

**THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED
BOARD MEETING**

Tuesday 24 September 2019

3.30 pm – 7.30 pm

THE CLIVE, BROMFIELD, LUDLOW, SY8 2JR

AGENDA

Item	Time		Lead	Discussion/ Decision	Paper
1.	3.30pm	Welcome, Apologies & Declarations of Interest	Chair		
2.	3.35pm	Workshop: Marches draft Local Industrial Strategy	KJ/Metro Dynamics	Discussion	x
		Refreshments			
3.	5.15pm	Presentation: New Model in Technology and Engineering Phase 2 – Elena Rodriguez-Falcon	ERF	Discussion	To follow
4.	5.50pm	Minutes of Last Meeting of Marches LEP on 23 July 2019 & Matters Arising - Appointment of Directors and Public Sector Alternate Directors	Chair /GH	Resolution	x x
5.	5.55pm	Governance - LEP Chair Recruitment - LEP Board Membership - Verbal update on MLEP mid-year review of the LEP - <i>Confidential Item</i> : Telford College	PH GH GH NA	Decision Decision Decision	x x x
6.	6.20pm	Growth Deal - Spend and Output Performance – mid-year report - Growth Deal Programme Evaluation – 2015 to 2019 - Plans for Managing Underspend/Call for Projects	NA	Decision	x
7.	6.50pm	Performance Risk & Monitoring Committee 6-monthly report and Risk Register Review	GH/NA	Discussion	x
8.	7.00pm	Access to Finance Strategy	PK	Decision	x
9.	7.15pm	LEP Network - Briefing note on role of LEPs and UKSPF - Letter from BEIS Secretary of State to LEP Network	GH	Discussion	x x x
10.	7.20pm	Growth Hub 6-monthly Report to review	PH	Info	x
11.	7.25pm	Any Other Business - Town Deal - Hereford and Telford - High Street Heritage Action Zone Funding – Oswestry & Leominster - Marches Tourism Conference - Jan 2020	FM	Info Info Discussion	

Future Meetings:

Items to be included on the Agenda for 26 November 2019 meeting

1. Transport 2. Business Boards 3. LIS update 4. Telford Land Deal

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Meeting Date:	24 September 2019				
Agenda Item:	2				
Item Subject:	Development of the Marches Local Industrial Strategy (LIS) - Update				
For:	Discussion	x	Decision		Information
Introduction:					
<p>There will be an interactive session for Board Members from 15:30 - 17:00. This session, facilitated by Patrick White from Metro Dynamics, will provide an opportunity for Board Members to give feedback on the draft Local Industrial Strategy (LIS) (see Appendix A) and to participate in a discussion on the draft LIS, its aims and objectives, the opportunities outlined within it and the Marches foundations of productivity.</p> <p>The outcome of these discussions will be used to develop an updated draft document which will be presented to the business community at engagement events on 17 and 18 October 2019. The draft document will also form the basis of discussions and negotiation with government departments.</p>					
Background:					
<p>All LEPs are required to develop a Local Industrial Strategy (LIS) following the publication of the Industrial Strategy in November 2017. The Marches LIS is being developed in line with the Government's policy prospectus found here, it will be based on economic evidence and will build on the priorities and local strengths identified in The Marches LEP Strategic Economic Plan 2019. The document provides an opportunity to showcase the Marches' unique and distinctive strengths, outline opportunities to accelerate growth and improve productivity and ensure a balanced and inclusive economy for the future.</p> <p>The development of the Marches LEP's LIS is being supported by Metro Dynamics who facilitated the update of the Marches Strategic Economic plan. They bring insight from their work on the WMCA's LIS and those being developed by Cheshire & Warrington LEP and Stoke & Staffordshire LEP amongst others. This is enabling us to learn from best practice in other areas (including LEPs in earlier waves of LIS development) and consider potential opportunities for collaboration.</p> <p>To date, the following work has been completed on the Marches LIS:</p> <ul style="list-style-type: none"> • Review of LIS evidence requirements in line with government guidance and compilation of detailed evidence base to underpin LIS development (Appendix B); • The commissioning of additional research to develop a wider understanding of underpinning and emerging sectors. This element has been led by local authority partners and funded by the Marches LEP and will be completed by the end of September 2019: <ul style="list-style-type: none"> ○ Tourism and Cultural Strategy (Telford & Wrekin Council) ○ Digital Strategy (Shropshire Council) ○ Opportunities in Innovation Health and Social Care (Shropshire Council) • Stakeholder engagement and consultation events, including: <ul style="list-style-type: none"> ○ A LIS workshop for public sector partners and Board Members held on 11 April 2019 in Ludlow; ○ Sector/cluster-based consultation events to gather qualitative information from businesses on productivity challenges and opportunities. These have included: <ul style="list-style-type: none"> ▪ Automotive/advanced manufacturing cluster event held on 4 June 2019. ▪ Agri tech/agri food & drink (meat and dairy opportunities in the north Marches) held at Harper Adams University on 5 June 2019. 					

- Agri tech/agri food & drink (soft fruit and horticulture opportunities in the south Marches) held in Ledbury on 20 June 2019 and also attended by Worcestershire LEP.
 - Environmental Technologies (renewable energy opportunities) held on 25 July 2019 as part of the launch of the Energy Strategy.
 - Metro Dynamics presented data and emerging themes to the LEP Management Team on 20 August 2019 to gain feedback from partners and discuss priority actions.
- Discussions have been held with Swindon & Wiltshire LEP, Gloucestershire LEP, Worcestershire LEP and the Department for Digital, Culture, Media & Sport to identify collaborative opportunities across 'Cyber Valley' that can be included in each LEP's LIS.
- The terms of reference and proposed membership of the new Skills Advisory Panel (which supports the People element of the LIS) were approved by the LEP Board on 23 July 2019.
- Preparatory discussions with government departments have been held, these have included a data and emerging themes workshop held on 1 August 2019 which outlined LIS priorities.

Next Steps

- Following discussion at the LEP Board meeting on 24 September 2019, the draft LIS will be incorporated to include feedback received.
- An updated draft will then be discussed at two business engagement events on 17 October 2019 (Hereford) and 18 October 2019 (Shrewsbury). Feedback from these events will help to shape an updated document which will be submitted to government.
- Engagement with government departments will continue throughout Autumn 2019 including attending a West Midlands LIS workshop on 11 October 2019. It is anticipated that our LIS will be submitted in Autumn 2019, in line with the requirement that it should be formally signed off prior to the end of the financial year 2019/20.

Financial Implications:

The budget for LIS development has been allocated as part of the LEP's operational budget using additional funding secured from MHCLG within the successful application for capacity funding linked to the LEP review.

Legal Implications:

None

Risks, Opportunities and Impacts:

- Having a clearly articulated LIS will allow the Marches LEP to make a case to government which highlights opportunities for economic growth across the area, outlines our potential contribution to the Industrial Strategy's Grand Challenges and considers opportunities for inclusive growth.
- Using Metro Dynamics to support the LIS development allows the Marches LEP to benefit from their experience gained from working with the WMCA to develop the West Midlands LIS.

Consultation:

The LEP team, Metro Dynamics and partners has developed a programme of consultation and engagement activities to support LIS development.

Appendices:

Appendix A – The Marches Local Industrial Strategy (draft - this may be found by logging in at www.marcheslep.org.uk – see separate instructions)

Appendix B – The Marches Local Industrial Strategy Evidence base (this may be found by logging in at www.marcheslep.org.uk – see separate instructions)

Report Author: Kathryn Jones, Marches LEP Partnership Manager, 01743 462 026;

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Item 4

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

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
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
Sonia Roberts	SR	Social Inclusion Champion; Charity Manager, Landau Limited
Andrew Manning-Cox	AMC	Hereford Enterprise Zone Chair
Cllr Peter Nutting	PN	Leader, Shropshire Council
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Lee Carter	LC	Cabinet Member for Economic Development, Telford & Wrekin Council
Ruth Shepherd	RS	Director, Results Communications
Sara Williams	SW	Marketing Manager, Protolabs

In Attendance:

Gareth Wilson	GWilson	Area Lead Cities and Local Growth, Department for Business, Energy and Industrial Strategy
Mark Barrow	MB	Director of Place, Shropshire Council
James Walton	JW	Section 151 Officer, Shropshire Council (part only)
Richard Ball	RB	Acting Director for Economy and Place, Herefordshire Council
Katherine Kynaston	KK	Inward Investment & Business Support Service Delivery Manager, Telford & Wrekin Council
Gill Hamer	GH	Director, Marches LEP
Nick Alamanos	NA	Programme Manager, Marches LEP
Kathryn Jones	KJ	Partnership Manager, Marches LEP
Ennis Vingoe	EV	LEP Team Support Officer

ITEM		ACTION
1.	<p>Presentation on the Midlands Centre for Cyber Security</p> <p>The Chair welcomed Prof. Prashant Pilai (PP), Professor of Cyber Security at the University of Wolverhampton to the meeting. PP provided an update on the Cyber Quarter in the Herefordshire Enterprise Zone. The main points covered were:</p> <ul style="list-style-type: none"> • A new £9million Centre which would drive up innovation in the sector both regionally and nationally. The only other cyber centres were in London and Belfast; • The Centre, through the Wolverhampton Cyber Research Institute would provide the research link into industry to look at 'big problems' in order to secure critical national transport, healthcare and infrastructure; • Services offered would include cyber Research and Development (R&D) and consultancy; cyber product testing; cyber incubator/accelerator; CPD/short courses and conferences; • The Centre would be operational from Summer 2020 but the services were available now; • Key outputs by 2025: 185 jobs created; 78 training courses provided; 40 R&D projects started and by March 2020 an increase in GVA of £8million. 	

	<p>Members discussed the role of the LEP in informing small and medium enterprises (SMEs) of the risks to business from cyber attacks and how to protect against them; what revenue modelling had been carried out for the project and how the Centre would attract companies working in the sector in order to collaborate on research etc.</p> <p>AMC reported that he had attended the 3 Counties Defence & Security Expo (3CDSE) and that the Centre had prompted a lot of interest.</p> <p>The slides from the presentation would be circulated to Board members.</p> <p>PP left the meeting.</p>	EV
<p>2.</p>	<p>Welcome, Apologies & Declarations of Interest</p> <p>The Chair welcomed the new Board Members to the meeting: Cllr David Hitchiner; Ruth Shepherd and Sara Williams.</p> <p>Apologies were received from David Llewellyn and Cllr Shaun Davies (SD). SD had appointed Cllr Lee Carter (LC) as his 'alternate' for the meeting. GW welcomed LC to the meeting. The Chair reminded all members to complete a declaration of interest form for the meeting if required.</p> <p>A Declaration of Interest was made by: SR – for Agenda Item 5 as a member of the Marches LEP Skills Board.</p>	
<p>3.</p>	<p>Governance – appointment of new Directors</p> <p>GW proposed that the Board appoint the 3 new Board members and PN as Directors of Marches LEP Ltd. SD would be appointed at the next Board meeting. The new members and PN had signed their 'Consent to Act' forms.</p> <p>The Board confirmed the appointment of PN, DH, SW and RS as Directors.</p> <p>The relevant paperwork would be forwarded to Sharpe Pritchard to register the new Directors at Companies House.</p>	EV
<p>4.</p>	<p>Minutes of previous meeting held on 21 May 2019 and Matters Arising</p> <p>The minutes from the previous Marches LEP Board meeting on 21 May 2019 were approved and signed by the Chair as a true and accurate record of the meeting.</p> <p>Matters Arising</p> <p>Board Membership</p> <p>GH reported that it was planned to further increase the diversity of the Board membership, potentially by recruiting 2 more female members in 2020. HE representation on the Board was also being reviewed. GW and GH had met with Harper Adams University and Wolverhampton University to discuss the future structure of HE representation on the Board. GH would circulate a paper on Board Membership in the next few weeks and would welcome members' comments in due course.</p> <p>GW said that Prof I Oakes had formally stepped down from the Board. GW had sent him a note on behalf of the Board to thank him for his significant contribution during his tenure. GW read out a response to the meeting that he had received from Prof Oakes.</p>	GH

<p>5.</p>	<p>Skills Advisory Panel</p> <p>JS explained the contents of the paper detailing the transition from the Skills Board to the Skills Advisory Panel (SAP) by October 2019 or sooner, and the draft Terms of Reference. He described the background to the change and the requirement of the Department for Education to have stronger representation from businesses on the SAP. The Skills Board/SAP provided a platform for collaboration rather than competition to best utilize the funding available from Government, which for FE colleges, was the only source of capital funding available. The Government was providing £75,000 to grow the research and analysis capability of the SAP. It would be important to engage businesses in the consultation to ensure the outcomes reflected the future skills needs 'on the ground'. This would include working with the 3 Business Boards. This data would inform the contribution to the LIS, the content of any bids to the UK Shared Prosperity Fund and form part of a 'prospectus' for providers in the area to see what the LEP was looking to commission in the future.</p> <p>The recommendations to the Board were:</p> <ol style="list-style-type: none"> 1. To approve the transition from the Marches LEP Skills Board to the Marches LEP SAP by end October 2019 or sooner; 2. To approve that the current Skills Board Chair would support the transition to the SAP and serve as Chair for a further period of one year from September 2019 – September 2020. From September 2020 onwards, the Marches LEP Board would appoint the new SAP Chair for a 3-year period in line with the term of the Marches LEP Board Chair; 3. To approve the draft Marches LEP SAP TORs, including membership, as detailed in Appendix 1 of the paper. <p>The Board approved the 3 recommendations.</p> <p>GW thanked JS for the work done for this agenda item.</p>	
<p>6.</p>	<p>Growth Deal Update</p> <p>GH said that a full report on Growth Deal would be provided to the Board at the September 2019 meeting when the Delivery Plan would be reviewed.</p> <p>GH updated members on the status of the New Model in Technology and Engineering (NMiTE) Funding Agreement. Since the 29 January 2019 LEP Board meeting, a number of meetings had been held with all partners regarding the Funding Agreement. The draft agreement had been presented to the Board at the 21 May 2019 Meeting. Pinsent Masons had been engaged to provide independent legal advice on the agreement and had recommended the inclusion of an additional paragraph requiring Herefordshire Council to underwrite the value of the £850,000 grant for refurbishing the Blackfriars Building. Herefordshire Council, in a letter in March 2019, had agreed an equivalent set of outputs in that building in the unlikely event that the NMiTE project did not proceed. At that stage the Council had not agreed to financially underwrite the project. The legal advice provided to the LEP and Shropshire Council (as the accountable body) concluded that the additional underwriting clause in the agreement was necessary to protect the LEP in the event of the project not proceeding. These delays were in danger of putting the NMiTE project in jeopardy, so that the first cohort might not be starting in January 2020.</p> <p>In light of this, Herefordshire Council had reluctantly agreed to underwrite the £850,000 element of the project should central government claw back the funding, so that the LEP budget was not exposed to any clawback. Herefordshire Council have made it clear that they do not want to set a precedent and that this is in the spirit of moving the project forwards.</p>	

	<p>The discussions on the agreement should now be concluded as soon as possible. PN sought confirmation that this now de-risked the agreement for Shropshire Council as the accountable body for the LEP. This was confirmed.</p> <p>JW was welcomed to the meeting.</p> <p>Members emphasised the importance of this LEP project to Herefordshire, to the region and to the country, due to its innovative HE delivery model. Members also sought assurance that the agreement would be signed by the end of July 2019. GW commented that the draft wording the Board had heard at this meeting had been agreed, and that best efforts would be made to get the agreement signed by then.</p> <p>FM commented that the LEP had agreed with the legal advice that the additional clause was essential. There was potentially a ‘governance gap’ as this had not been discussed and agreed by the LEP Board, and this should be noted for the future.</p> <p>The Board agreed the inclusion of the paragraph in the Funding Agreement.</p>	<p>GH</p> <p>GH</p>
<p>7.</p>	<p>LEP Statement of Accounts 2018/19</p> <p>GH apologised for the delay in circulating the papers for this agenda item. JW introduced the 2018/19 LEP Statement of Accounts explaining that the format of the Statement would change in future years due to the change in status of the LEP to a separate legal entity. AMC asked about the level of reserves. GW explained that part of the £1.8million would be kept in place for liabilities should the company need to be ‘wound up’; and work was being done to bring some projects forward to utilise some of these reserves. GH commented that only approximately £900,000 of the reserves had not already been earmarked eg £300,000 had been allocated for project development but this had yet to be drawn down, and the Chair would be leading a discussion at the end of the meeting about LEP Team capacity.</p> <p>JW was asked if the accounts had been externally audited. He explained that due to the level of value-added of doing so compared to the cost (circa £35-45,000), it had been decided not to engage external auditors. Members discussed this point and it was agreed that advice would be sought regarding engaging independent external auditors in the future who provided value for money. GH commented that advice was also currently being sought regarding engaging independent legal advice to understand the requirements for maintaining a dormant company and the implications for tax purposes regarding trading or not trading the company, and the staff and pensions liabilities.</p> <p>GW confirmed that JW considered the Statement of Accounts to be a true reflection of the accounts for the Marches LEP as at 31 March 2019.</p> <p>The Board agreed that the Statement of Accounts 2018/19 be signed off by the Chair and JW and be uploaded to the Marches LEP website.</p> <p>GW thanked JW for attending the meeting to present the papers. JW left the meeting.</p>	<p>GH</p> <p>GH</p>
<p>8.</p>	<p>House of Commons Committee of Public Accounts – Report on LEPs, June 2019 – implications of recommendations</p> <p>GW introduced the report and commented that he was disappointed that the responses provided to the Committee by the LEP partners in government had not been more specific. GW had been in discussion with HM Treasury and said that he was concerned that the quarterly information requested by government on LEP performance was not providing them with a comprehensive account of LEP work. West Midlands’ LEP Chairs had met and suggested that more case study information was required on what was being delivered,</p>	

	<p>and that the private sector leverage in getting funding match that was taking place should form part of the performance submissions. On a regional basis, more should be done to inform a specific audience including our local MPs, and approaches were being made to try to get the Committee of Public Accounts into the region to see what was being achieved. GH commented that there was no mention in the report of the contribution that LEP Boards make, and the representation from businesses and organisations. GH referred to specific recommendations in the report and said that she and NA were currently contributing to the subsequent review of the capacity and activity in LEPs; that the issue of geographical boundaries in some LEPs was still to be resolved; that this Board continued to review the wider diversity of its membership and that the development of the Local Industrial Strategy (LIS) continued. Following the £200,000 funding allocation for LIS development, additional staff had been appointed in the team and a number of workshops and consultation events had been organised, with a further one taking place on 25 July 2019. The additional £200,000 funding promised earlier in the year for this work had not yet been forthcoming.</p> <p>Members commented on their concern regarding the tone of the report suggesting that it was overly critical rather than motivational. They queried why LEP Chairs hadn't been represented at the Committee hearing and suggested that the Chair may wish to provide a response to the report.</p> <p>GW reported that at a recent meeting with Sir John Peace, Midlands Engine discussed a regional skills agenda and GW had made it clear that LEPs needed to be working at a local level with their partners and employers, feeding information to regional level to inform their strategy, not the other way around.</p>	GW
<p>9.</p>	<p>LEP Chair Recruitment</p> <p>PH provided a verbal update on the process currently taking place supported by Penna recruitment consultants. Following the initial telephone conversations with panel members and the advert going live, Penna were sending weekly updates to PH and GH. A shortlisting meeting would take place in early August 2019 with final panel interviews in early September 2019 in order to be able to provide a recommendation to the Board at the 24 September 2019 meeting. Of the potential candidates already approached by Penna, 13 had decided not to apply citing the time commitment and it being a non-remunerated role as the main reasons. SR commented that the panel and the consultants had been surprised at the lack of awareness of the LEP and LEP Board amongst those being approached as potential candidates. Penna also reported a lower level of interest so far from potential candidates from the Herefordshire area.</p> <p>Following discussion, it was agreed that:</p> <ol style="list-style-type: none"> 1. Penna would contact all Panel members to provide an update on progress; 2. Specific diary dates would be circulated to panel members; 3. The possibility of utilising psychometric testing and the format of the informal discussion with candidates would be discussed with the panel; 4. The process and the list of questions Penna were using when interviewing candidates would be circulated to all Panel members. <p>GW commented that should a suitable candidate not be appointed in September 2019, he would be willing to remain in the role of Chair until such time that the right successor was appointed. The Board collectively thanked GW.</p>	GH
<p>10.</p>	<p>LIS Development Update</p> <p>KJ gave an update on progress with the development of the LIS including the various business engagement activities that had already taken place. KJ, GW, GH and Ian Smith from BEIS would be meeting with the research team from Metro Dynamics in early August</p>	

	2019 with a view to providing a report at the Management Meeting on 20 August 2019, and a report to the Board at the meeting on 24 September 2019. The Board noted the report.	
11.	LEP Programme Risk Register NA stated that 4 additional risks had been added to the Risk Registers since the previous Board meeting. The Board noted the report.	
12.	Any other Business FM reported recent incidents in the NHS of electronic supplier account details being changed by bogus personnel and asked if the LEP had a role in providing advice on such issues to businesses. KJ commented that the Growth Hubs delivered a 'Cyber Essentials Programme' and there was advice available on the Marches Growth Hub website. This could be signposted from the Marches LEP website. PB also advised that cyber insurance was available for incidents of this nature.	KJ
13.	Reserved Item The LEP Team left the meeting at 7:35pm in order that a discussion could take place concerning LEP Team resourcing. Following discussion, the Board agreed that an additional senior post be funded in the team with immediate effect.	
14.	Close The meeting closed at 7:50pm.	
	Next Meeting of the Board of The Marches LEP Limited: 24 September 2019, The Clive Arms, Bromfield, Ludlow	

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Marches Local Enterprise Partnership Limited Board Meeting - Tuesday 24 September 2019

Resolution: Appointment of Directors and Public Sector Alternate Directors

1. Cllr Shaun Davies, Leader of Telford & Wrekin Council has provided confirmation that he has been given clearance to become a Director of Marches LEP Ltd.
2. In accordance with the Articles of Association section 23.1, the 3 Local Authority leaders have each appointed an Alternate:
 - a. Herefordshire Council – Cllr Trish Marsh, Cabinet Member for Environment, Economy and Skills
 - b. Shropshire Council – Cllr Steve Charmley, Deputy Leader and Portfolio Holder for Assets, Economic Growth and Regeneration
 - c. Telford & Wrekin Council – Cllr Lee Carter, Cabinet Member for Finance, Commercial Services & the Borough Economy

The relevant documentation, in accordance with section 23.2 has been signed by the Leaders (Public Sector Directors) and the named Alternates.

3. Members of the Board are asked to **confirm the appointment** of Cllr Davies as Director and Cllr Trish Marsh; Cllr Steve Charmley and Cllr Lee Carter as Alternate Directors.

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Item 5

Meeting date:	24 September 2019					
Agenda Item:	Item 5					
Item Subject:	LEP Chair Recruitment – Appointments Panel Recommendation					
For:	Discussion		Decision	x	Information	
Purpose:						
To seek Board Members' approval of the recommendation of the Appointments Panel to appoint the preferred candidate following the comprehensive recruitment process for a new Chair for Marches LEP.						
Recommendations:						
<ol style="list-style-type: none"> 1. To approve the appointment of the preferred candidate as the new Chair of Marches LEP. 2. That once approved, the new Chair is appointed as a Director of Marches LEP Ltd at the Board meeting on 26 November 2019. 						
Summary:						
<p>Following a recruitment campaign comprising executive search and advertising, the Appointments Panel nominated by the Board and Chaired by the Deputy Chair of Marches LEP Ltd, Paul Hinkins interviewed three credible candidates for the role of Chair to succeed the current incumbent. Paul Hinkins will provide details of the 3 candidates including CVs at the meeting.</p> <p>Members of the Panel included:</p> <ul style="list-style-type: none"> • Paul Hinkins – Appointments Panel Chair • Cllr Peter Nutting • Cllr David Hitchiner • Gareth Wilson • Katherine Kynaston • Andrew Manning- Cox <p>In attendance: Roger Russell, Director Penna Ltd. Sonia Roberts and Frank Myers who were unable to attend the final interviews, received background documentation on the three candidates including CVs and supporting statements, references and a paper sift of each candidate's suitability for the role from the recruitment consultants.</p> <p>Each candidate was interviewed by the Panel for an hour with individual Panel members asking the same specific questions covering the person specification, plus supplementary questions following responses by the candidates.</p> <p>Following the interviews, the Panel were unanimous in their decision that 2 out of the 3 candidates were appointable. However, the panel then agreed unanimously that one of the 2 preferred candidates should be recommended to the Board for appointment. This person's details will be made available at the meeting.</p>						
Background papers:						
CVs will be circulated at the Board meeting.						

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Meeting date:	24 September 2019				
Agenda Item:	5				
Item Subject:	LEP Board Membership				
For:	Discussion		Decision	X	Information
Purpose:					
To set out options on how the Board can achieve its commitment to a third of its Members being women by 2020 and 50% of the Board Members being women by 2023.					
Recommendations:					
<ul style="list-style-type: none"> • Through openly advertised recruitment the LEP seek to recruit two new Board members in Autumn 2019 with backgrounds in Higher Education and the Food and Drink Sector with an advertising campaign targeted at women • That the Leaders of the Local Authorities, the Business Boards and the Board of Hereford Enterprise Zone and Principals of Colleges consider opportunities to identify women Cabinet Members, Board Members and Senior Management of the FE Colleges who could join the LEP Board to represent their organisations on the LEP Board • That J Staniforth remain a LEP Board Member and Chair of the Skills Advisory Panel until September 2020. 					
Background					
The LEP Review document “Strengthened Local Enterprise Partnerships” of July 2018 and the National Local Growth Assurance Framework Guidance for LEPs of January 2019 both state that the LEP diversity statement should include a commitment to ensure that by 2020 at least one third of members of LEP Boards are women and there is an expectation of equal representation by 2023.					
LEP Board Membership Recruitment					
The Marches LEP Board is carrying one Board member vacancy after Professor Oakes stood down earlier in the year. He had filled the Higher Education (HE) role on the Board and had chaired the HE subgroup. The other HE institution represented on the LEP Board is Harper Adams University. Its Vice-Chancellor, Dr David Llewellyn, has been the food and drink sector champion since he joined the LEP Board in Jan 2014. He will need to stand down from the Board in January 2020 as he will have served 6 years.					
It is proposed therefore that the LEP undertake a recruitment exercise this Autumn to identify:					
<ol style="list-style-type: none"> 1. A senior HE representative from Marches based HE institutions to fill the vacancy on the Board with the requirement that the successful candidate will be the HE Champion on the Board, represent all HE interests on the Board as well as Chairing the HE subgroup. During this recruitment drive the adverts will actively encourage senior female HE representatives to apply. 2. A person with a background in the food and drink sector to replace Dr D Llewellyn as the food and drink sector champion on the LEP Board as this is one of the largest employment sectors in the Marches. During this recruitment drive we will actively encourage female candidates to apply. 					

Organisations with seats on the LEP Board that elect their Board members

The Marches LEP has 7 Board members which are elected to Lead or Chair their respective bodies by their constituents/Members i.e. the three Local Authorities, the three Business Boards and the Enterprise Zone Board. To achieve 50% female Board membership by 2023 the LEP Board need to seek the support of those seven bodies to consider opportunities to nominate senior female representatives to replace the current male representative on the LEP Board e.g. a female Cabinet Member from a Local Authority or a female member of a Business Board to support the LEP in achieving the target of at least 8, preferably 9 Marches LEP Board members being women by March 2023.

Further Education (FE) representation on the LEP Board

James Staniforth, the Principal of Shrewsbury Colleges Group is currently the FE rep on the LEP Board and has chaired the Skills Board to date and will, going forward, Chair the soon to be established Skills Advisory Panel (SAP) – as agreed by the LEP Board in July 2019. James was appointed for 2 years to the LEP Board in May 2018 on the basis that he would be succeeded by another College Principal. He has asked that in order to ensure the successful setting up of the SAP that he remains in post until September 2020 i.e. a year of overseeing the work of the SAP and Chairing the SAP.

It is proposed that if the Board agree to James staying on the LEP Board until September 2020 that we undertake a recruitment exercise next spring to identify a successor, which would allow a good handover with James over the summer of 2020. Again, to achieve 50% female Board membership by 2023 we need to seek the support of the Colleges to consider opportunities to nominate senior female representatives from the Colleges, as currently all three Principals are men.

Financial implications:

By not meeting requirements of the Government to achieve the target of one third of the Board members being women by 2020 the LEP may not receive some of its annual revenue funds from Government, which funds the LEP team and back office costs.

Legal implications: None

Risks, opportunities and impacts:

By not meeting requirements of the Government to achieve the target of one third of the Board members being women by 2020 the LEP may not receive some of its annual revenue funds from Government, which funds the LEP team and back office costs.

Gill Hamer, LEP Director

17 September 2019

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Item 5 - Confidential Paper

Meeting Date:	24 September 2019				
Agenda Item:	Item 6				
Item Subject:	Growth Deal Update				
For:	Discussion	X	Decision	X	Information
Purpose:					
1) To update Board Members on progress in delivering the Marches LEP Growth Deal Programme and outlining measures to mitigate any impending risks.					
Recommendations:					
1) To note the current performance of the Growth Deal Programme, as set out in section 1.					
2) To note the emerging risks to the Growth Deal Programme, as set out in section 2.					
3) To review the plans outlined for managing underspend within the Growth Deal Programme, as set out in sections 3.1, 3.2 and 3.3.					
4) To approve the procurement of a 'Mid Term' evaluation of the Growth Deal Programme, as set out in section 4.					
5) To approve the specific recommendations in managing the risk around potential underspend within the Growth Deal Programme, as set out in section 5.					
1. Current Performance – 2019/20					
At the close of the 2018/19 Financial Year (FY) the Marches LEP achieved an overall Growth Deal programme outturn figure of -£1,478,574.46. Whilst this is the first time the LEP has been unable to achieve its full annual spend allocation, it does represent a significant achievement, mainly due to the challenges faced over the course of the 2018/19 FY in relation to finalising our Growth Deal 3 projects.					
The figure of -£1,478,574.46 falls within the acknowledged underspend range of £1.9m (as outlined with Government at the Annual Performance Review, January 2019) attributed to the NMiTE project during the 2018/19 FY (please see, section 2.1.1 for an update on NMiTE).					
For the current 2019/20 period the LEP profile (see table 1) will help redress the underspend position and align our overall spend profile in accordance with the allocations received by government. Currently the profile highlights an overspend position of £337,488.87, however this figure is deemed a 'contingency' amount, enabling the LEP to accommodate any unforeseen slippages within the current FY.					

Table 1 - Spend Position 2019/20

Project Name		2019 - 2020 Profile	
	South Wye Package	-£	1,697,609.00
Infrastructure			
1	Telford Eastern Gateway	-£	339,846.00
1	SITP	-£	750,284.00
1	OLR	£	766,613.40
Skills Capital			
Broadband			
2	Connecting Shropshire	£	1,026,262.00
Skills - Investing in Our Future Workforce			
Growth Deal 3			
3	NMiTE - Phase 1	£	2,340,000.00
3	Flaxmill	£	499,200.00
3	Hereford Centre for Cyber Security	£	417,715.93
3	Newport Innovation & Enterprise Park	£	4,157,080.00

Total	£	6,419,132.33
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LGF Allocation 2019/20	-£	4,602,978.00
Programme Outturn 2018/19	-£	1,478,774.46
Projected Outturn 2019/20	£	337,488.87

Outputs & Match Funding Position

In relation to the achievement of Outputs the LEP Team has been working with all project promoters to capture the successes achieved through Growth Deal Funding which recently formed our Quarter 1 2019/20 data return to Government (circulated electronically to Board Members 23 August 2019).

Table 2 provides an overview of the key achievements to date.

Table 2 – Programme Outputs achieved to date

Outputs	Achieved to Date
Jobs Created	2,430
New Homes Built	1,697
Public and Private Investment (Match Funding)	£21,895,702
Employment Land Built (Hectares)	33.41
Homes with access to new/improved fibre optic provision	61,151

The outputs submitted have been checked and verified by the LEP, ensuring they meet the latest Government Guidance (LGF Data Reporting Guidance, July 2019). Following the output exercise conducted in Q4 2018/19 the LEP has been focusing on claiming and verifying all outstanding Match Funding, during Q1 2019/20 the LEP reported an additional £9,318,895 of funding brought in as a consequence of Growth Deal Funding - this figure will increase throughout 2019/20. The LEP has deferred the reporting of outputs submitted in Q1 into Q2 – this is due to minor queries around verification data.

2. Current Position and Emerging Risks

As outlined in section 1 the LEP is working with all projects to ensure the Growth Deal Programme can achieve our spend profile for the current FY, however there are concerns that should projects encounter any delays this would expose the LEP to significant risks in ensuring that all Growth Deal Funds are spent by 31 March 2021.

Table 3 provides an overview of projects (including values) which are currently deemed high risk in relation to generating full spend by 31 March 2021.

Table 3 – Potential Risks

Project Name	Value
NMiTE - Phase 2	£ 5,660,000.00
South Wye Package	£ 27,000,000.00
Oxon Link Road	£ 785,705.00
Skills Capital – Underspend	£ 271,483.00
Total	£ 33,717,188.00

Below is an overview of each of the projects and the associated risks to the Growth Deal Programme for the LEP Board to consider:

2.1 Programme Risks – Projects

2.1.1 NMiTE (Phase 2) – Business Case Development

Forming part of the Marches LEP Growth Deal 3 Programme the New Model in Technology and Engineering (NMiTE) project is strategically important for the region in helping to deliver economic growth. As a consequence of this in March 2017 NMiTE was awarded £8 million of Growth Deal funding for the achievement of the following deliverables:

- £10,900,000 Private Sector Match Funding
- 232 Jobs Created by 2025
- 9,400 (m²) of new or improved learning/training floorspace
- 1,080 of new students enrolled
- 450 Companies Supported
- £34,000,000 of GVA added

At the 27 November 2018 LEP Board meeting a paper was presented on behalf of the PRMC outlining the risks associated with the project and potential solutions. The following recommendations were agreed:

- 1 The phasing of the Funding Agreement into 2 parts:
 - Phase 1 Black Friars site (Phase 1) - £1.9m (2018/19) and £440,000 (2019/20).
 - Phase 2 £5.7m LEP Funds - To be determined following a review by Spring 2019 on the progress in delivering the development of the Black Friars/Robert Owen Academy site, the outputs and match funding for that phase as well other suitable alternative premises.

The Phase 1 contract was signed off by all parties during August 2019 with work on the Blackfriars Site currently being undertaken.

In relation to Phase 2 the LEP Board will receive a presentation on Agenda Item 3, relating to NMiTE's updated and refreshed Business Plan as well as their proposal relating to the focus for investment in the second phase. This will help to provide clarity on how NMiTE will achieve the following deliverables to meet the original project submission:

Phase 2	Total
New Learners (Student Enrolled)	810
Jobs Created	195
Area of new/improved training floorspace (m2)	6,195
GVA Added Annually (£)	£ 27,520,000.00
Companies Supported	375
Private Sector Capital Match (£)	£ 7,766,250.00

Work around the development on Phase 2 presents the LEP with a significant risk due to the timescales involved in ensuring that Growth Deal Funding is spent by 31 March 2021. The LEP Board must carefully consider the practicalities of the proposal outlined by NMiTE (as set out in Agenda Item 3) and the ability to defray all expenditure within the 2020/21 FY.

2.1.2 South Wye Transport Package – Business Case Development

The South Wye Transport Package (SWTP) comprises a new Southern Link Road (SLR) and a package of active travel measures. The aim of the South Wye Transport Package is to promote economic growth within Hereford while tackling specific problems in the South Wye area. The SWTP aims to reduce congestion and delay, enable access to developments such as the Hereford Enterprise Zone, reduce the growth in emissions, reduce traffic noise, reduce accidents and encourage physical activity.

As part of the package the Marches LEP has allocated £27m (with £8m coming from the council's local transport plan) to develop an initial Strategic Outline Business Case (SOBC), to include the Southern Link Road and a package of active travel measures. The outputs associated with this includes the delivery of 3.6 km of new road and a package that will support 1,000 new jobs and 1,000 new homes.

To date a figure of £3.8m has been claimed with the balance of grant scheduled to be drawn down following the Business Case sign off.

On Friday 9 August 2019 a Cabinet decision was taken by Herefordshire Council to ‘pause and review’ work on the Southern link road with several possible options presented.

The decision to undertake ‘pause and review’ work on the Southern link road presents the LEP with a significant risk due to the timescales involved in ensuring that £27m of Growth Deal Funding is spent by 31 March 2021.

2.1.3 Oxon Link Road - Underspend

The Oxon Link Road (OLR) is a new high-quality road running between the A5 and Holyhead Road. The OLR forms an integral part of the Shrewsbury West Sustainable Urban Extension (SUE) which will provide new homes and jobs.

Following a monitoring visit on 12 June 2019 with the Project Team it was explained that the project sponsor (Shropshire Council) was considering merging the OLR project with the Shrewsbury North West Relief Road (SNWRR), bringing numerous benefits including value for money. To date the LEP has not received a claim during the 2019/20 period and no further correspondence or confirmation has been outlined in relation to the OLR and SNWRR proposal including information around the 2020/21 allocation of £785,705.

Discussions are being held at senior officer level at Shropshire Council to help provide clarity on the project moving forward. This is considered a low-level risk due to the amount of Growth Deal Funds already utilised (£2,647,000) and the considerable work undertaken on the OLR project to date, however the LEP Board should be made aware of recent developments.

2.1.4 Skills Capital – Underspend

Through the Marches LEP Growth Deal Programme Capital Funding was allocated to projects to help address the Training and Skills needs of key sectors within the region. Following completion of expenditure against the Skills pot an underspend value of £271,483 has been identified – please note this pot may increase over the course of the year, see table 3.

Due to the values associated with the underspend this is considered a low-level risk, originally plans were developed to undertake a call during January 2020. Consideration should be given to move this forward into October 2019 to help develop project proposals and mitigate any risk to the Growth Deal programme.

3. Plans for Managing Underspend/Call for Projects

3.1 Growth Deal 3 Projects – Original Allocations:

As a consequence of a reduction in the Marches LEP Growth Deal 3 allocation a decision was taken at the 7 March 2017 Emergency LEP Board Meeting to approve a 2% reduction per £1m grant from projects, helping to bring down the total funding allocation in line with what was awarded by government.

Table 4 outlines the detail behind the decision, including the projects who received a reduction, their original Growth Deal values, and the final revised allocations. For Infrastructure Projects (all excluding the Skills Capital) a decision was made not to reduce their submitted outputs in line with the funding reduction.

Should any underspend be generated through the LEP programme it is recommended that those projects who received a reduction in grant should be reimbursed back to their original allocation, as outlined in Table 4. Should NMiTE be unable to demonstrate ability to spend their Phase 2 allocation their reimbursed allocation would need to be included within the 'Project Call' proposal – see section 3.2.

Table 4 - 7 March 2017 Emergency LEP Board Meeting Growth Deal 3 allocation decision

Project Name	Original Growth Deal Request	2% reduction/£1m	Revised Allocation
Hereford Centre for Cyber	£3,000,000	-6%	£2,820,000
Newport Innovation & Enterprise Package	£7,400,000	-14%	£6,364,000
Investing in Our Workforce (Skills Cap)	£2,900,000	-5%	£2,755,000
Shrewsbury Flax Mill	£2,000,000	-4%	£1,920,000
NMiTE	£10,000,000	-20%	£8,000,000
Totals	£25,300,000		£21,859,000

3.2 Growth Deal Infrastructure Project Call:

Due to the risks outlined within section 2.1 the LEP Board requires a contingency plan should any or all of the projects in table 3 be unable to spend their allocations. In order to mitigate this risk, it is recommended that the LEP undertake an 'Open Project Call' ensuring a robust pipeline of projects are ready and available should projects be unable to utilise their Growth Deal allocations.

This funding could be applied to other projects in the Marches LEP area which comply with the qualifying conditions of the funding pot.

Criteria

Amount available	Up to the Value of £31,859,705 (£33,445,705 deducting the Growth Deal 3 allocations distributed back to projects, ex NMiTE additional funds).
Level of Match Funding	No set value
Expenditure to be defrayed by	31st March 2021

Deliverables

Should the identified projects be unable to achieve their contracted deliverables this would leave the Programme short on achieving the following:

Table 5 – Potential Outputs

Project Name	Deliverables	Values	Agreed Date
NMiTE – Phase 2	Jobs Created	195	2025
NMiTE – Phase 2	Area of new/improved training floorspace (m2)	6,195	2022
NMiTE – Phase 2	Private Sector Match	£7,766,250	2022
NMiTE – Phase 2	New Learners (Student Enrolled)	810	2022
South Wye Transport Package	New Home	1,000	2032
South Wye Transport Package	New Jobs	1,000	2032
South Wye Transport Package	Total Length of New Road (km)	3.6*	2021
South Wye Transport Package	Public Sector Match	£8,000,000	2021

**Output to be discussed with government, due to time constraints around building a road*

It is felt that should the LEP undertake a project call this would be the minimum criteria requested.

Activity

Must reflect the priorities outlined within the new Strategic Economic Plan, helping to create new jobs and attracting new businesses into the region, boosting our economic potential. Marches LEP 2019 Strategic Economic Plan

Next Steps

The LEP will write to Board Members confirming the intended process around future calls, providing assurances that they comply with what has been agreed within our Accountability and Assurance Framework (P23 – 29, Marches LEP Accountability & Assurance Framework, March 2019). Members are informed that due to the nature of the call and the potential frequency of projects Emergency Meetings may need to be convened to approve projects.

3.3 Skills Capital Project Call:

Criteria

Amount available	£270,000 approx.
Level of Match Funding	Minimum of 30% (in line with Growth Deal 3 process)
Expenditure to be defrayed by	31 st March 2021

N.B. GD 3 stated funds could only be made available to institutions affected by Post 16 Review – therefore not proposing to make this an open call to all training providers.

Outputs

The LEP has a Performance Management Framework (measuring impact of the SEP), including the following measures:

Increased the number of people with NVQ3 + Qualifications
Increased the number of people with NVQ4 + Qualifications
Increased the number of apprenticeships

These outputs are to be claimed by **31st March 2023** – a two-year period, this is similar with what was agreed with the current Growth Deal 3 skills contracts.

Outputs must not result from:

- Natural growth of the institution/college;
- Figures being displaced/double counted from existing Growth Deal 1 and 3 contracts.

This will be addressed under the project call specification i.e. sight of a structured business plan which identifies the collection and validation of outputs etc.

Activity

Must reflect the priorities outlined within the new Strategic Economic Plan i.e. NVQ's/Apprenticeships in emerging and priority sectors. Marches LEP 2019 Strategic Economic Plan, p47

Next Steps

The LEP will write to Board Members confirming the intended process around future calls, providing assurances that they comply with what has been agreed within our Accountability and Assurance Framework (P23 – 29, Marches LEP Accountability & Assurance Framework, March 2019). Members are informed that due to the nature of the call and the potential frequency of projects Emergency Meetings may need to be convened to approve projects.

4. Growth Deal - Mid Term Evaluation

At the 13 September 2019 Performance Risk and Monitoring Committee members agreed to propose the LEP Board approve a 'Mid Term' evaluation of the Growth Deal Programme be commissioned. The consensus of the group was that this would demonstrate the impact of Growth Deal Funding, providing valuable case studies and helping the LEP attract future funding opportunities.

5. Recommendations

1. Agree the LEP team immediately undertake an Open Project Call to help mitigate any risks around underspend and underachievement of deliverables as set out in section 3.2;
2. Agree the LEP team immediately undertake a Project Call in relation to the Skills Capital Underspend allocation, using the information as set out within section 3.3;
3. A deadline of 31 October 2019 is set for Herefordshire Council to formally notify the LEP and the Department for Transport of their position relating to the 'pause and review' piece of work being undertaken on the South Wye Transport Package. This notification should confirm

whether the project can adhere to the terms and conditions set within their Funding Agreement.

Should Herefordshire Council be unable to provide assurances the LEP should seek to recoup the £3.8m claimed against the project, utilising this as well as the balance of grant against the approval of new projects;

4. A deadline of 31 October 2019 is given for the NMiTE Phase 2 project to be agreed, including requests made by the LEP Board for information as a consequence of Agenda Item 3. Should the project a) not be approved b) approved with a reduced Growth Deal allocation any available funds be put towards the approval of new projects;
5. A deadline of 31 October 2019 is set for Shropshire Council to formally outline their plans to the LEP for Growth Deal Funding in relation to the Oxon Link Road project and any plans relating to the Shrewsbury North West Relief Road. Should assurances not be provided around the Growth Deal funding the LEP board seek to redistribute the funds towards the approval of new projects.
6. Should any funds become available (through recommendations 3, 4 & 5) priority allocation is given to those Growth Deal 3 projects who had a reduction in grant, ensuring they receive their original allocation, as set out in section 3.1.

Financial implications:

- If the LEP underspends against its Growth Deal allocation, this could impact on the level of grant provided by government to the Marches LEP.

Legal Implications:

- Potential clawback of funds from projects as outlined within their Funding Agreement(s).

Risks, opportunities and impacts:

- By not receiving future Growth Deal allocations projects will not be able to deliver the projected scale of outputs.
- Timescales of project development and delivery needs to be carefully managed.

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Item 7

Meeting date:	24 th September 2019					
Agenda Item:	Item 7					
Item Subject:	Performance, Risk & Monitoring Committee Report and LEP Risk Registers					
For:	Discussion	X	Decision		Information	X
Purpose:						
To update the Board on both the LEP Strategic and Programme Risk Registers, providing an overview of the significant risks which were considered and discussed by the Performance, Risk and Monitoring Committee (PRMC) at its meeting on the 13 th September 2019.						
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). 2. The narrative provided below in relation to the key risks discussed at PRMC and provide comment. 						
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 on the 23 rd July 2019. New or refreshed text is highlighted in red font. The significant risks highlighted and discussed at PRMC are detailed on page 2:						
1. Summary of PRMC and updates to risk registers since last considered by the Board						
a) 3.4 Delivery of Projects						
There were a number of key issues associated with this risk discussed at PRMC. Those discussed included a number of issues with the Growth Deal 1&2 Shropshire projects, specifically in relation to a number of outstanding claims and potential of expenditure slippage. The difficulty for the programme is the LEP cannot be sure that the spend position is accurate if there are delays in the claim information being received. The section 151 Officer for Shropshire Council is assisting the LEP team with obtaining this information. The risk remains red rated on the register.						

b) 3.5 and 3.14 South Wye

A number of issues with the South Wye project were discussed at PRMC. The first being the outstanding repayment of the £1.6m. Following various communication back and forth between the LEP and Herefordshire Council there has to date been no resolution. It was agreed at the meeting that the Section 151 Officer for Shropshire Council, James Walton would now obtain clarity from the legal team on the technical interpretation of the signed drawdown notice. It was agreed during the meeting that once this legal clarity had been obtained, Gill Hamer and James Walton would draft a letter to the Chief Executive of Herefordshire Council, attaching an invoice if deemed appropriate in order to resolve the issue. The remaining spend on the South Wye project is also on hold pending a decision from Herefordshire Council on its major infrastructure projects. The withdrawal of funding for this project is a major risk for the Growth Deal Programme and is highlighted within the risk registers. The primary concern is ensuring that the LEP are able to obtain the funds from DfT and reallocate through the contingency plans in place. The risk remains 'red' rated on the register.

c) 3.8 and 3.13 NMiTE

The NMiTE agreement for Phase 1 of the project has now been signed, however there was concern expressed that due to delays in contracting the project may not fully spend its allocation. PRMC also discussed the next phase of the project and whether the business case would be strong enough for the £5.7m. The Committee expressed concern over the short timescales and the level of information that had been presented to date. PRMC were also briefed on an internal audit that Herefordshire Council had undertaken in relation to NMiTE and their accountancy and procurement procedures. The LEP have been sent a link to the NMiTE Assurance review which went to the council's audit and governance committee in July but as the LEP are contractually involved with both NMiTE and Herefordshire on the development of the University the LEP have requested a copy of the full audit report. This has been added to the risk register.

d) 3.15 MCMT

PRMC were informed that the LEP were commissioning an independent evaluation before the Board could consider any further funding support. This is to ensure that there is sustainability within the business and to mitigate any future risks should the business model not be sustainable.

2. Considerations for the Board

- To consider the risks highlighted red on the attached registers as a number of these have considerable implications for the LEP Board and how it manages the Growth Deal Programme moving forward.
- Proposed contingencies for dealing with potential underspend or the reallocation of funds (see agenda item 6).
- There was discussion at PRMC on the possibility of combining both the strategic and programme register into one document as some of the risks are now being replicated across both.
- As part of a review of the PRMC Terms of Reference a discussion was held on increasing Board membership (potentially 3 new members) on the Committee to aid succession planning and also in recognition of the Committees important role in the governance of the Growth Deal Programme.

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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Item 8

Meeting Date:	24 September 2019				
Agenda Item:	8				
Item Subject:	Marches LEP Access to Finance Strategy				
For:	Discussion		Decision	✓	Information
Purpose:					
<p>There is a growing range of alternative funding available for small and medium sized enterprises (SMEs) which can be very confusing and can act as a barrier to SMEs looking to grow and get ahead. The Marches Growth Hub (MGH) teams as Economic Development generalists at present do not have the capacity and capability to advise businesses on alternative finance options.</p> <p>This paper sets out options that have been put forward by the Marches LEP Access to Finance Group together with recommendations on the next steps in moving forward with the Access to Finance Strategy.</p>					
Recommendation:					
<p>To note and agree the draft Access to Finance Strategy and draft terms of reference for the Access to Finance Group as outlined in Section 2 of this report.</p>					
1. Background					
<p>1.1 Paul Kalinauckas joined the Marches LEP Board in May 2018 as the LEP’s Access to Finance Champion to help support the work of the LEP and local businesses, allowing them to meet the requirements of the Strategic Economic Plan (SEP).</p> <p>1.2 Led by Paul Kalinauckas and with the support of the LEP Business Support Officer and MGH teams, two successful Access to Finance Summit events with a total of 52 attendees were delivered across the Marches. The first event took place on the 23rd of November 2018 in Telford and the second on 11th April 2019 in Hereford.</p> <p>1.3 The events were aimed at banks, professional services advisers to small businesses, accountants, solicitors, enterprise support advisers, business finance advisers, finance brokers, insolvency practitioners and alternative finance providers in the Marches area. The events brought together some of the region’s leading experts who explained the various funding streams small businesses can access – including peer-to-peer lenders, equity funds, invoice discounters, crowd funders and locally-based small business loan funds.</p> <p>1.4 The Summit events sought volunteers to help form a Marches wide Access to Finance Group which will be led by Paul Kalinauckas. As a result, 18 individuals expressed an interest in joining the Access to Finance Group.</p> <p>1.5 As follow-up events to the Access to Finance Summits, Paul with the support of the LEP Business Support Officer and MGH teams, delivered 2 successful Access to Finance Strategy workshops in Telford on 23 January 2019 and Hereford on 20 June 2019 which had a total of 33 attendees. The main aims of the workshops were to establish the Access to Finance Group, to discuss ways in which the Marches LEP can increase the promotion of the wide range of finance options available and to help develop an outline of the Marches LEP Access to Finance Strategy for LEP Board consideration.</p>					

2. Marches LEP Access to Finance Strategy

- 2.1 The main objective of the Access to Finance Strategy is to promote the availability of external finance to local businesses seeking to grow thereby adding value to the local economy.
- 2.2 To achieve this, we seek LEP Board agreement to move forward with the following: -

Action 1 - Establish an Access to Finance Group

- To act as a consultative group who will provide a business voice in response to government consultations (policy development/new products/programme development)
- To raise awareness of finance initiatives to support economic growth and scale-up
- Develop specific events and free practical forum clinics to support businesses in presenting their cases to banks/alternative finance schemes
- To build capacity and capability within the MGH teams to support effective business engagement and appropriate signposting and referrals.
- **Appendix A** provides outline Terms of Reference for this group.

Action 2 - Implement the Access to Finance Strategy Delivery Plan

The draft plan in **Appendix B** outlines some of the existing MGH activities and considers activities identified by the Access to Finance Strategy. The following elements can progress within the current LEP team resource and budget: -

- To raise awareness of finance initiatives to support economic growth and scale-up
- To build capacity and capability within the MGH teams to support effective business engagement and appropriate signposting and referrals.

Action 3 - Further Research into establishing a local Business Angels Network and Co-Investment Fund

- It is proposed that the Access to Finance Group carries out research into establishing a local Business Angels Network and Co-Investment Fund. This has been identified as a potential gap in the current provision.
- Initial review has identified that there are 41 Business Angel Networks that operate nationally and only one of which operates in the West Midlands area. This does not include the [Regional Angels Programme](#) which was launched by the British Business Bank on 1st October 2018. The programme is designed to help reduce regional imbalances in access to early stage equity finance for smaller businesses across the UK. It aims to address this issue by increasing the availability, supply and awareness of angel and other early-stage equity investments across the country, particularly in areas where this type of finance is less readily available.
- Minerva operate Business Angel Networks and Midven offer Equity Investment funds in the West Midlands. The benefit of having a local Angel Network and Co Investment from the British Business Banks Regional Angels Programme is primarily to act as an incentive to accelerate growth to local companies looking to expand.
- Further research work will establish the real need and demand for a local Business Angels Network and Co-Investment Fund and identify potential funding resources to develop further.

Financial Implications: Establishing the Access to Finance Group and implementing the Action Plan will be done within existing funding. Researching a local Business Angels Network and Co-

Investment Fund can be done within existing funding, however delivery requires funding and resource to develop further.

Legal Implications: There are none arising from this report.

Risks, Opportunities and Impacts:

Going forward, the following issues pose challenges for businesses looking to grow/scale-up. These include: -

- The impact of a No Deal Brexit in particular impact on business cash flow;
- The complexity of alternative finance landscape; and
- The lack of access to finance capacity and capability within the current MGH teams.

Consultation:

Consultation has taken place with business professionals through the Access to Finance Summit events and workshops, three Business Boards, MGH Steering Group and other stakeholders.

Appendices:

Appendix A Draft Terms of Reference for Access to Finance Group

Appendix B Access to Finance Strategy Delivery Plan

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APPENDIX A

Draft Terms of Reference for Marches LEP Access to Finance Group

Aims & Objectives

The aim of the group is to:

- To provide strategic advice to the MLEP Board on all issues relating to Access to Finance
- Work collaboratively with Banks and Financial institutions to see what practical advice can be taken to support the work of the LEP and MGH in line with the Strategic Economic Plan [SEP] and Local Industrial Strategy [LIS]

The objectives of the group are to:

- To support the MLEP and MGH with understanding what finance is available to businesses to support business growth
- Drive implementation of the Access to Finance Strategy Delivery Plan to include:
 - Enhancing the strength and growth of the local economy through the provision of impartial advice to the MLEP and MGH
 - Providing clear hints, tips and advice to business advisers, intermediaries and businesses when applying for grants and additional financial support
 - Developing specific events and practical forum clinics to support businesses in presenting their cases to help access finance
 - Engaging with other business groups to share ideas, and to widen the reach of all represented efforts
 - Developing, championing and reviewing Access to Finance support available to SME businesses across all sectors – primary LEP target sectors but also up-and-coming and underrepresented sectors
 - Reviewing the LEP and MGH website to provide updates as needed and supporting case studies to be added as appropriate to reflect current best practice
 - Reporting on issues affecting SMEs in the region to the LEP Board and inputting to policy and strategy development
 - Being aware of the delivery and effectiveness of Local, Regional & National Government resources focussed on Business Support and funding initiatives
- Identify gaps in finance provision and support the research into establishing a local Business Angels Network and Co-Investment Fund.

Appendix B – Draft Access to Strategy Delivery Plan

Objective	Action	Responsibilities	Key Tasks	Timescale	Budget
Improved MGH understanding of alternative finance	Basic 'Alternative Finance' training Workshop	LEP/British Business Bank (BBB) through Growth Hub 8 (GH8) meeting activity	Exercise with growth hubs to understand gaps in knowledge	To be discussed and agreed with BBB	There should be no cost involved other than Growth Hub time
<i>To support MGH business diagnostic discussions with SME's, signposting and referrals</i>	Production of plain English MGH Advisor Guide (BBB finance finder tool an option)	LEP/BBB through GH8 meeting activity	Exercise with growth hubs to understand support required	To be discussed and agreed with BBB	
Improve quality of and increase signposting/referrals to alternative finance schemes	Introduction/linking of MGH to local, regional and national alternative finance leads	LEP/PK/BBB/Growth Hubs	Exercise to understand growth hub current contacts list and help identify and fill gaps	To be agreed with PK and BBB	There should be no cost involved other than growth hub time

Messaging to increase access to alternative finance awareness (target both SME's and advisors)	<p>Include in MGH £10m Growth Challenge Campaign</p> <p>Continue to promote MEIF investment case studies for both Marches and WM area</p>	<p>LEP/PK/Be Bold</p> <p>Be Bold</p>	<p>Follow/link with alternative finance via social media</p> <p>Continue to align MGH/LEP comms with British Business Bank to help promote MEIF</p>	<p>On-going</p>	<p>Part of MGH £10m Growth Challenge Campaign</p>
MGH A2F Events Programme	<p>On-going MGH Campaign meeting Agenda item</p>	<p>LEP/Growth Hubs/Be Bold</p>	<p>Promotion/delivery of planned events: -</p> <p>MGH Shropshire - Summer Funding Summit</p> <p>MGH Hereford –Business Growth & Exporting Event</p> <p>MGH Growth Hub -Telford & Wrekin</p>	<p>July 2019</p> <p>Q4</p> <p>November 2019 & early 2020</p>	<p>Within existing 2019/20 Growth Hub funding budget</p>
Joint LEP A2F Events Programme	<p>LEP Partnership Working. (Marches SME's to access Black Country (BC) events and vice versa)</p>	<p>Black Country LEP/MGH Telford, MGH Shropshire/Be Bold</p>	<p>Managing your cashflow (BC)</p> <p>Funding for high growth businesses (BC)</p> <p>Finance for social enterprises (BC)</p> <p>Marches event TBC (Telford) Innovation funding (BC) Capital allowances (BC)</p>	<p>September 2019</p> <p>October 2019</p> <p>November 2019</p> <p>November/December 2019</p> <p>January 2019</p>	<p>Within existing 2019/20 Growth Hub funding budget</p> <p>Be Bold time to help promote events</p>

			Marches Event TBC (Telford)	January 2019	
			Venture Capital (BC)	February 2019	
UpToDate and easily accessible LEP/MGH website information	Review and update Access to Finance drop down menu information (MGH) and Access to Finance page (LEP)	PK/LEP/BE Bold	<p>BBB Finance Hub portal: -</p> <p>Include 'everything you need to know about alternative finance' https://www.british-business-bank.co.uk/finance-hub/?dm_i=45HG%2CD845%2CEPZ37%2C1H67U%2C1/</p> <p>Helps businesses identify suitable finance options (in six steps) through the finance finder and there is access to guides they have created with partners</p>	To be discussed and agreed with Source & Be Bold. Guidance from BBB.	<p>Within existing website maintenance contract.</p> <p>Be Bold time required to update the LEP and MGH website with new material.</p>

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Item 10

Meeting Date:	24 September 2019			
Agenda Item:	10			
Item Subject:	Marches Growth Hub (MGH) Update			
For:	Discussion		Decision	Information ✓
Purpose: This paper sets out an overview of progress with the MGH and includes a report on the MGH 2018/19 contract year-end progress (1 April 2018 to 31 March 2019) and plans for the 2019/20 contract (Schedule 1 & Schedule 3).				
Recommendations: The Board to note the above.				
<ul style="list-style-type: none"> • Background <ul style="list-style-type: none"> • The Marches Growth Hub (MGH) receives £205k per annum from the Department for Business, Energy, & Industrial Strategy (BEIS) towards operating costs. The MGH is managed by the MGH Steering Group. Shropshire Council acts as the accountable body. • The MGH model includes a virtual growth hub and website www.marchesgrowthhub.co.uk that is supported by three physical growth hubs situated in Shropshire, Telford & Wrekin and Herefordshire. Since July 2018, telephone enquiries are handled by the National Business Support Helpline (NBSH) via the virtual hub telephone line 0345 6000 727. • The project is managed by the Marches LEP Business Support Officer (BSO) and supported by the LEP Admin Officer 1 day per week. The BSO role involves government liaison, virtual hub management including the MGH website together with supporting the three physical growth hubs. • The MGH model operates with significant input from the three local authorities and the University of Wolverhampton (UoW). <p>1. MGH 2018/19 Year-end Progress</p> <ul style="list-style-type: none"> • The Growth Hub Year-end Report 2018-2019 (1st April 2018 – 31st March 2019) has been approved by BEIS. Links to the report and Audit outcome can be found here Marches Growth Hub Annual Review 2018/19 Marches Growth Hub Audit Declaration Letter • BEIS have confirmed that the MGH remains to be one of the best performing Hubs within our funding band. <p>1.1 Key Growth Hub Annual Report 2018-2019 Headlines</p> <ul style="list-style-type: none"> • The MGH received an annual budget of £205,000 of which £208,357.73 was defrayed. The overspend was met by the Marches LEP; • A total of 4,443 businesses were supported; • A total 437 individuals have been helped to start a business; • Across the three growth hubs, there was a total of 266 growth hub events (growth hub led and those held in collaboration with partners) with a total of 3,854 attendees. Events included 4 high profile events which were delivered by the MGH with themes including Business Growth, Exporting and Digital; • The MGH acted as the gateway to 20 EU funded business support projects (including grants and consultancy support) with a financial value of £10million. The four largest ERDF schemes (Business Energy Efficiency Programme, Business Growth Programme, Marches 				

Buildings Investment Grant and Broadband Grants) awarded a combined £2.8m to Marches businesses between 1 April 2018 and 31 March 2019. In addition, the Rural Development Programme for England Growth Programme (RDPE) awarded £2.5m to Marches businesses during the same period. The EU investment will lead to the anticipated creation of 175 jobs.

- MGH medium to high intensity data returns have identified that £3,180,510.56 private sector match was secured;
- Customer satisfaction was 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 27,366 website visits (17,297 unique visitors). Nine digital newsletters were issued and sent to 256 businesses to help keep them up-to-date on existing and new products and services as well as promoting achievements and events;
- MGH website was reviewed monthly by the LEP team to help keep it up to date including the Skills portal, which enables employers to find training to support the upskilling of staff;
- Additional resources in the team allowed for improvements to be made with data collection/reporting and outreach/engagement through a high-profile events programme;
- The MGH supported the delivery of two Access to Finance Summit events and two Access to Finance Strategy Workshops across the Marches. The events brought together some of the region's leading experts and intermediaries (banks, professional services advisers to small businesses, accountants, solicitors, enterprise support advisers, business finance advisers, finance brokers, insolvency practitioners and alternative finance providers) in the Marches area. The Summit events sought volunteers to help form a Marches LEP Access to Finance Group which is led by LEP Board Member and Access to Finance Champion Paul Kalinauckas. The aim of the Group is to work together to form a LEP Access to Finance strategy and identify opportunities for new and additional funding.
- The three physical growth hubs received 2 days each per month PR/Marketing support from the MGH PR/Marketing agency to help raise their 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 were promoted in the Shropshire Star Business Supplement (January 2019) and Hereford Times (March 2019); and these can be found below:-
 - <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/wire-electric-supplies-ltd-telford/>
 - <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/planet-doughnut-shrewsbury/>
 - <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/galebreaker-group-ltd-herefordshire/>
- The Data Sharing Agreement and Memorandum of Understanding between BEIS, National Business Support Helpline and the LEP is still to be finalised. This is impacting on referrals from the NBSH to the MLEP.

2 Our 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.

3 MGH 2019/20 Contract

3.1 BEIS have approved Schedule 1 & 3 and the MGH will receive an annual budget of £205,000. Links to the Schedules which provide an overview of our priorities for the financial year can be found below: -

[Marches Growth Hub - 2019/20 Contract Schedule 1](#)

[Marches Growth Hub - 2019/20 Contract Schedule 3](#)

3.2 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).

3.3 BEIS: EU EXIT Business Readiness Programme

- BEIS have established an EU Exit Business Readiness Programme to support businesses (particularly SMEs) in understanding how to prepare for and beyond EU exit and the growth hub network is to play a key role in this.
- BEIS have secured £2.936m (to be spent by March 2020) for the current financial year (2019-20) which will be deployed to boost the Growth Hub network's ability to play a proactive role in supporting businesses through and beyond EU Exit.
- The proposed model to boost the Growth Hub network includes the Cities and Local Growth Unit having a small, dedicated team to commission the project, support and enable its delivery and help manage reporting back into government. The West Midlands team will be led by Tony Bray, Area Director.
- BEIS have created 10 new regional Growth Hub clusters through which funding will flow and provide a more strategically focused network through which government can engage the business community and deliver this project.
- Every LEP and Growth Hub will play an active role within the project, working in partnership with cluster lead organisations and benefitting from the additional support and resources being made available.
- The cluster leads have been chosen and appointed on current capability and past data submissions to BEIS.
- The Marches LEP/MGH will be part of the West Midlands Cluster which will be led by Coventry and Warwickshire LEP who will receive £198k. Funding awarded is based on the VAT registered business density of each cluster.
- Greater Manchester Business Growth Hub will act as the national managing partner and will support BEIS in working directly with the new Growth Hub Clusters to help shape and roll out the EU Exit Business Readiness programme and ramp up collection of business intelligence.
- The cluster leads will have a weekly conference call with the national managing partner and then meet once a month in London or Birmingham to share intelligence.

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 and loan 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;
- Reliance on a range of partners for delivery requires effective referral and reporting systems and
- University of Wolverhampton is currently carrying out a review of its business engagement activity. As a key MGH partner, we await the outcome of this review to understand possible implications to the MGH service in Telford & Wrekin and Herefordshire.

Consultation:

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

Appendices:

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