

Minutes of HotSW LEP CIC Board Meeting
18 May 2016
at
Taunton Rugby Club

Board Attendees:

Adam Chambers
Andrew Leadbetter
Chris Garcia
David Hall
Frances Brennan (Chair)
Gordon Oliver
Harvey Siggs
Judith Petts
Martha Wilkinson
Martin Brown
Nick Ames
Nick Engert
Paul Diviani
Stephen Bird
Stephen Criddle
Steve Smith
Tim Jones
Tudor Evans

Officers in attendance:

Heather Barnes - officer accompanying Andrew Leadbetter
Pat Flaherty - officer accompanying David Hall
Kevin Mowat- officer accompanying Gordon Oliver
Stuart Brown - officer accompanying Harvey Siggs
Mark Williams - officer accompanying Paul Diviani
Tracey Lee - officer accompanying Tudor Evans

Others in attendance:

John Osman - Leader of Somerset County Council for update on Devolution agenda item 4.1 only
Heidi Hallam - LEP Partnership Manager
Paul Taylor - LEP Head of Strategy & Operations
Janet Powell - LEP Executive Assistant (for mins)
Sally Edgington - Assistant Director, BIS South Central & West

Apologies:

Barbara Shaw
Simon Barker
Steve Hindley

Board Paper	Decision	Decision agreed
<p>4.2 Growth Deal 3 Process</p>	<p>The Board is asked to approve the draft Growth Deal 3 bid as set out in the paper.</p> <p>Board is asked to provide a steer on our approach to the challenge session with Government as set out in the paper.</p>	<p>The board agreed the criteria and overall shape of the bid, as set out in the paper.</p> <p>The board requested a mock challenge session in preparation for the actual challenge and to agree detailed project list in the bid.</p>
<p>4.3 Transport Majors</p>	<p>The Board agree the approach recommended by SIP that:</p> <ul style="list-style-type: none"> (i) Notwithstanding the DfT view that there will be some of the funding available for a second call, we should be wary about relying on that. It would seem a sensible precautionary approach to make a “holding” submission in the July Growth Deal round, and to follow that up with full application as quickly as possible. (ii) We therefore support the principle of a submission alongside the Growth Deal 3 bid confirming that an Outline Business Case will be submitted for the funding of the North Devon Link Road as a Large Transport Major as soon as possible (iii) We also support the principle of submitting one or more bids for development funding alongside the Growth Deal 3 submission of the North Devon Link Road <p>We delegate to SIP the prioritisation of possible development funding bids; for final approval by the board at its July meeting.</p>	<p>The board were in agreement with the recommendations for the approach moving forward as outlined in the paper.</p>

<p>4.6 Referrals from SIP</p>	<p>Directors agree to the outcomes of the SIP discussion that:</p> <ul style="list-style-type: none"> • Hinkley Supply Chain enabling activity – for £500,000 to be matched at 50% to deliver a 3 year programme of support, to be submitted to the LEP Board for approval, subject to SCC confirming revenue funds available in accordance with original plans. • Exeter Science Park - subject to SIP business case approval, the Board approves the move of £0.5m from Exeter Science Park Environmental Futures Campus project to the Exeter Science Park Centre project. 	<p>The board were in agreement with the recommendations as outlined in the paper.</p>
<p>4.7 HR matters – employee contracts</p>	<p>Paper to be tabled at meeting</p>	<p>This was an update for the Board and to contact Adam for any questions.</p>

Agenda item	Action
<p>1. Apologies as above</p> <p>DH thanked everyone for their flexibility in re-siting the board meeting to Taunton as opposed to a normal Exeter venue. The Chair thanked TE for all his contributions and support over the last couple of years, as Tudor steps down to make way for the new Leader of Plymouth City Council.</p>	
<p>2. Declarations of interest</p> <p>SC: South Devon College interest in ESIF and Growth Deal. MW: Devon Community Foundation is involved in a number of partnership bids and future ESIF/ERDF funding. JP: Plymouth University in involved in future ESIF and ERDF funding. FB: Pluss organisation has an interest in Big Lottery Funding (specifically Building Better Opportunities) and future ESIF Funding. CG: agenda item 4.7 HR Matters, employee contracts.</p>	
<p>3. Draft Minutes of last meeting 15 March 2016 and actions arising.</p> <p>All previous actions completed except below, which are carried forward: -</p> <ul style="list-style-type: none"> - To liaise with partners on how to support/organise another Downing Street Office delegation from HotSW on our priority issues. - The request for more detail around the Connecting Devon and Somerset (CDS) contract, has been moved to the July Board meeting with Keri Denton presenting, in order for more clarity after the recent Government’s policy changes on Broadband. <p>To note: - that the Economic Dashboard now includes some educational figures and Somerset labour market statistics will continue to be monitored for inconsistencies. Lord Adonis has been invited to the LEP’s Annual Conference, but no reply received as yet. Following feedback, at this stage, including a loan element of Growth Deal 3 (GD) funds will be put on hold. Issues to address affordable housing within the Devolution deal are currently being progressed by the devolution Housing and Infrastructure Group with input from the LEP’s Place Leadership Group.</p> <p>Minutes agreed as accurate, save minor amendment to page 4 under Declarations of interest – should read John Armitt, not John Armitage.</p>	<p>CG/HD</p> <p>KD</p>
<p>The running order for the agenda was altered to allow for Agenda item 4. 1 to 4.7</p>	

to be tabled, prior to the CEX report.

4. Strategic and Operational Papers

4.1 Update on Devolution paper

The Leader of Somerset County Council, John Osman gave a presentation on Devolution, outlining the background to devolution and work to date. This has involved a strong level of partnership working amongst the local authorities and other partners including the LEP, resulting in a prospectus being sent to Government.

There is concern, that there are moves afoot by some Somerset MPs to split Devon and Somerset into separate deals, which will bring a halt to the progress so far and these geographical issues need to be resolved as quickly as possible. It will be important to fight for a single HotSW deal with a unified voice, with all parties on the same page.

The following discussion continued with: -

- SE emphasising the Gov't s position, in that the Chancellor favored a Mayoral led deal, with the greater level's of funding coming to those areas that put forward this model.
- The LEP and private sectors stands alongside Gov't colleagues and are committed to getting the best deal for the area and to do whatever it takes to achieve maximum benefit for the region.
- Combined authorities may be a starting point on the table.
- The need to involve more private business, communities and the public.

In conclusion, the prospectus was seen as an excellent start, a key strength to partnership working and commitment (a major achievement to get all partners to agree) and important to maintain the momentum moving forward.

The next steps are: -

- Doing the deal - negotiation with Government on our deal (combined authorities v mayoral leader)
- Governance review – progressing with Local Authorities
- Productivity Plan (replacing our strategic economic plan)
- Ratification by all.

John Osman was thanked on leading the work so far and departed from the Board meeting after this session.

4.2 Growth Deal 3 proposed bid paper

This paper seeks Board endorsement for the LEP's approach to the bid. The LEP has also been informed that each partnership will be invited to attend a 'challenge session' with Government (Greg Clark) to discuss the proposals. A pipeline of projects has been prioritised by the three Leadership groups with preparation underway for a bid of approx. £150m (focused on productivity which aligns with the national agenda) and the opportunity to move towards a programme approach to LEP funding. A programme of indicative projects will be based around three themes: - Capital investment in skills; Infrastructure and premises to support business growth; and Transport Investment.

<p>The board was asked for: -</p> <ul style="list-style-type: none"> ➤ Support on the narrative ➤ A process for finalising the project list for ratification ➤ Guidance on the approach to the challenge session with ministers <p>Discussions continued: -</p> <ul style="list-style-type: none"> ➤ Ensuring the LEP ticks all the boxes against the criteria set out in Greg Clark's letter ➤ To ensure the challenge session is succinct, clear, led with compelling leadership, emphasizing passion for the projects and is well prepared to stand the test of any challenges that may be thrown the LEP's way ➤ To organise a mock challenge session including meeting to ratify the LEP's projects for submission in the bid ➤ Support from HotSW LEP's Government sponsor in order to brief the LEP accordingly for the challenge session <p>Action: Members of the board wish to come back together prior to submission of the bid, to see and approve the project information which was not included in the board papers.</p> <p>Action: To organise a mock challenge session in preparation, prior to the 21 July deadline of all challenge sessions with Government.</p>	<p>PT</p> <p>PT</p>
<p><u>4.3 Transport Majors paper</u></p> <p>Whilst HMG has invited bids for Large Local Transport Major schemes, the LEP is currently unable to submit a formal bid for major scheme funding in this call. This paper sets out for approval by the board for recommendations on the approach proposed in light of this - and which were agreed at the SIP meeting of 4 May 2016.</p> <p>Action: to include a strong supporting statement from the Board within GD 3 on the North Devon Link Road.</p> <p><u>4.4 Science and Innovation Audit paper</u></p> <p>In the March 2016 budget it was announced that the LEP was 1 of 5 'first wave' of Science and Innovation Audits in the country. These are based on the premise that places can drive economic growth by focusing on their own research-driven sources of competitive advantage. This paper provides some brief background of this key opportunity to focus on improving productivity and growth. SS was invited to further comment – emphasising the significance of being invited as 1 of the 5 to take part, prior to full audit. The audit has outlined five strengths: Aerospace and Advanced Engineering; New Energy Systems; Next Generation Microelectronics; Digital Living Innovation Platform; Resilience, Environment & Sustainability.</p> <p>The final document needs to be submitted by September and will form the basis of any capital decisions for science and innovation infrastructure investment.</p> <p>Action: to ensure the strengths of HotSW's 5 Science audit themes are included in HotSW's Devolution Deal in order that Government recognises the</p>	<p>CG/PT</p> <p>CG/PT</p>

importance of these in the area.

4.5 Update on ESIF paper

This paper updates the Board on the implementation of the Heart of the South West European Structural and Investment Funds (ESIF) Strategy.

The good news is that at last there are quite a few calls out for the HotSW area, however unfortunately, the LEP still does not have one signed funding agreement in place, despite the fact that some calls went out over 18 months ago. Frustration locally is also echoed by the LEP Network nationally. Feedback has been given on the pace and proportionality of the programme, with different Gov't departments working at different speeds and taking almost a year to look across boundaries in order to link calls and projects together.

It must also be noted that some projects have not held up under rigour, and the different timescales have created pressure in the market place effecting spending. The LEP needs to coordinate at a local level, as whilst individual calls maybe for small pots of money, joined up together they could make a real difference. There was concern for some of the Further Education (FE) and other training providers who would need support through the Leadership groups.

The LEP's European Programmes Policy Lead and the EU/Funding Strategy & Partnership Office at Plymouth City Council were thanked for an excellent paper and their on- going work on the ESIF Strategy, with recognition of the difficulty involved in this process. The board were very supportive of the work underway to encourage deployment.

4.6 Referrals from SIP paper

This paper is to ask for Board agreement for changes to Growth Deal funding allocations for Exeter Science Park and for Nuclear support, as discussed by the Strategic Investment Panel (SIP) at their meeting on 4th May. This follows information from the Dept. of Communities & Local Government (DCLG) about changes to European (ERDF) funding for Nuclear supply chain development projects and recent receipt of additional revenue funding from BIS towards Growth Hub.

The board agreed to the recommendations by SIP.

4.7 HR matters – employee contracts, verbal update given

Members of the LEP Core team left the room during this item.

Please refer to AC for any enquiries.

4. Chief Executive's Report

Questions were invited: -

A brief update was given on Ocean Studios.

A query was raised for an update on funding for future flood proofing after the South West hit the headlines with Somerset Levels and Dawlish flooding – there is ongoing work for flood prevention with partners within GD. However, the issue is that big capital schemes stretch beyond GD funding and these schemes cannot be

<p>capitilised until the project has been completed which raises risks for the accountable bodies.</p> <p>Action: Pick up the issue of capitalising big flood schemes with Somerset Rivers.</p> <p>A query was raised with regard to the housing market figures on the economic dashboard, however the dashboard only projects high level statistics.</p> <p>Action: To determine the split between market and affordable housing and how much is delivered against both, to be looked at by the Place Leadership Group.</p>	<p>CG</p> <p>CG</p>
<p>5. Papers for noting No comment.</p>	
<p>6. AOB FB: Construction Labour and Skills Steering Group update for the HotSW LEP was submitted too late for papers for noting, this will be circulated with the minutes. AC: Noted that this is PT's last Board meeting, as he finishes in July and the Board unanimously thanked him for all his hard work, papers and contributions and wished him well on his forthcoming travels. GO: To ensure that at the Challenge session with Government that all local MPs are on board, with the suggestion that a letter is signed by all MPs.</p>	<p>JP</p>

Next Board meeting: 20 July at Best Western, Tiverton from 3.30 – 6.00pm (note change of time)