

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

**Performance and Investment Committee Meeting**

**Held on 29th March 2023 at 1600 via Teams**

**In attendance:** Chris Hindley (Chair), Nichola Newton (Deputy), Ian Traynor, Neil Taylor, Rebecca Luck, Peter Skates

**Apologies:** Ian Brooks, Alex Thompson, Stewart Brown, Perran Baragwanath

**Presenters:** John Adlen

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| **Item No.** | **ITEM** | | | | |
| 1 | **Welcome, Introductions and Apologies**  CH welcomed the committee and reflected on the Chancellor’s recent announcement at the Budget, and that it remains an uncertain time. A review of all boards and committees was underway for the upcoming financial year, however the announcement has put a pause on those changes (i.e. merger with Finance & Audit committee).  However, CH reflected that the announcement was in a similar space to the strategic discussion that was already underway at a local level in Cheshire & Warrington.  Key role of P&I in the medium-term: likely to have a greater focus on corporate risk, and less focus on investment decisions. Therefore, discussions to be had on the rhythm of meetings moving forward. | | | | |
| 2 | 1. **Conflicts of interest**   NN acknowledged a conflict of interest with the Programme Manager Report (Skills Bootcamp programme), based on WVR recently putting in an application to run a Skills Bootcamp in Cheshire & Warrington.  IT noted a slight conflict with his company’s involvement in the Warrington Bus Depot.  NT is a Cheshire East rep and therefore noting a slight conflict with their stake in Alderley Park and therefore Quadrant Phase 3.   1. **Minutes**   Minutes from 23rd November were confirmed to be an accurate reflection of the meeting. | | | | |
| 3 | **Actions arising**   * RL highlighted that the LEP has been continually escalating to CLGU our resource constraints and concerns about ongoing performance monitoring and reporting for both LGF & GBF. * IT highlighted the role of the P&I committee and the commitment that the LEP had made in connection with this schemes, and therefore sought further clarification as to whether we can exonerate ourselves with a decision to cease LGF/GBF reporting. * JA reflected a similar EZ experience, which highlighted that despite ongoing quarterly monitoring of the outputs/outcomes of the EZ, it was not being fully utilised/reviewed within Government. * RL advised that LGF & GBF & Corporate risk to be a substantive item at April’s P&I meeting. * RL advised Warrington Bus Depot launch aligned with Zebra funding scheme end of December 2023. * IT reminded the committee of an outstanding update that the committee are expecting, regarding the A51 scheme. | | | | |
| **Actions** | **Owner** | | **By When** | |
| Update the committee on the A51 scheme and traffic analysis | RL /  Roy Newton | | End April 23 | |
| LGF, GBF & Corporate risk substantive P&I Agenda Items at upcoming meeting. | RL | | End April 23 | |
| 4 | **EZ Programme Update**  JA took the board through the current EZ investments.  JA noted that we currently have 18 years left on business rate retention, but that means every future scheme has less time to pay back investments/borrowing. JA also noted a significant increase in interest rates (4-6.5%), which is also affecting the affordability of schemes and the maximum we can afford to put into a grant. There are likely circumstances where the LEP is therefore unable to meet 100% of the gap identified.  CH questioned whether the nature of EZ schemes is evolving:  JA noted that we are getting to an inflection point, not able to put big grants into schemes anymore due to the affordability considerations. Market is shifted where industrial rents have increased, and where the viability gap is closing. Likely to be more like the Quadrant schemes i.e. enhancement schemes.  IT questioned how many more labs are possible at the Alderley Park site.  JA noted that there are a mix of refurbishments and new builds on the Alderley Park site, and there is a healthy pipeline on their site masterplan.  IT questioned the stability of business rates.  JA noted that we have a letter that whatever happens with business rate reform, we have the period of the EZ to retain business rates.  Re-rating was done for 2023, and there is some movement up and down: Cheshire West and Warrington increasing, but business rates in Cheshire East will fall. However, Alderley Park has always been difficult to estimate business rates.  Government have also suggested they may move to annual business rate re-rating, but seems impractical. | | | | |
| **Actions** | | **Owner** | | **By When** |
| Share updated up-to-date cumulative EZ outputs. | | JA | | End April 23 |
| 5 | **EZ Quadrant Phase 3**  JA summarised the speculative scheme:   * Series of environment enhancements to two speculative units. * As occupiers are not willing to pay a rental premium for environmental enhanced buildings, there is an affordability gap for the enhancements. * Intervention has strong alignment to our vision. * Can use as a test case for greening our EZ sites. * Initial appraisal was carried out by Cushman & Wakefield and noted that it meets our strategic fit. However, costs have gone up, but still within acceptable parameters.   RL flagged that our typical approach to EZ may no longer be entirely suitable for enhancement based schemes.  JA noted that the outputs we are asked to report to DLUHC are floorspace, jobs created etc. However, we haven’t asked for the environmental benefits that flow from the scheme. Therefore, there is a need to challenge not just reporting to Central Government on their priorities, but need for what we need to measure going forward – i.e. CO2 saving.  The applicant had shared some CO2 savings and energy savings.  CH agreed that the traditional approach needs to evolve to reflect type of schemes that come forward, as well as alignment to our vision (Sustainable & Inclusivity).  NN echoed the commitment to evolve the appraisal approach and contracting outputs against EZ schemes.  ***Decision: Committee agree to ratify the scheme subject to an addendum of the environment and sustainable outcomes and outputs from this investment, and to challenge alternative finance options, including the workplace charging EV scheme (OZEV).*** | | | | |
| **Actions** | | **Owner** | | **By When** |
| To follow up with Quadrant Phase 3 on alternative financing for EV and to capture all relevant sustainability outputs of the LEP intervention. | | JA | | Prior to contract |
| 6 | **Programme Manager Report (Skills Bootcamps)**  RL summarised the current status of Skills Bootcamps, and highlighted the challenge and complexity of the programme, and the continued role of P&I in process and approach.  IT noted a stoke based business, called the fellowship of inspectors, who provide training prior to inspectors being called, may provide mitigation for the inclusion of Skills Bootcamps within Ofsted’s remit.  RL also noted that Skills Bootcamps are already subject to site visits by the DfE QIA team, and that these in the future will act as an Ofsted readiness check.  NN noted that while the new open framework application process is helping, the wider scheme is very tricky, not dynamic, and the fallout is unsurprising. Furthermore, NN noted that the LEP is right to highlight and challenge the issue of proportionality for the scheme.  NN offered help and support for small training providers who are struggling to prepare for Ofsted. | | | | |
| **Actions** | | **Owner** | | **By When** |
| N/A | |  | |  |
| 7 | **AOB**  CH confirmed the next meeting of P&I is scheduled for the end of April. | | | | |
| **Actions** | | **Owner** | | **By When** |
| To prepare a forward plan for future meetings | | RL | | End April 23 |