

## TOWNS FUND BOARD

### Notes and Action Points

**Friday 13 August 2021, 8.30-10.20 am via Zoom**

<b>Chair:</b>	<b>Lauren Rogers</b>	LR	Project Manager, Rural Media
<b>Board Present:</b>	<b>Ellie Chowns</b>	EC	Cabinet Member, Environment and Economy, HC
	<b>Judith Faux</b>	JF	Trustee, HVOSS
	<b>Kath Hey</b>	KH	Councillor, Hereford City Council
	<b>Frank Myers</b>	FM	Herefordshire Business Board / Marches LEP
	<b>David Langley</b>	DL	Chief of External Engagement, NMITE
	<b>Jesse Norman</b>	JN	MP for Hereford and South Herefordshire
	<b>Felix Smithson</b>	FS	Hereford 6 <sup>th</sup> Form College, Youth Representative
	<b>Paul Stevens</b>	PS	Hereford Business Improvement District (HBID)
	<b>Julian Vaughan</b>	JV	Managing Director, Green Dragon Hotel
<b>Other Attendees:</b>	<b>Ivan Annibal</b>	IA	Rose Regeneration
	<b>Rebecca Collings</b>	RC	Consultant, The Nichols Group
	<b>Christian Dangerfield</b>	CD	Rose Regeneration
	<b>Clare Hannah</b>	CH	MHCLG Representative
	<b>Joni Hughes</b>	JH	Portfolio Manager, Capital Development, HC
	<b>Andrew Lovegrove</b>	AL	Chief Finance Officer, Herefordshire Council
	<b>Paul Walker</b>	PW	Chief Executive, Herefordshire Council
<b>Apologies:</b>	<b>Olli Hindle</b>	OH	MHCLG Representative
	<b>Ruth Parry</b>	RP	Director, Simple Design Works
	<b>Will Vaughan</b>	WV	Hereford Pedicabs and Pedicargo
<b>Notetaker:</b>	<b>Jan Bailey</b>	JB	Herefordshire Business Board

ITEM	NOTES	ACTION
<b>1.</b>	<p><b>Welcome / Attendance &amp; Apologies / Declarations and Register of Interest</b></p> <p>LR welcomed everyone to the meeting. LR thanked PW and colleagues for the presentation prior to today's Board meeting which outlined the latest status with regard to the Maylord Orchards project.</p> <p>LR reminded members of their responsibility today, which is to decide how to accommodate the required reductions in funding. These decisions must, she said, be made with the original long term aims and objectives of the STF at the forefront of members' minds.</p> <p>LR referred to an email from WV, who is unable to attend today's meeting but had shared his thoughts regarding possible future sources of funding for projects that had not succeeded in being funded by the STF or that had had to make significant reductions.</p> <p>Apologies were as noted above.</p> <p>There were no declarations of interest.</p>	
<b>2.</b>	<p><b>Minutes of Last Meeting and Matters Arising</b></p> <p>The Minutes of the last Board meeting, held 6 August 2021, were agreed as a correct record.</p>	

	<p>LR referred to an email received from RP in which RP requested that the paper 'Preparation for Long Term Project Management' circulated with today's Agenda is amended to reflect the fact that paid comms support has not been provided by Simple Design Works. Simple Design Works provided a website at a cost of £2,200. A separate company, Pocket Rocket, provided comms support at a cost of £300.</p> <p>LR indicated that STF Budget would be included as a separate Agenda item at the next STF Board meeting.</p> <p><b>Matters Arising:</b></p> <ul style="list-style-type: none"> <li>• <b>Matched Funding:</b> LR indicated that this topic will be discussed at future meetings. She proposed to arrange the next Board meeting w/c 30 August when this could be included. Further details to follow.</li> <li>• <b>Discussions between LR/JN:</b> To be arranged.</li> <li>• <b>Initial Project Funding/Capital to Revenue Funding:</b> Further clarification being sought from OH.</li> </ul>	<p><b>IA/CD</b></p> <p><b>LR</b></p> <p><b>LR</b></p> <p><b>LR LR/OH</b></p>
<p><b>3. and 4.</b></p>	<p><b>Funding Options Background Spreadsheet/Decision Making Rationale for Accommodating Funding Reductions</b></p> <p>3.1 IA reminded members of their responsibilities, in particular to provide detailed information to Government on the projects being taken forward by the end of this month. He advised that he and CD had spent a lot of time talking to the various projects, in particular with regard to accommodating any budget reductions. He stressed that it is important for the Board to keep an eye on the broader horizon, ie that the Towns Funds is the start of a process to improve Hereford city and that further opportunities for funding would emerge. For example, in terms of the Government's 'Levelling Up' strategy, Hereford is very well placed.</p> <p>3.2 IA referred to PW's comment at the previous Board meeting that it is important to understand the basis of any decisions. With that in mind, IA/CD are presenting two papers at today's Board Meeting (Options Spreadsheet and Hereford Towns Fund - revised funding options appraisal) which present three options, their implications and rationale.</p> <p>3.3 IA advised that regardless of the option chosen by the Board, an additional 2% top slice would need to be deducted from capital spend in order to pay for project management costs.</p> <p>3.4 JN sought reassurance before proceeding with a Board vote that all projects were viable. IA confirmed that they were, although not without some challenges for some.</p> <p>3.5 JF asked for clarification as to whether the VAT issue had been resolved. IA advised that a commercial accountancy firm had provided advice. Relative risk of the projects in relation to this issue had been included in his earlier spreadsheet's risk ranking. CD added that there were two projects (School of Digital Futures and Extreme Sports Hub) for whom the VAT costs could have significant implications.</p> <p>3.6 LR asked each Board member to state their preferred option from those presented by IA.</p> <p>3.7 Key points made by Board members were:</p> <ul style="list-style-type: none"> <li>i. Greening in the City was seen to have most scope for flexibility for cost reductions and Board members felt there could be significant other funding opportunities to fund elements of this from elsewhere. FM commented that</li> </ul>	

	<p>it would be useful for the Greening the City project owners to prioritise the separate items in their bid for future funding.</p> <ul style="list-style-type: none"> <li>ii. Board members need to commit to the future of all projects, even if they can't be given full funding now.</li> <li>iii. Support for focused reductions should not be seen as a comment on projects' relative importance.</li> <li>iv. Worries about encouraging leisure use on the Wye at a time when there are major concerns about river pollution but to rely on advice from the Environment Agency.</li> <li>v. The importance of recognising certain projects' scope to fulfil particular elements of the STF vision, eg electric buses – connectivity; Wyeseide – only project to the south of the river; Pontoons – encouraging activity and accessibility for disabled people; community engagement.</li> <li>vi. Sensitivities around the Council being awarded disproportionately more money than non-Council backed projects.</li> <li>vii. The projects most supported by young people may be the three that are in line for the most significant budget reductions. If they can't be completed through this funding bid, important that they are continued.</li> <li>viii. No project should be removed entirely.</li> <li>ix. The potential for the City Council and County Council to discuss future options for the electric buses project.</li> </ul> <p>3.8 After each Board member was given the opportunity to share their view, a vote was held and Option B was chosen for Rose Regeneration to take forward (LR, DL, KH, FM, FS, JF, EC, JV, JN).</p> <p>3.9 LR stressed the importance of the Board communicating that in making this decision it was not saying it didn't fully support the vision of the three projects. The Board would work with these projects – and those that didn't get included in the Bid at all – to see how alternative means of funding could be secured.</p> <p>3.10 LR thanked IA/CD for the work they had carried out in helping the Board to make this decision.</p>	
<p><b>5.</b></p>	<p><b>Insights from Towns Fund Workshop – 11 August</b></p> <p>5.1 Board members agreed that this was a very useful session. It was seen as a new opportunity for regenerating the city and for public/private sector partners to work collectively.</p> <p>5.2 DL suggested that it would be timely for the Board now to consider its composition and how it could best support the STF as it moves towards the next stage of full business case development and then into delivery. Board members were in agreement with this comment.</p> <p>5.3 LR to arrange planning workshops with RC that focus on the next stages of delivery of the STF. Also, in light of DL's and others' comments, she will carry out a skills gap analysis on Board membership to see what may be needed in the future.</p>	<p>LR/RC</p>
<p><b>6.</b></p>	<p><b>Project Management Report</b></p> <p>6.1 IA provided an overview of the circulated report "Preparation for Long Term Project Management", which he stated had been prepared in advance of the Workshop on 11 August. He also referred to a meeting on Monday 9 August where representatives from the East Midlands had shared their learning on setting up a Special Purpose Vehicle.</p> <p>6.2 IA highlighted the fact that Rose Regeneration's contract expires on 31 August and asked Board members to consider how they would move forward. In particular, he referred to the recommendations made at the end of his above report.</p>	

	<p>6.3 With reference to IA's recommendation that a levy of up to 2% of overall project costs be supplemented by the remaining capacity fund to support longer term programme management, the Board was in agreement (LR, FS, KH, DL, JN, JV, FM, JF, PS, EC).</p> <p>6.4 LR asked IA and CD to leave the room whilst the subject of Rose's contract was discussed. Board members:</p> <ul style="list-style-type: none"> <li>i. Agreed that any future contract should be clear in terms of the outcomes and objectives required of any consultancy, including expected timeframes.</li> <li>ii. Queried whether a tender process would be required to engage future services of a consultancy and expressed concerns that this might be a lengthy process.</li> <li>iii. Didn't want to lose sight of the benefits of continuity which would be achieved by re-engaging Rose Regeneration.</li> </ul> <p>6.5 LR and AL will meet to put together a paper on this subject for the Board's future consideration.</p> <p>(IA and CD returned to the meeting)</p> <p>6.6 With regard to the recommendation to set up a PM/SPV to cover the longer term running of the Town Fund:</p> <ul style="list-style-type: none"> <li>i. JV supported this approach.</li> <li>ii. PS supported this approach on the proviso that committed new Board members could be recruited.</li> <li>iii. EC felt she was not in a position yet to make a decision on this approach. She asked for a paper outlining the various options, pros/cons and costs to be produced.</li> <li>iv. PW stated that it was important to look at the Board composition, roles and executive functions, etc, before making a decision on this approach.</li> <li>v. FM supported this approach because he believes it provides a formal structure with formal powers, overseen by an accountable body (Herefordshire Council).</li> </ul> <p>6.7 LR will work with AL and his colleagues to develop an options paper.</p> <p>6.8 LR asked for clarification re the monitoring and evaluation plan. IA advised that various documents would shortly need to be signed by LR and PW/AL but details regarding the project management techniques that would be utilised by Herefordshire STF did not at this stage need to be specified.</p>	<p>LR/AL</p> <p>LR/AL</p>
<p><b>7.</b></p>	<p><b>Any Other Business</b></p> <p>7.1 JV thanked PW for this morning's presentation (prior to the Board meeting) regarding the Maylord Orchards development.</p>	
<p><b>8.</b></p>	<p><b>Dates of Next Meetings</b></p> <p>To be confirmed.</p>	