

Meeting date:	3rd August 2023					
Agenda Item:	4					
Item Subject:	Marches LEP Chair and Chief Executive Officer's Report					
For:	Discussion	X	Decision		Information	X

Purpose of the Paper: To provide Board Members with a brief overview of LEP's activities not reported elsewhere.

Summary of Recommendations: That Board Members note the content of the Report.

1. Executive Summary

The government has concluded its information gathering exercise on its "minded to" not fund LEPs beyond this financial year but hasn't, at the time of writing this report, communicated the outcome to LEPs. This is an extremely frustrating position to be in, given the repeated assurances that the policy decision would be communicated to LEPs before the house rose on 20th July. A verbal update on the position, if available will be given at the meeting.

We will discuss the implications of the lack of a decision at the Board meeting but in the meantime the priority is business as usual and supporting the staff through these uncertain times.

The LEP team continues to work hard on the delivery of the contracted programmes as well as looking at other opportunities.

We had a very successful Careers Hub conference with great engagement from participants and some interesting ideas about how the service can be further developed. We're reviewing these and will bring funding proposals to the next meeting.

The Department for Transport recently visited the Marches for three consecutive days, organised by the LEP. The event was a great opportunity to highlight the infrastructure challenges faced by the region and garner support. It was pleasing to secure £40k from Midlands Connect towards the business case development of rail projects. This funding will be added to the £100k already approved for business case development which will be launched when the Aecom transport strategy work is completed and reviewed.

Work on the Marches LEP commissioned Land Use Study is continuing in order to understand current usage e.g., farming, woodland etc, and identify new economic opportunities in the ways that landowners use and manage their land. The study, along with a land use prospectus, seeks to identify opportunities for the Marches to become a leading region for carbon offsetting and its potential for sustainable energy production. It will be launched at an event on 28 September 2023 which the Marches LEP is arranging in partnership with the Forestry Commission.

The DfE has confirmed that Bootcamps will run until 2025 and is keen for the LEPs to continue to run them. We've been gathering the necessary evidence of demand to put a bid in to DfE to run a bootcamp across the Marches, most likely concentrating on Green Skills. Discussions with a range of employers, sector groups and training providers are ongoing. DfE has advised that the funding has now been extended in FY24/25 which allows us more time to develop a fully evidenced funding bid. We are also promoting national provision that is already available so that local businesses can benefit from this.

2. Future of the LEP

It is proposed that there is a full discussion about the future of the LEP at the Board meeting. In preparation we have sought legal advice from Bevan Brittan regarding staff and LEP government contracts which can be discussed at the meeting. The LEP is an independent private limited company, which means it operates as a separate legal entity from the government or any other stakeholders.

The decisions on how to proceed with these contracts will be made by the LEP Board. The LEP Board has the authority to determine the course of action regarding the contracts, regardless of any alternative recommendations that may come from the government or other parties.

It's important to note that legal matters can be complex and context-specific and whilst we have an overarching understanding, further clarification or guidance on specific contractual matters may be required.

As part of the internal review of the LEP we conducted a cost benefit analysis of what the local authorities get in return for their annual contribution. This is included at Appendix 1, but is summarised below:

	Herefordshire	Telford & Wrekin	Shropshire
LA Funding toward core costs	23,512	23,323	40,665
Total funding received from LEP	271,356	271,356	366,956
Net benefit to LA	247,844	248,033	326,291
Return to LAs £1:£1	11.54	11.63	9.02

*Figures above do not include the £1.575m allocated to the Marches Energy Grant (MEG) which is being used as match by LAs against their SPF.

It is clear from the above that the LAs get a substantial benefit from the LEP in return for their modest contribution to core costs. While there will be an inevitable debate about how much money the LEP will continue to get post March 24, it is not guaranteed that the income LEPs receive will be automatically redistributed to LAs in future years.

3. Finance

The finances remain largely unchanged. The LAs have agreed to provide match funding to the core grant of £88k. Telford Land Deal income to the LEP has been confirmed as £498k and will need spending on capital activity before March 2025. All costs associated with a potential wind up of the LEP continue to be ringfenced and, following discussions/sharing of information with other LEPs, this budget has now been increased to £450k.

4. Business Support

4.1. Marches Growth Hub

The report on the independent evaluation of the Growth Hubs programme between 2015 and 2020 was formally released in July 2022 and a copy may be found [here](#). It concludes that Growth Hubs:

- Are successful, and are proven to work, especially for SMEs.
- Increase employment levels, growth, investment in R&D and access to finance for supported businesses.

- Simplify the business support landscape through effective stakeholder management which enables businesses to access relevant support.
- Have a reputation for reliability and independence, a unique understanding of local needs and strengths and a 'human centred' approach which is valued by businesses.

The report makes 5 recommendations to Government:

1. Improve communication and marketing of the network.
2. Increase resourcing for the Growth Hubs, directly or indirectly.
3. Support further development of the offer, learning from the experience of the pandemic.
4. Deliver consistency of the offer across the network.
5. Improve data collection and reduce bureaucracy.

The Marches Growth Hub [website](#) is currently being updated to ensure that its [support finder](#) contains details of new programmes, included those developed by local authority partners under UKSPF funding. The design of the website is also being refreshed in order to improve user experience.

The level of enquiries to the Growth Hub remains steady.

The team is continuing to compile a monthly local business intelligence report for the Department for Business and Trade (DBT). Feedback from discussions at the Business Support Sub-group meeting on 13 July 2023 will be included in the August report. LEP Board members are also invited to contribute to this report if there are any particular issues they would like to raise.

4.2. DBT Key Account Management (KAM) Programme

Our new delivery model in FY22/23 saw us meet and exceed our contractual targets (30 companies account managed against a target of 30, 15 investment projects identified against a target of 15 and 6 project wins against a target of 5).

The Marches LEP has successfully secured funding for FY23/24 from DBT, and, following a procurement exercise, has contracted a delivery partner to work with the local authorities. A project meeting was held with DBT and local authority partners on 10 July 2023 to confirm priorities and working arrangements for the new contract period.

4.3. DBT International Trade Support

In order to encourage continued collaboration, the Business Support Steering Group received a presentation from DBT on its international trade services at the 27 April 2023 meeting. These are all being promoted through the Marches Growth Hub.

5. Skills and Labour Market Support

5.1. Skills Advisory Panel

The Department for Education funding to support the Skills Advisory Panel ceased at the end of FY22/23 and a final report has been submitted to formally close this project.

5.2. Marches Careers Hub

Delivery within the Marches Careers Hub project is on target and a conference was held on 29 June 2023 attended by more than 50 stakeholders to reflect on success and plan for the new academic year.

Key highlights of academic year 22/23 include:

- Sustained improvements in the achievement of [Gatsby Benchmarks](#).

- Proactive promotion of the Marches' key employment opportunities through a series of labour market sector-based broadcasts and the development of bespoke resources including a [local labour market platform](#).
- The increasing use of the Future Skills Questionnaire to strengthen the student voice by collecting information from 2,593 young people across the Marches.
- A series of briefings for Careers Leaders, volunteer Enterprise Advisers, Governors and Head Teachers.
- Effective promotion of apprenticeships and vocational education, including providing sponsorship contributions for the Telford & Wrekin: Apprenticeships, Employment & Skills show and MSPN: All about Apprenticeships event.

The project co-funder the Careers and Enterprise Company, has approved our delivery plan for AY23/24 and a signed grant offer letter is now in place. This has enabled the Marches LEP to confirm an extension until 31 August 2024 with each of the local authority partners. Discussions with local authority partners around how best to meet the targets and overall priorities for the new contract period are continuing.

6. PR & Marketing Activity Report for the Marches LEP and Marches Growth Hub (MGH)

The PR and Marketing update is included in Appendix 2.

7. New Opportunities

We continue to look at new opportunities for the LEP, but this is very challenging given the lack of clarity from government. The LEP needs to have a clear national or local mandate to continue.

Financial implications: None

Legal implications: None

Risks, opportunities and impacts: None

Equality implications: None

Additional information/ attachments:

Appendix 1 - [Breakdown of LA support from LEP](#)

Appendix 2 - [PR & Marketing Activity Report for the Marches LEP and Marches Growth Hub](#)

Background papers/documents: None

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