

**THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED
BOARD MEETING**

Tuesday 26 April 2022

3.30 pm – 5.30 pm

Jubilee Rooms, Ludlow Racecourse, Bromfield, SY8 2BT

AGENDA

Item	Time		Lead	Purpose	Paper
1.	3.30 pm	Welcome, Apologies and Declarations of Interest	MT		
2.	3.30 pm	Minutes of The Marches LEP Ltd Board meeting on 25 January 2022 - Matters Arising	MT		X
3.	3.35 pm	LEP Chair and CEO Report including: - Changing role and funding	MT/RL	Information and Discussion	X
4.	3.45 pm	Annual Board Membership Review - new Board member – discussion on advertising and using own networks	MT	Discussion & Approval	
5.	3.50 pm	PRMC Terms of Reference	MT	Approval	X
6.	3.55 pm	Proposed changes to staffing terms	RL	Discussion & Approval	X
7.	4.05 pm	Oxon Link Road	M Johnson	Discussion	To follow
8.	4.20 pm	Energy Update	GC	Information	
9.	4.30 pm	Use of Marches Investment Fund	RL	Discussion & Approval	X
10.	4.40 pm	Report from the Performance Risk & Monitoring Committee (PRMC) meeting on 9 March 2022	SR	Information	X
11.	4.45 pm	Shared Prosperity Fund (SPF) and Levelling Up Funds, discussion around appetite for pan Marches programmes	MT	Discussion	
12.	4.55 pm	Programme update - Local Growth Fund - Getting Building Fund	NA	Information	X
13.	5.05 pm	DIT Export Strategy	MT	Discussion & Approval	X
14.	5.10 pm	Local Skills Report	KJ/GG	Endorse	X

15.	5.15 pm	Any Other Business - Harper Adams University review of strategic plan	MT CB		
Future Meetings					
June	28 June 2022 3.30pm – 5.30pm (Ludlow Racecourse) Accountability and Assurance Framework annual review Skills Advisory Panel Update Marches Careers Hub Delivery Model Options Transport Update Telford Land Deal update Delivery Plan 2022/23 Business Plan Approval				
Sept	27 September 2022 3.30pm – 5.30pm (Ludlow Racecourse) Marches Business Support Steering Group Update Marches LEP Annual Report and AGM				
Nov	29 November 2022 3.30pm – 5.30pm (Ludlow Racecourse) Mid-Year Review feedback				
Jan 23					
Mar 23					

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**Draft Minutes of the Marches LEP Ltd Board Meeting
25 January 2022 at 3.30pm via Zoom
(Company Number: 11822614)**

Present:

Mandy Thorn MBE DL	MT	Chair, Marches LEP
Sonia Roberts	SR	Deputy Chair Marches LEP; Equality & Diversity Champion; CEO Landau Limited
Frank Myers MBE	FM	Herefordshire Business Board Chair
Beth Heath	BH	Shropshire Business Board Chair (part of meeting)
Will Westley	WW	Telford Business Board Chair (part of meeting)
Andrew Manning Cox	AMC	Hereford Enterprise Zone Chair
Cllr Ellie Chowns	DH	Cabinet Member - Environment and Economy, Herefordshire Council
Cllr Ed Potter	EP	Deputy Leader, Shropshire Council
Sara Williams	SW	Marketing Manager - Northern Europe, Protolabs
Graham Guest	GG	Skills Advisory Panel Chair; Chief Executive and Principal of Telford College (part of meeting)
Paul Kalinauckas	PK	Access to Finance Champion
Christine Snell	CS	Business Partner, AJ & CI Snell
Gordon Coppock	GC	Energy and NET Zero Champion (part of meeting)
Catherine Baxter	CB	Higher Education Champion; University Secretary, Harper Adams University

In Attendance:

Dave Courteen	DC	Small Business Champion; Chair Marches Business Support Steering Group
Roger Allonby	RA	Head of Economic Development, Herefordshire Council
Hayley Owen	HO	Growth Programme and Strategy Manager, Shropshire Council
Katherine Kynaston	KK	Director Housing Economy & Infrastructure, Telford & Wrekin Council
Ollie Hindle	OH	Assistant Director/Area Lead, West Midlands Team, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Sally Edgington	SE	Area Director South West & West Midlands, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy (part of meeting)
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.	<p>Welcome 1. Welcome, Apologies and Declarations of Interest MT thanked everyone for attending the meeting. Apologies were received from Cllr Lee Carter and Cllr David Hitchiner. Cllr Ellie Chowns was attending the meeting in Cllr Hitchiner's stead. MT noted that the meeting was being recorded to aid the production of the minutes.</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 every meeting. The LEP had recently received a complaint from a member of the public suggesting that a member's register of interest was not accurate. MT said that it was important that registers of interest and declarations at meetings were kept up to date.</p> <p>The following declarations of interest were made:</p> <ul style="list-style-type: none"> • AMC declared an interest in Item 12 AOB: Operating Guidelines for the Marches Investment Fund, as Chair of the Hereford Enterprise Zone 	
2.	<p>Board Member Appointment – Lee Carter</p> <p>MT said that Cllr David Wright had stood down as a member of the Cabinet of Telford & Wrekin Council at the end of December 2021 and therefore also relinquished his role as an alternate director of Marches LEP Ltd.</p> <p>Cllr Lee Carter, Cabinet Member for Neighbourhood Services, Regeneration and the High Street had been nominated as the new alternate director. Cllr Carter had consented to his appointment and in accordance with the Articles of Association section 20, the Board confirmed the appointment of Cllr Lee Carter as a public sector alternate director of Marches LEP Ltd with immediate effect (unanimous).</p> <p><i>The relevant documentation would be submitted to Companies House.</i></p> <p>MT thanked Cllr David Wright for the sterling service that he had provided to the LEP Board during his tenure.</p>	EV
3.	<p>Minutes of The Marches LEP Ltd Board meeting on 30 November 2021</p> <p>The Minutes of the meeting held on 30 November 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>Ratification of Decisions Made by Correspondence</p> <ol style="list-style-type: none"> 1. Integrated Construction Wetlands Project – January 2022. The resolution had been approved: 12 in favour; 1 declared a conflict of interest; 2 no responses 2. Stronger Communities Project – January 2022. The resolution had been approved: 11 in favour; 2 declared conflicts of interest; 2 no responses. 	EV
4.	<p>LEP Chair and CEO Report</p> <p>MT said that there was still no news on the outcome of the LEP Review. The publication of the Levelling Up white paper had also been delayed again. A number of members expressed their frustration, and some said they felt insulted at how LEPs and their board members were being treated by government.</p> <p>CB reported that the Trajectory Partnership were undertaking a study called 'Understanding Rural Britain to 2050', which may be of interest to the LEP for the future.</p> <p>Staffing Update</p> <p>RL reported that the planned redundancy process had not taken place due to staff resignations and that a re-structure was now in progress. With the resulting savings, and potential savings in other areas which were currently being worked through, the LEP would be able to trade through until the end of March 2023, albeit still trading at a loss.</p> <p>The Board noted Section 6 of the report regarding the LEP's position on tax, and in particular, VAT. A discussion took place regarding the unforeseen costs of incorporation, the approach to VAT and staff pensions. RL was pursuing the potential to employ staff directly subject to staff still being able to be members of the Local Authority pension scheme. RL was also looking at whether, following the</p>	

	<p>LEP Review, LEPs could work together to agree a change to the VAT treatment with HMRC.</p> <p>Information on Skills Boot Camps would be sent to Board members.</p>	KJ
5.	<p>Update from the Business Support Steering Group Dave Courteen (DC) gave an update on recent activities and the main points covered were:</p> <ul style="list-style-type: none"> • Excellent feedback from BEIS on the 2020/21 contract report despite being one of the lowest funded growth hubs. • 2021/22 contract – the delivery model remains the same. Improvement projects include a re-designed Marches Growth Hub (MGH) website and a new interactive light touch data dashboard. • MGH Business Enquiry & Interaction Analysis report commissioned to help identify hot and cold spots and identify underrepresented sectors and business sizes. • Business Support Steering Group meeting themes. • Profile raising – there had been a large amount of media coverage of MGH across the Marches. <p>A discussion took place regarding some of the information in the business enquiry and interaction report. A link to the full report is here: Marches Growth Hub Business Enquiry & Interaction Analysis (arcgis.com) Any questions should be sent to Yasmin Sulaman Yasmin.Sulaman@marcheslep.org.uk MT thanked DC for his informative presentation and for his work as the Chair of the Marches Business Support Steering Group.</p>	All
6.	<p>Report from the Performance Risk & Monitoring Committee (PRMC) meeting on 16 December 2021 SR thanked Iliia Bowles and Wayne Redge for all their work supporting PRMC. She drew the Board's attention to the actions taken where there were concerns or potential risks flagged with projects, including project promoters being asked to attend PRMC meetings to provide updates on the projects. Monitoring meetings had been increased to monthly which also served to mitigate risk. SR said that an update on the Oxon Link Road project from Shropshire Council had been requested but had not yet been received. EP said he would follow up. MT informed the Board that her previous declaration of interest relating to the Oxon Link Road project was no longer extant. She also expressed her frustration that information was not forthcoming from project promoters when requested. SR expressed concern over the sustainability of the Marches LEP and said that other funding strategies would have to be explored to generate income going forward. PMRC was currently a board member short but couldn't go out to advert at this time due to the uncertainty about the future of LEPs.</p> <p>SR asked for a further volunteer from the Board to join PRMC. LEP Board members were asked to contact SR should they wish to discuss the role.</p>	EP All
7.	<p>Committee Delegation MT stated that the LEP was seeking changes to the PRMC Terms of Reference and to the Scheme of Delegation, as detailed in the paper. Members discussed the proposal at length. Concerns were raised that the role of PRMC was not clearly defined and there was lack of clarity in the Scheme of</p>	

	<p>Delegation. There were only 3 voting members on the committee, which could cause issues of quoracy.</p> <p>Members said they had confidence in the work of the PRMC, and it would be beneficial for the committee to undertake more of the operational business, leaving the LEP Board to consider more strategic aspects.</p> <p>SR reassured members that the level of delegation would be for decisions on projects that were already funded, not for decisions on which projects should be funded.</p> <p>The Board agreed in principle, <i>subject to formal approval by written procedure</i>, that the Terms of Reference for PRMC and the Scheme of Delegation should be revised (13 for; 1 against).</p> <p>Should agreement not be reached by written procedure, <i>the item would be tabled at the March LEP Board meeting.</i></p> <p>The Board agreed that membership of PRMC for voting purposes would be 4 LEP Board members, with a quorum of 3 (13 for; 1 against).</p>	<p>SR/RL</p> <p>SR/RL</p>
<p>8.</p>	<p>Programme update NA summarised the content of the paper.</p> <p>Local Growth Fund (LGF) All projects had been contracted with claims received on a monthly basis. The LEP team had met with all project promoters who had confirmed they will be able to meet their 2021/22 Financial Year (FY) contractual spend targets with the majority of costs profiles in Quarter 4. Three LGF projects utilised Freedoms and Flexibilities last FY to enable the LEP to meet its outturn target for 2020/21 FY. It was reported that the HEZ project had offset its Freedom and Flexibilities value, whilst the Tannery (Phase 2) and Connecting Shropshire projects had confirmed their values would be achieved during the Quarter 4 2020/21 FY period. The Board noted the position relating to the newly contracted Local Growth Fund projects, as set out in section 1 of the paper.</p> <p>Getting Building Fund (GBF) 1 January – 31 March 2022 represented the final quarter for project expenditure in respect of the GBF programme. The low level of spend attributed to Quarters 1 & 2 had been anticipated based on project financial profiles. Quarter 3 claims were currently being reconciled, which would be reported to Government on 25 February 2022. To mitigate underspend risk the LEP team was conducting monthly finance meetings with all projects, receiving assurances that spend allocations for 2021/22 would be met. Three projects had confirmed they were unable to achieve their GBF spend allocation by 31 March 2022, all of which have had their underspend approach approved by the LEP Board. In each case the LEP had been able to proactively manage risk relating to underspend by utilising its Accountable Body in relation to Freedoms & Flexibilities, enabling financial profiles to be extended into 2022/23 FY. All other projects had confirmed they were able to spend their grant allocations by 31 March 2022. The Board noted the current position in relation to the Getting Building Fund Programme, as set out in section 2.1 and Appendix 1 of the paper.</p>	

	<p>Decisions Made by Correspondence</p> <p>Integrated Construction Wetlands (ICW) project On 23 December 2021 a Written Resolution paper had been circulated to LEP Board members for approval in relation to a revised proposal for the Integrated Construction Wetlands (ICW) project. It was confirmed that LEP Board Members had voted to approve (12 in favour, 1 Conflict of Interest and 2 No responses) the recommendations set out within the paper. Members were informed that following the Written Resolution decision an updated Appendix 1 had been submitted by the ICW project team for inclusion within their Funding Agreement Variation. Based on the information provided by the project an updated Funding Agreement had been drafted and circulated by the LEP for Herefordshire Council to review. It was reported that yesterday the LEP had received an email from the ICW team querying the Match Funding profiles contained within the submitted Appendix 1. To ensure momentum was not lost in contracting this strategically important project the LEP team requested that the project re-submitted an updated Appendix 1 for inclusion within the Funding Agreement, as well as any outstanding legal comments. RA would check on progress.</p> <p>The Board noted the Written Resolution decision on the Integrated Construction Wetlands project, as set out in section 2.2 of the paper.</p> <p>Stronger Communities (New College, Wellington and surrounding site with Wrekin Housing Group) Project A Written Resolution paper had been sent to LEP Board members on 7 January 2022 for the Stronger Communities (New College, Wellington and surrounding site with Wrekin Housing Group) Project. It was confirmed that LEP Board Members had voted to approve (11 in favour, 2 Conflict of Interest and 2 No responses) the recommendations set out within the paper. It was confirmed that a variation to the Funding Agreement was currently with the Accountable Body and would be sent out to Telford & Wrekin Council tomorrow.</p> <p>The Board noted the Written Resolution decision on the Stronger Communities project, as set out in section 2.3 of the paper.</p> <p><i>GC left the meeting at 5.00pm.</i></p>	<p>RA</p>
<p>9.</p>	<p>Careers and Enterprise Hub delivery model KJ briefed the Board on the current Marches Careers Hub delivery model and the existing challenges. The Marches Careers Hub was currently under-resourced with the Hub lead post being vacant since October 2021 and vacant Enterprise Co-ordinator posts in Shropshire (part time) and Telford & Wrekin. This lack of resource was constraining delivery, hampering the achievement of contracted targets and limiting opportunities to develop local Hub-wide initiatives. A new Hub lead Andriane Usherwood-Brown had joined the LEP yesterday. The latest performance report highlighted that, in spite of the resource challenges, the Marches Careers Hub was making progress against national performance measures, but that delivery was not consistent across the three local authority areas and the current operational structure limited the opportunity to flex resources to meet project needs and maximise impact.</p>	

	<p>The new Hub Lead would be supported by the CEC and the LEP team to drive consistency and build performance to maximise the impact of the project within the current contract period to the end of August 2022.</p> <p>The Board noted the current position of the Marches Careers Hub project.</p> <p>KJ proposed that the current project delivery structure be reviewed in order to identify opportunities to improve performance and consistency. The employment of Enterprise Co-ordinators by the three local authorities and the LEP limited the Marches LEP (the contract holder) in implementing new ways of working and in being agile in meeting the needs of the project. Potential alternative options (successfully implemented by other Careers Hubs) were outlined in the paper. Consideration would need to be given to the match funding requirements under the project for alternative options, the impact on current staff members, the importance of maintaining effective relationships with local authority partners and the need to maintain alignment with other local careers education related projects delivered across the Marches.</p> <p>Members discussed the proposal. Local authority representatives expressed concerns about the options and requested further discussion and consideration of additional options. Members also suggested that further discussion with other relevant providers would be helpful.</p> <p>KJ noted the feedback and would follow up with local authorities and other stakeholders and clarified that the proposal was specifically referring to the contract that the Marches LEP holds with the CEC.</p> <p>The Board noted that alternative delivery options were to be discussed and considered dependent on the outcome of the LEP Review and an extension to the CEC funding post August 2022 being awarded.</p> <p><i>GG left the meeting at 5.12pm.</i></p>	KJ
10.	<p>Delivery Plan 2022/23</p> <p>MT said that it was difficult to look at priorities until the outcome of the LEP Review but asked members to provide their input on what the LEP priorities should be in the coming year, for inclusion in the Marches LEP delivery plan.</p> <p>RL said that the draft Plan would have been tabled at this Board meeting but due to the uncertainty around the LEP Review, this had not been possible. As much preparation as possible would be done with input from Board members, and any gaps would then be filled when the outcomes of the LEP Review were known.</p> <p>Business Board Chairs would ask for input from their members.</p> <p>MT asked members to email RL with comments.</p> <p><i>WW left the meeting at 5.22pm</i> <i>BH left the meeting at 5.23pm</i></p>	<p>FM, BH, WW</p> <p>All</p>
11.	<p>Board ‘Away Day’</p> <p>Members would be contacted following the meeting regarding this item.</p>	MT/RL
12.	<p>Any Other Business</p> <p>Marches Investment Fund (MIF)</p> <p>RL explained that the paper sought to set out how the MIF fund should operate in order to be compliant and explained the broad principles. RL had discussed the</p>	

	<p>proposals with PK in his capacity as the LEP Access to Finance Champion. Members discussed the proposals.</p> <p>The Board agreed the Operating Guidelines of the Marches Investment Fund (9 For; 1 Abstention)</p> <p>Vote of Thanks MT thanked Wayne Redge and Iliia Bowles on behalf of the LEP Board for all their hard work during their employment in the LEP team and wished them well in their new roles.</p> <p>The meeting closed at 5.25pm</p>	
<p style="text-align: center;">Next Meeting: 26 April 2022 location TBC</p>		

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Meeting date:	26 th April 2022					
Agenda Item:	3					
Item Subject:	Marches LEP Chair and Chief Executive Officer's Report					
For:	Discussion	X	Decision		Information	X

Purpose of the Paper: To provide Board Members with a brief overview of LEP's activities not reported elsewhere.

Summary of Recommendations: That Board Members note the content of the Report.

1. Executive Summary

After a very protracted process the LEP Review has finally been concluded and funding for LEPs confirmed for the year ahead. Our funding is subject to the production of a Delivery Plan by the end of June and is a 25% reduction over previous years' funding. Board members will have seen the letter that was issued to all the LEPs and our Local Authority partners setting out the Government's aspirations for devolution and how LEPs will fit into this process. For some of our West Midlands LEP colleagues this means they are starting to work on their integration into the West Midlands Combined Authority (WMCA) as WMCA has had a devolution deal for six years already. For our Marches LEP the position is far less clear.

We fall into what is being called Pathway 2 where there is no current devolution deal, but the letter makes it clear that the LEP is tasked with supporting the local authorities (LAs) in their devolution deals. At present none of our three authorities are big enough in their own right to be eligible for their own devolution deals.

We understand that the LAs do not need the LEP to endorse any devolution proposal, but we are very keen to work with partners to maximise funding opportunities for the Marches which may involve looking at different ways to achieve a devolution deal for the area. As a LEP team we suggest there may be an opportunity for a devolution deal to be developed between some or all of our partners around an economic and/or health and wellbeing agenda.

While discussions are ongoing and local authorities are developing their thinking, we need to spend some time looking at how we deliver services that do remain with the LEP and how we can ensure that the LEP is complementing and adding value to what stakeholders do whilst continuing to be the voice of business.

Nationally, Growth Hub funding has been reduced by 50%, back to the level it was in 18/19. We are therefore reviewing the delivery of the Growth Hub service, alongside that of the Marches Careers Hub and the Key Account Management (KAM) service. Funding for all of these services flows through the LEP and we are accountable for the satisfactory delivery of the services. We also need to ensure we are responding to the changing service of external partners e.g., the Department of Internal Trade (DiT) which is currently in the process of transferring staff from Chambers to within the department.

We also need to make sure we use all the resources available to us. We have unspent Marches Investment Funding available which should be put to use where there is market failure. This is subject to a separate paper.

2. Future functions of the LEP

Now the LEP Review has now been completed we need to develop a Delivery Plan by the end of June which will be circulated to board members by correspondence in May.

We will look at exploring new opportunities by strengthening our employer engagement through reviewing the roles and reach of our Business Boards and further developing our relationships with the Business Representative Bodies and building on our key sector links across the Marches. The LEP is well placed to develop a pan-Marches Employer Representative Body as we build on the strong links and relationships with businesses and skills providers we have developed, particularly through the pandemic.

We will continue to look at the most effective ways to convene employers and skills providers to ensure that businesses have access to the appropriately skilled staff.

We also need to look at updating our Governance arrangements and should now be able to attract new board members, which we need to as existing board members' terms come to an end this year.

The LEP Chair's first term of office finishes in September this year and the Board will need to consider whether her term of office could be extended or whether to commence a recruitment campaign to attract a new Chair.

The LEP Network has set up working groups for LEPs in the different categories of devolution to share best practice and feedback to government. The Marches LEP has joined two of the working groups while we wait to see how our partner Local Authorities progress. We're in the group where no devolution is currently planned and also the group where there is a potential county deal.

3. LEP Annual Performance Review

The Annual Performance Review meeting took place in January 2022. It has been confirmed that the Marches LEP has passed the review of each of the categories of Governance, Delivery and Strategy. A big thank you to all the team who managed to keep performing so well against such a difficult and uncertain background.

4. Staffing

A verbal update will be given at the meeting.

The delay with the LEP Review and the reduction in funding as well as the allocation of new capital funds directly to local authorities has had an impact on the team. It is hoped, once the role of the LEP becomes clearer, it will give the remaining team comfort about their roles.

5. Finance

5.1. Tax

The tax bill for the year will be calculated when the accounts are closed. We are looking at reducing all that liability though by bringing the staff in house which is covered in a separate paper.

5.2. Financial position 21/22

The accounts for 21/22 will be prepared over the coming weeks. While some costs are yet to be confirmed, the draft headline figures along with the budget for 22/23 are:

	21/22	22/23 (£)
Balance carried forward	1,165,220	985,597
Income	753,460	572,000
Expenditure	(933,083)	(976,060)
Balance	985,597	581,537

The budget for 22/23 remains broadly the same as presented at the January board meeting. The only changes being adjustments for actual LA costs and the inclusion of core funding of £375k. This is 25% less than in previous years and despite the cost saving measures implemented, does mean that the LEP needs to look at other sources of income. We can however trade through the whole of 22/23.

We are aware that employing the LEP team directly (rather than through the Accountable Body) would make a big difference to our costs and would save approximately £120k per year in VAT.

The more detailed financial profile for 21/22 and the 22/23 budget is included at Appendix 1.

6. PR & Marketing Activity Report for the Marches LEP and Marches Growth Hub (MGH)

The PR and Marketing update is included in Appendix 2. We intend to continue to with the current budget for PR given the need to reposition what the LEP's role is and promote new opportunities/initiatives as they arise over the year.

7. Business Support

7.1. Marches Growth Hub

While the Growth Hub review is now complete and a 50% reduction in funding has been confirmed, demand for Growth Hub services remains strong. Businesses continue to cite recruitment as a difficulty along with supply issues, but by far the biggest issue is the impact of the costs of energy.

We are progressing with plans for an energy summit to help businesses understand which practical steps they can take to reduce their energy consumption and reliance on imported energy, e.g. by installing solar panels, which are becoming an ever increasingly viable option for business as the investment payback periods are now reduced.

Interest in the Small Equipment Grant has been strong and there is still funding available through the Business Energy Efficiency Programme (BEEP) and the Low Carbon Opportunities Programme. It would be great if now it's been announced that Shared

Prosperity Funding should have a focus on Net Zero that some SPF is made available to continue these funds.

We will work with partners over the coming weeks and months to ensure the revised Growth Hub model provides the maximum value to businesses with the reduced funding available.

7.2. DIT Key Account Management Programme

As part of the Department for International Trade's (DIT) policy objective to generate additional Foreign Direct Investment (FDI) into the region, the LEP successfully secured grant funding to continue delivery of the Key Account Management (KAM) project across the Marches in 2021/22. This enabled the Marches LEP, in collaboration with its local authority economic development teams and Growth Hub partners, to identify and engage existing foreign investors in the area to deliver reinvestment within the region with a particular focus on creating or safeguarding jobs.

During 2021/22, the Marches KAM programme account managed a total of 29 foreign-owned businesses across the region, bringing to fruition 5 inward investment projects worth £19.3m, creating 86 new jobs and safeguarding 328 others.

The Marches LEP will be submitting a business case for funding for 2022/23 (which is available for 6 months in the first instance) and, if successful, will pursue an alternative delivery model with one resource servicing the whole Marches area. This will ensure more consistent delivery across the region, improve reporting to DIT and better enable the Marches LEP to garner local business intelligence.

7.3. BEIS Peer Networks

The Marches LEP secured BEIS funding for 3 cohorts under this year's programme, and these have now been fully delivered. 29 businesses formally engaged with the fully funded programme, which commenced in September 2021 and 21 participants completed on 31 March 2022, with all receiving 18 hours of group Action Learning sessions and a minimum of 3.5 hours 1:1 support from the LEP's procured delivery partner. Topics discussed ranged from embedding management process and procedures and leadership, to sales, marketing, scaling up and lobbying government. Of the business participating, 96% were either very satisfied, or satisfied, with the programme.

Despite the recognised success of the national programmes delivered in 2020/21 and 2021/22, BEIS announced that no further funding would be made available for future delivery. The attached infographic provides an overview of the programme and its key achievements.



Marches Peer
Networks Programme

8. Skills and Labour Market Support

8.1. Skills Advisory Panel

The LEP team completed an update of [The Marches Local Skills Report 2022](#) and submitted this to the Department for Education ahead of the required end of January

2022 deadline. This updated key indicators used by DfE and highlighted ongoing progress against the Skills Action Plan compiled in March 2021. An overview of the Local Skills Report is provided at Agenda item 5 for formal endorsement by the Marches LEP Board.

The DfE has confirmed an allocation of £55k for 2022/23 to support the ongoing use of data and evidence to identify potential growth areas, labour market challenges and sector specific opportunities and inform the work of the Marches Skills Advisory Panel (SAP). Further information is awaited from DfE to confirm their requirements around the use of this funding.

The SAP Chair, Graham Guest, is working with partners to determine how best the SAP can meet DfE expectations in line with the Skills & Post-16 Education Bill which sets out reforms aimed at placing employers more firmly at the centre of the skills agenda through the development of Employer Representative Bodies (ERBs). DfE has confirmed that it will be seeking expressions of interest to develop Local Skills Improvement Plans (LSIPs) led by ERBs across England following an evaluation of Trailblazers in pilot areas. Becoming an ERB would be a natural progression for the Marches SAP and discussions are being held with partners on how to take this work forward.

8.2. Marches Careers Hub

Andriané Usherwood-Brown joined the LEP team as Marches Careers Hub Lead in January 2022 and has developed an operational delivery plan to confirm priorities to the end of the current contract period (31 August 2022). As part of aligning support across the Marches, she is developing working relationships with the Marches Skills Provider Network, the West Midlands Apprenticeship Ambassador Network, the Life Ready, Work Ready project and the Herefordshire Skills for the Future project. Working with the dispersed team, Andriané has established a communications plan, introduced impact assessment measures and is standardising approaches to improve consistency of delivery. She is also working closely with the project Steering Group and its network of Cornerstone Employers who act as advocates for careers education and business engagement. The newly appointed private sector Chair of the Steering Group is also a member of the Marches Business Support Steering Group, strengthening the influence of the business voice.

Due to an unfilled Enterprise Co-ordinator post in Telford & Wrekin, Andriané has also been supporting delivery to cover this vacancy.

A letter of comfort (attached) has been received from the Careers & Enterprise Company for the period 1 September 2022 – 31 August 2023 and the formal grant offer letter is awaited.



Letter of Comfort
March 2022.pdf

It is hoped that this will include sufficient funding to maintain the current staffing levels although the impact of the vacant post in Telford & Wrekin may affect this.

The Board will be asked to consider delivery options at a future meeting when further information on the new contract period is available.

Financial implications: None

Legal implications: None

Risks, opportunities and impacts: None
Equality implications: None
Additional information/ attachments: Appendix 1- Core Funding summary Appendix 2 - PR & Marketing update
Background papers/documents: None
Report Authors: Mandy Thorn MBE DL, Marches LEP Chair Rachel Laver, Marches LEP CEO

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Marches LEP Performance, Risk and Monitoring Committee (PRMC) Terms of Reference (TORs)

Roles and Responsibilities:

A sub-group of the Marches LEP Board which operates under the following delegations and responsibilities from the Board.

Performance Monitoring:

- Monitoring the delivery, outputs and spend of the projects and programmes managed by the Marches LEP and agreeing changes to projects where the projects have already been approved by the Board, including reprofiling of funding and outputs.

- Making recommendations on courses of action if projects are delayed, underperforming and/or not spending to profile. The committee has the delegated power to approve changes to projects up to the value of £1m on projects already approved by the LEP board. Changes above £1m will be considered by the committee with recommendations made to the board. The section 151 officer or deputy will be required to confirm that due processes have been followed. Cancelling/ withdrawing funding from projects will remain within the remit of the Board.

- Approving projects full business cases where the Board has already given outline approval.

- Approving funding for new projects up to the value of £1m.

- Monitor the operating budgets of the LEP including the income streams and maintaining strategic oversight of all the Marches LEP led expenditure to ensure that it is appropriately spent and represents value for money.

Governance:

The Marches LEP is a Company Limited by Guarantee (Company No. 11822614) and the LEP Board is its ultimate decision-making authority. The Performance, Risk and Monitoring Committee (PRMC)'s accountabilities for Governance include:

- Monitoring the Marches LEP legal and statutory compliance e.g. data protection, health and safety, FOI, complaints, declarations of interest, gifts and hospitality.

- Ensuring the Marches LEP Corporate and Programme Risk Registers are reviewed regularly, any agreed mitigation actions are up to date and appropriate to maintain risks at an acceptable level and high level risks are brought to the attention of the Board with recommendations for action.

- Receiving regular independent internal audit reports and assurance checks, undertaken or commissioned by the Accountable Body or Government, to verify that the Marches LEP is operating effectively and within the terms of its agreed

Accountability and Assurance Framework. If concerns are identified in any audits, making recommendations to the Board on the actions required to remedy any shortcomings identified within any such audit and who is responsible for undertaking such actions.

- Dealing with Stage 2 complaints, as per The Marches LEP Enquiries, Comments, Compliments and Complaints Policy (Appendix 13, Accountability and Assurance Framework).
- Appointing new LEP roles in the absence of a remuneration and appointments committee.
- Authorising the LEP Executive to bid for new funds up to £1m. Board approval is required for bid above this amount.

The PRMC:

- Is chaired by a private sector Marches LEP Board Member and comprises of three Board members, ensuring representation of each of the three local authority areas.
- Presents exception reports at Board meetings, in order for them to fulfil their monitoring programme finance and output metrics, including other essential information on individual project performance and risk management.

Meets between Board meetings. For voting purposes, a PRMC meeting is deemed quorate if at least two Board members (excluding any that have declared a conflict of interest are present and the accountable body s151 officer or deputy is present.

The Membership and Chairmanship of the PRMC and its TORs are reviewed on an annual basis by the Board.

PRMC Members receive meeting papers from the Secretariat and other supporting officers four working days before a meeting and minutes of the meetings are circulated within ten working days after every meeting. All papers will be published on the LEP website, except where they are commercially sensitive.

PRMC are open to the public who may attend as observers. Any member of the public wishing to attend a meeting must confirm in writing three days before the meeting. They should also submit any questions they wish to raise:

jo.grivell@marcheslep.org.uk

Where matters are due to be discussed at the meeting which are commercially sensitive, these will be deal with in Part b of a meeting and members of the public will be asked to leave the meeting.

Membership:

Role	Name	Job Title and Organisation
Chair	Sonia Roberts	Deputy Chair of the LEP
Vice Chair	Sara Williams	Board Member
	Frank Myers	Board Member
	Vacancy	Board Member
Supporting Officers	James Walton	Section 151 Officer, Shropshire Council
	Andrew Lovegrove	Section 151 Officer, Herefordshire Council
	Ken Clarke	Section 151 Officer, Telford & Wrekin Council
	TBC	Deputy nominated by Section 151 Officer, Shropshire Council
	Karen Morris	Deputy nominated by Section 151 Officer, Herefordshire Council
	Dainy Runton	Deputy nominated by Section 151 Officer, Telford & Wrekin Council
	Rachel Laver	Marches LEP Chief Executive
	Nicholas Alamanos	Head of Programmes
	Kathryn Jones	Head of Partnerships and Strategy
	Jo Grivell	Marches LEP Office Administrator
	Lisa Ashby	Marches LEP Project Officer
	Oliver Hindle	Assistant Director, Cities & Local Growth Unit

*Version 3
Updated March 22*

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Meeting date:	26 th April 2022			
Agenda Item:	6			
Item Subject:	LEP team employment			
For:	Discussion	X	Decision	X
			Information	

Purpose of the Paper: To consider the option of directly employing the LEP team.

1. Executive Summary

The Marches LEP along with all the LEPs in the country was required to become a limited company in 2019. This meant that the LEP became liable for Corporation Tax and Value Added Tax (VAT). We have sought tax advice to minimise the tax liability but there has been very little we've been able to do. Over the last three years we have paid an average of £188k per year in VAT and Corporation Tax. Our Corporation Tax liability will reduce now that we're not holding significant sums of cash from programmes such as the Local Growth Programme, but we will still incur VAT costs of approximately £140k per year on just the staff costs alone, if we maintain the current team size.

The LEP Review has now concluded and confirmation of funding for 2022/23 has been confirmed at £375k subject to a business plan, delivery plan and match funding. The funding is a reduction of 25% over previous years so makes the need to address our income and expenditure even more pressing. We will essentially only have £250k of core funding if we don't address the VAT costs.

The proposal is to TUPE (Transfer of Undertakings Protection of Employment) staff across to the LEP so that all staff are directly employed by the LEP. The LEP would join the Local Government Pension Scheme (LGPS) and mirror Shropshire Council's terms and conditions, including mirroring the grading structure.

It should be stressed that the proposal is being made to save money on VAT, not to reduce the staff terms and conditions in any way.

2. Recommendations:

- **Authorise the executive to start the consultation process with staff to directly employ all the team.**
- **That all staff terms and conditions remain the same, with a commitment from the Board to continue to mirror the Shropshire Council terms.**
- **Authorise the executive to complete the process for the LEP to join the Local Government Pension Scheme.**
- **That the LEP agrees a modification order, which means that the time the staff are employed by the LEP counts towards continuous service if they move on to another public sector job.**

3. Background

The LEP currently directly employees eleven staff, with staff costs for 2022/23 forecast to be £516k of which £201k can be picked up by other external funding, meaning that core funding needs to pay for £315k of costs out of the £375k it's confirmed we will receive. Removing the need to pay VAT not only means that core funding can go further but that our external funding, e.g. the Growth Hub can also be used for more business support activity and therefore enable a greater impact to be achieved, rather than just paying the funding back to government.

All the staff are currently on the Council's payroll, are members of the Local Government Pension Scheme, have Council job bandings, and receive HR and IT support etc from the Council. The LEP pays for all the support which cost approximately £120k in 2021/22 and is expected to fall to around £100k-£110k this year. The reason for the reduction in costs is due to all the capital funds being contracted and therefore we don't envisage having to use as much Council resources this year.

Initial discussions have been held with the pension and HR staff as well as the s151 officer. It has been agreed in principle that the LEP could employ all the staff directly and join the Local Government Pension Scheme as well as continuing to pay for payroll, HR support etc. The costs of joining the pension scheme would be limited to the legal costs of joining, including meeting the Council's costs of the LEP joining.

If the LEP employed new staff, it is recommended that they will enjoy the same terms and conditions as the existing staff.

4. Financial Implications

The LEP would need to guarantee that it would continue to hold a reserve for any potential pension strain and redundancy costs as it currently does. (Pension strain applies if someone retires early following being made redundant, when the LEP would have to pay their contributions until they reach retirement age).

The LEP already pays the Council for all the services it provides to the LEP such as HR, Finance, IT and payroll, so little change is expected in this regard. In fact, over the next year, we expect the LA costs to be reduced now that we won't be contracting capital funds and will only be processing claims on the remaining few projects over the next year.

Payroll costs would need to be met. The Council have agreed that they could provide this service to the LEP as they do for other external organisations at a cost of approximately £5000 p.a. with £5000 to set up the team on an external payroll. We could tender this service if it doesn't appear to represent value for money, after the Council have given us a firm quote.

5. Legal Implications

The S151 officer has already given indicative approval to the proposal.

HR will support the LEP through the processes.

Legal support will be required for the LEP to join the Local Government Pension Scheme and the LEP will need to meet the Local Government Pension Scheme legal costs of us joining.

6. Risks and Issues

- Staff could lose their continuous service, therefore we will seek a modification order which would mean there would be no break in the continuous service, which staff could also take with them to another local government job, should they leave.
- The proposal may make staff feel unsettled, which will need to be addressed by having regular open communication with staff. The staff are already aware of the proposal and have been given the chance to ask any questions or raise any concerns. The questions raised have been anonymised and circulated to the whole team along with the responses.

7. Equality Implications

None identified. Any new staff joining the LEP will join on the same terms as the existing staff.

<p>8. Process</p> <p>The process will be refined following advice from HR should the proposal be approved. It is likely to take a number of months to implement the proposal.</p>
<p>9. Timescales</p> <p>If the proposal is approved, the transfer will happen as soon as is practically possible to enable the LEP to start making the much needed savings.</p>
<p>10. Conclusion</p> <p>The government have committed to supporting LEPs for another year with their existing legal structures. Therefore, there doesn't seem an option to become a partnership again. As we must remain a company limited by guarantee, we will continue to be liable for VAT on staff costs. Given VAT represents such a significant cost to the LEP and that the costs associated with employing staff directly are very minimal, the only reason not to bring the staff onto the LEP books, is the effort it will take to do so, and the potential upset to staff. However, given that the no changes to the staff terms and conditions are proposed, these concerns should be able to be addressed through good, clear communication.</p>
<p>Additional information/ attachments:</p>
<p>Background papers/documents: None</p>
<p>Report Authors: Rachel Laver, Marches LEP CEO</p>

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Meeting Date:	26 April 2022				
Agenda Item:	Item 7				
Item Subject:	Growth Deal – Oxon Link Road				
For:	Discussion		Decision	X	Information

Purpose:

- 1) To update Board Members on progress in relation to the delivery of Oxon Link Road Local Growth Fund project.

Recommendations:

1. Note the information provided relating to the background in section 1 and progress against deliverables, as outlined in Tables 1, 2 and 3.
2. Note the current position in relation to delivery and reporting, as highlighted in Section 1.
3. To approve the de-linking of the Oxon Link Road project from the Shrewsbury North West Relief Road, as set out in section 5 of Appendix 1.
4. To approve the detail relating to the revised Funding Agreement (not amending the values approved by LEP Board on 21 May 2021) be delegated to the first Performance Risk and Monitoring Committee following Shropshire Councils Planning Determination Meeting (currently projected for June 2022).

1 Background

1.1 Original Contract & Variation Request

Part of Growth Deal 1, the Oxon Link Road (OLR) project was awarded £4.2m of Local Growth Funds in 2015 as part of a £12.9m project for the construction of a new single carriageway link road between Churncote Roundabout and the B4380, with associated infrastructure, including the inclusion of two at-grade junctions along the new single carriageway link road and a new roundabout on the B4380 to accommodate the OLR.

The project was approved to deliver the following as part of its original Funding Agreement:

Table 1 – Original Contract Deliverables

OLR LGF Project - Original Funding Agreement	
Deliverables	Profiled
Finances	
LGF	£4,200,000
Match	£8,734,222
Outputs	
Houses	750
Jobs	2,800

As part of the LEP’s Programme Management and Monitoring processes the LEP team had over the course of the 2018/19 Financial Year, ongoing dialogue with all project promoters in relation to the achievement of outputs and the reprofiling of their contracts – ensuring figures are accurate and achievable, enabling the LEP to support delivery of the overall Growth Deal Programme. Through this process all project promoters were given the opportunity to review their current delivery as well as their future position, submitting re-profiling requests accordingly.

The following re-profiled deliverables were approved by Board on 21 May 2019 in relation to the OLR project.

Table 2 – Re-profiled Deliverable’s 21 May 2019 LEP Board Meeting

OLR LGF Project - Reprofiled Deliverables	
Name	Profiled
Finances	
LGF	£4,200,000
Match	£8,734,222
Outputs	
Houses	835
Jobs	1,090
Employment Land (Hectares)	12
Newly Built Road (Km)	1.14
Road Resurfaced (Km)	2.05
Length of Cycleway (Km)	4.26

Table 3 – Current Performance

OLR LGF Project - Current Performance v May 2019 Reprofile			
Name	Reprofile	Achieved to Date	Balance to achieve
Finances			
LGF	£ 4,200,000	£ 4,200,000	£ -
Match	£ 8,734,222	£ 50,217	£ 8,584,005
Outputs			
Houses	835	85	750
Jobs	1,090	23	1067
Employment Land (Hectares)	12	0.89	11.11
Newly Built Road (Km)	1.14	0	1.14
Road Resurfaced (Km)	2.05	0	2.05
Length of Cycleway (Km)	4.26	0	4.26

Recommendation - Note the information provided relating to the background in section 1 and progress against deliverables as outlined in Tables 1, 2 and 3.

1.2 LEP Board request to Merge Oxon Link Road and Shrewsbury North West Relief Road

At the 7 November 2019 Emergency LEP Board meeting a decision was taken to approve the proposal from Shropshire Council for the merger of the existing OLR scheme with the Shrewsbury North West Relief Road (NWRR) subject to:

- Shropshire Council Cabinet/Full Council Agreement.
- Detailed Financial and Output information provided.

Shropshire Council considered the OLR merger with the NWRR at its Cabinet meeting on 16 December 2019, the proposal was supported and agreed by Members in line with LEP requirements.

The project was unable to provide the information needed to complete the 31 May 2019 approved Funding Agreement Variation due to a planning milestone needing to be met in relation to the merged project.

Following meetings with colleagues from Shropshire Council and also taking legal advice it was determined that the merger of the two projects under one LEP Funding Agreement would not be appropriate. As a consequence of this, an action was for Shropshire Council to provide the LEP with the following:

- An updated LEP Board report confirming the proposed merger put forward by Shropshire Council relating to the OLR & NWRR was no longer required.
- An updated delivery position which would be used to Vary the OLR Funding Agreement – not amending the values approved by LEP Board on 21 May 2021.

1.3 Performance Risk & Monitoring Committee

Due to the lack of progress in completing the agreed actions (as set out in section 1.2) and lack of clarity around the future delivery the OLR project was raised as a programme risk at the 26 August 2021 meeting. As consequence of these risks the Performance Risk and Monitoring Committee (PRMC) invited the project to the 28 October 2021 PRMC meeting to give an update on the project and agree a way forward in varying the Funding Agreement.

At PRMC on 28 October 2021 the Head of Transport and the Environment from Shropshire Council reported that the intention was no longer to merge the OLR project with the NWRR in terms of the LEP contract and its reporting. The LEP requested that a formal position paper be drafted by Shropshire Council ahead of the 25 January 2022 LEP Board meeting to rescind the original request. This was not received for this meeting.

On the 8 March 2022 the LEP sent an email requesting again that a formal position paper be provided for the April Board and that the project provide an updated profile to enable the contract to be varied. The updated profile for the variation is still outstanding.

Recommendation - Note the current position in relation to delivery and reporting as highlighted in Section 1.

2. Shropshire Council Updated Position Paper

Appendix 1 sets out a current position from Shropshire Council relating to the delivery of the OLR & NWRR projects, confirming:

- The OLR will remain, through to completion, a project wholly separate from the NWRR in terms of the management of reportable budgets, risk registers and contracted outputs (as set out in section 5 of Appendix 1).
- Updated milestones (as set out in section 6 of Appendix 1).

Recommendation - To approve the de-linking of the OLR project with the Shrewsbury North West Relief Road (NWRR). As set out in section 5 of Appendix 1.

Recommendation - To approve the detail relating to the revised Funding Agreement (not amending the values approved by LEP Board on 21 May 2021) be delegated to the first Performance Risk and Monitoring Committee following Shropshire Councils Planning Determination Meeting (currently projected for June 2022).

<p>Financial implications:</p> <ul style="list-style-type: none"> Any LEP underspend against its Growth Deal allocation, could impact on level of grant provided by Government to the Marches LEP.
<p>Legal Implications:</p> <ul style="list-style-type: none"> The project has not fulfilled its obligations within its current contract therefore the LEP could invoke clawback.
<p>Risks, opportunities and impacts:</p> <ul style="list-style-type: none"> Timescales of project development and delivery needs to be carefully managed.
<p>Additional information/ attachments:</p> <ul style="list-style-type: none"> Appendix 1. Oxon Link Road – Shropshire Council Marches LEP Update Note April 2022.

Oxon Link Road – Shropshire Council Marches LEP Update Note April 2022.

1. Background and context

The Oxon Link Road (OLR), in conjunction with the Shrewsbury North West Relief Road (NWRR), will provide a new, single carriageway road linking the northern and western parts of Shrewsbury. It will include a new bridge over the River Severn and its flood plain, and a new bridge over the Shrewsbury-Chester railway line. The OLR will connect the A5 at Welshpool Road roundabout in the west to Holyhead Rd, and then the NWRR will continue to the Ellesmere Road roundabout in the north.

In August 2019 Shropshire Council withdrew its initial planning application for the Oxon Link Road and has now included the proposed road within a combined planning application for the NWRR. By combining the schemes, the Oxon Link Road can better deliver on the link road's specific goal of facilitating the Shrewsbury West Urban Extension (SUE), whilst also complementing the strategic objective of the NWRR.

The combination of the two schemes has not been made however in funding terms or business case outputs. The OLR continues to be delivered to facilitate the outputs committed as part of the housing and employment land outputs agreed for the SUE West. The combination of the two schemes exists only in terms of the current planning application and the construction phase.

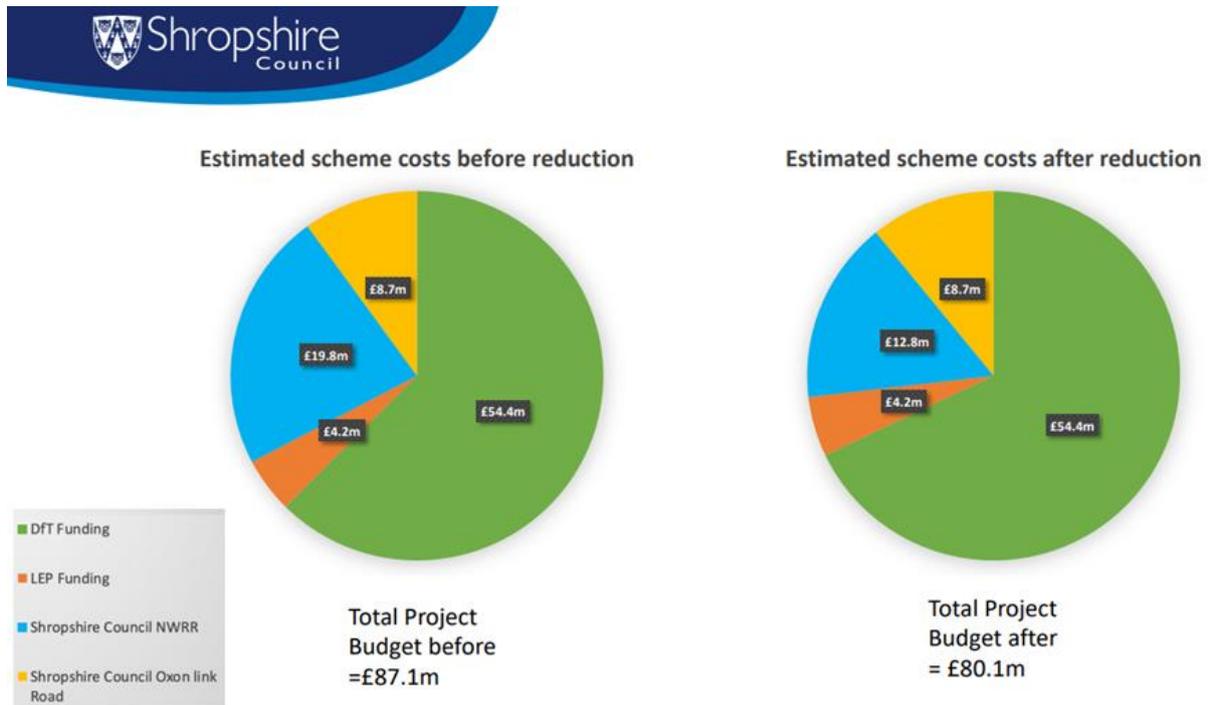
A public consultation was held in early 2020 to give stakeholders and residents an opportunity to comment on the combined scheme in advance of the planning application, which was submitted on 19 February 2021. This consultation is now closed but details can still be found [on our consultation portal](#).

Originally, a full planning application was due to be submitted in July 2020, but this was put on hold while we considered the implications of the funding announcement for the [Severn Valley Water Management Scheme](#) (SVWMS). This process has now been completed and the following concluded; The planning application is for a road scheme only (OLR and NWRR) and includes a viaduct across the River Severn and its flood plain at Shelton, instead of an extended embankment design that was proposed in the public consultation in 2020.

Full up to date details of the OLR and NWRR project are set out on the Council's website and can be accessed using the link below:

[Shrewsbury North West Relief Road | Shropshire Council](#)

2. Current estimated cost of the OLR / NWRR



A revised planning application was (26 August 2021) submitted to the Shropshire Council planning department following the initial planning application in February 2021.

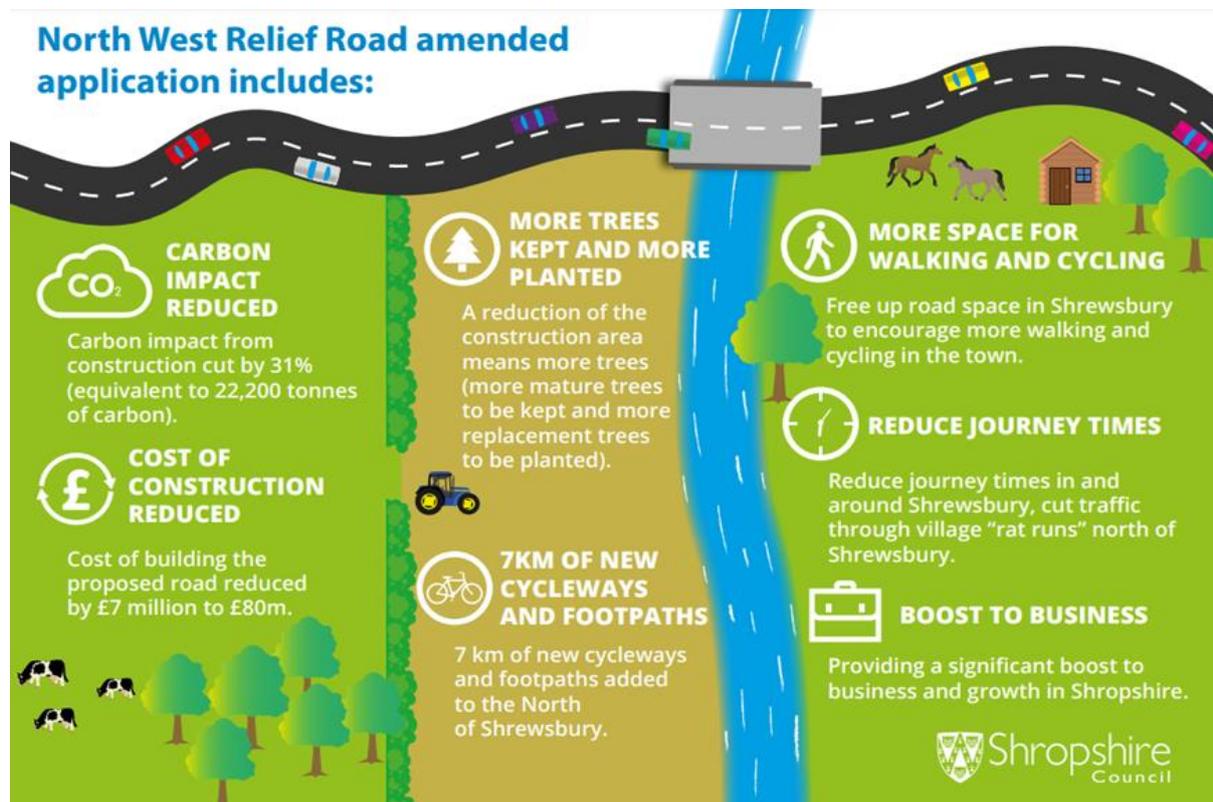
This revised planning application for the OLR and NWRR includes a number of changes and value engineering made in response to the feedback received, plus detailed surveying of the proposed site over the last few months allowing for lower carbon construction methods, less construction traffic and more reusing of earth to build embankments on both the OLR and NWRR.

So, what are these changes and what do they mean?

- Simplification of the scheme's River Severn viaduct and structures on the OLR will mean that the carbon impact from construction will be cut by 31% (equivalent to 22,200 tonnes of carbon).
- Current estimated cost of building the OLR / NWRR reduced by £7 million overall.
- A reduction of the construction area means more trees (more mature trees to be kept and more trees to be planted).
- 7 km of new cycleways, bridleways and footpaths added to the North of Shrewsbury including the full length of the OLR.

This revised planning application is still open for comments, and engagement with landowners and stakeholders will continue. The planning process presents a key opportunity for the whole community to engage in the decision-making process.

The application reference for the road is **21/00924/EIA**, with the [application and supporting documents added to the planning online register](#) on Monday 1 March 2021.



3. The need for the OLR and the NWRR

Links between the north and west of Shrewsbury are presently very poor. The most direct route passes along Welshpool Rd, through the proposed SUE West, then through the 'river loop' and consists entirely of single carriageway, all-purpose roads, including residential and shopping streets. Congestion on these routes causes delays and makes journeys unreliable. The weight of current and future traffic along Welshpool Rd is also a significant planning constraint on the successful development of the SUE West. As a result, some of the traffic between north and west uses other, longer routes to avoid the town centre. Extra traffic on the distributor ring road and the outer bypass adds to the congestion on these important routes and reduces the resilience of the network. Some traffic uses the network of small lanes to the northwest of Shrewsbury and in the environs of the SUE West as rat-runs to avoid the town altogether.

Other problems arise directly from this fundamental weakness in Shrewsbury's transport network. Noise, visual intrusion, and poor air quality already affect people in residential areas and the town centre, as well as people walking and cycling. Accident rates are higher on roads not designed to modern standards. Journeys to work and for business can be slow and unreliable, adding to the cost of transport (including public transport) and discouraging

investment. As Shrewsbury continues to develop and grow through the build out of the SUE West, these problems are expected to get worse, affecting the town's ability to deliver planned growth to the West and local people's quality of life as existing or as new residents. Access to and from existing and planned business areas in and around the SUE West is also currently poor and will become increasingly difficult affecting market appetite for development and relocation into the allocated growth area.

4. The benefits of the OLR and NWRR

The OLR and NWRR will, in combination, provide a new, high standard, direct route between the north and west of Shrewsbury, offering significant time savings for road users. For example, a peak-time journey from A5 Churncote to A49 Battlefield would take about six minutes using the NWRR, instead of about 20 minutes through the town centre or 15 minutes on the bypass. This connectivity will significantly assist in market appetite around the uptake of both housing and employment allocations within the SUE West. Traffic will therefore transfer from the existing routes, reducing congestion and making them more efficient. These benefits will be felt over a wide area, including the outer bypasses, rural lanes, nearby villages and communities, as well as the roads leading into and through the town centre, in particular Welshpool Rd. The OLR and NWRR will also help to reduce noise, accidents and carbon emissions, and will improve air quality in areas where people shop, work and live. It will give Shrewsbury a more efficient and resilient road network and support the town's continued growth and economic development as part of the [Shrewsbury Big Town Plan](#).

A number of new paths for cyclists, walkers and horse riders are also proposed as part of the OLR and NWRR, others which currently lead nowhere will also be linked up to create circular routes.

5. OLR Delivery Approach

The current engagement with potential contractors, and the developing construction plan, accommodates early commencement on the OLR, sectional completion and advance opening of the OLR section. In taking this approach, the construction risks around the wider NWRR alignment are effectively removed from the OLR project.

In continuing with a combined overall construction contract however, the OLR will continue to benefit from the economies of scale and programme that will allow an efficient and effective delivery of the OLR project.

The focus on early mobilisation around the OLR will also give effective advance works on utility diversions, with the ability to integrate these into the legacy requirements of the housing and employment land allocations within the SUE West. In taking this approach, the ability to deliver effectively and in a timely manner on the OLRs contracted outputs will be bolstered.

This integrated approach will be played into the recent Developer Agreement now in place on the planned housing development within the Councils SUE West land holdings. A further benefit will therefore be realised around the management of risks on the required developer contributions (s.106 and CiL) for the OLR, with these now being potentially formally integrated into future build programmes as part of the Developer Agreement. The OLR will remain, through to completion, a project wholly separate from the NWRR in terms of the management of reportable budgets, risk registers and contracted outputs. These will be restated in a revised delivery agreement and formally adopted on agreement of this contract with the LEP.

6. OLR project milestones

Potential from June 2022 (as determined by the Local Planning Authority, as issues around statutory consultee information provision are fully resolved)

- Planning determination

October - November 2022

- Cabinet and Full Council endorsement of NWRR FBC and combined build programme, including discrete OLR and NWRR project costs

October – April 2023

- Enabling works including vegetation clearance and any early utilities diversions.

March 2023

- Contractor appointment

April 2023

- Start OLR Road Construction

Summer 2023

- Complete utility diversions

April 2025

- OLR Road Opening to traffic. Sectional construction and completion approach allows earlier completion on OLR against wider NWRR.

Summer 2025

- Full OLR (and NWRR) Project Completion (reinstatement and environmental legacy benefits delivered)

Matt Johnson, Executive Manager - Strategic Projects, Shropshire Council. April 2022.

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Meeting date:	26 th April 2022				
Agenda Item:	9				
Item Subject:	Proposed use of Marches Investment Funds (MIF)				
For:	Discussion	X	Decision	X	Information

Purpose of the Paper: To consider the use of the Marches Investment Fund
<p>Summary of Recommendations: That Board Members consider the contents of the report and give approval to the LEP executive to run a two stage £4m call for Low Carbon/Energy projects which fits with the Marches Energy Strategy.</p>
<p>1. Executive Summary The LEP has held MIF funds since 2013 and has invested £4.146m of the original £8.2m, but largely the fund has been underutilised.</p> <p>There are a number of options for the use of the funds, but what is really important is seeing that the LEP is using it. If we just open it up to loan applications, there may be limited take up. We could look at matching it with other funds, to create a bigger fund and attract co-finance, which would give the LEP an income, but again the viability of this option at present is limited.</p> <p>The LEP has the opportunity to use the funding to raise the profile of the Marches in a key strategic sector and accelerate development where there is market failure. While there are a number of sectors the LEP could potentially support, it is recommended that the funding is used to support a low carbon grant fund, aimed at driving up innovation in the Marches. This would fit with the Marches Energy Strategy as well as fitting with the emerging priorities of the Shared Prosperity Fund.</p> <p>Currently there is a balance of £4.78m in the Marches Investment Fund, which is expected to increase by approximately £630k when the net proceeds of a Telford Land Deal sale have gone through.</p> <p>The LEP will be able to use recycled MIF funds to meet the running costs of the LEP, subject to s151 approval, which will be an important safety net for the LEP given the precarious funding position. Therefore, it is recommended that £4m is allocated to a Low Carbon fund, plus £160k operating costs, with the remaining MIF funding reserved for potential other uses, including helping to meet the LEP operating costs in 2023/24.</p>
<p>2. Recommendations: For the Board to give approval to the LEP executive to run a two stage £4m call for Low Carbon/Energy projects which fits with the Marches Energy Strategy.</p> <p>There is a 3% (£160k) allowance taken out of the MIF in addition to the £4m to meet the operating costs of administering the programme until March 2024. This will be used to meet both the internal and external costs associated with awarding and managing the grants. Standardised contracts are used, which will be issued with the application guidance, and award of grant is based on the acceptance of the terms by the applicant.</p>
<p>3. Background All LEPS in the country were allocated Growing Places funds in 2013. They were initially expected to be used as loan funds, but many LEPs across the country have</p>

used the funding for Covid grants over the last two years and many have subsequently used the funding to help meet their operating costs. We have tacit agreement from the Department for Communities and Local Government that we have flexibility to use the funding as we wish, subject to the approval of the s151 officer.

The Marches Energy Strategy was officially launched in July 2019. The Strategy, funded by the Department for Business, Energy and Industrial Strategy (BEIS), recognises that the way energy is generated and consumed in the UK is changing and the challenges that will need to be faced. The current energy infrastructure is already at capacity in many areas, and this presents both a threat to future business and housing development. There is an opportunity to invest in innovation that can overcome these challenges while providing a unique selling point for those in the energy supply chain to invest in the area.

The 10-year energy strategy and implementation plan aimed to address many of the issues surrounding energy management in the Marches region. In order to deliver these goals a Steering Group with representatives from business, communities and the local authorities was formed.

Delivering on the implementation plan has been difficult due to funding constraints and the uncertainty the LEP Review caused amongst partners.

Making funding available will help to raise the profile of the Marches as a place that supports energy innovation, while importantly helping to support projects which help to address the energy challenges faced in the region.

4. Financial Implications

There is an opportunity cost of using the MIF. By granting the funding we are removing the potential to make an income from the fund, however, we could exercise a profit-share clause in appropriate circumstances, or offer some of the funding as loans, if it is clear that the project will lead to an income.

There will be a financial cost to administering the grant funding which will have to be picked up. It is suggested that a budget of 3% (£160K) is allocated to managing the funding for the life of the programme.

5. Legal Implications

All grants/loans will need to comply with the new subsidy control regulations.

6. Risks and Issues

The fund may be under/oversubscribed. If it is under subscribed, we will need to market the fund more fully and understand what, if anything, is deterring applications. We will make it clear in the application guidance that the funding will be allocated based on the highest scoring projects and that an application does not in any way guarantee a grant will be made available.

The grant programme will require staff resource to manage but given the winding down of the GBF and LGF this should be achievable within the current team.

7. Equality Implications

n/a

8. Process

It is proposed that a two-stage process is run to allocate £4m of grant funding. We will issue a call for projects with a minimum application size of £100k and maximum of £2m, and a requirement for a minimum of 20% match funding.

Applications will initially be asked to submit an Expression of Interest Form only. These will be scored and moderated by the LEP team and be considered by the LEP Energy Group. A shortlist of projects will then be ranked and presented to the Board or PRMC for approval (dependent on the maximum amount of grant funding sought).

The shortlisted projects will be invited to submit a full business case, which will need to be appraised, before again being scored and ranked. The funding will then be allocated to projects with the expectation, but not a requirement that the full £4m is allocated.

All business cases will need to demonstrate the following with a weighting of 20% for each.

- Strategic fit
- Innovation
- Deliverability
- Secured Match funding
- Outputs:
 - Jobs
 - Green house reductions (tonnes p.a.)
 - Businesses assisted
 - Innovative new product/process
 - GVA
 - Improved skills (measured by days/weeks training)

It is proposed that a standard grant offer is developed which goes out with the application guidance and it is made clear to applicants that should they be awarded a grant, the offer letter is non-negotiable. The LEP cannot continue to afford to pay an external legal firm to draw up agreements, which it then has to pay the accountable body to check as well. The grant agreements will be written in-house based on a standard form, and then approved by the accountable body.

9. Timescales

Key Milestone	Date to be completed
Discussions with LAs over potential to match with SPF	20 th May 22
Draft and Agree application guidance	20 th May 22
Publish call	27 th May 22
Deadline for submission of EOIs	15 th July 22
Assessment and moderation of EOIs	5 th August 22
Approval of Shortlist by Board/ PRMC	26 th August 22
Shortlisted projects invited through to Business Case stage	30 th August 22
Business cases developed	14 th October 22
Business cases assessed	4 th November 22
Projects scored and ranked	11 th November 22

Approval of projects by Board/PRMC	25 th November 22
Grants awarded	9 th December 22
Delivery starts	12 th December 22
Funding programme ends	31 st March 24
Results of project disseminated	31 st May 24

The MIF doesn't have to be spent by a certain date, but we should reasonably expect projects to complete by end of March 2024. We will then carry out post programme evaluation and disseminate the results.

10. Conclusion

It has been difficult to meaningfully further the work of the Marches Energy Steering Group without funding.

The provision of a grant funding targeted specifically at Low Carbon/Energy will help stimulate the market and address the market failure that is currently experienced across the Marches.

We know for instance that grid capacity in some areas in the Marches is a major barrier to investment. There are some simple solutions already being used in other parts of the country to free up capacity, but at the moment there is a gap funding requirement preventing the private sector intervening.

With SPF having net zero as a key aim under one its three priorities, it is a good opportunity to launch this type of fund which should hopefully be able to lever in some SPF funds.

If there is the appetite from the Local Authorities to work with the LEP to develop a fund as part of their SPF investment strategy, the milestones should be pushed back, to make the most of the additional funding opportunities.

Additional information/ attachments:

Background papers/documents:

[Marches Energy Strategy](#)

Report Authors:

Rachel Laver, Marches LEP CEO

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Meeting date:	26 April 2022				
Agenda Item:	10				
Item Subject:	Report from the Performance Risk & Monitoring Committee (PRMC) meeting on 9 March 2022				
For:	Discussion		Decision		Information X

Purpose of the Paper: To report on the PRMC meeting on 9 March 2022 and highlight the main changes to the Corporate and Programme Risk Registers.

Summary of Recommendations: That Board members take note of the outcomes of the last PRMC meeting on 9 March 2022 and the main changes to the Corporate and Programme Risk Registers – as set out in Appendix 1 & 2.

Summary of PRMC meeting on 9 March 2022

PRMC Terms of Reference

Following the LEP Board meeting on 25 January 2022 the proposed change to the PRMC Terms of Reference (ToR) were discussed with PRMC members. The proposed changes would enable PRMC to make performance decisions, allowing the Board to concentrate their time on more overarching, strategic matters.

Through discussion a potential conflict was raised in relation to the S151 Officer ratifying decisions, however it was confirmed that the S151 Officer would not be there to make decisions but to ensure a due process has been followed appropriately. The LEP CEO stated the wording around the S151 role in the ToR would be amended.

See Board paper – Agenda Item 5 for Board approval to change the PRMC Terms of Reference.

LEP Finances and the Levelling Up White Paper

The LEP CEO, provided an update to PRMC on the Levelling up White Paper and the future role of LEPs and Growth Hub. It was confirmed in the paper that LEPs will continue to exist but 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.

On 31 March 22 the LEP Chairs and CEO's received a letter from Neil O'Brian MP and Paul Scully MP in relation to integrating LEP's into Local Democratic Institutions. This signalled a conclusion to the ongoing LEP Review, confirming an indicative allocation of £375k per LEP for the 22/23 FY, reflecting their revised roles and functions subject to business case approvals. The LEP has also recently undertaken a staffing restructure, enabling core business to be undertaken during 22/23 FY.

See Board paper – Agenda Item 3 – LEP Chair and CEO Report on changing role and funding.

Marches LEP Annual Performance Review feedback

The Annual Review took place in January 2022, it was reported the LEP's performance would be moderated centrally, and final ratings attributed. The 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.

Performance Monitoring

PRMC Members were informed of the following in relation to Local Growth Funds (LGF):

- Clear message to all projects that money must be spent in this Financial Year (31 March 2022).
- 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.
- 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
- 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 2022.

PRMC Members were informed of the following in relation to Getting Building Funds (GBF):

- The Programme Team has met with each project promoter to confirm if they are able to spend their grant allocation as profiled.
- ICW – Herefordshire Council are working towards their recently agreed re-profile and an update on progress. The group were informed that planning had been agreed on the first site, Heads of Terms had been agreed on another purchase and the project was 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.

GBF Quarter 3 Return

- Confirmation was received that £7.2m of spend in Q3 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 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 also informed that 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.

Recommendation – Board Members note the main outcomes of the last PRMC meeting on 9 March 2022.

Risk Registers

PRMC members were informed that 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.

Following review, the Strategic Risk Register has been renamed Corporate Risk Register. This has been formatted from high to low risks and includes updates in red and an updated risk related to Growth Hub funding (risk 2.8). A point was raised during PRMC in relation to the numbering of the risk ratings which has now been amended to 1-5. A rating key matrix has also been added to the register for clarity. The Chair also highlighted that 4 out of 5 Top risks related to the Levelling up paper and delays in information being received from government.

The top five corporate risks presented to PRMC were as follows;

- 2.4 - the operational Core Funding from Government for the LEP is either delayed or reduced. [This risk has since been downgraded following the 9 March 22 PRMC meeting as the LEP have now received confirmation of the core funding from Government].
- 2.7 - due to the potential funding issues (as set out in Risk 2.4) the LEP 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. The LGF & GBF Programmes have deliverables forecasted up to 31 March 2025.
- 2.8 - cessation or reduction of Marches Growth Hub (MGH) funding, including contributions from Local Authorities.
- 6.4 – changes to Government policy regarding LEPs.
- 5.5 - a shortfall in operating budgets due to VAT/TAX implications of new company status.

Please see Appendix 1 – Corporate Risk Register Overview for updates to the risk responses.

The Programme Risk Register has also been restructured. The Programme Risk Register had previously only 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 also be included for transparency. Each delivery programme now has its own risk register which can be shared with their governance/reporting structures – if appropriate.

The top five Programme risks presented to PRMC were as follows;

- 2.23 - Marches Growth Hub - The University of Wolverhampton withdraws accommodation and technical support for the Telford & Wrekin Growth Hub [This risk has since been downgraded following the 9 March 22 PRMC meeting as the LEP have been assured plans are in place to ensure continuity even in the event of relocation. The risk will be removed from the top five and replaced for the next PRMC meeting on 28 April 2022].
- 3.20 - Proposed merger of the Oxon Link Road with the Shrewsbury North West Relief Road (SNWRR) may impact on the delivery of its contracted deliverables - including Match Funding, Milestones and Outputs.
- 3.18 - The Integrated Construction Wetlands project is unable to negotiate the purchasing of land from owners, impacting on the projects ability to spend their Getting Building Fund allocation.
- 3.21 - The Hereford City Centre Improvements project may not spend their Freedoms and Flexibilities or Overall GBF Grant allocation by 31 March 2022.
- 3.22 - The delivery of the Pride Hill Remodelling GBF project may be impacted following a decision by Shropshire Council on 23 September 2021 to pause the project while a review of the Pride Hill, Civic Accommodation and Riverside Development and further market testing is carried out.

Please see Appendix 2 – Programme Risk Register Overview for updates to the risk responses.

Recommendation – Board Members note the main changes to the Strategic and Programme Risk Registers.

PRMC will next meet on the 28 April 2022.

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: The uncertainty surrounding the future of LEPs continue to pose a significant risk for the Marches LEP staff, Board and its business partners.

Equality implications: None

Additional information/ attachments:
[Appendix 1. Corporate Risk Register](#)
[Appendix 2. Programme Risk Register](#)

Background papers/documents: None

Report Author: Nick Alamanos, Head of Programmes

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Meeting date:	26 April 2022				
Agenda Item:	12				
Item Subject:	Progress report on project spend of Local Growth Fund (LGF) & Getting Building Fund (GBF)				
For:	Discussion		Decision		Information X

Purpose of the Paper:					
1) To update Board Members on progress delivering both Local Growth Fund and Getting Building Fund projects.					
Summary of Recommendations:					
The Marches LEP Board:					
1) Notes the current position relating to the Getting Building Fund Programme, as set out in section 1.					
2) Notes the current position relating to the Local Growth Fund Programme, as set out in section 2.					
Main points					
1. Getting Building Fund - Update					
<p>The Quarter 4 period (1 January – 31 March 2022) represents the final Quarter for project expenditure in respect to the LEP’s Getting Building Fund Programme (GBF) – with exception to those projects who have had extensions to their funding profile through Freedoms & Flexibilities (F&F). As reported at the 25 January 2022 LEP Board meeting the low level of spend was anticipated based on projects’ financial profiles – where the majority of spend was attributed to the Quarter 4 period.</p> <p>To mitigate risk relating to underspend, the LEP team has been conducting monthly finance meetings with all projects since December 2021, understanding the reasons behind their current spend position, receiving assurances that spend allocations for 2021/22 Financial Year (FY) will be met.</p> <p>As previously reported three projects have confirmed they are unable to achieve their GBF spend allocation by 31 March 2022:</p> <ul style="list-style-type: none"> • Hereford City Centre Improvement Project (Funding Agreement varied to allow spend in 2022/23 FY). • Integrated Construction Wetlands (Funding Agreement varied to allow spend in 2022/23 FY) • Stronger Communities (Funding Agreement varied to allow spend in 2022/23 FY) <p>In each case the LEP has been able to proactively manage risk relating to underspend by utilising its Accountable Body in relation to F&F, enabling financial profiles to be extended into 2022/23 FY. All other projects have confirmed they are able to spend their grant allocations by 31 March 2022.</p> <p>Appendix 1 provides an overview of the current programme spend position up to Period 11 (February 2022), with Period 12 claims scheduled to be submitted to the LEP on 11 April 2022. A verbal update will be provided at the 26 April 2022 Board Meeting on the status on claims and the Programme spend position – once claims and expenditure has been checked and authorised by the LEP and its Accountable Body.</p>					

- **Recommendation – The LEP Board note the current position relating to the Getting Building Fund Programme.**

2. Local Growth Fund – Update

2.1 LGF Project overview

At the 7 September 2021 Emergency LEP Board Meeting members approved the reinvestment of returned Local Growth Funds against the following projects.

Current Position Returned Local Growth Fund Projects 2021/22				
Project Name	Organisation	Total LGF Awarded	LGF Claims Received up to Period 11 (February 2022)	Balance Of LGF to claim (%)
Stronger Communities - Station Quarter Site Acquisition	Telford & Wrekin Council	£ 685,950	£ 685,950	0
Hereford Enterprise Zone Infrastructure	Herefordshire Council	£ 675,000	£ 675,000	0
Oswestry Infrastructure Works	Shropshire Council	£ 711,200	£ 268,082	62
Automotive Centre	Shrewsbury Colleges Group	£ 116,250	£ 116,250	0
Bishops Castle Workspace	Shropshire Council	£ 61,600	£ -	100
Capitalisation	Marches LEP	£ 50,000	£ 50,000	0

Table 1 – Current Position Returned Local Growth Fund Projects 2021/22

Table 1 provides an overview of the current programme spend position up to Period 11 (February 2022), with Period 12 claims scheduled to be submitted to the LEP on 11 April 2022. A verbal update will be provided at the 26 April 2022 Board Meeting on the status on claims and the Programme spend position – once claims and expenditure has been checked and authorised by the LEP and its Accountable Body.

To mitigate risk around underspend the LEP has met with all project promoters, who have confirmed they will be able to meet their 2021/22 Financial Year (FY) contractual spend targets with the majority of costs profiles in March 2022.

The following three LGF projects utilised Freedoms and Flexibilities* (F&F) last FY to enable the LEP to meet its outturn target for 2020/21 FY:

- Connecting Shropshire - utilised £319,011 F&F in 2020/21 FY. On 4 January 2022 the Project confirmed via email the F&F value would be claimed in Quarter 4 2021/22. This would ensure the F&F values are offset within the permitted funding period of 2021/22 Financial Year.
- Primary Care Centre at the Tannery (Phase 2) – utilised £11,502 F&F in 2020/21 FY. On 17 January 2022 the project confirmed via the F&F value relates to a final retention payment being paid, which will be claimed in Quarter 4 2021/22.
- HEZ Infrastructure and Building Investment - utilised £500,000 F&F in 2020/21. The LEP has approved a claim of £500,000 to offset the F&F amount.

**Freedoms & Flexibilities – a process enabling Local Authorities to manage spend between years in the scenario where a project cannot spend all of its annual allocation.*

- **Recommendation – The LEP Board note the current position relating to the Local Growth Fund Programme.**

Financial implications:

- The LEP needs to accurately monitor spend and outputs, ensuring these do not impact negatively on performance. Should this happen it may result in the loss of grant to the Marches through future grant allocations.

Legal implications:

- None

Risks, opportunities, and impacts:

- Timescales of project development and delivery need to be carefully managed, including ensuring that adequate resources are in place within the LEP and its accountable body to achieve these.

Equality implications:

- None

Additional information:

- None

Report Author: Nick Alamanos, Head of Programmes

Background papers/documents:

- [Appendix 1 – GBF Programme Overview](#)

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Marches LEP (Shropshire and Herefordshire)

International Trade Strategic Plan & Ideas for Future LEP / DIT Collaboration

This document comprises two parts: (i) a proposed plan for a partnership between DIT and Marches LEP to effectively support Shropshire/ Herefordshire companies in their international trade activities (inward investment and export) and (ii) a second proposed plan that details an international trade support programme, delivered jointly by the LEP and DIT, to help address known international business issues that local firms currently face.

To do this, the paper sets out the global international trade context that Shropshire/ Herefordshire companies currently find themselves in – at national, regional (Midlands) and sub-regional levels (Shropshire and Herefordshire combined) as well as setting out some of the major issues and challenges they are facing. This will be followed by a proposed plan of collaboration between DIT and Marches LEP that recognises and takes advantages of the strengths and shores up the weaknesses of each organization to better serve the local client.

Lastly, I will outline a proposed plan of international trade support targeted at exporters and potential international investors, delivered jointly by the LEP and DIT, to enhance and supplement current DIT and MLEP international trade support programmes that are being delivered at sub-regional, regional and national levels.”

The Context: International Trade in Marches in 2021

2020 and 2021 have seen the greatest changes and challenges to the global trading environment for a generation. Brexit and the UK's exit from the Single Market and Customs Union have brought the most fundamental shift in our long term trading relations, with our single biggest trading partner, the EU, but also with the rest of the world, as the UK now seeks to negotiate bilateral trade deals.

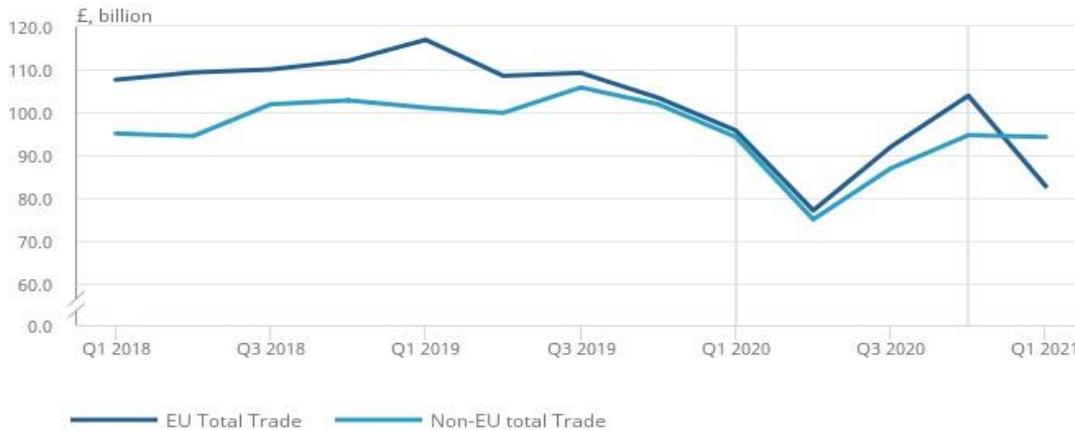
On top of this the Covid-19 pandemic and subsequent peaks and troughs in global demand for products and services, have wrought havoc on global supply chains, bringing about disruption and huge hikes in costs for companies looking to move products and materials around the world.

According to a recent ONS study¹, trade in goods with EU countries fell by 23.1% between quarter one 2018 and quarter one 2021, whilst trade with non-EU countries also fell but by only 0.8% over the same period (although it should be noted that this statistic is skewed by a 65% surge in imports from China). Whilst it is still too soon to tell how much of this is the short to medium term impact of recent challenges vs longer term structural adjustment in trade patterns, it is clear that there is much work to be done to support businesses to get back to and ultimately exceed pre-Brexit and pre-pandemic levels of trade. The graph below illustrates recent trends in UK global trade in goods.

¹ Office for National Statistics (2021), The impacts of EU exit and the coronavirus on UK trade in goods, [The impacts of EU exit and the coronavirus on UK trade in goods - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/external-trade/articles-and-features/the-impacts-of-eu-exit-and-the-coronavirus-on-uk-trade-in-goods)

Figure 1: Total trade in goods from non-EU countries surpassed EU countries in Quarter 1 2021

Total trade in goods (exports plus imports), excluding precious metals, Quarter 1 (January to March) 2018 to Quarter 1 (January to March) 2021



Source: Office for National Statistics - UK trade statistics, current prices, seasonally adjusted

With the Covid-19 pandemic continuing to unfold and more changes in UK – EU trade arrangements due to come into force later in 2021 and into 2022 there will be further challenges ahead.

These challenges are critical for a region, such as The Marches. In 2019 14.7% of firms in the Midlands region were actively exporting², for The Marches this was 13.7% (1% lower than the Midlands Engine average) and together with the wider West Midlands region, has one of the highest proportion of jobs supported by exports, at 8.8%, of any UK region outside of London (19.6%), Southeast (10.1%) and East of England (9.2%)³.

As highlighted in a recent government policy paper⁴, median wages in jobs directly and indirectly supported by exports are around 7% higher than the national median and businesses that export are 21% more productive than those that do not.

Exporting is and will be key to the future success of The Marches economy and as the UK continues its drive to forge new trade deals around the world it is critical that the region is well placed to take advantage of these.

Total Export sales⁵, for both EU and Non EU countries amount to £2,999m, for 2019, the latest numbers available. This is spread across Shropshire £761m, Telford and Wrekin £1,697m and Herefordshire £541m.

² Qa Research Ltd & Ortus Economic Research Ltd (2019), Exporting and International Trade across the Midlands Engine

³ [Evaluating the impact of exports on UK jobs and incomes - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/evaluating-the-impact-of-exports-on-uk-jobs-and-incomes)

⁴ [New report shows 6.5 million jobs supported by exports - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-report-shows-6-5-million-jobs-supported-by-exports)

⁵ Regional trade in goods statistics disaggregated by smaller geographical areas: 2019 - GOV.UK (www.gov.uk)

Exporting rates, by size of business,² reveals that exporting rates increase with firm size. 12.5% of firms in the 5 to 9 employees bracket export, whereas this rises to 23.2%, in the 100+ employee racket size. With 90% of business, in the area, being under 9 employees then this could present a challenge.

Also, on the same research² it was established that Exporting rates amongst foreign owned firms are much higher (36.1%) than for UK owned/ independent firms (13.1%).

Looking for more recent data for The Marches, we can establish that, support provided by DIT International Trade Advisors in 12 months to 03 2021 saw “Export Wins” claimed of:

Sector by “perceived contract value”	By number of exports
Food and Drink	12
Food and Drink Manufacture	1
Adv Engineering	3
Construction	14
Consumer and Retail – General/ Clothing and Footwear/ Furniture/ Hotel	6

Within the main sector Consumer and Retail, the split is General / Furniture and Furnishing/ Clothing Mens Apparel/Hotels Tourism.

Destinations, for all exports from Shropshire are:

Country Exported to	By number of exports
USA	4
France	5
Netherlands	4
Japan	1
China	2
Australia	2
Ghana	1
Poland	1

As per the LEP strategic and Industrial Strategies then the focus areas are seen to be:

- Clean Growth
- Productivity
- Sectors - Adv Manufacturing / Business and Professional Services /Food and Drink
- Emerging – Enviro Tech/ Cyber(IT Digital) Agritech/Innovative Health and Social Care

Priorities for International Trade in The Marches:

Such unprecedented challenges require a step change in the provision of support to businesses in order to make sure The Marches maintains its place as an attractive region to invest, do business and forge global connections. We will seek to support the region in a number of key areas:

Generic - Supply Chain, Customs and Logistics:

- Improve knowledge of customs and logistics processes to minimize barriers to trade for businesses in the region and ensure they are equipped with the knowledge and confidence to export. Given recent changes and the complexities of post-Brexit trade with Europe this issue will likely be even higher on the agenda for any businesses involved in international trade
- Help companies manage their supply chains. Given recent challenges and the fact that there are more changes to come in 2021 and 2021 this will be critical to the success of many firms in the area, whether they are involved in import, export or both.

Supporting the next generation of exporters:

- Raise awareness of the benefits of international trade and potential export opportunities in order to encourage firms in the area to get into exporting.
- Specifically explore strong export markets and highlight the demand and access to the market.
- Provide practical support to new to export companies to help them take the first steps to internationalization and overcome and real or perceived barriers to exporting.

Support Our Exporters to Identify and Tap Into New and Emerging Export Markets

- With 90% of world economic growth forecast to be outside the EU over the next 5 years, and growing middle class consumer markets in Asia⁶, it is critical we support local firms to tap into new opportunities in emerging markets
- Ensure that companies are able to continue to trade with and develop their business in key existing markets – for example in Europe and the USA.
- Support our Advanced Manufacturing (Automotive) businesses with the shift to electrification and low carbon economy. As global manufacturing and supply chains in the industry shift toward the production of electric vehicles demand for certain products and service will decline, whilst new areas of opportunity will open up.

Raise the Profile of The Marches Region on the Global Stage & Increase Inward investment

- Develop a coordinated inward investment plan to enhance the global profile of the region leading to increased inward investment and ensuring the area takes full advantage of key opportunities and events such as the Commonwealth Games 2022 and MIPIM.
- Join up trade and inward investment work to share information and best practice – visits for inward investment purposes can be used to scope potential export opportunities and vice versa.

Enhance the Business Support Infrastructure:

- The region already has a very well developed and connected business support infrastructure. However, we seek to improve this further by upskilling staff about key issues relating to the trade agenda and ensuring that international trade is more visible in communications put out by all organisations in the local business support infrastructure.

Specific Actions and areas LEP and DIT could work together regarding the above Strategic Priorities:

⁶ <https://www.gov.uk/government/publications/board-of-trade-report-global-britain-local-jobs/global-britain-local-jobs-html-version>

DIT/MLEP - Collaboration Plan

Part One – Modus Operandi

How will DT and Marches LEP work together

- **Weekly (tactical meetings as per Core DIT Team)**
- **Monthly Meetings (report back progress etc.)**
- **Key contacts**
- **Reporting**
- **DIT Familiarization for LEP employees and vice versa (enables a better understanding of DIT services, proposition enables better selling of DIT services by LEP staff etc.)**

<p>Supply Chain, Customs and Logistics</p>	<ul style="list-style-type: none"> - Ensure provision of practical support to help companies adapt to post-Brexit trade environment and external shocks such as current global supply chain issues. E.g. 1:1 import clinics, IOSS VAT clinics. - This could include or link to work to encourage and support reshoring regarding supply chain problems. - Ensure businesses in the region are aware of and able to use new free trade agreements as the UK signs new deals with countries around the world. This involves educating businesses on the specific benefits of new agreements but also helping them understand the practical aspects of using new agreements e.g. paperwork, rules of origin etc. - Engage with priority industries within the region to understand practical constraints that may affect their global development and work with DIT (including sector specialists and Overseas Champions), Chambers and the wider business support infrastructure to help them overcome any issues. - Raise awareness of key issues constraining success of businesses in the region with relevant government departments. This could be better visa arrangements for Tech sector or streamlined customs processes for manufacturing
<p>Supporting the next generation of exporter</p>	<ul style="list-style-type: none"> - Work with DIT Export Academy to raise awareness of the benefits of international trade and potential export opportunities in order to encourage firms in the area to get into exporting - ‘Myth Busting’ to help counter perceptions that international trade is too difficult for new exporters and smaller firms - Link new to export companies to the right information and support to help answer their questions and overcome barriers to trade – real or perceived. - Peer to Peer networking group specifically for new exporters – where use of Export Champions for “how to” events to be used. - Specific focus on markets – where series planned for European Markets to be promoted (Overseas Champions planning and arranging currently). - Coaching/ training of Business Advisors (Growth Hub/ Contracted staff/ other engagement officers) with details of support available through the Export Academy team. - Regular working group meetings to facilitate feedback and improvement in service provision/ sign posting.

	<ul style="list-style-type: none"> - Suggestion of an Export focus week – 1 in every 8/ use of the National Export Week as a facilitator to engage with more businesses. - Use of video blogs to attract more engagement.
Supporting existing exporters to tap into new markets	<ul style="list-style-type: none"> - In line with the regions wider strategic plan and identified priority sectors seek global trade opportunities - Consult with key industries in the region, identify priority markets for export development, industry trends and liaise with DIT to ensure there is support to help businesses access new markets and opportunities
Raise the Profile of the region Internationally	<ul style="list-style-type: none"> - Work with DIT and Invest Telford and Wrekin/ Invest Shropshire/ Invest Herefordshire (includes representatives from Council, County Council, Growth Hub and Chamber) to continue work to identify priority opportunities and markets for inward investment opportunities - Follow up on existing links with regions around the world. - Join up work on trade and inward investment – visits for inward investment purposes can be used to scope potential export opportunities and vice versa. - Ensure the region makes the most of key opportunities and events such as MIPIM, Commonwealth Games etc to raise the profile. - Learn from and share best practice with regions around the world in terms of the green agenda and transition to a low carbon economy. How has this been managed in other regions with strong manufacturing and automotive base.
Further Improve the Business Support Infrastructure	<p>The Marches already has a well integrated business support infrastructure however we seek to further improve this to ensure that businesses in the region always get the best support possible when it comes to international trade. Actions could include:</p> <ul style="list-style-type: none"> - Greater trade visibility on Growth Hub / LEP website - Upskill business support staff in the region concerning international trade and the support available via DIT and other players in the business support infrastructure such as the Chambers of Commerce. - Establish an International Trade Working Group / Forum in collaboration with DIT and other key stakeholders to share intelligence, identify and gaps in service provision and guide the overall strategic approach of the region going forward.

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Meeting date:	26 April 2022				
Agenda Item:	14				
Item Subject:	The Marches Local Skills Report				
For:	Discussion		Decision		Information X

<p>Purpose of the Paper: To update the Board on the development of the Marches Local Skills Report.</p>
<p>Summary of Recommendations: That the Board formally endorses the updated Marches Local Skills Report, notes its priority areas and progress made with implementation to date.</p>
<p>Main points</p> <p>The original Marches Local Skills Report was finalised by the Marches Skills Advisory Panel (SAP) in April 2021 following extensive consultation with partners. It laid out a vision of the skills landscape across the Marches and the actions required to meet the needs of its businesses and ensure a bright future for residents.</p> <p>As a condition of its 2021/2022 SAP funding from the Department for Education (DfE), the Marches LEP team was required to update the Local Skills Report and its underpinning data for submission to government by 28 January 2022. This was completed within the required deadline, through an iterative process to build in feedback from SAP members and wider stakeholders.</p> <p>The updated report may be found on the Marches LEP website at the following link Marches Local Skills Report 2022 and is accompanied by annexes Marches Local Skills Report Annexes 2022 comprising data sets mandated by DfE for collation and submission.</p> <p>Board members are asked to note progress made with the action plan (see section 4) which is particularly pleasing bearing in mind the short timescale since this was originally developed and finalised with partners. Also, the positive impact stories, found at section 6, provide examples of innovative and impactful initiatives currently being delivered to meet identified needs.</p> <p>Recommendation: the Marches LEP Board notes and formally endorses the Marches Local Skills Report.</p>
<p>Financial implications: The LEP received a grant of £75k from DfE in 2021/2022 to support the SAP in providing analysis of local labour markets and to enable the planning and development of skills initiatives that meet local needs.</p>
<p>Legal implications: The Skills and Post-16 Education Bill, which is currently progressing through Parliament, outlines government thinking around the skills agenda.</p> <p>The scope of work undertaken by the SAP is determined by a Memorandum of Understanding agreed with DfE and information on the application process and priorities for 2022/23 is awaited.</p>
<p>Risks, opportunities and impacts: SAP funding has been reduced to £55k for 2022/23 and confirmation of funding priorities for 2022/23 is awaited.</p>

Local Skills Improvement Plans (LSIP), led by Employer Representative Bodies (ERB), will be rolled out by DfE in 2022/23. Becoming an ERB is a logical progression for the Marches SAP and further information on this process is awaited .

Equality implications:

The SAP supports the LEP's work in driving economic recovery, improving education, skills and employment opportunities across the Marches, giving young people the best start in life and levelling up opportunity for all. Actions to achieve this are contained within the Marches Local Skills Report.

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Background papers/documents:

- [Marches Local Skills Report 2022](#)
- [Marches Local Skills Report Annexes 2022](#)

End