

MARCHES LEP PERFORMANCE RISK & MONITORING COMMITTEE (PRMC) MEETING	
7 th November 2022	2.00 – 3.30
Virtual Meeting	

ATTENDANCE LIST		
Chair	Sonia Roberts	Deputy Chair of the MLEP Board
Vice Chair	Sara Williams	Board Member
	Frank Myers	Board Member
	Alex Green	Board Member
	Clare Fenton	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
	Rachael Hart	Deputy Section 151 Officer, Herefordshire Council
	Karen Morris	Deputy nominated by Section 151 Officer, Herefordshire Council
	Dainy Runton	Deputy nominated by Section 151 Officer, Telford & Wrekin Council
	Ben Jay	Shropshire Council AD Finance & ICT
	Rachel Laver	Marches LEP Chief Executive
	Vacancy	Marches LEP Head of Business Development & Delivery
	Kathryn Jones	Marches LEP Head of Partnerships & Strategy
	Jo Grivell	Marches LEP Office Administrator
	Glenn Barrowman	Marches LEP Project Officer
	Alex Collins	Deputy Area Lead, Cities & Local Growth Unit
Guest Speakers	Hayley Owen, Tim Pritchard	Shropshire Council - Pride Hill Centre Project
	Christine Ogunkanmi, Nadine Kinsey, Mark Averill, Laurence Butterworth	Herefordshire Council – Hereford City Centre Transport Project
	James Dunn, Katherine Kynaston	Telford & Wrekin Council – Station Quarter Project

AGENDA				
Item	Time	Description	Lead	Paper
1	2.00pm	Welcome, introductions and apologies Declarations of interest	SR All	
2	2.05pm	Draft minutes of last meeting on 25.08.22 and matters arising.	SR	v
3	2.10pm	Marches LEP update a) Future role of LEPs b) 2022/23 funding and staffing c) Feedback on Marches LEP Annual General Meeting and 2021/22 accounts	RL	

4	2.15pm	Top 5 Risk Registers a) Corporate Risk Register b) Programme Risk Register	RL	✓
5	2.25pm	Energy fund update	RL	
6	2.30pm	Hereford City Centre Transport Update	CO/NK/MA/LB	✓
7	2.45pm	Pride Hill Variation Update	HO/TP	✓
8	3.00pm	Telford & Wrekin Council – Project updates	KK/JD	✓
9	3.15pm	Performance Monitoring - exceptions a) Growth Hub update b) Key Account Management (KAM) c) Skills Support (SAP/Marches Careers Hub)	RL KJ KJ	
10	3.25pm	Any Other Business Dates of future meetings	JG	✓

Next meeting: 15 December 2022

Distribution:

Sonia Roberts, LEP Board member (Chair)
 Sara Williams, LEP Board Member and Private Sector Representative (Deputy Chair)
 Clare Fenton, LEP Board Member and Private Sector Representative
 Alex Green, LEP Board Member and Private Sector Representative
 Frank Myers, LEP Board Member and Private Sector Representative
 Ken Clarke, Telford & Wrekin Council, s151 Officer
 Andrew Lovegrove, Herefordshire Council, s151 Officer
 Rachael Hart, Deputy Section 151 Officer, Herefordshire Council
 James Walton, Shropshire Council, s151 Officer
 Ben Jay, Shropshire Council AD Finance & ICT
 Rachel Laver, Marches LEP CEO
 Kathryn Jones, Marches LEP Head of Partnerships and Strategy
 Glenn Barrowman, Marches LEP Project Officer
 TBC, Marches LEP Head of Business Development & Delivery

cc:

Mandy Thorn, Marches LEP Chair
 TBC, BEIS, Cities and Local Growth Unit
 Alex Collins, Deputy Area Lead, Cities & Local Growth Unit
 Karen Morris, Herefordshire Council, Finance
 Nicky Higgins, Shropshire Council, Finance
 Sharron Stubbs, Shropshire Council, Finance

Dainy Runton, Telford & Wrekin Council, Finance
Ross Cook, Herefordshire Council, Economy & Environment
Katherine Kynaston, Telford & Wrekin Council
Mark Barrow, Shropshire Council
Mark Pearce, Herefordshire Enterprise Zone
Ennis Vingoe, Marches LEP Executive Assistant
Jo Grivell, Marches LEP Office Administrator

Blank Page

Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC) Thursday 25 August 2022

Present

Sonia Roberts (Chair)	SR	Deputy Chair of the Marches LEP Board
Frank Myers	FM	Marches LEP Board Member
James Walton	JW	Section 151 Officer, Shropshire Council
Rachael Hart	RH	Deputy Section 151 Officer, Herefordshire Council
Rachel Laver	RL	Marches LEP Chief Executive
Kathryn Jones	KJ	Marches LEP Head of Partnerships and Strategy
Jo Grivell	JG	Marches LEP Office Administrator
Oliver Hindle	OH	Assistant Director, Cities & Local Growth Unit
Alex Collins	AC	Deputy Area Lead, Cities & Local Growth Unit
Hayley Owen	HO	Shropshire Council – Pride Hill Centre Project
Mark Barrow	MB	
Tim Pritchard	TP	
Sue White	SW	Herefordshire Council – Herefordshire City Centre Improvements Project
Rachael Joy	RJ	Herefordshire Council – Integrated Construction Wetlands Project

ITEM		ACTION
1	<p>Welcome, apologies and introductions</p> <p>The Chair welcomed everyone to the meeting. Apologies received from Ken Clarke, Dainy Runton, Andrew Lovegrove, Karen Morris, Sara Williams & Yasmin Sulaman.</p> <p>Rachael Hart was introduced as the new Deputy S151 Officer for Herefordshire Council. Guest speakers from Herefordshire Council and Shropshire Council were welcomed ahead of their project updates further in the agenda.</p> <p>Declarations of interest</p> <p>There were no declarations of interest.</p>	
2	<p>Minutes of the last meeting and matters arising</p> <p>The minutes of the last meeting on 16 June 2022 were reviewed, checked for accuracy, and approved as an accurate record of the meeting.</p>	
3	<p>Herefordshire City Centre Improvements (HCCI) – proposed variation</p> <p>Sue White (SW) provided an update regarding the HCCI project, and the various elements of the programme delivered to date. She advised that the project for last year, had completed to time, budget and had achieved the £1.389 million revised spend. The remaining budget has had to be revised and re-profiled to take account of changing priorities and escalating costs. The council is seeking PRMC approval of these changes.</p> <p>There are three main increases in the budget which are for:</p> <ul style="list-style-type: none"> • St Owen Street construction costs and implementation of cycle contraflow and traffic lights and resurfacing of the road. • Widemarsh St enhancements redesign, the scheme is bigger than originally intended (to ensure Disability Discrimination Act -DDA compliance) • Green roof cycle shelters were allocated without construction costs and now include lighting. <p>Herefordshire Council proposed the changes be funded by scaling back of other elements of the project including the removal of the business façade grants, as they felt this would be unlikely to get much uptake due to the need of the businesses to commit to match</p>	

	<p>funding.</p> <p>Project management costs have also been saved and Hostile Vehicle Movement works removed. Overall, SW advised they do not anticipate any change to the contracted outputs, although square meter of public realm space will be increased.</p> <p>Rachel Laver (RL) raised concerns about this project now being different to the project approved by the Board and concern if the costs continue to go up, the projects will be scaled back even further. She stated that typically the LEP would expect the Council to underwrite any of the additional cost instead of scaling back what is being delivered. RL also stated removing the business premise façade aspect is a significant change to the original approved project. She would like to see the grant intervention rate varied rather than the programme be removed completely although accepted that it might be challenging for businesses to spend on façade improvements at this time.</p> <p>Frank Myers (FM) stated he was concerned that this is such a significant change to the project that he could not recommend the changes be approved.</p> <p>Oliver Hindle (OH) asked about the outputs for the grant scheme and if they are affected by its removal. SW confirmed housing units, jobs created, and public realm would be as previously agreed. OH, also asked for the premises grant scheme to go ahead but with a higher grant intervention and less match funding.</p> <p>Sonia Roberts (SR) advised that this needs to be taken to Board for a decision and that SW should prepare a paper for the Board meeting on 27 September. The paper needs to be with the LEP by 14 September. RL agreed to liaise with SW on what detail would be required within the paper. SW will arrange a meeting with RL.</p> <p>For information on the moss trees implemented as part of the HCCI project see link: https://youtu.be/u2GwNsk5bU0</p>	SW
4.	<p>Risk Registers</p> <p>Members were presented with an overview document for each register. The Top 5 risks were highlighted to ensure members can immediately focus on any critical issues.</p> <p>A) Corporate Risk Register.</p> <ul style="list-style-type: none"> 2.4 regarding future funding continues to be the highest risk and causing uncertainty. This has been fed through to the LEP network. The risk outlines the impact of not receiving the funding in a timely fashion. There was some discussion about the need to be doing more to demonstrate the value the LEP can bring. 2.7 staff changes – interviews are planned for project officer role and will help with the capacity to manage the LEP programme work. <p>B) Programme Risk Register</p> <ul style="list-style-type: none"> There is some overlap with the risks in the corporate risk register. The highest risk projects were covered off through later agenda items. 	
5	<p>Pride Hill project update</p> <p>Representing Shropshire Council; Hayley Owen (HO), Growth Programme and Strategy Manager, Mark Barrow (MB), Executive Director Place and Tim Pritchard (TP), Shrewsbury Programme Manager introduced themselves to the group.</p> <p>MB gave a brief overview of the Big Town Plan, and retail strategy for the three shopping centre areas in Shrewsbury. Pride Hill is one part of the programme which received LEP GBF support.</p> <p>TP and HO gave an interesting and informative presentation of the Council's ambitious plans for the town centre. The programme has been through a Gateway review of the original plan</p>	

	<p>designed pre-pandemic and it has been adapted based on where the market and demand are now, with consideration given to environmental issues and the carbon debate and to ensure a good return on investment. Shropshire Council believe they now have a much more robust programme that will stand the test of time.</p> <p>As part of the review the plan is now to demolish the Pride Hill centre in Phase 1 of the Shrewsbury Redevelopment Programme.</p> <p>A review is underway of all the project milestones, spend profile, and outputs (jobs created and timing, floor space etc.,) with the view to providing a project variation request to the PRMC in November 2022.</p> <p>FM stated he was disappointed that no paper had been submitted to the PRMC considering the level of detail given by Shropshire Council and that it appears to be a change from the original plan. It was clarified that no decision was being sought, the presentation was an update only and if there is any change from the project a formal request and paper would be submitted for approval. In addition, MB confirmed that the Pride Hill aspect of the project was consistent with the original submission to the LEP and intended outcomes. The presentation was to show what Pride Hill looks like within the context of the wider town plans, and to demonstrate the project was moving forward as intended.</p> <p>RL suggested that the Pride Hill project should present to the Board in November and put a paper together that includes the background of what was originally approved with the LEP funding, and what has now changed so it is a clear that the scheme is in line with the original approval and the money has been spent how it was originally intended.</p>	HO/MB/TP
6	<p>Integrated Construction Wetlands update</p> <p>Rachael Joy (RJ) gave a comprehensive overview of the progress of the project. They are now building the first integrated wetland and planning the second and third sites. The three sites will create about 1300 houses which is close to agreed outputs committed. They have now proved the concept and are a national exemplar, DEFRA feedback is positive, and local farming and landowners are beginning to engage in selling additional sites.</p> <p>RJ reviewed the funding profile and explained revised spend relates to increased build costs and construction inflation, and the need to seek additional technical advice. The project spend forecast is currently on track to exceed the full £2m project budget, and the Council will be covering the additional costs.</p> <p>FM asked for the detailed breakdown of the change in costs. RL confirmed that when the claims come in, she sees the detail before it gets approved. RL requested RJ provide more detail regarding the eight sites (the future plans) to show how the LEP funding had been a catalyst to future developments. RJ agreed to provide all the detail with the next monthly return.</p>	RJ
7	<p>LEP Finances</p> <p>RL gave short update on LEP budgets. The running costs of the LEP have successfully been reduced by more than £500K p.a. since last October. The LEP Finances have stabilised, and it can continue trading until March 2024 based on current projections.</p>	
8	<p>Review Marches LEP Inclusive Economy and Diversity policy</p> <p>SR explained that she provided an update on the Marches LEP policy to someone who was challenging the LEP networks' policy for social inclusion. As the Marches had a robust policy in place, SR was able to reassure that there is not only a policy, that it is actively reviewed, updated, and activities are embedded within the way the organisation operates to be as inclusive as possible.</p> <p>The policy has recently been updated to include more practical examples of actions completed.</p>	

9	<p>MIF/Energy Fund update</p> <p>RL provided an update. Had a great response to the energy call with applications from a whole range of bodies. The fund was significantly oversubscribed so there is clearly an appetite for low energy funding. RL asked if that could be fed back to BEIS by OH/AC. There was a panel of assessors, two from the energy steering group and two from the LEP who reviewed all the submissions and invited the top nine bids to submit full business cases. The business cases are due in on 9 September will be scored by a panel including board members. The recommendations for funding award will be taken to the Board at the end of September.</p> <p>As the fund is oversubscribed it might be that if the project is scalable, there might be a recommendation to award less than was requested. It is good for the LEP to be able to show it is adding value especially during the energy crisis.</p>	
10	<p>Performance monitoring</p> <p>a) Growth Deal and b) Getting Building fund</p> <p>RL stated that all the LGF money has now been spent so the LEP is moving to bi-annual monitoring on the projects. The focus will now be on ensuring the projects deliver the outputs expected. With GBF there is just HCCI and Wetlands with outstanding spend and these projects will remain on quarterly monitoring.</p> <p>c) Growth Hub</p> <p>RL advised there has been a reduction in the enquiries recently, which could be due to a reduction in the PR activities. Plan to run an intermediary event and a newsletter, as it is thought using the intermediary to get the messages out will be more effective and reach more businesses.</p> <p>d) Key Account Management</p> <p>KJ gave a brief summary of the progress of the new KAM structure which is managed by the LEP and stated that there will potentially be funding for an additional 6 months. Feedback has been requested from DIT on the new delivery model to understand if it is delivering more effectively than the previous model through each Local Authority.</p> <p>e) Skills Support</p> <p>Skills Advisory Panel funding has now been secured through the submission of a Memorandum of Understanding to DfE. The funding will be used to support data and intelligence work required by DfE and research into the local employment and skills landscape. Half of the funding must be ringfenced to support the development of the Marches Employer Representative Body (ERB) which is due to be confirmed in September 2022.</p> <p>A new grant offer letter has been received from Careers and Education Company CEC and signed by the accountable body to cover the period 1 August 2022 to 31 March 2023. A conference for stakeholders was held on 10 August 2022 to outline priorities for the coming academic year and to generate ideas to be incorporated into the new strategic plan.</p> <p>FM asked for details of any review that has been done to show that the programmes have been successful and delivered the desired outcomes. KJ to provide.</p>	KJ
11	<p>Any other business</p> <p>Oliver Hindle announced that he was moving to a new role, within BEIS, in September and this would be his last PRMC meeting. A successor is being recruited and Alex Collins would be the contact for the interim period.</p> <p>SR wished him all the best and thanked him for all the support he has given in the last few years.</p>	
	<p>Next Meeting of the Marches LEP PRMC: 7 November 2022 14:00-15:30</p>	

Actions from PRMC meeting on 25 August 2022

<p>Herefordshire City Centre Improvements (HCCI) – proposed variation</p> <p>Sonia Roberts (SR) advised that this needs to be taken to Board for a decision and that SW should prepare a paper for the Board meeting on 27 September. The paper needs to be with the LEP by 14 September. RL agreed to liaise with SW on what detail would be required within the paper. SW will arrange a meeting with RL. - Complete</p>	SW
<p>Pride Hill project update</p> <p>A review is underway of all the project milestones, spend profile, and outputs (jobs created and timing, floor space etc.,) with the view to providing a project variation request to the PRMC in November 2022.</p> <p>RL suggested that the Pride Hill project should present to the Board in November and put a paper together that includes the background of what was originally approved with the LEP funding, and what has now changed so it is a clear that the scheme is in line with the original approval and the money has been spent how it was originally intended.</p>	HO/MB/TP
<p>Integrated Construction Wetlands update</p> <p>Rachael Joy (RJ) FM asked for the detailed breakdown of the change in costs. RL confirmed that when the claims come in, she sees the detail before it gets approved. RL requested RJ provide more detail regarding the eight sites (the future plans) to show how the LEP funding had been a catalyst to future developments. RJ agreed to provide all the detail with the next monthly return.</p>	RJ
<p>Performance monitoring</p> <p>d) Key Account Management</p> <p>KJ gave a brief summary of the progress of the new KAM structure which is managed by the LEP and stated that there will potentially be funding for an additional 6 months. Feedback has been requested from DIT on the new delivery model to understand if it is delivering more effectively than the previous model through each Local Authority.</p> <p>e) Skills Support</p> <p>Skills Advisory Panel funding has now been secured through the submission of a Memorandum of Understanding to DfE. The funding will be used to support data and intelligence work required by DfE and research into the local employment and skills landscape. Half of the funding must be ringfenced to support the development of the Marches Employer Representative Body (ERB) which is due to be confirmed in September 2022.</p> <p>A new grant offer letter has been received from Careers and Education Company CEC and signed by the accountable body to cover the period 1 August 2022 to 31 March 2023.</p> <p>A conference for stakeholders was held on 10 August 2022 to outline priorities for the coming academic year and to generate ideas to be incorporated into the new strategic plan.</p> <p>FM asked for details of any review that has been done to show that the programmes have been successful and delivered the desired outcomes. KJ to provide. - Complete</p>	KJ

Blank Page

MARCHES LEP CORPORATE RISK REGISTER
Last updated: 1/11/ 2022

MARCHES LEP CORPORATE RISK REGISTER Last updated: 1/11/ 2022				Residual Risk Ratings					
Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Current controls	LIKELIHOOD Rating (Very Low 1, Low 2, Medium 3, High 4, Very High 5)	IMPACT Rating (Minimal 1, Minor 2, Significant 3, Major 4, Critical 5)	RISK Rating	Rationale for Risk Changes	Risk Mitigation	Direction of Travel
TOP 5 RISKS - In order of Risk Rating (High to Low)									
2.4	Lack of clarity over funding for the LEP and Growth Hub in 22/23. Short term funding in places for other services the LEP delivered.	1)Loss of members of staff, impacting on the LEP's ability to deliver its core business as set out within its delivery plan i.e. economic growth, delivering business support, skills and employment support, physical and infrastructure development, transport and energy strategy. 2) The Central Growth Hub would close and there would be a loss of funding for local authority GH teams, impacting on the ability to support businesses. 3) The LEP's ability to trade. 3)The LEP being unable to 'Bankroll' and therefore deliver important projects such the Careers and Growth Hub. Impacting on the delivery of projects and associated services to the Marches Region	Regular communication with the LEP's Area Lead from Government in relation to the future of LEPs and impact on future funding of the organisation. Close working relationships with the 3 Local Authorities within the Marches region - including regular meetings through the Operations Group.	5	4	20	N/a	The LEP through the LEP network and monthly meeting with the BEIS representative has emphasised the need for an early funding decision this year. This has been understood by government and a funding decision is expected by Christmas. The LEP carries a budget to wind up the company in an orderly manner should it need to and has carried out a planning exercise in conjunction with Shropshire Council staff to look at every aspect of the business that would need to be managed in the event of the LEP having to wind up. The LEP also has a level of reserves which can be used to meet the operating costs of the company for a period of time should core funding not be available moving forward.	↔
2.7	Due to 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.	The LEP may not have the staffing resources to fulfil its obligations with Government in monitoring and managing contracted deliverables as a consequence of the considerable investment made through the LGF (£105m), GBF (£14m) and MIF (£7m) programmes. Exposure to underperformance across all programmes and risk of clawback.	Ongoing discussions with DLUHC to ensure LEP's contractual obligations will continue to be met should this risk materialise. The Head of Programmes will be leaving the LEP at the end of June 2022 and the LEP Project Officer will be leaving the LEP in July 2022. The LEP CEO will confirm arrangements to ensure continuity of service in terms of monitoring and reporting.	5	4	20	N/A	The LEP to consider ring fencing funds, ensuring the organisation has capacity for this function moving forward. Since 2020 the LEP Team have been proactive in capitalising eligible Programme Management costs for work undertaken on developing new projects. At the 9 March PRMC Meeting a discussion was held around utilising MIF to cover the LEP's core operating costs. It was explained other LEP's have set the precedence in using their Growing Place Fund for this purpose. Due to a lack of clarity on the long term funding of LEP's it was agreed the LEP CEO would work with the LEP's S151 Officer in exploring this. As set out in risk 2.4 an indicative allocation of £375k per LEP for the 22/23 FY has been confirmed by Government.	↔
5.5	Lack of clear mandate from government along with the winding up of 2/6 West Midlands LEPs means that the voice of West Midlands businesses is diminished and that LEPs are prematurely written of by partners.	Reputational damage for LEPs and damage to stakeholder relationships. Hard to gain traction when messaging around LEPs is soo unclear. Makes it more difficult to engage in new activity and partnership working if no-one is clear what LEPs are here to do or if they will remain/	Promotion of LEP activity. Formation of working groups with LEPs across the country, focussing on different priorities e.g. Rural, Net Zero.	4	4	16	N/A	Continue to deliver all our programmes well and look to proactively use the limited resources we have to move work along while we can e.g. the Energy Fund, Land study etc. Continue to feed into the LEP network and BEIS to highlight issues.	↔
2.9	The LEP are unable to recruit and retain Board Members (including Chair) due to a lack of clarity around the future role of LEP's and having a meaningful role.	The LEP would not be able to recruit to vital positions within its Board. These provide: •Specific areas of expertise •geographic representation for the Marches Region •Key governance roles relating to quoracy and decision making - posing potential disruption to the LEP's core business moving forward.	Successfully completed recruitment in the summer but have vacancies coming up in the spring. Need to have a clear role and objectives to attract the right candidates.	3	4	12	N/A	Continue to position the LEP as the voice of business and look at new opportunities to ensure the LEP remain relevant and interesting for people to give up their own time to the board. Start the recruitment campaign early next spring and look to use a recruitment firm if required to raise awareness of the opportunities.	↔
6.4	Projects do not deliver on contracted on outputs due to perceived diminished role of LEPs.	Value for money for schemes managed by the LEPs looks poor	Continue to monitor projects and contracts. Underperforming projects to present to PRMC as required. Look to use clawback if absolutely required.	3	3	9	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.	Previous risk mitigation archived. 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, signalling a conclusion to the ongoing LEP Review and confirmed an indicative allocation of £375k per LEP for the 22/23 FY. This reflects their revised roles and functions subject to business case approvals.	↔

MARCHES LEP PROGRAMME RISK REGISTER
Last updated: 27 October 2022

				Residual Risk Ratings					
Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Current Controls	LIKELIHOOD Rating (Very Low 1, Low 2, Medium 3, High 4, Very High 5)	IMPACT Rating (Minimal 1, Minor 2, Significant 3, Major 4, Critical 5)	RISK Rating	Rationale for Risk Changes	Risk Mitigation	Direction of Travel
TOP 5 RISKS - In order of Risk Rating (High to Low)									
3.20	Non delivery of Oxon Link Road	Timelines are uncertain and milestones may slip meaning match funding and outputs are not delivered, exposing the LEP to the risk of not meeting its commitment to Government.	The LEP continues to monitor the project through the quarterly monitoring process and also request updates.	4	4	16	No changes to residual risk ratings	Regular monitoring of the project has been ongoing. Requested update to PRMC which has been postponed. Rescheduled for December 22 meeting. In the meantime, LEP officers will meet with Shropshire Council staff to get an update on the current status of the project.	↑
2.3	Reduced capacity in the LEP Team due to absence, members of the team leaving or lack of funding.	Continuity of service could be impacted. Delays due to lost knowledge & lack of capacity to monitor projects.	Staff to work flexibly across different parts of the business to allow continuity of service. Continuing to press government for funding confirmation in conjunction with the LEP network. Will look to use agency staff if required but will continue to appoint to vacant business critical roles as appropriate.	4	4	16	Risk rating has been increased due to lack of clarity about funding for next year.	A new project officer, Glenn Barrowman started at the end of September and a new Head of Business Development and Delivery will start in January. Options planning has been developed so that the LEP structure can be flexed to reflect funding and mandate subject to necessary processes and approvals.	↔
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.	The total GBF funding allocation of £1,000,000 is not spent in the 2022/23 financial year resulting in the potential for reputational damage and impacting on the LEP's delivery rating and credibility with DLUHC.	The LEP continues to work with Herefordshire Council on this Strategically Important project. Please see Risk Response.	3	4	12	No changes to residual risk ratings	An update on costs and spend was provided to PRMC on 25 August. It was confirmed that the project is on track to exceed the £2m project spend commitment. A detailed update on plans for the future sites would be provided with the next claim.	↔
3.21	The Hereford City Centre Improvements project may not spend their Overall GBF Grant allocation by 31 March 2023.	The project becomes undeliverable within the timescale resulting in clawback of GBF funding.	Previous current control archived. The project is being monitored as part of the LEP's performance monitoring programme against its varied contractual commitments.	4	3	12	No changes to residual risk ratings	Following PRMC on 25 August the project presented to the LEP Board on 27 September 2022. The Board approved the revised proposals and spend profile for the project. Herefordshire Council agreed to bear legal costs associated with varying the contract.	↔
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.	The project, as set out in the funding agreement, is not delivered, impacting on GBF spend and delivery of match funding and outputs.	Delivery of the project is monitored through the monthly claims and reporting process and quarterly monitoring visits. Interim meetings are held for the project to keep the LEP updated on the re-scoping process and any associated risks to delivery.	3	4	12	No changes to residual risk ratings	An update was provided to PRMC on 25 August. Project Officers were invited to present a paper to the LEP Board at the meeting on 7 November.	↔
NEW RISKS - In order of Risk Rating (High to Low)									

Direction of Travel Key	
↑	The risk has increased since last review date
↓	The risk has decreased since last review date
↔	No change in the risk
*	New risk
Red text denotes text which has changed or been added since the Risk Register was last reviewed by the Board/PRMC.	

	Marches LEP - Risk Matrix				
	Impact				
Likelihood	Minimal - 1	Minor - 2	Significant - 3	Major - 4	Critical - 5
Very High - 5	5	10	15	20	25
High - 4	4	8	12	16	20
Medium - 3	3	6	9	12	15
Low - 2	2	4	6	8	10
Very Low - 1	1	2	3	4	5

Blank Page

LEP Update

Proposed Hereford
Transport Hub

7 November 2022

Proposed Hereford Transport Hub



Transport Hub progress

22 July 2021 cabinet report decisions implemented :

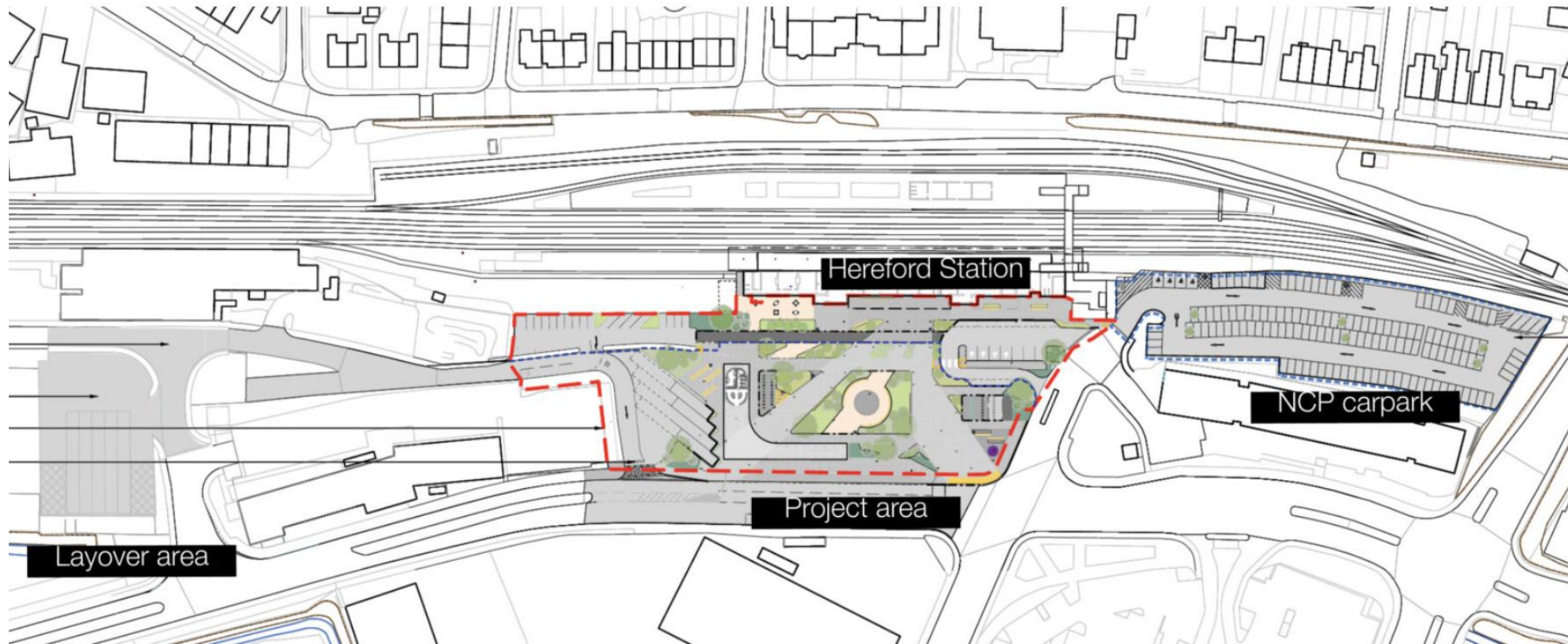
- Multi-disciplinary design consultancy Weston Williamson & Partners appointed in April 2022 for RIBA stages 2 outline design & 3 (spatial co-ordination) to carry out design, key stakeholder consultation and cost estimates.

27 October 2022 cabinet approved the following:

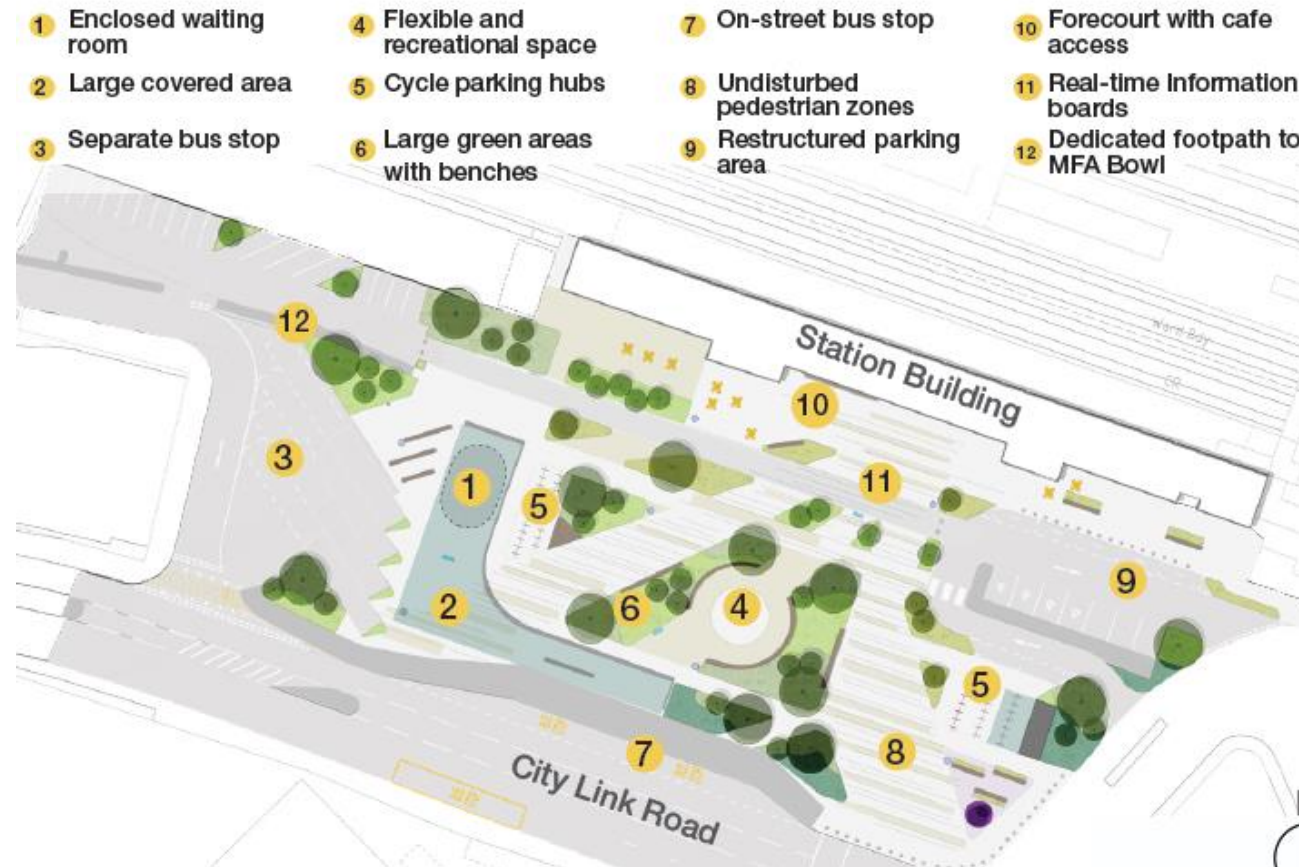
- *Recommend to Council the inclusion of the *gap funding into the capital programme.*
- *The cost plan;*
- *The project proceeds to RIBA 4 (technical design) & 5 (construction)*

*Gap funding from LUF 2 bid or prudential borrowing

Site Wide Approach



Proposed site plan



View from City Link Road (CLR)



View from Station Exit



View from “*Drive in Reverse Out*”(DIRO) Bus Stop



Proposed Canopy



Costs

22 July 2021 cabinet confirmed that remaining funds in HCCTP would not deliver the remaining elements including the Transport Hub.

27 October 2022 cabinet approved *the inclusion of the *gap funding into the capital programme*

TOTAL COST ESTIMATE	Approx. £10,000,000
Less Existing funding	£3,672,000
Balance funds required	£6,328,000

Outputs/Outcomes

The outputs are on track, and some have been overachieved

Output/Activity	Contracted outputs	Actual Claimed to Date	Variation	Risk Rating
Jobs Created *originally jobs were omitted from the contract but were later added	760	803	Overachieved target by 43	
Housing Units	800	240 – reported 746 actual completions to be reported	Housing completion target will likely be met by end of 2023, original Agreement allows until 2032.	2014-18 – 107 2019/20 - 133 2020/21 - 151 2021/22 – 355 746 – Total as at April 2022.
Length of Newly Built Road (km) City Link Road (CLR)	0.8	0.8		

Match Funding Update

	Match transactions submitted	Match transactions accepted – following sampling*
Previous Years	17,217,905.84	15,722,858.83
19/20	685,154.99	685,154.99*
20/21	371,570.65	371,570.65*
21/22	988,981.34	988,981.34*
Match evidence total required	24,651,000	17,768,565.81
Variance/match funding still to evidence		6,882,435

Key Dates

Workstream	Proposed Timescales
Ongoing Soft Market testing for contractor procurement	20 October to 7 November 2022
Public Consultation	October 2022 – December 2022
Technical Design (RIBA 4 - including contractor procurement)	November 2022 to February 2023
Stakeholder Consultation Summary Report	December 2022

Thank you

Questions & Answers

Next steps

- LEP to confirm next steps
- HC to process governance in line with the recommended next steps

Blank Page

MARCHES LEP PMRC MEETING PAPER

Meeting date:	7 th November 2022					
Agenda Item:						
Item Subject:	Pride Hill Getting Building Fund project					
For:	Discussion		Decision	x	Information	

Purpose of the paper: To update PRMC on the progress of the Pride Hill project and request a variation to the outputs to align with the revised programme of activity and delivery.

Summary of Recommendations: To support the request for variations to the outputs and timescales to enable the project to complete and the outputs identified to be achieved for the GBF programme. With the exception of the commercial floorspace which was an error relating to the unit of measurement all the original contracted outputs will be achieved, albeit over a longer period. SC will also be able to report additional outputs increasing the value for money of the scheme.

Main points

In September 2021, Shropshire Council's full Council meeting advocated the need to consider and review alternative approaches to the redevelopment of the Pride Hill shopping centre and to look at this in the context of the wider Smithfield Riverside. Consequently, the report recommended the carrying out of due diligence and feasibility work, and the preparation of business cases for the collective redevelopment of the Pride Hill shopping centre and Raven Meadows surface car park ('gap') site.

Informed by a Gateway Review, the report demonstrated the need to ensure that the proposals for Pride Hill remain relevant and appropriate. The value of the Review was heightened in the context of changing market conditions (particularly in the retail, leisure, and commercial/office sectors), the Council's (and potential partners') future operational requirements and the need to mitigate for climate change, all compounded by the Covid pandemic impacting on the economic landscape. The acquisition of the Raven Meadows surface car park ('gap') site (February 2021 funded by the Getting Building Fund), complementing the Council's extensive landholding and interest in the town centre, provides further opportunities to bring forward significant economic regeneration in the town centre.

A range of development activities were undertaken, and these can be summarised, but not exclusively, as follows:

- Master Planning and Concept Design
- Construction costing, sequence and programme
- Market and development appraisals
- Procurement and delivery mechanisms and timescale
- Demolition and site remediation feasibility
- Planning and transportation implications
- Flood adaptation
- Economic impact
- Financial implications.
- Initial equality, social inclusion and wellbeing impact assessment

MARCHES LEP PMRC MEETING PAPER

The outcomes of the due diligence and feasibility activities have subsequently informed the business cases for the demolition and redevelopment of the former Pride Hill shopping centre and adjacent 'gap' site, and for the development of office accommodation on Riverside, with the associated demolition of the former shopping centre.

Consequently, this mandate to continue with the redevelopment of Pride Hill for Leisure, cultural and civic uses shows the commitment that the Council has to delivering this project as previously approved by LEP board. The review ensured that the project was deliverable, responded to the market conditions and has taken into account the wider redevelopment opportunities.

Pride Hill project is moving forward as outlined above with a revised programme, milestones and variations the outputs to align with this. This has enabled further additional outputs to be achieved. The project is continuing to grow momentum, with the Development Management consultants coming on board and planning for demolition being progressed as a priority.

Table showing current and proposed variation to outputs

<i>Description</i>	<i>Current contract</i>	<i>Proposed variation</i>	<i>Commentary</i>
Jobs Created	100	100 post 24/25	Unable to claim during GBF period 24/25 but jobs created will be achieved post this timeframe
Jobs Safeguarded	10	31	Increase of 21 safeguarded jobs
Additional construction jobs	150	150	No change
Apprenticeships	0	6	New output through construction contracts
Commercial floor space completed	44,756 m ²	19,000 m ² (4,158m ² corrected figure + 14,842m ² additional output to gap site	Numeric correction: quantum of floorspace was initially quoted in error as m ² but was ft ² . The revised m ² reflects the corrected amount of commercial floorspace of initial c4158m ² , supplemented by additional space output of 14,842m ² on gap site.
Remediated Brownfield land	0	1,725m ²	New additional output. Gap site land from LEP funded acquisition
Match funding	£11,039,800	£12.54m	Increased match funding of £1.5m

MARCHES LEP PMRC MEETING PAPER

The proposed variations are deliverable, in accordance with the original, approved project. Some of the outputs were originally scheduled to be delivered by 2023/24, however in the context and considering the outcome of the Gateway Review, the Council requests that the period required to achieve these outputs is extended to 2024/25. Consequently, this extended period provides the opportunity to identify additional outputs, as reflected in the above table.

Financial implications:

All of the GBF funding, £5,020,000 has been claimed and £1,468,134.48 of match funding has been spent to date.

Legal implications: A funding variation would need to be undertaken on the current contract to reflect the proposed changes. Shropshire Council will be asked to meet any costs associated with the contract variation.

Risks, opportunities and impacts: A programme risk register is held by the Council's dedicated risk management officer for the Council. The high level risks are reported to the LEP in the monitoring return and claims.

Equality implications:

Additional information:

Report Author:

Background papers/documents:

Verbal update at August 2022 PRMC

Blank Page

MARCHES LEP LTD BOARD MEETING PAPER

Meeting date:	7 th November 2022					
Agenda Item:	Telford & Wrekin Council – Project updates					
Item Subject:	Projects Update - Outputs					
For:	Discussion		Decision	x	Information	

Purpose of the Paper:

To provide PRMC with an update on Telford & Wrekin Council's Stronger Communities and Get Building Fund projects and request formal changes to the outputs contracted by the LEP.

Summary of Recommendations:

That PRMC note the progress and updates within the report.

That PRMC consider for approval the output changes detailed in the report. All the public and private match funding associated with the project is captured and reported on moving forward helping to demonstrate value for money.

Main points:

Stronger Communities – Granville

This development of 329 homes including affordable, private rent, market sale and supported and specialist accommodation continues on site at pace:

WHG Affordable:

- First handovers scheduled for December 2022.

Nuplace PRS

- 52 plots piled.
- Anticipated transfer 'Golden Brick' March 2023.

Lovell – Open Market

- Show Homes – launched 7th September.
- 2 plots reserved as at 29th September.



Fig 1 – Granville site Oct 2022

Stronger Communities – Station Quarter

The LEP funding of £2.38m from the Getting building fund forms part of the mixed use redevelopment of Station Quarter in the Telford Town Centre.

The scheme has completed the the detailed design development stage with delivery partners appointed and cost planning ongoing. Finalised plans are in place for Phase 1 including;

- 117 Nuplace dwellings for private rent
- 73 Legal & General Affordable Homes (L&GAH)
- High density dwellings providing scale and mass
- High standards of design and materials with all dwellings in keeping with the developed Design Guide.
- All homes NDSS complaint with 23% M4(2) and M4(3) (wheelchair accessible standards)
- High sustainability standards with properties achieving 31% betterment in terms of carbon emissions – meeting new Part L Building Regulations.
- Parking standards well below planning policy guidance due to sustainable location:
 - 0.5 spaces per apartment
 - 1 space per town house Delivery alongside 77 shared ownership and affordable rent homes for L&GAH
 - L&GAH mixture of affordable rent and shared ownership – 38% of Phase 1 dwellings.

Programme:

- RIBA Stage 3 design: Complete.
- RIBA Stage 4 design: September 2022 to December 2022
- Planning application: October 2022 for planning committee Feb 2022
- Enabling Works: December 2022 – April 2023
- Main Works: April 2023 – Summer 2025

The Station Quarter hybrid planning application includes:

Detailed Planning Approval:

- 194 no. Dwellings
- 4,400sqm Education & Digital Skills Hub (incorporating services office accommodation)
- 142 bed Hotel
- 300sqm Commercial Unit with flexible retail, leisure and food drink uses
- Public Realm Improvements to Ironmasters Way/Lawn Central, removal of Lawn Central footbridge.



Fig 2 – Station Quarter Masterplan & Residential CGI Images of Proposal

Stronger Communities – Get Building Fund – New College

Detailed planning permission granted in Sept 2022 enabling comprehensive regeneration to include:

- 22 Nuplace dwellings for private rent
- 76 WHG retirement dwellings – 66 flats /10 bungalows
- 28 YMCA dwellings for Care Leavers
- Sports Hall (Sport England requirement)
- Community Hall

The scheme delivers high standard of design and material to reflect Grade II status of the former Wellington Girls School (to be converted to YMCA units) whilst meeting the new Part L Building Regulation requirements. All units are NDSS compliant with 78% of all units M4(2) and M4(3).

Programme:

- Demolition & site clearance completed: August 2021
- Detailed planning consent secured: September 2022
- Enabling works: September 2022 – December 2022
- RIBA Stage 4: September 22 – February 2023
- Main Works: March 2023 – Summer 2025



Fig 3 New College Masterplan & Residential CGI Images of Proposal

Stronger Communities – Get Building Fund – Glebe Street

Detailed planning application submitted includes:

- 67 WHG affordable dwellings to rent : Mix of 57 houses/apartments & 10 bungalows, supporting a range of household needs.

Programme:

- Site assembly: completed August 2022

- Planning application: July 2022 for planning committee Dec 2022
- Enabling Works: October 2022 – March 2023
- Main Works: June 2023 – Summer 2025

The scheme delivers high standard of design and material to reflect conservation area status whilst meeting the new part L requirements, all units are NDSS compliant with 28% of all units M4(2) specified.



Fig 4 Glebe Street Masterplan

Funding Requirements

Alongside LEP Funding, the following public sector funding is essential to be able to deliver the schemes as described above:

Homes England Funding:

- Across all Stronger Communities projects, Homes England (HE) funding is required to fund the viability gap arising from delivery of affordable rent tenures as summarised in the table below:

MARCHES LEP LTD BOARD MEETING PAPER

Project	Affordable Unit Numbers	Delivery Partner	Grant Assumption (per dwelling)
Granville	186	WHG	£65k
New College	76	WHG	£65k
Station Quarter	73	L&GAH	£48k
Glebe Street	67	WHG	£65k
New College	28	YMCA	£61k

Fig 5

West Midlands Combined Authority:

WMCA funding is required to support delivery of dwellings in Station Quarter. This viability gap has become evident as detailed design has progressed in the context of worsening market conditions.

Project	Affordable Unit Numbers	Delivery Partner	Grant Assumption (per dwelling)
Station Quarter	117	WHG	£20k
Station Quarter	73*	L&GAH	£20k

Fig 6

West Midlands Combined Authority (WMCA) are seeking to claim “73 housing units unlocked” and HE are seeking to claim “73 housing units delivered”. In this way Legal & General Affordable Homes (L&GAF) will be able to access both HE and WMCA funding, which is essential to bridge the viability gap arising from value, tenure and cost.

Financial Changes

Since the award of funding through Stronger Communities and Get Building fund all the schemes as described above in the project update have evolved from initial high level masterplans to detailed schemes which are now at RIBA Stage 3 as a minimum. This design development takes account of feedback from the LPA and Building control on design, policy requirements and S106 contributions including:

- Compliance with and in some cases exceedance of Part L (low carbon)
- Compliance with Part S - provision of EV charging
- Compliance with Nationally Described Space Standards
- Compliance with Homes for All SPD – provision of accessible and adaptable homes.

In addition the cost plans (developed with our appointed contractors) reflect detailed construction programmes and all inflation increases seen to date and those projected to the midpoint of the construction.

Since the award of the LEP funding we have seen a range of additional cost pressures resulting from both the market and regulation changes including:

Market volatility impacting on:

- Availability of materials causing programme delays and cost increases
- Cost uncertainty and volatility of material prices, exacerbated by high energy prices
- Risk and contingency levels applied by contractors are far exceeding those anticipated and included in budget estimates

Planning and Building Regulation stipulations and changes:

- New Part L – resulting in increased capital cost to achieve stipulated carbon reductions
- Adopted planning policy – requirement to incorporate M4(2) and M4(3) dwellings increased size of dwellings
- Grade II Listing of former girls school at New College and extension to the conservation area at Glebe St resulting in enhanced design/delivery costs

LEP Stronger Communities	Mar-20	£151.5k
TIF Submission	May-21	£159.9k
Current Position	Oct-22	£209.9k

Fig 7 – Average cost per residential unit across the schemes.

Marches LEP Outputs

Taking account of the financial pressures as described above it is essential that the schemes can access the funding from both Homes England and WMCA. In order to do this we require a change in the outputs contracted to the LEP to Central Government to enable the different funding streams to sit side by side rather than overlapping.

Set out below are the existing agreed outputs for each programme and those to which we request approval to amend to in order to enable project delivery:

Funding Stream: Stronger Communities									
Projects: Granville, New College & Station Quarter									
Outputs	Granville		New College		Station Quarter		Original Total		Revised Total
			Orig.	Rev.	Orig.	Rev.	Orig.	Rev.	
Housing units delivered	320	143	80	4	95	0	495		147
Housing Units Unlocked			0	186	0	76	0	227	0 489
Jobs Created	0	0	0	0	60	49	60		49
acres of employment land unlocked	0	0	0	0	3	2	3		2
Outputs Achieved - November 2021									
46 housing units delivered					46				

Fig. 8

MARCHES LEP LTD BOARD MEETING PAPER

Funding Stream: Stronger Communities – Get Building Fund							
Projects: New College & Glebe Street							
Outputs	New College		Glebe Street		Original Total	Revised Total	
		Orig.	Rev.	Orig.	Rev.		
Housing units delivered	43	18	67	0	110	18	
Housing Units Unlocked		0	28	0	67	0	95
3 acres brownfield development land unlocked	3	3	0	0	3	3	
Delivery of new mini football pitch – 2623m2	2623	300m2*	0	0	2623m2	300m2	
Delivery of new footpaths – 375 linear metres	0	0	375	0	375	0	
Additional construction jobs	0	20	40	20	40	40	

Fig. 9

*now “community sport facility delivered”

Financial implications:

As described within the main body of the report the delivery of the projects is predicated on being able to amend the outputs given the financial pressures currently seen due to both market conditions and regulation changes.

Legal implications:

Any variation to the contracts agreed will need to be reflected in the project contracts. Telford Council will be required to meet any legal costs arising from the varying of the contracts.

Risks, opportunities and impacts:

All projects falling within the grant funding agreements have been de-risked through the planning process either by grant of full planning consent or following extensive pre- planning consultation have applications in progress. As set out in the main body of the report, whilst early contractor involvement has supported value engineering, given the current financial pressures seen, if agreement is not given to the amendment in outputs then the projects cannot go forward. The impact for non-delivery will be different for each project but in the case of New College and Glebe Street, LEP grant funding has been used to facilitate site assembly and demolition works in two areas of deprivation. These sites will not progress without the additional financial support via public intervention due to site constraints and incurred expenditure will be at risk of clawback as outputs in their current form cannot be met. For the Granville project there is a similar risk in that the funding secured will be clawed back when outputs are claimed.

The financial pressures are not unique to these projects or the geography of Telford therefore this request is appropriate and ensures the full impact of these schemes can still be delivery. Should the amendments to the outputs be agreed then the projects can proceed within the LEP timeframes for delivery.

Equality implications:

MARCHES LEP LTD BOARD MEETING PAPER

The projects as described in the project update include a range of affordable and accessible homes to meet the requirements of a wide diverse cohort of residents at all stages of their lives. In addition the projects all see the redevelopment of brownfield sites which will/are transforming neighbourhoods.

These development opportunities address the following Public Sector Equality Duty aims via:
 The elimination of discrimination – the new homes will include affordable provision, and will be highly accessible by public transport and close to some of the borough's most diverse areas, in terms of ethnicity and nationality. It is anticipated that the demographic profile of those benefiting from the new homes will reflect the diverse population of the Council's area covering all protected characteristics;
 Promotion of equality of opportunity – the housing opportunities which will expand opportunities and outcomes available locally;
 Fostering good relations between different groups of people – by providing pleasant and walkable residential neighbourhoods, reducing dependence on the private car, easy access to Wellington, Donnington and Telford town centre, people from all backgrounds will be encouraged to use the public realm spaces, providing more opportunities to mix and participate together in community life.

Additional information:

Report Author:

James Dunn – Director: Prosperity & Investment – Telford & Wrekin Council

Background papers/documents:

Blank Page

Marches LEP PRMC Meetings 2023 – Meetings are Online via MS Teams at 2.00-3.30pm

PRMC Meeting Date	Notes
Thurs 16 Feb 2023	20-24 Feb half term
Thurs 27 April 2023	3-14 April Easter holidays
Thurs 22 June 2023	
Thurs 24 August 2023	
Thurs 26 October 2023	30 Oct – 3 Nov half term
Thurs 14 December 2023	Fri 22 Dec break for Christmas

End