Business Leadership Group

Friday 11th May .2018
1030 – 1230hrs
NFU, Agriculture House, Pynes Hill, Rydon Lane, Exeter. EX2 5ST

Introductions
Richard Stevens (RS) - Chairman/LEP Board member/ Business Representative (City Bus)
Cllr Harvey Siggs (CHS) – Councillor Mendip District Council
Amanda Ratsey (AR) – LEP Theme Lead (Plymouth City Council)
Julia Blaschke (JB) – Local Authority (Plymouth City Council)
Martha Wilkinson (MW) – Social Economy/LEP Board member (Devon Community Foundation)
Noel Stevens (NS) – ESIF Committee Representative/ Business Representative (Alder King)
James Gilgrist (JG) – Local Authority (Somerset County Council)
Rich Adams (RA) - Corporate Projects Manager (University of Plymouth)
Linda Middleton-Jones (LMJ) – Business Representative (International Trade Matters)
Paul Thomas (PT) - Local Authority (Devon County Council)
Brendon Noble (BN) – R&D and Innovation (University of St Mark and St John)
Victoria Gage (VG) – Local Authority (Devon County Council)
Stewart Horne (SH) - Business Support Representative (Business Information Point)
Heidi Hallam (HH) – LEP Partnership Manager
Alistair Handyside (AH) – Tourism Alliance
Robin Daniels (RD) – Business Body Representative (DCBC)

Supporting Officers
Colin Bettison (CB) – Plymouth City Council

Apologies
Paul Hickson (PH) – Local Authority (Somerset County Council)
Chris Evans (CE) - R&D and Innovation (University of Exeter)
Karl Tucker (KT) – Business Representative (Yeo Valley)
Steve Warren Brown (SWB) – Business Representative (YGS Landscapes)

No.	Agenda Item	
2	**Minutes of Last Meeting and Matters Arising** **RS** introduced the meeting and gave apologies as listed above. It was agreed that the previous minutes were an accurate representation of the previous meeting. **JB** – at the beginning of the ESIF programme and before the current Growth Hub was commissioned there was money for an interim Growth Hub. Some of this money wasn't used to support the successful applicant in securing ERDF funding. Due to tighter	

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	legislation this group needs to confirm that they are happy for this funding to be used in this way. **MW** – proposed the motion. Unanimous vote that this had the support of the group.	
3	**Update on Productivity Strategy** **AR** – the productivity strategy has now been signed off by Board and the Joint Committee. The next stage of the process is the delivery plan. In relation to this the LEP has to produce a local industrial strategy which will have money attached however as of yet there is currently no intelligence in what a local industrial strategy will look like as they are currently piloting 4 different methodologies across the country. As such our aims across both the delivery plan and the local industrial strategy must be consistent. Another 12 months until the local industrial strategy is completed, so 6 months for the delivery plan. The Delivery Plan will be structured around the three themes of: 1. Business, ideas, key opportunities 2. Housing connectivity infrastructure 3. Employment skills and learning This may need tweaking for the Local Industrial Strategy, perhaps for our theme in how we communicate effectively with the business community and more emphasis on our local specialisms. The key issues for the business group is skills and talent, and the relationship with the business group and the people group. We need to be in tune with our local industry and businesses so that the outcomes we wish to measure are the best representation of driving productivity in our area. **AH** – proposed Taste the West as a soft target, could be very beneficial however they lack capital. Also note that tourism is a very difficult sector to measure productivity in. **AR** – suggested measuring overseas visitors. **LMJ** – the focus should be on higher value sectors such as manufacturing. It is multi-sectoral so there should be different outcomes for each sector. **NS** – note that Brexit may discourage new entrants to export during the programme, therefore might be better to focus on expanding the operations of current exporters. **JG** – must be noted that these targets will be affected by macro-economics. **RS** - crucial that we understand our baseline. **MW** – there needs to be sufficient understanding of our enablers. **AR** – this delivery plan will result in the commissioning of interventions, in addition to government funding releases. We have started to look at our opportunities, where the government will for innovation and place-based funding. A focus on our transformational opportunities: digital, creative, big data, photonics, advanced engineering (and manufacturing), health and digital (aging population), life sciences (need a strong evidence base). **RA** – the overlap of these sectors is actually a driver of productivity in the relationships	

they refer to.
BN – the evidence base is crucial, clarify the needs and the challenges. E.g. food security, commonwealth games. How do the future needs shape what we focus on?
MW – there is currently a mix of thematic and sectoral, there should be one and it should perhaps be thematic, allows for flexibility in future opportunities.

RA – more in line with gov lead
LMJ – our heritage – great history and great people – mayflower
NS – with energy all we ever talk about is Hinkley – diversify – potential for solar but no infrastructure – need the grid connections to make that happen.
RS – future demands of autonomous vehicles.
HS – is this different enough, they never get read by Westminster. Great SW does not have the same ring as northern powerhouse. It is vanilla.
BN – we are good at these, but we are not the best. What can we create from our opportunities and future challenges to do something different.
RS – we don't have evidence of what is unique
RD – need the narrative. Content and delivery.
LMJ – believe that the group is staid in what we can create and do. Be more innovative.
RS –if this isn't a driving force then what is the point.
HH – I think we are at an interesting moment, metamorphosis, cataclysmic change, change the role of the group. Productivity strategy signed off my JC (a lot of interests at conflict), the local industrial strategy, and the next stage has the opportunity to be more interesting and creative.
AR – transformational e.g. Devonport market hall the immersive dome. Met office super computer, none of this has been articulated. Turn this into something interesting. We will definitely be affected by robotics.
AH – be careful with robotics, that you will not be losing skilled jobs.
RS – consider the unions.
AH – consider presentational,
AR – or joined together?
AH – the MPs need to back it, they are the ones that can take it to the Treasury.
RA – automation will happen, if we want to drive productivity we need to embrace, ahead of that train our skills for robotics. We need to do something transformational, leap in imagination, the step change – extreme robotics (space, geology, volcanoes, and war zones), keep going in several stages. That's where there is market failure.
MW – it gets exciting, **pivotal** moments in time- pivotal opportunities – heritage – interesting societal culture, social economy, inclusivity, significant contribution to sectors and quality of life. Bring in the human capital, this is a unique oppotuntity.
RS – what do we want to see next? How do we want to contribute? Conclusion…
LMJ – now we've had a conversation, would like to see the next draft
BN – need to do the future bit first, and put these as opportunities in the context of the future. That is what grounds them. This is how we are going to use what we've got.
RS – a smaller focus group to influence this.
JG – would love input on what these opportunities should be. Be ambitious but also reactive,

	JB –strength in places fund – you need to be able to demonstrate that we have the base from which to step up from. AR – we have a starting point, need to put the future element in it, refine the list, makes it more real and less vanilla. Come back to this group with this attached it will feel more real. MW – what is the capacity you have to do this work – who can help. JG – small and thanks HS – skills in terms of the enablers – need to bulk up to get the skills and the housing. RA – if we are talking about business as usual then agree – but also R&D – the new tarmac, construction maetrials. RD – this shouldn't be governed by LEP boundaries. RS – we should be able to affect the curriculum, skills is a challenge. One of our transformational changes is how we can change education. LMJ – word of work – interreg programme – dcoc – report out soon. British foreign policy group – foreign policy for devon.	
4	**Role and Key Issues of the Business Leadership Group**	
5	**Growth Hub Future Direction**	
6	**Growth Deal and Unlocking Growth Fund Performance**	
8	**AOBs**	
	Date of Next Meeting: 11th May 2018, 1030-1230hrs, Exeter (Agriculture House, Pynes Hill)	

Update on PS

GH Update
CB – started 2016 – 3 year contract, due to send 24 feb 2019
Funding comes from BEIS. How much funding we would get in line with other growth hubs – we do very well. Committed for funding for this year and next year. Increasing level of scrutiny, proved to be challenging.
Number of principles against which the gh should deliver, highlights gaps in service, on target but the goalposts have moved. Not comfortable that BEIS principles can be delivered with original contract.

New interest in scale up and private sector support
Circulate Colin's RAG sheet
If we wish to extend we need to inform the growth hub before Christmas, if we wish to terminate we need to do it by the proceeding quarter.
AR – contractually it has to go to the LEP board. But the BLG's view will be taken to the board.
CB – staff retention, one left, one moved within the company, may be completely unrelated to the contract nearly being up.
RS – this list will have gone out to other LEPs, they will be going through the same process.
AR – all other leps have had to bring it in house, we had the funding for a longer contract. May see a standardisation. For this year the LEP will have to fund the pre-start and start-ups, BEIS won't fund that anymore.
CB – scale-up action plan to serco, scale up institute. How far the contract can flex, may want to extend contract by year but with different outputs.
HH – took standard definition, agreement from BEIS for a softer definition. We have a really good evidence base to help with that work.
Action: circulate the scale up report
CB – not sure on what the key indicators should be.
Refined the previous options, pros and cons are not exhaustive, but just a flavour.
Extend serco contract by a year and refine for scale up
No need for procurement, current service, keep momentum, erdf frontdoor.
Buys time to think about what we want going forward.
Cons: legally how far can we go before it is a new contract.
VG – the erdf link and relationship is a huge risk
RS – don't want to sleep walk into an in-house
VG – YKTO and Enhance, ERDF funded programmes and they are LEP wide programmes
HS – we want to avoid the standardisation because we have a unique SME make-up

New contract with serco bolt on services. A scaled back contract on what we are already delivering. Don't lose momentum. But runs the risk that Serco may say no. may be a short term fix.
Or put funding into growth service.

RS – but what is the next evolution.
Growth hub in house – we can respond to BEIS and LEP's preferences. Can react to local challenges and be more reactive and agile and continually align with government funding. No hidden delivery costs. Potential loss of momentum.
VG - a real risk of a gap in service.

RS – option 1 or 2 is the preferred. Next step is how far we can flex the contract, what are the bolt ons. Option 3 is a big job.
AR – we do have some flexibility already written in the original contract and procurement. It is the extent of how much flex.

MW – sounds positive, hard to decide in abstract, decision made at not this board meeting but the next.
VG – are you looking for recommendations, or appraising?
AR –until we have response back from lawyers it is hard to go to vote, then need to cost, brief paper sent to Kerry.
MW – for the purpose of this group we need to vote sooner rather than later.
AR – BLG – SIP – board

Growth Deal and UGF
AR – if any growth deal projects fail or underspend, it goes into UGF. The clock is ticking on when this money can be spent. There are some projects in the pipeline, and there are no projects lined up. There are a couple that are red on the risk register. A couple of £m. small scale gap funding. We would have to move very quickly. Would have to do a call in July.
JB - We would need to ask this group again, need a sub group (no COIs)

CB – no huge update.
Ask colin for this update, can't keep up.

AOB
HH – the LEP has a new inward investment manager – Hailey B – will be presented to this group
12th nov for LEP conference – in Exeter
Lep chairs are starting to meet with PM on 6 monthly basis will meet with leadership group. First meeting 19th june is the first meeting. Need some intel to feed into that.
PT – met with police crime commissioner – modern slavery – the police should have more engagement with the LEP – nominate a point of contact. (HH as partnership manager should do it if Eefion confims).

Next meeting – 5th July in Exeter tbc.