LEPs roles in skills & digital. Mark Livesey (LEP Network Chair) is working with various CEOs to target & map these carefully, looking for the most logical places for LEPs to work.

AR re-iterated these good relationships with officials & Ministers. There has been strong working relationship over 9-12 months. He questioned MB re: LUWP - what do we need to think about?

MB commented that the key matter is a future for us & a recognition that there are currently 38 LEPs presently, so don't expect all to be the same. Each locale is different, needs are different, LEPs are different. GHs should see best practice & consistency, but locally tailored. Another interesting area is LEP political affiliation;

- LEPs who will go into Combined Authority with or without a mayor. We expect to see more of this.
- County Deals - expect to see alignment around how business boards are run.
- The remainder of LEPs still have things to run, so they need to continue to operate with funding & capacity to do so. These conversations are ongoing. We hope for answers soon.

AR – there are still lots of gaps, e.g., funding. What is the insight into this please?

MB – we had meetings with officials the week after LUWP & can share notes more widely, as we are eager to ensure transparency. Two departments inform us: DHLUC – budgeting seems ok & comfortable with us, but BEIS represents a bigger challenge, as their budgeting process is being worked on rapidly. This ties up GH & LEP capacity funding, but the fact that there are only a few weeks before contracts end is not lost on officials & Ministers. Match funding is also a question which LA colleagues will want to understand going forward, so S151 Officers will be being asked many things. Reserves across the country are variable. Many LEPs are Ltd Co.'s so there are going concern obligations & government cannot leave Directors at risk, due to policy decisions.

EC thanked **MB** for coming adding that it is enlightening to hear the background, plus what is clear & what is not. The last comment above is also key to us. Insight on GH in particular would be welcomed, as the A&F Committee look at risks.

MB advised that what has been done already by GHs is not lost on those who make the decisions, but it has got caught up in the BEIS budget. The worst thing we could do is get forced into quick decisions because GHs work well. We are working hard to support and influence Minister Paul Scully (response for SMEs). We are pushing hard.

TM expressed concern that despite expertise around LEPs, this was built on activities which we potentially won't be doing any longer, so might the skills base/social capital be lost as the breadth of activity disappears? Can LEPs work to hold this social capital together?

MB responded that this depends on local relationships as situations flex & responsibilities shift. People in LEPs have 10 years of collective experience of delivering complex programmes, so this point about skills & experience is important. From his own experience in Hertfordshire LEP, (which is a 2-tier county) LA leaders are determined not to lose this experience. This will come down to local areas & cannot be mandated. It comes down to how you can best work for your economy & area. Drive your own relationships hard.

TM experience has been gained by large amounts allocated for Town Deals & High Street Funds, which saw large amounts of money given at district level. If the SPF is split between Districts this might be £10-30m per district & requires specific expertise to invest. Shared prosperity funds might arrive, but experience of how to spend/manage is needed. (He declared interest as the LEP representative on the Newcastle-under-Lyme Town Deal Board, adding that the CEO & Leader are on this call).

MB every town board had a LEP representative on it, so we can help with thinking around this.

SW this LEP's 'Network of Networks' brings various business organisations together, it's an interesting dynamic, but outside of this how can we otherwise work collectively to improve?

MB - in 2020 BAC (Business Advisory Council) were brought together & connections to speakers/guests at a national level is strong. In Herts there is a strong relationship with Chambers, so when the event load collapsed due to Covid, LEPs helped fund the running of these, bringing about better connections with FSB, 'Visit Herts' - LEP & LA invested in this & it's happening in a number of other areas too. The last 2 years have cleared the decks & people have got on better with a common purpose. LEPs are not policy, they are people, lose them at our peril. Hundreds of leaders, colleagues & stakeholders give LEPs purpose.

AR thanked **MB** for his time.

8. Economic SITREP: early findings

Richard Jeffery & Rupert Greenhalgh of Growth Company Business attended to provide an update on the LEP's commissioned SITREP & survey.

Providing headline findings & a reminder of the original project purpose, they advised that they were to identify local needs, barriers & challenges to inform strategy & policy. This will lead to provision of an evidence base to secure possible future investment & add value to the wider LEP partnership. This is intended to be the start of a long-term commitment.

The project has progressed well, being very much on track from design, pilot testing & getting the survey out. The survey is tracking well on size, location & sector. They have monitored & made tweaks as needed.

Rupert showed slides, suggesting not to pay too much attention to exact metrics, as it is not finished, but gives an idea.

The variables have been compared with Greater Manchester area & are similar. There are some nuances between us & the GM region within main challenges, such as business finance & digital transformation is more of a desire in our LEP region.

- The overriding issues in recent weeks have been uncertainty due to political unrest, but responses are still within positive territory (as are 'Make UK's reports).
- Businesses appear to be getting back to business as usual (BaU) after Covid, despite energy prices, inflationary pressure, shortages & supply chain disruptions.
- Employment levels have risen but labour shortages are still acute.
- Confidence levels remain high. (7.3/10) but this could change.
- There is a match in cash flow/reserves (70%).
- Recruiting is an issue here.
- The return to workplace national average is consistent, with the appetite in London & SE being to remain homeworking, as they can then recruit from a wider geographical pool.

Data can be analysed & reviewed via Power BI.

Q: Should questions around the Green Agenda be applied?

Questions were invited:-

TM asked, as an academic looking at data, how to better understand the significance of the difference between numbers, between GM & here (e.g., workforce development), as it is hard to tell from slides. Is the difference something to worry about? We need to understand the range & pick out what's important.

RG responded that we had a big push on our survey, so they've not had the luxury of comparing detail in GM in full yet. Focus has been on what are the standout issues & what can partners do to address these. It's a lens through to a period of time only, but the GM people have probably been clients too, so more detail has been given to GC by them.

AR added that our T&F group will work on this further, asking the Board to let AB & him know how useful this information is. We can then provide a quick round up at the start of future Board minutes, so please supply thoughts.

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- **AR** reviewed that at the end of AB's CEO presentation we had an ask to take to SPMG. Now hopefully you have more context, so let's review the requirement about a mandate for recruitment:-

AB summarised –

- 75% loss of marcomms, so we need support to recruit marcomms support.
- Programme Manager role need to continue.

- GH lead role need to recruit. This is going to be important going forward, as we only have P/T lead (Nicola Kent) only until May & it's an important leadership role.

The proposal is to work this through with SA & any other willing Board members, to take to SPMG for scrutiny, with a view to move ahead BEFORE the next Board meeting. We need to move at pace to recruit.

To put it into context the LEP team has AB plus 3 temporary contract staff. 1 of whom is P/T, so we are vulnerable.

We have some great strategic developments locally, including aspirations for a County Deal & the Staffordshire Leaders Board, so we need to sit down with local executive leaders for suggestions to bring back issues & options to Board.

SW offered her support to this, it's a good move forward. However, what will GH lead be, as a big co-design piece is needed since various organisations around this table have been involved in supporting GH delivery services. Part of GH lead, per delivery plan, needs mapping – to look at our own innovations & evaluate effectively for our business community.

AR & AB agreed that we need to take stock, not recreate the same thing.

SW acknowledged that BEIS funding might stop, but ERDF continues into next year, so we need to ensure that the GH lead can be redetermined to understand Stoke Staffs business support landscape for all stakeholders. **AB** would welcome an ongoing dialogue on this & this can be picked up with **SW**.

AR asked for any objections to **AB** working up proposals and take to SPMG for approval & bring back a progress report to next Board meeting.

Decision: No objections were forthcoming, so this action is to be carried.

9. SPMG

EC provided an update in **JL**'s absence.

- Martin Hamilton, N-u-L CEO, has volunteered to join SPMG. Board endorsement sought.

Decision. AR noted for the minutes that silence affirmed consent.

- CVEZ SIP - **Cllr AB** appraised the Board that CVEZ became active in 2016 & has since come to the end of its initial incentive period, so benefits have been seen this year. It has been a fantastic initiative for North Staffordshire & good to see benefits continue. Of the 6 sites (5 in City) 50% of all should be fully developed by the end of next year. Cliffe Vale has had challenges, but these have been worked through & they hope to report on this next year.

CM talked to slides around the CVEZ SIP. The full report had been circulated to Board; Key points were:-

- Over 300 jobs delivered since the start of the pandemic
- For prudence we have removed the Ravensdale and Cliffe Vale deliverables from the target outputs in the short term
- Target to 2025 outputs are now:

- A net land value uplift equivalent to £32.6 million.
- 116 Ha of brownfield land reclaimed
- 246,000+ sqm of additional employment floorspace
- 5,000+ jobs on-site

SPMG had asked for current economic outputs. Key points are therefore:-

- 110 Ha brownfield land
- 34 new business
- 2250 jobs created
- £32.1m GVA increase
- £252.8m private investors/ £92.5m public sector investment
- 140,000 sq. metres of additional employment floorspace

Governance and monitoring are working well; there has been a change to governance which relaxes the need for business cases to be considered at the same time, so from finance perspective this is taken into account.

Delivery & Comms information per the slide:

Delivery:

- Advanced ceramics: funding secured through the Midlands Industrial Ceramics Group; and feasibility work progressing for Advanced Ceramics campus on Chatterley Valley West
- Chatterley Valley East - completion of Innovation Way development, planning permission for other development due imminently
- Chatterley Valley West – outline planning achieved, funding secured for enabling works, start-on-site for enabling works in Spring, business case development for other developments being developed
- Etruria Valley – Road well underway, further occupations, further completions, expected commencement for development for last remaining plot
- Tunstall Arrow – development of final part of the site has commenced
- Highgate and Ravensdale – further completions, lack of appetite to develop the Ravensdale site
- Cliffe Vale - continuing discussions to resolve hazards and viability challenges

Communications:

- CVEZ will continue to be a central theme within the S-o-T CC and partners efforts at MIPIM
- In May CVEZ will be part of the Make It team’s prospectus at UKREiIF (Leeds)
- CVEZ will be communicated in other conferences including Property Magazine and Centre for Cities annual event
- The Midlands Industrials Ceramics Group will be working with the Midlands Engine and Department for International to provide focused inward investment marketing for the advanced ceramics sector

Matt C ran through the finances. Investment (Capital) goes in, then cost of programme (Revenue). This Capital & Revenue is countered by the business rate uplift. In the early stages this presents as a deficit, but once projects are completed, expenditure falls away, & business occupancy occurs, the business rate increases. This then breaks even & eventually pushes through to a net surplus position, increasing year on year. The slide shown showed a blue line representing S-o-T CC & a red one for N-u-L BC.

- Stoke will be expected to reach a net surplus around 2041.
- N-u-L - the current dip represents Chatterley Valley West, but likewise a net surplus is expected by 2041.

MA asked if we are attracting businesses from outside the area & therefore improving the region. Is there insight?

Cllr AB agreed the question is often – ‘are businesses simply moving within the area, or is this scheme bringing additionality?’ Confirmed that additionality is being achieved and can provide examples.

- Tunstall Arrow is one of the 6 sites & is the 1st part of city to receive inward investment in 25 years. A company moved there from its 3 local sites, but improved warehouse, created a CAD job & are now UK HQ of a German co.
- Another company moved from Crewe allowing expansion.

The size of units on the Tunstall site were always bound to help. Those leaving behind smaller property means that smaller co.’s can then move into those vacated. The £3m invested by Stoke-on-Trent City Council to build has seen SMEs move out of micro/home premises into industrial units.

Decision: The Board were asked to adopt the CVEZ SIP. There were no objections, therefore this was carried.

EC advised that a GH update was received by SPMG from Chris Plant, which was presented with passion. There was a good discussion surrounding risks & recruitment as already touched on. There was some good quantitative information in the reports, in terms of target setting for 2022/23.

AR & AB are looking into this further with NK & CP.

For the minutes, electronic decisions made by Board in January from SPMG recommendations were:

- Approval of SPMGs recommendation to withdraw GBF funding from the Cornhill site.
- Approval of the use of freedoms & flexibilities for GBF slippage to be carried forward to Q1 of next year, due to rising costs & time overruns on projects which are common at present.
- Approval of Powering Up Enterprise, Option A – to withdraw the core project to deliver on the remaining 5 projects.

No LEP reserve funding is now required, it will all come from GBF

There has been significant movement in Q3 on LEP home delivery targets, with 15% of housing targets coming through, plus 700+ jobs are to be added to Q4.

10. A&F Committee

MA provided an update.

- GBF slippage discussed at A&F committee - freedoms & flexibilities.
- The 2nd tranche of core fund grant of £0.25m has arrived. This is a key element.
- Risk & Issues Log - strategic risks have been updated, as some were too wordy. They have been consolidated to make them simpler & quicker for Board to assimilate. Concentrating on local, regional & national funding, plus GH funding & personnel. **The ask is that the Board please look at this, review risk mitigations & feedback to A&F** so we can roll this into a plan.
- Drakelow Park funding has now moved to D2N2.
- Blythe Park saw an amended business case approved on 21st December by our Delegated Authority sub-group.
- The group needs another LA authority to ensure quoracy. EOI sought. **Cllr ST** volunteered himself.

MA invited SA to provide an overview of the Draft Core Budget.

SA reminded the Board of the need to set the budget for the next FY before the start of it. Work has been done with AB & A&F Committee for a 'Basic' budget & a 'Basic Plus'. The latter provides the budget to undertake some of the activities LEP would like to continue with, drawing down from reserves. This is set against a background of not yet having confirmation from BEIS of 2022/23 funding, so, the understanding is that we **may** need to draw down from reserves. Funding was previously £500k p/a.

Approval is sought from Board to; ratify a basic budget; for the Accountable Body to continue making payments but delegate the A&F Committee responsibility to allow the 'Basic Plus', as/when reviewed & needed; approving the underwriting of reserves (our level of reserves is circa £1.7m, meaning we are in a fortunate position). We will continue to evaluate & bring a revised budget back to Board as information is known.

Questions were invited.

AR re-iterated that items for approval are (per SA's pre-Board paper, Item 10, App. 2b):

1. Approve the Basic Budget for 22/23
2. Approve the proposal that A&F review and approve on a budget-by-budget basis any move to the Basic+ Budget
3. Approve the underwriting of the proposed budgets from SSLEP reserves, up to the values set out in the report.
4. Note the estimated level of reserves at 31st March 2022.
5. Note the proposal to bring forward a revised budget when confirmation of the position on grant funding is received.

Decision. **AR** noted for the minutes that silence affirmed consent.

11. Forward Plan

AB explained that she & the Chair had reviewed the forward plan, with the intention of ensuring that Board is sighted on strategic matters. Hopefully Board visits can occur too.

AR added that a steer on the GH is hoped for at our next meeting, as we know more on national policy sphere.

Items (as shown on the Agenda) are:-

Levelling Up White Paper briefing
Future of Growth Hubs
Delivery & Transition Plan 22/23
Staffordshire County Deal collaboration
Skills & Post-16 Education Bill
Strategic priorities: Midlands Engine and Midlands Connect
An International Trade strategy for Staffordshire (DIT)
Local transformation: programme updates: District Heat Network, FHSF, Town Deals etc

12. AOB

TM suggested adding plans around Integrated Care Systems to the forward plan. Health will be increasingly more important over the coming years for productivity around the county. However, he added the caveat that this doesn't come into existence until circa. July.

AB agreed this is a great idea given their anticipated accountabilities around economic aspects (skills etc). We will invite a representative to a future Board.

Meeting ended @ 17:55 hours

Date of Next Meeting: Thursday 17th March 2022 @ 4pm.

Location: Via MS Teams.