

2021 AGM Welcome – Karl Tucker – Chair of the Heart of the South West Local Enterprise Partnership

Good morning and welcome to this year's HotSW LEP AGM. I am Karl Tucker, Chair of the LEP and Managing Director of YV Properties Ltd amongst other things.

To kick off *today* we would like to show you a short video.....*I hope you found that informative and interesting*

1. Introductions:

We are holding *this AGM* as a hybrid event* this year. It is a public meeting but we are also broadcasting live – thank you to our team and technicians for facilitating this. You will have the opportunity to ask questions later on the financial overview section and at the end of the session on anything more generic. Thank you to those that have submitted questions in advance but please feel free to use the chat function to submit any questions you think of during the meeting and we will endeavour to deal with them in the Q&A session at the end.

With me in the room today - all socially distanced of course - are a number of LEP Board Members, as we have just completed our first *real world* LEP Board meeting for over 18 months.

I would like to thank the whole Board and Executive for their continued commitment particularly during very challenging times. We believe the LEP has continued to remain effective throughout this period allowing it to play an important role in

managing the economic challenges of the pandemic alongside Government and other local partners.

All of the *private sector LEP NED Board Members* are busy *people* with important day jobs in their own right – their contribution to the LEP is unremunerated and *I would like to thank them all for the time and energy that they give in what, to be frank, can seem to be a rather thankless task at times.* However, business remains the critical actor in delivering growth, prosperity, future resilience and Levelling-Up *and their input is invaluable.* There is *undoubtedly* a challenging job ahead to get our economy moving forward particularly in delivering *our aspirations for both* clean and inclusive growth – collaboration with Government and between local stakeholders will be the only way to achieve the right and lasting outcomes *that we need to see in our region.*

Specifically for today's AGM I am joined by:

David Bird – Chair of the LEP Finance & Resources Committee and David Ralph, the Chief Executive of the LEP.

This meeting is being recorded for the purpose of note taking and will be on our website for those not able to attend today -*Janet Powell the LEP's Executive Assistant will be doing the note taking and the LEP's Chief Operating Officer, Eifion Jones is handling the Q&A session.*

(Social Media slide) - Can I please refer you to the slide you should be able to see on your screens regarding social media posts, please feel free to post on social media and to use the hashtag #AGMHotSW on screen.

So *let's move on* to the formal AGM.

2. Apologies:

3. Minutes of last year's AGM

- a. All board members have been given a copy of the minutes from last year and they are available on the LEP website.
- b. There were no actions from the AGM and I will presume that everyone is happy that they are true and accurate record of the meeting unless anyone says otherwise at this point.

4. Chairman's Report

So moving on to the highlight of today, my report.....

Our Annual Report for the period April 2020 to March 2021 has been published today online and I will use this opportunity to give you some of the achievements and challenges of the period and also to say a few thankyou's.

We are not printing hard copies - but please do read it online or in your inbox - wherever possible.

Clearly this period has been dominated by 2 significant external impacts – *our exit from the EU* and the Covid-19 pandemic. Before proceeding I would like to take a few moments to remember and reflect on the many families, communities and businesses who have been hit hard by the pandemic, *it has certainly been a torrid time for many.*

The combined impact of the pandemic and the exit from the EU has, and continues, to bring significant challenges to our economy and there are indications that some of these challenges will be with us for some time yet. The economic impact has been significant and far-reaching with some business sectors and some communities suffering particularly acutely. The pandemic has been particularly cruel as its impacts - both to communities and the economy - is uneven, hitting the most vulnerable *in our society the* hardest.

I believe that across the HotSW area we have worked effectively and constructively to respond to the challenges. Our HOTSW Economic Resilience and Opportunities Group, *referred to as "HEROG"* has been an important conduit to capture and channel local issues and actions to Govt and I would like to pass on my thanks to Phil Norrey (CEO of DCC) for chairing this group and the support team keeping it on track.

The LEP's Growth Hub, and other business support services, have had to deal with significantly increased calls and at times very challenging and distressing support requirements. Recently we've seen some real retention and recruitment challenges which is impacting on many sectors in our region (hospitality, social care, agriculture, food production to name but a few) and is a much wider issue above the well-publicised HGV driver shortage; this could become at least a medium term issue given the time to invest and adjust to a tighter immigration regime *and I am not convinced that the*

current rhetoric/responses/solutions coming from the Government will be the answer.

Local Authorities have also had a key role in ensuring more than £½ bn of emergency business support grants were administered across the HotSW area to support struggling businesses *and I would like to thank them on behalf of the business community for all their efforts in doing this.*

Throughout this period, we have continued to update our MPs on what we felt were the key issues at this extremely challenging time and we believe that we, and LEPs generally, continue to have a significant role in supporting delivery of the Government's Plan for Growth.

In May 2020, we published our Covid-19 'Route Map to Recovery' and over the summer months in 2020 we worked closely with our local authorities on their recovery plans.

Early in 2021, we published our 'Build Back Better plan' emphasising the need to develop our key transformational opportunities to deliver clean and inclusive growth, as well *as* the enabling interventions to support recovery, growth and resilience *in our regional economy*. This built directly on the evidence base and priorities within the Local Industrial Strategy.

Overall the economy broadly is recovering quickly but, as demonstrated by our even tighter labour market than pre pandemic and EU Exit, productivity remains one of this area's fundamental challenges and addressing this whilst delivering clean and inclusive growth is at the heart of *our Building Back*

Better plan. What is abundantly clear is that more of the same won't deliver the increased prosperity in our communities that we want to see.

So what did we achieve in 2020-21?

LEPs have 4 key instruments to drive local *economic* growth.

- ***Growth Deals***
- ***Growth Hubs***
- ***Enterprise Zones***
- ***Our convening power***

Taking the first of these 2020 and 2021 saw the conclusion of our three Growth Deals - which secured £200m of Government investment to deliver a programme of 62 capital projects across the area through the Local Growth Fund.

We are today publishing our programme report for Local Growth Funding.

In total this 6 year programme has delivered £1/2bn in public and private sector investment – almost £2 pounds of private sector investment for every £1 of Government funding - to improve transport, innovation, skills *and* housing.

It has created 6,900 jobs and apprenticeships to date; provided 20,000 training opportunities, support to 11,000 businesses and unlocked *the* development of 9,500 homes.

By 2025, this investment will deliver close to 22,000 jobs; more than 60,000 training places; supported 16,000 businesses and enabled the completion of over 15,000 homes throughout Somerset, Torbay, Plymouth and Devon

which is a key part of addressing the area's housing affordability challenge.

Whilst all LGF funding is now spent there remain a couple of legacy projects still to be completed most notably a digital programme.

In working with our MPs we agreed that the highest priority for future investment should be Digital, therefore to support the Connecting Devon and Somerset "CDS" delivery, over the next 3 years we have agreed to invest £10m to directly support digital connectivity through the CDS roll-out, a further £4m to improve mobile connectivity, to modernise the area's FE College ICT offer and to establish a 5G pilot at Plymouth Smart Sound. At our Board meeting earlier today we agreed to invest a further £8m to continue delivery of our Digital Strategy that not only supports further infrastructure connectivity improvements but also investment in digital skills, a digital business advisory service and delivering further digital innovation such as 5G.

Moreover, with our MPs we will continue to support CDS and local partners to try to ensure that our area - particularly those 'hard to reach' places that don't benefit from commercial roll-out programmes - is able to access gigabit capable infrastructure. Whilst this may be difficult it is *one of the fundamental steps* to increasing productivity and levelling-up in areas like the HotSW and there remains a real risk that these parts of the country will be left behind. We await the government's plan for delivering to the very hard

to reach business and residential properties *with baited breath*.

Furthermore, during 2020-21, as part of the Covid-19 support package, as a LEP we secured £35.4m of Getting Building Fund investment – the 7th highest award in the country - to deliver 24 local projects (by March 2022). Much of our programme management work this year has been focussed on getting these projects approved, commissioned and on site – some like the Burrows centre *in North Devon* and some work hubs are already finished; some are well underway like the Exeter Science Park “Grow-on” building and some, such as the Taunton Digital Innovation Centre, are in the process of starting. This programme will in itself deliver 2,300 jobs and just under 700 new homes and is match funded by the private sector at 1.7:1

Getting this programme on-site and delivered has been an important task since last summer and I’m pleased to confirm, that again, in our ‘end of year’ review with Government we fully met our Delivery, Strategy and Governance requirements. *Didn’t we do well!*

The second of our tools is the Growth Hub which I have already mentioned (in the context of Covid-19 response). We transferred delivery of this service from an outsourced contractor model to ‘in-house’ delivery in February 2020 to provide extra agility and specifically increase Growth Hub delivery by leveraging the (ERDF funded) Growth Support Programme and our ‘Better Business for All’ initiative. This meant we could deepen and broaden our direct business

support as well as signposting businesses to other support where appropriate.

This has been, without doubt, a success whilst transitioning through very challenging times. Our goal – subject to future funding - is to further align business support services which over recent years have once again become increasingly fragmented.

Growth Hubs are at the apex of a ‘one stop shop for business’. Hopefully in the CSR over the next week or so we will start to understand *the* Government’s future vision *in this space* but I remain fearful that we will see further fragmentation rather than simplification of business support.

In addition to the signposting service, our Growth Hub has been working to successfully deliver a peer to peer service to 10 cohorts which is being increased to a further 17 this year and the scale-up service to businesses is growing at pace.

The HotSW Growth Hub and the Better Business for All Partnership has been nationally recognised with an award for ‘outstanding regulatory support at a local level’ in delivering *EU Exit* support to businesses and also recognised by the Amazon Small Business Accelerator programme for work that resulted in the area being amongst the top 5 for sign-ups to the (national) programme. We are today publishing a review and evaluation of the HOTSW Growth Hub service - available on our website. During the year, it has directly supported some 3,500 businesses.

At our Growth Hub annual review with BEIS last week they emphasised that the HoTSW Growth Hub has continued to improve and is amongst the higher performing growth hubs in the country. So I would like to congratulate David Hynd and his team for their excellent work.

In addition to supporting businesses to grow, one of the underlying purposes of LEPs is to support firms in the event of closure or crisis.

I remain concerned that many businesses across our region are not as strong as we, or they most probably, would like; and with the exit from the EU and now Covid these two have contributed to greater *levels of* uncertainty and unfortunately greater risk of business failure *although to date we have not seen the wave of failures that was anticipated 12 months ago.*

Local places are often best placed to support business closures and we have worked across a number of places in Somerset and Devon – including for example Debenhams in Taunton and Oscar Mayer in Chard - to ensure agencies including DWP, local training providers and the company in question are working together to minimise the impact on affected employees and local communities.

The third LEP instrument is Enterprise Zones – In the HotSW we have 3 Enterprise Zones (or EZ's for short) in Plymouth (Oceansgate), East of Exeter (the Exeter Science Park, Skypark, Airpark and Cranbrook town centre) and Gravity (at *J23 of the M5* in Somerset). These are *all* at the forefront of

our economic strategy focusing on our marine, digital and low-carbon offers.

Whether its supporting partners to secure Freeport status in Plymouth or investing to help create facilities which now have 100% occupancy at Oceansgate, investing to develop the access road at Gravity or investing to enable the continued growth of Exeter Science Park, the LEP has helped all of our EZs to make real progress this year. We will continue to work with partners to realise the potential of their world class propositions which are becoming increasingly recognised as opportunities by investors.

These EZs are clearly aligned to our Dept of Industry and Trade (“DIT”) sponsored High Potential Opportunities in Marine – led by Maritime UK SW; Photonics - led by Torbay Development Agency on behalf of the LEP; and Smart and Sustainable Aviation (in partnership with WECA).

HPOs showcase to the world, via DIT, and the Foreign Office our key industrial strengths to attract inward investment. In addition, we have a soft landing package for inward investment providing grants and support for potential inward investors.

The final tool in our box is **the power to convene** particularly around the key transformational opportunities set out in our Build Back Better plan and during the year, we appointed a Head of Delivery (Claire Gibson) to coordinate delivery of these transformational projects.

Headlining this, is our work to support the delivery and legacy of Hinkley Point C. HotSW LEP directly funds – along with WECA and the Welsh Government - a supply chain programme delivered by the South West Manufacturing Advice Service (SWMAS) from the Somerset Energy Innovation Centre (SEIC) in Bridgwater. This has helped HotSW SMEs secure £55 million of supply chain business into the Hinkley C project and we are working with Government and the Advanced Manufacturing Research Centre (AMRC) to develop a national supply chain programme fit for nuclear along similar lines.

In addition, we provide support for workforce skills and recently coordinated the STEP (Fusion Prototype) proposal on behalf of local partners as well as being the lead LEP representing regions on the Nuclear Industry Association's programme management board for the Nuclear 2050 plan. In the context of the current energy challenges, the long term commitment to low carbon energy including nuclear will become increasingly important.

We also provide support for Maritime UK SW which is looking at all things marine based including floating offshore wind and marine autonomy, and are working closely with the Oceans Future partnership that published its prospectus at the London International Shipping Week.

On the Future Flight initiative we have worked with local partners to support and diversify Exeter airport including funding the kit-out of the former Flybe academy as the Future Skills Centre operated by Exeter College; we hosted

England's *first hybrid electric flight* (from Exeter to Newquay) and are supporting the soon to be opened iAero facility at Yeovil.

We published our Clean Growth blueprint earlier in the year and continue to work with both Devon and Somerset on their climate change plans. We have started to directly invest in clean growth projects including the creation of a *Natural Capital pilot which has made a £1m loan fund available to support initiatives and projects looking to enhance and improve our Natural Capital in the area.*

In addition to the above we also have specific sector support for our rural/coastal economy, fishing, tourism, defence, photonics, digital transformation and we have established an innovation board to address the key strategic challenges of accessing more Innovate UK funding for our R&D intensive businesses and better commercialisation of our research excellence.

I am delighted that this year we have also extended our Careers Hub and it's Enterprise Advisor Network to cover every state-funded school, college and FE institution across Devon, Somerset, Plymouth and Torbay – becoming one of the largest hubs in the country.

We have successfully secured £1.2m to support capital investment of the South West Institute of Technology (SWIOT) and the Digital Skills Partnership (DSP) has been

successful in securing £5m 'Train for Tomorrow' funding to run a programme of digital and technical bootcamps.

As a LEP we have also continued to have an important role in advising Government on investing the £120 million through the EU Structural Funds, which are now *obviously* coming to an end and we have chaired the West Somerset Opportunity Area and *provided* support at Board level *for* the Town Deals for Bridgwater, Glastonbury and Torbay.

Following the publication of the Great South West prospectus which confirms the 5 key priorities *for our own area and for Cornwall and Dorset, we have sought recognition from Government for this opportunity.*

Frustratingly, this has not yet been forthcoming despite warm words and encouragement and we are now waiting for the anticipated Levelling Up White Paper which we hope will give us a decision on whether the Government sees this region as we do, full of opportunity, in need of investment and a key to helping the country meet its Net Zero ambition and is prepared to recognise and fund this important initiative to create the true green powerhouse of the UK.

So what of the Future?

It would be remiss of me not to comment that the end of the year was marked by the Budget (In March) and specifically the announcement of another review of LEPs following the Mary Ney review in 2018.

The majority of capital funding announced at the Budget was channelled through local authorities and it remains to be seen if this will now be the government policy for the future.

In addition to the Town Funds for Bridgwater, Torquay and Glastonbury, which we will continue to support, the HotSW area also secured High Street Funds for Paignton, Barnstaple, Newton Abbott, Taunton and Plymouth.

Our places, particularly our coastal and rural areas, have been impacted significantly by the pandemic and to be frank were in many ways struggling before the pandemic. The LEP will have little or no funding to support the challenges these places face as our future role is likely to be more business focused in supporting Science and Innovation, sector development and transformational opportunities and the provision of tailored targeted business support.

It is therefore likely to be Local Authorities working with their local MPs who will have the funding to support 'pride of place' projects and short term local recovery initiatives.

We are still to hear announcements about Community Renewal Fund and Levelling Up Fund bids and the much vaunted UK Shared Prosperity Fund remains *at best* opaque for now.

However, in the next few days we will start to see the direction of travel for Govt thinking and I may then be able to advise on the future *role*, functions and funding of LEPs *going forwards*. Suffice to say whatever the outcome, business and collaboration will and should be at the heart of building back

better, levelling-up and delivering Net-zero so it remains crucial that LEPs are at the front end of its delivery.

So to wrap up.....

Within the annual report I have made a plea that social mobility be at the heart of all that we do and is in my opinion one of the biggest challenges facing our society. Year after year thousands of young people and their individual and collective talent and creativity is lost to our economy. This is a travesty for them as individuals as well as our wider society. It is something often discussed and talked about and despite some good work over the years little, if anything, in our more deprived communities, seems to have actually changed or improved. In this area acute challenges remain and I believe that it is imperative that we do something about it. As businesses I would encourage all of you listening today to play your part in helping to engage with the pupils and students of today to help them understand the world of work and the opportunities that exist for them when they leave education, at whatever age, and to help them understand the importance of their years in education and what they need to do to give themselves the best chance of fulfilling their potential.

Our inclusive growth work delivered jointly with the HOTSW Joint Committee can help but we need to stop expecting others to solve the issue. It is about our behaviours, our priorities and our actions *that will make a difference, together with, I believe, a national intervention programme*

that is fully funded and sustained by the Government to address the root causes of this blight on our society and country.

Finally a few thankyou's:

I would like to thank Sarah Cook and Fiona Macmillan who are standing down as Board Members at this AGM. Sarah has led our Defence work and Fiona has for a number of years chaired our People Leadership Group, latterly the Skills Advisory Panel, and has been vice-chair of the LEP Board for the last 3 years.

In the context of the ongoing LEP review we have not yet replaced them but once we are clear about our future role and responsibilities we will be looking to carry out a Governance review and recruit accordingly.

Through this recruitment exercise we will aim to ensure our Board reflects the diversity of the area we serve, be that gender diversity or other characteristics.

Through our Board Effectiveness Review we will continue to reflect how and best we add value and deliver good value for money. I am grateful to David Bird for overseeing this work for us *earlier* this year.

I would like to personally thank all of the Board Members for their continued effort and support – and we have this year welcomed 4 new private sector Board Members. I know that it can seem at times, a bit of a thankless and arduous task but I know that all of them understand the importance of

growing our economy for everyone who lives and works in our area.

I would also like to thank our Local Authority leaders and their staff who, I know have been and are facing some very significant challenges, for their continued support of the LEP but also in their response to dealing with the pandemic within our communities. The Local Authorities play an important role in the LEP and we are grateful for their ongoing support and commitment through these difficult times.

We are also supported by our Universities and Further Education Colleges whom themselves have had many different challenges through the pandemic. I'm sure when Lisa Roberts arrived at Exeter Uni as their new Vice Chancellor, she wasn't expecting to have to deal with a Global pandemic and an unexploded WW2 bomb. Still, I get the impression that she is someone who likes a challenge!

And finally, I would like to thank our core LEP team and all of those who work in the LEP's name. Sharing a vision and executing a plan to deliver it is a shared endeavour, and whether you are in schools working on careers advice and guidance or in housing development, economic growth, science and innovation, business support, digital, inward investment or any of the other areas that the LEP is working on, you are all an important component in delivering something significant for the area that we all live and work in.

As last year I conclude by wishing you, your colleagues and your families well in what continues to be a challenging time for all of us and I hope that you are able to continue to steer your businesses through this difficult period.

Thank you.

*the AGM was changed at the last minute to only webinar due to the rising levels of Covid in the South West