

| THE MARCHES LOCAL ENTERPRISE PARTNERSHIP LIMITED | | | | | |
|---|---|--|-------------------|-----------------------|--------------|
| BOARD MEETING | | | | | |
| Tuesday 20 February 2024 | | | 3.30 pm – 5.30 pm | | |
| Plymouth Rooms, Ludlow Racecourse, Bromfield, SY8 2BT | | | | | |
| AGENDA | | | | | |
| Item | Time | | Lead | Purpose | Paper |
| 1. | 3.30 pm | Welcome, Apologies and Declarations of Interest | SR | | |
| 2. | 3.30 pm 5 mins | Minutes of The Marches LEP Ltd Board meeting on 23 January 2024, and any Matters Arising | SR | | X |
| 3. | 3.35 pm 15 mins | Oxon Link Road Update | SR | Discussion & Decision | X |
| 4. | 3.50 pm 15 mins | Presentation by Liquidators | Evelyn Partners | Information | |
| 5. | 4.05 pm 50 mins | LEP Wind Up Update Report Covering the following points: <ul style="list-style-type: none"> • Timeline • Key Milestones • Transfer Agreement • Staffing • Finances • Options for residual funds | SR/RL | Discussion & Decision | X X |
| 6. | 4.55pm | Any Other Business | SR | | |
| Future Meetings | | | | | |
| Mar 24 | 12 March 2023 3.30pm – 6.30pm Final LEP Board Meeting at Ludlow Racecourse; followed by celebration of Marches LEP, location TBC. | | | | |

Blank Page

| Draft Minutes of the Marches LEP Ltd Board Meeting 23 January 2024 at Ludlow Racecourse (Company Number: 11822614) | | | |
|---|---|--|--------|
| Present: | | | |
| Sonia Roberts MBE | SR | Chair, Marches LEP | |
| Will Westley | WW | Deputy Chair, Marches LEP & Telford Business Board Chair | |
| Frank Myers MBE | FM | Herefordshire Business Board Chair | |
| Cllr Jonathan Lester | JL | Leader, Herefordshire Council | |
| Cllr Lezley Picton | LP | Leader, Shropshire Council (online) | |
| Cllr Lee Carter | LC | Cabinet Member for Place (The Economy & Neighbourhood Services), Telford & Wrekin Council (online) | |
| Alex Green | AG | Director, Radfield Homecare | |
| Paul Kalinauckas | PK | Access to Finance Champion | |
| Simone Clarke | SC | Higher Education Champion, Pro-Vice-Chancellor Education & Students, Harper Adams University | |
| In Attendance: | | | |
| Alex Collins | AC | Deputy Area Lead, Cities & Local Growth Unit (online) | |
| James Walton | JW | Section 151 Officer, Shropshire Council (online) | |
| Roger Allonby | RA | Service Director for Economy, Herefordshire Council | |
| Mark Barrow | MB | Executive Director for Place, Shropshire Council | |
| Katherine Kynaston | KK | Director Housing, Economy & Infrastructure, Telford & Wrekin Council | |
| Rachel Laver | RL | Chief Executive, Marches LEP | |
| Kathryn Jones | KJ | Head of Partnerships & Strategy, Marches LEP | |
| Mark Schneider | MS | Head of Business Development & Delivery | |
| Tim Travers | TT | Marches LEP in-house Legal Support | |
| Ennis Vingoe | EV | Executive Assistant, Marches LEP | |
| Mandy Powney | MP | Office Administrator, Marches LEP | |
| Observers: | | | |
| Emma Bullard | | | |
| Mike Sheridan | | | |
| ITEM | | | ACTION |
| 1. | <p>Welcome</p> <p>1. Welcome, Apologies and Declarations of Interest</p> <p>SR thanked everyone for attending the meeting. Apologies were received from S Williams, G Guest, G Coppock and C Fenton. SR notified the board that Emma Bullard and Mike Sheridan were attending the meeting as observers.</p> <p>SR noted that the meeting was being recorded to aid the production of the minutes.</p> <p>2. Declarations of Interest</p> <p>The Chair asked for any conflicts of interest and reminded members to complete the form that had been distributed for any specific Declarations of Interest for every meeting.</p> <p>The following declarations of interest were made:</p> <p>From Cllr L Picton:</p> <p>Item 3 – Oxon Link Road Correspondence - relates to a project within my Authority's control.</p> | | |

| | | |
|-----------|---|-----------|
| <p>2.</p> | <p>Minutes of The Marches LEP Ltd Board meeting on 28 November 2023 and the Extraordinary Board meeting on 7 December 2023. The minutes of the LEP Board meeting held on 28 November 2023 and the Extraordinary LEP Board meeting on 7 December 2023 were approved by those members present at the meeting and would be signed by the Chair as a true and accurate record of the meeting. Matters Arising:</p> <ul style="list-style-type: none"> • LEP Board Meeting Minutes 28 November 2023 Item 8 – Business Board Funding <p>This will be discussed under Item 7. No further information on the Shropshire Enterprise Partnership Board had been received from Shropshire Council.</p> | |
| <p>3.</p> | <p>Oxon Link Road (OLR) Correspondence SR told members that an open letter had been sent to the LEP Board from Better Shrewsbury Transport raising concerns about the alleged inaccuracy of some of the information received from Shropshire Council in the Oxon Link Road Business Case Refresh presented at the Extraordinary Board meeting on 7 December 2023. The OLR risk assessment paper was awaited from the Council (action from Extraordinary LEP Board meeting 7 December 2023). MB said that this was in progress and was asked to provide a current copy for the Board now.</p> <p>Action: A copy of the ‘work in progress’ risk assessment would be provided by Shropshire Council as soon as possible, and the completed risk assessment and project plan would be forwarded to the Board as soon as it was available.</p> <p>MB, speaking as a representative of the Shropshire Council promoter side of the project, confirmed the information previously presented and reiterated the assurances that had been provided to the Board in the presentation on 7 December 2023.</p> <p>A discussion took place which included the achievement of the stated outputs; the timeline of the processes prior to the commencement of the road construction; and the potential for judicial review which MB confirmed he thought was minimal as a judicial review could only be on the process, not the decision. Also, the concerns raised by the Environment Agency in the letter to Shropshire Council planning department and the processes currently in progress between the planning authority and the Environment Agency.</p> <p>MB said that he had responded via email to the LEP Chair regarding the concerns raised by Better Shrewsbury Transport in their letter. The concerns raised by Natural England and Severn Trent Water had been satisfied. The prime concern of the Environment Agency is over water extraction, making sure the construction process doesn’t pollute the water extraction points. MB stated Severn Trent are completely comfortable with the conditions, and they are the statutory undertakers for this with the Environment Agency having a supervisory role over Severn Trent and Severn Trent as a supervisor is comfortable.</p> <p>The Environment Agency concerns are expected to be wrapped up into the formal conditions that go with the planning permission. That’s the process that is going on between the planning authority and the Environment Agency currently.</p> <p>To reassure the LEP Board, Shropshire Council are really comfortable with the outputs that go with the award for OLR and they are being delivered now. The line of the road is one of the last bits to fall into place, but it is all predicated upon the</p> | <p>MB</p> |

| | | |
|------------------|---|---------------------------------|
| | <p>road opening up the site to the development. The outputs are significant and will easily be achieved. For the timeline, following the planning decision there will be a report to full Council which, if approved, will go to the Department for Transport (DfT). The business case work for DfT will be done by the autumn when there will be a 2-month period for DfT to award. It could be early next year when we are on site.</p> <p>The Board also discussed whether a separate monitoring group was required for the OLR project outputs and the need to ensure that proper process is followed to follow-up the concerns raised to the Board, to the satisfaction of the members directors of The Marches LEP Ltd.</p> <p>The following actions were agreed:</p> <ul style="list-style-type: none"> • Email from M Barrow to be circulated to the board. • A written response to the specific concerns raised in the letter to the Marches LEP Board would be provided by Shropshire Council to the Board along with an updated risk register and project plan. • The response would be reviewed by the LEP officers, in-house legal support and LEP Board, prior to being sent to Better Shrewsbury Transport. | <p>EV MB TT, SR, RL</p> |
| <p>4.</p> | <p>LEP Chair and CEO Report RL highlighted some areas in the report. Work is taking place to complete 'year-end' financial processes and the budget for next year has been drafted.</p> <p>The Marches Careers Hub contract which ends in August 2024 will be novated at the end of March 2024 and one LEP post related to that contract will be retained with Shropshire Council. The Key Account Management and Marches Growth Hub contracts end on 31 March 2024 and some annual reports relating to these contracts will need submitting during April/May 2024.</p> <p>All the available funds related to the Capital Funding Call are in the process of being contracted and the list of projects is contained in the paper. The Joint Committee will manage those projects following the winding-up of the Marches LEP.</p> <p>The cash flow projection was up to the end of March 2024. There is currently a large amount of Marches Investment Fund monies being held due to some of the Marches Energy Grant projects taking some time to submit their claims, but the funding is all committed.</p> | |
| <p>5.</p> | <p>Confirmation of item approved by correspondence. The Board noted that the recent item by correspondence to request approval for funding from the Marches LEP Capital Funding Project Call 2023 of £612,793 to 6 applicants, subject to due diligence and formal contracting, was approved on 20 December 2023.</p> | |
| <p>6.</p> | <p>Performance Risk & Monitoring Committee (PRMC) decision and minutes of the meeting held on 14 December 2023. SR told the meeting that the current focus for PRMC was to ensure delivery of project outputs. MS was following up with project promoters and some have been</p> | |

| | | |
|-----------|--|----------------|
| | <p>able to evidence the required spend. It had been agreed by the committee to extend some of the projects (details in the paper).</p> <p>RL said that for the Hereford City Centre Improvement project Herefordshire Council would not know how much spend there will be until June 2024. It was possible that clawback could be initiated but the LEP was continuing to work with the project promoter to resolve this, and PRMC was monitoring progress.</p> <p>Board members noted the content of the PRMC minutes.</p> | |
| <p>7.</p> | <p>Update on Transition Arrangements SR and RL went through the paper, which is the factual position, and highlighted some areas to the Board.</p> <p>The 2 transition groups, the LEP Board Transition Group and Officers' Group LEP Transition (LAs and Marches LEP) continue to meet weekly. A huge amount of activity has been undertaken in the last few weeks. An insolvency practice has been appointed today - Evelyn Partners and will be invited to the LEP Board Transition Group meeting, when they are available.</p> <ul style="list-style-type: none"> <p>LEP Board member representation on other boards and committees Board members represent the Marches LEP on a number of different boards and committees across the region. As members resign their directorships of the LEP they will need to resign from these boards as LEP representatives. Some organisations may, however, wish to invite individuals to continue in their own right.</p> <p>Action: The list of current memberships would be distributed, and members were asked to make any additions/deletions to this by return.</p> <p>Some of the groups e.g. Transport Officers Group, Marches Business Support Steering Group and Marches Energy Group will wind up with the LEP, unless the LAs or other bodies wish to support them to continue. These will be logged as part of the transition processes. The HE/FE Group has already agreed to continue as a self-managed group.</p> <ul style="list-style-type: none"> <p>Future Business Board Support It had been agreed at the last LEP Board meeting that funding will be contracted to support the business boards for 5 years. A figure of £6.5k per year had been suggested.</p> <p>The type of future support required to deliver business leadership in the region and how the existing activities could continue without LEP support, was discussed. FM requested that additional LEP legacy funds be considered to support this. Any allocation of LEP funds beyond the existing remit would need to be through an open and transparent process, and any duplication with any work the Joint Committee would be doing in facilitating future business representation, would need to be avoided. The government would be funding this work.</p> <p>MB reiterated the position of the Joint Committee that legacy LEP funds would be used for economic development, as per the government guidance and that in Shropshire, the Shropshire Economic Partnership would lead on business representation as it does now.</p> | <p>EV, All</p> |

| | | |
|---|---|--|
| | <p>RA said that LAs were awaiting further government guidance on long-term arrangements for supporting economic development and suggested caution in making judgements on what legacy payments may be committed from the transition phase, and what government expectations and funding would be in the next phase.</p> <p>Action: It was agreed that the decision regarding the amount to be funded would be delegated to the PRMC, unless this amount was materially different to that suggested, then the decision would be brought back to the Board.</p> <ul style="list-style-type: none"> • Transfer Agreement The LAs were currently reviewing the draft Transfer Agreement and following a meeting of the 3 legal departments, nothing fundamental had been raised. SR asked that the feedback be passed to RL by the end of this week when the draft agreement will be shared with the transition group. Action: LA feedback on the draft Transfer Agreement to be passed to RL by latest 26 January 2024. <p>Members raised concerns that should the Transfer Agreement not be agreed in good time, the proposed timeline for the winding-up of the company would not be met i.e. by 31 March 2024. This could cause difficulties for the Board as there would be no LEP administrative support available by then. Action: A risk management plan would be produced to cover actions required if the winding-up of the company goes beyond 31 March 2024.</p> <ul style="list-style-type: none"> • Celebration occasion SR suggested that a celebration could be held to thank Marches LEP staff and Board members past and present for all they have done to contribute to the success of the organisation over the years. This location is to be agreed and suggestions are welcomed. SR asked that anyone who could offer any assistance in the organisation of the occasion to contact EV as soon as possible. | <p>SR, RL</p> <p>RA, MB, KK</p> <p>RL</p> <p>All</p> |
| 8. | <p>Any Other Business Nil</p> | |
| | <p>The meeting closed at 4:55pm.</p> | |
| Current Dates for Future Meetings: | | |
| <p>Feb 2024</p> | <p>20 February 2024 3:30pm – 5:30pm Board Meeting at Ludlow Racecourse</p> | |
| <p>Mar 2024</p> | <p>12 March 2023 3.30pm – 6.15pm Board Meeting at Ludlow Racecourse (followed by celebration of Marches LEP?)</p> | |

Blank Page

| | | | | | |
|----------------------|----------------------|----------|-----------------|----------|--------------------|
| Meeting date: | 20.02.2024 | | | | |
| Agenda Item: | 3 | | | | |
| Item Subject: | Oxon Link Road (OLR) | | | | |
| For: | Discussion | x | Decision | x | Information |

Purpose of the Paper:

To discuss the progress of Oxon Link Road (OLR) and the risk assessment report submitted by Shropshire Council

Summary of Recommendations:

Following significant delays with the project and concerns raised about the information submitted to the LEP, it is recommended that the contract is amended to include the conditions below. The dates set out are in line with the information put forward by Shropshire Council so should not present an issue if the project continues to be delivered as expected. However, if there are further issues with the project then the conditions below will enable clawback of the grant.

If the funding is clawed back it would have to be reallocated by the Joint Committee in line with the original funding criteria.

Clawback of the grant is recommended if:

- The outstanding planning conditions are not met by the end of February 2024.
- As a result of a judicial review the planning decision is subsequently overturned.
- The contractor is not appointed by the end of May 2024 and work has not started by 31st March 2025.
- By the 31st December 2024, following assessment of tenders and submission of the full business case to the Department for Transport (DfT) the Council is unable to confirm that the full funding is in place to complete OLR as outlined in the original application.

Main points:

Following a Marches LEP Board extraordinary meeting on the 7th December 2023, it was agreed that clawback would not be pursued by the LEP. Shropshire Council was asked to provide a detailed risk assessment and milestones for OLR at the next Board meeting on the 23rd January 2024. Due to time constraints this information was provided by the Council on the 31st January.

At the Board meeting on the 23rd January, a response from the Environment Agency to the planning decision was discussed. The Environment Agency raised a number of concerns about the risks the OLR could pose to the Shrewsbury water supply and as polluting the River Severn. These concerns have still not been addressed by the Council.

Since the Board meetings of the 7th December and the 23rd January, the LEP has received a number of emails from interested parties and Shrewsbury residents about the accuracy of the information being provided to the LEP Board by the Council, and highlighting concerns that the OLR should not be built.

Of particular relevance was an email received by the LEP on the 26th January from Edward Goddard MD of Morris Leisure, the company that owns the Touring & Holiday Home Park at Oxon. The park currently has 165 touring and holiday home pitches and is estimated to put over £2,000,000 back into the local community each year. The OLR will pass very close to the park and through its current entrance drive. The company has been in discussions with Shropshire Council for a number of years. During this time the company has highlighted the impact of noise during construction, noise when built and good convenient access for both vehicles and pedestrians

during and after the completion of OLR. The company has been promised information on noise and predicted traffic data by the Council, however the information has still not been forthcoming after many months of chasing. Consequently, the company have taken legal advice from Kings Counsel and wanted to make the LEP aware that the likelihood of it seeking a Judicial Review on the planning application should it be fully granted, remain very high.

Updated position

The NWRR was granted planning permission, subject to conditions, on the 31st October 2024. The conditions will be finalised with affected parties through the Local Planning Authority and will be available in advance of the next Northern Planning Committee meeting. This was expected to be by the end January 2024. It should be noted that work cannot begin on OLR before all conditions are agreed. The consent to grant planning permission cannot be undone unless there is a judicial review. It is understood that objectors to the scheme may lodge a request for a judicial review, but this cannot be done until the conditions are approved.

Government has indicated that it will fund the NWRR out of the savings it has made by cancelling part of the HS2 route but is yet to confirm the exact amount. This additional funding, in whatever quantum, will free up additional capital to complete OLR which has seen a significant increase in costs since the original approval.

Background

The contract for the OLR commenced on the 1st December 2015. Shropshire Council received a grant of £4.2 million from the 1st round of Local Growth Fund to deliver several outputs, including 1.14km of new road. The Council also committed to generate match to the value of £8,734,222. Under the terms of the original contract the project was due to be completed by 30th November 2020 and the last claim to be submitted on the 30th November 2021.

However, it has suffered a number of delays with revised completion dates being presented and missed. The project issues and updates have been to the LEP Board 9 times in total, as well as to PRMC on numerous occasions. It has been ranked in the top 5 risks for non-delivery on the LEP risk register for the last 31 months (see timeline in Appendix 1). The table below has the contracted outputs and the present position.

| Outputs | Contract | Delivered | Position | % Delivered |
|----------------------------|------------|------------|-------------|-------------|
| Match | £8,734,222 | £2,117,592 | £-6,616,630 | 24 |
| Jobs created | 1090 | 23 | -1067 | 2 |
| Employment land (hectares) | 12 | 0.9 | -11.1 | 8 |
| Housing units | 835 | 138 | -726 | 17 |
| New roads (km) | 1.14 | 0 | -1.14 | 0 |
| Roads resurfaced (km) | 2.05 | 0 | -2.05 | 0 |
| New cycleways (km) | 4.26 | 0 | -4.26 | 0 |

Financial implications:

The return to the Marches LEP of a grant of £4.2 million. There will be associated costs with managing the clawback of the grant and administering the reallocation and monitoring of funds.

Legal implications:

Depending on the decision of the Board, the LEP would potentially have to start the clawback process with Shropshire Council as the accountable body supporting this process, recognising the need for clear separation of duties.

If the Board want to continue to support the OLR project subject to the recommendations outlined above, then an updated contract variation would need to be agreed with Shropshire Council.

Risks, opportunities and impacts:**Risks**

The LEP has to be seen to be consistent in how it manages projects and deals with delays and non-delivery. If the LEP does not follow the same process as it has for previous projects suffering similar issues, then there is the risk of challenge and reputational damage to the LEP and ultimately the Department for Business.

There is an awareness of the financial situation at Shropshire Council, so any clawback decision should be mindful of the implications this may have for the Council and how the LEP needs to manage the implications and communications.

LEPs were awarded Local Growth Funds to administer the funds on behalf of government. LEPs are assessed annually on delivery and governance processes. Government and in particular NAO may raise questions about the LEPs governance processes if it can't be demonstrated that this allocation of funds has been managed appropriately. While the LEP has been very patient and accommodating with the OLR project, it has left the LEP exposed to criticism that a project that received funding over 8 years still may not be delivered.

Due to the closure of the LEP, if clawback is pursued, this would have to be undertaken by the Joint Committee with the funding held by this body for reallocation. Funding would have to be ringfenced to oversee the delivery and monitoring of any new projects awarded funding.

Equality implications: n/a**Report Author:** Mark Schneider**Background papers/documents:**

Appendix 1 - [Key dates in the Oxon Link Road LGF Project](#)

Blank Page

Item 4

Presentation by Evelyn Partners – appointed liquidators (verbal)

Blank Page

| | | | | | | |
|----------------------|--|--|-----------------|----------|--------------------|----------|
| Meeting Date | 20 February 2024 | | | | | |
| Agenda Item: | Item 5i | | | | | |
| Item Subject: | Key milestones for winding up the Marches LEP. | | | | | |
| For: | Discussion | | Decision | x | Information | x |

Purpose of the Paper:

To update the Board on the process and timescales for winding up the LEP.

Summary of Recommendations:

The Board is asked to note and approve the timescales set out in the paper.

Main points:

Following the decision by the Marches LEP Board to wind up the company, work has been underway to enable a comprehensive and efficient closure of the LEP.

Following a procurement process Evelyn Partners have been appointed as liquidators. They have been engaged with pre-liquidation work and will put the company into liquidation when the Board members agree a date.

Building on the experience gained from the closure of the Greater Birmingham and Solihull LEP, our legal counsel has been able to draft a Transfer Agreement which has been shared with the Local Authorities and Board members. The Board has also received a summary of this document, setting out what it covers and why it's needed. The local authority's legal teams have worked swiftly to turn around different draft versions and we are moving closer to getting an agreed draft.

The LEP staff are currently in a redundancy consultation process which is due to conclude on the 23rd February 2024. If no alternatives are put forward by staff members, it is expected that staff will finish on the 31st March 2024 and will be paid any remaining notice period.

The following sets out the key milestones for Board members' consideration:

| Activity | Scheduled date |
|---|------------------------------|
| Board agree timetable | 20 th February |
| Staff redundancy consultation ends | 23 rd February |
| Finalise transfer agreement | 27 th February |
| Final Board meeting | 12 th March |
| Board members complete Declaration of Solvency | 12 th March |
| Transfer Agreement signed by LAs and LEP | 12 th March |
| Board members resign | 12 th March |
| Celebration event | 12 th March |
| Marches LEP goes into insolvency | 13 th March |
| Final press release issued by BeBold | 13 th March |
| Line management of staff transfers to Shropshire Council | 13 th March |
| Functions transfer to Local Authorities | 31 st March |
| LEP staff all finish | 31 st March |
| Evelyn Partners complete the closure of the LEP and residual funds distributed | Approximately December 2024. |

The Transfer Agreement stipulates that Shropshire Council will continue to put in place directors run off insurance for a period of 6 years using funds transferred.

The LEP website will move and be hosted on Shropshire Council's website so that there continues to be a public record of decisions made by the LEP.

Shropshire Council will remain the accountable body for all the LEP programmes and the achievement of contracted outputs.

Report Author: Rachel Laver

Background papers/documents: Nil

| | | | | | | |
|----------------------|--------------------------------|----------|-----------------|----------|--------------------|--|
| Meeting date: | 20 th February 2024 | | | | | |
| Agenda Item: | 5ii | | | | | |
| Item Subject: | Options for Residual Funds | | | | | |
| For: | Discussion | x | Decision | x | Information | |

Purpose of the Paper:

To discuss the use of Marches LEP's residual funds.

Summary of Recommendations:

For the LEP Board to consider the use of the use of the LEP's expected residual funds.

Main points:

The government has stipulated the following with regard to any residual funding:

"...government expects that any reserves and assets built up using public funds will remain within the public domain (i.e. transferred to the relevant local authority or authorities). Government will work with areas to reach local agreement where the LEP and its Accountable Body are unable to reach a consensus."

The LEP's Articles of Association also state:

"On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remains available to be distributed or paid, shall not be paid or distributed to the Members but shall be transferred to similar bodies or another body with objects similar to those of the Company within the LEP Area or as directed by the government department then responsible for local enterprise partnerships."

The draft Transfer Agreement currently states that any residual funds will be ringfenced for economic development to be administered by the Marches Joint Committee. The Transfer Agreement will be a legally binding document if approved, and therefore the ringfenced funding will have to be spent in line with the original conditions.

However, some Board members have suggested other uses for the funds. There are currently three potential uses for the funds:

- Additional funding for Business Boards (the LEP Board has already agreed a total of £35k of support for the two business boards)
- Allocation to small business loan fund
- Retained by the Marches Joint Committee for Economic Development

Amount of funds available:

Telford Land Deal - £910k currently held by the LEP. This is capital only and has to be spent by March 2025. Further income is due in May 2024, but the amount is currently unclear. Any funding invested would have to be approved by the Telford Land Deal Board.

Remaining Core Funding

After the LEP has met all wind-up costs, there is expected to be approximately £192k left.

Marches Investment Fund

This has all been allocated in line with the Board's wishes, less £75k which had been allocated to a transport study. We're currently seeking further advice on whether this will have to come out of revenue funding or whether the cost can be capitalised.

Shell Store Loan Repayments

The Shell Store Loan repayment started in October 2022 and will be repaid over 25 years at £25k per quarter.

Herefordshire Enterprise Zone Funding

The current agreement is that Herefordshire Council will pay £100k per year towards LEP operating costs.

Challenges:

The Board now has limited time to decide on how the remaining funding can be allocated. and there is limited resource to contract funding to any new projects. Allocating the funding to a loan fund would need to be done on an open and transparent basis.

Financial implications:

Contracting funding to new projects will incur legal fees.

Legal implications:

If the funding isn't to be transferred for the use of the Joint Committee, then the draft Transfer Agreement may need to be changed and there may be challenge from the local authorities over other suggested uses. The LEP is still bound by the Assurance Framework and public procurement rules, so any reallocation of funds would need to be via an open and transparent process.

Risks, opportunities and impacts:

There is the opportunity to support economic development with the remaining funds, through all of the options detailed.

Report Author: Rachel Laver, CEO**Background papers/documents: Nil**

End