

<b>THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED</b>					
<b>BOARD MEETING</b>					
Tuesday 20 July 2021			4.00 pm – 6.15 pm		
Plymouth Rooms, Ludlow Racecourse, Bromfield, Ludlow Shropshire SY8 2BT					
<b>AGENDA</b>					
<b>Item</b>	<b>Time</b>		<b>Lead</b>	<b>Action</b>	<b>Paper</b>
1.	4.00 pm	Welcome, Apologies and Declarations of Interest	MT		
2.	4.05 pm	<b>Board Member Changes and Appointments</b> a. Appointment of Public Sector Director, Shropshire Council – Cllr Lezley Picton b. Appointment of Alternate Director, Shropshire Council – Cllr Ed Potter c. Appointment of Private Sector Director - Will Westley d. Resignation of Ruth Shepherd e. Re-election of Sara Williams	MT	Decision	x
3.	4.15 pm	<b>Minutes of Marches LEP Ltd Board meeting on 25 May 2021 and Matters Arising</b>	MT/GH		x
4.	4.20pm	<b>Telford Land Deal Board Update</b> Presentation by James Dunn, Director of Prosperity and Investment, Telford & Wrekin Council	J Dunn	Discussion	x
5.	4.35 pm	<b>Marches Growth Hub 2020/21 Year-end Report</b>	D Courteen	Discussion	x
6.	4.55 pm	<b>Government Review of LEPs</b> • Update & Impact of delays • Delay in 2021/22 core LEP funding	GH	Discussion	x
7.	5.15 pm	<b>Local Growth Fund (LGF)</b> 7a. Project call 7b. Skills Capital projects – outputs	NA	Decision	x x
8.	5.40 pm	<b>2021/22 Marches LEP Draft Delivery Plan</b>	IB	Decision	x
9.	5.50 pm	<b>Report from Performance Risk &amp; Monitoring Committee (PRMC) meeting on 25 June 2021 and Risk Registers</b>	SR/IB	Information	x
10.	6.00 pm	<b>LEP Chair and CEO Report</b>	GH	Information/ Discussion	x
11.	6.10 pm	<b>Any Other Business</b>			
Date of next meeting – Emergency Meeting to allocate LGF – TBC Tuesday 28 September 2021 – virtual meeting					

Blank Page

<b>Meeting date:</b>	20 July 2021				
<b>Agenda Item:</b>	Item 2				
<b>Item Subject:</b>	Board Member Changes and Appointments				
<b>For:</b>	<b>Discussion</b>		<b>Decision</b>	<b>x</b>	<b>Information</b>

**Purpose of the Paper:**

To provide information to Board members regarding Board member changes and propose the confirmation of appointments of new directors of Marches LEP Ltd.

**Summary of Recommendations:**

That Board members:

1. Confirm the appointment of Cllr Lezley Picton as a public sector director of Marches LEP Ltd.
2. Confirm the appointment of Cllr Ed Potter as an alternate director of Marches LEP Ltd.
3. Confirm the appointment of Will Westley as a private sector director of Marches LEP Ltd.
4. Note the resignation of Ruth Shepherd as a member of the Board and a director of Marches LEP Ltd

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

**1. Appointment of Public Sector Director, Shropshire Council – Cllr Lezley Picton**

Cllr Lezley Picton has recently been appointed the Leader of Shropshire Council. In accordance with the Articles of Association section 20, **members of the Board are asked to confirm the appointment of Cllr Lezley Picton as a public sector director of Marches LEP Ltd.**

**2. Appointment of Alternate Director, Shropshire Council – Cllr Ed Potter**

In accordance with the Articles of Association section 23.1, Cllr Picton has appointed Cllr Ed Potter, Portfolio Holder for Economic Growth, Regeneration & Planning as the Marches LEP Ltd alternate director for Shropshire Council. The relevant documentation, in accordance with section 23.2 has been signed by Cllr Picton and Cllr Potter.

**Members of the Board are asked to confirm the appointment of Cllr Ed Potter as an alternate director of Marches LEP Ltd.**

**3. Appointment of Private Sector Director - Will Westley**

Will Westley has been elected by Telford Business Board members to be the Chair of the Telford Business Board. In accordance with the Articles of Association section 20, **members of the Board are asked to confirm the appointment of Will Westley as a private sector director of Marches LEP Ltd.**

**4. Resignation of Ruth Shepherd**

Ruth Shepherd stood down as a Member of the Marches LEP Board and as a director of Marches LEP Ltd on 1 July 2021. The relevant notification has been made to Companies House.

**Members of the Board are asked to note the resignation of Ruth Shepherd.**

**5. Re-election of Sara Williams**

Sara Williams has served as a member of the Marches LEP Board for a term of 2 years and is due for re-election.

**Report Author:** Ennis Vingoe, Marches LEP Executive Assistant

# Blank Page

**Draft Minutes of the Marches LEP Ltd Board Meeting  
25 May 2021 at 4.00pm  
Meeting held via Zoom  
(Company Number: 11822614)**

**Present:**

<b>Mandy Thorn MBE DL</b>	MT	Chair, Marches LEP Board
<b>Sonia Roberts</b>	SR	Deputy Chair Marches LEP Board; Equality & Diversity Champion; CEO Landau Limited
<b>Frank Myers MBE</b>	FM	Herefordshire Business Board Chair
<b>Beth Heath</b>	BH	Shropshire Business Board Chair (part of meeting)
<b>Paul Hinkins</b>	PH	Telford Business Board Chair
<b>Andrew Manning Cox</b>	AMC	Hereford Enterprise Zone Chair
<b>Cllr Ellie Chowns</b>	EC	Cabinet Member - Environment, Economy and Skills, Herefordshire Council
<b>Cllr Steve Charmley</b>	SC	Deputy Leader and Portfolio Holder for Physical Infrastructure, Highways and Built Housing, Shropshire Council
<b>Cllr David Wright</b>	DW	Cabinet Member for Economy, Housing, Transport and Infrastructure, Telford & Wrekin Council
<b>Paul Kalinauckas</b>	PK	Access to Finance Champion
<b>James Staniforth</b>	JS	Skills Advisory Panel Chair; Principal and CEO of the Shrewsbury Colleges Group (part of meeting)
<b>Dr Catherine Baxter</b>	CB	Higher Education Champion; University Secretary, Harper Adams University
<b>Christine Snell</b>	CS	Business Partner, AJ & CI Snell (part of meeting)
<b>Ruth Shepherd</b>	RS	Director, Results Communications
<b>Sara Williams</b>	SW	Marketing Manager - Northern Europe, Protolabs

**In Attendance:**

<b>James Walton</b>	JW	Section 151 Officer, Shropshire Council
<b>Roger Allonby</b>	RA	Head of Economic Development, Herefordshire Council (part of meeting)
<b>Mark Barrow</b>	MB	Executive Director for Place, Shropshire Council (part of meeting)
<b>Katherine Kynaston</b>	KK	Director Housing Economy & Infrastructure, Telford & Wrekin Council (part of meeting)
<b>Ollie Hindle</b>	OH	Assistant Director, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy (part of meeting)
<b>Sally Edgington</b>	SE	Head, South West Team, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy (part of meeting)
<b>Annabelle Townley</b>	AT	Deputy Area Lead, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy (part of meeting)
<b>Sarah Spink</b>	SS	Strategic Partnerships Lead, Midlands Connect (presenting)
<b>Mark Pearce</b>	MP	Managing Director, Skylon Park (presenting)
<b>Gill Hamer DL</b>	GH	Chief Executive, Marches LEP
<b>Ilia Bowles</b>	IB	Director of Corporate Services, Marches LEP
<b>Kathryn Jones</b>	KJ	Partnership Manager, Marches LEP (part of meeting)
<b>Nick Alamanos</b>	NA	Programme Manager, Marches LEP
<b>Ennis Vingoe</b>	EV	Marches LEP Executive Assistant (part of meeting)
<b>Wayne Redge</b>	WR	Marches LEP Office Administrator (part of meeting)

Observers:		
Amy Bould		Be Bold Ltd
Andy Robinson		Contracted Solicitor, Herefordshire Council
ITEM		ACTION
1.	<p><b>1. Welcome, Apologies and Declarations of Interest</b></p> <p>MT thanked everyone for attending the meeting, in particular Cllr Charmley and Cllr Chowns as Alternate Directors. Apologies were received from Cllr Hitchiner. MT said that following the recent local elections Cllr Nutting was no longer a member of the Marches LEP Board. MT said that she had written, on behalf of members of the Marches LEP Board, to thank Cllr Nutting for his service to the LEP Board during his period of tenure. DW also thanked Cllr Nutting on behalf of Telford &amp; Wrekin Council.</p> <p>MT said that this was PH's final meeting and thanked him for his hard work over the past 7 years, including as former Deputy Chair of the Board and as a member and Chair of a number of sub-committees. DW also thanked PH for his contribution on behalf of Telford &amp; Wrekin Council.</p> <p>The relevant documentation would be forwarded to Companies House.</p> <p>MT noted that the meeting was being recorded to aid the production of the minutes.</p> <p><b>2. Declarations of Interest</b></p> <p>The Chair reminded members to complete the form that had been distributed for any specific Declarations of Interest for this meeting.</p>	EV
2.	<p><b>2. Midlands Connect Briefing</b></p> <p>MT welcomed S Spink who provided an update to the Board on the work of Midlands Connect. The main points covered were:</p> <ul style="list-style-type: none"> <li>• Union Connectivity Review – the Welsh-English border provided a barrier to connectivity and rurality was also an issue.</li> <li>• Birmingham/Black Country/Shrewsbury line – the frequency of services to London required improvement. Electrification was a long-term aspiration but, in the meantime, a business case had been produced for a Shrewsbury Corridor Scheme.</li> <li>• Midlands Connect Strategy Refresh – for publication in the Autumn.</li> <li>• LEP involvement – collaboration between LEP areas was a positive factor including the provision of relevant data and information.</li> </ul> <p>MT thanked S Spink for the informative presentation.</p>	
3.	<p><b>3. Hereford Enterprise Zone Update</b></p> <p>AMC and MP provided an update on the Hereford Enterprise Zone (HEZ) activity. The main points covered were:</p> <ul style="list-style-type: none"> <li>• Development commenced on the site in 2012 and a significant amount of infrastructure work including flood defences had been carried out to prepare the land for plot sales.</li> <li>• The majority of sales were freehold, but some units were also available for rent.</li> <li>• Business investment – many priority sector businesses including local, national and international companies were locating at the site reflecting Herefordshire Council and LEP economic strategies.</li> <li>• A mixture of office spaces and industrial units were available.</li> <li>• Infrastructure had been developed to support the wellbeing of workers with leisure space and a 'Greenway' linking the zone to the town.</li> <li>• Cyber Quarter - cyber security and defence and security businesses were being attracted to locate to the site reflecting the concentration of cyber businesses in the region.</li> </ul>	

	<ul style="list-style-type: none"> <li>NMITE campus - funding from the LEP Local Growth Fund had supported the development of the campus and LEP funding had been crucial to the overall development of the site.</li> </ul> <p>MT thanked AMC and MP for the presentation and all their work in support of the HEZ.</p>	
4.	<p><b>Minutes of the Marches LEP Ltd Board meeting held on 23 March 2021</b> The Minutes of the meeting held on 23 March 2021 were approved by those members present at the meeting and would be signed (electronically) by the Chair as a true and accurate record of the meeting. The minutes of the confidential session at the end of the previous meeting had been circulated and no comments received and were therefore adopted.</p> <p><b>Matters Arising</b> Item 3 – the NFU was now involved in the Kickstart scheme. CS was working with DWP on this but there were few applicants coming forward at this stage.</p>	EV
5.	<p><b>Review of LEPs</b> GH presented a progress report on the work on the LEP Review and said that the proposed future operating model of the LEP could look very different. A paper on LEP geography was expected on 26 May 2021. PK said that he felt that many members would have concerns about the proposed operating model. They had joined the Marches LEP Board so that the business sector could make a valuable contribution to influencing the wider economic growth agenda, and the proposed new model would not necessary facilitate this. GH expressed concern that there could be delays in publishing the outcome of the review which would put increased pressure on LEP staff, due to the ongoing uncertainty around employment. MT said that there was also uncertainty about the £500k LEP funding from government for this financial year, because it had yet to be received.</p>	
6.	<p><b>Draft LEP Recovery Strategy</b> KJ introduced the Recovery Strategy. This had built upon the information in the Strategic Economic Plan and was an aligned approach across the 3 local authority areas, within anticipated existing resources in this financial year. EC thanked KJ for the work on the document and suggested some amendments to the structure, content and actions. Feedback from the business boards would continue to be sought.</p> <p><b>The Board agreed the draft recovery strategy as a working document (unanimous).</b></p> <p><b>The Board noted that this document would evolve/be added to as further data emerges</b></p>	KJ
7.	<p><b>Appointment of a LEP Board Champion for Energy and NET Zero</b> IB said that the identification of an energy champion had been discussed at the Board meeting in January 2021. The Marches Energy Strategy Steering Group had nominated Gordon Coppock for the role. FM suggested also nominating a named substitute who could be invited to Board meetings as an observer. TY would take the suggestion to the Energy Strategy Steering Group to discuss further and to potentially nominate an additional substitute co-opted member.</p> <p><b>The Board endorsed the Marches Energy Strategy Steering Group's recommendation to appoint Gordon Coppock as a Co-opted Member and Energy Champion on the LEP Board (unanimous).</b></p>	TY

	<p><b>The Board approved The Marches Energy Strategy Steering Group’s recommendation to empower the Energy Champion with the responsibilities listed in section 1.3 of the paper (unanimous).</b></p> <p>CB asked whether co-opted members became directors of Marches LEP Ltd. SR confirmed that they do not become directors of the company.</p> <p><b>The Board approved Option 1 as explained in section 3 of the paper, with regards to Co-opted Members’ voting rights (10 for option 1; 4 for option 2; 1 abstention)</b></p>	
8.	<p><b>8 a) Governance updates</b></p> <p><b>Scheme of Delegation</b></p> <p>IB reported that following a review it had become clear that the current delegated financial authority of the LEP Chief Executive of £30k was inadequate, mainly due to an increase in the overall monthly costs of the LEP Secretariat (i.e. salaries). It was proposed that the Scheme of Delegation was amended as follows:</p> <ul style="list-style-type: none"> <li>• The LEP Chief Executive to be able to authorise expenditure up to the value of £45k (plus VAT).</li> <li>• The LEP Chair’s and S151 Officer’s consent to be sought for approval of expenditure between £45k (plus VAT) and £65k (plus VAT).</li> <li>• The LEP Board’s consent to be sought for approval of expenditure above £65k (plus VAT).</li> </ul> <p>The proposed amendments were supported by the S151 Officer at Shropshire Council, the Marches LEP Accountable Body.</p> <p><b>The Board approved the revised Marches LEP Scheme of Delegation (14 for; 1 abstention).</b></p> <p><b>Accountability and Assurance Framework</b></p> <p>IB said that following on from the initial review of the Marches LEP Accountability and Assurance Framework in January, the remaining sections of the document had now been reviewed to ensure that they were up-to-date and consistent with the National Local Growth Assurance Framework for LEPs.</p> <p><b>The Board approved the revised Marches LEP Accountability and Assurance Framework (co-opted members section, revised appendices 3, 5, 7, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 24, and new appendix 23) (14 for; 1 abstention).</b></p> <p><b>Accounts and Audit for financial year 2020/21</b></p> <p>IB informed the Board that the same companies used last year had been appointed to prepare the Marches LEP statutory accounts and complete the corporation tax return for financial year 2020/21 (Thorne Widgery), and to conduct the external audit (James Holyoak &amp; Parker). Final draft accounts and initial results of the external audit would be presented to the LEP Board at the next meeting in July.</p> <p><b>The Board noted the intended timetable for the preparation of the Accounts and relating external Audit for financial year ending 31 March 2021</b></p>	

	<p><b>8 b) Procurement of a new PR &amp; Marketing Contract</b></p> <p>IB described the process being followed for the procurement of a new PR and Marketing contract. There was some discussion about the PR and Marketing function including how value for money was assessed and how a contractor was measured for success. GH said that ‘coverage’ reports from the existing provider were distributed to the Board and a significant amount of data was available, particularly for the Marches Growth Hub. AMC said that he felt the current provision for HEZ represented good value for money. Members also asked about the daily rate being used as a guide for the tender. There was some discussion about the level of the rate and the specialist nature of the PR support the LEP required. MT confirmed that a ‘termination clause’ was included in the contract. GH said that an up to date ‘coverage’ report would be provided to the next Board meeting.</p> <p><b>The Board noted the process being followed for the procurement of a new PR and Marketing contract and authorised the relating expenditure of £86k + VAT per annum, subject to funding being provided to the LEP by the Ministry of Housing, Communities &amp; Local Government.</b></p>	GH
9.	<p><b>Local Growth Fund (LGF) &amp; Getting Building Fund (GBF) - progress report for 2020/21 FY</b></p> <p>NA updated the Board on the 2020/21 outturn positions for LGF and GBF and thanked all partners for their contribution to the achievement of the LGF and GBF spend over the last financial year. MT said that a huge amount of work had been done to ensure the required spend had taken place by the deadlines. MT and FM thanked the LEP Programme Team in particular, for their enormous contribution to ensuring this success.</p> <p>It was noted that 2 reports relating to NMITE remained outstanding from Herefordshire Council in their role as the accountable body for this project. GH said that the Marches LEP Board was accountable for the outputs and needed the information on outputs to be received in a timely fashion from Herefordshire Council. Members expressed concern at the delay. EC apologised on behalf of Herefordshire Council and said that this would be followed up.</p> <p><b>The Board noted the 2020/21 outturn position relating to the Getting Building Fund Programme, as set out in section 1 of the report.</b></p> <p><b>The Board noted the 2020/21 outturn position relating to the Local Growth Fund Programme, as set out in section 2.1 of the report.</b></p> <p><b>The Board noted the Quarter 4 performance position relating to the Local Growth Fund Programme, as set out in section 2.2 of the report.</b></p>	EC, RA
10.	<p><b>Report from Performance Risk &amp; Monitoring Committee (PRMC) meeting on 29 April 2021</b></p> <p>SR introduced the report and said that it was unacceptable that there remained so much uncertainty around the ongoing employment of LEP staff, due to the lack of information on core funding from government. MT noted that the other funding streams were also yet to be confirmed/monies received – Marches Growth Hub and Careers &amp; Enterprise Company. SE reported that MHCLG were in daily discussions with Treasury regarding the funds, but that it was useful to have these messages on both the financial and the personal issues to relay back. OH said that</p>	

	<p>Growth Hub funding was currently going through contracting and confirmation should be received within the next 2 weeks.</p> <p>SR congratulated the whole LEP team on achieving the 'met' rating for 'Delivery', which was a fantastic achievement; and thanked IB and WR for their work on the commissioning of the new Marches LEP website.</p> <p>EC asked if climate change was noted as a risk in the risk registers. SR said that this, along with other indicators was being considered as part of the review of commissioning.</p> <p><b>Board members noted of the outcomes of the last PRMC meeting on 29 April 2021 and the latest changes to the Strategic and Programme Risk Registers.</b></p>	
11.	<p><b>LEP Chair/CEO report</b></p> <p>CEO recruitment process – MT said that the proposed structure of the interview process would be distributed to Board members. Members who wished to take part in the sifting process and appointment panel were asked to contact GH.</p> <p><b>The Board noted the contents of the report.</b></p>	<b>GH</b>
12.	<p><b>Any Other Business</b></p> <p>Nil</p>	
13.	<p><i>The meeting was suspended at 6.18pm and except for GH, JW, NA and IB all non-Board Members left the meeting at this point.</i></p> <p><i>The meeting re-convened at 6.19pm in closed session.</i></p>	
	<p><b>Next Meeting of the Board of The Marches LEP Limited: 4pm on Tuesday 20 July 2021 at Ludlow Racecourse</b></p>	

Blank Page

**Item 4 - Telford Land Deal Board Update**

See Confidential Briefing Note attached to email plus Status Report

# Blank Page

<b>Meeting Date:</b>	20 July 2021			
<b>Agenda Item:</b>	Item 5			
<b>Item Subject:</b>	Business Support and Marches Growth Hub Update			
<b>For:</b>	<b>Discussion</b>		<b>Decision</b>	<b>Information</b> x
<b>Purpose:</b> This paper provides an overview of the Marches Growth Hub (MGH), the Marches LEP's business support service. It includes a report on the outcomes of MGH 2020/21 contract and plans for the 2021/22 contract (Schedule 1 & Schedule 3).				
<b>Recommendations:</b> The Board to note the above.				
<p><b>Background</b></p> <p>The Marches Growth Hub (MGH) receives revenue funding from the Department for Business, Energy &amp; Industrial Strategy (BEIS) to provide, promote and signpost to business support services in line with the strategic direction set by the Marches LEP (MLEP) Board. It is overseen by the Marches Business Support (MBS) Steering Group and Shropshire Council acts as Accountable Body for this funding.</p> <p><b>Governance</b></p> <p>The MBS Steering Group is a sub-group of the MLEP Board which meets quarterly. The <a href="#">Terms of Reference (TOR)</a> for the group were updated following the appointment of the new Chair and MLEP Small Business Champion, Dave Courteen, in January 2021. The updated TOR have been broadened to incorporate a more strategic view of business support in anticipation of BEIS' Business Support Reform programme and changes to funding, including the impending end of EU funding for business support projects. The Steering Group is responsible for:</p> <ul style="list-style-type: none"> <li>• Championing small and medium sized businesses across the Marches and shaping business support policy to meet local needs;</li> <li>• Working collectively to feedback on business support projects to meet recognised strategic priorities where new funding opportunities become available;</li> <li>• Working strategically to influence and inform the Government's proposed business support reform programme; and</li> <li>• Providing oversight of MGH performance.</li> </ul> <p><b>Operating model</b></p> <p>The MGH benefits from:</p> <ul style="list-style-type: none"> <li>• A low-cost high-return model due to contributions from local authorities and HE partners;</li> <li>• Sound public sector and private partnerships;</li> <li>• Effective co-ordination of business support provision and efficient signposting to services; and</li> <li>• Highly regarded physical premises.</li> </ul> <p>The MGH comprises a virtual growth hub and website <a href="http://www.marchesgrowthhub.co.uk">www.marchesgrowthhub.co.uk</a> providing a wealth of information on business support services and an enquiry handling facility. Since July 2018, telephone enquiries are handled by the National Business Support Helpline (NBSH) via freephone number 0800 998 1098 and via Live chat. In addition, through investment by local authority partners and the University of Wolverhampton, there are three physical growth hubs situated in Herefordshire, Shropshire and Telford &amp; Wrekin.</p> <p>The project is managed by the MLEP Business Support Lead (BSL), Yasmin Sulaman, supported by the MLEP Admin Officer 1 day per week and a temporary FTE MLEP Admin officer who started with MLEP on 1 June 2021. The BSL role involves managing the day-to-day operation of the MGH contract, managing the virtual hub (including the website), supporting the 3 physical hubs, Government/West Midland Cluster liaison and reporting, budget management and leading on Access to Finance Policy. In addition to this, the BSL organises and provides secretariat support to MGH Operations Group, MBS Steering Group, MGH Campaign Group and MLEP Access to Finance</p>				

Group. To note, the BSL is the Chair of the MGH Operations and Campaigns Group. Representing the MLEP, the BSL is Chair of the Midland Engine Investment Fund Regional Advisory Board which meets quarterly.

## 1. MGH 2021/21 Year-end Progress

The Growth Hub Year-end Report 2020-2021 (1st April 2020 – 31<sup>st</sup> March 2021) was submitted to BEIS on 4 June 2021. The report can be found here [Growth-Hub-Annual-Report-2020.21](#)

### 1.1. MGH 2020/21 Funding Allocations

- MGH received Core Growth Hub grant funding allocation of £205,000 and the full amount was defrayed;
- In September 2020, the MGH received Supplementary Growth Hub grant funding allocation of £257k, of which £193,390.17 was defrayed;
- In January 2021, the MGH received EU Transition Business Readiness Grant funding allocation of £136,050.00 of which £106,438.14 was defrayed.

### 1.2. Key Growth Hub Annual Report 2020/21 Headlines - Core Funding

- A total of **30,277 business** interactions took place through light touch, medium and high intensity growth hub support;
- A total of **782** individuals were helped to start a business;
- A total of **13,980** referrals were made to partners including EU programmes (grants and loans), local authority business support and, where appropriate, private sector providers;
- Across the three physical growth hubs, there were a total of **235** virtual growth hub events (growth hub-led and those held in collaboration with partners) with a total of **5,930** attendees of which **5,919** were businesses;
- MGH SME businesses had access to **19** EU funded business support projects (including grants and consultancy support) with a total financial value of over **£19.5million**. Funding and support through the current and planned programmes will continue until June 2023. The four largest EU schemes (Business Energy Efficiency Programme (BEEP), Business Growth Programme (BGP), Marches Buildings Investment Grant (MBIG) and Broadband Grants) awarded a combined **£3.5m** to Marches businesses between 1 April 2020 and 31<sup>st</sup> March 2021. The EU investment will lead to the anticipated creation of **210** jobs;
- MGH medium to high intensity data returns have identified that **£1,651,160.08** private sector match was secured;
- Customer satisfaction was **consistently high** (between 4.5 and 5 on a scale 1 to 5, where 1 is poor service and 5 is excellent) for support received;
- Light touch engagement with businesses was provided through a user-friendly and easy to navigate website [www.marchesgrowthhub.co.uk](http://www.marchesgrowthhub.co.uk). During this period, the website featured **149** news releases and **91** pieces of online content related to business support on offer, information pages and case studies. This resulted in a 35% increase in web visits on the previous year. A link to all MGH case studies demonstrating support delivered can be found here: <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/>;
- The National Business Support Helpline (NBSH) handled a total of **1457** Marches calls;
- The website received **45,990** website visits (**30,663** unique visitors). **14** digital newsletters were issued and sent to a mailing list of **2,057** each time. These newsletters were supplemented by regular joint local authority/partner/MGH e-shots promoting events, availability of advice and support and promotion of new grants and initiatives delivered to in excess of **7,000** businesses;
- PR and communication activity focussed on support available to flooding, Coronavirus and EU Exit/Transition-hit businesses and how the MGH service can help them recover;
- Social media statistics show that both followers and reach for Twitter, Facebook and LinkedIn have **increased** since 31 March 2020;
- There were more than **261** separate pieces of media coverage secured as a result of MGH PR campaigns, content and news releases;

- The MGH website Coronavirus and EU Exit advice pages featured daily updates on the latest advice, government information and support, as well as signposting to regional support via local authority partners and other business support networks. Information from this was also shared widely on social media platforms. The MGH became an essential part of the region's toolkit for tackling the pandemic/EU Exit and quickly became a focal point for businesses seeking a trusted source of information;
- The MGH website was re-designed and upgraded to WordPress during 2020/21. The new website was launched on 3 June 2021.
- More than **500** businesses responded to the MLEP survey in April 2020, with **98%** saying they had been affected by the outbreak. Evidence has been used by the MLEP to support Government lobbying for targeted support for the region;
- The MLEP Recovery Week (12 – 16 October 2020) focussed on action needed to rebuild the regional economy in the wake of the Covid-19 pandemic by bringing together key partners and gathering information from the business community. It received positive feedback from stakeholders and the wider business community, helping generate considerable interest in LEP work, including the MGH and recovery issues. Engagement went up **430%** on Twitter and **240%** on Linked In and an amazing **1,305%** on MGH Facebook. Web traffic to the MGH increased by 40%, building on LEP efforts to engage with more businesses and communities than ever before in its programme of work.
- Successful project development and delivery included the EU funded Marches Small Business Recovery Grant Scheme, Marches Step-up Programme and the Peer Networks Programme.
- As part of the 2020/21 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 can be found below:-
  - EMS, Herefordshire <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/ems-launches-first-lab-of-its-kind-in-herefordshire-with-marches-growth-hub-help/>
  - Planet Doughnut, Shrewsbury - <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/planet-doughnut-heads-into-orbit-with-help-from-marches-growth-hub/>
  - Global Minds, Telford & Wrekin - <https://www.marchesgrowthhub.co.uk/advice-and-support/case-studies/global-minds-focus-on-expansion/>

### 1.3. Key Growth Hub Annual Report 2020/21 Headlines - Supplementary Growth Hub Funding

- Delivery of sponsored social media campaign promoting 1:1 business advice support;
- Access to a pool of **45** new business/specialist advisers (contractors called upon when required) supported 1:1 business engagement with **178** businesses. Of which **85** businesses received **12 hours support** exceeding the target of 77.
- As a result of the above, **95** business referrals were made to finance/funding programmes exceeding the target of 33.
- Procurement of Beauhurst business information platform. Access to this platform has allowed the MLEP and growth hub teams to access Marches company data (and the ecosystem around them) to help support both recovery planning and outreach activity.
- Additional resource within the MLEP team to support the MGH and an evaluation of the BSL role carried out in recognition of additional responsibilities.

### 1.4. Key Growth Hub Annual Report 2020/21 Headlines - EU Transition Business Readiness Grant funding

- The West Midlands Growth Hubs worked collaboratively to deliver business support across the region for SMEs with questions about international trading, import, VAT, GDPR, movement of people and other challenges presented by the UK's new trading relationship with the EU. As part of this project, SMEs were able to access fully funded, expert advice and general business support to help them understand and comply with the new rules. The project successfully engaged with **25,260** businesses. The cluster exceeded the 24,000 outreach engagement target

agreed with BEIS. The report bringing together the results and findings of the project may be found here: <https://www.wmgrowthhubs-eusupport.co.uk/the-west-midlands-cluster>.

## 2. MGH 2021/22 Contract

- BEIS has approved [Schedule 1](#) & [Schedule 3](#) and the MGH will receive an annual budget of £462k. The links to the Schedules provide an overview of our priorities.

### Financial Implications:

The MGH budget covers all operating costs associated with delivery, including VAT.

### Legal Implications:

The Data Sharing Agreement and Memorandum of Understanding between BEIS, NBSH and MLEP are still to be finalised. This is impacting on direct referrals from the NBSH to the MLEP.

### Risks, Opportunities and Impacts:

The following issues potentially pose challenges for ongoing cohesive business support provision across the Marches:

- Changes to national policy, including the LEP Review, the proposed Business Support Reform programme and changes to delivery structures;
- The end of EU funded programmes and introduction of successor funds; and
- Ongoing local authority and partner commitment to the current operating model.

### Consultation:

Consultation has taken place with the MGH Operations Group and MBS Steering Group.

### Appendix:

#### 1. Output Summary Report – see below

Report Author: Yasmin Sulaman, Marches LEP Business Support Lead

[yasmin.sulaman@marcheslep.org.uk](mailto:yasmin.sulaman@marcheslep.org.uk)

2020/21 Outputs	2019/20 Outputs	Year on year % change
<ul style="list-style-type: none"> <li>A total of <b>30,277 business</b> interactions took place through light touch, medium and high intensity growth hub support.</li> </ul>	10,184 business interactions	197% increase
<ul style="list-style-type: none"> <li>A total of <b>782</b> individuals have been helped to start a business.</li> </ul>	670 individuals helped to start a business.	16.7% increase in individuals helped to start a business.
<ul style="list-style-type: none"> <li>A total of <b>13,980</b> referrals were made to partners including EU programmes (grants and loans), local authority business support and, where appropriate, private sector providers.</li> </ul>	1,251 referrals to partners	1017.5% increase in referrals to partners
<ul style="list-style-type: none"> <li>Across the three physical growth hubs, there were a total of <b>235 virtual</b> growth hub events (growth hub-led and those held in collaboration with partners) with a total of <b>5,930</b> attendees of which <b>5,919</b> were businesses.</li> </ul>	325 physical events  Total attendees 8,288  Total business attendees 6,488	27.69% decrease in events  28.45% decrease in total attendees  8.77% decrease in business attendees  Note: Shropshire & Telford events only
<ul style="list-style-type: none"> <li>MGH SME businesses had access to <b>19</b> EU funded business support projects (including grants and consultancy support) with a total financial value of over <b>£19.5million</b>. Funding and support through the current and planned programmes will continue until June 2023. 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 <b>£3.5m</b> (to Marches businesses between 1 April 2020 and 31<sup>st</sup> March 2021. The EU investment will lead to the anticipated creation of <b>210</b> jobs.</li> </ul>	19 EU funded programmes  Over £17.5m available  £1,641,922.00 combined funding awarded.  Anticipated 100 jobs	No change  11.4% increase in EU funding available  113.16% combined increase in funding awarded.  110% increase in anticipated jobs
<ul style="list-style-type: none"> <li>MGH medium to high intensity data returns have identified that <b>£1,651,160.08</b> private sector match was secured</li> </ul>	£2,620,174.00 private sector match secured.	36.98% decrease in private sector match.  Note: Shropshire & Telford data only
<ul style="list-style-type: none"> <li>Customer satisfaction was <b>consistently high</b> (between 4.5 and 5 on a scale 1 to 5, where 1</li> </ul>	No change	No change

<p>is poor service and 5 is excellent) for support received.</p>		<p>Note: No surveys sent by Herefordshire</p>
<ul style="list-style-type: none"> <li>Light touch engagement with businesses continues to be provided through a user-friendly and easy to navigate website <a href="http://www.marchesgrowthhub.co.uk">www.marchesgrowthhub.co.uk</a>. During this period, the website featured <b>149</b> news releases and <b>91</b> pieces of online content related to business support on offer, information pages and case studies.</li> </ul>	<p>114 news releases</p> <p>86 pieces of online content</p>	<p>30.7% increase in news releases</p> <p>5.81% increase in pieces of online content</p>
<ul style="list-style-type: none"> <li>The national Business Support Helpline (BSH) handled a total of <b>1457</b> Marches calls.</li> </ul>	<p>470 Marches calls</p>	<p>210% increase in Marches calls handled by BSH.</p>
<ul style="list-style-type: none"> <li>The website received <b>45,990</b> website visits (<b>30,663</b> unique visitors)</li> <li><b>14</b> digital newsletters were issued and sent to a mailing list of <b>2,057</b> each time. These newsletters were supplemented by regular joint local authority/partner/MGH e-shots promoting events, availability of advice and support and promotion of new grants and initiatives delivered to in excess of <b>7,000</b> businesses.</li> <li>PR and communication activity focussed on support available to flooding, Coronavirus and EU Exit/Transition-hit businesses and how the MGH service can help them recover.</li> </ul>	<p>34,044 website visits and 22,382 unique visitors</p> <p>10 digital newsletters</p> <p>Mailing list of 2000</p>	<p>Increase of 35% in website visits Increase of 37% unique visitors.</p> <p>40% increase in newsletters issued.</p> <p>3% increase in subscribers</p>
<ul style="list-style-type: none"> <li>There were more than <b>261</b> separate pieces of media coverage secured as a result of MGH PR campaigns, content and news releases.</li> </ul>	<p>238 separate pieces of media</p>	<p>Increase of 9.66% separate pieces of media coverage</p>

<ul style="list-style-type: none"> <li>• Social media statistics show that both followers and reach for Twitter, Facebook and LinkedIn have <b>increased</b> since 31 March 2020.</li> </ul> <p><b>Social Media</b> MGH Twitter had a total of 4,182 followers, which is an increase of 6% since 31 March 2020. Potential viral reach totalled 4.2m. @marcheshub</p> <p>The MGH Facebook page received 800 likes and 1,043 follows, which is up 19% since 31 March 2020. The average monthly reach was 52,975 (including 2 paid for campaigns) with average organic monthly reach at 3,216. <a href="https://www.facebook.com/marchesgrowthhub/">https://www.facebook.com/marchesgrowthhub/</a></p> <p>LinkedIn had 1,202 followers (up 93% since March 31, 2020) with 6,212 average monthly impressions. <a href="https://www.linkedin.com/company/marches-growth-hub/?originalSubdomain=uk">https://www.linkedin.com/company/marches-growth-hub/?originalSubdomain=uk</a></p> <p>Note – All updates are shared across Marches LEP and Hereford Enterprise Zone channels, as well as significant sharing via MGH partners.</p>		<p>Twitter increase 6% approx.</p> <p>Facebook increase 19%</p> <p>LinkedIn increase 93%</p>
---	--	--

<b>Web Statistics</b>	<b>April 2016 - March 2017</b>	<b>April 2017 - March 2018</b>	<b>April 2018 - March 2019</b>	<b>April 2019 - March 2020</b>	<b>April 2020 - March 2021</b>
Website users (unique visitors)	13,484	16,238	17,297	22,382	30,663
Total Web visits	24,340	26,603	27,366	34,044	45,990
Page views	83,371	83,854	78,542	92,805	128,154
Average time spent	4.07 mins	3.24 mins	2.56 mins	2 min 35 secs	2 min 30 sec
Return/new visitors	24%/76%	18%/82%	17%/83%	17%/83%	16%/84%
Most visited pages	Calendar/ Start-up support/ About us Shropshire	Calendar/ About Us Shropshire/ Start-up support	Calendar/ About us Shropshire/ Finance and Funding - Grants	Calendar/Finance and Funding and MGH Shropshire	Finance and funding Advice and support for Coronavirus MGH Shropshire

# Blank Page

<b>Meeting date:</b>	20 July 2021				
<b>Agenda Item:</b>	6				
<b>Item Subject:</b>	Review of LEPs and implications for the operational budget and staffing				
<b>For:</b>	<b>Discussion</b>	<b>X</b>	<b>Decision</b>		<b>Information</b>
<b>Purpose of the Paper:</b>					
To provide an update on the review of the role of LEPs being undertaken by the Ministry of Housing Communities and Local Government (MHCLG) and the Department of Business, Energy and Industrial Strategy (BEIS) which was announced on 3 March 2021.					
<b>Summary of Recommendations:</b>					
<b>1. To note the content of this report</b>					
<b>Background</b>					
The government made a commitment at the March 2021 Budget to work with local businesses and Local Enterprise Partnerships (LEPs) on the evolution of LEPs: <i>“We will also be working with local businesses on the future role of Local Enterprise Partnerships. We want to ensure local businesses have clear representation and support in their area, in order to drive the recovery. We will work with Local Enterprise Partnerships over the coming months, with a view to announcing more detailed plans ahead of summer recess. This will also include consideration of Local Enterprise Partnerships’ geographies.”</i>					
Ministers agreed the Terms of Reference (TOR) for the review of the role of LEPs on 15/04/21.					
The LEP Network then set up four working Groups to discuss the following topics.					
<ul style="list-style-type: none"> <li>a) Objectives and Functions</li> <li>b) Geographies and Functions</li> <li>c) Representation and Interaction with Local Government</li> <li>d) Implementation and Funding</li> </ul>					
The process is that the civil servants produce proposal papers for each of the above topics; the LEP Network Groups consider the papers and propose changes; the LEP Network Board and civil servants then agree any changes. N.B. Civil servants have asked that the papers being considered by the LEP Network working groups can only be shared with LEP Chairs and LEP CEOs at this stage as they have not been signed off by Ministers as agreed government policy.					
<b>Future Role for LEPs</b>					
The Objectives and Functions Group have agreed with civil servants the following future three key functions for LEPs: -					
<ul style="list-style-type: none"> <li>1. To fulfil a strategic role, providing place-based economic expertise and insight to central and local government and helping secure long term inclusive growth at the local level as part of the Plan for Growth. <a href="https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth">https://www.gov.uk/government/publications/build-back-better-our-plan-for-growth</a></li> <li>2. To identify key local sectors and industries, and to design and deliver interventions to make them more competitive, making the most of local opportunities.</li> <li>3. To deliver a programme of joined-up, expert and tailored business advice and support for local businesses, ensuring they can play their full part in the Plan for Growth.</li> </ul>					
The work of the other three groups has continued and there are draft papers now for Accountability, LA interaction and Funding. Drafts continue to be finessed and we know that officials are sharing the LEP Network’s reflections as the Review progresses with Ministers.					

The LEP Network are seeking feedback and a Ministerial statement before the summer recess on progress. I will provide a verbal update to the Board next Tuesday, but it seems unlikely the future role of LEPs will be determined until sometime in Autumn 2021.

**LEP Core Funds for 21/22 not paid**

The LEP Chair highlighted at the May LEP Board meeting that the 2021/22 core LEP funding of £500k had not been released by MHCLG. **Unfortunately, this is still the case, and this matter is now a key risk for Marches LEP Ltd.** This issue has also (unhelpfully) got caught up in the LEP Review process. The LEP Network has been pursuing the unlocking of these funds with civil servants daily and made clear how unacceptable this is. However, the funding position has still not been determined by HMT. Senior civil servants have been told how disruptive and unsettling this position is for all LEPs and their staff.

The LEP Chair wrote to all seven Marches MPs on 17 June to raise concerns about the current situation. Attached at Appendix 1 is an example of the letter issued to each of them. Four MPs responded to the letter and two – the Rt Hon Phillip Dunne MP and the Rt Hon Owen Paterson MP - asked to have a meeting with the LEP Chair to discuss the issues raised.

**Future Proofing for new delivery model**

The LEP CEO had hoped to start putting in place the plans to ensure the LEP is fit for purpose to support the new role of the LEP in relation to strategic place-based economic expertise and insight and business support. However, as we have not got a clear steer on the future of the new organisation or the funds it will be allocated to undertake this new role, that has not yet been able to happen. It should also be noted that although all LGF and GBF funds must be defrayed by 31/03/22 there is still an obligation on the LEP to report on project outputs and project match funds through to March 2025 so some staffing resource will be required to undertake this work for a number of years yet.

**Financial implications:** The LEP is trading on its reserves carried forward from 20/21 FY of approx. £1.16 m. If none of the £500k or only part of it is paid in the next few weeks the LEP Executive will need to make cuts and savings from September 2021 onwards to the core budget to ensure it has sufficient reserves to meet its contractual and staffing obligations for 21/22 and 22/23 FY.

**Legal implications:** If by September the core funding has not been paid the Board will need to consider the implications for staffing post April 2022 and the “going concern” position of Marches LEP Ltd.

**Risks, opportunities and impacts:** Any slippage in the timetable of the review of the role of LEPs will cause considerable levels of uncertainty for the LEP Executive and staff may well leave.

The uncertainty also means that recruitment for the skills lead post, currently vacant, has been paused. These duties are currently being covered by other members of the LEP team which is putting additional pressure on workloads.

**Equality implications:** None

**Report Author:** Gill Hamer, LEP CEO

# Blank Page

<b>Meeting date:</b>	20 July 2021				
<b>Agenda Item:</b>	7a				
<b>Item Subject:</b>	Local Growth Fund (LGF) Project Call				
<b>For:</b>	<b>Discussion</b>		<b>Decision</b>	X	<b>Information</b>

**Purpose of the Paper:**

- 1) To set out options for the LEP Board to approve the reinvestment of returned Local Growth Funds.

**Summary of Recommendations:**

The Marches LEP Board:

- 1) Note the background to returned Local Growth Funds, as set out in section 1 and guidance and eligibility in relation to the use of returned Local Growth Funds, as set out in section 2.
- 2) Note the LEP processes and procedures around developing new projects, as set out in section 3.
- 3) Reject Option 1 and 2 in relation to the reinvestment of available LGF Funds, as set out in section 4.1.
- 4) Approve Option 3 in relation to the reinvestment of available LGF Funds, as set out in section 4.3 along with the process for Option 3, set out in Appendix 1. Including the Commissioning Group membership.
- 5) Note the current position in relation to the Marches Investment Fund, as set out in section 5.

**Main points**

**1. Background – Returned Local Growth Funds**

Herefordshire Council, Shropshire Council and the Marches LEP have agreed to settle all outstanding disputes in relation to the South Wye Transport Package. The settlement terms contain information which relates to financial or business affairs and so is exempt from publication. The public interest in maintaining the exemption outweighs the public interest in disclosing the information and so the settlement terms are to remain confidential to all parties.

As a consequence of this settlement, the Marches LEP is now in a position to reinvest returned Local Growth Funds (LGF) funds into Capital Projects.

***Recommendation – Note the background to returned Local Growth Funds.***

**2. Guidance and Eligibility**

**2.1 MHCLG Guidance**

On 17 June 2021, the Marches LEP received an email from Oliver Hindle (Assistant Director/Area Lead West Midlands Team, Cities and Local Growth Unit) setting out parameters relating to returned LGF monies to the Marches LEP. The following was set out:

1. Central team confirmed that the LGF programme is effectively closed financially apart from a number of LEP projects still spending remaining funds utilising freedoms & flexibilities in 21/22 Financial Year (FY). As such, in relation to any LGF income returned to the Marches LEP recently, they confirmed that this should be spent in 2021/22 FY, or if not freedoms & flexibilities could be used in the usual way to account for any remaining expenditure beyond the end of March 2022.

2. Any additional project(s) to utilise LGF income received should be capital projects in line with the existing LGF programme, generating outputs to be reported by 2025, and approved in line with the LEP's existing assurance framework.

## 2.2 Local Growth Fund Eligibility

Based on previous criteria the following sets out broad eligibility principles for LGF Funds:

- Funding to be awarded based on a maximum 70% LGF grant intervention, with a minimum contribution of 30% match funding.
- Organisations will need to provide Outputs by March 2025.
- Priority Outputs include – New Jobs Created, New Homes Built.
- Match Funding and Outputs must not be double counted from other Publicly Funded Programmes.

The LEP Commissioning Group will also provide input into the size and scope of any Project Call – including the Priority Outputs to be achieved.

**Recommendation – Note guidance and eligibility in relation to the use of returned Local Growth Funds.**

## 3. LEP Processes - Accountability and Assurance Framework

The Marches LEP Accountability and Assurance Framework confirms the following:

### 3.1 Options Appraisal and Prioritisation

*'The LEP Board, supported in some areas by the Subgroups, sets the strategic priorities for the SEP Work Programme, identifying issues to be addressed and the outcomes to be achieved through programme delivery. These decisions are used by the LEP Management Team to oversee the development of projects and programmes to achieve the Board's desired outcomes.'*

### 3.2 Project/Programme Commissioning

*'Project development work is undertaken by groups of Public, Private and VCSE sector local and national partners with knowledge and expertise around the issues and areas of work to be addressed. They are brought together as a 'Commissioning Group' to design a project/tender specification for the area of work and criteria against which tender responses will be judged'*  
*'Tenders received through open calls are appraised against criteria set by the Commissioning Group.'*

### 3.3 Advertising and Accessing Funding Opportunities

*'The Marches LEP is committed to ensuring all funding opportunities are openly advertised, these will be located on our dedicated website through the following link':*

<https://www.marcheslep.org.uk/about/tenders-vacancies/>

### 3.4 Project Appraisal and Prioritisation

*Tenders received through open calls are appraised against criteria set by the Commissioning Group. The project appraisal process is overseen by the LEP Secretariat, using set conduct*

*protocols, and undertaken by an Independent Technical Evaluator (ITE), with no prior or subsequent involvement in delivery of the area of work.*

***Recommendation – Note the LEP processes and procedures around developing new projects.***

#### **4. Reinvestment of LGF Funds - Options**

The following sets out the options available to the LEP Board in relation to the reinvestment of available LGF Funds.

##### **4.1. Option 1 – Open Project Call**

The LEP undertakes a new Project Call – replicating the process adopted for the 2020/2021 Local Growth Fund Projects.

This would include:

- Developing an Expression of Interest stage,
- Forming a Commissioning Group - ensuring proposed activities deliver the Marches LEP strategic priorities.
- Full Business Case stage,
- Procuring an Independent Technical Evaluator,
- LEP Team and Accountable Body undertaking Due Diligence work on all new projects and organisations.
- Procuring Solicitors to undertake the contracting process.
- The capitalising of eligible costs – as undertaken in 2020/21 (budget to be determined).

Whilst this process is beneficial in the development of new projects and programmes it does present the LEP team with significant challenges in relation to the practicalities involved. These include:

- Timescales - The 2020 Open Call process took approximately 3 months to administer, with the contracting of projects adding further time constraints. This may prove challenging in ensuring available grant is spent by 31 March 2022.
- Capacity and Resources – At the time of writing this paper the LEP secretariat have yet to receive their core operational funds from Government – please see Agenda Item 6 and Risk 2.4 of the Strategic Risk Register. As a consequence, the LEP is currently operating ‘at risk’, utilising its reserves – fulfilling its obligations with Government, including managing the £14million Getting Building Fund Programme. The costs associated with implementing a new Project Call would see the LEP incurring significant costs – whilst a proportion of these can be capitalised, under Accounting Guidance the LEP can only capitalise the costs associated with approved projects. This would represent a significant risk in the current climate.

***Recommendation – Do not approve Option 1, due to the practicalities and resource implications involved.***

#### 4.2. Option 2 – Return Funds to Government

The LEP Board may wish to hand back the funds to Government due to our ability to comply with MHCLG advice, given the current resource constraints (as set out in section 4.1). Whilst this approach is a consideration, this would result in the loss of funding that could be used to support capital investment and economic growth within the Marches area.

***Recommendation – Do not approve Option 2, as this will result in the lack of investment within the Marches Region.***

#### 4.3. Option 3 - Call for existing LGF Projects

On 31<sup>st</sup> March 2021, all expenditure in relation to the £105 million LGF Programme closed. The Programme consists of the following projects - which the LEP have contractual obligations to monitor and manage until 31 March 2025:

Table 1 – Local Growth Fund Projects

<b>Local Growth Fund Project List</b>
<b>Infrastructure</b>
South Wye Transport Package
Telford Growth Package
Hereford City Centre Transport Package
Telford Eastern Gateway
Telford Bus Station
Shrewsbury Integrated Transport Project
Oxon Link Road
<b>Skills Capital (Growth Deal 1)</b>
Growth Deal 1 Skills Projects
<b>Broadband</b>
Connecting Shropshire
Superfast Telford
Fastershire
<b>Skills - Investing in Our Future Workforce (Growth Deal 3)</b>
Growth Deal 3 Skills Projects
<b>Growth Deal 3</b>
NMiTE
Flaxmill
Hereford Centre for Cyber Security
Newport Innovation & Enterprise Park
<b>2021/22 New Projects</b>
Primary Care Centre at the Tannery, Shrewsbury
Hereford Enterprise Zone
Allied Health Care, University of Wolverhampton
Oswestry Innovation Park

Stronger Regeneration Communities (Telford)
Bishops Castle

In addition to the contracted projects set out in Table 1 the LEP Board approved a Project Reserve list, in the event surplus funding become available.

Table 2 – Local Growth Fund Project Reserve List

Local Growth Fund – Project Reserve list
Rural Enterprise (Bishop’s Castle only)
Harper and Keele Veterinary School
The Shell Store

The project reserve list was drawn from projects as part of the 2020 Open Call process where the assessment was based around specific criteria, including the defrayal of LGF grant by 31 March 2021 – as per guidance set out by MHCLG.

All projects set out in Tables 1 and 2 have been subject to a robust Open Call Process as set out within the LEP’s Accountability and Assurance Framework (please see Section 3).

The proposal would be to undertake a Project Call open to those projects within Tables 1 and 2 who could deliver new outputs – scope to be identified by the Commissioning Group. The call would not be for ‘new’ projects but to create additionality to existing ones, through the delivery of new outputs and the drawing down of additional Match Funding. The focus of outputs would be reviewed by the Commissioning Group, ensuring there is a strategic focus on the overall delivery of the LGF Programme.

This process will be a hybrid of the 2020 Local Growth Fund Call and the Getting Building Fund Programme submission, including:

- Forming a Commissioning/Sub-Group - reviewing and signing-off the Project Call Process as well as providing strategic oversight of the process (see Appendix 1).
- Project Call – including outputs and match funding created through additional funding.
- Procuring an Independent Consultant/Independent Technical Evaluator to assess and score the project submissions.
- Take recommendations to the Commissioning/Sub-Group.
- Procuring Solicitors to undertake Grant Agreement variations.
- The capitalising of eligible costs – as undertaken in 2020/21 (budget to be determined).

Through dialogue with colleagues at MHCLG, this process has been identified as the most appropriate approach in redistributing LGF funds.

A flowchart is included in Appendix 1 which outlines the process, governance and timescales.

***Recommendation – Approve Option 3, ensuring a robust project call is administered, with Projects creating additionality and value for money through returned LGF grant.***

***Recommendation – Approve the process for Option 3, set out in Appendix 1. Including Commissioning Group membership.***

## 5. Marches Investment Fund

The Marches LEP was awarded £8.1 million by the Government in 2012 from the Growing Places Fund, to be used as a revolving loan scheme (the Marches Investment Fund). This fund provided capital loan funding for stalled housing and business premises projects that, following the injection of capital funding, would be able to start quickly and unlock economic growth.

In 2017, it was agreed by the LEP Board and the Marches Executive Joint Committee to use Marches Investment Fund (MIF) as a Recyclable Grant for Public Sector-led schemes including a range of business site projects that did not secure any Government Growth Deal funds.

To date the MIF has funded the following:

- Dicentra,
- Harper Adams University,
- Shell Store Incubation Units,
- Economic Recovery Fund.

Currently a value of £4.3m is available for new projects. The LEP along with its Accountable Body will be undertaking a review of the MIF fund with a view of taking a paper to the LEP Board on future options.

### Financial implications:

- The LEP is required to spend returned Local Growth Funds by 31 March 2022.

### Legal implications:

- None

### Risks, opportunities, and impacts:

- Timescales of project development and delivery need to be carefully managed.
- Funds not spent by 31 March 2022 could be subject to clawback.
- Opportunity to add value to existing projects, delivering additional outputs.

### Equality implications:

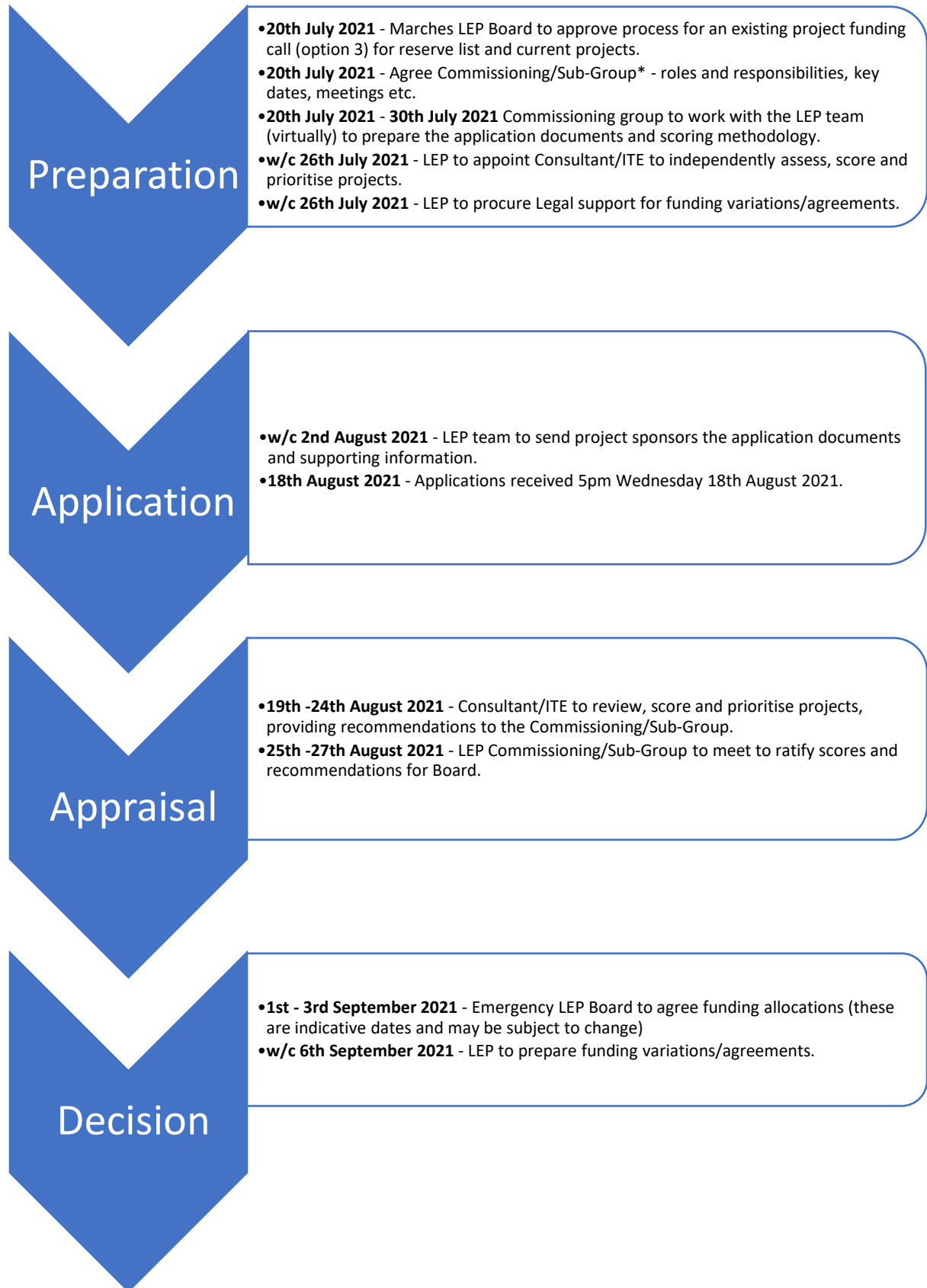
- None

**Report Author:** Nick Alamanos, MLEP Programme Manager

### Background papers/documents:

- Appendix 1 – Capital Project Call Flow Chart

## Item 7a – Appendix 1 - Growth Deal Project Call – Process Flow Chart



**\*Proposed Project Call Commissioning/Sub-Group:**

***Voting Members***

- Mandy Thorn MBE – LEP Chair
- Sonia Roberts – Performance Risk and Management Committee (PRMC) Chair and VCS representative.
- LEP Board Members – 3 x private sector representatives. Covering geographical area of the Marches

***Support Officers***

- Toyin Bamidele – Interim Director of Strategic Finance, Shropshire Council on behalf of the Accountable Body (Public Sector Representative).
- Independent Consultant/Independent Technical Evaluator (ITE).
- Marches LEP Team – Programme Manager/Project Officer (Support Officers).
- Ollie Hindle – Assistant Director/Area Lead West Midlands Team, Cities and Local Growth Unit.

# Blank Page

<b>Meeting date:</b>	20 July 2021				
<b>Agenda Item:</b>	7b				
<b>Item Subject:</b>	Local Growth Fund (LGF) Skills Programme				
<b>For:</b>	<b>Discussion</b>		<b>Decision</b>	x	<b>Information</b>

**Purpose of the Paper:**

1) To update Board Members on delivery of the Local Growth Fund Skills Projects.

**Summary of Recommendations:**

The Marches LEP Board:

- 1) Notes the overachievement of Apprenticeship and New Learner outputs across the LGF Programme.
- 2) Notes the outturn position in relation to individual projects, as set out in section 2.2 and Appendix 1.
- 3) Does not approve extending Project Funding Agreements, as set out in section 3.

**1. Background**

In 2016/17 £3.245m Growth Deal 1 funding was awarded to the Further Education (FE) Skills Capital Project. The investment focussed on training facilities and specialist equipment to enhance training provision in the advanced manufacturing sector in line with the Marches SEP and Skills Plan. Funding was awarded to six FE colleges/private skills providers as part of the project.

In 2018/19 £1.724m Growth Deal 3 funding was awarded to the Investing in Our Future Workforce project focussed on improvements in digital technology as part of the training infrastructure and to enhance digital skills. Funding was awarded to three FE colleges and Derwen College.

In 2020 a further £270,000 Growth Deal 3 funding was awarded to two new projects utilising underspent grant.

The skills projects contracts ended on 31 March 2021 with the exception of Marches Centre of Manufacturing & Technology (MCMT) extended to 31 March 2022 and the two new Growth Deal 3 projects - Advanced Manufacturing Engineering & Automotive project and the Energy Training Centre, both contracted to 31 March 2025.

**2. Output Delivery**

**2.1 LGF Programme Performance**

As part of the Marches LEP Growth Deal 1 (FE Skills Capital) and Growth Deal 3 (Investing in Our Future Workforce) submissions with Government it was agreed the following LGF Core outputs would be delivered:

- 1,380 Apprenticeships.
- 7,422 New Learners Assisted (learners in courses leading to a full qualification).

Individual project outputs were set out in Grant Funding Agreements and have been monitored by the LEP and reported to Government on quarterly basis.

Tables 1 and 2 confirm the LEP has overall been successful in terms of the achievement of these outputs with 2,110 Apprenticeships and 15,771 New Learners Assisted being delivered.

Table 1 – Overview of Apprenticeships

Apprenticeships	LGF Forecast 2015-2021	Actual 2015-2021	Variance
Growth Deal 1 – FE Skills Capital	900	1,320	+420
Growth Deal 3 – Investing in Our Future Workforce	480	790	+310
<b>Total</b>	<b>1,380</b>	<b>2,110</b>	<b>+730</b>

Table 2 – Overview of New Learners Assisted (in course leading to a full qualification)

New Learners Assisted	LGF Forecast 2015-2021	Actual 2015-2021	Variance
Growth Deal 1 – FE Skills Capital	3,494	5,974	+2,480
Growth Deal 3 – Investing in Our Future Workforce	3,928	9,797	+5,869
<b>Total</b>	<b>7,422</b>	<b>15,771</b>	<b>+8,349</b>

**Recommendation – the Board notes the overachievement of Apprenticeship and New Learner outputs across the LGF Programme.**

## 2.2 Project Delivery

The overachievement of Apprenticeship and New Learner targets represents a significant achievement for the LEP in terms of the overall LGF Programme. Despite this success there are a number of projects that have not been able to fulfil their contracted outputs (please see Appendix 1, Tables 2 and 3).

Having undertaken monitoring visits with all projects the underachievement of outputs can be attributed to the following:

- The significant impact of Covid-19,
- Ambitious figures put forward by projects as part of original bidding rounds,
- Organisational changes<sup>1</sup>.

*<sup>1</sup>These changes related to the outcome of the post 16 review and to new government approaches to approving organisations for apprenticeship delivery and funding. For example, North Shropshire College was unsuccessful in its bid to be an approved apprenticeship provider meaning that Apprenticeship output targets became unattainable. Following the merger with Herefordshire & Ludlow college all apprenticeship activity was undertaken by HLC's Shropshire based apprenticeship training section "County Training" making full use of the improved IT infrastructure at NSC sites and across the Shropshire network*

**Recommendation – the Board notes the outturn position relating to individual projects, as set out in Appendix 1.**

## 3. Lessons Learnt and Future Monitoring

Over the past couple of months, the LEP team have worked with all skills projects in establishing a position around the possible extension of contracts, to address the shortfall in outputs relating to some projects. Whilst the input from all projects has been valuable, it is recommended we do not proceed with this approach for the following reasons:

- The LGF Core Skills Programme Outputs targets have been exceeded – as set out in Tables 1 & 2.

- The extending of contracts for an additional year may not significantly impact on the shortfall of project outputs.
- The cost and resource implications for the LEP - acknowledging the position outlined above and risks relating to the LEP Core Budget (see Strategic Risk 2.4).

Whilst the majority of skills projects contracts have closed the LEP is continuing to monitor the delivery of outputs for the MCMT (extended up to 31 March 2022), Advanced Manufacturing Engineering & Automotive and the Energy Training Centre projects (both up to 31 March 2025).

**Recommendation – the Board does not approve extending Project Funding Agreements, in relation to the monitoring of outputs.**

**Financial implications:**

- None

**Legal implications:**

- None

**Risks, opportunities, and impacts:**

- The remaining contracted skills projects will continue to be monitored and outputs reported to Government to demonstrate further over-performance against LGF forecasts.

**Equality implications:**

- None

**Additional information:**

- None

**Report Authors:**

- Nick Alamanos, MLEP Programme Manager
- Stephanie Jones, MLEP Project Support Officer

**Background papers/documents:**

- Appendix 1 – Skills Projects Overview

## Item 7b Appendix 1 – Skills Projects Overview

Table 1 – LGF and Match Funding Outturn

	LGF	Match
<b>Growth Deal 1 – FE Skills Capital</b>		
Herefordshire Group Training Association (HGTA)	£80,940.41	£80,940.41
Hereford & Ludlow College and HGTA	£194,954.91	£395,817.55
Hereford & Ludlow College (Holme Lacy)	£448,265.49	£192,113.78
MCMT	£1,979,595.00	£1,346,624.99
SBC Training	£50,000.00	£104,073.98
Shrewsbury Colleges Group (Advanced Manufacturing)	£482,666.00	£208,081.21
Marches Skills Capital	£9,076.33	
<b>Total Growth Deal 1</b>	<b>£3,245,498.14</b>	<b>£2,327,651.92</b>
<b>Growth Deal 3 - Investing in Our Future Workforce</b>		
Shrewsbury Colleges Group (Digital)	£209,078.99	£66,470.82
Telford College	£508,545.94	£164,313.46
North Shropshire College	£423,832.53	£133,841.85
Derwen College	£313,500.83	£97,550.19
Shrewsbury Colleges Group (Manufacturing, Engineering, Automotive)	£200,000.00	£205,516.00
Hereford, Ludlow & North Shropshire College (Energy Training Centre)	£70,000.00	£49,897.69
<b>Total Growth Deal 3</b>	<b>£1,724,958.29</b>	<b>£717,590.01</b>
<b>TOTAL</b>	<b>£4,970,856.43</b>	<b>£3,045,241.93</b>

Table 2 - Apprenticeship outputs by project.

Project Name	Contract completion	GFA output forecast	Outputs achieved	Variance
<b>Growth Deal 1 – FE Skills Capital</b>				
Herefordshire Group Training Association (HGTA)	31/03/21	91	94	+3
Hereford & Ludlow College and HGTA	31/03/21	260	217	-43
Hereford & Ludlow College (Holme Lacy)	31/03/21	40	203	
MCMT	31/03/22	708	385	-323
SBC Training	31/03/21	180	175	-5
Shrewsbury Colleges Group	31/03/21	414	246	-168
<b>Growth Deal 1 Total</b>		<b>1,693</b>	<b>1,320</b>	<b>-373</b>
<b>Growth Deal 3 – Investing in Our Future Workforce</b>				
Shrewsbury Colleges Group (Digital)	31/03/21	165	284	+119
Telford College	31/03/21	750	152*	-598
North Shropshire College	31/03/21	1,440	332	-1,108
Shrewsbury Colleges Group (Manufacturing, Engineering, Automotive)	31/03/25	48	0	-48
Hereford, Ludlow & North Shropshire College (Energy Training Centre)	31/03/25	38	22	-16
<b>Growth Deal 3 Total</b>		<b>2,441</b>	<b>790</b>	<b>-1,651</b>
<b>LGF Total</b>		<b>4,134</b>	<b>2,110</b>	<b>-2,024</b>

\*An additional 319 learners were engaged via online events to 31 March 2021 for placement in September 2021

Table 3 - New Learners Assisted outputs by project

	Contract completion	GFA output forecast <sup>1</sup>	Outputs achieved <sup>2</sup>	Variance
<b>Growth Deal 1 – FE Skills Capital</b>				
Herefordshire Group Training Association (HGTA)	31/03/21	637	625	-12
Hereford & Ludlow College and HGTA	31/03/21	302	947	+645
Hereford & Ludlow College (Holme Lacy)	31/03/21	0	1430	+1,430
MCMT	31/03/22	1,172	951	-221
SBC Training	31/03/21	160	268	+108
Shrewsbury Colleges Group	31/03/21	947	1753	+806
<b>Growth Deal 1 Total</b>		<b>3,218</b>	<b>5,974</b>	<b>+2,576</b>
<b>Growth Deal 3 – Investing in Our Future Workforce</b>				
Shrewsbury Colleges Group (Digital)	31/03/21	660	3,392	+2,732
Telford College	31/03/21	4,175	3,992*	-183
North Shropshire College	31/03/21	1,450	2,253	+803
Shrewsbury Colleges Group (Manufacturing, Engineering, Automotive)	31/03/25	62	0	-62
Hereford, Ludlow & North Shropshire College (Energy Training Centre)	31/03/25	278	160	-118
<b>Growth Deal 3 Total</b>		<b>6,625</b>	<b>9,797</b>	<b>+3,172</b>
<b>Total</b>		<b>9,843</b>	<b>15,771</b>	<b>+5,928</b>

\*An additional 546 learners were engaged via online events to 31 March 2021 for enrolment in September 2021

Table 4 - Additional outputs

Output type	Number Achieved
Jobs created/safeguarded	2
Area of new or improved learning/training floorspace (m <sup>2</sup> )	3,273
Work Placements/Supported Internships	59
HE courses developed	2
Businesses Supported	748
Bitesize courses (training Apps developed by Derwen College)	8
Pre-16 School links	12

# Blank Page

<b>Meeting date:</b>	20 July 2021				
<b>Agenda Item:</b>	8				
<b>Item Subject:</b>	Draft Delivery Plan 2021/22				
<b>For:</b>	<b>Discussion</b>		<b>Decision</b>	<b>X</b>	<b>Information</b>

**Purpose of the Paper:** To provide an introduction to the attached draft Marches LEP Delivery Plan 2021/22 and seek Board Members' views on its content.

**Summary of Recommendations:**

That Board Members approve the attached draft and note that the plan is a dynamic document which will inevitably require updating once the outcomes of the LEP Review are known in Autumn 2021 and the LEP and its Team will need to respond to the new requirements from Government to support the Marches economy.

**Highlights:**

The plan sets out key priorities for The Marches LEP in financial year 2021/22 and has been produced by the LEP Executive.

**Financial implications:** None

**Legal implications:** None

**Risks, opportunities and impacts:** As per end of June 2021, LEP core funding for financial year 2021/22 has yet to be received putting the LEP's current work stream at some considerable risk.

**Equality implications:** None

**Additional information/ attachments:**

[Marches LEP Draft Delivery Plan 2021/22](#)

**Background papers/documents:** None

**Report Author:** Ilia Bowles, LEP Director of Corporate Services

Blank Page

<b>Meeting date:</b>	20 July 2021				
<b>Agenda Item:</b>	Item 9				
<b>Item Subject:</b>	Report on the Performance Risk & Monitoring Committee meeting on 25 June 2021				
<b>For:</b>	<b>Discussion</b>		<b>Decision</b>		<b>Information</b> <b>X</b>

**Purpose of the Paper:** To report on the Performance Risk & Monitoring Committee (PRMC) meeting on 25 June 2021 and highlight the main changes to the Strategic and Programme Risk Registers.

**Summary of Recommendations:** That Board members take note of the outcomes of the last PRMC meeting on 25 June 2021 and the main changes to the Strategic and Programme Risk Registers.

### Summary of PRMC meeting on 25 June 2021

- A new draft layout for the Risk Registers was proposed, following comments from the previous PRMC meeting to make it easier to read their content. The new format would be applied to the Strategic Risk Register for approval at the next PRMC Meeting in August. The old format of the Register would be retained as the first page of the document.
- In the Strategic Risk Register, several risks had been amended to reflect the current controls to procedures, risks 1.2, 1.4, 1.9 1.10, 1.11 and 1.13. Three new risks had been added, risks 1.16, 2.6 and 2.7. Two risk ratings had increased to High, risks 2.4 and 6.4 (please see pages 2-3 below for details). O Hindle asked for the revised versions of the Business Board TORs so that the action from the 2019/20 Annual Performance Review could be closed.
- In the Programme Risk Register, risks 2.11, 2.13, 3.9 and 3.11 had been archived due to their respective programmes closing. Risks 3.14 to 3.17 had been amended. Two new risks had been added, risks 3.18 and 3.19 (please see pages 3-4 below for details).
- PRMC had carried out a first assessment of its own effectiveness and against general principles of good governance and its own Terms of Reference (TORs). Feedback received was positive overall although some areas of improvement had been highlighted. Suggestions included: developing a skills matrix to identify where gaps in knowledge lay within PRMC; holding an annual workshop to allow PRMC members to discuss TORs, aims of PRMC, etc.; more clarity on governance, core business of the LEP and wider political landscape; more proactive and consistent approach in commissioning assurance work. The importance of open and transparent communication was highlighted.
- The tender process for the appointment of a PR & Marketing provider had ended. Following interviews, the selection panel agreed by a majority to award the contract to Be Bold, the incumbent supplier. Paperwork was now being completed, with the contract due to start in July 2021 and, subject to funding, run until the end of March 2023 with the possibility to extend for a further year.
- Shropshire Council had finalised the draft accounts which had been sent to accountants. They were expected to complete their work by the end of June 2021; accounts would then be sent to the auditors to produce an audit report.
- LEP Core funding for financial year 2021/22 had not yet been received.
- The Marches LEP £104m Local Growth Fund (LGF) obligations to Government had been fulfilled. £36m of this was spent in the final year of the programme. Freedoms and

Flexibilities had been utilised to achieve the full LGF spend, and the related projects were being monitored by the LEP Programme Team

- Members reviewed the Q4 2020/21 LGF Data return, setting out the latest position in relation to LGF programme. Whilst the expenditure position had been met, focus would now move to ensuring projects are achieving the deliverables (Match Funding and Outputs) set out within their Funding Agreements.
- The Marches LEP £7m Getting Building Fund (GBF) obligations to Government had been fulfilled. The final spend was approximated £7.5m with the overspend having been agreed by the Marches LEP Board to utilise the Marches Investment Fund (MIF) as a cash flow.
- £2.5m of the GBF spend utilised Freedoms and Flexibilities. The Marches LEP Programme Team were working with two projects to monitor their progress.
- There was potential for funds to be made available to re-invest. The LEP team were working with central Government to clarify how the money could be spent and when it must be spent by.
- On MIF, grant offers had been made to the 3 Local Authorities (LAs) and extended to July 2021 because of Covid-19 impacting their ability to spend the funding. LAs were being invited to submit their report on outputs by 31 July including a statement from their S151 confirming the money had been spent in relation to tourism businesses within the LA area. TB to chase this up with the Shropshire Council Finance team.
- On Business Support, the grant funding agreement for Marches Growth Hub was in place and delivery had started; Dave Courteen would attend The Marches LEP Board meeting in July to provide an update of Growth Hub activity; a grant funding agreement was in place for the Peer Networks programme; a tendering exercise had been completed with letters to be sent to applicants; a grant funding agreement was in place for the Key Account Management programme although delivery in the Marches area was behind target. This would be brought up in the Marches LEP Operations Group meeting on 6 July 2021. A review meeting with DIT would be held on 1 July 2021.
- On Careers and Enterprise Company (CEC), funding was in place until August 2021; a Grant application pack had been received for Sept 2021 to August 2022 and the LEP team were working with Shropshire Council Finance to complete this; the LEP had been invited to apply for £75k SAP to undertake data and evidence gathering.

#### Risks table score key based on likelihood and impact

Low		Medium		High	
1	2	3	4	5	9

#### New Risks added to the Strategic (S) Risk Register:

Risk No	S1.16	Date Added	9 June 2021
<b>Risk Description</b>	Provision of services between the Marches LEP and Shropshire Council does not meet the standards agreed under the Service Level Agreement (SLA) between the two parties.		
<b>Risk Rating</b>	4	<b>Target Score</b>	2
<b>Risk Mitigation</b>	The SLA came into force on 1 April 2021. Quarterly review service meetings have been arranged with the S151 Officer (for Accountable Body and Finance services) and Heads of Departments (for Legal, Procurement, IT and HR services).		

<b>Risk No</b>	<b>S2.6</b>	<b>Date Added</b>	<b>9 June 2021</b>
<b>Risk Description</b>	CEO post vacant for a prolonged period due to resignation, incapacity to recruit or prolonged illness.		
<b>Risk Rating</b>	<b>6</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	Delegation of CEO's responsibilities to the Director of Corporate Services or, in their absence, another member of the Senior Management Team.		
<b>Risk No</b>	<b>S2.7</b>	<b>Date Added</b>	<b>17 June 2021</b>
<b>Risk Description</b>	Post 31 March 2022 the LEP Team may not have the capacity or resources to meet its contractual obligations in managing the Local Growth Fund (LGF), Getting Building Fund (GBF) and Marches Investment Fund (MIF) programmes.		
<b>Risk Rating</b>	<b>9</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	Ongoing discussions with MHCLG to ensure LEP's contractual obligations will continue to be met should this risk materialise.		

#### Main amendments to the Strategic (S) Risk Register:

<b>Risk No</b>	<b>S2.4</b>	<b>Date Last Reviewed</b>	<b>10 June 2021</b>
<b>Risk Description</b>	Lack of or reduced funding available.		
<b>Risk Rating</b> ↑	<b>9</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	Communication with Area Lead to understand Government's current position.		
<b>Risk No</b>	<b>S6.4</b>	<b>Date Last Reviewed</b>	<b>9 June 2021</b>
<b>Risk Description</b>	Changes to Government policy regarding LEPs.		
<b>Risk Rating</b> ↑	<b>9</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	Communication with Area Lead to understand Government's current position. Work with LEP Network to highlight the role and benefit of LEPs and how LEPs can evolve and adapt to address the changing demands of local economic growth. Local stakeholder management including liaison with MPs.		

#### New Risks added to the Programme (P) Risk Register:

<b>Risk No</b>	<b>P3.18</b>	<b>Date Added</b>	<b>June 2021</b>
<b>Risk Description</b>	The Integrated Construction Wetlands project is unable to negotiate the purchasing of land from owners, impacting on its ability to meet GBF spend commitments by 31 March 2022.		
<b>Risk Rating</b>	<b>4</b>	<b>Target Score</b>	<b>2</b>
<b>Risk Mitigation</b>	On 12 May 2021, it was agreed Herefordshire Council would provide the LEP team with updated information on project milestones, outputs and a revised funding profile. This would enable the LEP to understand the revised delivery timescales with a view to varying the existing Funding Agreement.		
<b>Risk No</b>	<b>P3.19</b>	<b>Date Added</b>	<b>June 2021</b>
<b>Risk Description</b>	Projects do not fulfil their obligations in relation to the utilisation of Freedoms & Flexibilities.		

<b>Risk Rating</b>	<b>4</b>	<b>Target Score</b>	<b>2</b>
<b>Risk Mitigation</b>	The LEP has worked closely with Bevan Brittan solicitors to develop a Freedoms & Flexibilities template which is a variation to existing Funding Agreements. This includes clauses ensuring if the terms and conditions of the variation are not adhered to projects must pay back the value of Freedoms & Flexibilities claimed.		

**Main amendments to the Programme (P) Risk Register:**

<b>Risk No</b>	<b>P3.14</b>	<b>Annual Review</b>	<b>1 April 2022</b>
<b>Risk Description</b>	The £1.6m of Growth Deal funds claimed against the South Wye Project (in 2016/17) is not repaid back to the LEP.		
<b>Risk Rating</b>	<b>6</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	Previous risk responses have been archived. Herefordshire Council, Shropshire Council and Marches LEP have agreed to settle all outstanding disputes in relation to the South Wye Transport Package. The settlement terms contain information which relates to financial or business affairs and so is exempt from publication. The public interest in maintaining the exemption outweighs the public interest in disclosing the information and so the settlement terms are to remain confidential to the parties. This risk is now closed.		
<b>Risk No</b>	<b>P3.15</b>	<b>Annual Review</b>	<b>1 April 2022</b>
<b>Risk Description</b>	Revenue funding gap relating to the Marches Centre for Manufacturing and Technology (MCMT) project.		
<b>Risk Rating</b>	<b>6</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	<p>The Marches LEP and Shropshire Council were invited to a Shareholder Board meeting (10.07.19) stating the organisation has 'short-term' revenue cashflow issues. Both the LEP and Shropshire Council have committed to work with MCMT in finding solutions – in accordance with their respective governance arrangements. The LEP have proposed an allocation of £20k to be used towards the commissioning of a report into the health of the company before any additional funding can be considered. A procurement exercise is currently being undertaken. An advertisement for a consultant is now live on the website with a closing date of the 4 December. Tenders have been received for this work and are being assessed.</p> <p>KPMG was appointed as consultant. KPMG's report was presented at the Shareholders meeting on 4 March 2020. A meeting will be arranged by the LEP with shareholders and Shropshire Council to consider the options presented. On 27 April 2020, the LEP Chief Executive and Chair received a letter from MCMT outlining their intention to novate the LEP contract. Discussions are being held with In-Comm training around plans for the MCMT centre moving forward. A paper was presented at the Emergency LEP Board on 24 February 2021. At the Emergency LEP Board meeting on 24 February 2021 the Board approved the implementation of a contract variation with MCMT and an extension to the output delivery period to 31 March 2022. The variation is being developed. The second Deed of Variation was fully sealed on 31 March 2021. Delivery will be monitored by the LEP team through the regular monitoring process.</p>		

<b>Risk No</b>	<b>P3.16</b>	<b>Annual Review</b>	<b>1 April 2022</b>
<b>Risk Description</b>	Limited time for the LEP to consider Grant Funding Agreement variation requests from Growth Deal 3 projects in line with the timescale for spend.		
<b>Risk Rating</b>	<b>4</b>	<b>Target Score</b>	<b>2</b>
<b>Risk Mitigation</b>	<p>The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template in response to a number of LGF projects requesting variations. Requests have been received from the HEZ, Tannery, Oswestry IP and Allied healthcare projects. As variations may require LEP Board approval and an Emergency LEP Board was convened for 24 February to outline the position.</p> <p>Variations were signed-off by 31 March 2021 enabling LGF spend by the end of the funding period. A new funding agreement for the Bishops Castle workshop project was signed-off by 31 March 2021 to utilise underspend from the Tannery project by programme closure. Freedoms &amp; Flexibilities have been utilised by the following projects - ensuring LGF spend by 31 March 2021: Connecting Shropshire £319,011.06, Tannery £11,501.73 and Hereford Enterprise Zone £500,000</p>		
<b>Risk No</b>	<b>P3.17</b>	<b>Annual Review</b>	<b>1 April 2022</b>
<b>Risk Description</b>	Limited time for the LEP to consider Grant Funding Agreement variation requests from Getting Building Fund projects in line with the timescale for spend.		
<b>Risk Rating</b>	<b>4</b>	<b>Target Score</b>	<b>4</b>
<b>Risk Mitigation</b>	<p>The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template in response to a number of GBF projects requesting variations. Requests have been received from the Pride Hill Remodelling and Tackling Fuel Poverty projects. As variations may require LEP Board approval an Emergency LEP Board was convened for 24 February to outline the position.</p> <p>The variations were signed-off by 31 March 2021 enabling the LEP to meet spend commitments. Freedoms &amp; Flexibilities have been utilised by the Stronger Communities (£1,190,00) and Hereford City Centre Improvement (£1,389,000) projects - ensuring 2020/21 GBF allocations were spent by 31 March 2021 in line with contractual commitments.</p>		

**Risks to be noted by the LEP Board in the short term from a PRMC's perspective:**

- The Government continues its review on the future role of the LEPs. Final outcomes of the review are expected to be published in the Autumn.
- LEP Core funding for financial year 2021/22 is still to be released. This matter is affecting all LEPs. The LEP Network has been pursuing the unlocking of this issue relentlessly and understands the urgency of the situation.

***Recommendation – That Board members take note of the outcomes of the last PRMC meeting on 25 June 2021 and the main changes to the Strategic and Programme Risk Registers.***

**Financial implications:** The LEP needs to monitor risks to the projects accurately and ensure these do not impact negatively on its performance.

**Legal implications:** None

**Risks, opportunities and impacts:** Uncertainties around future LEP funding is an area of great concern and may impact on the capacity of the LEP to fulfil its future obligations.

**Equality implications:** None

**Additional information/ attachments:**

Appendix 1. [Strategic Risk Register](#)

Appendix 2. [Programme Risk Register](#)

**Background papers/documents:** None

**Report Author:** Ilia Bowles, LEP Director of Corporate Services

# Blank Page

## **Marches LEP Chair and Chief Executive's Report**

### **Marches LEP Ltd Board meeting on 20 July 2021**

This report provides updates on a range of issues. The purpose of the report is to provide Board members with a brief overview of other LEP activities. The LEP Chair and CEO will take questions on any of the below items at the Board meeting.

#### **1. Marches LEP Ltd Annual Accounts and Audit report**

The Marches LEP Annual Accounts 2020/21, which were drafted by the Finance team at Shropshire Council, are currently being finalised by the LEP's appointed accountants, Thorne Widgery, and will be shared with the LEP's appointed auditors, James Holyoak & Parker Ltd, towards the middle of July. The auditors will then conduct an external audit of the Accounts and prepare an Audit Report.

Towards the end of July, once the draft Accounts and the Audit Report are ready, Board Members will be sent copies of the draft accounts and audit report by email and have the opportunity to raise any comments they may have. The Accounts will then be presented for approval at the September LEP Board meeting.

#### **2. PR & Marketing Activity Report for the LEP, Marches Growth Hub (MGH) and Hereford Enterprise Zone (HEZ) - January – June 2021**

Campaign focus:

- LEP Capital projects delivery milestones
- Covid – support, recovery, plan
- Marches Local Skills Report
- Shell Store & Cyber Centre launch
- Business support – Brexit, Access to Finance, Covid-19

Outcomes:

- 197 separate pieces of media coverage, online and offline (65 offline coverage (33 local newspapers, 22 regional newspapers, 10 business magazines); 130 online coverage (129 other, 1 business website); and 2 social coverage)
- Positive tone to all media coverage, no negative coverage
- Online and offline reach to a potential audience of 22.1m (22m online reach (22m other, 1.6k business website); 135k offline reach (71.4k local newspapers, 63,7k regional newspapers); and 38k social reach)
- Front page leads in print media, headline stories online and broadcast interviews with organisation leaders throughout the period
- Increase in follower numbers on all social media channels
- Website stats: MGH visitors 22,197 (up 2% on previous reporting period); MLEP 10,058 (up 13%); Skylon Park 4,500 (no previous reporting period)

Impact highlights:

- 49% of businesses in Marches area made use of the Government's Brexit Checker Tool promoted by the Marches LEP/MGH/HEZ compared to 31% of businesses across the remainder of the West Midlands (source: WM Cluster Brexit report)
- 280 businesses referred to a finance/funding programme, against a target of 33, following access to 1-2-1 support and access to finance focused PR & marketing (including case studies, promotion of funds/scheme, signposting MGH as gateway)

- LEP contribution recognised in all capital project milestone PR and resulting media coverage, including launch of Marches Centre for Health and Social Care (LGF), Shell Store (MIF) and Pride Hill remodelling
- Shell Store marketing plan roll-out, with PR, social media and drone fly through, resulting in direct enquiries for office space
- Reputation for working well with partners intact and successful partnership working evidenced despite significant potential for negative media coverage during the period

### **3. Union Connect Review of Transport Connections**

#### **- Meeting with Sir P Hendy, Chair of Union Connect on 29 June 2021**

Maria Machancoses the CEO of Midlands Connect organised this meeting of Marches and mid Wales partners to allow them to make the case for more government investment in transport in the Marches and Mid Wales areas. Present from the Marches and mid Wales area were Mandy Thorn MBE DL, Cllr Hitchiner and Cllr Harrington (Herefordshire Council), Cllr Charmley (Shropshire Council), the Rt Hon Owen Paterson MP, the Leader of Powys Council plus a range of officers. The actions resulting from this meeting were that Owen Paterson MP will write to the Welsh Government seeking clarity on the current status of A483 works, Midlands Connect will work on a narrative and messaging on road investment with Welsh Government and any additional information should be sent into the UCR team asap from the three local authorities present. It has been agreed this group of people will continue to meet on a regular basis with Midlands Connect, Dept for Transport, Welsh Government and others to ensure the transport needs of the area are championed at the highest levels.

### **4. Skills and Labour Market Support**

#### **4.1. Skills Advisory Panel**

A Memorandum of Understanding has been submitted to the Department for Education (DfE) to secure a grant of £75k for FY21/22. This will support the Skills Advisory Panel (SAP) in taking forward recommendations contained within the Local Skills Report. Funding will be used to further update analysis of skills needs and demand, labour market challenges and sector specific opportunities.

#### **4.2. Skills Accelerator**

A Marches-wide expression of interest was submitted to DfE by Shropshire Chamber on behalf of employer representative bodies and local partners. In addition to this application to become a Local Skills Improvement Plan (LSIP) Trailblazer, an associated Strategic Development Fund bid was submitted by the three Marches based colleges. Announcements of the successful bidders are expected imminently.

#### **4.3. Work with Jobcentre Plus/Department of Work & Pensions**

Dialogue to encourage the take up of the Kickstart programme has continued with the support of Sonia Robert, Deputy LEP Chair. In addition the LEP team has engaged with DWP colleagues to support the rollout of the new Restart programme which will assist the long-term unemployed (in receipt of Universal Credit for 12-18 months) with intensive work search activity and employability skills. This was formally launched on 20 June 2021.

#### **4.4. West Midlands Apprenticeship Ambassador Network**

The LEP has also recently engaged with the West Midlands Apprenticeship Ambassador Network (WMAAN) which promotes and demonstrate the value of apprenticeships.

#### **4.5. Marches Careers Hub**

Confirmation of Hub funding until 31 August 2022 has now been received from the Careers & Enterprise Company (CEC). Discussions with local authority partners are underway on how to improve consistency in programme delivery in order to maximise impact across the Marches.

A virtual Marches Hub Careers Fair was held on 8 July 2021 and attracted over 50 exhibitors from across the Marches employer network and 388 students. The event supported schools and colleges in engaging with employers, raised awareness of local opportunities and highlighted the importance of different subjects to certain job roles. In addition to attendance on the day, the event will be a resource for all schools and colleges in the Hub for the next 6 months and will provide a direct communication route between students and exhibitors until January 2022.

#### **5. Midlands Engine Investment Fund – Marches LEP Membership of the Strategic Oversight Board**

The Midlands Engine Investment Fund (MEIF) Strategic Oversight Board (SOB) was established on 24 May 2016, where the ten LEPs nominated representatives to attend SOB meetings on its behalf as outlined in the SOB Terms of Reference. Paul Kalinauckas joined the SOB approximately 6 months ago to represent the interests of the Marches LEP after the Worcestershire LEP representative stood down.

Paul has been approached to see if he would be happy to extend his membership of the SOB until December 2023. This would align approximately with the start of MEIF 2, subject to the Spending Review outcome, and would be close to when MEIF would stop making new investments. Paul is aware his membership on the LEP Board will be reviewed in May 2022 as he will have served his second 2-year term on the LEP Board. He has therefore advised the MEIF SOB that he will be able to continue to be a member of the SOB until then and a decision will then be taken about him continuing to be the Marches LEP representative until Dec 2023.

Paul Kalinauckas has kindly agreed to provide a briefing about the work and investments of the Midlands Engine Investment Fund at either the September or November 2021 LEP Board meeting.

**Gill Hamer DL, LEP CEO**  
**Mandy Thorn MBE DL, LEP Chair**

End