

SPMG Meeting - Minutes & Actions Log

6 April 2022

via Microsoft Teams Meeting

Attended:

Voting members:			Non-voting attendees:		
JL	James Leavesley	Chair	SA	Simon Ablewhite	S151 Assistant County Treasurer
JR	Jon Rouse CBE	City Director, SoTCC	CH	Clare Hannah	CLGU/BEIS Representative
AR	Alun Rogers	SSLEP Executive Board Chair	Operational Support:		
AB	Andrew Barratt	Tamworth BC	ABO	Anne Boyd	SSLEP CEO
MH	Martin Hamilton	Chief Executive, Newcastle-under-Lyme Borough Council	SP	Sharon Palphreyman	SSLEP Programme Manager
			KT	Kirsten Trenell	Notes
Guests:			Apologies:		
			EC	Emma Catterall	Exec Board member Private Sector Vice-Chair
			CB	Caroline Brown	Exec Board member Private Sector Director

Item	Discussion	Notes
1.	Introductions & Apologies No apologies were received in advance of the meeting.	
2.	Declarations of Interest JL declared a potential conflict of interest relating to a matter on the agenda, which would be noted in due course. JL advised in the interest of transparency, details would be shared for the group's consideration.	

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3.	<p>Notes of the previous meeting and any matters arising</p> <p>JL reviewed the minutes with the group, and they were confirmed to be accurate.</p> <p>JL discussed the actions with the group, and it was confirmed most actions are ongoing. ABo confirmed this and advised she would provide available updates/information in relation to the below during the relevant sections of the meeting.</p> <ul style="list-style-type: none"> - Establish proposed allocation from district councils and report back to SPMG - ongoing - Recommendations to be made to A&FC for GH role – ongoing –ABo will attend District Directors meeting in May - Establish funding for each district post March 2022 – to be updated as part of Business Continuity - Coordination of meeting to discuss roadmap for SPF – ongoing - Approval vote to be conducted electronically – SPMG were electronically notified of the decision on 2nd March - Actions to be escalated to Board - completed - Recruitment of Programme Manager and Comms role to progress – ongoing 	
4.	<p>Consultancy Support Commission</p> <p>ABo advised that this item and request refers to the pre-approved budget lines agreed by SPMG and the Executive Board, and that two papers will be written and be presented to A&F and SPMG in relation to these lines on the budget.</p> <p>ABo requested a steer from SPMG so that work can be commissioned as appropriate, with the aim to gain principle around budget lines so that the appropriate papers can be written and presented for approval. The first allocation would be for strategic insight and would utilise the 60k budget plus line allocated for this – this is about building on the SITREP and economic insight.</p> <p>ABo advised the final report would be finalised in the next 24 hours and be circulated to the Board when it is released.</p> <p>Given a key part of our role going forward as a LEP continues to be insight and as a voice of business, ABo explained it is important to think about how this function develops going forward.</p>	

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<p>Further roundtable discussions and headline options presented by GC in relation to frequency of surveys going forward were noted for further discussion and so ABo suggested to commission some support to in the context of the changes ahead to assist with design and implementation of a new insight piece – ABo noted in the longer term that might require a functional role within our structure.</p> <p>ABo suggested utilising the 60k and commissioning a resource in that would help in the context of changes, build on the SITREP report and aid thinking around reflecting the voice of business and ability to maintain a strategic economic insight to share with partners going forward, and welcomed feedback and input in relation to this.</p> <p>The second budget line ABo requested input to is evaluation and consultancy. ABo advised we will have less of a need for the same kind of consultancy delivered by Hatch moving forward as we won't be bringing business cases forward to receive funding as most of the capital funds have already been allocated. ABo advised we will still need external support to help us with business cases as we work with local partners, for bidding for investment going forward, or for evaluation and business case support, and that as a collective we should support maximising funds that are potentially available to our local businesses.</p> <p>Given feedback received and status of some districts, ABo suggested to look at the LEP as an individual case and to consider whether we'd like to expand that to offer support and assistance to our local authority partners to make sure that they can develop robust business cases and secure the maximum amount of investment from governments in the coming months, as they put together their investment plans for UK SPF and other funding.</p> <p>ABo expressed the request isn't only about extra capacity, but also skills and capability that we could help to bring to the table through consultancy support for our local authority partners. Whilst they all have their own frameworks, and this work is already being undertake, this would help to provide some additional capacity to help put the very best business case together.</p> <p>ABo also noted that if the group did decide to lend support to our local authority colleagues, there is another budget line that could be considered via the Core Plus budget - the seed corn project development fund allocation would provide another 60k – it was noted this would be a call off arrangement and so if the support was not utilised, funding would not be provided. ABo also advised we would work with our accountable body to ensure the correct procurement process would be followed. ABo welcomed thoughts on the strategic insight piece, and any input to be reflected in a paper and thoughts on</p>	
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	<p>the evaluation business case, advisory support from consultants, or expansion of that to allow our local partners to access additional resources.</p> <p>AR advised he was broadly in support of this however wanted to ensure we only spend money that we can afford to terms of this. He agreed it is establishing the principles, the LEP has reserves and additional funding has been secured so there will be money to spend. AR agreed with 60k initially but noted how fund are allocated fairly and to get the best value should be considered.</p> <p>MH expressed this is a very busy marketplace for consultants and that for the fund amount, it may be quite difficult to get quality consultants to commit to a call off for a relatively small amount. Clarity that we have an absolute use for this and can source the quality of consultant to provide the required is key.</p> <p>JR advised he and ABo had briefly spoken about this already and queries were raised re the driver and aims for this. It was questioned if it would be used to grow a business unit so that the LEP becomes the provider of consultancy services or if it is the driver to have some capacity within the LEP it terms of producing its own business cases for things that it might want to do or bid for. JR advised that the model looks different in either scenario, also that a combination may not be feasible.</p> <p>ABo clarified the position and explained it is in the wider interests of securing investment to Stoke & Staffordshire and growth to the economy. The expanded £60k of funding would allow to be able to offer support and that enhanced capacity, given the limited resource available to us at present – it is not a business development function, but extra support around being able to use skills and expertise to help and support and aid in developing business cases going forward. ABo advised a support service to help us to bid for investment going forward will still be required.</p> <p>JR advised that from his perspective, the City would not turn to the LEP for a 60k consultancy offer when their internal spend is into millions, however acknowledged it may be something that the district councils might find more valuable. JR also acknowledged the need to have capacity to be able to put business cases together.</p> <p>ABo advised that colleagues have expressed struggles and limitations around capacity resource and skillset and so access to finance investment role that could work alongside colleagues could help to address some of these issues.</p>	
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	<p>The question is around when commissioning to provide some support to us, whether we expand that to allow some additional capacity which might involve advice, business cases, bids. After hearing that there are some shortages around capacity and capability, are we able to offer support in that regard. As a collective it would be a real frustration for all if bidding for investment was overlooked/missed solely given capacity.</p> <p>JL acknowledged the potential limited use from the City, however understood the need from boroughs and districts to seek support, advice, and guidance from that skillset within a LEP capacity.</p> <p>AB advised that from a small district perspective, despite using frameworks, given shortages and timescales, it can be a challenge and so having consultants to utilise would be very useful. It was agreed 60k isn't a vast amount however might be enough to help some of the small districts to enable bids to be produced in a timely fashion.</p> <p>ABo queried if the paper should be based on £60k or a higher amount given differing views heard. JL advised a paper should request 60k as basic need and note the potential requirement and request for more, if available.</p> <p>JL also requested another line is proposed to A&F in relation to annuity for the Chair role – our current Chair does not receive any monies and so it was requested that the line be added to reflect should there be money required for this in future- it is requested that this is added to the budget plus.</p>	<p>Paper to request 60k and additional funds to be presented to A&F</p> <p>Annuity for Chair to be added to budget plus</p>
5.	<p>Growth Hub Update</p> <p>ABo advised funding has now been confirmed for the GH – it was noted this is a substantial, 50% reduction from previously awarded figures and so given the LEP underwriting costs for the GH for the next 12 months, there will be a call off in relation to ensure business continuity, the business helpline, staffing etc which can no longer operate as is given reduction in funding.</p> <p>It was advised we will use the opportunity to consider what function and form that the GH will take going forward in the context of lead changes given the changing landscape, mitigate risk in terms of service provision and impact for our business community. ABo has requested key information and is working together with the County Council that currently manage the GH to understand the detail behind our current arrangements, clauses around staffing and existing provision and impacts around potential changes.</p>	

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	<p>ABo advised there will be a detailed paper that will be shared as part of this work, and she is liaising with relevant partners who are involved in the GH at present to establish the context of the new world.</p>	
6.	<p>GBF</p> <p>Re unallocated funding, £34k was allocated to one project and so a rectification agreement has been drafted and was signed last Thursday.</p> <p>One of the SEF projects noted an underspend of c£850 which will be returned and added to the £18.5k of unallocated funding and will be covered by freedoms and flexibilities and carried forward.</p> <p>A SoTCC project has produced a draft rectification and variation agreement dated 31st March is with the scheme lead and Stoke CC's legal team, which should be approved this week.</p> <p>An additional project has spent the revised ground profile in Q4, and there is no additional slippage into Q1. Q4 progress reports will be brought to SPMG in May. SP has compiled a programme lesson learnt log and is also collating a projects lesson log to be input with and reviewed by the finance team and by the LEP, it will be shared with SPMG.</p> <p>It was noted that all projects have underspent, and this was commended, though unheard of given the current climate.</p>	
7.	<p>LGF</p> <p>SP advised strictly confidential paper was circulated to SPMG in advance of the meeting and JL provided an update in relation to the easements and conflicts surrounding the legal aspects. He advised of discussions he was aware of that had been held between the parties.</p> <p>He shared learnings around the site and concluded that after various discussions there will be a site that is accessible for the services (HGVs and vehicles and the right pass and repass) in perpetuity, which is what is required for the valuation.</p>	

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	<p>SP advised that further to an update this morning, amendments have been agreed between legal teams and so the land charge, agreement of priority and the easement have now been sent by the solicitor to HSBC bank for agreement of the loan. JL updated the group with details relating to agreement of priority.</p> <p>SP further updated on the second point in the paper relating to issues around the delays, as this has taken a considerable time to negotiate and be finalised. She also highlighted delays with appraisals and approvals of designs given any potential changes to be made, impacting on future timelines. The possibility of a partial advance draw-down on the loan was considered, to pay for the required appraisals and approvals and for the loan to be released in phases.</p> <p>JL confirmed a phased approach, however noted that whilst redesigns have caused delays, there is now further impact to the timeline of the project given an additional payment issue presented by highways, which raises questions around the developer. He also noted a potential resubmission of the planning applications to support an increase the capital revenue that the developer will receive, which would cause further delay. He noted the bank appears to show willing in relation to the funding.</p> <p>JL recommended the release of funds in two phases given the longer-term involvement and requirement of the site and the small percentage required at this stage, coupled with the need to progress and the 'catch 22' of housing and land sales remaining on hold until highways have completed work. He also advised support of this phase would be relatively secure given the varying factors and investment targets by way of economic development.</p> <p>A discussion was held between JL, JR in relation to the potential changes to the project and the emerging pressures created by the developer. SP updated that the developer has also raised a further issue and referred to an email received relating to payment in relation to design and requested for additional moneys to make payment for design.</p> <p>JL declared a potential conflict and deferred as Chair to AR for further section discussion and decision by the group.</p> <p>AR sought advice and recommendations from the group. JR expressed concerns around the developer and their decision making around public funds in this situation, which was seconded by AB, however noted that given the small amount of money, it would seem wise to vote in favour in the aid of the scheme overall. He is fully in support of the project despite the issue in principle.</p>	
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<p>MH added he felt uncomfortable about the actions of the developer but given the amount but given the potential agreements to be set alongside the release of any potential funds to guarantee its security and use, he would agree.</p> <p>JL confirmed security within legal documentation agreed between legal and HSBC, and clarified the request was not for additional funds, but for agreement of early release of funds given potential cashflow issues on the developer's behalf.</p> <p>ABO confirmed that whilst the situation is quite galling, that the impact on the overall scheme is quite small. If the decision were not to proceed, the cost thus far would be absorbed by us. ABO reminded the group that two business cases in the last couple of months demonstrated the viability and benefits of this scheme going forward. She also expressed the scheme would be stuck in a loop if the developer is unable to source the money to progress.</p> <p>SP clarified it would be advance drawdown from the grant not the loan, as the loan has not been agreed yet. It was asked if the design element could be paid directly, instead of funds being released to the developer. SA advised that it would need to be added to the grant agreement if that were to be possible.</p> <p>AR expressed his dismay at the actions of the developer however acknowledged that the wider benefit to the area is of a higher priority. It was suggested to the group that the amendment be made so that invoiced payments can be made directly from the fund to creditors.</p> <p>ABO expressed that it would be fundamentally wrong to have do that and that a pause and review of the due diligence should be conducted if that is the gravity of concern. AR and AB and seconded this.</p> <p>AR advised the group of JL's potential conflict and requested for the group to vote. He advised he had declined for JL to vote given potential conflicting circumstances. The group agreed given these circumstances. SP advised that because of JL being unable to vote, a quorate decision could not be made and therefore an electronic decision would be requested.</p> <p>RECOMMENDATION: to proceed to electronic decision</p> <p>JR queried if we were able to ensure no additional funds would be requested in a similar way. ABO advised that we will be able to state explicitly in any legal agreement that the advancement is expressly for these purposes only and that this is the furthest we're willing to go in terms of advance payments.</p>	<p>Electronic decision to be made</p>
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	<p>JL noted the added value to the scheme regardless of developer will more value when in a more deliverable state.</p> <p>MH agreed this however expressed concern over the potential of further request for advance funds being received and so confirmation of comfort in this regard by way of reference via legal agreement and further stipulation that no such request could be received would be pertinent.</p> <p>AR clarified that the group agreed in principle that this advancement would be made, but it be made clear this would be the only advancement, however the decision would be passed to electronic vote. JR added that it needed to be clear there would be strengthening to the contract, and this be reflected in the summary wording of the contract as an on-balance decision; that we recognise the risks in terms of the fact that money may be lost completely or it being written off, but the potential benefit in terms of unlocking the agreement and therefore the whole development makes that risk worthwhile.</p> <p>The group AGREED the action.</p> <p>JL returned to Chair the meeting.</p>	
8.	<p>Issues and actions to escalate to SSLEP Board</p> <p>No new risks, issues or actions were raised to be escalated to Board.</p>	
9.	<p>Business Continuity</p> <p>ABo summarised three elements in terms of business continuity. One is that we've got the funding letter that I shared with Board and the associated guidance, shows a 25% cut in our budget. The figure is higher when factoring inflation versus previous years. We are looking at a reduction, however, are in a good financial position. We have limited liabilities in terms of current costs against staffing structure as you're aware. ABo advised she is engaging with local leaders to look at future models for the LEP going forward and build something that is efficient, effective, adds value to the new world environment locally, but also is a sustainable solution going forward.</p>	

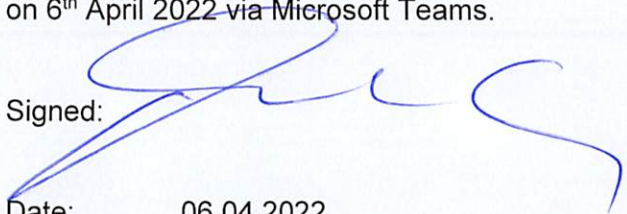
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	<p>ABo wanted to highlight impending departures within the team - LS will leave this week. ABo paid tribute to her service, and for her expert advice and support to the LEP for the last couple of years. ABo advised LS previously worked for the local authority and came back to assist with the assurance framework, governance and project work. She has gone above and beyond in terms of her duties, has completed some exceptional pieces of work so thanks and best wishes to LS.</p> <p>ABo also advised SP is also leaving in May. She noted SP has played a vital role, is very diligent, and has been involved with all aspects of projects, including the legal side, and done a phenomenal job. Not just now but you know, this is a career that dates back a long time within public service within the county council. ABo highlighted SP's effective reports and feedback and noted in the last year alone to has assisted to secure £20 million. ABo expressed her thanks to SP.</p> <p>ABo shared slides in relation to ongoing recruitment and noted thanks to both SCC and the external agency for assistance in recruiting the right candidates. ABo advised the slides would be made available for individual review if felt useful.</p> <p>The three roles shared are Change Manager, the second role is the Campaigns Officer, and the third is around our new Head of Growth Hub which is a commissioning function of a role. All three will be recruited by our accountable body, on the terms and conditions of the local authority.</p> <p>ABo expressed delight in relation to the quality of the candidates that have applied and interviewed, given the limitations and risks around a 12-month fixed term contract. ABo advised that we've attracted high calibre candidates who are interested, some of whom are currently in full time permanent roles. ABo expressed thanks to SA for assisting in the hire of the CM, and noted the strength in candidates presented. ABo explained we have attracted many and shortlisted with rigour, the recruitment has aligned with all SCC HR requirements and have today selected a fantastic candidate and are about to make an offer to them.</p> <p>ABo summarised that there is a future, some funding, we're working on new models, we will lose some fantastic people who have played a phenomenal part in our journey today but added that we're also able to attract some real talent to support the organisation going forward to keep us agile and create a team of people that can help to create something new going forward.</p>	
10.	<p>Forward Plan</p> <p>The report was taken as read and no further comments were made.</p>	

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11.	<p>Any Other Business</p> <p>SPMG future dates – JL suggested that given the allocation of funding was near complete, that the dates remain as pencilled, however unless there is a role for SPMG that the meeting would not need to commence.</p> <p>The date for the potential next meeting was agreed as 3rd May 2022.</p> <p>JL endorsed ABo's expression of thanks to SP for her contribution to the group.</p>	SPMG date agreed to be pencilled in diaries
12.	<p>Acceptance of minutes and action log</p> <p>These notes represent an accurate record of the SSLEP Strategic Programme Management Group (SPMG) held on 6th April 2022 via Microsoft Teams.</p> <p>Signed: </p> <p>Date: 06.04.2022 James Leavesley, Chair of SPMG</p>	

ACTIONS LOG

Item	Actions	Lead
4.	Paper to request 60k and additional funds to be presented to A&F	ABo
4.	Annuity for Chair to be added to budget plus	SA
11.	SPMG date agreed to be pencilled in diaries	ALL

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Next Meeting: 3rd May 2022, 2-3.30pm, via Microsoft Teams