

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

### Present

<b>Sonia Roberts (Chair)</b>	<b>SR</b>	<b>Deputy Chair of the Marches LEP Board</b>
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

<b>ITEM</b>		<b>ACTION</b>
<b>1</b>	<p><b>Welcome, apologies and introductions</b> The Chair welcomed everyone to the meeting. Apologies received from Ken Clarke, Dainy Runton, Andrew Lovegrove, Karen Morris, Sara Williams &amp; 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><b>Declarations of interest</b> There were no declarations of interest.</p>	
<b>2</b>	<p><b>Minutes of the last meeting and matters arising</b> 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>	
<b>3</b>	<p><b>Herefordshire City Centre Improvements (HCCI) – proposed variation</b> 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"> <li>• St Owen Street construction costs and implementation of cycle contraflow and traffic lights and resurfacing of the road.</li> <li>• Widemarsh St enhancements redesign, the scheme is bigger than originally intended (to ensure Disability Discrimination Act -DDA compliance)</li> <li>• Green roof cycle shelters were allocated without construction costs and now include lighting.</li> </ul> <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: <a href="https://youtu.be/u2GwNsk5bU0">https://youtu.be/u2GwNsk5bU0</a></p>	<b>SW</b>
<p><b>4.</b></p>	<p><b>Risk Registers</b></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"> <li>• 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.</li> <li>• 2.7 staff changes – interviews are planned for project officer role and will help with the capacity to manage the LEP programme work.</li> </ul> <p>B) Programme Risk Register</p> <ul style="list-style-type: none"> <li>• There is some overlap with the risks in the corporate risk register. The highest risk projects were covered off through later agenda items.</li> </ul>	
<p><b>5</b></p>	<p><b>Pride Hill project update</b></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><b>Integrated Construction Wetlands update</b></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><b>LEP Finances</b></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><b>Review Marches LEP Inclusive Economy and Diversity policy</b></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>	

<p><b>9</b></p>	<p><b>MIF/Energy Fund update</b></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>	
<p><b>10</b></p>	<p><b>Performance monitoring</b></p> <p><b>a) Growth Deal and b) Getting Building fund</b></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><b>c) Growth Hub</b></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><b>d) Key Account Management</b></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><b>e) Skills Support</b></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>	<p><b>KJ</b></p>
<p><b>11</b></p>	<p><b>Any other business</b></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><b>Next Meeting of the Marches LEP PRMC: 7 November 2022 14:00-15:30</b></p>		