

**MINUTES OF THE MEETING OF THE
LEEDS CITY REGION ENTERPRISE PARTNERSHIP BOARD
HELD ON TUESDAY, 26 MARCH 2019 AT COMMITTEE ROOM A,
WELLINGTON HOUSE, 40-50 WELLINGTON STREET, LEEDS**

Members of the Board present:

Roger Marsh OBE (Chair)	Leeds City Region Enterprise Partnership
Professor Adam Beaumont	Aql
Nicola Greenan	East Street Arts
Amir Hussain	Yeme Architects
Rashik Parmar MBE	IBM Academy of Technology (Chair, Employment & Skills Panel)
Joanna Robinson	Mansfield Pollard (Chair, Business Communications Group)
Andrew Wright	Reliance Precision (Chair, Business Innovation & Growth Panel)
Councillor Judith Blake CBE	Leeds City Council (from minute 72)
Councillor Graham Swift (Substitute)	Harrogate Borough Council
Councillor Susan Hinchcliffe	Bradford Council (Chair, West Yorkshire Combined Authority)
Councillor Andrew Lee (Substitute)	North Yorkshire County Council
Councillor Shabir Pandor	Kirklees Council (Chair, Inclusive Growth & Public Policy Panel)
Councillor Tim Swift MBE (Deputy Chair)	Calderdale Council (Chair, Place Panel)
Councillor Andrew Waller	City of York Council

In attendance:

Professor Simon Pringle	Project Rome (Chair, Green Economy Panel)
Tom Riordan	Leeds City Council
Ben Still	LEP/West Yorkshire Combined Authority
Caroline Allen	LEP/West Yorkshire Combined Authority
Ruth Chaplin	LEP/West Yorkshire Combined Authority

In attendance for specific items:

Sue Cooke	LEP/West Yorkshire Combined Authority
Melanie Corcoran	LEP/West Yorkshire Combined Authority
Alan Reiss	LEP/West Yorkshire Combined Authority
Patrick Bowes	LEP/West Yorkshire Combined Authority
Kate Thompson	LEP/West Yorkshire Combined Authority

68. Apologies for Absence

Apologies for absence were received from Ian Cherry, Bob Cryan and Councillors Peter Box and Richard Cooper.

69. Declarations of Interest

In accordance with the requirements of the LEP Board Members' Code of Conduct, Members were reminded of their obligation to review their individual register of interests before each LEP Board meeting and to declare any interests.

Nicola Greenan advised the LEP Board that East Street Arts had received a small grant through the CityConnect programme and she wished to declare a personal interest should there be any discussion on this.

70. Exclusion of the press and public

There were no items on the agenda requiring the exclusion of the press and public.

71. Minutes of the meeting held on 23 January 2019

Resolved: That the minutes of the meeting held on 23 January 2019 be approved and signed by the Chair.

72. Preparing for Brexit

The Board considered a joint report of the Director of Policy, Strategy and Communications and Executive Head of Economic Services which provided an update on the work being undertaken to prepare and support the City Region's businesses ahead of the UK's withdrawal from the European Union (EU). The report also provided a number of options for business support programmes should the UK leave the EU without a negotiated deal.

In view of the current uncertainty, Members considered the business support options outlined in report which could form the basis of the LEP's response should there be a non-negotiated exit from the EU. It was acknowledged that the main focus would be on how the LEP could assist businesses in the short term to overcome potential barriers and challenges as well as maximise any opportunities. It was reported that at a meeting of Leeds City Council's Brexit Working Group held with partners, a key issue had been on communication and who would be responsible for it. Members agreed this would need to be properly co-ordinated and that it would be beneficial to work with the other LEPs to ensure a consistent approach. It was noted that financial resources would be required to deliver the business support programmes and it was reported that the LEP has begun to engage with Government on the options outlined in the report in order to open up discussion on the potential need for relevant flexibility over Growth Deal monies and to highlight the probable need for additional funding. One of the options was for a Brexit Transition Grant Scheme which could offer grants and vouchers although this would require revenue funding to support the scheme. If no additional funding is provided, permission would need to be sought from Government to use the existing Local Growth Fund grant funding for revenue purposes.

Resolved: That the proposed options for business support in a non-negotiated exit from the EU be endorsed in principle in order that they might be further developed and implemented as required in the period after the UK leaves the EU.

73. Panel and Committee Reports

The LEP Board discussed and noted the Panel and Committee updates which were presented to the Board for information and the following comments were made:

In respect of the Business Innovation and Growth (BIG) Panel update, it was noted that the first meeting of the Digital Overview Group was to be held in Spring 2019. The Group will provide oversight of digital activity in the Leeds City Region and report into the LEP Board. Members noted the membership of the Group and the Panel Chairs were asked to advise of any other possible candidates.

It was reported that the Growth Service had supported over 10,000 businesses in the Leeds City Region since its launch in April 2015. It was noted that the Pop-up Business Support Café events were proving popular. These were being held to engage with business communities in some of the more disadvantaged and outlying locations. Members discussed the inward investment successes which were outlined in the report. They highlighted that the Leeds City Region was a diverse, single economic region and the importance of having a transport system to provide links across its whole geography in order to attract more businesses to the north was emphasised. The draft Trade and Investment forward plan for 2019/20 had been discussed and supported by the BIG Panel and the LEP Board considered a summary of the proposed approach to be taken in 2019/20 which was attached at Appendix 2. The focus on encouraging inward investment successes across the whole city region was welcomed.

Members noted the update of the Employment and Skills Panel. It was reported that the Panel supported the proposal that the LEP should take on the Skills Advisory Panel (SAP) functions as part of their remit and that its terms of reference should be amended, including consideration of representation of the voluntary sector. It was noted that a report on the outcomes and findings from the first formal review of Delivery Agreements was due to be published and it was proposed that the sign-off of the review reports be delegated to the Chair of the Employment and Skills Panel.

The update on the Green Economy Panel's major projects and programmes was noted. It was reported that the Green Economy Panel had endorsed an application for Warm Homes Round 2a funding but unfortunately this had not been successful. Updates were also provided on the Resource Efficiency Fund Phase 2, stakeholder events to be held in advance of the planned Energy Summit in Summer 2019 and a presentation received on the York, North Yorkshire and East Riding LEP's Circular Yorkshire programme.

Members noted the Place Panel update and were advised that dialogue continued with Homes England in respect of exploring opportunities to work together in pursuit of shared objectives. The Panel aims to shape future policy direction with discussions at early stage of development and the Panel will hold a workshop to develop the Leeds City Region approach to placemaking and the Panel's role.

The LEP Board discussed the work of the Inclusive Growth and Public Policy Panel. It was reported that the Panel had visited Huddersfield New College which had been very informative. Further site visits will be arranged so that the Panel could learn from best practice by visiting organisations that are exemplars of inclusive growth. Members discussed funding for inclusive growth and the use of the Growing Places Fund capital returns for projects that improve outcomes that support inclusive growth. The Panel were asked to bring their inclusive growth strategic framework and programme of projects to the next LEP Board.

In respect of the Capital Programme (Investment Committee) update, it was reported that Growth Deal spend at the end of quarter three was the highest level ever achieved at this stage of the programme and details of each project were outlined in Appendix 1. Members were advised that as the LEP Board had not met before the submission deadline of 22 February 2019, the Growth Deal CLoG (Cities and Local Growth Unit) Monitoring Dashboard for Quarter 3, 2018/2019 had been signed off by the Combined Authority's Section 73 Officer which had been agreed with the LEP Board Chair. A copy of the dashboard was attached at Appendix 2 and this was endorsed by the Board.

It was reported that a formal response had been received from Government on the Growth Deal Annual Conversation review, which assessed the performance of all LEPs based on criteria covering governance, delivery and strategy. The Leeds City Region LEP had received good scores across the three categories and clarification was being sought on the scoring assessments and how further improvements can be made.

The Panel, Committee and Group Chairs were thanked for their updates.

Resolved:

- (i) That the updates be noted.
- (ii) That the Trade and Investment forward plan for 2019/2020 be approved.
- (iii) That the sign-off of Delivery Agreement review reports be delegated to the Chair of the Employment and Skills Panel.
- (iv) That the recommendation that the Employment and Skills Panel take on the functions of the Skills Advisory Panel be approved and its terms of reference be adapted.

- (v) That the Cities and Local Growth Unit (CLOG) monitoring dashboard be endorsed and signed off by the LEP Chair.

74. Leeds City Region Local Assurance Framework

The Board considered a joint report of the Directors of Delivery and Corporate Resources which provided an update on progress relating to proposed changes to the Leeds City Region Local Assurance Framework arising from its annual review. This followed the recently issued review of the National Assurance Framework (January 2019), the Strengthened Local Enterprise Partnership report (July 2018) and in accordance with guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Members noted the changes that had been made to the Local Assurance Framework which were set out in the report. It was noted that the Overview & Scrutiny Committee's LEP Review Working Group had also considered the assurance framework and it was agreed that approval to sign off the final version be delegated to the LEP Board Chair, with the LEP Chief Executive and Chair of the Combined Authority.

In order to secure compliance with the National Local Growth Assurance Framework, the Board considered proposed amendments to the LEP Constitution and LEP Board Procedure Rules which were set out in Appendices 2 and 3 of the report.

It was also proposed to adopt a new LEP Conflicts of Interest Policy and Protocol to supplement the existing Code of Conduct for Members of the LEP Board and these were attached at Appendices 4 and 5. The Chair of the Overview & Scrutiny Committee's comments had been incorporated into the documents and it was agreed that following consideration by the Combined Authority on 25 April 2019 authority be delegated to the LEP Chair to approve the Policy and Protocol on behalf of the LEP.

It was reported that the Strengthened Local Enterprise Partnerships report also set out the requirement for all LEPs to produce an annual delivery plan setting out proposals and targets. The Board considered the draft content for the LEP delivery plan and annual review and agreed that final approval of the content be delegated to the Combined Authority's Managing Director, in consultation with the Chair of the Combined Authority and LEP Chair.

Members also considered the LEP Equality & Diversity Policy including a Diversity Statement which had to be reviewed annually and a copy was attached at Appendix 6.

The LEP Board thanked all involved in the preparation of the important documents.

Resolved:

- (i) That the changes made to the Local Assurance Framework, as set out in the report be noted.
- (ii) That the substantive form of the draft updated assurance framework document be approved.
- (iii) That approval to sign off the final version of the assurance framework be delegated to the LEP Board Chair, with the LEP Chief Executive and Chair of the Combined Authority.
- (iv) That amendments to the following governance documents be approved:
 - The LEP Constitution, as set out in Appendix 2 of the report.
 - The LEP Board Procedure Rules as set out in Appendix 3 of the report.
- (v) That the draft Conflicts of Interest Policy, attached at Appendix 4 of the report and the Conflicts of Interest Protocol, attached at Appendix 5 of the report be endorsed and authority be delegated to the LEP Chair to approve the Policy and Protocol on behalf of the LEP, further to their consideration by the Combined Authority on 25 April 2019.
- (vi) That the 2019/20 LEP delivery plan be endorsed, with a final sign off delegated to the Combined Authority's Managing Director, in consultation with the Chair of the Combined Authority and the LEP Chair.
- (vii) That the LEP Equality & Diversity Policy and Diversity Statement, attached at Appendix 6 of the report, which forms part of the Local Assurance Framework, be approved.

75. Strengthened Local Enterprise Partnerships

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the work of the Transition Subgroup (TSG) in implementing Government's recommendations for 'Strengthened Local Enterprise Partnerships' in advance of the creation of a new LEP.

It was reported that whilst positive progress has been made, discussions were continuing as the TSG are not yet in a position to make firm recommendations on the merger/creation of a new LEP. It was recognised that the ambition to create a new LEP which is better than the existing LEPs was challenging and there are risks in establishing a new LEP covering such a broad area.

Members were advised that good progress had been made in discussing how the economic services functions of both LEPs can serve the diverse areas and communities of the new LEP and there was an opportunity to provide an

extensive service across the new area. It was noted that in the meantime both the Leeds City Region and York, North Yorkshire and East Riding LEPs will work together to maximise joint call opportunities in European Regional Development Fund (ERDF) and European Structural Fund (ESF) funding.

With regard to managing existing projects and programmes, it was proposed that an approach which avoids unnecessary complication is adopted in the creation of a new LEP.

Further updates would be provided at future meetings.

Resolved: That further advice and recommendations on the establishment of a new LEP be brought to a future meeting.

76. Local Industrial Strategy Development

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on progress to develop a Local Industrial Strategy (LIS) for the proposed new LEP geography, which encompasses the areas of West and North Yorkshire.

It was reported that the two LEPs are working towards the development of a single LIS and the target date for a final version is December 2019, to be signed off by Government by March 2020.

Members discussed and endorsed the ongoing work to develop and build on the strong evidence base already in existence and to engage an independent panel to provide expert challenge and advice and critical review of the evidence base and subsequent policy priorities. Members of the panel would be drawn from a range of areas including academia, business and the public and private sector. It was proposed that the panel will meet in April 2019 and meetings will be held throughout the development process. In addition, comprehensive engagement will take place with the LEP Board Panels, the Business Communications Group, businesses, universities, local authorities, community and citizen groups and young people. A range of activities will be explored including workshops, roundtables and place-based community engagement events. Members will be provided with further information on the engagement process and it was suggested that consideration be given to holding a LEP Board workshop with colleagues from the wider geography in September 2019.

Resolved: That the progress made be noted and the proposed way forward on development of the evidence base be endorsed.

77. Review of Inclusive Growth for Business Grants

The Board considered a report of the Executive Head of Economic Services on a review of Inclusive Growth for Business Grants.

The Chair reported that this would be Sue Cooke's last LEP Board meeting as

she had been appointed as Chief Executive of the 3M Buckley Innovation Centre at Huddersfield University. Members passed on their warmest congratulations and thanks for her hard work in the key role she has played in championing the Leeds City Region and wished her well in her new role.

The report provided an update on the effectiveness to date of the new approach to securing inclusive growth commitments from recipients of business grants from the LEP's Business Growth Programme (BGP).

The Board discussed the future approach to inclusive growth commitments from recipients of business grants and noted the feedback from recent consultation with the Business Innovation and Growth Panel, the Inclusive Growth and Public Policy Panel and the Overview and Scrutiny Committee. The Overview & Scrutiny Committee had previously recommended that consideration be given to extending the inclusive growth approach to the grant elements of all business support programmes and also to grants of all values. At their meeting held on 22 March 2019, the Overview and Scrutiny Committee had considered the new proposed inclusive growth criteria and commitments for all LEP business grants programmes and a supplementary note was circulated at the meeting which provided an update on their feedback, comments and recommendations.

The Board discussed the benefits and risks of extending/adapting the approach to other grant programmes which were outlined in the report. Consideration was given to the proposed extension of the Inclusive Growth criteria and commitments to the full range of LEP business grants. These were attached at Appendices 2 and 3 and comment was made that whilst commitments from businesses receiving grants could be strengthened the impact on smaller businesses needed to be taken into account.

Members welcomed the positive progress and considered that external communications to raise awareness of the support provided by the LEP across the whole city region was important. It was considered that case studies could be used to support and promote the help available and opportunities to seek sponsorship for an inclusive growth category at local business awards should also be investigated.

It was noted that the Business Innovation and Growth Panel had considered the outcome of the six month review and the approach would continue to be reviewed and a progress report brought to a future meeting of the LEP Board.

Resolved:

- (i) That the progress to date on the implementation of the new Inclusive Growth criteria and commitments to the Business Growth Programme (BGP) be noted.
- (ii) That the proposal to continue the approach to inclusive growth for recipients of business grants be endorsed.

- (iii) That the proposed extension of the Inclusive Growth criteria and commitments to the full range of LEP business grants as set out in Appendices 2 and 3 of the submitted report be adopted.
- (iv) That the approach be closely monitored for a further six month period and progress be reported to a future meeting.

78. Economic Reporting

The Board considered a report of the Director of Policy, Strategy and Communications which provided an update on the latest economic and business intelligence.

The report and appendices covered the main local, national and international economic developments and included a commentary and assessment in respect of the ongoing uncertainty associated with Brexit.

Resolved: That the report and appendices be noted.

79. Reinvestment of Grants and Loans and Enterprise Zones

The Board considered a report of the Director of Policy, Strategy and Communications on the reinvestment of grants and loans and Enterprise Zones.

The report provided an update on issues of business finance, particularly the role of the LEP in making business investments and the future use of returned funds from the Growing Places Fund.

It was noted that in order to ensure that the LEP continues to fulfil a role that is not met by the existing business finance market, work had been undertaken to understand current business finance trends. It was proposed that the LEP looks to develop a future business investment model which will require exploring a different set of skills and structures. A new model would also need to deliver a different set of investment products, and provide reinforced approaches to existing programmes such as for Enterprise Zones. Members discussed the detail of how this could be further developed, including a possible structured income fund and flexible growth fund and it was proposed that the LEP take the following steps:

- Engage with external advice on the approach to developing the new model.
- Work to develop the internal capacity required to enable the LEP to service the commercial grant and loan activity, with the ambition to establish a centre of excellence.
- Further scoping of two products - a structured income fund and flexible growth fund - and soft market testing of the opportunities in the existing market.

It was reported that the Business Innovation and Growth Panel had discussed

elements of the reinvestment of grant and loans work at their last meeting. It was agreed that a working group be established with representation from business and it was suggested that the group report to the Business Innovation and Growth Panel on development of the two products. A report would be prepared for a future meeting outlining the potential costs and income from the proposed products including interest, technical support, resource and potentially balancing a portfolio of risk.

The Board noted the background and context to the Leeds City Region Enterprise Zones (EZ) programme and the barriers to the development of a number of EZ sites. Members discussed the funding options and policy guidance for provision of grant support to assist with accelerated delivery of the programme which was detailed in the report. It was recognised that the proposed approach to the EZs would also help to ensure that the maximum number of schemes can be developed within the funding timescales.

Resolved:

- (i) That the progress of work to date on business finance be noted and the following three actions be endorsed:
 - (a) Engage external advice on the approach and design of the two products.
 - (b) Work to develop the internal capacity required to enable the LEP to service our future commercial grant and loan activity, with the ambition to establish a centre of excellence.
 - (c) Further scoping of the two products and soft market testing of the opportunities in the existing market.
- (ii) That the following two business investment products to test further through this work be noted:
 - (a) A returnable investment, structured income fund supporting regional growth whilst delivering maximum returns to the LEP.
 - (b) A flexible growth fund that can be used to invest in targeted investments to respond to changes in business needs, where there is clear evidence of market failure and therefore additional levels of risk.
- (iii) That the policy guidance outlined in paragraphs 2.18 – 2.38 of the submitted report for provision of grant support to the private sector on project with a demonstrable viability gap as a funding option for the Leeds City Region Enterprise Zone (EZ), to assist with accelerated delivery of the programme be approved.

80. Draft minutes of the West Yorkshire Combined Authority held on 14 February 2019

Resolved: That the draft minutes of the West Yorkshire Combined Authority held on 14 February 2019 be noted.

81. Date of Next Meeting

It was noted that the next meeting would be the annual meeting of the LEP Board, to be held at 2pm on Thursday 6 June 2019.

Members were advised that a period of time would be allocated at the end of the annual meeting to allow a public question time item. This was mandatory and was included in the national Assurance Framework guidance published by the Ministry of Housing, Communities and Local Government (MHCLG). It was proposed to use a similar process as that used by District Councils and questions would be invited in advance so that responses can be prepared.