

**LEP Company Executive Board Meeting
via MS Teams conference call
Thursday 16th February 2023
Final Minutes**

Board Directors

Alun Rogers (Chair)	risual
Mohammed Ahmed	Ice Telecommunications
Emma Catterall	Camping & Caravanning Club
Prof. Martin Jones	Vice-Chancellor, University of Staffordshire
James Leavesley (Vice Chair)	Leavesley Group
Prof. Trevor McMillan	Vice-Chancellor, University of Keele
Sara Williams	Staffordshire Chambers of Commerce
Cllr Abi Brown	Leader, Stoke-on-Trent City Council
Cllr Mike Sutherland	Cannock Chase District Council
Cllr Simon Tagg	Leader, Newcastle-under-Lyme Borough Council

Advisory/Operational Team

Andy Devaney	Interim SSLEP CEO
Jo Kemp	SSLEP Business Engagement Officer
Simon Ablewhite	SSLEP Accountable Body
Alan Shakespeare	SSLEP Accountable Body
Kit Hannah	Area Lead, Cities and Local Growth Representative
Rebecca Parker	Head of Business Growth Hub

In Attendance

Martin Hamilton	CEO, Newcastle-under-Lyme Borough Council
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Apologies

Cllr Philip White	Deputy Leader, Staffordshire County Council
Cllr Alan White	Leader, Staffordshire County Council

1. Introductions

JL, Vice Chair, welcomed everyone & began the meeting as the Chair was caught in another meeting in London.

SA declared the meeting quorate.

2. Apologies

These were noted, as above.

3. Declarations of Interest

SW in respect of the Growth Hub Business Helpline.

JL in respect of Blythe.

4. Notes of the previous meeting and matters arising

Accepted

JL read from the Forward Plan section of the minutes, which are reproduced on the agenda monthly:-

- ESIF applications are being processed. There is approx. £300k left in the funds & applications are open, with a team processing these before the deadline. Other areas may benefit regionally where SSLEP hasn't spent.
- Delivery & transition plans are to be covered in this meeting.
- International Trade – **AD** surmised that there had not been time to address this to date.
- Midlands Engine/Midlands Connect - **AD** advised these won't be covered in this meeting

JK pointed out that the items on the Forward Plan chart are items which historically Board members/CEOs have suggested as subjects for future consideration. Some of these have then rolled on as legacy items & not been considered.

- **Action Point 1**

AD asked **JK** to change the Forward Plan to 'future priorities' to be revisited in 2023/24.

- **Action Point 2**

SA to provide details of Staffordshire CC match funding, as mentioned at item 6 below.

- **Action Point 3**

AD/SA to consider the issue of the LEP becoming its own employment body & report back in due course as mentioned at item 6 below.

5. Chair's Update and Delegated Decisions

- Key work around Board/SSLEP evolution has been undertaken with AD
- Working more closely with West Midlands Chairs within the LEP Network
- Midlands Connect & Midlands Engine Chair positions have been taken on now - there will be more to update in March
- The Drakelow project has created some further engagement recently, due to MP contact.

CEO's updates:

6. 2023/24 Budget & Structure

AD updated that we had hoped to receive details of our core LEP & GH grant from BEIS by now, but due to recent merger with DIT there is now a new organisation - the Department of Business & Trade (DBT).

The core LEP grant was informed on Tuesday 14th but is £125k less than last year/expected (of £375k), so this alters the use of LEP reserves.

- The Budget slide (as issued as a pre-Board paper, Item 6) was shown onscreen, with AD explaining that page 1 of the staffing budget may change.
- The suggestion is to budget for the CEO position as a full time one, with the job description to be created shortly. This should be finalised & live by early March to allow time to recruit.
- Operating costs & Board member recruitment will be touched on at Item 8.
- Our LEP Network & Midlands Engine contributions are to be left in the budget, with a funding allocation for another 12mths.

The ask of Board is that this draft core budget be approved. As clarity is still sought from government this needs revisiting at the March LEP Board meeting.

SA added that SCC has withdrawn its cash contribution to LEP, so there is approx. £99k less in year 2023/24 & this is reflected in the core budget

EC queried whether in previous years there had been requirement for match funding.

SA explained that it doesn't need to be allocated as cash. The core budget is now £250k & Staffordshire CC need to match £125k in terms of staff time deployed on LEP work (e.g. himself, John Broad, Chris McCann) & some from Stoke CC too.

EC added that it would be helpful to show the total endorsements & funding so we can see what resources are being put into the LEP. The use of reserves is now to be higher so between the core budget & GH paper there is a disparity.

Action Point

SA to provide details of Staffordshire CC match funding (see Action Point 2, under item 4, above above).

AD agreed, advising that this will be explained in the GH section (item 7).

EC sought clarity that the combination is approx. £450k, from reserves of £1.7m, to carry on LEP business as a going concern.

SA intervened that after item 7 this can be picked back up.

MJ admitted that he had missed December's LEP Board meeting & had therefore only been privy to these pre-Board papers but questioned whether a budget can be agreed without a clear strategy & purpose. What are we achieving?

AR suggested coming back to this question after Item 9 – Grand Challenges.

AD therefore moved onto the GH budget slide tab, reminding the Board that this is still Item 6. It is important to show what we are suggesting, with the GH budget working on the assumption of receiving the same core grant allocation as last year (£268k) from DBT.

KH admitted that it is not an ideal scenario, due to the Government restructure & now having another new Secretary of State to consult with, to get grants through. They will confirm whatever they can a.s.a.p.

AD explained that RP has worked hard to show how data & business intel might be brought in under the GH proposal & budget.

- This includes 2 x Account Managers, but no offer will be made to potential staff until the grant is confirmed.

- The Chambers of Commerce are currently commissioned to provide the GH services. It is now time to re-tender to ensure governance is met & that the best value for money is being achieved. The new tender will be to deliver DBT's KPI's for GHs once they are known. So unfortunately, we can't go to tender just yet.
- The GH plan also proposes a stronger CRM presence, to be used differently.
- The main costs are staff.
- The assumption is £268k from DBT. The initial shortfall is higher than stated in the draft budget papers, as the hope was to receive £20k from all D&B's for their business support.

We will come back with a final version once the budget is known.

If the DBT budget doesn't come through staffing will need to be revisited.

SW stated that it is difficult to consider when we don't know budget allocations, staffing & salary levels.

AR fed back to DBT/LEP Network this week that the lack of clarity is deafening at present. We cannot decide today, but we need to give the Board details of what is potentially coming.

SW accepts this but acknowledged that the CEO had suggested GH recruitment would begin even though we do not yet know the DBT offer & as such suggested the Board are being asked to agree to something too soon.

AD clarified that we are attempting to do it this way because, although the core GH allocation is unknown, the Board added 'insight' into its Delivery plan last June & the GH is the best body to place this intention. Therefore, these account managers will tie in with what the Board asked for in terms of business insight. They are not going to be day-to-day business advisors, it is hoped that they will be more strategic than that.

KH confirmed that DBT heard AR's concerns loud & clear, they have been fed-back. DBT will liaise as & when they can. They recognise all concerns being raised & hear the concerns being expressed by the Board tonight.

AD suggested a middle ground; that the GH share the proposed job descriptions via e-mail & then Board can keep this moving.

AR agreed that these can be shared but we cannot do anything until the budget is approved at the next Board meeting.

AD indicated that the GH presentation (item 7) would now be shelved until next month.

RP added, to pick up on EC's point, the intention was to show what GH had been able to agree at this point in terms of UKSPF monies from D&B's.

The recruitment is a very lengthy process - taking months to get the job descriptions through evaluation panels, so the suggestion it to continue with this in the interim.

AD conceded that we now wait until we have final budget from DBT.

SW added that RP's points raise a whole new scenario of who hosts, or whether the LEP becomes its own employment organisation, with pay, pension, holidays etc. If reserves are being used implications need to be clear. Employment is a strategic matter not just budgetary.

Action Point

AD/SA to consider this issue & report back in due course (see Action Point 3, under item 4, above)

EC asked if SA could comment about reserves.

SA detailed that at the end of the financial year unrestricted reserves will sit at circa £1.9m. Using approx. £289k + any additional amount to support GH budget, once agreed, still leaves us in quite a healthy position in terms of unrestricted reserves.

One decision is to continue using GPF money, per a proposal in the pre-Board papers (Item 6, App.1), to support LEP moving forward. It would add another £3.1m to unrestricted reserves, meaning a high level moving forward. So yes, the LEP as a going concern could continue for a number of years.

AD asked the Board if there is any feedback on the GPF paper?

AR suggesting revisiting this after Item 9, once purpose & strategy has been considered.

AD therefore moved onto Item 8.

7. Growth Hub/Insight – postponed.

8. Board Evolution & Recruitment

AD acknowledged that SW & CB had been mentioned in the pre-Board paper as reaching the end of their 3-year Board tenure.

- Higher Education & Further Education representation is required on the Board, but doesn't allow us a full business insight, so we would only be able to have enough private Board members with a *minimum* number of 10 on the Board. A minimum of 10 & maximum of 12 is suggested to ensure this business voice is heard.
- Geographical & gender balances must also be covered.
- A draft profile has already been circulated in pre-Board papers (Item 8a).
- Budget has been set aside for Board recruitment.
- Conversations have been held with other LEPs, so we know that we are moving at a similar pace.

Feedback is sought.

The proposal does not need approval tonight, however the strategy should be in place before we go to recruit Board members. Looking at the timeframe & having discussed this with DBT, the aim is to have this in place by June.

Should any Board member wish to retire their position, or need to discuss their Board involvement, we can do so offline. We cannot have all Board members leaving at the same time though, as decisions are needed as the evolution progresses. It is hoped that this Board will remain until June. No discussion was forthcoming at the meeting.

9. Grand Challenges

AD explained that there is no paper for this topic. Information received is not concrete enough to bring to Board yet. There is a session tomorrow (Friday 17th February) with LA colleagues.

One indication is that low carbon/energy is one of their grand challenges, but there is not enough detail at present. A title alone is too broad, we need to understand what LA's want us to achieve so we can then allocate budget to work on strategy. There are mission statements only at present, hence no Board paper yet by design.

This matter is about our partners Grand Challenges, not just the LEP's

AR summarised the first half of this Board meeting:-

- It is clear we need sense of purpose. We are not yet clear on our mission from central Government or our budgets, but we are going to exist to support businesses under any emerging Grand Challenges, so they need to be clear.
- In terms of budget, the GH depends on Government central budget.
- Some Board members want to move on.

We need these matters to be addressed by March, then we can actually make decisions & move forward with a proposal for the new Board member recruitment drive.

The request that this Board support us to June was re-iterated.

AD added that the Grand Challenges are a major part of what we are required to do, so we also need to hear anything coming out of the organisations to whom Board members belong. This is not about the LEP team presenting GC's to Board, it's about the region supplying information on what these need to be.

10. SPMG: update

JL updated the Board as follows:

- Blythe. Revised planning permission, post-appeal, has been granted consent by the Secretary of State, so the project is now progressing via technical drawings.
- Drakelow. Monies have now been withdrawn. D2N2 had been allocated money, but the developer could not proceed as per the original bid. D2N2 therefore withdrew SSLEP's £5m & this has been received back.
- A call to find alternative projects to reallocate monies went out in January & is due for closure by midnight tomorrow (Friday 17th). These must be shovel ready so that money can be pledged by 31/03/23.
- Hatch have been employed to assess these & various SPMG/A&F Committee members are on standby for meetings.
- We may need to look to external sources to ensure contracts are made in time & should ensure that there is sufficient budget to cover any new contract(s).

SA confirmed that there is budget available. Staffordshire CC's legal services would usually be paid for organising contracts, so if needed we might be paying someone else. However, the head of SCC legal has been contacted to ensure that the urgency is understood. Hopefully they can pick this up promptly rather than the LEP source somewhere else for this.

The Board will be notified of successful projects at the next meeting

11. A&F Committee: update

MA updated the Board as follows:

- The Drakelow £5m is back to reallocate as mentioned by JL. The key changes on the Risk Register are therefore the open call for new projects.

- Under the City Deal the DHN is looking to spend £0.4min in this financial year.
- The remaining DIT Internalisation fund has been reallocated to other areas within the West Midlands.

SA explained that there had been further updates to the dashboard in the last few days. The loans default on London House had seen the repayment plan being adhered to, then out of blue the debtor had asked for a settlement figure. The outstanding debt should be repaid by the end of next week.

EC suggested that as the current strategic uncertainty has been discussed here & also A&F Committee members had a long conversation about this, the strategic risks should be raised to amber or red. The conversations tonight reinforce this.

AR agreed.

MA asked the Board to approve the dashboard. Agreement was given.

12. Forward Plan

Covered by JL & AD at the start of meeting, per action point at item 4.

However, these items remain on the former Forward Plan to be reviewed & brought back as appropriate for 2023/24.

AR reiterated that the forward plan may not be correct anymore, as there are new issues which are vital to address. There are things which are ongoing, but do we need to address some or all of what is on here? We can keep it there, but we may not get through them in the current climate.

AD agreed that the structure needs addressing, being unsure if this legacy Forward Plan is still the right one. We are in constant conversations with partners to ensure we are addressing these matters though. However, it is all part of tonight's conversation, so what is clear is the structure needs further work. He will take the matter away & bring back to the March Board.

13. AOB

AR advised the Board that Simon Ablewhite is retiring & we will be supported by Alan Shakespeare as S151 Officer in the interim. **SA** confirmed his last LEP meeting is March 16th.

Cllr AB shared that Stoke-on-Trent CC had attended a roundtable at No. 10, covering regeneration & transport in our city amongst other subjects. The day had been positive.

Closer to home, Phil Creswell is leaving Stoke-on-Trent CC in May (moving on to Hounslow). She conveyed that this will be a massive loss to the city & added that he had been a huge support to her personally during his tenure.

AR agreed that PC's contribution has been considerable & he has made a significant impact in the area.

Cllr ST echoed AR's sentiments.

Meeting ended @ 17:12.

Date of Next Meeting: Thursday 16th March 2023 @ 4pm, via MS Teams online.

Forward Plan, now future priorities (per Action Point 1, at Item 4 above)
LEP Delivery & Transition plans - ongoing/further
Staffordshire County Deal collaboration
Strategic priorities: Midlands Engine and Midlands Connect (SW request)
An International Trade strategy for Staffordshire (DIT) (SW request)
Local transformation: programme updates: District Heat Network, FHSF, Town Deals etc
E&D update