

**Minutes of HotSW LEP CIC Board Meeting
16 November 2016
at
Devon County Council, Exeter**

Board Attendees:

Adam Chambers
Andrew Leadbetter
Andrew Moulding (alternate for Paul Diviani)
Chris Garcia
David Hall
Frances Brennan (Chair)
Gordon Oliver
Ian Bowyer
Judith Petts
Martin Brown
Martha Wilkinson
Nick Ames
Nick Engert
Sean Fielding (alternate for Steve Smith)
Simon Barker
Stephen Bird
Stephen Criddle
Tim Jones

Officers in attendance:

Keri Denton - officer accompanying Andrew Leadbetter
Alan Denby - officer accompanying Gordon Oliver
Mark Williams – officer accompanying Andrew Moulding
Pat Flaherty – officer accompanying David Hall
Tracey Lee – officer accompanying Ian Bowyer

Others in attendance:

Anne Marie Morris MP – representing Devon MPs
Eifion Jones - LEP Head of Strategy & Operations
Helena Davison – LEP Comms Manager
Janet Powell - LEP Executive Assistant (for mins)
Sally Edgington – BEIS

Apologies:

Barbara Shaw
Harvey Siggs
Paul Diviani
Steve Hindley
Steve Smith
James Heappey MP representing Somerset MPs

Table of decisions

Board Paper	Decision	Decision agreed
4.1 Growth Deal 3	<p>The board is asked to:-</p> <ul style="list-style-type: none"> • to note the current position and agree the intended actions. • consider further steps the LEP can take to secure the maximum award. 	The Board agreed the intended actions and to continue to press the case to secure the maximum award.
4.2 Devolution update	The LEP Board welcomes the development of the HotSW Joint Committee.	The Board supports the development of the HotSW Joint Committee.
4.3 Cross LEP areas collaboration	<p>The LEP Board welcomes the development of the 'Connecting the South West' narrative / tool and agrees:</p> <ol style="list-style-type: none"> 1. The LEP should continue our work with other LEPs to support activities that generate better jobs, better prosperity and economic growth. 2. The LEP should work with Local Authorities, Education and Business in all further developments of this regional narrative and help feed into Govt's thinking on Industrial Strategy. 	The Board agreed to the recommendations in the paper.
4.4 Non- Executive Director Recruitment	<p>The LEP Board agrees: To commence the open recruitment process in early January 2017 for up to 7 new private sector board directors following the anticipated retirement of a number of directors in 2017 in accordance to the process agreed in July's Board meeting.</p> <p>The amended Candidate specification is suitable for use in the recruitment process.</p>	The Board agreed, with a note to further strengthen the section on business expertise and relationships in the candidate specification.
4.5 ESIF Update	That the Board notes the points in the paper.	The Board noted.
4.6 Productivity Plan	The board is asked to note the current position and support the direction of work underway	The Board agreed.

Agenda item	Action
<p>1. Apologies as above and welcome to: - Anne Marie Morris MP for Newton Abbott and representing Devon MPs. Round the room introductions were carried out.</p>	
<p>2. Declarations of interest SC: South Devon College interest in ESIF and Growth Deal. JP: Plymouth University is involved in future ESIF and ERDF funding, plus interest in Growth Deal. FB: Pluss organisation has an interest in Big Lottery Funding (specifically Building Better Opportunities) and future ESIF Funding. GO: Torbay Council interest in GD 3 SBarker: Leonardo (previously Agusta Westland) interest in GD3. SF: Exeter University interest in Exeter Science Park and GD3. AL: Devon County Council interest in GD3. MW: Devon Community Foundation is involved in a number of partnership bids and future ESIF/ERDF funding.</p>	
<p>3. Draft minutes of last meeting 20 September 2016 and actions arising. Outstanding actions: -</p> <ul style="list-style-type: none"> ➤ c/f from 20 July 2016 Board meeting - to engage with MEPs to support the accessing of any untapped EU funding. NA, as The Chancellor of the Exchequer has announced that the Government will guarantee funding for European Structural and Investment Funds (ESIF) projects contracted after the Autumn Statement whilst the UK remains a member of the EU. ➤ Options paper for resource for Inward Investment c/f to January 2017 Board meeting. ➤ From 20 September 2016 Board meeting - The Science & Innovation Audit (SIA) has now been published and was raised at the recent SW LEP Leaders/CEO meeting and will link into the LEP's Industrial Strategy & Productivity Plan, with an emphasis on cross LEP work. There will be a Business, Enterprise & Industrial Strategy (BEIS)/SIA university breakfast meeting with MPs in January. ➤ The Board working group (formed to take forward the role and purpose of the LEP within the governance and working arrangements under Devolution comprising: - SH, CG, AC, HS, MWilliams and MWilkinson) had their first teleconference, raising many topics for consideration. The group also reflected on the LEP Network's Metro Dynamics Report which was commissioned to propose options for LEPs to consider about the future within a period of significant policy change and economic uncertainty. The group will continue to build on initial thinking over the next couple of months and link into the productivity group to ensure there is no duplication of effort and resource. <p>Action: To organise a Board half day Away Day in February to distill what the LEP's role is in the future? Action: To circulate LEP Network Metro Dynamics Report.</p> <p>Concern was raised over the future funding of the LEP's inward investment post, the current contract only goes to March 2017 with only a small contingency to fund for a further couple of months. This was echoed at a recent Business Leadership Group meeting citing anxiety if efforts are splintered across the region and that collaboration and a pooling</p>	<p>LA's</p> <p>CG/JP</p> <p>JP</p>

<p>of resources would be more effective. The options, originally put forward by the LEP's Inward Investment Group, (IIG) comprising the economic developments leads within the districts and supported by the Board, however stalled at LA level. Therefore, an options paper crystallising the "ask" is now being drawn up with the support of the LEP Management Group in order to seek resolution. However, LA Board members flagged that budgets are shortly due to be locked down and if required to contribute any funding to this post then options and asks are required by the end of November. NB the LEP is also currently unsure of what core funding will be available for 2017 – 2017 from Gov't, although an announcement is expected soon.</p> <p>Action: to include within the IIG options paper, an evaluation of current post.</p> <p>Minutes agreed as accurate.</p> <p>Draft Minutes of 3 Oct HotSW LEP CIC AGM</p> <p>It was noted that whilst a set of notional accounts had been produced as an information piece with narrative, in future years this would need to be expanded to add a consolidated set of numbers.</p> <p>These were agreed as accurate.</p>	<p>CG</p>
<p>4. Chief Executive's Report incorporating a number of strategic and operational papers. Discussions moved onto the papers in the first instance.</p> <p>4.1 <u>Growth Deal 3 Bid + appendix project list (see paper)</u></p> <p>This is to update the Board on the latest status with the Growth Deal 3.</p> <p>Whilst awaiting a final award from Govt', it is increasingly important to build and consolidate closer relationships with Govt, Ministers and local MPs at this time. The Devon and Somerset MPs meet on a monthly basis and can act as a conduit to Govt, but need to be kept up to date with facts and data (i.e. what will this mean in terms of how many more jobs, more houses etc.) in order to press the region's business case.</p> <p>The recent SW Growth Summit organised by the Pennon Group, on behalf of private business is attracting traction. Their vision for the SW is being distilled into a SW Growth Charter to be presented to Gov't on 22 November and is also being debated by our local MPs in Parliament.</p> <p>Thanks were given to AM for her comments and initiatives in bringing MPs together, to be representative of the whole area in order to achieve common goals. It is vital that the LEP, Local Authorities and MPs work in unison with consistent messaging to Gov't.</p> <p>4.2 <u>Devolution update (see paper)</u></p> <p>This is to seek the LEP Board's approval to support the establishment by the Local Authorities of a HotSW Joint Committee as preparation for a devolution deal.</p> <p>There are currently two schools of thought with regard to Devolution amongst LA partners</p>	

and local MPs and the challenge is that not everyone is on the same page.

Action: After County Elections, a proposal for a meeting of the LEP, LA's and local MPs to discuss issues and agree a united approach and direction of travel, that benefits the whole of the HotSW area.

CG/AM

In conclusion, the private sector board members definitely support the concept of a Mayor, but welcomes the creation of a Joint Committee, with the caveat that this is only the first step and that discussions continue with LA's to re-visit the approach to devolution post the county council elections being mindful of the lost business opportunity and urgency of timescales.

11.15am AL left the meeting.

4.3 Cross LEP areas collaboration (see paper)

This paper seeks the LEP Board's agreement to continue cross LEP working in accordance with the decisions of January's Board meeting and to develop further opportunities to realise the benefits of working together regionally through enhanced influence, funding and efficiency and help feed into the Govt's emerging thinking on Industrial Strategy.

So far, a working title of "Connecting the South West" has evolved (in an attempt to compete against the Northern Powerhouse for business opportunities and funding for the SW) which currently involves Cornwall and the Isles of Scilly, HotSW and Dorset LEPs. This will also link into and complement the work from the SW Growth Summit and Charter which is business stakeholder driven to influence industrial strategy with common "asks" and ambitions. It will be important to work constructively with the West of England LEP and EDF, on the Nuclear Programme, to harness the huge economic opportunities available and by creating a critical mass through an effective working relationship be a force in competing against the Northern Powerhouse.

The universities are important players in encouraging cross-LEP activity as shown by their leading role in the recently published Science and Innovation Audit (SIA) of South West England and South East Wales (led by the GW4 group of universities organized by the University of Exeter). They convened significant cross-LEP business sector groupings to demonstrate the area's scientific, technological and innovation capability and identified investment opportunities to put the area on the global innovation map. The key role of the universities in building the Northern Powerhouse was also noted.

There was a discussion over the definition of productivity which can have different definitions in urban v rural areas and how to value productivity and to communicate this in terms of value, ensuring the rural hinterland is included. The SIA identified new emerging markets and areas for business investment and therefore this gives the opportunity to take advantage and incorporate this into the LEP's industrial strategy blueprint defining what the area wants to be known for.

The Board agreed to the recommendations in the paper to continue to develop cross LEP

working and broaden relationships.

4.4 Non- Executive Director recruitment (see paper)

This papers seeks the LEP Board’s agreement to commence the open recruitment process for up to 7 new private sector board directors following the anticipated retirement of a number of directors in 2017, in accordance with the process agreed in July’s Board meeting.

Recruitment is due to commence in January 2017 for up to 7 private sector directors. Whilst several Private Sector Directors are due to retire in the summer of 2017, realistically there will need to be a compromise on how many are appointed to accommodate the calibre of incoming candidates, the need to phase in new Directors to cross over with existing ones and it may necessitate an amendment to the Articles of Association to facilitate a further year. The LEP must ensure it has the relevant business expertise to deal with the rapidly moving complicated mixed agenda of devolution, Govt policy and Brexit.

Action: To further strengthen the candidate specification in business expertise and the need to develop strong business relationships.

CG

The Board agreed to the commencement of recruitment and the revised candidate specification with a pragmatic phased approach. It was incumbent on Board Directors to seek out and recommend potential candidates and to actively encourage and to promote new vacancies amongst their networks.

Action: Any further comments, please forward onto CG.

All

4.5 ESIF update (see paper)

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

The position has moved on in the last couple of weeks with projects continuing to be funded. ERDF and ESIF are making good progress, however the EAFRD fund (which mostly attracts small businesses using this money) will be more challenging). HotSW LEP has the largest amount in the country, but it is a national fund with local tailoring and it here that the LEP seeks to have more influence. There is a meeting in December which will give an opportunity to discuss this further. ESIF funding is critical for the social economy, but with timelines constantly shifting this causes problems with the short time timescales left to deliver programmes in. Clarification is also required as quickly as possible over the new tests the Treasury has introduced to determine value for money. The debasing of the exchange rate (continuing to use February’s rate) has also made a significant difference.

Action: To update on the specific issues with ESIF delays, to be taken off line and discussed.

FB/AM

<p>The update is noted by the Board.</p> <p>4.6 <u>Productivity Plan (see paper)</u></p> <p>This paper updates the Board on the status of work on developing the Productivity Plan and sets out the proposed approach and timescales with a draft aiming to be available in March 2017.</p> <p>To start the process a Technical Leads group has been formed, the first meeting taking place this afternoon. Sign off will be jointly owned between the Devolution Joint Committee and the LEP, with the majority of the work being carried out from a combination of local authority economic development officers and/ or leads, the LEP management team, the Devolution Theme Groups & the National Parks – supported by the Future Economy Group (a Technical Leads Group) There will be further papers and thought pieces to come which will test definitions and value of productivity for the HotSW area.</p> <p>It is noted that the area based skills reviews on future sustainability, currently being carried out, will be useful supplementary information for this group and not to miss the significant contribution the social economy provides to productivity, in terms of addressing in-work poverty, mental health issues etc. and the effect on rural productivity when the Common Agricultural Policy (CAP) support is lost</p> <p>Action: SC to provide the conduit for information from the area based reviews to the Technical Leads Group.</p> <p><u>CEX Report</u></p> <p>The Board were asked if there were any questions from the CEX report and the following arose: -</p> <ul style="list-style-type: none"> ➤ Some specific questions on individual projects in Annex 1 with regard to delays. In response, all Public Sector Directors have received letters from the Chair of the Strategic Investment Panel – to assist in any way they can with the unblocking/stalling of any projects, however, some delays are due to increasing construction costs and complex legal issues. <p>Action: A programme management paper to be tabled at January’s Board meeting, with feedback on lessons learnt, how things can be improved and any changes that can be incorporated into the future management of programmes.</p>	<p>SC/EJ</p> <p>AC/CG/EJ</p>
<p>5. Papers for noting No comments.</p>	
<p>6. AOB JP: See additional Board paper, Letter of support re international students ref: - asking the LEP Board’s agreement to support the University of Plymouth’s call that the Home Secretary abandons plans to limit the number of genuine international students coming to the UK by</p>	

writing a letter of support to the Home Secretary, with a copy to the Dept. of Education.

Board all in agreement to support.

CG: The LEP has responded to questions in connection to a Daily Mail investigation into the public accountability of LEPs. The LEPs response has been in 2 phases, the first a general statement agreed with accountable bodies Devon and Somerset County Councils, the second a factual response to a list of questions. There is no area in which the HotSW LEP's reputation can be questioned, but it is inevitable that with the extent of the Daily Mail's investigation, that if there are any weaknesses exposed within other LEPs around the country, the HotSW LEP may be associated and 'tarred with the same brush'.

There was no further AOB.

The Vice Chair thanked Anne Marie Morris for attending the Board meeting and for volunteering to be the conduit to the Devon MPs. In turn, Anne Marie Morris thanked the Board for enabling her to attend which she had found highly valuable and thanked Directors for their contribution and hard work, emphasising she was always happy to discuss further issues off line.