

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

Tuesday 26 January 2021

4.00pm – 6.00pm

Remote access via Zoom

AGENDA

Item	Time		Lead	Discussion/ Decision	Paper
1.	4.00 pm	Welcome, Apologies and Declarations of Interest	MT		
2.	4.00 pm	Minutes of Marches LEP Ltd Board meeting on 24 November 2020	MT	Decision	x
3.	4.10pm	Governance a. Notice advising the resignation of P Bennett and appointment of R Massey. b. Annual Review of the LEP Board Terms of Reference and Articles; and the Accountability and Assurance Framework c. LEP Annual Performance Review meeting – Tuesday 9 February 2021	IB	Decision Decision Information	x x x
4.	4.30 pm	Presentation - Digital Strategy Delivery and roll out of broadband update	C Taylor	Discussion	
5.	5.00 pm	Presentation - Energy White Paper and support for meeting net zero targets	TY	Discussion	
6.	5.30 pm	Performance Risk & Monitoring Committee (PRMC) Report from meeting on 17 December 2020	SR	Decision	x
7.	5.45 pm	Progress report on project spend of Local Growth Fund (LGF) & Getting Building Fund (GBF)	NA	Discussion	To follow
8.	5.55pm	LEP Chair and CEO Report	GH	Information	x
	6.00pm	Any Other Business	MT		

Date of next Marches LEP Ltd Board meeting – 23 March 2021

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Item 2

**Draft Minutes of the Marches LEP Ltd Board Meeting
24 November at 4.00pm
Meeting held via Zoom
(Company Number: 11822614)**

Present:			
Mandy Thorn MBE DL	MT	Chair, Marches LEP Board	
Sonia Roberts	SR	Deputy Chair Marches LEP Board; Social Inclusion Champion; CEO Landau Limited	
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 (part of meeting)	
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	
Sara Williams	SW	Marketing Manager - Northern Europe, Protolabs	
Dr Catherine Baxter	CB	Higher Education Champion; University Secretary, Harper Adams University	
Christine Snell	CS	Business Partner, AJ & CI Snell	
In Attendance:			
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	
Nick Francis	ME	Deputy Head, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy	
Ollie Hindle	OH	Assistant Director, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy	
Clare Hannah	CH	Deputy Area Lead, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy (part of meeting)	
Gill Hamer	GH	Chief Executive, Marches LEP	
Ilia Bowles	IB	Director of Corporate Services Designate, 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.	1. Welcome, Apologies and Declarations of Interest MT welcomed everyone and thanked them for attending the meeting, including Cllr Ellie Chowns, Herefordshire Council who was observing the meeting via Zoom. MT also welcomed Ivan Annibal and KK who would be providing briefings on the outline plans for the Hereford and Telford Towns Fund projects. Apologies were received		

	<p>from Ruth Shepherd. MT noted that the meeting was being recorded to aid the production of the minutes.</p> <p>2. Declarations of Interest The Chair said that members of the Board declared their interests annually as part of the Register of Interests, but also reminded members to complete the form for any specific Declarations of Interest for this meeting and forward to EV if required. JS – declared an interest in Item 3 - Board Members, regarding extension of his membership. FM - declared an interest in Item 3 - Board Members, regarding his membership. PH – declared an interest in Item 4 - as Chair of the Corporation of Telford College. DW and MT – declared an interest in Item 4 – as members of the Telford Town Board. SR – declared an interest in Item 8 as CEO of Landau.</p>	
2.	<p>Minutes of the Marches LEP Ltd Board meeting held on 29 September 2020 The Minutes of the previous meeting held on 29 September 2020 were approved and would be signed (electronically) by the Chair as a true and accurate record of the meeting.</p>	EV
3.	<p>Board Members - re-election and rotation JS left the meeting at 4.07pm a. The Board approved a one-year Board membership extension for James Staniforth until October 2021 (unanimous). JS re-joined the meeting at 4.09pm b. The Board agreed to defer a decision on Frank Myer’s membership, as he has now served six years on the LEP Board, until the 26 January 2021 Board meeting (unanimous) to enable Herefordshire Business Board to hold an election for the Chair in the coming month.</p>	IB IB
4.	<p>Briefing on outline plans for Hereford and Telford Towns Fund projects MT introduced KK who gave a presentation on the Telford Towns Fund Investment Plan which covered the following points:</p> <ul style="list-style-type: none"> • The Telford Town Deal Board worked in partnership with Telford & Wrekin Council. • Community and business engagement were key to developing the detailed proposals. • The Board’s priorities were to: <ul style="list-style-type: none"> ○ Enhance digital infrastructure ○ Transform Telford Town Centre ○ Address skills and upskilling ○ Regenerate high streets and borough towns • There were a number of proposed investments that would be submitted in the plan under 3 thematic intervention areas: <ul style="list-style-type: none"> ○ Creating connected places; ○ Nurturing people and skills; ○ Destination Telford. • The Town Investment Plan would be submitted on 11 December 2020 with an ‘in principle’ deal potentially announced in February 2021. <p>DW thanked the LEP for current capital funding which had enabled initial investment which underpinned initiatives included in the Telford Towns Fund Investment Plan. MT commented that she attended the Telford Towns Fund Board on behalf of MLEP and that FM attended the Hereford Town Fund Board on behalf of MLEP.</p>	

	<p>MT then introduced Ivan Annibal, a consultant working with Herefordshire Council who briefed the meeting on the Hereford Investment Plan. The following points were covered:</p> <ul style="list-style-type: none"> • There were a number of challenges to address in Hereford: <ul style="list-style-type: none"> ○ Skills – relatively low level of educational outcomes; ○ Hereford is isolated as a city and has a broader role as a driver for the economic prosperity of surrounding settlements; ○ Economic divide between the north, which is relatively prosperous, and the south of city; ○ The county is challenged in the distribution of businesses; ○ There are specific health challenges in the south of the city; ○ There is a disproportionately high number of over 65s. • The investment plan was reaching the end of an intensive community and business engagement process. • There were a number of distinctive elements of the plan: green agenda; commitment to fairness; creativity; digital connectivity and skills. • It had been identified that there was a low skills base; poor social mobility; a high carbon footprint and poor road and rail infrastructure. • The Towns Fund Board was undertaking a project selection process. A core of key projects would be identified by early December 2020 and these would be supported to develop their business cases. • The main areas to be developed would be: <ul style="list-style-type: none"> ○ ‘Skills Foundry’ – including NMITE and other FE providers; ○ Major ‘landmark attraction’; ○ Environmental and green-related activities; ○ Focus on the city centre and the South Wye area. <p>MT thanked KK and IA for their presentations.</p> <p>The Board agreed that letters of support would be provided for both submissions (12 for; 2 abstentions).</p>	<p>MT, GH</p>
<p>5.</p>	<p>Performance Risk & Monitoring Committee (PRMC) – report from the meeting on 22 October 2020</p> <p>SR updated members on the activities of the PRMC. Members commented that the new format of the Board report was very accessible, making the risks easier to scrutinise. SR said that nominations were being sought for a deputy chair for the PRMC; that a business continuity plan was being developed for MLEP and the Service Level Agreement with Shropshire Council was in the final stages of drafting. She also commented that the workload for MLEP staff had trebled in the past 12-18 months in managing £41million of contracts resulting in 25 live projects, and that short-term staff contracts posed a high risk to the business. Financial reliance through ‘blended’ measures was being developed but longer-term security through a 3-year commitment in the Comprehensive Spending Review was required. It was intended that opportunities for the private sector to contribute to growing the economy would be provided by growing the project pipeline. OH asked what the timeframe was for resolution of the action from the MLEP Mid-Year Review regarding the aligning of the Business Board Terms of Reference with the governance requirements of the LEP, due by 31 October 2020. MT said that meetings were currently taking place with the business board chairs and that the LEP did not want to be marked down on performance due to this outstanding action.</p>	<p>All</p> <p>MT, SR, GH, BB Chairs</p>

	<p>The Board noted the PRMC report and the current position relating to both risk registers.</p>	
<p>6.</p>	<p>Progress report from 3 Local Authorities on investment of £1.58m MIF revenue funds to support SMEs impacted by flooding & COVID The local authority officers gave an update to the meeting. MB said that due to the impact of COVID, Shropshire Council was requesting that the deadline for spend be extended to 31 March 2021 to ensure it was able to get the most out of the funding. RA said that Herefordshire Council had targeted the visitor economy but due to the impact of COVID the Board was asked to endorse the previously agreed spend-by-date of 31 March 2021. FM requested a separate meeting to discuss related funding to support other tourism projects. KK said that Telford & Wrekin Council was funding projects promoting the retail, leisure and hospitality sectors. Telford & Wrekin Council also requested a deadline extension to 31 March 2021. The Board noted that good progress was being made in delivering a range of business grants and innovative tourism initiatives to support market towns and businesses facing economic challenges as a consequence of the flooding in February 2020 and subsequently the COVID lockdowns. The Board agreed that all three local authorities should be given an extension until the end of March 2021 to submit their final report and statement confirming the use of the funds in line with the grant agreements issued in July 2020 (11 for; 2 abstentions).</p>	<p>FM, MT</p> <p>GH,JW</p>
<p>7.</p>	<p>Progress report on project spend of Local Growth Fund (LGF) & project contracting using Getting Building Fund (GBF) MT said that there was an error in the Agenda and that there were 2 decisions to be taken by the Board under this item. NA provided an update for the Board. a. The spend in Quarter 2 had been lower than anticipated due to issues around COVID and the practicalities of contracting £23m of new LGF projects, which were signed off during the end of Quarter 2. Just under £6m of claims had been paid in October which would be reflected in the Quarter 3 LGF Data return. The Board noted the Quarter 2 position relating to Local Growth Fund performance as set out in section 1 of the paper. b. The Board noted the receipt of the final one third payment of The Marches LEP 2020/21 Local Growth Fund allocation, as set out in section 2 and appendix 1 of the paper. c. The LEP had received confirmation from the Ministry of Housing Communities and Local Government (MHCLG) of the £14m GBF award (see appendix 2). This confirmed that the GBF allocations would be split into £7m for FY 2020/21 with an indicative profile of £7m in FY 2021/22 The Board noted that confirmation had been received from MHCLG in relation to the £14m GBF award, as set out in section 3.1 and appendix 2 of the paper. d. Whilst the LEP continued to work closely with projects promoters, to date no Funding Agreements had been signed off. In the majority of instances, delays had been experienced in receiving due diligence information from projects, impacting on the anticipated timescales for finalising Funding Agreements. The Board noted the current position relating to the issuing of GBF Agreements, as set out in section 3.2 of the paper.</p>	

	<p>e. Due to the timescales involved in spending £7m of GBF by 31 March 2021 (as set out in appendix 2), it was recommended that the LEP Board set a deadline of Friday 4 December 2020 for all GBF Funding Agreements to be signed off, mitigating the risk to the programme. The recommendation was discussed by members and OH confirmed that the projects needed to be contracted as soon as possible. RA said that Herefordshire Council would not, under its governance arrangements, be able to confirm it can be the accountable body for the GBF funds until as the accountable body for the NMITE project, Herefordshire Council required a governance decision at the Council meeting on 17 December 2020. GH said that for all other projects, if they were not contracted by 4 December 2020, an emergency Board meeting may have to be called to decide the way forward.</p> <p>The Board approved the setting of a deadline of Friday 4 December 2020 for all GBF funding agreements to be signed off, as set out in section 3.3 of the paper, noting the different process adopted for the NMITE project (12 for; 1 abstention).</p> <p>MT thanked the LEP team and local authority teams for all their work on the funding agreements.</p> <p>f. Integrated Construction Wetlands project - following a review of the match funding information for the rewilding element it was found that the majority of the additional match funding was ineligible due to it being classed as revenue as well as sitting outside of the reporting timescales of the GBF programme.</p> <p>The Board approved the reduction of the Integrated Construction Wetlands match funding value from £2m back to its original value of £1m as set out in section 3.4 of the paper (unanimous).</p> <p>g. The Board noted the update on the clawback of the £3.8m for the South Wye Project, as set out in section 4 of the paper.</p>	<p>NA</p> <p>NA</p>
<p>8.</p>	<p>Skills activities update</p> <p>JS introduced the report on the work of the Skills Advisory Panel (SAP) which brought together local employers, government departments including the Department for Education and the Department for Work and Pensions and skills providers to understand and address key local skills and labour market challenges through the development of a clear evidence base. He drew members' attention to the fact that there had been a focus on the development of skills data and intelligence which had provided evidence-based skills and labour market analysis for the LEP's priority sectors. The Marches LEP had signed a Memorandum of Understanding with the DfE in order to access funding of £75k to grow the research and analysis capability of the SAP and produce the Local Skills Report. The deadline for expenditure was 31 March 2021. In order to encourage collaboration between colleges across the Marches, it was proposed that a curriculum planning exercise be undertaken. This would identify specialisms, understand gaps in provision and look at opportunities associated with digital learning. Funding had been identified for this activity.</p> <p>Members expressed concern regarding the mental health and wellbeing of students during the current crisis and suggested that 'digital poverty' was an issue across the Marches, in part due to connectivity problems, particularly in rural areas. It was critical to have a blend of learning methodologies in order to support students. MT drew members' attention to the Careers and Enterprise Company and the Cornerstone Employers initiative.</p> <p>The Board noted the activities undertaken by the Skills Advisory Panel and its priorities for the coming period.</p>	

9.	<p>LEP Chair/CEO report MT directed members to the information in the report and said that a significant number of updates were currently being received from many sources.</p>	
9.	<p>Any Other Business PH raised a query regarding the Marches Centre of Manufacturing and Technology (MCMT). GH informed members that the LEP, with Shropshire Council, was currently in discussions with the shareholders of MCMT regarding potential changes to the structures of the company and the implications for the respective funding agreements. The Board would be further updated in due course.</p> <p>Members would also be updated following the announcement of the Comprehensive Spending Review on 25 November 2020, on the implications for funding for the LEP and the Marches Growth Hub.</p>	<p>GH</p> <p>GH</p>
10.	<p>Close The meeting closed at 6.05pm.</p>	
	<p>Next Meeting of the Board of The Marches LEP Limited: Tuesday 26 January 2021</p>	

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Item 3a

Marches Local Enterprise Partnership Ltd Board Meeting – Tuesday 26 January 2021 Board Member Changes

a. Paul Bennett – stood down as a member of the MLEP Board on 31 December 2020

Paul Bennett stood down as the Chair of the Shropshire Business Board on 31 December 2020, and in accordance with the Articles of Association section 21.3.1, as a director of Marches LEP Ltd.

b. Resolution: Appointment of Private Sector Director

Rob Massey has been appointed as the Chair of the Shropshire Business Board. Rob is the Head of Sales & Marketing for Datamars Agri UK, a Swiss owned Agri-Tech company with a UK base in Craven Arms. In this role, Rob is responsible for the UK and Ireland subsidiaries that focuses on improving productivity and profitability in farming. Rob qualified as an Agronomist at Harper Adams University and has a number of other agricultural related qualifications. He has been a member of the Shropshire Business Board for the last 18 months.

In accordance with the Articles of Association section 20, members of the Board are asked to **confirm the appointment** of Rob Massey as a director of Marches LEP Ltd.

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Meeting date:	26 January 2021			
Agenda Item:	3b			
Item Subject:	MLEP Board Terms of Reference, Articles of Association, Accountability and Assurance Framework and Membership Rotation			
For:	Discussion		Decision	X
				Information

Purpose of the Paper: To inform the MLEP Board Members of the outcome of the reviews carried out to the MLEP Board Terms of Reference (TORs), Articles of Association (Articles) and Accountability and Assurance Framework and to recommend the MLEP Board to approve the revised documents.

To inform the MLEP Board of the intended approach to manage MLEP Board membership rotation.

Summary of Recommendations:

That the MLEP Board:

1. Approves the revised MLEP Board's TORs and Articles; and
2. Approves the revised MLEP Accountability and Assurance Framework.
3. Notes the intended approach to manage MLEP Board membership rotation.

Main points (recommendations to be highlighted in bold at the end of each section as required):

MLEP Board's TORs and Articles

The MLEP Board's TORs and Articles have been reviewed to ensure the two documents were consistent with each other and with the Accountability and Assurance Framework. The review did not highlight any major issues.

Main changes to the Board TORs were the following:

- The inclusion of bullet point six to the Board Membership section on page 3, confirming that, as per Article 21.3.2, "*at the end of the six-year term, the Members of the LEP Board can resolve to extend the terms of the appointment of the Chairs of the Business Boards and Enterprise Zone by such further period as they shall determine following a review of the ongoing requirements of the LEP and as long as they remain elected as Chairs by their respective Business Boards and Enterprise Zone.*"
- The amendment of bullet point eight of the Board Membership section on page 3, confirming that at the end of a six-year term, a Private and Voluntary Sector member may extend the terms of their appointment *but only with the express approval of the LEP Board and by such further period as the LEP Board determine, following a review of the ongoing requirements of the LEP.*
- The inclusion of a new section describing the roles and responsibilities of the MLEP Chair, as requested by the Assurance Team in the Government's Local Growth Team.
- The amendment of bullet point one of the Recruitment of LEP Chair and Deputy Chair(s) section, to include that "the Private Sector LEP Chair will be recruited by open recruitment *following a month-long consultation period to seek the views of the business community in the Marches on the role of the LEP Chair*" as required under the Accountability and Assurance Framework.
- The amendment of bullet point five of the Recruitment of LEP Chair and Deputy Chair(s) section, as per Article 14.3, to include that "the Chair shall preside over any meetings of the

Board. If the Chair is absent, the Deputy Chair will chair the meeting. *If neither the Chair nor Deputy Chair are present within 15 minutes of the time at which the meeting was due to start, the Board must elect one of themselves to chair the meeting.*"

- The amendment of the Voting and Decisions section to align it to Articles 10, 11 and 15, and to ensure the written resolution procedure takes account of remote working practices.

Main changes to the Articles were the following:

- The inclusion of Voluntary Sector Director under the list of defined terms.
- The amendment of Article 10, Directors: decision-making, to ensure the procedure illustrated within that Article takes account of remote working practices.
- The amendment of Article 21.3. to clarify that "Business Board Directors and Enterprise Zone directors shall retire from office on the earlier of the date on which the relevant director ceases to be a Business Board Director or Enterprise Zone Director (as the case may be); and the sixth anniversary of their appointment unless the LEP Board Members resolve to extend the terms by such further period as they shall determine following a review of the ongoing requirements of the company, *as long as they remain elected as Chairs by their respective Business Boards and Enterprise Zone.*"

➤ **Recommendation – That the MLEP Board approves the revised TORs and Articles.**

MLEP Accountability and Assurance Framework

A general review of the MLEP Accountability and Assurance Framework (main body and Appendices 1, 2, 4, 5, 9, 10, 11) was carried out to ensure the document was up-to-date and consistent with the National Local Growth Assurance Framework for LEPs as well as the MLEP Board TORs and Articles. The document was also reviewed for style and consistency to ensure it did not contain any discrepancies or unnecessary repetitions.

Following that initial review, the document was circulated for comments to the S151 Officer at Shropshire Council, in their role as the MLEP's Accountable Body, and the MLEP Management Team. It was also reviewed by the Assurance Team in the Government's Local Growth Team - a partnership between the Department for Business, Energy and Industrial Strategy (BEIS) and the Ministry of Housing, Communities and Local Government (MHCLG). All comments received have been considered and the majority of them have been included within the revised version of the document. Main amendments included the following:

- The inclusion of a clear description of the roles and responsibilities of the MLEP Chair to paragraph 2.2.1, as required by the Assurance Team.
- The amendment of paragraph 2.3.1 to include a clarification about the position of MLEP Board members at the end of their six-year term in alignment with the MLEP Board TORs, Board Membership section, and Articles of Association, 21.3.2 and 21.4.
- The amendment of paragraph 2.5.3 to include details of the representation of women on the MLEP Board at 40%, well above the Government's gender diversity requirement of 33% (excluding co-opted members).
- The amendment of paragraph 6.3, as required by the Assurance Team, to clarify that the MLEP is committed to ensuring that all funding opportunities are openly advertised and that, when available, these will be published on the MLEP dedicated website.

- **Recommendation – That the MLEP Board approves the revised Accountability and Assurance Framework (main body and Appendices 1, 2, 3, 4, 5, 9, 10, 11).**

To note, the remaining sections of the Accountability and Assurance Framework (Diagrams and Appendices 6, 7, 8 and 12 to 24) will be reviewed in due course and presented at the MLEP Board meeting in March or May 2021.

Board membership rotation

In line with the MLEP TORs, the Chair is due to set up a Board Member Appointments Panel, comprising at least three additional MLEP Board Members, which will meet in February 2021 to:

- review and take account of any wishes indicated by MLEP Board Members to stand down in the year; and
- manage succession planning and MLEP Board Members' rotation.

The Appointments Panel will then make a recommendation to the next available MLEP Board meeting (on 23rd March 2021) on whether any MLEP Board Members who have served for more than six years can be reappointed (in line with the MLEP TORs and Articles) or need to stand down and be replaced.

- **Recommendation – That the MLEP Board notes the intended approach to manage MLEP Board membership rotation.**

Financial implications: None

Legal implications: None

Risks, opportunities and impacts: None

Equality implications: None

Additional information/ attachments:

[Appendix 1. MLEP Board TORs](#)

[Appendix 2. MLEP Articles of Association](#)

[Appendix 3. MLEP Accountability and Assurance Framework](#)

Background papers/documents: None

Report Author: Ilia Bowles, MLEP Director of Corporate Services

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Meeting date:	26 January 2021			
Agenda Item:	3c			
Item Subject:	LEP Annual Performance Review (APR) 2020-21			
For:	Discussion		Decision	Information X

<p>Purpose of the Paper: To inform the LEP Board Members of the arrangements for the 2020/21 APR and to present the completed Annex A, APR Preparation, which will be discussed at the APR meeting with the Cities and Local Growth Team at the Ministry of Housing, Communities and Local Government (MHCLG) on 9 February 2021.</p>
<p>Summary of Recommendations: That the LEP Board notes the arrangements for the 2020/21 APR and Annex A, APR Preparation.</p>
<p>Main points</p> <p>The Annual Performance Review provides government and LEPs with the opportunity to:</p> <ul style="list-style-type: none"> • Reflect on the LEP's performance over the last six – twelve months in the areas of governance, delivery and strategic impact; • Elaborate on key issues highlighted in their pre-annual performance review return and in the outcome of the Mid-Year Review; • Showcase the progress to date on delivery of strategic economic objectives and programmes; • Reflect on their current position and highlight to Government any barriers they are encountering; • Look forward to the major priorities and challenges expected in 2021-22 and the contribution the LEP has made towards driving forward local economic growth. <p>The following people are required to be at the APR meeting from the LEP – the LEP Chair, LEP CEO, Section 151 Officer from the accountable body and other key staff. Attached for your information is the completed Annex A form the LEP CEO is required to complete and submit to MHCLG by 20/01/2021.</p> <p>➤ Recommendation – That the MLEP Board notes the arrangements for the 2020/21 APR and Annex A, APR Preparation.</p>
<p>Financial implications: None</p>
<p>Legal implications: None</p>
<p>Risks, opportunities and impacts: None</p>
<p>Equality implications: None</p>
<p>Additional information/ attachments: Appendix 1 - MLEP Annex A: APR Preparation</p>
<p>Background papers/documents: None</p>
<p>Report Author: Iliia Bowles, MLEP Director of Corporate Services</p>

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Item 4 – Presentation – Digital Strategy Delivery and update on roll out of broadband

Item 5 – Presentation - Energy White Paper and support for meeting net zero targets

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Meeting date:	26 January 2021					
Agenda Item:	6					
Item Subject:	Performance Risk & Monitoring Committee (PRMC) and Risk Registers					
For:	Discussion		Decision	X	Information	X

Purpose of the Paper: To update Board Members on the activity of the PRMC group and the actions agreed at the last PRMC meeting on 17 December 2020.

PRMC is a strategic group with delegated responsibility from the MLEP Board and its reports form part of the governance reporting for the MLEP Board of Directors.

Summary of Recommendations:

That the MLEP Board:

1. Notes the changes made to the MLEP Strategic risk register and those proposed for the Project risk register;
2. Approves the newly developed MLEP Business Continuity Plan (BCP); and
3. Approves the latest draft Service Level Agreement (SLA) for future service with Shropshire Council, which is currently being finalised and due to come into effect on 1 April 2021.

Main points

1. MLEP Strategic risk register and Project risk register

A general review of the Strategic risk register has been carried out. Main amendments included:

- Updating *risk descriptions* and *risk responses* to ensure they were accurate;
- Amending *current controls* to ensure they reflected actual measures in place;
- Renaming *annual review date* to *last review date* to instil more confidence in third parties that the register is reviewed regularly.

➤ **Recommendation – That the MLEP Board notes the changes made to the Strategic risk register.**

It is proposed that the following two new risks are added to the Project risk register.

- Risk 1 - Contract Variation for the Marches Centre for Manufacturing Technology (MCMT), a Skills Capital Local Growth funded project awarded £1.92m in November 2016. The project was funded to deliver engineering apprenticeships at a new purpose-built training facility on the Stanmore Industrial Estate near Bridgnorth.

Board members are asked to note that the four shareholders of MCMT advised the MLEP CEO in April 2020 that an agreement had been made between the shareholders that In-Comm (one of the four shareholders) would take over sole shareholding and operational control of MCMT. Since May 2020, the MLEP Team with the Council's Finance and Internal Audit teams have been undertaking due diligence on the proposal to vary the contract from four shareholders, acting as guarantors of MCMT's obligations, to 1 shareholder. The due diligence process was finally concluded in December 2020 when the LEP CEO, the S 151 Officer and the Chair of PRMC had received sufficient evidence on how the contract will be delivered by MCMT with In-Comm as the sole shareholder and guarantor of the contract. A contract variation will now be produced.

It should also be noted that the MLEP CEO has been advised that In-Comm are proposing to move the training equipment purchased with MLEP funds from the facility at Bridgnorth to be

located in its existing training facility in Shrewsbury and a new training centre on the Priorslee Campus of the University of Wolverhampton, to aid the delivery the MCMT contract and ensure ongoing usage of the valuable equipment for training young people in the northern Marches. The Principals of Shrewsbury, Telford and Hereford, Ludlow and North Shropshire Colleges have expressed concerns to the MLEP CEO about this move as they believe it will result in over provision in engineering apprenticeships in Shrewsbury and Telford; however, the MLEP contract does not prohibit the move.

Risks:

a) By not agreeing to this variation the project may not have continued and the project would not be able to fulfil its outputs and the equipment would not be used for training purposes.

b) The relocation of the training equipment to Shrewsbury and Telford may result in some displacement of existing engineering apprenticeship provision delivered by other training providers in Shrewsbury and Telford. To mitigate this, In-Comm has agreed to meet the College Principals to outline its plans for its training provision in Shrewsbury and Telford and discuss learning pathways.

- Risk 2 - Impact of COVID/the economic downturn on the delivery of Apprenticeship outputs on the Local Growth Funded Skills capital projects

It should be noted that 6 out of the 10 skills capital projects with providers are struggling to achieve their apprenticeship outputs. To mitigate this risk, the MLEP Team will arrange for those contracts that are struggling with apprenticeship outputs to be given a contract extension of 1 year.

➤ ***Recommendation – That the MLEP Board notes the changes proposed for the Project risk register.***

2. MLEP BCP

A BCP, including elements of disaster recovery, has been developed for the MLEP to enable business operations to be maintained in the event of a disaster. The aims of the plan are to:

- Identify a Business Continuity Team and other key contacts;
- Guide the team in responding to a disruptive incident (incident management);
- Provide step-by-step protocols;
- Maintain delivery of critical activities/services during an incident (business continuity);
- Return to 'business as usual' (resumption and recovery);
- Prioritise emergency communications; and
- Identify back-up locations and resources.

The plan will be activated in response to an incident causing significant disruption to MLEP key/critical activities. Examples of circumstances triggering activation of this plan include but are not limited to:

- Loss of key staff or skills, e.g. above normal levels of absence due to illness;
- Loss of critical systems, e.g. long-term ICT failure, major ICT security breach, long-term power loss, telecoms/network loss;
- Denial of access, or damage to, facilities, e.g. loss of the building through fire or flood;
- Loss of a key resource, e.g. a major supplier vital to the delivery of a key service; and
- Security threat within the nearby areas, e.g. a terrorist attack.

➤ ***Recommendation – That the MLEP Board approves the newly developed BCP.***

3. Draft SLA

During the last three months, a significant amount of work has been carried out with Shropshire Council Finance and Legal teams to produce a newer draft of the SLA. This work involved: reviewing the main body of the document; drafting the schedules; finalising proposals for HR and IT service provisions; and agreeing funding agreement templates.

In November, a legal independent review of the SLA was commissioned to ensure the document was commercially sound and the wording well balanced. MLEP's solicitors, Bevan Brittan, conducted that review; most of their comments have been discussed and agreed with Shropshire Council and incorporated into the SLA.

On 9th and 17th December, the SLA was also reviewed by the MLEP Incorporation Task and Finish group and PRMC group respectively and their comments have been submitted to Shropshire Council for consideration. These include the following:

- Clause 5.2.8 – *“Whether the S151 Officer should have absolute discretion in deciding whether the MLEP can enter into or amend or terminate any Funding Agreement or grant offer with an applicant for, or recipient of, funding for which the Council is the Accountable Body or make any representations that the Accountable Body will enter into, amend or terminate such an agreement.”* - Shropshire Council, the MLEP's Accountable Body, has been asked to comment on this point. A member of the MLEP PRMC group is of the view that the S151 Officer should never have **absolute discretion** unless the Board is, accidentally or deliberately, about to act unlawfully.
- Clause 5.2.21 – *“Whether the MLEP would be able to know about all conflicts of interest or whether it might inadvertently fall foul of this clause.”* - Shropshire Council has been asked to consider rephrasing this clause so that the duty to flag conflicts of interest sits with Shropshire Council itself.
- Clause 8.1 – *“Whether it is reasonable for the MLEP to take out insurance against all “legal liability, which includes losses from a breach of a contractual liability, as such insurance can be quite expensive.”* - Clause 8.3 puts a limit to the MLEP's liability. However, Shropshire Council has been asked to consider matching the MLEP's legal liability under the SLA to the MLEP's obligations under its current insurance.
- Clause 11.1 – *“This clause sets out the framework for the sharing of personal data between the parties as controllers.”* - PRMC Group commented that as Accountable Body, Shropshire Council should be the controller and the MLEP the processor. Shropshire Council has been asked to agree to this change.
- Schedule 2, section C – *“Whether the S.151 officer for the Council shall convene meetings as required with other local authority S.151 officers in the Marches region to explain and agree MLEP financial processes for funding”* - Shropshire Council has been asked to change “agree” to “discuss”.

Annual charges proposed under the SLA for financial year 2021/22 are as follows:

- IT £1,929.84 + VAT (same as 2020/21 charges)
- HR £1,150 + VAT (same as 2020/21 charges)
- Payroll £1,050 + VAT (same as 2020/21 charges)
- Finance £110,303 + VAT
- Procurement £60 + VAT per hour (same as 2020/21 charges)

<ul style="list-style-type: none"> • Legal, between £80 and £120 + VAT per hour (same as 2020/21 charges), up to a limit of 35 billed hours (i.e. 5 Business Days) per quarter <p>Proposed Finance costs are based on estimated staff time required and are subject to change based on the MLEP programme of works. All service charges are to be invoiced on a quarterly basis, in arrears, and based on timesheets. IT, HR and Payroll charges may be slightly higher once finalised, to reflect the increased number of MLEP staff.</p> <p>➤ Recommendation – That the MLEP Board approves the latest draft of the SLA.</p>
<p>Financial implications: The MLEP needs to accurately monitor risks to the programme, ensuring these do not impact negatively on performance.</p>
<p>Legal implications: None</p>
<p>Risks, opportunities and impacts: See above in relation to strategic and programme risk register.</p>
<p>Equality implications: None</p>
<p>Additional information/ attachments:</p> <p>Appendix 1 - Strategic risk register Appendix 2 - Programme risk register Appendix 3 - PRMC draft minutes of the meeting on 17 December 2020 Appendix 4 - MLEP Business Continuity Plan (BCP) Appendix 5 - Service Level Agreement (SLA) with Shropshire Council (Future Services) – commercially confidential document (attachment to email) Appendix 6 - Bevan Brittan’s comments to the SLA – commercially confidential document (attachment to email)</p>
<p>Background papers/documents:</p> <p>Summary of PRMC meeting on 17 December 2020</p> <ul style="list-style-type: none"> • A BCP has been developed. Main aims of the document are to establish protocols and identify a business continuity team, how critical business activities can continue and how the MLEP can go back to business as usual in the event of a disaster. The BCP has been approved by the PRMC group. • A general review of the Strategic risk register has been conducted and changes have been approved by the PRMC group. A Partnership section is due to be added to the register to allow the PRMC group to have an overview of all the activities of the MLEP. • A SLA with Shropshire Council is being finalised and due to come into effect on 1 April 2021. Bevan Brittan, MLEP’s solicitors, have carried out an independent legal review of the document; their comments have been incorporated to the document but overall they did not highlight any major issues. The MLEP Incorporation Task & Finish group and the PRMC group have reviewed the SLA and put forward some comments. • PRMC Terms of Reference (TORs) have been reviewed and approved unanimously by the group. • All MLEP staff contracts have been extended to 31 March 2022. A prospectus on future funding for LEPs would be available in early 2021, although the anticipated publication date of January 2021 has been delayed. • Capitalisation of Growth Deal to assist with Programme Management costs currently stands at £107k. • Projects have claimed £15.3m of Growth Deal funds against a profile of £37.3m. Monitoring visits have been conducted, with projects confirming they would be able to spend funding by 31 March 2021.

- Getting Building Fund (GBF) projects have agreed to the terms and conditions of the funding agreement by the deadline. Apart from NMITE, all other contracts were signed off in December 2020.
- VAT and Corporation Tax costs have hit the MLEP core budget. Discussions with HMRC are ongoing to establish whether the MLEP could recover some VAT.
- There is uncertainty as to whether the MLEP can operate to full capacity in 2022/23 at current funding levels.
- The PRMC group plans to review its effectiveness at their next meeting on 25 February 2021.

New risks added to the Strategic risk register and Programme risk register at the 17 December 2020 meeting:

- None

Reviewed Risks:

- A general review of the Strategic risk register has been conducted and changes have been approved by the PRMC group.

Risks to be reviewed at the next MLEP Board meeting:

- Risks relating to Partnership, which will be first considered by the PRMC group at their next meeting on 25 February 2021.

MLEP Board Actions required in the short term from a PRMC's perspective:

- Encourage a review of Herefordshire Business Board (BB) TORs so that they are aligned with Nolan Principles, in relation to risk 1.2 in the Strategic Risk Register. Telford BB has recently amended its TORs, whilst Shropshire BB is about to sign off its new TORs in due course.
- Approve the SLA with Shropshire Council, in relation to risk 1.1 in the Strategic Risk Register.
- Approve the capitalisation of Growth Deal Funds, in relation to risk 2.4 in the Strategic Risk Register.

Aims and purposes of the Risk Register are to:

- Support and identify risks which in turn assist the MLEP Board in delivering the aims of the MLEP, in line with strategic and operational intent.
- Promote the importance of what we do and its importance to the economic development of the Marches area.
- Promote the integrity of the MLEP as a company in meeting its obligations to the Law and stakeholders, and instilling honesty and strong moral principles.
- Encourage and promote innovation crucial to the economic development of the Marches area.

Report Author: Ilia Bowles, MLEP Director of Corporate Services

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Item 7 – Progress report on project spend of Local Growth Fund (LGF) and Getting Building Fund (GBF) to follow

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Item 8

Marches LEP Chair and Chief Executive's Report

Marches LEP Ltd Board meeting on 26 January 2021

This report provides updates on issues that do not require a Board decision. The LEP Chair and CEO will take questions on any of the below items at the Board meeting.

1. Business Support

a) Appointment of the new Business Support Steering Group Chair

Following open advertisement for a new Chair, interviews (supported by LEP Board member Sara Williams) took place on 5/01/21. Dave Courteen (Founder & MD of Mosaic Spa & Health Clubs with sites in Shrewsbury and Hereford) has been appointed for a 2-year period. In addition to his extensive business experience, Dave is a member of Shropshire Business Board and has served on a number of national committees, i.e. 11 years as a Director of the Fitness Industry Association, now UK Active, including a two-year stint as Chair and is currently Deputy Chair of UK Active's Membership Council. Dave will champion business support across the Marches and report into the LEP Board twice a year. It is proposed that the terms of reference for the Steering Group are reconfigured to take account of the anticipated Business Support Reform programme being undertaken by the Department for Business, Energy & Industrial Strategy (BEIS) and the long-awaited announcement of the new funding programme called UK Shared Prosperity Funding which will replace the funds received from the EU to support business, skills development & innovation.

b) Marches Growth Hub (MGH) Core and Supplementary Funding

The 2019/20 year-end reports have been signed off by BEIS and 2020/21 funding and activity applications for Core Funding (£205k) and Supplementary Funding (£257k) have been approved. Copies can be found in the relevant sections here [reports and schedules](#).

Reports on progress to end of September 2020 were submitted in line with BEIS deadlines and feedback is awaited. Both Core and Supplementary Funding have reported strong performance by the three local authority teams and partners against BEIS metrics including:

- Delivery of **121** virtual events supporting **2,238** attendees from **2,227** businesses.
- Spend of **£99,033**, supporting **17,977** business interactions.
- **366** individuals were supported in starting-up a business and **8,568** referrals were made to partners including EU programmes, local authority business support and private sector providers.
- MGH SME clients accessed **19** EU-funded business support projects with a total financial value of **£19.5m**, with a further **£2m** of investment in the pipeline. The four largest ERDF schemes (Business Energy Efficiency Programme (BEEP), Business Growth Programme (BGP), Marches Buildings Investment Grant (MBIG) and Broadband Grants) awarded a combined **£1.3m** to Marches businesses between 1 April 2020 and 30 September 2020. The EU investment will lead to the anticipated creation of **75** jobs.
- MGH medium to high intensity data returns have identified that **£620,872** private sector match has been secured.
- Customer satisfaction remains **consistently high** for support received and a range of recent case studies may be found [here](#).
- www.marchesgrowthhub.co.uk received **21,794** website visits (**14,577** unique visitors) and **320** enquiries.
- The Supplementary Funding has supported the engagement of a pool of **41** virtual business/specialist advisers to deliver 1:1 business advice across the Marches.

c) EU Transition Growth Hub Funding

The Marches LEP has been allocated **£136,050** to support businesses in adapting to new requirements following the end of the EU Transition period. The West Midlands Growth Hub Cluster members (Black Country, Greater Birmingham & Solihull, The Marches, Stoke & Staffs, Worcestershire, and Coventry & Warwickshire who are the Cluster Lead) have agreed to collaborate and 'pool' funding from their separate allocations to help deliver a central EU Transition Project. All planned activity will dovetail into support delivered by the local/regional Department for International Trade (DIT) teams including the new Export Academy. A West Midlands EU Support website has been launched giving details of the support available at www.wmgrowthhubs-eusupport.co.uk

d) www.marchesgrowthhub.co.uk upgrade.

The website is currently being re-designed to improve the customer experience and upgraded to WordPress to enable more efficient updating. The MGH Steering Group approved the draft visuals at their September 2020 meeting. It is planned that the updated website will go live in February 2021.

e) Growth Hub Network Evaluation

BEIS has commissioned Technopolis to undertake an independent evaluation of the Growth Hub network over the coming months. The first workshop was delivered on 17 December 2020 with a selected number of growth hubs including the Marches.

f) New COVID-19 Business Grants

www.marchesgrowthhub.co.uk has been updated to provide information on new COVID-19 19 grants that have been announced by government. An [overview](#) of the schemes and links to the application process with the relevant local authority has been provided.

g) Small Business Recovery Grant Scheme (ERDF COVID 19 Kickstart Funds)

Delivery is going well through Telford & Wrekin Council and demand has been high. As of 11 January 2021, the programme is around **66%** committed (85% Wider Economy/28% Visitor Economy) and circa **£47k** has been paid out to date. Communication with MHCLG is underway to see if extension to deadlines may be possible.

h) Peer Networks for SMEs

Following procurement, contracts have been awarded to three providers (BizSmart, IBD Group and Neale Lewis Associates) to deliver the seven cohorts which make up the Marches element of the programme: Roll-out of the programme began on 17 December 2020, with the first delivery sessions scheduled from mid-January onwards. A targeted marketing campaign, supported by Be Bold Media, has begun to attract eligible businesses. Early indications are that numbers will be met, although the practicalities of delivering such a programme against the backdrop of the current pandemic, and its associated impact upon businesses, remains a concern given the tight time scales. Regular feedback is being provided to BEIS on progress, in addition to any issues encountered or envisaged. A total of 31 participants are currently registered to join the programme.

i) International Trade Staffing

The Marches LEP has secured specialist international trade support for businesses in the Defence & Cyber Security Cluster. James Vithanage is employed as a DIT Cluster Lead through Worcestershire LEP and will also be available to support Marches based businesses. He is developing an action plan and has been introduced to partners at Skylon Park including the new Cyber Security Centre. An introductory event for businesses is being held on 4 February 2021, further details and bookings maybe found at this link [Exports to the Defence Market](#).

j) Access to Finance

The LEP's Access to Finance Group is due to meet on 28 January 2021 to consider current conditions and contribute to the LEP's economic recovery plan. This session will be chaired by Paul Kalinauckas, as the LEP's Access to Finance Champion

2. Skills and Labour Market Support

a) Working with Department for Work and Pensions (DWP)

The Marches LEP has set up a strategic working group with DWP Leads with a focus on current unemployment/claimant numbers, Kickstart scheme, Youth Hubs and sharing of information on current economic conditions. In addition to this, operational working groups have been developed with the ESF contract holders, DWP and the three local authorities in response to the increase in unemployment across the Marches as a result of COVID-19. This enables local intelligence to be shared at an early stage to support businesses and employees.

b) Skills Advisory Panel (SAP) and Local Skills Report

The Marches LEP secured £75k from Department for Education in 2020/21 to finalise its evidence base and data set for use by partners. Funding has been used to update analysis of skills needs and demand, potential growth areas, labour market challenges and sector specific opportunities and to evidence the impact of the SAP.

The LEP is required to produce a Local Skills Report for submission to DfE by the end of March 2021. Hatch has been commissioned to conduct a review of the SAP and write the Local Skills Report which will be supported by the LEP's Skills Project Manager. The Black Country Consortium has been procured to support the SAP and provide additional data support for the Local Skills Report and economic recovery planning. In addition to this, the LEP has invested in EMSI Analyst as a data analysis and curriculum planning toolkit for the LEP, three General FE Colleges, the three Local Authorities and Marches Skills Provider Network.

c) Marches Careers Hub

Eden Ihle- Vance joined the LEP Team in November 2020 as Careers Hub Lead. Her role is to manage the Careers and Enterprise Company contract, which involves the setup of the Marches Careers Hub. This forms part of the Department for Education's Careers Hub expansion plans announced in June 2020 to support skills for Covid-19 recovery. The Marches Careers Hub will draw on best practice and learning from earlier Wave 1 and Wave 2 Hubs, who have proven the critical role Career Hubs play in supporting local skills development.

The Marches LEP Careers Hub will be formally launched in April 2021, celebrating its vision of transforming career education for young people across the Marches. The launch will also demonstrate the Hub's commitment to supporting post Covid-19 economic recovery, increasing student, parent and carer access to the latest labour market information to shape informed career decision-making in uncertain times, and increasing meaningful encounters with employees.

A Steering Group and network of Cornerstone companies are being formed to act as advocates for careers education and business engagement, all of whom who are committed to supporting young people to access the career opportunities they need. Our Cornerstone Employers are experienced in engaging with education and giving strategic support to secondary schools and colleges to empower careers provision. They will support the Careers Hub to meet key objectives, including expansion of the employee-based volunteer Enterprise Advisors network. Enterprise Advisors work with Career Leaders to gain traction in their schools and colleges, and drive implementation of the Gatsby Benchmarks of excellent careers education. Eden will be working with our Enterprise Advisors to ensure they can support schools and colleges in developing their approach to careers education delivery, focusing on activities most effective in motivating young people, and providing employer perspective and insight. The Marches Careers Hub will be supported with access to bursaries for

individual schools and colleges to train Career Leaders, as well as a Central Hub Fund, equivalent to £1k per school or college to drive performance.

3. Outcomes of the 25/11/20 Comprehensive Spending Review (CSR)

The Chancellor announced a range of additional funding streams, including a new £4bn ‘*Levelling Up Fund*’ available to local places to bid into and that capacity funding for LEPs and Growth Hubs for 2021/22/FY had been secured. We have subsequently been advised by MHCLG civil servants that the Levelling Up Fund (capital funds) prospectus will issue in the coming weeks setting how the funds will be distributed and managed.

Since the announcement about the Levelling Up Funding the LEP Network agreed each LEP should write to its MPs setting out how LEPs are best placed to manage these funds. Mandy Thorn wrote to the seven Marches MPs before the Christmas break setting out how this LEP is very well positioned to contribute to recovery and growth plans in the years ahead and manage the new funds for the Marches.

4. Devolution and Local Recovery White Paper

The LEP CEO has been advised by MHCLG officials that the White Paper on “devolution and local recovery” may not now be published until after the May 2021 Local Government elections.

Mandy Thorn MBE DL, Chair
Gill Hamer, Chief Executive

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