

TOWNS FUND BOARD

Notes and Action Points

**Friday 3rd September 2021, 8.30-9.30 am
via Zoom**

Chair:	Lauren Rogers	LR	Project Manager, Rural Media
Board Present:	Ellie Chowns	EC	Cabinet Member, Environment, Economy and Skills, HC
	Judith Faux	JF	Trustee, HVOSS
	Kath Hey	KH	Councillor, Herefordshire Council
	Frank Myers	FM	Herefordshire Business Board / Marches LEP
	David Langley	DL	Chief of External Engagement, NMITE
	Ruth Parry	RP	Director Operations & Marketing, Simple Design Works Ltd
	Felix Smithson	FS	Hereford 6 th Form College, Youth Representative
	Paul Stevens	PS	Hereford Business Improvement District (HBID)
	Julian Vaughan	JV	Managing Director, Green Dragon Hotel
	Will Vaughan	WV	Hereford Pedicabs and Pedicargo
Other Attendees:	Rebecca Collings	RC	Consultant, The Nichols Group
	Ollie Hindle	OC	MHCLG Representative
	Joni Hughes	JH	Portfolio Manager, Capital Development, HC
	Andrew Lovegrove	AL	Chief Finance Officer, Herefordshire Council
	Paul Walker	PW	Chief Executive Officer, Herefordshire Council
Apologies:	Jesse Norman	JN	MP for Hereford and South Herefordshire
Not in Attendance:	Ian Christie	IC	Big Business Representative / MD, Welsh Water
	Alan Anderson	AA	British Land – Old Market, Hereford
Notetaker:	Claire Frowd	CF	Herefordshire Community Foundation

ITEM	NOTES	ACTION
1.	<p>Welcome / Attendance & Apologies / Declarations and Register of Interest</p> <p>LR welcomed everyone to the meeting and introduced CF from Herefordshire Community Foundation who would be taking the notes at the meeting.</p> <p>LR advised that she will circulate the date for future meetings to the Board as soon as possible. She is hoping that meetings will be held weekly.</p> <p>LR advised that the summary paperwork was sent to the Government office on 31.08.21. It will be a couple of weeks before a response is received.</p> <p>PS advised that he had been contacted by Hereford Skate Park and stated his concern that some of the projects that have been struggling have not been receiving support. LR advised that emails have been sent to all the relevant project leads but she will follow this up and contact Brian Stevens directly.</p> <p>Apologies were noted as above.</p> <p>There were no Declarations of Interest.</p> <p>DL requested that it be noted that AA and IC were not in attendance again. LR advised that she had sent emails regarding this last week and will follow it up.</p>	<p>LR</p> <p>LR</p> <p>LR</p>

<p>2.</p>	<p>Minutes of Last Meeting and Matters Arising</p> <p>The Minutes of the last meeting, held 13th August 2021, were agreed as a correct record.</p> <p>LR advised that she has been drafting an Options Paper with AL regarding extending Rose Regeneration’s contract, which ended on 31.08.21. She will get the information to the Board by email as soon as possible.</p>	<p>LR</p>
<p>3.</p>	<p>Programme Management / Towns Fund Board Future Direction</p> <p>LR: LR advised that this item refers to the paper “Hereford Towns Fund – Future Direction and Governance”, circulated to the Board prior to today’s meeting. She advised that the paper had been drawn up by JV and FM.</p> <p>It follows on from discussions regarding long term programme management and a paper that IV has worked on recommending that the Board becomes a Special Purpose Vehicle (SPV). LR agreed that it was important that the Board matures into a legal entity to move away from short term decision making and, whilst continuing to support the T.I.P projects, be able to support other longer term opportunities.</p> <p>LR advised that this paper considers the alternatives, the Board’s structure and the budget that would be allocated to each programme management option. The paper fundamentally gives its backing to the Board developing into a SPV and the Board membership being reviewed at the same time or after its structure is defined.</p> <p>LR asked JV and FM to introduce the details of the paper.</p> <p>JV: JV explained that he would like the Board to have a legal structure such as a CIC, for governance purposes and to form a strong collaboration with the Local Authority. This would not only enable good management of the Stronger Towns Fund but also enable bidding for further funding that might be available for the County. He advised that this is happening in other areas and feels this is what Herefordshire should be aspiring to.</p> <p>FM: FM agreed that the emphasis should be on a strong working relationship with the Council, but the relationship needs precise definition. He stated that the Articles of Association of a CIC would support this. He feels that the Board needs to be legally constituted which would enable the Board to look for further investment and should attract a wider membership and increase the experience of the Board.</p> <p>LR opened the discussion to the Meeting.</p> <p>WV: WV agreed that the Board should be a constituted group and should reflect all aspects of the community. The Board should look at the skills that are required and those that it lacks. WV feels that it currently lacks representation from young people and local businesses. He believes that the Board is lacking in certain skills sets and should look at what support the Board requires now and for its future development.</p> <p>EC: EC agreed that the Board should review its structure but does not feel that becoming a SPV would necessarily attract greater private sector involvement. Changing the governance structure would therefore not tackle the main issue of concern. Whilst she realises the importance of having private sector involvement, she doesn’t want to lose the wider and more diverse representation that she feels is just as necessary to have on the Board.</p>	

Further to the mention of the Boston CIC model, EC is also concerned that there will be more concentration placed on sourcing other countywide funding, such as the Levelling Up Fund, and she feels that the Board should be focusing on the Stronger Towns Fund which is for Hereford City.

DL:

DL agrees that the Board should be representative of the community and what the role of the Board will be is critical. He disagrees that the Board should only be concentrating on the projects for the city of Hereford, fearing that the rest of Herefordshire will be left behind. He feels that the SPV should have a broader remit. Whilst the Board should rightly support the T.I.P projects, he feels that it should also bid for further Government funding for the whole county. He believes that private business is at the heart of this and whilst he agrees the Board needs to be diverse, he feels that business representation is vital. He believes that other areas such as Boston and Lincolnshire are much further ahead in their structure, their planning and their thinking.

JF:

JF stated that it is not only the legal structure of the Board that should be considered but also its legal responsibilities and that of the individuals who sit on the Board. She feels that this responsibility might be a deterrent, especially for younger people, to engage and get involved.

JF feels that if the Board is to become a legal entity, its structure must be carefully considered. Whilst a lot of engagement and input is required, there shouldn't be too many members involved, and the role of the Board and that of its individuals must be clearly defined.

KH:

KH feels that Governance is the key - how the SPV would work and what the alternatives would be. She also feels that there is a lot of talent throughout the county that has never been reached and asked how this could be achieved. The structure of the Board is extremely important and shouldn't be rushed into, but it does need to be addressed as time is a factor. She does also feel that the Board will probably evolve over time and, at the moment, it is essential to concentrate on overseeing the T.I.P projects.

OH:

OH feels that the Boston example is not typical across the Towns Fund programme, but he would need to consult with colleagues on exactly how it does work there. He thinks that any SPV would have to be specifically for the Stronger Towns Fund delivery and not for a wider purpose as this is what the funding is for. He explained that in other areas of the country, there is an informal relationship with the accountable body and the accountable body would typically drive the delivery of the programme, with the Board taking a strong advisory role. In terms of private business engagement, there should be representation on the Board and the Board would then consult with the private sector to attract further investment for additional match funding for the projects.

Consideration should be given to the purpose of the SPV. Is it to deliver the Towns Fund projects or to attract private sector investment or is it a combination of the two?

OH stated that he would have to take advice regarding using the funding to set up the SPV. He agreed that the funding should be used for the delivery of the project.

PW:

PW feels that the paper has a lot of unanswered questions in that it doesn't substantially consider the alternatives, the governance and how funding can be used to set up the SPV. He is also concerned about how the paper sees the relationship of the Board with the Council. He feels that the Council should be an integral part of the Board and be included in the Board's development.

He feels that more work should be done on looking at the skills set of the Board and how this can be strengthened, the delivery model of the Board and the programme management arrangements. He feels the paper has been helpful in raising these questions. A challenging timescale needs to be set to complete the work.

AL:

AL feels that the paper is a good start, but the resource implications should be considered. He feels

that 2% of the top slice of the programme management arrangements is going to be challenging to deliver the PMO and there will not be the funds available to put the SPV in place. The Board therefore needs to consider how this will be funded.

AL also feels that the Board should be concentrating on the main objective of completing the projects within the 10 months' timescale, which is going to be large of amount work.

JV:

JV asked what makes the Board a Board at the moment. The Board currently has no legal structure or governance. What is the motivation for businesses to work with a group of people who essentially have just decided to work together, with no authority. The private sector needs more motivation to join a legal entity whose main objective is to deliver the Stronger Towns programme. The structure and skills of the Board needs very careful consideration and how it will invite more talent to join it.

EC:

EC wants to assure the Board that Herefordshire will not miss out on further funding. The Council will be applying for other funding, such as the Levelling Up Fund, and will be consulting on any proposals. There is not a gap in looking for broader funding opportunities. She strongly feels that the Board needs to keep its focus on the Towns Fund project and what the most effective mechanism is to do that.

EC stated that the Board has been set up following the guidance in the Towns Fund Prospectus. If the Board wants to attract more private sector involvement, perhaps it should consult with those private sector businesses who are already involved, as to which direction they feel the Board should go. It could ask those private sector representatives who no longer appear to be attending meetings what has changed to affect their engagement with the Board. She feels that the Council has always shown eagerness to be involved with and be part of the Board. She strongly feels that the barrier to private sector involvement is not because the Board isn't a fully constituted SPV.

LR:

LR feels that, whilst it is important to concentrate on the Towns Fund project, she doesn't want other opportunities to be missed.

RC:

RC agreed that the current Board structure is within the Government guidance and many other towns have Boards set up in the same way. Many have also been looking at their role and whether to widen their remit but currently the SPV route has been an option only taken by the minority.

RC stated that, whilst it is important to continue with the discussions regarding the structure and governance of the Board, time is moving on and the Board mustn't lose focus on the production and the proposal and approval of the business cases and the plan for the next 10 months.

JF:

JF stated that, through her experience and observations, a lot of time and effort can be spent trying to set up the form before the function and it doesn't usually work if those involved do not have the same commitment and common purpose. However, if there is a set of people who are all in agreement and have the same level of engagement, they make it work regardless of what the legal structure is. Because of the time it would take to set up a legal structure, the Board needs to be sure that it will deliver what is expected in a better way as an SPV than if the Board remains in its current form.

RC:

RC confirmed that one town she has been working with was set up as a constituted legal entity working on other projects prior to taking on the Stronger Towns Fund and they are one of the areas that are looking to widen their remit. She is happy to put them in touch with Hereford to give advice and guidance where possible.

FM:

FM is concerned about the discussions involving additional funding. He feels that if the Board has a

RC

proper constitution and a structure that works, bidding for further funding will be a bonus in the future.

He disagrees that the Board has a constitution based on the guidance from the Government. This specifies the Board should consist of at least one member of the Council and up to 14 others and should be business led. He feels that in the case of this Board, it has been run entirely by the Council who have not consulted the Board on financial decisions and who have held separate project meetings that have not been reported back. This is now an opportunity to re-introduce the spirit of co-operation, which he is in favour of, and to work together. However, there must be a defined structure with clear voting rights and responsibilities, and this is what Articles of Association would provide.

EC:

EC thanked FM for his comments. She stated that she felt, as the Council representative, she had only ever been supportive and facilitative rather than dominant and directing. She feels that, by the projects it has put forward, the Council has demonstrated that it wants this to be community led and has emphasised the need for engagement by involving a wide range of stakeholders. She did not recognise what had been portrayed.

LR:

LR felt that during Phase 1 there had been some challenges and issues while things were being set up. She feels that everyone is now committed to open partnership working and this is what the Board should be focusing on, moving forward from past issues.

EC:

EC agreed that the Board should be looking forward in collaboration and to making it work.

LR:

LR stated that the Board's priority has to be supporting the projects to complete their full business cases and attached to that, deciding on what the Board's programme management support should be through FPC and into long term delivery. Alongside this, it is important to continue a very open discussion with all members of the Board and its partners as to what form the Board should be going forward.

JF:

JF suggested, rather than setting up a new entity, to look at the existing TORs and constitution for the current Board structure and see if that needs to change to make it work properly in the future. There may not be a need to change the legal status.

LR:

LR stated that, whilst she doesn't want to defer the discussion, she feels that this needs to be considered further. She suggested that a smaller group is set up to look deeper into the options available. She asked that JV and FM be involved, having written the initial paper, and would also like a Council representative to be included. She would like the group to start working on this in the forthcoming week, so it will have moved forward by the next meeting in October. This should also include more detailed options around programme management support.

LR, FM,
JV

PS:

PS feels that it has been an extremely important discussion and the Board must now look forwards rather than backwards. He feels that there must be involvement from people who care about this city to ensure that the projects work for the city.

He agreed that in the past there have been Council meetings that haven't involved the Board and going forward, anything that involves the Towns Fund must be brought to the Board. He agrees that more young people and business involvement is needed. He feels being a constituted SPV would enable the Board to work with the Local Authority to move the County forward.

LR:

LR proposed that she sets up the small working group to continue the discussion and will send an email to arrange this after the meeting.

LR

	<p>JV: JV stated that he feels it is important that the questions raised regarding skills, the delivery model options and programme management are answered so he is asking PS, EC, AL and anyone else who would like to be involved, to work with him and FM to add these details to the paper they presented this morning. JV and FM agree that it does need more work and would encourage the Council to help them with it.</p> <p>PS: PS feels, whatever has happened in the past, the Council is not an outsider looking in, but it is very much part of this arrangement and is a team player. He feels that there needs to be a change in the language used. The Council is not “separate to” but an “integral part of”. It is a key player and part of the team and wants to be involved in the next piece of work looking at the skills required for the Board, delivery model options and programme management.</p> <p>FS: FS added a Zoom chat comment that form should be decided upon before membership.</p> <p>LR: LR confirmed that this item will not be deferred but discussions will continue with the setup of the smaller working group.</p>	
<p>4.</p>	<p>Budget Update</p> <p>LR advised that this would be a standing agenda item.</p> <p>The Income/Expenditure Record will have changed as a small number of projects sought additional support in completing their outline business cases. She will circulate the updated Income/Expenditure Record to the Board.</p>	<p>LR</p>
<p>5.</p>	<p>Any Other Business</p> <p>1. FM asked where things stood regarding the Waiver. LR advised that things had been held up slightly due to August holidays and that it had been agreed that she would work with AL on an Options Paper shared for the Board to look at. AL has been looking at what the outlook would be if there was to be an extension to the Rose Regeneration contract, the cost implications and what the objectives and outcomes would be. The Options Paper is on LR’s agenda and she is hoping to send it out to the Board by the end of next week.</p> <p>FM asked why the 2nd phase of the contract should be any different to the 1st contract.</p> <p>The Zoom meeting ended before the discussion could continue.</p>	<p>LR</p>
<p>6.</p>	<p>Date of Next Meetings</p> <p>TBA</p>	<p>LR</p>