

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

**HELD ON
MONDAY 18th JANUARY 2016
3.30 pm – 6.10 pm**

HARPER ADAMS UNIVERSITY, NEWPORT

Present:

Mandy Thorn MBE (Chair)	Marches Care Ltd, Shrewsbury
Matthew Snelson (Vice Chair)	Grainger & Worrall Ltd, Bridgnorth
Lindsay Barton	Federation of Small Businesses
Catherine Baxter	Harper Adams University (Agri-technology sector rep)
Paul Bennett	Shropshire Business Partnership
Jacqui Casey	Marches LEP
Kully Chahai	DWP
Tim Downes	JR & MC Downes & Sons
Fay Easton	Shropshire Enterprise Partnership
Arthur Hill	CH Hill & Sons, Much Wenlock
Richard Lumby	Carillion, Wolverhampton. Defence and Construction industry Representative
William Morris	Utilities Representative
Richard Sheehan	Shropshire Chamber of Commerce & Enterprise Ltd
Clive Wright	Shropshire Council Chief Executive

Shropshire Council Officers

George Candler	Director of Commissioning, Shropshire Council
Helen Hunter-Hayes	Business Engagement Officer, Business and Enterprise Team
Julie Fildes	Committee Officer

In Attendance

Paul Hinkin	Vice Chair of Marches LEP, Chair of Telford & Wrekin Business Board
Professor Peter Mills	Harper Adams Deputy Vice-Chancellor

28 Welcome, Apologies and Introductions

- 28.1 The Chair welcomed all, and expressed the Board's gratitude to Catherine Baxter and Professor Peter Mills of Harper Adams University for accommodating the meeting and providing refreshments.
- 28.2 The Chair introduced Paul Hinkin, Vice Chair of the Marches LEP and Chair of the Telford and Wrekin Business Board and thanked him for attending the meeting. She observed that she was keen to hold a joint Business Board meeting with the Marches LEP partner Business Boards where their work could be collated.

- 28.3 Apologies were received from Matt Bulley [Caterpillar Shrewsbury Ltd], Tony Bywater MBE [Salop Leisure Ltd, Shrewsbury], Cllr Steve Charmley [Deputy Leader, Shropshire Council], Roger Emery [Muller Dairy (UK) Ltd, Market Drayton], Owen Gahan [Kerry Ingredients and Flavours], Tudor Griffiths [Tudor Griffiths Group Ltd, Ellesmere], Gill Hamer [Director Marches LEP], Paul Kirkbright [University Centre Shrewsbury], Simon MacVicker [Shropshire Chamber of Commerce & Enterprise Ltd], Nick Scott [J Ross Developments Ltd, Oswestry], Mandy Stoker [E4environment Ltd, Shrewsbury (Chair of Metnet)], Steve Wain [Shropshire Learning Network] and Andy Evans [Head of Economic Growth and Prosperity, Shropshire Council].
- 28.4 Richard Sheehan attended as substitute for Simon MacVicker Shropshire Chamber of Commerce & Enterprise Ltd, and Jacqui Casey attended as substitute for Gill Hamer, Director Marches LEP.

29 Declarations of Interest

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

30 Minutes and Matters Arising

- 30.1 The minutes of the meeting held on 7th December 2015 were confirmed as a correct record.
- 30.2 Members noted that the Feed in Tariff had changed on 15th January 2016.

31 Agri-Tech Strategy

- 31.1 Professor Peter Mills gave a presentation to the Board on Harper Adams University [HAU] and in particular its engagement with Agri-Tech and the UK Government's Agri-tech Strategy.
- 31.2 Members noted that HAU had 3,000 fte students with approximately 6,000 enrolled students. While HAU was a small specialist institution it had the largest "faculty" of agriculture in Europe in terms of number of staff, and students and has the only specialist department of agricultural engineering in any UK University. It offered a variety of courses at both undergraduate and postgraduate levels focusing on the agri-food chain and related industries. About 25 % of undergraduate students were studying agriculture, while the remainder were studying programmes such as Rural Estate Management, Agri-food Business Management and Marketing, Food Science, Veterinary Nursing, Veterinary Physiotherapy, Animal Science and Engineering. Many courses were professionally accredited and graduate employment rates were 96.1 % within six months of graduation- which was a top 10 performance when compared to the performance of all UK Universities. All undergraduate students undertook a 12 month industrial placement as a fully integrated part of

their degree programme.

- 31.3 At postgraduate level, specialist courses included the only Entomology MSc provision in the UK. It also offered a research base which engaged closely with industry partners. One recent example was the decision by Dairy Crest to relocate its forty research and development scientists to a new building created specifically for this purpose on the University's campus. HAU also had close links with other universities across the world and had a growing number of international students at both undergraduate and postgraduate levels.
- 31.4 The University had invested, with the help of a range of funders, including the Marches LEP, in new facilities to enhance both teaching and research capacity. New developments in recent years included the Agricultural Engineering Innovation Centre, housing the National Centre for Precision Farming, the Weston Building, The Veterinary Services Centre and The Jean Jackson Entomology Building.
- 31.5 In 2013 the Government had announced funding for the Agri-Tech Strategy, as part of the Industrial Strategy. It had allocated £160m, divided into £90m Capital Expenditure and £60m Activity/Research projects which did not need to be linked to the Capital Projects. The Government had requested applications for funding for projects. HAU had made a submission along with a number of HE and industry partners for funding for two key areas- livestock and engineering. Both of these bids were included in the final three successful bids. Although the Minister had made some public announcements about the successful bids, precise details were not yet public. It was anticipated that further announcements would be forthcoming in the next 4-6 weeks. The Board welcomed the opportunities for local businesses that it was anticipated would follow in due course from the University's pro-active engagement with the Agri-tech Strategy.

32 The Council's Future Vision for 10, 15, 20 Years

- 32.1 Shropshire Council's Chief Executive [CW] spoke about the future vision for Shropshire Council in an era of significant and unprecedented funding reductions.
- 32.2 CW explained that the Council's previous Leader had resigned and Councillor Malcolm Pate had been elected as the Council's new Leader. Following this a Cabinet reshuffle had led to a number of new Portfolio Holders being appointed. The new Leader and Cabinet had been in post for three weeks and were still in the process of establishing the future direction of the Council. Major considerations of the new Leader were likely to be:
- Restoring pride in the County and Council;
 - Repairing the reputation of the Council; and
 - Valuing staff.
- 32.3 CW continued that the whole public sector was experiencing reductions in funding and key partners had retrenched. A key question for the new

Cabinet was whether the Council shrinks alone or whether it works with partners. The new Chief Executives of the Acute Trust and CCG could be a point of opportunity, increasing the appetite to work together to make the best use of diminishing resources.

- 32.4 Mandy Thorn and Paul Bennett asked for interests to be noted.
- 32.5 CW outlined the National picture, where the Government expected Local Authorities to become self-sufficient. Councils were expected to generate local income to finance services rather than being dependent on Government funding. CW explained that the Council's strategic priority was the protection of vulnerable people. It was projected that there would be 14% rise in elderly people coming into the care system by 2020 and there was a similar increase in demand for Children's services.
- 32.6 The Council's income was £220m, £138m of which was allocated to Adult Services and Children's Services. The remaining £78m paid for all other services that the Council provided. The Council's income was reducing on a yearly basis due to the reduction of the Revenue Support Grant from Central Government. This was expected to be phased out by 2020. At the same time the Government was going to allow Local Authorities to retain all the funds collected from Business Rates by 2020. Although full details had not yet been released, it was expected that this would also end other grants from Central Government which came from the current system of reallocation of business rates. It was anticipated that this would reduce the Council's income still further.
- 32.7 CW continued that it was important that the new Leader set out a clear strategy for the Cabinet and Administration, which allowed Members and Officers to work together. He observed that Councillors and Officers both aspired to do good for their communities. He anticipated that of the Council's 150 services, 142 would have to be cut due to the lack of finance. It was important that Members understood the implications of this and how it would restrict the work of the Council.
- 32.8 Board Members noted that other Local Authorities were in the same position and were examining how statutory duties could be delivered for less money. CW continued that rural Local Authorities were losing a greater proportion of their income than urban ones. It was hoped that this would lead to a stand being made by Conservative rural Councils.
- 32.9 In answer to a Member's question, CW agreed that there was always scope for further efficiencies, but these were now limited since the changes made following the establishment of the Unitary Authority.
- 32.10 Integration of Public Sector organisations to reduce costs was also being promoted by Central Government and so working more closely with the NHS was expected. There was also an expectation that individuals would be more self-sufficient and do more themselves and their communities with greater use of the internet as a means of contact. This would lead to a major transformation in working methods.
- 32.11 Referring to ip&e, CW observed that although it was acknowledged that it

was not working as well as it could, it was starting to produce outcomes through its entrepreneurial approach and although it was not producing a profit it was trading at the margins to cover its own costs and was starting to contribute to fixed costs. Unfortunately its potential market was limited as all public sector services were experiencing the same reduction in spending power.

- 32.12 In answer to a Member's question, CW explained that the previous regime had followed a policy of not increasing Council Tax. It had been frozen for 7 years in line with Central Government policy. Shropshire now had one of the lowest Council Tax levels in the Country in comparison with similar authorities and a corresponding low Council Tax base. The Government had capped possible increases in Council Tax to 1.99% before a public referendum had to be called, but was allowing a precept of 2% which was ring fenced for adult social care. This would only cover a proportion of the expected growth in expenditure for this area in the coming year. It was anticipated that Council Tax would increase by 3.99% but this would not keep pace with projected growth.
- 32.13 CW confirmed that Council buildings would be sold but would only produce a small income stream.
- 32.14 In response to a Board Member's question, CW explained that services would be cut when they could not be sustained but it was hoped that this would be done in a tapered manner to allow discussions to take place with interested parties about their continuation through alternative providers.
- 32.15 Members commented that the Business Board had a role in shaping the County's future through the promotion of investment, supporting existing business ventures and working on the Economic Strategy for the County.
- 32.16 Members discussed the potential for the High Speed rail link to London and the establishment of the University Centre. CW confirmed that the adult social care provided by the Council was one of the best services in the Country provided at the lowest cost.
- 32.17 Members agreed that the retention of Business Rates in a rural economy with the loss of rural subsidies was not ideal. Members commented that most of the County's businesses were agricultural or SME's which were not subject to Business Rates.
- 32.18 In response to a Board Member's question, CW confirmed that the Council was lobbying for a fairer settlement from Government. It had been suggested that the County had been disadvantaged through following Government Policy and not raising Council Tax. The Councils in this position should be allowed to raise Council Tax to a level which would put the Council Tax baseline to where it would have been if Council Tax had risen each year. For Shropshire this would be an increase of approximately 14%. Without this increase services which the public valued would be lost.
- 32.19 Members requested more information on the Big Conversation. CW

explained that professions had been engaged to provide this and was capable of providing statistically reliable information within 48 hours at low cost. He agreed that the first questionnaire had appeared simplistic but provided important base line data. One interesting and unexpected piece of information was the public support for increases in Council Tax to maintain services.

33 Marches Growth Hub-Shropshire

- 33.1 George Candler reported that work had started on the Shrewsbury Physical Growth Hub, and it would be launched in March at the Shrewsbury Food Enterprise Centre. This would be a single gateway to provide business support to companies in Shropshire. It was part of a two strand approach with a dedicated website and a physical presence. Hereford and Telford's physical Growth Hubs had already been opened, although Telford's centre was hosted by Wolverhampton University. It was noted that discussions with the University Centre Shrewsbury were ongoing regarding locating the centre at the Guildhall. Members discussed the advantages of positioning the growth hub outside the town centre
- 33.2 Rebranding of the Food Centre was being considered due to the location of a variety of organisations offering business support and services there. It was noted that there were possible problems with renaming the centre as the name had been a condition of the initial grant funding for its establishment. It was expected that this difficulty could be overcome.
- 33.3 Members noted that the Virtual Growth Hub had been launched on 3rd October 2015 and was receiving 12-1900 page views per week. The virtual growth hubs were now all running and Shropshire received 38% of visits, with Telford receiving 33% and Hereford receiving 29%.
- 33.4 Members commented that companies had become accustomed to and expected free business support, in light of the changes in government funding and support, this may become limited in the future. Members observed that most businesses were willing to invest in expert advice if they saw that it would increase profitability. They noted that it was important that mixed messages were not given regarding the funding of support and advice.

34 Future Business Board Strategy/Devolution

- 34.1 Members noted that Central Government expected that in future Public Services would work more closely together and was inviting applications for areas to form devolved areas for the purpose of local government. CW observed that Shropshire was a large county and opportunities presented themselves for partnership working with several different areas. The Council was looking to the North of the County with a view to becoming an associate in the Northern Gateway partnership. The Chairman commented that Shropshire needed to be included in the submission for the high speed rail link coming into Crewe, and would

benefit from electrification of rail growth corridors running between Shrewsbury and Birmingham. The Council was also exploring submitting an expression of interest to the West Midlands Combined Authority. CW continued that it was important that the Council considered working with different partners who suited its particular needs.

- 34.2 Members observed that the County was well positioned between the industrial areas of the Midlands and Wales and had good connectivity which provided opportunities for businesses in the county to be part of the supply chain for larger industries based in other areas. It was suggested that the establishment of the University Centre and the work done by Harper Adams University would act as a catalyst to attract technological industry to the County.
- 34.3 It was suggested that the County would benefit from engaging economists to advise on the County's key industries of the future. This would also allow future work of the Board to be better focused. Members observed that lessons needed to be learnt from past projects which had been successful. The Chairman suggested that one approach would be for a limited number of projects to be championed by the Board. A Member suggested that an alternative approach would be the development of charters for each business sector with the identification of consistent elements across the sectors. It was observed that resources previously provided by the Council to support the Business Board's activity may be more limited in future and it was important to become more self-reliant. It was suggested that the Skills Board would be a good template for future projects. CW replied that where it was possible the Council would continue to support the Business Board.
- 34.4 Members noted that the Council's Economic Strategy would be an agenda item for the next meeting to be held on 7th March 2016. CW commented that the Council held large amounts of data which could be used for the development of the Economic Strategy, and the Council might benefit from approaching the University for assistance by identifying which information would be useful for deciding future direction and strategies.
- 34.5 Paul Bennett encouraged the sharing of data held by the Council which would be useful to businesses considering investing in the County. Members observed that not all business sectors in the County were represented in the Business Board Members and steps should be taken to encourage greater sector representation.

35 Any Other Business

- 35.1 The Chairman directed Members' attention to the papers despatched with the Agenda, the NFU Briefing and the Help to Change Briefing Paper.
- 35.2 Members noted information on the William Penny Institute, mentoring young people and Aston Goldman Sacks Business School who were recruiting.

36 Dates of Next Meetings

36.1 The next meeting of the Business Board to be held at 4.30pm on Monday 7th March 2016, at the Shirehall, Shrewsbury.

36.2 **Future Meetings:**

7 th March 2016	Shirehall, Shrewsbury
23 rd May 2016	Shirehall, Shrewsbury
11 th July 2016	University Centre Shrewsbury
12 th September 2016	Tudor Griffiths, Wood Lane, Ellesmere
21 st November 2016	Shirehall, Shrewsbury