

TOWNS FUND BOARD
Notes and Action Points
Friday 6 January 2023, 8.30 – 9.30 am
Held at Hereford College of Arts, College Road, Hereford and via Zoom

Chair:	Abigail Appleton	AA	Principal, Hereford College of Arts
Board Present:	Ellie Chowns	EC	Cabinet Member, Environment and Economy, HC
	Judith Faux	JF	Trustee, HVOSS
	Grace Joiner	GJ	Youth Board Member (remote)
	Frank Myers	FM	Herefordshire Business Board / Marches LEP
	James Newby	JNe	Chief Officer, NMITE
	Jesse Norman	JNo	MP for Hereford and South Herefordshire (part) (remote)
	Ruth Parry	RP	Director Operations & Marketing, Simple Design Works Ltd
	Paul Stevens	PS	Hereford Business Improvement District (HBID)
Other Attendees:	Ivan Annibal	IA	Rose Regeneration (RR)
	Christian Dangerfield	CD	Rose Regeneration (RR)
	David Hitchiner	DH	Leader, Herefordshire Council (remote)
	Joni Hughes	JH	Portfolio Manager, Capital Development, HC
	Andrew Lovegrove	AL	Chief Finance Officer, Herefordshire Council
Apologies:	Kath Hey	KH	Councillor, Hereford City Council
	Lauren Rogers	LR	Project Manager, Rural Media Company
	Julian Vaughan	JV	Green Dragon Hotel, Hereford
	Paul Walker	PW	Chief Executive, Herefordshire Council
Notes:	Jan Bailey	JB	Herefordshire Business Board

ITEM	NOTES	ACTION
1.	Welcome and Apologies The Chair welcomed everyone to the meeting. Apologies and Absences are as noted above.	
2.	Conflicts of Interest There were no new conflicts of interest.	
3.	Minutes of the last meeting (held 2 December 2022) The Minutes of the meeting held on 2 December 2022 were approved as a correct record.	
4.	Matters Arising 4.1 All items in the Action Items grid have been completed or will be covered in today's Agenda, with the following notes: <ul style="list-style-type: none"> - New Board Members advertisement: the Chair advised that she is finalising the draft advertisement, which will be circulated to members later this week - Briefing document for new Board members: Discussions ongoing between the Chair and LR. 4.2 There were no matters arising.	AA AA/LR
5.	Progress Update and Future Planning – including Board Sponsorship of Projects	

	<p>5.1 In providing these updates IA referred to the previously circulated document, also attached to these notes as Appendix 1.</p> <p>Funding Agreement Progress</p> <p>5.2 With regard to Funding Agreement Progress, IA advised that Funding Agreements had now been issued to the majority of the #StrongerHereford Projects, with some already having been and the remainder shortly to be signed. Those outstanding (Southside, Digital Culture Hub, Powerhouse, Encore) are in progress.</p> <p>5.3 IA outlined the process that would follow once Funding Agreements have been signed, ie that projects will each be required to develop a Project Initiation Document (PID) for consideration by the Project Delivery Group (PDG) and sign off by the Board.</p> <p>Next Steps including Board Sponsorship of Projects</p> <p>5.4 As part of this process, Board members were asked to ‘buddy’ projects in order to provide personal input and insights into the delivery of the project(s) where they feel they can make a contribution. RR have drafted a guide to the ‘Dos’ and ‘Don’ts’ of buddying for the Board’s consideration, circulated with the Agenda for today’s meetings (and included in Appendix A below).</p> <p>5.5 The following comments on buddying were received:</p> <p>5.5.1 EC suggested that as she was already connected with the three Council-backed projects no further expectation would be required of her. The Chair confirmed that this is the case. It was recommended that a document be created that highlights who is already involved with which project and therefore the buddy ‘vacancies’ there are available. RR to action.</p> <p>5.5.2 EC asked for additional clarification to be added to the fourth ‘Don’t’ in the list to clarify what is meant by ‘exceptional circumstances’. She suggested that ‘exceptional circumstances’ should relate to safeguarding and legal requirements.</p> <p>5.5.3 PS and GJ offered to support the extreme sports (skate park and cycle track) projects.</p> <p>5.5.4 FM requested that project folders are set up with all relevant information on individual projects, to be easily accessible by project sponsors. RR to action.</p> <p>5.5.5 IA suggested written documents are created between projects and sponsors to outline expectations from both parties. The Board agreed to this suggestion.</p> <p>5.5.6 Board members to send any further offers of support for buddying of particular projects to IA/AA.</p> <p>Current Programme Overview</p> <p>5.6 IA provided an overview on project progress since the last Board meeting. Details are contained in the ‘Current Programme Overview’ grid, previously circulated to members and included in Appendix A below).</p> <p>5.7 IA highlighted in particular issues with the following projects:</p> <ul style="list-style-type: none"> - River Wye Infrastructure: Awaiting return of the Financial Agreement from solicitors before progressing specialist consultancy to make recommendations to bring the project within available budget (as previously advised to Board). - Southside: Significant value engineering/cost escalation challenges, to be discussed at a special Task and Finish Group later today. - Encore: The project lead recently presented proposals to PDG for a permanent home. PS/AL confirmed that talks are progressing positively and final 	<p>RR</p> <p>RR</p> <p>All</p>
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	<p>arrangements are expected to be in place by October 2023. An adjustment to this project's Full Business Case (FBC) is likely as a result of these new arrangements. The Chair requested that an analysis is carried out, when appropriate, to compare outcomes/outputs in the original FBC with the revised proposals..</p> <ul style="list-style-type: none"> - Powerhouse/Digital Culture Hub: IA advised that RR is meeting with the project leads to clarify how their original spending plans will change following their decision to co-locate with the Digital Culture Hub. These will be discussed at PDG and then at Board level. <p>Project Sponsors Meeting</p> <p>5.8 IA provided an update on the Project Sponsors meeting, held on 5 January. He advised that this had been attended by the majority of projects and that there had been lots of positivity at the meeting.</p> <p>5.9 The Chair commented on the importance of encouraging connectivity between projects through these Project Sponsors meetings as well as the value of capturing positive news stories. The possibility of holding a public event to capture and publicise all that had been achieved by the #StrongerHereford projects had also been discussed.</p> <p>5.10 IA advised that the focus of the Project Sponsors' meeting had primarily been on the creation of PIDs, as well as individual discussions with projects on their current situation.</p> <p>5.11 IA suggested that a workshop be offered to projects at a later Project Sponsors' meeting to focus on how to evidence outputs and outcomes. This will be important for reporting to Government.</p> <p>5.12 IA advised that government guidance had requested that Board papers be published on public facing websites alongside minutes of previous meetings. JB to action.</p> <p>Programme Level Risk Register</p> <p>5.13 IA referred to the 'Programme Level Risk Register', as detailed in the Board papers and included in Appendix A below.</p> <p>Budget</p> <p>5.14 IA referred to the programme Budget, again as detailed in the Board papers and included in Appendix A below. He advised that the quarterly budget return had recently been submitted to Government, following circulation to Board members. He further advised that regular meetings are being held with Alex Collins (DLUHC representative). The Chair added that she had discussed with JH the importance of keeping Board members fully informed with regard to the budget position.</p> <p>Board Youth Members</p> <p>5.15 The Chair provided an update on recruitment of new Youth Board Members. She advised that LR is meeting a second potential Youth Member shortly. A Board update will be provided shortly, but it is hoped that the new member will join the next Board meeting (February).</p>	<p>RR</p> <p>RR</p> <p>JB</p>
<p>6.</p>	<p>Communications Update</p> <p>6.1 RP advised that support was ongoing to projects wanting help with their publicity activities. In the meantime, the communications brief was nearly completed. Once finalised, this will be published on social media, in the #StrongerHereford newsletter and website and circulated to Board members for sharing with their networks. .</p>	<p>RP/AA</p>
<p>7.</p>	<p>New Guidance on the Role of the Towns Fund Board</p>	

	7.1 IA referred to this document which had been circulated previously to Board members. He advised that RR will complete an audit comparing current activities with those recommended in this document and report back to the next Board meeting.	RR
8.	Any Other Business 8.1 The Chair referred to a technical issue to do with reclassification of Further Education institutions as 'public' as opposed to 'private' sector organisations. She will seek guidance as to whether this is an issue for her chairmanship of the Board and advise accordingly.	AA
9..	Date of Next Meetings PDG – Fortnightly (next meeting Wednesday 18 January) Board Meeting – Next meeting – Friday 3 February 2023, 8.30 – 10.00 am – via Zoom Then, the first Friday of each month until further notice.	

Action Grid

Minute No	Action	Responsibility
4.1	Circulate new Board members advertisement Briefing document for new Board members	AA AA/LR
5.5.1	Document outlining existing project 'Buddies' and vacancies with other projects	RR
5.5.4	Set up shared folders for all projects	RR
5.5.6	Send offers to buddy projects to IA/AA	All
5.7	Comparison of Encore's Outputs/Outcomes – new and old scenario Organise discussion at PDG regarding changing spending plans for Powerhouse following decision to co-locate with Digital Culture Hub	RR RR
5.12	Ensure Board papers are published on public facing websites, alongside Agenda and Minutes.	JB/ongoing
6.1	Finalise and then circulate Communications brief to all members for onward circulation to their contacts	RP/AA
7.1	Comparison of current operating procedures with those recommended in new Guidance	RR
8.1	Seek guidance with regard to redesignation of HCA to a public sector organisation	AA

APPENDIX A – STRONGER TOWN FUND BOARD MEETING – PAPERSSENT WITH AGENDA

Item 6 – Progress Update and Future Planning

1. Introduction

This report provides a high level overview of progress since the last Board Meeting in relation to the new current programme management phase which we are entering.

2. Funding Agreement Progress

Funding agreements have now been issued to the majority of the projects based on the grid below. We are still negotiating the issues around the nature of the charge to be held against Packers House as part of its purchase through the Digital Culture Hub. As it is now proposed that Powerhouse will be a tenant in Packer’s House we are awaiting agreement of the Digital Culture Hub project prior to issuing the funding agreement for this project. We are also in a discussion with Encore about their progress in establishing a location for their project prior to issuing a funding agreement. An update on the number of funding agreements returned will be provided at the Board Meeting.

Project	RDEL/CDEL	22/23 (£)	23/24 (£)	24/25 (£)	Total (£)	Outputs
Southside	RDEL	192,750	217,145		409,895	Amount of capacity of new or improved training or education facilities - 400m2 Amount of existing parks/greenspace/outdoor improved – 72843 and contribute with skills foundry partners to the delivery of 30 jobs
	CDEL	804,080	2442180		3,246,260	
	Total	996,830	2,659,325		3,656,155	
Digital Culture Hub	RDEL	15,806	8,452		24,258	Amount of capacity of new or improved training or education facilities- 700m2 Number of improved cultural facilities 1 Number of collaborations with employers -110 and contribute with skills foundry partners to the delivery of 30 jobs
	CDEL	612,500	564564		1,177,064	
	Total	628,306	573,016		1,201,322	

HCA School of Creative Digital Futures	RDEL					Amount of capacity of new or improved training or education facilities - 615 # of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses - 250 learners enrolled in new education and training courses – 220 space and contribute with skills foundry partners to the delivery of 30 jobs
	CDEL	125,661	452,380	75,397	653,438	
	Total	125,661	452,380	75,397	653,438	
NMITE Future of Work						180m2 of learning space and contribute with skills foundry partners to the delivery of 30 jobs
	RDEL	235,884	33,135	6,966	275,985	
	CDEL	33,320	1284000	743986	2,061,306	
	Total	269,204	1,317,135	750,952	2,337,291	
River Wye Infrastructure						Total length of improved cycleways - 0.25 km Total length of new pedestrian paths -2 km Amount of rehabilitated land -5000 m2 number of improved community/spots centres -4
	RDEL					
	CDEL	517,937	517,938		1,035,875	
Greening the City	RDEL					Total length of improved cycleways -4 km Number of public amenities/facilities created- 1
	CDEL	411,164			411,164	
	Total	411,164			411,164	
Meadow Arts						Digital Connectivity: provision of specialist tech - 1 Public amenities/facilities created - 1 Arts, Culture & Heritage - new prominent landmark on buildings AND new commuity space /asset linked to local inclusive growth- 2 Amount of capacity of new oe improved training and education facilities - 50
	RDEL	2,276			2,276	
	CDEL	88,200			88,200	
	Total	90,476			90,476	
Castle Green Pavilion						
	RDEL	5,058	16,945	9,104	31,107	

	CDEL	279,058	1,074,000	184087	1,537,145	5000 people participating in new or improved education and training facilities 1 new or improved community/sports facilities
	Total	284,116	1,090,945	193,191	1,568,252	
Maylords Library and Learning Resource Centre						Amount of floorspace repurposed (residential, commercial, retail) – 13471m2 Amount of floorspace rationalised – 5574m2 Amount of capacity of new or improved training or education facilities- 15000 # of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses - 600
	RDEL	37,935	22,432		60,367	
	CDEL	1,470,000	1485504		2,955,504	
	Total	1,507,935	1,507,936		3,015,871	
Powerhouse						Number of improved cultural facilities- 1 Number of closer collaborations with employers -20 Enterprise infrastructure: Increase in the amount of shared workspace & innovation facilities-6 Amount of other enterprise space improved - 220
	RDEL					
	CDEL	71,587	230,000		301,587	
	Total	71,587	230,000		301,587	
Encore Music Hub						Premises purchased, altered and refurbished, equipped and people using the new facilities - 1 # of learners/trainees/students enrolled at improved education and training facilities- 500 Amount of capacity of new or improved training or education facilities - 1000
	RDEL	5,058			5,058	
	CDEL	196,000			196,000	
	Total	201,058			201,058	
Marches Experience						# of full-time equivalent (FTE) permanent jobs created through the projects - 5 # of full-time equivalent (FTE) permanent jobs safeguarded through the projects - 3 Number of improved cultural facilities - 1 # of learners/students/trainees gaining certificates, graduating or completing courses at new or improved training or education facilities, or attending new courses -3000
	RDEL	25,290	50,580	26,655	102,525	
	CDEL	980,000	1960000	1,983,925	4,923,925	
	Total	1,005,290	2,010,580	2,010,580	5,026,450	

Electric Buses						# of full-time equivalent (FTE) permanent jobs created through the projects* - 1 # of full-time equivalent (FTE) permanent jobs safeguarded through the projects* - 2 New public transport routes - 2 Patronage of the public transport system in the area of interest (for public transport schemes) – 1500
	RDEL	85,101	77,514		162,615	
	CDEL	920,189	626,188		1,546,377	
	Total	1,005,290	703,702		1,708,992	
Cycle Track						5600 m2 of new green/refurbished space 1 new/refurbished sports/community facility contribution to the creation of 1 new and 2 safeguarded jobs
	RDEL					
	CDEL	690,263			690,263	
	Total	690,263			690,263	
Skate Park						1 refurbished sports facility, contribution to the creation of 1 new and 2 safeguarded jobs, contribution to 5600 m2 of outdoor green/space
	RDEL					
	CDEL	500,000			500,000	
	Total	500,000			500,000	
Totals to be Committed		8,305,117	11,062,957	3,030,120	22,398,194	
Cash Total Available		5,723,490	11,449,999	5,224,705	22,398,194	

These figures include the 2% programme management levy and the 5% advance funding drawn down by individual projects. Discussions with individual projects have indicated that whilst the amount likely to be financially committed in each of the three years in scope is out of sync with the amount scheduled to be paid over in each year, particularly in 2022/23, the amount which will actually be defrayed can be managed within the total cash available, which has already been advanced to the council as the financially accountable body.

In addition to the outputs identified here a number of wider impacts are anticipated from the projects and we intend agreeing a process for tying down and reporting on these through the presentation of the PIDs at the PDG over the coming weeks.

3. Next Steps including Board Sponsorship of Projects

Once the Funding Agreement has been completed it is proposed that we should proceed to the development of a Project Initiation Document (PID) – including a detailed budget profile for consideration by the Project Delivery Group and sign off by the Board. Details of the PID were shared with projects at the Project Sponsors meeting on 3 November. Draft PIDs for the Electric Buses and Wyeside projects have already been submitted. As a further opportunity for the Board to more substantively support the implementation of the Towns Fund going forward it was agreed that Board members will be given the opportunity at the next Board meeting to reflect on the opportunity to provide some personal input and insights into the delivery of the projects where they feel they can make a contribution. This has been called a “Buddying” opportunity and more information is set out below:

Context - some board members have a connection and insight into particular projects which gives them first hand understanding some of the challenges and opportunities the projects face but not all members have this insight but not do all projects have this connection to a board member and it would be useful to support them through this arrangement.

Aim – to enable board members to gain deeper insight into project progress and act as critical friends outside the board meeting, ensuring all projects have an in-person connection directly with a board member.

The role of a “Buddy” is set out in more detail below. It does not represent an exhaustive list of activities and is offered for discussion and shaping at this stage:

Do's	Don'ts
Agree a list of meetings (based on the delivery plan for the project) with the project sponsor.	Assume any form of directive pose in relation to decision to be made by the project.
Read up on key background documents to understand the project.	Seek to speak directly on behalf of the Towns Fund Board in relation to the implementation of the project.
Agree a specific list of support with the project sponsor to be managed through the schedule of meetings identified above along with a list of potential outcomes from the support.	Become a direct representative of the project in any form of negotiation or statutory process.
Provide as appropriate a supplementary overview of project process at Board meetings.	Relay any information given in confidence about the project to third parties apart from in exceptional circumstances.

<p>Help celebrate the success and promote the achievements of the project.</p>	<p>Feel obliged to maintain a relationship with the project if you feel you don't have the expertise or "chemistry" with it as your relationship develops.</p>
<p>Help prompt good practice in the context of issues such as equality/ diversity and help the project think through beneficial approaches and linkages as the overall STF programme unfolds, taking account of new policies and procedures as they arise.</p>	

It is also important to ensure that this process of support does not become confused with the secretariat roles performed by the STF team.

Board members are aware of the nature and character of the projects within the Town Fund portfolio and if they would like to explore the potential to operate as a buddy on the basis set out above they should approach the Towns Fund secretariat in the first instance.

Recommendations:

1. Members note the progress to date
2. Members indicate if they are interested in becoming more directly involved in supporting the delivery of any specific projects

7. Current Programme Overview

1. Introduction

This report provides an overview on progress since the last board meeting and in advance of detailed implementation negotiations. A brief commentary on a project by project basis is provided below and the accompanying excel table RAG rates each project. The highest level risks are set out below.

2. Top Risks

Project	Town Fund	Match	Total	Risk Rating	Challenge	Current Position
River Wye Infrastructure	1.035	0.112	1.147		There are clear cost over runs for this project of approaching £1 million linked to inflation	It was agreed that the approach to the release of funding to support the detailed feasibility work on project design which was subsequently agreed at the Board on 4 th November would be progressed. At the time of writing the studies are still to be commissioned following an ongoing dialogue about the nature of the funding agreement between the project sponsors and the Accountable Body.
Southside	3.656	0.613	4.269		Significant programme management requirements on multiple fronts. PDG is providing significant ongoing support.	The project has significant value engineering challenges and has concluded it cannot find a way to manage its VAT liabilities, asset transfer and planning are key issues in a project that still has many "moving parts". Value engineering due to inflation has been substantively undertaken. An outline planning application has now been submitted and it has been confirmed that subject to planning the asset transfer can move ahead. A

						detailed project review meeting is scheduled for 6 January to identify a final substantive response to the challenges faced by the project.
Encore Music Hub	0.21	0.6	0.810		FBC which is site agnostic has been submitted	The project has reported that a potential site has now been identified and the project lead is optimistic that this might be brought to fruition. It is likely however that both the timescales and the nature of the outputs to be delivered will change significantly and once the Project Initiation Document which will be supplied to the project has been completed the Project Delivery Group will need to review the proposition as it now stands pending a referral to the Board.
Powerhouse	0.31	0	0.31		The principle of co-location with the Digital Culture Hub is now in a detailed stage of development	This has now been identified raised with the Accountable Body and a detailed dialogue is in train with Powerhouse, Rural Media (DCH) and the TF secretariat. The Board has agreed to support this proposal. A funding agreement will be issued once the wider issues associated with the development of the DCH project (see below) are resolved.
Digital Culture Hub	1.201	0.55	1.751		The development of a funding agreement to reflect the now agreed change from rent to purchase	The project has been asked to finalise its proposals for a charge on the building and the confirmation of its matched funding for the implementation of its activities prior to the completion of the funding agreement.

3. Project Progress

Skills Foundry

Southside

This project is progressing but has a number of challenges associated with the transfer of the land and from the Council, achievement of planning permission and delivery of the outputs associated with the project within the cost envelope. There is also a need to establish the CIC for the partners to work within. All of these challenges are being addressed, however there is a significant dialogue in train with the council in respect of the proposed rent associated with the land transfer arrangements. The project is at the stage where it might be undeliverable in its present form and a detailed final options discussion with representatives of the PDG is scheduled for 6 January 2023.

Digital Culture Hub

The relocation of this project to Packers House has now been approved by DLUHC. The next stage in the development of the project is the completion of a satisfactory funding agreement. There is scope to maximise the financial draw down associated with this project by allocating more of the Towns Fund to purchase and more of the matched funding to refurbishment.

HCA School of Creative Digital Futures

There are no immediate concerns about the implementation of this project and the planning application for the project has been approved. There are some modest cost over-runs which can be accommodated through value engineering. There will also be some logistical challenges to manage operationally in relation to the scheduling of the works once a contract is let for delivery in the heart of an active college setting. The validation process associated with the additional courses that are planned to be delivered in the new facility using the new equipment are progressing well. The outputs quoted for the funding agreement are being finally checked against the FBC output commitment to confirm they are consistent.

NMITE Future of Work

The project will be located on the Blackfriars site of NMITE. Initial post FBC discussion has revealed that the project can proceed as planned. The project should be able to commercially commit enough spend to meet its funding profile. There are no major concerns about progress at this stage albeit some minor discrepancies between the funding profile in the FBC and the funding agreement are being discussed.

Access and Greening

River Wye Infrastructure

The project is now in a serious phase of reappraisal. We hope to achieve more detailed cost certainty by supporting the process of detailed design works. A funding agreement is still in discussion between the Wyeside partners and Accountable Body which would enable the commissioning of these design works to progress.

Greening the City

This project is now in the implementation planning stage. Work is underway to confirm the level of financial spend which can be achieved this year through entering into contractual agreements with suppliers. We are optimistic that the project will be able to hit its profiled spend for this financial year. A funding agreement for the project is now in place.

Meadow Arts

We reported at the that last board meeting that this project is now in proof of concept phase. The first exhibition materials linked to Lothar Gotz are on display and look excellent. This provides an excellent opportunity to promote the Town Fund more widely and discussions are ongoing with Meadow Arts on how best to maximise this opportunity. This project will be able to commercially commit its expenditure to meet its funding profile. It has now been issued with a Funding Agreement.

Castle Green Pavilion

The project delivery arrangements for this project have been confirmed and are on schedule. The planning application for the project has now been approved. This project will be able to commercially commit its expenditure to meet its funding profile and we have no major disquiet about its current status. A Funding Agreement for this project has now been issued.

Cultural Assets

Maylords Library and Learning Resource Centre

The plans for the implementation of this project are proceeding effectively. The Council are currently working to confirm the financial profile and output delivery timing associated with the current profile. A Funding Agreement for this project has now been issued.

Powerhouse

Following agreement that this project will relocate to the groundfloor of Packers House on a phased basis a Funding Agreement for this project is pending and will be issued once the overall charge on Packers House has been agreed pending its purchase by Rural Media to deliver the Digital Culture Hub aspect of the Towns Fund.

Encore Music Hub

The project has reported that a potential site has now been identified and the project lead is optimistic that this might be brought to fruition. It is likely however that both the timescales and the nature of the outputs to be delivered will change significantly and once the Project Initiation Document which will be supplied to the project has been completed the Project Delivery Group will need to review the proposition as it now stands pending a referral to the Board.

Individual Projects

Marches Experience

Following HLF agreement to support the project to the next stage of its evolution good progress is being made with the FBC. The Council has committed to a significant package of matched funding for this project and it is on track to achieve its spend profile within the Towns Fund. We understand that the competition for funding is now very severe in relation to the Heritage Lottery aspect of the matched funding for this project and we anticipate that this may be more challenging than we had initially hoped.

Electric Buses

The order for the buses has now been issued and discussions are underway to identify the most appropriate operator for the facility.

Extreme Sports Hub

There are two components to this project the skate park and the cycle track. There had been some questioning of the deliverability of the cycle track in the timescales desired by Sport England this issue has now been resolved with Sport England confirming its ongoing support for the project. Subsequently however it has been identified that there are significant cost pressures on the project and on the Skate Park element of the project. Neither element of the overall project is undeliverable and we are optimistic that both can be effectively supported by the Towns Fund team to a point of effective implementation. The situation in relation to these two projects is therefore largely and positively unchanged since the last Board meeting.

4. Project Sponsor Meetings

The next Project Sponsor meeting is scheduled for 5 January. The substantive item for that meeting will be the development of the Project Initiation Document which should follow the signing of each Funding Agreement.

6. Programme Level Risk Register

The cross cutting risk register is attached below for discussion and updating post the Board.

Risk	Likelihood	Impact	Mitigating Actions/Actions Required	Latest Position – January 2023
Completion of Project Initiation Documents	Medium	Medium	Close liaison and clear indication of requirements with each individual project and then consideration at PDG	Set up briefings are currently in train with individual projects and will be followed by individual contract negotiations around the establishment of funding agreements. An overview of the process will be discussed at the Project Sponsor Meeting scheduled for 5 th January 2023.
Achieving Target Spend	Low	Medium	We have identified the relative risks on a project by project basis, individual mitigations measures at the level of specific projects are in place and further intelligence is collected on a real time basis through our engagement with each project as the TF secretariat	The Funding Agreements which are currently in negotiation will ensure there is clarity on timescales and activities associated with the spend profile for each project. We also have to manage the distinction between the amount of spend profiled by DLUHC and from a programme management perspective. Our intelligence from the individual project discussions indicates that this is possible.
Achieving Matched Funding Totals	Medium	High	It is likely that due to project design changes arising from the FBC development process that there may be some need to value engineer projects as a result of inflationary pressures. This may knock on in terms of matched funding contributions. We are alive to this issue and we have been involved in detailed project by project risk rating to understand and plan mitigations at the level of individual project development.	A changing pattern of matched funding is emerging as the Funding Agreements are firmed up. Considerable additional matched funding has been identified in conjunction with the Museum project. Reduced and rescheduled matched funding arrangements have been notified in terms of Powerhouse, the Digital Culture Hub and Encore Music Hub projects. Overall the level of programme wide matched funding is in excess of the amount initially cited in the bid.

Programme Management Capacity	Low	High	The team has a good level of dedicated staff with additional capacity in the There is scope to seek support from partners to mitigate unforeseen capacity challenges.	As the Funding Agreements proceed we are positively optimistic that the challenges around the delivery of this aspect of the work are fully manageable.
Achieving Overall Programme Outputs	Medium	High	The programme management role followed by the team provides good scope to identify early and then intervene to manage and mitigate risks as identified.	Two projects: Southside and Wyeseid have major delivery challenges. A reduced portfolio of outputs could arise. The secretariat is keeping this situation under careful review and will maintain a detailed overview of progress in conjunction with the Project Delivery Group as project implementation begins.
Achieving Programme Spend Within Annual Profiled Phases	Medium	Low	There is a danger in view of the inflationary pressures faced by the programme and in terms of limited supplier availability in some cases that achieving spend on planned time may be difficult	The Funding Agreements have in each case considered this challenge. Where it occurs unexpectedly a project change form will need to be submitted to Government.
Meeting Evaluation Requirements	Low	Medium	There is a requirement to evaluate the impact of the programmes in the town, we are yet to put the arrangements in place to collect the evidence and programme the evaluation. We have significant experience of these actions in other settings and are beginning to make preparations for the meeting of this obligation once the current stage of the Funding Agreement process is completed.	We currently have no evidence to suggest that this will be a performance issue.

Individual Project Failure	Medium	Medium	<p>There will inevitably be some challenges which occur in terms of project delivery. Through the Funding Agreement process these will come to the fore and we will be able to keep on top of them through the project implementation process set up as the next stage of this programme. Depending on the scale of the project and its relative importance to the programme (we have individual risk registers for each project) we will be able to put mitigations in place or escalate the solution to the issue to a discussion with DLUHC using appropriate project variation forms rescheduling timescales and outputs.</p>	<p>We have identified the relative vulnerability of each project to inflation in this report. More widely we have a risk register for each individual project. We have the following projects under close scrutiny: Wyeside, Encore Music Hub and Southside.</p>
Multiple Project Failure	Low	High	<p>This is a relatively low risk because of the comprehensive and varied spread of projects across the programme both thematically and in terms of delivery organisations. Should it occur we will, through monitoring be able to plan amelioration as it gathers pace so that the implications are fully understood and reported before they reach an unmanageable stage.</p>	<p>There is no evidence to suggest that this is an issue at this stage of progress towards the establishment of individual funding agreements.</p>
Subsidy Control Challenges	Low	High	<p>Relatively few of the projects have a subsidy control component. We are planning a desk review of the relative challenge associated with each project working with Freeths as professional advisers where required and will have mitigations pre-planned should any challenges arise.</p>	<p>We are not in a position to have a full view on this issue until the funding agreements are all fully in place.</p>

Programme Level Inflation Cost Pressures	High	High	This is a material risk. We are already involved in value engineering discussion with projects on an individual basis as the FBCs progress to enable us to mitigate this in relation to individual projects.	This is a very significant growing risk. We have analysed it in more detail in relation to the table set out above.
Programme Governance Failures	Low	High	We have the operation of the Board and its assurance framework including the PDG under constant review and have just received a new guidance document from Government about the role of the TF Board which confirms we are on the right lines from a progress point of view.	We discussed the new TF Guidance on the role of the Board at the 2 December meeting and have no major concerns at this stage.

6 Budget

In terms of the original 5% advance (which some projects chose to have allocated and others did not, the position is as follows:

Composites:	TD 5% CDEL
<u>Skills Foundry</u>	£
Southside	£180,000
Digital Culture Hub	£55,000
HCA School of Creative Digital Futures	£35,000
NMITE Future of Work	£60,000
	£330,000
<u>Access & Greening</u>	
River Wye Infrastructure (Wyeside)	£55,000
Greening the City	£22,500
Meadow Arts (Station Approach)	£24,500

Castle Green Pavilion	£78,000
	£180,000
<u>Cultural Assets</u>	
Maylord Library and Learning Resource Centre	£202,866
Powerhouse	£20,000
Encore Music Hub	£0
	£222,866
Marches Experience	£357,134
Electric Buses	£0
<u>Extreme Sports Hub</u>	
Cycle Track	£15,000
Skate Park	£15,000
	£30,000
Total	£1,120,000

Within the overall budget allocation 2% of funding has been allocated to programme management this was profiled as follows:

	20/21(£)	21/22 (£)	22/23 (£)	23/24 (£)	24/25 (£)	25/26 (£)	Total (£)
Programme management	0	12,645	215,057	251,568	71,368		550,638

A summary of private sector match funding (which includes in the definition VCS and University funding) has been submitted to Government and is attached. A further quarterly financial return to Government was submitted on 16 December and was shared with the Board electronically prior to submission. A copy, which contains a very detailed breakdown of spend to date is attached with these papers.

7. Board Youth Members

Good progress has made in the identification of potential new youth representatives for the Board. Grace Joiner the first of the two Board members attended the 4 November meeting in person and a second potential participant is close to confirmation.

8. Publicity

The Chair of the Board along with Lauren Rogers and Ruth Parry have been involved in considering the options for the procurement of professional communications and publicity support. They will outline their proposals on the way forward in more detail at the Board meeting. As a key element of the development of a publicity campaign it was agreed a list of key events to support the planning of the Board programme of publicity on an event by event basis should be set out by the secretariat. This was considered at the last Board meeting. In addition to seeking new communications support arrangements are being put in train to share the Board papers as well as the Board minutes on the STF website.

8. New Guidance on the Role of the Towns Fund Board

New guidance has been issued about the role and functions of the Towns Fund Board, particularly vis a vis its relationship with the Accountable Body, it was shared at the last Board meeting. It is attached again to help members think through the opportunity to undertake an assessment of how our approach aligns with the national guidance, which is an activity that could be undertaken for the February Board meeting.