

## Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC) Thursday 22 June 2023

### Present

Sonia Roberts (Chair)	SR	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
Rachael Hart	RH	Deputy 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
Susan White	SW	Herefordshire Council - HCCI
Neil Batt	NB	Herefordshire Council - HCCI
Sarah Jones	SJ	Shropshire Council – Pride Hill Centre
Tim Pritchard	TP	Shropshire Council – Pride Hill Centre

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 Herefordshire Council presenting an update on Herefordshire City Centre Improvement project - Susan White and Neil Batt; and also Sarah Jones and Tim Pritchard, from Shropshire Council, presenting an update on the Pride Hill Centre project.</p> <p>Apologies were received from Ken Clarke, Andrew Lovegrove, Mark Barrow, Karen Morris, Dainy Runton, James Walton and Govin Aujla.</p> <p>There were no declarations of interest. With reference to agenda item 2, Rachael Hart confirmed that she was a Director of Cyber Quarter Ltd.</p>	
2	<p><b>Minutes of the last meeting and matters arising</b></p> <p>The minutes of the last meeting on 27 April 2023 were reviewed, checked for accuracy, and approved as an accurate record of the meeting.</p> <p><b>Carried Forward:</b> The LEP Board has held an initial meeting to discuss options for the future of the LEP, including continuing with a revised focus or having an orderly wind down. A paper will be presented to the LEP Board in June, and further discussions will take place. <b>Update 22 June 2023: The June Board Meeting was cancelled therefore the paper outlining the proposal for the LEP’s future will now be presented at the July Board Meeting.</b></p> <p><b>Update to the presentation from Cyber Quarter at meeting on 27 April 2023:</b> RL and KJ met with representatives of Cyber Quarter from University of Wolverhampton, to discuss the ongoing viability of the Cyber Quarter. People have got used to doing training remotely since COVID and the accessibility with it being in Herefordshire is not ideal. UofW are underwriting the costs currently but are developing other options to diversify if it is not sustainable in its present format. For example, they are considering operating it as a Security Operating Centre (SOC) that can be offered as a service to SMEs.</p>	RL

	<p><b>Carried Forward:</b> 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. 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>Update 22 June 2023: No list had been sent by JN, JG would follow up and circulate to the committee.</b></p>	<b>JG</b>
<b>3</b>	<p><b>Marches LEP Update</b></p> <p><b>a) Future role of LEPs update</b>          SR and RL gave the following update: There has been a lot of discussion on LEPs nationally. Where there are devolution deals in place they are being merged into Local Authorities. In the case of the Marches, the local authorities are working independently so there is no body that covers the whole geographic area and there is no reasonable devolution deal in the offing. There is a strong appetite from private sector businesses for there to be an advocate that covers the whole area.          The LEP is working on options and will provide updates in due course.</p> <p><b>b) Land Use Study</b>          An extension and extra funding have been agreed for this work because the scope has widened. An event is being planned for 28 September 2023 to launch the report, and subject to Board approval, the LEP is looking to put £100,000 into innovative low carbon land-based projects to further some of the work identified in the study. A call for applications will be launched at the event in September.</p> <p><b>c) Transport Consultation</b>          The Department for Transport and Midlands Connect visit that took place in Herefordshire, Shropshire and Telford and Wrekin from 6-8 June was a huge success and has helped stakeholders understand the area and the transport challenges a little better, which will help when partners start to put in business cases for transport projects.</p> <p>The transport consultation work has fallen slightly behind schedule but is expected to complete in the next few weeks. <b>Action: Plan to share the findings at the next PRMC committee meeting on 24 August 2023.</b></p> <p><b>d) Skills Bootcamps</b>          The LEP is still considering an application to the Department for Education to administer Skills Bootcamps funding for training where there is evidence of employer demand for short course provision. 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.</p>	<b>RL</b>          <b>MS</b>
<b>4.</b>	<p><b>Top 5 Risk Registers</b>          MS gave an update on the Top Risks and any new or changed risks.</p> <p><b>A) <a href="#">Corporate Risk Register</a></b>          The top corporate risks remain unchanged and relate to the uncertainty of LEPs.</p> <p>A new risk has been added, concerning the lack of clarity from the Board about the future role of the LEP post April 2024. This is related to the other risks and more specifically talks about the risk of staff leaving which would impact on the LEP's ability to deliver its core business.</p> <p><b>B) <a href="#">Programme Risk Register</a></b>          The inability of the LEP team to deliver the various programmes due to staff leaving or lack of</p>	

	<p>funding remains an issue because of the uncertain future of the LEP.</p> <p>The other risks highlighted were linked to specific projects, the Oxon Link Road, the Hereford City Centre Improvement package, the Integrated Wetlands Scheme and the Pride Hill Centre redevelopment. Representatives of Hereford City Centre Improvement Project and Pride Hill Centre Project presented their updates to the committee which is documented at item 5 &amp; 6 of these minutes.</p> <p>Oxon Link Road still remains high risk until there is a planning decision in July 2023 and Integrated Wetlands is still a concern. Detailed updates on Oxon Link Road and Integrated Wetlands are covered in item 7.</p>	
<p><b>5</b></p>	<p><b>Hereford City Centre Improvement Update</b></p> <p>Susan White (SW), senior project manager at Herefordshire Council, gave a really informative presentation and general update on each of the <a href="#">Herefordshire City Centre Improvement projects</a>. SW was joined by Neil Batt, Programme Manager for Transport, Place Making and Highways, to assist with the Q&amp;A section of the update.</p> <p>The overall project is on track for completion by March 2024.</p> <p>The <a href="#">Shop front improvement grant scheme</a> project was flagged as a concern. There have been 16 pre-application forms received to date; 11 of which have been invited to submit a full application. Only one has been received to date. Businesses are asked to do the pre-application form first as they did not want them to go to the expense of getting designs drawn up if they were found not to be eligible.</p> <p>The estimated time for businesses to go through the process is around 7-8 months, due to the planning permission process and long lead times on materials and availability of contractors to do the work, therefore the project requested to extend the completion date from March 2024 to allow all the applicants enough time to go through the process and defray invoices. The project proposed a few alternatives to help meet the deadline date but feel extending the timeline by 6-months was the best value for money option. SW advised they needed longer to enable them to increase the pipeline of businesses to ensure they achieve the spend, and also to allow enough time for the businesses to go through the full end to end process.</p> <p>Herefordshire Council's request was put to a vote. FM stated he did not feel a blanket extension was the best option. SR proposed a 3-month extension which was approved and requested that the project keep the pressure on to increase the pipeline and update the committee again in another 3-6 months on progress. <b>Action: MS to register the 3-month extension on project documents.</b></p>	<p><b>MS</b></p>
<p><b>6</b></p>	<p><b>Pride Hill Centre Update</b></p> <p>Sarah Jones (SJ), Growth Programme and Strategy Manager and Tim Pritchard (TP), Programme Manager at Shropshire Council gave a presentation and general update on the Pride Hill Centre project.</p> <p>See the <a href="#">Pride Hill Centre project paper</a> for headline information. Details of the wider Riverside development project and levelling up funding can also be found on <a href="#">Shropshire Council webpage</a>.</p> <p>There is currently a review going on of the masterplan to ensure it is still relevant and some professional project team appointments have been made. In terms of the demolition of the Pride Hill Centre, Shropshire Council may look to retain some elements of the structure where it will save time and costs. The biggest challenge is planning. Shropshire Council is working closely with the Environment Agency, because of the proximity of the site to the River Severn. Planning applications should be in by summer 2024.</p>	

	<p>RL asked what contingency plans there are for inflation and interest costs. TP advised they are keeping an eye on the uncontrollable aspects of the project and managing it as a risk. Rivington Hark have done an appraisal and within that have allowed for inflation. There is contingency built in, if the costs should rise so that the Council would be able to meet the costs.</p> <p>SR asked about the safeguarded jobs. SJ advised that they were able to help relocate some of the businesses to the Darwin Centre, whereas they would have moved out of the town if they could not have relocated. That safeguarded some of the jobs for example HMV and Wilko, and evidence is available to validate this.</p> <p>The PRMC will continue to monitor this project and invite them back to provide an update in early 2024. <b>Action: MS to add to the Forward Plan for 2024.</b></p>	<b>MS</b>
<b>7</b>	<p><b>Performance monitoring – Exceptions</b></p> <p><b>a) Growth Deal Update and b) Getting Building Fund update.</b></p> <p>i. <b>Oxon Link Road (OLR)</b> remains at high risk of non-delivery. The planning application for the wider North West Relief Road including OLR is due to go to planning committee on the 18<sup>th</sup> July. An email was sent to Shropshire Council highlighting concern that if NWRR is not approved, it will impact delivery of the Oxon Link Road as it is part of the planning permission request.</p> <p>The request was for Shropshire Council to reassure the LEP that, if approval is not given, that the Oxon Link Road should be uncoupled as requested last year, and to provide a schedule of how long OLR would take to deliver. Shropshire Council advised it would not be practical to deliver the schedule in such a short space of time before the planning committee meeting on 18 July 2023. However, they remain confident that a positive decision will be made on 18 July 2023 and the work would proceed in the New Year (February or March 2024).</p> <p>SR stated that the planning committee are meeting on the morning of the LEP Board on 18 July 2023, so any decision on whether the project received planning permission should be known in time for the Board meeting.</p> <p>The Board needs to consider the viability of the project if planning is refused or deferred and whether the LEP should consider clawback of the funds for Oxon Link Road. It is understood that OLR would still requires planning approval if NWRR is not approved. Invitation to tender documents would need to be re-written and a tender process run, meaning it is unlikely a project could start even if planning is approved for OLR, and Shropshire Council can meet the costs, until January 2024 at the earliest. Funding for the project was approved in 2017, so 6 years later to still not have planning permission raises considerable concerns for the LEP.</p> <p>RL asked for the PRMC to agree a recommendation to the Board on how to proceed. AC asked if the project does lead to clawback where would the money go. RL advised that projects that could deliver in a short time frame in line with the original LGF criteria would need to be identified and evaluated through an open and transparent process.</p> <p>BJ advised as the accountable body that Shropshire Council would have to ensure that any clawback was enacted in line with the contract, and ensure any money recovered was spent for a similar purpose as the initial grant. For example, as it was Local Growth Fund it would be capital funding to support local projects which help overcome strategic barriers to growth.</p> <p>SR proposed that PRMC recommend to the LEP Board that it trigger clawback if:</p> <ul style="list-style-type: none"> <li>• the plans do not go to committee when it is scheduled to on 18 July;</li> <li>• the plans are not approved for the NWRR, or</li> <li>• there is no approved start date for work to commence on site for the Oxon Link Road</li> </ul> <p>by the time the Board meets given that decoupling the project was requested last year and</p>	

	<p>assurances were given by the council.</p> <p>The recommendation was put to the vote and was approved by the Board member representatives. The PRMC has been extremely patient with this project.</p> <p><b>Action: Board paper to be produced outlining PRMC recommendations.</b></p> <p><b>ii. Integrated Wetlands</b></p> <p>There is a concern about the supply of project information to the LEP; in particular, the number of sites that have been purchased and hectareage and the money spent on them. The LEP has been given information on two of the sites that have been purchased, Luston and Titley, and some information on the Tarrington site, but it is not a deed transfer document. The LEP has been chasing the information from Ben Boswell from Herefordshire Council, but it has not been forthcoming. The information relates to:</p> <ol style="list-style-type: none"> <li>1. The number and size of sites acquired.</li> <li>2. The amount that has been spent on the acquisition of the sites is unclear. In the original proposal the target was to spend £596,301 on the purchase of sites. We have only been able to identify £349,000 on the transaction sheets.</li> <li>3. The match funding information linked to the transaction lists is also incomplete, there is at least £100,000 of match that has been claimed that it is still outstanding evidence.</li> </ol> <p>The Wetlands project has therefore been added back as a risk due to the lack of transaction evidence.</p> <p>FM asked what the sanctions are for the project. RL advised that if the LEP does not have the information within 2-weeks that it would look to clawback the money. If they cannot evidence the £1m then they have not fulfilled their obligations. The situation with the lack of information has gone on long enough, and the quality of the information has been quite poor which has meant the LEP has had to pay Shropshire Council Finance Team to spend considerable time deciphering check all the information that has been provided.</p> <p>Rachael Hart from Herefordshire Council apologised for the missing information despite assurances from her colleague Ben Boswell. BB has confirmed to her he is in receipt of the evidence. <b>Action: RH advised she would personally follow up to ensure the evidence is sent to the LEP including quality assuring the information first, and that includes the detail being asked for i.e. evidence for the £1m spent and the £1m match.</b></p> <p>RL suggested that if the LEP does not receive the information, the project should be invited to present at the next PRMC in July to explain their position. <b>Action: MS to invite BB to next meeting if information not received.</b></p> <p><b>b) Growth Hub Update</b></p> <p>MS provided the following update:-</p> <p>The Growth Hub team has been working with the local authorities who are in the process of launching their Shared Prosperity Funds (SPF) schemes.</p> <p>A Finance event was held in Herefordshire on 21 June 2023, which was run with British Business Bank, Midlands Engine Investment Funds covering loan investments. There are a series of other events being planned, an event <a href="#">focusing on procurement on 25 July</a>, followed by events covering Bid Writing, a potential joint Growth Hub &amp; Careers Hub event looking at approaches to recruitment, Innovation and Intellectual Property topics.</p> <p>SR highlighted there was some confusion with local businesses that some of the initiatives are being limited to the local authority area due to it being paid for by their SPF i.e. if you are not in the postcode area you cannot benefit from the scheme. A similar issue is happening with events where some are only open to businesses within the local authority area whereas in the past all businesses across the Marches could attend. The Marches Growth Hub has always been seen as a consistent support mechanism for businesses across the Marches. The</p>	<p>MS</p> <p>RH</p> <p>MS</p>
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	<p>provision of business support products which are specific to a local authority only has been described as the postcode lottery.</p> <p>AG highlighted that was some confusion over how enquiries are being dealt with for the <a href="#">WM SME Grant Programme   Birmingham City Council</a> which is also being offered by Shropshire Council to businesses in Shropshire. An enquiry had been passed around various teams as it was not clear who should be dealing with it.</p> <p>Note: The website states Birmingham based businesses should contact the GBSLEP Growth Hub on 0800 032 3488. Shropshire based businesses should contact the Marches Growth Hub Shropshire helpline on 01743 250526.</p> <p>AC stated he would feed this information back to central colleagues at the SPF programme.</p> <p><b>c) Energy Projects</b> RL gave the following update: The contract has now been signed by Worcestershire Council for the Marches Energy Grant scheme. The staff have put in place and the enquiries have been handed over. There has been a total of 417 enquiries; of which 96 have been contacted and had energy audits conducted. It has been frustrating that it has taken so long but it is now underway.</p> <p><b>d) Key Account Management (KAM)</b> Our new delivery model in FY22/23 saw us meet and exceed our contractual targets. The Marches LEP has successfully secured funding for FY23/24 from Department for Business and Trade, and, following a procurement exercise, has contracted a delivery partner to work with the local authorities. A project meeting will be held with DBT and partners on 10 July 2023 to review progress to date.</p> <p><b>e) Skills Support (SAP/Marches Careers Hub)</b> 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 close this project off.</p> <p>Delivery within the Marches Careers Hub project is on target and a stakeholder conference will be held on 29 June 2023 to reflect on success and plan for the new academic year. The funder, the Careers and Enterprise Company, has received our delivery plan for AY23/24 and we are awaiting formal acceptance of this and the grant offer letter. This will then enable the Marches LEP to update agreements with each of the local authority partners to confirm the funding and targets for the new contract period.</p>	
8	<p><b>Any other business</b> None.</p>	
	<p><b>Next Meeting of the Marches LEP PRMC: 24 August 2023 14:00-15:30</b></p>	