

## South Midlands Business Board

Monday 1 June 2026, 14.00 – 16.00

### Notes

Meeting started at: 14.01

1.	<p><b>Welcome and Apologies</b> Apologies noted.</p>
2.	<p><b>Notes of the Previous Meeting</b> Actions update:</p> <ul style="list-style-type: none"> <li>• Ministerial Engagement: Minister Pennycook declined, Minister Fahnbulleh has now stepped down and we are looking to engage with the new minister, Minister Vallance meeting is confirmed at the supercluster conference.</li> <li>• Leaders meetings: Meetings confirmed with CBC, LBC, NNC, WNC. <i>Action any Board members wishing to attend to email EP.</i></li> <li>• National Business Board funding – Many Business Boards are no longer being funded by their Local Authorities, and many areas which have transferred funds from LEPS are exploring different uses of the funding, but levels of funds are not comparative to the South Midlands.</li> <li>• Other actions – completed or are a later agenda item in this meeting.</li> </ul> <p>No comments or questions, minutes were approved.</p>
3.	<p><b>Strategic Items</b> <b>South Midlands Authorities Board (March) Update</b></p> <p>A paper was presented to the SMA Board outlining a number of options for the use of remaining South Midlands reserves, primarily originating from the Growing Places Fund that was transferred from the LEP. This funding, originally allocated by Government, had historically been used as a recyclable loan fund to support infrastructure and economic development projects across the region. Options in the paper included retaining the funding for regional programme activity, allocating it to support South Midlands Services, or leaving it for funding available for devolution activity.</p> <p>The SMA Board reached a decision to distribute all of the remaining reserves (circa £4.5m) across the six constituent local authorities only, equating to roughly £700k-750k per authority.</p> <p>£1.5m was agreed to remain in reserves for contingency and future close down, as well as the ringfenced funds for the previously approved grants programme.</p> <p>A large proportion of the funding is capital and the team are working through grant conditions to ensure that it remains aligned to original grant agreement and purposes.</p> <p>Discussion:</p> <ul style="list-style-type: none"> <li>• While acknowledging the financial pressures faced by local authorities, concern was raised about using funds to accommodate other council spending and not in line with original purpose of funds. Confirmed that caveats such as economic activity are being included in grant agreement.</li> <li>• Concern raised about funds being used to support existing council activity or roles rather than new or additional economic activity. There is no information at present on the plans of each authority for the proposed use of the funds. Requested that updates be provided to this Board and Authorities board on spend and activity for transparency.</li> <li>• Noted that use of one off reserves is unsustainable with no clear plan for replacement funding.</li> </ul>

	<ul style="list-style-type: none"> <li>• Concern that there are now no regional level funds available for co-ordinated for longer term opportunities that could strengthen government investment.</li> <li>• Members agreed that maintaining visibility and transparency regarding how each authority intends to utilise its allocation would be critical.</li> </ul>
<p><b>4.</b></p>	<p><b>LIPF Update</b></p> <p>Confirmation that the regional bid submission had been successful at stream 2 stage, securing access to up to £20m of funding, subject to the full portfolio of projects to be submitted by 24 June. Noted that this outcome followed a strategic decision to combine three initial bids into a single, unified submission, which significantly strengthened the overall proposition and endorsement of the region’s innovation potential within the wider Oxford Cambridge Growth Corridor.</p> <p>The programme is being developed through a strong partnership approach, and a Programme Board is now overseeing the development phase, with work underway to finalise a coherent set of projects aligned to UKRI priorities.</p> <p>The Board recognised the effectiveness of this collaborative approach, particularly in demonstrating scale and alignment across administrative boundaries working in securing investment.</p> <p>LT provided an update on the proposed merger between Cranfield University and King’s College London. Due diligence is currently underway, with the proposed arrangement expected to secure long-term investment in Cranfield while protecting its site and core activities. The Board noted that this development could further strengthen the region’s position in research, skills and innovation.</p>
<p><b>5.</b></p>	<p><b>Devolution / Political Update &amp; SDS Update</b></p> <p>EOI relating to Foundation Strategic Authority (FSA) and responses to the Spatial Development Strategy (SDS) consultation were submitted in March 2026. It was highlighted that there remains a lack of alignment across the six local authorities with the region, with NNC and WNC favouring a wider South Midlands geography, whilst MKCC and LBC continue to support a BLMK only approach. The positions of BBC and CBC remain less clearly defined. Government is expected to progress SDS geographies following the local elections, although overall clarity on future structures, powers and funding remains limited.</p> <p>The Board discussed the implications of this uncertainty for the business community, noting that the region continues to present as fragmented in its external messaging. Members highlighted that businesses and investors are seeking clarity and consistency, particularly in relation to major growth opportunities such as East West Rail, Luton Airport expansion and large-scale developments such as Universal. There was concern that the absence of a coordinated regional approach risks undermining the ability to secure investment and deliver at scale.</p> <p>A consistent theme across the discussion with businesses was the prevalence of siloed working between local authorities, limiting the ability to respond effectively to cross-boundary economic opportunities. Particular focus was given to skills and employment challenges. Members noted growing concerns around workforce readiness, including shortages in construction, logistics and technical skills, alongside a lack of accessible entry-level opportunities for younger people.</p> <p>Members noted increasing competition from other regions that are adopting more coordinated and proactive approaches to attracting investment, including aligning skills provision directly with employer demand. Unless addressed, these challenges could limit the region’s ability to maximise the benefits of its significant growth pipeline. The Chair invited Board members to continue identifying priority issues emerging from their respective sectors and networks, with a view to strengthening the Board’s collective understanding of business needs and informing future strategic priorities.</p>

## **Economic Growth Strategy Update**

The strategy has not yet been finalised due to ongoing political and structural uncertainty linked to devolution discussions and local government changes. The principal area of contention is differing views on whether the strategy should align to a single defined geography or be capable of operating flexibly across multiple configurations. It was acknowledged that this reflects wider uncertainty around future governance arrangements; however, there was strong agreement that the strategy itself must remain neutral in this respect and should instead be grounded in the functional economic geography of the region.

A revised approach is being developed to address these concerns including incorporating wording, provided by Cllr Weir, that positions the strategy as a shared evidence base that can be applied at multiple levels. The intention is that it will be usable by individual local authorities, sub-regional groupings (such as BLMK), or across the full South Midlands geography, without prescribing or pre-empting any future devolution outcome.

JW noted that there has been a positive response from Leader for this approach, but noting the difficulty in getting consensus from all 6 Authorities.

Members discussed the importance of maintaining momentum and avoiding further delay. There was a clear consensus that the strategy must now move forward at pace, given the rapidly evolving national policy environment and the increasing competition from other regions that are already leveraging aligned strategies to secure investment.

Agreement that the strategy must be accessible and usable beyond local government and that the final product must function as a practical tool for the private sector, enabling businesses and investors to quickly access credible data, articulate investment cases, and respond to funding opportunities. Reflecting a broader shift in funding models, where business-led or co-developed bids are increasingly expected.

It is hoped that the strategy will play a role in supporting wider initiatives, including potential future devolution arrangements or cross-boundary funding bids.

*Action: Email to go to Leaders to affirm above proposal for a neutral, multi geography approach for satisfy requirements.*

*Action: Following requirement satisfaction, proceed with procurement activity.*

## **Economic Compact Proposal**

Discussion on a proposed 'Economic Compact' as a potential mechanism to support economic growth across the region. The proposal has been informed by discussions with government officials, national business board networks, and examples from other UK regions and international models where cross-boundary economic collaboration has been established.

**It was noted that the proposal is a draft proposition.**

### **Discussion:**

- The proposal responds to the current lack of clarity and pace around devolution and funding, and to provide a more immediate, business-led mechanism for aligning economic priorities.
- It focuses on key areas of concern for the business community, including skills development, inward investment, and coordinated promotion of the region.
- Offers a pragmatic alternative that could help unlock funding and support delivery of the Government's Industrial Strategy, particularly in the absence of new devolution funding for the region.
- Potential advantages of the model, including its ability to provide a workaround to current governance barriers, align resources more effectively, and create a stronger, unified economic proposition. It was noted that similar models internationally have

	<p>demonstrated strong outcomes in terms of growth and investment, underpinned by joint public-private funding arrangements and light touch governance structures.</p> <ul style="list-style-type: none"> <li>• The Compact would likely operate through a voluntary partnership model, focused on a small number of core priorities (skills pipelines, investment promotion, targeted economic outcomes).</li> <li>• Funding models could include a mix of government seed funding and private sector contributions, while governance would remain deliberately light-touch to enable agility and responsiveness.</li> <li>• Could complement wider initiatives such as the Supercluster.</li> <li>• With continued delays in formal governance arrangements risk limiting the region's ability to attract investment, the Compact could be a potential interim mechanism to maintain momentum and provide a clearer route to delivery while structural issues are resolved.</li> <li>• Success would depend on securing strong participation, clear commitments, and credible leadership - ensuring alignment with existing structures and future governance arrangements.</li> <li>• <i>Action: Version 2 of the proposal to be circulated and feedback requested for further development and consensus building.</i></li> <li>• <b>Resolving political differences at a local level remains challenging and may require clearer direction and support from central government. Any model would benefit from government endorsement and a clear articulation of benefits to participating areas.</b></li> </ul>
6.	<p><b>Opportunity Items</b>  <b>Supercluster Update</b></p> <p>The conference is being led by Patrick Vallance, with anticipated contributions from government ministers, further reinforcing ongoing high-level endorsement of the OxCam Supercluster initiative.</p> <p>Discussion on the increasing attention and support being directed towards the region, but concern was raised regarding the lack of clarity around long-term investment and still disproportionate focus on Cambridgeshire and Oxfordshire, and does not fully capture or represent the depth and strength of the region's sectors and clusters.</p> <p>The composition of the Supercluster Board has evolved to include a broader and more diverse cross-sector representation, moving beyond a predominantly life sciences focus. The Board is now contributing more directly to national policy discussions. Several members confirmed attendance.</p>
7.	<p><b>LSIP</b></p> <p>Tony Knaggs (TK) provided a strategic overview of the Local Skills Improvement Plan (LSIP), highlighting the significant projected job growth across Bedfordshire and surrounding areas, driven by developments such as Oxcam, Luton, and new town regeneration, and raised concerns regarding the lack of identified funding to support the scale of training and workforce development required to meet this demand.</p> <p><i>Action: LSIP plan to be shared along with supporting annexes.</i></p> <p>Noted that the majority of required training provision (over 90%) is already in place but there remains a significant lack of awareness and accessibility – the critical issue being communication barriers between employers and education providers and unclear pathways. Noted that over 70% of SMEs have not engaged with training providers in the past five years, reinforcing the need for clearer, more accessible communication and improved alignment between business and education.</p> <p>TK highlighted key skills gaps and missed opportunities, including the high demand for basic digital skills such as Microsoft Excel and Office, which are not consistently delivered</p>

	<p>to a business-ready standard. Existing free training resources are underutilised, often due to lack of awareness or funding and capacity constraints within institutions.</p> <p>Barriers to employment were discussed, particularly the lack of industry-recognised “licence to practise” qualifications in sectors such as construction and logistics, and wider issues such as low levels of driving licence ownership among young people, which restrict access to employment opportunities.</p> <p>Examples of good practice were shared, including programmes funded through the UK Shared Prosperity Fund which successfully supported individuals to gain required certifications leading directly to employment outcomes. These examples demonstrated that targeted interventions addressing practical barriers can deliver strong results.</p> <p>The Board acknowledged the importance of the LSIP and its role in championing its priorities. There was agreement that the Board can add value by using its networks to raise awareness and simplify messaging. <i>Action: TK to provide a concise written summary of key priority areas and opportunities for Board input.</i></p> <p><i>Action: Board members to promote LSIP priorities through their respective networks.</i></p>
8.	<p><b>Board Membership and Recruitment</b></p> <p>Thanks were given to all that completed the skills matrix questionnaire, this has helped inform potential new membership.</p> <p>Expected to be a light touch recruitment starting pre summer including open recruitment but targeted consideration for sectors such as FE, defence, North Northants based.</p> <p><i>Action: Invitation to members interested in being on the interview panel to email EP.</i></p>
9.	<p><b>Next Steps</b></p> <p>Board extended very best wishes to NB as she goes on maternity leave soon, returning later in the year.</p>

Meeting ended at 16.00

Next Authorities Board Meeting: 23 June  
2026

Next Business Board Meeting: 2  
September 2026

**Attended:**

Jason Longhurst	Prologis Ltd, Chair
Andy Paul	Fliweel Tech
Cllr Jim Weir	Bedford Borough Council, Authorities Lead
Dr Cathy Smith	University of Northampton
Justin Richardson	Bedfordshire Chamber of Commerce
Keith Purdie	Cambridge Science Park
Leon Terry	Cranfield University
Michael Moran	2020 Developments Ltd
Naomi Butters	ICENA
Paul Clarke	Cranfield Aerospace Solutions Ltd
Phil Lawrie	Silverstone Museum
Stephen Henson	TC Group
Vicky Hlomuka	West Northamptonshire Council
Yvette Lamidey	Federation of Small Businesses
Emma Panter	South Midlands Authorities
Tony Knaggs	Chamber of Commerce (LSIP item)

**Apologies:**

Jon Corbett	Corbett Consultancy
Oliver Jaycock	London Luton Airport (virtually)