

**Draft Minutes of HotSW LEP CIC Board Meeting
24 January 2020
at
Taunton Rugby Football Club**

Board Attendees:

Barbara Shaw – Chief Executive, Westward Housing Group
Dr Fiona McMillan OBE – Non-Exec Director EDF Energy
John Laramy - Principal & CEO, Exeter College
Karl Tucker – Chair HotSW LEP and Executive Chairman, Yeo Valley Farms Production Ltd
Karime Hassan – CEO, Exeter City Council and alternate for Cllr Phil Bialyk, Leader Exeter City Council
Martha Wilkinson – Chief Executive, Devon Community Foundation
Melanie Squires MBE – SW Regional Director, NFU
Pat Flaherty – CEO, Somerset County Council and Alternate for Cllr David Hall Somerset County Council
Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council
Tracey Lee – CEO Plymouth City Council, alternate for Cllr Tudor Evans, Leader Plymouth City Council
Sarah Cook - Vice President UK Government Business, Leonardo
Stuart Brocklehurst – Chief Executive, Applegate
Cllr Swithin Long - Cabinet Member for Economic Regeneration, Tourism & Housing, Torbay Council and Alternate for Cllr Steve Darling, Leader Torbay Council
Cllr Val Keitch – Leader, South Somerset Council

Officers in attendance:

Alex Parmley - Chief Executive, South Somerset Council, Officer accompanying Cllr Val Keitch
Eifion Jones – HotSW LEP Chief Operating Officer
David Ralph – HotSW LEP Chief Executive
Keri Denton – Head of Economy & Enterprise, Devon County Council, officer accompanying Cllr Rufus Gilbert
Kevin Mowat - Interim Director of Place, Torbay Council, officer accompanying Cllr Swithin Long

Others in attendance:

Anne Marie Morris MP – representing Devon MPs
Janet Powell – Executive Assistant, HotSW LEP (for minutes)
Robin King – Director, Bar Associates for presentation only
Charlie Lane – Bar Associates for presentation only
Jason Vaughan - Strategic Finance Manager & Deputy, S151 Officer Somerset County Council

Apologies:

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Rt Hon Ben Bradshaw MP – representing Devon MPs
 James Heapey, MP – representing Somerset MPs
 David Bird, Regional Director, Santander Corporate & Commercial Banking
 Cllr David Hall - Cabinet Member for Resources and Economic Development, Somerset County Council
 Cllr Tudor Evans OBE – Leader, Plymouth City Council
 Prof. Judith Petts CBE– Vice-Chancellor & Chief Executive, University of Plymouth
 Cllr Phil Bialyk – Leader, Exeter City Council
 Suzanne Bond - Area Lead – Heart of the South West, Cities and Local Growth Unit - South West
 Richard Stevens – Managing Director, Plymouth City Bus Ltd
 Cllr Steve Darling – Leader, Torbay Council
 Prof. Sir Steve Smith – Vice-Chancellor & Chief Executive, University of Exeter

Table of decisions

Paper	Decision	Decision Agreed
5.1 Board Effectiveness Review	To note the paper and to contact Stuart Brocklehurst if wish to be involved.	The Board noted the paper and any director wishing to be involved to contact Stuart Brocklehurst by 14 February.
7. Chief Executive’s Report	<p>a) To contribute to the Board Effectiveness Review and agree actions from Chair’s update.</p> <p>b) To agree next steps for the delivery of HotSW LIS and Productivity Plan in the light of emerging Government policies.</p> <p>c) To agree next steps relating to local business crises.</p> <p>d) To agree our priorities in the run up to the Budget.</p>	All agreed.
7.2 ESIF update	To note paper	The Board noted.

Agenda	Action
1. Agenda & Apologies Apologies as above.	
Presentation from Bar Associates on Defence Mapping Research Project progress update by Robin King and Charlie Lane (copy of presentation circulated)	

<p>The purpose – to develop a clear defence market engagement strategy to enable the LEP to bid for investment into the HotSW region, against an evidence base with a qualitative focus with a view on future defence sector opportunity and its value.</p> <p>Observations and discussions followed: -</p> <ul style="list-style-type: none"> ➤ The above project has similarities with work already undertaken by the HPC enabling team and to learn the lessons from this of what worked well. ➤ Cannot assume Gov't will buy British, as Defence procurement decisions are not taken on value to UK PLC (as Leonardo have learnt). ➤ Alongside defence mapping, the need to align a security piece to include civil and cyber security, to further understand the sector and supply chain and what the pitch is into Gov't. ➤ To understand the correct intervention levels to SME's, so that they can be encouraged to think big and collaborate in defence procurement, as opposed to competitively bidding against each other. ➤ To have a better understanding of what funding is required to support the development of this new sector cluster (i.e. similar to the Nuclear sector, where an enabling team actively worked to raise the knowledge and capability of local providers within the supply chain). ➤ The challenge for the LEP is what impact and significance the sector can have in delivering clean and inclusive growth and how to communicate this to local politicians and MPs. <p>The draft report is due out 10 February, with the final report in March.</p> <p>Action: For a small group of board members (to include Sarah Cook from Leonardo) to take forward the findings of the defence mapping research project and develop into a plan for action.</p>	<p>DR/EJ & SC</p>
<p>2. Declarations of interest</p> <p>As Board Directors have recently updated their yearly annual submission declarations of interest forms it was requested that only those conflicts of interests over and above those already declared need to be raised. No further declarations of interest were added.</p>	
<p>3. Draft Minutes of 22 November 2019 Board meeting and actions arising</p> <p>One amendment - to record Cllr Val Keitch, Leader South Somerset Council under apologies instead of attending, otherwise the Board minutes were accepted as a true record, with the following matters outstanding or arising:</p> <p>c/f Board recruitment – decisions ongoing.</p> <p>c/f: Further work is required within the Local Industrial Strategy (LIS) on how to deliver clean</p>	<p>DR/KT</p> <p>DR/EJ</p>

<p>growth, possibly in conjunction with Cornwall - in hand but not finished.</p> <p>Update - with regard to the Chairs of the LEP and HotSW Joint Committee to look at a joint letter emphasising the key challenges, concerns and effects of a no deal Brexit on the HotSW area and send to the Secretary of State, copying in local MPs to outline the impact on their constituencies – this was sent and was mentioned in the House of Commons by the Rt Hon Michael Gove, who offered to meet local representatives of the food community in HotSW to discuss concerns.</p> <p>Action: The response came back via Rt Hon Ben Bradshaw to the HotSW Joint Committee with Sue Rose of Devon County Council tasked to progress and organise a meeting.</p>	<p>DR</p>
<p>4. Questions from the public None.</p>	
<p>5. Chair's update This was a verbal update given by the new Chair – Karl Tucker and highlighted his desire to look at his priorities which are - Board effectiveness, local impact of LEP investment and understanding the changing role of LEPs.</p> <ul style="list-style-type: none"> ➤ 1 to 1s have been carried out with all Board directors either in person or by telephone, except for Tudor Evans, date still to be organised. This has helped to provide feedback on general Board views on effectiveness etc. and its role. Overall this has shown there is strong positivity on what the Board is trying to achieve, albeit some frustration with no new money forthcoming from Gov't. It is hoped, that with an impending Cabinet reshuffle and Budget due on 11 March, and clarification on the Strategic Priorities Fund (SPF) that this will re-ignite the Board's purpose. ➤ A desire to move Board meetings to quarterly instead of bi-monthly, maybe for the time being to use existing scheduled Board dates for this year and to alternate these between Board meetings and Immersion Days. The intention for Immersion days will be to take a deep dive into the LEP's bedrock sectors in order to facilitate a greater understanding of these sectors. The first Immersion date will be 20 March on Tourism – in conjunction with Alistair Handyside, Chair of SW Tourism Alliance and this is intended to be interactive, to showcase good and bad examples from the sector, what can be achieved, how productivity can be raised and what the HotSW LEP can do to support the sector further. Each Immersion day will result in the formation of a small working group of both private and public Board members in order to take forward any recommendations and progress actions from these days and report back to the Board. ➤ The desire for Board meetings to have a greater focus on local impact of LEP investment and to look at board effectiveness. (see agenda item 5.1). ➤ The aim for the Board to operate at a more strategic level, to have a greater outreach programme, to ensure effectiveness of its engagement with wider stakeholders and businesses i.e. by identifying the top 20 stakeholder groups and assigning a Board director liaison to each one to attend meetings and report back to the Board. ➤ Positive feedback was given at the recent GSW meeting with the Rt Hon Jake Berry, MP at which the GSW Prospectus was presented, however there were no guarantees for funding and the partnership was urged to push for the GSW to be recognised in the forthcoming Budget. To this end a letter will be sent to all HotSW MPs requesting their support in calling for £2m over 3 years in seed funding needed to set up the secretariat and develop the investment streams 	

<p>further it be included in the next budget statement.</p> <p>➤ Better engagement with MPs and the LEP was encouraged to identify those HotSW MPs with interests in its core sectors to nurture and develop these relationships on a more tactical basis i.e. Johnny Mercer, MP - Defence, Anne Marie Morris, MP – Health & Social Care, etc.</p>	
<p>5.1 Board Effectiveness Review Paper – see copy of paper</p> <p>This was presented by Stuart Brocklehurst, the purpose of which was to brief the Board on the forthcoming Board Effectiveness Review. A review is good practice and will consider the blend of both company and public documents focusing on the subsidiary committees and leadership groups and their inter-relations with the Board, which necessitate further clarity.</p> <p>Action: For any Director wishing to be involved in the Board Effectiveness Review to contact Stuart Brocklehurst by 14 February.</p> <p>Action: SB to present conclusions of review at the next Board meeting.</p>	<p>All/SB</p>
<p>6. Chief Executive’s Report</p> <p><u>Quarterly Business Review</u> This has been circulated and will be a useful tool in building partnerships with businesses. The data set is pre-election and shows worsening figures for economic growth in the area, but is probably due to inertia and uncertainty prior to the election and is anticipated that economic performance will start to recover.</p> <p><u>Flybe</u> Meetings with Flybe continue with a local offer re: headquarters, Training Academy and Smart Aviation Centre to help the airline build shareholder confidence. State aid public funding still needs to be bottomed out with Gov’t. The issue remains around the loss of regional connectivity, which will have a great impact on the region, together with loss of jobs and expertise if the Academy and Engineering were to cease.</p> <p><u>Appledore Shipyard Re-opening</u> A substantial amount of work is being carried out behind the scenes in order to facilitate the re-opening of the Shipyard between the Gov’t, Devon County Council (DCC) and the LEP. Thanks are due to Keri Denton and her team at DCC for all their hard work on this. The business case continues to be reviewed, with Gov’t indicating a willingness to provide additional funding, but at the time of writing the financial business case still requires further work.</p> <p>The Board agreed next steps relating to local business crises and to aid decision making on Appledore Shipyard the Board delegated the final decision to the Chair in conjunction with the relevant S151 Officers.</p>	

Agricultural Bill

This bill is now back in progress having come back with some changes made which include the preservation of food security, which is welcomed.

Action: A further update on the Agri Bill will be circulated.

DR

LEP Annual Performance Review (APR)

This takes place next week (28 January) with the LEP Chair, LEP CEO, LEP Chair of Finance and Resources Committee, S151 representative from the Accountable Body (Somerset County Council) and the Chair of HotSW Scrutiny Committee in attendance with the Deputy Director of Communities and Local Government (CLGU). The initial assessment in advance of this meeting was: - Delivery – Good, Governance – Good, Strategy – Met.

The meeting seeks to understand what these scores look like and how to improve them.

Peer Review

Instigated by the LEP Network to share good practice as a result of Gov't's attempts to further the LEP Network. HotSW has been paired with New Anglia LEP.

Differences highlighted between the LEPs include: -

- New Anglia creates projects not programmes and has greater oversight of its Enterprise Zones.
- New Anglia run their sector groups on geography, the HotSW LEP's is region wide.
- New Anglia has the staff resource to run its own clusters,
- Neither LEP has a definitive definition on 'Clean Growth' or what 'Inclusive Growth' looks like.

Action: Notes on first Peer Review meeting to be circulated for further information.

DR

Update on the Local Industrial Strategy (LIS)

This was handed to Tracey Lee, Chief Executive – Plymouth City Council and Senior Responsible Owner (SRO) to the Joint Committee for an update. The HotSW LIS has been returned from Treasury, the front cover added, but the final edit is with Gov't (which is non – negotiable). The launch is imminent but probably unlikely until after the Gov't re-shuffle.

The feeling amongst Board members was that regardless of Gov't timing on the launch of the LIS or future announcements of Gov't funding, this is a LEP owned LIS strategy and the onus is on the area to drive the strategy forward. Many incremental steps can be taken to progress this without relying on announcements of new funding from Gov't.

Noted - Thanks to Alison Ward at Plymouth City Council for all her hard work as the link between Gov't on this.

The Board agreed to the next steps for the delivery of HotSW LIS and Productivity Plan in the light of emerging Gov't policies.

Growth Hub

This is due to transfer in house at the end of the month to DCC, but branding/website remains

the same so this remains seamless to businesses.

Updates from the LEP Leadership groups

Skills Advisory Panel (formerly the People Group) by Chair, Fiona McMillan – this group last met in November, further meetings were put on hold until after the election. The next meeting is in March. The panel has a good mix of businesses, public sector and representatives from all the Employer Skills Boards (ESBs) onboard, but the challenge is not to be a talking shop but to develop actions from this. The panel will look at some significant issues; demographics, pay, inclusivity; youngsters at pre-school age, skills for older people and the 50+ age group who may have low level goals; numeracy and literacy; shortage of young people (an issue for Exeter which has very high employment); under employment (Torbay although it has high employment – 45% of the workforce is under employed), with deep dives into particular sectors i.e. Health and Social Care. Defence, Nuclear and Advanced Engineering and what the opportunities are from the SPF and how this can be used to address the issues. A skills strategy will be developed drilling down into actions to be taken forward.

Place Leadership Group by Chair, Barbara Shaw – with Barbara stepping down from the Board after 6 years’ service in March, the role of Chair will be taken up by Melanie Squires. The group is currently in transition awaiting future Gov’t announcements on policy and funding after the re-shuffle and budget. Issues: - the extension of rail franchises for a further 2 years; climate change in relation to transport; natural capital; Innovation and Employment Zones, Energy and a clear definition of clean growth.

Action: The report on Natural Capital to be circulated to the Board for endorsement.

BS/DR

Action: In future- notes of Leadership group meetings to be included to the Board under ‘other papers for noting’.

JP

Business Leadership Group (Chair Richard Stevens but absent) -update given by David Ralph, CEO. The Strategic Investment Panel (SIP) recommended the transfer of the Growth Hub in house to be delivered by DCC. A query was raised about penalties for non-performance – if outputs fall behind for two consecutive quarters then the contract can be withdrawn. Outputs remain the same, however by bringing the service in house, it gives the LEP more agility i.e. to access further European Regional Development Fund (ERDF) monies. The LEP received some funding for Brexit preparedness and intelligence and a Brexit Resilience Support Service was delivered through the HotSW Growth Hub. Better Business for All (BBfA). An additional post, hosted by Devon CC, to provide business advice about new regulatory frameworks in the context of Brexit (Recruitment due to start imminently) is also to be delivered through the Growth Hub.

Finances

LEP Budget is on track, with no issues, awaiting announcements reference LEP Core Funding

2020/2021. The Board’s attention was drawn to the importance of the SIP Dashboard (within the CEX report) – as this is what is used in the APR to judge the LEP’s performance.

On David Bird’s advice, Chair of LEP Finance and Resource Committee, the Board agreed to issue the Digital Call invitation to tender next week.

The Board ratified the SIP recommendation not to support the Bluescreen Digital project.

Nuclear Sector Deal update

Four business cases have been submitted to Gov’t to support the supply chain within the last 18 months which keep being pushed back. There are concerns the request for funding will be lost in the forthcoming Budget, especially with Hinkley now underway – there appears to be a lack of understanding for the business case and supply chain complexities. Gov’ts desire seems to be for a national programme to be delivered via the Catapult. South West Manufacturing Advisory Service (SWMAS) and Chamber monies finish in a couple of months and with it the business advice to the supply chain.

Discussions continued over: -

- Confusion over key messaging between HotSW LEP and the Great South West (GSW) and where they overlap. GSW is the brand and communications channel for opportunities in the area, the LIS is the delivery channel. The Northern Powerhouse representatives and MPs all wear badges that demonstrate they are all on board with the brand, perhaps HotSW could design lanyards for all ours to wear?
- The re-launch of the GSW All Party Parliamentary Group (APPG) chaired by Sir Gary Streeter, MP will be on 3 March.
- HotSW LEP Chair and CEO will meet with Katherine Bennett, Chair of the new Western Gateway 7 February in order to promote GSW and explore common regional objectives.
- There is a need to align the asks of the Gov’t for HotSW funding in the Budget, all the way through from the LEP, GSW, Joint Committee and Local Transport Board, to be explicit over the amount of funding requested from Gov’t and to present imaginative cases, evidencing value for money with tangible outcomes, to be bold and request additional funding over and above just replacing the Common Agricultural Policy (CAP) monies.
- The LIS needs to be a document owned by all, with work moving into the delivery phase of the strategy and what this means to businesses and communities. To aid communications, practical examples could be drawn out from each sector and turned into a one pager that would demonstrate this.
- The need to carry out some pre-work with local MPs, to include those in the GSW geographical area, with specific sector interests and utilise their influence at Westminster.

Board agreed priorities in the run up to the Budget.

6.1 Briefing Note Devolution – see copy of paper. Noted.

<p>7.1 Quarterly Business Review – see copy of bulletin. Covered in agenda item 6 Chief Executive’s Report.</p>	
<p>7.2 ESIF Update – see copy of paper and dashboards (commercially confidential)</p> <p><u>ERDF</u> Calls closed in November with a strong response which was significantly higher than the call values. If all projects take up offers, then all monies will be used.</p> <p><u>ESIF</u> Following challenges with this programme there is now a positive programme of committed funds. A letter has been sent to Dr Catherine Blair, Deputy Director Head of European Social Fund Division of DWP expressing frustration with the slow progress in appraising applications.</p> <p><u>EAFRD</u> Three national EAFRD calls are live until 16th February on Business Development, Food Processing and Tourism.</p> <p>Any underspends in EU funding go back into the National Pot and will be delivered via National call but the size of this is currently unknown.</p>	
<p>9. AOB SB: agreed with the Universities the establishment and delivery of an Innovation Board and SB to Chair.</p>	

NEXT MEETING: Tourism Immersion Session – 20 March from 10.00am – 1.00pm at Petroc, Tiverton Campus