

## **BUSINESS AND FINANCE SCRUTINY COMMITTEE**

### **Minutes of a meeting of the Business and Finance Scrutiny Committee held on Wednesday, 9 December 2020 at 6.00 pm in Remote Meeting**

**Present:** Councillors E J Carter, N A M England, J E Lavery, S J Reynolds (Chair), K S Sahota and C F Smith.  
Co-optees: C Mason-Morris and R Williams

**Also Present:** Councillor D Wright (Cabinet Member for Economy, Housing, Transport and Infrastructure)

**In Attendance:** Mandy Thorn (Chair, Marches LEP), Iliia Bowles (Director of Corporate Services, Marches LEP), G Hamer (Chief Executive, Marches LEP), Kirsty Fisher (Team Leader: People, Policy & Governance), Katherine Kynaston (Director: Housing, Employment & Infrastructure), Kieran Robinson (Democratic & Scrutiny Services Officer), and Stacey Worthington (Senior Democratic & Scrutiny Services Officer)

#### **BFSC12 Declarations of Interest**

C Mason-Morris, Co-optee, declared that she was a casual employee of Telford & Wrekin Council.

Councillor D Wright declared that he sat on the LEP on behalf of the Local Authority.

#### **BFSC13 Minutes of the Previous Meeting**

**RESOLVED – that the minutes of the meeting held on 10 November 2020 be confirmed and signed by the Chair.**

#### **BFSC14 Marches Local Enterprise Partnership Update**

The Marches Local Enterprise Partnership (LEP) presented the Committee with a presentation on the LEP's work and achievements over the last 12 months.

The LEP had become a company limited by guarantee following a change of policy from Central Government, which required all LEPs to do so. There was a strong assurance framework in place, which had been agreed by the Government in May, speaking with scrutiny committees was an important part of ensuring the LEP was properly governed.

In response to COVID, the LEP had met at the beginning of the pandemic to ensure that policies were effective, and had worked with other LEPs to make representations to the Government effective and representative of their

respective areas. The LEP had also engaged with businesses and representative organisations throughout this period to support businesses.

Members also heard from the Cabinet Member for Economy, Housing, Transport and Infrastructure. He stated that the Local Authority had been working with the LEP to support businesses. Telford & Wrekin Council had been successful in getting grants to businesses and would look at rolling out discretionary grant funding. The Authority welcomed the LEP's support for the Ironbridge Gorge Museum Trust. There was a good relationship between officers, members, and the board – not just at Telford and Wrekin but also between all three constituent local authorities.

The Director: Housing, Employment & Infrastructure informed members that the Growth Hub had been an excellent example of that collaborative working. It had managed to engage with a significant number of businesses and had run a virtual programme for businesses during COVID.

It was necessary for the LEP and the Authority to have a forward-looking approach. It was important to consider how Telford could be positioned to take advantage of opportunities such as shorter supply chains and the growth of the green and environmental sector

A discussion took place and the following questions were asked:

*What differences were there between the present, as a limited company, and before?*

The Government had made the decision that all LEPs should be incorporated. The change had introduced complexities that had not existed before, such as having to pay corporation tax on Government grants and charging VAT. It was important as a limited company to demonstrate a high level of governance.

Prior to incorporation, the LEP was a partnership run by a joint committee, which was led by the constituent local authorities; the three local authority leaders had the final say. Now, every director of the LEP had equal voting rights. The LEP had always produced open minutes and reports but this was now required to as a prerequisite for funding.

*How were the LEPs priorities decided?*

Stakeholders and partners submitted their priorities to the LEP; these were assessed independently for impact, return on investment, skills, and a number of other variables. The LEP called for the projects from stakeholders and Government had final sign off. The LEP was also active with colleagues at the Telford Marches Growth Hub and had been running a virtual delivery service, which had been well received.

*Would the LEP be examining electrification of the railway between Birmingham and Shrewsbury?*

This was in the work programme going forward. Midlands Connect were in the process of a strategy refresh. Various local MPs were championing electrification.

*How was the LEP working towards zero carbon?*

All Government funding going forward would require projects to take account of carbon emission reduction. Bids for the Wellington former New College site had to demonstrate how the scheme would address reducing carbon emissions. Work was also being done looking at training colleges to become more energy efficient.

*Would Brexit affect how the LEP operated?*

Not directly, but there would be implications for businesses. The LEP would be recruiting more virtual advisers to offer help to businesses though they would not be in place until the New Year. There were concerns about the impact that Brexit would have on the economy and there may be cause to enact a recovery plan. Government had recognised the implications for business.

The LEP had benefitted from the European Regional Development Fund over the course of its existence. A significant amount of money had been brought into the region through the European funding stream. There was a risk if there were no more targeted funds to encourage employment and training especially for NEETs.

The Council had been proactive in its work with the LEP and to ensure that money was spent in the most effective manner, making a significant difference to what the LEP was able to offer.

*What more could Councils be doing in the coming months?*

Local Authorities did an impressive job with the money they received from the Government. Councils had been successful in making sure that that money had gone through to businesses. With the pandemic and the floods the LEP had tried to get whatever funding it could. The LEP had released revenue funding and colleagues had worked hard to get this funding to businesses including support the Ironbridge Gorge Museum Trust.

*Did the VAT and corporation tax come out of the overall funding the LEP would have?*

The LEP's core budget was £500,000 which had been used to pay for VAT and corporation tax; there was match funding for running costs, i.e. salaries. The LEP had built up some reserves, though they were diminishing relatively quickly. It had been making clear to Government its view on having to use this money for running costs when it used to be able to use it to support grants and project development.

The Chair thanked the LEP for attending the meeting.

## **BFSC15 Work Programme Review**

Members were keen to stress the importance of examining the impact of the United Kingdom leaving the European Union in the New Year, once the country's transition period had ended. Members requested a copy of any

references to Brexit on the Council's strategic risk register. Members also requested details of what percentage of Telford's GDP comprised exports to Europe and what percentage of the Borough's economy was manufacturing.

**BFSC16 Chair's Update**

The Chair noted that the date of the first budget scrutiny meeting in January had been rearranged from 12 January 2021 to 13 January 2021.

The meeting ended at 7.19 pm

**Chairman:** .....

**Date:** Wednesday, 13 January 2021