

## ADVANTAGE WEST MIDLANDS

Minutes of the 116<sup>th</sup> Board meeting held on 29<sup>th</sup> September 2009

### **Present:**

Sir Roy McNulty                      Chairman  
Jas Bains  
Dr David Brown  
Brendan Connor  
John Crabtree  
Cllr Roger Lawrence  
Angela Maxwell  
Sue Prince  
Cllr Diane Rayner  
David Smith  
Prof Michael Sterling  
Cllr Ken Taylor  
Cllr Mike Whitby

### **Executive:**

Michael Laverty                      Chief Executive  
John Doherty                          Corporate Director, Resources  
Tim Gebbels                          Corporate Director, Strategy and Communications  
Dr Richard Hutchins                Deputy Chief Executive  
Mark Pearce                          Corporate Director, Economic Regeneration  
Karen Yeomans                      Corporate Director, Operations

### **Apologies:**

Gerard Coyne  
Michael Oakes

### **In attendance:**

Steve Kennett                      Government Office West Midlands  
Sue Marwa                              Board Support Executive  
Dylan Murphy                        Head of Board Support

ITEM	DETAILS	ACTION
1.	<b>Welcome to John Doherty</b>	
1.1	The Chairman welcomed John Doherty, Corporate Director, Resources, to his first Board meeting.	
2.	<b>Confidential Item</b>	

<b>3.</b>	<b>Matters arising</b>	
<b>3.1</b>	There were no matters arising that were not otherwise covered on the agenda.	
<b>4.</b>	<b>Confidential Item</b>	
<b>5.</b>	<b>Declarations of Interest</b>	
<b>5.1</b>	Angela Maxwell declared an interest in agenda item 8 (minute item 10), a confidential item.	
<b>5.2</b>	David Brown declared an interest in agenda item 13 (minute item 15), a confidential item.	
<b>5.3</b>	Councillor Ken Tayler declared an interest in agenda item 16, as a member of the Observatory Board.	
<b>6.</b>	<b>Declarations of items of any other business</b>	
<b>6.1</b>	<u>Confidential item</u>	
<b>7.</b>	<b>Chairman's Report</b>	
<b>7.1</b>	The Chairman presented his report and the Board noted the following in particular:	
<b>7.2</b>	<u>Board Member interviews</u> There was a strong field of candidates and the competition for places was very strong.	
<b>7.3</b>	<u>RDA Chairs' Dinner</u> There was a reasonable degree of consensus among business organisations and recognition that a business-led RDA was an asset which should be protected.	
<b>7.4</b>	<u>Joint Strategy and Investment Board</u> The scenario planning work was to be developed and further thought was to be given to the regional statement (its purpose and intended audience). The Chairman would be discussing the structuring of the approach to SIRS, including the strengthening of business representation, with the Leaders.	
<b>7.5</b>	<u>Chairman's Priorities</u> The priorities included giving thought to what would need to be done differently if regional economic decline was to be addressed, and how the Agency could engage in the national debate on the future of RDAs to ensure that debate was well-informed.	

<b>8.</b>	<b>Chief Executive's Report</b>	
8.1	The Chief Executive presented his report and the Board noted the following in particular:	
8.2	Confidential Item	
8.3	<u>Taskforce Update</u> In discussion with the Regional Minister it had been agreed that the future focus of the Taskforce should be: to present specific regional asks of government and hold regional partners to account on their take-up of government initiatives.	
8.4	<u>Regional Infrastructure Fund (RIF)</u> RIF approval had been granted in the summer and this had provided a £40m fund to enable infrastructure development. Such developments were crucial in the current economic climate.	
8.5	<u>Benchmarking Results</u> The Agency was subject to increased scrutiny, one element of which was a back-office cost benchmarking exercise. The cost of the Agency's finance function in relation to the cost of its programme delivery was the second lowest in the RDA family (at 0.35 per cent, against an average 0.4 per cent). In terms of the total percentage of running costs the Agency was the most efficient RDA with running costs of 1.52 per cent, against an average figure of 2.4 per cent.	
8.6	The Board congratulated officers on the excellent result (of 1.52 per cent) and noted that this represented a positive story for RDAs. It was agreed that the Chief Executive would investigate how RDAs' results compared to the BIS average.	<b>Chief Executive</b>
8.7	<u>Spotlight Awards – August 2009</u> An individual award had been presented to Andrew James, Partnerships Manager (Birmingham & Solihull) who developed and co-ordinated a programme of activities for a work experience student who spent one week in the Partnerships team (as part of her six week placement in the Agency). On top of his normal duties, Andrew put in additional time and effort to devise a varied workplan, and coached and encouraged the student to get the best out of her placement. The student gave a glowing account of her experience in the Partnerships team and is now an advocate of the Agency.	

<p><b>8.8</b></p> <p><b>8.9</b></p> <p><b>8.10</b></p>	<p>A team award had been presented to Richard England and Nalini Panvalkar (members of the Inward Investment team) for their work in organising and hosting a recent UKT&amp;I Research and Development (R&amp;D) programme visit. Through effective working in partnership, they delivered a successful event which is being followed up with collaborative joint working with the UKT&amp;I Research specialists on a variety of site visits to regional innovative companies, universities and research institutions. Their involvement has also led to meetings being arranged with multi-national R&amp;D firms to create more jobs and investment in the West Midlands.</p> <p>The second team award was presented to Jodie Galbraith and Angela Hall (members of the Finance team) for their commitment and support on the procurement of the legal services panel. They took on additional admin duties and new areas of work to ease the pressure on the workloads of the Consultancy Panel Officer and senior members of the team.</p> <p><u>Insider Finance Awards</u> The Advantage Transition Bridge Fund had been recognised as fund of the year at a ceremony which had attracted around 700 attendees. The award stressed the positive impact the fund had made in the region.</p>	
<p><b>9.</b></p>	<p><b>Confidential Item</b></p>	
<p><b>10.</b></p>	<p><b>Confidential Item</b></p>	
<p><b>11.</b></p>	<p><b>New Industry, New Jobs – Non-Confidential</b></p>	
<p><b>11.1</b></p>	<p>The Board considered the submitted report and noted that:</p>	
<p><b>11.2</b></p>	<p>The New Industry, New Jobs (NINJ) agenda represented a national industrial strategy and would be hugely important in supporting key sectors and linking partners' activity at a regional and cross-regional level.</p>	
<p><b>11.3</b></p>	<p>The Agency had been developing projects in a similar direction, including Birmingham Science City and the Manufacturing Technology Centre, before the articulation of NINJ so was well placed to deliver the strategy.</p>	

<p><b>11.4</b></p> <p><b>11.5</b></p> <p><b>11.6</b></p> <p><b>11.7</b></p> <p><b>11.8</b></p> <p><b>11.9</b></p> <p><b>11.10</b></p>	<p>It would be important to ensure that regions did not compete with one another and SWRDA was leading a piece of work to identify specialist areas of work in each region as well as examples of cross-RDA working.</p> <p>AWM was leading on infrastructure and BIS was working with RDAs to develop a framework for the delivery of NINJ.</p> <p>Agreed that Richard Hutchins would investigate how the NINJ priorities related to the BIS “grand challenges” which had been previously identified.</p> <p>A Strategic Infrastructure Fund (SIF) had been established and bids had been submitted.</p> <p>The Chair of Chairs would be writing to Lord Mandelson to outline RDAs’ contribution towards NINJ. This contribution would include project activity worth over £100m.</p> <p>Two low carbon areas had been announced and a third could follow. Designation as a centre for automotive engineering would be welcomed in the West Midlands as it would build on the regional strengths in this area and provide coherence to the activity underway.</p> <p>Agreed that the Chairman would raise the point that cutting funding to RDAs to increase central funds (to which RDAs would then bid) could adversely affect the ability of RDAs to deliver their objectives.</p>	<p><b>Richard Hutchins</b></p> <p><b>Chairman</b></p> <p><b>Chairman</b></p>
<p><b>12.</b></p>	<p><b>Stakeholder Survey Results/Project Applicant Survey Results/Staff Survey Results – Non-Confidential</b></p>	
<p><b>12.1</b></p> <p><b>12.2</b></p> <p><b>12.3</b></p> <p><b>12.4</b></p> <p><b>12.5</b></p>	<p>Tim Gebbels presented the results of the Stakeholder and Partner Survey and the Board noted that:</p> <p>The survey had been undertaken annually since 2006.</p> <p>The sample was based on the revised stakeholder list (which was a slightly smaller sample than in the past and included MPs for the first time) but the return rate remained stable at 33 per cent.</p> <p>There had been a significant increase in the very satisfied respondents for the “Overall satisfaction with AWM” question. This was an excellent result in the context of the project review.</p> <p>There had been an increase in positive responses (both Good and Excellent ratings) to the “AWM demonstrates strong leadership” question. A more detailed breakdown of the results was awaited. This breakdown would help identify which partners had responded with a Poor rating.</p>	

12.6	There had been a significant increased in positive responses to the “AWM demonstrates a clear position on important regional issues”; “AWM demonstrates its activities contribute to the WMES”; and “AWM provides feedback on progress in delivering its corporate plan” questions (all of which had increased Excellent ratings).	
12.7	There had been a slight increase in negative responses to the “AWM provides feedback on progress in delivering its corporate plan” question. This was probably as a result of the speed at which the Agency had been required to conduct the project review (in contrast to the extensive RES consultations undertaken in the past).	
12.8	The survey results would be shared with partners and stakeholders.	
12.9	Karen Yeomans presented the results of the Project Applicant Survey and the Board noted that:	
12.10	This was the first time that applicants had been surveyed to gauge their experience of direct contact with the Agency.	
12.11	The survey had been conducted independently during the same period as the stakeholder survey and project review and had covered all project applicants in the last twelve months.	
12.12	Overall, 77 per cent or respondents were satisfied with the performance of AWM. AWM staff had received very positive responses but a number of areas for improvement had been identified and these would be addressed.	
12.13	Karen Yeomans presented the results of the Staff Survey and the Board noted that:	
12.14	This was the third annual survey and the results showed a positive trend.	
12.15	93 per cent of staff “would recommend the Agency as a good place to work.” This exceeded the target.	
12.16	There had been a significant increase in the percentage of staff agreeing that “team and individual achievements are recognised by the Agency.”	
12.17	There was a positive trend in staff believing that “internal communications are accurate, reliable and timely.”	
12.18	There had been a slight decline in staff believing that “my manager and I regularly discuss my performance and agree objectives” since 2007 (though the figure was an improvement on 2008). This issue had been reinforced during the Investors in People reaccreditation exercise.	

<b>12.19</b>	There had been a significant increase in the number of staff agreeing with the statement that “I believe that actions will be taken on issues identified in this survey.” This was a very positive development.	
<b>12.20</b>	Following consideration of the survey results the Board congratulated the executive on the excellent results achieved. The Board also noted that in a benchmarking exercise based on the 2007 results which reviewed 30 midlands companies (which had either won the Midlands Excellence award or been rated Excellent) the Agency had been in the top 20 per cent.	
<b>13.</b>	<b>Confidential Item</b>	
<b>14.</b>	<b>Confidential Item</b>	
<b>15.</b>	<b>Confidential Item</b>	
<b>16.</b>	<b>High Speed Rail Update – Non-Confidential</b>	
<b>16.1</b>	The Board considered the submitted report and noted that:	
<b>16.2</b>	Both the Greengauge 21 and Network Rail reports had stressed the need for better high speed rail links between London and the West Midlands.	
<b>16.3</b>	There was regional consensus on the fundamental principles of HS2. These principles were that the link should: be city to city; allow future onward connections to the north; be served by improved regional transport links to maximise the benefits; and be a two station option (serving the city centre and international airport). It was agreed that reference should no longer be made to a “spur” option.	
<b>16.4</b>	The remit for HS2 was to identify where in the region the link should stop. How the route would progress northwards would represent a second phase of thinking.	
<b>16.5</b>	If network capacity was created by a high speed capability the beneficiaries should be the stations not covered by the HS2 link.	
<b>16.6</b>	The Board noted the critical importance of high speed rail to the region and endorsed the principles agreed by the Joint Strategy and Investment Board.	
<b>17.</b>	<b>Skills Update – Non-Confidential</b>	
<b>17.1</b>	The Board considered the submitted report and noted that:	

<p>17.2</p> <p>17.3</p> <p>17.4</p>	<p>The transfer of responsibility for producing regional skills strategies to RDAs would require that a number of posts transfer from the Learning and Skills Council (LSC) / Skills Funding Agency (SFA) to RDAs. AWM, as Chair of Chairs and the lead RDA on HR and Finance issues, would continue to argue for additional resource to carry out these additional responsibilities.</p> <p>Significant progress had been made since the development of the Skills Action Plan but the skills agenda still represented a significant regional challenge and it was critical that important linkages were not lost within any new structures.</p> <p>Tim Gebbels, Corporate Director for Strategy and Skills, and the Chief Executive of Solihull MBC would jointly lead a Regional Planning Group to provide regional oversight of the commissioning of 16-19 learning provision and coordination of support to local authorities in this role.</p>	
<p>18.</p>	<p><b>WMRO Annual Report – Non-Confidential</b></p>	
<p>18.1</p> <p>18.2</p> <p>18.3</p> <p>18.4</p> <p>18.5</p> <p>18.6</p> <p>18.7</p> <p>18.8</p> <p>18.9</p> <p>18.10</p> <p>18.11</p>	<p>The Board considered the submitted report and noted that during the year work of the Observatory had included:</p> <p>Providing support to the Regional Skills Partnership; Monitoring the recession; Developing the regional perceptions indicator; Applying the skills methodology to other policy areas; and Developing an integrated policy model.</p> <p>The Board also noted that:</p> <p>There had been significant improvements in customer satisfaction ratings in 2008-09.</p> <p>The point should be made that the Observatory offered value for money.</p> <p>Consideration of the impact of the recession was required and some of this thinking would be picked up during the SIRS visioning work.</p> <p>The Board also noted the <i>West Midlands: Fit for the Future? Positioning the region for economic recovery</i> publication which was provided at the meeting.</p>	
<p>19.</p>	<p><b>Board Memorandum and Standing Orders – Non-Confidential</b></p>	
<p>19.1</p> <p>19.2</p>	<p>The Board considered the submitted report and agreed that:</p> <p>The minor updates to the Board Memorandum and Standing Orders outlined in paragraph 2 of the report be adopted.</p>	

<b>19.3</b>	That the Memorandum and Standing Orders be reviewed in September 2010.	
<b>20.</b>	<b>Confidential Item</b>	
<b>21.</b>	<b>Other Business</b>	
<b>21.1</b>	Confidential Item	