

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Tuesday, 11 February 2020 at 6.00 pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Present: Councillors E M Callear (Chair), A R H England, N A M England and K S Sahota.

In Attendance:

G Hamer (Chief Executive, Marches LEP), K Jones (Partnership Manager, Marches LEP), K Kynaston (Programme Executive Lead), D Moseley (Democratic & Scrutiny Services Team Leader), K Robinson (Democratic & Scrutiny Services Officer)

Apologies: Councillors E J Carter, J Jones and R Williams

BFSC1 Declarations of Interest

BFSC2 Minutes of the Previous Meetings

RESOLVED – that the minutes of the meeting held on 13 January 2020 be confirmed and signed by the Chair.

RESOLVED – that the minutes of the meeting held on 20 January 2020 be confirmed and signed by the Chair.

BFSC3 Marches Local Enterprise Partnership Update

Gill Hamer (Chief Executive) and Kathryn Jones (Partnership Manager) from the Marches LEP were invited by the Chair to make their presentation. The presentation gave an overview of the work that the LEP did, an outline of successful projects they had been involved in, and an update on ongoing projects. Members were informed of the LEPs structure and funding streams before receiving information about key projects including Hereford's NMiTE, Superfast Telford, and the NI-Park.

Looking at the next funding round, Members were informed that the LEP was still waiting to receive formal feedback from central government on the 'Local Industrial Strategy' (LIS) but that initial signs were positive. The LIS was said to focus on emphasising the local distinctiveness of Shropshire and its towns, making the case for investment from central government in the areas specific expertise. The Strategy made the link between the region's educational institutions and economic specialisation, with examples being Harper Adams University's links to the well-established agri-food and agri-tech industry in the Telford & Wrekin area and the links between the University of Wolverhampton's work in Hereford and the burgeoning cyber-security sector there. Such links and specialisation, the LEP believed, had made a strong case for funding moving forward.

Through its close working relationship with officers from the three local authorities that constitute the Marches LEP, the LEP had developed an updated strategic economic plan. This updated plan took stock of recent investment and achievements but recognised the region's ongoing challenges – an ageing population (though Telford bucked the trend) and lower productivity and skill level than the national average – and sought to address them.

Members asked a number of questions as follows:-

Was it hopeful that the bid to secure funding for the Station Quarter development would be successful?

This was just one of a number of bids that Telford had made that were under consideration, this one had just recently become public. The result of the bid would not be known for another month or so. Members were informed that the bids that were under consideration were not wholly commercial or just town centre focussed and would also include residential and Borough Town redevelopment.

The LEPs commitment to quality jobs and training was welcomed. However, there was no mention in the documents provided about cooperative development or encouraging cooperatives. Did the LEP offer help to cooperatives?

The LEP did offer help and support to cooperatives as a part of the work of its third sector and voluntary organisations section. European funding that had supported third sector initiatives also offered support to business start-up opportunities such as setting up a cooperative or social enterprise. The LEP also provided information for those setting up businesses along these models through the Growth Hub. There had also been an event in support of cooperatives in Shrewsbury in October. The cooperative model was one that the LEP supported and there would be support for those interested in setting them up.

Would any LEP funding be used in the redevelopment of the Ironbridge Power Station site?

It was not possible to say at the time of the meeting. The LEP was waiting to see what initiatives came out of the site. Waste removal from the site and the ability of the existing railway infrastructure to support the weight of freight trains removing the waste was being looked at. Shropshire Council were already promoting this as a project and a potential bid for funding was expected. The LEP would be minded to support proposals that enjoyed the backing of both Shropshire and Telford & Wrekin Council. The site was to be a huge investment and it would be important to consider the implications it would have and the implications it would have for the Ironbridge Gorge community.

How much of its funding did the LEP receive from the European Union? And how would any shortfall in funding as a result of Brexit be covered?

The LEP received funding from the European Social Fund (ESF), the European Regional Development Fund (ERDF), and rural development funding. The LEP had allocated more or less all of its ERDF funding. There had been good news that ESF funding would be matched by the Department for Work and Pensions. ESF funding was to be maintained through to 2023, though the LEP hoped to use most of this by 2021/22. There was no sight of successor funding to EU funding at the time of the meeting as no decisions had been made by central Government. This position was subject to change once the budget had been presented in March.

Had there been any reassurance that funding would not be lost once the UK exited the EU?

Clarity on the position was awaited from Ministers. The LEP had carried out a lot of planning, however. The only spending that the LEP had been made aware of, prior to the confirmation of HS2 and the unveiling of bus funding, was the Towns Fund. The issue of further education funding had been mooted in the press but until anything substantial emerged the only capital funding available to apply for was through the LEP.

Could LEP infrastructure funding be used to regenerate 'New Town' areas?

Infrastructure largely covered roads, broadband, utilities, and growing the economy.

Would there be any scope for Homes and Communities Agency (HCA) funding to invest in the 'New Town' areas?

The Land Deal had provided an opportunity for some re-investment, income generated by plot sales was no longer going straight back to the Treasury. The issue of housing and infrastructure in new towns had been raised with the relevant All-Party Parliamentary Groups.

One of the first projects by the LEP was in Hereford, an industrial unit, what was the occupancy rate?

The project had been successful and an update report was due to the LEP board. The site of the project was where the new cyber security centre was under construction. Growth deal and LEP funding would also be used to create a new incubator on the site. The LEP was looking to focus on the cyber security specialisation in Herefordshire to tap into the skills of ex-SAS and Signals servicemen that wished to stay in the area.

Clarity was sought on the total funding for 2018/19 was which was around £17.8m in contrast with expenditure of £6.3m

All of the funding for the year had been allocated, some projects were not moving as quickly as the LEP would like. There was £27m of funding for a new road in Hereford but a change in administration there had led to a review of this roads construction. This funding had now been clawed-back by the LEP so that it could be spent within the time-frame and it was now available for new bids. 'Shovel-ready' projects were now the priority. Maintaining a project pipeline was important.

Members thanked representatives of the LEP for their attendance.

BFSC4 Work Programme 2019/20 and 2020/21

Members had received a report setting out the suggestions for the work programme. The Chair asked Members to send any comments or further suggestions to the Democratic and Scrutiny Services Officers.

Cllrs A R H England, N A M England, and K S Sahota left the meeting at this point. Due to the lack of a quorum, the meeting was brought to a close.

The meeting ended at 6.47 pm

Chairman:

Date: Tuesday, 10 November 2020