

**MINUTES OF THE MEETING OF THE
SHROPSHIRE BUSINESS BOARD**

**HELD ON
TUESDAY 3RD FEBRUARY 2015
4.30 pm – 6.50 pm**

**AT
KINGSLAND CONSULTING LTD, SHREWSBURY**

Present:

Board Members

Mandy Thorn MBE (Chair)	Marches Care Ltd
Arthur Hill (Vice Chair)	CH Hill and Sons
Matt Bulley	Caterpillar Ltd, Shrewsbury
Tony Bywater MBE	Salop Leisure Ltd
Nick Chavasse MBE	NRG Direct Mail Ltd
Matthew Snelson	Grainger & Worrall, Bridgnorth
Mandy Stoker	E 4 Environment & Chair of METnet.

Representatives

Lindsay Barton	Federation of Small Business
Dr Catherine Baxter	Harper Adams University
Faye Easton	Shropshire Enterprise Partnership
Rob Hudson	Handlesbanken – High Street Bank Representative
William Morris	Utilities Representative
Richard Sheehan	Shropshire Chamber of Commerce & Enterprise Ltd
Steve Wain	Shropshire Learning Network

Observer Status

Mr Glynn Jones	Bank of England – Agent West Midlands
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Shropshire Council Officers

George Candler	Director of Commissioning
Bryony Lainton	Business Engagement Officer, Business and Enterprise Team
Mark Pembleton	Service Manager for Business and Enterprise
Julie Fildes	Committee Officer

In Attendance – Presentations to the Board

Jill Hamer	Marches LEP Director
Ian Oakes	Marches LEP Skills Champion [Wolverhampton University]

1.1 The Chair welcomed all and thanked Will Morris for his generous invitation to use his beautiful home as a venue for the meeting.

1.2 Apologies were received from Paul Bennett – Shropshire Business Partnership, Shaun Carvill – Clickingmad, Steve Charmley – Portfolio Holder for Economic Growth and Commissioning (North) Shropshire Council, Roger Emery – Muller Dairy (UK) Ltd, Andy Evans – Group Manager, Business Growth & Prosperity, Shropshire Council, Bill Evans – Jobcentre Plus, Tudor Griffiths – Tudor Griffiths Group Ltd, Simon MacVicker [Richard Sheehan attended as substitute] – Shropshire Chamber of Commerce and Enterprise Ltd, Cllr Mike Owen – Shropshire Council and Nick Scott – J Ross Developments,

2 Declarations of Interest

2.1 Members were reminded to declare any interests either at this point or if they became apparent during the meeting.

3 Minutes

3.1 The minutes of the meeting held on 7th October 2014 were confirmed as a correct record.

3.2 The minutes of the meeting held on 9th December 2014 were confirmed as a correct record subject to the following amendments:

- Para 3.10 – It should be noted that BB was concerned about the lack of engineering and science courses being developed by UCS, as there is a real skills shortage of engineers in the county;
- Para 3.11 – To include broadband as well as utilities;
- Para 3.17 – To be amended to “Dr Baxter advised that although she appreciated that the report had been drafted on her behalf by Ms Yapp, unfortunately it had not been shared with her at any point prior to its circulation. There were a number of inaccuracies which needed to be corrected and these had now been corrected”;
- Para 3.27 – The responsibility for the action was MP with AH, WM and AT; and
- Para 4.2 – To be amended to ‘Long term unemployment was reducing’

4 Bank of England Presentation on the Economy

4.1 Mr Glynn Jones, representing the Bank of England gave a presentation on the economy [copy of presentation attached to the minutes].

- 4.2 Mr Jones explained that the consumer price inflation (CPI) rate was calculated to be 0.5% which was well below the Bank's 2% target rate. It was expected that the rate would continue to fall in the short term with the possibility of it temporarily becoming negative in Quarter 1. He explained that deflation was a global issue, although the experience of the United Kingdom was likely to be more positive than the rest of the Eurozone and Japan. He continued that the global economic outlook had deteriorated slightly with the emerging economies weakening due to excess capacity and weaker demand leading to falling commodity prices.
- 4.3 It was noted that the Bank considered that the United Kingdom's economy would continue to grow strongly albeit at a slower rate due to the influence of the Eurozone economies which remained sluggish and showed indications of stagnation.
- 4.4 Board Members noted that overall the Country's economy was showing a good recovery with a robust growth rate, and was expected to slow to pre-recession average growth rates as the economy normalised. The Bank anticipated that as this recovery continued inflation would rebound reaching its target rate of 2% around September 2017. Interest rates were expected to remain low in the short term due to this.
- 4.5 The Bank also expected a slight reduction in GDP, with pay growth lagging behind productivity growth. Continued weakness in the Eurozone and falling demand in overseas markets had also led to a deterioration in export performance resulting in a significant trade deficit. This had resulted in the Government rebalancing its economic policy and the Office of National Statistics (ONS) making significant revisions to its figures. Mr Jones confirmed that when compared to the economy of 2005, there had been a reduction in size because of loss of capacity due to the recession which was not yet re-established.
- 4.6 In response to a Board Member's query, Mr Jones explained that the ONS did not always immediately receive up to date information and altered its statistics when new information was received. Construction was an area which was difficult to accurately measure.
- 4.7 Mr Jones explained that domestic consumer confidence was growing and this was demonstrated by an increase in household expenditure. He suggested that as households' disposable income had not increased, people were using savings to fund their expenditure. This growing confidence was also reflected in the business sector with increased investment.
- 4.8 Mr Jones suggested that increased consumer confidence may have come from an improved labour market with lower unemployment rates. He continued that participation rates in the labour market had appreciably increased with economically inactive groups who were not registered as unemployed returning to the workforce in significant numbers. He continued that there had also been increases in the private sector jobs market which contrasted with a decline in the public sector. As the economy grew it was expected that declining unemployment rates would

lead to skills shortages in some areas which would increase wage pressure and drive up earnings.

- 4.9 In response to a Member's query Mr Jones observed that the European Monetary Union was in a stronger position to a few years previously and he did not expect that Greece's possible exit would have a significant impact.
- 4.10 The Chair thanked Mr Jones for an interesting and informative talk.

5 Quarterly Economic Update on the Shropshire Economy

- 5.1 Mark Pembleton gave a presentation on the Quarterly Economic Update [copy of presentation attached to the minutes] which had previously been given to the Business Ambassadors.
- 5.2 He echoed the previous speaker's comments on the improvement in the health of the National economy.
- 5.3 He continued that the picture for Shropshire was also positive. Shropshire had an unemployment rate of 4.8% compared to a National average of 5.8%, this was the lowest rate since June 2008. He clarified that this figure included people seeking work and not just those claiming Job Seekers' Allowance.
- 5.4 He continued that the number of businesses starting up had also improved with fewer businesses failing. Wage levels remained below the National average, although the gap was closing. A Board Member suggested that this may be due to the increase in residents working in managerial or professional occupations.
- 5.5 Members noted that the proportion of Public Sector jobs had fallen from 25% to 20.9% since 2009. Jobs had been created in the health, education, construction and the arts sectors. Mark Pembleton observed that 37% of all posts were part time. He added that the population of the County was getting older and working longer. He suggested that the older working population may prefer to work less hours.
- 5.6 In response to a Board Member's query, Mark Pembleton confirmed that Shropshire residents did not necessarily work in the County. Board Members discussed residents commuting to work in Birmingham and transport links.
- 5.7 **Broadband Update:** Mark Pembleton updated Board Members on the progress of the Broadband project and mobile phone signal coverage.
- 5.8 In response to a Board Member's query, Mark Pembleton explained that in excess of fifty additional jobs had been created in Shropshire as a result of the programme. He agreed to circulate information on whether Shropshire residents or people residing outside the County had been employed.
- 5.9 Mark Pembleton confirmed that a number of additional masts were planned for the County. A Member suggested that representatives from the phone

industry should be invited to a future meeting to answer questions on service provision.

- 5.10 It was suggested that political pressure ought still to be applied to resolve the issues. Mark Pembleton confirmed that the Secretary of State had been in the County earlier in the week.
- 5.11 **University Update:** Mark Pembleton confirmed that 120 applications had been received to study in Shrewsbury for the next academic year. He could not confirm whether all these applicants had listed Shrewsbury as their first choice. Board Members noted that the Deputy Provost had been appointed and that a Provost was not being sought.
- 5.12 A Board Member commented that he was disappointed with the University website and asked if the University Centre was accepting post UCAS application deadline applications. It was suggested that the University Centre should be encouraged to work more closely with partner organisations, such as FE Colleges.
- 5.13 **Agreed:**
That the Board ask Steve Wain to meet with Paul Kirkbright, the Deputy Provost of University Centre Shrewsbury.
- 5.14 It was noted that that Business Board overtly and unequivocally supported the establishment of the University Centre Shrewsbury but also recognise the importance of existing educational establishments.
- 5.15 In response to a Board Member's query Mark Pembleton confirmed that the requisite funding and business plans were in place for the establishment of the University Centre, and Mardol House was proposed for student accommodation, in addition to other sites as yet undisclosed. He added that the conversion of the Guildhall and Mardol House would progress on schedule.

6 Marches Skills Update

- 6.1 Ian Oakes, the Marches LEP Skills Champion, introduced this report. He explained that the Marches LEP covered the 3 areas of Shropshire, Herefordshire and Telford and Wrekin, which encompassed around 600,000 people. Investment in skills in the LEP area was identified as a key priority.
- 6.2 Board Members noted that the Marches Skills Plan was a dynamic document and was reviewed every year. He continued that at the time of writing the report he was not aware of any further funding being made available for skills. The Marches region had a notional allocation of funding for skills capital.
- 6.3 Ian explained that the LEP had set its skills priorities and ESF funding was being used to deliver projects. The current service providers' contracts were due to end between March and July this year. New ESF funding would not come on stream till later in 2015, thus leaving a gap. It was

anticipated that this would potentially affect the totality of skills provision in the LEP area.

7 Marches LEP Update

- 7.1 It was agreed that this had been covered sufficiently in the previous item.
- 7.2 The Chairman thanked Jill Hamer, Marches LEP Director, for attending the Board meeting and for her contribution to the discussion on skills. Jill confirmed that she would be able to attend future meetings to update the Board about LEP projects and to answer Board Members questions about the use of the funding they had achieved for the business community's priority projects. It was agreed that her contact details would be circulated to Members for them to forward queries about the LEP.

8 EU Funding Update

- 8.1 **Agreed:**
That the report be noted, with any queries to be directed to Mark Pembleton or Mandy Thorn.

9 Any Other Business and Future Agenda Items

- 9.1 Arthur Hill asked Members to note that the successful Redundant Building Grant scheme which had been funded through the Regional Growth Fund which was due to end in March 2015 had been extended until March 2016. He continued that there was no new money for the scheme but an underspend of £900,000 was to be carried forward. In response to a query, he confirmed that the grant did not cover the cost of planning or professional services.
- 9.2 Mandy Stoker asked if information could be provided on the LEP's view of funding for environment and low carbon issues as she perceived mixed messages from other champions on these issues. Mark Pembleton agreed that co-ordination was required for the work done by the champions.
- 9.3 A Board Member also raised the issue of transport links within the County. She accepted that the Shrewsbury Integrated Transport on the LEP Board Package was a top priority but asked for information on how businesses could lobby to achieve better links right across Shropshire.
- 9.4 A Board Member asked for further information on the funding of LEP priority projects should the application for funding be unsuccessful. It was noted that the LEP Board's top 2 priority projects were Broadband and the University Centre Shrewsbury, with the third priority being the Innovation Centre at Harper Adams. George Candler replied that the Council had ensured that the match funding for the University Centre had been underwritten by Shropshire Council and the University of Chester. The University of Chester was funding the conversion of the Guildhall and Library accommodation, with Shropshire Council funding the conversion of

Mardol House to student living accommodation.

9.5 Board Members discussed the decision making process of the LEP and its appointment of representatives. Mark Pembleton confirmed that the Leader of Shropshire Council was the Council's nominated person on the Board but, in his absence, the Portfolio Holder for Economic Growth and Commissioning (North) would attend to represent the Council.

9.6 **Agreed:**

That the following topics be considered as future agenda items:

- University Centre Shrewsbury
- LEP update
- EU Funding

10 **Dates of Next Meetings**

10.1 The next meeting of the Business Board to be held on Wednesday 22nd April 2015 February at 4.30 pm at Caterpillar Ltd, Shrewsbury, by kind invitation of Mr Matt Bulley.

Meetings for 2015:

(All at 4.30pm to 6.30pm)

3 rd February 2015	Kingland Consulting;
22 nd April 2015	Caterpillar, Shrewsbury;
9 th June 2015	Shropshire Business Summit at Shrewsbury Football Ground
15 th July 2015	Salop Leisure;
7 th October 2015	University Centre Shrewsbury; and
8 th December 2015	Shrewsbury Museum and Art Gallery.