

MINUTES of the meeting of Marches Enterprise Joint Committee held at Craven Arms Community Centre, Newington Way, Craven Arms SY7 9PS on Wednesday 14 June 2017 at 10.00 am

Present: Councillor AW Johnson (Chairman)
Councillors: L Carter and N Laurens

Non-voting Member: Graham Wynn OBE

Officers: Jacqui Casey, Katherine Kynaston and Yasmin Sulaman

34. ELECTION OF CHAIRMAN

Councillor AW Johnson was elected as chairman for the coming year.

35. APOLOGIES FOR ABSENCE

Apologies were received from Councillor P Nutting and Councillor S Davies.

36. NAMED SUBSTITUTES (IF ANY)

Councillor L Carter attended for Councillor S Davies.
Councillor N Laurens attended for Councillor P Nutting.

37. DECLARATIONS OF INTEREST

None.

38. MINUTES

Resolved that:

the Minutes of the meeting held on 13 February 2017 be confirmed as a correct record and signed by the Chairman.

39. MARCHES INVESTMENT FUND

The Marches LEP partnership manager introduced the report. She noted the following key points:

- there had been difficulty historically in allocating Marches Investment Fund money;
- there were only two live schemes, both of which had been successful and were now in the repayment phase, over 200 jobs had been created through these allocations;
- the available funding was currently £6.9m;
- the LEP were working with the Department for Business, Energy & Industrial Strategy (BEIS) and the Department for Communities and Local Government (DCLG) to create a more flexible model for allocating the funds, focussed on schemes that created jobs or delivered housing, the equivalent Greater

- Birmingham and Solihull (GBS) LEP scheme had been recommended as a good example;
- the models which had been considered were set out in the report, details on how the GBS LEP scheme operated were set out in an appendix to the report;
 - the option which was recommended (recyclable grant for public sector led schemes) would work on a similar model to the GBS scheme, this option had been supported by the LEP board at its meeting on 23 May;
 - the proposed criteria by which to judge applications to the scheme were set out in and appendix to the report;
 - projects which were not successful in securing Growth Deal 3 money had been encouraged to apply for MIF grants as independent Treasury Green Book appraisals had already been done to assess the quality and deliverability of these projects;
 - The LEP board had supported the four schemes listed in the report to be put forward for MIF consideration;
 - the LEP team had put in place technical support to give advice on financial profiles, there would be light touch appraisals which would not duplicate work already done but would confirm if the project continued to be viable, value for money and able to make repayments;
 - The first project which was ready to proceed was the shell store incubation centre which was seeking a recyclable grant of £2.49m, the joint committee was asked to approve this allocation subject to terms and conditions being agreed by the LEP Director in consultation with the relevant council's S151 officer.

In the discussion that followed it was noted that the shell store project appeared to give good returns and should be supported. It was reported that there was European funding of around £2m available for the shell store project but match funds needed to be sought imminently to secure that EU funding.

It was clarified that the Residential Opportunities Fund was seeking a non-recyclable grant. It was agreed that recommendation (d) be adjusted accordingly.

It was reported that the LEP board had questioned what the timeline would be for repayment of the recyclable grants as it wanted to be reassured that funds would flow back into the pot. The chairman of the LEP board was keen to see a back stop date. The LEP team did not recommend setting a one size fits all back stop as this would not suit all potential projects that the LEP might wish to support. The LEP team intended to assess each project on its merits and agree terms that worked for that particular project. The report sought delegated authority for the LEP Director to determine the terms and conditions for each project, in consultation with the relevant council's S151 officer.

The Marches LEP partnership manager stated that the intention was to deal with projects as and when they were ready. The alternative would be to wait until all the projects were ready to proceed but there was concern that the LEP was sat on a significant sum of money which should be being used. It was not intended to compare projects to one another, it was acknowledged that some would offer different value for money to others.

The chairman of the LEP board queried at what point the recyclable grant would cease and become just a grant. He argued that this should be discussed by the board. The LEP partnership manager responded that contracts would be issued on the basis that all money allocated would be repaid, there would be a long stop date but this would be tailored to each project. At the suggestion of the chairman, a paper would be presented to the next LEP board meeting to brief them on how the Marches Investment Fund pot would be managed.

It was decided that:

The Joint Committee agree that:

- a) an interest free Recyclable Grant for Public Sector Led Schemes as detailed in option 2, be taken forward by the LEP team in allocating MIF funding;
- b) the revised MIF eligibility criteria as listed in Appendix 1 to the report be applied to schemes received and all future applications;
- c) the LEP team investigate further Option 3, A Flexible Loan Fund for Private Sector Schemes (existing Loan Fund Scheme managed by a third party), as a further opportunity for allocating MIF funds in the future.

That with regards to taking forward Option 2, the Joint Committee agree:

- d) that subject to receipt of independent assessments, a financial limit of £5m per scheme and consultation as set out in delegation (b) in the Scheme of Delegation the LEP Director be authorised to agree the allocation of Recyclable capital Grant funding to Model Farm Employment Park and Oswestry Innovation Park;
- e) that £2,493,801 of MIF recyclable capital Grant be approved for the Shell Store Incubation Centre Project; and
- f) that authority be delegated to the LEP Director to determine the terms and conditions with each project promoter, in consultation with the relevant council's S151 officer; and
- g) that subject to receipt of independent assessments, a financial limit of £5m and consultation as set out in delegation (b) in the Scheme of Delegation the LEP Director be authorised to agree the allocation of non-Recyclable capital Grant funding to the Residential Opportunities Fund

40. MARCHES ENTERPRISE JOINT COMMITTEE ANNUAL REPORT

The Marches LEP partnership manager introduced the report. She drew attention to the five key areas of work the joint committee had undertaken in the previous year. The partnership manager also noted that the scheme of delegation to the LEP Director had been used once, in relation to the reallocation of Growth Deal 1 Skills Capital underspend, after the withdrawal of one Skills project.

The joint committee noted the report. It was queried whether it was necessary to detail the exact dates of the meetings that had been held and whether the report should set out where meeting dates were advertised.

Apart from this one point the joint committee members were happy with the report.

Resolved:

THAT the Joint Committee:

- a) agree the content of the report which can be used in updating their respective Council's on the work of the Committee.

The meeting ended at 10.31 am

CHAIRMAN