

**Committee and Date**

**Performance Management
Scrutiny Committee**

16/09/2020

Item

Public

Report by the Marches Local Enterprise Partnership (LEP)**Responsible Officer**

Gill Hamer, Chief Executive - Marches Local Enterprise Partnership

gill.hamer@marcheslep.org.uk

01743 462026/07990 086392

1.0 Summary

- 1.1 Following the briefing provided at the Place Overview Committee meeting on 5 September 2019, this report provides an update on key areas of the Marches LEP's work in response to points raised by members at the September meeting. An update report had been prepared for the Place Overview Committee scheduled for 26 March 2020 but this was cancelled due to the Covid-19 lockdown.

The report outlines priority activities and current LEP board membership to support the Scrutiny Committee in fulfilling its function of making recommendations to the Cabinet and Portfolio Holders about how to improve services for local people.

2.0 Recommendations

- 2.1 To receive an update on key projects supported by the Marches LEP in Shropshire and acknowledge the purpose and impact of these initiatives.

3.0 Opportunities and risks

- 3.1 The Marches LEP supports economic growth across Shropshire, Herefordshire and Telford & Wrekin. Working with local authorities and other partners enables the LEP to highlight the area's strengths to government and make the case for financial investment in capital, skills and business support initiatives.
- 3.2 Future funding for LEPs will be influenced by the Comprehensive Spending Review and the English Devolution and Local Recovery White Paper which are both anticipated in Autumn 2020. These, and the clarification of successor funding to the Local Growth Fund and to European Structural Investment Funds, will define the LEP's purpose and determine the resource requirements necessary for the Marches LEP to continue to drive economic growth across Herefordshire, Shropshire and Telford & Wrekin.

4.0 Financial assessment

- 4.1 The projects outlined and the LEP team are funded within existing Marches LEP resources. This includes an annual cash contribution from Shropshire Council of approximately £40,000 (£38,595 in 20/21) which enables the drawdown of funding from the Department of Business, Energy and Industrial Strategy (BEIS)/Ministry of Housing, Communities and Local Government (MHCLG) for core LEP costs.
- 4.2 All LEPs are required to have an accountable body. Shropshire Council has very kindly provided this support since about 2012. A new service level agreement is in the process of being put in place, which will ensure the Council continues to be paid for all of the services it provides for the LEP, including acting as the employer of the LEP Team staff.

5.0 Report

- 5.1 The Marches LEP was established in 2011, and supports economic growth across Herefordshire, Shropshire and Telford & Wrekin. An overview of the LEP was provided to the Place Overview Committee on 5 September 2019 and a follow up session was scheduled for 26 March 2020, which was postponed due to the Covid-19 lockdown. Shropshire Council has since advised that the Marches LEP should attend the Performance Management Scrutiny Committee to provide an update on key activities.
- 5.2 The Marches LEP has been awarded just over £104 million of Growth Deal funding since 2015, which is currently supporting a range of projects developed and delivered by partners across the Marches.

The total value of the funds directly awarded by the LEP to projects in the Shropshire Council area since April 2015 totals £33,841,353.

Funded projects and other programmes which are directly benefitting Shropshire include those listed at Appendix 1.

At the September 2019 Place Overview Committee, members expressed particular interest in the **Skills Capital projects** and the impact of this investment in Shropshire. Information on each of the Shropshire projects is detailed below.

Shrewsbury Colleges Group – Growth Deal 1

The funding was to purchase equipment for the Manufacturing Skills Hub to enable a range of learning activity from bite-sized courses to full degrees in electronic mechanical and manufacturing engineering, in conjunction with Staffordshire University. The equipment has included mechatronics distribution and sorting stations, robotic workstations, lathes, mills, welders, vehicle lifts, computers and workstations.

Outputs

By March 2021 the project aims to support 400 apprenticeships at Levels 2-4, assist 130 full time learners leading to Levels 2/3 qualifications, over 200 higher education enrolments and over 300 bite-sized training courses.

To the end of Q4 2019/20, 100 apprenticeships at Levels 2-4 and 1,112 new learners had been assisted (120 HE, 385 qualifications at level 2-4, 349 bite-sized courses and 258 short courses) as a result of the investment.

Shrewsbury Colleges Group – Growth Deal 3

Funding has supported the improvement of digital skills for the creative industries, construction and higher education provision within the college by providing the latest industry related infrastructure and technology.

Outputs

The project aims to deliver 165 apprenticeships at Levels 2-4, 40 NVQs at Levels 2/3, 100 full time qualifications at Levels 2/3, 260 Bite-sized training courses, 260 Higher education courses and 40 links with pre-16 schools.

To the end of Q4 2019/20, the project had delivered 135 apprenticeships at Levels 2-4 and assisted 2,307 new learners including 25 in higher education, 725 in fulltime qualifications at Levels 2/3 and 1,557 in bite-sized and short courses.

North Shropshire College – Growth Deal 1

Funding has provided infrastructure, hardware and software to improve IT and digital learning resources for the benefit of students and apprentices across the college.

Outputs

The project aims to support 1,440 apprenticeships at Levels 2-4, to assist 1,450 new learners in full qualifications at levels 2 and 3, assist 1,000 learners in bite-sized courses and 1,250 in supported internships/work placements/work experience.

To the end of Q4 2019/20 a total of 1,731 new learners had been assisted in full time courses leading to Level 2/3 qualifications.

Marches Centre for Manufacturing Technology – Growth Deal 1

Funding has supported build work and installation of equipment for the manufacturing training facility in Bridgnorth. The project has a focus on CNC machining, automation robotics, metal forming and joining, design and manufacturing management, leadership and project management.

Outputs

The project aims to create an additional 260 apprenticeships leading to 300 qualifications and to support 225 businesses by March 2021. To the end of Q4

2019/20, the project had created 263 apprenticeships and assisted 581 new learners (393 short-courses and 28 bite-sized courses).

SBC Training – Growth Deal 1

Funding was awarded to improve training for the Advanced Manufacturing and Engineering sector by providing modern industrial standard machinery and training facilities focussed on Apprenticeship skills delivery.

Outputs

The project aims to support up to 180 new apprenticeships and 160 additional qualifications.

In 2019/20 the project delivered 50 apprenticeships and 108 additional qualifications. Outputs for 2016/17-2018/19 are being collected.

Derwen College – Growth Deal 3

The funding provided digital equipment to support young people with learning disabilities in the workplace.

Outputs

The project aims to support 14 learners on bite-sized courses, 100 supported internship/work placement/work experience opportunities and to support 12 businesses.

To the end of Q4 2019/20, 17 learners had been assisted on work study and work placement programmes as preparation for work in the hospitality and housekeeping sector.

Shrewsbury Colleges Group – Growth Deal 3

Funding was awarded in 2020 to expand and enhance capacity to deliver training in advanced manufacturing engineering and automotive with the construction of a bespoke training centre, the expansion of existing workshops and the purchase of specialist equipment.

Outputs

The project aims to deliver 46 apprenticeships, 46 Level 3 qualifications, 16 Level 4 qualifications and 1,000m² of new and improved training space.

- 5.3 Members also expressed in interest in the LEP allocation awarded to the **Flaxmill Maltings** project.

Flaxmill Maltings – Growth Deal 3

The funds are being used to remediate the land around the Flaxmill Maltings site. The project is making good progress with the Bat House now complete as part of the environmental mitigation works and construction work being undertaken on the final phase which will include highways work on the roundabout upgrade, demolition works and construction of an access road.

Despite Covid-19 related restrictions, good progress is being made and the programme of external roadworks and creation of new internal roadways on site has been able to be run somewhat concurrently to minimise delays to the programme.

At the 24 March 2020 LEP Board Meeting it was agreed to award this project an additional £80,000 in 20/21, reflecting the project's original allocation. This additional funding is being put towards stabilisation works to a retaining wall.

Outputs

A total of 10 work placements were due to be achieved for 19/20. Two work placements were claimed in Q3 19/20. The one placement involved work on the procurement process undertaken by Historic England to appoint a contractor for the Growth Deal funded enabling works. The other placement involved work on highways design, enabling the trainee to get involved with design team meetings and tender review meetings connected to the Flaxmill Maltings project.

Current CV-19 related restrictions have meant that contractors have been unable to host placements in the usual way. However alternative placement possibilities are being explored.

The outputs attributed to the final phase of work will start to be collected from 20/21 as part of the LEP's ongoing monitoring programme.

5.4 **New Growth Deal 3 Capital Funding Projects - December 2019**

Following an additional call for projects in December 2019, two Shropshire projects were successful in securing Local Growth Funding through Growth Deal 3 as part of a programme of high-profile infrastructure schemes creating jobs and boosting growth across the Marches.

The two projects are:

- New Primary Care Centre at the Tannery, Shrewsbury – £2.06m
- Oswestry Infrastructure Works - £5m.

5.5 Project Development Funding – LEP Reserves

In addition to Growth Deal funding, the Marches LEP released £239,024 of reserves in 2019/20 to support project development activity across the Marches. £139,353 was used to support Shropshire projects, including the following:

- An options appraisal to support the Shrewsbury West Urban Extension;
- An options appraisal to support the masterplan development of Oswestry Innovation Park;
- Development work to support the Bishop's Castle Workspace Project;
- Research into opportunities to support the Shrewsbury Gateway Vitality Project with the Shrewsbury BID team;
- Supporting Shropshire Chamber's development of virtual careers advice service using 3D and video technology.

5.6 Business Support – Marches Growth Hub

The Marches LEP is awarded a core grant £205,000 per annum by BEIS for the delivery of business support through the Marches Growth Hub.

Information on local and national support available, including events, outreach services and funding opportunities, is available via www.marchesgrowthhub.co.uk which is maintained and updated by the LEP team. This has been a valuable source of information to the business community, particularly through the period of flooding and the Covid-19 lockdown where location specific information has been made available.

The LEP team has secured additional funding of £257,000 this year to enable the provision of more in-depth adviser resource. This will support businesses in their economic recovery and in adapting to new ways of working as a result of the Covid-19 lockdown.

The Marches Growth Hub - Shropshire team is led by Shropshire Council staff who work with a range of partners to deliver business support, advice and guidance and events and signpost to follow up services and, where eligible, to grant funding opportunities.

Since the Covid-19 lockdown, support has continued through virtual events (see <https://www.marchesgrowthhub.co.uk/calendar/>), 1:1 online sessions and the telephone helpline (Freephone) 0800 998 1098.

During 19/20, the Marches Growth Hub also delivered a programme of events and advice sessions to support EU Exit. It is anticipated that additional funding will be awarded to the LEP for the delivery of information, advice and guidance as the end of the EU Exit transition period approaches. The Marches Growth Hub website is being regularly updated to include new guidance as this becomes

available <https://www.marchesgrowthhub.co.uk/advice-and-support/eu-exit-advice-for-businesses/>

It is recommended that members sign up for the Marches Growth Hub Newsletter at the link [here](#) to be kept informed of new business support services and grant funding as these become available.

5.7 **European Social Fund (ESF)**

The Marches LEP area was allocated £42m from the ESF for 2014-2020 and developed a range of priorities to put the money to best use:

- Helping jobseekers and those who are disadvantaged overcome barriers to work and find lasting employment.
- Ensuring young people can make the transition from school to work as smoothly as possible and have access to vital training and developmental opportunities.
- Helping those at risk of social exclusion because they are in disadvantaged groups or face multiple barriers to getting into the workforce.
- Improving the skills of individuals to meet both their goals and the needs of the local economy through training, advice and support.
- Ensuring training and education meets the needs of the local economy and involves the business community.

Information on current ESF programmes may be found at this link <https://www.marcheslep.org.uk/esf-current-projects/>

5.8 **Covid-19 Related Support**

Marches Investment Fund

In May 2020, the Marches LEP Board agreed the release of £1.58m from the Marches Investment Fund to use as grant support for strategic tourism and business initiatives following consultation with the area's business boards.

Following an application from Shropshire Council, supported by the Shropshire Business Board, Shropshire Council received £737,000 for the following activities:

- £450,000 to be split into £10,000 grants for 45 businesses employing between 11-20 staff focused on businesses within the Retail, Hospitality and Leisure and Business Enabling sectors
- £150,000 to be split into £5,000 grants for 30 businesses employing between 2-10 staff again focused on businesses within the Retail, Hospitality and Leisure and Business Enabling sectors
- £137,000 for market town recovery work focusing on recovery following the impact of both Covid-19 and flooding, as follows:
 - £117,000 to the seven key market towns of Shropshire, receiving the following; Shrewsbury - £50,000, Ludlow and Bridgnorth - £20,000 each, Oswestry - £12,000, Market Drayton, Whitchurch and Shifnal - £5,000 each.

- £20,000 allocated to four innovative projects to drive confidence and increase football from market towns outside of Shrewsbury identified as part of a competitive process.

Business Information

Information on the Marches Growth Hub website at <https://www.marchesgrowthhub.co.uk/advice-and-support/coronavirus-information-for-businesses/> has been regularly updated to enable the business community to access relevant and trusted information on support available.

Partnership Working

The Marches LEP has convened a stakeholder group including the Business Board Chairs, representatives from the construction, food and drink, manufacturing and professional services sectors, the Chambers, Federation of Small Businesses and the National Farmers Union. This has enabled the gathering of data and intelligence to feed back to government ministers and across the LEP Network. Activity here has been supplemented by the formation of a Data and Intelligence group, attended by each of the 3 local authorities, to share information to support economic recovery planning. The Marches LEP will hold a Business Recovery Week in October 2020 to continue to drive this agenda with local and regional partners.

Getting Building Fund

The Government has made £900m available through the new Getting Building Fund (GBF) for investment in local, shovel-ready infrastructure projects to stimulate jobs and support economic recovery across the country. The Marches LEP has secured £14m from the GBF for a wide-ranging package of projects that will deliver a boost to the local economy.

The funding was awarded to six projects across the Marches LEP area following an assessment and appraisal process of 30 project proposals exceeding £100m received by the LEP. Funding agreements are currently being put in place with the projects.

Shropshire allocation and project information

Over £5m GBF was awarded to the Pride Hill Remodelling project. The funding contributes to the overall project cost of £16m for the repurposing of the Pride Hill shopping centre to secure a vibrant and sustainable future which contributes to Shrewsbury as a quality destination for residents and visitors. Shropshire Council is securing a leisure anchor use for the building with complementary cultural and civic uses - the project will take forward enabling works, including securing vacant possession and partial stripping out of the Centre.

6.0 Conclusion

- 6.1 The Marches LEP, headed up by the LEP Board (details provided at Appendix 2), will continue to work with partners to deliver projects associated with current

funding and to make the case to government for additional and enhanced funding to support inclusive economic growth.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Marches LEP Strategic Economic Plan 2019

https://www.marcheslep.org.uk/download/economic_plans/strategic-economic-plan-update-2019/The-Marches-LEP-Strategic-Economic-Plan-2019.pdf.

Marches LEP Delivery Plan 2019 – 2020

<https://www.marcheslep.org.uk/download/governance/Delivery-Plan-2019-2020-final.pdf>

Marches LEP Report on Delivery Plan Achievements 2019- 2020

<https://www.marcheslep.org.uk/download/transparency/Delivery-Plan-Achievements.pdf>

Cabinet Member (Portfolio Holder)

Cllr Peter Nutting – Leader (Marches LEP Board Member)

Cllr Steve Charmley - Deputy Leader and Portfolio Holder for Assets, Economic Growth and Regeneration (Alternate for Cllr Nutting on LEP Board)

Local Member

All

Appendices

Appendix 1 - Marches LEP Investment in Shropshire Infrastructure, Skills and Innovation

Appendix 2 - LEP Board Membership

Appendix 1 – Marches LEP Investment in Shropshire Infrastructure, Skills and Innovation

Funding awarded to projects in Shropshire since April 2015.

Local Growth Deal 1, 2 and 3 (LGF), Getting Building Funds (GBF) and Marches Investment Funds:

Oxon Link Road	£4.2m
Shrewsbury Integrated Transport Package	£6m
Connecting Shropshire	£5.022m
SBC Training	£50k
Shrewsbury Colleges Group (Advanced Manufacturing)	£483k
Marches Centre for Manufacturing Technology	£1.979m
Shrewsbury Flaxmill Maltings project	£2m
Primary Care Centre at the Tannery	£2.064m
Oswestry Innovation Park	£5m
Pride Hill Remodelling (GBF)	£5.02m
North Shropshire College	£424k
Derwen College	£314k
Shrewsbury Colleges Group (Digital Skills)	£209k
Shrewsbury Colleges Group (new allocation 2020)	£200k
Marches Investment Fund support for Strategic Tourism & Business Initiatives	£737K
Project development funding	£139k
Total Growth Deal awarded to Shropshire	= £33,841,353

Growth Deal 1,2 and 3 – Capital Infrastructure Projects Overview (including Getting Building Fund 2020)

Oxon Link Road (OLR)

Part of Growth Deal 1, the Oxon Link road (OLR) project was awarded £4.2m of funding in 2015 for the construction of a new single carriageway link road between Churncote Roundabout and the B4380, with associated infrastructure, including the inclusion of two at-grade junctions along the new single carriageway link road and a new roundabout on the B4380 to accommodate the OLR.

The core objectives included improving resilience in the local road network, delivering Core Strategy housing targets, opening employment land, creating jobs, supporting economic growth and competitiveness, reducing road traffic accidents and allowing the form and function of the Welshpool Road to be altered in favour of more sustainable modes of transport.

Following a monitoring visit undertaken by the LEP secretariat on 12 June 2019 with the OLR Project Team it was explained that Shropshire Council was considering the merger of the OLR project with the Shrewsbury North West Relief Road (SNWRR). The Board considered this at their September 2019 meeting and was subsequently approved at the LEP Board meeting on the 7th November 2019 subject to Cabinet approval. Shropshire Council considered the Oxon Link Road (OLR) merger with the Shrewsbury North West Relief Road (SNWRR) at their Cabinet meeting on 16 December 2019 and the proposal was supported and agreed by Members in line with LEP requirements. The Output profile and figures as outlined below are still relevant to the proposed OLR/SNWRR merged project. A variation agreement is now being prepared for this project.

The key outcomes for the OLR & SNWRR project over its lifetime include 1,090 Jobs being created, 835 new dwellings delivered, and additional employment land being unlocked. To date the project has delivered 85 housing units and 23 new jobs created.

Shrewsbury Integrated Transport Package (SITP)

The project was awarded funding in 2015 for junction improvements at four strategic junctions on the Shrewsbury inner relief road and on the main links to the town centre from this corridor; including, implementation of further traffic management measures in the historic and commercial town centre; public realm enhancements to the commercial area (with a focus on Pride Hill); enhancements to pedestrian and cycle links; and Improved pedestrian wayfinding within and around the 'river loop'.

The objectives of the project have been to contribute to economic growth, alleviate congestion on the inner relief road, reducing traffic volumes through the historic and commercial centre, encouraging sustainable modes of travel and improving air quality within the town centre.

To date the project has created just over 100 new jobs and delivered 900 new homes. Over the lifetime of the project, and as a result of the funding, we expect the SITP to deliver 2,499 new homes and create 1,663 new jobs, unlocking key employment land and increasing economic output in Shropshire.

Shrewsbury Flaxmill Maltings

Part of Growth Deal 3 funding, the Shrewsbury Flaxmill Maltings were awarded £1.92m in 2018 to remediate two hectares of brownfield land adjacent to the Flaxmill Maltings complex. The funding has been used on the construction of a bat house to enable the development to the main mill and is also being used to fund the upgrading of the roundabout on the A5191. The funding will also enable the construction of a new access road for proposed future housing developments.

The aim of the project is to enable the development of the Flaxmill Maltings complex and remediate the adjacent land. As a result of the funding the project is expected to deliver 120 new housing units and the creation of 60 work placements over its lifetime. It will also enable significant infrastructure improvements to be made in and around the site, including new cycleways and various works to decontaminate and mitigate any environmental impact associated with the developments.

Primary Care Centre at the Tannery

Primary Care Centre at the Tannery is a phased mixed-use development in the centre of Shrewsbury, supporting a number of key corporate objectives, as well as providing an essential enabling function for the new University Centre Shrewsbury, by providing accommodation for students. The Phase 2 development at the Tannery will provide medical training space for students, increasing the supply of health care professionals into the sector. The development will also provide student accommodation, 350m² of retail frontage and will both safeguard and create new jobs.

Oswestry Innovation Park

Oswestry Innovation Park is a key infrastructure project which will unlock a key growth corridor through the delivery of infrastructure to support growth (housing and employment) and enable businesses to grow. These developments will deliver economic and social benefits to Oswestry and its wider hinterland. The project will bring forward 1.87 hectares of serviced employment land at the Mile End site with 830m of new road to connect the site with the strategic road network. Local Growth Funding will also help support the future development of over 1,000 new homes and the creation of over 500 jobs over the lifetime of the project and beyond.

Pride Hill Remodelling

Shropshire Council's Pride Hill remodelling project will receive £5m towards its total £16m cost, creating 100 jobs and a further 150 construction jobs. The primary purpose of purchasing Pride Hill was to support the economic growth and regeneration of Shrewsbury town centre. As part of a place shaping and long-term investment strategy, repurposing the centre will create more flexible town centre space for the future.

Connecting Shropshire

Provision of fast, reliable and resilient internet access is vital for a growing economy, with data consumption increasing at around 30% a year. The Connecting Shropshire project is

upgrading broadband provision to 64,328 premises through the rollout of superfast broadband and increased connectivity.

Skills Capital Investment

Growth Deal funding has been allocated to local further education providers to allow capital investment in their training facilities and infrastructure. This investment is underpinning the development of new training programmes in line with local employer needs, e.g. advanced manufacturing and engineering courses, and improving the providers' IT infrastructure to support digital skills development. Growth Deal funding will result in additional and improved apprenticeship provision and increased vocational training opportunities for post 16 students and the local workforce.

Marches Growth Hub - Business Support

Since April 2015, £1.3 million has been allocated to the delivery of business support services through the LEP team, the www.marchesgrowthhub.co.uk website and as a contribution to the operating costs of the Marches Growth Hub sites in Shrewsbury, Telford and Herefordshire.

The Marches Growth Hub provides access to advice and business support for pre-start, start up and growing businesses, including specialist support services funded through EU programmes. The Marches LEP funding, from BEIS, also contributes towards the cost of the Marches Growth Hub – Shropshire team which co-ordinates, promotes and delivers a programme of events, including, until recently, outreach clinics and business seminars held in key market towns across Shropshire.

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 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. Shropshire's Enterprise Co-ordinator, Shelley Robinson, is employed through Shropshire Council.

In 20/21, additional funding has been secured by the Marches LEP to strengthen support for schools and colleges and increase business engagement through the development of a Careers Hub.

Key Account Management

The LEP has secured funding to support engagement with and account management of foreign-owned companies across the Marches. Within Shropshire, this Department of International Trade (DIT) funded programme is managed by the Invest in Shropshire team to increase resources available for engagement with foreign owned businesses and encourage their expansion and investment plans.

Appendix 2 - Marches LEP Board Membership

Sector	Name	Title and Organisation
Private Sector Chair	Mandy Thorn MBE DL	Private Business Owner
Vice-chair and Community and Voluntary Sector	Sonia Roberts	Charity Manager, Landau and Deputy Chair of the LEP Board
3 Area 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
Enterprise Zone	Andrew Manning Cox	Chair of Hereford Enterprise Zone (Skylon Park)
Food and Drink/Agri-Tech	Christine Snell	Partner, AJ and CI Snell
Higher Education	Dr Catherine Baxter	University Secretary, Harper Adams University
16-18 Skills and Workforce Development	James Staniforth	Principal and CEO, Shrewsbury Colleges Group & Chair of Skills Advisory Panel
Financial/Professional Services	Paul Kalinauckas	Former 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	Leader of Herefordshire Council
	Cllr Shaun Davies	Leader of Telford and Wrekin Council