

**Minutes of HotSW LEP CIC Board Meeting
13 March 2018
at
Petroc, Tiverton Campus**

Board Attendees:

Barbara Shaw
David Hall
Diane Dimond
David Thomas
Fiona McMillan (Chair)
Harvey Siggs
Helen Lacey
Ian Bowyer
Judith Petts
Martin Brown
Mel Squires
Paul Diviani
Richard Stevens
Steve Smith
Stuart Barker

Officers in attendance:

Amanda Ratsey – officer accompanying Ian Bowyer
Alan Denby – officer accompanying David Thomas
Chris Garcia – HotSW Chief Executive
Keri Denton – officer accompanying Stuart Barker
Mark Williams – officer accompanying Paul Diviani
Pat Flaherty – officer accompanying David Hall
Stuart Brown – officer accompanying Harvey Siggs

Others in attendance:

Duncan Moors – Ashford's LLP for presentation only
Eifion Jones - LEP Chief Operating Officer
Helena Davison – LEP Comms Manager
Janet Powell - LEP Executive Assistant (for mins)
Mel Roberts – lead for LEP Governance & Transparency at Somerset County Council
Sally Edgington BEIS

Apologies:

Ben Bradshaw – representing Devon MPs
David Bird
James Heappey MP – representing Somerset MPs
Karl Tucker

Martha Wilkinson
Steve Hindley
Stuart Brocklehurst

Table of decisions

Board Paper	Decision required	Decision agreed
5.1 Productivity Strategy & Delivery Plan update	The LEP Board: <ol style="list-style-type: none"> 1. approves the Productivity Strategy 2. notes the outline principles of the Delivery Plan and provides feedback 	The LEP Board approves and notes. Subject to small changes to wording and images.
5.2 LEP Business Plan & Budget	The LEP Board <ol style="list-style-type: none"> 1. To agree the process proposed and establish a task and finish group 2. To agree the proposed 18/9 budget 	The LEP Board agrees to establish a task and finish group with the caveat that a LA Director and officer are added and the 18/19 budget accepted.
5.3 CEX Recruitment	The LEP Board notes the progress made and further actions proposed.	The LEP Board notes and agrees further actions.
5.4 LEP Governance & Transparency	The LEP Board to note: - <ul style="list-style-type: none"> • the progress made and further actions proposed. • and welcomes the introduction of the 'scrutiny' arrangements by our HotSW Local Authorities. 	The LEP Board notes and agrees further actions including the introduction of scrutiny arrangements.
5.5 ESIF update	To update the Board on implementation of the Heart of the South West European Structural and Investment Funds (ESIF) Strategy & issues around the European Social Fund (ESF) with recommended actions.	The Board notes the papers and agrees the actions recommended in the ESF paper.
5.6 Matter referred from SIP	SIP recommends that the Board considers its request to vary its previously agreed policy to the following: <i>"The Board agrees that any surplus LGF that might arise pending finalisation of Productivity Strategy Delivery Plan should be invested in the LEP's existing Unlocking Growth Fund (UGF) programme. The Board will also consider investment of underspend in other Growth Deal projects in exceptional circumstances, subject to provision of a suitable business case and on the understanding that such decisions do not create a precedent."</i>	The board agreed the request for revised policy wording and that the reduction in Devon County Councils spend on four of its' Growth Deal projects could be used to increase Marsh Barton station funding.
5.7 Growth Hub update	The LEP Board to note: - the dilemma facing the LEP in respect of its Growth Hub and the choices to be made to meet the revised funding requirements for 18/9 and 19/20.	The board notes the dilemma and the choices to be made.

Agenda	Action
<p>1. Welcome & Apologies Cllr David Thomas was welcomed as the Torbay Council replacement to the LEP Board in place of Gordon Oliver who has stepped down. Round table introductions were carried out.</p>	
<p>2. Declarations of interest SH: Midas has ongoing building interests with Oceansgate, Nuclear College building, Yeovil Innovation Centre, South Devon College high tech centre and refurbishment of offices at Taunton Deane Borough Council. JP: Plymouth University is involved in bidding for future ESIF funding and GD's. MW: Devon Community Foundation is involved in several partnership bids, future ESIF/ERDF funding and Building Better Opportunities. PD: Chair of Blackdown Hills and East Devon DC for ERDF delivery SBarker: Devon County Council has interests in South Devon College, ESIF, ESF, plus Exeter Science Park, as well as other associated projects including Marsh Barton Station. RS: Growth Hub & Devon Chamber of Commerce. FM: EDF Energy IB: Plymouth City Council – ESIF Funding. DD: Petroc, ESIF/ERDF funding, Building Better Opportunities, HPTA Capital Fund SS: Exeter University an interest in Growth Deal Exeter Science Park and ERDF.</p>	
<p>3. Draft minutes of last meeting 23 January 2018 and actions arising</p> <p>c/f Action: The prioritisation and business case testing of the Project Pipeline and Growth Deal (GD) 3 projects will be revisited, once the productivity plan has been finalised and a delivery Plan has been agreed. This was delayed due to the rescheduling of the HotSW Joint Committee and will now be brought to the May LEP Board meeting.</p> <p>c/f Action: Regarding District representation on the board, it was agreed to defer this until the Ministerial led review into the future of LEPs will be published in case any specific recommendations to board make-up are made. This has also been delayed by Gov't and is not likely now till early Summer.</p> <p>Regarding: - Action: Volunteers are requested to establish a Steering Group of Leaders from business, education and local authorities to guide the Great South West (GSW) work. Rob Dunford has been asked to carry out the role of Programme Lead for 2 days per week. The cost of this is being met jointly by the LEP partners and he will progress this work.</p> <p>The Board asked for clarity of direction and involvement of partners for the Back the South West campaign; and asked that MPs are aligned to the concept in order to</p>	<p>CG/EJ</p> <p>CG</p>

<p>influence Government.</p> <p>Action: A GSW update paper will be tabled at the May Board meeting to report on progress, objectives and current linkages between LEPs for clarification as to the direction of travel.</p> <p>All other actions completed and minutes accepted as accurate.</p>	<p>CG</p>
<p>4. Questions from the public None were submitted.</p>	
<p>Presentations</p> <p><u>Conflicts of interest</u> As part of the lead role Mel Roberts is undertaking on LEP Governance and Transparency from the LEP's Accountable Body, Somerset County Council, Ashford's LLP (who provide the LEP with legal advice) were invited to provide a short presentation on registering interests and Directors code of conduct for clarification purposes. This was presented by Duncan Moors and a copy of the presentation was circulated afterwards. Board members were thanked for their speedy responses in returning the new code of conduct and register forms in time for the Gov'ts deadline to publish on the LEP's website by the end of February, provided as best practice templates in the recent May Ney Review and best practice Gov't guidelines.</p> <p><u>Enterprise Zones (EZs)</u> A presentation on Enterprise Zones was given by Eifion Jones, Chief Operating Officer of the LEP to explain what they were, how they worked and which EZs existed in the HotSW area and at what stage they were at. (Presentation circulated).</p> <p>It was felt that the light touch LEP approach was working with the respective EZs and that these were a useful tool to use when illustrating growth in productivity.</p> <p>EZs had been the previous Chancellor– George Osbornes initiative, they are still part of government policy, however it was thought that there are no new plans under the current administration to introduce any more.</p>	
<p>5. Chief Executives Report</p> <p>5.1 <u>HotSW Productivity Strategy/Delivery Plan update (see papers)</u> The Productivity Strategy has been developed over the past 18 months by a partnership of the local authorities, the national parks and the LEP. The Strategy, published with the Board papers, sets the ambition of the HotSW partnership to double the size of our economy over the next twenty years, creating productivity and prosperity for all. It will replace the Strategic Economic Plan as the LEP's overarching guiding strategy and overall it</p> <ul style="list-style-type: none"> • sets out our long-term ambition to raise productivity and the themes to focus on to achieve this ambition; 	

- supports the delivery of devolution for our area;
- outlines how the HotSW area will support the Government's Industrial Strategy

The Productivity Strategy is jointly owned by the LEP Board and the HotSW Joint Committee (JC) which will consider the Strategy at its rescheduled meeting on 23 March. There is a dual key sign off for the Strategy between the Board and the JC, whereupon the final strategy and evidence base will be published.

The strategy has been developed with widespread input from stakeholders and partners and is designed with "hooks" in to facilitate delivery.

The following comments were raised for consideration - attention is required to the images in the Productivity Strategy to ensure relevance and diversity, more illustration to demonstrate cause and linkages to show what underpins growth and to understand the mechanism for growth, to include reference to the Growth Hub, emphasis on how the entire region can benefit (not just parts of it).

Action: to ensure the final copy of the Strategy is circulated to the Board.

Action: to encourage JC engagement with local MPs to garner support and update on the Strategy.

EJ
CG/EJ

The LEP has its own Westminster engagement day planned for 27 March to brief local MPs and update.

The Delivery Plan is being developed via a drafting group encompassing economic officers from the local authorities (LAs) with input from partners, the LEPs leaderships groups, the Strategic Investment Panel (SIP) and the Board in in parallel with the Joint Committee public engagement. This will progress through the summer and hopefully be ready during the summer.

Barbara Shaw tabled her thanks to Eifion Jones for all his hard work on behalf of the LEP in assisting with this work.

The LEP Board approves the Productivity Strategy and notes the outline principles of the Delivery Plan and provides feedback.

5.2 LEP Business Plan and Budget (see paper)

The business plan and budget will need to adjust to reflect the recommendations of the forthcoming LEP Review and the LEPs priorities as outlined in the Productivity Strategy and yet to be developed Delivery Plan. This paper outlines the process proposed for the LEP to consider these issues and what implications are likely for the LEP Business Plan, budget and how to deliver a pipeline of projects, whilst also keeping an eye out for other funding opportunities.

Prof. Judith Petts the LEPs Board member from the University of Plymouth sits on the Gov'ts Review Advisory Group into the role of LEPs and whilst all LEPs have been provided with a summary of the discussions held to date from the Dept. of Business, Energy and Industrial Strategy (BEIS) further feedback is not now due until

after the local Gov't May elections. Feedback so far indicates that there is strong support from Gov't for LEPs and for these to remain business led with discussions ongoing around how to structure and govern them. There continues to be a big issue of where LEPs stand within combined authorities, however, Gov't remains committed to LEPs articulating the strong business voice, with a view to enhancing this even further.

The Prime Minister will meet with LEP Chairs every six months – therefore it is important that the HotSW LEP's Chair is suitably briefed and prepared via the Business groups in our area.

At this point, some budget slides (circulated) were shown via power-point to indicate 18/19 income and expenditure. Despite current low staff and overhead costs, it is noted that more resource will need to be added in the future for work on clusters and the Industrial Strategy.

Thanks, were given to Somerset County Council who provide the back-office accounting resource to compile a 3-year budget for the LEP. Note the Gov't have only confirmed 2-year funding for LEPs but the budget assumes money will be forthcoming from Gov't for the third year.

The proposal to establish a task and finish group to support the LEP Business Plan and Budget was agreed and the 18/19 budget accepted.

CG

Action: To add into the task and finish group an LA Director.

Considering the recent concerns over the Gov'ts proposed reductions in defence and the Marines amphibious capability and possible significant job losses at Babcock, the Board were asked to further support consultations and research to persuade Gov't to mitigate the economic impact for Plymouth and surrounding areas including any funding that can be brought forward to assist. The view of the Board was to continue to support ongoing discussions.

Action: To consider the pace and framework of EZs, especially Oceansgate, the overall retention of marine bases, RAF Chivenor, the utilisation of skills from job losses across to other sectors and the Career Learning Pilot can help mitigate potential job losses and to consider these within the Delivery Plan and take as agenda item to the JC.

SH/CG/EJ

5.3 CEX Recruitment update (see paper)

This paper updates the Board on CEX recruitment. Overall 147 applications were received and stage 1 of the recruitment saw 8 candidates being interviewed by a panel. Of this two have been identified as strong candidates and have been invited to present to the Board and senior management team on 19 March.

The board notes the progress so far and further actions proposed.

5.4 LEP Governance and Transparency (see paper)

Highlighted in previous board meetings was the need to revise some of the LEP's governance arrangements to implement the requirements in the LEP Review of Governance and Transparency (the Ney Review). Having received feedback from the 'Annual Conversation' the LEP was able to meet the Govt's deadline of 28 February. Alongside this the broader Review of LEPs is still underway and this paper provides an update on these matters.

The one outstanding area of work which is still ongoing, is the separate scrutiny arrangements of the LEP which is being progressed via Julian Gale, Strategic Manager - Governance & Risk at Somerset County Council and the individual councils.

Action: Further discussion on scrutiny to be taken off line by LA Board Directors.

PF/HS

To minimise bureaucracy in compliance with the Ney Review, it was decided that the three leadership groups would become advisory as opposed to decision making – decisions would be taken through to the LEP's Finance and Resource Committee, the Strategic Investment Panel and ultimately to the Board. However, the agendas, papers and minutes of the three leadership groups will continue to be published on the LEP's website for transparency purposes.

The board notes the progress made and further actions proposed. The LEP also welcomes the introduction of the 'scrutiny' arrangements by the HotSW Local Authorities.

5.5 ESIF Update (see papers ESIF & ESF attached)

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

The ESF paper update the Board on specific issues around the European Social Fund (ESF).

Current rural calls continue until 31 May 2018 with a strong pipeline, but a high level of attrition. There have been discussions around the possibility from LEP areas to transfer EAFRD allocations to LEADER schemes (where these budgets were at or nearing full commitment) of relevance to the HotSW area where some LEADER schemes are already at this stage. However, the Rural Payments Agency (RPA) will only consider any budget transfers once EAFRD calls have closed at the end of May.

The ESF paper outlines the ongoing work within HotSW to secure the balance of the LEP's ESF allocation, as agreed by the LEP People Group in November and includes the development of additional open calls for projects; and to write to the Managing Authority / DWP, emphasising the need to:

- Accelerate progress on local calls, including recommending increased resources within DWP's own call development and appraisal teams;
- Provide further clarity on extensions to national opt ins and new programme development;
- Encourage additional flexibility to shift funding between priorities where possible,

<p>with a renewed focus on deliverability and meeting local priorities.</p> <p>The LEP Network is also pursuing the above points for all LEPs. The DWP have provided a little more clarity on opt-ins and confirmed that the apprenticeship levy can be used as match funding. There is still concern over the further £19.1m to allocate and timescales mean the next two months will be critical in committing remaining ESF funds.</p> <p>Board members support the letter to DWP fast-tracking the LEPs asks for further open calls and urging DWP to commit appropriate resources to enable this and clarity on future opt-in arrangements.</p> <p>Action: To consider the possibility of the LEP writing on behalf of the LEADER groups a similar letter to above.</p> <p>Action: It is recommended that the forthcoming LEP Network CEX / Chair session with DfES's Permanent Secretary) is used to highlight the importance of securing currently unallocated ESF within LEP areas.</p> <p>Action: For Mel Squires from NFU and board director to share what the NFU has written on behalf of farming.</p>	<p>CG/EJ</p> <p>SH</p> <p>MS/CG</p>
<p><u>5.6 Matter referred from SIP (see paper)</u></p> <p>This paper briefs the Board on prospective underspend on Growth Deal transport projects identified by Devon County Council and to propose investment of these in Marsh Barton railway station, one of the Growth Deal 1 transport projects which is currently in the delivery phase as recommended by SIP and the Local Transport Board (LTB).</p> <p>It also asks for a variation to the Board's previously agreed policy (<i>that any surplus LGF that might arise pending finalisation of Productivity Strategy Delivery Plan should be invested in the LEP's existing Unlocking Growth Fund (UGF) programme</i>) for other investment of underspend in other Growth Deal projects in exceptional circumstances only, subject to provision of a suitable business case and on the understanding that such decisions do not create a precedent.</p> <p>The board agreed the request and that the reduction in Devon County Councils spend on four of its' Growth Deal projects could be used to increase Marsh Barton station funding if required.</p> <p><u>5.6 Growth Hub update (see paper)</u></p> <p>This paper provides an update on the dilemma facing the LEP in respect of its Growth Hub to meet the revised funding requirements for 18/9 and 19/20.</p> <p>The LEP's GH contract with Serco will finish in February 2019 and is based on support from pre -start to growing businesses. BEIS have recently announced that they will provide further funding for 2019/20 which potentially could release further GD monies for other projects. A funding agreement has been developed by BEIS</p>	

specifying a number of “principles” against which they expect GHs to deliver in 18/19 and 19/20. These principles have evolved considerably from when the original contract was procured. Not all principles can be addressed through the existing contract and this has led to the LEP’s GH being rated lower than other GHs in a recent assessment by BEIS. One example of the changed requirements is that in future no support for pre-start-up businesses can be funded by GH funding and they are looking for a standardisation of services. The LEP is awaiting sight of the new outputs from BEIS.

Whilst there is no specific decision here for the Board to make, it was felt important that the LEP Board understands the current challenges around the contract, its performance and potential issues around future procurement.

The following points were raised: - to contest the standardisation of the GH service to BEIS that one size doesn’t fill all, to revisit the package that the GH offers within the context of the Delivery plan (taking into consideration that there are two universities that offer pre – start advice and support) and to develop the evidence base of what impact the GH has and to really understand where the gaps are in provision of service and how to make these linkages.

The board notes the dilemma and the choices to be made.

5. Chief Executive’s Report

News on the Nuclear Sector Deal is expected shortly before Purdah starts with some specifics in it for the HotSW area. We are awaiting news on a skills/apprenticeship pilot, draft document in hand in final stages with BEIS to talk to Gov’t on – once information is received will circulate accordingly.

There were no further questions on the Chief Executive’s report.

6. Papers for noting

No comment.

7. AOB

None

Next Meeting: - 15 May 2018, from 10.00am – 1.00pm at Exeter Racecourse Conference Centre.