

# Chief Executive's Report – 22 November 2019

## 1. Introduction

With an election only less than 3 weeks away, it is an important time for us to get out our key messages/priorities across as a region. Therefore, for today's meeting we have:

- Next steps for the HotSW LIS
- An update on the HotSW Project Pipeline (agenda item 6.1)
- Decision from SIP to ratify our funding strategy relating to delivery of Digital/Mobile Projects (agenda item 6.4)
- Our Annual Impact Report (agenda item 6.2)
- The appointment of a LEP Chair and 2 new business Board Members
- A commentary about the appointment of co-opted Board Members

## 2. Decisions/Action Required for this Board in this report

Recommendations in this report are as follows:

- a) To appoint, Karl Tucker, Executive Chairman, Yeo Valley Farms Production Ltd as Chair of HotSW LEP Board (For 3 years; renewable for a further 3 years)
- b) To appoint the following Non-Executive Directors:
  - a. Sarah Cook, Vice President, UK Government Business, Leonardo Helicopters (UK)
  - b. Cheryl Hiles, Energy Director, WMCA

Review the appointment of co-opted (non-voting) Board members specifically with reference to tourism and Low carbon

To agree next Steps for the LIS including possible publication

### **Headline Events since last Board meeting**

- **General Election** - called for December 12<sup>th</sup>, 2019
- **Annual Conference** – this was held at the Riviera Centre, Torbay on November 4<sup>th</sup>, 2019 with approximately 300 delegates (draft AGM minutes attached for info – Appendix 1))
- **Growth Hub funding** – BEIS have confirmed Growth Hub funding for 2020/2021. In addition, we have received 3 tranches of Brexit Preparedness funding (reported to SIP at its November meeting).
  - Approx. £30k for more advisors
  - Approx. £100k for Brexit resilience and information
  - Approx. £150,000 for Business Intelligence
- **The SW IOT** - has been formally announced

- **Peninsula Western Gateway STB - MRN** bids and Local Major bids were successful for
  - A38 Bristol Airport
  - A39 Manadon Interchange (Plymouth)
  - A374/A386/A3064 - (builds on GD project)
- **The Western Gateway** (formerly Western Powerhouse has been launched) by HMG
- **Great South West** – meeting with No 10's office

## 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. Initial written feedback has been provided and this will be shared with F&R at its December meeting.

### ii. Business Closures/announcements

**Flybe** – a prospectus for the new Flybe owners has been prepared and agreed by local partners – can be circulated on request. Specific responsibilities for the LEP include preparing a business case for the changes to the geographical boundary of the EZ; a piece of work with the airport on route development; and potentially a contribution to the Skills Academy

**Appledore Shipyard** – there has been an ongoing dialogue between local stakeholders and Government about the future of the site. We are awaiting next steps from officials.

### iii. Brexit Resilience and Opportunities

The LEP has received some funding for Brexit preparedness and intelligence and has commissioned a review on the impact of a potential No Deal.

### iv. Transport programmes

In addition to the MRN/Local Majors announcements there will be no announcement on A303 ahead on the December 12<sup>th</sup> deadline. The new rail timetable is shortly to commence.

### v. European Structural Funds

An update is provided as a separate report (see Agenda item 6.3) and a meeting scheduled for December 12<sup>th</sup>, 2019.

### vi. Nuclear Sector Deal

An HSDF meeting was held on November 8<sup>th</sup>, 2019 and the Legacy workshop on November 16<sup>th</sup>. Following the revised submission for the Supply Chain component of the Nuclear Sector Deal we have received some feedback and it is hoped that the project will go to appraisal and decision in the New Year. As a consequence of these delays, SIP has agreed to mitigating transition funding for the Supply Chain programme which also requires further contributions from WECA and the Welsh Office.

vii. Growth Hub

The proposed transfer has now been shared with the existing provider and Plymouth, DCC and Serco are working together on TUPE transfer of staff and future working arrangements for 'in-house' delivery

viii. Rural Productivity Plan

Nothing further to report.

ix. The LEP Review

Further to my previously circulated email update, it is proposed to appoint the Chair and 2 new NE Directors.

With these appointments, we will have 1 private sector vacancy and a further vacancy in March 2020. We also need to put in place the rolling replacement timetable for NEDs recognising the requirements of the Assurance Framework for Diversity.

In addition, the Board has the option to appoint up to 5 non-voting co-optees. (as Board Champions) – this is not something we have used previously. We have received as a specific request from the Tourism sector who would like to put forward a candidate (agreed by the SWTA – Simon Fishwick, Chair Visit Devon) and also it may be helpful with the implementation of the LIS to have additional expertise of a low carbon champion – Glen Woodcock at Oxygen House who spoke at AGM on Digital Futures has offered.

Co-opted Board Members would be annually appointed and would only attend Board meetings to report on their specific task and finish subject areas - possibly twice a year. Simon for example would specifically have oversight on the development of a Tourism Zone; Glenn with the development of a low carbon plan.

They would however be able to secure Executive support from within the LEP and could identify their role as a LEP Board Champion, (not Board Member).

x. Local Industrial Strategy – Wave 2

We have not been able to secure HMG sign-off to the Local Industrial Strategy. We received the following comments from the Director of CLGU, Stephen Jones.

Thanks for the email and for all the excellent work that has gone into developing the LIS. It is a really impressive piece of work and great to see so much buy-in from across your area.

Unfortunately, we will not be in a position to publish the document on Monday as a Government document. While we have made excellent progress in getting Departmental officials in the right position on this, we have not been able to secure Cabinet Committee clearance through all relevant Ministers given understandable pressures on their time. With the forthcoming dissolution of Parliament and purdah period, we will instead need to test Ministers following the formation of a new Government on how they want to approach Local Industrial Strategies and publication plans post the 12<sup>th</sup> December.

I appreciate that this will be deeply frustrating for the Board and partners across the region given the effort put in and the quality of the work. I will look to see whether there is an opportunity before Parliament dissolves next week for Ministers to indicate the progress made. And given the content is in a good space, I am relaxed about you using the content of the LIS quite liberally during your AGM to indicate the highlights and direction, with a document being published in due course.

As a consequence, the LEP Board are asked to consider what they wish to do next with broadly 3 options:

- i) Publish the current document as a working draft – ‘subject to Government approval’ including on-line etc.
- ii) Circulate the current draft to stakeholders setting out that it is locally agreed but not yet confirmed with Government
- iii) Retain the document as a confidential document and await Government guidance (in the New Year)

xi. LEP Annual Conference and the Future of LEPs

We have received very good feedback and despite not being able to publish the LIS I believe were able to demonstrate our commitment to Clean and Inclusive Growth. However, it remains difficult to move forward on this change in approach without a published document

More broadly, the future role of LEPs and Local Industrial Strategies post-election remains unclear including UKSPF funding. Certainly, all parties are talking about ‘levelling-up’ or their version and further devolution. It may be useful to reflect on the manifestos as they emerge.

The current Government’s preferred delivery model is (Mayoral) Combined Authorities and in the Queen’s Speech, they identified a commitment to Devolution White Paper possibly promoting a national coverage of Combined Authorities. The think tank Centre for Policy Studies, arguably the Conservative’s preferred, has recently published a paper on the ‘levelling-up’ agenda -

<https://www.cps.org.uk/files/reports/original/191028170944-ARisingTide3.pdf>

There are live discussions with existing CAs about a menu of further powers and there also appear to be discussions about re-emerging regional government offices possibly alongside MCA's. The future role of Government agencies such as Homes England and Highways England in such a model are not at all clear.

Ministers have recently re-written to all LEPs confirming the requirements for LEP review compliance, specifically with regard to diversity and geography. CLGU have confirmed that this doesn't impact on HotSW.

Ahead of the publication of manifestos, I am not clear on other parties' proposals for LEPs/economic development/regional Government.

## xii) Great South West

The GSW project has been an identified proposal for over 3 years and more recently has gained pace following the invitation from the Minister of State at the launch of the GSW APPG in May this year. An initial prospectus was agreed and forwarded in July with a commitment to complete a final business case by the end of October.

A first draft of the proposed business case was circulated just over a week ago with the intention of discussing its details, but the Project Board met to review initial feedback and felt that;

- a) The draft business case failed to set out the value proposition of the Partnership succinctly and clearly (although much of it was in there)
- b) In the light of the election announcement and launch of Western Gateway, Local Authority Leaders might wish to review the submission timetable including receiving direct advice from Government officials.

It is therefore not proposed that a 'tighter' version of the business case would be available for the GSW Steering Group on 21<sup>st</sup> November 2019 and I can update the Board further following that meeting.