

THE MARCHES LEP BOARD MEETING					
Tuesday 19 March 2019			5 pm – 7.30 pm		
THE CLIVE, BROMFIELD, LUDLOW, SY8 2JR					
AGENDA					
Item	Time		Lead	Discussion /Decision	Paper
1.	17.15	NMiTE Briefing	Elena Rodriguez-Falcon/David Nolan		
2.	17.55	Welcome, Apologies & Declarations of Interest	GW		
3.	18.00	Minutes of Last Meeting on 29/01/19 & Matters Arising - Performance review – letter of 11/03/19 - LEP Geography - Progress of Board Member recruitment - Confirmation of Deputy Chair - SEP publication; LIS development event 11 April 2019	GW/GH	Info	X X
4.	18.10	Update from Senior LEP Sponsor Director Integration & Communities, Ministry of Housing, Communities and Local Growth	Hardip Begol CBE	Info	
5.	18.20	Governance - Step Plan - Draft Articles of Association - Draft LEP Accountability and Assurance Framework - Draft Scheme of Delegation - Draft LEP Board Terms of Reference - 2019/20 LEP Delivery Plan	Peter Collins/GH	Discussion/ Decision	X X X X
6.	19.00	Growth Deal Update (confidential Item)	NA	Discussion/ Decision	X
7.	19.10	Marches Growth Hub Update	PH	Info	X
8.	19.20	LEP Programme Risk Register	NA	Info	X
9.	19.20	Any Other Business - Stronger Towns fund and Future High Streets fund - Possible MPs briefing event 8 May 2019 House of Commons	All		
THE MARCHES LEP LIMITED					
1.	19.25	Convening of the first Board Meeting of The Marches LEP Limited - Appointment of the Board - Adoption of new Articles (written resolution)	GW/PH GW		X
Future Meetings: 21 May 2019 and 23 July 2019 Items to be included on the Agenda for 21 May 2019 Meeting 1. Newport Innovation Park 2. Transport 3. Governance 4. LIS Development 5. Skills Advisory Panel					

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**Draft Minutes of the Marches LEP Board Meeting
29 January 2019 at The Clive, Bromfield, Ludlow, SY8 2JR**

Present:		
Graham Wynn OBE	GW	Chair, Marches LEP Board
Paul Hinkins	PH	Telford Business Board Chair; Deputy Chair, Marches LEP
Frank Myers MBE	FM	Herefordshire Business Board Chair
Paul Bennett	PB	Shropshire Business Board Chair
Dr David Llewellyn	DL	Agri-Tech Food Champion; Vice-Chancellor, Harper Adams University
Paul Kalinauckas	PK	Access to Finance Champion, Chief Executive of BCRS Business Loans
James Staniforth	JS	Skills Board Chair; Principal and CEO of the Shrewsbury Colleges Group
Cllr David Harlow	DH	Cabinet Member Economy and Communications, Herefordshire Council
Cllr Lee Chapman	LC	Portfolio Holder Adult Services, Health and Social Housing, Shropshire Council
Cllr Hilda Rhodes	HR	Cabinet Member Transport, Roads and Broadband, Telford & Wrekin Council
In Attendance:		
Gill Hamer	GH	Director, Marches LEP
Kathryn Jones	KJ	Partnership Manager, Marches LEP
Ennis Vingoe	EV	LEP Team Support Officer
Gareth Wilson	GWil	Area Lead Cities and Local Growth, Department for Business, Energy and Industrial Strategy
James Walton	JW	Section 151 Officer, Shropshire Council (part only)
Mark Barrow	MB	Director of Place, Shropshire Council (part only)
Andrew Lovegrove	AL	Chief Finance Officer, Herefordshire Council
Richard Ball	RB	Acting Director for Economy and Place, Herefordshire Council
Mark Pearce	MP	Managing Director, Skylon Park (part only)
Nick Webster	NW	Economic Development Manager, Herefordshire Council
Katherine Kynaston	KK	Assistant Director Business Development & Employment, Telford & Wrekin Council
Peter Collins	PC	Sharpe Pritchard (part only)
Patrick White	PW	Metro Dynamics (part only)
ITEM	ACTION	
1.	Welcome, Apologies & Declarations of Interest The Chair thanked everyone for attending the extended meeting and welcomed GWil and PB to their first meeting. Apologies were received from S Roberts, A Manning-Cox and Prof I Oakes. Apologies were also received from Cllr J Lester, Cllr S Davies and Cllr P Nutting who were represented at the meeting by Cllr Harlow, Cllr Rhodes and Cllr Chapman respectively. The Chair reminded all members to complete a declaration of interest form for the meeting if required. Declarations of Interest were made by: DL – as an employee of a higher education institution; PB – working relationship with LEP’s legal firm	
2.	Minutes of last meeting held on 27 November 2018 The minutes from the last Marches LEP Board meeting on 27 November 2018 were reviewed. A grammatical error was noted.	

	<p>FM said that he did not think DH's comments on NMiTE had been accurately recorded. FM said that there was no mention in the minutes of the discussion on risk and the Board's strong recommendation that Government should be asked to mitigate the risk, and no mention of AMC's strong point that whilst the Board concentrates on the risk to the LEP's reputation by spending the money, that it hadn't considered the risks to the LEP's reputation by standing in the way of the project.</p> <p>GW commented that verbatim notes of the meeting were taken but that issuing 15 pages of minutes would not provide a fair reflection of the meeting. AMC had sent an email today and referred to the fact that it was a robust discussion.</p> <p>DH stated that he agreed with FM in that he didn't think he had said what was recorded in the minutes and he felt that only the negative aspects had been minuted about what he had said about the cost freeze.</p> <p>GH said that the hand-written notes would be revisited, and that today's meeting was also being recorded. A more detailed version of Section 4 would be sent to all to review. GH reported that Cllr J Lester (JL) had added in a number of comments in December when the minutes were issued which were now in red in the minutes. DH said that he doesn't get the papers or minutes circulated to him. GH noted that this was due to his role as an observer that day and not as a Board Member.</p> <p>GW confirmed that the minutes were accepted as amended tonight and an amended Section 4 would be circulated for Board Members to comment on.</p>	EV
3.	<p>New Model in Technology & Engineering (NMiTE) Project</p> <p>GW confirmed that everyone had received the email issued at 10:34am on 29 January 2019 containing an amendment to the NMiTE paper (the first 4 bullet points in Section 6, point 2), tabled by Herefordshire Council for consideration by the Board.</p> <p>GH reported that since the last Board meeting on 27 November 2018, a letter had been received from the Department for Education on 7 January 2019 seeking to agree the lease for the former Robert Owen Academy (ROA) building shortly. It stated that any change of use from educational purposes would need the consent of the Local Authority.</p> <p>A letter had also been received from JL on 21 December 2018 which stated that, at that stage, Herefordshire Council was considering the merits of alternative use for the ROA in the event of the NMiTE project foreclosing and the Council commitment to the delivery of outputs assigned by the LEP.</p> <p>The paragraph received from Herefordshire Council on 28 January 2019 had confirmed the Council's commitment to the ROA continuing to be used for regeneration purposes, or in the event of the failure of the NMiTE project, the potential use of the building if required for suitable alternative projects that would enable the delivery of an equivalent range of outputs, agreed with the LEP at that time.</p> <p>GH also reported that during the LEP Annual Review meeting on 10 January 2019, GW had asked T Bray for a letter of comfort in relation to the LEP being penalised for the NMiTE underspend. GH referred Board Members to a letter dated 17 January 2019 from the Secretary of State, Greg Clark MP which acknowledged that the LEP Board was taking steps to mitigate risks and it was his wish that the LEP move forward to enter into a funding agreement for the NMiTE project.</p> <p>GH turned to the recommendations to the Board in Section 6 of the NMiTE Report:</p> <ol style="list-style-type: none"> 1. Approve the phasing of the LEP Funding Agreement into 2 parts. 2. Replace the first 4 bullet points with the new paragraph presented by Herefordshire Council as discussed. <p>PH queried whether the utilisation of the NMiTE capital assets would be lost. GH responded that of the £2.3m in the first phase, £600k would be spent on building refurbishment and renovation, and the balance on equipment for fitting out the building. A value on the building as at March 2020 had been presented to the last PRMC meeting. Discussions</p>	

would take place with Herefordshire Council in the event of the project closing regarding the use of the equipment and the use of building, or potentially selling it off in other ways. RB commented that the revised paragraph referred to retaining the building and its investment to deliver alternative outputs. There was the assumption that the equipment would be available for future projects and outputs too. GW commented that equipment assets would be required to deliver the outputs under a new entity, whatever that might be, which gave more comfort about getting commitment in delivering those outputs. FM commented that it was a big and risky project, recognised by the Government who were putting other money in and might decide that they had a call on the assets and if the Board wasn't careful, in trying to cover every conceivable option, it made it harder to deliver the project.

GW said that he was trying to ensure that every Board member around the table had a chance to make their views known. The Board was not trying to block the project or make it impossible for the project to be delivered but must take responsibility for taxpayers' money to be awarded to this project if the Board agrees. FM commented that what he said was intended to do that.

DH commented that Phase 1 required a spend of £1.9m in the next 2 months which was clearly not achievable.

GH responded that at the NMiTE Board Meeting that morning, the view was that £200k could be spent and the funding agreement would need to reflect that. The funding agreement would be amended to state that it should defray £2.3m by March 2020.

PB commented that NMiTE was an exciting project but did place a lot of risk on the LEP and the accountable body and that he was uncomfortable with changes being made now to a project of this scale, when the original paper was presented 8 weeks ago.

GH responded that there had been numerous discussions and meetings between the LEP, Shropshire Council, Herefordshire Council and NMiTE since the last Board meeting to move this forward, which had been very positive following the impasse at the last Board meeting, and the commitment made yesterday by Herefordshire Council had been hugely positive. It was a novel and innovative project, but good progress was being made and Greg Clark's letter accepted that.

GW said that at the LEP Review his concern was getting assurance in writing from the Government as verbal assurances weren't sufficient for the accountable body to be able to sign off the funding agreement. The Board still had to be responsible and exercise due diligence, but the Secretary of State's letter did identify the risks. GW's concerns had been in the event of a project foreclosure, that this would not reflect on the LEP from a reputational perspective or impact the LEP or the local authority partners in terms of future funding opportunities. GW believed that those concerns had been understood and he would be giving the Secretary of State an update on 31 January 2019. GW believed that the Board now had as much assurance as it could have.

FM reported that he was receiving reports of reputational risk in the other direction in that the LEP was much too cautious and putting the project at risk.

GW said that FM had a valid point in that having escalated it to the Secretary of State there was an increased reputational risk if the Board was not able to agree how to move forward tonight.

DH said that this project shouldn't be viewed in the terms of a private investor who wouldn't invest due to the level of risk. This was 'pump priming' and a project which was about long-term regeneration and not short-term returns.

DL commented that the risks had been identified at the last meeting and actions had been taken to address them and the Board should move the debate on to how they were being addressed, and the assurances Herefordshire Council could provide about the next steps. Could the building be utilised for alternative use and who would take on the responsibility for delivering the outputs? If the Board could get clarity over these 2 points it could move

GH

forward. The suggested paragraph from Herefordshire Council didn't quite say that the Council would be prepared not just to use the building to deliver the outputs but would find the means for an organisation to deliver those outputs. Who would be responsible for delivering them?

LC asked for clarification on the 3rd bullet point in the recommendations. GH explained that the overall project, if funded to the full £8m, was offering £10.9m in Private Sector Match. The requirement was that NMiTE find the match even though there was a value in the building which could be deemed as Public Sector Match.

DL said that the project was receiving £15m from Department for Education for which Herefordshire Council was the accountable body, plus the £8m from LEP. Match was required for both funding streams. Herefordshire Council, by agreeing to the ROA being used, acknowledged that part of this would be utilised as match. GH commented that for LEP match NMiTE had £2.3m in capital match and needed £3.3m in Private Sector Match by March 2020 for Phase 1 of the project.

LC commented that Shropshire Council understood the excitement around this project, but the issue from their perspective was who was going to take responsibility for delivery of the outputs.

PB asked how much money was at risk and not supported by the assets that would be acquired in the event of the project foreclosing.

GH responded that in Phase 1, investment in refurbishing the building was £600k and the balance was for capital equipment. The value of these as at March 2020 if needed to be sold on had been calculated.

RB explained that in the event of project foreclosure Herefordshire Council was committed to retaining the assets for use by different projects. The overall set of outputs would be delivered but may be at different levels due to being different projects and the Council would work with the LEP to ensure that the outputs were delivered at a similar level. RB noted that the value of the building was worth a lot more than the £2.3m being spent.

PB asked about the Financial Implications section of the paper.

GH explained that it referred to the potential for 'clawback'.

DL commented that there was a large set of targets to be achieved by 2025. If the NMiTE progress was slower than expected and the targets weren't met by 2025, was there a similar risk, a diminished risk, or no risk at all? These projects could take a long time to hit the necessary level and NMiTE may or may not be there by 2025. It was acknowledged that University Centre Shrewsbury had taken some time to get off the ground.

GH said that it would be a process of monitoring, negotiation and discussions with CLG.

JW commented that there had been a lot of discussion about risk. At the start of these discussions 6-12 months ago, the likelihood of financial risk in terms of 'clawback' was always fairly low but the impact of that potential risk was considerable. The implications of such an event happening were unclear to the Board therefore the LEP was not in a position to financially underwrite the project and local authorities separately were not willing to do that, therefore that risk was unmanaged. However, now there were the various 'letters of comfort', these helped to manage the impact of the risk going forward. JW said the question for the Board was had it managed the risk to a point that was now acceptable or was there further work to be done. If it had reached a point that was acceptable, then the Board could move on. The points raised by DL regarding understanding the mitigations provided to the Board by the Local Authority; and understanding the use of the building and the underwriting of risk, these really needed to be understood by the Board who could then decide whether they had reached a point where the appetite was that it could be accepted and could move forward.

DL commented that it was clear that the project may well hit the private sector capital match by March 2020. The 'jobs created' number was not known; new students enrolled was 220 down on its target so the Board needed to continue to keep the pressure on that

target to understand how the student flow was going to work. Presumably the undergraduate target would then be down, and GVA. The Board needed to be very clear about this as the risk was not just about getting it working, it had to work to get the next phase of the money released as that was a much bigger sum.

GH commented that NMiTE were working on a new business plan and that she had indicated to E Rodriguez-Falcon at the NMiTE Board meeting that she would need to come to speak to the LEP Board at the March or May meeting. The Board would need to come back to consider future investment in the project based on progress by September 2019, as the LEP would only have one year to invest another £5.7m of Growth Deal funds. The Board would have to take hard decisions on data/numbers etc and the project may find it tough to hit the targets. There was a lot to be achieved in the next 6 months.

GW commented that following the robust discussion had by the Board at its meeting on 27 November 2018, the project and undertakings achieved had moved the discussion on some way. Herefordshire Council's commitment about the building and outputs to mitigate any issues from the project failing were a big step forward. Having escalated the concerns as a Board to the Secretary of State, if the Board was not able to support the project there was a risk there to the project, as FM had alluded to.

DL commented that the email note from Herefordshire Council stated that it was committed to the delivery of outputs for the first phase of the project. The Board really needed to come back in good time for the second phase and should be prepared to say whether it was convinced that this was going to work.

GH commented that she and GW were meeting with E Rodriguez-Falcon on 8 February 2019 to further this discussion. This was going to be a big ask for the project. GH had already started the discussion about developing a project pipeline to potentially spend the other £5.7m by 2021 because the LEP would be penalised if it did not allocate the funds. GH proposed the projects in Growth Deal 3 that did not get full allocations would receive funds to bring the projects up to original values. It would then be necessary to look at other projects that could come forward to use up the balance of the £5.7m.

DL said the LEP should keep some funds back from the Phase 1 funding agreement to appoint a project officer to make sure the Board were closely monitoring this and dealing with the risk associated with it.

GH said that she had had a conversation about this with RB in the past and with D Nolan this morning about the LEP appointing a project officer to work across the project on behalf of the LEP.

GW informed the Board that he had received an email about the project from AMC in New Zealand.

GH gave out copies and explained that AMC's view was that the project should be supported, taking into account the risks and provisos.

GW said that he would be meeting the NMiTE team on 8 February 2019 and suggested that the Board invite them to make a presentation when the new business plan had been signed off by their Board.

GW proposed the following:

1. The Board supports the release of £2.3m for Phase 1
2. A LEP Project Officer is put in place to work closely with NMiTE and Herefordshire Council on behalf of the Board
3. Continue to monitor the outputs and report back on a regular basis to the Board.

PH asked as a point of clarification that if Herefordshire Council own the building was there a potential conflict re voting.

GW responded that the money wasn't going to the Council as the building remained for third party use and for the purposes of these proposals, believed that the Council was entitled to vote.

	<p>PH said that he felt it was correct to raise it as a point of clarification. PB agreed that the point should be recorded as having been considered, and that it would be wholly inappropriate for Herefordshire Council not to vote. GH reiterated the proposals:</p> <ol style="list-style-type: none"> 1. Releasing £2.3m by March 2020, minus the cost of the Project Officer 2. Accept the amended paragraph for the NMiTE Report, submitted by Herefordshire Council <p>JS commented that the point of appointing a project officer was about the assurance that the Board wanted around this process and would concur that the best way of getting that assurance was having someone reporting to Marches LEP, and the cost should come from the £2.3m.</p> <p>GW asked members if they agreed with the proposals. The Board agreed to the proposals.</p> <p>FM commented that it would be interesting to compare the NMiTE project to the Shrewsbury project at a future meeting. LC said that the Shrewsbury project had struggled with student numbers and that if Shrewsbury had been looking at the sort of targets NMiTE were looking at by 2020, they would have been concerned which was why Shropshire Council's support was contingent upon the agreement to appoint a project officer. GW thanked everyone for the robust discussion of the issues.</p> <p>JW and MP left the meeting. MB, PW and PC joined the meeting.</p>	
<p>4.</p>	<p>Matters Arising from minutes of last meeting on 27 November 2018 Project Development Funding Pot GH reported that the deadline for bids was 31 January 2018 and that there was £300k available. The applications would be assessed by GH, NA and G Spence. LEP Annual Performance Review Meeting - 10 January 2019 GW reported that the review had been robust and had included a moderator. The NMiTE project had taken up a significant part of the discussion. GW felt that there was nothing raised of concern and was awaiting the outcome following a moderation meeting for all LEP reviews on 29 January 2019. GH commented that last year the LEP had been rated excellent for Governance; good for Delivery; and good for Strategic Approach. A positive review would enable the LEP to draw down funding for 2019/20 for Growth Deal, Growth Hub etc. GH would circulate the outcome letter when it was received. LEP Geography GW reported that the challenges in some LEPs over boundary changes had still to be resolved. Government had re-iterated that it didn't want overlaps. GH reported that Marches LEP had received the full amount of funding linked to the LEP Review work; some LEPs had received partial funding and those where there were still issues over overlaps, appeared to not have received any of the funding they bid for. GH said MHCLG wanted to start consulting on the UK Shared Prosperity Funding but were unable to do this until the issues over boundaries were resolved. GW said that LEP Chairs would be meeting with the Prime Minister on 31 January 2019. He hoped that they would be presenting a united message. GW asked if members had any themes that they wished him to raise, to let him know by 5pm on 30 January 2019.</p>	<p>GH</p> <p>All</p>
<p>5.</p>	<p>LEP Strategic Economic Plan (SEP) KJ updated members on progress with drafting the new SEP and introduced Patrick White (PW) from Metro Dynamics, who delivered a presentation on the work they had been doing (presentation attached).</p>	

	<p>Key points covered were:</p> <ul style="list-style-type: none"> • The Marches LEP had a good understanding of what was going on in its area due to its active partnerships with businesses, FE/HE providers, LAs and partners • There were some big commitments listed which we must ensure are delivered • Need to be clearer in the SEP about the major opportunities presented by business services in the area • Consider linking FE provision (skills) to particular sectors • Include specific infrastructure projects • Look at links to neighbouring areas • Consider how to engage SMEs in technological developments they will need to embrace to continue to be successful <p>PH said that there was a need to ensure SMEs were engaged and that larger businesses were encouraged to say what they need.</p> <p>PB commented that business and professional services was also a core sector for the Marches.</p> <p>Members also made suggestions regarding the size of the text and about specific content such as statements about improving Broadband.</p> <p>GW commented that the LEP team had met with 3 of the Shropshire MPs last week who had stated that Broadband, and connectivity in its broader sense was their main priority, linked to increased skills and productivity.</p> <p>Members provided further comments on the content, photographs and graphics in the draft SEP.</p> <p>The Board agreed that the document, following amendment as discussed in the meeting should be presented to the Marches Enterprise Joint Committee (MEJC) at its next meeting – date TBC.</p> <p>GH thanked PW for his presentation and said that it was hoped that Metro Dynamics would also assist in the development of the Local Industrial Strategy (LIS) to be submitted by February 2020. GH also said that she would be contacting partners again for nominations for Sector Champions and to help set up industry led groups to help deliver the LIS.</p> <p>PW left the meeting.</p>	<p>KJ</p> <p>KJ</p> <p>GH</p>
<p>6.</p>	<p>Setting up of company limited by guarantee for the LEP</p> <p>GW welcomed Peter Collins (PC) from Sharpe Pritchard.</p> <p>PC explained that he wished to explore with the Board, the governance model that would be required for the Marches LEP following incorporation. Sharpe Pritchard had been advising the LEP Network on LEPs becoming companies limited by guarantee, rather than companies limited by shares. The target was the end of March 2019 for the LEP to become an incorporated entity, and if the corporate governance could be in place by then, that would be helpful.</p> <p>The main points covered in the discussion were:</p> <ul style="list-style-type: none"> • There would be a 2-tier governance structure. The Board was the decision-making element of the structure with current Board members being the Directors • There was a Company Secretary function to fulfil – potentially by a commissioned law firm • Need to include democratic accountability and public scrutiny – what would be the role of the local authority elected members? • Some incorporated LEPs currently have a supervisory board • To meet the scrutiny requirement there could be a Scheme of Delegation incorporated into the Articles of Association - certain decisions could be referred to a ‘member/supervisory board’ for consultation. Some LEPs have a separate scrutiny group that aren’t Directors – 3 members x from business community and 3 x LA 	

	<p>elected members. T Bray had advised that a separate scrutiny function was preferred</p> <ul style="list-style-type: none"> • Incorporating the requirements of National Assurance Framework and other Conflicts of Interest policies into the Articles of Association may cause practical difficulties due to the requirement of statutory obligations and the actions Government was suggesting that LEPs take • Local Authority Leaders had powers to delegate their vote to their representative at the LEP Board meeting. This specific situation would need to be captured to ensure that it was included in the Articles of Association • LEP Team would continue to be employed through Shropshire Council and SLAs would be drawn up for services such as HR, legal, finance, IT and procurement. Any redundancy costs would be covered within reserves. Ministry of Housing Communities and Local Government had confirmed it was comfortable with that arrangement • Not intended to ‘trade’ the company to start with due to potential issues around VAT and corporation tax • Personal liability of Directors – if they operate in a prudent manner then very little risk. Insurance would be provided for individuals but must still be able to evidence that Board Directors performed their duties in the correct manner • Membership – most LEPs were maintaining the status quo where the existing LEP Board were also the Members of the Company. The National Assurance Framework was not suggesting that a separate larger pool of members was required. Business Boards could remain as advisory capacity but could undertake potential consultation with them around the development of the structures • Could appoint up to 5 additional co-opted Directors on a short-term basis for particular projects • Directors would have terms of office as they do now, and accountability would be to the Chair if they did not fulfil their responsibilities properly • Composition of Board – representation from sectors was discussed. As part of the LEP Review actions there was a requirement for gender balance to be improved. There was also a requirement to have members from across the Marches area <p>GH said she would continue to work with LA Monitoring Officers to consider how the need to ensure democratic accountability would be met under the new governance structure. GH said that GW and PH had agreed to complete the company registration papers to get the company registered. The draft Articles of Association would be produced for the Board to review before the next Board meeting. GW thanked PC for attending the meeting and leading the discussion. PC left the meeting.</p>	<p>GH</p> <p>PC</p>
<p>7.</p>	<p>LEP Chair and Board Member recruitment and call for nominations for Vice Chair</p> <p>A paper had been circulated.</p> <p>GH reiterated the requirement for an improved gender balance on the Board so would be proactively targeting the marketing and promotion for the current Board vacancies. Members were asked to forward any names of potential candidates to GH who would contact them to explain the roles.</p> <p>GH said that Board Members would be needed to form part of the interview panels. External consultants would be engaged to assist in improving HR policies, promotion and marketing etc around the recruitment campaign and for the future, specifically around protected characteristics.</p> <p>Members were asked to notify GH of any suggested amendments to the person specification and job description for the LEP Chair.</p>	<p>All</p> <p>All</p>

	<p>LC suggested that P Nutting may need be the local authority representative on the interview panel for the Chair role, as the interviews were likely to be during a period of purdah for the other local authorities.</p> <p>GH asked that the other local authorities nominate an officer to sit on the LEP Chair recruitment panel.</p> <p>FM asked whether the Chair role should be a paid position because not being so may restrict the pool of candidates available. Following discussion between members it was agreed that the role should be advertised as a pro bono position. LC pointed out that there may also be an issue in the future of remunerating a director of a company limited by guarantee. GH reported that in discussion about recent campaigns in other LEPs, comments had been made that higher calibre candidates had been attracted for the non-paid roles. GW suggested that if the LEP failed to appoint a new Chair then this could perhaps be reviewed as an option.</p> <p>The Board agreed to the recommendations on the process to recruit the new Chair, new Board members and the call for nominations for Vice Chair.</p>	<p>GH</p> <p>KK, RB</p> <p>GH</p>
<p>8.</p>	<p>LEP Skills Board report on activities</p> <p>JS introduced the paper circulated to members and thanked A Caesar-Homden for drafting the paper. He asked members to note that the Skills Board had done an important job in advising the Board around the Growth Deals and ensuring that skills needs had been matched to the funds that had been made available. Also, the importance of the Skills Board's contribution to the SEP in framing the future vision and direction of the LEP from a skills perspective and in helping to ensure that information, data and ideas existed in advance of opportunities for funding being available, rather than being reactive.</p> <p>PH asked what involvement the Skills Board had with schools and their contribution to skills on a strategic level. GH commented that the Skills Board had taken a decision early on to focus on engagement with further and higher education due to the resources available. JS said that the Careers and Enterprise Company had a large amount of engagement with schools and a huge amount of work by further education and training providers took place with schools. JS said that he would raise the question with other networks of which he was a member.</p>	<p>JS</p>
<p>9.</p>	<p>Information Items</p> <p>Impact of Brexit on local businesses</p> <p>GH said that the Growth Hub was conducting a survey of SMEs on the impact of Brexit. If anyone had queries on Brexit, particularly from SMEs the LEP could feed these into a regular phone call with the LEP Network. The LEP would be supporting Chambers of Commerce with Brexit events as appropriate.</p> <p>Progress in developing Oswestry Innovation Park for LEP loan application</p> <p>GH updated the meeting on current loans by the Marches Investment Fund. A loan application was expected from the Oswestry Innovation Park which had previously applied for Growth Deal 3 funding.</p> <p>LEP Strategic and Programme Risk Register</p> <p>GH noted that the registers had been circulated for the Board's information and that one of the most significant risks had been discussed at length in the meeting today. A query was raised about the presentation of the spreadsheets in that some members may find it difficult to print on A3. GH said that the format would be reviewed.</p>	<p>All</p> <p>NA</p>
	<p>Any other Business</p> <p>Nil.</p>	
	<p>Next Meeting: 19 March 2019, The Clive Arms, Bromfield, Ludlow</p>	

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Meeting date:	19 March 2019					
Agenda Item:	5					
Item Subject:	Governance					
For:	Discussion	X	Decision	X	Information	

Purpose:

1. To outline the incorporation process for the Marches Local Enterprise Partnership Company Limited by Guarantee and the paperwork Directors need to complete
2. To seek Board Members views on the draft Articles of Association for the new Company Limited by Guarantee
3. To seek Board Members views on the updated Accountability and Assurance Framework (AAF) and agree the sign off process
4. To review and discuss the draft Scheme of Delegation for the new company
5. To review and discuss the updated Terms of Reference for the LEP Board
6. To outline the process for completing and agreeing the 2019/20 LEP Delivery Plan

Recommendations:

1. To note the incorporation process
2. To agree the draft Articles of Association for the new Company Limited by Guarantee
3. To provide views on the updated Accountability and Assurance Framework (AAF) and agree the process for the sign-off of the document by 31 March 2019
4. To provide comments on the draft Scheme of Delegation
5. To provide comments on the updated Terms of Reference for the LEP Board
6. To note the process for completing and agreeing the 2019/20 LEP Delivery Plan

Summary:

1. Incorporation and Registration of Directors of the Company

Outlined at Annex A is the “step plan” the Marches LEP Board will need to follow to formally establish the Marches Local Enterprise Partnership Company Limited by Guarantee and how Directors join the Board of that new company. Peter Collins from Sharpe Pritchard - the appointed solicitors - will be at the Board meeting to outline the process and answer questions. The consent to act forms will be sent individually to all Board Members to complete in advance and bring to the Board meeting.

2. Draft Articles of Association

Please find attached at Annex B the draft Articles of Association for the Marches LEP Company Ltd by Guarantee. These bespoke Articles have been developed using much of the existing LEP Board governance arrangements from the LEP Board Terms of Reference. To note a Marches Enterprise Joint Committee (MEJC) is being held at 16.45 on 19 March to agree the closure of the MEJC, which to date had been the final decision-making body for the LEP. See Annex C for info.

Going forward it is important the LEP Board demonstrates it can provide democratic accountability for its strategic decisions. The three Local Authorities have proposed they be consulted on a range of strategic issues as referenced in Article 7.2.

3. The Accountability and Assurance Framework (AAF)

The Government requires each LEP to have an AAF which, once agreed by the LEP Board, will be placed on the LEP website for partners and stakeholders to refer to. Because of the LEP Review in 2017/2018 the Ministry of Housing, Communities and Local Government (MHCLG) issued a new Local Growth Assurance Framework in January 2019. This provides detailed guidance for LEPs to develop /update the their existing AAF.

Over 80 updates are required which includes outlining the new governance arrangements e.g. the new Articles of Association and the Scheme of Delegation etc. The draft AAF document is now nearing 100 pages long. We have loaded the current draft in the secure area on the LEP website for you to review. The covering email with the LEP Board Agenda and Board papers will set-out how you can access this document in the LEP website secure area.

The LEP Secretariat need to continue to work on the document over the next week. We will circulate the link to the final draft **for you to review by 22 March 2019**. We would then welcome any comments and amendments **by 28 March 2019**. I should stress that this is a living document that will need updating at least very few months, but we know MHCLG will want to see an updated AAF on the LEP website by 31 March 2019.

To note there will be one completely new section that we need time to draft and then agree with you at the 21 May 2019 LEP Board meeting. This will cover the following: -

- The process the LEP Board will use will show how investment decisions must be subject to a proportionate business case and evaluation and how decisions must be subject to scrutiny arrangements in line with the LEP processes,
- A statement setting out the documents which shall be made available to the LEP Board in advance of making such investment decisions,
- The LEP's role in recovering funding where there has been non-compliance, mis representation or underperformance, this should include, the LEP Board or delegated sub-group receiving reports providing information on projects which have received funding,
- Set out the arrangements to recover non-compliant funding.

4. Draft Scheme of Delegation for the New Company

Please find attached at Annex D the draft Scheme of Delegation for you to consider and comment on. Your amendments will then be incorporated into a final version with the aim of the Scheme of Delegation being agreed at the 21 May 2019 Board meeting.

5. LEP Board Terms of Reference

Please find attached at Annex E the updated Terms of Reference for you to consider and comment on. Your amendments will then be incorporated into a final version with the aim of the LEP Board Terms of Reference being agreed at the 21 May 2019 Board meeting.

6. LEP 2019/20 Annual Delivery

The national LEP Review required each LEP to produce an Annual Delivery Plan which will include targets for achieving SEP objectives, targets for delivering the Local Growth

programme and other programmes like the EZ and Growth Hub and strategic delivery including completion of the LIS. We need to produce the first draft by 30 April 2019 and have it agreed by the LEP Board and published on the LEP website by the end of May 2019. It is proposed the LEP Secretariat circulate a first draft to the Board to consider by mid-April and that the final version be signed off by the Board at the 21 May LEP Board.

Financial implications:

The LEP Secretariat secured funding from MHCLG to support the cost of implementing the LEP Review and this included the costs of the legal advice and support to set up the new company and draw up the Articles of Association. The LEP secretariat will also be securing public liability and Directors Insurance for Board Members plus the services of a professional company secretary to support the Board.

Legal implications:

The LEP has procured the services of Peter Collins from Sharpe Pritchard Solicitors to support the LEP Board in setting up the Company Limited by Guarantee and getting the company incorporated.

Risks, opportunities and impacts:

MHCLG requested that the new Governance arrangements for the Marches LEP be in place by 31 March 2019. The LEP Director sought an exemption (extension) from MHCLG to get all the new LEP governance arrangements in place by 31 May 2019. I have not yet been advised if we have secured this exemption and so I am not clear on the ramifications if we do not do not.

Annexes

- A – The Step Plan to implement Company Incorporation**
- B - The draft Articles of Association for the Marches LEP Company Ltd by Guarantee**
- C - The MEJC paper proposing the closure of MEJC**
- D – The draft scheme of delegation**
- E – The draft LEP Board Terms of Reference**

Background papers:

National Local Growth Assurance Framework Guidance

<https://www.gov.uk/government/publications/national-local-growth-assurance-framework>

The Marches LEP - *Step plan for running the board meeting on 19th March 2019*

- The current unincorporated LEP should meet in the normal way first, with Graham explaining that there will effectively be two meetings: a meeting of the current board and then the first board meeting of The Marches Local Enterprise Partnership Limited.
- I suggest that the majority of day to day business takes place in the ordinary course i.e. the board meeting as they would as the board of the unincorporated LEP with the incorporation being the final item on the agenda.
- Graham should explain at the outset (or invite me to explain) that as the new company has been set up initially with just two members and directors, the proposed new articles need to be considered and approved once all the other directors have been formally appointed as directors of the new company.
- The meeting of the current LEP will close at the end of its ordinary business.
- The two directors of the The Marches Local Enterprise Partnership will then convene the first board meeting of the company, with the others in the room being "in attendance" only.
- The agenda will then be broadly as follows:
 1. Graham will take the chair
 2. Graham will report that it is proposed that the balance of the board is appointed. Graham will note that he is in receipt of the signed consents to act from each of the proposed directors. The consents will include provisions stating that if the board resolves to appoint the individual, it will also be deemed to be an application for membership of the company. The only exception will be in the case of the local authority directors whose appointment letters will include a provision that if the board resolves to appoint the individual it will also be deemed to be an application for membership for the local authority.
 3. The two directors will resolve to appoint the directors to the board of the company with immediate effect. The full board will then be convened and the full membership will be constituted.
 4. Graham will table a written resolution to the meeting, which will be a document that the members will sign to indicate their agreement to adopt the new articles.
 5. The board will approve the draft form of resolution.
 6. The meeting will then be adjourned briefly whilst the resolution is submitted to the members to sign. These are the same people so this should be a formality.
 7. The meeting will then be reconvened and Graham will then report that the written resolution was passed. The new articles will then have been adopted.
- The first board meeting can then be closed with the various Companies House filing requirements being delegated to Sharpe Pritchard.

Marches Enterprise Joint Committee	
Meeting date:	19 March 2019
Title of report:	Future of the Marches Enterprise Joint Committee (MEJC)
Report by:	Gill Hamer, Director, Marches LEP

Classification

Open

Decision type

This is not a key decision.

Purpose and summary

1. To outline the changes that are taking place to the way the Marches LEP must be governed from 1 April 2019. The changes are required to bring the LEP into line with the outcomes of the national review of LEPs undertaken by the Ministry of Housing Communities and Local Government (MHCLG) in 2017/18
2. To remind members of the Marches Enterprise Joint Committee (MEJC) the reasons why the MEJC was formed in early 2015 and its Terms of Reference
3. To seek views from MEJC members on whether they wish to close the Committee because of the changes in governance the Government is imposing on LEPs

Recommendation(s)

THAT:

- (a) (subject to confirmation of the Marches LEP Board support for the new governance arrangements required by government agreement is given to:
- the establishment of the Marches LEP as a private company limited by guarantee;
 - the Marches Joint Executive Committee ceasing to operate with effect from 31 March 2019

Alternative options

There are no alternative options.

As set out in the report “Strengthened Local Enterprises” issued in July 2018 by the Ministry of Housing, Communities and Local Government (MHCLG) Government required that every LEP adopt

a legal personality. See Appendix 1. It also stated that LEPs must abide by the laws and regulations that apply to the legal entity that it adopts. Because of this the LEP Board proposed to MHCLG in October 2018 that it become a Company Ltd by Guarantee by 1 April 2019 at the latest, which most other LEPs have either already adopted or will be doing so by the given deadline. MHCLG have agreed to this approach and the LEP has appointed a solicitor who is drawing up the Articles of Association for the new company and registered the LEP company with Companies House on 12/02/2019.

MHCLG issued to all LEPs and Mayoral Combined Authorities in January 2019 a new National Assurance Framework, which sets out in detail the new governance requirements that LEPs must comply with. In this document it states "..... the LEP Board is the LEP's ultimate decision-making authority". This document also states "The LEP should ensure that there are Local Authority representatives on the LEP Board to ensure democratic accountability and provide local intelligence."

The Marches LEP draft Articles of Association which will be considered at the LEP Board on 19 March 2019 state that the three local authorities will, as per the current LEP Board Terms of Reference, each have a seat on the Board of the new company (as Members and Directors) and that the quorum for the transaction of business at a meeting of directors is any seven Eligible Directors, which must include five Private Sector Directors and two Public Sector Directors. It is also proposed that there is a clause in the Articles that requires the LEP to consult the three local authorities on strategic issues. This matter is being considered at the LEP Board on 19 March 2019.

Key considerations

In May 2015 the three Local Authorities that operate in the Marches LEP area set up the Marches Enterprise Joint Committee. Its purpose was to: -

- a) Set, monitor and review objectives and priorities for strategic economic investment across the Marches LEP area.
- b) Agree allocation of Marches LEP revenue and capital spend that is under the control of the LEP Partnership Board and relating to the delivery of the LEP Strategic Economic Plan.
- c) Agree Marches LEP capital expenditure programmes relating to the delivery of the LEP Strategic Economic Plan, and ensure policy and programmes are delivered effectively.
- d) Agree Major Transport Scheme funding allocation in line with the LEP Strategic Economic Plan.
- e) Ensure alignment between decision making regarding achievement of the Marches Strategic Economic Plan and decisions on other related areas of policy such as land use, transportation and wider community and economic regeneration.
- f) Influence and align government and public investment to boost economic growth within the Marches LEP area.
- g) Provide an annual report on the activities of MEJC to the three partner councils.
- h) Agree lead or accountable body status for any issue as necessary.
- i) Review and (where all three Leaders are present) amend the Terms of Reference of the MEJC.

A copy of the Terms of Reference for the Committee is at Appendix 2

The Marches LEP Director has since Autumn 2018 had meetings with the Local Authority Monitoring Officers and Heads of Economic Development to consider the implications of the required changes in LEP governance for the Local Authorities.

The most recent meeting on 27 February 2019 concluded that: -

1. The LEP Director would prepare a paper for the MEJC on 19 March 2019 setting out the issues and seek the Committee Member's views on whether they wished to continue MEJC
2. That a clause would be developed for inclusion in the LEP's Articles of Association for the new Company Ltd by Guarantee which would set out the strategic issues the LEP Board would be required to consult the three local authorities on
3. That the LEP would be invited twice a year to attend Scrutiny at each of the three Councils to report on performance and future investment plans in the Marches

Resource implications

The Marches LEP currently funds Herefordshire Council to manage the secretariat for MEJC meetings. If the MEJC meetings do not continue there would be a saving for the LEP. The LEP has been provided with funds in 2018/19 financial year from MHCLG to pay for the cost of setting up the new company including preparing the Articles of Association.

Legal implications

MJEC was established as a joint committee by Herefordshire, Shropshire and Telford and Wrekin councils to carry out certain functions. As these functions will now be carried out by a limited company there is no reason for the joint committee to continue.

The three council's will continue to have involvement in the Marches LEP by their membership and director appointment. The company articles will also make it a requirement that the three council leaders are consulted on key strategic issues.

All three council's are able to scrutinise the work of the Marches LEP via their general scrutiny committees.

Risk management

To ensure democratic accountability for the work of the LEP and its investment decisions the Articles of Association for the new LEP company will include the requirement that the three Local Authorities will each have a seat on the Board.

To ensure the three local authorities are given the opportunity to be consulted on strategic issues that the LEP is considering a clause would be developed for inclusion in the Articles of Association for the new Company Ltd by Guarantee

Marches Local Enterprise Partnership Scheme of Delegation

This schedule seeks to record where authority rests within the LEP for financial decision making. No such schedule can be completely comprehensive, but this seeks to provide a framework through which other decisions may be resolved.

Acronyms

Marches LEP Board	ML Board
Performance, Risk and Monitoring Committee	PRMC
Accountable Body S151 Finance Officer	S151

LEP Board

Function	Approval by:	Recommendation by:	Delegation
<p>Set the overarching vision and strategy for the below listed Strategies and Plans, sign off final versions of the documents including the priorities for investment and review progress in delivering them on at least an annual basis:</p> <ul style="list-style-type: none"> • Strategic Economic Plan (SEP) • LEP Annual Delivery Plan (and performance reporting by exception against that plan) • Growth Deal Programme • Marches Investment Fund • Skills Plan, Transport Plan, Energy Strategy • Growth Hub Delivery Plan • EU Structural & Investment Funds Strategy & successor funds 	ML Board	LEP Management Group and other subgroups as appropriate	Minor in year changes and updates are carried out by the respective sub-group chairs in consultation with the LEP Director

<ul style="list-style-type: none"> Local Industrial Strategy 			
Agree the <u>allocation</u> of Marches LEP revenue and capital spend relating to the delivery of the LEP Economic Plan and other LEP strategies and plans	ML Board	LEP Management Group and other subgroups as appropriate	1.LEP Director following consultation with S151, the LEP Chair and Vice Chair can allocate up to £500k revenue and capital spend relating to the delivery of the SEP and other strategies and plans.
	ML Board	LEP Management Group and other subgroups as appropriate	2. LEP Director - where an <u>urgent decision is required</u> (one which cannot be reasonably deferred to the next Board meeting), following consultation with the S151 and LEP Chair, can seek approval from the LEP Board via email on an allocation of up to £5m revenue and capital.
Agree Marches LEP <u>capital expenditure</u> programmes relating to the delivery of the LEP Strategic Economic Plan, and ensure policy and programmes are delivered effectively	ML Board	LEP Management Group and other subgroups as appropriate	1.LEP Director following consultation with S151, the LEP Chair and Vice Chair can allocate up to £500k revenue and capital spend relating to the delivery of the SEP.
	ML Board	LEP Management Group and other subgroups as appropriate	2. LEP Director - where an <u>urgent decision is required</u> (one which cannot be reasonably deferred to the next Board meeting), following consultation with the S151 and LEP Chair, can seek approval from the LEP Board via email on expenditure up to £5m revenue and capital.
Approval of annual core LEP budget (which includes the funding for the LEP secretariat)	ML Board	Chair of PRMC, S151, LEP Director	In year changes – Marches LEP Director in consultation with S151, LEP Chair and Vice Chair
Approval of Annual Statement of Accounts	ML Board	S151	None

Agree the LEP accountable body and/or any changes to the existing relationship with Shropshire Council	ML Board	Chair of PRMC, LEP Director, S151	None
Determine the operating structure and governance arrangements of the LEP including appointment of the LEP Chair, Vice Chair, ML Board Members and Chairs of Sub-groups of the ML Board Sign off the of the updated Accountability and Assurance Framework in line with government guidance	ML Board	S151, LEP Director	Appointments to Sub-Groups - Sub-group Chair in consultation with the LEP Director
Overseeing Programme Management of Growth Deal, Marches Investment Fund, the Marches Growth Hub including information monitoring arrangements	ML Board	S151, LEP Director, Chair of PRMC, Chair of Growth Hub Steering Group	PRMC - to undertake an in-depth bi monthly review and report any major concerns or variances to the ML Board
Overseeing Risk Management of the overall LEP investment programme	ML Board	S151, LEP Director, Chair of PRMC	PRMC to maintain and review Programme and Project Risk registers and report to each LEP Board on any key changes
The ML Board may delegate specific functions (or parts of functions) to other groups or individuals. However, the LEP Board will retain overall responsibility for these functions even when they delegate responsibility for delivery	ML Board	Sub Committee Chairs and individuals	
Authority to appoint/ terminate LEP Director post, in line with Shropshire Council policy	ML Board	S151	None

LEP Board delegations to Sub-Groups of the LEP Board and Individuals

Performance, Risk and Monitoring Committee

Function	Responsible For	Supported by
Monitoring the delivery, outputs and spend of the projects funded under the Growth Deal Programme and other funding programmes including Marches Investment Fund, Marches Growth Hub	PRMC	LEP Secretariat and S151
Recommending to the ML Board the annual LEP core budget and monitoring expenditure (which includes the funding for the LEP Secretariat)	PRMC	LEP Secretariat and S151
Monitoring LEP legal & governance compliance e.g. data protection, health and safety, FOI, complaints, declarations of interest, gifts and hospitality etc. for the LEP Secretariat and LEP Board Members.	PRMC	LEP Secretariat and S151
Ensuring the Programme and Project Risk Registers for LEP the LEP investment programme (Growth Deal, Marches Investment Fund and other programmes) are reviewed and that all mitigations are up to date/appropriate and if a project is at Risk this is brought to the attention of the ML Board with recommendations for action	PRMC	LEP Secretariat and S151
Making recommendations on courses of action if projects are delayed and or not spending to profile, referring issues and any significant proposals for change to the LEP programme of investment to the ML Board and S151	PRMC	LEP Secretariat and S151
Maintaining strategic oversight of all LEP led expenditure to ensure that, taken together, it represents value for money	PRMC	LEP Secretariat and S151
Through the S151 commissioning and reviewing relevant internal and external audit reports and assurance checks to verify that the LEP is operating effectively within the terms of its agreed Accountability and Assurance Framework. And, if concerns are identified in any audits, making recommendations to the LEP Board on the actions required to remedy any shortcomings identified within any such audit	PRMC	LEP Secretariat and S151
Dealing with Stage 2 complaints, as per LEP Enquiries, Comments, Compliments and Complaints Policy	PRMC	LEP Secretariat and S151

Marches Growth Hub Steering Group

Function	Responsible For	Supported by
Development of annual Growth Hub delivery plan, agreement of annual budget expenditure and monitoring of performance of the Marches Growth Hub	Growth Hub Steering Group	LEP Secretariat

Marches Skills Board N. B. Skills Board will become known as Skills Advisory Panel (SAP) from October 2019

Function	Responsible For	Supported by
Overseeing the updating and delivery of the Skills Plan priorities	Skills Board	LEP Secretariat
Overseeing the delivery of the Growth Deal Skills Capital funded projects	Skills Board	LEP Secretariat
Management of the investment of the Careers and Enterprise Fund allocation for the Marches	Skills Board	LEP Secretariat
Management of the funds allocated to deliver the Skills Advisory Panel and the Skills Plan for the Hereford Enterprise Zone	Skills Board	LEP Secretariat
Oversight of allocated Dept for Education funding for Apprenticeships and T Level promotion	Skills Board	

Hereford Enterprise Zone Board

Function	Responsible For	Supported by
Monitoring the delivery, outputs and spend for the programme of work on the EZ reporting to the PRMC & LEP Board	EZ Manager reporting every 6 months to ML Board Members who are nominated to attend the EZ Partnership Board	Herefordshire Council

LEP Director

Function	Responsible For	Supported by
Day to day management of the administrative and operational budgets for the LEP Secretariat and associated Core Budget work programme, including award of contracts to progress pipeline projects, in line with accountable body procedure rules	LEP Director and able to authorise expenditure up to the value of £40k	LEP Chair and S151
Delivery of the Annual Delivery Plan within agreed budgets including allocation of funding in accordance with plans approved by ML Board	LEP Director	LEP Secretariat
Make formal responses on behalf of the partnership to Government or other relevant partners on policy documents where time does not permit reference to the Board following consultation with the Chair and Vice Chair	LEP Director	LEP Secretariat
Resolution of stage 1 stakeholder complaints and submitting responses to FOI requests	LEP Director	LEP Chair and Deputy Chair
To appoint additional posts (interim, secondments, permanent) to the LEP Secretariat	LEP Chair/LEP Deputy Chair/ LEP Director	S151
To terminate the employment of Member of the LEP Secretariat, in line with Shropshire Council policy	LEP Chair/LEP Deputy Chair/ LEP Director	S151
To maintain LEP records and ensure compliance with data protection	LEP Director	LEP Programme Manager
To arrange appropriate insurance cover is in place for LEP Secretariat and LEP Board	LEP Director	LEP Programme Manager

Accountable Body S151 Officer

Function	Responsible For	Supported by
On behalf of the ML Board the S151 will develop and sign off all funding decisions relating to funds allocated to the LEP e.g. grant funding agreements with partners allocated Growth Deal Funds and Marches Investment Fund loan agreements	S151	LEP Secretariat

<p>Programme manage movement of BEIS and MHCLG funds to meet annual spend targets in the light of project performance data provided by the LEP Secretariat and in response to recommendations of the LEP Director and ML Board and submission of claims and monitoring data in accordance with government requirements.</p>	<p>S151</p>	<p>LEP Secretariat</p>
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Marches LEP Board Terms of Reference

Roles and Responsibilities

- Set the overarching vision and strategy for economic growth in the Local Enterprise Partnership (LEP) area, including key priorities for investment, and develop and review strategic policy.
- Agree the Marches LEP Strategic Economic Plan, Local Industrial Strategy and ESIF Strategy, Growth Deal, Skills Plan and other required strategies produced by the LEP.
- Determine the operating structure and governance arrangements of the LEP including making appointments to the Board and relevant LEP sub-groups.
- Oversee LEP Programme Management including information monitoring arrangements.
- Allocate LEP revenue and capital spend relating to the delivery of the LEP Economic Plan.
- Champion the Marches as a business investment location.
- The Board may delegate specific functions (or parts of functions) to other groups or individuals. However, the Board will retain overall responsibility for these functions even when they delegate responsibility for delivery.

Board Membership

- The Board should have up to fifteen members: eleven Private Sector members, one Voluntary and Community Sector Member and three Council leaders representing the three administrative authorities within the partnership.
- The business of the partnership shall be conducted by its members sitting as a Board and meeting on a regular basis. The current Board comprises:

Sector	Name	Job Title and Organisation
Private Sector Chair	Graham Wynn OBE	Private Business Owner
3 Area Business Board Chairs	Frank Myers MBE	Chair of Herefordshire Business Board
	Paul Bennett	Chair of Shropshire Business Board
	Paul Hinkins	Chair of Telford Business Board and Deputy Chair
Enterprise Zone	Andrew Manning Cox	Chair of Hereford Enterprise Zone
Food & Drink/Agri Tech	Dr David Llewellyn	Vice-Chancellor Harper Adams University
Community & Voluntary Sector	Sonia Roberts	Charity Manager, Landau
Financial/Professional Services	Paul Kalinauckas	Chief Executive, BCRS Business Loans Ltd
HE Champion	Prof. Ian Oakes	Deputy Vice-Chancellor, University of Wolverhampton
16-18 Skills & Workforce Development	James Staniforth	Principal and CEO, Shrewsbury Colleges Group & Chair of Skills Board
3 Local Authority Leaders	Cllr Jonathan Lester	Leader of Herefordshire Council
	Cllr Peter Nutting	Leader of Shropshire Council
	Cllr Shaun Davies	Leader of Telford and Wrekin Council

2 private sector vacancies currently as at January 2019

- The Council Leaders are determined by the three administrative authorities.
- The Chairs of the three Area Business Boards will be elected by their own Business Board Membership in accordance with their constitution/Terms of Reference. They can serve on the LEP Board for a maximum of six years.
- The Chair of the Enterprise Zone will be elected by the Board of the Enterprise Zone in accordance with their constitution/terms of Reference. He or she can serve on the LEP Board for a maximum of six years.
- The initial term of office for Private and Voluntary Sector members is two years. At the end of their two-year office, the Chair, in consultation with the Board members, may re-invite the Private and Voluntary Sector members to serve a further two years; they can serve a maximum of six years on the Board.

- To note at the end of a six-year term a LEP Board member does not automatically have to stand down but they will be subject to an annual review by the LEP Board Appointments Panel from that time onwards. See the section on Board Member recruitment for detail.
- The Board may establish Task and Finish groups or committees as may be necessary to facilitate the conduct of its business.
- The Board shall meet bi-monthly in accordance with a timetable of identified dates and/or at such a time and place as the Board may from time to time determine. Meeting dates for the following calendar year will be issued in November of the previous year.
- The Chair may call a meeting of the Board at any time, giving not less than seven days' notice. Such notice shall be in writing and shall be left with, sent by post or emailed to each Member. The notice shall specify brief details of the principal items of business proposed to be transacted at that meeting in addition to the date, time and place of the meeting.
- Where an emergency meeting is called, the notice period may be waived and the reason for doing so will be recorded in the minutes of the meeting.
- In extreme cases of urgency the Chair, after ascertaining the views of members, shall have the power to act on behalf of the LEP, providing that in such cases any business is reported to the next meeting of the Board and confirmed in the minutes.

Attendance at Meetings

Meetings will be attended by:

- Board Members (Council Leaders accompanied by one senior officer);
- The LEP Director (accompanied by such members of staff that may be required to support them in this role) and;
- Where expert input is required for a particular discussion item, Department for Business, Energy and Industrial Strategy (BEIS) or Ministry of Housing, Communities and Local Government (MHCLG) representatives, Local Authority senior officers and other advisors/observers/ partners can attend and present information by resolution of the Board or at the request of the Chair.

If a member is incapacitated by illness or has been absent from meetings of the LEP for more than three meetings in any twelve-month period, without the agreed consent of the Board or the Chair, the Board may resolve that the member has vacated the office.

Apologies for Absence

- Members who cannot attend a meeting should give their apologies to the LEP Director.
- Local Authority members who cannot attend a meeting may be represented by a named substitute of no lower than Cabinet Member/Portfolio Holder status.

Board Papers

- Papers for Board meetings will be kept electronically and be made available to members at least five working days before the meeting. Non-Confidential papers will also be available on the LEP's website.
- Board Members wishing to place items onto the Board meeting agenda should notify the LEP Director for consideration of inclusion on the agenda, at least ten working days prior to the meeting. The LEP Director shall keep a list of notified items. The Chair will be responsible for managing the size of the agenda for each meeting and will have the final decision on inclusion of notified agenda items.

Recruitment of LEP Chair and Deputy Chair(s)

- The Private Sector LEP Chair will be recruited by open recruitment.
- The Chair will be selected by an appointments panel, members of which will be agreed by the Board members.
- The Chair's initial appointment will be for three years. At the end of three years in office, the Chair can seek re-election by the LEP Board Members. Election of the Chair shall be undertaken by vote. The Chair can seek re-election only once, so can serve a maximum of six years.
- A non-Local Authority Deputy Chair(s) will be sought by nominations by the Chair and appointed by the Board to support the Chair for a period of up to three years and cover for them when not available. The Deputy Chair is not a successive position.
- The Chair shall preside over any meetings of the Board. If the Chair is absent, the Deputy Chair will chair the meeting.

Recruitment of Board members

- Board members will be recruited by open recruitment which will include adverts in the local press and on the LEP and Council websites.
- The Chair will set up a Board Member Appointments Panel which will comprise of at least three Board Members plus the Chair and it will meet in the February of each year. This panel will review:
 - a) the experience and knowledge in the existing Board Members and whether this addresses the needs of the Marches LEP economy eg skills, key sectors, housing, infrastructure;
 - b) the gender balance and the geographical representation plus the Board members rotation;
 - c) take account of any Board Members who have indicated they wish to stand down.
- This Appointments Panel will then make a recommendation to the next LEP Board on a timetable for recruiting new Board Members and the process through with the posts will be advertised and the skill sets and experience that will be targeted in the advert. If appropriate they will also make

a recommendation on whether any Board Members who have served more than six years do need to stand down and be replaced through the open recruitment process.

Quorum

- No business will be transacted at a meeting of the Board unless at least seven members of the Board are present, at least five of whom shall be Private Sector members.
- If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such time and place as may be determined.

Voting and Decisions

- All decisions will be made with a consensus approach. Should a consensus not be reached, a vote will be taken. Only Board members are entitled to vote. In the event that a Board member cannot attend, their named substitute may attend and vote on their behalf. Those in attendance in an ex-officio capacity, invited advisors, or observers will not be entitled to vote. It will be at the Chair's discretion as to whether or not observers/advisers should leave the room when voting takes place. Any decisions put to the vote shall be decided by a majority of the members present and voting at that meeting. In the event of a tie in votes, the Chair of the meeting will have the casting vote.
- Voting shall be by such means as may be agreed by the members present, provided that, before a meeting, the Chairman or any member may request a vote be taken by a show of hands on any resolution or business.
- In order to enable the LEP to progress its business in an efficient manner, the Board can progress its business by using written procedure. This may be used where substantial new information is only made available at a Board meeting or a consultation on Government policy issues where responses are required prior to the next meeting. In these cases, the Director will arrange for members to be sent an email notification which identifies the following:
 - The date of the proposal and date that responses are required by;
 - The name of the person making or putting forward the proposal/decision;
 - Details of the proposal.

Two working days after the close of responses, the LEP Director will arrange for members to be notified of:

- Responses received;
- Any mitigating action taken to address members' stated views or concerns;
- The date when any decision reached comes into effect.

If a decision is required, the voting rules are the same as those for a decision taken in a meeting, however, on an electronic vote, a unanimous response will be required to enable a decision to carry. If the vote is not unanimous, the Board will need to be reconvened. Electronic voting will be used sparingly and only at the Chair's discretion.

Minutes

- Minutes of Board meetings will be drawn up and kept electronically. The draft minutes shall be made available to Board members within five working days of the meeting and be submitted to the next meeting for approval as to their accuracy. The minutes as approved by the Board shall be received as conclusive evidence of the facts stated therein and that the meeting had been duly convened and validly held.
- The names of the members present at a meeting shall be recorded in the minutes. If any officer or employee of the LEP or any other body or organisation attends the meeting, the name of that officer or employee shall be recorded as being in attendance.

Openness of Board Meetings

- The Board will:
 - a) Share Board approved, non-confidential agendas, papers and minutes via the LEP website;
 - b) Hold an Annual General Meeting and produce an Annual Report;
 - c) Hold open events for discussion and engagement with the Private Sector and other stakeholders to monitor and discuss aspects of the Work Programme and progress at such time and place as the Board may from time to time determine;
 - d) Share other details of the key practices and standards of the Marches LEP through its Accountability and Assurance Framework published on the Marches LEP website.

Confidentiality of Information

- Notwithstanding the requirements of the Data Protection and Freedom of information Acts, as a general rule, papers received at Board meetings will be non-confidential unless:
 - a) They contain information relating to any individual, likely to reveal the identity of an individual;
 - b) Relate to the financial or business affairs of any particular person;
 - c) Relate to any consultations, negotiations or legal proceedings in connection with any labour relations matter, or proposed contract, or commercial transaction by or on behalf of the LEP and disclosure would prejudice those consultations, negotiations or legal proceedings.
- Members and officers of the LEP shall treat all information held by the LEP in confidence, except in the case of information contained or included in a public document, or unless the LEP resolves otherwise.

Code of Conduct for Marches LEP Board Members and Officers

- The Code of Conduct and Conflicts of Interest Policy for Marches LEP Board members and officers has been adopted to show members' commitment to operate in as open a way as is possible, whilst maintaining the highest standards of conduct for such a Partnership.
- The core provisions of the Code are detailed below and apply equally to each and every member of the Board; this includes when they are acting as members of a committee or group established by the Board.
- Board members will review the provisions of the Code annually. Changes may be made during the year as and when this is thought to be appropriate.

Pecuniary Interests – Conduct of Board Business

- Members of the Board will:
 - a) Support the aims and objectives of the LEP and promote the interests of the within their business community;
 - b) Work co-operatively with other Board Members, secretariat and officers in the best interests of the LEP;
 - c) Actively support equal opportunities in the work of the LEP and make provision for it within the Board Plan (The Marches LEP Equality and Diversity Policy is available on the LEP website);
 - d) Acknowledge that as an individual member they have no legal authority outside meetings of the Marches LEP Board and its groups or committees;
 - e) Act honestly, diligently and in good faith, noting that to do so may require taking professional advice;
 - f) Resist any temptation or outside pressure to use the position of Board Member to benefit themselves or other individuals or agencies;
 - g) Not accept offers of money, gifts or hospitality as an inducement or reward for anything they do as a member of the Marches LEP Board;
 - h) Avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests and those of the Marches LEP Board (See Board members' conflicts of interest below);
 - i) Acknowledge that differences of opinion may arise in discussion but once a decision has been made by the Marches LEP Board, to support the decision;
 - j) Base their views on matters before the Marches LEP Board on an honest assessment of the available facts, unbiased by partisan or representative views;

- k) Understand that an individual member does not have the right to make statements or express opinions on behalf of the Marches LEP Board unless specifically authorised to do so;
- l) Respect the confidentiality of items of business which the Board decides should remain confidential;
- m) Honour the obligations on all members not to reveal to third parties the views expressed at meetings;
- n) Have regard to the broader responsibilities as a Member of the Board including the need to promote public accountability for the actions and performance of the Marches LEP Board;
- o) Take or seek opportunities to enhance their effectiveness as a member through participation in training and development programmes and by increasing their knowledge of the Marches economy and its Local Enterprise Partnership;
- p) Give priority, as far as practicable, to attendance at Board meetings and its committees or groups.

Board Members' Conduct

All business of the Partnership will be conducted in accordance with The Seven Principles of Public Life, as defined by the Committee for Standards in Public Life. They are:

- 1. Selflessness:** Holders of public office should act solely in terms of the public interest.
- 2. Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- 3. Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- 4. Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves the scrutiny necessary to ensure this.
- 5. Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for doing so.
- 6. Honesty:** Holders of public office should be truthful.

- 7. Leadership:** Holders of public office should exhibit these principles in their own behavior. They should actively promote and robustly support the principles and be willing to challenge poor behavior wherever it occurs.

Declarations of Interest

- Board Members have a duty to declare their interests (direct or indirect) in transactions or arrangements involving the Marches in the Register of Interests, copies of which can be found in the LEP website. The information gathered is intended to constitute a standing declaration of interests by Marches LEP Members in respect of any of the matters disclosed in it, which will accordingly be disclosed to the Marches LEP Board for this purpose.
- If a Board Member subsequently becomes interested (directly or indirectly) in a transaction or arrangement with the Marches LEP, and the nature of that interest is not disclosed on this form, it is the responsibility of that Member to ensure that he/she makes a separate and specific declaration of that interest to the Board either prior to the proposed transaction being entered into, or as soon as practicable thereafter.

Board Members' Conflicts of Interest

- In addition to the duty to declare interests in actual or proposed transactions, Marches LEP Board Members have a duty to avoid a situation whereby their personal or other interests and the interests of the Marches LEP conflict, or have the potential to conflict, unless such conflict or potential conflict of interest is authorised by the other Members. An example might be where a Member of the Marches LEP is also a Board Member of another LEP that is competing for the same funds, or where he/she or his/her spouse or his/her business is in a position to exploit an opportunity that the Marches LEP also wishes to exploit.
- Members whose personal or other interests conflict with those of the Marches LEP must therefore take steps to seek the authorisation of the Board for such conflict.
- The information collected will be placed into a register which the Marches LEP will use to monitor its compliance, and the compliance of the individuals completing it, with the law relating to conflicts of interests.
- The Register of Members Interests will be placed on the Marches LEP web site and will be open to inspection by all. Board Members will be asked to review and update as necessary their interests on an annual basis.

Public Confidence in the Partnership

- Any Board member who has or has had an interest in a company liquidation, receivership, or administration of a company, or who has been summonsed or convicted of a criminal charge, or who has been involved in any activity which might undermine public confidence in the LEP shall immediately inform the Chair and LEP Director.

Bankruptcy

- If a Board Member becomes bankrupt or makes arrangements with his/her creditors related to bankruptcy, he/she shall inform the Chair and the LEP Director.

Review of this Document

- These Terms of Reference will be reviewed annually.

These Terms of Reference were last updated 12 March 2019.

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Meeting Date:	19 March 2019					
Agenda Item:	Item 7					
Item Subject:	Marches Growth Hub (MGH) Update					
For:	Discussion		Decision		Information	v
Purpose:	This paper sets out: - <ul style="list-style-type: none"> • MGH 2018/19 contract progress for period 1 April to 30 September 2018; and • MGH 2019/20 contract including changes to the virtual growth hub model. 					
Recommendations:	The Board to note the above.					
1. Background	<p>1.1 The Marches Growth Hub (MGH) is funded by the Department for Business, Energy, & Industrial Strategy (BEIS) and is managed by the Marches Local Enterprise Partnership (MLEP). Shropshire Council is the accountable body. The MGH model includes a virtual growth hub that is supported by three physical growth hubs situated in Shropshire, Telford & Wrekin and Herefordshire.</p>					
2. Current Position	<p>2.1 The Growth Hub Bi-annual Report 2018-2019 (1st April 2018 – 30th Sept 2018) has been approved by BEIS. Links to the report and appendices can be found below: - The Marches Growth Hub Bi-Annual Review 2018/2019 The Marches Growth Hub Bi-Annual Review 2018/2019 Appendix A The Marches Growth Hub Bi-Annual Review 2018/2019 Appendix B</p>					
2.2 Key Growth Hub Bi-annual Report 2018-2019 Headlines	<ul style="list-style-type: none"> • The MGH received an annual budget of £205,000 of which £ £82,337.57 has been defrayed; • Total of 1367 businesses have been supported; • Total 124 individuals have been helped to start a business; • Across the three growth hubs, there has been a total of 128 growth hub events (growth hub led and in collaboration with partners) with a total of 1849 attendees; • MGH Business Growth & Exporting high profile event was successfully delivered in September 2018 https://www.marchesgrowthhub.co.uk/news/new-shropshire-business-show-hailed-a-success/. A further four high profile events are expected to be delivered across the Marches by the end of March 2019. Themes include Business Growth, Digital and Exporting; • The MGH is the gateway to 23 European funded business support projects (including grants and consultancy support) with a financial value of £19.7million. The four largest EU schemes (Business Energy Efficiency Programme, Business Growth Programme, Marches Buildings Investment Grant and Broadband Grants) awarded a combined £1.1m to Marches businesses during this period. In addition, the Rural Development Programme for England Growth Programme https://www.gov.uk/government/publications/rdpe-growth-programme awarded £900k to Marches businesses during the same period. The investment will hopefully lead to the creation of circa 66 jobs; • £284,207 private sector match has been secured (where activity has been linked to the Growth Hub); • Customer satisfaction is relatively high (between 4.5 and 5 on a scale 1 to 5, where 1 is poor service and 5 is excellent) for physical growth hubs support; 					

- Light touch engagement with businesses continues to be provided through a user friendly and easy to navigate website www.marchesgrowthhub.co.uk. The website received more than 13000 website visits (8600 unique visitors). Four digital newsletters were issued and sent to 1464 businesses prior to the GDPR deadline in May 2018 and a mailing list of 242 businesses after the deadline to help keep them up-to-date on existing and new products and services as well as promoting achievements and events;
- MGH website is reviewed monthly to help keep it up to date including the Skills portal, which enables employers to find training to support the upskilling of staff;
- The additional temporary skill set in the team has allowed for improvements to be made with data collection/reporting and outreach/engagement through a high-profile events programme;
- The three physical growth hubs receive 2 days each per month PR/Marketing support from the MGH PR/Marketing agency to help raise the profile locally and support outreach activity;
- As part of the 2018/19 MGH evaluation, the MGH commissioned three impact case studies to help demonstrate value for money and short, medium and longitudinal impact on business growth. The case studies have been promoted in the Shropshire Star Business Supplement (January 2019) and Hereford Times (March 2019); and <https://www.marchesgrowthhub.co.uk/news/planet-doughnut-enjoys-the-sweet-taste-of-success-thanks-to-marches-growth-hub-help/>
<https://www.marchesgrowthhub.co.uk/news/herefordshire-company-creates-new-jobs-and-boosts-productivity-thanks-to-growth-hub-help/>
<https://www.marchesgrowthhub.co.uk/news/telford-company-creates-new-jobs-and-boosts-productivity-thanks-to-growth-hub-help/>
- The delay in the Data Sharing Agreement and Memorandum of Understanding between BEIS, NBSH and the LEP has meant that customer enquiry contact details cannot be shared with the LEP and MGH delivery partners. We have had to rely on the customers to make contact with the relevant growth hub and there is a risk that we have lost out on customer contact thus impacting on light touch and medium intensity intervention and referrals rates.

3 MGH Benefits from

- A low cost high return model due to partner contributions (Local Authorities, University of Wolverhampton and University Centre Shrewsbury);
- Sound public sector and private partnerships;
- Effective co-ordination of business support provision;
- Highly regarded physical premises;
- Efficient one-stop-shop and signposting; and
- Successful marketing.

4 MGH 2019/20 Contract

4.1 The MGH 2019/20 contract has been announced by BEIS as £205k per annum. BEIS are now in receipt of our request for funding (Schedule 1 & 3) to help secure the funding that is on offer. A formal grant offer letter is expected by the MLEP at the end of March 2019. A copy of Schedule 1 is attached. The detailed business plan is awaiting approval by BEIS and will be loaded onto the LEP Website in due course.

4.2 Funding is attached to five Funding Principles being: -

- Management, governance and coordination;

- Data, monitoring, reporting, valuation and value for money;
- Strategic partnerships and business support simplification;
- Triage, diagnostic and signposting; and
- Ambitious and high growth businesses (scale-ups).

5 MGH – Virtual Growth Hub Model Review

5.1 The focus of BEIS Growth Hub funding is on business growth and scale-up support. To ensure alignment, the MLEP have taken the opportunity to review the MGH model. BEIS will no longer fund telephone-based triage and diagnostic staff for pre-starts as this can be supported by the National Business Support Helpline at no cost to the LEP. MLEP has therefore transferred the virtual growth hub telephone line (0345 6000 727) to the National Business Support Helpline in July 2018 following a successful trial during April 2018.

5.2 For the period April 2018 to March 2019, an interim Data and Marketing Officer has supported the MGH team to help strengthen data collection and has coordinated a Marches wide programme of high-profile growth hub events. The Data and Marketing Officer has also continued to support the management of the MGH website, the collection and management of KPI data and supported the Steering Group and Operations Group meetings. After a review of the LEP team resource, it has been decided this full-time role is not needed and its responsibilities will be divided between other members of the LEP team. The Business Support Officer (BSO) oversees the day to day finance and performance management of the MGH. Previously the BSO's time was split between the MGH (3.5 days) and the LEP (1.5 days) and from 1 April 2019 the BSO will support the growth hub full time and will be funded 100% from growth hub funding. Moving forward, the BSO will pick up duties previously carried out by the MGH Coordinator and will receive 1-day support per week from a LEP admin officer. This new structure will be reviewed to ensure quality is not being compromised as a result of the change.

Financial Implications: There are none arising from this report.

Legal Implications: There are none arising from this report.

Risks, Opportunities and Impacts:

Going forward, the following issues continue to pose challenges for a cohesive business support provision infrastructure in the area. These include: -

- The large and diverse economy of the Marches area;
- The complexity of grant funding;
- The focus of support is not suitable for all types of businesses;
- Business support providers tend to work with and target the same companies. A key issue to be addressed would be how to widen business reach while at the same time achieving relatively high impact and maximum results;
- The competitive market and the three LA's having differing priorities;
- Employer engagement and reaching out to non-engaged businesses; and
- Reliance on a range of partners for delivery requires effective referral and reporting systems.

Consultation:

Consultation has taken place with the MGH Operational Group and MGH Steering Group.

Appendices:

Appendix 1: Schedule 1

Report Author: Yasmin Sulaman, Marches LEP Business Support Officer: 01743 462 026;
yasmin.sulaman@marcheslep.org.uk

Shropshire Council

Growth Hub Funding 2019-2020

DETAILS OF EXPENDITURE ITEMS AND SERVICES,
FORECAST SPEND AND QUARTERLY CLAIM FORM

Accountable Body Primary Contact Details

Name of Accountable Body	Shropshire Council
Accountable Body Office Address	Shirehall Abbey Forgate Shrewsbury Shropshire SY2 6ND
Name of Accountable Body Finance Lead	James Walton
Contact Details for This Person	01743 258915 James.walton@shropshire.gov.uk
<u>Other Details</u>	
Name of LEP	Marches LEP
Name LEP Project Manager	Yasmin Sulaman
Contact Details for This Person	01743 462026 07990 085204 Yasmin.Sulaman@marcheslep.org.uk
Name of Growth Hub	Marches Growth Hub
Name of Principle Growth Hub Delivery Body	Marches LEP

Important Information

To note that funding awards in 2019-20 will provide continuation revenue funding to LEPs, which can only be spent on core Growth Hub related delivery activities as set out as Project Activity Information ('**Eligible Expenditure**') below.

Funding cannot be used to fund the expenses and activities listed below which are classified as '**Ineligible Expenditure**' for the purpose of this Grant and must be excluded from Eligible Expenditure:

- grant award payments directly to business;
- award funding to business in the form a voucher;
- fund cost of preparation of auditor's reports;
- input VAT reclaimable by the Grant Recipient from HMRC;

- contributions in kind (i.e. a contribution in goods or services, as opposed to money); or
- interest payments (including service charge payments for finance leases);
- statutory fines, criminal fines or penalties.
- support activities of a political or exclusively religious nature, such as lobbying; and
- other expenses classified as improper by BEIS for the purpose of this Grant.

In addition, to enable BEIS to commission an annual audit of Growth Hub spend in line with recent recommendations made by the Government Internal Audit Agency (GIAA), Accountable Bodies are asked to be explicit when providing 'Eligible Expenditure' detail in relation to the item or services to be purchased or procured during 2019-20 and provide full costed details below.

Note: All Eligible Expenditure must be claimed net of VAT where it is recoverable from HM Revenue and Customs.

PROJECT ACTIVITY INFORMATION		
Period of claim	Items and services needed to deliver contracted 'principles of funding' and forecasted costings of each purchase/procured service	
Quarter 1 April to June 2019	Expenditure Detail	Estimated Spend
	Growth Hub Operational costs	16,297.73
	Steering Group and Ops Meetings/Sponsorship	135.00
	Growth Hub Information Database licences	23,000.00
	Marketing/advertorials/events	18,000.00
TOTAL AMOUNT BEING DRAWDOWN FOR QUARTER 1		£57,432.73
PROJECT ACTIVITY INFORMATION		
Period of claim	Items and services needed to deliver contracted 'principles of funding' and forecasted costings of each purchase/procured service	
Quarter 2 July to September 2019	Expenditure Detail	Estimated Spend
	Growth Hub Operational costs	13,522.37
	Steering Group and Ops Meetings/Sponsorship	202.50
	Growth Hub Information Database licences	7,120.00
	Marketing/advertorials/events	18,000.00
	3 Physical Hub Allocation	10,900.00
CLAIM INFORMATION (£)		
Quarter 2 claim	*TOTAL AMOUNT BEING DRAWDOWN IN QUARTER 2	£
	ORIGINAL ESTIMATED AMOUNT OF DRAWDOWN IN QUARTER 2	£49,744.87

	VARIANCE	£
Overall grant position including funding committed but not yet spent	TOTAL SPEND TO DATE	£
	TOTAL FUNDING REMAINING TO BE CLAIMED	£
	TOTAL GRANT FUNDING COMMITTED	£
Supporting narrative relating to grant spend, amount of money committed and any early indications of potential end of year underspend:		
Evidence of defrayal of grant/type of spend: Please also provide 2 example invoices paid by the final recipient of the money which confirms the type of expenditure or services acquired to support delivery of the Growth Hub service. In addition, please provide evidence of assurance of payment; via the provision of a copy of the relevant general ledger and updated spend spreadsheet.		

PROJECT ACTIVITY INFORMATION		
Period of claim	Items and services needed to deliver contracted 'principles of funding' and forecasted costings of each purchase/procured service	
Quarter 3 October to December 2019	Expenditure Detail	Estimated Spend
	Growth Hub Operational costs	13,447.55
	Steering Group and Ops Meetings/Sponsorship	135.00
	Marketing/advertorials/events	18,000.00
	3 Physical Hub Allocation	10,900.00
	Hub website maintenance/Hosting/SEO	1,440.00
	Hub CRM	6,500.00
CLAIM INFORMATION (£)		
Quarter 3 claim	*TOTAL BEING DRAWDOWN IN QUARTER 3	£
	ORIGINAL ESTIMATED AMOUNT OF DRAWDOWN IN QUARTER 3	£50,422.55
	VARIANCE	£
Overall grant position including funding committed but not yet spent	TOTAL SPEND TO DATE	£
	TOTAL GRANT FUNDING COMMITTED	£
Supporting narrative relating to grant spend, amount of money committed and any early indications of potential end of year underspend:		
Evidence of defrayal of grant/type of spend: Please also provide 2 example invoices paid by the final recipient of the money which confirms the type of expenditure or services acquired to support delivery of the Growth Hub service. In addition, please provide evidence of assurance of payment; via the provision of a copy of the relevant general ledger and updated spend spreadsheet.		

PROJECT ACTIVITY INFORMATION		
Period of Claim	Items and services needed to deliver contracted 'principles of funding' and forecasted costings of each purchase/procured service	
Quarter 4 January to March 2019	Expenditure Detail	Estimated Spend
	Growth Hub Operational costs	13,955.55
	Steering Group and Ops Meetings/Sponsorship	202.50
	Marketing/advertorials/events	18,400
	3 Physical Hub Allocation	10,900
	Hub website maintenance/Hosting/SEO	365.00
	Hub CRM	300.00
	Skills Site Maintenance/hosting	300.00
	Evaluation	2,976.80
CLAIM INFORMATION (£)		
Quarter 4 claim	TOTAL BEING DRAWDOWN FOR QUARTER 4	£
	ORIGINAL ESTIMATED AMOUNT QUARTER 4	£47,399.85
	VARIANCE	£
Overall grant position including monies committed but not yet spent	TOTAL SPEND TO DATE	£
	TOTAL FUNDING REMAINING TO BE CLAIMED	£
Supporting narrative relating to grant spend, amount of money committed and any early indications of potential end of year underspend:		
* Evidence of defrayal of grant/type of spend: Please also provide 2 example invoices paid by the final recipient of the money which confirms the type of expenditure or services acquired to support delivery of the Growth Hub service. In addition, please provide evidence of assurance of payment; via the provision of a copy of the relevant general ledger and updated spend spreadsheet.		

I certify that:

(i) This claim covers satisfactorily delivered activities;

(ii) Expenditure has been incurred by the Accountable Body¹;

¹ "Incurred," means a legal commitment to pay.

(iii) No part of this claim has been included on a previous claim or will be included on a subsequent claim to the Secretary of State;

(iv) There are no sources of funding for these activities of which the Secretary of State has not been given notice in writing;

(v) No part of this claim has been or will be paid by any other Accountable Body or by any public authority as defined in the Grant Offer Letter. No part of this claim has been received or is receivable by the Accountable Body in respect of the Project.

TOTAL AMOUNT BEING CLAIMED	£205,000
SIGNED BY SECTION 151 OFFICER OR DEPUTY 151 OFFICER	
PRINT NAME IN FULL	James Walton
POSITION	Head of Finance, Governance & Assurance
NAME OF ACCOUNTABLE BODY	Shropshire Council
DATE OF CLAIM	

In line with drawdown dates agreed with BEIS please send an electronic copy of this claim to [Karen Hopwood](#). If you also wish to submit a hard copy of this form it should be sent for the attention of Miss Karen L Hopwood, Department for Business Energy and Industrial Strategy, 4th Floor, 1 Victoria Street, London, SW1H 0ET.

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Meeting date:	19 th March 2019					
Agenda Item:	Item 8					
Item Subject:	The LEP Board Risk Register					
For:	Discussion		Decision		Information	X
Purpose:						
To update the Board on both the LEP Strategic and Programme Risk Registers, providing an overview of the significant risks contained within the documents.						
Recommendations:						
That Board Members note:						
<ol style="list-style-type: none"> 1. The content of the Strategic Risk Register (in Appendix 1) and the full LEP Programme Risk Register (in Appendix 2), in particular the significant changes listed in point's 1 and 2 below, providing any comments. 						
Background:						
The LEP Risk Registers (RR) were developed in their current format in 2015, to identify, assess and control uncertainty and improve the delivery of activity, helping to maximise outcomes for the Partnership. They are arranged into five sections:						
<ul style="list-style-type: none"> • Governance. • Resources. • Programme Management. • Stakeholder, Reputational, Communications & Marketing. • Financial & Legal. 						
Each risk is described, the potential impact noted, and the likelihood and impacts are assessed, resulting in a risk rating. The risk response (mitigating action(s) taken) is noted, with an assessment of the likelihood and impact of the risk response resulting in a target risk rating. The owner of the risk and review date are also included, with the final column illustrating whether the risk is either new/increasing/decreasing/unchanged since the last review.						
The Performance Risk and Monitoring Committee (PRMC) considers the LEP Risk Registers in detail at every meeting, highlighting new risks, changes and updates. The PRMC identifies those risks on the Registers that are of a strategic nature, highlighting these to the LEP Board. The LEP Board considers the Strategic Risks, set out in Appendix 1 of this report at each meeting. The full LEP Programme Risk Register is also provided for comment at each meeting.						
The Risk Registers were last reviewed by the LEP Board in January 2019 and PRMC on the 21 st February 2019. New or refreshed text is highlighted in red font. The significant changes to the Risk Registers since the last Board meeting are detailed on page 2:						
<u>1. Significant changes to the Strategic Risk Register since it was last considered by the Board</u>						
<ol style="list-style-type: none"> a) Risk 1.2. The risk response has been updated, confirming the LEP are currently updating their Local Assurance Framework (agenda item 5) to reflect the national guidance document, with a draft being published on our website for 31st March 2019. The risk detail states due to the added 						

complexities involved in setting up the LEP as company (its impact on our governance structures) the LEP Director put forward a partial exemption for the relevant sections of the AAF.

- b) Risk 3.4. The risk response has been updated, providing an overview on the challenges the LEP faces in meeting its Growth Deal spend allocation for the 2018/19 Financial Year (agenda item 6).
- c) Risk 3.12. A new risk has been created around the achievement of Outputs, setting out the process undertaken by the LEP team in capturing and reprofiling project outputs.
- d) Risk 3.13. A new risk has been created relating to the £5.7m of Growth Deal funds allocated to Phase 2 of the NMiTE project. This risk identifies an approach in utilising these funds should NMiTE encounter any issues – ensuring valuable economic growth funds are not lost to region.

2. Significant changes to the Programme Risk Register since it was last considered by the Board (in addition to those noted above)

- a) Risk 2.3. The risk response has been updated, confirming that a temporary member of staff is in post covering the Office Administrator vacancy. It also outlines that on the 15th April 19 the LEP Team will be welcoming a new member of staff to fill the LEP Project Officer vacancy.

Financial implications:

There are no specific financial implications arising from this report.

Risks, Opportunities and Impacts:

Risk:

- There may be gaps in the Risk Register. All key strategic risks may have not been identified. The register is reviewed and updated at each PRMC.

Opportunity:

- Regular review of the strategic risks by the LEP Director and the Board should lead to better project/programme delivery and management and improved outcomes for the LEP.

Consultation:

The LEP's PRMC consider the Risk Register at each of their meetings. The Board receives the register, highlighting strategic risks, at each meeting for comment.

Appendices:

Appendix 1 - LEP Strategic Risk Register

Appendix 2 - LEP Programme Risk Register

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The Marches LEP Limited Item 1

THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED (COMPANY NUMBER 11822614)

COMPANIES ACT 2006

PRIVATE COMPANY LIMITED BY GUARANTEE

WRITTEN RESOLUTION

Circulation Date ____/____/2019 (**Circulation Date**)

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006 (CA 2006), the directors of The Marches Local Enterprise Partnership Limited (**Company**) propose that the below resolution is passed as a special resolution.

SPECIAL RESOLUTION

THAT the draft regulations attached to this Written Resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the resolution set out in it (**Resolution**).

The undersigned, being persons entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agree to the Resolution.

Signed by **GRAHAM WYNN OBE**

Date:

Signed by **FRANK MYERS MBE**

Date:

Signed by **PROF IAN OAKES**

Date:

Signed by **PAUL HINKINS**

Date:

Signed by **PAUL BENNETT**

Date:

Signed by **DAVID LLEWELLYN**

Date:

Signed by **CLLR JONATHAN LESTER**

as authorised signatory for
HEREFORDSHIRE COUNCIL

Date:

Signed by **CLLR SHAUN DAVIES**

as authorised signatory for
TELFORD & WREKIN COUNCIL

Date:

Signed by **ANDREW MANNING COX**

Date:

Signed by **SONIA ROBERTS**

Date:

Signed by **CLLR PETER NUTTING**

as authorised signatory for
SHROPSHIRE COUNCIL

Date:

Signed by **JAMES STANIFORTH**

Date:

Signed by **PAUL KALINAUCKAS**

Date:

NOTES

1. If you agree to the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning to the Company using one of the following methods:

By hand: delivering the signed copy to The Marches LEP, Cameron House Knights Court, Archers Way, Battlefield Enterprise Park, Shrewsbury, Shropshire, SY1 3GA for the attention of 'The Marches LEP Directors'.

Post: returning the signed copy by post to The Marches LEP, Cameron House Knights Court, Archers Way, Battlefield Enterprise Park, Shrewsbury, Shropshire, SY1 3GA for the attention of 'The Marches LEP Directors'.

You may not indicate your agreement to the Resolutions by any other method.

If you do not agree to all of the Resolutions, you do not need to do anything: you will not be deemed to agree if you fail to reply.

2. Once you have indicated your agreement to the Resolutions, you may not revoke your agreement.

3. Unless, by a date falling one month from the Circulation Date, sufficient agreement has been received for the Resolutions to pass, they will lapse. If you agree to the Resolutions, please ensure that your agreement reaches us before or during this date.

4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.

End