

Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC) Thursday 16 February 2023

Present

Sonia Roberts (Chair)	SR	Deputy Chair of the Marches LEP Board
Alex Green	AG	Marches LEP Board Member
Clare Fenton	CF	Marches LEP Board Member
Sara Williams	SW	Marches LEP Board Member
James Walton	JW	Section 151 Officer, Shropshire Council
Ben Jay	BJ	Shropshire Council AD Finance & ICT
Karen Morris	KM	Deputy nominated by Section 151 Officer, Herefordshire Council
Dainy Runton	KM	Deputy nominated by Section 151 Officer, Telford & Wrekin Council
Rachel Laver	RL	Marches LEP Chief Executive
Mark Schneider	MS	Marches LEP Head of Business Development and Delivery
Kathryn Jones	KJ	Marches LEP Head of Partnerships and Strategy
Jo Grivell	JG	Marches LEP Office Administrator
Govin Aujla	GA	Area Lead, Cities & Local Growth Unit
Alex Collins	AC	Deputy Area Lead, Cities & Local Growth Unit
Ben Boswell	BB	Herefordshire Council – Integrated Wetlands Programme

ITEM		ACTION
1	<p>Welcome, apologies and introductions The Chair welcomed everyone to the meeting. Mark Schneider was introduced, who joined the LEP in January 2023 as Head of Business Development and Delivery. Govin Aujla was also introduced as the new Area Lead, for Cities & Local Growth Unit. RL thanked Alex Collins for all his help and support while covering the Area Lead role. Apologies were received from Ken Clarke, Andrew Lovegrove, and Frank Myers.</p> <p>Declarations of interest There were no declarations of interest.</p>	
2	<p>Minutes of the last meeting and matters arising The minutes of the last meeting on 15 December 2022 were reviewed, checked for accuracy, and approved as an accurate record of the meeting.</p> <p>All actions were addressed with exception:</p> <p>The Project Officer had been tasked with visiting each of the projects to see that the projects are physically complete and to capture all their output and match information. MS will now complete this action over the coming months.</p> <p>AC to confirm if there is going to be any requirement to count outputs past the programme deadlines i.e. 2025.</p>	<p style="text-align: center;">MS</p> <p style="text-align: center;">AC</p>
3	<p>Marches LEP Update RL gave the following update: The LEP's core funding has been reduced from £375,000 to £250,000 for 2023-24. The VAT due to be paid by the LEP on its activities will be approximately £140,000 so in effect the net income from Government is only £110,000 which limits what the LEP can deliver for the Marches.</p> <p>RL stressed to GA that there needs to be a very clear mandate from Government regarding what it expects of the LEP. The Government has been clear about expectation about devolution but lots of LEPs operate across areas where there isn't a clear consensus</p>	

	<p>and appetite for a devolution deal. Therefore what is the expected role for LEPs in these circumstances. If there is additional funding available then the LEPs need to be made aware and be eligible to bid for the work. There is still no news on Growth Hub funding with 6 weeks to go to year end which is very unsettling especially for staff are on contracts that only run to end of March.</p> <p>The current public lack of ministerial support for LEPs is significantly damaging and ministers need to back LEPs if they want to retain them and the value of a strong independent business voice. In the absence of that backing or a clear mandate, then they need to be clear on the future role of LEPs. This lack of direction is impacting on local business leaders who give their time, and the ongoing lack of any decision on Growth Hub funding is adding to their frustrations, as LEP officers continue worry about their future.</p> <p>AC reassured the group that he is feeding all the comments into the centre.</p>	
<p>4.</p>	<p>Top 5 Risk Registers MS gave an update on the exercise to consolidate all the risks as there was some duplication. The focus of the updates will be on Top Risks and any new or changed risks.</p> <p>A) Corporate Risk Register No change to the top corporate risks as they mainly relate to the same topic regarding the uncertainty of LEPs and funding. A new risk has been listed related to the financial risk/liability to directors if the LEP should be wound up. Funding for run off cover insurance has been ringfenced for the next 6 years to manage this risk.</p> <p>SR highlighted a risk on staff contracts which are extended year on year. Contracts for 2023-24 have been extended in the knowledge that there is money to cover it but that will not be possible in 2024-25 as the LEP will no longer have sufficient reserves. In the event of contracts being extended and no funding coming through the LEP is still liable to pay for that year term dependent on their length of service. Additionally staff are likely to seek employment elsewhere as there is no assurance past March 2024 which could limit the ability to operate effectively. The consultation process will start in October 2023, unless funding for 24/25 is agreed before then.</p> <p>B) Programme Risk Register The top risks relate to Oxon Link Road, where the funding has been spent but the project not yet completed, the lack of clarity on funding for the Growth Hub and reduced capacity in the LEP team also tied to lack of funding. The remaining risk ratings related to the following projects: Wetlands, HCCI and Pride Hill have all gone down. Details of the risks can be found here. A new risk has been identified related to management of projects, due to the absence of project staff managing the projects and any potential loss of corporate knowledge in the team. A review of the projects is under way by MS to address this.</p> <p>SR clarified that all the projects identified as risks are scrutinised by the PRMC as part of the Forward Plan. The plan sets out the timetable for the projects to provide updates throughout the year.</p>	
<p>5</p>	<p>Integrated Wetlands update Ben Boswell, Head of Environment, Climate and Waste at Herefordshire Council gave a really informative presentation and general overview of the Wetlands programme.</p> <p>Herefordshire Council is creating a number of Integrated Wetlands specifically for the purpose of removing phosphates before they reach the local rivers, which will enable the ban on further land development in some areas to be lifted. The phosphate credit system allows</p>	

	<p>developers to buy credits generated by the operation of the wetlands to offset the phosphates that their new developments will create.</p> <p>Three sites have now been purchased for wetlands, and a fourth site is being pursued. The Wetlands project is ground breaking and now is best practice for the development of wetlands. The project is on track to deliver against its budget.</p> <p>RL asked about progress on outputs for jobs and houses. BB advised the first site developed will unlock several hundred houses but the timeline for delivering all the outputs will depend on the amount of developments put forward and planning approval. Once developments are approved and work commences it will create the associated jobs.</p> <p>SR asked for more definitive details of the pipeline of outputs. BB agreed to provide.</p>	<p>BB/RJ</p>
<p>6</p>	<p>Performance monitoring – Exceptions</p> <p>a) Growth Deal Update and b) Getting Building Fund update MS provided a summary of the projects. The majority have spent their funding, but none have completed their match funding with exception of Tackling Fuel Poverty. There is no concern as such, but the LEP needs to continue to track that outputs are being achieved. An audit is underway of all projects where any issues regarding outputs can be discussed.</p> <p>b) Growth Hub Update RL thanked Jo Grivell who has been covering the Growth Hub in addition to her role as LEP Office Administrator, while a member of staff is off sick.</p> <p>With six weeks to go to the end of the year there is no sight of whether there will be funding for the Growth Hub for 23/24 which is incredibly frustrating. It makes it difficult to plan and to manage contracts for CRM licences etc. used by the Growth Hubs. If the Growth Hub does not get funding the LEP would have to pick up the costs of any contracts that extend into year 2023-24.</p> <p>Given the lack of funding the team is considering what it can deliver going forward. This needs to be balanced with other LEP activities and where the LEP will have the maximum impact.</p> <p>RL reiterated to GA/AC that it was a frustrating position to be in given the Growth Hub brand has become embedded in the business community across the Marches. It is their first port of call for advice and support. It would be a shame if all the time, effort and public money used to build the brand goes to waste especially when businesses most need it.</p> <p>A joint event with Midlands Engine Investment Fund is being held at RAF Cosford on Friday 24th March. This is in response to the fact that MEIF is undersubscribed in the Marches compared with other areas and more needs to be done to maximise uptake. Details of the event are here: How finance can help your business fly - Marches Growth Hub</p> <p>c) Energy Projects RL gave the following update: The Herefordshire, Ludlow and North Shropshire Green Skills project is going full steam ahead. The contract has been signed.</p> <p>The contract has also been signed with National Grid for the EA Technology and National Grid monitor project. Still in the process of deciding where the monitors will be placed as we want them to be where they will have the biggest impact.</p> <p>Marches Energy Grant scheme was launched in January, and it resulted in more enquiries received through the website in two days, compared with the previous three months. This sends a clear message that there is huge demand for this type of support. The contract with Worcestershire Council to administer the scheme is yet to be signed.</p>	

	<p>d) Key Account Management The contract with Department for International Trade (DIT) is in place until the end of the financial year. The target of working with 30 companies has been reached. Fifteen projects have been identified and one project has been completed against a target of five. Funding for next year is still not determined.</p> <p>e) Skills Support (SAP/Marches Careers Hub) The LEP continues to work with the Employer Representative Body (ERB) to support the Local Skills Improvement Plan (LSIP). Department for Education has confirmed there will be no further funding for this work.</p> <p>There is funding in place until the end of August 2023 for the Marches Careers Hub project and discussion on funding from September has commenced with the Careers & Enterprise Company (CEC). Early indications are that there will be slightly less funding than in previous years.</p> <p>RL highlighted an issue that some of the funding streams work to different financial years/funding periods. If the LEP is awarded future Careers Hub funding this would run past the end of 2023-24 financial year when the current Core Funding and reserves held by the LEP could be fully committed.</p> <p>A decision will need to be made in conjunction with the Accountable Body whether the contract could be accepted.</p>	
7	<p>Midlands Connect Transport Summit Update RL gave a brief update on the summit which helped highlight transport issues in the Marches. Many local MPs attended and contributed to the discussion, and it was a very positive event. The LEP will continue to fly the flag for major transport improvement schemes across the Marches.</p>	
8	<p>Any other business SR thanked Alex Collins for all his support whilst deputising for the Area Lead.</p>	
<p>Next Meeting of the Marches LEP PRMC: 27 April 2023 14:00-15:30</p>		