

(Draft) Minutes of HotSW LEP CIC Board Meeting
22 January 2021
from
9.30 – 11.30 am
plus COVID Recovery Planning Update until 12 noon
Via Microsoft teams audio/video calling

Board Attendees:

Cllr David Hall - Cabinet Member for Resources and Economic Development, Somerset County Council
Dr Fiona McMillan OBE – Non-Exec Director, EDF Energy
Jane Dumeresque – Non-Exec Director
John Laramy CBE - Principal & CEO, Exeter College
Prof. Judith Petts CBE– Vice-Chancellor & Chief Executive, University of Plymouth
Karl Tucker – Chair HotSW LEP and Managing Director, Yeo Valley Properties Ltd
Prof Lisa Roberts – Vice-Chancellor, University of Exeter
Melanie Squires MBE – SW Regional Director, NFU
Paul Coles – Non-Exec Director
Paul Crawford – Chief Executive, LiveWest
Cllr Phil Bialyk – Leader, Exeter City Council
Richard Stevens – Managing Director, Plymouth City Bus Ltd
Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council
Sarah Cook - Vice President of UK Government Business, Leonardo
Cllr Steve Darling – Leader, Torbay Council
Stuart Brocklehurst – Chief Executive, Applegate
Cllr Tudor Evans OBE – Leader, Plymouth City Council
Cllr Val Keitch – Leader, South Somerset Council
Vince Flower – Non-Exec Director (trouble dialling in was 10 minutes late)

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
Karime Hassan – CEO, Exeter City Council accompanying Cllr Phil Bialyk
Keri Denton – Head of Economy & Enterprise, Devon County Council, officer accompanying Cllr Rufus Gilbert
Kevin Mowat – Director of Place, Torbay Council, officer accompanying Cllr Steve Darling
Pat Flaherty – Chief Executive, Somerset County Council, accompanying Cllr David Hall
Tracey Lee – CEO Plymouth City Council, officer accompanying Cllr Tudor Evans

Others in attendance:

Anne Marie Morris MP – representing Devon MPs
Ben Bradshaw, MP – representing Devon MPs (joined later)
David Warburton MP – representing Somerset MPs
Janet Powell – Executive Assistant, HotSW LEP (for minutes)
Suzanne Bond - Area Lead HotSW, Cities and Local Growth Unit - South West

Claire Gibson – HotSW LEP Head of Delivery (observer only)

For Presentation only

Phill Adams, Senior Manager, Employment, Skills & Learn Devon / Operations Lead - Skills, HotSW LEP for Skills Strategy

Paul Hickson, Strategic Commissioning Manager – Economy and Planning for Natural Capital Presentation under Place update

Apologies:

David Bird, Non-Exec Director

Jason Vaughan, Strategic Finance Manager & Deputy S151 for Somerset County Council

Table of decisions

Paper	Decision	Decision agreed
Skills Presentation	To confirm the Local Skills Report sign off process with the proposal for Fiona McMillan and David Ralph to approve the final version in March.	<ul style="list-style-type: none"> - Agreement in principle to endorse the HotSW Local Skills Report, subject to incorporation of Board and SAP comments - Delegated authority for the Vice-Chair of the Board to endorse the final draft of the HotSW Local Skills Report on behalf of the LEP before the 31 March deadline.
5. Chief Executive's Report	To confirm the appointment of Fiona McMillan as Vice-Chair for a further year and John Laramy as FE representative (to complete a full 3-year term).	The Board agreed to the appointments.
5. Chief Executive's Report	To agree on the next steps for COVID-19 response including plans to Build Back Better and the emergency pipeline.	It was agreed to ask Board volunteers to form a Build Back Better task force to oversee this.

Agenda	Action
<p>1. Welcome & Apologies</p> <p>Welcome to three of the LEP's new Board Directors for their first Board meeting:- Jane Dumeresque, Paul Coles and Paul Crawford. The fourth, Vince Flower had initial problems dialling in and was 10 minutes late.</p> <p>Apologies as above.</p> <p>There were some issues with the Chair's connectivity and at times the CEO took over until the Chair returned with audio-only which seemed to improve the situation.</p>	
2. Declarations of interest	

<p>All Board Directors submit yearly annual submission declarations of interest forms. Only those conflicts of interests over and above those already declared are required to be raised. Nothing further raised.</p>	
<p>3. Draft Minutes of 27 November 2020 Board meeting and actions arising C/f Action: Follow up note from last Board meeting from discussion with S 151 officers from Somerset County Council around declarations of interest– note re dispensations to follow. This paper has been reviewed and circulated to Board Members. The Chair has invited Local Authority leaders to discuss whether in the light of its advice any dispensations are appropriate. This is an ongoing conversation and will confirm going forward. Following these discussions, no specific dispensations are proposed.</p> <p>C/f HotSW Brexit meeting with the Rt Hon Michael Gove. David Warburton MP agreed to pick this up directly with the Minister and report back. With a Brexit Deal now in place, the original drivers for such a session have been superceded. However, it is appropriate to maintain a watching brief on specific issues relating to food and provide briefings as required. This item is now closed.</p> <p>C/f Rural Productivity Plan. Mel Stride, MP has offered to try and progress this further with the Secretary of State and a briefing was provided. Feedback can be provided but in the meantime, the rural group continues to review and update the recommendations. Due to current commitments, MS was to discuss with other MPs whether any would lead on this in the interim and AMM agreed to report back once confirmed. This item is now closed.</p> <p>C/f From November Board - Action: To go back to Gov't, highlighting the importance and priority of broadband capability with the support of local MP representation. As part of the Build Back Better Plan consultation, the LEP has met with MPs and agreed that the provision and increased use of mobile technology should be absolutely at the forefront of the LEP's asks – alongside tourism/rural productivity and delivering low carbon energy. This item is now closed.</p> <p>C/f from November Board Action for LEP Board agenda, 22 January 2021. Action: Critical concerns over grid capacity and railway resilience to be discussed at the next Board meeting, to highlight to local MPs and elevate its urgency to Gov't. This is still being reviewed and a paper will be brought to the next LEP Board. The transport update includes a direct reference to rail resilience and for this to be reviewed at the next Sub National Transport Board.</p> <p>Action: Karl T to be the LEP Diversity Champion. An action plan has been drafted on how to increase the LEP's outreach to enable more diversity with people joining the Board. This will be shared with Business Representative Organisations and their support enlisted to help with this. Once finalised a note will go out to the Board.</p> <p>All other actions were completed, and the board minutes were accepted as a true record.</p>	
<p>4. Questions from the public.</p>	

None.

Presentation – Draft HotSW Skills Strategy – Fiona McMillan & Phill Adams

A cover paper and draft strategy were forwarded as late papers to the Board.

The paper seeks endorsement from the Board for the emerging HotSW Local Skills Report. The HotSW Skills Advisory Panel (SAP) is formally required to produce the report for Dept of Education (DfE) by 31 March 2021, setting out the HotSW's core skills strategy; outlining high level actions and priorities for the area; and providing a summary of the HotSW's skill context, its successes, and future challenges/opportunities faced.

In light of the Skills Advisory Panel (SAP) meeting yesterday and the publication of the Skills White Paper, there is a little more work to do on tightening the objectives, ensuring the focus on business comes through strongly and links to the economy are clear including i.e role of schools etc. The strategy has been through a fairly substantive consultation period with strong support and stakeholders were happy with the direction of travel.

John Laramy as FE representative was invited to comment:– this will result in local skills Improvement plans to will highlight the gaps and how to address these. It will improve the visibility of the offer to employers i.e college business centres to have one-stop shops, courses to be employer-led and designed by 2030 and will help with teacher recruitment and a commitment to investing in resources.

There is a disconnect within the Dept of Education (DfE) resulting in gaps between skills and education. This is a continuum and the DfE needs to be aware that skills start in schools at the primary and junior stages. Any support from local MPs would be most welcome to encourage DfE to take a more seamless approach.

The Chair thanked FM, PA and JL for their presentation and for all the hard work from the team in drafting the Local Skills Report and invited comments from the Board: _

- Is there scope to invest more in cross-cutting digital skills and signposting as evidenced by the recent pandemic?
- To reflect the longer-term perspective for skills and sectors e.g a person can have the ability to come in and out of different sectors during their work-life at appropriate times with the relevant support. Where you are now is not set for life and unclear whether the DfE recognise this in its life long learning in the white paper?
- Good to see the recognition of economies within the marginalised communities. Concerns around fuel poverty and affordable wealth, not only are new technologies needed for new energy production but homes too (with the replacement of gas boilers) and alternative sources of energy. Skills need to be aligned to energy in the home and how this will be distributed more efficiently as well as retrofit skills.
- Needs more focus on the primary sector to support and develop emerging passion, never too early to start i.e an Academy Trust in Plymouth has launched an Ocean Conservation Curriculum and only has primary schools in it's Trust.
- To engage with the University of Exeter and the introduction of proposals for higher-level digital skills as opposed to the Institute of Coding that only prepare people to work in the IT industry.

- A note of caution around vocational employer-led courses – to ensure this is not just led by HR departments of larger corporations, FE colleges have a better understanding of what SME’s need. However, large corporates can play a key role in engaging SME’s.
- Of concern is the lack of localism in any skills funding but it needs to be followed through with encouragement to Govt to enable it to be local in reality.

The above comments were welcomed and will be noted within the Skills Strategy. The next steps will be to formulate a communications plan together with a launch to ensure employers are aware, with further information forthcoming in the future.

Action: To circulate the Local Skills Report to other Registered Social Landlords for feedback.

In Conclusion:- The skills group have worked hard over the last 5 years to make a difference, developing a very coherent strategy, closing the gaps and concentrating on higher level skills. The Skills Advisory Panel meeting yesterday demonstrated a strong local partnership working with good representation from business and Further Education (FE) and Higher Education (HE) working hand in hand. The Board should be reassured that areas were well represented and therefore the proposals are commended for endorsement.

Decisions requested:

- Agreement in principle to endorse the HotSW Local Skills Report, subject to incorporation of Board and SAP comments
- Delegated authority for the Vice-Chair of the Board to endorse the final draft of the HotSW Local Skills Report on behalf of the LEP before the 31 March deadline.

Both of the above decisions were endorsed by the Board.

P
Crawford

5. Chief Executive’s Report

Concerning COVID and Building Back Better the intention is to wrap up the business of the LEP Board meeting promptly to allow for discussions at the end around these topics.

As things gear up for the Chancellor to publish his plans for growth in the March budget which will indicate the Gov’ts direction of travel and how to deliver these inevitably this will mean more directly relevant White Papers will be forthcoming through the summer and Autumn.

The Skills White Paper confirmed that FE capital will need to be competitively bid for directly into DfE and raised the geography question:- what is the best geography to deliver improvement plans by but did not answer. This suggests that geography and competitive bids may feature in future budget plans and the HotSw area needs to be in the best position to adapt and take advantage of these emerging and potentially highly competitive processes.

The LEP’s Annual Performance Review (APR) takes place next week with the Government. The LEP is not anticipating any issues and believes delivery, strategy and governance will meet requirements. The delivery of the Growth Deal and Getting Building Fund spend targets are

on track for the end of March 2021. Looking back over previous years and forecasting outputs through to 2025 these are achievable, but a watchful eye needs to be kept due to the impact of COVID especially on housing and jobs (this has been signalled to Gov't). Governance – the composition and diversity of the Board are highlighted which is all in hand and will be reflected in this years board effectiveness review.

Action: Feedback on APR, assuming the LEP has received it will be given at the deep dive into Tourism session on 19 February, if not at the next Board meeting on 23 April.

Welcome to Claire Gibson who has joined the LEP as Head of Delivery, previously with the Regional Development agency and more latterly involved with the delivery of the WaveHub in Cornwall. Claire will be working with the LIS Delivery leads to turn these into clear project plans and will also lead on clean growth including green energy. Claire will bring back an outline of the LEP's clean growth plan to the April Board meeting.

DR

Comments from the Board:-

- The Board were assured about the APR that there is no risk of any clawback of monies from the Growth Fund or Getting Building Funds (having used the freedom and flexibilities). However, it is essential that Local Growth Funding is completed by March 2021 (there is no give on this, apart from the two dispensations already agreed on the Digital Programme and Taunton Toneyway).
- There were some indications that the Shared Prosperity Fund may be a competitive mechanism similar for example to Towns Fund. These mechanisms are not yet clear possibly with differing views across our sponsoring departments but there may be possible additional insight at the Budget.
- The Energy White paper highlights the fusion demonstrator (Step programme) and the Board needs to note that this is a significant project particularly for Somerset who will be very keen to bid into this programme and is a key agenda item. The Fusion/STEP prospectus has been circulated. The Expression of interest (EOI) is underway which the SW is overseeing and the proposal will be around Hinkley and Gravity and is due at the end of March 2021.
- Freeports expressions of interest are being prepared for Severnside incl Gravity and Plymouth – the LEP is likely to be asked to endorse any final bids.

Decisions required:

To confirm the appointment of Fiona Macmillan as vice-chair for a further year and John Laramy as FE representative (to complete a full 3-year term)

Both the above decisions were approved by the Board.

6. Standing item reports from the LEP Subgroups (circulated in advance)

a) Innovation Board update – Stuart Brocklehurst

The Innovation Board Regional Entrepreneurship Acceleration Programme (REAP) process comes to an end with workshops on the 3rd and 4th of February. REAP and BEIS have confirmed that HotSW is the furthest ahead of all the regions participating. Informally, the Board have been told there will be a new stream of funding for commercialising innovation

and it will be well placed to apply for this. At present, it is not sure of the application mechanism or by which organisation but will be ready to act when known.

b) Skills Advisory Panel (People) update – Fiona McMillan

Nothing further to comment on except there has been a lot of interest in the Kick Start Programme and comments made yesterday at SAP mentioned the difficulty in getting this up and running.

Action: Anything HotSW local MPs can do to expedite the Kick Start Programme would be helpful. DR to circulate a briefing note to BB.

Dept of Work and Pensions are aware of the issues (the programme has generated far more applicants than anticipated) and they are trying to sort to resolve this. The reality is that people are wanting to benefit from training but are unable to access leaving businesses very frustrated.

Some positive news - Exeter College, a partner in the Digital Skills Boot camps had many more students apply than places available for this well-aligned LEP project.

c) Infrastructure and Place update including Natural Capital – Mel Squires and Paul Hickson

The Rural Taskforce is currently working on the Rural Productivity piece to provide a list of actions to support the rural economy and take into account the effects of COVID and Brexit to forward onto Mel Stride, MP who offered to champion this for the LEP.

It is worth mentioning, in light of the comment made about Fusion that the Place group is undertaking a deep dive into Energy at it's meeting on 11 February.

The Natural Capital Paper puts forward two proposals for approval by the Board, but recognises there is still more work to be done:-

- Capturing the natural capital impacts and outcomes of existing planned LEP investments
- Natural capital pilot demonstration fund

It features in the HotSW's LIS and is one of the 15 programmes in the Building Back Better document and recent conversations with MPs indicate support for the clean growth agenda. The intention is to bring this back to Finance and Resources and the Strategic Investment Panel in March once worked up further. Thanks are given to colleagues including Eifion Jones, Paul Hickson and others who helped build the model.

Comments from the Board:-

- Unclear on what the LEP will be funding and how will the LEP make those difficult decisions on facilitating resources, (one resource over another) to ensure the significant benefit and wins for the region.
- Towns funds- it would be good to hear from a LEP perspective of some of the investments going on.
- To drive productivity – transport is a key element, could the LEP join up the various railway proposals into a timeline and vision (inc. all the passing loops and new stations) to have the full picture?

**BB
offered
to follow
up.**

- There is also the South West Partnership for Environment and Economic Prosperity (SWEEP) to help identify really transformative and wide impacting projects, as opposed to funding more traditional approaches.

Action: The Peninsula Rail Taskforce has a clear set of priorities for the region. A rail briefing document including electrification will be circulated to the Board.

DR

The Board's comments were welcomed. There is a great opportunity to be innovative e.g the Somerset Levels and Moors with it's unique USP's but there is currently a challenge around phosphates and future development where a facilitation loan would have a real opportunity in capturing the great value and benefits of the Levels and the Moors and help to address some of the challenges which are holding up development.

Taking into account research and learning from academic partners will ensure the right model is established for testing but above all the paper seeks to embed the principle of natural capital into the LEP's economic obligations.

DR – noted that there needs to be more work done on roads and especially electric charging and sustainable travel plan. Claire's appointment as Head of Delivery was to provide additional management capacity and oversight to help identify and prioritise shovel ready projects that are achievable in the lifetime of the present Gov't and to develop a pipeline of projects and activities that directly relate to the BBB model to best position the LEP for the Gov'ts growth plan.

With the Growth Deal and Getting Building Fund monies all allocated and contracted and EU funding finished, the LEP is waiting to see what the Shared Prosperity and Levelling Up funds will look like, but there are concerns that the SW will not be included in Levelling Up Funding. NB at PM's questions this week, Sir Gary Streeter, MP on behalf of the SW asked a the very helpful question, reminding the PM that the SW should not miss out on levelling up funding and received positive reassurance from the PM that this was on his radar.

There are currently two bits of work ongoing in terms of budgeting for next year:-

- With money left in the Growing Places programme (approx. £2.5 million) Finance and Resources (F & R) are reviewing this to make recommendations on how to use this. £1 million will be ring-fenced to support the work for projects to bring forward natural capital. It will be maintained as a loan fund to generate a value proposition and would anticipate applications from Plymouth Marine Park and the Somerset Levels and Moors but it will be up to local partners including Natural England, the Environmental Agency and Local Authorities to develop these up.
- During the last year, the LEP has also been looking at how to allocate resources to deliver the LIS – hence there is a Head of Digital and leads:-Corinne Matthews on Nuclear and Aerospace, Sheldon Ryan for marine, Claire Gibson now on energy and clean growth, a new rural lead in Chrissie Ingle and an Innovation Board established with the support of the Universities. Planning is underway for next year's budget to allocate resources to facilitate delivery with initial discussions at February's F & R meeting and the budget being signed off in March. It was emphasised that there is still money available to support the Oceans

<p>Institute model but Gov't have asked for a regional model and Claire Gibson will have a role in oversight and management of this to demonstrate the regional value.</p> <p>The decision for the Board today is to signal a willingness to ring-fence up to £1 million from the Growing Places Fund for the natural capital pilot demonstration loan fund. To be clear SIP and F & R manage the work and bring forward recommendations to the Board for approval.</p> <p>The decision to ring-fence up to £1 million from the Growing Places Fund for the Natural Capital pilot demonstration Fund was approved by the Board.</p> <p>Action: The Delivery Plan and Annual Budget to be circulated to the Board and by exception, if any Board member has any queries or concerns this will be taken up directly with the individual to discuss.</p> <p>d) Business Environment update – Richard Stevens A slide deck was shown on the recent work of the Business Leadership Group (BLG) with explanatory notes (these will be attached to the Board minutes and circulated.) This shows that the Growth Hub is not just the Service For All but an ecosystem of different activities, such as Scale Up, Peer to Peer and Export advice (through EU transition funding), the core Growth Hub outputs and the BLG work programme. Of significance is the core contract from BEIS (light blue) and the LEP's core contribution (orange) account only for 40% of the overall Growth Hub funding.</p> <p>Thanks were expressed to colleagues working on business support which has seen intensive activity and hopefully this reassures the Board that the BLG is delivering well.</p> <p>Comments from the Board:- LA's have dedicated huge resources in getting grants out to businesses during COVID but due to the complexity of these not everyone that is entitled has been reached. Could the LEP assist by pulling together a regional meeting with the banks and accountancy firms to brief them on the schemes and perhaps a marketing campaign (radio?) through the Growth Hub? Further simplification of the business support environment is required, can this be emphasised at the forthcoming APR?</p> <p>Action: A briefing note to be drafted on all the various business scheme grants for COVID.</p> <p>e) Strategic Investment Panel update – this was updated by Richard Stevens (Deputy) in place of David Bird who could not attend. (Commercially confidential)</p> <p>f) Finance and Resources update – this was also updated by Richard Stevens (Deputy) in place of David Bird who could not attend. (Commercially confidential)</p>	<p>EJ/DR</p> <p>DR</p>
<p>7. ESIF update plus appendices a) ESF, b) EARFD, c) ERDF (circulated in advance and all commercially confidential) provided by Eifion Jones. (Commercially confidential)</p>	

<p>Since the above – a proposal has been sent to the Minister for unlocking the uncontracted national ERDF monies and hopefully, there will be more news in the future.</p>	
<p>8. Papers for noting No comment.</p>	
<p>9. AOB A short break was taken for 5 minutes and the group reconvened at 11.26 am for a Post meeting discussion on COVID 19 Recovery Plan and Build Back Better led by David Ralph. NB, it was noted that the MS teams invite was until 11.30 am but it would be appreciated if those Board members that could stay on did so, but acknowledged that some would have other appointments and would need to exit the meeting.</p> <p>A slide graphic of two maps side by side of the UK was shown from the Institute of Fiscal Studies (drawn up pre – Christmas) expressed the challenges around COVID response and levelling up. This clearly shows the impact on the SW coastal and rural communities and is clear on the economic impact COVID has had especially relating to hospitality and tourism. The map (by a third party) is a simple way to demonstrate the LEP’s message for levelling up.</p> <p>Action: To take this forward, volunteers from the Board are requested to form a BBB Taskforce to look at the BBB plan, priorities and response.</p> <p>Concerning the response piece, there are real concerns about the emergency grant process, which all areas say is overcomplicated, with some areas overwhelmed, others not, made more difficult by moving through the legacy tiers with different grant regimes available before the national lockdown.</p> <p>Action: There is a role for the LEP to clearly understand the grants process. A briefing note will be compiled (working with representatives from the Districts and Unitaries) to understand the overall picture and what is required and then circulated.</p> <p>National economic data from before the current lockdown suggests a 4% hit and double-dip recession on the economy but any new forecasting is proving difficult and not worthwhile in an ever-changing landscape – the LEP is reliant on using national and regional data in the absence of any bespoke SW Data. The BLG is doing a good job getting to grips with business support package landscape and all the different incremental pots of funding support, but challenges remain around fishing post-Brexit, are sufficient grants and to those that need it and have any areas been missed out in the response?</p> <p>The final day for feedback on the BBB plan is today having been out for consultation and generally receiving a positive response. The real challenge will be whether the LEP’s future investment priorities meet the priorities of BBB around clean and inclusive growth. The next steps will be to produce a feedback paper to review against the BBB plan, to publish and to develop the project pipeline, which the BBB Taskforce will oversee.</p> <p>Comments from the Board:-</p> <ul style="list-style-type: none"> ➤ It was emphasised that the map graphic shows the M5 corridor has fared better during COVID with the rural and coastal perimeters plus Torridge and Torbay being left behind 	<p>All to DR</p> <p>DR</p>

<p>(noting they are not in the highest band). The LEP's levelling up and evidence base also bears this out and includes some urban areas.</p> <p>➤ Two recent workshops with local MPs on BBB have been well received with a broad agreement for the plan with just a few tweaks needed here and there. It was agreed this depends on money from the Gov't and to draw up a specific task list to be circulated to Sir Gary Streeter, MP for him to get the support of all MPs to lobby Gov't.</p> <p>Action: A note regarding levelling up, the evidence base and recovery to be sent to all local MPs to ensure they can support the case to Gov't. (This was sent out on 5 February).</p> <p>➤ Action: For Board members to engage with local MPs and encourage them to all unanimously support BBB at Whitehall level. Would it be helpful for the LEP to draft a note that individuals can send to respective MPs?</p> <p>There is frustration that when announcements are made by Gov't on grants, the guidance takes days to filter through to LA's administering the funding. Recent discussions with Devon District Leaders resonate with the evidence of left-behind areas, emphasising the need for improved communication links in district areas. An agreement that refreshing the economic data is far too challenging at the moment, becoming out of date as soon as it's published.</p> <p>The Chair concluded by stating that the immediate top three priorities in the short term between now and the Budget are:-</p> <ul style="list-style-type: none"> - Digital - Energy, upgrade of the grid capacity to take up the opportunities of renewables and flow. - Coastal and Rural, Tourism about productivity <p>These were agreed with local MPs at the recent MP workshop sessions.</p>	<p>DR/JP</p> <p>All/DR</p>
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Next meetings:-

Board session - Deep Dive into Tourism Sector, 19 February from 9.30 – 11.30 am via MS teams

Board meeting- 23 April from 9.30 am – 12.30 pm either face to face or via MS teams TBC