

**BOARD MEETING**

**Minutes of the Cheshire and Warrington Local Enterprise Partnership Board Meeting**

**held on 23rd January, Wyvern House, The Drumber, Winsford CW7 IAH**

**Present:**

Christine Gaskell Cllr Rachel Bailey Cllr Russ Bowden

Prof Tim Wheeler John Downes Meredydd David

Stephen Kinsey Ged Barlow

**Apologies:**

Cllr Samantha Dixon Clare Hayward Graeme Bristow

Chris Hindley Pete Waterman Robert Mee

**Attending / Observing:**

Philip Cox (LEP Chief Executive) Mark Livesey Frank Jordan

Andy Farrall Charlie Seward John Adlen

Andy Hulme Mike Benson Stuart Scott-Goldstone

**Agenda Item 1: Apologies and Introductions**

1.1 Christine Gaskell welcomed Board Members and extended a warm welcome to Cllr Russ Bowden who was attending his first Board meeting. Christine went on to thank everyone who had passed on their congratulations following the award of her CBE. This was not only a recognition of Christine’s efforts, but also a recognition of the work of the LEP Board and team. Apologies were received from Cllr Samantha Dixon, Clare Hayward, Graeme Bristow, Chris Hindley, Pete Waterman and Robert Mee.

**Agenda Item 2: Conflicts of Interest**

2.1 Cllr Bailey and the Deputy CEO declared a conflict of interest in relation to agenda item 9 and agreed that they would leave the meeting. Prof Tim Wheeler declared a conflict of interest in relation to agenda item 9 and the University of Chester’s role in Thornton Science Park.

**Agenda Item 3: Public Presentation**

3.1 No members of the public were present.

**Agenda Item 4: Minutes of the Meeting held on 14 November 2018**

4.1 The minutes were agreed as a true and accurate record, with all action points having been actioned.

**Agenda Item 5: Chief Executive's report**

5.1 The Board noted the report and additional comments from the Chief Executive and:

* Welcomed the strengthening of the LEP following the receipt of additional central funding. This had enabled the LEP to develop plans to strengthen its analytical capacity, particularly around skills and evidence to support the production of the Local Industrial Strategy.
* The funding had also enabled the LEP to make the following key appointments
	+ Catherine Walker (Marketing and Communications Director)
	+ Paul Chapman (Business Growth Support Broker)
	+ Rachel Zaidel-Lamb (Business Growth Communications & Engagement)
	+ Andy Devaney (Business and Innovation Director)
* The LEP had also concluded interviews for the Finance and Governance Director and an offer had been made. Again, this would significantly strengthen the LEP’s governance and resilience.
* Welcomed the proposed recruitment campaign to identify new Board members and additional sub-committee members. Christine had already hosted a women’s event to highlight the opportunity to get involved in the LEP’s work.
* Noted that recommendations would come to the March Board, following publication of the revised National Assurance Framework. While the LEP was pretty much compliant with the new framework, minor amendments would be needed in a few areas.

**Agenda Item 6: Budget 2019/20**

6.1 The Deputy Chief Executive took the Board through the draft Budget for 2019/2020, pointing out that the aim was to deliver the identified priorities of the Board, namely external engagement and place marketing, while also delivering a balanced Budget.

 The key features highlighted, included:

* A fall in income of just over £500,000 due to falling interest receipts and management fees, as capital pots diminished and technical assistance contributions were lost.
* Additional funding (£200,000) had been received to help strengthen governance and the evidence base for the Local Industrial Strategy.
* An additional £75,000 had been received to help inform and implement Skills Advisory Panels, as well as £75,000 to appoint a regional digital co-ordinator following confirmation that we would be the next national Digital Skills Partnership.
* The decision to bring the Growth Hub in-house would mean an additional £287,000 from BEIS, though this would be a straight in/out as the money would deliver the Growth Hub services.
* In summary, with a draw-down of £460,000 from Enterprise Zone retained business rates and given the above, the LEP was able to significantly strengthen its team as well as delivering a balanced budget. This included a significantly enhanced marketing and external engagement budget of £200,000.
* This would still leave over £1m of retained business rates, as well as the continued annual receipt of retained rates going forward. The LEP would be keen to discuss with regional partners how best to deploy those funds.
	1. In discussion, it was agreed that the LEP would work with regional partners to identify how resources across the region could best be deployed. Place marketing and securing inward investment would remain a priority and it was suggested that some of the retained business rates could be used to support that activity.
	2. The Board approved the draft Budget for 2019/20.

**Agenda Item 7: Board Sub-Committee Reports**

7.2 In reporting sub-committee updates:

* Noted that work in Performance & Investment Committee around Ellesmere Port one public estate continued.
* In relation to skills, the Pledge initiative had received final approval by DWP before Christmas and we were just awaiting sign-off on the contract. The Skills for Growth initiative had passed gateway and had been invited to submit a full application.
* The Enterprise Zone Board continued to consider investment proposals, with 13 potential projects now in the pipeline.
* The Local Transport Board had considered the work programme for 2019 and had identified a series of studies that would need to secure funding if they were to proceed. Discussions would follow with Transport for the North and Highways England to ensure that they were involved in this work.

**The Board then went into private discussion.**

**Agenda Item 8: EZ Financing**

8.2 The Chief Executive took the Board through a paper relating to the approval of the following EZ investments, which had been approved by the EZ Board and P&I Committee:

1. Helix Business Park Phase 2 (£659,347)
2. Aviator Phase 1 (£1,701,418)
3. Rhino Newport (£792,670)
4. New Bridge Road Substation (£590,857)

The Chief Executive highlighted the following key points:

* The Executive Team is in discussions with the three local authority partners to create a £30m borrowing facility to fund investments in the EZ. The local authorities have agreed the principle of establishing the facility, but the details of the facility still need to agreed.
* The four investments in question require agreement as a matter of urgency in order maintain the momentum of development and market confidence in the EZ.
* It was proposed to utilise GPF, and if necessary the existing retained business rates, to forward fund these investments until the local authority borrowing facility was in place.
* There are insufficient funds left in GPF to meet all of our existing commitments, although this a includes £2.5m allocation to Vauxhall, which they have yet to apply for and a £2.5m allocation to cover LGF payments to the three local authorities, which is already showing slippage.

The Board approved the investments and delegated authority to sign the investment agreements to the Chair of the EZ Board and the Chair of the Finance and Audit Committee once letters of comfort in relation to the borrowing facility had been received from the LEP’s local authority partners and subject to sign off by the S151 Officer.

**Agenda Item 9: Sub-regional Infrastructure (Housing)**

9.1 Neil Pickering (GL Hearn) took the Board through the sub-regional housing strategy presentation. The presentation made a compelling case for the role housing could play in supporting the local economy. The evidence stressed that a more interventionist approach to the delivery of housing was needed in order to avoid a perfect storm. The key features of that storm were:

* A loss of almost 10,000 young people from the region by 2026, at the same time as replacement demand for the same period was estimated to be 230,000 jobs
* An increasing demand for STEM skills, with a potential shortfall in 60,000 graduates
* A danger of continuing to build the wrong houses in the wrong places (in some parts of the region over 70% of outstanding permissions for 3 / 4 bed houses outside of urban areas)

9.2 The Board agreed that the overriding priority, in support of the economy, was to attract and retain more young people in the region. This would necessitate building smaller, more affordable houses in the places where young people wanted to live. This demanded a different approach and the delivery of different products in urban areas. Residential led regeneration of our town centres could play a critical role in reversing the decline and repurposing our town centres to remain vibrant places attracting communities to come together.

9.3 The Board agreed that securing Home England’s help and support in delivering this ambitious agenda, would help de-risk the emerging new markets and support the delivery in more complicated settings.

**Agenda Item 10: Marketing Cheshire Merger**

Philip Cox provided the background to this item and introduced Mike Benson, who took the Board through the financial due diligence he has undertaken. He also reminded the Board that as he is also the statutory auditor for Marketing Cheshire he needed to record a potential conflict of interest.

Mr Benson said that he has found no risks in the accounts of either organisation that the Board needed to be aware of, but did remind the Board that even though the LEP was under no legal obligation to ‘bail out’ Marketing Cheshire if it got into trouble, it might find that it would be under a strong moral obligation to step in financially.

Mr Benson also introduced Stuart Scott-Goldstone from Aaron & Partners. Mr Scott-Goldstone explained that he is drafting amendments to MC’s Articles of Association.

The Board agreed that on the basis of the reports from Mr Benson and Mr Scott-Goldstone, and the earlier report from the LEP Executive, that they were content for the merger to proceed. They also agreed to delegate authority to sign the necessary documentation to the Chair of the LEP and the Chair of the Finance and Audit Committee, subject to the revised MC Articles of Association being circulated to the full Board.

**Date and Time of Next Meeting:**

Wednesday February 20th 5:00pm.

**Action points:**

**Action**: None arising