

(Draft) Minutes of HotSW LEP CIC Board Meeting
23 April 2021
from
9.30 – 11.30 am

Board Attendees:

Cllr David Hall - Cabinet Member for Resources and Economic Development, Somerset County Council
David Bird, Isca Ventures LLP
Dr Fiona McMillan OBE – Senior Advisor, 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
Keri Denton – Head of Economy & Enterprise, Devon County Council, alternate for Cllr Rufus Gilbert
Kevin Mowat – Director of Place, Torbay Council, alternate for Cllr Steve Darling
Prof Lisa Roberts – Vice-Chancellor, University of Exeter
Melanie Squires MBE – SW Regional Director, NFU
Paul Coles – CEO, SWBC (joined at 10.07 am)
Paul Crawford – Chief Executive, LiveWest
Cllr Phil Bialyk – Leader, Exeter City Council
Richard Stevens – Managing Director, Plymouth City Bus Ltd
Sarah Cook - Vice President UK Operations, Leonardo (left early at 10.45 am)
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

Officers in attendance:

Alex Parmley - Chief Executive, South Somerset Council, Officer accompanying Cllr Val Keitch
David Ralph – HotSW LEP Chief Executive
Jason Vaughan, Director of Finance for Somerset County Council
Karime Hassan – CEO, Exeter City Council accompanying Cllr Phil Bialyk
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
David Warburton MP – representing Somerset MPs (left early at 10.10 am)
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 (for items 6 and 7)

Apologies:

Ben Bradshaw, MP – representing Devon MPs

Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council

Cllr Steve Darling – Leader, Torbay Council

Paper	Decision	Decision agreed
Agenda item 5 - CEX Report	The Board to agree to the working arrangements and next steps in response to the LEP review.	The Board agreed in principle to the working arrangements in response to the LEP review but agreed to establish a group to continue discussions, with the possibility of convening another Board meeting before July.
Agenda item 6 – Clean Growth Priorities	The Board to approve the HotSW LEP’s Blueprint for Clean Growth, and the proposal that the Board has responsibility for monitoring progress towards delivery of the clean growth priorities. The paper also highlights five priorities that we will pay particular attention to over the next 12 months.	The Board approved the Blueprint subject to comments being taken on board and agreed to be responsible for monitoring progress, with an update to be provided as a standing item on future Board agendas.
Agenda item 8 – Business Plan (commercially confidential)	Board members are requested to review the plan and provide feedback to eifion.jones@heartofswlep.co.uk by 30 th April and agree to delegate sign-off of the final plan to the Chair of F&R and the Chief Executive.	The Board noted the feedback comments by the deadline date and approved delegation of the final sign-off.
Agenda item 9a) – Innovation update	The Board to approve the membership and Terms of Reference.	The Board approved these.

Agenda	Action
<p>1. Welcome & Apologies Apologies as above.</p>	
<p>2. Declarations of interest Due to some changes in Board member roles, it was felt important to update the Board as follows:- VF – taken on the role of Chair of Visit Devon, the declarations register has been updated. FM – her role has changed at EDF/HPC from non-executive director to senior advisor, the declarations register has been updated. DH – a Board member of Connecting Devon and Somerset (CDS), the register needs to be updated. DB – a Director of Isca Ventures LLP working with SMEs to raise debt and equity finance and specifically, has recently won the access to finance work commissioned by the LEP, the declarations register has been updated. RS – To note that Devon & Plymouth Chamber are now involved in delivery (RS chairs the Chamber) and he has become Chair at City College Plymouth, the register needs to be updated. DR – on behalf of Paul Coles, recently appointed Chief Executive of South West Business</p>	

<p>Council (SWBC) and the declarations register has been updated. DR – due to the discussion on the agenda re CDS that David is the LEP representative on CDS.</p> <p>Noted that the Dept for Digital, Culture, Media, and Sport (DCMS) is currently conducting a consultation on the future of Destination Management Organisations (DMOs) which closes shortly. A LEP response is being formulated in conjunction with discussions across DMOs in the region to agree on common messaging, and it is important this is shared with LA's and councils too, especially as funding models for DMO's differ across the SW.</p> <p>Action: The LEP response will be circulated to local councils and VF, but any other members wishing to view to please request from the CEX.</p> <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>	DR
<p>3. Draft Minutes of 22 January 2021 Board meeting and actions arising</p> <p>C/f from November 2020 Board meeting. Critical concerns over grid capacity and railway resilience to be discussed at the next Board meeting. See the link posted on the MS teams chat function which refers to this https://peninsularailtaskforce.co.uk/closing-the-gap-the-south-west-peninsula-strategic-rail-blueprint/ and the low carbon energy priority in the Blueprint for Clean Growth. This item is now closed.</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. Ongoing.</p> <p>Action: To circulate the Local Skills Report to other Registered Social Landlords for feedback. This will be discussed at the meeting next month.</p> <p>Action: Feedback on APR. The LEP understands this has been drafted and signed but not sent out. The LEP's Government sponsor subsequently updated the Board saying a letter is due out to the Chair confirming the LEP has met all its APR targets. The Board will be informed in due course.</p> <p>Action: Anything HotSW local MPs can do to expedite the Kick Start Programme would be helpful. It is understood that whilst there were initial challenges, both the Dept of Work and Pensions (DWP) and partners have worked hard to ensure the programme works. This item is now closed.</p> <p>Action: The Business Plan (Work Plan) is on today's agenda today to discuss.</p> <p>Action: A briefing note to be drafted on all the various business scheme grants for COVID. This was circulated. The framework for these is changing all the time and with spend deadlines fast approaching, the LEP is currently in conversations with the Local Authority (LA)</p>	PCrawford DR

<p>partners to ensure spend is maximised.</p> <p>Further action – To draft a next steps grants paper to review if there is anything more that can be done and to consider if there is any national underspend that the HotSW area could potentially make a case for.</p>	<p>DR</p>
<p>4. Questions from the public. None.</p>	
<p>5. Chief Executive’s Report</p> <p>In addition to the written CEO report, a slide deck was circulated to the Board before the meeting and shared via MS teams covering the main points of the agenda. The CEO has just finished a G7 Legacy Board call, reporting that a lot of negotiations are taking place between Cornwall and No 10. Cornwall has been successful in creating legacies from the impending Summit, notably the recent Gov’t announcements for a Truro Town Deal, Priority 1 status for a Digital upgrade, Priority 1 status for the levelling up fund for the Isles of Scilly – all part of Cornwall’s legacy asks. The HotSW LEP is awaiting an update on the greater regional benefits.</p> <p>It is acknowledged that whilst it has been a tough year for all it is felt the region has done well in supporting businesses to manage their way through the pandemic. However, as businesses are weaned off support mechanisms there will undoubtedly be more economic fallout to come. A HotSW LEP Business Bulletin will be published next month. Other highlights include some of the big changes since the last Board meeting which include the Budget, the LEP Review, and the delivery plan.</p> <p>The Build Back Better document has been published and some PR work is underway. The document has two purposes, firstly for the LEP to indicate to Gov’t its ambitions for the next 12 – 18 months in bringing forward transformational opportunities, and secondly to make delivery clear and to guide the work plan whilst LEPs are undergoing a review process.</p> <p>The Local Skills Report has also been published but no further guidance on what happens next from the Dept of Further Education (DfE).</p> <p>It was felt important for the Board to have sight (via the slide deck) of the data supporting the economic impact of COVID and what’s happening to the economy. This shows a small increase in economic recovery over the last few weeks, faster than originally thought and not as bad as previously predicted. The actual impact will be more long term i.e the damage caused to the high streets and key attractions. Whilst retail sales look positive this is mainly due to online sales. It is feared claimant counts and insolvency may get worse as furlough comes to an end and support measures put into place by the Gov’t to cushion the pandemic reduce. The risk of business failure is greater now as businesses face the challenge of moving from survival mode to recovery. Cash flow is slightly better, helped by the opening up towards the end of last year and it is hoped the estimated £40 billion of consumer underspend will fuel recovery. Whilst there are still opportunities in STEM areas the challenge as always is to raise skills to enable people to take up the jobs available.</p>	

It was noted the Gov'ts language is changing from Clean Growth to Net Zero and the LEP may need to adjust its language accordingly and ensure this new language is aligned and reflected across its suite of documents and strategies. To get the economy moving the public needs to be encouraged to return to using public transport again. When social distancing restrictions are removed from 21 June the only requirement remaining will be for facemasks to continue to be worn on public transport and the continued use of hand gels and enhanced cleaning.

As part of the Budget, Gov't published its Plan for Growth to which the LEP's Build Back Better (BBB) plan aligns. This is a shift away from the long-term Industrial Strategy to a short to medium-term outlook, and with the Treasury leading instead of BEIS. The drivers now are Global Britain, net-zero, and levelling up, and the focus is expected to be on themes such as innovation, the digital economy, and skills. The mechanisms for delivery of local growth have also changed. Whilst the LEP still has the Getting Building Fund to manage, it no longer has any large local growth funding as this has been replaced by the levelling up fund, community renewal fund, and possibly the community ownership fund, all of which are being delivered by the LAs. This may lead to more fragmented place-based delivery.

The LEP review is underway but it's not known if the Terms of Reference (TOR), copied to Board members in the papers, will be consulted upon more widely with Local Government Agencies (LGAs) or Business Representative Organisations. BEIS is leading the review and the message from the Minister of State is that this is about "evolution not extinction". The LEP is keen that the summer deadline for completion of the LEP review is kept to, as clarity is required as soon as possible. Plans are being developed for the HotSW LEP to engage with local stakeholders and staff, and to begin considering options for a new operating model. In the meantime, it is important that HotSW remains on track to deliver the GBF, the Board takes ownership of the delivery plan, ensures the Growth Hub is as good a model as possible and that the transformational opportunities are progressed. Future funding for LEPs beyond March 2022 will not be known until the Autumn Budget.

The following comments were made by the Board:-

- The HotSW LEP cannot be constrained by geographical boundaries as many of our priorities such as clean growth and skills rely on economic interaction and overlap with our neighbouring LEPs i.e Cornwall and the Isles of Scilly (CIOS) to reap maximum impact. This also includes looking to the West of England and shared interests across boundaries. How do we engage with our neighbouring LEPs to ensure LEPs are not competing against each other? There are existing structures in place where these conversations already take place to facilitate these conversations e.g Great South West etc.

Action: To discuss how common priorities across LEPs are not constrained by geographical boundaries in the LEP review with CIOS and Dorset LEPs, perhaps with a Board to Board workshop?

- The current LEP review may have both positive and negative consequences on the continuity of delivery structures and stability, which need to be highlighted on the Board Risk Register. The Board was assured they were. Although this represents a significant challenge it is important to stress that work continues to support the economic recovery.

KT/DR

<p>➤ The Met Office and Microsoft have recently announced that they are joining forces to build the world’s most powerful weather and climate forecasting supercomputer to be based in the south of the UK. This will bring a real opportunity for skills and people in the HotSW to exploit the new capability and to capitalise on the strength of environmental intelligence in Exeter, especially as only 5 of the top 21 of Reuter's list of top global climate scientists are in the UK and all are University of Exeter scientists.</p> <p>Action: The Board agreed in principle to the working arrangements in response to the LEP review, but there is a need to set a further date to continue discussions, with the possibility of convening another Board meeting before July.</p>	<p>KT/DR</p>
<p>The agenda was rearranged to accommodate agenda item 8 next.</p>	
<p>8. Business Plan including (commercial in confidence) presented by David Ralph.</p> <p>a) Work plan board paper b) Draft Work plan</p> <p>Action: To update the risk register with more detail on the financial set of risks going forward.</p> <p>The Board agreed to delegate the final sign off of the work plan to the Chair of F & R and the CEO.</p>	<p>EJ All/EJ</p>
<p>The above agenda items took a substantial part of the Board meeting to discuss and resulted in less time being available for the remaining agenda topics which needed to be succinct.</p>	
<p>6. Clean Growth Priorities by Claire Gibson, Head of Delivery including:-</p> <p>a) Blueprint for Clean Growth cover paper b) Blueprint for Clean Growth</p> <p>This paper seeks approval by the Board for the HotSW LEP’s Blueprint for Clean Growth and for the Board to monitor progress towards delivery of the clean growth priorities, highlighting five priorities the LEP will pay particular attention to over the next 12 months.</p> <p>It capitalises on the important clean growth thread within the LIS and the Build Back Better (BBB) transformational opportunities and embeds clean growth into the identified enabling programmes. It is acknowledged that clean growth is not the same as net-zero but the Blueprint will help the LEP to meet net-zero targets as well as delivering clean growth. The 6 themes demonstrate the activities that can be aligned with key partners i.e with LAs to help deliver recovery plans alongside new actions. Whilst currently there is no new funding, a great team of specialists is already in place to help deliver the priorities, such as for nuclear and marine, and colleagues leading on skills and business support are also willing to help deliver the clean growth priorities. The Blueprint provides the focus to ensure these agendas are joined up. It makes a clear statement of the HotSW LEP’s priorities to existing partnerships across the region, enabling common areas of interest and collaboration to be identified.</p>	

The following feedback from the Board was given:-

- Under the Green Business section, to weave in regenerative and sustainable farming.
- Measurability of outcomes as opposed to activities.
- There is nothing on carbon capture but the LEP has the geography to do this with commercial firms interested.
- Need to mention decarbonisation and tree planting within natural capital.
- Pages 11 – 12 mention offshore renewables followed by text on establishing Ocean Futures but OF is about more than this.
- Offshore renewables links HotSW to CIOS, with most Research and Development (R & D) in the HotSW area and delivery in CIOS with huge overlaps in between. We need to be seen to be working together. The first FLOW monies are being accessed with a large grant already drawn down across both LEP areas benefitting the two Universities and business partners – is it worth switching this into existing activity? This bears out the absolute importance of working across boundaries. The same applies for Ocean Futures, although based in Plymouth, it has a much wider pull.
- The LEP needs to emphasise its role as a convener to bring manufacturers, suppliers, and businesses together to initiate collaboration with universities, innovation, and new technologies.
- There are opportunities for businesses and social housing providers to work with the LEP on the decarbonisation of housing stock, R & D, and the regulatory agenda (which they will need to comply with anyway) but may bring quick wins with businesses who wish to get ahead of the agenda together with the support and collaboration of the Universities.
- There is no reference to the circular economy which can draw upon existing expertise (i.e Exeter University runs the UK’s circular economy hub) to support SME’s to examine their sustainability and could drive forward some quick wins.
- BEIS has also funded an ‘Impactor’ which allows communities to assess their energy resource uses for action – more information can be provided for this to complement the sustainable community piece.
- There are hints of some major funds coming from Gov’t around Natural Capital which will enable activities in this space.
- An impending Gov’t announcement is due concerning support for SMEs to put into place carbon plans. Given the LEP’s strong credentials in this area, it would be good to encourage Gov’t to announce this in the HotSW area.

Claire was commended on a very good informative document.

The Board approved the Blueprint for Clean Growth subject to taking on board the additional comments above and agreed to take collective responsibility for monitoring progress, ensuring an update is provided as a standing item on future Board agendas. future.

7. Digital Strategy and Activity Update – Claire Gibson and Keri Denton

A power-point presentation was circulated to the Board before the meeting and was shared on-screen via MS teams.

This covered recent headline Gov't announcements from the Budget in March, the Digital Strategy for the HotSW LEP, an update on Connecting Devon and Somerset (CDS), the Digital Skills Partnership, the provision of business support, and how to address the gaps and included some of the activities the Innovation Board is looking into which form part of the overall digital work and propositions being developed.

Under the Digital Skills Partnership, it is worth highlighting to the Board the success of the Bootcamps/Train4Tomorrow which received additional funding to extend the duration of the programme. A Virtual Jobs Fair is being held on 26 May, which aims to match learners with interviews across employers and the Board is asked to encourage as many employers as possible to attend who have vacancies to maximise the value of the programme.

A business case has been submitted for consideration for a follow-on Bootcamp - one for engineering with Somerset County Council as the accountable body and a digital one with Devon County Council that is also in partnership with Cornwall and Dorset. A decision on these Wave 2 boot camps is expected by the end of the month.

The Chair apologised that the meeting had overrun with remaining agenda items still to cover but recognised that some board members would need to leave due to other appointments but was appreciative of those members who could stay on.

The following questions arose:-

- Are there any key learning points that can be taken forward from the CDS process?
- How can the LEP add value and improve things?
- What does the provision of broadband into the hardest-to-reach places look like and is there anything that needs to be done differently?

There is a Gov't consultation about ideas on how to get good gigabit broadband to the very hard-to-reach locations which the CDS programme will use and is happy to work with the LEP in providing the supporting evidence including engagement. Lessons have been learned from the Giga clear contract which has proved that building full-fibre solutions in remote rural areas is both difficult and costly. The contract terms were varied as much as the Gov't boundaries would allow, but it is a Gov't. contract. The whole point of the mobilisation phase is to de-risk the build and the cost-benefit model had to be tested within the commercial market. Currently, chosen contractors are all already delivering full-fibre solutions in rural parts of the area. It's a fine art to flex public investment at the national level alongside local funding and commercial plans. The business case to the LEP will set out the strategic aim of why the job is not complete and is looking at community-based solutions with excellent learning taken from earlier pilot work.

In recent days incorrect claims have been made on social media and elsewhere that CDS asked DCMS to delay Project Gigabit investment in Devon and Somerset, CDS have in fact said they wish to start quickly.

Thanks were given to Claire and Keri for the update.

9. Standing Item reports from LEP Sub-Groups

<p>a) Innovation Board update – Stuart Brocklehurst The Regional Entrepreneurship Acceleration Program (REAP) has concluded. There is a draft project initiation document for the Technopole. Discussions have commenced with Tech SW on how their activities could play into this and with MIT REAP to provide examples from around the world. The Universities are working on an action plan, and the marine and environmental intelligence piece, with a meeting in approx. 10 days to progress this further. The terms of reference (TOR) are included for Board sign-off together with membership details. Recognition was given that despite less happening in some areas that these would not be overlooked and to ensure inclusivity across geographies. The membership includes 2 people from Somerset, 1 from Torbay, 4 from Plymouth, and 6 from Devon, reflecting the research assets from the location of the Universities and Science Parks.</p> <p>A question was raised about the Innovation Strategy/work plan – this is currently being drawn up by the Universities and further information will be forthcoming when ready.</p> <p>The Board approved the TOR and membership details.</p> <p>b) Skills Advisory Panel (People) update – Fiona McMillan The last meeting was on 29 March and apologies that notes are not available yet. It is difficult to understand whether the shift in Gov’t language is to do with policy or something else? There are signs that skills are being looked at more locally and the White Paper includes the role of Chambers in this, which whilst good, is at the risk of losing the strategic view of skills which alludes to the geography question again.</p> <p>c) Infrastructure and Place update – Mel Squires The last meeting was on 20 April with apologies notes are not out yet. This meeting included an agenda item on Digital Connectivity. The references made to the ambitions of Natural Capital during the meeting are encouraging. The response to the Natural Capital Demonstrator Loan Fund has been disappointing and so a review is underway and lessons will be learnt. Further feedback will be given at a future Board meeting.</p> <p>d) Business Environment update – Richard Stevens Nothing further to update since the paper was circulated.</p> <p>e) Strategic Investment Panel update – David Bird (commercially confidential)</p> <p>f) Finance and Resources – David Bird (commercially confidential)</p>	
<p>10. ESIF update plus appendices a) ESF, b) EAFRD, c) ERDF – David Ralph (all commercially confidential)</p>	
<p>11. Papers for noting No comment.</p>	
<p>12. AOB DR – Referring to the earlier item on convening an additional board meeting re the LEP</p>	

review before July – the Board were reminded that a decision will also need to be made concerning the £8 million for digital.	
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The meeting finished at 11.47 am and apologies were once again given for the overrun.	
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Next Board meeting:- 16 July 2021, 9.30 am – 12.30 pm via MS teams or face to face TBC
This has subsequently been confirmed via MS teams until 12 noon.