

***Draft Minutes of HotSW LEP CIC Board Meeting***

**15 July 2022**

**9.30 – 12.00 noon**

**Via MS Teams**

**Board Attendees:**

David Bird, Isca Ventures LLP (DB)  
Jane Dumeresque – Non-Exec Director (JD)  
John Laramy CBE - Principal & CEO, Exeter College (JL)  
Prof. Judith Petts CBE– Vice-Chancellor & Chief Executive, University of Plymouth (JPetts)  
Karl Tucker – Chair HotSW LEP and Chair Yeo Valley Farms Ltd and Yeo Valley Ltd (KT)  
Melanie Squires MBE – SW Regional Director, NFU (MS)  
Pat Flaherty – Chief Executive, Somerset County Council as alternate for Cllr David Woan  
Paul Coles – CEO, SWBC (PColes)  
Paul Crawford – Chief Executive, LiveWest (PCrawford)  
Cllr Richard Bingley – Leader, Plymouth City Council (RB)  
Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council (RG)  
Cllr Steve Darling – Leader, Torbay Council (SD)  
Cllr Val Keitch – Leader, South Somerset Council (VK)

**Officers in attendance:**

Tracey Lee – Chief Executive, Plymouth City Council, accompanying Cllr Richard Bingley (TL)  
Jane Portman – Chief Executive, South Somerset Council accompanying Cllr Val Keitch (JP)  
David Ralph – Chief Executive, HotSW LEP (CG)  
Eifion Jones – COO, HotSW LEP (EJ)

**Others in attendance**

Chris Evans - Assistant Director of Innovation, Impact & Business, University of Exeter  
Elizabeth Spence - Deputy Area Lead for HotSW & Dorset, Cities & Local Growth Unit – South West (ES)  
Phill Adams- Programme Lead, Devon, Plymouth & Torbay County Deal, Devon County Council for County Deal update only (PA)  
Suzanne Bond – Area Led, HotSW, Cities & Local Growth Unit (SB)

**Apologies:**

Cllr David Woan- Associate Lead Member for Economic Development & Inward Investment Somerset County Council (DW)  
Prof Lisa Roberts – Vice-Chancellor, University of Exeter (LR)  
Cllr Phil Bialyk – Leader, Exeter City Council (PB)  
Richard Stevens – Managing Director, Go South West (RS)  
Stuart Brocklehurst – Chief Executive, Applegate (SB)  
Vince Flower – Non-Exec Director (VF)  
Anne Marie Morris, MP representing Devon MPs (AMM)  
Ben Bradshaw, MP representing Devon MPs (BB)  
Marcus Fysh, MP representing Somerset MPs (MF)

Paper	Decision	Decision agreed
<b>6. Chief Executive's Report</b>	i) To reflect on Board Member recruitment and agree on the next steps	Decision agreed
	ii) Confirm that the Chief Exec continues as LEP representative for both Freeport Company and Gravity EZ Board	Decision agreed
	iii) Agree to hold our AGM (virtually) on October 14 <sup>th</sup> , 2022 immediately after the next Board meeting	Decision agreed
<b>Recommendations from SIP</b> <i>(confidential)</i> a) Digital Investment Programme update  b) Torquay Gateway	i) To reallocate £940,000 from the Phase 2 Superfast Broadband Extension Project for a voucher top-up scheme to be delivered in partnership with BDUK, subject to business case and appraisal.	Decision agreed
	ii) To reallocate £1.2m of the £3m currently allocated to the Digital Infrastructure strand to the Build Back Better strand of the Digital Investment Programme.	Decision agreed
	to agree to SIP recommendation to increase GBF (from NODE).	Decision agreed

Agenda	Action
<b>1. Welcome &amp; Apologies</b> The Board thanked Pat Flaherty, CEO of Somerset County Council who is leaving at the end of next month for all his support for the LEP and wished him good luck in his new role in Harrow. Apologies as above.	
<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. TL - Smart Sound Connect plus Destination Plymouth (who have applied on behalf of the Destination Management Organisation (DMO) to become the accountable body) RB – Smart Sound Connect JPetts - Marine Environmental Intelligence Accelerator (MESA) and Smart Sound SD - Torquay Gateway CE – MESA, Build Back Better Catapult bid RG - Board member of Connecting Devon and Somerset (CDS)	
<b>3. A little bit of Culture</b> CE read out 'Mice Know' taken from a collection of poems 'One Chance Left' written by scientists, health professionals from the University of Exeter, and the Met Office highlighting the links between the climate crisis and human health - <a href="https://www.exeter.ac.uk/one-chance-left-green-futures">One Chance Left · GreenFutures (exeter.ac.uk)</a> . PColes volunteered to do the next poem.	

<p><b>4. Draft minutes of 8 April 2022 Board meeting and actions arising</b></p> <p><b>Action: A volunteer is sought to carry out the board effectiveness review at each meeting</b> – an update at this meeting to follow.</p> <p><b>Action: the revised BBB document in full will be circulated after the meeting for the Board to approve the small changes to the text that have been made</b> – completed and the updated document published and circulated to all Councils via the Joint Committee.</p> <p>The minutes were taken as accurate.</p>	
<p><b>5. Questions from the public</b></p> <p>None.</p>	
<p><b>6. Chief Executive's Report</b></p> <p>Since writing the report Hinkley has held its annual review reporting costs have increased to £25bn with the first reactor not operational till 2028, and the French Gov't confirming EDF will be nationalised. There is lots of work going on around Sizewell C which proposes a different finance payment model (possibly excluding Chinese finance).</p> <p>Food &amp; Farming – positive news around the application submitted by Devon CC on behalf of Great South West (GSW) area. No detail as confidential.</p> <p>High Potential Opportunity for Future Flight (future flight and sustainable aviation) has been signed off by the Dept. of International Trade (DIT) in partnership with the West of England. The HotSW LEP is at Farnborough Air Show next week.</p> <p><b>Action: Link to Future Aviation Test Zone to be forwarded to Board members.</b> <a href="https://f.io/uqRe-L4A">https://f.io/uqRe-L4A</a> Completed.</p> <p>The Marine Business Technology Centre in Plymouth has received another year of legacy EU funding.</p> <p>GSW funding has been approved by the Gov't subject to a business case.</p> <p>Freeport outline business case approved – detailed (final) business case to be submitted later this month with interim Chair and exec appointments.</p> <p>Levelling up fund endorsements – deadlines will be extended for this due to issues with the Gov't portal.</p> <p>As requested by HotSW Economic Resilience &amp; Opportunities Group (HEROG) a roundtable meeting was convened with planning officers (11 July) to help support the challenges over phosphates and nutrient pollution due to Natural England issuing a directive not allowing development to take place where it will harm nutrients, particularly phosphates. This has big implications for Somerset, also affecting parts of East Devon and Teignbridge.</p> <p>Also requested by HEROG, The LEP is convening (with SMMAS support) a supply chain round table.</p>	<p>DR/JP</p>

The current integration documents focus on the transactional role of LEPs (eg Growth Hubs and career hubs) and doesn't specifically recognise the wider LEP work eg with Catapults and other transformational opportunities which represent a real challenge for the Board to ensure these are picked up effectively through evolution. GSW provides an opportunity to host this work but also possibly complexity.

As capital funding dwindles – although the effective spending of the legacy funding remains important - the current work of the LEP is more business-facing and about developing and delivering transformational opportunities.

#### The Devon, Plymouth, and Torbay Devolution July 2022 – Progress Update

The above powerpoint was shared via the screen to the Board and presented by Tracey Lee and Phill Adams (this ppt was circulated in advance). NB this update was drawn up before the recent Gov't changes.

#### Comments:-

A view that with a smaller Gov't there is an opportunity for Devo and this needs to be backed up by the right level of resources. The need to lobby hard - can the UK Shared Prosperity Fund (UKSPF) ask for £36m to be increased to £100m in line with Cornwall's if the previous spend on EU funding on skills, business support, and small business innovation can be demonstrated to support what increased spending could do?

To ensure the next Autumn Devo update presents a greater understanding of how GSW/ the LEP/Devolution/ and County Structures all sit together in a harmonious triangle.

There are ongoing discussions with Gov't on the GSW pan-regional partnership (PRP), Cornwall and Isles of Scilly, and Dorset LEPs plus the Local Authorities

**Action: To forward the Board a schematic of how the GSW PRP, LEP/Devolution, and County Structure may interface together. Completed.**

**J Powell**

A recent HotSW Energy Futures Programme Board meeting (11 July) discussed Floating Offshore Wind (FLOW) a prime example of pan-regional working however, the significant role of Devon and Somerset and Dorset for supply chain infrastructure is not being sufficiently highlighted.

HMG is leading on the business case for GSW focusing on the big ticket opportunities eg. energy, trade and investment, and tourism zone as opposed to the more local ones of skills and business growth needs to come forward.

The view from the LEP's Gov't sponsor is that Gov't is tending to become more streamlined in its expectations of what a PRP may look like with a greater role of a convenor.

**Action: to convene a meeting with GSW/BEIS to consider where elements of work fit together e.g inward investment happens across all landscapes (Devo, LEP, LA, and PRP) to avoid duplication and present a credible PRP business case to Gov't.**

**DR/SB**

<p><b>Action: to have a dedicated Board Devo update (separate from the LEP Deep Dive) in September, check if Somerset wishes to be involved and include BROs similar to the earlier in the year (by which time one-page summaries should be available)</b></p> <p>GSW is currently undertaking a governance review, due to recent uncertainty and needs re-energising.</p> <p>A draft revised version will have a clear view of the relationship with the Devo area and include representation from all four areas, Somerset and Devon, Dorset and Cornwall to be circulated to the LAs.</p> <p>The GSW Steering Group will meet on 25 July to look at the draft governance piece and a draft of GSW work priorities based on the original prospectus. A business case template provided by Gov't will be completed by the Cities and Local Growth Unit, (GSW to provide the information) to be submitted in time for the new Gov't team after 5 September, to be signed off with funding hopefully confirmed by the beginning of October.</p>	<p>DR/TL</p>
<p><b>Action: A further GSW Steering Group meeting is to be organised for late August/early September to finalise the governance draft, priorities, and business template.</b></p> <p>A GSW Energy Summit has been confirmed for 12 October at the University of Plymouth and this would be a good opportunity for a ministerial visit (to confirm GSW funding).</p> <p><u>An update on Somerset was given by Pat Flaherty, CEO of Somerset County Council</u></p> <p>EDF and Hinkley moving on at pace.</p> <p>The Enterprise Zone at J23 of the M25 at Bridgwater and Gravity discussions with potential end users are at an advanced stage. There are ongoing conversations around inter-authority governance arrangements as this moves forward as the County Council, the LEP, and Sedgemoor District Council all have an interest in the Enterprise Zone Board.</p> <p>Shared Prosperity Fund (SPF) there is now an agreement with Gov't to develop an investment plan at the whole Somerset level for further funding, grants, and future investment, especially in light of unitarization, Devon Devo deal planning, and Somerset will continue to work closely with LEP colleagues.</p> <p>Since the local election outcome, there has been a new administration for Somerset County Council which will be vested on 1 April 2023. From this date, it becomes the new administration and whole council body with the name of 'Somerset Council' which hopefully represents continuity through this transitional period. Val Keitch is the lead member for all things economy.</p> <p>Unitarisation moves on at pace with the aim that from 1 April the Council administration steps up and it is seen as a seamless safe and legal transfer, continuing the work of the 5 councils, protecting the core business and views of the Somerset public. Projects such as building leadership teams, branding of the new Council, and the logistics of moving 4500 staff across to the new administration are the current priorities with no change seen in services as many staff continue to work from existing offices. Transformational work will start where required after April 2023.</p>	<p>DR/JPowell</p>



A new CEO will be announced next week.

The Leader of the Council, Bill Revans has started the process of developing a corporate plan to inform Somerset's priorities in readiness for the handover to the new CEO. This plan will have plenty of opportunities for stakeholders to engage including the LEP.

A health warning that finance will be very challenging for the new council (and across all local Gov't) which will impact the plan and aspirations of the people in Somerset, compounded by high inflation and increasing care costs – requiring often forensic difficult conversations over gaps in budgets.

VK: explained she has a joint role at the County Council as well as continuing as Leader of South Somerset District Council with the responsibility for Local Gov't reform and economic prosperity. There is a huge amount of work with several separate work streams, and lots of briefings but all 5 authorities are working well together.

An update on the Board effectiveness review was given by Jane Dumeresque

A survey was sent out with 12 questions with a scoring system of 1 – 5 (5 the top score) and although the response was low due to LA's work on Devo and Unitarisation there were lots of 5s and 4s with two key areas receiving 2s and 3s with praise for both the Chair and the CEO during this period of change. There is recognition that the composition of the Board has changed and future skills are needed in change management and SME experience. Papers are helpful, useful, and clear. The quality of discussions is good but some dwell too much on management issues and listening to reports (something reiterated in DB's review last year. This could be overcome at the end of each meeting by some reflection to check whether the meeting was focused enough.

There is a difficulty with representative Board members as opposed to independent ones where there was sometimes confusion over which 'hat' was being worn and this may on occasion need clarity to stress that at all times this needs to be as an LEP Board member. Similar to last year's results some face-to-face meetings would be helpful and whether the committees are effective will be reviewed next year once the LEP is certain of its future.

The two areas that scored poorly were; external engagement especially with the public which is still a real struggle and whilst PR certainly helps more awareness is needed and; risk awareness which needs to be owned by the Board but is instead delegated to Finance and Resources (F &R) and the Strategic Investment (SIP).

**Action:** it is recommended that risk awareness be discussed at the Board level at least twice a year.

DB

**Action:** For a review form to be completed by a different nominated person each Board meeting and reported back on at the end of AOB and filed with the Board minutes. *(an example from this board meeting is attached)*

DB/KT

The survey results indicated the Chair was doing a good job and was thanked by the Board for his good humour, professionalism, and hard work during recent difficult times.

## Board recruitment

A Futures Leaders Programme (in conjunction with Plymouth and Devon Chamber) has been

run to identify emerging people to recruit for the current vacancies for the LEP Board. Although two people put themselves forward to be interviewed neither were deemed strong enough to join at the high level required. What to do next? – the LEP Governance review in the context of Devo and Somerset Unitarisation was due to be brought to the October Board moving forward with Somerset only having one representative going forward (currently there are two as VK sits as the representative for Somerset Districts and DW is the new Somerset County Council representative).

The role of the Chair is also up for re-election next year but having completed the Board effectiveness review which affirmed satisfaction with the Chair it is sensible during this transition to recommend his re-election. (The Chair has indicated he is happy to continue).

NB although the Future Leaders Programme didn't produce any successful LEP Board recruits, the review concluded that the candidates found the programme very useful and suspected that the uncertainty over future LEP direction put some off from applying.

There is a challenge on how to replace the vacancies the LEP has, adjust the gender balance (important for a good governance model), and the impending loss of some private Board members in June next year when they come to their end of 6 year term? Under the current situation, it is fruitless to go out for open recruitment, and may be better to try to co-opt Board members from other organisations.

#### Comments:-

To confirm not only gender characteristics are protected but all protected characteristics in recruitment

To wait until Autumn for further progress on Devo, Unitarisation, and GSW

To complete a skills analysis to consider gaps for the Board (although a skills analysis of the Board was agreed upon before but has been difficult to fulfill due to the uncertainty over LEPs, their functions, and emerging geographies)

To amend the Articles for those willing to stay on after the 6-year expiry date on a rolling yearly basis subject to an appraisal or review to ensure continuity of expertise (LEP National Assurance Framework allows up to 9 years, it is only our local one, and the - Articles specify 6 years).

There is also concern that independent Board members are being asked to work on Devo, the LEP, and GSW, and drawing upon such a small pool is challenging and adds pressure on their time.

EDF had also identified a person to potentially become a LEP co-opted Board member.

**Action: The Chair will contact LEP Board members whose term is coming to an end next year to see if they express an interest in staying beyond 6 years.**

#### Decisions

**The Board agreed with the proposal to speak to EDF regarding co-opting a director to the Board and to progress this.**

KT



<p><b>The Board agreed they were happy for DR to continue as the LEP representative for Freeport and Gravity both projects moving at pace.</b></p> <p><b>The Board agreed to hold the 14 October Board meeting on a face-to-face basis, followed by the AGM which would be held virtually.</b></p>	
<p><b>7. Recommendations from SIP – David Ralph (<i>all commercially confidential</i>)</b></p> <p><b>a) Digital Investment Programme update</b></p> <p><b>b) Torquay Gateway</b></p> <p><u>Digital Investment Programme</u></p> <p>Local Growth funding and Growing Places Funds have mostly been delivered, however, there is some legacy funding left for digital infrastructure originally earmarked for CDS. In October 2021, the Board agreed to reallocate this £8m, and the report provides an update on the progress towards implementing this and asks the Board to ratify the SIP's recommendations.</p> <p>Whilst conflicts were highlighted earlier, this decision is only an agreement to revise the funding allocations for strands within the Digital Investment Programme so shouldn't present an issue upon voting.</p> <p>The first recommendation relates to the existing Phase 2 Superfast Broadband Extension Project, which is the only red-risk project currently being delivered through LEP funding. It was originally approved in 2016 to spend approx. £10m by 2020 but the project (by 2022) and has only spent £2m to date due to contractor challenges that remain ongoing.</p> <p>CDS have reported they will spend most of this by the end of this year with the final payments in Q2 next year. However, the LEP does not have confidence this financial plan will be met and has therefore asked for more accurate details of how the defrayed monies will be spent by each quarter. The LEP is recommending that the £940,000 that CDS has said will not now be needed (match funding for the Truespeed contract) be kept for vouchers, subject to a business case.</p> <p><u>Comments:-</u></p> <p>A recent underspend a couple of years ago for digital infrastructure resulted in the FE Colleges coming together to make a bid for digital infrastructure at short notice and so the providers who make an impact on skills will be able to assist if there is an underspend. Vouchers tend to be a good intervention for broadband at the tail end of the major rollouts and it is recommended at the higher value of circa £1,500 per premise as it will be costing upwards of £5k plus reflecting the difficulty of terrain in getting the infrastructure to the last 10,000s of properties.</p> <p>Digital infrastructure is a real challenge for HotSW and with new emerging policies on supporting infrastructure and hard-to-reach areas, a cap of £1,500 seems the right level. Surprisingly, this is not sufficiently mentioned in the Devo Deal as having good digital infrastructure is critical in attracting new business investment, especially in light of the region's lack of good roads and rail.</p>	



<p>The £940,000 would be subject to a business case so CDS will bring back a proposal to SIP. If SIP doesn't approve it then potentially it could come back to the Board.</p> <p>The second part is about supporting digital delivery under the Build Back Better (BBB) plan. £500,000 has been agreed for the delivery of the Tourism Data Hub, work that is being led by Destination Plymouth. Nine expressions of interest were received for other digital projects, and applicants were brought together to commission two projects, one for the Environmental Living Lab and the other is the Smart Sound Connect extension.</p> <p>Following business case submission and appraisal, SIP has agreed to approve up to £2m for the Satellite Applications Catapult to establish an Environmental Living Lab and up to £1.2m for the University of Plymouth's Smart Sound Connect Sub-surface project. The recommendation is therefore to increase the Build Back Better allocation by £1.2m, reallocating this from the £3m digital infrastructure allocation, and ratify SIP's decision to enable these two projects to go forward.</p> <p><b>Decisions requested:</b></p> <ul style="list-style-type: none"> <li>i. <b>To reallocate £940,000 from the Phase 2 Superfast Broadband Extension Project for a voucher top-up scheme to be delivered in partnership with BDUK, subject to appraisal.</b></li> <li>ii. <b>To reallocate £1.2m of the £3m currently allocated to the Digital Infrastructure strand to the Build Back Better strand of the Digital Investment Programme.</b></li> </ul> <p><b>The Board agreed to ratify the decision made by SIP to fund the above 2 projects.</b></p> <p>That leaves £1.8m, which is the only LGF capital budget not now allocated/contracted. The proposal is to continue talking to CDS about extending the voucher scheme to present options for the remaining £1.8m of the Digital Infrastructure allocation to SIP at its next meeting in September.</p> <p>Comment:- Keen that we progress the community triaging service including further funding if necessary. Thousands of premises think they need to wait for fibre rollout that could be serviced by 4G now at very little cost but they don't know that; would be good to consider if the triage service could also provide grants. In response, the LEP hasn't found a model that will deliver a triage service and in discussions with CDS, they think this is already covered and therefore not a good use or value for money.</p> <p><b>Action: PC is very happy to be part of renewed CDS discussions on the value of a triage service.</b></p> <p><u>Torquay Gateway</u> <b>Decision – The Board agreed with SIP to recommend the increase to £255,000.</b></p>	<p><b>DR/PColes &amp; CDS</b></p>
<p><b>8. Build Back Better (BBB) – David Ralph</b></p> <p><b>a) Build Back Better Plan progress</b></p> <p>The LEP is now concentrating on the work of the BBB driven via the four Programme Boards and includes an ongoing discussion with Innovation UK, BEIS, Catapults, etc.</p>	

Catapults are submitting new business cases to BEIS next year so it's a good opportunity to make a case for a strengthened clean energy presence in the SW (not Bristol) through the network as part of the clean energy powerhouse proposition.

**Action: PColes is keen to help out in extending catapult activity into the SW and is close to the National Composite Centre.**

Comments:-

A recent Energy Futures Programme Board meeting confirmed that the Hydrogen group has commenced work. The region doesn't fit the Gov't model of large industrial clusters for hydrogen as the SW is more dispersed.

Concerns were also raised over the Crown Estates FLOW search areas and constraints mapping in the Celtic Sea which seems to favour S Wales as the main port infrastructure beneficiary which could result in supply chain opportunities for Cornwall, Devon, and Dorset ports being missed. The search areas included were a designated fishing area and the other under Ministry of Defence control which are both unviable. It was felt a prime area south of the Isles of Scilly has been missed off and several industry representatives will be taking this up with the Crown Estates.

**MS requests a decision that the Board is happy with the action plan for local food sector public procurement as highlighted in the food strategy which lays down the ground rules for the next steps and future investment. The Board agreed to this.**

A plea for better collaboration on Phosphates and for this to be considered for a future new investment piece of work around assisting landowners, land managers, farmers, and tenants to work with developers toward the many practical solutions to nutrient pollution. There are opportunities to do more than just mitigating phosphates and net zero, especially with farm-scale solutions and emerging technology and it's imperative to keep the land-based sector involved in conversations around this. MS is continuing to explore this with Steve Double, MP the new minister for Defra, and trying to organise visits and meetings.

Thanks were given to everyone involved in the farm resilience piece but to not lose sight of the wider food, farming advisory business service requirement within the main core business resilience piece. It is important that as this programme develops it is delivered across the entire GSW area.

Phosphates are a rising significant issue risk having an impact on LA's five-year land supply with developers putting in schemes on areas not marked for development and farmers putting aside land for offsetting rather than food production. It is critical to find local solutions and to press the issue with the Local Gov't Association to work with Natural England otherwise the long-term supply of land will be in jeopardy with developers not prioritising housing in the SW, harming the economy, inclusive growth a upon social mobility. Solutions range from farmers setting aside land to offset nutrients, Anaerobic Digestion systems, and a North Devon Biosphere scheme for nutrient credits but all have some drawbacks.

PColes/CG

<p><b>Action: To collectively find ways of raising the critical issue of phosphates and their impact on housing development with Gov't and MPs. HotSW will produce a briefing paper and circulate it to local MPs.</b></p> <p>The Natural Capital Trading Platform is now live in Devon and Somerset with Paula Hewitt leading is looking very closely at this. The platform will aim to look at nutrient trading as well as other natural capital assets.</p> <p>Under the BBB report 2.17, a further update is provided. The Regional Health Tech Group met this week and there are a significant number of large bids for funding that have been submitted for the coast and rural digital health hubs, and the establishment of an SW Academic Health Service Network innovation pipeline and demonstrator for a digital health test bed. This is SW-wide involving Cornwall and in one case Dorset too and therefore current work is developing the current Plymouth Health Alliance into a Peninsula Digital Health Hub.</p> <p>The LEP is in discussions with Hydrogen SW about increasing its reach into the Peninsula and what this could look like and being involved in this group.</p> <p><b>b) Ocean Futures Business Plan 2022 – 2023</b> This report includes the business case and needs some additional work to avoid any duplication between Freeport, Oceans Futures, and the Maritime Environmental Accelerator.</p> <p>The point was made that the Marine Assurance Testbed is the first programme within Ocean Futures to be brought forward for funding and this needs to be reiterated.</p> <p>Clarification is highlighted over the Marine Environmental Science Accelerator (MESA) which has 3 streams; the marine accelerator the environmental accelerator and the technopole (the technopole is not the overarching piece it is only a component). A meeting of MPs has been organised in Plymouth (22 July) to increase their knowledge on the Technopole, Marine Autonomy Assurance Testbed, and Exeter's Environmental Intelligence Hub.</p> <p><b>c) Future Aviation Test Zone</b> This leaflet is for noting and will be promoted at Farnborough.</p> <p><b>Action: There is an issue with the map as Plymouth City Council does not own Plymouth Airport the long leaseholder is Sutton Harbour Holdings. To resolve this offline.</b></p>	<p><b>KT/DB</b></p> <p><b>DB/TL</b></p>
<p><b>9. Performance updates</b></p> <p><b>a) Reports from standing committees – David Bird (<i>all commercially confidential</i>)</b> <b>Strategic Investment Panel</b> <u>verbal</u> update which has already been provided by DR.</p> <p><b>Finance Report</b> - this paper highlights a financial accounting error on the balance sheet reporting spotted by the Somerset team as part of the year-end reconciliation of figures concerning an opening balance for reserves being carried forward incorrectly. The gross error was £441,000 for a commitment on future spending which was released twice. It did not affect the year-end positioning reported at the AGM but was an intra-year error. The</p>	

error has been offset by various capital revenue exchanges (*see annex A financial position*), further reductions in projected reserves which happen monthly, and confirmation from Gov't of funding for core and the Growth Hub, so the net impact on finances was less than £100,000.

An independent financial auditor has been brought in to reconcile the balance sheet, review the processes for monthly reconciliation, and review if the LEP needs to adopt a separate independent accounting package (i.e Zero) that runs alongside that of Somersets. Initial feedback from the auditor is that systems and processes are sound and the issue could have been avoided by locking down a protected cell in a spreadsheet. There are not expected to be any changes to the reported figures in annex A but the issue needed to be raised to the Board as it could have resulted in not being able to support some key projects

Sincere apologies on behalf of F & R are given to the Board for this error. The final report is due to be discussed with the auditor, and their findings are to be debated at F & R in August with a paper with any recommendations brought to the next Board meeting.

**Annex A Financial Position (paper)** for noting already referenced above.  
An open invitation to the Board to join F & R was reiterated.

The agenda jumped to 9c) to allow time for this item to be discussed.

#### **9c) Inclusive Growth update for discussion – Paul Crawford**

This paper provides an update on the LEP's inclusive growth work and aims to prompt a discussion at the Board on how this work now best evolves. The background is covered by the paper where Metro Dynamics was commissioned to assist in looking at the challenges and opportunities in the SW. In parallel, the University of Exeter produced a 'social mobility report' and is establishing a Social Mobility Commission to champion addressing the challenges identified although primarily aimed at education and skills attainment there are obvious links to housing, health, and business. The task set by the Board is almost complete and has provided a sobering understanding of inclusive growth and its systemic issues in the SW. Statistics show that 1 in 4 people working in the SW is being paid below the living wage; whilst the Social Mobility report highlights parts of the area are the worst performing, some coming bottom in comparison to other LAs in the country, particularly in West Somerset in several key areas.

Although inclusive growth is recognised and discussed within LEPs and LAs little is done to embed and hard wire this into decision-making to set long-term objectives and outcomes – it needs to be explicitly embedded into all strategies moving forward. Interestingly none of the decisions made today have considered inclusive growth. Every decision made needs to be balanced with the question of what impact will this have on economic prosperity, growth, skills, and the creation of high-value jobs.

Resources are needed for the next step change to be made regardless of whether there is a LEP or a Devo Deal. Business needs highly educated people willing to stay in the region to contribute to success and to be able to lever investment for apprenticeships and job creation with an opportunity here for the LEP or Devo deal to play the role of

‘convenor’ to help businesses invest at scale.

The work of the University of Exeter Social Mobility report recommends a social mobility commission and whilst the terms of reference (TOR) are being established the LEP needs to encourage and influence a wider brief not solely limited to education but to skills, jobs and health too. There is no point in having well-educated people if there aren’t enough high-value jobs in the region to encourage them to stay.

There is an opportunity for the LEP or Devo deal here to think about direct investment, partnership, or co-funding initiatives with real clarity on how these will strategically deliver inclusive growth over the longer term.

Comments:

Is there an opportunity in community role building and to encourage businesses to engage with community wealth building? The report and commission are very much seen through an educator’s lens and needs to have a more well-rounded approach and develop support from a community and business perspective.

It would be helpful to understand what good looks like, and where the priorities are that make the biggest difference.

Conversations are going on in other parts of the region to establish commissions which could cause complications. The report has been useful in promoting discussions about social mobility and its solutions and the University is keen that this moves on from an academic piece of work with stakeholders having a role to play in solving the issues, and opportunities to test new ideas and pilots. Discussions are ongoing between the University and Devon County Council to potentially form a Housing Association with the social mobility findings forming part of this work.

Since 2019 Universities have had access and participation plans that cover the whole educational journey with financial support to raise the aspirations of people from areas of social deprivation into universities and onto high-skilled jobs. The missing link is the lack of public transport in rural areas to allow people to access standard education and skills learning.

Exeter University has been taking the ‘doughnut economics’ approach (this proposes an economic mindset, a way of thinking to bring about regenerative and distributive dynamics) and working with colleagues in Cornwall to deploy a range of metrics in local areas to see what success looks like, to drive policy in particular ways which is beginning to be implemented. Talks are also underway with Somerset to adopt the same approach. There is an opportunity to use and develop this approach for both inclusive and sustainable growth.

There is a need to establish who is responsible for setting up the Social Mobility Commission (seen as the anchor to look holistically at the solution), to have an opportunity to reflect on its remit and TOR, and take the lead in setting out a long term vision to achieve some high-level outcomes. The goal is for young educated people to come through the system, affordable housing delivered at scale, and employers engaging to generate high-value skilled jobs that help people contribute to economic prosperity and prosper themselves in the community.

The Chair assured that he will drive this forward as he sits on the Advisory Board and its steering group is engaging with stakeholders to get the right people involved, to ensure a more holistic approach is adopted, to move this on from academia, to change behaviours to make a difference and support the points raised by this Board. This will also become one of the GSW priorities.

**Action: A copy of the interim study into social inclusion conducted 18 years ago under the Blair Gov't raised the same issues which were too challenging to address to be forwarded on.**

VK/PCrawford  
& KT

There is a danger now that the LEP is not focusing on developing economic projects and no longer receives Gov't funding monies that this work becomes fragmented. The challenge for the LEP is what's its role in this and how will the work be picked up as the issue is not high enough on the SW's agenda? The model proposed in the report would be an effective story for the Devo Deal but has not been taken up. The CEO has also been a member of the West Somerset Opportunity Area for 4 years (its last meeting is next week) and this has carried out mainly tactical work with transport also raised as a huge issue, easily overcome by reopening the West Somerset Railway. West Somerset remains a priority area. A recent Think Tank published of 225 'left behind neighbourhoods' did not mention the Peninsula and it will remain left behind unless it overcomes this challenge by leading projects in the SW to overcome issues for the future.

There is a clear role for the commission to adopt a coordinated approach between the LEP, and LAs with clear measurable long-term ambitions and outcomes so that every project which involves decision-making has inclusive growth hard-wired into its thinking and processes.

**Action: To provide the link to the Think Tank published of 225 'left behind neighbourhoods' to the Board. Completed.**

DR

The Chair apologised that the meeting was overrunning its scheduled time of 2.5 hours.

#### **9b) Standing item Leadership Group updates**

##### **Business, Skills Advisory Panel, and Innovation**

These were covered by DR for brevity and in the absence of the Chairs of these groups.

Business – GH funding is confirmed for this year but runs out at the end of March 2023 and future funding is unknown. SPF is the current vehicle that rests with LAs and submissions are currently being put into Gov't but these need to pick up the business support piece and there is a real risk this looks very fragmented and falls away. A meeting last week with the British Business Bank reports they are slightly behind on progress with bringing forward an SW Fund. Talks are still ongoing with SW Mutual to make the case for a mutual bank for the SW (which would help the inclusive growth piece).

Skills – the transitioning of this started 2 years ago with the setting up of Skills Advisory Panels (SAPs) and bids have been submitted on HotSW geography for a strategic development fund and local skills improvement plans (LSIPs). An invitation has been received to make the business case for the strategic development fund but unsure on the

<p>progress of LSIPs which continues to operate on a HotSW basis until 24/25 but if there is a Devo deal this will likely disaggregate.</p> <p><u>Innovation</u> – a good summary is provided in the paper for MESA, with a reminder that the Technopole is just one of the three strands underneath this. There is a visit next week to Warwick to learn more about battery innovation with proposals for funding for innovation support and workforce development (which has been set aside) for Gravity should this happen. A tender is imminent for the Somerset Innovation Service. The LEP has funded significant infrastructure in Somerset (iAero, the digital technical centre, the energy, and innovation centre, and enterprise zones. There is another tender out shortly to cover the innovation delivery on how this all fits and works together with the technopole. Whilst this may be very Devon-centric, work is going on for the High Potential Opportunity with the Hydrographic Office in Taunton within the work of the Maritime Centre of Excellence.</p>	
<p><b>10. Papers for noting</b> No comment.</p>	
<p><b>11. AOB</b> <b>Action:</b> The Chair asked JD to complete the ‘how has the meeting gone’ review form for this meeting. There was a suggestion this form should also check that decisions consider inclusive growth.</p>	

**Next meetings:-LEP Deep Dive into High-Value Manufacturing, 9 September**

**9.30 am – 12 noon via teams**

**LEP Board meeting 14 October 9.30 am – 12.30 pm face to face, venue to be confirmed.**

**HotSW LEP AGM CIC 14 October 1.00 – 1.30pm times TBC face to face/virtual**