

**Draft Minutes of the Marches LEP Ltd Board Meeting
28 September 2021 at 4.00pm at Ludlow Racecourse, Bromfield SY8 2BT
(Company Number: 11822614)**

Present:

Mandy Thorn MBE DL	MT	Chair, Marches LEP Board
Sonia Roberts	SR	Deputy Chair Marches LEP Board; Equality & Diversity Champion; CEO Landau Limited
Frank Myers MBE	FM	Herefordshire Business Board Chair
Will Westley	WW	Telford Business Board Chair
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Ed Potter	EP	Deputy Leader, Shropshire Council
Cllr David Wright	DW	Cabinet Member for Economy, Housing, Transport and Infrastructure, Telford & Wrekin Council
James Staniforth	JS	Skills Advisory Panel Chair; Principal and CEO of Shrewsbury Colleges Group
Paul Kalinauckas	PK	Access to Finance Champion
Christine Snell	CS	Business Partner, AJ & CI Snell
Gordon Coppock	GC	Energy and NET Zero Champion
Catherine Baxter	CB	Higher Education Champion; University Secretary, Harper Adams University

In Attendance:

James Walton	JW	Section 151 Officer, Shropshire Council
Neil Taylor	NT	Director of Economy and Place, Herefordshire Council
Paul Walker	PW	Chief Executive, Herefordshire Council
Mark Barrow	MB	Executive Director for Place, Shropshire Council
Graham Guest	GG	Chief Executive and Principal Telford College
Ollie Hindle	OH	Assistant Director, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Nick Francis	NF	Deputy Head, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Annabelle Townley	AT	Deputy Area Lead, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Rachel Laver	RL	Chief Executive, Marches LEP
Ilia Bowles	IB	Director of Corporate Services, Marches LEP
Kathryn Jones	KJ	Partnership Manager, Marches LEP
Nick Alamanos	NA	Programme Manager, Marches LEP
Ennis Vingoe	EV	Executive Assistant, Marches LEP
Wayne Redge	WR	Office Administrator, Marches LEP

Observers:

Amy Bould	AB	Be Bold Ltd
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ITEM		ACTION
1.	1. Welcome, Apologies and Declarations of Interest MT thanked everyone for attending the meeting and welcomed Rachel Laver to her first meeting as Marches LEP Chief Executive and Graham Guest to his first	

	<p>meeting as Chair Elect of the Skills Advisory Panel (and Marches LEP Board member from 30 November 2021). Apologies were received from Andrew Manning Cox, Beth Heath and Sara Williams.</p> <p>MT noted that the meeting was being recorded to aid the production of the minutes.</p> <p>Re-appointment of Sonia Roberts as Deputy Chair</p> <p>MT thanked members for endorsing the re-appointment of Sonia Roberts as Deputy Chair via written resolution. Her term will now expire in September 2023.</p> <p>2. Declarations of Interest</p> <p>The Chair reminded members to complete the form that had been distributed for any specific Declarations of Interest for this meeting.</p> <p>DW – declared an interest as a member of West Midlands Rail Executive (Item 3 – Chair and CEO Report – Midlands Rail Hub).</p> <p>DH – declared an interest as Leader of Herefordshire Council (Item 7 – Update on Hereford City Centre Improvement (HCCI) and Integrated Construction Wetlands (ICW) projects).</p>	
2.	<p>Minutes of The Marches LEP Ltd Board meeting on 20 July 2021</p> <p>The Minutes of the meeting held on 20 July 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.</p> <p>Minutes of the Marches LEP Ltd Emergency Board meeting held on 7 September 2021</p> <p>The Minutes of the Emergency Board meeting held on 7 September 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.</p>	<p>EV</p> <p>EV</p>
3.	<p>LEP Chair and CEO Report</p> <p>RL introduced the paper and commented that at a West Midlands LEPs' meeting this morning it had been suggested that the Comprehensive Spending Review (CSR), currently scheduled to be announced on 27 October, may potentially be delayed until the end of November 2021. This would be very disappointing as the publication of the outcomes of the LEPs' Review were due to coincide with the CSR publication. The continuing uncertainty for LEP staff was unacceptable. MT reported that Tim Pile, Chair of Greater Birmingham and Solihull LEP and the lead Chair of the West Midlands group in the LEP Network, was stepping down. This was a sad loss as he had been a very strong advocate for LEPs throughout the Review process.</p> <p>DW welcomed the inclusion of the section in the paper on the Midlands Rail Hub and the electrification of the Shrewsbury-Birmingham rail line. The LEP Board and partners should be driving this issue and thinking about lobbying opportunities and joined up thinking for investment, as there was concern that the timeframe for this project was drifting. MT suggested that the discussion could be progressed by the LEP.</p>	<p>RL</p>
4.	<p>Update from The Marches Skills Advisory Panel (SAP)</p> <p>JS said that he had chaired the SAP for 3 and a half years, extending his tenure over the last 18 months in order to provide continuity during a very challenging time. The SAP now had a vision for the provision of skills in the Marches plus a set of aims and KPIs, with the processes in place to review progress against them. Having agreed the priorities, it was now much better placed to bid for any funding opportunities. The SAP was now bringing providers together to work in collaboration with each other.</p>	

	<p>MT wished to formally thank JS for everything he had done as Chair of the SAP and also to thank KJ for the support she provided to the SAP and the skills agenda more widely. SR said that JS had shown excellent leadership enabling the large group of contributors to make significant improvements in the way they worked and collaborated.</p> <p>GG also thanked JS saying that the uncertain times continued, and it would be key to build on the cooperation that he had generated.</p> <p>CB noted, as Chair of HE Group, that KJ had been excellent in helping to bring the two groups together and she was keen to maintain the synergy and support between the two groups.</p> <p>A discussion took place about skills projects and business support signposting.</p> <p>The Board noted the achievements of the SAP, in particular those of JS as outgoing Chair and KJ in supporting the Panel.</p> <p>MT formally welcomed GG as Chair of SAP from 1 October 2021.</p>	
<p>5.</p>	<p>Report on the Midlands Engine Investment Fund (MEIF)</p> <p>PK (Access to Finance Champion) delivered a presentation on MEIF. The main points covered were:</p> <ul style="list-style-type: none"> • There was an issue with commercial funding in that banks were not necessarily the most appropriate vehicle to lend to small businesses. • A number of different funds were available within the MEIF. • The Marches LEP had 6% of Eligible Businesses and had received 6% of MEIF Loans by number (35 loans/investments). • The LEP had received 3% of the loans/investments by value which suggested a larger number of small/micro businesses than some other LEP areas. • The Marches European Regional Development Fund allocation to the Fund was £3m. It had received £4.2m of investment with around 50% of the Fund deployed. Private Sector leverage of around £1m had been received as a result of the MEIF loans and investments. • £200m was still available in MEIF. The loan monies come back into the fund and were re-invested. • Marches Growth Hub teams were excellent at promoting MEIF and working with intermediaries and Fund Managers. There would be a continued focus on promoting Access to Finance information to encourage businesses to apply for funding. <p>MT thanked PK for the informative presentation.</p> <p>Members discussed various funding initiatives and the opportunities for the business community. RL said that it was important to try and get every penny of the MEIF money invested now so that it could be recycled. Shared Prosperity Funding would be available in the future. RL said she would encourage partners to work together to bid for loan or equity funds to enable the funding to be recycled. It was confusing to the market with all the different funds available and some could be brought together and badged as one, thus avoiding potential applicants having to wade through too many different initiatives.</p>	
<p>6.</p>	<p>Progress report on Getting Building Fund (GBF)</p> <p>NA went through the paper to Section 3 and invited the Board to note the progress made and the associated risks with two of the projects.</p> <p>The Board noted the background to the Getting Building Fund Programme as set out in section 1 of the paper.</p>	

	<p>The Board noted the Quarter 1 performance position relating to the Getting Building Fund Programme as set out in section 2 of the paper.</p> <p>The Board noted the current risks relating to the delivery of the Getting Building Fund Programme, including specific risks relating to the Hereford City Centre Improvement (HCCI) and Integrated Construction Wetlands (ICW) projects, as set out in section 3 of the paper.</p> <p>NA introduced P Walker, Chief Executive of Herefordshire Council, and N Taylor, Director of Economy & Place, Herefordshire Council, to provide an update on the HCCI and ICW projects.</p>	
7.	<p>Update on HCCI and ICW Projects – Herefordshire Council</p> <p>NT said that Herefordshire Council had had a difficult start with the two projects but there was now a new team in place, put together at considerable expense, to deliver the projects quickly. Some hurdles had also been overcome with delivery contractors. The Council were now delivering at speed.</p> <p>HCCI Project</p> <p>NT continued by saying that the HCCI programme consisted of 15 inter-linked projects. These were mostly ‘streetscape’ including cycling and walking projects aiming at creating a better environment for people to visit and linger in the city. NT went through the programme spend to date and the projected spend through the duration of the programme. In order to achieve spend in financial year 2020/21, freedoms and flexibilities had been utilised by the HCCI project.</p> <p>NA explained that Herefordshire Council had also requested the use of freedoms and flexibilities for financial year 2022/23, giving an extra year to complete the spend, subject to agreement by both parties. Herefordshire Council would need to demonstrate a clear pathway as to how they were going to spend the funds in this financial year, offsetting the freedoms and flexibilities.</p> <p>NT confirmed that the original outputs would be delivered by the project as agreed by the LEP Board at its Emergency meeting on 14 July 2020. However, some additional sub-projects were being brought forward to the early part of the project, and there was some reconfiguration of the existing sub-projects.</p> <p>NA said that the funding agreement would, therefore, require variation and that, in order to mitigate risk, the LEP Board would require clear and demonstrable evidence of key deliverables and milestones for the 2022/23 spend, and this position was not completely clear at the present time.</p> <p>PW said that the project had been conceived some time ago and there had been a lull in decision-making and progress, but with the Cabinet’s support there was now a real emphasis on delivering the HCCI project. There was full Cabinet-wide support for this and clear officer and project manager support to deliver the project. PW confirmed that he and NT were providing assurance to the LEP Board that they were ‘on top of this’.</p> <p>NA reported that dialogue had been ongoing for potential changes to the HCCI project since the start of May 2021 and the LEP Team had been proactively working with Herefordshire Council colleagues, but the deadline set for receipt of information from the Council of 17 August 2021, had not been met. Information was still outstanding for 2022/23 spend and the potential for further use of freedoms and flexibilities. A further deadline of 15 October 2021 following a Herefordshire Council cabinet meeting had been proposed.</p> <p>SR expressed concern that a number of deadlines not been met.</p> <p>RL asked if construction/works contracts had been let by Herefordshire Council for this project. NT confirmed that they had but a bit more time was needed to get the</p>	NT

	<p>results from elements of the contracts, in the level of detail that was required by the LEP. NT requested that the 15 October deadline be extended to November 2021. MT said that she appreciated the issues, but the LEP Board was concerned about the risk of potentially having to repay funds to government.</p> <p>FM said that in recent weeks, he had seen a sea change in approach at Herefordshire Council and believed that the request for more time was justified this time. He said that he appreciated that this was a difficult position for NA.</p> <p>NT commented that there was risk for Herefordshire Council as well as the LEP and that the Council was delivering at pace in the faith that the LEP would support the project.</p> <p>Members continued to discuss the issue and MT commented that the LEP wanted to support Herefordshire Council but now needed absolute certainty that the project can deliver the outputs.</p> <p>MT and RL suggested that an urgent meeting be convened between NA, RL, MT, SR and Herefordshire Council to review the available evidence.</p> <p>NA confirmed that the outstanding information required was for the spend for the additional year of the project.</p> <p>ICW Project</p> <p>NT reported that the project was to create wetlands and to 're-wild' in order to generate phosphate 'credits' to be able to use the land to build new homes without creating further phosphate. He commented that Herefordshire Council had a significant financial commitment in this project (and the HCCI), as well as the Marches LEP. It had been discovered that part 2 of the project for re-wilding generates nitrate credits, not phosphate credits so the project was now solely to create wetlands.</p> <p>NT said that there had also been issues with this project but there was now a new team in place delivering these sites through to Herefordshire Council. The Council was confident in fully completing 2 sites, and a further 4 into heads of terms and completion by March 2022. PW said that the wetlands were of strategic importance to the region, and this was a pioneering approach.</p> <p>NA provided clarification that the ICW project contained 2 elements: Project 1 was to create the wetlands; Project 2 was the re-wilding element, but this part of the project was now not possible. This would generate a £450k underspend and the LEP would need to look at ways of re-investing this.</p> <p>NT said that the house building moratorium in the Lugg catchment area would need to be lifted in order to build the 1600 homes proposed in the project. The request was to transfer the funding from Project 2 to Project 1 in order to deliver the full outputs, from more wetlands, some of which would be from new site acquisition.</p> <p>MT said that a contract variation would be required which would result in additional costs to the LEP. NA commented that land purchase was a significant risk and the LEP would need to work with Herefordshire Council to mitigate that risk.</p> <p>RL suggested that a meeting be convened to review revised deliverables and milestones.</p> <p>The Board agreed a deadline of 23 November 2021 (prior to the next LEP Board Meeting on 30 November 2021) for Herefordshire Council to provide a final position (including all outstanding information) for both the HCCI and ICW projects and delivery of the signed contract variations. The documents are to have completed the governance processes at Herefordshire Council by this deadline. Should this deadline not be met the funds would need to be reallocated (unanimous).</p>	<p>NA/RL</p> <p>NA/RL</p> <p>NT</p>
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	The Board agreed that delegated authority be given to the LEP Chief Executive, LEP Programme Manager and Section 151 Officer (in consultation with the LEP Chair and Vice Chair) to agree and vary the existing Funding Agreements for HCCI and ICW - in line with the objectives and scope of their original LEP Board approved projects (unanimous).	
8.	Update on LEP Review and Core Funding for financial year 2021/22 This information was discussed during Item 3 - Chair and CEO report.	
9.	Report from the Performance Risk & Monitoring Committee (PRMC) meeting on 26 August 2021 MT asked members to forward any questions on the paper to MT and SR.	All
10.	Governance update - verbal IB would provide an update via email.	IB
11.	Any Other Business RL suggested that some of the Marches LEP Board meetings could take place at LEP project locations. Relevant venues would be researched with the option to allow attendees to potentially join an in-person meeting, virtually.	EVWR
	Date of next meeting: Tuesday 30 November 2021 via Zoom	