

**Minutes of Board Meeting
11 November 2014
at the Imperial Hotel, Torquay**

Board Attendees:

Adam Chambers
Andrew Leadbetter
Barbara Shaw
Chris Garcia
Councillor David Hall
Gordon Oliver
Councillor Harvey Siggs
Julian Beer (for Wendy Purcell)
Mark Goodwin (for Steve Smith)
Nick Engert
Councillor Paul Diviani
Simon Barker
Stephen Bird
Stephen Criddle
Steve Hindley (Chair)
Tim Jones
Councillor Tudor Evans
Vaughan Lindsay

Also In attendance:

Charles Uzzell - officer accompanying Gordon Oliver
Heather Barnes – officer accompanying Andrew Leadbetter
Janet Powell (mins)
Mark Williams – officer accompanying Paul Diviani
Paul Hickson – officer accompanying David Hall
Paul Taylor – LEP Head of Strategy & Operations
Sally Edgington – Assistant Director, BIS South Central & West
Stuart Brown – officer accompanying Harvey Siggs
Tracey Lee – officer accompanying Tudor Evans

Apologies:

Frances Brennan
Nick Ames
Steve Smith
Wendy Purcell

Also: - Julia Sweeney, DCLG Senior LEP Sponsor

Agenda Item	Action
<p>1. Apologies: as above Thanks to GO and Torbay Development Agency for providing the venue, refreshments and buffet luncheon.</p>	
<p>2. Declarations of Interest AC: Delivery partner for the RGN Pilot & Plymouth City Deal, Peninsula Enterprise is also a supplier for Connecting Devon & Somerset, plus Serco is operating the Water Framework Directive (WFD) ESF Programme on behalf of Skills Funding Agency (SFA) in Devon & Somerset. SC: South Devon College skills project within Growth Deal.</p>	
<p>3. Draft Minutes of last meeting 10 September and actions arising Draft Minutes agreed as accurate and final. Update on Actions: Actions completed.</p>	
<p>4. Chief Executive's Report Highlights include:- the announcement of £97m to a new super-computer for the Met Office; full mobilisation towards Growth Deal (GD) 1 and the progression of Growth Deal 2. Thanks are recorded to our Local Growth Deal team namely Sally Edgington (BIS) and Ben Whitlock (Cabinet office) and to the Local Authorities (LAs) for their support. At present we still only have a <i>draft</i> offer letter and assurance framework for GD 1, there is concern that DCLG may amend clauses at the last minute, so to be aware of this.</p> <p>There are two areas for specific discussion for LEP Board feedback:- a) Cross LEP activity b) Economic highlights</p> <p><u>Cross LEP activity</u> There is increasing evidence that Government wants cross LEP working, apparent from their recent announcement of £10m for a strategy for tourism in the North (bringing 29 individual tourism boards into one offer). At the recently held SW LEP Chairs Quarterly meeting, there was clearly an appetite for seeking areas upon which to collaborate on.</p> <p>At national level, the LEP Network is in a difficult position having lost its CEO and Comms Manager and there is insufficient funding to progress the network. Greg Clark is currently investigating to see if there is any funding available within central Government over and above the £5k each LEP contributes. The view is that the LEP Network represents good value, acting as a conduit between the Government and the 39 LEPs. The recent response to the LEP Network Consultation on 'LEP futures' is a good example of their engagement with Government and probably merits continued investment toward common LEP causes, provided they do not speak on behalf of a LEP.</p>	<p style="text-align: right;">CG/JP</p>

Action: To seek a copy of the LEP Network Terms of Reference (TOR) prior to continuing modest funding support for the Network.

It was suggested that the Adept organisation could be utilised to progress common issues between LEPs and the LAs to lobby Government on – a recent meeting agreed to offer associate membership on a complimentary basis to LEP CEXs.

Discussions continued over cross LEP working:- on how to monitor and share costs, how to translate actions effectively and take these forward on a managed basis, the implications for Bicton (in joining the Cornwall College Group) and South Devon College with regard to skills.

Key areas identified for cross LEP working are:-

Transport – Key regional infrastructure, (as evidenced by the 5 LEP/CBI Connectivity Report) may necessitate a joint board meeting with Cornwall and also the West of England (WoE).

Nuclear - Manchester and Sheffield possible link ups, as well as Cumbria. The nuclear college in Cumbria, the modular college is led jointly by HotSW and Cumbria (currently in discussions with Government), also links with Plymouth.

High Tech and Digital sectors - Torbay & West of England.

Renewables – Cornwall

Aerospace – led by GKN, links with Gloucestershire.

Agri-Tech - links with Yorkshire and Anglia.

Rural issue – links with Cornwall and challenges over ring fenced funding and EU money spill over.

It is important that cross LEP working is looked at on an issue by issue basis - transport and the advent of the super-computer, will clearly create many in depth projects and success will be measured by achievements. A clear framework will be required on how the LEPs work together in order to demonstrate capability and provide ministers with confidence in the South West.

Action: Aerospace will be taken as the first opportunity for cross LEP working and will provide the blue print for governance via the LEP Finance and Resources group, followed by Nuclear.

SB: reminded the board that the LEP Inward Investment Team is already working across LEPs within 4 sectors: - Aerospace and Associated Advanced Manufacturing, Marine Industries, New Nuclear, Agri- Tech.

Economic Highlights

Please refer to P27 within the CEX report. (This intelligence had been requested by Board member at a previous Board meeting.)

These statistics have been provided by PT with the help of the LA Economic Intelligence Officers.

The report was welcomed by the Board.

CG/PT/AC

PT

Action: Recommendation for the future to include a comparison against some of the LEP targets, making it easier to track progress and relate back to.

Discussions and comments continued on the remainder of the CEX report.

Growth Deal

Although the current SLAs are constructive and helpful (which include favourable prices for LA support), it is anticipated that LAs will need to recover additional support costs (at full cost recovery) which result in the program management of the 30 GD projects via the People, Place and Business Leadership groups, in order to achieve the objectives and ensure £270m worth of contracts are out of the door by April 2015.

It is prudent for the LEP to consider top slicing the GD budget by an estimated 2% to allow for the cost of managing projects within its accounts, this aligns with other LEPs who use as a rule of thumb 1 – 3%, therefore projects need to understand they will only receive 98%. It also looks like costs cannot be capitalised, which is under discussion with SCC. A revenue for capital swap would be the best way forward, but this requires detailed conversations with LAs to determine whether this is feasible. However, LAs will not be able to work out actual costs, until the final GD letter is received from Government. If there is insufficient income to cover costs, the LEP will need to call on partners or the Government for revenue funding, (given that the GD monies are revenue with no element of capital) otherwise how can LEPs be expected to fund and manage this? Therefore the whole emphasis needs to be on those projects with resources already in place.

Perhaps resource from the Skills Fund within GD could be freed up from the Skills Funding Agency?

The LEP Finance and Resource team will require sign off on any costs until a full programme is costed out.

Although some GD guidance has been issued by the Government, it is the accountable body that actually signs the contract with Government and with grey areas still remaining, conversations between Government and the accountable body continue around:-regulations, contractual obligations and governance on both sides, as well as an understanding of the implications if projects do not go ahead.

ESIF

It was highlighted that there was no representative from the Social Enterprise (SE) sector on the HotSW Area ESIF Committee (shadow). It is understood the candidate from Campaign for Learning represented the SE sector.

Growing Places Fund (GPF)

Some queries arose:-

- Have GPF monies been vied over to the Connecting Devon and Somerset Broadband project? Answer: No, as still waiting for approval from BIS.
- Is there a strategy for re-cycling the money? Answer: Not at the moment as the financial model shows no meaningful funds large enough to reinvest. The board were assured that

<p>GPF is reviewed on a monthly basis and at the end of the year, (January Board meeting) the repayment figure will be reported to Directors in case small scale projects can be considered. It is anticipated that the new Strategic Investment panel will supersede the GPF panel and be responsible for decisions on all funding streams in the future.</p> <p>➤ Is it possible to use GPFs to deliver GD projects? Action: Finance and Resource Group to consider.</p> <p><u>Future of LEPs</u> This was debated due to elections next year. Reference was made to the recent LEP Network Consultation on the future of LEPs to which we have responded. Action: Copy of response to be circulated to the Board.</p>	<p>AC/CG</p> <p>PT</p>
<p>5. A two minutes silence was observed for Armistice Day</p>	
<p>6. City Deal Presentation update by Patrick Hartop – Head of City Deal Presentation attached, which covered 3 topics: - Marine Industries Production Campus/South Yard, Growth Hub/Business Support and Youth Deal.</p> <p><u>South Yard</u> The timelines are tight to transfer land from the MOD to Plymouth City Council, taking place with a phased withdrawal by the MOD with one agreement document which will hopefully be in place by the end of year. Board members felt this was important to lock down, as the existing Naval Base Commander leaves in December. Heads of Reference will be agreed within the next few weeks and outline planning permission has been submitted. Regen SW have been appointed to look at opportunities for the land usage, £1.5 m GD project put forward for the east side of the site for blue technology as well as clusters for hydraulics, composites etc. The project is on track for all strands of work in order to complete the transfer of land by April 2015.</p> <p>Discussions in the recent LEP Place Leadership and LEP Water and Environment meetings resulted in a specific Task and Finish Group being appointed within the Place Group, to engage with Local Nature Partnerships (LNPs) and DEFRA to address environmental concerns (e.g. impact on Tamar River/contamination) and seek to reassure partners. An opportunity exists here for the LEP to be viewed as an exemplar in how effective it can be in engaging with other parties and to reinforce positive project messages.</p> <p><u>Growth Hub</u> Chambers have been encouraged to promote the service and whilst the report shows a deficit on some targets (due to a delayed start) there is optimism that the current pipeline and leverage will ensure targets will be achieved (past experience from Regional Growth Funding 4 shows targets were easily beaten). A start has been made on reviewing opportunities, customer experience and best practice.</p>	

<p><u>Youth Deal</u> Consists of 3 elements:- Wage progression, contracted to Working Links Personalised Mentors, out to procurement at the moment Manufacturers Challenge Fund</p> <p>The Manufacturers Challenge Fund was seen as good pilot to adopt with schools and employers to encourage beneficial relationships and showcase the opportunities available within the sector. The consensus seemed to be that Head Teachers are viewed as having no interest in vocational qualifications.</p>	
<p>7. ESIF Committee update – Stephen Bird</p> <p>The first meeting of the shadow committee has taken place and mainly focused on induction processes. The lack of SE sector representation is noted. The two private sector members are to be encouraged to engage with the Business Forum, if not already to aid communication flow to this sector. Plans are to meet on bi-monthly basis. With the advent of programme slippage by the Government, it is important to encourage sub-groups to gather a pipeline of projects that can be brought forward at short notice, when the go ahead is given, in order to maintain local pace. Defra/ERDF are developing more guidance and the focus needs to be on working with Leader groups and how different streams of funding can complement each other (ERDF/Coastal Communities funding etc.)</p> <p>Board Directors were advised to refer to the ESIF Q & A on the LEP website - a really useful document for information which is updated regularly as queries arise.</p> <p>The feedback from the Commission on the EU programme is due soon, but Government fears the next stage will not happen in time for transition between old to new programmes, with the risk of something or some programme/project sacrifice in order to meet deadlines and final sign off. It was pointed out that The Local Area Committee is <u>not</u> a LEP organisation. There are two immediate concerns: slippage and the impact on the timetable, together with further distancing from local decision making.</p> <p>Board concerns are: how much is at risk because of slippage? especially if delays are several months; the need to keep current EU funding partners i.e. Universities, LAs informed as they will need to reprofile their spending. The LEP has an important information role to play as well as using its lobbying influence to exert pressure on the Government. The implications of delays will mean programme gaps.</p> <p>Action: Ensure ESIF programme and timelines are an agenda item for January Board.</p>	<p>CG</p>

8. Construction Skills and Employment Proposal (paper put forward) – Vaughan Lindsay

The objective was to ascertain if there was merit in addressing the growing skills shortage within the construction sector. The paper highlights this is a complicated issue with a complex range of solutions from school level right across to having the ability to move resources from one sector to another.

The 'next steps' highlighted in the paper are a challenge for the LEP to act as a pioneer and lead a pilot project, the benefits of which will be economic growth and invaluable social impact.

The paper identifies there is a need and a gap, therefore approval is sought by the Board before any further effort is to be put in.

Discussion and comments included:

- The Construction Industry Training Board is very keen to take this forward and will provide sponsorship (one full-time person).
- The issue that Government departments: Education, Health, MOD etc. use public sector procurement frameworks which preclude local arrangement with SMEs.
- A good opportunity exists for the People Leadership group to raise information, advice, guidance and business support in schools and this could involve cross LEP working.
- There is an opportunity to link in with the Health and Well Being agenda of LAs (there is significant pressure from Government on how this agenda links into LEP strategies) – this may provide a 'hook' and perhaps some funding?
- This strand of work can be progressed under the People Leadership group which will help resources.
- Perhaps the Food Strategy Tool Kit enabling micro businesses and SMEs to obtain local procurement can be used as vehicle, using this learning to challenge Government on why the same cannot be done in the construction sector?

Board agreement to take the project forward.

9. Conflicts of Interest Policy (paper put forward) – Adam Chambers

Following on from the Foot and Anstey briefing at the May Board meeting on the Governance and Directors responsibilities within a Community Interest Company (CIC), an outstanding action was to produce a policy on conflicts of interest and guidance for CIC Directors and other committees/sub groups of the LEP. The final draft has received endorsement from the LEP's Finance and Resource group and is before the Board for approval. This will form one of the documents within the Governance Pack for the CIC.

Board approved.

<p>10. Growth Deal Governance (paper put forward) – Paul Taylor</p> <p>Work on the preferred governance model continues with final sign off at the January Board meeting. In the meantime, the purpose of the paper is to request Board approval to put into place decision making arrangements via a Strategic Investment Panel, whilst the Governance model and Assurance Framework are still being worked up. This will consolidate existing committees i.e. GDF panel, GD Sounding Board and funding streams under the auspices of one panel with one set of principles. This will ensure the panel is able to make timely decisions in the future and not have to wait for Board sign off at bi-monthly meetings. Examples of future decisions could be where changes to projects need to be made, underspends, managing cross programme decisions, switching money from one project to another etc.</p> <p>The following comments were made:- To ensure there are key break points i.e. on what decisions are made at what level? that any potentially contentious issues will be brought back to the Board; that there is sufficient rigour within the panel to be able to challenge a Chair of a Leadership Group (as each theme lead will sit on the strategic investment panel) – this could be countered by having an independent Board member (who is not a member of one of the Leadership groups) and the Chair of the Finance and Resource Group as members on the panel; if all decisions are documented, then there is no reason why having one panel would not work well.</p> <p>Action: To review current LA SLAs and ensure they link into the Governance and Assurance Framework.</p> <p>Action: To review the LEP partnership agreement with the Local Transport Board and check for due diligence.</p> <p>Action: To review the Strategic Engagement Plan to ensure all the current special interest groups fit into the appropriate categories of Place, People and Business.</p> <p>Action: To consider the implications of directly elected Mayors (recent Greater Manchester announcement) and their imposition on other areas, what the opportunities and threats will be for the HotSW LEP – report for January Board Meeting.</p>	<p>CG/PT</p> <p>CG/PT</p> <p>CG/PT/HH/HD</p> <p>PT</p>
<p>11. Papers for noting No comment</p>	
<p>12. AOB</p> <p>DH: raised the possibility of future Board meetings being held in the same location each time i.e. Exeter which would be more central for everyone. The majority of Board members favoured this proposal. AL: offered to host at Devon County Council.</p>	

Next meeting: - 14 January from 10.00am – 1.00pm, Midas Exeter