

WORCESTERSHIRE LEP BOARD MEETING

Thursday 21st January 2021

10.00am - 13.00pm

Virtual

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|------------|---|--------------|
| 1. | Welcome and Apologies | 10.00 |
| 2. | Declarations of Interest | |
| 3. | Minutes of 27th November 2020 | |
| 4. | Matters Arising and Action List from 27th November
- Correspondence | |
| 5. | Growth Hub Transition Progress and Forward Strategy
– Phoebe Dawson
(FOR DECISION) | 10:15 |
| 6. | WLEP Local Industrial Strategy / Projects – Gary Woodman
(FOR DISCUSSION) | 11:00 |
| 7. | Innovation Sub-Board Proposal and Recruitment – Linda Smith
(FOR DECISION) | 11:40 |
| 8. | WLEP Programme Overview
(FOR DISCUSSION) | 12:00 |
| | a) GBF Programme – Alison Dickinson | |
| | b) Towns Deal and FHSF Overview – Gary Woodman | |
| 10. | Update from Chair of FAR Committee – Chris Walklett | 12.30 |
| | c) WLEP Finance Report Q3 2020/21 – Steph Simcox
(FOR INFORMATION) | |
| 11. | WLEP NED Recruitment update – Gary Woodman | 12:45 |
| 12. | AOB and Close | 13:00 |

Board Meeting Dates for 2021 (all Thursdays at 10am – 1pm)

- 25th March
- 23rd September
- 27th May
- 25th November
- 15th July



Friday 27th November 2020, 10:00am – 13:00pm
Video Conference

PRESENT:

Mark Stansfeld	(MS)	Non-Executive Chair
Nick Baldwin CBE	(NB)	Chairman, Dimensions UK
Gary Woodman	(GW)	Chief Executive, Worcestershire LEP
Sue Jordan	(SJ)	Non-Executive Board Member
Jennifer Long	(JL)	Director, Ice Blue Marketing and Design
Nicola Whiting MBE	(NW)	Chief Strategy Officer, Titania
Carl Arntzen	(CA)	Managing Director, Worcester Bosch Group
John Dillon	(JD)	Managing Director, GJS Dillon
Cllr Marc Bayliss	(MB)	Worcester City Council (representing Southern DCs)
Cllr Fran Oborski	(FO)	Deputy Leader of Wyre Forest Council (representing Northern DCs)
Stuart Laverick	(SL)	Principal & Chief Executive, Heart of Worcestershire College
Chris Walklett	(CW)	Partner, Bishop Fleming

IN ATTENDANCE:

Graeme Chaplin	(GC)	West Midlands Agent, Bank of England
Kevin Dicks	(KD)	Chief Executive, Bromsgrove District and Redditch Borough Councils
Cllr Ken Pollock	(KP)	Cabinet Member for Economy and Infrastructure (substituting Cllr Simon Geraghty)
Luke Willetts	(LW)	Director of Operations, Worcestershire LEP
Phoebe Dawson	(PD)	Director of Business Engagement, Worcestershire LEP
Linda Smith	(LS)	CEO, Betaden / Director of Enterprise, WLEP
Steph Simcox	(SS)	Head of Finance, Worcestershire County Council
Oliver Hindle	(OH)	Assistant Director, Cities & Local Growth Unit BEIS
Nick Francis	(NF)	Head of West Midlands Regional Team, BEIS
Ste Ashton	(SA)	Worcestershire 5G Co (Worcestershire County Council)
Paul Fleming	(PF)	Worcestershire 5G Co (Advalus)

APOLOGIES:

Cllr Simon Geraghty	(SG)	Leader, Worcestershire County Council
Prof. Sarah Greer	(SGr)	Deputy Vice Chancellor and Provost, University of Worcester

<p>1.</p> <p>1.1.</p>	<p><u>Welcome and Apologies</u></p> <p>MS opened the meeting and gave an overview of what was due to be covered. Apologies were noted. Admin and finance support were provided by Sophie Jenkins, who was most welcome at this meeting.</p>	<p>ACTION</p>
<p>2.</p> <p>2.1.</p>	<p><u>Declarations of Interest</u></p> <p>No declarations were made at this point.</p>	
<p>3.</p> <p>3.1.</p>	<p><u>Bank of England: Economic Outlook for Worcestershire and the West Midlands</u></p> <p>Graeme Chaplin presented to the board.</p> <p>MS asked if it was right to assume that there will be a spike in unemployment when job retention scheme (JRS) ends? GC explained that this is dependent on many assumptions and that a remedy to this could be the implementation of the vaccine overlapping with the end of the JRS.</p> <p>MB commented re consumption by sectors as this showed an increase in imported goods and a decrease in UK goods and services. GC explained that this is due to an increase in spending on ‘stuff’ rather than experiences. The UK has been badly hit compared to other economies due to our lifestyles being focused around social spending.</p> <p>JD asked what the impact of introducing negative interest rates would be and if other economies have used this as a remedy? GC explained that Japan and parts of Europe have partially used this approach in their COVID-19 recovery. One of the biggest impacts on UK businesses would be corporate charges for depositing monies with BoE as an incentive to invest and spend.</p> <p>SJ initiated a conversation around the breakdown of unemployment and asked if we were doing enough to support youth unemployment. The end of the JRS will have the biggest impact on the younger demographic and those in low paid jobs.</p> <p>NW suggested that we could focus on opening opportunities to work remotely from Worcestershire with the impact being that income generated is spent locally by people living within the county. However, that model poses risks in that the business rates generated by those employers benefit other parts of the country. People are increasingly realising there is a decreased need to work in the capital and major urban centres, so there is now an opportunity to focus on promoting Worcestershire as a place to live.</p> <p>CW raised concerns on behalf of businesses re: how central government will use tax to recover the deficit caused by government funding and support provided in response to the pandemic, and this is having an impact on decision making for future investment.</p>	

<p>4.</p> <p>4.1.</p>	<p><u>Minutes of 25th September 2020</u></p> <p>The minutes of the 25th September 2020 meeting were accepted as a true record.</p>	
<p>5.</p> <p>5.1.</p> <p>5.2.</p> <p>5.3.</p>	<p><u>Matters Arising and Action List from 25th September</u></p> <p>GW ran through the matters and actions from 25th September.</p> <p>Further work on inclusivity and diversity is being agreed with NW, diversity champion for WLEP Board.</p> <p>GW noted that WLEP Board have now approved 9/12 of the GBF projects with the remaining 3 reports to follow in the next 7-10 days.</p> <p><u>WCCC deferral of GPF repayment – Steph Simcox</u></p> <p>SS requested approval from the board for WCCC to defer their capital repayments for 18 months due to the pandemic and flood impacts. DECISION – The board agreed.</p> <p><u>W5G Co funding bid – Ste Ashton / Paul Fleming</u></p> <p>SA and PF presented to the board requesting approval to award £150k grant to W5G Co (via MHSP) from the Growing Places Fund (GPF).</p> <p>There was challenge from MB around governance and turnover figures. SA, PF and MS provided clarification.</p> <p>Further challenge was raised by NW re more publicity being needed around 5G to engage the public and ensure Worcestershire SMEs benefit from the testbed.</p> <p>CW flagged that FAR Committee had reviewed this at their meeting and endorsed the sentiment of approving the funding but wanted to consider the mechanism for funding e.g. WLEP retaining a potential equity share in W5G Co to benefit from any potential future sale of the business.</p> <p>SS suggested that the principles of the GPF mean that any money invested by WLEP should be repaid by the recipient for future reinvestment by WLEP, and that is the minimum requirement.</p> <p>DECISION – The board approved this request for £150k funding but delegated authority to GW and SS to confirm final mechanism. Final note to be provided to Board for information.</p> <p><u>Programme Delivery Group proposal – Luke Willetts</u></p> <p>LW presented the objective and proposals for establishing the WLEP Programme Delivery Group. It was suggested that the group meets quarterly and is aligned with reporting timescales and requirements of Government.</p> <p>LW asked the board to review the proposed membership of the group and approve.</p> <p>DECISION – The board agreed to establishing the PDG. LW to liaise with partners re: membership and representatives.</p>	<p>GW/NW /LW</p> <p>GW / SS</p> <p>LW / ALL</p>

6.

WLEP Project Pipeline to support LIS – Luke Willetts

LW presented to the board and outlined the objective as reviewing the long-term proposals and identifying areas in which the WLEP should focus resources to develop shovel-ready proposals for future funding opportunities.

Ideas

FO declared an interest in Kidderminster Creative Hub.

CA pointed out that Central Government's 10-point plan includes information around identifying a hydrogen town and suggested that Worcestershire could be nominated. A 5000-house housing development at Parkway or new settlement proposed at Throckmorton via the SWDP could be put forward. LW and CA outlined ambitions for a hydrogen centre of excellence in Worcestershire around transport and heat.

NW suggested something bigger is needed in the 'later' section, something that has more initiative and is more joined up. NW referenced the Science and Innovation Audit 2 years ago and suggestion of a Science and Technology Park in Worcester which has not been pursued.

KP expressed that the MHSP has ambitions to grow into a European scale technology park and support growth and innovation in Worcestershire.

KD expressed that he is keen to build on hydrogen proposals with local MP's as there is an exciting opportunity here and businesses have shown interest.

ACTION – Create pipeline programme on innovation and hydrogen

LW/CA

People

SJ expressed that the future needs to be more ambitious and diverse. We should be a bit more focused with our interventions and ambition.

Conversations with the relevant trade and sector bodies and unions are needed to create more partnerships and help accelerate initiatives. SJ suggested HS2 should be more of a focus for our skills plan.

NW suggested that more time should be invested to study access to opportunities of marginalised groups and sourcing further funding to work with these groups.

KD suggested focusing on the construction and skills sector as it is currently booming, and we are unable to meet the demand. Need to identify how learners could be encouraged before investing. KD expressed concern for post March 2021.

JL expressed that there is currently not enough focus on the hub for digital skills. Despite grand plans for digital connectivity, where is the skills piece to coordinate and future-proof skills needs and demands? The resources at MHSP and University of Worcester are not currently good enough to support the digital skills agenda.

	<p>Need to identify a body who will be responsible for building an academy of excellence to attract more people. A strategic plan is needed.</p> <p>SL raised concerns regarding revenue funding and there being lots of red tape.</p> <p><u>Infrastructure</u></p> <p>KP advised that central government have reduced their gigabit coverage ambition for the UK from 100% to 85% coverage by 2025 and suggested that Worcestershire focus on reaching 100% ASAP.</p> <p><u>Business Environment</u></p> <p>GW expressed that it is difficult to look beyond 36 months due to funding.</p> <p>SJ flagged we should not forget the VCS sector e.g. The Princes Trust. This sector has a lot of interest in supporting people finding access to employment difficult.</p> <p><u>Place</u></p> <p>The board were happy with ideas.</p> <p>LW outlined that next steps will involve working with partners and stakeholders to develop project pitches for those areas identified.</p> <p>JD stated that he is aware that there are several Towns Fund and Future High Street Funding proposals in development across the county, but requested a briefing note is shared with the Board to update on progress.</p> <p>ACTION – Create a briefing note and circulate to board on the Towns and Future High Streets Funds.</p>	<p>LW / ALL</p> <p>LW / GW</p>
<p>7.</p>	<p>Update from Chair of FAR Committee – Chris Walklett</p> <p>CW updated the board re W5G Co proposal and pitch for GPF as per Item 5b on this agenda. The FAR committee is supportive of the funding request but have undertaken further work on the proposed mechanism for investment. See Action from above which involves GW and SS liaising with CW to agree proposed terms of GPF investment and repayment.</p> <p>As part of this discussion, some frustration was aired by Board Members about MHSP's role and perceived lack of action around championing innovation within the county. MS suggested this was addressed as a specific agenda item at future meeting. ACTION – Discussion re MHSP and county-wide innovation required as an agenda item at the next board. Concerns raised over lack of engagement.</p> <p><u>WLEP Finance Report Q2 2020/21 – Steph Simcox</u></p> <p>SS outlined issue with Pershore Northern Link scheme re: forecast £1m LGF funding underspend in 2020/21 due to issue with protected species discovered on-site. LGF funding must be spent</p>	<p>GW / SS / CW</p> <p>GW</p>

	<p>in this financial year, therefore FAR recommend that funding is spent on any number of 3 possible LGF schemes this year, substituting WCC planned expenditure in-year. The WCC funding will then be utilised on Pershore Northern Link scheme in 2021/22. SS has requested approval from board to allocate the underspend to one of the schemes, SS has recommended scheme 2.</p> <p>DECISION – The board agreed to mitigation plan</p>	SS
8.	<p>WLEP Virtual Conference feedback / plans for 2021 – Gary Woodman</p> <p>ACTION – Send board the link to presentation</p> <p>ACTION – Add as agenda item to next meeting.</p>	GW
9.	<p>AOB and Close</p> <p>Nothing further raised.</p>	
	MS- Thanked the Board and closed the meeting	
	<p><u>Date of the Next Meeting</u></p> <p>The next meeting will be held at 10am on Thursday 21st January 2021.</p>	

MATTERS ARISING (ACTION LIST & CORRESPONDENCE)

Action List from meeting 27th November 2020

ACTION – Further work on inclusivity and diversity is being agreed with NW, diversity champion for WLEP Board – GW / NW / LW

ACTION – Agree the mechanism for £150k investment of GPF into W5G Co and send final note to WLEP Board to confirm – GW / SS / CW

ACTION – Establish WLEP PDG and ensure membership as per ToR agreed - LW

ACTION – Create pipeline programme on innovation and hydrogen – LW / CA

ACTION – Create a briefing note and circulate to board on the Towns and Future High Streets Funds – GW / LW

ACTION – Discussion re MHSP and role in innovation required as an agenda item at the next board. Concerns raised over lack of engagement - GW

ACTION – Apportion forecast £1m LGF underspend in 2020/21 to other LGF projects in year - SS

ACTION – Send board the link to virtual conference presentation - GW

ACTION – Add virtual conference as agenda item to next meeting – GW