Partneriaeth y Gororau Ymlaen
Marches Forward Partnership

Annex 2

Governance and Delivery

February 2025

Herefordshire Council | monmouthshire sir fynwy | Powys | Shropshire Council

Governance – our plan of action

Our approach

We have already commissioned work by Metro Dynamics to recommend a governance and delivery model that is simple and proportionate but enables the Marches Forward Partnership (MFP) to work effectively across the England and Wales border. While there are numerous examples of local authorities and other organisations working in partnership across administrative and national borders to progress shared interest, there is not any currently a legal mechanism for a cross-border partnership with statutory powers.

As the partnership formed because we can achieve more together, our governance structure will reflect the agile, strategic and voluntary nature of our partnership. Working collaboratively on the issues which impact us all, we are better placed to influence and can take a strong and united leadership position in our engagement with external partners. We can accelerate and scale our activities to deliver more transformational benefits for all, and we can achieve this first and foremost by working together to focus our collective effort and resource.

A quarterly Partnership board comprising leaders and chief executives from partner organisations will oversee the strategic focus of the partnership. A revolving chair will be appointed. The partnership and board will not be able to make any decisions on behalf of, or which bind, any partner organisation.

The board will approve the establishment of time-bound programme management groups, brought together as required to drive our interventions. The board will determine on a case-by-case basis whether programme management groups operate under agreed terms of reference or require a more formal joint venture arrangement with additional scrutiny and assurance.

The partnership will be resourced through in-kind contributions of staff time and will be coordinated by a dedicated programme lead.

Our Marches proposition articulates the partnership's strategic focus and priorities over the immediate and longer term. This will be underpinned by a common outcomes framework to guide all partnership activity and enable the partnership to track its collective impact and contribution against out three themes.

Business cases, independently appraised and then approved by the board, will inform the design and implementation of our programmes and specific projects. The case making process will be an opportunity to agree the roles, responsibilities and accountabilities of individual partners in relation to each proposition and determine any financial implication and governance requirements on a case-by-case basis.

Implementing a new way of working

While our current way of working will help us to progress in a resource light and non-bureaucratic approach, it is reliant on cooperation and in-kind contribution. To develop our programme areas beyond our immediate focus, we are seeking a £1.5m capacity funding grant from the central and Welsh governments.

This will enable us to setup a dedicated MFP Programme Development Office, which will include permanent staff representing the four independent local authorities.

The purpose of the delivery office will be to undertake programme development activities to develop and scrutinise potential new investments and interventions in the MFP area, which will drive productivity growth and improve living standards.

In addition to our quarterly partnership board, we would follow a process of programme development and scrutiny as set out below but welcome the opportunity to review this collaboratively with partners in central and Welsh government.

We will setup an assurance and scrutiny committee, made up of wider community stakeholders, including business and third sector representatives as well as elected officials.

The role of the assurance and scrutiny committee will be to steer the overall value for money objectives of the programme and project development process, ensure that projects meet objectives, identify interlinkages and deliver best value.

Marches Forward Partnership Programme Development Office			Programme Management
Healthy and Connected Places	A High Productivity Rural and Town-based economy	A Green Economy Trailblazer Region	Project development within theme-based programmes
Marches Health Fund	Marches Green and Sustainable Tourism	Marches Environment Investment Platform (MEIP) and Cross-border Energy Plan	
Marches Affordable Market Towns	Marches Knowledge Transfer Partnership	Marches Cross-border Energy Plan	
Marches Towns Revitalisation Programme			
Marches Connects			
Assurance and Scrutiny Committee			Scrutiny and approval

Funding

Building on forms of analysis already undertaken by the National Audit Office[i] and other organisations, including the Institute for Fiscal Studies[ii], it is possible to establish the scale of investment in devolved economic development funding in the UK between 2010 and 2024.

A key focus of economic development spending – both revenue and capital – over this period has been the devolution of funding to mayoral and non-mayoral combined authority areas, and other forms of city region economies (such as via the City Deal waves).

However, there have also been a number of other funding pots that have been made available to other forms of local areas, most significantly the Local Growth Fund towards the start of this period, which was made available to Local Enterprise Partnerships (LEP), and then latterly the Towns Fund and the Levelling Up Fund, which has been available to local authorities to bid into. Other funds are managed directly or indirectly via government departments with less devolution. Housing funds are managed by Homes England, but some have been devolved as part of the latest devolution deals. Transport funds are managed by the Department for Transport, but some devolved funds have been established, such as the City Region Sustainable Transport Settlement (CRSTS) and Transforming Cities Fund, although only to city region and combined authority areas.

The overall approach to economic development funding over the last 15 years has been criticised for various reasons, including being inconsistent in nature and strategy, in being geographically selective, in not effectively monitoring and evaluating outcomes, and in being costly and inefficient – particularly in regard to competed funding pots[iii].

By looking at pro-rata funding awarded to the four Marches local authorities (by both Welsh government and central government) since 2010, as set out in the table below, and comparing this to the total national funding award, our high-level analysis suggests that the MFP area was relatively underfunded by approximately £150m of the period.

Analysis of economic development funding awards by central government, nationally and to MFP areas, 2010 - 2024

	Notes	Nationally, £millions	Nationally pro rata, £millions	Powys	Monmouthshire	Herefordshire	Shropshire	MFP Area Total
Regional Growth Fund[iv][1]		2,800						0
England city deals		2,300	920					0
CCR City Deal[2]		1000	400		24.85			0

[1] We do not include RGF within the overall allocated devolved funds, as much of the original awards were direct awards to business rather than devolved public funding for local economic development.
[2] We assume that Cardiff Capital Region City Deal is allocated to each of the 10 CCR Local Authorities on a population proportionate basis, and use a pro-rata assumption of annual expenditure (for 30 years, starting 2012) up to 2024. We assume that Monmouthshire therefore continues to receive ongoing CCR City Deal funding into the next 15 period as part of our analysis

	Notes	Nationally, £millions	Nationally pro rata, £millions	Powys	Monmouthshire	Herefordshire	Shropshire	MFP Area Total
Devolution deals[3]		12,205	4070					0
Growing Places Fund		720				3.3	3.3	6.6
Getting Building Fund		900				5.7	5.7	11.4
Local Growth Fund[4]		12,000				42.7	42.7	85.3
Enterprise zones		180				17		17
Transforming Cities Fund		2,450						0
Towns Fund		3,600				22.4		22.4
Levelling Up Fund[5]		4,800		40	5.2	19.9	18.7	78.7
UK SPF[6]		2,600		22.7	5.9	6.6	10.8	46
CRSTS		6,000						0
Mid-Wales Growth Deal[7]		110		14.2				70.8
Glasgow City Deal		1,000						0
Aberdeen City Region		250						0
Inverness and Highland city region		186						0
Edinburgh and south east Scotland		600						0
Tayside		150						0
Stirling		45						0
Swansea Bay City Deal		240						0
Belfast		700						0
Derry and Strabane		210						0
		240						0
Total		51487						311
Total pro rata		42371						

[3] Devolution Deal analysis uses a conservative assumption, which only takes agreed deal investment funds in each area as being additional funding. The total funding is also pro-rated for the period up to 2024, assuming commencement in 2016 and lasting 20 years.

[4] LGF was allocated to Marches LEP. Our analysis takes a population proportional assumption for the amount allocated to Herefordshire and Shropshire.

[5] Monmouthshire was not formally awarded levelling up funding, but received an allocation after the closure of Round 3 in the Chancellor's 2023 Autumn Statement

[6] UK SPF funding analysis does not include awards for multiply funding

[7] MW Growth Deal analysis assumes a population proportionate award to Powys, pro-rated annually for the lifetime of the fund, up to 2024. We assume that Powys therefore continues to receive ongoing MW Growth Deal funding into the next 15 period as part of our analysis

The Marches Local Authority areas received approximately £311m of devolved funding for economic development investment between 2010 and 2024 - not including direct awards to business or via other institutions, such as Homes England, Network Rail, National Highways, which are invested directly or with limited local authority control. The total funding awards across all the sources identified above was £42bn.

On a proportional basis, this means that the Marches local authorities received approximately 0.73% of total economic development funding, for approximately 1.1% of the UK's population.

Whilst our proposition seeks to address this shortfall, our work as the MFP supports in maximising the value from the funding that is available, recognising that this is under ever-increasing pressure. Our ambition is to enable innovation, seeking new sources of funding which take the pressure off the public purse, such as through the development of the Marches Environmental Investment Platform.

A programme approach to value for money: key principles

Where possible, appraised benefits from new investment should be monetised, and we will follow Green Book principles for assuring best value in investment of public funding.

This will include ensuring that we are entirely clear on the value-added case for public investment, and that public investment is either the minimum amount required to leverage private investment or is solving a clear market failure that the private sector cannot solve – such as a coordinating, first mover, or patient-capital function.

Inclusive growth will be a further key principle of our proposal, and where possible we will aim to prioritise investments that will benefit those in our community who are most in need of economic support, or where marginal economic returns to investment will be greatest.

Deliverability will also be a key element of ensuring value for money. Projects which can be developed conceptually, taken through business case development and then delivered and implemented will be favoured accordingly by taking a net present value approach to assessing project benefits. But this means that projects will need to have fully developed and implementable management cases for project delivery.

In many cases, through our programme-led approach and three key themes, there will be identifiable crossovers and multiplication of benefits between programmes. This will enable us to ensure that we are maximising the strategic impact of interventions.

Programme and project development principles for the Marches Proposal

Programme level identification of potential interventions	Concept level interventions developed by Marches area core staff, working with: Individual Local Authority officers, local stakeholders – including businesses, community groups, and third-sector stakeholders
↓	↓
Options analysis and high-level economic case making	Consistent approach to monetising economic benefits across potential interventions. Assessment of deliverability, private funding leverage.
↓	↓
Prioritisation of potential investments	Comparison amongst competing potential investment, to scrutinise and ensure best value for money from constrained total funding

References

[i] National Audit Office.(2023). *Levelling up funding to local government*. https://www.nao.org.uk/wpcontent/uploads/2023/11/levelling-up-funding-to-local-government.pdf

[ii] Davenport, A., & Zaranko, B. (2020) *Levelling up: where and how?* Institute for Fiscal Studies. https://ifs.org.uk/sites/default/files/output_url_files/CH7-IFS-Green-Budget-2020-Levelling-up.pdf

[iii] House of Commons Housing, Communities and Local Government Committee. (2021). *Progress on devolution in England*. https://publications.parliament.uk/pa/cm5802/cmselect/cmcomloc/36/3602.htm