

## **Herefordshire Business Board (HBB)**

### **Notes / Actions from the Extraordinary Meeting**

**Held Monday 21st October 2019 at 4.45 - 6.45 pm**

**Chair:** Frank Myers (FM) **Present:** Christian Dangerfield (CD), Cllr David Hitchener (DH), Debbie Gittoes (DG), Doug Barrat (DB), Gareth Williams (GW), Karen Usher (KU), Mark Pearce (MP), Stephen Eckley (SE)

**In attendance:** Richard Ball (RB), Geoff Hughes (GH)

**Apologies:** Abigail Appleton (AA), Ian Peake (IP), John Reed (JR), Sharon Smith (SS), Nic Millington (NM),

**Minutes:** Jan Bailey (JB)

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#### **1. Welcome, Introductions, Apologies and Declarations of Interest**

FM welcomed everyone to the meeting and apologies were noted. FM asked the meeting to welcome JB who had recently been appointed to provide admin support to the Board. FM encouraged all members to utilise JB's services for HBB business, as appropriate.

No Declarations of Interest were recorded.

FM advised that the purpose of today's Extraordinary meeting was to take the collective views of the Herefordshire Business Board to the forthcoming Marches LEP Board meeting. FM made reference to the Marches LEP Board papers for their meeting held on 24 September 2019, with particular reference to the items on NMITE and the South West Transport Package (SWTP).

#### **2. NMITE**

KU and GH provided background information regarding the funding of NMITE and details of the outputs that must be met in terms of numbers of learners, floor space delivered, GVA (gross value added), jobs created and private matched funding.

KU referred to an email received from Elena Rodriguez-Falcon (ERF), Chief Executive of NMITE apologising for not being able to attend today's meeting. ERF referred to the request from the LEP Board for additional information relating to how

the University will achieve the outputs outlined in Phase 2 of the project. The LEP is concerned about non-achievement of these outputs within the agreed timescales and has indicated that if they are not satisfied, Phase 2 funding may not be awarded to NMITE and could be used instead for new projects.

ERF advised in her email that the majority of the additional information requested by the LEP had now been submitted to Nick Alamanos (Marches LEP Programme Manager). The outstanding information will shortly be available and ERF felt confident that the revised business plan would address all of the LEP's concerns.

BB members requested that FM express their view to the LEP Board that if they (the Marches LEP Board) decide to reallocate Phase 2 funding away from the NMITE project, the output measures attached to the project should also be reallocated.

GH suggested that FM clarifies the legal position with regard to reallocation of funds. Specifically, would the LEP be able to reallocate funds without involvement of the Government? This is particularly relevant in view of the fact that NMITE funding has come from the Department for Education as well as via the LEP.

RB pointed out that at the last LEP Board meeting, there was no decision taken not to support the University. They had requested a full business case that showed that the project would be deliverable within the funding timescale.

GH/KU advised that there may be some slippage with regard to timings, partly due to the delay in receiving Phase 1 funding and partly because time is needed to deliver some outputs, eg GVA. However, the outputs remained the same and should be deliverable within two years from completion of the project.

It was agreed that the revised NMITE business case was of paramount importance. A robust business case will help to allay the LEP Board's nervousness for what has always been a high risk project. The risks have not changed. The revised business plan will outline how and when outputs will be achieved and provide contingency plans for a wide range of different scenarios.

### **3. South West Transport Package (SWTP)**

FM outlined the current situation: The Marches LEP Board has advised Herefordshire Council (HC) of a deadline of 31 October 2019 by which time to notify them of their position with regard to the 'pause and review' piece of work being undertaken on the SWTP. If reassurances were not given that the project would go ahead, the LEP have indicated that it will seek to recoup £3.8M already claimed against the project by HC in addition to withholding other funds earmarked for the project. This money could then be used by the LEP to fund other projects, which could be outside of Herefordshire.

RB commented that he didn't believe the funding would be returnable as it had been utilised for legitimate costs associated with the project. However, FM queried this assertion suggesting that if the outputs (ie the roads) weren't achieved, monies may be returnable. Business Board members agreed that the legal position with regard to the money already paid to HC would best be addressed by the two organisations' legal teams.

RB advised that HC had recently adopted a Local Development Order (LDO) which provides a simplified planning regime for development at the Enterprise Zone. The 'pause and review' decision recently taken by the Cabinet Member in relation to the Southern Link Road and Hereford Bypass will consider whether the outputs identified in the SWTP would be achieved by the current package and also whether they could be achieved by other means. The programme for the review and detailed scope is currently being developed. In relation to Growth Fund allocation from the LEP, it is proposed to seek a reprofiling of the funding to allow draw down of funding in order that active travel elements of the SWTP, that have been agreed and are not subject to pause, can be progressed. RB advised that the amount of funding required for the active travel measures is £5M of the total package costs of £35m (with the remaining funding currently allocated for the Southern Link Road). BB members agreed that this was a good approach.

GW raised a concern regarding the amount of time required for the 'pause and review' to be completed and whether this would mean that Herefordshire would miss the funding opportunity either for the Bypass (if agreed) or an alternative option agreed by HC that met the same outputs.

RB agreed that this was a risk and this had been taken into account by the Cabinet Member in coming to his decision. However, in order to mitigate this risk, he suggested that FM may wish to ask the Marches LEP Chair to work with other LEP Chairs to lobby Government to allow an extension of the deadline.

BB members recognised that if the outcome of the 'pause and review' process was not to support the Southern Link Road, then any alternative scenario would have to meet the same output measures (with regard to homes, jobs, length of road, etc). Otherwise, it may be subject to a new bidding process and therefore in competition with other projects, including outside of Herefordshire.

#### **4. Any Other Business**

FM advised that members will shortly be contacted by Laura Hughes (a Director at Signs & Labels, Hereford). In response to feedback from members of the public, FM would like the information about BB members on the BB website to be enhanced. Laura will therefore be contacting members to request a photograph and short biography for uploading to the site.

## **5. Dates of Future Meetings**

The meeting scheduled for Tuesday 3 December has now been rescheduled as follows:

- Monday 25 November, 2-4 pm. Venue to be confirmed.

Herefordshire Business Board meetings for 2020 will be arranged shortly.

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[Marches LEP](#)

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