

# Chief Executive's Report – 13 September 2019

## 1. Introduction

A busy summer. The HotSW Local Industrial Strategy has been submitted into Government and a full copy of the submission and next steps were sent to the Board earlier in August. Moreover, the 3 LEPs across HotSW, Dorset and Cornwall and the 7 upper tier authorities have submitted an outline business case for the Great South West see link [here](#) A detailed business case is due to be submitted in October.

HotSW LEP has held its mid-year review with Government officials and we have had recent announcements on High Streets funding – 7 towns across HotSW have been successful (out of 100 nationally). The Government also appears to be working on further announcements around Stronger Towns Funding.

BROG has met this week with (at the time of writing) a particular eye on No Deal preparations but due to the proroguing of Parliament the GSW APPG meetings (on 10 September and again on 15 October have been postponed). The Skills Advisory Panel (SAP) has had its first meeting and SIP has been reviewing monitoring returns on projects performance in response to our challenges about delivery and impact.

Over the summer, we have also publicised, shortlisted and have started the interview process for new Non-Exec Directors and Chair – the latter are due to be held on 20 September 2019.

The Draft HotSW digital strategy is being 'socialised' and at this meeting a short presentation on Social Inclusion/Regional Bank and recommendations on the future operations of the HotSW Growth Hub are proposed

This report includes:

- A new quarterly business bulletin summary and a summary on Brexit readiness (agenda item 6.2)
- An update from each of the Leadership groups on current issues/progress
- Recommendation on next steps re Growth Hub (agenda item 6.1)
- A transport report confirming the submissions made by the Peninsular Subnational transport board for the major road network and Local Majors projects (see page 38) and an ESIF update (agenda item 6.3) – both ERDF calls and ESF calls are live.

## **Decisions/Action Required for this Board in this report**

**Sign off Accounts for 18/19 ahead of the AGM (November 4<sup>th</sup>, 2019) – Agenda item 6.4**

**Next Steps – re Growth Hub – Agenda item 6.1**

**GSW Outline Prospectus – see link above or**

**<https://heartofswlep.co.uk/news/first-stage-submission-for-the-great-south-west-prospectus/>**

## Headline Events since last Board meeting

- **Hinkley Point C** has hit its biggest milestone yet on schedule - the completion of the base for the first reactor, known as “J-zero”, means that the construction of the nuclear buildings above ground can now begin in earnest. The final 9,000m<sup>3</sup> of concrete was the largest concrete pour in the UK. An HSDF meeting took place in August 2019. A workshop to review progress on the Hinkley legacy is scheduled for September and the Nuclear South West conference takes place at Bridgwater in early October.
- **High Streets Funding** – In addition to Yeovil and Taunton receiving support at the beginning of the summer, funding for Plymouth City, Barnstaple, Bideford, Paignton and Newton Abbot was confirmed on August 27<sup>th</sup>, 2019
- **Growth Hub funding** – SIP has agreed the principle of underwriting the Growth Hub for the next 2 years.
- **Preferred route for A358** - has been confirmed
- We have now received our full allocation of capacity funding from CLGU – following the LEP review an **additional £200k** was provided to help implement the LEP review in 18/19 and develop the LIS in 19/20
- **Changes to Ministers** – I have previously circulated new key Ministers particularly in BEIS and CLGU
- The initial **Great South West prospectus** signed off by all the GSW upper tier Local Authorities as well as the 3 LEPs, has been sent to Jake Berry MP, the PM and other senior Ministers. The final business case will be submitted in October and is due to be presented at the October APPG
- **HotSW Digital Momentum Project** – launched. A further 12 months funding has been confirmed for the **HotSW Digital Skills Partnership**.
- HotSW have been confirmed in the 2<sup>nd</sup> wave of the **National Retraining Scheme** is the government's new programme to help adults retrain into better jobs and be ready for future changes to the economy, including those brought about by automation.

## Summary - What's going well and what isn't

### i. LEP Mid-Year Review

The LEP mid-year review was held on the 5th September 2019 with CLGU representatives. HotSW representatives. Written feedback will be provided but a verbal update will be provided at the meeting.

### ii. Recent Business Closures/announcements

At each recent Board meeting, we have updated Board Members on actions in response to a number of significant business announcements/challenges relating to local companies.

**Flybe** – local representatives and the owners of the airport met with the new Flybe management team (CEO/CFO) in late August to review progress on a number of shared actions. The formal sale was completed in July 5<sup>th</sup>, 2019 and a verbal update will be given at the meeting and is commercially sensitive.

**Appledore Shipyard** – the local task force, chaired by SWBC is working on the sale of the ship yard to new owners. The outlook is positive, but negotiations are now at a critical time and subject to Non-disclosure agreements etc

**Barden Corporation**– I met with the owner and new MD of Barden Corporation in Plymouth who have significant plans for growth following the sale at the beginning of the summer. They also have specific challenges for example ageing workforce and plant

iii. Brexit Resilience and Opportunities

Following the last LEP Board meeting, the BROG group has met at the beginning of September 2019

As agreed at the last meeting, I have met with the Chair of BROG the contents of a letter outline specific concerns relating to a No Deal Brexit and discussed with some HotSW MPs.

iv. Transport programmes

Submissions into both the Major Routes Programme and Local Majors have been submitted and as normal an update is provided under operational reports (page 38).

v. European Structural Funds

An update is provided as a separate report (see Agenda item 6.3). As anticipated, there were further ERDF calls in June and ESF calls in August.

vi. Nuclear Sector Deal

We continue to work closely with AMRC and the Nuclear – Winning Business Group on a revised submission for the Supply Chain component of the Nuclear Sector Deal. It is intended that a revised bid will be submitted at the end of September, but this is getting time critical as the MEH programme tenders start to be awarded and current funding for the Hinkley Deal programme comes to an end in March 2020.

A more detailed update is provided under operational reports (page 34).

vii. Growth Hub

SIP have agreed to underwrite the Growth Hub programme and the Board are asked to consider arrangements for future delivery. A separate report is under Agenda item 6.1, which remains commercially confidential.

viii. Rural Productivity Plan

This is again highlighted in the Great South West submission and a further session has been scheduled with Defra – hosted by Dorset LEP – later in September which the NFU have agreed to attend.

ix. The LEP Review

Interviews are currently ongoing for both NED and Chair positions. The annual Accounts (£0 return) were agreed by F&R earlier in this month. However, F&R have also agreed a fuller set of accounts presented by the Accountable Body which better illustrates expenditure under LEP influence and will be included in our annual report.

x. Local Industrial Strategy – Wave 2

As agreed by this Board in July, the LIS was submitted to Government following a review by the project Board and sign off by the Joint Committee SRO and LEP Chief Exec on 14<sup>th</sup> August 2019. A progress statement was issued on the website– but as agreed by this Board the document has not been published.

The final submission has been previously circulated to LEP Board Members and will be shared at HotSW joint committee at the end of the month. As part of the final engagement, summaries were shared with some local stakeholders and we have received written letters of support from the following organisations:

- ARC Marine Ltd
- AutoNaut Ltd
- Bristol Airport
- CBI South West
- Devon & Cornwall Crime Commissioner
- Devon & Plymouth Chamber of Commerce
- EDF Energy
- Exeter Science Park
- FSB
- Leonardo
- Plymouth Marjon University
- Rothamsted Research
- SC Group Global
- Seiche Ltd
- SWMAS
- University of Plymouth
- University of Exeter

Working with officials to ‘sharpen-up’ the submission has continued and CLGU Area Director has confirmed (20/8/19) receipt.

Thank you for all the hard work that the LEP and the project team have done to pull this draft together. I appreciate that getting the endorsement of the Joint Committee has been a big undertaking and this is an important achievement.

We are now preparing the draft to share with colleagues in other departments which we hope to do by the end of this week. We look to send back comments and amendments at the beginning of September.

xi. LEP Annual Conference

This will be held at the Riviera Centre, Torbay on 4<sup>th</sup> November 2019.