

MARCHES LEP PERFORMANCE RISK & MONITORING COMMITTEE (PRMC) MEETING	
14 th December 2023	2.00pm – 3.30pm
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	2.00pm	Welcome, introductions and apologies. Declarations of interest.	SR All	
2	2.05pm	Draft minutes of last meeting on 24.11.23 and matters arising.	SR	✓
3	2.15pm	Top Risk Registers Review/Update a) Corporate Risk Register b) Programme Risk Register	MS	✓
4	2.30pm	Performance Monitoring – exceptions a) Cyber Quarter – Midlands Centre for Cyber Security b) NMiTE 1&2 (i) Annex 1 MHCLG NMiTE2 140220 (ii) Annex 2 SC HC NMiTE2 020320 c) Newport Innovation & Enterprise Package d) Integrated Construction Wetlands e) Shrewsbury Flaxmill Maltings f) HCCI g) Pride Hill	MS MS MS MS MS MS MS	✓ ✓ ✓ ✓ ✓ ✓ ✓
5.	3.15pm	Any Other Business	SR	

Next meeting: Thurs 22 February 2024 1.30pm – Online Teams Meeting

Future meetings:

PRMC Meeting Date	Projects to present at meetings
Thurs 22 February	Stronger Communities and Station Quarter Pride Hill Modelling Project update
Thurs 25 April	Marches Centre of Excellence in Health and Social Care project update HCCTP Modelling Project update.

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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DRAFT		
Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC)		
Friday 24th November 2023		
Present		
Sonia Roberts	SR	Chair of the Marches LEP Board
Sara Williams	SW	Marches LEP Board Member
James Walton	JW	S151 Officer, Shropshire County Council
Karen Morris	KM	Herefordshire Council, Finance
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
Govin Auja	AJ	Assistant Director, Cities & Local Growth Unit

ITEM		ACTION
1	<p>Welcome, apologies and introductions The Chair welcomed everyone to the meeting.</p> <p>Apologies were received from:</p> <ul style="list-style-type: none"> • Alex Green • Dainy Runton • Kathrine Kynaston • Frank Myers • Rachel Hart • Alex Collins • Mandy Powney <p>There were no declarations of interest.</p>	
2	<p>Minutes of the last meeting and matters arising The minutes of the last meeting on 26 October 2023 were reviewed, checked for accuracy, and approved as an accurate record of the meeting.</p> <p>Any actions from the previous minutes were either completed or would be discussed under agenda items at this meeting.</p>	
3	<p>Performance Monitoring – exceptions Mark presented an overview of the performance monitoring exceptions for GBF and LGF with recommendations on the following projects.</p> <p>ICW - It is unlikely that the outputs will be delivered by the end date of 31st March 2024. Recommendation that the project attends PRMC 14th December to provide a credible plan for delivering outputs with a view to extending the end date to 31st March 2025.</p> <p>Pride Hill remodelling - The project has a large amount of match still to spend but because it is a large construction project, they should generate that match. The deed of variation agreed in 2022 is yet to be sealed. There were some discrepancies in the revised document and concerns as to whether the commercial floor space and jobs created outputs would be fully completed by the 31st March 2025. These should be resolved shortly allowing the deed of variation to be sealed. Action: JW and MS to follow up to get variation signed.</p> <p>NMITE 1&2 – There is a dispute with the University as to whether NMITE 1 has evidenced match funding. NMITE 2 is the responsibility of Herefordshire Council. There are several</p>	JW and MS

	<p>outputs that will not be delivered by March 2024. The combined total is £3.03m of Match outstanding.</p> <p>Recommendation that the project attends PRMC 14th December providing a credible plan for achieving the outstanding match a view to extending the end date to 31st March 2025. If the plan is not credible then a clawback of the outstanding match should be pursued.</p> <p>Hereford Cyber Centre - the building is now complete but match funding is outstanding and a range of outputs have not been delivered. Total outstanding match is £1.083m. University of Wolverhampton is not responding to the LEP requests for information.</p> <p>Recommendation that the project attends PRMC 14th December providing a credible plan with a view to extending the end date to 31st March 2025. If the plan is not credible then a clawback of the outstanding match should be pursued.</p> <p>Newport IEP & Flaxmill and GBF project ICW- outputs have not been delivered.</p> <p>Recommendation – to provide a credible plan to December PRMC with a view to extending the end date for achievement of outputs to 31st March 2025</p> <p>Stronger Communities – There is a large amount of match still to spend but because it is a large construction project, they should generate that match soon.</p> <p>Decision. The committee decided to make a proposal to the LEP Board to commence clawback on the Hereford Cyber Centre project if following a meeting a solution couldn't be agreed. It was agreed that all other projects covered above to be invited to PRMC to present their plans for achieving outstanding outputs.</p> <p>HCCI Extension The project has written to the LEP with an update. They are confident that they will achieve their expenditure regarding the City Trees/Greening by installation of Sedum Bus Shelters which was part of their original plan. A request is made for an extension of 6 months on shop front improvement to December 2024. The project is anticipating an underspend of £250k. Karen raised a new update that 2 potential applications have come in this week which look positive.</p> <p>Decision. The committee decided to propose to the November LEP Board that they delegate a decision to PRMC to initiate clawback allowing the project time to attend and update to December PRMC with a credible plan.</p>	<p>SR</p> <p>MS</p> <p>SR</p>
4	<p>Oxon Road update Planning decision for the North West Relief Road was provisionally agreed 31 October. There are conditions linked to that application which will go back to planning committee before the which is expected to be in January. This has implications for the Oxon Link Road. Shropshire Council have agreed to provide an up-to-date business case to the November LEP Board.</p>	
5	<p>Any Other Business There was no further business.</p>	

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MARCHES LEP CORPORATE RISK REGISTER
Last updated: 05/12/2023

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			
TOP RISKS - In order of Risk Rating (High to Low)									
1.21	Directors of Marches LEP Ltd not acting in the best interests of the company	Directors that fail to comply with their duties may be liable to, amongst others, customers, clients, suppliers, governmental authorities, the company and its members. If a director neglects to oversee the proper management of the company, they expose themselves to both civil and criminal action, can be fined, prosecuted or disqualified from being a company director.	LEP Directors to be reminded that one of their seven duties as company director's is to Promote the success of the company. Directors must act in the company's best interests to promote its success and must consider the consequences of decisions, interests of its employees, need to support business relationships with suppliers, customers and others, the impact of its operations on the community and environment, company's reputation for high standards of business conduct, need to act fairly to all members of the company	4	4	16		LEP Directors to be reminded that one of their seven duties as company director's is to Promote the success of the company. Directors must act in the company's best interests to promote its success and must consider the consequences of decisions, interests of its employees, need to support business relationships with suppliers, customers and others, the impact of its operations on the community and environment, company's reputation for high standards of business conduct, need to act fairly to all members of the company	↔
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 DBT to highlight issues.	4	4	16	At a LEP Board meeting on the 28th November it was agreed that the LEP would close with all relevant functions being transferred to the accountable body, Shropshire Council, by the 31st March 2024	A transition group consisting of the representatives from the local authorities and the LEP CEO has been established to ensure the smooth transfer of elements of LEP services to the accountable body . the LEP will also engage with key stakeholders to reassure them that the key elements of the LEP's services (Growth Hubs, KAM, CEC) will continue to operate after the closure of the LEP. In the autumn statement the government committed to fund the Growth Hubs in 24/25. The WMCA has launched Business Growth West Midlands to deliver business support services across the West Midlands	↓
1.9	Breach of Data Protection legislation and General Data Protection Regulations (GDPR) within the LEP/Growth Hub.	Information Commissioners Office prosecution for Data Protection breach. Negative press coverage and consequent loss of reputation.	Appropriate measures against unauthorised or unlawful processing of personal data and accidental loss, destruction of, or damage to personal data have been put in place. The LEP Team undertakes an annual online refresh training on Data Protection legislation and GDPR made available via Business World by Shropshire Council. LEP Data Policy was last reviewed in April 2021. Shropshire Council's and LEP's responsibilities with regards to GDPR have been included in the SLA. Get Insurance cover and undertaken GDPR training for the LEP team	3	4	12	At a LEP Board meeting on the 28th November it was agreed that the LEP would close with all relevant functions being transferred to the accountable body, Shropshire Council, by the 31st March 2024	The LEP will be seeking GDPR advice about the transfer of data to the accountable body due to the closure of the LEP	↑
1.16	Provision of services between the Marches LEP and Shropshire Council does not meet the standards agreed under the Service Level Agreement (SLA) between the two parties.	Core services provided to the LEP are delayed, overcharged or do not meet the required expectations or Marches LEP's business needs.	The SLA came into force on 1 April 2021. Quarterly review service meeting take place with the S151 Officer (for Accountable Body and Finance services) and Heads of Departments (for Legal, Procurement, IT and HR services). The LEP is continuously reviewing the SLA and is having biannual meetings; The Board of the LEP to remind Shropshire Council of its obligations under the SLA signed with the LEP	4	3	12			↔
2.6	Continuing uncertainty over the future of the LEP will result in loss of staff and lead to unfilled vacancies	Disruption to the day to day 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. LEP staff will be kept informed of any changes that will have an impact on the future of the LEP	3	4	12	At a LEP Board meeting on the 28th November it was agreed that the LEP would close with all relevant functions being transferred to the accountable body, Shropshire Council, by the 31st March 2024	Most employee contracts finish at the end of March 24, however it is likely that the close down of the LEP and transfer of assets, novation of controls etc. will take longer to complete. Therefore, to ensure a smooth transition a review of contracts will take place to identify which may need to be extended beyond March 24.	↓
2.11	The perception in the Marches that the LEP will close	Stakeholders, partners & businesses in the Marches stop working with the LEP, causing reputational damage to LEP making it difficult to deliver existing activity and to engage in new activity and partnership working	A transition group consisting of the representatives from the local authorities and the LEP CEO has been established to ensure the smooth transfer of elements of LEP services to the accountable body , the LEP will also engage with key stakeholders to reassure them that the key elements of the LEP's services (Growth Hubs, KAM, CEC) will continue to operate after the closure of the LEP	4	3	12	At a LEP Board meeting on the 28th November it was agreed that the LEP would close with all relevant functions being transferred to the accountable body, Shropshire Council, by the 31st March 2024	A transition group consisting of the representatives from the local authorities and the LEP CEO has been established to ensure the smooth transfer of elements of LEP services to the accountable body . the LEP will also engage with key stakeholders to reassure them that the key elements of the LEP's services (Growth Hubs, KAM, CEC) will continue to operate after the closure of the LEP. In the autumn statement the government committed to fund the Growth Hubs in 24/25	↓
NEW RISKS - In order of Risk Rating									

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

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

MARCHES LEP PROGRAMME RISK REGISTER
Last updated: 05/12/2023

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			
TOP RISKS - In order of Risk Rating (High to Low)									
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; risk of clawback with the LEP required to issue new call and rapidly identify a replacement project	Regular monitoring of the project has been ongoing. Following the cancellation of the planning meeting in July the PRMC recommended to the LEP Board that clawback be considered.	4	4	16	Information requested (updated business plan with refreshed traffic and BCR data) by the LEP Board was not provided within the deadlines set	The LEP has asked for an updated business plan including refreshed BCR figures and revised milestones in terms of project delivery to be presented at an extraordinary Board Meeting on the 14th December	↑
3.36	Marches Growth Hub - Each Local Authority is adopting a different approach to delivery of the UKSPF programme	Lack of consistency across the 3 Growth Hubs will impact negatively on the businesses supported reducing economy impact, cause reputational damage to the Hubs, LEP	Awareness raising providing information on the business support available across the 3 local authority areas	4	4	16		Please see Current Controls	↔
5.7	Marches Careers Hub - lack of agreement and clarity around the future of the LEP and the holder of any future contract with CEC.	Potential disruption to project delivery, loss of capability and capacity to deliver project.	Forms part of current LEP transition work and initial discussion with CEC underway.	4	4	16		arrangements for transfer of CEC contract following announced closure of LEP to be confirmed.	↔
2.3	Programmes: Reduced capacity to monitor and manage funds and projects due to LEP Team leaving or lack of funding.	Lack of monitoring could lead to outputs not being delivered impacting on the economic performance of the Marches, poor delivery, audit issues, clawback of grants, reputational damage	Staff to work flexibly across different parts of the business to allow continuity of service and biannual reporting by the projects; The government confirmed that on 3rd August that the functions of the LEP would be transferred to the LAs	4	4	16	At a LEP Board meeting on the 28th November it was agreed that the LEP would close with all relevant functions being transferred to the accountable body, Shropshire Council, by the 31st March 2024.	A transition group consisting of the representatives from the local authorities and the LEP CEO has been established to ensure the smooth transfer of elements of LEP services to the accountable body	↓
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. In response to the poor take-up of shopfront improvement grants, the PRMC agreed to extend the project by 3 months to help ensure the grants are spent	5	3	15	The project has asked for a further extension of 6 months to ensure the shop front grants are spent and the city greening projects can be completed, however it is clear that not all the money will be spent	the LEP will consider all options including the possibility of clawback.	↑
NEW RISKS - In order of Risk Rating (High to Low)									
3.29	Key Account Management - inability to deliver contractual requirements around reporting and finance for 23/24 programme which fall beyond 31 Mar 24.	Unable to fulfil contractual obligations.	To be factored into LEP transition arrangements.	2	3	6	n/a	Please see current controls	*

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

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

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Meeting date:	14 th December 2023				
Agenda Item:					
Item Subject:	Cyber Centre Herefordshire				
For:	Discussion	X	Decision		Information

Purpose of the paper: Review of the position of the Cyber Centre Herefordshire			
Summary of Recommendations: Not to pursue clawback			
Hereford Cyber Centre: Due to finish 31/03/2025.			
Match	6,180,000	5,141,673	-1,038,327
New Jobs Created (FTE)	185	36	-149
Area of new or improved learning/training floorspace	104	104	0
Number of training courses provided	78	78	0
Commercial floorspace created	2715	2715	0
Commercial floorspace occupied	549	110	-439
Number of enterprises receiving non-financial support	18	6	-12
Number of spin out companies	7	6	-1
Number of new SMEs created	5	3	-2
SMEs with improved training defences	18	4	-14
Increase in GVA by March 2022	8,000,000	5,614,100	-2,385,900
R&D projects started	40	6	-34
New products created	4	0	-4
<p>The main concern was the £1,038 million of outstanding match. However, the project provided evidence for spend on the 5th December 2023. A meeting has also taken place with the project, and it was agreed that the LEP will continue to work closely with the project to ensure the remaining outputs are delivered.</p> <p>Recommendation</p> <ul style="list-style-type: none"> • Not to pursue clawback because the unspent match has now been accounted for. 			
Financial implications:			
Legal implications:			
Risks, opportunities and impacts:			
Risks			
Opportunity:			
Equality implications: N/A			
Additional information: N/A			

Report Author: Mark Schneider
Background papers/documents:

Meeting date:	14 th December 2023				
Agenda Item:					
Item Subject:	NMITE 1 & 2 LGF project review				
For:	Discussion	X	Decision	X	Information

Purpose of the paper: Recommendations for NMITE 1 & 2

Summary of Recommendations:

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

Main Points

NMITE1: Due to finish on 31/03/2024

Match	3,133,750	2,207,416	-926,334
Jobs created/safeguarded	37	37	0
Area of new/improved learning/training floorspace	3205	3462	257
New learners assisted	270	142	-128
Enterprises receiving non-financial support	75	106	31
GVA (£)	6,480,000	6,979,582	499,582
Number of undergraduates	250	110	-140

The outstanding match and outputs will not be delivered by the present project end date of the 31st March 2024. It should be noted that there is an opportunity to pursue clawback against NMITE. However, if this course of action was followed it could put the financial viability of the organisation at risk. A discussion has taken place with the project and the LEP is reassured that, if the end date is extended by a year, there is a plan in place to achieve the match and deliver the outstanding outputs. £2.1 million of Stronger Towns funding will have been made available for the development of the Blackfriars Skills Hub. Work should start on this project in spring 2024 helping to generate the match required.

Recommendation

- The PRMC should extend the end date of the project to 31st March 2025 with quarterly reporting and regular meetings with NMITE.

NMITE2: Due to finish 31/03/2024

Match	7,766,250	5,660,000	-2,106,250
Jobs created/safeguarded	195	0	-195
Area of new/improved learning/training floorspace	3695	221	-3474
New learners assisted	810	110	-700
Enterprises receiving non-financial support	375	0	-375
GVA (£)	27,520,000	0	-27,520,000
Number of undergraduates	750	0	-750

On the 14th February 2020 (see annex 1) it was agreed by Tony Bray from MHCLG that Herefordshire Council would become responsible for managing the £5.66 million LGF grant that had been awarded to NMITE as part of phase 2 of the project. As part of this agreement Herefordshire Council also agreed to monitor and provide regular reports to Shropshire Council as the accountable body for the LEP. The MHCLG decision was confirmed by an agreement signed between Shropshire and Herefordshire Council on the

20th March 2020 (see annex 2). This agreement included a stipulation that neither the Accountable Body (Shropshire Council) or the Marches LEP “*will seek clawback funding on the basis that any project failure is for Herefordshire Council to manage and remedy locally*”.

It is unlikely that any of the outstanding outputs or the match will be achieved by the 31st March 2024. There are concerns that many of the outputs, particularly the number of undergraduates and new learners assisted are unrealistic and that the remaining match for the purchase of equipment will not to be achieved. However, due to the nature of the agreement between Shropshire and Herefordshire Councils, clawback is not an option. After a discussion with Herefordshire Council, the most pragmatic course of action will be to extend the end date of the project to the 31st March 2025. A detailed monitoring programme will be implemented with quarterly reporting and regular meetings with NMITE to ensure that as many of the outputs are delivered as possible and the match is spent.

Recommendation

- The PRMC should extend the end date of the project to 31st March 2025 with quarterly reporting and regular meetings with NMITE.

Financial implications:

Legal implications:

- Extending the projects will only require a letter.

Risks, opportunities and impacts:

Risks

- Extending the end date of the projects will not necessarily mean outputs and match will be delivered.
- There is an opportunity to pursue clawback against NMITE1, however if this course of action was followed it could put the financial viability of the organisation at risk.
- LEPs were awarded LGF to administer those funds on behalf of the government. LEPs are assessed annually on delivery and governance processes. Government and in particular NAO may raise questions about the LEP’s governance processes if it cannot be demonstrated that this allocation of funds has been managed appropriately.

Opportunity:

- 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:

Meeting date:	14 th December 2023					
Agenda Item:						
Item Subject:	Newport IEP					
For:	Discussion	X	Decision	X	Information	

Purpose of the paper: Extension to the end date of the Newport IEP LGF project.

Summary of Recommendations:

Extend the end date of the project from the 31st March 2024 to the 31st March 2025 to allow outputs to be delivered.

Newport IEP: Due to finish 31/03/2024.

Match	2,986,000	2,986,000	0
Jobs created/safeguarded	954	132	-822
Housing units completed	960	692	-268
Commercial floorspace completed	50,000	6914	-43086
Employment land created (ha)	10	10	0
GVA (£m)	42,000,000	4,850,000	-37,150,000

The main concern is the undelivered 268 housing units, 43,086m² of commercial floor space and 822 jobs. A meeting has taken place with the project and a plan for the delivery for the outstanding outputs by the 31st March 2025 was discussed. The LEP is reassured that, if the end date is extended by a year, there is a realistic plan in place to ensure the delivery of the outputs.

Recommendation:

- The PRMC should extend the end date of the project to 31st March 2025.

Implications:

Legal implications:

- Extending the project will only require a letter.

Risks, opportunities and impacts:

Risks

- Extending the end date of the project will not necessarily mean outputs will be delivered.

Opportunity:

- 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:

Meeting date:	14 th December 2023					
Agenda Item:						
Item Subject:	ICW					
For:	Discussion	X	Decision	X	Information	

Purpose of the paper: Extension to the end date of the ICW GBF project.			
Summary of Recommendations: Extend the end date of ICW from the 31 st March 2024 to the 31 st March 2025 to allow outputs to be delivered.			
Main Points ICW: End date is 31/03/24.			
Jobs created	500	0	-500
Housing units unlocked	1385	182	-1,203
It is unlikely that the outputs of 500 jobs and 1203 housing units unlocked will be delivered by the present end date of the project. However, now that the first site at Luston is up and running, housing units are starting to be unlocked. 182 units were delivered in Q2 and this figure is likely to increase dramatically. As this figure rises the number of jobs created will increase. A discussion has taken place with the project and the LEP is reassured that, if the end date is extended by a year, there is a strong chance that the housing units target will be achieved, and a large proportion of target jobs created will be delivered.			
Recommendation			
<ul style="list-style-type: none"> 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 project will only require a letter. 			
Risks, opportunities and impacts:			
Risks			
<ul style="list-style-type: none"> Extending the end date of the project 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:			

Meeting date:	14 th December 2023					
Agenda Item:						
Item Subject:	Flaxmill					
For:	Discussion	X	Decision	X	Information	

Purpose of the paper:

Extension to the end date of the Flaxmill LGF project.

Summary of Recommendations:

Extend the end date of the project from the 31st March 2024 to the 31st March 2025 to allow an output to be delivered.

Flax Mill: Due to finish 31/03/2024.

Match	428,265	483,265	55,000
Housing units completed	120	0	-120
Length of road resurfaced (km)	0.08	0.308	0.228
Length of newly built road (km)	0.2	0.20	0
New cycle ways (km)	0.205	0.205	0
Work placement reprofile	60	50	-10
Reclaimed land (hectares)	1.7	1.7	0
GVA (£)	5,934,904	0	-5,934,904

The output of 120 housing units will not be delivered by the present project end date of the 31st March 2024. A meeting has taken place with the project and a plan for the delivery of the housing units by the 31st March 2025 was discussed. The LEP is reassured that, if the end date is extended by a year, there is a plan in place to ensure the delivery of the housing units.

Recommendation:

- The PRMC should extend the end date of the project to 31st March 2025.

Financial implications:**Legal implications:**

- Extending the end date of the project will only require a letter.

Risks, opportunities, and impacts:**Risks**

- Extending the end date of the project will not necessarily mean the output will be delivered.

Opportunity:

- Extending the end date of the project will increase the likelihood that the output will 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:

Meeting date:	14 th December 2023				
Agenda Item:					
Item Subject:	Hereford City Centre Improvement GBF project				
For:	Discussion	x	Decision	X	Information

Purpose of the paper: Extension to the Hereford City Centre Improvement GBF project.

Summary of Recommendations:

Clawback of a proportion of the match underspend in the business grants element of the project.

Main Points End date of the project 30th June 2023.

Match	3,000,000	1,333,830	-1,666,170
Jobs created	90	0	-90
Housing units	100	0	-100
Public realm / green space sqm	13190	23,490	10,300

City Trees/Greening Underspend: Hereford Council had requested the reallocation of underspend from the City Trees and City Greening Projects into the Public Art project. However, due to the time pressures to deliver within the remaining programme, it was impossible to publish a tender within the timescales available. The council is exploring the installation of sedum bus shelters at the County Bus Station in Hereford to utilise the City Greening budget effectively. It should be noted that the 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.

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. Hereford Council 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 taken up due to the lack of interest in the scheme. Businesses do not want to commit to capital spend in the current economic environment. It is estimated that the underspend by June 2024 will be £250k.

Recommendation

- All the business grants will not be taken up, therefore the PRMC should pursue clawback.

Financial implications:

- The match underspend in the project by 30th June 2024 will be approximately £250k. As the project was awarded a grant of £3 million and agreed to provide match of £3 million, the amount of clawback that will be pursued if the underspend is £250k will be also be £250k.
- There will be associated costs with managing the clawback of the grant and administering the reallocation and monitoring of funds.

Legal implications:

- Clawback could be challenging and time consuming.

Risks, opportunities and impacts:

Risks

- LEPs were awarded GBF to administer those funds on behalf of the government. LEPs are assessed annually on delivery and governance processes. Government and in particular NAO may raise questions about the LEP's governance processes if it cannot be demonstrated that this allocation of funds has been managed appropriately.
- As the LEP will be closing and its functions transferred by the 31st March 2024, any clawback money will have to be reallocated by the end of March 2024 or transferred to the Joint Committee for reallocation.
- Funding would have to be ringfenced to oversee the delivery and monitoring of any new projects awarded funding.
- Clawback will require funds to be redirected to new projects and be defrayed by 31st March 2025.

Opportunity:

- Clawback will allow funds to be redirected to new projects.

Equality implications:

N/A

Additional information:

N/A

Report Author: Mark Schneider**Background papers/documents:**

Meeting date:	14 th December 2023				
Agenda Item:					
Item Subject:	Pride Hill				
For:	Discussion		Decision		Information X

Purpose of the paper: Extension to the end date of the ICW GBF project.
Summary of Recommendations:
Main Points Pride Hill Remodelling (Information): The deed of variation for this project that was agreed on the 28 th November 2022 has yet to be sealed. There were some discrepancies in the revised document and concerns as to whether the match will be spent, and the commercial floor space and jobs created outputs be delivered by the 31 st March 2025. It is hoped that these issues will be resolved.
Financial implications:
Legal implications:
Risks, opportunities and impacts: Risks Opportunity:
Equality implications: N/A
Additional information: N/A
Report Author: Mark Schneider
Background papers/documents:

End