

PUBLIC QUESTIONS AND ANSWERS GENERAL SCRUTINY COMMITTEE
22 October 2019

Question 1

Mrs Morawiecka – Breinton

The Marches LEP loaned £1.697million to Herefordshire Council out of Growth Funding on the basis that this loan would be repaid by 31st March 2018. Herefordshire Council failed to repay this money in March 2018, contrary to the loan agreements they signed in 2017. Both the S151 and the Monitoring officer of Herefordshire Council, who were appointed after these loans were made, do not believe that such cross funding is permissible for a retained Dept for Transport project. Why did the Marches LEP think such use of Growth funds was appropriate, or even legal, for a project funded by the Dept for Transport?

Response

The £1.697million was a grant payment paid earlier than originally profiled to enable the LEP to deliver against its spending commitments for 2016/17. This related to eligible project activity relating to the South Wye Transport Package. The payment forms part of the agreed contract amount with Herefordshire Council over the life of the project and the LEP considers that the payment was an appropriate use of Growth Deal funds.

Supplementary question

Last November at the Public Inquiry into the compulsory purchase orders for the southern link road I raised a number of questions about the status of the funding received from the Marches LEP for this road project. In response solicitors representing Herefordshire Council submitted written representations to the Public Inquiry clearly stating at para 45 none of the £3,843,609.71 funding is in the form of a loan. Further on at para 47 they then said both the Marches LEP and the LEP's S151 officer confirmed that the grant of £1.697m is not repayable. Why do draft board minutes of the Marches LEP September 2019 meeting say that, "the LEP should seek to recoup the £3.8m claimed against the project" contradicting legal statements they made less than eleven months earlier. Has the Planning Inspectorate been notified that the assurances provided by the LEP at the Public Inquiry and which he relied on were completely incorrect?

Response

A written response will be provided.

Written response

No. There is no requirement to inform the Planning Inspectorate as the statements made at Inquiry were not incorrect. The public inquiry evidence referred to sets out the spend to date on the SWTP project and the funding received at that time. The LEP minutes refer to a process for drawing back grant should the Marches LEP consider the SWTP is not going to proceed in accordance with the grant agreement. There is no contradiction between these statements.

Question 2

Mr Palgrave – How Caple

The Marches LEP supported the Hereford City Centre Transport Package with over £40million of Growth Funds, to deliver 800 new homes in the urban village, an integrated transport hub and over 700 jobs, as well as the City Link Road. This transport package is due to complete at the end of this year (2019). However, despite the passing years, no planning application for the transport hub has yet been submitted and delivery of the regeneration of Commercial Road, Newmarket Street and Bluecoat Street is unclear. In view of Herefordshire Council failing to complete the transport package by the deadline, will the Marches LEP require Herefordshire Council to repay the money spent to build the City Link Road, as none of the other transport elements that were part of the original project have been progressed?

Response

The LEP has been kept up to date with the programme for the delivery of the Hereford City Centre Transport Package. I understand that the design and development of the transport hub and public realm improvements is progressing and that the Council remains committed to delivering these elements of the package. Engagement with stakeholders in the development of the design is underway and Public Consultation prior to implementation is scheduled to take place later this financial year. The LEP will continue to monitor the progress being made to ensure all elements of the package are delivered. As a consequence of the delivery of the City Link Road a number of outputs have been achieved to date, with the potential to increase outputs through the GP Hub development and planned Student accommodation. The LEP does not consider that it is appropriate for Herefordshire Council to repay the money spent on the City Link Road.

Question 3

Mrs J Morris – Hereford

The Marches LEP annual report 2018 says that the South Wye Transport Package is a £40million transport package. This transport package is shown throughout Herefordshire Council documents as costing £35million, £27million from the Department of Transport and £8million provided by Herefordshire Council. Is the Marches LEP making additional funding available to help deliver the full scheme of Active Travel Measures for which there is now insufficient funds available.

Response

This is a typographical error. P8 should read £35million and not £40million. I understand that the current cost of the South Wye Transport Package remains at £35m and the LEP has not been asked to make any additional funding available.

Question 4

Mrs Wegg-Prosser – Breinton

What steps are the Marches LEP Board taking to re-define the Marches LEP, not as a Place that is Open for Business, but rather as a Place dedicated to Sustainable Economic Growth that recognises the obligations imposed by Climate Emergency declarations, monitors progress in low carbon investments and seeks to assist in the achievement, as a minimum, of the Government's fourth carbon budget (2023-27), a budget which is currently not on track?

Response

The LEP Board agreed a new vision as part of its Strategic Economic Plan update in 2019 and part of this vision is that the Marches is '*a place that is open for business*'. Within the Marches Local Industrial Strategy which is currently being developed, business growth and productivity is framed within the national government's Clean Growth Grand challenge. Here, it is acknowledged that The Marches has a key role to play in contributing to the UK's shift to clean growth and zero carbon and that it has local expertise to improve business productivity and support clean, inclusive growth.

Supplementary question

In the light of many local authorities including this one signing up to the climate emergency declaration and the Marches LEP framing its industrial strategy round clean growth grand challenge leading the world in the development, manufacture and use of low carbon technologies, systems and services that cost less than high carbon alternatives why does the Marches LEP continue to promote an unqualified vision which is merely a statement of the obvious: open for business.

Response

The LEP's purpose was to ensure the economic growth and economic wellbeing of the three local authority areas. The climate emergency was acknowledged.

The LEP was developing plans including an energy strategy. The LEP would take account of the effect of climate change on business and communities going forward.

Consultation was currently taking place on a Local Industrial Strategy.

Question 5

Mrs J Richards – Hereford

The Marches Vision includes mention of the area as a visitor destination, attractive to people looking for a high quality experience. What support is being given by the Marches LEP to promote better public transport, particularly good rail access to the major cities along with safe, integrated cycle networks that support sustainable tourism across the beautiful area that is the Marches?

Response

To support the Marches as a visitor destination, the Marches LEP has funded research into the development of a Marches wide Tourism Strategy. This draft strategy, which will be signed off by local authority partners and the LEP Board over the coming months, sets out

the opportunities for the sector and areas for development, including the need for investment in facilities to support activities in the countryside and ensuring that the needs of visitors are considered in infrastructure investment.

The Marches LEP Board has a transport sub-group to advise on all transport matters to support the delivery of the LEP's Strategic Economic Plan, ensuring that transport investment, including active modes, is closely aligned with the wider policy objectives of both the Local Transport Authorities and the LEP's strategic priorities including economic growth, carbon reduction and social inclusion. The Transport Officers Group (TOG), which includes representatives from the three local authorities, provides support and guidance to the LEP Board on the development of transport policies and programmes, and builds a strong evidence base for transport investment.