

Thursday 24th January 2019, 2.00 pm - 5.00 pm

Worcestershire Group Training Association, McKenzie Way, Worcester, WR4 9GN

PRESENT:

Mark Stansfeld	(MS)	Non-Executive Chair
Carl Arntzen	(CA)	Managing Director, Worcester Bosch Group
Cllr Karen May	(KM)	Bromsgrove District Council (rep Northern DCs)
Cllr Ken Pollock	(KP)	Economy, Skills and Infrastructure, Worcestershire County Council (rep Simon Geraghty)
Prof David Green	(DG)	CEO & Vice Chancellor of the University of Worcester
Stuart Laverick	(SL)	Principal & Chief Executive, Heart of Worcestershire College
Mark Martin	(MM)	Chair of WLEP Business Board
Sue Jordan	(SJ)	Non-Executive Board Member

IN ATTENDANCE:

Gary Woodman	(GW)	Chief Executive, Worcestershire LEP
Luke Willetts	(LW)	Director of Operations, Worcestershire LEP
Steph Simcox	(SS)	Head of Strategic Infrastructure Finance & Financial Recovery, Worcestershire County Council
Linda Smith	(LS)	Director of Enterprise, Worcestershire LEP
Kevin Dicks	(KD)	Chief Executive, Redditch & Bromsgrove District Council
Ollie Hindle	(OH)	BEIS
Maree Haddrell	(MH)	Office Manager, Worcestershire LEP (Notetaker)
Robert Capper	(RC)	Partner and Head of Commercial Team and Advanced Manufacturing, Harrison Clark Rickerbys (Item 5)
Kate Ashcroft	(KA)	Head of Distributed Energy Projects, Encraft (Item 6)
Alex Pearson	(AP)	Regional Senior Energy Projects Officer, Nottingham City Council (Item 6)
Liz Alston	(LA)	Sustainability Manager, Worcestershire County Council (Item 6)

APOLOGIES:

Chris Walklett	(CW)	Partner, Bishop Fleming
Cllr Marc Bayliss	(MB)	Worcester City Council
Simon Geraghty	(SG)	Leader, Worcestershire County Council
Nick Baldwin	(NB)	Chairman, Office for Nuclear Regulation

1.	<u>Welcome and Apologies</u>	ACTION
1.1.	MS welcomed the Board and welcomed SJ to the meeting; SJ introduced herself and gave an overview of her HR background in business.	
1.2.	Apologies were received from SG, CW, MB, ND and SE. MM, CA and DG all explained that they needed to leave the meeting early due to various commitments. MS reiterated the importance of avoiding clashes with Board meetings. MS took the opportunity to give a brief update on the LEP review;	

1.3.	<p>despite various meetings with Minsters, MPs and Businesses etc. there is no progress on the geography issue. There remains some uncertainty in future investment but a lot of positive feedback regarding BetaDen, Skills and 5G etc.</p> <p>GW has joined the Midlands Engine Operating Board and MS leads on the Midlands Engine Digital Board.</p>	
2.	<p><u>Declarations of Interest</u></p>	
2.1.	<p>No declarations of interest were made at this point.</p>	
3.	<p><u>Minutes of WLEP Board Meeting on 19th November 2018</u></p>	
3.1.	<p>These were agreed to be correct and the minutes were signed off as a true record.</p>	
4.	<p><u>Matters Arising</u></p>	
4.1.	<p>Action list</p>	
4.1.1.	<p>Feedback regarding the LEP 2040 vision was sent to GW.</p>	
4.1.2.	<p>The Local Industrial Strategy (LIS) was on the agenda, and GW reiterated that the LEP is looking to broker collaboration with all partners.</p>	
4.1.3.	<p>The learnings from the LEP conference and proposals for the 2019 conference will be reported to the Board at a future meeting. There are two branding briefing sessions planned for February; invitations will be circulated to the Board in due course.</p>	
4.1.4.	<p>As mentioned at the beginning of the meeting, the LEP review is still ongoing. However, GW pointed out that one of the recommendations was to improve gender equality on the Board, which has been addressed through the recent NED recruitment and appointment.</p>	
4.1.5.	<p>MS and KM have not yet met to discuss the strategic transport plan for North Worcestershire, but will do so shortly.</p>	
4.1.6.	<p>GW's action to bring examples of European funding will be rolled over to the next meeting.</p>	GW
4.1.7.	<p>David Blake and Judy Chadwick have met to discuss the project.</p>	
4.1.8.	<p>KM pointed out that she's unable to attend any of the scheduled FAR Committee dates due to a clash; LW and SS will pick this up.</p>	LW/SS
4.2.	<p>Correspondence</p>	
4.2.1.	<p>The Correspondence from the MCLG was acknowledged; GW pointed out that as per 4.1.4, gender representation is improving and legal personality will be discussed under agenda item 5.</p>	

<p>5.</p> <p>5.1.</p> <p>5.2.</p> <p>5.3.</p> <p>5.4.</p> <p>5.5.</p> <p>5.6.</p> <p>5.7.</p>	<p><u>LEP Legal Status</u></p> <p>MS welcomed RC to the meeting. RC gave an overview of the options as set out in the report, stating that several should be ruled out as the LEP does not fit the criteria; therefore, Community Interest Company (CIC) and Company Limited by Guarantee (CLG) are the main options available at the moment.</p> <p>RC is concerned that there are few legal and accountancy professionals that understand and/or work with CICs; although some LEPs have registered as CICs they are relatively new.</p> <p>CLGs have many benefits, mainly around flexibility, and can have as much or as little scrutiny as desired. Staff can be seconded/TUPE over to the new company and it would also allow flexibility in the services offered; for example a trading company limited by shared could be created and operate for-profit activities - such as facilities hire etc.</p> <p>DG asked whether, in CLG form, there would be a process for dissolution into another body if required; RG pointed out that in most CLGs there is a standard procedure set out in the Articles of Association that assets would have to be transferred to a company with similar aims; this stops assets going to members or outside interest companies.</p> <p>DG also asked whether applying for charitable status would be an option; RC stated that it is very difficult to get approval, especially combined with the political environment.</p> <p>GW pointed out that as per 5.4.1 of the report, there has been no clarification from Government about its intentions.</p> <p>The Board agreed to establish a legal entity in the format of a company limited by guarantee. Also this will be created but left dormant; with the LEP will continuing as it is until it clarification has been received.</p> <p>SJ pointed out that pensions are excluded from TUPE arrangements so it is essential that the staffing mix is fully understood to avoid negative impact on individuals pensions.</p>	<p>GW</p>
<p>6.</p> <p>6.1.</p> <p>6.2.</p> <p>6.3.</p>	<p><u>Worcestershire Energy Strategy</u></p> <p>Encraft was commissioned by WLEP to create its Energy Strategy and the purpose of the report and presentation was to seek Board sign-off.</p> <p>KA gave an overview of the approach, which included considerable stakeholder engagement. The strategy has also been based on the funding streams known to be available.</p> <p>DG suggested that the River Severn should feature in the strategy due to the energy that could be generated by weirs etc. and pointed out that the Hive has won numerous sustainability awards due to the</p>	

<p>6.4.</p> <p>6.5.</p> <p>6.6.</p> <p>6.7.</p> <p>6.8.</p> <p>6.9.</p>	<p>river being used for its heating and cooling. It was also suggested that the regulation of taxis and a shift towards electric vehicles should be included; they are often low mileage journeys and would help to improve air quality. However, KM pointed out that this would not be financially viable for many taxi owners.</p> <p>A discussion regarding energy efficient new housing followed; it was felt that we should be putting ourselves at the forefront as many of the houses built now are likely to need upgrading in the next 20 years. KA pointed out that her team are working with planners to provide advice to developers but unfortunately many of the large developers are not on board with suggestions.</p> <p>SL pointed out that the transport piece ties in to movement at a regional and national level but should be more explicit.</p> <p>KD stated that it is good to see an aspirational vision but from a planning point of view, feels that it would be worthwhile taking the strategy to the One Public Estate Delivery Board to get buy in and traction.</p> <p>CA reported that Bosch is involved in a trial in Wales whereby electricity and gas networks are integrated so a 'hybrid' system is operating to generate heat during the day when not needed, and stored/ preheats the building for the evening. If successful this could be considered for social housing in Worcestershire.</p> <p>MS stressed the importance of incorporating feedback into the plan and bringing it back to the Board as it is essential the Board fully supports it.</p>	<p>GW</p> <p>LW</p>
<p>7.</p> <p>7.1.</p> <p>7.2.</p> <p>7.3.</p> <p>7.4.</p> <p>7.5.</p>	<p><u>Local Industrial Strategy Programme Update</u></p> <p>GW explained that the paper and presentation covers progress since the last Board meeting in November 2018.</p> <p>The evidence base is essential and must be robust; collaboration between private and public sectors is key and the focus is the 2040 Vision presented at the last meeting. There are five key pillars and an emerging programme framework against those pillars.</p> <p>We need to have a project pipeline that is flexible to fit future funding changes. There is a 'golden thread' linking the Strategic Economic Plan, Local Industrial Strategy and LEP Business Plan/LEP executive team priorities. GW proposed a SEP/LIS steering group, involving one or more Board members, which would meet more frequently than LEP Board to ensure progress is maintained.</p> <p>Risks include only having 50% of additional capacity funding due to the LEP geography issue. The timeline will begin on 28th January with the Annual Conversation with BEIS, and sign off will be at the November 2019 Board.</p> <p>MS suggested holding a workshop in early April for Board members to fully discuss and debate the strategy. MH will contact members to get availability and secure a date.</p>	<p>MH</p>

<p>7.6.</p> <p>7.7.</p> <p>7.8.</p> <p>7.9.</p>	<p>DG pointed out that the timeline feels a little too early due to uncertainty around Brexit, as a no-deal scenario may see key influencers out of the area. MS agreed, stating that we need certainty but will carry on as we are but with a plan b.</p> <p>LS stressed the importance of engaging with those businesses we wouldn't usually be in close contact with; those that are disengaged are the ones we need to gain buy-in from. MS felt that reinvesting in the Business Board was important, and SJ added that it would be beneficial to engage with unions, to reflect those that don't usually have a voice. KM stated that we have to retain confidence from businesses, which will be looking to the LEP for guidance post-Brexit. KD added that this should be an opportunity to connect with our businesses and be clear on what we're doing in such uncertain times.</p> <p>OH stressed the importance of not just focussing on productivity as funding from UKSF will be available. MS asked if there were any other learnings from other LEP areas that we haven't included; OH replied that we were generally in line with other areas. SL felt that the point regarding opinion formers was a good one; we need to be looking at what the West Midlands and South West are doing and make this explicit in the strategy.</p> <p>GW has been looking at trailblazers and working with central government as we acknowledge that we need external support. The LEP Executive team will look at our evidence base and what we know to identify gaps, and then bring the strategy back to the Board. The Board agreed the recommendations</p>	<p>GW/LW</p>
<p>8.</p> <p>8.1.</p> <p>8.2.</p> <p>8.3.</p> <p>8.4.</p> <p>8.5.</p>	<p><u>BetaDen update</u></p> <p>LS reported that she has regular Finance meetings with Chris Bird to ensure that everything is kept on track; the project is spending less as there are now 6 cohort members rather than 7 and costs are slower coming through.</p> <p>There is a lot of funding that is unlikely to be spent by the end of Q4 but as it's a 3-year programme it may be possible to roll over to the next financial year. SS has no concerns about rolling over funding but the estimated final spend will be reported to the March Board and the confirmed final spend will be reported to the May Board.</p> <p>An Advisory Board away-day was held on 16th January; an update on actions and agreements from this will be brought to the March Board meeting.</p> <p>Cohort 2 campaign starts at the end of February but enquiries have already started coming in. MS stressed that credit should be given to the BetaDen team for the success.</p> <p>SS reported that Chris Bird will be supporting the BetaDen team with ERDF funding, as it will significantly impact the project if it is not awarded.</p>	<p>LS</p>

8.6.	The recommendations in the report were agreed by the Board.	
9.	<u>Wayra approval</u>	
9.1.	LS gave an overview of the proposal; there is still some negotiation regarding the branding but the financial mechanism will flow through Worcestershire County Council as Accountable Body.	
9.2.	This is a strategic win in relation to where we want the BetaDen programme to be heading. SS pointed out that we are taking no financial risk but there is potentially a positive reputational impact.	
9.3.	It was agreed that due to the tripartite agreement and use of LEP resources etc. we should push for the project to include 'in association with WLEP'.	LS/GW
10.	<u>LEP Budget & Local Growth Fund Programme Q3 update</u>	
10.1.	SS reported that there was nothing too different to the position in November. WLEP has received the additional 50% support funding for the LIS and assurance framework and SS will ensure we keep track of which funding stream is used.	SS
10.2.	We are aiming for break-even but there may be a small underspend; as this has already been committed it will be able to be rolled over to the next financial year. We will have a marginal need to use Local Authority flexibilities but most spend will be in Q4 as planned. As per recommendation 5 of the report, it was agreed that delegation would be given to Section 151 nominee (SS), Head of Strategic Infrastructure (Nigel Hudson), and Chief Executive of WLEP (GW) to apply necessary funding flexibilities required to maximise use of LGF grant in 2018/19, with an update to be made to subsequent WLEP board in March 2019.	SS/GW
10.3.	SJ queried whether the LEP would be able to roll over funding if its legal entity changed; SS reported that if it were to remain a dormant company through the Accountable Body the existing process would continue.	
10.4.	With regard to the Growing Places fund, MS queried the position with Worcestershire County Cricket Club; SS reported that interest has been paid and that the balance will be settled in full by 31 st March.	
11.	<u>2019/20 Council Budget Consultation</u>	
11.1.	As part of Worcestershire County Council's budget setting process, SS gave a presentation to the Board as an interested party.	
11.2.	An extra £37.5 of capital investment is planned over 3 years to improve the county's roads and pavements, reducing the risk of flooding and growing the local economy. Worcestershire will also receive £6.6m as a one-off payment in this financial year for infrastructure.	

11.3.	The County Council faced significant challenge mid-year, but proposals earlier in the financial year will result in a £3m end of year overspend compared to an expected £17m overspend.	
11.4.	SS pointed out that slide 8 should state an extra £28m for regeneration and infrastructure projects, not £2.8m. Areas for investment have been identified, including walking and cycling routes, town centres, Carrington bridge, traffic management, and railway stations. Councillors will also each have a £56k capital budget.	
11.5.	The County Council now has a 10 year reserve based on the current overspend,, and full information from the cabinet meeting is now available on the County Council website.	
11.6.	SS asked Board members to discuss the budget with business contacts whenever possible; the deadline for feedback is 31 st January.	ALL
11.7.	SL declared an interest from a Skills point of view but felt that he must point out a concern in the current infrastructure as young people can't move around the area due to traffic and transport issues, especially those that rely on public transport. The skills are there but they can't get to rural businesses and this is also a safeguarding issue when they are walking or cycling in the dark or during unsociable hours. KM concurred and pointed out that social isolation should be considered too. SS reported the transport review was due to be launched on 31 st January so SL may want to look at that when feeding back.	
11.8.	KD said that there are still challenging times ahead for local authorities so all partners have to work better together, such as collectively planning budgets. MS added that a clear line of sight and clarity all feeds into collaborative working and urged members to not wait for Board meetings to help and support the LEP.	ALL
12.	<u>Any Other Business</u>	
12.1.	Nothing was raised.	
13.	<u>Date of the next meeting</u>	
13.1.	The next meeting will be held at 2pm on Thursday 21 st March 2019. The venue will be confirmed in due course.	