

**Minutes of LEP SIP Meeting
09/03/2021 at 09:30 – 11:30
Via Microsoft Teams**

Board attendees:

*Amanda Ratsey, Business Lead, HotSW LEP Management Team
David Bird, Chairman of SIP, HotSW LEP Board Member
Paul Hickson, Place Lead, HotSW LEP Management Team
Keri Denton, People Lead, HotSW LEP Management Team
Richard Stevens, Chairman Business Leadership Group, HotSW LEP Board Member
Mel Squires, Chairman Place Leadership Group, HotSW LEP Board Member
Carl Wyard, Torbay Development Agency
David Ralph, HotSW LEP Chief Executive*

Officers in attendance:

*Eifion Jones, Chief Operating Officer, HotSW LEP
Ian Harrison, Independent Transport Assessor
Mel Sealey, HotSW LEP PMO
Simone Marillier-Roberts, HotSW LEP PMO (minutes)
Richard Snell, HotSW LEP PMO
Henry Seymour, Cities and Local Growth Unit BEIS
Claire Gibson, Head of Delivery at HotSW LEP
Melanie Roberts, SCC Accountable body
Hannah Norman, SCC Finance
Ben Bryant, SCC Finance
Anne-Marie Spalding, Place LG, SCC*

Agenda Item guests

*Naomi Harnett, Enterprise Zone Programme Manager
Andy Wood EDDC*

NOTE: 4 voting members are required to be quorate. Number of voting members present in meeting: 8

NOTE FOR AUTHOR

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These minutes and the accompanying decision/actions table are now required to be published onto the LEP website with 10 clear working days of the meeting taking place. This may be in draft if internal LEP processes require clearance before they are finalised. The final documents must be published within 10 clear working days of being approved.

Therefore, following the process outlined above, please send the documents to LEPAdmin@somerset.gov.uk who will upload them onto the website.

Item No.	Agenda Item	Actions
1	Apologies	
	Jane Dumeresque – LEP Board Fiona McMillan – People Lead, LEP Board	
2	Declarations of Interest	
	PH – Dunball, TDIC, Natural Capital Demonstrator Fund KD – Mobile Boost, Science Park	
3	Minutes from Last SIP Meeting – 12th January 2021	
	Minutes from the previous meeting were approved by the group Andrea Davies to no longer be copied into minutes and meeting invitations since the LTB will cease to exist following the 11 th March meeting.	
4	For Decision - Investment Programme Business Cases and Project Changes	
4.1	Growing Places Fund	
	MR provided a verbal update to the paper provided <u>Points raised</u> <ul style="list-style-type: none"> Noted that the figures contained in the paper for remaining loans do not include interest. It was advised that BB and MR would calculate and include this accordingly. Balance of funding £5.5m and the difference in total funding is due to £4.2m for BDUK provided as a grant and not a loan. There is potential to award £1m to the Natural Capital Demonstrator Scheme to be discussed later in the meeting. £1.1m balance in revenue admin reserve constituted of the LEP top-slice and interest which is fully allocated through underwriting the Growth Hub and Careers Hub operations. Request made for capital interest rate holiday until next year and then a reprofiling of payments until 31/03/25 considering Covid. <p>DECISION</p> <ul style="list-style-type: none"> SIP agreed an approach based around the following principles and requested a more detailed paper setting these out along with potential implications was to be brought to the next meeting <ul style="list-style-type: none"> i) Gateway: a project needs to be materially impacted by Covid and the more detailed proposal would need to set out some guidance. 	

	<p>Caution needed over absolutes as different sectors have different levels of impact & tolerance. If the Gateway is passed, then</p> <ul style="list-style-type: none"> ii) agree capital and interest holiday to 31st Mar 2022 iii) Reprofile to the original payment date from then iv) Revisit by 31st Mar 2024 as 2 year anniversary v) Standardise interest at base rate + 1.5% wherever possible: this is still cheap money vi) No write-offs unless project is closed <ul style="list-style-type: none"> • Look at consequences of these principles before finalising the decision (incl impact on the profile) - paper for May SIP <p>ACTION – MR to provide a paper for May SIP on a detailed proposal around the above, setting out the implications on e.g. profile, interest etc</p>	MR
4.2	Growth Deal	
	<p>Variation to Digital Accelerator Programme AMS provided a verbal update to the paper provided <u>Points raised</u></p> <ul style="list-style-type: none"> • A variation in funding profile was presented to accommodate delays in spend due to Covid • A separate email requesting variation to the Bridgewater & Taunton College scheme will be circulated • Spend will be absorbed through Bower Lane F & F <p>DECISION – Proposal approved.</p> <p>Variation to Mobile Boost AMS provided a verbal update to the paper provided <u>Points raised</u></p> <ul style="list-style-type: none"> • A variation in funding profile was presented to accommodate delays in spend due to Covid • The Programme launched at the end of February 2021 and has already received applications • AMS advised she will be closely monitoring the project to ensure it remains on track <p>ACTION -</p> <ul style="list-style-type: none"> • AMS to remind Programme delivery team of completion deadline March 2022 <p>DECISION – Proposal approved</p>	<p>HN/MR</p> <p>AMS</p>

		HN/MR
4.3	Getting Building Fund (GBF)	
<p>TDIC Variation to Business Case JE and PH provided a verbal update to the paper provided <u>Points raised</u></p> <ul style="list-style-type: none"> Confirmed that despite building redesign, there is no impact on the net lettable space output With no impact on net lettable space, there is also no resultant impact on financial sustainability Measures include a reduction in corridor width and communal space but the proposal has made provision for internal changes to ensure future changing needs could be accommodated <p>ACTION – JE to provide additional words confirming building redesign impact and a revised table which accounts for all output markers. Grant funding agreement to include condition of confirmed ERDF funding in place prior to first claim</p> <p>DECISION – Approved subject to revised outputs confirmation.</p> <p>Dunball Junction Business Case IH provided a verbal update to the paper provided <u>Points raised</u></p> <ul style="list-style-type: none"> The business case was approved in principle at January SIP subject to a revised business case. The revisions presented included a £4.7m underwriting by Sedgemoor Council. The bid is for £135k plus 2% LEP fee in respect of the scheme's design fees. The conditions agreed were that the design costs would become revenue and funding repaid if the scheme was not delivered. Town Deal funding bid remains to be approved but the Sedgemoor underwriting mitigates this risk The updated design includes provision for cyclists and pedestrians. <p>ACTION – IH to investigate if the cycling infrastructure could be included as a scheme output DECISION – Proposal approved</p> <p>Funding Reallocation Principles EJ provided a verbal update to the paper provided <u>Points raised</u></p> <ul style="list-style-type: none"> Underspend in main from Zebcat and Smarter Carbon allocations of around £800k For consistency, reference was made to Growth Deal principles from 2019 Hierarchy of preference according to existing projects able to make-up 		<p>JE</p> <p>JE</p> <p>IH</p> <p>IH</p>

<p>job output shortfall originating from the Exeter Bus Station programme application; future output creation; schemes where increased costs have put outputs at risk</p> <ul style="list-style-type: none"> • SIP can award up to £250k to a single project, with higher amounts of funding requiring Board approval • Ilfracombe Water Sports Centre already reporting a 12% – 13% increase in costs in result of Covid • Confirmed that funding cannot be used for LEP costs • Confirmation that Exeter Bus Station job numbers remain unaltered • Theme leads to work with projects on variation papers for consideration as needed <p>DECISION – Proposal approved</p> <p>4.4 Other Funding Natural Capital Demonstration Fund AMS and CG provided a verbal update to the paper provided <u>Points raised</u></p> <ul style="list-style-type: none"> • A 2-step process was recommended to the Panel for the allocation of funding. • First stage would include an EOI and stakeholder briefing • From the EOIs, a shortlist would be generated with candidate projects invited to full business case. A £20k enabling fund is ringfenced to provide capacity building to the stakeholders in business case production. This will be funded from the Growing Places admin budget • Evaluation of the business cases will require financial acumen and should be resourced accordingly • The timescale is tight with a target deadline of 8th April 2021 for EOIs and a workshop provision beforehand. • Comms and expectation setting around loan (not grant) mechanism required <p>ACTIONS – CG and AMS to provide a summary of applications to SIP on 23rd April for selection or shortlist. Final approval of business cases to be circulated ahead of September SIP 2021.</p> <p>DECISION – Proposal approved</p>	<p>IH All</p> <p>CG/AMS</p>
<p>5</p>	<p>Investment Programme Delivery</p>
<p>5.1</p>	<p>Investment Programme Report</p>
<p>5.2</p>	<p>Amber Project Review</p>
<p>n/a</p>	

5.3	East Devon Enterprise Zone Update
NH and AW presented an update on the East Devon Enterprise Zone, slides circulated with minutes	
5.4	SCC Update
n/a	
5.5	CLGU update
n/a	
6	Strategic Agenda Items
6.1	ESIF Update
n/a	
6.2	Future Project Pipeline
To be brought forward at the Recovery Task Force meeting Friday 19 th March	
7	AOB

Next Meeting: Tuesday 11th May 2021

Table of Decisions

SIP Paper	Decision Required	Decision Agreed
Growing Places Fund	Variation to financial profile	Deferred - Further information required before final decision can be made
Digital Accelerator Programme	Variation to financial profile	Approved
Mobile Boost Programme	Variation to financial profile	Approved
GBF TDIC	Variation to business case	Approved subject to conditions
GBF Dunball Junction	Variation to business case	Approved subject to conditions
GBF funding reallocation principles	Use of unallocated or remaining funding	Approved
Natural Capital Demonstration Fund	Use of unallocated funding	Approved

DRAFT