

<b>MARCHES LEP PERFORMANCE RISK &amp; MONITORING COMMITTEE (PRMC) MEETING</b>	
22 June 2023	2.00 – 3.30
Virtual Meeting	

<b>ATTENDANCE LIST</b>		
<b>Chair</b>	Sonia Roberts	Deputy Chair of the MLEP Board
<b>Vice Chair</b>	Sara Williams	Board Member
	Frank Myers	Board Member
	Alex Green	Board Member
<b>Supporting Officers</b>	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
	Mark Schneider	Marches LEP Head of Business Development & Delivery
	Kathryn Jones	Marches LEP Head of Partnerships & Strategy
	Jo Grivell	Marches LEP Office Administrator
		Govin Aujla
	Alex Collins	Deputy Area Lead, Cities & Local Growth Unit
<b>Guest Speakers</b>	Susan White	Herefordshire Council, HCCI
<b>Guest Speakers</b>	Tim Pritchard Sarah Jones	Shropshire Council, Pride Hill Centre

<b>AGENDA</b>				
<b>Item</b>	<b>Time</b>	<b>Description</b>	<b>Lead</b>	<b>Paper</b>
1	2.00 pm	Welcome, introductions and apologies. Declarations of interest	SR All	
2	2.05 pm	Draft minutes of last meeting on 27.4.23 and matters arising.	SR	v
3	2.10 pm	Marches LEP Update a) Future role of LEPs update b) Land Deal c) Transport work d) Bootcamps	SR/RL RL RL KJ	
4	2.20 pm	Top Risk Registers Review/Update a) Corporate Risk Register b) Programme Risk Register	MS	v
5	2.30 pm	Hereford City Centre Improvement Update	SW	
6	2.50 pm	Pride Hill Centre Update	TP/SJ	

7	3.10 pm	Performance Monitoring – exceptions a) Growth Deal & Getting Building Fund update i. Oxon Link Road ii. Integrated Wetlands b) Growth Hub update (including events) c) Energy Projects d) Key Account Management (KAM) e) Skills Support (SAP/Marches Careers Hub)	MS  MS RL KJ KJ	
8	3.25 pm	Any Other Business		

Next meeting: Thurs 24 August 2023

Future meetings:

Thurs 26 October 2023

Thurs 14 December 2023

PRMC Meeting Date	Projects to present at meetings
Thurs 24 August	Oxon Link Road Marches Energy Grant
Thurs 26 October	Stronger Communities and Station Quarter EA Technology and National Grid monitor project (Energy Fund)
Thurs 14 December	Herefordshire, Ludlow, and North Shropshire Green Skills project update (Energy Fund)

**Distribution:**

Attendees as listed above.

**cc:**

Will Westley, Deputy Chair of Marches LEP

Nicky Higgins, Shropshire Council, Finance

Sharron Stubbs, Shropshire Council, Finance

Ross Cook, Herefordshire Council, Economy & Environment

Katherine Kynaston, Telford & Wrekin Council

Mark Barrow, Shropshire Council

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## Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC) Thursday 27 April 2023

### Present

Sonia Roberts (Chair)	SR	Deputy Chair of the Marches LEP Board
Alex Green	AG	Marches LEP Board Member
Sara Williams	SW	Marches LEP Board Member
Frank Myers	FM	Marches LEP Board Member
Ben Jay	BJ	Shropshire Council AD Finance & ICT
Karen Morris	KM	Deputy nominated by Section 151 Officer, Herefordshire 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
Alex Collins	AC	Deputy Area Lead, Cities & Local Growth Unit
Hugo Russell	HR	University of Wolverhampton - Cyber Quarter
Mark Williams	MW	University of Wolverhampton - Cyber Quarter
Abigail Hopkins	AH	University of Wolverhampton - Cyber Quarter
James Newby	JN	President and CEO, NMITE University

ITEM		ACTION
1	<p><b>Welcome, apologies and introductions</b></p> <p>The Chair welcomed everyone to the meeting, and introduced the guest speakers from University of Wolverhampton, presenting an update on Cyber Quarter; Hugo Russell, Mark Williams, and Abigail Hopkins and also James Newby, from NMITE University presenting an update on NMITE.</p> <p>Apologies were received from Ken Clarke, Andrew Lovegrove, Rachael Hart, Dainy Runton, James Walton, Govin Aujla and Clare Fenton. <i>Clare Fenton has subsequently advised she has been asked to join the Energy Steering Group in place of the PRMC, so will not attend any further PRMC meetings.</i></p> <p><b>Declarations of interest</b></p> <p>There were declarations of interests received from the two guest speakers from University of Wolverhampton and NMITE University, but it was determined that there was no conflict of interest, as they were providing updates only and each speaker would not stay for any longer than their agenda time slot.</p>	
2	<p><b>Minutes of the last meeting and matters arising</b></p> <p>The minutes of the last meeting on 16 February 2023 were reviewed, checked for accuracy, and approved as an accurate record of the meeting.</p> <p><b>Update:</b> The Head of Development and Delivery (MS) continues to visit each of the projects to verify all their output and match information. Action is now considered closed.</p> <p><b>Update:</b> AC confirmed that the current stance is that LEP's are only required to report outputs until March 2025. The LEP's will be notified if that should change. If there are projects that have not delivered all their outputs by March 2025, they may need to be reviewed and have change requests or be assessed whether they have delivered value for money already.</p> <p><b>Update:</b> SR asked for more definitive details of the pipeline of outputs from the Wetlands project. MS advised that the match funding has been resolved and the housing outputs are</p>	<p><b>MS</b></p> <p><b>AC</b></p> <p><b>MS</b></p>

	<p>not due to be reported until June 2023, but they are coming online now. The action is now considered closed.</p>	
<p><b>3</b></p>	<p><b>Marches LEP Update</b></p> <p>SR gave the following update: The LEP Board has held an initial meeting to discuss options for the future of the LEP, including continuing with a revised focus and having an orderly wind down. From the discussions it was apparent that there is currently no consensus view on how the LAs can work together across the Marches and that without the LEP there will be a void in strategic sub-regional work. Each local authority is looking in different directions and have differing views on the value LEP's can add.</p> <p>FM stated that there is a danger that functions of the LEP will be lost, and how they are mitigated is particularly important. It is difficult to see a single entity that satisfies all three local authorities, but some form of body needs to remain, and the Board is working on trying to define what it will be. There is also a duty of care to staff to ensure that this is done as quickly as possible.</p> <p>RL added that in the meantime it remains business as usual for the LEP and Growth Hub. SR also stated that the Directors have been reminded that they are Directors of a private limited company and that they have a duty to the LEP. There are conflicts of interest that need to be carefully managed. It is critical that the Marches area does not miss future investment opportunities because there is not a cohesive sub regional and cross border approach.</p> <p>A paper will be presented to the LEP Board in June, and further discussions will take place.</p>	<p>RL</p>
<p><b>4.</b></p>	<p><b>Top 5 Risk Registers</b></p> <p>MS gave an update on the Top Risks and any new or changed risks.</p> <p><b>A) Corporate Risk Register</b></p> <p>The top corporate risks remain unchanged and relate to the uncertainty of LEPs and the lack of clarity from the Government.</p> <p>RL stated that the risk of being unable to recruit and retain Board Members, needs to be expanded to include LEP staff. The longer the uncertainty goes on the greater the risk that staff will leave, and it is important to mitigate that risk.</p> <p>SR stated it was important to include that in the discussions with the Board to ensure staff are motivated to stay and the LEP is able to recruit if gaps appear.</p> <p><b>B) Programme Risk Register</b></p> <p>The top risk remains Oxon Link Road, and it will remain high risk until there is a planning decision in June. The date for planning decision has slipped again.</p> <p>SR raised concern that the dates for Oxon Link Road have slipped again since the last update. The project is due to present at the PRMC in June.</p> <p>RL concurred and stated that the LEP cannot continue to have funding committed to a project which is still not certain to proceed. The project needs to go to the Board for a decision on whether they want to keep waiting for the project to be delivered or whether to clawback the money and redistribute it to other deliverable projects.</p> <p>BJ as Shropshire Council Officer would not encourage the clawing back of funds, but it is perfectly reasonable to ask Shropshire Council, why the timescales have been revised again and the extent to which the funding from the LEP remains a viable commitment of funds.</p>	

	<p>RL recommended any decision should wait until after the planning decision has been made. SR stated if the project does not get the planning position, the recommendation from the PRMC to the LEP Board would be to claw back the LEP funding and repurpose it.</p> <p>RL added that it should be recognised that there will be a conflict of interest for Shropshire Council, if the money is clawed back, especially in terms of the ongoing discussion on whether the LEP should continue. The LEP has to follow governance processes, as a private limited company however difficult or sensitive a decision could be.</p> <p><b>Action: MS to continue to monitor the Oxon Link Road project for next PRMC and to provide answers to the committee’s questions.</b></p> <p>There is also a new risk related to the Skills Advisory Panel where the lack of partnership working to develop Marches wide projects under UKSPFs has led to an inconsistent provision across the three local authorities. Staffing was also a Top Risk as mentioned earlier.</p>	<b>MS</b>
<b>5</b>	<p><b>Performance monitoring – Exceptions</b></p> <p><b>a) Growth Deal Update and b) Getting Building Fund update.</b>          MS provided a summary of the projects. He has been through all the required outputs for the projects, and everything is back on track. GBF projects have spent their money so currently reviewing the match funding. LGF projects are delivering and have achieved much of their match funding.          In general, all the projects look to be on track, in terms of match funding and outputs, with Oxon Link Road being a notable exception.</p> <p><b>b) Growth Hub Update</b>          RL provided the following update:-          The Growth Hub Core Funding was confirmed at £261K for 23-24 to deliver the Growth Hub service. This was an increase of £30K over last year.          The physical hubs have been allocated £35K each. In 21-22 they were only allocated £13K, which increased to £19K after some operational savings were made within the Virtual Hub, so they are receiving considerably more funding this year to directly support businesses.          The hubs also receive a further £16K in indirect financial support, through the central procurement of their data/CRM licences, in addition to a share of PR support and the Growth Hub website which is paid for centrally.          The remainder of the money will be spent on more events, research and upgrading of the website to make it more dynamic, in addition to contributing to the time LEP staff spend on the Growth Hub.          It has been indicated that the Government is keen to continue to support Growth Hubs going forward but under which model isn’t clear. The Growth Hub evaluation that was done some time ago is due to be published and is thought to be positive about the value Growth Hubs provide.</p> <p>Marches LEP has interviewed for more Business Support Steering Group members and subject to approval at the next steering group meeting there will be three new private sector members, helping to ensure the group has good quality information from businesses and channels to feedback information about support to businesses.</p> <p><b>c) Energy Projects</b>          RL gave the following update:          The signing of contracts for the Marches Energy Grant scheme, by the local authorities and Worcestershire local authority who administer the scheme, has taken significantly longer than anticipated. The energy audits are now being done, however, there is a huge demand for the funding and businesses who have applied are frustrated that the process is taking so long. Worcestershire are hoping to get the first grant out at the beginning of May.</p> <p><b>d) Key Account Management</b></p>	

	<p>In 22-23 the operating model for key account management function was changed to deliver it centrally. All the financial targets have been exceeded this year. The function is now adding value in support of what the local authorities do. Currently awaiting the funding agreement for 23-24, which is due imminently and the LEP has run a procurement for the contractor to support delivery. A case study is being produced to reflect on last year's success.</p> <p><b>e) Skills Support (SAP/Marches Careers Hub)</b> The <b>Skills Advisory Panel (SAP)</b> is no longer operational. The Department for Education has withdrawn SAP as an initiative. The LEP is in the process of closing off the Skills Advisory Panel expenditure and use of funds statement submitted. The college principals stated that they would like the SAP to continue in a form and LEP Board agreed that the LEP should still have strategic oversight of the Skills and Employment agenda. Graham Guest will be chairing that new group, and the Terms of Reference have been drafted and dates for the meetings need to be arranged.</p> <p>A new higher education Board member has been appointed. Dr Simone Clarke, Pro-Vice-Chancellor (Education and Students) at Harper Adams University, will be chairing the higher education group going forwards.</p> <p>The <b>Marches Careers Hub</b> contract runs until the end August 2023. The Careers &amp; Enterprise Company (CEC) have sent through the paperwork for the new contract for the new academic year starting in September 2023. The ongoing uncertainty about LEP's has raised a few questions about whether the contract can be signed which would run until August 2024. It has been decided to proceed and the focus is business as usual and if necessary, any change to the contract can be made further down the line should the LEP not continue.</p>	
6	<p><b>Cyber Quarter update</b> Hugo Russell (HR), project manager at University of Wolverhampton gave a really informative presentation and general overview of the Cyber Quarter facility. HR was joined by Abi Hopkins, Project Contracts Manager and Mark Williams (MW), Principal Management Accountant who were there to assist with the Q&amp;A section of the update.</p> <p>The project itself was delayed by more than two years mostly due to COVID throughout 2020 and 2021, but also discovering asbestos and the flooding in Hereford early on in the build during 2019. Cyber-attacks in the Ukraine, has shone a light on the risk of cyber-attacks for businesses which has led to a lot of interest in the facility.</p> <p>The two outputs of concern are jobs created and the commercial floor space. HR highlighted that there was an error when setting the outputs related to commercial floor space completed and that which is occupied. The figures were same, but it is not possible to achieve the same figure for space occupied because the total floor space completed includes toilets and common areas. The commercial floor space occupied figures need to be amended.</p> <p>A detailed presentation on the project can be found here <a href="#">Cyber Quarter</a>. Cyber Quarter is also running a series of <a href="#">CGI Cyber Escape Room Events</a> later in May which the group members were invited to attend.</p> <p>RL asked how sustainable the facility is and is the University of Wolverhampton subsidising it. MW advised that number of tenants should increase from 2 to 7 next year. The UofW has underwritten the business and it will be short by £200K which the University is covering. The key to growth is the focus on training. The University has just advertised for two new posts, one of which is a sales position to help to grow the business and a technical post to support the training offering.</p>	



	<p>FM asked what comfort MW could provide that UofW would continue to underwrite any shortfall. MW advised there is a 20-year plan, which the University believes is achievable hence why it has continued to underwrite the costs. The UofW is committed to help the Cyber Quarter succeed.</p> <p>MS asked if the impact of COVID and students wanting to do more online training has been factored in their business plan. MW confirmed they have planned for 50% online and 50% onsite training.</p> <p><b>Action: AG asked for clarification of what the actual commercially available floor space would be. HR agreed to provide the figures.</b></p> <p>KJ reminded the group that if they are running business training that they should keep the Cyber Quarter in mind and reach out to the Growth Hub.</p> <p>KJ also stated Herefordshire was part of a Science and Innovation Audit, which identified some opportunities to collaborate with Gloucestershire, Swindon and Wiltshire and Worcestershire. She asked is the sector growth still relevant. HR confirmed that the opportunities are already being worked where applicable.</p> <p>AG asked if the NHS has been approached. HR said that the focus has been with SMEs but if anyone has any contacts to let him know. <b>Action on all to send any contacts through to Hugo Russell.</b></p> <p>SR asked if returning almost £1million for capital equipment had any impact on the project. HR advised that it has delayed some of the collaborative R&amp;D and match funding.</p>	<p>HR</p> <p>All</p>
7	<p><b>NMITE Update</b></p> <p>James Newby, President, and CEO of NMITE University gave an informative presentation and general overview of the NMITE university development.</p> <p>NMITE has received 3 grants from the Marches LEP, one for the Blackfriars site in Herefordshire and two for Skylon Park. Details of the projects and sites can be found in the <a href="#">NMITE presentation</a>.</p> <p>NMITE is behind on outputs for student recruitment (undergraduates) and also match funding obligations across all three grants. COVID has hugely disrupted the plans for student population.</p> <p>SW asked for a list of the manufacturing companies that NMITE is currently working with and what the scope is to reach out wider. SW works for one of the largest manufacturing companies, Protolabs, in Shropshire and wider area. <b>Action: A list of partners can be found on the <a href="#">NMITE Partners   NMITE</a> website but JN agreed he would send the list to JG to circulate to the group.</b></p>	JN
8	<p><b>Any other business</b></p> <p>None.</p>	
<p><b>Next Meeting of the Marches LEP PRMC: 22 June 2023 14:00-15:30</b></p>		

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MARCHES LEP CORPORATE RISK REGISTER  
Last updated: 13/06/2023

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Current controls	Residual Risk Ratings			Rationale for Risk Changes	Risk Mitigation	Direction of Travel
				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			
<b>TOP RISKS - In order of Risk Rating (High to Low)</b>									
2.6	Marches LEP Staff posts are vacant for a prolonged period, impacting on the day to day running of the LEP	Disruption to the running of the LEP.	Delegation of CEO's responsibilities to another member of the LEP's Senior Management Team, ensuring continuity of business. The Marches LEP Team works on the Share Point system, ensuring all staff have access to all files to prevent any disruption to day to day business, promoting knowledge retention/sharing within the organisation.	4	4	16	With the long term future of the LEPs 24/25 extremely uncertain members of the LEP will start to look for new opportunities creating vacancies that will be difficult to fill		↑
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 off by partners.	Reputational damage for LEPs and damage to stakeholder relationships. Hard to gain traction when messaging around LEPs is so 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. Continue to deliver all programmes well and look to proactively use the limited resources e.g. the Energy Fund, Land study etc. Continue to feed into the LEP network and BEIS to highlight issues.	4	4	16	N/A	See current controls	↔
<b>NEW RISKS - In order of Risk Rating</b>									
1.17	Lack of clarity from the board about the future role of the LEP post April 2024	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 and reduced 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 this exposes the programmes to underperformance and risk of clawback 2) Loss of credibility reducing ability to work effectively with stakeholders and partners 3) reducing the time available to spend remaining resources in a sensible, effective and impactful manner		4	4	16		To develop a clear position about the future direction and role that the LEP can and the services and support it can provide	*

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	

Marches LEP - Risk Matrix					
Likelihood	Impact				
	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

MARCHES LEP PROGRAMME RISK REGISTER  
Last updated: 13/06/2023

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Current Controls	Residual Risk Ratings			Rationale for Risk Changes	Risk Mitigation	Direction of Travel
				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			
<b>TOP RISKS - In order of Risk Rating (High to Low)</b>									
2.3	Programmes: 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 and the LEP will look to use agency staff if required and but will continue to appoint to vacant business critical roles as appropriate.	4	4	16	Continuing uncertainty about the future of the LEP with key decisions being delayed until July	Please see Current Controls	↑
3.20	Programmes: Non delivery of Oxon Link Road	Loss of LGF Grant (£4.19 million); 1090 jobs, 12 hectares of employment land, 835 housing units, 1.14km of new road, 2.05km of road resurfaced & 4.26km of cycle way not delivered having a negative impact on economic development	Regular monitoring of the project has been ongoing. Update provided to LEP Board 24/01/23 following an update to PMRC in December and SCC confirmed that the project would proceed, the concerns raised by the Environment Agency & Severn Trent Water had been addressed and any additional project costs would be met by SCC	4	4	16	No changes to residual risk ratings	Please see Current Controls	↔
3.21	Programmes: The Hereford City Centre Improvements project does not spend their Overall GBF Grant allocation by 31 March 2023.	The project becomes undeliverable within the timescale resulting in clawback of GBF funding.	The project is being monitored as part of the LEP's performance monitoring programme against its varied contractual commitments. This is subject to a Variation Agreement (Nov / Dec 2022) to the GFA.	4	3	12	The shopfront improvement grants are proving unpopular with shop owners even with an intervention rate of 80%. The poor uptake is blamed on economic conditions. This will affect the ability of the project to generate the contractually required match before the end date of the project	Please see Current Controls	↑
3.18	Programmes: The Integrated Construction Wetlands project unable to fully spend against Getting Building Fund allocation by 31 March 2022.	Project failure to deliver against spend and contracted outcomes will lead to potential clawback, non delivery and reputational damage	The LEP continues to monitor the revised delivery position through regular progress reports and meetings with the PM, ensuring that the project remains on track. (N.B. match of £227K was claimed in Q3 22/23 leaving £733K to claim. The project has yet to deliver against its other outputs of 500 jobs created and 1385 housing units, however with the delivery of 3 wetland sites these should start to be delivered	3	3	9	Risk has increased due to issues with the evidence provided for the match and which wetland sites have been purchased and the cost of purchase		↑
3.22	Programmes: PRIDE Hill Non delivery as per GFA. A revised Variation Agreement to the GFA was been approved 7 -11-2022 at MLEP PMRC.	Clawback of GBF Grant (£5.02 million); 250 jobs created, 10 jobs safeguarded, 19000m2 commercial floor space not delivered having a negative impact on economic development	The project will continue to be monitored against the agreed varied contract through regular meetings with the PM and the project will continue to provide regular updates on the generation of match and delivery of agreed outputs	3	3	9	The LEP hasn't received the necessary information it needs to complete a deed of variation to the contract		↑

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

Marches LEP - Risk Matrix					
Likelihood	Impact				
	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

**End**