

MARCHES LEP PERFORMANCE RISK & MONITORING COMMITTEE (PRMC) MEETING	
22 nd February 2024	1.30pm to 3.00pm
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	1.30pm	Welcome, introductions and apologies. Declarations of interest.	SR All	
2	1.35pm	Draft minutes of last meeting on 14.12.23 and matters arising.	SR	✓
3	1.45pm	Top Risk Registers Review/Update a) Corporate Risk Register b) Programme Risk Register	MS	✓
4	1.55pm	Performance Monitoring – exceptions a) Overall position of LGF & GBF Projects b) Integrated Constructions Wetlands c) Hereford City Centre Improvement d) Oxon Link Road	MS BB MS MS	✓ ✓ ✓ ✓
5	2.20pm	Newport Innovation and Enterprise Package Ni Park Project Update	DT/VF	✓
6.	2.30pm	Stronger Communities Project Update, Project Update	JD	✓
7.	2.40pm	Any Other Business	SR	

Next meeting: Thurs 25th April 2024 2pm.

Future meetings:

PRMC Meeting Date	Projects to present at meetings
Thurs 25 April 2024	Hereford City Centre Transport Package, Project Update Marches Centre of Excellence in Health and Social Care, Project Update Pride Hill Remodelling, 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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Minutes of the Marches LEP Performance, Risk & Monitoring Committee (PRMC)

Thursday 14 December 2023

Present		
Sonia Roberts	SR	Chair of the Marches LEP Board
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
Frank Myers	FM	Board Member
Alex Green	AG	Board Member
Judith Tranmer	JT	Chief Accountant, Herefordshire Council
Karen Morris	KM	Deputy nominated by Section 151 Officer, Herefordshire Council
Ben Jay	BJ	Deputy nominated by Section 151 Officer, Shropshire Council
Alex Collins	AC	Deputy Area Lead, Cities & Local Growth Unit
Mandy Powney	MP	Marches LEP Office Administrator

ITEM		ACTION
1	<p>Welcome, apologies and introductions.</p> <p>The Chair welcomed everyone to the meeting.</p> <p>Apologies were received from:</p> <ul style="list-style-type: none"> • Andrew Lovegrove • Dainy Runton • James Walton • Rachel Hart • Sara Williams <p>MS noted that the meeting was being recorded to aid the production of the minutes.</p> <p>There were no declarations of interest.</p>	
2	<p>Minutes of the last meeting and matters arising</p> <p>The minutes of the last meeting on 24.11.2023 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>Top Risk Registers</p> <p>Update from recent LEP Board meetings</p> <p>The LEP Board 28.11.23 delegated PRMC authority to trigger clawback up to £1m of either match funding and/or grant. The Extraordinary Board Meeting of the LEP Board 07.12.23 the Board agreed to support the continuation of funding for Oxon Link Road.</p>	

	<p>a) Corporate Risk Register Breach of GDPR is a rising risk. This is due to the LEP closing and the transition of functions to the accountable body. Risks that were previously high around the lack of decision on the future of the LEP are now reducing, following the decision to close the LEP (LEP Board – 28.11.23).</p> <p>b) Programme Risk Register No significant change, but there is a new risk at the bottom which is a relatively low risk. Key Account Management (KAM) inability to deliver contractual requirements around reporting and finance for 23/24 programme which fall beyond 31 Mar 24.</p>	
<p>4</p>	<p>Performance Monitoring exceptions</p> <p>As agreed at the PRMC meeting on 24.11.23, RL and MS have met with most of the project leads for projects on today’s agenda and the following is a summary of those updates and recommendations.</p> <p>A discussion took place around the need for there to be confidence in how outputs will be monitored and managed beyond the LEP to ensure the LEP legacy continues. Joint Committees are awaiting guidance from Central Government and Local Authorities have not yet received next year’s settlement. This is hindering the transition process and staff consultation process. The Government line is that it will be the S151 officer’s responsibility to ensure outputs of projects are delivered and value for money is achieved. Action AC will feedback the LEP concerns to Government.</p> <p>a) Cyber Quarter – Midlands Centre for Cyber Security The underspend of £1m has now been accounted for. Outputs that are listed as a concern can be mitigated by over performance in other areas. The LEP officers are confident that this project is no longer an issue and that they will meet their outputs by March 2025. The committee approved the recommendation not to pursue clawback because the underspent match has now been accounted for.</p> <p>b) NMiTE 1&2</p> <ul style="list-style-type: none"> • NMiTE1 is managed by NMITE and progress is reported to the Marches LEP on a biannual basis. In terms of match funding, they highlighted that they have received £2.1m Stronger Towns Funding for the development of the Blackfriars Skills Hub. 	<p>AC</p>

	<p>This will help generate the match shortfall on this project. The LEP team has discussed this with them and advised that they should review their targets to include other outputs that will mitigate those not achieved. They are achieving a lot of valuable outputs that they are not reporting to us currently such as learners on shorter course, businesses engaged and schools engaged. They also have a £7.5m loan they don't have to pay back until 2026/27 which is positive. The project will now report on a quarterly basis and regular meetings will take place, starting in January 2024 to monitor progress closely.</p> <ul style="list-style-type: none"> • NMiTE2 is managed by NMITE, progress is monitored by Herefordshire Council and a self-certificating report is provided to the Marches LEP by Herefordshire Council on an annual basis. This has a large amount of match outstanding. There is an agreement in place between Shropshire Council and Herefordshire Council that states no clawback can be applied to the project. Recommendation is to monitor the project very closely and help them to achieve their targets. They also have received funding through Getting Building Fund. <p>The committee approved the recommendation to extend both NMiTE 1 & 2 to March 2025 with quarterly reporting and regular meetings.</p> <p>c) Newport Innovation & Enterprise Package This project is working closely with Harper Adams who will be moving onto site next year. They will have additional outputs on learners and additional outputs on unlocking land. They will review their outputs and add in other targets that they could include. They have built new roads and cycle paths. There will be achievements that will add value through other things. This is a very positive project. Action : MS to present updated report at next PRMC after receiving updated data from the project. The committee approved the recommendation to extend the end date of the project to 31st March 2025</p> <p>d) Integrated Construction Wetlands RL/MS are waiting to meet with Ben Boswell from Herefordshire Council to better understand the outputs of this this project. Number of housing units unlocking will increase. 182 houses have been unlocked which is evidenced by planning permission. It is unlikely ICGW will achieve their outputs by March 2024 so a meeting with Ben is needed, firstly to ascertain if there is a strong enough case to extend this project to March 2025. Action MS will present updated data at next PRMC where a decision can then be taken whether to extend this project by a year.</p> <p>e) Shrewsbury Flaxmill Maltings The main issue with the Flaxmill is around the delay in getting the housing units onto the site. The project team is talking to the Council and hoping to get planning permission in May or June 2024. On the basis of our meeting the LEP are happy to extend the project and that outputs will be achieved. The committee approved the recommendation to extend the end date of the project to 31st March 2025.</p> <p>f) Herefordshire City Centre Improvements</p>	<p>MS</p> <p>MS</p> <p>MS</p> <p>MS</p>
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	<p>The project is not expecting to spend all of the business grant for Shop Front Improvements resulting in an estimated underspend on business grants of £250k by June next year. KM asked if the underspend could be offset by other Council spending which is not specific to the funding contract.</p> <p>The committee recommended initiating clawback pending a review of the contract.</p> <p>Action : MS to take advice from Tim Travers on the contract.</p> <p>g) Pride Hill</p> <p>This is for information. Still waiting for deed of variation to be agreed. Project is concerned it will not complete its expenditure of match and deliver outputs by end date of March 25. PRMC approved changes a year ago. Action : MS to write back and state that if the Board does not see a signed deed of variation, then it will be signed on behalf of the Board and it will remain with original contract information.</p>	
5	<p>Any Other Business</p> <p>KJ updated the committee on the recent Capital Funding Call approved by the Board. There was an overwhelming response with a total of 37 applications received, totalling over £3m. Following appraisal and scoring, a proposal will be sent to the Board members to approve the funding of 6 applications. If approved, contacts will start in the New Year. RL thanked the staff who had worked through the applications and updated the meeting that if this money is allocated, there will be a remaining balance of £229 in the LEP's Marches Investment Fund, meaning all money has been allocated in order that maximum impact achieved in line with the Board wishes. SR congratulated the team on their great work.</p>	

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3a Corporate Risk Register

MARCHES LEP CORPORATE RISK REGISTER Last updated: 14/02/2024				Residual Risk Rating			Rationale for Risk Changes	Risk Mitigation	Status Post LEP Closure	Direction of Travel
Risk No.	Risk Description	Description of Potential IMPACT (quantified where ever possible)	Current controls	LIKEHOOD 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)										
1.9	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. The LEP will be seeking GDPR advice about the transfer of data to the accountable body due to the closure of the LEP	3	4	12			Once the LEP is closed and functions are transferred this risk will be closed	↔
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			Once the LEP is closed and functions are transferred this risk will be closed	↔
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	3	4	12	To support with the closure of the LEP 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 has been receiving independent legal advice to ensure that as the organisation moves towards closure and functions are transferred to the accountable body, the correct procedures are followed to limit risk.	Once the LEP is closed and functions are transferred this risk will be closed	↓
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 contracts 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	Once the LEP is closed and functions are transferred this risk will be closed	↓

3b Programme Risk Register

MARCHES LEP PROGRAMME RISK REGISTER Last updated: 14/02/2024				Residual Risk Ratings						
Risk No.	Risk Description	Description of Potential IMPACT (qualified wherever possible)	Current Controls	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	Rationale for Risk Changes	Risk Mitigation	Status Post LEP Closure	Direction of Travel
TOP RISKS - in order of Risk Rating (High to Low)										
2.15	Marches Careers Hub - Inadequate staff resources to deliver project successfully	Potential delivery failure, unable to make best use of project budget and additional pressure on Marches LEP and dispersed Marches Careers Hub team	Hub Lead in post and effectively overseeing Hub strategic and operational activity. Proposed restructure of delivery management to meet contractual requirements to be implemented in AY2024 resulting in an increase in EC case loads. Recruitment underway for part-time EC role in Shropshire and confirmation still awaited from Herefordshire regarding vacant full-time EC role which is beginning to have an adverse impact on project delivery.	4	4	16	Lack of clarity regarding recruitment to Herefordshire role impacting delivery.	Please see current controls	Once recruitment has been completed this risk can be closed	↑
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. 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	4	4	16		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 contract within the accountable body has not yet been identified. A number of new RIF projects will be contracted in February and March and these will need to be monitored as well	Once a contact has been identified within the Accountable Body this risk can be closed	↔
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 apply identify a replacement project	Regular monitoring of the project has been ongoing. The Council presented an updated business plan including refreshed BCR figures and revised milestones at an extraordinary Board Meeting on the 14th December. At this meeting the board rejected the option of clawback.	4	4	16		Shropshire Council was asked to provide a detailed risk assessment and milestones for CLR at the board meeting on the 23rd January 2024. Due to time constraints this information was provided by the Council on the 31st January. The Environment Agency still has a number of concerns about the CLR that will have to be addressed by planning conditions. These will be published in February.	The CLR will have to be monitored and assessed for risk by the Accountable Body until it closes in 2032	↔
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		The 3 local authorities have committed to maintain the MGH	While the MGH continues this risk will remain open	↔
5.7	Marches Careers Hub - arrangements for transfer of CEC contract following announced closure of LEP to be confirmed.	Potential disruption to project delivery, loss of capability and capacity to deliver project.	Forms part of current LEP transition work and novation of CEC contract to Shropshire Council underway, supported by Exit Plan submitted to CEC.	4	4	16		Please see current controls	Once the contract is novated this risk can be closed	↔
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 PRMG agreed to extend the project by 3 months. A further extension of 6 months was requested, however this was rejected by the board because it is clear that not all the money will be spent	5	3	15		the LEP will consider all options including the possibility of clawback. However, under the original deed of variation the possibility of clawback, particularly against the shopfront scheme, seems challenging as no grant was used to support the delivery of this.	The HCCI will have to be monitored and assessed for risk by the Accountable Body until it closes in June 2024	↔
3.37	Marches Growth Hub: lack of clarity concerning GH funding for 24/25	Staff contracts not renewed, limited future planning leading to the possibility of an interruption in business support services, reputational damage and a negative impact on the Marches economy	The government is committed to the GHs/Close contacts being maintained with DBT and the WM GH Cluster to ensure that when the decision is made the MGH can respond quickly	4	3	12	No announcement has yet been made about funding		Once funding is confirmed for 2024-25 this risk can be closed	↑
2.22	Programmes: Transport study undertaken by AECOM Ltd does not result in the delivery of any projects	The money invested by the LEP in the activity does not achieve the desired economic impact for the Marches leading to reputational damage	One project was identified as suitable to receive LEP support. A SOBC for an active travel corridor in Shrewsbury was awarded £75k and provided agreed to provide £35k of match. The project is due to start in February and finish in September	4	3	12	The active travel corridor project was awarded £75k from the MF fund; however the Shropshire finance team have questioned why funding from a capital programme is being used to support a revenue project		Once the issue with the source of the funding is resolved this risk can be closed	↑

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4a GBF Position

GBF Project	Outputs & Expenditure	Overall Position			% Delivered	LIKELIHOOD (Very Low 1, Low 2, Medium 3, High 4, Very High 5)	IMPACT (Minimal 1, Minor 2, Significant 3, Major 4, Critical 5)	RISK Rating	End Date
		Contract	Actual	Position					
HCCI	Expenditure	3,000,000	3,000,000	0	100.00	4	4	16	30/06/24
	Match	3,000,000	1,333,830	-1,666,170	44				
	Jobs created	90	0	-90	0				
	Housing units	100	0	-100	0				
	Public realm / green space sqm	13190	23,490	10,300	178				
ICW	Expenditure	1,000,000	1,000,000	0	100	4	4	16	31/03/24
	Match	1,000,000	1,008,463	8,463	101				
	Jobs created	500	0	-500	0				
	Housing units unlocked	1385	182	-1,203	13				
Pride Hill Remodelling	Expenditure	5,020,000	5,020,000	0	100	3	4	12	31/03/25
	Match	12,540,000	2,446,611	-10,093,389	20				
	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				
Commercial floorspace refurbished	19000	0	-19,000	0					
Stronger Communities	Expenditure	2,380,000.00	2,380,000	0	100	3	4	12	31/03/25
	Match	18,620,000.00	4,287,833	-14,332,167	23				
	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	Expenditure	1,000,000	1,000,000	0	100	1	3	3	31/03/25
	Match	428,571	1,045,451	616,880	244				

	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				
	New homes with energy technologies	11	11	0	100				
Skylon Park (NMITE2) (Self-certification)	Expenditure	1,600,000	1,600,000	0	100	3	4	12	31/03/25
	Match	480,000	0	-480,000	0				
	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				

Total GBF	Contract	Actual	Position	%
Expenditure	14,000,000	14,000,000	0	100.0
Match	36,068,571	10,122,188	-25,946,383	28.1
Additional Construction Jobs	250	100	-150	40.0
Public realm	13,190	23,490	10,300	178.1
Jobs safeguarded	31	37	6	119.4
Commercial floorspace	19,000	0	-19,000	0.0
Community Sport Facility Delivered	300	0	-300	0.0
Brownfield land unlocked (acres)	3	3	0	100.0
Retrofits	68	68	0	100.0
L/T floorspace	2,700.00	2,805.50	105.50	103.9
New zero carbon homes	11	11	0	100.0
New learners	330	293	-37	88.8
Companies supported	250	85	-165	34.0
Apprenticeships	6	0	-6	0.0
Brownfield land remediated (m2)	1,725	1,725	0	100.0
Jobs	803	50	-753	6.2
Houses Units	129	11	-1,416	8.5
Housing Units Unlocked	1,480	182	-1,298	12.3

4a LGF Position

LGF Project	Outputs & Expenditure	Overall Position							
		Contract	Actual	Position	% Delivered	LIKELIHOOD (Very Low 1, Low 2, Medium 3, High 4, Very High 5)	IMPACT (Minimal 1, Minor 2, Significant 3, Major 4, Critical 5)	RISK Rating	End Date
Telford Bus Station	Match	600,000	1,666,378	1,066,378	278	2	3	6	31/03/25
	Jobs created/safeguarded	300	63	-237	21				
	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	2,117,592	-6,616,630	24	3	5	15	31/03/32
	Jobs created	1090	23	-1067	2				
	Employment land	12	0.9	-11.1	8				
	Housing units	835	138	-697	17				
	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	2201	-298	88				
	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	3	4	12	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	23,243,316	12,869,452	224	1	1	1	Completed
	Homes with fibre optic	16,705	70,031	53326	419				

	Commercial broadband	6,115	6,115	0	100				
HEZ	Match	3,351,500	3,257,483	-94,017	97	1	3	3	31/03/25
	Jobs Created	560	0	-560	0				
	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 (m²)	350	354	4	101				
	New office space (m²)	171	171	0	100				
Oswestry Innovation Park	Match	12,019,750	12,019,865	115	100	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	6,811,539	-4,002,511	63	2	4	8	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	1,500,000	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	838	-301	74				
	Apprenticeships	174	64	-110	37				
	Apprenticeship programmes	2	1	-1	50				
	New courses	10	8	-2	80				
Hereford Cyber Centre	Match	5,943,975	5,974,056	30,081	101	2	4	8	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	21	3	117				
	Number of spin out companies	7	5	-2	71				
	Number of new SMEs created	5	2	-3	40				
	SMEs with improved training defences	18	0	-18	0				
	Increase in GVA by March 2022	8,000,000	5,211,293	-2,788,707	65				

	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	3	3	9	31/03/25
	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	52	-8	87				
	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	2	4	8	31/03/25
	Jobs created/safeguarded	954	132	-822	14				
	Housing units completed	1070	881	-189	82				
	Commercial floorspace completed	50,000	11493	-38507	23				
	Employment land created (ha)	10	10	0	100				
	GVA (£m)	42,000,000	5,788,925	-36,211,075	14				
NMITE 1	Match	3,133,750	2,207,416	-926,334	70	2	4	8	31/03/25
	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				
NMITE 2 (self-certification)	Match	7,766,250	5,660,000	-2,106,250	73	4	4	16	31/03/25
	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				
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				

Outstanding Match = £21.3 million

£21.1 million is from the following projects:

- SITP £0.6 million
- OLR £6.6 million
- HCCTP £6.9 million
- SC £4 million
- NMITE £3 million

	Contract	Actual	Position	%
Match	107,334,709	103,943,556	-3,391,153	97
Jobs created/safeguarded	14,780	3,625	-11,155	25
Commercial floorspace	61,515	24,535	-36,980	40
Housing units	11,143	7,755	-2,909	70
Employment Land (ha)	90.37	61.1215	-29.2485	68
New/improved Learning/Training Floorspace	9454.47	6492.49	-2961.98	69
New learners (students on roll)	3690	2720	-970	74
New Roads	8.41	7.09	-1.32	84
Roads Resurfaced	7.27	5.448	-1.822	75
New Cycleways	6.225	1.965	-4.26	32
Houses with fibre	16,705	70,031	53,326	419
Commercial properties with broadband	6,115	6,115	0	100
Fitted employment space	350	354	4	101
New office space	171	171	0	100
Apprenticeships	940	616	-324	66
New courses	88	86	-2	98
Commercial floorspace occupied	549	110	-439	20
Number of enterprises receiving non-financial support	747	299	-448	40
Number of spin out companies	7	5	-2	71
Number of new SMEs created	5	2	-3	40
SMEs with improved training defences	18	0	-18	0
R&D projects started	40	6	-34	15
New products created	4	0	-4	0
Work placements	60	52	-8	87
Number of undergraduates	1,000	110	-890	11
GVA	89,934,904	17,979,800	-71,955,104	20
Reclaimed Land	2	2	0	100

Meeting date:	22 nd February 2024					
Agenda Item:	4b					
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.			
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:	22 nd February 2024					
Agenda Item:	4c					
Item Subject:	Hereford City Centre Improvement GBF project					
For:	Discussion	x	Decision	x	Information	

Purpose of the paper: Confirmation of decision to clawback part of the grant from HCCI

Summary of Recommendations:

At the PRMC meeting on the 14th December 2023 the committee agreed to pursue clawback of part of the GBF grant made available to the HCCI project. This action has been agreed due to a projected underspend of £250,000 in the shopfront business improvement grants element of the project.

Clawback should be pursued against the project if there is a match underspend by the end date of the project on the 30th June 2024.

Main Points

Herefordshire Council was awarded a grant of £3 million of GBF money and agreed to provide match of £3 million to deliver the HCCI project. The end date of the project is 30th June 2024.

The table below presents the position of the project at the end of Q2 2023/24, the grant spend was completed in 2022/23.

	Contracted	Achieved	Remaining
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

Due to the low uptake of the shopfront façade improvement grants from businesses, Herefordshire Council applied to extend HCCI by another 6 months to December 2024 at a PRMC meeting on the 26th October 2023. The PRMC requested that the proposal be resubmitted at the next meeting to allow the committee to properly review the proposal. On the 16th November 2023, Mark Averill, Service Director Environment and Highways at Herefordshire Council, sent an email to the LEP confirming that the project was still seeking an extension of 6 months to allow the façade improvement grants to be spent. However, the Council remained “sceptical that all of the budget for this project will be capable of defrayal due to the apparent lack of interest in the scheme.” It is estimated that this element of the programme will underspend by £250k, the total value of the shopfronts grants is £500k.

At the PRMC meeting on the 14th December, on the basis of the information provided by the project, the committee supported the recommendation to clawback a proportion of the grant.

Although the original contract signed with Herefordshire Council on the 15th December 2020 has clauses that would support this action, in particular:

- 3.5 states the grant is paid on the basis of Herefordshire Council securing £3 million in match
- 4.8 states that by the commencement date the agreed amount of match should be secured
- Section 6 (Clawback) refers to clause 4.2, clawback can take place if the project doesn't complete works and outputs by the agreed completion date and in accordance with Appendix 1 project specifics.

However, under a deed of variation signed on the 20th December 2021, the breakdown of expenditure in appendix 7 of the original agreement was revised in schedule 5. As a result of the revised schedule the figure for the shopfront.

It should also be noted that until the project finishes at the end of June 2024, the precise value of the match underspend in the shopfront façade improvement grants will not be known until at least July 2024.

Recommendation

- To pursue clawback

Financial implications:

- In terms of the amount of clawback that can be pursued, a grant of £3 million was provided on the basis that the Council would provide match of £3 million. Therefore, the value of clawback should be on a pro-rata (50:50) basis. If the project only spends £2,75 million of £3 million of required match, then the value of any clawback will be £125k The value of clawback will ultimately be the half the value of the outstanding match at the end date of the project on the 30th June 2024
- 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 all its function's will be 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:

Additional information:

Report Author: Mark Schneider, Head of Business Development & Delivery, Marches LEP

Background papers/documents:

Meeting date:	22.02.2024				
Agenda Item:	4d				
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](#)

END