

**BOARD MEETING**

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

**held on 16th October 2019, Wyvern House, The Drumber, Winsford CW7 IAH**

**Present:**

Christine Gaskell Robert Mee Ged Barlow

Prof Tim Wheeler Nichola Newton Chris Hindley

Cllr Louise Gittins Adrian Bull Cllr Russ Bowden

Clare Hayward Peter Broxton

**Apologies:**

Nicola Dunbar Graeme Bristow Stephen Kinsey

Angie Robinson Cllr Craig Browne John Downes

**Attending / Observing:**

Philip Cox (LEP Chief Executive) Adrian Bull Frank Jordan

Charlie Seward Ian Brooks Steve Park

Alex Thompson Lisa Harris

**Agenda Item 1: Apologies and Introductions**

1.1 Christine Gaskell welcomed Board Members. Apologies were received as above.

**Agenda Item 2: Conflicts of Interest**

2.1 For Item 6: Louise Gittins and Charlie Seward declared a conflict of interest for Ellesmere Port One Public Estate.

2.2 For Item 7: Tim Wheeler, Nichola Newton and Chris Hindley declared conflicts of interest for the Skills Funding bids.

**Agenda Item 3: Public Presentation**

3.1 There was no public presentations.

**Agenda Item 4: Minutes of the Meeting held on 17 July 2019**

4.1 The minutes were agreed as a true and accurate record.

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

5.1 The Board noted the report.

5.2 The Chief Executive reported that he had attended a celebration event held by Cheshire Young Carers at which the LEP and Marketing Cheshire were recognised for the 16 volunteers who had assisted their Summer Activity Programme. Chris Hindley was asked to propose possible charities for the LEP to support in 2020.

**Action: CH**

5.3 The Board reflected on the recent collapse of Thomas Cook and measures that can be put in place to prepare for economic resilience. Immediately after the collapse, DWP reported that Cheshire and Warrington had the highest number of former Thomas Cook employees affected. Economic Growth Directors would discuss building the infrastructure to help, support and respond to businesses undergoing large scale change.

5.4 PC updated the Board on the arrangements for recruitment of the replacement Deputy Chief Executive Officer and Chair. He also reminded board members that the LEP will need a campaign to replace board and committee members reaching the end of their term in 2020.

5.5 A short briefing was also provided regarding the AGM and economic summit to be held the following day.

**Agenda Item 6: Ellesmere Port One Public Estate**

6.1 Lisa Harris, CWaC, provided the Board with an update on progress made regarding the development at Ellesmere Port, seeking full approval for funding.

6.2 The presentation facilitated a discussion which clarified and confirmed how the LEP’s contribution from the Local Growth Fund to the programme assists the project by improving the bus station, the public realm and driving wider re-generation and growth in Ellesmere Port.

6.3 Ged Barlow confirmed P&I is persuaded by the business case.

6.4 The board approved the project.

**Agenda Item 7: Skills Bids Presentation**

7.1 Pat Jackson presented a paper summarising the various bids for Skills Funding.

7.2 The paper will be re-issued to clarify that only nine of the 17 projects had, at the point of the meeting, been fully approved by the Employer and Skills (ESB) and Performance and Investment (P&I) Boards. Work had been continuing with bidders to clarify and refine bids. For the smaller projects, where there were outstanding queries, it was agreed that they could be finalised by correspondence giving time for ESB and P&I to confirm before final contracts are issued. For the larger projects, where there have been material clarification and / or modifications to the bid, the Board agreed that these projects would need formal re-assessment by the ESB and P&I. Bids will return to future meetings of those committees.

7.3 Specific queries were raised:

* Clarification of the bid from Astra Zeneca that the benefits will accrue to a much wider circle of people than just AZ staff.
* Projects require a strong communications plan to raise awareness. This included an opportunity to target small employers, possibly with support from Marketing Cheshire.
* Project bidders should collaborate with each other as much as possible to leverage benefits.
* Louise Gittins sought clarification that outputs are realistic, receiving confirmation that outputs and outcomes are contracted as part of the offer letter.

7.4 With the introduction of new sub-committees and delegated authorities, the Board requested that officers prepare an updated process diagram, with the key “touch” points, to ensure common understanding and clarity of the decision-making process. Alex Thompson requested that the draft be sent to him for his consideration.

**Action: IB**

**Agenda Item 8: Enterprise Zone Loan**

8.1 Ian Brooks presented a paper regarding the proposed loan to the LEP from the local authorities, including the key terms of the loan. Two issues were examined in detail; the effect of the loan on the solvency of the LEP and the role of a credit committee in approval of investments made from the loan funds.

8.2 Accepting the loan is on the LEPs books, solvency will be initially (for the first few years) managed:

* The schedule of repayments will be deferred, until income is flowing to the Enterprise zone account from the projects.
* It is proposed that interest will be rolled up into the loan, so there are no short-term obligations on the LEP to meet any payments towards the loan.
* Obligations will only begin to fall due in the medium term.
* If we imagine the worst-case scenario that the LEP couldn’t make the payments, and the loan would be called in, the only recourse the local authorities have is to the business rates flowing from the EZ. An option would be for the local authorities to effectively cancel the loan and take back the income stream from business rates.
* Even before that, it is reasonable to believe there would be an opportunity to re-schedule the payments to an affordable level, because we expect positive cash flows from the projects far beyond the requirements of the loan.

8.3 The Board approved the main terms of the loan confirming it must be non-recourse.

8.4 The role and degree of involvement of a credit committee in the process of investments was discussed, with an understanding reached that Local Authorities required some oversight, but that approval mechanisms should not be cumbersome. It was agreed to work up a process map with Economic Growth Directors.

**Agenda Item 9: LEP Half Year Finance Report**

9.1 Ian Brooks presented a half year report on progress which highlighted a small operating surplus of £24k after 6 months. Expenditure in the second half of the year is expected to increase, in particular as business cases are developed and marketing activity increased. Income would be drawn down to match these increases in activity and the LEP forecasts a small operating surplus for the full year. The board noted the position.

9.2 The board noted the forecast position on reserves, including the forecast remaining funds in the EZ account.

9.3 It was agreed that work would commence on preparing a draft budget for the board discussion forum in January 2020, and final approval at the full board in February 2020.

9.4 The board approved the proposed changes to the bank mandate, replacing two former directors with Chris Hindley and Stephen Kinsey and Mark Livesey with Ian Brooks.

**Agenda Item 10: Board Sub-Committee Reports**

10.1 Committee Minutes were noted.

**Agenda Item 11: Any Other Business**

11.1 A proposal made by Chris Hindley and Charlie Seward that the next discussion forum focuses on the climate change emergency and sustainability was agreed.

11.2 Philip Cox reminded board members of the proposed “Away-Day” and Strategy event on 15th / 16th of November about which details would be sent separately.

**Date and Time of Next Meetings:**

Discussion Forum (non-public event) Wednesday 13th November 5:00pm – 7:00pm. Room G1

Board Meeting (public) Wednesday 11th December 4:30 - 6:30pm. Room G2