



BOARD MEETING

Minutes of the Cheshire and Warrington Local Enterprise Partnership Board Meeting
held 20th January 2021 at 4.30pm by video conference call

Present:

Clare Hayward	Trevor Brocklebank	Cllr Craig Browne	Cllr Russ Bowden
Cllr Louise Gittins	Robert Mee	Peter Broxton	Nicola Dunbar
Chris Hindley	Nichola Newton	Stephen Kinsey	Eunice Simmons

In attendance:

Philip Cox	Ian Brooks	Joe Manning	Charlie Seward
Frank Jordan	Steve Park	Alex Thompson (CEC)	Gemma Davies (CWaC)

Apologies

John Downes			
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Agenda Item 1: Apologies and Introductions

1.1 Clare Hayward welcomed Board Members. Apologies were received as above.

Agenda Item 2: Conflicts of Interest

2.1 Conflicts of interests were declared in relation to the agenda item on the continuation of the Life Sciences fund. Cllr Craig Browne is a board member of the Alderley Park site and has an active interest in the life sciences fund; Peter Broxton sits a non-executive director on two companies that have benefitted from previous life sciences fund investment; and Stephen Kinsey is a board member of Bruntwood which owns the Alderley Park and Manchester Science Park sites.

2.2 It was agreed that those with conflicts would remain present for the discussion of the life sciences fund. However, those with a conflict would not vote on whether to continue with a second round of funding.

Agenda Item 3: Public Presentation

3.1 There was no public presentations.

Agenda Item 4: Minutes of the Meeting held on 18th November 2020.

4.1 The minutes of 18th November 2020 were agreed as a true and accurate record.

Agenda Item 5: Chief Executive's report

5.1 Philip Cox provided a written update to the Board.

5.2 Since writing the report, PC has secured a meeting with policy officers to discuss the Kickstart programme. The board is aware of delays. Of the 1000 places identified by companies in the sub region only 1980 have been offered. **Note: the requirement for an employer to have a minimum 30 roles is being removed from 3rd February 2021 so any SME can apply direct.**

5.3 In respect of developing proposals for the Levelling Up Fund, Frank Jordan said that Place Teams will not be the only channel for engagement and he is keen to ensure equal opportunities for access from across the sub-region.

Agenda Item 6: Board Sub-Committee Reports

6.1 The board also discussed feedback from the sub-committees.

6.2 Trevor Brocklebank updated on the work of the marketing and communications board, and Marketing Cheshire. MC has written to the Prime Minister with the support of business and Cheshire West and Chester Council to seek more support for the visitor, hospitality and retail sector. This was covered on local and regional news. MC has also established new active business led networks to lead our recovery, these are Destination Chester and Destination Cheshire. Finally, MC has set up a project to improve the LEP's organisational branding to improve the visibility of the services we provide to our business base and reflect our new sub-regional vision. We will update the full Board as this project develops.

6.3 Stephen Kinsey updated on the work of the Business Growth Board. The Growth Hub continues to respond to business queries in relation to EU Exit and Covid19. It and the Chambers of Commerce have been inundated with enquiries about how the new import / export arrangements operate. The Growth Hub has funded work through the local Chambers of Commerce and is also making tailored guides available for businesses. To date we have not been informed of any company that has encountered insurmountable problems with the new system.

6.4 Clare Hayward updated on the Skills and Employers Board. Clare thanked the Pledge team for their excellent work in delivering virtual careers fairs and work experience. The board had also heard an update on the Accelerate programme and local growth fund investments in skills. The board discussed the importance of further work on the digital skills agenda in 2021. Clare asked that board members review the Cheshire and Warrington jobs portal that has been developed as a pilot. We need to test local need and demand for the concept before agreeing whether to scale up in the future.

6.5 Chris Hindley said the Performance and Investment Committee was due to meet w/c 25th January and would take an update item on Accelerate. In the meantime, excellent progress was being made towards achieving full expenditure of the Local Growth Fund; 94% (£120M) having been achieved so far. He recognised Rachel Laver's ongoing efforts to work with project managers to ensure delivery. While confidence remains strong, there is an increasing delivery risk for those projects reliant on supplies from overseas and potentially interruptions caused by flooding.

6.6 There were no updates provided from the other boards as they had not met over the Christmas period.

Agenda Item 7: Investment Opportunities – Life Sciences Fund 2

7.1 Ian Brooks presented a paper on a proposition for the Life Sciences Fund 2. Ian summarised the position of the current fund, which is reaching the end of its' planned investment period and will be limited to follow on investments to companies within the current portfolio from April 2021. The new

fund will provide continuity of financial support to this important sector of the local economy, for new investments and companies considering locating in the region.

7.2 Ian set out that the proposal was for the LEP to invest £10 million, ideally funded through the returns of Life Sciences Fund 1 but, if necessary, either temporarily or permanently by using the remaining balance of the Growing Places Fund.

7.3 There was wide ranging discussion of the proposal. The board was agreed with the strategic intent of the fund, fully recognised the importance of the life sciences sector and the need for the LEP to support business growth. The board emphasised that the fund needed to support businesses across the Cheshire and Warrington science corridor and should not be focused on a specific cluster or business park.

7.4 The board also discussed the importance of the fund supporting both a wider vision for the growth of the life sciences in the North West of England and our sub-region vision for inclusivity, sustainable and healthy economic growth. This means that the fund should be regarded as one policy intervention amongst a wider toolkit for life sciences and we should look for opportunities to use the fund to promote the importance of our wider agenda for inclusivity and sustainability. By way of example, the opportunities and importance of women in science or increasing the local skills base and links with our colleges.

7.5 The board discussed the funding model proposed and asked for further evidence on the LEP's contribution of £10 million and whether other funding mixes had been discussed with partners.

7.6 The board said that any investment into Life Sciences Fund 2 will have to be informed by the lessons learned of running Life Sciences Fund 1. The targets for business growth and jobs creation for Life Sciences Fund 1 have proved to be ambitious, and the remuneration structure for the Fund Manager could be improved to support the achievement of objectives.

7.7 It was concluded that the Board was supportive of the strategic intent of the fund but that further work should be carried out to test the viability of alternative options, including (i) alternative funding levels, (ii) staged commitment from the LEP and (iii) achieving wider objectives. These should be presented to the board for consideration.

Agenda Item 8: Accounting for Life Sciences Fund

8.1 Ian Brooks presented a paper which set out the requirement to report the LEP's share of the Life Sciences Fund 1 partnership within the LEP's statutory accounts. This had inadvertently been overlooked in previous years and the correction would be made when the annual accounts for the current financial year are prepared.

8.2 Stephen Kinsey reported that the matter had been discussed at length by the finance and audit committee and the conclusions expressed in the paper had the agreement and support of the external auditor and s151 officer.

8.3 The effect is essentially one of presentation and, while a significant asset will now form part of the accounts, it does not provide additional resources to the LEP in the short to medium term.

Agenda Item 9: Any Other Business

9.1 There was no A.o.B.

Agenda Item 10: Closed meeting: Budget discussion

10.1 Ian Brooks presented a paper describing the current estimates for next year's budgets for the LEP and Marketing Cheshire emphasising that the planning environment remains uncertain until further

clarity is available from Government. We anticipate that 2021-22 will be a somewhat different year for the LEP, with greater emphasis on business support, delivery of responses to EU Exit and workforce recovery and a reduced scale of capital programmes.

10.2 Local Authorities confirmed the assumption of their continued financial contributions to core LEP funding.

10.3 The board agreed in principle the use of reserves by the LEP and MC, in order to allow both businesses to transition into 2022-23 when budgets would need to be balanced. This will help overcome the current uncertainties associated with the future role of LEPs, the delay of the publication of the Devolution White Paper and, for MC, the current lack of commercial income. The use of reserves will preserve capacity and accelerate the responses. The board supported the executive continuing to be agile in matching our use of staff resources to the activities for which funding is received.

10.4 Final recommended budgets will be presented to the board for approval at the March meeting following confirmation of budget allocations.

Agenda Item 11: Date and Time of Next Meetings:

Board Discussion Forum: 17th February 2021, 4:30pm– 6:30pm (Virtual – MS Teams)

Board Meeting: 17th March 2021, 4:30pm– 6:30pm (Virtual – MS Teams)