

**Minutes of the Marches LEP Ltd Board Meeting
21 July 2020 at 4.00pm
Meeting held via Zoom
(Company Number: 11822614)**

Present:

Mandy Thorn MBE	MT	Chair, Marches LEP Board
Paul Hinkins	PH	Telford Business Board Chair
Frank Myers MBE	FM	Herefordshire Business Board Chair
Paul Bennett	PB	Shropshire Business Board Chair
Andrew Manning Cox	AMC	Hereford Enterprise Zone Chair
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Peter Nutting	PN	Leader, Shropshire Council
Cllr David Wright	DW	Cabinet Member for Economy, Housing, Transport and Infrastructure, Telford & Wrekin Council
Paul Kalinauckas	PK	Access to Finance Champion
James Staniforth	JS	Skills Advisory Panel Chair; Principal and CEO of the Shrewsbury Colleges Group
Sonia Roberts	SR	Social Inclusion Champion; Charity Manager, Landau Limited
Ruth Shepherd	RS	Director, Results Communications
Sara Williams	SW	Marketing Manager - Northern Europe, Protolabs
Christine Snell	CS	Business Partner, AJ & CI Snell

In Attendance:

Maria Machancoses	MM	Director Midlands Connect
Sarah Spink	SS	Strategic Partnerships Lead, Midlands Connect
James Walton	JW	Section 151 Officer, Shropshire Council
Roger Allonby	RA	Head of Economic Development, Herefordshire Council
Mark Barrow	MB	Executive Director for Place, Shropshire Council
Katherine Kynaston	KK	Director Housing Economy & Infrastructure, Telford & Wrekin Council
Ollie Hindle	OH	Assistant Director, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Chris Buss	CBuss	Interim Governance Programme Lead
Gill Hamer	GH	Chief Executive, Marches LEP
Kathryn Jones	KJ	Partnership Manager, Marches LEP
Nick Alamanos	NA	Programme Manager, Marches LEP
Ennis Vingoe	EV	Marches LEP Team Support Officer
Wayne Redge	WR	Marches LEP Office Administrator

ITEM		ACTION
1.	<p>1. Welcome, Apologies and Declarations of Interest MT welcomed everyone and thanked them for attending the meeting. She also welcomed Maria Machancoses, Director and Sarah Spink, Strategic Partnerships Lead at Midlands Connect. Apologies were received from Dr Catherine Baxter. It was noted that arrangements had been made to enable members of the public to join the meeting as observers via Zoom but no one had applied to be given observer access to the meeting. It was also noted that the meeting was being recorded to aid the production of the minutes.</p>	

	<p>2. Declarations of Interest The Chair reminded members to complete the form for Declarations of Interest and forward to EV if required. AMC – for item 4 as Chair of Hereford Enterprise Zone (HEZ).</p>	
<p>2.</p>	<p>Midlands Connect Update and the opportunities for the Marches MM gave a presentation on the current priorities for Midlands Connect. The main points covered were:</p> <ul style="list-style-type: none"> • Background and the focus of the work of Midlands Connect; • Midlands Engine Rail – 7 projects to improve East-West (E-W) connectivity and how the Midlands interfaces between the rest of the UK including: <ul style="list-style-type: none"> ○ Midlands Rail Hub – in particular Birmingham New Street and Moor Street capacity/connectivity; ○ Hereford Corridor – to double the services between Hereford and Birmingham; ○ Shrewsbury-Birmingham Corridor – including Telford and the Black Country, using HS2 released capacity; • Cross Border Work – initiated by the MLEP Freight Strategy; the Marches Transport Officers Group will set out the roadmap for taking proposals forward; • Road investment – important for the freight and logistics agenda. Midlands Connect had submitted a strategy to government for the next 5 years. A fund will become available to facilitate the development of business cases for potential projects; • Alternative futures – innovation and the digital agenda; • Midlands Connect Strategy will be refreshed in response to changes in travel patterns and behaviour; • Government announcement in Autumn 2020 will focus on infrastructure – we will need to work together to make our submission. <p>A discussion followed on the improved decision-making in the Midlands compared to other parts of England and the challenges of rurality in the Marches area in terms of travel to work and education. Proposals for ideas that would make a real difference to communities were required well in advance of investment calls. Midlands Connect had consulted on a piece of work on indicators taking rurality into account when assessing road and rail projects. MM agreed to provide a short briefing paper on this. An update from the Transport Officers Group would be provided for the September 2020 Board Meeting. MT thanked MM and SS for the informative presentation. The slides are available here Midlands Connect Update</p>	<p>MM NA</p>
<p>3.</p>	<p>Minutes of Previous Meeting held on 26 May 2020 The Minutes of the previous meeting held on 26 May 2020 were approved and would be signed (electronically) by the Chair as a true and accurate record of the meeting.</p> <p>Minutes of the Emergency Board Meeting held on 14 July 2020 The Minutes of the Emergency Board meeting held on 14 July 2020 were approved and would be signed (electronically) by the Chair as a true and accurate record of the meeting.</p> <p>Matters Arising AMC said that under Item 2 of the Emergency Board meeting on 14 July 2020 to consider the projects for the “Getting Building Funds” (GBF), it had been agreed that the Board would be informed of the outcome of the further due diligence undertaken on the Tackling Fuel Poverty through Zero Carbon Innovation project (Wrekin Housing Group). NA confirmed that the project had been submitted to government on the MLEP list on 16 July 2020, subject to due diligence. The LEP was in receipt of the procurement information and a meeting was scheduled with</p>	<p>EV EV</p>

	<p>Shropshire Council procurement team on 22 July 2020, to ensure that the information was compliant with national procurement and contracting regulations. The LEP Board sub-group set up to support the LEP Team on the assessment of the GBF projects would consider the feedback from the procurement meeting and inform the Board of the outcome of the due diligence.</p>	<p>NA</p>
<p>4.</p>	<p>Governance</p> <p>a. Election of the Deputy Chair MT wished to formally record the gratitude of the MLEP Board to PH for his sterling work as Deputy Chair over many years. The former Chair, Graham Wynn had contacted MT and also wished to pay tribute to PH for all his support during his tenure. MT confirmed that nominations had been requested for the role of Deputy Chair and that one formal nomination had been received from Sonia Roberts. GH had emailed members to inform them. The Board confirmed the appointment of Sonia Roberts as MLEP Deputy Chair (unanimous).</p> <p>b. Report on progress in addressing the implications of incorporation and appointment of auditors MT introduced Chris Buss who had been working with the LEP and partners since the end of May 2020 on actions following incorporation. The Board noted the content of the update report. A task and finish group had been set up to take this work forward comprising of the following Board members: MT, PB, DH, JS and C Baxter. The Board noted that the LEP Chair had set up a LEP Board Incorporation Task and Finish Group. GH outlined the process undertaken in conjunction with the Incorporation Task and Finish group to appoint the accountants, Thorne Widgery. The Group had recommended that a separate company be appointed to complete the audit for Marches LEP Ltd. It was proposed that James, Holyoak and Parker be appointed as auditors. The Board agreed the appointment of James, Holyoak and Parker as the auditors for the 2019/20 Marches LEP Ltd accounts (unanimous). GH would issue the appointment letter.</p> <p>A discussion then took place about the proposed Service Level Agreement (SLA) with Shropshire Council (the MLEP accountable body). PB and SR said that at the recent Incorporation Task and Finish Group and Performance Risk & Monitoring Committee (PRMC) meetings, the issue of a perceived 'bottleneck' at a strategic level within the Council, had been discussed. AMC said that when looking at the future of services provided in an SLA with any organisation, we need to be looking at what lessons we've learnt from the past and also we need to be thinking about the pace of our reactions into the future. It is very clear that Government will expect LEPs to be fleet of foot in assessing, recommending and funding opportunities as an important part of the strategic project to re-set the economy. It is important the LEP has the right level of resources to be able to produce project funding agreements in a timely fashion going forward. AMC said what underlined it for him was when he saw DH's letter of 1 July 2020. AMC said he was re-declaring his interest as Chair of HEZ as he was very much looking forward to receiving funding for the EZ further work that was voted on by the Board in March 2020. However, DH's letter stated that as of 29 June 2020, Herefordshire Council had still not received the funding agreements for either the HEZ project or the Ross project, meaning we have already lost 3 months,</p>	<p>GH</p>

	<p>25% of the original delivery period and it is now unlikely therefore that Ross can be delivered. AMC reminded the Board that both projects had been approved by the LEP Board on 24 March 2020 and yet, 4 months later, the contracts had not been issued. This is in a context where the money has to be spent by 31 March 2021 and it is clear that the Government will permit no extension to that timetable, despite COVID. He said that as far as the HEZ project is concerned, the EZ team are moving heaven and earth to be ready to spend this money as soon as the funding agreement is in place. It was noted the sponsoring body for the HEZ project, Herefordshire Council, had taken the view that it is not prepared to spend money at risk before the agreement is signed. AMC said he had gone back through his own records and asked for confirmation of some facts about other delays in the paperwork being issued e.g. the Marches Investment Fund COVID 19 response (Board approval on 27 May 2020; contract signed 17 July 2020).</p> <p>PB said that since the original agreement with Shropshire Council, as things have developed over time the resource requirement has changed and increased. PB said that the LEP has an opportunity to top-slice the Growth Deal funding and change the direction of travel to ensure there is sufficient resource.</p> <p>MT said that we need an agreed way forward and a process where work is turned around more quickly. There also needs to be some understanding from local authority colleagues that when funding is allocated that some local authorities will spend 'at risk' and others won't spend until all the documentation has been received.</p> <p>GH said that she had met with JW and re-iterated the offer to fund additional resource in Shropshire Council by utilising the funds from top slicing circa. £300k from the Growth Deal funds (which had been approved by the Board in March 2020). As well as the Growth Deal contracting, the additional work by both the LEP Team and Shropshire Council to contract for the £14 million Getting Building Fund, and to defray monies by March 2021, was substantial. JW had made a commitment to look at additional resource.</p> <p>JW acknowledged that the comments made were constructive in terms of finding a way forward. There were some significant mitigating circumstances that have caused delays in certain issues but the underlying issue of a 'bottleneck' is a real issue in terms of the Authority having limited resources and that at times when there is significant work coming forward, those bottlenecks get exposed and that causes delays. JW said he is looking at additional resource in the right places. JW said he had heard everything that had been said and would take it as constructive criticism and should have an answer shortly in terms of additional resource in certain strategic points within the organisation, and within the SLA arrangement so that we don't find ourselves in this situation going forward. GH confirmed that the Accountability and Assurance Framework Guidance stipulated that the accountable body must be a local authority.</p> <p>DH had asked for a meeting with the LEP regarding the specific issues for Herefordshire Council.</p> <p>MT asked if the local authority s151 officers communicated with each other on the issues being discussed.</p> <p>MT would come back to the Board with next steps.</p> <p>The Board noted the appointment of Ilia Bowles as the new Director of Corporate Services for the LEP.</p> <p>The Board also noted the ongoing discussions at LEP Network Level about the additional costs of incorporation.</p>	<p>GH</p> <p>MT</p>
--	---	---------------------

	<p>c. 2019/20 Marches LEP Draft Accounts MT invited members to review the accounts which were for information at this stage. The Board noted the draft Marches LEP Ltd 2019/20 accounts</p>	
5.	<p>LEP Response to the Chancellor’s Statement on Economic Recovery MT said that the role of the LEP was to support economic development projects in the area to promote new jobs and opportunities for education and skills development. Local authority partners were asked to ensure that their officers who attended the MLEP Operations Group were made aware of the discussions that take place at the LEP Board meetings in order to inform current and future work and promote collaboration across the Marches area.</p> <p>a) Briefing on DWP unemployment and take-up of universal credit statistics in the Marches KJ went through information provided by the Department for Work and Pensions up to the end of May 2020. This showed that there had been significant increases in claimants with particular hot spots in Ross on Wye and Bridgnorth. There were substantial increases in the 18-24 age bracket across the area. Those on the furlough scheme were not included in the figures. The picture within sectors was mixed. The presentation slides are available here. Employment presentation JS said that the Strategic Economic Plan had been developed in a different context and some of those challenges remained, but the context of ‘full employment’ had changed significantly. The progression to higher education this year is unknown, and caps will limit the number of places. The current support available in the Marches was outlined including £31.6 billion nationally to scale-up employment support schemes for young people. JS asked that members promote these types of opportunities via their networks. He noted that capital funding announcements for FE colleges would only affect Telford College and Herefordshire, Ludlow and North Shropshire College; and the 10 year re-building programme for schools would include Hereford 6th Form College and Shrewsbury Colleges Group.</p> <p>c) Issues to raise with MPs and Government JS said that there is not an option in the Marches to be able to remove some of the restrictions on the Adult Education Budget (which comes from the Education and Skills Funding Agency). Combined Authorities do have this option. Adults who have existing qualifications do not qualify for further funding and are expected to take out loans or self-fund. Being able to apply funding flexibilities in order to re-train adults in our area in significant numbers would be helpful. The challenge in rural areas is getting 18-24 year olds into apprenticeships due to the low wage and travel difficulties. There are significant vacancies in key areas such as health and social care. DW suggested that co-design of educational services should be developed. It is estimated that 25-29% of the Telford workforce is currently on furlough and this was a real concern as many would be made redundant. DW said the ‘Job Box’ initiative funded by Telford & Wrekin Council, was being extended across the 16-65 age range now and it had over 100 enquiries since its launch last week. There was still some money available in the discretionary grant scheme, but the criteria were so specific that many businesses could not apply. It would be helpful if this could be ‘unlocked’ and used for discretionary funding, e.g. early years provision could potentially be included in the scheme if additional flexibility was granted by government. DW suggested that it may be helpful if the 3 local authorities could collaborate on this.</p>	<p>LA partners</p> <p>All</p> <p>LA partners</p>

	<p>PB said that a trend in Shropshire SMEs over past 6-8 weeks was that people in senior roles earning >£50k were departing from businesses. There were, however, some professional services businesses who have performed well over the period and could potentially recruit apprenticeships for re-training. PB and JS would discuss this outside the meeting.</p> <p>CS said that opportunities to raise the profile of the agricultural and horticultural sectors and food and drink production should be explored. The sector is recruiting including taking on a domestic workforce. There needs to be a better understanding of the opportunities available to the domestic workforce - training, apprenticeships etc. The sector has vacancies all year round and is still relying on workers from other countries. There are increasing opportunities in the £30-50k salary range for instance, including dealing with e-commerce. Of the 50 domestic workers taken on by CS's firm, 10% who are leaving were on furlough and are going back to their previous jobs.</p> <p>PN said that Shropshire Council had £91m available in grants and still has £8m available to distribute. Getting general support across the LEP area to use this money in discretionary ways would be helpful. A concern is that some nurseries are folding, and this is a real issue for those wanting to access childcare in order to go back to work.</p> <p>SR said there was a need to look at the enabling industries – childcare, carers and support to get people to get into work. The viability of tourism industries to be able to open up due to social distancing is an issue, so support for that is also required.</p> <p>MT thanked JS for the presentation and to everyone for their points. A letter to government would be drafted and sent to Board members, and there may be an opportunity to raise the points at ministerial round table meetings that MT was attending this week.</p>	<p>PB/JS</p> <p>KJ, MT</p>
<p>6.</p>	<p>Risk Registers</p> <p>SR said that updates had been made to the risk registers following the Performance Risk and Monitoring Committee (PRMC) meeting on 17 July 2020. In the strategic risk register, a new risk had been included where additional resources are required in order to respond to tender opportunities; and in the project risk register the NMITE risk had been moved to amber status.</p> <p>The registers are reviewed in some depth at each PRMC meeting and their presentation has been simplified.</p> <p>The Board noted the current position relating to both risk registers.</p> <p>The Board noted the additional risks, and the changes and amendments set out in the paper that had been considered at the PRMC meeting on Friday 17th July 2020.</p> <p>PB said that he would welcome a session looking in more detail at the registers at a future Board meeting.</p> <p>MT asked members to consider volunteering to join the PRMC.</p> <p><i>Post meeting note: Sara Williams had kindly volunteered and would be joining the committee.</i></p>	<p>NA</p>
<p>7.</p>	<p>Growth Deal</p> <p>NA referred members to the paper which provided an update on Growth Deal spend/commitments in 2020/21 and drew members' attention to the Ross Enterprise Park project, and that the LEP would be having discussions about the potential impact on Growth Deal should that take us into a non-proceedable position and we have an underspend position. The capitalisation of Growth Deal funds to cover additional costs incurred had already been discussed.</p>	

	<p>The Board noted the current position relating to Growth Deal Spend Allocation 2020/21.</p> <p>The Board noted the withdrawal of the Rural Enterprise Centre from the Marches LGF Programme.</p> <p>The Board noted the content of the letter from the Leader of Herefordshire Council and current position in respect to the £4,500,000 Ross Enterprise Park project.</p> <p>The Board noted the intention to hold an Emergency LEP Board Meeting to review the approved Project Reserve List, should the Ross Enterprise Park project be unable to deliver.</p> <p>The Board noted the current position in respect to the capitalisation of Growth Deal Costs.</p> <p>Item 5 - GH said that the letter regarding the South Wye Transport Package programme had been issued by Shropshire Council to the s151 officer at Herefordshire Council this morning (21 July 2020).</p> <p>The Board noted the current position relating to the South Wye Transport Package (SWTP) programme.</p> <p>DH raised that a councillor had said at the Herefordshire Council Meeting on 17 July that the SWTP letter was going to be issued by the LEP this week. DH wasn't aware of this and was concerned that the Council had not been informed prior to the information being available to others. JW said that the councillor had contacted him by email and that he had responded with a general reply.</p>	
8.	<p>LEP Chair/CEO report</p> <p>MT congratulated Shropshire Council on leading on the successful River Severn Partnership bid for £36 million funding for work across the whole of the Severn catchment. An update would be provided at the next Board meeting on the cross-border Marches Growth Deal.</p>	GH
9.	<p>Any Other Business</p> <p>FM said that the Herefordshire Community Foundation still had funding available for grants for voluntary and community organisations supporting people through the COVID crisis. Members were asked to share the information for Herefordshire and Shropshire with their networks: https://www.herefordshirecf.org/ https://staffsfoundation.org.uk/shropshire/</p>	
10.	<p>Close</p> <p>The meeting closed at 6.40pm.</p>	
	<p align="center">Next Meeting of the Board of The Marches LEP Limited: Tuesday 29 September 2020</p>	

Signed (electronically):

Mandy Thorn MBE DL, Chair Marches LEP

Date: 29 September 2020

Version 2 03.08.2020