

Minutes of the Marches LEP Performance Risk & Monitoring Committee (PRMC) Thursday 17th December 2020

Present

Sonia Roberts (Chair)	SR	Marches LEP Board Member
Ruth Shepherd	RS	LEP Board Member and Private Sector Representative
Sara Williams	SW	LEP Board Member and Private Sector Representative
Frank Myers	FM	LEP Board Member
James Walton	JW	Shropshire Council, S151 Officer
Karen Morris	KM	Herefordshire Council, Finance
Dainy Runton	DR	Telford & Wrekin Council, Finance
Ilia Bowles	IB	Marches LEP Director of Corporate Services
Nick Alamanos	NA	Marches LEP Programme Manager
Stephanie Jones	SJ	Marches LEP Project Support Officer
Wayne Redge	WR	Marches LEP Office Administrator

ITEM		ACTION
1	<p>Welcome and apologies The Chair welcomed everyone to the meeting. Apologies had been received from Oliver Hindle, Kathryn Jones, Gill Hamer, Andrew Lovegrove (represented by Karen Morris) and Ken Clarke (represented by Dainy Runton).</p>	
2	<p>Declarations of interest None received.</p>	
3	<p>Minutes of the last meeting The Minutes of the last meeting on the 22nd October 2020 were reviewed and checked for accuracy. Minutes were approved.</p>	
4	<p>Matters arising from last meeting</p> <ul style="list-style-type: none"> • SR confirmed that since the previous PRMC meeting members had received a list of all projects by location. It was suggested that it would also be useful to receive an overview of why each project was awarded funding. NA to discuss with SR. • An outstanding action from the Mid-Year Review was the update of the Business Board's Terms of Reference (TORs). SR explained that this is still ongoing and that the original plan of developing one overarching TORs for all three Business Boards was over ambitious. • FM suggested that PRMC minutes should not include the wording 'going forward' and that 'in the future' should be used instead. 	<p>NA</p> <p>WR</p>
5	<p>Governance Update</p> <p>a) Business Continuity Plan (BCP)</p> <ul style="list-style-type: none"> • IB explained that the main aims of the BCP were to identify a business continuity team to lead the LEP in the event of a disaster, establish protocols, identify how critical business activities could continue and how the LEP would go back to business as usual. Equipment and resources essential to the activities of the LEP had been identified. This process had highlighted requirements such as fireproof cabinets which are being sourced. 	

	<ul style="list-style-type: none"> • FM said that theft should be added to the BCP as it could significantly impact LEPs activities. IB to make changes and circulate to PRMC members by email for approval. <p>b) Risk Registers – Reviewed at LEP Board on 24.11.20</p> <p>I. Strategic Risk Register</p> <ul style="list-style-type: none"> • IB explained that a general review of the Strategic Risk Register had been conducted. Proposed changes to text had been highlighted in red to show suggested additions and blue to show suggested remissions. • IB proposed that risks relating to Partnerships should be developed and brought to the next meeting for member’s approval to add to the Register. SR said that including a Partnership section would allow PRMC to have an overview of all the activities of the LEP. • IB suggested that the annual review date should be re-worded to ‘last review date’ to instil more confidence in third parties that the Register is regularly reviewed. • JW said that target risk levels should be established to provide a strategic focus on the risks that most needed to be reduced in level. SR said that the review of the Risk Register should cover this. • Members were asked to provide feedback on the proposed changes to the Risk Register by email by 11th January 2021. <p>II. Programme Risk Register</p> <p>There had been no arising risks from monitoring visits since the previous meeting, so the Programme Risk Register had not changed since it was last reviewed.</p> <p>c) Service Level Agreement (SLA) with Shropshire Council (Future Services)</p> <ul style="list-style-type: none"> • IB explained that the document’s tracked changes reflected the amendments made since the September draft seen by members. Bevan Brittan had carried out an independent legal review of the SLA and had not highlighted any major issues. Schedule 3 was the final element to be included in the document. The LEP Incorporation Task & Finish Group had seen the SLA and had not requested any major changes. • Members discussed the complexity of the document and asked for an Executive Summary to be produced. IB to provide an Executive Summary including actions taken by Bevan Brittan and information arising from the LEP Incorporation Task & Finish Group and send to members by email for approval. Once members approved the document, it would go to the LEP Board. • Members were reassured that the current agreements were to stay in place until 31st March 2021. The aim of the new SLA was to formalise services which Shropshire Council had been providing to the LEP but had not previously been covered by an SLA. <p>d) PRMC Review</p> <p>Members were advised that the effectiveness of the PRMC was to be reviewed against a checklist from the National Audit Office at the next PRMC Meeting. FM highlighted the Wye Valley NHS Trust Board summary papers as a good example to look at when considering the formatting of PRMC reports. Members agreed that other organisations should be researched for best practice in all areas of the PRMC review.</p>	<p>IB</p> <p>IB, WR</p> <p>All</p> <p>IB</p> <p>IB, SR</p>
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	<p>e) Annual Review of PRMC Terms of Reference (TORs) Members reviewed the changes to the PRMC TORs. The changes were agreed to unanimously.</p>	
6	<p>Comprehensive Spending Review – Implications for LEP budgets for FY 2021/22 IB advised members that in a meeting with BEIS on 16th December, N Francis confirmed that LEP Core Funding of £500,000 would not be increased for financial year 2021/22 and would be confirmed in writing by 12th April 2021 subject to a positive outcome of the LEP Annual Performance Review (APR). The LEP was being asked to provide information to BEIS by 15th January which would inform the APR scheduled on 9th February 2021. Members agreed that receiving confirmation of core funding in April 2021 would put the LEP at a higher level of risk.</p>	
7	<p>LEP Staffing - Update</p> <p>a) LEP Core Budget</p> <ul style="list-style-type: none"> All LEP staff contracts have been extended to 31st March 2022. It is understood that a prospectus on future funding for LEPs would be available in early 2021. SR said that the uncertainty of the future of LEPs was a concern. More information was needed on the impact that the Levelling Up Fund would have on LEPs. <p>b) £300,000 Capitalisation of Growth Deal – to assist with Programme Management costs</p> <ul style="list-style-type: none"> JW informed members that discussions with other LEPs had taken place to understand how Growth Deal has been capitalised in other LEPs. The costs associated with the Marches LEP programmes had been assessed against the same parameters. The figure is currently expected to be between £100,000 and £110,000. Although further costs are being considered, it is clear that the initial £300,000 estimate was an ambitious target. Members discussed the Growth Deal capitalisation and whether the project delivery teams could consider capitalisation within the projects. JW explained that the process was to free up money for the LEP and not the individual project teams. Members asked to see the guidelines upon which the decision on whether costs were or not eligible was made. This would be circulated by email. SR said that this should be added as a risk to the Strategic Risk Register as there is potential for Government to disagree with the decisions made and withdraw the money. 	<p>JW IB, WR</p>
8	<p>Performance Monitoring</p> <p>a) Growth Deal Update – 2020/21 Profiles</p> <p>i. Risk relating to spend and potential mitigation</p> <p>NA informed members to date projects had claimed £15.3m of Growth Deal funds against a profile of £37.3m. It was explained the Programme is currently over-committed by £700,000 – as per LEP Board approval.</p> <p>Although claims were coming in quickly, the LEP was slightly behind schedule – due to the impact of Covid-19 and Funding Agreements not being signed off until September 2020. Monitoring visits had been conducted, with projects confirming they would be able to spend Growth Deal funding by 31 March 2021. During these visits, the LEP opened discussions with projects around the potential to utilise Freedoms and Flexibilities as well as the ability to claim Growth Deal funding before match funding. It was explained that in line with LEP Board approval the Programme has a reserve list, including projects which are currently spending.</p>	

	<p>ii. Top up variations (NMITE, Newport, Cyber Security & Flaxmill) NA said that the Newport, Cyber Security and Flaxmill projects had been signed. The NMITE project was expected to be signed imminently.</p> <p>b) Getting Building Fund (GBF) New and Accelerated Projects (£14,000,000) i. Contracting – Deadline 4th December (as agreed at LEP Board on 24.11.20) NA confirmed that all GBF projects had agreed to the terms and conditions of the funding agreement by the deadline. The LEP expected the contracts to be signed off by 18th December 2020. O Hindle had confirmed that Freedoms and Flexibilities could be used on GBF projects, but clarification was needed as to whether this could be used in conjunction with Freedoms and Flexibilities within LGF projects.</p> <p>c) GBF - £1.6m for NMITE Skylon Park campus Herefordshire Council were expected to agree the receipt of the funding for NMITE in a Cabinet meeting on 16th December 2020. NA to confirm the outcome of the decision and inform members.</p> <p>d) Marches Centre for Manufacturing Technology (MCMT) – Update on variation of contract with shareholders</p> <ul style="list-style-type: none"> • Members were advised that work is ongoing with MCMT. A review of the contract was under way and a report was being finalised. • Members discussed the risks involved with the MCMT project. • Members asked for information on how projects are evaluated and awarded funding. The process is included in the LEP Accountability and Assurance Framework. <p>e) 2020/21 LEP Budget Spreadsheets (exception reporting)</p> <ul style="list-style-type: none"> • IB outlined key figures within the Budget Spreadsheet and explained that VAT and Corporation Tax had hit the LEP Core budget. Discussions with HMRC were ongoing as to whether the LEP could be recovering some VAT. • As costs had increased without any increase to the LEP budget, there was uncertainty as to whether the LEP could operate to full capacity in 2022/23 at current funding levels. There could be a risk of staff demotivation due to potential job uncertainty. 	<p>NA</p> <p>NA</p> <p>JW, GH</p>
<p>9</p>	<p>Any Other Business</p> <p>a) Election of PRMC Deputy Chair IB reminded members that nominations for the election of a Deputy Chair for PRMC close on 21st December 2020. No nominations had been received to date. Board members within the meeting were encouraged to consider submitting a nomination.</p> <p>b) Health & Safety WR provided members with an overview of the LEP Health & Safety practices.</p>	
	<p>Next Meeting of the Marches LEP PRMC: 25th February 2021 15:00-17:00</p>	