

**(Draft) Minutes of HotSW LEP CIC Board Meeting**  
**6 July 2021**  
**9.00 – 11.30 am**  
**Via MS Teams**

**Board Attendees:**

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  
Jan Gamon - Director-Place and Recovery, South Somerset District Council as the alternate for Val Keitch  
Prof. Judith Petts CBE– Vice-Chancellor & Chief Executive, University of Plymouth  
Karl Tucker – Chair HotSW LEP and Managing Director, Yeo Valley Properties Ltd  
Melanie Squires MBE – SW Regional Director, NFU  
Paul Coles – CEO, SWBC  
Paul Crawford – Chief Executive, LiveWest  
Paula Hewitt - Lead Commissione, Economic & Community Infrastructure, Somerset County Council, alternate for Cllr David Hall  
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  
Cllr Steve Darling – Leader, Torbay Council  
Stuart Brocklehurst – Chief Executive, Applegate  
Tracey Lee – Chief Executive, Plymouth City Council as the alternate for Cllr Nick Kelly  
Vince Flower – Non-Exec Director

**Officers in attendance:**

David Ralph – HotSW LEP Chief Executive  
Jason Vaughan, Director of Finance for Somerset County Council, & S151 officer for HotSW LEP  
Karime Hassan – CEO, Exeter City Council accompanying Cllr Phil Bialyk  
Kevin Mowat – Director of Place, accompanying Cllr Steve Darling  
Paul Hickson - Strategic Commissioning Manager – Economy and Planning, Somerset County Council, accompanying Paula Hewitt  
Phill Adams - Senior Manager, Employment, Skills & Learn Devon / Operations Lead - Skills, HotSW LEP, Devon County Council, accompanying Cllr Rufus Gilbert

**Others in attendance:**

Anne Marie Morris MP – representing Devon MPs (left early at 10.00 am)  
Chris Evans - Assistant Director of Innovation, Impact & Business, University of Exeter  
Claire Gibson – HotSW LEP Head of Delivery  
Janet Powell – Executive Assistant, HotSW LEP (for minutes)  
Suzanne Bond - Area Lead HotSW, Cities and Local Growth Unit - South West

**For Presentations only**

Ben Rhodes- Assistant Director South West, CBI for the South West

Ben Jones – Principal Economist, CBI for the South West

Ben Bryant – Strategic Manager, Somerset County Council & HotSW LEP Finances

**Apologies:**

Ben Bradshaw – representing Devon MPs

Cllr David Hall - Cabinet Member for Resources and Economic Development, Somerset County Council

David Warburton MP – representing Somerset MPs

Prof Lisa Roberts – Vice-Chancellor, University of Exeter

Cllr Nick Kelly – Leader, Plymouth City Council

Sarah Cook - Vice President UK Operations, Leonardo

Cllr Val Keitch – Leader, South Somerset Council

Paper	Decision	Decision agreed
6b) HotSW LEP CIC Accounts 2020/2021	For the Board to approve.	The Board approved the formal signing off of the accounts.
7. Chief Executive's Report	<ul style="list-style-type: none"> <li>- For the Board to note progress on LEP review including feedback from MPs</li> <li>- Agree to next steps relating to changes, challenges, and opportunities in the food and farming sector</li> <li>- Agree to key priorities/asks for CSR</li> </ul>	The Board noted and agreed on all the next steps.
8. Digital Extension Programme	For the Board To not proceed with the proposed programme and review alternative opportunities to support digital transformation.	The Board agreed to not proceed at this moment in time and to review alternative solutions.

Agenda	Action
<p><b>1. Welcome &amp; Apologies</b> Apologies as above.</p>	
<p><b>2. Declarations of interest</b> 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, however, a reminder was given to keep these up-to-date.</p> <p>Cllr Rufus Gilbert for agenda item 8, as Board member of Connecting, Devon and Somerset.</p>	
<p><b>3. A little bit of Culture</b> A short extract from the poem Ulysses, by Tennyson was read out by SB.</p>	
<p><b>4. Draft minutes of 23 April Board meeting and actions arising</b></p> <p><b>Action: Karl T to be the LEP Diversity Champion.</b> This is ongoing and more information will be provided when available, <b>therefore this item is now closed.</b></p> <p><b>Action: To circulate the Local Skills Report to other Registered Social Landlords for</b></p>	

<p><b>feedback.</b> This has been circulated with a meeting scheduled for next week and feedback to be reported at the next Board meeting. Consideration needs to be given to the ability to influence, perhaps via a next steps workshop.</p> <p><b>Action: Feedback on APR.</b> This will be covered under the Chief Executive’s update. <b>This item is now closed.</b></p> <p><b>Update on The Additional Restrictions Grant (ARG).</b> There have been discussions between some Local Authorities concerning how to maximise the underspend but this is being taken forward within the Heart of the South West Economic Resilience and Opportunities Group (HEROG) with no further action from the Board required. <b>Action item under Covid business support scheme is now closed.</b></p> <p><b>Action: The Business Plan (Work Plan)</b> was signed off and published, <b>therefore this item is now closed.</b></p> <p><b>Action: The LEP Review and how common priorities across LEPs are not constrained by geographical boundaries.</b> An update will be covered under the Chief Executive’s update. <b>Whilst this item is now closed, conversations continue with Cornwall and the Isles of Scilly and Dorset LEPs and LAs.</b></p> <p><b>Action: To update the risk register with more detail on the financial set of risks going forward.</b> This was updated and finances will be covered under agenda item 6.</p> <p><b>All other actions completed and minutes taken as accurate.</b></p>	
<p><b>5. Questions from the public</b> None.</p>	
<p><b>6. Accounts and Funding information – Eifion Jones, Chief Operating Officer and Ben Bryant, HotSW LEP Finance at Somerset County Council</b> (see the 6 papers and the presentation, all commercially confidential).</p> <p>The papers cover the normal nil accounts which require formal signing off by the Board for filing at Companies House, together with a financial statement, published later within the LEP’s annual report, and information on funding streams the LEP manages. Upon discussion at the Finances and Resources Committee (F &amp; R) some small amendments were raised which need incorporating into the papers for which Board approval is sought for delegation for the final sign to David Bird, Chair of F &amp; R.</p> <p>The presentation highlights three key points:- the additional capacity to the team, reduced income (i.e future financial outlook and uncertainty of core grant funding from the Gov’t) and operating reserves moving forward.</p> <p>An amendment is needed to paper 6b) HotSW LEP CIC accounts - Paul Coles and Paul Crawford were appointed to the Board in January 2021 not 2020.</p> <p>The Board were reminded that LEP finances are much healthier now than several years ago,</p>	

<p>helped by moving everything over to one accountable body (Somerset County Council). F &amp; R and Somerset’s S151 Officer were thanked for all their hard work. More information from Gov’t is anticipated before the summer recess on the parameters and implications on future operating models and core funding. The Chair thanked DR and the core team for their continued exemplary commitment to ongoing work, despite the uncertainty over the LEP Review.</p> <p>JV, S151 officer wished it to be noted that there will be future financial challenges but that these will be addressed when the picture becomes clearer.</p> <p><b>The Board approved the formal sign off of the HotSW LEP CIC accounts 2020/2021.</b></p>	
<p><b>7. Chief Executive’s update</b></p> <p>Despite the uncertainty over future funding, the LEP remains focussed on economic recovery, supported by the recruitment of the Head of Delivery and is committed to managing the large programme of capital projects as well as making good progress towards delivering the industrial strategy and supporting the sector-based work set out on the HotSW Leaders approved Build Back Better publication i.e smart aviation, photonics, nuclear energy, ocean futures etc.</p> <p>As mentioned in the report the LEP received confirmation of passing its Annual Performance Review (APR).</p> <p>A discussion is required to start to frame a discussion around the Comprehensive Spending Review (CSR) for the unity of ‘asks’ which currently feels fragmented.</p> <p>The LEP Review, despite earlier assurances from Gov’t this would be concluded by summer recess, has significantly stalled and is stuck on issues such as geographies and LEP relationships with Gov’t. The geography question includes overlaps within Warwickshire and Coventry LEP and the expectation is on them to this sort out, (i.e not currently being coterminous with their metropolitan combined authority with some districts in both LEPs). Currently, they are unwilling to sort this out as they feel districts should have the choice as to which LEP area to belong to and this has now reached an impasse with Gov’t. Pressure is mounting to resolve this issue otherwise the danger is that Gov’t will use the opportunity to review geographies more widely. The other issue with relationships saw this week the announcement of a pilot public and places partnership by the Ministry of Housing, Communities and Local Government (MHCLG) with 28 areas identified but only two in the South West, none in the HotSW area (1 in Cornwall and 1 in Bristol) with some concerns from LEPs over duplication, however, the guidance reads differently.</p> <p><b>Action: The Board are welcome to view the MHCLG public and places partnership guidance, please ask for the link if required.</b></p> <p>There have been recent announcements by the Prime Minister on levelling up as well as some ‘feelers’ for county deals.</p>	<p><b>All/DR</b></p>

Whilst the functionality of LEPs has been agreed upon with Gov't, more work is required on geographies and relationships with Gov't. It's unlikely more information will be forthcoming over the summer, but if so, an update can be provided at the Board's deep-dive session in September. Whilst consultation is still underway, a query was raised concerning LEPs having the right to veto bids and whether this was pragmatic? There are no plans for LEPs to have this veto, but instead, they are advocating for a continued meaningful relationship, whatever this looks like?

Somerset confirmed that Yeovil College has joined with the West of England in the skills accelerator pilot and is part of this work.

The representative for Devon MPs highlighted that there is internal disagreement on the future of LEPs between the Dept. of Housing, Communities and Local Gov't (DCLG) the Dept. for Business, Energy and Industrial Strategy (BEIS) and encouraged the LEP and businesses to continue to lobby BEIS. The LEP provides a very valuable mission-critical strategic business overview for the region, over and above provided by other organisations i.e FSBs, Chambers etc. and it would be a shame to lose this, however, it would be prudent to have a plan B in place if the outcome was not successful as to what LEPs could do in the future with minimal funding resources.

DR thanked the MP for her kind words but also made clear the current hiatus on this year's core funding for the LEP is being held up with the Chief Secretary in the Treasury.

The Chief Executive's update was halted when the CBI colleagues dialled in, to be resumed later.

**CBI Regional Economic Scorecard Presentation with separate paper provided on the scorecard information – by Ben Jones, Principal Economist, CBI** (see presentation and paper). Also attending Ben Rhodes, Assistant Director South West for the CBI for the South West.

In May the CBI published a series of 133 English regional scorecards which give a snapshot of emerging economic and social health focussing on productivity and some of the factors that influence it. This session specifically looks at the HotSW area, against the national data set, why the indicators were chosen, and the drivers and trends to provide comparisons. The indicators provide a high-level view which are the only consistent ones available across all regions.

The data for the 133 smaller sub-region scorecards have been taken from the ONS statistical regions, which in some cases matches the administrative LA or county council boundaries whilst others are more of a statistical construct. For the HotSW LEP, the data is relatively straightforward and is taken from the 4 regions of Devon, Plymouth, Torbay and Somerset and then weighted to produce an average for the LEP. However, it's important to note that the comparison is made with the other 133 regions, not other LEPs.

Each scorecard has 20 indicators and is grouped into 4 themes. With approx. 10,000 data points the challenge was to present the information in a standard way. The key to grasping

the data in the charts is percentile not by values or ranking out of 100. The percentile essentially shows where the sub-region sits within the distribution of all sub regions – sitting at the 50th percentile means that half are above you and half below. The black line represents the percentile distribution across England and runs from 0 – 100 with 100 is the highest value and 0 is the lowest. To read the charts, you start at the black line and work up. The next level up is the green bar which gives a range of outcomes within one of the 9 large English regions and shows the South West with the magenta box representing the LEP and shows where the average of the LEP sits within this range.

There are lots of other features on the charts and if interested there is further information provided on how to read the scorecards on a video link here:-

<https://www.cbi.org.uk/articles/reviving-regions-regional-scorecards-and-growth-priorities/>

The focus is on productivity – in this context how much is produced in any one hour of work which the CBI thinks is the best single measure and at its broadest value captures the value of wages, profits and rent generated in a region for every hour worked. The CBI in a previously published document ‘Unlocking regional growth’ concluded that one of the most important economic drivers for productivity was the skills of the local workforce and its share of graduates. The slides continued to look at; school performance - this is quite weak in the LEP; training provision specifically management training (links between productivity and technology) and whilst training outcomes are quite high in Plymouth, overall the LEP is only at the 26<sup>th</sup> percentile perhaps suggesting the focus needs to be on tech and digital skills; productivity in terms of the share of exports - the South tends to do better here than the North due to its services focus, suggesting an improvement on skills and infrastructure and perhaps focusing on those exporters that are doing well and need to extend their reach; research and development (R & D) capability and innovation networks; quality of transport and housing, there is a clear relationship between commuter time versus life satisfaction, housing affordability is a problem for the HotSW LEP (price to income multiple of 12%) higher than in many regions of England that are doing relatively better and has worsened during the pandemic.

It was felt important to see how things may change post covid, where city and town activity may drop and this was done by looking at occupational data and the potential for remote working. This threw up issues for the LEP around broadband speeds/digital connectivity for people trying to work remotely, 3 out of 4 regions were in the lower half. Whilst the focus has been on which factors make for a good economic outcome, there are many other influences to take into account i.e people’s well being and the remainder of the slides focus on this showing deprivation and income versus life satisfaction, concluding with a final slide which provides a summary of findings for the whole LEP, as well as each of the 4 LA areas.

The CBI was thanked for an informative presentation and questions were invited:-

- Of concern was how to project future modelling, what data sets to use on a more frequent basis in a rapidly changing post covid climate to better inform strategic thinking and planning moving forward especially with regards to labour mobility and affordable housing? The impact of remote working and future trends is too early to predict. Many



companies are already working towards hybrid models which will affect the use of transport and housing. Also, studies on productivity point in both directions meaning there is great uncertainty around future predictions until things settle a little more. The CBI would be interested to learn what metrics the LEP would find useful in the future.

- Is there any data on the difference in age profiles across the region (as the HotSW area has a significant percentage of retired people)? Also, commuting, varies hugely and needs to be based on sectors and who needs to commute because of the work they do?
- The school's challenge is well known and there has been a lot of work undertaken in this area around levelling up with the schools and the LEP endorsing skills development i.e Institute of Technology (IOT) with higher-level skills for digital, advanced manufacturing and engineering.

**Action: If anyone has any further questions on the CBI scorecard presentation they are welcome to contact Ben Jones at [ben.jones@cbi.org.uk](mailto:ben.jones@cbi.org.uk)**

The agenda returned to the Chief Executive's update.

#### **7. Continuation of Chief Executive's update.**

Every year when the annual accounts are drawn up, the LEP does an 'impact piece' which looks at reviewing the LEP's strategic interventions and what value has been delivered. The CBI 's scorecard will help towards this, together with the strength in observatory function work which will examine this in more detail. Note the above data is also available at county geography level where it is more granular.

It would seem that the issues for the region identified back in 2013/2014 remain i.e broadband, skills, digital some of which the LEP has made inroads into addressing but not sufficiently so and the underlying issue is still productivity reinforcing this as the LEP's strategic priority. However, as a region more needs to be done for affordable housing and looking at the specific impact of covid. It would be good to revisit the productivity report produced a couple of years ago to look at the progress made but investing in high-value engineering, high tech clean and inclusive growth seems to be the right strategy.

On CSR – the LEP needs to be clear on strategic CSR issues, the 3 priorities with MPs were:- digital transformation (inc connectivity); supporting the tourism and hospitality sector including food and farming through recovery: and energy.

These strands are set out in the Build Back Better plan with a need for the LEP to identify the big transformational projects to Gov't of which the emerging ones are:- the ocean futures piece connected to freeports and smart sound; environmental futures – the innovation piece and technopole; the work with the Dept for International Trade (DIT) on high potential opportunities for marine, smart aviation and photonics as well as broadly emphasising in the bid the areas of digital transformation, skills and the affordability of housing and reminding the Gov't of the LEP review.

The following comments were made:-

- Anticipation of the National Innovation Strategy to be released by BEIS next week.
- Strong messages are being received for support for infrastructure and test facilities

within the innovation strategy and the CSR 'asks' needs to provide examples around environmental, net-zero, health and transport. This explains why the Ocean Futures title is being changed probably to the 'marine autonomy test bed' to capitalise on this, the same for the technopole. Care must be taken over language, advanced manufacturing v high-end engineering and environmental science is a subject, not a 'thing'.

- To ensure the affordable housing issue doesn't just focus on purchasing but also includes rental property taking a rounded approach to this.
- Within the Innovation strategy, it appears that levelling up is now separated off and will have to wait until Autumn and the large amounts of funding for the superclusters are likely to be slower with greater attention to public sector research establishments (PSRE's) like the met office which will probably be a positive for the HotSW region.

**Briefing on Agriculture Summer 21 – by Mel Squires (see paper)**

Trade Deals – will be fundamental to the NFU's work going forward for many years. Family farms generally SME's rely on 30 – 50 other businesses i.e professional services, mechanisation etc. Everyone needs to eat and eat, to enjoy the countryside, the greater natural resources and an enhanced environment but farming needs to be resilient and sustainable in a global market. Farmers face daily issues around labour force, haulage etc. with differing pressures and decisions on how to manage the soil, hold more water at the right time, plant more trees at the same time as protecting productive land for food. The national food strategy launched this week, recognises public procurement and that the majority of clean growth and net-zero ambitions will be delivered by farmers. Farming is interconnected to all parts of businesses, is not a separate issue and needs to be recognised with common messaging. The natural environment, together with local food processing, manufacturing and exports provide great opportunities and it's important for continued investment and support in this sector to underpin future economic productivity.

Were there any significant gaps in skills provision? The region already works with the 2 universities and Rothamsted Research, but there is a need to upskill the tech skills of farmers and attract youngsters to the sector, to take advantage of new areas, emerging markets, land resources and food production. Similar to most SME's the issue is in finding the time to facilitate and deliver training to them, which comes back to connectivity and the enablers. Although, essentially a grass land-based, livestock region, there are also opportunities in the future to consider robotics and soft fruit pickers especially with climate change placing more emphasis on fresh food production.

The above paper indicates the many changes in the sector and there is a role for the LEP in exploring further the rural, food, farming and land-based issues which makes the HotSW LEP distinctive from others.

MS was thanked for a very comprehensive paper.

**The Board noted the progress on the LEP review and agreed to the next steps relating to changes, challenges, and opportunities in the food and farming sector as well as the key priorities/asks for CSR.**

**8. Funding for Digital Transformation** (see the 2 papers inc. the Growth Deal



Business Case appraisal which is commercially confidential)

Amongst the LEP's stakeholders, digital transformation has always had the highest priority and was identified back in 2013 in the LEP's Strategic Economic Plan (SEP) the challenge remains on how to access those hard to reach/serve areas which will not be supported commercially. Gov't policy is constantly changing (as does available technology) and is different to that of 4 or 5 years ago and now is about gigabit compliant fibre against an ever-changing background of new emerging unknown technologies.

This is the last tranche of funding to Connecting Devon and Somerset (CDS) and the question is – what will the money be spent on? The answer is on digital connectivity but needs to be compliant with government fibre capability and the CDS solution is a voucher scheme.

There are approx. 20,000 properties that do not have access to the next generation broadband coverage, but the voucher scheme will only cover 1000 of which two-thirds of these are residential properties. For the LEP this public money must be spent well and quickly as it is subject to scrutiny and there are concerns over value for money and delivering insufficient impact. Therefore, the recommendation is not to proceed at this moment in time but to do some further work on other options of how to spend the money (which could still consist of some vouchers) to bring to the September Board Deep Dive Session to procure solutions in the autumn. To be clear the LEP is not saying no, just that other solutions need exploring concerning spending the money more effectively.

The following comments were raised by the Board:-

- With 4G growing rapidly, most people with low speeds could be supported by 4G within a couple of weeks without any public intervention. The funding should be used to signpost people to make them aware this is available and to support those that don't have access to laptops trying to home school or don't have the digital skills to do their jobs or support their daily lives where signposting could help overcome these digital exclusions points.
- What happens to the funding if there are any delays, are there any time constraints? There is a role here for the LEP in considering digital inclusivity and for economic levelling up to those hard to reach areas and what this looks like for those without digital technology. The funding is from the Local Growth Deal programme and it was agreed with Gov't that the money could be parked within Somerset County Council but had to be earmarked for digital. Part of the issue with the CDS proposal is that it would take 4 – 5 years to spend the money and the feeling is that it should be spent more quickly in 2 – 3 years. There are issues within the HotSW area around roles and responsibilities for the digital agenda, unpicking who the client and contractor are? State Aid precludes expenditure on additional 4G delivery through public money. The local broadband plan sets out the investment strategy for digital connectivity but has very little ownership and doesn't look at levelling up. Part of the solution is for the LEP to look more closely at digital inclusivity.
- Are there any limits on what the money can be spent on, does it have to be on things or training and is there any flexibility? The funding is for capital but in the past, the LEP has worked with its accountable body to turn capital into revenue. If the board agrees with the SIP recommendation to not proceed, the next conversation will be to see if a capital revenue exchange is possible and how much for?

<p>➤ Is there an alternative to fibre or 4/5G, i.e via a fibre link and bouncing off of a radio signal? This is a prime example of a technical question that would be best supported by a signposting service to advise on technologies, kit, training and services together with any funding to support e.g via a voucher scheme.</p> <p><b>The Board agreed to the recommendation by SIP to not proceed at this stage with the last tranche of funding to CDS and to consider alternative solutions.</b></p>	
<p><b>9. Results of Board Effectiveness Review by David Bird (see paper)</b> A thank you to everyone for their contributions, with a good range of ideas coming forward with the overall consensus being that the Board and the LEP has performed well and been effective since the last review. Despite challenging times, the virtual meetings have been a success and on behalf of the Board, the Chair was thanked for his effective chairing of online meetings and his positive and inclusive approach which was appreciated. Likewise, the feedback was that the management and whole LEP team have performed well under difficult conditions a good example being the Getting Building Fund. It was a useful exercise and good to get feedback from the newer members of the Board which brings new ideas and fresh thinking again evidenced within the F &amp; R committee with input from JD on the presentation of finance papers.</p> <p><b>Approval is sought from the Board on the 5 decisions highlighted in the paper and this was approved.</b></p>	
<p><b>10. Standing item – Build Back Better update by Claire Gibson (see paper).</b> This provides the first Build Back Better Board update paper focussing on the transformational programmes and the emerging delivery framework being put into place.</p> <p>Referring the Board to section 3, the LEP is currently exploring the establishment of programme boards for each transformational programme, but is keen to avoid duplication as there is a lot of work going on in several areas. Therefore, the initial focus will be on 2 programme boards; sustainable aviation which met on 12 July to explore roles and responsibilities, the scope and membership and to set a clear vision; and energy a top priority for partners with huge progress around renewables and energy regeneration, but facing huge challenges with changes around how the energy sector works and this will take forward the Build Back Better plan. Any input on membership is welcomed to help formation of this board.</p> <p><b>Action: To ensure the LEP links into groups already up and running in the sustainable aviation and clean growth energy sectors plus within digital transformation to avoid duplication.</b></p> <p><b>Action: To ensure the affordability costs of electricity versus gas are considered and forms part of the terms of reference for the energy programme board.</b></p> <p>Pan regional working also needs to be considered in the light of High Potential Opportunities HPO) that the Dept for International Trade (DIT) is leading on and concerns Ocean Futures and Sustainable Aviation in terms of actual activities and the need to ensure</p>	<p>CG</p> <p>CG</p>

the initiatives link well with the LEP's geographical partners. More clarity is needed for the Oceans Future work/prospectus to frame the individual propositions pitched into CSR to land within the bigger picture. It would be worth looking at the Marine Autonomy HPO launched recently which is aimed at attracting sales from overseas and describes the proposition in very clear language.

The Board were provided with examples of pan-regional working. There are 5 pieces of work being undertaken in GSW:-

- Tourism actively via the shared Tourism Partnership
  - Marine has already been mentioned but has proved a challenge
  - Rural Productivity is hopefully moving forward with MS's intervention
  - Energy works as a SW region dictated by the core proposition from BEIS but also looks into the West of England (WoE)
  - Trade & Investment works across the SW but also sometimes into the Peninsula
- The HPO which is a DIT tool - for aviation is with WoE, however photonics and marine both live are in the GSW.

The other 3 areas of work with northern partners are aviation, nuclear with Wales (supply chain work is jointly funded by WoE and HotSW) and the transport sector working with the sub-regional transport boards of the Western Gateway and the Peninsula. HotSW LEP is also the national lead on nuclear with a specific role for working with the wider nuclear places group which includes Cumbria and the East of England.

## **11. Standing items reports from the LEP subgroups (see papers)**

### **a) Innovation Board update – Stuart Brocklehurst**

Already mentioned, the National Innovation Strategy is underway and is a Gov't priority. Referenced in the CBI presentation, innovation, is an area HotSW lags in yet there are significant opportunities in marine and environmental intelligence, both areas of strategic importance to the UK with strengths existing here of global standing. A recent meeting with JP of the University of Plymouth, LR of the University of Exeter and Sir Geoffrey Cox, MP has resulted in Sir Geoffrey championing this with No. 10. Proposals are being worked up with more information and the next meeting with Sir Geoffrey is anticipated to be at the end of September. More updates will be provided in the future.

### **b) Skills Advisory Panel update – Vince Flower**

The panel has met twice since the last Board meeting and minutes from the 24 May meeting have been included in the Board pack. Both meetings have seen a good level of engagement between 30 – 40 people attending each one with people appreciating the forum and the chance to be actively involved. In addition to the paper circulated, the issues are the lack of skilled people and the number of vacancies, along with access to housing. Redundancies are not being seen in the number expected, but employers feel these will come to the fore when furlough and Gov't initiatives end. Success was announced yesterday between a partnership of Weston and Yeovil Colleges, one of 12 bids to create an Institute of Technology (IOT). In other good news, wave 2 of the Dept for Education Boot camp programme was approved with a further £1.8m over the next 2 years.

No further feedback has been received by Gov't on the local skills review, why certain places

received funding and others not. It was felt HotSW was affected by the G7 legacy support offered to Cornwall and this could be interpreted that this area is not in a difficult position, i.e doing well, likewise London who also received no support with the majority of the funding going to the Midlands. SAP will be looking into the results further.

**c) Infrastructure and Place update – Mel Squires**

The group is picking up the rural priorities mentioned earlier and taking this work forward re-emerging markets, building resilience, supporting clean growth, innovation and access to skills and training. The food mapping work is underway, thanks to everyone involved with a really good funding pot led by Exeter University and will provide good evidence for the food supply chain and public procurement. The Place group has been very busy and thanks are due to all officers for producing good outputs despite resource challenges. The community-led local development study is about how to deliver and facilitate support to businesses in the future with those in communities key. The coastal plan update is now moving towards building case studies for business. Natural Capital is still a work in progress. Last week the Environmental Agency Investment bids were announced (a couple are in the HotSW area) but meetings will take place with those unsuccessful to look at ways to support them. There is a meeting next week with the leader of the Devon Local Nature Partnership at the North Devon Biosphere to look at the whole agenda and see how to things can be more joined up.

**d) Business Environment update – Richard Stevens**

In addition to this update, the group has been circulating regular business updates. The Board may have noticed the dip in customer satisfaction for the Growth Hub, but work is ongoing with Devon County Council who run the service to ensure this is rectified. It's essential to ensure the particular initiatives around farming, food and retail are delivered and that the intensive support is rigorous.

**e) Strategic Investment Panel update– David Bird (commercially confidential)**

Getting Building Fund (GBF)– several variations were agreed but it was stressed to the project sponsors that tangible outputs need to be delivered by 31 March 2022 when the programme ends. There have been a couple of requests for short term extensions using the freedoms and flexibilities and the sponsors have been asked to come back with exactly what the project will look like by 31 March, so that the LEP can be clear and deliver against the promises made to Gov't. Some sectors, like construction, have had their challenges and the LEP has tried to be understanding. Overall GBF projects look to be on course and are being well managed.

There is a decision required on a Growth Deal underspend (a policy that the Board agreed In November 2019) which came to light when an invoice was submitted for an amount outside of the original funding agreement, picked up by the management team. This refers to Exeter Science Park Car Park Growth Deal 2 but does however involve spending for the broader project and enhancements to it. Although the amount is below £250,00k which is within the Strategic Investment Panel's (SIP) delegated authority, as it is outside of Board policy, it was felt board approval was required. SIP has considered the request to use £158, 974 of underspend from the Growth Deal 2 award towards the

<p>provision of a car park with EV charging points and recommends the Board approve this in recognition of the project's success in managing costs and as an exception to the previously agreed Board policy on project underspends (November 2019). For clarity, this is to approve an underspend from the original budget which has been spent by the sponsor to make further enhancements to the overall project but for which they should have asked permission before spending.</p> <p><b>The Board agreed on the recommendation in line with SIP's proposal, with SIP agreeing the final proposal which must take account of</b></p> <ul style="list-style-type: none"> <li>• <b>This is an exception to the agreed underspend policy</b></li> <li>• <b>That State Aid advice is reviewed</b></li> <li>• <b>Satisfactory clarification of the other points in the report provided to SIP</b></li> </ul> <p><b>f) Finance and Resources – David Bird</b> (commercially confidential) The LEP has a very good eye on its finances particularly in light of future funding uncertainty. Concerning the Growing Places loan fund – the LEP has continued to support those businesses that have been lent money via capital repayment holidays to reduce the pressure on cash flows when they emerge from lockdown and this is working well. A £800, 000 surplus has been identified within the Growing Places fund and expressions of interest (EOI) were invited with 6 EOIs submitted by the deadline which will be discussed later on this month.</p>	
<p><b>12. ESIF updates plus appendices a) ESF, b) EAFRD, c) ERDF</b> (all commercially confidential) An update on ERDF underspend policy, this is where Communities and Local Gov't (CLG) swept up all the monies left over from LEP areas which were mainly re-allocated to High Street funding and Kick Start monies. Some leftover will go back to local growth delivery teams with allocations split by priority axis and by categories of region for pots towards innovation, business support and low carbon, split across more developed regions (Somerset) and transition regions (Devon). The LEP has asked to extend its inward investment scheme which provides funding to attract investors to the region and is overseen by the Business group but will have to wait to see if this is successful.</p> <p>An issue was raised about ESF funding for 2 projects in Devon and 2 in Somerset for Hidden Talent and Strategic and Employer Engagement running since 2017 whereby the Dept for Work and Pensions (DWP) is causing huge issues in not drawing down the £1.2m owed. There are 9 institutions across the HotSW area considerably out of pocket. DWP is not following its guidelines on how to discuss underperformance, refusing to indicate where the errors are in the data, or giving any help and issuing extremely short deadlines. This is a significant failure on work that has been carried out but not paid for. Any assistance or pressure that LEPs could give would be appreciated, the issue is so serious now a judicial review is being considered.</p> <p><b>Action: DWP shortcomings will be taken up with the relevant Gov't partners and a Board link into Baroness Scott, the Parliamentary Under-Secretary of State at the DWP will be explored</b></p>	<p>EJ/SB/Paul Coles</p>
<p><b>13. Papers for noting</b> No comment.</p>	

#### 14. AOB

KT: Provided an update on GSW – a recent meeting with Luke Hall, MP on the GSW, seemed reasonably positive with recognition and understanding that the region is coming together with one voice. However, the response back via Gary Streeter, MP was that once again Gov't states they are not prepared to recognise the GSW at this point and to wait for the levelling up paper later on in the year. In a response to PM's questions, Gov't indicated support for a 'Greater South West' and this could be interpreted as significant, referencing a wider regional body. Many conversations over the years with the Western Gateway have proved futile as this is of no interest.

There are now GSW badges and lanyards.

The LEPs Gov't sponsor responded that the use of 'Greater' is not because the Great South West is not acceptable but it's subjective and that they are very supportive of the work of the GSW which they see through its actions. It is likely during the summer, there will be discussions with LAs around county deals, currently a strongly favoured policy.

KT: This will be FM's last meeting, although not standing down yet, she is unable to make the next meeting and this is to record the Board's thanks for her huge impact on the LEP board and the massive role played in the SAP.

**Next meeting:-3 September 2021 for a Board Deep Dive Session (virtual) 9.30 – 11.30 am (Digital and CSR)**

**and**

**22 October 2021 for a Board meeting and AGM (in person) 9.30 am – 1.00 pm**