

ADVANTAGE WEST MIDLANDS

NON - CONFIDENTIAL

Minutes of the 113th Board meeting held on 19th May 2009

Present:

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

Executive:

Michael Laverty	Chief Executive
Tim Gebbels	Corporate Director, Strategy and Communications
Richard Hutchins	Corporate Director, Economic Development
Mark Pearce	Corporate Director, Economic Regeneration
Karen Yeomans	Corporate Director, Operations

Apologies:

None

In attendance:

Sue Marwa	Board Support Executive
Dylan Murphy	Head of Board Support

ITEM	DETAILS	ACTION
1.	Welcome to Sir Roy McNulty	
1.1	On behalf of the Board, the Chairman welcomed Sir Roy McNulty to his first meeting of the Board.	
2.	Minutes of the last meeting	
2.1	The Board approved the minutes of the meeting on 28 April 2009 subject to inclusion of a reference to the need to capture the aspiration of working towards a low carbon economy in the Business Plan. This aspiration had already been included within the Plan.	

3.	Matters arising	
3.1	There were no matters arising that were not otherwise covered on the agenda.	
4.	Confidential Item	
5.	Declarations of Interest	
5.1	There were no declarations of interest.	
6.	Declarations of items of any other business	
6.1	The only item of other business was the consideration of the Remuneration and Human Resources Committee's recommendations (as listed on the agenda).	
7.	Chairman's Report	
7.1	The Chairman presented his report and the Board noted the following in particular:	
7.2	<u>Regional Tourism Summit</u> This had been a very successful event which had attracted some very senior business representatives. The Agency's role in co-ordinating festivals and events had been well received and there had been support for the Agency playing a similar role in 2010.	
7.3	<u>Transport Select Committee</u> The Select Committee had expressed particular interest in high speed rail and the 3 rd runway at Heathrow. These issues reflected the collective interests of RDAs.	
7.4	<u>CBI Council Meeting</u> The Chairman had been unable to attend this meeting.	
7.5	<u>Meeting with Arup</u> The situation around High Speed Rail 2 (HS2) was developing very quickly. Alison Monroe, Chief Executive of HS2, was to deliver a presentation to the next meeting of the Joint Strategy and Investment Board. The project would have implications for the wider region and it was important that a regional view (including agreement on the location of the terminus, links with HS1 and with Heathrow) was developed as soon as possible.	
7.6	It was noted that concentration on developing the HS2 project must not detract from the New Street Gateway project.	

<p>7.7</p> <p>7.8</p>	<p><u>Board Awareness Raising Event</u> The event had been the most successful of its kind. The excellent attendance suggested great enthusiasm within the region for involvement in the work of the Agency.</p> <p>The Chairman thanked Brendan Connor and Angela Maxwell for their contribution to the event.</p>	
<p>8.</p>	<p>Chief Executive's Report</p>	
<p>8.1</p> <p>8.2</p> <p>8.3</p> <p>8.4</p> <p>8.5</p> <p>8.6</p> <p>8.7</p> <p>8.8</p> <p>8.9</p>	<p>The Chief Executive presented his report and the Board noted the following in particular:</p> <p><u>Regional Ambassadors and Champions</u> A review of arrangements was to be undertaken to ensure the best was made of Regional Ambassadors and Champions.</p> <p><u>Rotary International</u> Michael Oakes reported that this was a huge international event with around 20, 000 visitors from 145 countries expected to attend (with an anticipated visitor spend of around £20m). There was an excellent opportunity to optimise the impact of the international media presence (beyond the convention itself) and stress the regional business and tourism offer.</p> <p>Michael thanked the Agency's Tourism Team for the work they had done.</p> <p>It was noted that there would be an evaluation to assess the regional economic impact of hosting the event.</p> <p><u>Confidential Item</u></p> <p><u>Business Link and Manufacturing Advisory Service</u> Revised draft contracts had been issued and a paper for Board decision on the extension of the final contracts would be presented to the Board for approval in June.</p> <p>It was agreed that Richard Hutchins would check the MAS turnover increase figures presented in the table.</p> <p><u>Health and Safety Report</u> The Board agreed that future Health and Safety reports would be submitted to the Human Resources and Remuneration Committee.</p>	<p>Tim Gebbels</p> <p>Richard Hutchins / Board Support</p> <p>Richard Hutchins</p>

<p>8.10</p> <p>8.11</p>	<p><u>Spotlight Awards</u> An individual award had been presented to Elizabeth Cox, Evaluation Manager, for her contribution to the Impact Evaluation Studies carried out in 2008-09. Elizabeth worked hard across the Agency to collate additional evidence that was not readily available. This made a great difference in the outcome of the studies and the Agency was able to demonstrate evidence of economic impact that in absolute terms exceeded that of every other RDA.</p> <p>An individual award had also been presented to Hanne Hoeck, Technical Assurance Manager, for leading the successful delivery of the Agency's critical State Aid work and the highly innovative nature of the solution she developed. The solution will make a difference by saving considerable amounts of time and money because individual State Aid submissions will only be required by exception and there will be a much reduced requirement for professional legal advice on these matters.</p>	
<p>9.</p>	<p>Confidential Item</p>	
<p>10.</p>	<p>State of the Region's Economy - Presentation</p>	
<p>10.1</p> <p>10.2</p> <p>10.3</p> <p>10.4</p> <p>10.5</p> <p>10.6</p> <p>10.7</p> <p>10.8</p>	<p>Tim Gebbels presented an economic update presentation and the Board noted the following points in particular:</p> <p>The region was losing jobs faster than any other (though the rate of the losses was now slowing).</p> <p>The region's unemployment rate had diverged from the national average since 1991 and the region now had the highest unemployment rate in the UK.</p> <p>Unemployment was a lagging indicator and it could take a considerable period of time before employment rates recovered.</p> <p>The areas with highest unemployment (to begin with) had suffered the greatest job losses in the current recession.</p> <p>As well as existing vulnerable communities, new areas of vulnerability had been identified.</p> <p>The latest OECD forecast was that the decline in the UK economy was easing. Despite such forecasts, the direction of the national and regional economies in the coming months was still very uncertain.</p> <p>The length of time required to recover from increased unemployment would have significant social and economic</p>	

	consequences. This reinforced the vital importance of efforts to increase economic inclusion.	
10.9	The underlying issues (including the need to improve skills, encourage enterprise and innovation) were recognised in the Regional Economic Strategy (RES) and delivery against the RES priorities would ensure the region was well placed to address these issues when the current recession ended.	
10.10	The region was proud of its manufacturing base and though the sector suffered disproportionately during a recession it provided high GVA for the region.	
10.11	A lot of work had been done to restructure the regional economy and the challenges were recognised in the RES but there was a need to better understand how other regions had achieved progress in lifting themselves from a low base (to achieve a more resilient economy). One contributory factor may be the relative proportion of public sector jobs in the region. A report on these issues would be presented to a future meeting.	
11.	Confidential Item	
12.	Corporate Communications Strategy – Non confidential	
12.1	The Board considered the submitted report and noted that:	
12.2	The Strategy had been developed in response to an issue highlighted by the NAO - that the Agency “needs to enhance its own profile and reputation more both within the region and nationally”. The aim of the strategy was “to position AWM as an excellent performing RDA, which is making lasting improvements to the economic performance of the West Midlands region.” More effective articulation of successes to key stakeholders would increase influence and ensure buy-in to the Regional Economic Strategy (RES).	
12.3	The proposed approach was to deliver the Strategy via teams using an account management arrangement – there was a role for all in delivering the strategy, not just staff within the Communications team. The Strategy was more comprehensive than had been the case in previous years and focussed on the 450 strategic stakeholders.	
12.4	Young people were not included as strategic stakeholders. Individual projects would have plans to engage young people however and the Enterprise Board had commissioned work to consider the effective engagement of young people.	
12.5	The Strategy would be presented to a future meeting of the Board with the link between resource allocation and planned activity clearly outlined.	Tim Gebbels / Board Support

13.	Confidential Item	
14.	Team West Midlands – MIPIM 2009 – Non confidential	
14.1	The Board considered the submitted report and noted that the event had been a success and the Agency’s role had been well received by Team West Midlands members.	
14.2	The event had cost £308, 000. This was in line with the 2008 costs. An evaluation had been undertaken to assess the value generated by the regional presence. This produced very positive qualitative feedback but it was difficult to fully quantify the true value of attendance. The world’s most important investors and significant decision-makers attended the event; it was an essential showcase for the region and non attendance would place the region at a significant disadvantage. Some very constructive meetings had taken place with investors and developers but the outcome of these meetings may not be apparent for some time.	
14.3	The co-ordinated Team West Midlands approach had been a significant improvement on previous years. Cllr aylor and Cllr Whitby, who had both attended MIPIM, concurred with this view.	
14.4	The Board approved the development of a programme for a regional presence at MIPIM 2010, including securing the Executive Suite apartment.	
15.	Annual Monitoring Report to DCLG – Non confidential	
15.1	The Board noted the submitted report and appended Annual Monitoring Report to the Department for Communities and Local Government (DCLG).	
16.	Confidential Item	
17.	Annual Report of the Regional Finance Forum – Non confidential	
17.1	The Board considered the submitted report and noted that:	
17.2	The Advantage Transition Bridge Fund (ATBF) was almost fully committed and Government had announced that the Fund would close at this point. The intention was that the Enterprise Finance Guarantee (EFG) scheme would take the place of transition funds but take-up of EFG loans had been slow. It was noted that, as manufacturing was the worst affected sector, this should be reflected in the proportion of EFG loans offered. Richard Hutchins agreed to provide the detailed breakdown of loans offered.	Richard Hutchins

17.3	Norman Gascoigne was playing an important role in encouraging local banks to apply the EFG scheme and lend to SMEs.	
17.4	There had been a significant increase in Community Development Finance Institutions activity.	
17.5	A range of venture capital funds had been supported during the year and an evaluation of the performance of these funds had been commissioned. The findings of this evaluation, which would be reported to the Board in late summer/early autumn, would determine the structure of future funds.	Richard Hutchins / Board Support
17.6	The Grant for Business Investment (GBI) was currently undergoing impact evaluation. This was a key lever in inward investment activity.	
17.7	The Agency was continuing to argue for a continuation of the ATBF and would establish a successor or replacement scheme if necessary to ensure continued revenue support was provided to sectors that most needed it.	
18.	Confidential Item	
19.	Confidential Item	