

**OxLEP Board Meeting
20th June 2017
17.00 – 19.00**

Activate Learning, City of Oxford College

MINUTES

Board Directors Present:	Jeremy Long (Chair), Adrian Lockwood (AL – Deputy Chair), Alistair Fitt (AF), Bob Bradley (BB), Cllr Barry Wood (BW), Cllr Bob Price (BP), Cllr Ian Hudspeth (IH), Cllr John Cotton (JC), Cllr Matthew Barber (MB), Ian Walmsley (IW), Nigel Tipple(NT), Phil Shadbolt (PS), Penny Rinta-Suksi (PRS),Richard Venables (RV)
Board Directors Apologies:	Andrew Harrison (AH), Cllr James Mills (JM), Phil Southall (PS), Sally Dicketts (SD)
Minutes:	Rebecca Harrhy (RH)
In attendance:	Ahmed Goga (AG), Hollie Steele (HS), Richard Byard (RB), Rob Granger (RG), Chris Hale (CH), Joy Kellaway (JK)(Item 03) Lorna Baxter (LB) (Item 04)
Item	Action
Apologies and Declarations of Interest	
Apologies as noted above.	
NT advised the Board directors of the need to review current declarations of interest, therefore a note for each director was provided to check/update and sign if still accurate. Attention was drawn to a new section regarding land ownership. Once checked/updated this will be published on the web site.	
Minutes	
Minutes from the Board:	
NT noted some amendments to the minutes mainly typo's. These will addressed as noted before filing. The minutes were approved noting the changes.	
Minutes of the Finance and Audit Committee:	
AF noted his apologies had not been recorded, subject to that amendment the minutes were approved by the Board.	
Minutes of the Nominations and Personnel Committee:	
AL noted some strengthening of the minutes noting following review, the minutes were approved by the Board.	
EZ Marketing and Progress Presentation	
JK demonstrated the www.sciencevale.com website which is now up and running and an update on the EZ marketing plan. CH/JK confirmed that the marketing plan had been considered by Full Cabinet at South Oxfordshire District Council and will be considered by Full Cabinet at Vale of White Horse District Council on 30 th June recommended for approval.	
It was noted that the "Be" campaign had been successfully received. The focus going forward will be in a digital format, for example films, newsletters and social media. Discussion followed regarding the campaign performance outcomes and KPi's eg: 22,500	

click-throughs to the web site across the different media campaigns.

AF sought clarification of the timescale of this work – CH confirmed that the first phase will go live in Autumn.

IH asked what the impact would be if the developers did not commit to invest early, CH reminded members that the EZ is a 25 year programme. CH noted that we have 8 developers active across the zone with additional investors expressing interest.

IW wanted to understand the scope for aligning the campaigns with core LEP activity. NT noted a couple of immediate opportunities such as alignment with the DIT investment team who are promoting Sovereign Wealth investment opportunities.

NT noted and reminded the Board that we needed to identify and agree the infrastructure investment requirements against the retained business rates. CH was asked to bring a proposal back to Board in September.

BB was keen to explore how this campaign could support other events. It was noted that the CRM system will be able to help track and measure effectiveness or impact.

The chair thanked JK and CH for the update.

Items for Decision – Board Directors in attendance only for Item 5

Budget and Draft Financial Statements

NT noted the 2017/18 budget has been re-profiled to reflect recent funding approvals. He advised all LEPs are seeking clarification of core funding for the next year and hopefully to the end of parliament. Currently we have planned for 2 years out to 2020 by utilising operational reserves but that in the absence of clarity from government we have been unable to include any level of government core funding contribution.

BB asked for clarification of the reduction in staff costs. NT advised this reflected the end of fixed term contracts and secondment arrangements. The Board were happy to approve the budget as presented and noted that a further update would be provided when we receive updates from officials.

Draft financial statements:

These were presented in draft for information noting they would be considered by the F&A committee before submission the AGM in September.

Recommendation - Agreed

That the Board:

- **Notes the financial and Operational implications of this paper;**
- **Approves the revised Budget at annex 1 including the use of GPF EZ Business Rate repayment income to support core operating activity to March 2020;**
- **Notes that a further report will be presented to the Board in September to consider an extension of the budget to March 2021.**

Operational Review and Staffing Changes

AL presented the paper following detailed discussions at the Nominations and Personnel committee meeting. He noted the Organogram detailed at Annex 2 provides an update on staff recruitment and new posts proposed following additional programme and funding responsibility.

AL noted that the committee were recommending that the Boards activity was supported through a facilitated Board Performance workshop. The agenda would include an update on Directors responsibilities, personal development and engagement in sub-group activity.

He noted that the staffing structure as detailed is fully resourced in the agreed budget. The Board reviewed the proposals in detail including questioning the proposed Finance Officer salary which was considered low. RG noted that soft market testing/benchmarking had reassured use this was possible.

Specifically the Board discussed the following matters

Cost of living award – this has been benchmarked against other employers including LA partners and was consistent with their awards and reasonable.

Performance bonus award – this relates to the CEO’s employment package and had been reviewed by the Chair, Deputy Chair and committee. It was noted that the award had been set at a 7.5% award pro-rata of £7,812.50. AL noted that the committee had considered recommending an increase in the percentage award given performance but at this stage were recommending the award. MB queried the higher figure detailed in the committee minutes, AL noted this was the whether the award is the £7,812.50 or a higher figure noted in the nominations committee minutes. AL confirmed the recommendation relates to the £7,812.50 figure, the higher figure reflected the committees discussion.

MB noted that given we have an agreed methodology we should stick to this. Cllr Price agreed with this and suggested reviewing the methodology for next year.

IH queried the purpose of the bonus and whether we are justified in paying any bonus for next year. AF sought clarification of the methodology used and score grading. JL confirmed the CEO’s contract included a performance related bonus entitlement subject to assessment.

The recommendation was agreed and the Nominations and Personnel Committee were asked to review the process for next year.

JC sought clarification of directly employed staff T&C and seconded staff pay terms. It was noted that all OC seconded staff receive both Cost of living and Incremental pay band Awards. Directly employed staff do not have increment payments and are employed on fixed term contracts. Directors approved the recommendations.

Recommendation - Agreed

That the Board:

- **Note the amended staffing structure at Annex 1;**
- **Agree the new Innovation Support for Business project posts and the new Finance Officer post as detailed in Annex 2;**
- **Agree the extension of contracts for those individuals identified in Annexe 2;**

- Agree the award of a 1% cost of living pay award for directly employed OxLEP staff as detailed in annex 3 ;
- Agree the implementation of the previously agreed market supplement for the Director of Business Development through the secondment agreement as detailed in Annex 4 effect from 1st April 2017;
- Agree the re-grading of the post of Head of Corporate Services as detailed at Annex 4 with effect from 1st April 2017;
- Agree the award of a performance related bonus to the Chief Executive as detailed in Annex 5

CEO's Paper

Operating plan:

NT brought the members attention to the items graded amber in the operating plan and actions to address these. Of these the following were of particular note:

- Apprenticeship target figures, This is being reviewed due to the national level performance and exceptional base line performance figure used to set performance targets. The base year reflected the University fee changes to £9k which resulted in a spike of uptake in that year. Nationally no LEP has hit this base line figure since though we are performing well above the national performance figures.
- Oxford FAS – this reflects the EA's need to identify the full forecast project costs including the optimism bias and contingency, this is being reviewed. A reduction in the level of the optimism bias to 50% would remove the notional gap of £4.4m on the scheme.
- Milton Park – This has progressed since the paper was prepared with OCC taking responsibility for delivery of the works.

Financial outturn position:

Forecast revenue budget spend is on track with the capital programme regularly reviewed in partnership with AB. Future reviews will be reported to Finance and Audit committee and Board. LB confirmed the forecast enterprise Zone borrowing of £48.1m covered by income forecasts and income already banked. The balance of circa £2m is considered to be sufficient headroom for the level of commitment made to date. The position will be reviewed regularly to ensure we remain on track.

Programme Board TOR:

The TOR are presented for the Board to approve in principle. The Board were asked to note a slight change to the version circulated which related to the need for co-opted private sector members to support the group. It was noted that the group would be able to provide the Board with increased capacity and scrutiny of specific projects and programmes.

Communications Strategy update:

The Board were presented with an updated strategy document building upon the Cuban Eight work. This is being led by our new Communications Executive Rob Panting with the support of our external PR Agency Tala. NT confirmed that we would be reducing the number of brand channels being used to align with the Web site review focusing on three OxLEP (Corporate), OxLEP Skills and OxLEP Business.

Saietta Loan Agreement:

The Board will be aware we have reviewed the current Loan Agreement following notification from the company Directors of cash flow difficulties resulting from delayed investment income. The proposal to restructure the loan has been considered through the Finance and Audit Committee who, in agreeing a restructure wanted additional assurance in respect of the monitoring arrangements which would be put in place. NT advised the rationale behind the restructure and additional provisions in respect of monitoring which is being proposed. He noted this was in addition to a formal legal Charge we have placed on the company's assets.

BP sought assurance that the project was meeting its objectives, NT confirmed that to date they are but are being monitored regularly to ensure that position is maintained.

AL suggested a change of ownership clause might be introduced to help to mitigate the potential complications should the company be purchased. LB reminded the Board that risk was a factor assessed when considering the original loan and the interest rate reflected a higher risk considered at the time of agreement.

Recommendation – Agreed**That the Board:****Notes the report and,**

- **Operating Plan ad detailed - Annex 1**
- **Financial Outturn for 2016/17 – Annex 2**

Approves the following

- **Programme Board Terms of Reference - Annex 3**
- **Updated Communications Strategy - Annex 4**
- **Variation to the Saietta Loan agreement as detailed at section 5 of this paper noting the cash flow forecast provided at Annex 5**
- **And, note the agreement will be amended in consultation with the Chief Executive and Accountable Body 151 Officer before being agreed**

LGF Programme Agreement

The Board received an update on the LGF 3 project assessment and are asked to note the detail contained at appendix 2-10 inclusive. The Board noted that a number of projects were subject to renegotiation given reduced funding envelope but that we had reached agreement on all projects. Given that we are now moving to contracting NT sought delegation from the board to complete the formal legal agreements in consultation with the Accountable Body 151 Officer.

Recommendations**That the Board:**

- **Approve the LGF 3 projects detailed at appendices 2-10 attached.**
- **Delegate responsibility to the Chief Executive and Accountable Body S151 Officer to formally complete the outstanding actions and enter into the legal agreements with related pre-conditions for each project.**
- **Note the remaining project will be considered at the Board meeting in September 2017**

Innovation Update Report	
<p>RB/IW presented the paper which provides a comprehensive update on the strands of innovation work being undertaken including the agreement of the Sub-Groups Terms of Reference following the publication of the Innovation Strategy earlier in the year. The primary focus of the group is to take forward the recommendations of the strategy and bring a report back to Board with recommendations on future actions.</p> <p>RB also updated the Board on the proposed funding to support an Innovation Support Programme via ESIF - ERDF / IFSB project. We had bid for this funding in late 2016, the bid was a combined programme of £5.2m focused upon driving growth across the innovation eco system. Indications are very positive; we are just awaiting the formal sign off before contracting. The Innovation Sub-Group will have oversight of this work stream.</p> <p>RB highlighted the work we have undertaken to map and promote our Innovation spaces – The City Deal had stimulated growth in this area and is continuing to grow. We are currently exploring joint promotion and targeting growth sectors which can be accommodated.</p> <p>Following detailed discussion the board agreed the ToR for the Innovation Sub-Group noting its reporting lines. BW sought clarification in respect of the kind of innovation interventions which might come forward. IW advised that the group working with partners and Board would be looking to support activity such as that developed through the City Deal or the smart Oxford competition.</p> <p>BP noted the potential links to the proposed Industrial Strategy and recent Science Innovation Audit recommendations—we will look to align work streams with both local priorities and national opportunities arising from the next stage of the Industrial Strategy proposal.</p> <p><u>Recommendations - Agreed</u></p> <p>That the Board:</p> <ol style="list-style-type: none"> 1) Approve the proposed Innovation Sub Groups terms of reference at annex 1 2) Note the following items for review and information; <ul style="list-style-type: none"> • Innovation strategy • Science & Innovation Audit (embargoed until July). Paper copies of the SIA summary will be available at the meeting • ERDF Innovation bid • Innovation spaces report • European Capital of Innovation (Annex 2) • Smart Oxford Competition (Annex 3) 	
Items for Information	
Oxford – Cambridge Corridor	
<p>BP provided an update on the work we have jointly supported in respect of the NIC review. He noted that they were keen to understand the potential of the corridor and specifically how we would address the challenges of the “last mile”.</p> <p>He noted that we expected Lord Adonis to be visiting Oxfordshire on the 6th July and we would be looking to demonstrate the work we have undertaken on both “first/Last mile”</p>	

<p>connectivity and wider scope of the OXIS work programme. AECOM supporting the development of the strategic response to the NIC and we expect this to be reporting in September / October 2017.</p> <p>HS suggested that we (Oxfordshire partners) are presenting a good case and compelling rationale for investment across our infrastructure asks.</p> <p>It was noted that the OXIS phase 1 report is now live on OCC's web site and that work is now moving to stage 2.</p>	
<p>AOB</p>	
<p>Timing of future Board meetings:</p> <p>NT sought the Board's views on the future timing and length of Board meetings given the increased scope and volume of work. He noted that when moving to quarterly meetings we effectively lost 4 hours of Board time and therefore wanted to propose extending the meeting time slot to 2.5 hrs noting this was a maximum and reflected the recent extended time required to complete more complex agendas.</p> <p>Directors in attendance were content with the proposal subject to consultation of those members not able to make this meeting being in agreement.</p>	<p>NT</p>