

Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC) Wednesday 9 March 2022

Present

Sonia Roberts (Chair)	SR	Deputy Chair of the Marches LEP Board
Sara Williams	SW	Marches LEP Board Member
Mandy Thorn	MT	Marches LEP Board Member and Chair
Frank Myers	FM	Marches LEP Board Member
James Walton	JW	Section 151 Officer, Shropshire Council
Karen Morris	KM	Deputy nominated by Section 151 Officer, Herefordshire Council
Dainy Runton	DR	Deputy nominated by Section 151 Officer, Telford & Wrekin Council
Rachel Laver	RL	Marches LEP Chief Executive
Nick Alamanos	NA	Marches LEP Head of Programmes
Kathryn Jones	KJ	Marches LEP Head of Partnerships and Strategy
Jo Grivell	JG	Marches LEP Office Administrator
Alex Collins	AC	Deputy Area Lead, Cities & Local Growth Unit
Yasmin Sulaman	YS	Growth Hub Programme Manager
Oliver Hindle	OH	Assistant Director, Cities & Local Growth Unit

ITEM		ACTION
1	<p>Welcome and apologies The Chair welcomed everyone to the meeting. Apologies received from Ken Clarke. SR welcomed MT as an observer and to give and update on the LEP network meeting</p> <p>Declarations of interest MT declared an interest in Item 9, DIT Strategy, as president of Shropshire Chamber of Commerce.</p>	
2	<p>Minutes of the last meeting and matters arising The minutes of the last meeting on 16th December 2021 were reviewed, checked for accuracy, and approved as an accurate record of the meeting.</p> <p>Updates on actions as follows:</p> <ul style="list-style-type: none"> • NA provided update on the Wetlands. Have agreed a way forward, it went to the LEP Board through a dedicated authority decision and was ratified at the January Board Meeting. The funding agreement variation has now been fully signed off. • RL has previously been advised Marches LEP could not use the Growing Places funding (Marches Investment Fund - MIF) towards operating costs if no core funding was received. Several other LEPs are using it. RL sought clarification. OH advised that it is a decision for the LEP and S151 Officer. MT confirmed that other LEPs have used GPF to ensure they can continue to deliver support where there is no Growth Hub funding available. RL will write to JW requesting approval to use MIF. JW asked for RL to set out details of what is planned and advised there will be terms and conditions associated with the funding which will need to be complied with. • The funding agreement for Stronger Communities has been signed/sealed by all parties. • Regarding MIF, RL has written to Mark Barrow several times re jointly funding an Access to Finance study. As the work does not seem to be progressing at this time, the £7,500 allocation for the study will be taken out of GH budget and reallocated. • Recruitment of a new Board Member has been stalled by uncertainty of the role the LEPs will play. As soon as is feasible, the LEP will go out to advert for a new board member. • The agreement to publish minutes of the PRMC on the LEP website is in the proposed terms of reference (TORs). The new TOR's will need to be agreed by LEP Board, see 	RL

	Agenda Item 3.	
3	<p>PRMC Terms of Reference</p> <p>RL stated it has been discussed with the Board that it would be beneficial to enable the PRMC to make decisions so the Board can concentrate their time on more strategic matters.</p> <p>The proposed changes to the TORs are:</p> <ul style="list-style-type: none"> • If there is a change to an already approved project that it can be dealt with by the PRMC without taking it to Board for the decision. The PRMC will approve the changes. • In addition, that PRMC can approve new projects up to £1,000,000 if there are two Board members present at the PRMC, and the S151 Officer agrees a compliant process has been followed. <p>FM highlighted a potential conflict for the S151 Officer to ratify a decision and be responsible for making the decision. JW confirmed that he is not there to make decisions but to confirm that due process has been followed appropriately.</p> <p>RL agreed to revise the wording around the S151 role.</p> <p>RL to obtain approval to the change of PRMC TORs from the LEP Board.</p>	<p>RL</p> <p>RL</p>
4	<p>Levelling Up White Paper and Implications</p> <p>RL provided an update on the Levelling Up white paper, stating that LEPs will continue to exist. Where there are mayoral combined authorities (MCAs), the LEPs will be integrated as part of the devolution strategy. The Marches is a rural LEP which will continue to exist for the time being as the three authorities are not part of current devolution plans.</p> <p>A letter to confirm the Marches LEP's future role and funding is still awaited.</p> <ul style="list-style-type: none"> • RL stated that there are mixed messages from different channels and that communications from the Departments needs to be more consistent. The overall delay is damaging to the LEP, and for the staff. Requested that OH feedback on communication issues. • RL updated the group that the future of LEPs and Growth Hubs is being treated separately. There is a clear position statement in those areas where there will not be MCA. Where LEPs are not in a devolved area they will continue to deliver key functions in bringing a private sector perspective to strategic economic planning and the development of projects. It is understood that the anticipated letter will not include detail about Growth Hub funding. • OH confirmed the need to wait until the letter is out for more detail. • RL requested local authority representatives in attendance to encourage their teams to continue to engage with the LEP. There is a future for LEPs and there are continued benefits for local authority collaboration. 	<p>OH</p> <p>All LA partners</p>

5	<p>Marches LEP Annual Performance Review feedback</p> <p>The Annual Review took place in January 2022, it was reported LEP's performance would be moderated centrally, and final ratings attributed. RL confirmed feedback was positive, with MLEP judged to have 'Met' their obligations around governance, strategy, and delivery. An official grading should be formally received early in April 2022. RL thanked the team for the good outcome during a challenging year.</p>	
6	<p>Risk Registers</p> <p>Members were informed a comprehensive review and reformatting exercise had been undertaken by the Programme Team in relation to both Risk Registers. It was explained moving forward PRMC would be presented with an overview document for each register, highlighting the Top 5 as well as any new/emerging risks – ensuring members can immediately focus on any critical issues.</p> <ol style="list-style-type: none"> i. The Strategic Risk Register has been renamed Corporate Risk Register. This has been formatted from high to low risks. There is a new risk related to Growth Hub funding. Red signifies where the text has been updated. FM raised the fact that normally the ratings go from 1-5 not 1-3. NA agreed to restructure it to be 1-5 and add the rating key to the document. SR highlighted that 4 out of 5 Top risks relate to Levelling up and delays in information being received from government. ii. Programme Risk Register has also been restructured. There are 25 new risks added. The programme risk register was previously focused on Local Growth Fund (LGF) and Getting Building Fund (GBF), but it was decided that all delivery programmes (Skills Advisory Panel, Careers Hub, and Growth Hub etc) should be included for transparency. Each delivery programme now has its own risk register which can be shared with their governance/reporting structures – if appropriate. NA highlighted the Growth Hub risk of University of Wolverhampton potentially withdrawing accommodation and technical support for the Marches Growth Hub - Telford. Similarly, risks around Growth Hub funding are now in the Corporate Risk Top 5. 	NA
7	<p>LEP Finances</p> <p>RL gave the following overview:</p> <ul style="list-style-type: none"> • The LEP has made two posts redundant. The budget for 22/23 provided in the papers excludes core grant funding from Cities and Local Growth Unit. The LEP can continue to trade through the FY without this, but it will continue to trade at a loss and so is not sustainable beyond the end of 22/23. • Staff contracts have been extended to March 2023 (except for the Marches Careers Hub posts). • The budgets for Business Boards support have been reduced. • Redundancy costs are ring fenced to ensure that the LEP can meet this potential liability. • Depending on the Levelling Up letter outlining the Marches LEP's future mandate, RL will approach the local authorities for additional contributions so that the LEP can continue to trade <p>MT highlighted that there will be a considerable amount coming in from the Telford Land Deal. RL confirmed the intention to write paper to the board suggesting how the money can be used to greatest effect. Action to discuss on the Board Away Day on 22 March.</p>	RL RL

8

Performance Monitoring

a) Growth Deal (LGF) updates

NA highlighted that the data presented related to January 2022 not February 2022, due to the PRMC meeting being pushed back to March 2022. Members were informed of the following:

- Stronger Communities – the LEP had reviewed and processed the full amount of grant.
- Hereford Enterprise Zone (HEZ) – Project confirmed they can spend all the grant by 31 March 2022.
- Oswestry Infrastructure Works – The LEP undertook a Finance Meeting with the project lead on 24 February 2022, where confirmation was received that the full amount of grant would be spent by 31 March 2022 – a risk relating to the Spine Road element of work was raised. An email received on 2 March 2022, stated this may result in an underspend of £91,495, however the project was working on a solution.
- Bishop Castle Business Park – To date no grant had been claimed. On 16 February 2022, the LEP received an email from the Project Lead (due Finance Meeting being cancelled), confirming the project was able to spend all its LGF allocation by 31 March 2022.
- Shrewsbury College (Automotive Project) – The LEP undertook a Finance Meeting with the project lead on 17 January 2022, confirmation was received that the full amount of LGF grant would be spend by 31 March 2022.
- Capitalisation – The claim with the Accountable Body for review, the £50,000 allocation would be fully utilised
- Clear message to all projects that money must be spent in this Financial Year (31 March 2022).
- Freedoms and Flexibilities (F&F) values; three projects had utilised F&F. The HEZ project has offset its value, with confirmation received that the Tannery and Connecting Shropshire project would be offset in March.

b) i. Getting Building Fund (GBF) update

The structure of the document has changed, a new column has been included reflecting the LEP Board approved spend profile in 2022/23 for the three projects who had their contracts varied – Integrated Construction Wetlands (ICW), Hereford City Centre Improvements (HCCI) & Stronger Communities. The Programme Team has met with each project promoter to confirm if they are able to spend their grant allocation as profiled within the spreadsheet.

- ICW – Herefordshire Council are working towards their recently agreed re-profile (as presented at the last PRMC meeting). KM advised planning agreed on the first site and starting construction next week, agreed Heads of Terms with another purchase and on target.
- Pride Hill Remodelling - The LEP undertook a Finance Meeting with the project lead on 17 January 2022, where confirmation was received that the full amount of grant would be spent by 31 March 2022. As set out in Risk 3.22 of the Programme Risk Register the LEP is working with SCC on the future of the project, including design and scope. This updated delivery proposal will go to the next LEP Board if appropriate.
- Tackling Fuel Poverty – The LEP undertook a Finance Meeting with the project lead on 17 January 2022, where a risk was raised in relation to timescales on the final completions. The LEP are meeting regularly with the project to mitigate these risks.
- HCCI - At a meeting held on the 28 January 2022, the project provided assurances to the LEP that they were able to meet their revised spend profile.
- NMiTE – The project has received their Grant allocation, with Herefordshire Council acting as Project Accountable Body.
- Stronger Communities - Are spending against their recently revised profile.
- Freedoms and Flexibilities – confirmation received from projects that all values will all be offset by 31 March 2022.

ii. Quarter 3 GBF Return 2021/22

NA shared the Quarter 3 return, outlining the position up to 31 December 2021. It was reported this was the first time PRMC had been presented the data in this format as the

returns had moved away from the web-based Delta platform and is now in an excel spreadsheet, which should provide a clearer overview of performance.

- It was confirmed for the Q3 period spend of £7.2m had been generated, which included F&F values offset during the current FY.
- It was explained that this position has already changed during January 2022 (as set out in agenda item 8 (b) i), with confirmation received from all projects that they will hit their agreed profiles – including a F&F value of £2.6m which will be bankrolled by the LEP's Accountable Body in 2021/22 FY and claimed by projects in arrears in 2022/23 FY.
- Members were informed a formal change request would need to be submitted by the LEP to Government in relation to the ICW project. As part of the contract variation, it was confirmed the project would be creating 500 Construction Jobs and not 500 Jobs. This will reduce Jobs outputs by 500 but increase Construction Jobs by 500.

c) MIF

RL advised there is almost £5 million available and plans to use it will be discussed at the Board Away Day on 22 March.

d) Growth Hub

YS provided the following update. On track with spend for this year. Expecting final Qtr4 claims from the three physical Growth Hub. Working closely with them and there are no concerns about underspend.

YS was asked what the cluster has heard regarding funding. The Cluster leads provide updates of their meetings with BEIS, who have had a 3-year settlement but there is no news on the funding for Growth Hubs.

e) Key Account Management (KAM)

KJ provided the following update: KAM is a Department for International Trade (DIT) funded project to help foreign owned businesses with their expansion and investment plans.

The project, delivered by the local authorities, is on target with the number of businesses being account managed and should have 3 project wins verified (against a target of 5) by the end of March 2022.

DIT have been awarded a three-year settlement from HM Treasury but is currently unclear about what the business case process will be for any future funding to the LEP. The uncertainty around LEPs is also creating a barrier to having meaningful conversations about future delivery.

f) Skills Support

KJ provided the following update: The Marches Careers Hub is delivered in partnership with the local authorities and is currently funded until 31 August 2022. The new Careers Hub Lead, Andriané Usherwood-Brown, started with the Marches LEP in January 2022 and is developing the Hub's operational delivery plan. There is still a vacancy in the Telford & Wrekin team, but the short-term nature of the contract is a challenge to recruitment.

- The Skills Advisory Panel's funding of £75K from the Department for Education supports a range of policy development and data and intelligence work. This has included the updating of the Marches Local Skills Report <https://www.marcheslep.org.uk/wp-content/uploads/2022/01/2022-Marches-Local-Skills-Report-Update-Final-270122.pdf>. Graham Guest is now Chair of the Skills Advisory Panel and is keen to refocus the group on the right strategic priorities, in line with the Skills and Levelling Up white papers.

KJ has no sight of funding for SAP for the next FY which is a concern as it is the only skills policy and research budget that the LEP has access to.

<p>9</p>	<p>Department for International Trade Draft Strategy</p> <p>RL shared DIT's strategy of how they would like to operate across the Marches area. RL stated that what they have proposed is sensible and they provide a very good package of support businesses.</p> <p>MT asked how they are going to deliver this on the ground considering changes to how the DIT team would be operating. RL advised that staff that were previously based in the Chambers will now be working from home and will continue to support the local area. She understood that there was no reduction in staff resource.</p> <p>MT asked how people would contact the DIT advisers and raised a concern that changes to delivery structures and the uncertainty of Growth Hub may prevent local businesses from being able to access the support they needed.</p> <p>RL confirmed there is continual messaging to Government regarding the impact of removing frontline support to businesses if Growth Hub funding does not come through. If the Growth Hub service is moved to a national model, being nationally supported, the loss of local knowledge could have a negative impact on support for businesses. The importance of local knowledge should not be underestimated.</p>	
<p>10</p>	<p>Any Other Business</p> <p>FM raised the concern from the hospitality sector in Herefordshire that their plans for investment and expansion are held back as they used their resources to survive. Is there any advice or funds for capital investment?</p> <p>RL/YS advised of the existing programmes such as Business Energy Efficiency Programme, Small Equipment Grant, Marches Building Investment Grant, Low Carbon Opportunities Programme, R&D tax credits etc. There is also loan only through Midlands Engine Investment Fund. Lyndsay Francis from the Marches Growth Hub -Herefordshire has access to all the support programmes and should be first port of call for businesses.</p> <p>YS to share the existing list of EU funded business support already available with FM and will look at anything new. There is a new Life Sciences Innovative Manufacturing Fund (LSIMF) grant.</p> <p>MT highlighted that there is very little support options for the tourism and hospitality sector. Some of the energy efficiency schemes are not applicable in rural areas.</p> <p>MT stated there is a new UK government sponsorship scheme being launched to support Ukrainians who have been forced to leave their homes. Businesses can sponsor someone who does not have established family ties. There are skills gaps in the region, and there is an opportunity to resolve the gaps by sponsoring individuals. This will be promoted on the LEP website.</p> <p>FM stated there is also a Community Fund being set up in Herefordshire to support all refugees.</p>	<p>YS</p>
<p>Next Meeting of the Marches LEP PRMC: 28th April 2022 14:00-16:00</p>		