

## Minutes CWLEP Board Meeting 21 January 2019 - Cadent, Coventry

### **Attendance:**

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| Jonathan Browning (Chair) | CWLEP  |
| Sean Farnell              | C&W Chamber of Commerce/FSB                    |
| John Latham               | Coventry University                            |
| Karl Eddy                 | Grant Thornton                                 |
| Zamurad Hussain           | HBT Communications                             |
| Cllr Tony Jefferson       | Stratford District Council                     |
| Cllr Peter Butlin         | Warwickshire County Council                    |
| Cllr Chris Cade           | Rugby Borough Council                          |
| Cllr David Humphreys      | North Warwickshire Borough Council             |
| Cllr Ian Lloyd            | Nuneaton & Bedworth Borough Council            |
| Cllr Mike Hall            | Hinckley & Bosworth Borough Council            |
| Cllr Andrew Mobbs         | Warwick District Council                       |
| Cllr Jim O'Boyle          | Coventry City Council                          |
| Stuart Croft              | University of Warwick                          |
| Marion Plant              | Nominated representative for the FE Principals |
| Parveen Rai               | Rai Properties Ltd                             |
| Nick Spencer              | Jaguar LandRover                               |

### **Executives in Attendance:**

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| Martin Yardley | CWLEP                       |
| Paula Deas     | CWLEP                       |
| Nicola Cox     | CWLEP                       |
| Iain Patrick   | CWLEP                       |
| Monica Fogarty | Warwickshire County Council |
| Kate Hughes    | University of Warwick       |
| Craig Humphrey | CWLEP Growth Hub            |

### **Director's Apologies:**

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| Nick Abell (Vice Chair) | Wright Hassall |
| Sarah Windrum           | Emerald Group  |

### **Apologies:**

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| Andy Williams | CWLEP |
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### **In Attendance**

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| Alicia Law    | BEIS and C&LoG Team   |
| Adam Dent     | Advent Communications |
| Lucy McGovern | Coventry City Council |
| David Hope    | Coventry City Council |

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| <p>1.</p> <p>2.</p> <p>3.</p> <p>4.</p> <p>5.</p> | <p><b><u>Welcome &amp; Apologies</u></b></p> <p>The meeting was chaired by Jonathan Browning (CWLEP Chair).<br/>The Chair thanked Cadent for hosting the meeting and the provision of excellent facilities. Richard Walsh (Cadent) gave an outline presentation of how Cadent came into being (formerly part of National Grid) and the services they provide. In addition, a view on energy projects of the future was highlighted.<br/>A warm welcome was given to Nick Spencer (JLR) who joins the board replacing Mike Crone. Nick Spencer introduced himself and outlined his experience and local interest which he hoped will help and support the board.<br/>Apologies had been received from Nick Abell and Sarah Windrum.<br/>Additional apologies from Andy Williams (CWLEP).</p> <p><b><u>Call for Declarations of Interest and AoB</u></b></p> <p>The Board were asked to identify any declaration of interest throughout the meeting. JB noted again for clarity his involvement with Commonwealth Games (CWG).<br/>Stuart Croft noted his interest in Item 7a across Warwick University, Warwick Arts Centre, and John Latham for Coventry University’s AME expansion.</p> <p><b><u>Approval of Minutes and actions from previous meeting</u></b></p> <p>The minutes of the last meeting held on 26 November 2018 were accepted as a true record, subject to NA having the chance to review as he chaired the meeting. All actions have been completed with the exception of the letter to the CWG organisers.</p> <p><b><u>Board Matters &amp; Chair’s Briefing</u></b></p> <p>Between now and the previous November board meeting CWLEP have continued to attend functions to promote the work of the board. Nick Abell attended the North Warwickshire College Annual Awards and specifically asked that the board was made aware of how impressed he was with the students. He also attended the Coventry University 175-year anniversary dinner.<br/>The latest C&amp;W Champions event, 16<sup>th</sup> January, was extremely well attended.<br/>At the meeting Adam Dent took the opportunity to share our latest media coverage. JB invited AD to outline the extent of coverage and the media value it is worth, additionally the impact of the coverage in the broad sheets in raising the profile of CWLEP. CWLEP had its Annual Performance Review (APR) on December 19<sup>th</sup> 2019.<br/>Over the last week CWLEP has been involved in responding to the news around JLR and their business challenges. JB had also attended a JLR partnership meeting convened by Greg Clark and Andy Street. The partnership made it’s continued support of JLR very clear. Taking into account our work on the LIS we know we are well placed to respond and act as required.<br/>The Aston Martin stakeholder briefing was attended by JB, MY, TJ and AL.<br/>Jeremy Wright (SoS, DCMS) made several announcements last week (at the Belgrade Theatre, Coventry) about new funding and thoughts regarding the value of culture.<br/>There is much debate on Brexit, we are feeding back as much intelligence as we can from the business community. Later in the week JB will join a regional meeting co-ordinated by Andy Street to consider how we minimize any no-deal impact.</p> <p><b><u>LEP Review</u></b></p> <p>PD presented the latest update on the LEP Geography Review and Implementation Plan. Our geography review was submitted in September 2018 and put forward on a ‘no change’ position. This has now been accepted. CWLEP has, and continues to, work closely with GBSLEP and BCLEP. With regard to the Implementation Plan submitted in October 2018 we have now received the additional £200k funding to start the implementation plan targeted at enhancing our performance in terms of governance, accountability &amp; strategy. PD outlined those elements of the implementation plan being undertaken to add further value. These would be monitored and reported via the F&amp;G Board.<br/>PD gave an update on the APR and the current known outputs from the meeting. It had been noted and that CWLEP contributed widely to the leadership of the WM LIS. Currently the APR’s for all LEPs are being moderated, the results of which will hopefully be known during February.</p> | <p>Executive/JB</p> |
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| <p>6.</p> <p>7.</p> | <p>AL confirmed the overall view of CWLEP was correct and added that CWLEP was the only LEP to return a 'no issue' score on the spot checks.<br/>         MY pointed out that in terms of performance the bar had been raised this year.<br/>         JB noted points made on the balance and representation within the board and further noted that there was an understanding these requirements would need to be reflected through the public sector representation on the board.</p> <p><b><u>WMLIS</u></b><br/>         The paper offered on the WMLIS was for noting by the board.<br/>         PD Outlined the current document was the final version and would be taken forward for the area and Government to co-launch.<br/>         There has been a strong representation included from the CWLEP for input into the final document.<br/>         JB pointed out that the graphic on page 34 of the 95 page document was indeed very useful to gain an overview.<br/>         NS asked the meeting to consider our current terminology on electrification of the car industry and noted that cell production and battery manufacture were differing elements. He stressed there was a need to attract a cell manufacturer to the region which has yet to be done rather than take a service from elsewhere.<br/>         JB noted that we should embed that point in our view moving forward.</p> <p><b><u>Programme Delivery Board Report</u></b><br/>         LM stated that the report put forward were detailed projects by exception and included those that had a red or amber status.<br/> <u>Rugby Construction T&amp;I Centre</u>. The project has informed PDB that there remains a £400k outstanding funding Gap to deliver the outputs of the project. PDB confirmed there are no more current CWLEP funds available. The latest update had been received and it was noted that the project had been withdrawn due to not being able to obtain the additional funding.<br/>         JB noted that this was a disappointing outcome for the development of construction skills in the area. Following a thorough review of all concerned this would mean the funds would be returned.<br/> <u>A46 – Stanks</u>. The project has notified the PDB of delays and asked for funds to be re-scheduled into the following financial year (£390k). The delay followed failed re-tendering where the preferred contractor was seen as financially unstable. PDB approved the re-schedule and requested an update for the next meeting.<br/> <u>Warwick Arts Centre</u>. There have been delays in awarding the contract for phase 2., therefore a reprofile of milestones had been presented to and accepted by PDB. In addition PDB asked for an update at the next meeting and a spend forecast by 1<sup>st</sup> March.<br/> <u>AME Expansion</u>. Delay in delivery milestones due to staff consolidation from manufacturing and materials research area. A redesign in the building expansion caused further delay. However overall the project will use its entire allocation within the 18/19 financial year.<br/> <u>Transforming Nuneaton</u>. Small scale slippage is forecast which means a £340k movement of funds into 19/20. Re-profiling spend would be prudent. PDB approved the movement of £340k.<br/> <u>CSW Broadband</u>. PDB have informed the programme team that CCC are considering withdrawing from contract 3. This could lead to significant changes to outputs. PDB requested that a task and finish group from the LEP be organised to undertake a full assessment.<br/> <u>GP – Bermuda Connection</u>.<br/>         The Bermuda Connection project was awarded GP funds £500k, in addition to GD funds of £1m. The GD allocation has been wholly defrayed in 2018.<br/>         GP funding spend to be delayed due to land acquisition issues. The revised position takes into account the expectation that all transactions in regard to land acquisition and technical design will be in place for the next financial year.</p> | <p>Executive</p> <p>Executive</p> |
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| <p>8.</p> | <p><u>ESIF</u>. At the end of Q3 2018, the 2014-2020 ERDF programme for C&amp;W was performing ahead of schedule against expected outputs. CWLEP is working closely with Advent Communications to publicise this.</p> <p>Three major new support schemes started in January 2019 and aim to provide an improved support offer to C&amp;W SME up to December 2021.</p> <p>Many of the first round projects that are funded by ESF are entering their final 18 months. The European Agricultural Fund for Rural Development (EAFRD) has seen strong demand from C&amp;W following two rounds of calls. 15 projects worth £1.65m have been approved and contracted. Additional requests for £1.74m EAFRD grant have been endorsed and asked to develop full applications.</p> <p>JL noted that the ICT and Low Carbon funds still had moneys that need to be used up or they will be lost. More calls for the use of same need to be encouraged.</p> <p>All were asked to support and input to this opportunity.</p> <p>Additionally it was pointed out that it was the current national government only administration who have agreed to underwrite these funds.</p> <p><b>PDB recommends and asks the CWLEP board to:-</b></p> <ul style="list-style-type: none"> <li>• Note the exceptional projects progress and endorse the PDB’s decisions</li> <li>• Agree the project RAG rating</li> <li>• Note the progress made by the 2014-2020 ESIF programme.</li> </ul> <p>AM noted that it was a skills loss with regard to the Rugby Construction project and asked if the returned funds could be used to develop projects that solve skills shortages elsewhere.</p> <p>AM also asked for an update on the Coventry Station project. LM pointed out the there was a full update at the last PDB and will also be at the next.</p> <p><b>WM5G Business Case Summary</b></p> <p>David Hope outlined briefly the opportunity, the thought process and assumptions underpinning the business case in support of requirement for £250k funding towards the mobilization stage of the WM5G Urban Connected Communities. DH advised this was taken to the board previously and since been reviewed in more depth by PDB and also by the F&amp;G board. DCMS confirmed it had committed £25m to fund the WMC’s application, which needed to be matched overall. DCMS has committed £1m to the mobilisation stage. WMCA is requesting £250k from CWLEP funds to be part match for the mobilisation stage. MY noted that other LEPs funds are being considered without any conditions.</p> <p>Following on from the conclusions of the PDB and F&amp;G meetings, DH pointed out to the board that CWLEP should consider where the funds would originate from, and that CWLEP funds do not support WMCA staff recharges within the costs.</p> <p>We would also require input to the test bed at board level and that we would require the engagement of 1 person for 1 day per week on an ongoing basis within the 5G team.</p> <p><b>Recommendation</b></p> <p>MY tabled the motion that JL should be our representative on the 5G team.</p> <p>JL responded by pointing out that this was a huge opportunity for the region as a whole and would be pleased to be the representative of the CWLEP.</p> <p>JB noted the issue around WM staff recharges.</p> <p>MY advised that we had potential to raise the funds and also noted the conditions around the funding were critical.</p> <p>KE asked if we had seen the whole business case for the project, to which JL advised that the overall view of the project was ‘good’</p> <p>KE also pointed out the issue around procurement and we must be able to ensure it followed due diligence and was within expected scrutiny and not just awarded to a contractor because they had been awarded a previous phase.</p> <p>JB asked the meeting for its overall support of the recommendations, which was given.</p> | <p>ALL</p> |
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| <p>9.</p> | <p><b>Finance and Governance Board Report</b></p> <p>Following the F&amp;G board, the acting Chair of that meeting reminded the board that at their meeting in July 2018 (minute 11.5) they had agreed in principle to take forward a proposal whereby CWLEP Ltd would purchase the entire share capital (the Shares) of C&amp;W Champions Ltd from Coventry and Warwickshire Growth Hub Limited.</p> <p>In pursuance of that in-principle approval, F&amp;G board reported that on 16<sup>th</sup> January 2019 the acting F&amp;G chair had executed on behalf of CWLEP Ltd a share purchase agreement to acquire the Shares and the transaction had been completed on that day.</p> <p>It was noted that SF declared the nature and extent of his interest in the transaction by virtue of being a director of C&amp;W Champions Ltd.</p> <p>Each director present was satisfied that the interest did not give rise to a conflict, however Article 19.1 provides that SF shall not participate in the vote or in the decision making process or for quorum purposes.</p> <p>Copies of the signed share purchase agreement and signed stock transfer form were produced to the meeting. The consideration payable under the terms of the agreement by the Company for the Shares was £100. Representing the book value of the Shares, satisfied in cash on completion.</p> <p><b>Agreed Resolution</b></p> <p>IP (Company Secretary) had asked the board to ratify the previous in principle decision. After careful consideration including consideration of the matters referred to in section 172 Companies Act 2006, the Board resolved to:-</p> <ul style="list-style-type: none"> <li>• Re-affirm that the acquisition of C&amp;W Champions Ltd would promote the success of the Company for the benefit of the members as a whole;</li> <li>• Approve the share purchase agreement and stock transfer form in the form produced at the meeting; and</li> <li>• Ratify the execution and completion of the share purchase agreement by CWLEP Ltd.</li> </ul> <p>SF advised for the LEP Review £200k Implementation Plan funding a profiled spend which had been advised fell outside of the budget timing. PD stated that this had already been advised to the accounting body 151 officer with a re-profile of the spending year to be agreed.</p> <p>Additional work on GDPR policies and processes by IP continues to move forward.</p> <p>SF reported a slight delay on the purchase of Board Packs whilst the upgrade path and related possible upgrade charges were checked.</p> <p>Analysis of any potential closure costs for the CWLEP and associate companies had been formally prepared by IP and reviewed by F&amp;G. SF reported there were sufficient funds in the reserves to cover this and the exercise would be reviewed on a 6-monthly basis.</p> <p>F&amp;G board had agreed to procure both a growth deal audit at £5k per year, reduced in cost from last year, and also an evaluation process and VFM audit at £15k per year to ensure any expenses and funding requests were vetted correctly before commitments were appropriately made and the said funds were obtaining value for money on behalf of the public purse.</p> <p>SF advised that a request for funds to support The Meeting Show had been received from Skills England and Coventry City Council DMP. This is for costs to support an area wide approach where partners will make a joint response thereby saving money overall. Given that this also supported City of Culture it was agreed to support the exhibition. Cost to the LEP will be £7500.</p> <p>SF stated that the December management accounts for each entity had been reviewed and all were in line with expectations. It was noted that the year-end for GH Business Solutions was the end of February. SF pointed out that GH Business Solutions was set up to support the costs of GH and there is an intention to make a charge of sub rent prior to the year-end close.</p> <p>Finally it was noted that GH had requested to make a two year extension of the current staff contracts which had been agreed.</p> | <p>IP</p> |
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| <p>10.</p> <p>11.</p> | <p><b><u>AOB</u></b><br/>MP made the board aware that there was a FE funding debate in Parliament today, covering the controversy surrounding the availability of non-levied apprenticeship funding which would appear to be under threat for this year.<br/>JB noted that the C&amp;W Commonwealth Games activities for the sports and the venues were awaiting further development<br/>JB additionally noted the challenge on CWLEP funding of projects at a Warwickshire County Council Full Council meeting in December 2018 and pointed out the representation of the facts appeared to be incomplete. MY had been asked to meet with WCC members at a later date.</p> <p><b><u>Confidentiality</u></b><br/>The meeting was closed to all but the board directors and executive to discuss confidential matters.</p> <p><b>Meeting Closed:</b> 10:45 am<br/><b>Date of next Meeting:</b> 25 March 2019 <b>Venue:</b> tbc</p> | <p><b>MY</b></p> |
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