

**Minutes of the Marches LEP Ltd Emergency Board Meeting (redacted)
7 September 2020 at 8.30am
Meeting held via Zoom
(Company Number: 11822614)**

Present:

Mandy Thorn MBE DL	MT	Chair, Marches LEP Board
Sonia Roberts	SR	Deputy Chair Marches LEP Board; Equality & Diversity Champion; CEO Landau Limited
Frank Myers MBE	FM	Herefordshire Business Board Chair
Andrew Manning Cox	AMC	Hereford Enterprise Zone Chair
Will Westley	WW	Telford Business Board Chair
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Lezley Picton	LP	Leader, Shropshire Council
Cllr David Wright	DW	Cabinet Member for Economy, Housing, Transport and Infrastructure, Telford & Wrekin Council
Paul Kalinauckas	PK	Access to Finance Champion

In Attendance:

James Walton	JW	Section 151 Officer, Shropshire Council
Toyin Bamidele	TB	Interim Director of Strategic Finance, Shropshire Council
Roger Allonby	RA	Head of Economic Development, Herefordshire Council
Mark Barrow	MB	Executive Director for Place, Shropshire Council
Katherine Kynaston	KK	Director Housing, Economy & Infrastructure, Telford & Wrekin Council
Annabelle Townley	AB	Deputy Area Lead, West Midlands & South West, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Ilia Bowles	IB	Director of Corporate Services, Marches LEP
Nick Alamanos	NA	Programme Manager, Marches LEP
Ennis Vingoe	EV	Marches LEP Executive Assistant
Lisa Ashby	LA	Marches LEP Project Officer

ITEM		ACTION
1.	<p>1. Welcome, Apologies and Declarations of Interest MT thanked everyone for attending the emergency Board meeting. The meeting was being held to approve the reinvestment of returned Local Growth Funds against the Project Call criteria. Due to the commercially sensitive nature of the project information, papers had not been released on the website and the meeting was not being held in public. Apologies were received from Beth Heath, Christine Snell, Sara Williams, Catherine Baxter and James Staniforth. MT welcomed Cllr Lezley Picton to her first meeting.</p> <p>2. Declarations of Interest The Chair reminded members to complete the form for Declarations of Interest and forward to EV if required. The following declarations were received: LP – as a member of Shropshire Council. AMC - as Chair of Hereford Enterprise Zone.</p> <p>MT reminded the Board that members were eligible to vote on items in which they declared an interest provided this was not a personal interest.</p>	

2. Allocating Returned Local Growth Funds (LGF) 2021/22

NA reminded members that at the 20 July 2021 Marches LEP Board meeting it was agreed that the LEP undertake a Restricted Project Call (for existing Local Growth Funded and approved Reserve List Projects). NA reported that a Commissioning Sub-group was established to oversee the Call process and to ratify the recommendations submitted by an independent consultant - Kalliopi Associates who were appointed through an Open Tender Process, providing independent technical support in appraising projects on behalf of the LEP. The Commissioning Sub-group members were:

- Mandy Thorn MBE DL – Marches LEP Chair.
- Sonia Roberts – Marches LEP Deputy Chair and Performance Risk and Monitoring Committee (PRMC) Chair.
- Frank Myers MBE – Herefordshire Business Board Chair and PRMC Member.
- Sara Williams – Marches LEP Manufacturing Lead and PRMC Member.

As set out within the Project Call Guidance all applicants were existing LGF contract holders, with the new LGF grant continuing activity within the scope of their original Project/Funding Agreement, delivering the Call's priority outputs of jobs created and new homes built. Kalliopi Associates focused on the eligibility of projects against the Project Call criteria as well as the requested additional activity.

The Board noted the background to the current Project Call.

Outcome of Appraisal (Option 1)

NA confirmed 8 submissions were received. Each submission was appraised twice by separate Kalliopi Associates appraisers and findings consolidated, with further input from the Marches LEP team specifically relating to financial eligibility and current project performance. Three projects were rejected due to not meeting the eligibility criteria. Five projects were deemed eligible and recommended for consideration for approval.

The total value of the grant requested by these projects was significantly lower than the funds available. This position would see the LEP not being able to utilise all available LGF funds for the benefit of the region, with unallocated grant being returned to Government. It was therefore recommended to the Marches LEP Board that Option 1 i.e. approval of the five projects for a total grant value significantly below the funds available, was rejected.

The Board rejected Option 1, in relation to the reinvestment of available Local Growth Funds per (unanimous).

Further Action (Option 2)

NA said that to ensure the LEP could utilise the LGF grant for the intended purpose of the Project Call, the Marches LEP team approached the five recommended applicants, to establish whether the project submissions were capable of utilising additional grant, over and above their first request. This approach was based on the understanding that these projects could provide additional priority outputs for the investment sought, whilst ensuring the project match funding ratio sat within the agreed 70/30 split. Four of the applicants responded but one of the submissions was not proceedable due to some ineligible costs being submitted, therefore the overall project value was reduced.

	<p>Therefore, 5 projects were recommended for consideration for approval by the Board with 3 of them recommended for the additional grant requested.</p> <p>The Board approved Option 2, in relation to the reinvestment of available Local Growth Funds (unanimous).</p> <p>MT confirmed the deadline for the funding agreements to be signed was 8 October 2021 and everyone, including the project promoters must play their part in ensuring this deadline was met. All relevant governance processes would need to have been completed by then. AMC thanked NA for including the changes to the original flow chart from the last Board meeting.</p> <p>Capitalisation NA said that the undertaking of a new Project Call would see the LEP incurring costs during a period of financial insecurity. These costs included the procuring of the Independent Technical Evaluator/Consultant, legal costs (in developing funding agreements) as well as associated resource costs. It had been custom and practice that the LEP bore these costs, but the LEP was currently operating 'at risk', utilising its reserves in fulfilling its obligations to Government, due to the delay in the awarding of the remainder of its £500,000 core operation funds. Following consultation with the LEP's Accountable Body it had been agreed under Accounting Guidance that a proportion (not all) of these costs could be capitalised - the LEP could only capitalise the costs associated with approved projects.</p> <p>The Board was requested to approve £50,000 of funds to be capitalised, covering the majority of costs incurred by the LEP in administering the Project Call.</p> <p>The Board approved the Capitalisation of Local Growth Funds as set out above (unanimous).</p>	<p>NA, Project Promoters</p> <p>NA, Accountable Body</p>
<p>3.</p>	<p>Any Other Business Nil</p>	
<p>4.</p>	<p>Close The meeting closed at 08:55 am.</p>	
	<p>Next Meeting of the Board of The Marches LEP Limited: Tuesday 28 September 2021 at Ludlow Racecourse</p>	

Signed (electronically): Mandy Thorn MBE DL, Chair Marches LEP

Date: 28 September 2021