

***Draft Minutes of the Heart of the South West  
Local Enterprise Partnership (HotSW LEP) CIC AGM  
22 October 2021  
held  
via webinar from 12 noon – 12.45 pm***

**Board Attendees:**

David Bird, Isca Ventures LLP  
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  
Cllr Nick Kelly – Leader, Plymouth City Council  
Paul Coles – CEO, SWBC  
Paul Crawford – Chief Executive, LiveWest  
Cllr Phil Bialyk – Leader, Exeter City Council  
Richard Stevens – Managing Director, Plymouth City Bus Ltd  
Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council  
Stuart Brocklehurst – Chief Executive, Applegate  
Cllr Val Keitch – Leader, South Somerset Council  
Vince Flower – Non-Exec Director

**Officers in attendance:**

Chris Evans - Assistant Director of Innovation, Impact & Business, University of Exeter  
Claire Gibson – Head of Delivery, HotSW LEP  
David Ralph – Chief Executive, HotSW LEP  
Eifion Jones – COO, HotSW LEP  
Jane Portman – Chief Executive, South Somerset Council accompanying Cllr Val Keitch  
Keri Denton - Head of Economy & Enterprise, Devon County Council, accompanying Cllr Rufus Gilbert  
Kevin Mowat – Director of Place, Torbay Council

**Others in attendance**

Janet Powell – Executive Assistant, HotSW LEP (for minutes) (in situ at Exeter Jockey Club conference room)  
Suzanne Bond - Area Lead HotSW, Cities and Local Growth Unit - South West

**Apologies:**

Anne Marie Morris MP – representing Devon MPs  
Ben Bradshaw – representing Devon MPs

Cllr David Hall - Cabinet Member for Resources and Economic Development, Somerset County Council (proxy vote given to Karl Tucker)  
 David Warburton MP – representing Somerset MPs  
 Fiona McMillan OBE – Senior Advisor, EDF Energy  
 Prof Lisa Roberts – Vice-Chancellor, University of Exeter (proxy vote given to Karl Tucker)  
 Melanie Squires MBE – SW Regional Director, NFU (proxy vote given to Karl Tucker)  
 Sarah Cook - Vice President UK Operations, Leonardo (proxy vote given to Karl Tucker)  
 Cllr Steve Darling – Leader, Torbay Council (proxy vote given to Karl Tucker)

The AGM was originally planned as a hybrid meeting with LEP Board members in situ with webinar facilities for people to join via registration. However, at short notice, this was changed to a virtual meeting due to the rising levels of Covid.

Agenda	Action
A short video was played to show the pictures of projects which the LEP have funded across the area – to allow for any latecomers in logging into the webinar.	
<p><b>1. Welcome &amp; Apologies</b></p> <p>The Chair welcomed everyone and introduced himself and David Bird – Chair of the LEP Finance &amp; Resources Committee along with David Ralph, the Chief Executive of the LEP supporting him. The AGM webinar was hosted in a socially distanced manner in the Iddesleigh Gallery at Exeter Jockey Club.</p> <p>Apologies as above.</p> <p>The Chair thanked the Board and Executive team for their continued commitment during challenging times and believes the LEP has continued to remain effective and played an important part in managing the economy during the pandemic alongside Government and other local partners. He also thanked the private sector LEP Non- Executive Board members who all have day jobs but give their time and energy unremunerated. Collaboration between Government, local stakeholders and businesses is key to delivering the LEPs aspirations for both clean and inclusive growth.</p> <p>The Chair reminded everyone that the webinar was being recorded and referred everyone to a slide shown on social posts, encouraging attendees to post on social media, but drawing participants attention to the fact that individual attendee comments can only be posted anonymously. Questions sent in before the meeting and any during the webinar via the chat facility will be addressed during the Q and A session at the end.</p>	
<p><b>2. Minutes of last AGM 18 September 2020</b></p> <p>There were no actions from the last AGM and it was noted the minutes were a true and an accurate record of the meeting.</p>	
<p><b>3. Chair's Annual Report</b></p> <p>A copy of the agenda, previous minutes from AGM 18 September 2020, Chair's Annual Report,</p>	

the accounts and a financial statement were contained via a link within the webinar registration details, plus published on the Heart of the South West Local Enterprise Partnership (HotSW LEP) website under the LEP Board minutes and documents page

<https://heartofswlep.co.uk/about-the-lep/the-board-meetings-and-minutes/>

The Chairs speech to the Annual report included a summary of the LEP, its projects and achievements as well as referencing the LEP review by the Government (upon which it is awaiting the outcome). The Chair also pledged that social mobility will be at the heart of the LEPs work next year in levelling up, together with delivering net-zero.

A full copy of the Chairs' speech is included below and is also available as noted above on the HotSW LEP website.



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- v4FINAL.docx

The Chair concluded by thanking Dr Fiona McMillan and Sarah Cook who stepped down at the AGM. Recruitment will not take place until after the LEP review when the LEP is clear on its role and responsibilities and can then recruit accordingly ensuring the Board reflects the diversity of the area it serves.

Thanks were also made to David Bird for overseeing the earlier work this year of the Board Effectiveness Review and the LEP will continue to work on how best to add value and deliver cost-effectiveness.

He also personally thanked all of the Board Members for their continued effort and support, Local Authority Leaders and their staff, Universities and FE Colleges and the core team and wider staff who continued to support the LEP.

#### **4. Overview of LEP Finances**

This was presented by David Bird, HotSW LEP Board member and Chair of the LEP's Finance and Resource Committee.

Within the Chair's Annual Report there is an Investment Programme table which shows the total investments and match funding for the period:- the Growth Deal, Getting Building Fund, GrowingPlaces, Rural Growth Network Pilot and European Structural and Investment Fund. Alongside this, a Financial Statement for April 2020 – 2021 has been published with tables summarising the various funding streams and activities; the income and expenditure for the year on the core operational budget; the operational reserves and a detailed breakdown of each capital project.

The HotSW LEP is a dormant CIC company and this is so that it can maximise value and minimise costs with its finances operated through the support of Somerset County Council as Accountable Body and its Section 151 officer providing oversight of the LEP's activities similar to a Financial Director equivalent.

The financial slides shown today are designed to complement the above and in the interests of full transparency show the underlying numbers behind the LEP's finances.

To summarise for the period 20/21

- Capacity has been added in terms of the delivery of various capital programmes and sector initiatives.
- The LEP has faced reduced income this coming year and increasing uncertainty over core funding moving forward.
- It has previously benefitted from a top slice from capital funds.
- A strategy of building up a reasonable level of reserves has been adopted to give longevity in case the funding ceases.
- This strategy provides a position for up to 6 months reserves in the current operating model as the Government has only confirmed its first tranche of £250,00 core funding to LEPs for the current year.

*Income and expenditure*

- The drop off in Government grant funding has been in anticipation of the ongoing LEP Review.
- The 2% administration fee that is charged to manage and deliver the outputs has been an important income to the operating costs but is now reduced. In addition, interest rates on capital have significantly reduced.
- The planned and committed drawdown for extra support for the Careers Hub, supply chain and the Growth Hub is crucial for the delivery of the LEP's objectives.
- The appointment of a Head of Delivery to ensure the delivery of the outputs that are committed to the grant funding received.

*Reserves*

- These have mostly remained neutral with an anticipated slight drawdown, general reserves are reduced with earmarked reserves staying the same to fund the commitments of specific projects e.g the GH and also to ensure there are sufficient reserves to pay for i.e redundancies dependant on the outcome of the LEP review.

*Future expenditure*

- The reserve figure carried forward is approx. £2.1 million with a predicted spend in the current year of £1.2 million which leaves the balance to continue as-is for a further 6 months from 1 April 2022. The LEP is hopeful though that the second tranche of Government core funding of £250, 000 will be released imminently and this will then give 8 months forward visibility. Notwithstanding the LEP review, the Board will revisit the operating model to ensure it's aligned with the future functionlity of the LEP.

## 5. Adoption of Accounts

Although the HotSW LEP CIC is a dormant company, accounts with a zero balance still need to be filed with Companies House. The accounts have already been approved by the LEP Board in July and they are just for adoption today.

**The Board agreed to formally adopt the accounts.**

## 6. AOB & Questions

Attendees registering for the LEP AGM Webinar were asked to submit questions in advance, however, none were submitted.

The following comments came in on the day via the webinar chat facility and are posted below. All answers were responded to the individual raising them and all questions and answers were anonymised and published on the LEP's website following the AGM.

➤ What is the latest Govt policy towards LEPs? For example, will LEPs continue or not? There has been no conclusion to the LEP Review announced at the Budget in March 2021. Originally intended to conclude by the summer, it is expected that Government's plans will be set out in the Levelling Up White Paper, due for publication in the next few weeks. In the meantime HotSW LEP has worked closely with other LEPs and the LEP Network, officials and MPs to continue to set out the opportunity presented by bringing private sector business leaders into local economic development.

➤ Which Plan is the HotSW LEP currently working to? For example, is it the Local Industrial Strategy(LIS), the Build Back Better Plan, or something else? The LEP published its Build Back better plan earlier in 2021, which was also endorsed by the area's local authorities and National Parks. The plan sets out the key opportunities to deliver clean and inclusive growth across the area and along with the Blueprint for Clean Growth is now setting direction for the LEP's work. The plan builds heavily on the Local Industrial Strategy which is no longer recognised by the Government having been replaced by the Plan for Growth.

➤ Have Levelling Up and Build Back Better significantly changed HotSW priorities and plans or the objectives you are set by the Government? For several years now the LEP's central priorities have been raising productivity and more recently to deliver clean and inclusive growth. In addition, delivery is continuing of the existing portfolio of Growth Deal and Getting Building Funds, Growth Hub, Enterprise Zones and the Careers Hub. Therefore Levelling Up and Build Back Better have not fundamentally changed this though the exact role the LEP will play in the future will depend on the outcome of LEP review and its role with Government and role with Local Partners

➤ How much of a risk is the potential shortfall of core funds? The government and local partners have contributed to core LEP funds since LEPs were

established.

In a change to previous policy, in 2021-2 this has been split into two lots of £250k, the first of which has been paid and confirmation of the second is still awaited. There has always been uncertainty about longer-term funding for LEP operations and in recent years the LEP has therefore built up a reserve to be able to provide more certainty to the team and stakeholders during these uncertain funding mechanisms. As detailed at the AGM this means that as currently structured, without any further core funding from Government the LEP can operate for around 6 months of 2022-3. If the remaining £250k is paid, this enables the LEP to operate 'as is' for 8 months of 2022-3. The long-term position is dependent on the outcome of the LEP review and support from local partners

**1. The Chair thanked everyone for taking part.**  
**Closed at 12. 37pm**