

**Draft Minutes of the Marches LEP Ltd Board Meeting
26 April 2022 at 3.30pm at Ludlow Racecourse
(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 (part of meeting)
Frank Myers MBE	FM	Herefordshire Business Board Chair
Will Westley	WW	Telford Business Board Chair
Andrew Manning Cox	AMC	Hereford Enterprise Zone Chair
Cllr David Hitchiner	DH	Leader, Herefordshire Council
Cllr Dean Carroll	DC	Portfolio Holder Physical Infrastructure, Shropshire Council
Cllr Lee Carter	LC	Cabinet Member for Neighbourhood Services, Regeneration and the High Street, Telford & Wrekin Council
Graham Guest	GG	Skills Advisory Panel Chair; Chief Executive and Principal of Telford College
Paul Kalinauckas	PK	Access to Finance Champion
Christine Snell	CS	Business Partner, AJ & CI Snell
Gordon Coppock	GC	Energy and Net Zero Champion
Catherine Baxter	CB	Higher Education Champion; University Secretary, Harper Adams University (part of meeting)

In Attendance:

Nick Webster	NW	Economic Development Manager, Herefordshire Council
Hayley Owen	HO	Growth Programme and Strategy Manager, Shropshire Council (via link)
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
Alex Collins	AC	Deputy Area Lead, Stoke-on-Trent and Staffordshire, Cities & Local Growth Unit, Department for Business, Energy and Industrial Strategy
Rachel Laver	RL	Chief Executive, Marches LEP
Kathryn Jones	KJ	Head of Partnerships & Strategy, Marches LEP
Nick Alamanos	NA	Head of Programmes, Marches LEP
Tim Yair	TY	Regional Senior Energy Projects Officer, Midlands Energy Hub
Ennis Vingoe	EV	Executive Assistant, Marches LEP
Jo Grivell	GJ	Office Administrator, Marches LEP

Observers:

Lisa Ashby	LA	Project Officer, Marches LEP
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ITEM		ACTION
1.	<p>Welcome</p> <p>1. Welcome, Apologies and Declarations of Interest</p> <p>MT thanked everyone for attending the meeting. Apologies were received from Cllr Ed Potter, Beth Heath, Sara Williams and James Walton. Catherine Baxter would join the meeting later. Cllr Dean Carroll was attending the meeting in Cllr Potter's stead.</p> <p>MT noted that the meeting was being recorded to aid the production of the minutes.</p>	

	<p>2. Declarations of Interest The Chair reminded members to complete the form that had been distributed for any specific Declarations of Interest for every meeting. The following declarations of interest were made:</p> <ul style="list-style-type: none"> • MT stated that she no longer had an interest in the form of property related to Item 7 – Oxon Link Road • MT declared an interest in Item 13 – DIT Export Strategy, as President of Shropshire Chamber of Commerce. <p>3. Appointment of Public Sector Alternate Director – Cllr Dean Carroll, Shropshire Council The Board was asked to note the resignation of Cllr Ed Potter (for this meeting only, as required by the Terms of Reference) as the Alternate Director for Cllr Lezley Picton, and to confirm the appointment of Cllr Dean Carroll as the new Alternate Director. <i>The Board confirmed the appointment of Cllr Dean Carroll as a public sector Alternate Director of Marches LEP Ltd with immediate effect (unanimous).</i></p>	
2.	<p>Minutes of The Marches LEP Ltd Board meeting on 25 January 2022 The Minutes of the meeting held on 25 January 2022 were approved by those members present at the meeting and would be signed by the Chair as a true and accurate record of the meeting.</p> <p>Matters Arising Item 4 - Skills Boot Camp – RL reported that it had not been possible to bid for this project, but the LEP was looking for further opportunities.</p>	
3.	<p>LEP Chair and CEO Report MT drew members’ attention to the conclusion of the LEP Review and said that the Marches LEP would remain an independent organisation for the foreseeable future. The LEP was very keen to continue to support the LAs particularly in potential innovative partnerships across the area. It would be important that work was not duplicated between the LEP and LAs and the LEP was keen to add value and bring the Marches business voice to the conversations.</p> <p>Financial position MT said that the LEP had suffered a 25% cut in Core funding and a 50% cut to Growth Hub funding. The most cost-effective ways of utilising this and other funding streams and managing outgoings, including staff costs, was being reviewed. RL said that the LEP would be bidding for 6 months of funding for the delivery of the Key Account Management project. It was important to establish the most effective model for delivery. The Department for International Trade’s (DIT) preferred model was centralised delivery. Some concerns had been raised by LAs regarding a change to the model and these had been noted. AMC commented that it was unclear what the outcome of the LEP Review actually meant in terms of the role of the Marches LEP now and how this affected the company’s ability to trade over the next 6-12 months. The budget would need to be re-cast in order to assess what the liabilities were and the impact on the company. Decisions would need to be made if a reduction in overheads was required, and the company needed to potentially cease trading. RL said that the recent restructure and other adjustments had given rise to significant savings such that the LEP could trade through 2022/23 and part of 2023/24 so there were no issues regarding ‘going concern’ status. The budget</p>	

	<p>included had been updated but would be updated again following the further staff changes. The role of the LEP remained rather unclear and the team was looking at new opportunities such as becoming the Employer Representative Body to influence skills development in the area.</p> <p><i>The budget would continue to be regularly reviewed and updated. A cashflow forecast would be produced and forwarded to Board members in due course.</i></p> <p>MT said that following the LEP Review the Marches LEP was now in Pathway 2 where there was 'no current devolution deal', as none of our three LAs were big enough in their own right to be eligible for their own devolution deals. It was crucial that the Marches had an overall voice to ensure that the area got its fair share of Levelling Up funding for large infrastructure projects. The LEP was a member of two LEP Network national working groups on the future operation of LEPs.</p>	RL
4.	<p>Annual Board Membership Review</p> <p>MT asked members to look to their own business networks for at least one or potentially two new Marches LEP Board members. They would need to be individuals who were prepared to contribute to the Board and represent the views of their own networks. Geographical location would also be a factor particularly for potential new members of the Performance Risk & Monitoring Committee (PRMC).</p> <p>MT would complete her first term of office in September 2022 and stated that she would be happy to remain as Chair until the March 2023 meeting but would need to step down after that.</p> <p><i>The Board would need to vote on whether MT would continue her tenure for the start of a second term at the next meeting in June 2022.</i></p> <p><i>The Board agreed that recruitment for a new chair and members should start now</i> and if a suitable candidate was identified and approved for the Chair role, they could have a long handover with MT if she began her second term as Chair in November 2022.</p> <p><i>The Board also agreed that member and partner networks should be used to search for a suitable candidate for Chair</i>, rather than using potentially costly recruitment consultants.</p>	RL
5.	<p>Performance Risk & Monitoring Committee (PRMC) Terms of Reference</p> <p>SR presented the draft updated Terms of Reference for the PRMC which contained changes agreed in principle at the last Board meeting in January 2022. PRMC would have delegated powers to approve changes to projects up to the value of £1m on projects already approved by the LEP Board. Changes above £1m would be considered by the Committee with recommendations made to the Board. The Committee would approve projects' full business cases where the Board had already given outline approval; and approved funding for new projects up to the value of £1m.</p> <p>The section 151 officer or deputy would be required to confirm that due process had been followed.</p> <p>Members expressed concern that there were still only 3 Board members on the PRMC. SR said that if no current members of the Board from the Shropshire area volunteered to join PRMC, she hoped that one of the new members recruited would reside in the Shropshire area and would be able to join the Committee.</p>	

	<p><i>The Board approved the updated Terms of Reference for the PRMC (unanimous).</i></p>	
6.	<p>Proposed Changes to Staff Terms and Conditions</p> <p>RL explained the reasoning behind the proposed changes to the Marches LEP staff terms and conditions. The LEP incurred VAT costs of approximately £140k per year due to the staff being employed by Shropshire Council, as the council provides the employment function as a service to the LEP. The proposal was to TUPE (Transfer of Undertakings Protection of Employment) staff across to the LEP so that all staff were directly employed by the LEP.</p> <p>A wide-ranging discussion took place regarding this proposal. <i>CB joined the meeting 16:37 hrs.</i></p> <p>The Board agreed (unanimous) that:</p> <ul style="list-style-type: none"> • <i>Staff existing terms and conditions will be detailed for Board members' information with a view to approving that these will remain the same moving forward, as per TUPE requirements.</i> • <i>The executive obtains in writing, the agreed process for the LEP to join the Local Government Pension Scheme, including costs.</i> • <i>The executive obtains in writing, the process for obtaining 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, plus any associated costs.</i> • <i>The information above be brought together, and legal advice sought on the risks and liabilities to the LEP of the potential change from staff being employed by Shropshire Council, to being employed by the LEP directly.</i> • <i>The resulting information be brought to the Board in an options paper with a view to approving the transfer of staff.</i> • <i>The consultation process with staff commences.</i> 	RL
7.	<p>Oxon Link Road (OLR)</p> <p>DC updated the Board on the Oxon Link Road project as Matt Johnson was unable to join the meeting.</p> <p>DC said that Shropshire Council was completely committed to continuing on the path already undertaken with the project. Planning determination was anticipated in this quarter which did not have a material impact on project delivery time.</p> <p>In response to a query DC said that the OLR and Shrewsbury North West Relief Road (NWRR) schemes were being treated as separate schemes for accounting purposes but were being run in parallel as one scheme for ease of project management and to reduce construction costs.</p> <p>Originally the intention was to bring both schemes into a single project but following discussions with partners including the LEP and Department for Transport, for the purposes of accountability the partners would require separate accounting structures for the different funding streams. The delivery of the projects would however continue in parallel to allow savings in construction costs.</p> <p>The LEP had provided funding to OLR but not NWRR and Shropshire Council was providing match funding up to the cost of delivery for the OLR scheme. DC said that the council retained the commitment that additional funding for OLR would not be requested from the Marches LEP Board.</p> <p>The Board:</p> <ul style="list-style-type: none"> • <i>Noted the information provided relating to the background of the project and progress against deliverables, as outlined in Tables 1, 2 and 3 of the report.</i> 	

	<ul style="list-style-type: none"> • Noted the current position in relation to delivery and reporting, as highlighted in Section 1 of the report. • Approved the de-linking of the OLR project from the Shrewsbury NWRR, as set out in section 5 of Appendix 1 in the paper (unanimous). • Approved 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 PRMC meeting following Shropshire Council's Planning Determination Meeting (currently projected for June 2022) (unanimous). <p>SR requested assurance from DC that information from the council would be forthcoming when requested, in a timely manner. DC agreed and asked to be emailed directly if this did not happen.</p>	NA
8.	<p>Energy Update</p> <p>GC updated the Board on progress against the LEP Energy Strategy. The main points covered in the presentation were the strategy objectives of:</p> <ul style="list-style-type: none"> • Marches carbon emissions reduction – currently emissions due to residential buildings = 22% and commercial, industrial buildings = 24%. • Energy demand reduction in both commercial and domestic properties for heating (+ fuel poverty reduced below 10%). Domestic and commercial retrofit projects were required to meet this objective which required access to skills training for auditors, builders and installers; funding to support demand reduction and retrofit costs; and business and household surveys. • Locally generated renewable electricity meeting 50% of demand (overcoming grid restrictions). Work was in progress locally, but grid restriction was slowing growth. Pilot grid constraints mitigation project – needed to identify specific locations. Some projects could be installed now but grid reinforcement costs would limit what could be done. • Development of supply chain and jobs to support the above. <p>CS commented on the worrying limitations of the grid which affected a number of businesses in Herefordshire who required increased power and wished to install new power generating systems, but Western Power would not allow it. How could the targets be met with these restrictions on the grid?</p> <p>GC said that up until now the distribution network operators (DNOs) including Western Power, had not been allowed to invest proactively but Ofgem may now allow DNOs to invest in large projects.</p> <p>The presentation would be forwarded to Board members and would be available on the Marches LEP website in the Board Meetings area.</p>	EV
9.	<p>Use of Marches Investment Fund (MIF)</p> <p>Following on from GC's presentation RL said that there were funds still available from the Growing Places Fund/MIF. It was proposed to use £4m of this funding for an open call for innovative projects to address the energy issues in the Marches. As GC had suggested, the DNOs had previously been prevented from investing so now was an ideal opportunity to move forward as they produced their next 5-year plans.</p> <p>AMC commented that some good non-low carbon projects had missed out on previous funding and there was a danger of them being side lined. MT said that energy was one of the biggest issues for businesses across the Marches and energy supply was a barrier to attracting new businesses. GC commented that</p>	

	<p>unless the grid infrastructure problem was solved, the generation situation for businesses couldn't be improved.</p> <p>The call would be for a mixture of grant and loan and there could potentially be a second call if all the funds hadn't been allocated in the first tranche.</p> <p>MT commented that LAs could also use some of their Shared Prosperity Fund (SPF) allocations to support this funding and use the MIF as match, given one of the priorities of the fund was Net Zero. GC commented that SPF could also provide continuous support for businesses when the Business Energy Efficiency Programme (BEEP) comes to an end.</p> <p><i>The Board gave approval for the LEP executive to run a two stage £4m call for Low Carbon/Energy projects which fits with the Marches Energy Strategy (unanimous).</i></p>	RL
10.	<p>Report from the Performance Risk & Monitoring Committee (PRMC) meeting on 9 March 2022</p> <p>There were no queries raised on the report.</p> <p><i>The Board noted the report.</i></p>	
11.	<p>Shared Prosperity Fund (SPF) and Levelling Up Funds (LUF) – appetite for pan Marches programmes.</p> <p>MT suggested that conversations be had with LA leaders regarding potential pan-Marches programmes. There was potentially £4m match funding available and with the LEP Team expertise, there was scope for bids for pan-Marches projects rather than LAs bidding in isolation.</p> <p>DC said that the outcome of LA allocations was very recent and LA leaders were likely to be discussing individual and any potential shared priorities.</p> <p>DC and LC welcomed the LEP offer of assistance but noted that the amount of funding was relatively small. MT said that the LEP, with the LAs could raise the profile of the rural, non-metropolitan areas.</p>	
12.	<p>Programme Update</p> <p>NA provided an update to the programme report:</p> <p>Local Growth Fund (LGF)</p> <p>The returned funds had been spent within the 2021/22 Financial Year (FY) and the Freedoms and Flexibilities from the 2020/21 FY will be cleared. All LGF expenditure had therefore been spent and closed down.</p> <p>Getting Building Fund (GBF)</p> <p>No issues were anticipated, with the updated profiles met (as set out in Appendix 1 of the paper). The Freedoms and Flexibilities processes for the 2021/22 FY were being finalised with the accountable body.</p> <p>NA concluded by saying that all spend obligations with Government had been fulfilled and expressed his thanks to all project promoters. MT also thanked the LEP Team for all their hard work in a very difficult year.</p> <p><i>The Board noted the report.</i></p>	
13.	<p>Department for International Trade (DIT) Export Strategy</p> <p>MT said that the Export Strategy had been written by DIT and had already been tabled at the Marches Business Support Steering Group. DIT put forward this</p>	

	<p>overall strategy which utilised a raft of funding to deliver the service support to businesses in the Marches.</p> <p>The document comprised 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 proposed plan that detailed an international trade support programme, delivered jointly by the LEP and DIT, to help address known international business issues that local firms currently faced.</p> <p><i>SR left the meeting at 17:37 hrs</i></p> <p>DC asked about the link between the strategy and the LA inward investment teams. KJ explained that the main focus of the DIT strategy related to the support for export. This comprised a number of different funding streams including support which had previously been provided through the Chambers of Commerce. The strategy also touched on aspects of inward investment support led by the LAs and the KAM project funded by the LEP. RL referred to the fact that the LEP-funded KAM project was currently out to tender and it was important that there was no duplication in provision. DIT felt that a centralised model would provide consistency in delivery as there were some discrepancies in delivery currently. It was agreed that good communication with LAs was essential.</p> <p>MT commented that it needed to be clear in the DIT strategy that it covered Shropshire, Telford & Wrekin and Herefordshire.</p> <p><i>The Board approved the strategy in principle.</i></p>	
<p>14.</p>	<p>Local Skills Report</p> <p>There were no queries raised on the report.</p> <p><i>The Board endorsed the updated Marches Local Skills Report.</i></p> <p>MT thanked GG for the report as Chair of the Skills Advisory Panel. GG acknowledged all the work that KJ had put into producing the report.</p>	
<p>15.</p>	<p>Any Other Business</p> <p>Harper Adams University review of its strategic plan - CB said that the University felt that it would be helpful to engage with community and business partners in the review of its strategic plan. Members were asked to provide feedback to CB by the end of May 2022.</p> <p>The meeting closed at 5:50 pm</p>	<p>All</p>
<p>Next Meeting: 28 June 2022 at Ludlow Racecourse from 3.30pm to 6pm</p>		