**Minutes of LEP SIP Meeting**

 **05/03/2018**

 **at**

**Santander UK plc, Milford House, Pynes Hill**

**Board Attendees:**

*Alan Denby, Business Lead, LEP Management Team*

*Amanda Ratsey, Business Lead, LEP Management Team*

*Chris Garcia, LEP Chief Executive*

*Dr Fiona McMillan, LEP Board Member*

*Keri Denton, People Lead, LEP Management Team*

*Paul Hickson, Place Lead, LEP Management Team*

*Richard Stevens, Chair Business Leadership Group, LEP Board Member (acting chair)*

**Officers in attendance:**

*Ed Cross, LEP PMO (minutes)*

*Eifion Jones, Head of Strategy & Operations*

*Helena Davison, Communications Manager, HotSW LEP*

*Iain Harrison, Independent Transport Assessor*

*Mel Roberts, SCC, Accountable Body*

*Mel Sealey, LEP PMO*

**Others in attendance:**

*Sally Edgington, Cities and Local Growth Unit, BEIS*

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| **Item No.** | **Agenda Item** | **Actioned By** |
| **1** | **Apologies** |
| * Ben Bryant
* David Bird
* Barbara Shaw
 | N/A |
| **2** | **Declarations of Interest** |
| * Alan Denby – EPIC
* Keri Denton – Marsh Barton Station and Exeter Science Park
 | N/A |
| **3** | **Minutes from Last SIP Meeting 5th February 2018** |
| **Action:** Add note to previous minutes regarding Constructing Futures and the addition of the 2% programme management top slice.  | **EC** |
| **4** | **For Decision - Investment Programme Business Cases and Project Changes** |
| **4.1** | **Growth Deal** |
| **4.1.1** | **EPIC Business Case Variation** |
| AR talked through the paper informing SIP of two proposals for the EPIC project. The first a request for an additional £200k, the second a reduction of the ringfenced £400k equipment budget to reallocate to build costs. AR reassured SIP that the project still expected alternative public and private sector investment and/or sponsorship to cover the reallocated £200k equipment budget so overall outputs won’t be affected. **Decision: SIP agreed that Option 1 was not viable and approved Option 2 to reallocate equipment budget. The project has a high degree of confidence that the gap left in the equipment budget from the reallocation will be filled by either the private sector and/or other public sector funds.** |  |
| **5** | **Investment Programme delivery** |
| **5.1** | **Investment Programme report** |
| MS informed SIP that the LEP had approved South Molton’s business case, leaving just one GD2 project (Exeter Science Park’s Open Innovation Building) to be approved (set for review at June SIP). MS expressed concern regarding the slow speed of GD3 projects coming forward for business case approval.SIP agreed the LEP would still seek evidence of progress during business case development, even if a project was experiencing delays and requested that a briefing be produced highlighting any projects of concern by next SIP. |  |
| **Action:** Send copy of outputs letter to all theme leads. | **MS** |
| **Action:** Produce briefing note on progress of projects which have pending business cases. | **MS/EC** |
| **5.1.1** | **Programme Summary** |
| MS updated SIP on the latest project summary, mentioning that a revised funding profile would be produced for the next SIP meeting. |  |
| **Action:** Produce funding profile for next SIP meeting. | **MS** |
| **5.2** | **Amber Project Review** |
| MS informed SIP that the amber project list remained the same.PH updated SIP on the 4G project progress to date, outlining the latest developments and barriers faced by the project. |  |
| **Action:** Update SIP on the outcome of the State Aid clarifications and general progress of the 4G project at May SIP. | **PH/EC** |
| **5.3** | **Marsh Barton Update** |
| IH updated SIP that a LTB conference call had taken place to discuss the project and this informed the paper produced. Devon County Council (DCC) has submitted a bid to the industry risk fund. Construction is now expected to start in May 2019 with a 15 month construction period. Underspend of around £844k has been identified from four GD funded transport projects in Devon, which the project is requesting to be released for reallocation to Marsh Barton. In addition, DCC will be increasing its own funding allocation to the scheme. A discussion followed. SIP members raised concerns around underspend being reallocated to Marsh Barton, given that current policy specified any underspend was to be reallocated to Unlocking Growth Fund. There was also concern about how such a decision would be viewed, given previous decisions regarding Edginswell Station, though recognition that the two projects were at different stages, i.e. Marsh Barton is contracted whilst Edginswell did not reach that stage. It was also noted that funds had previously been moved from Torbay Gateway to Torbay Western Corridor, though this did not set a precedent. **Decision: It was agreed that there may be occasions when the policy of allocating GD underspend to Unlocking Growth Fund projects should be varied and a change to the policy around underspends to accommodate exceptions where this may be appropriate to be recommended to the LEP Board.** |  |
| **Action:** Produce report for LEP Board meeting, to clearly outline the case for amending the GD policy around underspends, to recommend that an exception be made in this case for reallocation to Marsh Barton, and mentioning that the size of any reallocation may vary if the bid to the industry risk fund delivers a greater allocation than expected. | **IH** |
| **5.4** | **Growth Hub Update** |
| CG outlined the position regarding the current Growth Hub contract and changes to Government’s KPIs. There was broad agreement that the Growth Hub should continue and that the new requirements from Central Government offer an opportunity to review progress to date and improve the Growth Hub service delivery going forward. However, the LEP requires more information from Government to develop the tender documentation and ensure any new contract can deliver on the new requirements. SIP agreed that it would be useful to have a summary of past progress and a review of the pros and cons of the current delivery contract by next SIP. SIP also agreed that it would be useful to provide background as to what a Growth Hub is, and how it differs from its past incarnations. A paper would be presented to the LEP board. |  |
| **Action:** Produce an update on progress and a summary of options going forward for the next SIP meeting. | **CG/AR** |
| **5.5** | **SCC Update** |
| MR informed SIP that SCC had updated the LEP website with refreshed policies and was now reviewing general publishing process for the LEP website in future. | **N/A** |
| **6** | **Strategic Agenda Items** |
| **6.1** | **Productivity Strategy** |
| EJ informed SIP that the draft strategy would be going to the LEP Board on the 13th March and that both the Board and the Joint Committee would have seen the strategy by the end of the month.SIP Members agreed they were happy for this draft to go to the LEP Board. | **N/A** |
| **6.2** | **ESIF Update** |
| EJ informed SIP that all ERDF Priorities, except for Low Carbon in Somerset area, are oversubscribed with the LEP now working with DCLG to help partners meet their spend targets.Three calls remain open in RDPE (closing on the 31st May). There has been a high level of interest, however the LEP expects the attrition rate to be high based on historical trends. Some LEADER projects are still asking to increase funding allocations using RDPE Growth Programme monies, given that they have reached the limit of their current fund. However, the RPA wishes to see where things lie before agreeing to this (the equitable division of any money between the 8 local groups also of consideration). The LEP agrees that this is an appropriate stance.DCC is still working with DWP regarding the European Social Fund and potential avenues for the £19m underspend. DCC has identified £10m of potential bids through local calls and is liaising with DWP about how to set these up going forward. The LEP Network is also pressing DWP on this as the issue applies across many LEP areas. | **N/A** |
| **6.3** | **LEP Business Plan and Budget 2018/2019** |
| CG informed SIP that the LEP review report is now expected after the May elections (possibly June). The HotSW business plan has been produced to link to the productivity strategy and focus on greater stakeholder engagement whilst remaining flexible in response to what may be in the LEP review. The SIP supported the draft business plan and its recommendations to go to the LEP Board. |  |
| **Action:** Amend pie chart to state LA SLAs rather than staff where appropriate. | **CG** |
| **7** | **AOB** |
| **None** | **N/A** |

**Next Meeting: 04/04/2018**

**Table of Decisions**

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| --- | --- | --- |
| SIP Paper | Decision Required | Decision Agreed |
| EPIC Business Case Variation | After the detailed designs for the Centre had completed and tenders had been received, the build costs increased significantly. The project therefore required a decision on which of the two proposed options (to increase GD allocation or to reallocate from equipment budget) would be allowed to proceed to fill the gap. | SIP members agreed that Option 1 was not viable and that they would approve Option 2. The project has a high degree of confidence that the gap left in the equipment budget from the reallocation will be filled by either the private sector and/or other public sector funds. |
| Marsh Barton Update | SIP was asked to discuss and endorse the recommendations in the paper.  | SIP raised concerns around underspend from other schemes being reallocated to Marsh Barton, given that current policy specified any underspend was to be reallocated to Unlocking Growth Fund. There was also concern about how such a decision would be viewed, given previous decisions. It was agreed however that there were clear differences which justified reallocation. Paper on varying the LEP’s policy on underspend to go forward to Board for decision. |