

MARCHES LEP PERFORMANCE RISK & MONITORING COMMITTEE (PRMC) MEETING	
24 November 2023	10.00 to 11.30am
Virtual Meeting	

ATTENDANCE LIST		
Chair	Sonia Roberts	Chair of the MLEP Board
Vice Chair	Sara Williams	Board Member
	Frank Myers	Board Member
	Alex Green	Board Member
Supporting Officers	James Walton	Section 151 Officer, Shropshire Council
	Andrew Lovegrove	Section 151 Officer, Herefordshire Council
	Michelle Brockway	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
	Mandy Powney	Marches LEP Office Administrator
	Govin Aujla	Assistant Director, Cities & Local Growth Unit
Alex Collins	Deputy Area Lead, Cities & Local Growth Unit	

AGENDA				
Item	Time	Description	Lead	Paper
1	10.00am	Welcome, introductions and apologies. Declarations of interest.	SR All	
2	10.05am	Draft minutes of last meeting on 26.10.23 and matters arising.	SR	To Follow
3	10.10am	Performance Monitoring – exceptions		
		<ul style="list-style-type: none"> a) Growth Deal & Getting Building Fund update <ul style="list-style-type: none"> i) Overview of grant position across all projects ii) HCCI Extension 	MS MS	√ √
4	10.40am	Oxon Road update	MS	
9	10.50am	Any Other Business		

Next meeting: Thurs 14 December 2023

Future meetings:
Thurs 22 February 2024

PRMC Meeting Date	Projects to present at meetings
Thurs 14 December	Stronger Communities and Station Quarter Marches Centre of Excellence in Health and Social Care Cyber Security Centre Wetlands Project
Thurs 22 February	Pride Hill

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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GBF Project	Outputs & Expenditure	Overall Position							
		Contract	Actual	Position	% Delivered	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	End Date
HCCI	Match	3,000,000	1,333,830	-1,666,170	44	4	4	16	30/06/24
	Jobs created	90	0	-90	0				
	Housing units	100	0	-100	0				
	Public realm / green space sqm	13190	23,490	10,300	178				
ICW	Match	1,000,000	1,008,463	8,463	101	4	4	16	31/03/24
	Jobs created	500	0	-500	0				
	Housing units unlocked	1385	182	-1,203	13				
Pride Hill Remodelling	Match	12,540,000	2,446,611	-10,093,389	20	3	4	12	31/03/25
	Jobs created	100	0	-100	0				
	Jobs safeguarded	31	37	6	119				
	Additional construction jobs	150	0	-150	0				
	Apprenticeships	6	0	-6	0				
	Remediated Brownfield Land (m ²)	1725	1,725	0	100				
Stronger Communities	Match	18,620,000.00	1,830,963	-16,789,037	10	3	4	12	31/03/25
	Additional construction jobs	40	0	-40	0				
	Housing units	18	0	-18	0				
	Housing units unlocked	95	0	-95	0				
	Community Sport Facility Delivered	300	0	-300	0				
	Area of brownfield development land unlocked (acres)	3	3	0	100				
Tackling Fuel Poverty	Match	428,571	1,045,451	616,880	244	1	3	3	31/03/25
	Jobs created	87	24	-63	28				
	Housing units	11	11	0	100				
	Retrofits	68	68	0	100				
	Learning/training floorspace	200	306	106	153				
	New learners assisted	130	183	53	141				
Skylon Park (NMITE2) (Self-certification)	Match	480,000	0	-480,000	0	3	3	9	31/03/25
	Jobs created	26	26	0	100				
	Additional construction jobs	100	100	0	100				
	Learning/training floorspace	2500	2,500	0	100				
	New learners assisted	200	110	-90	55				
	Companies supported	250	85	-165	34				

Projects of Concern

- **HCCI:** End date is 30/06/24. It is unlikely that all the match will be generated and the outputs of 90 jobs created and 100 units housing will be delivered
- **ICW:** End date is 31/03/24. It is unlikely that the outputs of 500 jobs and 1203 housing units unlocked will be delivered

Meeting date:	24 th November 2023				
Agenda Item:					
Item Subject:	BGF project review				
For:	Discussion	X	Decision	X	Information

Purpose of the paper: Extension to the end date of the ICW GBF project
Summary of Recommendations: Extending the end date of ICW to allow outputs to be delivered
Main Points ICW: End date is 31/03/24. It is unlikely that the outputs of 500 jobs and 1203 housing units unlocked will not be delivered. The project should provide a clear strategy for how the outputs will be delivered and present this at the next PRMC meeting on the 14 th December.
Recommendation <ul style="list-style-type: none"> If the plan presented on the 14th December is credible, the PRMC should extend the end date of the project to 31st March 2025.
Financial implications:
Legal implications: <ul style="list-style-type: none"> Extending the projects will only require a letter.
Risks, opportunities and impacts: Risks <ul style="list-style-type: none"> Extending the projects will not necessarily mean outputs will be delivered. Opportunity: <ul style="list-style-type: none"> The extension will allow outputs to be completed, increasing the overall impact of the project.
Equality implications: N/A
Additional information: N/A
Report Author: Mark Schneider
Background papers/documents:

LGF Project	Outputs & Expenditure	Overall Position							
		Contract	Actual	Position	% Delivered	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	End Date
Telford Bus Station	Jobs created/safeguarded	300	68	-232	23	2	3	6	31/03/25
	Commercial floorspace	8800	10327	1527	117				
Telford Eastern Gateway	Match	1,600,000	4,630,168	3,030,168	289	2	3	6	31/03/25
	Jobs created	2950	1130	-1820	38				
	Housing units	1203	1016	-187	84				
	Employment Land (ha)	31	31	0	100				
Telford Growth Point	Match	3,475,000	3,518,300	43,300	101	2	3	6	31/03/25
	Jobs created	5369	1234	-4135	23				
	Housing units	2845	2788	-57	98				
OLR	Match	8,734,222	1,503,641	-7,230,581	17	3	4	12	31/03/32
	Jobs created	1090	23	-1067	2				
	Employment land	12	0.9	-11.1	8				
	Housing units	835	109	-726	13				
	New roads	1.14	0	-1.14	0				
	Roads resurfaced	2.05	0	-2.05	0				
	New cycleways	4.26	0	-4.26	0				
SITP	Match	7,862,318	7,219,505	-642,813	92	2	3	6	31/03/32
	Jobs created	1663	152.2	-1510.8	9				
	Employment land (ha)	25	7.9815	-17.0185	32				
	Housing units	2499	2167	-332	87				
	Length of road resurfaced (km)	5.14	5.14	0	100				
	New cycleways on carriageway km	1.76	1.76	0	100				
HCCTP	Match	24,688,000	17,768,476	-6,919,524	72	2	4	8	31/03/32
	Housing units	800	240	-560	30				
	Jobs created	803	803	0	100				
	Length of newly built road (km)	0.8	0	-0.8	0				
Connecting Shropshire	Match	10,373,864	22,487,573	12,113,709	217	1	1	1	Completed
	Homes with fibre optic	16,705	70,031	53326	419				
	Commercial broadband	6,115	6,115	0	100				

LGF Project	Outputs & Expenditure	Overall Position							
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HEZ	Match	3,351,500	3,257,483	-94,017	97	1	3	3	31/03/25
	Jobs Created	560	154	-406	28				
	Employment land	8.5	11.24	2.74	132				
	New road	0.3	0.551	0.251	184				
Primary Care at the Tannery	Match	884,629	884,629	0	100	1	1	1	Completed
	Jobs Created	5	11	6	220				
	Area of improved learning /training floorspace	125	126	1	101				
	Jobs Safeguarded	26	26	0	100				
	Fitted employment space (m ²)	350	354	4	101				
	New office space (m ²)	171	171	0	100				
Oswestry Innovation Park	Match	12,019,750	10,748,165	-1,271,585	89	2	3	6	31/03/25
	Jobs Created	510	0	-510	0				
	Employment Land Built (Hectares)	1.87	0	-1.87	0				
	Total Length of New Road (KM)	0.83	1.2	0.37	145				
	New homes supported	1145	491	-654	43				
Stronger Communities	Match	10,814,050	5,071,400	-5,742,650	47	3	4	12	31/03/25
	Jobs created	49	0	-49	0				
	Housing Units Unlocked	479	479	0	100				
	New homes	147	0	-147	0				
	Employment land unlocked	2	0	-2	0				
Centre for Allied Health	Match	1500000	1,730,568	230,568	115	3	3	9	31/03/25
	Jobs created	72	3.5	-68.5	5				
	New/improved Learning/Training Floorspace	1151.47	1,236	84.62	107				
	New learners (students on roll)	1139	804	-335	71				
	Apprenticeships	174	53	-121	30				
	Appenticeship programmes	2	1	-1	50				
	New courses	10	8	-2	80				

LGF Project	Outputs & Expenditure	Overall Position							
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Hereford Cyber Centre	Match	6,180,000	5,141,673	-1,038,327	83	4	4	16	31/03/25
	New Jobs Created (FTE)	185	36	-149	19				
	Area of new or improved learning/training floorspace	104	104	0	100				
	Number of training courses provided	78	78	0	100				
	Commercial floorspace created	2715	2715	0	100				
	Commercial floorspace occupied	549	110	-439	20				
	Number of enterprises receiving non-financial support	18	6	-12	33				
	Number of spin out companies	7	6	-1	86				
	Number of new SMEs created	5	3	-2	60				
	SMEs with improved training defences	18	4	-14	22				
	Increase in GVA by March 2022	8,000,000	5,614,100	-2,385,900	70				
	R&D projects started	40	6	-34	15				
New products created	4	0	-4	0					
Flaxmill Maltings	Match	428,265	483,265	55,000	113	5	3	15	31/03/24
	Housing units completed	120	0	-120	0				
	Length of road resurfaced (km)	0.08	0.308	0.228	385				
	Length of newly built road (km)	0.2	0.20	0	100				
	New cycle ways (km)	0.205	0.205	0	100				
	Work placement reprofile	60	50	-10	83				
	Reclaimed land (hectares)	1.7	1.7	0	100				
	GVA (£)	5,934,904	0	-5,934,904	0				
Newport IEP	Match	2,986,000	2,986,000	0	100	4	4	16	31/03/24
	Jobs created/safeguarded	954	132	-822	14				
	Housing units completed	960	692	-268	72				
	Commercial floorspace completed	50,000	6914	-43086	14				
	Employment land created (ha)	10	10	0	100				
	GVA (£m)	42,000,000	4,850,000	-37,150,000	12				

LGF Project	Outputs & Expenditure	Overall Position							
		Contract	Actual	Position	% Delivered	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	End Date
NMITE 1	Match	3,133,750	2,207,416	-926,334	70	5	4	20	31/03/24
	Jobs created/safeguarded	37	37	0	100				
	Area of new/improved learning/training floorspace	3205	3462	257	108				
	New learners assisted	270	142	-128	53				
	Enterprises receiving non-financial support	75	106	31	141				
	GVA (£)	6,480,000	6,979,582	499,582	108				
	Number of undergraduates	250	110	-140	44				
NMITE 2 (self certification)	Match	7,766,250	5,660,000	-2,106,250	73	5	4	20	31/03/24
	Jobs created/safeguarded	195	0	-195	0				
	Area of new/improved learning/training floorspace	3695	221	-3474	6				
	New learners assisted	810	110	-700	14				
	Enterprises receiving non-financial support	375	0	-375	0				
	GVA (£)	27,520,000	0	-27,520,000	0				
	Number of undergraduates	750	0	-750	0				
Bishops Castle	Match	83,386	109,786	26,400	132	2	3	6	31/03/25
	Jobs created	38	0	-38	0				
	Increased renewable capacity	5	5	0	100				

Projects of concern

- **NMITE1&2:** Due to finish 31/03/2024. There are concerns about the outstanding match of £3.03 million, of this amount there is a disagreement as to whether £926,334 has been claimed. There are also several outputs that will not be delivered by 31st March 2024, 195 jobs, 828 new learners assisted, 890 undergraduates.
- **Newport IEP:** Due to finish 31/03/2024. 268 housing units, 43,086m2 of commercial floor space and 822 jobs have not been delivered.
- **Hereford Cyber Centre:** Due to finish 31/03/2025. £1,038 million match is outstanding. A range of outputs have not been delivered, 149 new jobs, 439m2 of commercial floorspace occupied and 14 R&D projects started are of particular concern.
- **Flax Mill:** Due to finish 31/03/2024. The output of 120 housing units is unlikely to be delivered.

Meeting date:	24 th November 2023				
Agenda Item:					
Item Subject:	LGF project review				
For:	Discussion	X	Decision	X	Information

Purpose of the paper: Recommendations for at risk LGF projects.

Summary of Recommendations:

To extend the end date of projects to allow outputs and match to be delivered or to pursue clawback.

Main Points

NMITE1&2: Due to finish 31/03/2024. There are concerns about the outstanding match of £3.03 million. Of this amount there is a disagreement as to whether NMITE1 has claimed £926,334 of outstanding match, the LEP disputes this. NMITE2 is managed by Herefordshire Council, HC self-certificates match and outputs on an annual basis. There are several outputs that will not be delivered by 31st March 2024, 195 jobs, 828 new learners assisted, 890 undergraduates. The projects should provide a clear strategy for how the match and outputs will be delivered and present this at the next PRMC meeting on the 14th December.

Recommendation:

- If the plan presented on the 14th December is credible the PRMC should extend the end date of the project to 31st March 2025. However, if the plan is not credible then clawback of the outstanding match should be pursued.

Hereford Cyber Centre: Due to finish 31/03/2025. The building is now complete, however £1,038 million match is outstanding. A range of outputs have not been delivered, 149 new jobs, 439m2 of commercial floorspace occupied and 14 R&D projects started are of particular concern. The project should provide a clear strategy for how the match and outputs will be delivered and present this at the next PRMC meeting on the 14th December

Recommendation:

- If the plan presented on the 14th December is credible the PRMC should extend the end date of the project to 31st March 2025. However, if the plan is not credible then clawback of the outstanding match should be pursued.

Newport IEP: Due to finish 31/03/2024. 268 housing units, 43,086m2 of commercial floor space and 822 jobs have not been delivered. The project should provide a clear strategy for how the outputs will be delivered and present this at the next PRMC meeting on the 14th December.

Recommendation:

- If the plan presented on the 14th December is credible the PRMC should extend the end date of the project to 31st March 2025.

Flax Mill: Due to finish 31/03/2024. The output of 120 housing units is unlikely to be delivered. The project should provide a clear strategy for how the outputs will be delivered and present this at the next PRMC meeting on the 14th December.

Recommendation:

- If the plan presented on the 14th December is credible the PRMC should extend the end date of the project to 31st March 2025.

Financial implications:

NMITE1&2: clawback of potentially £3.03 million which will have to be redirected to new projects and be defrayed by 31st March 2025.

Hereford Cyber Centre: clawback of potentially £1.038 million which will have to be redirected to new projects and be defrayed by 31st March 2025.

Legal implications:

- Extending the projects will only require a letter.
- Clawback will be challenging and time consuming.

Risks, opportunities and impacts:**Risks**

- Clawback will require funds to be redirected to new projects and be defrayed by 31st March 2025.
- Extending the projects will not necessarily mean outputs and match will be delivered and will prevent funds being redirected to new projects.

Opportunity:

- Clawback will allow funds to be redirected to new projects.
- The extension will allow outputs to be completed, increasing the overall impact of the projects.

Equality implications:

N/A

Additional information:

N/A

Report Author: Mark Schneider

Background papers/documents:

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Meeting date:	24 th November 2023					
Agenda Item:						
Item Subject:	Extension to the end date of the Hereford City Centre Improvement GBF project					
For:	Discussion		Decision	X	Information	x

Purpose of the paper: Extension to the Hereford City Centre Improvement GBF project
Summary of Recommendations: Clawback of the underspend in the business grants element of the project
<p>Main Points</p> <p>City Trees/Greening Underspend: HC had requested the reallocation of underspend from the City Trees and City Greening Projects into the Public Art project to maximise the positive benefits that are quickly becoming evident from this element. However, due to the time pressures to deliver within the remaining programme, the Public Art tender had to be published the w/c 3rd November, the HC has reconsidered its proposal. The council is exploring the installation of sedum bus shelters at the Country Bus Station in Hereford to utilise the City Greening budget effectively. This will provide welcome biodiversity interest in a currently relatively barren area and will provide a re-fresh and improvement for those waiting for public transport. The spend to date for this element is £58,020.96 out of a total allocation of £297,440.37. It should be noted that sedum bus shelters were part of the original City Greening element of the project and therefore no decision is required by the PRMC on this spending element.</p> <p>Shop Front Improvement: It is likely that the shop front improvement grants will not be fully allocated prior to the extended end date of June 2024, this extension was agreed by the PRMC on the 22nd June 2024. HC is seeking a further extension of 6 months to the end of December 2024, to reopen expressions of interest to ensure that the grant is fully committed. However, the council remains sceptical that all of the budget for this project will be capable of defrayal due to the apparent lack of interest in the scheme. Businesses do not want to commit to capital spend in the current economic environment and are only be interested in revenue items. It is estimated that the underspend by June 2024 will be £250k.</p> <p>Recommendation The business grants will not be spent, therefore the PRMC should pursue clawback of the outstanding amount of match.</p>
<p>Financial implications: Presently, of the £3,000,000 contracted match, £1,333,830 has been spent. Without the extension or reallocation of funds from the City Trees/Greening projects the underspend in the project by 30th June 2024 will be approximately £250k.</p>
<p>Legal implications:</p> <ul style="list-style-type: none"> • As with the previous project extension only a letter will be required. • Clawback will be challenging and time consuming.
<p>Risks, opportunities and impacts: Risks</p>

- Clawback will require funds to be redirected to new projects and be defrayed by 31st March 2025.
- Extending the projects will not necessarily mean outputs and match will be delivered and will prevent funds being redirected to new projects.

Opportunity:

- Clawback will allow funds to be redirected to new projects
- The extension will allow outputs to be completed, increasing the overall impact of the projects.

Equality implications:

N/A

Additional information:

N/A

Report Author: Mark Schneider

Background papers/documents:

End