



BOARD MEETING

Minutes of the Cheshire and Warrington Local Enterprise Partnership Board Meeting held on 18th March 2020, by telephone conference call

Present:

Tim Wheeler (Chair)	Ged Barlow	Clare Hayward	Chris Hindley
Stephen Kinsey	Graeme Bristow	Cllr Craig Browne	Nicola Dunbar
Peter Broxton	Cllr Russ Bowden (part)	Cllr Louise Gittins	

In attendance:

Philip Cox	Andy Farrall	Ian Brooks	Steve Park
Adrian Bull	Trevor Brocklebank		

Apologies

Christine Gaskell	John Downes	Robert Mee	Frank Jordan
Nichola Newton	Charlie Seward	Frank Jordan	

Angie Robinson attempted to join the conference

Agenda Item 1: Apologies and Introductions

1.1 Tim Wheeler welcomed Board Members. A special welcome was afforded to Trevor Brocklebank, Deputy Chair elect, attending his first meeting. Apologies were received as above.

Agenda Item 2: Conflicts of Interest

2.1 Graeme Bristow, Cllr Craig Browne and Stephen Kinsey expressed conflicts of interest for item 7b. Steve Park expressed a conflict for item 7a.

Agenda Item 3: Public Presentation

3.1 There was no public presentations.

Agenda Item 4: Minutes of the Meeting held on 26th February 2020

4.1 The minutes were agreed as a true and accurate record. Philip Cox reported that the board member who was taken ill at the meeting had made a full recovery.

Agenda Item 11: LEP Responses to Covid-19 (Coronavirus)

In light of the rapidly escalating development and impacts of the Coronavirus epidemic, these papers were promoted on the agenda.

Philip Cox confirmed that the LEP Senior Management Team had met regularly to assess the evolving Government and Public Health recommendations and were passing messages onto staff with regard to personal safety and protection. Since the paper was written, all staff were now working, if possible, from home, meetings were being moved to virtual conferences and all unnecessary travel is being avoided. The Board supported the actions being taken.

The remainder of the Board discussion centred on the LEP's role in supporting the economy and business community across Cheshire and Warrington throughout this challenging period. The Growth and Skills Hub is providing an up to date information resource and will be seeking to contact all businesses on the business rates database, via mailshot, to apprise them of the emerging Government support. The Growth Hub is also capturing and collating intelligence on the impacts to business and the economy and relaying its' findings into Government departments at least weekly. The Board discussed a wide range of impacts including the short-term economic and financial consequences, challenges in the third sector amongst volunteering numbers and a lack of clarity in the insurance sector regarding e.g. the level of protection afforded by business interruption insurance. Impacts are being felt differently by different sectors; some seeing increases (e.g. logistics) and others sharp declines (e.g. but not exclusively, travel, hospitality). Some outdoor attractions appear to be maintaining visitor numbers for the time being (many have since closed). With the sudden increase in demand for home and remote working the capacity of digital infrastructure is being stretched.

The LEP and Marketing Cheshire are responding by ensuring an up to date and trusted information flow is prioritised on the website, supported by social media. The LEP will be signposting people to the areas of support and the processes for that as they emerge. We are seeking to provide re-assurance, intelligence and advice (e.g. companies dealing with cancellations), provide support to the sources of funding. The LEP has a role to ensuring medium term confidence, to promote our local economy and to prepare for recovery. It is vital to maintain confidence in the economy as a whole and Board members can help disseminate the message. The LEP will need to be both bold and creative in addressing and finding solutions to the economic challenges.

The Board thought it would be helpful if the time of the next scheduled update is added to the information on the website, in addition to time stamping the information as it appears. The LEP also needs to prepare for a "Lock-Down" scenario, if or when additional measures are imposed. It was proposed that a sub-set of the Board meet routinely by conference call to assist intelligence gathering and for the LEP to provide briefing for use by board members to reinforce the role of the LEP.

ACTION: PC/AF/IB

Agenda Item 5: Chief Executive's report

5.1 The Board noted the report.

Agenda Item 6: Approval of EZ Loan Facilities

6.1 The proposed changes to the Articles of Association were discussed. It was explained that final consensus had yet to be reached with the lawyers of local authorities as to the effects of the proposed change of Membership of the LEP Limited Company. Legal advice received indicates that, if Membership is limited to the three Local Authorities the LEP would become defacto a Local Authority Controlled Company. The Board view is that such control is exercised in the very limited realm of the constitution, and future changes thereto, of the company as a Corporate Body. The Board remains satisfied that the proposal does not interfere with the fundamental principles that the LEP is a partnership of private and public sector by virtue of the make up of the Board, and has an entirely independent remit to set strategy and make operational decisions regarding investments.

6.2 The Board encouraged the executive and local authority directors and representatives to bring this matter to a conclusion as a matter of urgency. The resulting delay to the completing the Facilities Agreements is preventing the LEP demonstrating its confidence by investing in the Science Corridor.

6.3 The Board resolved to adopt the revised Articles of Association, once agreement is reached with Local Authorities, and to delegate authority to execute the necessary documentation to the Chair and Chair of the Enterprise Zone Board. A formal, legally prepared resolution of the company shall be finalised to record the decisions.

ACTION IB

6.4 It is a pre-condition of the proposed EZ Facilities Agreements that the Articles are amended, referred to in 6.1-6.3, to overcome what has been a “Technical Breach” of the existing Articles arising from how the company has operated in the past 4-5 years. Given the Board’s approval to the proposed changes to the Articles and that agreement would be forthcoming, the Board discussed the Facilities Agreements.

6.5 The facility agreement between the LEP and Warrington BC was approved. The template agreements between Cheshire West and Chester and the LEP and between Cheshire East and the LEP were also approved in principle. The Board agreed to delegate authority to the Chair and the Chair of the Enterprise Zone Board to execute the final documents. A formal, legally prepared resolution of the company shall be finalised to record the decisions.

ACTION IB

Agenda Item 7: Approval of EZ Investments

7.1 The Board discussed two investments above the delegated limit (to the EZ Board) of £2.5m within the Science Corridor Enterprise Zone. Both investments were supported by recommendations to the Board from the EZ Board and P&I Committee, subject to the EZ Facility Agreements being completed to provide the necessary funds.

7.2 WBC Birchwood Park Trustee Limited (as Trustee of the WBC Birchwood Park Unit Trust) has applied for an investment in Quadrant Phase 2 of up to a maximum of £3,618,000 to deliver a £15.2m project to develop five industrial units totalling 15,773 sq m (169,785 sq ft) at Birchwood Park, Warrington. The scheme could generate c.£436k per annum in retained business rates, providing a payback of up to 8.3 years and potentially generating up to £9.1m in retained business rates over the lifetime of the EZ. The applicant is seeking grant funding on the basis of a gap in the overall financial viability of the scheme on the basis of an undeliverable return on investment owing to risk without EZ support. The investment was approved and the Board delegated authority to the Chair and Chair of the Enterprise Zone Board to sign documentation as necessary.

7.3 Alderley Park Limited (APL) has applied for a total of £4m investment in respect of two projects to refurbish Block 22 and the basement of Blocks 23/24 at Alderley Park that will provide a total of 9,011 sqm (c.97,000 sq ft) of refurbished laboratory space. Both of these projects include a contribution towards the development of a new 2,247 space multi-storey car park (MSCP) on the site. The two projects could generate c.£401,500 per annum in retained business rates, generating up to £8.2m in retained business rates over the remaining lifetime of the EZ. On this basis the investment would pay back in 9.9 years. The applicant is seeking grant funding for the two projects on the basis of a gap in the overall financial viability of the schemes, which is exacerbated by abnormal infrastructure costs relating to the MSCP. Whilst these are two separate projects, they were presented in a single business case for EZ investment due to MSCP element which is common to both projects. The investment was approved, subject to further due diligence to ascertain the impacts of business rate holidays on the baseline and surplus business rates. The Board delegated authority to the Chair and Chair of the Enterprise Zone Board to sign documentation as necessary.

Agenda Item 8: Presentation – Sustainability Update

8.1 The Board received a presentation from Philip Cox updating them on the work that has been performed towards setting Sustainability and Inclusivity objectives for the LEP. The presentation

recognised links between Sustainability and Inclusivity and that the LEP has a role to play in setting the sub-regional agenda and influencing delivery by others. The Board noted the presentation and was supportive of the work done so far. Graeme Bristow commented that how people perceive Sustainability might change in the light of current events and priorities. It was agreed to do further work, returning to the Board in September, and to refine the objectives of establishing some revised criteria by March 2021.

Agenda Item 9: Approval of Annual Delivery Plan 2020-21 and Budget 2020-21

9.1 Since discussing a draft Annual Delivery Plan in January, the Annual Delivery Plan had been updated to reflect comments from Board members and the Accountable Body, CEC. Several of the targets included in the Plan had also been updated. The Board approved the Annual Delivery Plan 2020-21, which will be formatted and published as a corporate document before April 30th, 2020.

9.2 The Board also approved the LEP company budget for 2020-21, which showed a balanced position and provides the LEP with adequate financial reserves. The Board noted the possibility that additional funding may become available to meet the economic challenges now being faced, and for further support in respect of Brexit. These measures are too unclear and uncertain at the present time but, as clarity materialises, will be included in updated forecasts throughout the financial year.

Agenda Item 10: Charity of the Year 2020-21

10.1 Chris Hindley introduced the paper describing the high level of interest shown by a commendable range of Charities seeking partnership with the LEP for 2020-21. The LEP Board expressed its thanks to all applicants. A shortlisting process had been undertaken considering each charity with the LEP's criteria, LEP staff had an opportunity to provide their views and the LEP assessment had undergone an independent review.

10.2 Following this rigorous process, the Board approved Young Enterprise as the Charity of the Year.

10.3 The Board recognised that it would be disappointing news for the unsuccessful applicants and each applicant will be contacted individually to thank them for their interest and the tremendous work they do.

Agenda Item 12: Board Sub-Committee Reports

12.1 Minutes from the various Sub-committees were noted by the Board.

12.2 In response to updates by Sub-Committee Chairs, the Board made the following observations:

- That Strategy Committee consider giving guidance to sectors, other than the Transport Sector which is well versed, on the preparation of business cases for capital projects to help widen the scope of projects. Housing was one area suggested.
- To support the Employers and Skills Board in delivering its strategies to build Virtual Learning capacity.
- To note that funding for the Pledge had been secured for a further 18 months.
- To note that an Expression of Interest (£15M) for an Institute of Technology had been submitted.
- That P&I had ratified many projects recently including Energy, Skills and Sustainable Transport investments.
- The Enterprise Zone Board is considering an investment in Advanced Sustainable Development, which is more an investment in process than physical development. This project, if supported for investment by the EZ Board will be brought to the full Board for approval, given it is "novel" and presents the LEP with new areas of risk to consider.
- Consultants have been appointed for Inward Investment and External Perceptions work.

Agenda Item 13: Any Other Business

13.1 Tim Wheeler recognised that the meeting marked the last of Ged Barlow's tenure as a Director of the LEP. Clare Hayward also recognised that the meeting was also Tim Wheeler's last after 9 years of service.

13.2 The Board thanked both of them for their valuable contributions over many years.

Agenda Item 14: Date and Time of Next Meetings:

Board Discussion Forum Wednesday 15th April 2020 4:30 - 6:30pm. Room G1

Board Meeting (public) Wednesday 13th May 2020 4:30 - 6:30pm. Room G1