

**Minutes of the Marches LEP Ltd Board Meeting
23 July 2019 at 5.15pm at The Clive, Bromfield, Ludlow, SY8 2JR
(Company Number: 11822614)**

Present:

Graham Wynn OBE	GW	Chair, Marches LEP Board
Paul Hinkins	PH	Telford Business Board Chair; Deputy Chair, Marches LEP
Frank Myers MBE	FM	Herefordshire Business Board Chair
Paul Bennett	PB	Shropshire Business Board Chair
Paul Kalinauckas	PK	Access to Finance Champion, Chief Executive of BCRS Business Loans
James Staniforth	JS	Skills Board Chair; Principal and CEO of the Shrewsbury Colleges Group
Sonia Roberts	SR	Social Inclusion Champion; Charity Manager, Landau Limited
Andrew Manning-Cox	AMC	Hereford Enterprise Zone Chair
Cllr Peter Nutting	PN	Leader, Shropshire Council
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Lee Carter	LC	Cabinet Member for Economic Development, Telford & Wrekin Council
Ruth Shepherd	RS	Director, Results Communications
Sara Williams	SW	Marketing Manager, Protolabs

In Attendance:

Gareth Wilson	GWilson	Area Lead Cities and Local Growth, Department for Business, Energy and Industrial Strategy
Mark Barrow	MB	Director of Place, Shropshire Council
James Walton	JW	Section 151 Officer, Shropshire Council (part only)
Richard Ball	RB	Acting Director for Economy and Place, Herefordshire Council
Katherine Kynaston	KK	Inward Investment & Business Support Service Delivery Manager, Telford & Wrekin Council
Gill Hamer	GH	Director, Marches LEP
Nick Alamanos	NA	Programme Manager, Marches LEP
Kathryn Jones	KJ	Partnership Manager, Marches LEP
Ennis Vingoe	EV	LEP Team Support Officer

ITEM		ACTION
1.	<p>Presentation on the Midlands Centre for Cyber Security</p> <p>The Chair welcomed Prof. Prashant Pilai (PP), Professor of Cyber Security at the University of Wolverhampton to the meeting. PP provided an update on the Cyber Quarter in the Herefordshire Enterprise Zone. The main points covered were:</p> <ul style="list-style-type: none"> • A new £9million Centre which would drive up innovation in the sector both regionally and nationally. The only other cyber centres were in London and Belfast; • The Centre, through the Wolverhampton Cyber Research Institute would provide the research link into industry to look at 'big problems' in order to secure critical national transport, healthcare and infrastructure; • Services offered would include cyber Research and Development (R&D) and consultancy; cyber product testing; cyber incubator/accelerator; CPD/short courses and conferences; • The Centre would be operational from Summer 2020 but the services were available now; • Key outputs by 2025: 185 jobs created; 78 training courses provided; 40 R&D projects started and by March 2020 an increase in GVA of £8million. <p>Members discussed the role of the LEP in informing small and medium enterprises (SMEs) of the risks to business from cyber attacks and how to protect against them; what revenue</p>	

	<p>modelling had been carried out for the project and how the Centre would attract companies working in the sector in order to collaborate on research etc. AMC reported that he had attended the 3 Counties Defence & Security Expo (3CDSE) and that the Centre had prompted a lot of interest. The slides from the presentation would be circulated to Board members. PP left the meeting.</p>	EV
2.	<p>Welcome, Apologies & Declarations of Interest The Chair welcomed the new Board Members to the meeting: Cllr David Hitchiner; Ruth Shepherd and Sara Williams. Apologies were received from David Llewellyn and Cllr Shaun Davies (SD). SD had appointed Cllr Lee Carter (LC) as his 'alternate' for the meeting. GW welcomed LC to the meeting. The Chair reminded all members to complete a declaration of interest form for the meeting if required. A Declaration of Interest was made by: SR – for Agenda Item 5 as a member of the Marches LEP Skills Board.</p>	
3.	<p>Governance – appointment of new Directors GW proposed that the Board appoint the 3 new Board members and PN as Directors of Marches LEP Ltd. SD would be appointed at the next Board meeting. The new members and PN had signed their 'Consent to Act' forms. The Board confirmed the appointment of PN, DH, SW and RS as Directors. The relevant paperwork would be forwarded to Sharpe Pritchard to register the new Directors at Companies House.</p>	EV
4.	<p>Minutes of previous meeting held on 21 May 2019 and Matters Arising The minutes from the previous Marches LEP Board meeting on 21 May 2019 were approved and signed by the Chair as a true and accurate record of the meeting. Matters Arising Board Membership GH reported that it was planned to further increase the diversity of the Board membership, potentially by recruiting 2 more female members in 2020. HE representation on the Board was also being reviewed. GW and GH had met with Harper Adams University and Wolverhampton University to discuss the future structure of HE representation on the Board. GH would circulate a paper on Board Membership in the next few weeks and would welcome members' comments in due course. GW said that Prof I Oakes had formally stepped down from the Board. GW had sent him a note on behalf of the Board to thank him for his significant contribution during his tenure. GW read out a response to the meeting that he had received from Prof Oakes.</p>	GH

<p>5.</p>	<p>Skills Advisory Panel</p> <p>JS explained the contents of the paper detailing the transition from the Skills Board to the Skills Advisory Panel (SAP) by October 2019 or sooner, and the draft Terms of Reference. He described the background to the change and the requirement of the Department for Education to have stronger representation from businesses on the SAP. The Skills Board/SAP provided a platform for collaboration rather than competition to best utilize the funding available from Government, which for FE colleges, was the only source of capital funding available. The Government was providing £75,000 to grow the research and analysis capability of the SAP. It would be important to engage businesses in the consultation to ensure the outcomes reflected the future skills needs 'on the ground'. This would include working with the 3 Business Boards. This data would inform the contribution to the LIS, the content of any bids to the UK Shared Prosperity Fund and form part of a 'prospectus' for providers in the area to see what the LEP was looking to commission in the future.</p> <p>The recommendations to the Board were:</p> <ol style="list-style-type: none"> 1. To approve the transition from the Marches LEP Skills Board to the Marches LEP SAP by end October 2019 or sooner; 2. To approve that the current Skills Board Chair would support the transition to the SAP and serve as Chair for a further period of one year from September 2019 – September 2020. From September 2020 onwards, the Marches LEP Board would appoint the new SAP Chair for a 3-year period in line with the term of the Marches LEP Board Chair; 3. To approve the draft Marches LEP SAP TORs, including membership, as detailed in Appendix 1 of the paper. <p>The Board approved the 3 recommendations.</p> <p>GW thanked JS for the work done for this agenda item.</p>	
<p>6.</p>	<p>Growth Deal Update</p> <p>GH said that a full report on Growth Deal would be provided to the Board at the September 2019 meeting when the Delivery Plan would be reviewed.</p> <p>GH updated members on the status of the New Model in Technology and Engineering (NMiTE) Funding Agreement. Since the 29 January 2019 LEP Board meeting, a number of meetings had been held with all partners regarding the Funding Agreement. The draft agreement had been presented to the Board at the 21 May 2019 Meeting. Pinsent Masons had been engaged to provide independent legal advice on the agreement and had recommended the inclusion of an additional paragraph requiring Herefordshire Council to underwrite the value of the £850,000 grant for refurbishing the Blackfriars Building. Herefordshire Council, in a letter in March 2019, had agreed an equivalent set of outputs in that building in the unlikely event that the NMiTE project did not proceed. At that stage the Council had not agreed to financially underwrite the project. The legal advice provided to the LEP and Shropshire Council (as the accountable body) concluded that the additional underwriting clause in the agreement was necessary to protect the LEP in the event of the project not proceeding. These delays were in danger of putting the NMiTE project in jeopardy, so that the first cohort might not be starting in January 2020.</p> <p>In light of this, Herefordshire Council had reluctantly agreed to underwrite the £850,000 element of the project should central government claw back the funding, so that the LEP budget was not exposed to any clawback. Herefordshire Council have made it clear that they do not want to set a precedent and that this is in the spirit of moving the project forwards.</p>	

	<p>The discussions on the agreement should now be concluded as soon as possible. PN sought confirmation that this now de-risked the agreement for Shropshire Council as the accountable body for the LEP. This was confirmed.</p> <p>JW was welcomed to the meeting.</p> <p>Members emphasised the importance of this LEP project to Herefordshire, to the region and to the country, due to its innovative HE delivery model. Members also sought assurance that the agreement would be signed by the end of July 2019. GW commented that the draft wording the Board had heard at this meeting had been agreed, and that best efforts would be made to get the agreement signed by then.</p> <p>FM commented that the LEP had agreed with the legal advice that the additional clause was essential. There was potentially a ‘governance gap’ as this had not been discussed and agreed by the LEP Board, and this should be noted for the future.</p> <p>The Board agreed the inclusion of the paragraph in the Funding Agreement.</p>	<p>GH</p> <p>GH</p>
<p>7.</p>	<p>LEP Statement of Accounts 2018/19</p> <p>GH apologised for the delay in circulating the papers for this agenda item. JW introduced the 2018/19 LEP Statement of Accounts explaining that the format of the Statement would change in future years due to the change in status of the LEP to a separate legal entity. AMC asked about the level of reserves. GW explained that part of the £1.8million would be kept in place for liabilities should the company need to be ‘wound up’; and work was being done to bring some projects forward to utilise some of these reserves. GH commented that only approximately £900,000 of the reserves had not already been earmarked eg £300,000 had been allocated for project development but this had yet to be drawn down, and the Chair would be leading a discussion at the end of the meeting about LEP Team capacity.</p> <p>JW was asked if the accounts had been externally audited. He explained that due to the level of value-added of doing so compared to the cost (circa £35-45,000), it had been decided not to engage external auditors. Members discussed this point and it was agreed that advice would be sought regarding engaging independent external auditors in the future who provided value for money. GH commented that advice was also currently being sought regarding engaging independent legal advice to understand the requirements for maintaining a dormant company and the implications for tax purposes regarding trading or not trading the company, and the staff and pensions liabilities.</p> <p>GW confirmed that JW considered the Statement of Accounts to be a true reflection of the accounts for the Marches LEP as at 31 March 2019.</p> <p>The Board agreed that the Statement of Accounts 2018/19 be signed off by the Chair and JW and be uploaded to the Marches LEP website.</p> <p>GW thanked JW for attending the meeting to present the papers. JW left the meeting.</p>	<p>GH</p> <p>GH</p>
<p>8.</p>	<p>House of Commons Committee of Public Accounts – Report on LEPs, June 2019 – implications of recommendations</p> <p>GW introduced the report and commented that he was disappointed that the responses provided to the Committee by the LEP partners in government had not been more specific. GW had been in discussion with HM Treasury and said that he was concerned that the quarterly information requested by government on LEP performance was not providing them with a comprehensive account of LEP work. West Midlands’ LEP Chairs had met and</p>	

	<p>suggested that more case study information was required on what was being delivered, and that the private sector leverage in getting funding match that was taking place should form part of the performance submissions. On a regional basis, more should be done to inform a specific audience including our local MPs, and approaches were being made to try to get the Committee of Public Accounts into the region to see what was being achieved. GH commented that there was no mention in the report of the contribution that LEP Boards make, and the representation from businesses and organisations. GH referred to specific recommendations in the report and said that she and NA were currently contributing to the subsequent review of the capacity and activity in LEPs; that the issue of geographical boundaries in some LEPs was still to be resolved; that this Board continued to review the wider diversity of its membership and that the development of the Local Industrial Strategy (LIS) continued. Following the £200,000 funding allocation for LIS development, additional staff had been appointed in the team and a number of workshops and consultation events had been organised, with a further one taking place on 25 July 2019. The additional £200,000 funding promised earlier in the year for this work had not yet been forthcoming.</p> <p>Members commented on their concern regarding the tone of the report suggesting that it was overly critical rather than motivational. They queried why LEP Chairs hadn't been represented at the Committee hearing and suggested that the Chair may wish to provide a response to the report.</p> <p>GW reported that at a recent meeting with Sir John Peace, Midlands Engine discussed a regional skills agenda and GW had made it clear that LEPs needed to be working at a local level with their partners and employers, feeding information to regional level to inform their strategy, not the other way around.</p>	GW
9.	<p>LEP Chair Recruitment</p> <p>PH provided a verbal update on the process currently taking place supported by Penna recruitment consultants. Following the initial telephone conversations with panel members and the advert going live, Penna were sending weekly updates to PH and GH. A shortlisting meeting would take place in early August 2019 with final panel interviews in early September 2019 in order to be able to provide a recommendation to the Board at the 24 September 2019 meeting. Of the potential candidates already approached by Penna, 13 had decided not to apply citing the time commitment and it being a non-remunerated role as the main reasons. SR commented that the panel and the consultants had been surprised at the lack of awareness of the LEP and LEP Board amongst those being approached as potential candidates. Penna also reported a lower level of interest so far from potential candidates from the Herefordshire area.</p> <p>Following discussion, it was agreed that:</p> <ol style="list-style-type: none"> 1. Penna would contact all Panel members to provide an update on progress; 2. Specific diary dates would be circulated to Panel members; 3. The possibility of utilising psychometric testing and the format of the informal discussion with candidates would be discussed with the panel; 4. The process and the list of questions Penna were using when interviewing candidates would be circulated to all Panel members. <p>GW commented that should a suitable candidate not be appointed in September 2019, he would be willing to remain in the role of Chair until such time that the right successor was appointed. The Board collectively thanked GW.</p>	GH
10.	<p>LIS Development Update</p> <p>KJ gave an update on progress with the development of the LIS including the various business engagement activities that had already taken place. KJ, GW, GH and Ian Smith</p>	

	<p>from BEIS would be meeting with the research team from Metro Dynamics in early August 2019 with a view to providing a report at the Management Meeting on 20 August 2019, and a report to the Board at the meeting on 24 September 2019.</p> <p>The Board noted the report.</p>	
11.	<p>LEP Programme Risk Register</p> <p>NA stated that 4 additional risks had been added to the Risk Registers since the previous Board meeting.</p> <p>The Board noted the report.</p>	
12.	<p>Any other Business</p> <p>FM reported recent incidents in the NHS of electronic supplier account details being changed by bogus personnel and asked if the LEP had a role in providing advice on such issues to businesses. KJ commented that the Growth Hubs delivered a 'Cyber Essentials Programme' and there was advice available on the Marches Growth Hub website. This could be signposted from the Marches LEP website. PB also advised that cyber insurance was available for incidents of this nature.</p>	KJ
13.	<p>Reserved Item</p> <p>The LEP Team left the meeting at 7:35pm in order that a discussion could take place concerning LEP Team resourcing.</p> <p>Following discussion, the Board agreed that an additional senior post be funded in the team with immediate effect.</p>	
14.	<p>Close</p> <p>The meeting closed at 7:50pm.</p>	
	<p>Next Meeting of the Board of The Marches LEP Limited: 24 September 2019, The Clive Arms, Bromfield, Ludlow</p>	

24-09-2019