**Cheshire and Warrington Local Enterprise Partnership Board Meeting**

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| **Agenda Item:**  | **5** |
| **Subject:** | **Chief Executive’s Report May 2019** |
| **Author:** | **Philip Cox** |
| **Date:** | **15 May 2019** |

Summary

1. Brexit continues to delay key decisions on things such as the UK Shared Prosperity Fund and the Strengthening Towns Fund. Our focus over the last month, therefore, has been on successfully delivering our existing programme and making sure that we are well placed to take full advantage of these funds once they are put in place by appointing new board and committee members, beginning to integrate the work of Marketing Cheshire and the LEP, and ensuring that we measure up against the National Audit Office’s test of best practice.

Local Elections

1. Cheshire East and Cheshire West & Chester both held elections on Thursday 2 May. In Cheshire West, Labour were defending a one seat majority, and ended the evening with 35 out of 70 seats on a council that had been reduced in size following boundary changes. In Cheshire East, the Conservatives were defending a large majority, but ended up with only 34 seats on an 82 seat council – well short of an overall majority, but still the largest party.
2. We will not know formally who will be leading the two Councils until after their Annual General Meetings, which are due to be held later in May, but we do know that Rachel Bailey has resigned as Conservative Leader in Cheshire East and has been replaced by Janet Clowes. Alongside everything else she was doing as Leader of Cheshire East, Rachel was also an excellent member of the LEP Board and the Executive Team, and, I am sure, the Board are extremely grateful for the support she gave us.

NAO Report … and MHCLG Deep Dive

1. The National Audit Office published a report on 3 May, providing an update on MHCLG’s progress with responding to the recommendations in previous NAO reports on LEPs. MHCLG’s Permanent Secretary will be examined on the report by the Public Accounts Committee on 13 May. The main headlines are:
* The NAO appears happy that the LEP review has successfully clarified the role of LEPs and is well on the way to eliminating overlapping geographies;
* NAO acknowledge that the department is committed to strengthening LEP leadership, bringing all LEPs into line with our own practice, including requiring all Board members to sign up to the Nolan principles, improving Board diversity and setting term limits for Board members, in particular Chairs and Deputy Chairs;
* NAO are also happy that the vast majority of LEPs have also come into line with policies we already operate on financial transparency;
* NAO remain very critical of what they say is a lack of evaluation by MHCLG of the impact of the funding provided to LEPs via Growth Deals. They also allege that the department does not have a proper understanding of LEP capacity.
1. Board members will also remember that MHCLG undertook a deep dive into our governance in early March. I hope that MHCLG will release its report in time for us to circulate it before the Board meeting.

NP11

1. As I reported last month, David Levene took up the post of NP11 Strategy Co-ordinator on 29 April. On a day to day basis he will be largely based in Leeds and report to Roger Marsh, Chair of NP11 and the Leeds LEP, and to Christine as NP11 deputy chair. David will be attending the Board meeting to give a short presentation on NP11’s business plan and objectives.

Brexit

1. With the delay in the Brexit date, the Government has significantly reduced the amount of “no deal” contingency planning, and our own Growth Hub has been able to re-balance its activity away from Brexit preparations. We have also received a letter of appreciation from Melanie Dawes, MHCLG’s Permanent Secretary, thanking us for the work we have done to date, and, in particular, for the feedback we were providing on the impact of Brexit “on the ground”.

Marketing Cheshire

1. The final legal steps in the merger between the LEP and Marketing Cheshire will be completed following the latter’s Board meeting on 16 May. As part of the merger, MC will take on responsibility for overseeing all of the LEP’s communications and marketing and Catherine Walker will be using the same meeting to seek their views on the LEP’s corporate communications strategy and approach to place marketing.

Board Recruitment Interviews

1. Interviews for the vacancies we have on the two Boards and a number of our committees are proving challenging to schedule. To date we have interviewed four people for positions on the MC Board, with the final interview delayed until one of the candidates returns from holiday. The remainder of the interviews are still to be scheduled, although we hope to have them in place within the next few days.

Programme Delivery

1. We are continuing to make good progress with the delivery of our programme. Legal agreements have now been signed for £6.9 million of investments into the Enterprise Zone, including a 124k sq ft development at Hooton Park in Ellesmere Port which has been undeveloped and in public ownership since the 1990s.
2. Final figures for 2018/19 also show that we spent £18.7 million on the LGF programme last year against a target from BEIS of £16 million. Some of the projects this has funded include Sydney Road Bridge in Crewe, Warrington Centre Park Link, where the sod cutting is due to take place on 20 May, and Winsford Industrial Estate where work is due to start at the end of the month. Our spend target for 2019/20 is £25 million.
3. With confirmation of funding for the Pledge, we have been able to recruit our full complement of Pledge Co-ordinators into the Growth and Skills Hub, and they will take up their posts on 10 June. Our Growth Hub is also beginning to be acknowledged as an exemplar for others, with BEIS asking us to host a visit from one LEP and to provide advice and support to a number of others.