



Telford & Wrekin
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Date **Tuesday, 11 February 2020** Time **6.00 pm**
Venue **Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

Enquiries Regarding this Agenda

| | | |
|---------------------|--------------------------|--------------|
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| <u>Committee Membership:</u> | Councillors E M Callear (Chair), E J Carter, A R H England, N A M England, J Jones, A Lawrence and K S Sahota, Co-optees C Mason-Morris and R Williams |
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AGENDA

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| 1. Apologies for Absence | |
| 2. Declarations of Interest | |
| 3. Minutes of the Previous Meetings 13 th January 2020 (attached) and 20 th January 2020 (to follow) | 3 - 6 |
| 4. Marches Local Enterprise Partnership Update To receive the report of the Marches LEP, presented by Gill Hamer, Kathryn Jones, and Ennis Vingoe. The Cabinet Member for Finance, Commercial Services and the Economy and Kathrine Kynaston (the Programme Executive Lead) will be in attendance. | 7 - 20 |
| 5. Work Programme 2019/20 and 2020/21 | 21 - 26 |
| 6. Chair's Update | |

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COUNCIL FINANCE & COMMERCIAL SERVICES SCRUTINY COMMITTEE

Minutes of a meeting of the Council Finance & Commercial Services Scrutiny Committee held on Monday, 13 January 2020 at 6.00 pm in G3 & G4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Present: Councillors E M Callear, E J Carter, N A M England and K S Sahota. Co-optee: Mr R Williams

Also Present: Cllr L D Carter, Cabinet Member for Finance, Commercial Services and the Borough Economy (Cabinet Member for LEP)

In Attendance: K Clarke (Director Finance & Human Resources), D Moseley (Democratic & Scrutiny Services Team Leader), and K Robinson (Democratic & Scrutiny Services Officer)

Apologies: Councillors A R H England and P Watling (from Health & Adult Care Scrutiny Committee)

1 Appointment of Chair

Councillor N A M England had previously stepped down as Chair and nominations were, therefore, invited for a new Chair.

RESOLVED – that Councillor E Callear be appointed as Chair for the remainder of the 2019/20 municipal year.

2 Declarations of Interest

None.

3 Service & Financial Planning 2020/21 - 2022/23

The Cabinet Member for Finance, Commercial Services and the Economy presented the budget proposals as set out in the report to Cabinet on 2 January 2020. The Cabinet Member set out the time frame covered by the proposals, noting that they comprised a one year Revenue Strategy and a four year Capital Programme. Ongoing uncertainty surrounding the funding of local government was cited as the rationale underlying the short term nature of the budget. It was acknowledged that, while the provisional settlement information had been received in December and the final settlement wasn't expected until February, this made it difficult to create and present a more long term set of budget proposals. The Cabinet Member stressed the importance of the Council's principles and its strong commitment to adult social care and children services. A commitment to environmental principles was stressed with the Cabinet Member emphasising the proposed investment in paths and cycleways. The Cabinet Member expressed pride in delivering a balanced budget that accounted for a range of uncertainties. To deliver the balanced budget, budget savings of £3m would be delivered over the next

year. The budget strategy proposed a total council tax increase of 3.99%, made up of 1.99% for council services and 2% for the Government's adult social care precept. The Cabinet Member asserted that it was expected that Telford would still have the lowest council tax in the West Midlands after the increase.

The Chief Finance Officer (CFO) expanded on the Cabinet Members statement that the proposals encompassed a one year budget strategy and a four year capital programme. The budget strategy would only cover one year as no figures had been provided on the Council's settlement beyond March 2021, this was further complicated by the deferral of major changes to the local government finance system until April 2021. This meant that the Council faced another year of uncertainty. The capital programme, due to the nature of capital projects, would have a medium term strategy in spite of the uncertainty shrouding council financing.

Members asked a number of questions as follows:-

What changes from the government were expected to council funding and finance? Will they be positive for Telford?

At the time of the meeting, the changes were unknown and the effect on the Council's funding would depend on the amount made available nationally and how that was distributed to councils. The Council must wait for the spending review and the government to make its proposals on the distribution of funding before any future budget decisions could be made.

Regarding the graph on page 11 of the budget proposal pack, local government funding had been cut by 82% since 2007/08. How long would it take for our funding to reach pre-2007 levels again? Will we see the end of austerity?

The figure, 82%, was a national one but if funding continued to increase at the following year's rate of 1.6% then it would take around 50 years for local government funding to recover to those levels. While the increased funding the Council would receive this year was welcome, it was not right to discuss the end of austerity at present because of the low level and one-off nature of investment from the government in important areas such as adult social care and children's services.

Had the Council carried out any studies or surveys to assess the short-term effect of Brexit on the local economy?

It had not been possible to carry out a study due to the uncertainty surrounding the form Brexit would take. There were signs of the effect that Brexit would have: foreign inward investment offers had been decreasing but conversely locally based companies had demonstrated a willingness to invest that was offsetting the slowing of foreign investment. The Council still, however, did not know what to plan for with regard to Brexit. The report stated that uncertainty surrounding Brexit had complicated proposals but this did not equate to a value judgement.

In relation to debt, was there a figure of how much debt the Council had at the time of the meeting? If so, was there a repayment plan?

Details would be supplied in writing. In accordance with regulations, the Council did have a repayment plan. It was the role of the Audit Committee to oversee treasury management.

Was it fair to assume the Council was looking at borrowing to allow the Council to progress, as part of a robust and flexible budget?

It was not just about the amount borrowed but how it was used. Thanks to low interest rates, investing on income generating projects had allowed the Council to cover its repayments, interest, and make a profit. Borrowing could be a positive for the Council subject to appropriate risk management arrangements.

In regard to income generation, the £21m generated by the Commercial Services team last year sounded incredible, how did this compare to five years ago?

This information would be provided by way of written response.

What does environmental project pump-priming mean?

This was funding for a dedicated officer to look at how to address environmental issues. The funding covered employment costs as well as other associated costs of this key work stream.

Was the Council addressing environmental standards in Nuplace?

Going forward, environmental standards would be reviewed. The impact on the environment was part of every conversation the Council was now having.

Would increasing the ICT budget by £1m to £2m defend the Council from cyberattacks?

The increased funding in ICT would help to address the issue. The Council had successfully defended a number of attacks from all around the world and this will help to bolster defence mechanisms.

The Council used to look after 4,000 adults and 350 children in care, what was the rate now?

The figures on adult social care were not available to present to the meeting, but the number of children in care had stayed at around the same level. Costs, however, had increased and were significant – around £3,000 a week per child. While numbers had remained roughly the same, the Council was spending more.

Would there be an alternative budget this year?

An alternative budget would not be presented this year.

The Committee REQUESTED that the Cabinet Member for Health & Social Care and Director: Adult Social Care be invited to the next meeting to provide further information regarding the adult social care cost improvement plan. It

was also requested that the children's safeguarding cost improvement plan be considered at a future meeting.

4 Chair's Update

The Committee would consider its work programme once the Scrutiny Structure was agreed by Council on 23 January 2020.

The meeting ended at 7.35 pm

Chairman:

Date: Tuesday, 11 February 2020

TELFORD & WREKIN COUNCIL

BUSINESS & FINANCE SCRUTINY COMMITTEE

11TH FEBRUARY 2020

MARCHES LOCAL ENTERPRISE PARTNERSHIP UPDATE

REPORT OF THE MARCHES LOCAL ENTERPRISE PARTNERSHIP CHIEF EXECUTIVE

1 PURPOSE

- 1.1** To enable the Business & Finance Scrutiny Committee to consider the progress and performance of the Marches Local Enterprise Partnership (LEP).

2 RECOMMENDATIONS

- 2.1** That the Committee consider the report and agree any recommendations or further actions.

3 INTRODUCTION

- 3.1** This report provides an update on the achievements of the Marches LEP, its revised governance structure, current board membership and priorities outlined in its Strategic Economic Plan (SEP).
- 3.2** It also provides a briefing on the role and purpose of the Annual Delivery Plan and its priority activities.

4 KEY INFORMATION

- 4.1** The Marches LEP, one of 38 LEPs and established in 2011, supports economic growth across Shropshire, Herefordshire and Telford & Wrekin.
- 4.2** Its vision is found at **Appendix 1**.
- 4.3** A new Chair, Mandy Thorn MBE, was selected in September 2019 following an open recruitment exercise to succeed Graham Wynn OBE on completion of his tenure.
- 4.4** The LEP board includes the Leaders of the three local authorities of Shropshire, Herefordshire and Telford & Wrekin as well as the chairs of Herefordshire Business Board, Shropshire Business Board and Telford Business Board.

- 4.5** In April 2019 the Marches LEP became a company limited by guarantee (company number 11822614) in response to recommendations laid out in the 2017 national LEP Review. The LEP Board is the LEP's ultimate decision-making authority and it comprises both public and private sector partners - a full breakdown of current LEP Board Members may be found at **Appendix 2**.
- 4.6** The Marches LEP originally produced a Strategic Economic Plan (SEP) in 2014 which set out the area's priorities and provided the basis for successfully attracting £104 million in Growth Deal funding to the area. Projects within this funding are currently being delivered by partners and the Marches LEP has, this year, been supporting the development of NI-Park (Newport), the Midlands Centre for Cyber Security (Hereford) and NMITE, the new engineering education institute in Hereford. The establishment and continued funding of the Marches Growth Hub to support new and existing businesses is also an important Marches LEP initiative. Projects that have directly benefited Telford & Wrekin including support for skills, broadband and infrastructure programmes are laid out in the report at **Appendix 3**.
- 4.7** Following extensive consultation and research throughout 2018, the SEP was updated in 2019. A copy may be found at https://www.marcheslep.org.uk/download/economic_plans/strategic-economic-plan-update-2019/The-Marches-LEP-Strategic-Economic-Plan-2019.pdf.
- 4.8** Officially launched at a House of Commons reception on 8 May 2019 attended by Telford & Wrekin Council representatives and local MPs, the SEP outlines opportunities agreed across the wider partnership for sustainable economic growth, housing expansion, innovation and market town support.
- 4.9** The SEP includes information on the Marches' key sectors which have been classified as:
- Core economic sectors:
 - Advanced manufacturing
 - Business and professional services
 - Food and drink
 - Emerging sectors:
 - Environmental technologies
 - Cyber security and resilience
 - Agri tech
 - Innovative health and social care
 - Enabling sectors:
 - Visitor economy
 - Retail
 - Logistics
 - Construction
 - Health and social care
 - Education
 - Voluntary, community and social enterprise.

- 4.10** These sectors are the foundation of the economic performance of the Marches and the core and emerging sectors provide the biggest opportunities for growth and productivity improvements.
- 4.11** The SEP has underpinned work undertaken to develop a Local Industrial Strategy (LIS). Each LEP is required to agree a LIS with government which builds on its local distinctive strengths and highlights how these can be maximised to support the regional, national and global performance of the UK.
- 4.12** The Marches LEP has drafted a LIS which is based on economic evidence and has been shaped by consultation with businesses in its key sectors. Although not a bidding document, the LIS will help to influence government investment decisions by increasing awareness of our unique strengths in food and drink/agri tech, component manufacture, environmental technologies/renewable energy production and cyber security. The LIS sets out how we plan to boost productivity, support businesses to create good quality jobs and increase opportunities across the Marches through investment in skills, innovation and infrastructure. Our current working draft may be found at https://www.marcheslep.org.uk/download/marches_local_industrial_strategy/Marches-Local-Industrial-Strategy-Final-draft-20.12.19.pdf
- 4.13** Local authority partners, including Officers from Telford & Wrekin Council, have contributed to the development of the LIS through business consultation events, leading research activities and formal review of emerging LIS priorities. The LIS process and findings to date were presented at the LEP Board Meeting on 24 September 2019 and an update provided at the 26 November 2019 meeting which Cllr Shaun Davies attended.
- 4.14** In line with government requirements, the Marches LEP developed an Annual Delivery Plan which sets out its workplan for 2019/2020 and outlines its priority actions. A copy may be found here <https://www.marcheslep.org.uk/download/governance/Delivery-Plan-2019-2020-final.pdf>
- 4.15** Progress against the deliverables is reviewed regularly by the LEP team, Deputy Chair and Chair. Formal mid-year and end of year performance reviews are held with government (Department for Business, Energy and Industrial Strategy (BEIS)/ Ministry of Housing, Communities and Local Government (MHCLG)) to review achievements, to consider examples of good practice and identify areas for improvement. Priorities for 2019/2020 have included the recruitment of a new private sector Chair, maximising the delivery and impact of Growth Deal funded projects and developing a Local Industrial Strategy (LIS). A mid-year review was held on 18 September 2019 and the Annual Performance Review was held on 23 January 2020.
- 4.16** The Marches LEP also has oversight of European funding that is allocated to the Marches region. A report detailing the impact of European funding is attached as **Appendix 4**.

5 FINANCIAL/VALUE FOR MONEY IMPACT

- 5.1 Work set out in the Report is being undertaken within Marches LEP resources. This includes an annual cash contribution from each of the Local Authorities (£21,337 from Telford & Wrekin Council) to enable the drawdown of BEIS/MHCLG core funding for the LEP.
- 5.2 **Appendix 3** sets out examples of how Telford & Wrekin has benefitted from project funding drawn down by the Marches LEP. As demonstrated by the success of the 2014 SEP, having a clearly articulated and evidence-based understanding of the economy allows the Marches LEP to make the case to government for funding to support economic growth. Our 2019 SEP and LIS will be used to prioritise opportunities for funding under the UK Shared Prosperity Fund and shape government investment into the area.
- 5.3 Financial risk to Telford & Wrekin Council and other local authority partners is limited through the use of Shropshire Council as the LEP's accountable body and the LEP maintaining adequate reserves to meet all anticipated financial liabilities.

6 LEGAL ISSUES

- 6.1 The Marches LEP is now a company limited by guarantee and its articles of association (<https://www.marcheslep.org.uk/download/transparency/Appendix-1-Articles-of-Association.pdf>) set out its membership, obligations and decision-making processes. Specialist legal advice has been commissioned to identify any issues arising as the result of the LEP having become a company limited by guarantee.

7 ACTIONS TO ADDRESS

- 7.1 The Marches LEP has committed to ensuring it consults with and is scrutinised by appropriate committees of each of its Local Authority members. The committee's remit is two-fold. Firstly, to review the actions taken by the LEP and then, as a consequence, if there is anything arising which would be the responsibility of Telford & Wrekin Council's executive, to make recommendations.
- 7.2 It should be noted that performance against the Annual Delivery Plan is formally reviewed by government. A performance rating is awarded to each LEP and the process provides an opportunity to highlight examples of good practice to share across the LEP network. The process also enables the identification of areas for improvement. In addition, each LEP has been required to respond to recommendations outlined in the national review of LEPs - failure to do so could result in sanctions, including the restriction of funding, being applied by BEIS/MHCLG. Feedback from MHCLG and BEIS confirms that the Marches LEP is not at risk of this and recent changes to the Marches LEP governance structure met the national requirements.

- 7.3** Feedback from the mid-year review was positive. Attention does, however, still need to be paid to improving the diversity of membership of the LEP Board. This action is being taken forward by the LEP as a priority.
- 7.4** Feedback on the Annual Performance Review and information on the performance ratings awarded will be confirmed by BEIS/MHCLG to follow up the review meeting held on 23 January 2020.

Appendix 1 - Marches LEP Vision

Appendix 2 – Marches LEP Board Membership

Appendix 3 - Marches LEP Investment in Telford & Wrekin- Infrastructure, Skills and Innovation

Appendix 4 – Marches European Structural and Investment Funds 2014-2020

Report prepared by Kathryn Jones, Marches LEP Partnership Manager, 01743 462 026, kathryn.jones@marcheslep.org.uk

Appendix 1 - Marches LEP Vision

- A place which is open for business, up for business and pro-growth.
- At the forefront of changes in how people live and work using new technology and improved physical and digital connectivity to enable businesses and people to develop and succeed.
- A growing place, attracting more people to come, stay and build their careers and businesses.
- A destination not a boundary - gateway to markets in the Midlands, Wales, South West, North and Europe. A visitor destination with significant natural and cultural resources that is well known and attracts people looking for a high-quality experience.
- A pioneer in the provision and testing of digitally driven health and social care for dispersed populations supporting healthy ageing and economic participation in later life.
- A global centre of excellence in advanced manufacturing specifically automotive, cyber security, and the next phase of technology development in agriculture, environment and food production.
- An inclusive place that enables residents from all communities to thrive and develop with quality jobs offering good wages, training and progression.
- A collaborative and proactive place with businesses, further education institutions (FEIs), higher education institutions (HEIs) and public organisations working together to agree what needs to happen and getting things done. Known as a good place to start and grow a business.

Appendix 2 – Marches LEP Board Membership

| Sector | Name | Title and Organisation |
|--|---|---|
| Private Sector Chair | Mandy Thorn MBE | Business Owner - Chair of Marches Care Ltd |
| 3 Business Board Chairs | Frank Myers MBE | Chair of Herefordshire Business Board |
| | Paul Bennett | Chair of Shropshire Business Board |
| | Paul Hinkins | Chair of Telford Business Board and Deputy Chair of the LEP Board |
| Enterprise Zone | Andrew Manning Cox | Chair of Hereford Enterprise Zone (Skylon Park) |
| Food and Drink/Agri-Tech | Dr David Llewellyn (until 27 January 2020) Successor to be announced following open recruitment call for board members | Vice-Chancellor, Harper Adams University |
| Community and Voluntary Sector | Sonia Roberts | Charity Manager, Landau |
| 16-18 Skills and Workforce Development | James Staniforth | Principal and CEO, Shrewsbury Colleges Group & Chair of Skills Advisory Panel |
| Higher Education | To be announced following open recruitment call for board members | |
| Financial/Professional Services | Paul Kalinauckas | Chief Executive, BCRS Business Loans Ltd |
| Construction | Ruth Shepherd | Founding Director, Results Communication |
| Manufacturing | Sara Williams | Marketing Manager, Protolabs |
| 3 Local Authority Leaders | Cllr Peter Nutting (Alternate - Cllr Steve Charmley) | Leader of Shropshire Council |
| | Cllr David Hitchiner (Alternate – Cllr Trish Marsh) | Leader of Herefordshire Council |
| | Cllr Shaun Davies (Alternate - Cllr Lee Carter) | Leader of Telford and Wrekin Council |

Appendix 3 - Marches LEP Investment in Telford & Wrekin - Infrastructure, Skills and Innovation

Local Growth Deal Funds 1 & 2

| | |
|------------------------------|--------|
| Telford Eastern Gateway | £3.6m |
| Telford Growth Point Package | £13.9m |
| Telford Bus Station | £1.3m |
| Superfast Telford | £1.0m |

Local Growth Deal Fund 3

| | |
|---|---------------|
| Newport Innovation and Enterprise Package | £6.36m |
| Telford College | £0.52m |
| TOTAL GROWTH DEAL ALLOCATION | £26.7m |

Growth Deal 1,2 and 3 – Capital Infrastructure Projects Overview

Growth Deal 1:

Telford Eastern Gateway - A £5.2m project, including £3.6m from Local Growth Fund, which aimed to maximise opportunities to attract advanced manufacturing investors linked to the I54 site just 12 miles to the east of Telford. The project comprised utility infrastructure works at the Telford 54 (T54) site and network capacity improvements to M54 J4. It opened up the potential of the 31 hectare T54 development site immediately next to junction 4 of the M54 and has brought wider economic benefits to the automotive supply chain. The project aims to deliver 3,438 new jobs, 1,670 new homes and 31ha employment land. The Eastern Gateway project at T54 is now complete in terms of expenditure. Ongoing monitoring of the project is taking place to record and report outputs to Government.

Project funding – Growth Deal funds: £3.6m, private sector leverage: £1.1m, and other public funding: £500k.

Telford Growth Point Package - This project concentrated on improving road capacity in Telford adjacent to major employment sites including Hortonwood and Hortonwood West maintaining and enhancing their potential for inward investment, and also on-site infrastructure to open up development sites. The package also included sustainable travel measures to encourage cycling. It aims to create 5,369 jobs and bring forward 2,848 new houses across the Telford & Wrekin Council area.

This project is now complete and all Growth Deal funds have been claimed. Ongoing monitoring of the project is taking place to record and report outputs to Government.

Project funding – Growth Deal funds: £13.9m, local authority funding: £300k, and private sector leverage of £3.175m

Telford Bus Station - The replacement of the existing bus station including re-modelling of entrances and footpaths, supporting the regeneration of Telford Town Centre as well as providing an enhanced public transport interchange. The project was a key element of the overall development strategy for Telford Town Centre and

supported the Telford Shopping Centre masterplan. It aims to unlock 8,800 sq m of retail development land and create 365 jobs at the site (from a total of 14,358 across the borough).

This project is now complete and all the Growth Deal funds have been claimed. Ongoing monitoring of the project is taking place to record and report outputs to Government.

Project funding – Growth Deal: £1.3m and private sector leverage of £600k.

Growth Deal 2:

Superfast Telford - The aim of the project was for Telford to be one of the first areas in the UK to exceed the UK target for fibre broadband coverage by 2020, to support the town's growth, economic prosperity and digital inclusion. More than 9,323 premises (including 1,398 businesses) that cannot currently access faster fibre broadband have been supported to gain open access to a network of providers. Ongoing monitoring of the project is taking place to record and report outputs to Government.

Project funding – Growth Fund: £1.004m, local authority funding: £989k and other public funding of £1.992m.

Growth Deal 3:

Newport Innovation and Enterprise Package - The Newport Innovation and Enterprise package (NI-Park) which started on site in December 2019 will create serviced employment land including an Agri Tech Enterprise and Science Park with direct links to the Harper Adams University's innovation facilities. It will attract investment from high tech businesses, stimulating complementary research and development activities. It will encourage supply chain growth across a wide range of companies engaged in new agricultural technologies and with links to Telford's strong advanced manufacturing sector. The Park has been recognised and promoted by the Department of International Trade as a 'High Potential Opportunity' area to international agritech and agrifood businesses looking to invest in the UK. The package aims to create 954 jobs and 1,070 new houses and should be fully complete by 2020/21.

Project funding – Growth Deal: £6.3m; £1.1m from the Telford Land Deal; £100k from Telford & Wrekin Council and £1.9m from S106 developer contributions

Telford College was awarded £520,326 as part of the '**Investing in our Future Workforce**' project. This invested in new training facilities across the Marches to improve skills provision in line with local employer needs. Telford College has developed an augmented and virtual reality suite. This interactive learning facility is being used to train students in digital and technical skills vital to the region's economy. Outputs will include additional apprenticeships and learners on full and part time programmes.

Other Marches LEP Projects

Marches Investment Fund (MIF) - MIF is a capital fund derived from an initial £8.1m through Government Growing Places Fund allocation, a proportion of any local profit share from the Telford Land Deal and annual repayments and interest from MIF private-led loan schemes. MIF loans have been awarded in Telford & Wrekin to:

- £720k to Mold-based developer, Dicentra, to bring the former Brintons carpet factory on Halesfield 15 back into economic use – this supported the redevelopment of 6,292 sq.m of industrial floor space and a site totalling 4.04ha.
- £750k to Harper Adams to support the development of the Precision Agriculture and Engineering Innovation Centre with the remaining funding coming from the Higher Education Funding Council for England (HEFCE) and Harper Adams University.

Telford Land Deal - This Deal, negotiated by Telford & Wrekin Council, was secured as part of the Marches LEP Growth Deal. Under the Deal Telford & Wrekin Council are responsible for the marketing and disposal of all development land owned by the Homes and Communities Agency (HCA), with receipts generated invested locally into site preparation and with any profit share earned benefitting both Telford & Wrekin and, via a MIF contribution, the wider Marches region. This new model of public land disposal has accelerated the sale of residential and commercial sites and is set to see up to £44.5m of land receipts reinvested in the local area over 10 years.

Marches Growth Hub – Telford and Wrekin is based at the Telford Innovation Campus (Priorslee) of the University of Wolverhampton. In addition to support provided through www.marchesgrowthhub.co.uk and 0345 6000 727, partners from Telford & Wrekin Council's Business Support team provide access to face to face business advice, a varied programme of business events and hot desk facilities.

The Marches Growth Hub is carrying out a vital role in supporting businesses in preparing for EU exit. In addition to having developed the Brexit Toolkit, the Marches Growth Hub can signpost businesses to dedicated Brexit readiness events where companies can develop their own action plans. Visit www.marchesgrowthhub.co.uk/brexit for more information.

The Marches Growth Hub has also launched the £10million Growth Challenge to support businesses in accessing funding and expertise to support their start-up and growth ambitions.

Careers and Enterprise Company (CEC) is a national network set up to inspire and prepare young people for work by connecting schools, colleges, employers and careers programme providers across England. CEC supported Enterprise Coordinators are now in place for each of Marches LEP's three local authority areas (Telford's was the first of the three in post) and a programme of school and business engagement activities has been developed. Funding of £25k per year for each Enterprise Co-ordinator is matched by each of the three local authorities.

Appendix 4 – Marches European Structural and Investment Funds 2014-2020

1. Background

European Structural and Investment Funds (ESIF) work together to support economic development across all European Union (EU) countries, in line with the objectives of the Europe 2020 strategy. The Funds are managed through the Member States, which develop Operational Programmes to set out how the funds are to be invested. The funds include:

- **European Regional Development Fund (ERDF)** – supporting regional competitiveness and employment
- **European Social Fund (ESF)** - improving levels of employment, skills and the inclusiveness of the labour market
- **Rural Development Programme England (RDPE)** - rural development, focusing on revitalising rural areas

In the current tranche, the UK Government developed programmes to fit within the Local Enterprise Partnership (LEP) geography. This meant that all LEP areas were allocated an indicative amount of investment across the funds.

The funds are managed by Government departments, i.e. Ministry of Housing, Communities and Local Government (MHCLG), Department of Work and Pensions (DWP) and Department for Environment, Food and Rural Affairs (DEFRA) for ERDF, ESF and RDPE respectively. The departments contract directly with projects that meet the criteria of funds, so therefore there is no delegation of funds to LEP areas. The fund is competitive with open calls and a one or two-stage application process.

There are local ESIF Sub-Committees which assess proposals for local fit, which include representation from LEPs and other stakeholders. The Sub-Committees agreed the details of the local calls with Government but have no decision-making powers in the awarding of funds, so their input is advisory although generally Government follows their advice.

Due to how the EU categorise regions, the Marches has an individual ESIF budget for Herefordshire and a combined one for Shropshire and Telford. This characteristic is shared by a handful of other LEP areas that had Geographies which cut across European sub regions.

Delivery started in early 2016 and activity will continue until June 2023. The UK Government has provided a guaranteed commitment to ESIF for the duration of the programme, irrespective of the country's future arrangement with the EU.

2. ERDF

Current position

The Marches has an indicative allocation of £59.5m (£46m Shropshire and Telford & Wrekin and £13.5m Herefordshire). This allocation is across five national priority areas, which include Research and Innovation, ICT, Business Competitiveness, Low Carbon and the Environment.

£58m (£44.5m Shropshire and Telford & Wrekin and £13.5m Herefordshire) or 98% of the allocation has been committed to date, which includes projects that have ended, are in delivery, or are still in process of being contracted. To date there are nearly 40 projects in the Marches ERDF programme, which cover business support and grant programmes, incubation space, low carbon infrastructure and environmental improvements. A full list is available upon request.

Future Activity

MHCLG agreed with LEP areas to run a 'final' call window for projects which closed on 30 September 2019. This represented the final opportunity for local partners to bring forward projects. Anything that remains uncommitted after this point will be handled through national calls, where MHCLG is likely to want to support pan-LEP area project as a priority.

3. ESF

Current position

The Marches has an indicative allocation of £42.4m ESF for 2014-2020, £30.1m for Shropshire and Telford and Wrekin and £12.2m for Herefordshire. Funding is allocated over five investment priorities in line with the national programme: skills support for the unemployed; supporting young people aged 15-24 into education, employment or training; active inclusion; skills support for the workforce; improving the relevance of education and training to the labour market.

Approximately £41m (£29m in Shropshire and Telford and Wrekin, £12m in Herefordshire) or 98% of the allocation has been committed up to December 2019, including completed, current and pipeline projects.

To date 17 projects have been funded through the Marches ESF programme (10 in Shropshire and Telford and Wrekin and 7 in Herefordshire) which include support for people with complex or multiple barriers to employment, support for young people not in employment, education or training (NEET) or at risk of becoming NEET, up-skilling and re-skilling employees in micro and SME businesses and support for people affected by redundancy, engaging businesses with education and training systems to make them more responsive to the needs of the local economy and a Community Grants programme to provide grants of £5,000-£20,000 to voluntary and small organisations to help people move towards the labour market. A full list of projects is available on request.

There is a mix of projects co-financed by national organisations (the Education and Skills Funding Agency, National Lottery Community Fund and Department for Work and Pensions) and projects where match funding has been provided by the provider.

Future Activity

The Marches has performed well with a commitment rate of around 98%. There are currently 2 open calls outstanding. A call closed in July 2019 with applications for both areas currently under appraisal. An open call for additional NEET support will close on 12 February 2020 with bids anticipated.

DWP is taking back any uncommitted ESF from LEPs to put into a Reserve Fund for a programme of open calls. Work will be done over the next few months to identify potential projects in the Marches with a view to developing call proposals for ESF from the Reserve Fund.

RDPE

Current Position

The Marches LEP area is receiving RDPE funds from the Growth Programme, LEADER and the Rural Broadband Scheme.

For the **Growth Programme**, the Marches has an indicative allocation of £7.5m. Unlike ERDF and ESF, this is not split between Herefordshire and Shropshire / Telford. The fund is managed through national calls conducted by DEFRA, in which the Marches participated. The calls covered priorities around rural business development, food processing and rural tourism infrastructure, and were open for grant applications directly from businesses and other organisations.

To December 2019, approximately £7.5m has been awarded to over 50 projects, with the vast majority of this already contracted.

Most funding is awarded to Herefordshire and Shropshire projects, because only the food processing priority covers the urban area of Telford (the same also applies to Hereford and Shrewsbury). Based on current projections, Herefordshire and Shropshire will stand to each receive over £3.5m each through the grants awarded to their businesses and other organisations. This includes some very large individual grants to primary food processors.

A key criterion of the fund is job creation. The total investment in the Marches is estimated to help create over 400 hundred jobs. **Grant details cannot be shared**, unlike with ERDF and ESF, because grants go directly to businesses and so the information is commercial in confidence.

LEADER funding is available to local businesses, communities, farmers, foresters and land managers. It is managed on a delegated basis by a Local Action Group (LAG), which comprises representatives from the local community and the public and private sectors. In the Marches, there are two LAGs, Herefordshire and South Shropshire, which have allocated £1.7m and £1.6m respectively to specific projects.

Rural Broadband

The Herefordshire and Gloucestershire Broadband Team applied to the fund for £10.46m in collaboration with the Shropshire and Telford Broadband Teams to support communities that are unlikely to benefit from current BDUK delivery.

Future Activity

DEFRA plans to open another call through the RDPE Growth Programme to utilise the funds that remain nationally. This means that the Marches LEP area has the opportunity to benefit over and above what it has been indicatively allocated by Government.

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TELFORD & WREKIN COUNCIL

**BUSINESS & FINANCE SCRUTINY COMMITTEE –
13 January 2020**

WORK PROGRAMME 2019/20 AND 2020/21

**REPORT OF THE ASSISTANT DIRECTOR: GOVERNANCE,
PROCUREMENT & COMMISSIONING**

1.0 PURPOSE

1.1 To enable the Business & Finance Scrutiny Committee to consider and agree the Committee’s work programme for 2019/20 and 2020/21.

2.0 RECOMMENDATIONS

2.1 That the Committee agree items for the 2019/20 and 2020/21 work programme (Appendix 1); and

2.2 That the Committee agree meeting dates for the 2019/20 and 2020/21 municipal years.

3. SUMMARY IMPACT ASSESSMENT

| | | |
|---|---|--|
| COMMUNITY IMPACT | Do these proposals contribute to specific Priority Plan objective(s)? | |
| | No | |
| | Will the proposals impact on specific groups of people? | |
| | No | Borough Wide |
| DELIVERY DATE | The 2019/20 and 2020/21 [two year] work programme should be delivered in-year before the 2021/22 municipal year begins. | |
| FINANCIAL/VALUE FOR MONEY IMPACT | No | There are no direct financial implications foreseen as part of adopting the recommendations contained in this report. However, Scrutiny has a role in ensuring that local government is effective and accountable. This includes undertaking reviews and challenging and monitoring performance. There is provision for the cost of supporting the Scrutiny function in the Council’s budget framework and the |

| | | |
|---|--------|--|
| | | <p>work programme will need to be managed within those resources, any variance that arises will be reported as appropriate as part of the Council's financial monitoring process.</p> <p>The financial implications of adopting recommendations made by the Scrutiny function should be considered as part of specific reports proposing those recommendations.</p> <p>Scrutiny also plays an important part of the budget consultation process which is reflected in the work programme and is a key piece of work which feeds into the Council's overall budget strategy</p> <p>RP-8.1.20</p> |
| LEGAL ISSUES | Yes/No | <p>Overview & Scrutiny for local authorities was introduced as part of the modernisation of local government in Section 21 of the Local Government Act 2000. It required every local authority to have at least one O&S committee, to: hold the Executive to account; undertake policy development and review; monitor and improve performance; investigate issues of public concern; and carry out external scrutiny including the NHS.</p> <p>Establishing a work plan, and resources as set out in this report will assist O&S to effectively meet its objectives.</p> <p>AL – 23/01/2020</p> |
| OTHER IMPACTS, RISKS & OPPORTUNITIES | No | |
| IMPACT ON SPECIFIC WARDS | No | Borough-wide impact. |

PART B) – ADDITIONAL INFORMATION

1.0 BACKGROUND INFORMATION

- 1.1 The suggestions shown in Appendix 1 were considered by the Scrutiny Management Board on 12 November 2019 and referred to the

Business & Finance Scrutiny Committee to decide which issues should be included in the Committee's Work Programme. In making decisions about the work programme, the Committee should consider any feedback from both Senior Managers and Scrutiny Management Board and the following "Criteria for Scrutiny":-

- How far scrutiny can realistically change or influence things;
- The extent to which residents or businesses are affected by the issue;
- How well the Council and Partners are performing in the area; and
- What else is happening to avoid duplication or wasted effort.
- The extent to which triangulation of information can take place through the input of service users/frontline providers

1.3 The Committee should, in making decisions about the work programme, also consider the over-arching priorities for scrutiny as set by the Scrutiny Management Board on 12 November 2019:-

- The Environment;
- Housing; and
- Mental Health.

1.4 Scrutiny Management Board has not allocated a baseline for formal meetings during the municipal year for scrutiny of items on the Business & Finance Scrutiny Committee's work programme. The Committee should seek to schedule a baseline of four formal meetings during each municipal year covered by the 2019/20 and 2020/21 work programme. This schedule does not include informal or sub-group meetings which may be held to gather evidence as part of a review, briefing meetings or regional/external scrutiny meetings.

1.5 The work programme needs to be flexible to allow for important issues which emerge during the year to be scrutinised. However, if a new topic is added to the work programme, consideration must be given to removing an existing item to avoid the workload becoming unmanageable and losing focus.

2.0 PREVIOUS MINUTES

2.1 None.

3.0 BACKGROUND PAPERS

3.1 Scrutiny Handbook.

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Business & Finance Scrutiny Committee – 2019/20 and 2020/21 Work Programme

Key:-

* New Suggestions Received and Shared with Scrutiny Assembly on 24 October 2019

Ongoing or Monitoring / Annual Item

| | Issue / Topic | Purpose | Status / Source if New | Service Area | SMT Feedback (if any) | SMB Feedback (if any) |
|---|------------------------------|---|---|------------------------------------|------------------------------|------------------------------|
| * | Local Enterprise Partnership | To receive:- Update report [September/ October] Annual business plan [February/March] | New - LEP Assurance Framework Requirement | Business, Development & Employment | * | Local Enterprise Partnership |
| | Budget Scrutiny | Consultation on draft budget & policy framework proposals published by the Leader and any alternative proposals developed by opposition groups. | Constitutional function | Finance & Human Resources | | |

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