

**Draft Minutes of HotSW LEP CIC Board Meeting  
22 March 2019  
at  
The Impact Lab, Exeter Science Park**

**Board Attendees:**

Barbara Shaw -Chief Executive, Westward Housing Group  
Cllr David Hall - Cabinet Member for Resources & Economic Development, Somerset County Council  
Cllr David Thomas – Leader, Torbay Council  
Diane Dimond – Principal, Petroc  
Dr Fiona McMillan OBE – Non-Exec Director EDF Energy  
Cllr Harvey Siggs – Leader, Mendip District Council  
Helen Lacey – Managing Director, Redberry Recruitment Ltd  
Prof. Judith Petts CBE– Vice-Chancellor & Chief Executive, University of Plymouth  
Karl Tucker – Executive Chairman, Yeo Valley Farms Production Ltd  
Martha Wilkinson – Chief Executive, Devon Community Foundation  
Melanie Squires MBE – SW Regional Director, NFU  
Cllr Paul Diviani – Strategic Development, East Devon District Council (arrived 11.10am)  
Richard Stevens – Managing Director, Plymouth City Bus Ltd  
Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council  
Steve Hindley CBE DL – Chair HotSW LEP Board, Chair the Midas Group Ltd  
Prof. Sir Steve Smith – Vice-Chancellor & Chief Executive, University of Exeter  
Stuart Brocklehurst – Chief Executive, Applegate  
Cllr Tudor Evans OBE – Leader, Plymouth City Council

**Officers in attendance:**

David Ralph – HotSW LEP Chief Executive  
Keri Denton – Head of Economy & Enterprise, Devon County Council, officer accompanying Cllr Rufus Gilbert  
Kevin Mowat – Executive Head of Business Services, Torbay Council, officer accompanying Cllr David Hall  
Paul Hickson – Strategic Commissioning Manager – Economy & Planning, Somerset County Council, officer accompanying Cllr David Hall  
Stuart Brown – Chief Executive, Mendip District Council, officer accompanying Cllr Harvey Siggs  
Suzanne Bond - Area Lead – Heart of the South West, Cities and Local Growth Unit - South West  
Tracey Lee – Chief Executive, Plymouth City Council, officer accompanying Cllr Tudor Evans

**Others in attendance:**

Eifion Jones – HotSW LEP Chief Operating Officer  
Janet Powell – HotSW LEP Executive Assistant (for mins)  
James Heapey, MP – representing Somerset MPs  
Phill Adams, Senior Manager, Employment and Skills, Devon County Council/LEP People Leadership Group for Skills Presentation

**Apologies:**

David Bird, Regional Director, Santander Corporate & Commercial Banking  
Rt Hon Ben Bradshaw MP – representing Devon MPs

**Absent:**

Anne Marie Morris MP – representing Devon MPs

Table of Decisions

Board agenda item	Decision	Decision agreed
<b>6.1 Productivity Strategy delivery plan</b>	<p><b>That the LEP Board</b></p> <ul style="list-style-type: none"> <li>• endorses the delivery plan</li> <li>• recognises and acknowledges the contribution of a wide range of partners across the area in developing the plan</li> <li>• notes the request for feedback by 17.00 on 3 April</li> <li>• notes the on-going work to resource the delivery plan.</li> </ul>	YES
<b>6.2 LEP Annual Delivery Plan 19/20</b>	The Board agrees the Delivery plan.	YES
<b>6.3 LEP Operating Model (commercially confidential)</b>	The Board notes the progress.	YES
<b>6.4 Clean Energy Paper</b>	The Board endorses the approach outlined to the clean energy agenda, including recognising the joint strategy work undertaken with Cornwall and Isles of Scilly and Dorset LEPs and the intention to develop a delivery plan for the agenda with these neighbouring LEPs as part of our “Great South West” activity.	YES
<b>6.5 ESIF update (commercially confidential)</b>	The Board notes the update.	YES
<b>6.6 Developing a HotSW Skills Advisory Group</b>	<ul style="list-style-type: none"> <li>- Agree to reshaping of the People Leadership Group into the HotSW Skills Advisory Panel (‘SAP’) / Employment, Skills and Learning Delivery Group (‘ESLDG’), including relevant changes to the Group’s membership and terms of reference in line with DfE’s Requirements</li> <li>- Agree to the expenditure of the £75,000 provided by the Department of Education (alongside other partner match) to secure relevant lead analytical capacity for the SAP and establish a shared work programme over the next year.</li> </ul>	YES

Chief Executive's Report appendix 4 updated Articles of Association	The Board to agree the updated Articles of Association.	YES
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Agenda	Action
<p><b>1. Agenda &amp; Apologies</b> Apologies as above.</p>	
<p><b>2. Declarations of interest</b> DD: Petroc, ESIF/ERDF funding, Building Better Opportunities, HPTA Capital Fund. JP: ESIF/ERDF funding plus Growth Deal 3 FM: EDF Energy &amp; Nuclear. CE: Exeter University, ESIF &amp; Strength in Places Fund (SIPF). SH: Midas has ongoing building interests with South Devon College high tech centre, Devon Community Foundation and Claylands, Torquay MW: Devon Community Foundation is involved in several partnership bids, future ESIF/ERDF funding and Building Better Opportunities.</p>	
<p><b>Presentation on Skills</b></p> <p>A presentation on delivering the skills agenda in the HotSW was given by Phill Adams, Senior Manager, Employment and Skills, Devon County Council and HotSW LEP People Leadership Group (copy forwarded to all Board members). This emphasises the link between skills and productivity and wages and benchmarked the area against national performance. Employment, Skills &amp; Learning is one of the three strategic themes of the HotSW Productivity Strategy and the presentation outline what the LEP is seeking to achieve for learners, employers, providers and productivity in the future.</p> <p>The following points were raised: -</p> <ul style="list-style-type: none"> <li>➤ The ongoing challenge around match guidelines when drawing down the European Social Fund and the ability to retain the underspend in the HotSW region.</li> <li>➤ Concerns reference the underspend on apprenticeship levies (1/3 of major employers are not spending the levy), also that DfE are proposing to place a cap on non-levy apprenticeship funding for 2019/20 which will constrain delivery of apprenticeships to SMEs. In response Phill Adams said: A future workshop is to take place with major providers and Dept for Education (DfE) to discuss this and to raise the possibility of flexibilities, to include businesses supply chains to drive up the take up of apprenticeships. It is necessary to change DfE policy culture which is too reliant on an individual organisation's Ofsted results for funding.</li> <li>➤ The need for teachers to become more career orientated, to have greater insight into the opportunities available to encourage highly motivated young individuals to take up apprenticeship roles.</li> </ul>	
<p><b>3. Draft minutes of last meeting, 30 January 2019</b></p>	

<p>All actions completed, except for 5.1 Legal Personality &amp; Articles of Association which is on today's agenda 5, Chief Executive's Report</p>	
<p><b>4. Questions from the public</b> None.</p>	
<p><b>5. Chief Executive's Report</b></p> <p><b>Update &amp; discussion points:-</b> In its maturing phase, the LEP needs to be very clear on what it wants to achieve within the next 5 years and to understand what impact its interventions have across the wider HotSW area. Working collectively as an area and with the HotSW Joint Committee will enable the asks of Gov't to be more focused.</p> <p>FDI outcomes nationally 30% down on last year, but locally HotSW LEP leads the country with the best results (especially in Plymouth).</p> <p>Business engagement needs to improve, the LEP is <u>not</u> the voice of business, business representation organisations e.g. Institute of Directors (IOD) and the Chambers etc. are and a Memorandum of Understanding (MOU) is being sought with member organisations to increase the LEP's business engagement reach.</p> <p>Local business crises – a major food processor in Cornwall is shedding 650 jobs and Cornwall and Isles of Scilly LEP are looking at the impact of this.</p> <p>The recent sale of Flybe to a consortium has raised concerns about its three major assets: - -its future as a functioning regional airport and connectivity including the valuable landing slots at Heathrow -the training Academy - the engineering/maintenance facility which impact on the airports supply chain. Urgent conversations with the new owners are being sought to emphasise the airport's opportunities; e.g. the case for increased maintenance and linkages to the space port in Newquay; leadership in aviation training skills. It may be necessary to consider improvements to the capital infrastructure around the airport, especially with the Enterprise Zone nearby.</p> <p>The questions tabled for the postponed Secretary of State, James Brokenshire, LEP Brexit Roundtable, due to take place prior to the Board meeting, have been sent onto Gov't for answers which we have been assured with be forthcoming.</p> <p><b>Action: The question of HotSW representation in Gov't was raised again, with agreement to pursue options for a Minister for the South West, to act as an advocate for the area, similar to the Northern Powerhouse.</b></p> <p>Having recently undergone an Annual Performance Review, LEPs are no longer ranked against each other, but are assessed across three areas which include</p>	<p>DR/SH</p>

<p>governance, delivery and strategic impact. Whilst the LEP received good ratings within two areas, delivery was considered to require improvement.</p> <p>Concern has been raised within the LEP over the ratings and the marked difference in the feedback notes received from the day, to the actual conversations that took place at the performance review which highlights a significant difference around delivery. Whilst it is understood Gov't carried out national and regional moderation prior to informing LEPs of their ratings, which included a spot-check of financial delivery against profile for quarter 2 18/19, there is a lack of understanding of where the data for the Gov't analysis of the spend profile came from and the process used to rate.</p> <p><b>Action: Recommendation for the Strategic Investment Panel Chair to discuss with CEO and Government sponsor - to seek further clarification on Gov't process and to understand performance review results.</b></p>	<p>DR/DB/SB</p>
<p><u>Chief Executive's Report appendix 4 updated Articles of Association</u></p> <p><b>Action: Further amendment to ensure that the standing down of Chair and Vice Chair is Consistent, to elaborate further for behavior and capacity of Board Directors.</b></p>	<p>DR</p>
<p>The Board agreed in principle the Articles of Association dependent on amendment above.</p> <p><b>Action: a copy of the final revised Articles of Association and special resolution form will be sent to the Board for written agreement to adopt.</b> Provided at least 75% of the Board agree, the revised Articles may be filed at Companies House.</p>	<p>JP</p>
<p>After much deliberation, the HotSW LEP CIC has decided to remain dormant. In recent conversations with Gov't, Civil Servants understood the reasoning behind this which is regarding the challenge and cost implications to LEPs of VAT, which is a significant barrier to becoming a live company.</p> <p>Feedback from local MPs informs HotSW, that Gov't want only one Sub National Transport Body for the region, but there are two; a Peninsula one and a Western Gateway one. Feedback was that the geography is not conducive to having 2 boards and it is imperative the region speaks with one voice on major strategic transport issues, otherwise it will be to the detriment to the area.</p> <p>After discussion, provided HotSW can be confident that the West of England Combined Authority (WECA) will engage and work with HotSW LEP on this topic and other strategic opportunities, where previously there has been a clear difference of opinion with no perceived value to them, the board agree that having a single Transport Body for the region is the best outcome.</p>	
<p><b>Action: To progress conversations at senior Gov't level to put pressure on WECA to engage with Peninsula LEPs on shared strategic opportunities.</b></p>	<p>SH/DR/JH</p>

<p><b>The board agreed to the Rolling Replacement policy (appendix 5 within the Chief Executive’s report).</b> The challenge for the public sector will be how to handle greater representation on the Board and for future private sector Board recruitment to have the necessary skills set required and for both to match Gov’t diversity requirements.</p> <p>Early work has started on the Local Industrial Strategy (LIS), following the agreement to the Command Paper by the Joint Committee and LEP Board. Meetings with relevant Government departments are taking place on 28 March to further refine the HotSW propositions re industrial strengths. A fuller discussion will take place at the May LEP Board meeting. The aim is to have a draft LIS for consultation by July.</p> <p><b>Action: To relay back to Gov’t the frustration over the recent announcement of the Stronger Towns Fund which stated it was being channeled through LEPs, but was not accompanied with any guidance.</b></p> <p><b>Action: To circulate further narrative on the Economic Dashboard contained within the Chief Executive’s report, as currently the narrative does not match the statistics and is very Plymouth concentric.</b></p>	<p>SB</p> <p>DR</p>
<p><b>6 Other papers</b></p> <p><u>6.5 Productivity Strategy delivery plan paper + delivery plan for Board/Joint Committee</u> (see papers) This updates the Board on progress in the Productivity Strategy’s delivery plan and associated communications document.</p> <p><u>6.6 LEP Annual Delivery Plan 19/20 + Template (see paper)</u> This briefs the Board on the LEP’s 2019-20 delivery plan.</p> <p><u>6.7 LEP Operating Model (see paper) <i>commercially confidential</i></u> This briefs the Board on changes to the LEP’s operating model.</p> <p>The above three papers were discussed together. The key now is how to resource and implement the above and it has been agreed that the LEP takes ownership of the strategy’s themes of People and Business (business includes innovation); the Joint Committee will lead on Place (overseeing delivery, but not the actual delivery), supported by the LEP in defined areas; the LEP will lead on the Opportunities (resource already in place for nuclear and marine) and there is budget available for most others, with a lead person for each opportunity overseeing delivery. This leaves Healthy Aging and Creative &amp; Digital and the need for forthcoming conversations on how to resource these; plus, the need for sufficient resource for the analytical work to support these.</p> <p>There will be a refresh of the Delivery Plan in six months’ time, which provides a rich seam of material for the LIS. It’s important that Business also connects to People and these do not work in silos. The leads will have the responsibility to determine what is</p>	

working well and what isn't and to add in new opportunities i.e. around Enterprise Zone and Universities as they arise.

A monitoring framework will be in place providing an annual economic dashboard.

A pipeline of strong projects will be developed in anticipation of Gov't monies post Brexit, this will be taken from: - An extract of capital projects already within the Productivity Plan; FE/Transport projects, followed by an open call with prioritisation of projects according to investment principles. All projects will need to demonstrate inclusive growth outcomes.

**Action: A draft pipeline of projects to be tabled at the May Board meeting.**

The LEP's Annual Delivery Plan will be published by the end of May in template format provided by the LEP Network and Government and will be a public document. The largest risk for the LEP is Growth Deal outputs and these need drilling down into to gain a more granular view.

It is noted that it is important to align MPs with LEP and Joint Committee objectives, although any lobbying of MPs proves difficult due to ongoing Brexit uncertainty. The LEP will need to engage in broader discussions with partners to develop and understand the propositions further.

It is will also be important to collaborate with neighbouring LEPs to work on common agenda's – i.e. smart motorways, skills and productivity to develop propositions with cohesive messages to demonstrate to Gov't powerful cross cutting themes, the key to future funding.

**Action: A joint script to be developed between the LEP and HotSW MPs emphasising priorities for the region if given x amount of funding.**

The LEP operating model needs more focus and detail on the outcomes and represents real changes in working for the Leadership Groups.

**The Board endorses the Productivity Strategy Development Plan, notes feedback and the contribution of partners, agrees the LEPs Annual Delivery Plan and notes the progress with the LEP's operating model.**

#### 6.4 Clean Energy (see paper)

This report provides a brief for the Board on the work to date on the energy agenda in the context of the HotSW LIS, Productivity Strategy and Gov'ts Clean Growth Strategy. It also outlines the way forward for continued collaborative working to support the achievement of the potential benefits to be gained from clean growth in the HotSW and wider South West region.

Clean Energy is a significant policy matter for Gov't and the above report has been produced in collaboration with Dorset and Cornwall & Isles of Scilly LEPs to present a

DR/EJ

DR/EJ/HD

<p>joint Energy strategy.</p> <p>The following comments were raised: - to ensure the strategy is circulated to local energy groups to give time for reflection, the issues in the national grid of distribution and the requirement for increased capacity and the concern over energy security.</p> <p><b>Action: To encapsulate the energy distribution and capacity issues and forward to James Heapey, MP who will endeavor to raise these with the appropriate depts within Gov't on the LEP's behalf.</b></p> <p><b>The Board endorses the approach outlined to the clean energy agenda and the intention to develop a delivery plan for the agenda with these neighbouring LEPs as part of our "Great South West" activity.</b></p> <p><u>6.8 ESIF update (see paper), commercially confidential</u> This updates the Board on implementation of the Heart of the South West European Structural and Investment Funds (ESIF) Strategy</p> <p><u>Developing a HotSW Skills Advisory Group (see paper)</u> This paper provides a report for the reshaping of the People Leadership Group into the HotSW Skills Advisory Panel ('SAP') / Employment, Skills and Learning Delivery Group ('ESLDG'), including relevant changes to the Group's membership and terms of reference in line with DfE's Requirements; and to agree to the expenditure of the £75,000 provided by the Department of Education (alongside other partner match) to secure relevant lead analytical capacity for the SAP, and establish a shared work programme over the next year.</p> <p>The existing People Leadership group will evolve into the SAP by May 2019 and SAPs membership is set by Gov't. This Board will be split into 2 groups that of delivery and operation and it they will need to seamlessly interconnect. It is envisaged that the existing Employer Skills Boards (ESB's) with their business representative chairs will play an active role on the SAP. It will be important that the SAP is used to drive and actively move the skills agenda forward, as opposed to just collecting information. The funding will be used to jointly commission with Universities and partners analytical research.</p> <p>The following comments were raised: - Regarding annex A and Local Authority representation, this has been left with the team at Torbay to confirm. Also, that one representative from Schools was insufficient, especially when trying to engage with head teachers for careers pathways and careers education.</p> <p><b>Action: The Board agreed with the approach outlined in the paper.</b></p>	<p>DR/PH</p>
<p><b>7</b> <b>Papers for noting</b> No comment</p>	



**8 AOB**

The Chair thanked James Heapey, MP for his attendance and contribution at the meeting, especially for giving a South West regional context and for emphasising the importance for the LEP and MPs to have shared points upon which to lobby Gov't on.

Phill Adams was also thanked for an informative presentation on skills.

TE: raised the possibility of moving the 17 May Board meeting to a different Friday in May, as Plymouth are unable to attend, a promise was made to investigate. However, this has subsequently not proved an option for various reasons and will still go ahead on 17 May as scheduled.

**Next Board meeting – 17 May from 10.00am – 1.00pm at Exeter Racecourse.**