



Telford & Wrekin
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Date **Monday, 10 January 2022** Time **6.00 pm**
Venue **Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

Enquiries Regarding this Agenda

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<u>Committee Membership:</u>	Councillors E J Carter, N A M England, J E Lavery, A Lawrence, I Preece, S J Reynolds (Chair), K S Sahota and C F Smith, Co-optees R Williams
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AGENDA

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| 1. Apologies for Absence | |
| 2. Declarations of Interest | |
| 3. Minutes of the Previous Meeting | 3 - 6 |
| 4. Medium Term Financial Strategy 2022/23 - 2025/26 | |
| a) To consider the draft budget proposals agreed by Cabinet on 6 January 2022 | |
| b) To consider any alternative budget proposals put forward; and | |
| c) To agree items for further scrutiny | |

The Cabinet Member for Council Finance and Governance will attend for this item.

5. **Chair's Update**

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BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Wednesday, 3 November 2021 at 6.00 pm in Telford Room, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Present: Councillors S J Reynolds (Chair), K S Sahota and C F Smith.
Co-optees: R Williams

In Attendance: Rachel Laver (CEO, Marches LEP), Anthea Lowe (Associate Director: Policy & Governance), Katherine Kynaston (Director: A), Kieran Robinson (Senior Democracy Officer (Scrutiny), and Mandy Thorn (Chair of the Marches LEP Board)

Apologies: Councillors E J Carter and N A M England

BFSC30 Declarations of Interest

None.

BFSC31 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 8 September 2021 be confirmed and signed by the Chair.

BFSC32 Marches Local Enterprise Partnership Update

Members received the presentation of Mandy Thorn (Chair of the Marches LEP Board) and Rachel Laver (Chief Executive Officer, Marches LEP).

The Committee heard that the Marches LEP covered Herefordshire, Shropshire, and Telford & Wrekin. Within this area, Telford was the main driving force for growth across the Marches. For background, business in the Marches was dominated by micro-businesses. The LEP acted as an enabler and facilitator; working with the private sector, academia, and public sector to win bids for funding to drive economic development.

The LEP was governed by a board. It had become, by government mandate, a company limited by guarantee but still acted very much as a partnership. The board was made up of local authority leaders, business board chairs, and members from higher and further education. All members of the board were company directors and had been since 2019. The LEP was subject to scrutiny from local authority partners and from central government by process of biannual review. There was, in all, significant oversight of the LEP as a body responsible for the proper management of public funds.

In total, the LEP had funded around £43 million in projects in Telford & Wrekin with match funding of a similar amount. This had or will create 2,394 jobs and 3,088 new homes in the Borough. New employment land had been unlocked

and would attract businesses and jobs to the area. It was an attractive place to invest with beneficial access to the M54 and quality infrastructure.

The Committee were briefed on the current uncertainty with the future of LEPs nationally with a review of LEPs announced by the government in spring 2021. The review had been expected to finish in the summer but had been delayed and was now expected to be completed in the New Year. This had an impact on effective planning but the LEP was concentrating on business as usual in the intervening period.

During Covid-19, the LEP had been central to bringing businesses in the region together to present a united voice. The LEP had sought to coordinate and signpost businesses towards help. The LEP had also lobbied government, putting the voice of market towns and villages forward. Early in the pandemic, the LEP had been able to release funding in support of the Ironbridge Gorge Museum Trust, which had been significantly impacted by Covid-19. £174,000 was also released to reinvigorate the hospitality, leisure, and retail sectors in Telford.

Due to the review from government, and the wait for the white paper on 'levelling up', the LEP was operating at risk. It had received only half of the year's core funding from Government and was trading on reserves. It was hoped that the other half of core funding would be available before the end of 2021.

The focus was on business as usual but the LEP was in a difficult position.

A discussion followed with Members posing a number of questions:
With £44million allocated to Telford & Wrekin, and with the uncertainty around funding, if the government did pull back from funding the LEP would those projects be at risk?

They would not as funding has been received and allocated. It was the LEP at risk with only £250,000 of core cost funding received when it was due to receive £500,000.. Future projects could be impacted.

What impact would funding related restructure have on the LEP?

The LEP was in a difficult position, not knowing if it would have no funding or £500,000, or somewhere in between. Staff would be lost due to uncertainty, with the LEP therefore losing valuable experience and skills. There was a possibility board members would also leave.

The LEP had created almost 2,400 jobs and wished to increase this to 10,000, how much was spent in order create one job?

The old benchmark was £12,000 per job.

152 apprenticeships appeared to be somewhat low when both the Council and government were keen on them, what was the issue?

Work had to be done to identify the reasons apprenticeships were not as attractive to young people as would be hoped. It was thought that

apprenticeships were often behind where businesses were at and not up to current practices; this was linked to apprenticeships being highly regulated and inflexible. Wages were also considered an important factor.

What impact did the apprenticeship levy have?

The levy was for larger businesses and there were not a significant number of these across the Marches area.

Telford & Wrekin Council aimed to be net zero by 2030, how could the Council and LEP work together to achieve this?

The LEP was keen to deploy any capital funding that remained unallocated in the year 2021 into a net zero business-funding programme with the aim of reducing costs and carbon footprints. There was also a possible role for the LEP in increasing EV charge point coverage in the Marches. An app was being trialled with SMEs that allowed them to map their journeys and with the input of other variables it would recommend whether an EV would be viable for the business and possible vehicles.

Despite the hardships, had there been any opportunities because of Covid-19?

The business community had reacted quickly to deliver business in new and innovative ways. While certain sectors, such as hospitality and leisure, had struggled other had developed more profitable ways of working. There were exciting opportunities stemming from Covid and one example was the revitalisation of many High Streets with new independent businesses moving into premises. The LEP had utilised its position to bring businesses together online and signpost them to the Growth Hubs where they could be advised on funding and support opportunities.

The rise of hybrid working, offering people an improved work-life balance, had benefitted the region. The Marches had a great offer and Shropshire had had the highest level of inquiries for business space in the last year across regions – the Marches could offer a better quality of life.

Following the discussion, Members thanked the LEP for their attendance and presentation. The Chair noted that the partnership between the Council and the Marches LEP was to their mutual benefit and hoped for strong relations into the future.

BFSC33 Chair's Update

A workshop and formal meeting were being arranged for December. Members would be contacted once the date was confirmed.

The January budget meetings were to be held on 10, 17, and 20 January 2022.

The meeting ended at 6.49 pm

Chairman:

Date: Monday, 10 January 2022