

**Minutes of the Marches LEP Ltd Emergency Board Meeting  
7 November 2019 at 5.15pm at The Clive, Bromfield, Ludlow, SY8 2JR  
(Company Number: 11822614)**

**Present:**

<b>Mandy Thorn MBE</b>	MT	Chair, Marches LEP Board
<b>Paul Hinkins</b>	PH	Deputy Chair, Marches LEP Board; Telford Business Board Chair
<b>Frank Myers MBE</b>	FM	Herefordshire Business Board Chair
<b>Paul Bennett</b>	PB	Shropshire Business Board Chair (for part of the meeting)
<b>Dr David Llewellyn</b>	DL	Agri-Tech Food Champion; Vice-Chancellor, Harper Adams University
<b>Andrew Manning-Cox</b>	AMC	Hereford Enterprise Zone Chair
<b>Cllr David Hitchiner</b>	DH	Leader, Herefordshire Council (for part of the meeting)
<b>Cllr Peter Nutting</b>	PN	Leader, Shropshire Council
<b>Cllr Shaun Davies</b>	SD	Leader, Telford & Wrekin Council
<b>Cllr John Harrington</b>	JH	Cabinet Member for Infrastructure & Transport (for part of the meeting)
<b>Sonia Roberts</b>	SR	Social Inclusion Champion; Charity Manager, Landau Limited
<b>Ruth Shepherd</b>	RS	Director, Results Communications
<b>Sara Williams</b>	SW	Marketing Manager, Protolabs

**In Attendance:**

<b>Gareth Wilson</b>	GWilson	Area Lead Cities and Local Growth, Department for Business, Energy and Industrial Strategy
<b>Richard Ball</b>	RB	Acting Director for Economy and Place, Herefordshire Council
<b>Mark Barrow</b>	MB	Director of Place, Shropshire Council (for part of the meeting)
<b>Katherine Kynaston</b>	KK	Assistant Director Business, Development & Employment, Telford & Wrekin Council
<b>David Sidaway</b>	DS	Chief Executive, Telford & Wrekin Council
<b>Amy Bould</b>	AB	Be Bold Media
<b>Gill Hamer</b>	GH	Director, Marches LEP
<b>Nick Alamanos</b>	NA	Programme Manager, Marches LEP
<b>Ennis Vingoe</b>	EV	LEP Team Support Officer

ITEM		ACTION
1.	<p><b>Welcome &amp; Apologies</b> PH thanked everyone for attending the meeting. Apologies were received from James Staniforth and Paul Kalinauckas.</p>	
2.	<p><b>Appointment of Directors</b> <b>Resolution: Appointment of M Thorn as a Director of Marches LEP Ltd</b> The resolution was proposed by PN and seconded by PB. <b>The Board confirmed (unanimous) the appointment of M Thorn as a Director</b> Relevant documentation would be submitted to Companies House.</p> <p><i>PH stood down as interim Chair of the Marches LEP and handed over to MT as Chair</i></p> <p><b>The Board confirmed</b> that they were content that a resolution to note the resignation of Cllr T Marsh, Herefordshire Council as Alternate for Cllr D Hitchiner; and to confirm the appointment of Cllr J Harrington (JH) as the new Alternate, be tabled at the meeting without prior notice.</p>	<b>EV</b>

	<p><b>Resolution: to note the resignation of Cllr T Marsh, Herefordshire Council as Alternate for Cllr D Hitchiner; and to confirm the appointment of Cllr J Harrington (JH) as the new Alternate.</b></p> <p><b>The Board confirmed the appointment of Cllr Harrington as an Alternate Director for Cllr Hitchiner.</b></p>	<p>EV</p>
<p>3.</p>	<p><b>Board Member Attendance and Declarations of Interest</b></p> <p><b>Register of Attendance</b></p> <p>MT reminded members that an action from the LEP mid-Year Review was to hold and publish a Register of Attendance of directors at LEP Ltd Board Meetings.</p> <p><b>Members confirmed that they were content that this was undertaken and that the register would be updated and republished following each Board meeting.</b></p> <p><b>Conflicts of Interest</b></p> <p>MT said that updated guidance on conflicts of interest from Sharpe Pritchard Solicitors had been circulated to members prior to the meeting. She noted that there could always be potential, or actual, conflicts of interest on a Board such as this with elected members representing their areas, as well as Board members who had their position as a result of chairing or representing other cohorts of business or education interests.</p> <p>She re-iterated that it was the responsibility of individual members to ensure that any such conflicts were declared and that in the case of non-pecuniary conflicts, members were responsible for making the decision whether it was appropriate to remain in the room; to participate in the discussion; and whether to be counted as part of the quorum to vote.</p> <p>She said that in all aspects of this it was the clear responsibility of the individual director to ensure they took into account their directorial duties towards the Company, Marches LEP Ltd and their duty to exercise independent judgement. Directors of Marches LEP Ltd were duty-bound to ensure they acted in the best interests of the company.</p> <p><b>The Board confirmed that they were content to adopt the ‘decision tool’ within the guidance provided by Sharpe Pritchard Solicitors.</b></p> <p><b>Declarations of Interest</b></p> <p>Members made the following Declarations of Interest:</p> <p>DL – Item 8a - non-pecuniary. Employee of HEI in Marches area</p> <p>MT – Item 7 &amp; 8c – pecuniary. Business affected by route of Oxon Link Road</p> <p>AMC – Item 8a – non-pecuniary. Chair of Hereford Enterprise Zone</p> <p>DH – Item 5 &amp; 8a – non-pecuniary. Director of Hereford Enterprise Zone</p> <p>Item 6 &amp; 8b – pecuniary. Property interest near route of Southern Relief Road.</p> <p><b>Confidentiality</b></p> <p>MT reminded members that Marches LEP Ltd business could often be commercially or organisationally sensitive and that everyone had a duty to ensure that where papers were marked ‘confidential’, these were not shared with anyone outside the Marches LEP Ltd Board, unless expressly asked to do so by the Chair or by delegation to the Director of Marches LEP Ltd. When Board meeting business had been transacted papers would be reviewed by the Board to assess if appropriate to release for publication on the Marches LEP website.</p> <p>The Team would look at ways to ensure Board members were made aware of the Confidential status of specific papers.</p>	<p>EV</p> <p>All</p> <p>All</p> <p>GH</p>

<p>4.</p>	<p><b>Minutes of Previous Meeting held on 24 September 2019 and Matters Arising</b></p> <p>The minutes from the previous Marches LEP Board meeting on 24 September 2019 were approved and signed by the Chair as a true and accurate record of the meeting.</p> <p><b>Matters Arising</b></p> <p><b>Item 1</b> - GH informed the Board that former Chair Graham Wynn OBE would be hosting a private party to celebrate his 6 years in office.</p> <p><b>Item 2</b> – the Local Industrial Strategy (LIS) document would be brought to the next full Board Meeting on 26 November 2019. GH thanked everyone who had contributed to the consultation events.</p> <p><b>Item 4</b> – DH said that following circulation of the correspondence regarding NMiTE Funding from Tony Bray, Area Director Cities &amp; Local Growth Unit and James Walton, Section 151 Officer, Shropshire Council, the Chief Executive of Herefordshire Council would write to the Chief Executive of Shropshire Council. SD asked that the item be brought back to the Board for further discussion at a future meeting.</p> <p><b>Item 5</b> – GH informed members that the advice from Pinsent Masons Solicitors regarding the operation of Marches LEP Ltd was still awaited. A paper setting out the operational implications regarding potential payment of VAT and corporation tax and other items would be submitted to the next full Board Meeting on 26 November 2019. SD suggested that the requirements for Accountable Body status be revisited as part of the review of Marches LEP Ltd operation. An update on Telford College would be provided at the next full Board Meeting on 26 November 2019.</p> <p><b>Item 6</b> – the Board noted that the call for skills capital funds had been launched, specifically for institutions affected by the post 16 Skills Review.</p> <p><b>Item 7</b> – GH informed the meeting that the PRMC Risk Register Report would be brought to the next Board Meeting on 26 November 2019. FM suggested that Matters Arising should be circulated formally on the Agenda prior to Board Meetings. MT said she would discuss this with LEP Team.</p>	<p>GH</p> <p>GH</p> <p>GH</p> <p>NA</p> <p>NA</p> <p>MT</p>
<p>5.</p>	<p><i>MB joined the meeting at 5.40pm</i></p> <p><b>New Model in Technology and Engineering (NMiTE) - Phase 2 Update Presentation</b></p> <p>MT welcomed Prof. Elena Rodriguez-Falcon (ERF), NMiTE CEO; Toby Kinnaird (TK), NMiTE Engineer in Residence and Tina Benson (TB), NMiTE Finance Director to the meeting. ERF outlined some of the current successes in Phase 1 of the NMiTE project supporting the delivery of an undergraduate programme, degree apprenticeships and CPD. She highlighted that Blackfriars Studio 1 and the workshop had been completed within 6 weeks of the funding agreement being signed and that the project was on track and within budget. She explained that 3 centres would be developed at the Hereford Enterprise Zone as part of Phase 2 of the project and that an independent valuation of the land to be bought had been received in order to move quickly. The presentation emphasised the urgency of the decision on funding by the LEP Board for Phase 2 in order to fulfil the proposed timetable of development. Members posed a number of questions to the NMiTE team around the match funding requirement; how much match funding had already been secured and how many bids for match funding were in the pipeline. Members also asked about student numbers and what market testing had been done. TB explained that a range of sensitivity testing had been undertaken on student numbers and that a split cohort in the first year would not affect the overall financial position in Year 1.</p>	

	<p>ERF said that delivery of Phase 2 of the Project could be creative with elements being delivered in parallel if required following a potential review of outputs.</p>	
<p>6.</p>	<p><i>DH stepped out of the meeting at 6.15pm. JH joined the meeting at 6.18pm.</i></p> <p><b>South Wye Transport Package Update Presentation</b></p> <p>MT welcomed R Ball and M Lane from Herefordshire Council and Cllr J Harrington (JH) as the Alternate Director for Herefordshire Council.</p> <p>RB and ML gave a presentation on the project and went through the existing objectives of the project, the current Growth Fund outputs and the proposed revised approach to delivery of the overall outputs as set out in the confidential paper later on the agenda:</p> <p>Phase 1 - Project costs to date and delivery of Active Travel Measures currently contained in the approved Package;</p> <p>Phase 2 - Delivery of remaining Package element(s) following conclusion of the review of the Southern Link Road.</p> <p>Members asked a number of questions regarding the proposed number of homes and the demand for walkers and cyclists going to the Hereford Enterprise Zone. SD asked if the funding of £10m for Phase 1 went ahead, but Phase 2 didn't proceed, could all or some of the £10m be clawed back. RB said that this wouldn't be the expectation because the outputs of Phase 1 would have been delivered. SD asked if there could be a better spread of risk between Phases 1 and 2 in terms of Council match. RB said that there was an appropriate level of match proportionate to the overall allocation. PN asked if Section 106 money or community infrastructure levy money would also be going towards the scheme. RB said that Phase 1 was about creating the conditions in advance of the development, in order for that development to proceed and Section 106 money wouldn't be available. SD suggested that building 1000 homes would generate significant capital for Herefordshire Council so should this project not be funded by the Council. RB said that the bid for funding was to enable existing problems to be dealt with and to facilitate further growth.</p> <p>SD asked what other solutions would be looked at if the relief road did not go ahead. RB said that the Board paper identified that in the proposal that would come forward in January 2020, 3 options were identified, and the Council would look to explain how the remaining outputs would be delivered. MT reiterated that the decision for the Board would be on the proposed 2-phased approach. RS asked if there was an active planning application in progress for the land allocated for housing development at Bullinghope. RB said that the land was not in Council ownership, so this was dependent on private developers choosing to progress that, but the Council were in active pre-application discussions and expecting a submission in the next few months.</p> <p>JH explained that Herefordshire Council was trying to provide options so that whatever the decision made in January 2020 by the Council regarding the pause and review of the Southern Link Road, the money would be used appropriately and would achieve the same outputs overall. He said that more than half of people in Hereford travel less than 2 miles and the active travel measures would unlock land, reducing congestion on the A49 through Hereford. GH clarified that the 10 January 2020 date was a date proposed by the LEP executive in the board paper and was not a decision date set by Herefordshire Council. RB said that the it had been a formal decision by Herefordshire Council to review the road element and to continue with the active travel measures.</p>	

	<p>SD reminded the Board that the original funding agreement was for a relief road and to unlock a site for 1000 homes and 1000 jobs, and this proposal sounded like a ‘holding pattern’ and asked what date Herefordshire Council would make a decision. JH said he hoped to have the review finished ready to put proposals to the LEP by 10 January 2020 and may have to call an extraordinary meeting, but the next full Council meeting was at the beginning of February 2020. He would provide 3 options on 10 January 2020. RB said that the governance process to determine what to put to the LEP Board was a matter for Herefordshire Council. JH said that if the same outputs of 1000 homes and 1000 jobs and other benefits could be achieved without the building of a road, then this still fulfilled the funding agreement, and this is what Herefordshire Council was asking the Board to consider.</p>	
<p>7.</p>	<p><i>MT re-iterated her Declaration of Interest in this item and handed over Chair to PH. MT stepped out of the meeting at 6.45pm.</i></p> <p><i>JH stepped out of the meeting at 6.45pm. DH re-joined the meeting.</i></p> <p><b>Oxon Link Road Project Update Presentation</b></p> <p>The Chair welcomed M Johnson (MJ), Shropshire Council to the meeting. MJ outlined the Shropshire Council proposal to combine the North West Relief Road (NWRR) project and the Oxon Link Road (OLR) project in order to benefit from wider strategic benefits including wider connectivity into the West Midlands. Combining the projects would de-risk the planning for the OLR and aid the progress of the NWRR through planning. The implications for combining the projects would be a 2-year delay in project delivery for the OLR to 2023. Combining the projects would necessitate the removal of a major roundabout (in the original OLR plan) and changes in infrastructure as the road would be a 60mph single carriageway road. The bridge across the River Severn would be designed to incorporate future flood defences downstream.</p> <p>Board members asked MJ about project spend and outputs. He said that there would be no change to the overall spend or outputs from the original contract. The spend would be defrayed by 2021.</p> <p>PH asked if there were any abortive costs relating to the proposed change. MJ said that there would be very few if any, and additional costs incurred on design would be covered by the NWRR. There had been agreement from the Department for Transport to do so.</p> <p>PB commented that the Shropshire Business Board felt that this was a fundamental project for economic growth in this part of the region.</p> <p>PH asked whether the outputs profiled for 2020/21, which had been approved by the Board at 21 May 2019 meeting, would be impacted by the proposed change. MJ said that Shropshire Council believed there would be no change that some outputs would accrue more quickly. PH also asked about the value of the match funding and MJ confirmed that Shropshire Council had agreed to bankroll the local match and reimburse at the point in which the commercial market builds out the houses. MJ confirmed that the proposal had been through the relevant governance structures in Shropshire Council, having gone to the relevant boards and to the Major Projects Board. If the proposal was approved by the LEP Board it would then be presented to the full Council meeting on 19 December 2019.</p> <p><i>PB gave apologies and left the meeting at 7pm.</i></p>	

<p>8.</p>	<p><i>PH stated that item 8c on the Agenda (Oxon Link Road Project) would be discussed first whilst MT remained out of the room.</i></p> <p><b>Growth Deal Programme</b></p> <p><b>a. Oxon Link Road Project</b></p> <p>NA explained that the information “not yet provided” within the Board paper had been confirmed by MJ in the responses to questions posed by Board Members following the presentation. FM suggested it would be prudent to get the confirmation provided in writing.</p> <p>NA advised that any decision made by the Marches LEP Board on the OLR/NWRR today would need to be subject to Shropshire Council making a decision. PN said that the proposal would be an agenda item at the full Council meeting on 19 December 2019.</p> <p><b>The Board approved (1 abstention (PN); 9 For) the proposed merger of the existing OLR scheme with the Shrewsbury North West Relief Road (SNWRR) subject to the following:</b></p> <ul style="list-style-type: none"> <li>a. Decision at Shropshire Council Meeting on 19 December 2019 to approve the merger of the OLR and NWRR projects.</li> <li>b. Satisfactory financial information and assurances being provided to the Marches LEP by Shropshire Council in writing.</li> <li>c. Revised funding agreement being produced.</li> </ul> <p><i>MT re-joined the meeting at 7.10pm. PH handed over Chair to MT.</i></p> <p>G Wilson asked whether the project sponsors of the Growth Deal projects being discussed should step out of the room during voting. The Board discussed this at length referring to the legal guidance provided by Sharpe Pritchard Solicitors on conflicts of interest that had been circulated to members prior to the meeting. MT reminded members that decisions should be made in the best interests of Marches LEP Ltd. <b>The Board agreed (unanimously) that Public Sector Directors/Public Sector Alternate Directors should not be required to step out of the room during discussion or voting.</b> It should be at the discretion of all directors whether they take part in discussions; vote; abstain from a vote or step out of the room.</p> <p><b>b. NMiTE</b></p> <p><i>DL re-iterated his Declaration of Interest in this item</i></p> <p>Board members conducted a detailed discussion on the options given in the Board paper regarding funding for Phase 2 of the NMiTE project. NA explained that the recommendation was Option B (detailed in section 5.0) in the Board Paper – to only fund the development of the Centre for Advanced Technology (CATT) at an agreed level of funding and match, mitigating some of the risks identified within the paper, whilst fulfilling the LEP’s commitment to the second phase of the project. This would see the proposed level of Growth Deal Funding would be £2.894m with NMiTE match of £3.972m. The outputs would need to be re-visited and pro-rated.</p> <p>NA also said that advice received from the accountable body (Shropshire Council S151 Officer), was that regardless of the amount of funding agreed by the LEP, external legal advice would be required on the proposed underwriting of the project, which would then come back to the Board for a decision.</p>	<p>NA</p> <p>NA</p> <p>All</p>
-----------	---	--------------------------------

	<p>MT confirmed that any risk to the success of the project due to the additional time required to procure the legal advice would be the same whichever option was approved. Also, if funding was to be approved now and additional funding approved in the future, legal advice would still have to be sought each time.</p> <p><b>AMC proposed that a sub-group of the Marches LEP be formed who were given authority to progress work between Board meetings. The Board agreed this proposal.</b> FM, RS and AMC volunteered to be members of this group. MT and NA would also attend. The group would convene as soon as possible.</p> <p>PH suggested that Option C may be a less risky option so that queries around match funding can be addressed. FM said that delaying a decision any further would put any current potential match funding in jeopardy. SD suggested that Option A was a better option caveated with whatever conditions the LEP requires. DH noted that the NMiTE project was a project to benefit the whole of the Marches, not just Herefordshire.</p> <p><b>Following the detailed discussions by members the Board agreed that Option A be approved (1 abstention (DL); 9 For; 1 Against) - to fully fund the project at £5.660m having considered the risks identified in the paper.</b></p> <p>Subject to the following:</p> <ol style="list-style-type: none"> <li>a. The Marches LEP seek external legal advice to support the drawing up of the funding agreement including checking conflicts of interest relating to purchasing of land from Herefordshire Council.</li> <li>b. Clauses are included within the Funding Agreement which sufficiently protect the LEP from potential underperformance – including Growth Deal expenditure, the drawing down of Match Funding and achievement of outputs.</li> <li>c. Sub-group of Board formed to oversee the contracting processes.</li> </ol> <p>DL clarified that the outputs outlined in p15 of the paper would be required by 2022. GH said that additional MLEP resource would still be required to support the project. SR reiterated that financial milestones would need to be set so that the spend was completed in the necessary timeframes.</p> <p><i>DH stepped out of the meeting at 7.55pm. JH re-joined the meeting.</i></p> <p><b>c. South Wye Transport Package</b> Board members discussed the proposal to agree a revision of the funding agreement for the South Wye Transport Package project with Herefordshire Council, for an amended delivery profile adopting a two-phased approach, as outlined in the Board paper. FM asked what sensitivity testing had been carried out on the outputs in this proposal. RB responded that the outputs in the overall package had been identified in the outline business case, and the outputs in the proposal were proportionate to the level of development that could take place in the absence of the road. The expectation was that Phases 1 and 2 would deliver the overall stated outputs. SD said that the original priority was the relief road to unlock development on that piece of land and deliver the outputs. Phase 1 was almost a cost recovery phase for the set-up costs and there was no certainty about what Phase 2 would look like. Phase 1 was work that local authorities should be doing anyway and there was a risk that if the overall project didn't produce the outputs,</p>	<p>NA</p> <p>NA</p>
--	---	---------------------

	<p>critical months would have been lost when other projects could have been brought forward. JH responded that the administration of Herefordshire Council were clear on their approach as a new administration. The pause and review was to provide assurance to see if the evidence was there to support the outcomes that they were trying to achieve. The Council was absolutely certain that the outputs in Phase 1, which were essential to Hereford, could be achieved. JH hoped to have the final decision on the South Wye Transport Package by the end of January 2020 but the LEP timeline was before that, so the Council would have the fully costed options to be brought to the Board by then. PN was concerned that due to the many differing views in Herefordshire Council that there were serious doubts about the delivery of the road and the delivery of the other schemes. JH reiterated that the administration of the Council was clear and united on their approach. SR asked if the Board decision could be delayed until the Herefordshire Council meeting at the end of January 2020. GH said that if this project was not approved the LEP would need to move very quickly to re-allocate funds to spend circa. £27m in 14 months. SD voiced his concern about the risk of approving Phase 1 of this project as it had been presented because it would send a message about allowing re-negotiation of outcomes and timescales which was a credibility risk for the LEP. Also, he believed that asking other organisations to use resources and money to work up projects just in case this project did not go ahead, and just in case they were successful, was disingenuous.</p> <p><b>Following the detailed discussions by members the Board did not agree that the 2-phased approach for the South Wye Transport Package should be approved (2 abstentions (FM, AMC); 1 For; 8 Against).</b></p> <p>GH said that the follow up on the next steps for the SWTP project would to be discussed at the next Board Meeting on 26 November 2019.</p> <p><i>JH left the meeting at 8.10pm. DH re-joined meeting.</i></p> <p><b>d. Project Call Process</b> GH introduced the Board paper and went through the recommendations which were that the Board should approve:</p> <ol style="list-style-type: none"> <li>A two-stage process for an Open Funding Call as outlined in paper.</li> <li>Timescales which would help to mitigate risks around underspend and underachievement of deliverables.</li> <li>Commissioning Group representatives</li> </ol> <p>and additionally suggested:</p> <ol style="list-style-type: none"> <li>That LEP reserves be used to fund additional resources, including independent assessor and external legal support c.£140k</li> </ol> <p>SR concurred that that the process should be via Expressions of Interest only and should be completed as soon as possible. PN suggested that MT and GH should be able to approve budgets for the funding of additional resources such as in this Project Call without having to seek approval from the Board. MT suggested that the Scheme of Delegation could be discussed at a future Board Meeting, with a view to reviewing it in this context.</p> <p><b>The Board approved (unanimous) the recommendations set out in the Board paper and the additional recommendation regarding funding additional resources (as set out in a. to d. above).</b></p>	<p>NA</p> <p>GH</p> <p>NA/GH</p>
--	---	----------------------------------



	NA informed the Board that an additional private sector member (potentially from Herefordshire) was required for the Commissioning Group for the Project Call process and asked any interested members to contact him as soon as possible.	<b>All</b>
<b>9.</b>	<b>Any Other Business</b> GH asked the Board to note the letter previously circulated from Minister Berry and Minister Zahawi. <b>Duly noted.</b>	
<b>10.</b>	<b>Close</b> The meeting closed at 8.20pm.	
	<b>Next Meeting of the Board of The Marches LEP Limited: 26 November 2019, The Clive Arms, Bromfield, Ludlow</b>	

Signed:

M Thorn MBE, Chair Marches LEP Ltd

Date: 27.01.2020