

Minutes of the Strategic Investment Panel

Wednesday 10th January 2018 14:00-16:30

Santander Offices, Pynes Hill, Exeter

SIP Members:

- Alan Denby, Business Lead, LEP Management Team
- Amanda Ratsey, Business Lead, LEP Management Team
- Chris Garcia, LEP Chief Executive
- David Bird, Chairman of SIP, LEP Board Member
- Dr Fiona McMillan, Non-Executive Board Director, LEP Board Member
- Paul Hickson, Place Lead, LEP Management Team
- Richard Stevens, Chair Business Leadership Group, LEP Board Member

In attendance:

- Ben Bryant, Incoming SCC Accountable Body Representative
- Ed Cross, LEP PMO (minutes)
- Eifion Jones, Head of Strategy & Operations
- Helena Davison, Communications Manager, HotSW LEP
- Ian Harrison, Independent Transport Assessor
- Jamie Evans, DCC
- Mel Roberts, SCC, Accountable Body
- Mel Sealey, LEP PMO

1. Welcome and Apologies

Apologies received from: Barbara Shaw, Keri Denton, Sally Edgington

2. Declarations of Interest

AD -> ERDF and ESIF

JE -> Exeter Science Park

3. Minutes of the 6th December SIP

Minutes were approved without changes.

4. Investment Programme Business Cases and Project Changes

4.1. Growing Places Fund

4.1.1. Exeter Science Park Variation Request

MS took SIP through the 6 potential options to consider. SIP raised a potential 7th option which they would like to explore, that being the do-nothing option.

<p><u>Decision: SIP agreed that it needed to be made clear to all parties which of the options were up for discussion. The prospect of switching the loan to a grant was ruled out, other options requiring confidence that the Science Park had a serviceable plan, in order to progress any discussions regarding loan refinancing. SIP requested an up to date business plan complete with figures before any discussions take place.</u></p> <p><u>Action:</u> Draft a response to the Science Park requesting the revised business plan and outlining which of the options are up for discussion.</p> <p>4.2. Growth Deal</p> <p>4.2.1. Constructing Futures GD3 Business Case Approval JE updated on the clarifications received by the project that sought to address the pressing issues preventing progression of the project.</p> <p><u>Decision: SIP agreed the pressing issues had been addressed. However, further clarification over the processes and support structures to be put in place was required, in order to ensure apprentices had the best chance of completing their apprenticeships. SIP also agreed State Aid advice needed to be robust, especially from the perspective of betterment (buying of housing stock), it being down to the applicant to secure this advice. Such issues need to be addressed before signoff can take place, SIP willing to finalise over email if required.</u></p> <p><u>Action:</u> Respond to applicant with requests for additional clarifications over the apprenticeship support structures and securing robust State aid advice.</p> <p>5. <u>Investment Programme Delivery</u></p> <p>5.1. Investment Programme Report</p> <p>5.1.1. Programme Summary</p> <p>MS explained that TUE will have a lower match allocation at the next SIP meeting to better reflect the match associated with the LGF funded project rather than the wider project itself. This does not affect overall GD match since originally there was no funding against this project (re 3 for 2 deal).</p> <p><u>Action:</u> Remove Edginswell Station from the programme summary before next SIP</p> <p>5.1.2. RAG Status Review</p> <p><u>Decision: SIP agreed that the new revised RAG statuses for all projects were in keeping with the revised criteria/guidance from DCLG. As such, no subsequent changes were required to the revised RAG statuses.</u></p>	<p>MS/AR</p> <p>JE</p> <p>MS</p>
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<p>5.1.3. Q2 Dashboard for Approval</p> <p><u>Decision: SIP agreed that MS could make minor amends to dashboard as needed and circulate before SCC sign-off on the 12th January and submission to DCLG by 20th January.</u></p> <p><u>Decision: SIP agreed to draft letter outlining output and communication requirements for each project's funding agreements, highlighting the clawback provision within each contract if output information is not forthcoming.</u></p> <p><u>Action:</u> Draft letter for each project</p>	MS
<p>5.2. Amber Project Review</p> <p><u>Decision: SIP agreed to change Huntspill Energy Park to green, given the progress outlined.</u></p> <p><u>Action:</u> Move Huntspill to green.</p>	MS
<p>5.3. Transport Projects Update</p> <p>5.3.1. Huntspill Energy Park</p> <p>IH updated SIP on the latest developments, mentioning that the applicant (Salamanca) had confirmed their intention for the Programme Entry Business case to be considered at March LTB and April SIP meetings.</p> <p><u>Decision: SIP agreed to move the project to green with clarification over Salamanca's funders, planning permission and timescale. The business case will be reviewed by SIP in April.</u></p> <p>5.3.2. M5 Junction 25 Improvement</p> <p>IH informed SIP that Somerset County Council had updated the LTB on programme progress back in December. Planning permission was still pending but expected in February this year, with procurement expected to run from May to September 2018.</p> <p><u>Decision: SIP noted the project's progress and agreed to keep the project green. However, SIP requested a reminder be sent regarding the £2m likely to be released for re-investment in other agreed transport projects. SIP agreed to follow up at March SIP.</u></p> <p><u>Action:</u> Send reminder to project regarding the £2m for reallocation, mentioning the SIP's intention to ask questions on the subject at March SIP.</p> <p>5.3.3. Marsh Barton Railway Station</p> <p>IH informed SIP that Devon County Council were working to reduce the overall cost of the project, the aim being to come back to the LTB with a proposal to reallocate underspend from other LGF projects to Marsh</p>	MS

<p>Barton.</p> <p><u>Decision: SIP agreed that Devon County Council must come up with a viable proposition by July 2018, otherwise funding will be clawed back and reallocated to alternative projects. An interim review of progress is scheduled for the March SIP.</u></p> <p><u>Action:</u> Notify Devon County Council of the July end date, beyond which clawback and reallocation will occur.</p> <p>5.4. SCC Update</p> <p>No change</p> <p>6. <u>Strategic Agenda Items</u></p> <p>6.1. Productivity Strategy</p> <p>No change</p> <p><u>Action:</u> Change agenda item to read “strategy” and not “plan”.</p> <p>6.2. ESIF Update</p> <p>EJ mentioned that the ERDF funds were now all overcommitted and that DCLG was looking to track progress with both the spend and performance reserve targets. The LEP has agreed to present a summary to board.</p> <p>7. <u>AOB</u></p> <p>CG raised the current lack of a revised prioritisation list, suggesting the potential for using any underspend via the Unlocking Growth Fund should the need arise to reallocate any funding as a short-term measure, until such time a new prioritised pipeline list can be generated.</p> <p><u>Decision: SIP agreed that this could be a potential avenue to explore as an interim option going forward via board decision.</u></p> <p>8. <u>Date of Next Meeting</u></p> <p>5th February 2018</p>	<p>IH</p> <p>MS</p>
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