

#### **Business Leadership Group**

# Hybrid meeting ( Plymouth Pavilions and MS Teams meeting- Wednesday, 28 September 2022, 09:30 to 12

#### Present:

Eifion Jones (EJ) – LEP Chief Operating Officer/ Chair

Amanda Ratsey (AR) – Business Theme Lead / Local Authority (Plymouth City Council)

Stuart Elford (SE) - Devon & Plymouth Chamber of Commerce

Chris Wardman (CW) - Maritime, Defence and Autonomous Systems/

General Dynamics UK Ltd

Dirk Rohwedder (DRo) – Regional Director/ School for Social Entrepreneurs (Dartington Team)

Shaun Hoppins (SH) – Business Representative (S D Solution)

Sue Wilkinson (SW) – Business Body Representative (Federation of Small Businesses)

Dolores Riordan (DRi) - Local Authority (Devon County Council)

Julie Hawker (JH) - SWBC Representative

Noel Stevens (NS) – ESIF Committee Representative / Business Representative (Alder King)

Jason Buck (JaB) – Local Authority (Torbay Development Agency) Paul Bird - Paul Bird (PB) – Digital Lead (Elixel)

Dee Gill (DG) – Business Support Representative (Business Information Point)

#### **Supporting Officers:**

Carla Modley (CM) – HotSW LEP Inward Investment Manager

Colin Bettison (CB) – Local Authority (Plymouth City Council)

Julia Blaschke (JuB) – Local Authority (Plymouth City Council)

Heather Hillman (HH) – Attending Officer (Devon)

David Hynd (DH) - Growth Hub's Programme & Partnership Manager

Hadelzein Elobeid (HE) – Local Authority (Plymouth City Council)







### **Apologies:**

Richard Stevens (RS) – Chairman/ LEP Board member / Business Representative (Citybus)

Philip Mitchell – Philip Mitchell (PM) – Photonics Lead (Lumentum)

Alistair Handyside (AH) - Tourism Alliance

Katriona Lovelock (KL) - Local Authority (Somerset County Council)

4	
1	Introductions, Apologies and Conflicts of Interest- Chair
	Introductions and apologies were made (please see above)
	Conflict of interest was declared by: SE, JH, DG and DRi
2	Minutes of Last Meeting and Matters Arising- Chair
	Previous minutes were approved and actions ticked off.
3	Cost of living- Colin Bettison (CB)
	- CB talked about cost of living being discussed within the Growth Hub
	working group- set up with BLG members. A recent discussion was
	about how businesses are struggling with the cost of living crisis. SW
	and SE among others were stressing the need to bring this discussion
	back to BLG. CB mentioned that this meeting was before the Friday
	announcement of business support. Moreover, the Growth Hub has
	now a page signposting businesses to the available support. DH added
	that they are witnessing lots of interest from businesses.
	- CB concluded that there are things happening addressing the key
	issue of the cost of living crisis then asked members for questions,
	elaborations, comments
	Questions & Comments:
	- SW said that she wouldn't even say that the struggling small
	businesses will be saved by all these mentioned interventions. She
	added that the energy changes are brilliant but not for huge amounts of
	energy, since the energy cap is at the cost of fuel not the used amount,
	energy, since the energy cap is at the cost of fuer not the used amount,







so there is a need to understand what's happening here. SW mentioned that the changes in tax is what the FSB have been calling for, which is good news because they've taken the new social care tax off. She concluded that saving the business is the most important thing now.

- SE added that the British Chambers of Commerce largely welcomed the announcement because it was largely on the face of it, good for business because it reduced cost, reduced tax on profits... etc. he added that nevertheless what was seen is that any savings has completely been wiped out and prices going up. SE also mentioned the crashing of the pound, which made imports expensive, and talked about the consequences- giving an example of employment shortages and turnover rates leading to delivery deficiencies- explaining that people would move for a very small amount of difference in salary.
- EJ said that although there were a lot of talk on the tax cuts, but actually relatively speaking the overall taxes still remain high.
- AR added that interest rates are going to rise- which might lead to some sort of civil unrest since people cannot afford to pay. This unrest not necessarily riots in the streets- but definitely strike action and difficulty, so probably looking at certainly 12 to 18 months of a rocky economic situation. AR added that looking at what all this means to this group and for local economy and that will certainly have some sectors which will be hit harder than other sectors.
- SE added that when interest rates go up, people won't have any disposable income, so those businesses that are already struggling will get hit again because it will be mostly the leisure and hospitality sectors accordingly if there aren't any discretionary spend they won't be spending in those sectors which is a very worrying situation.
- EJ asked DH to explain a bit about the Growth Hub packages that
  Radio Devon were interested in. DH shared what that they have put
  together on growth Hub's resources page and the site which try to
  point people in the right direction and review where they are with their
  business also providing things like top tips for saving energy and things





like that, the banks and stuff. DH added that they also point businesses to programs such as the Thrive program, which offer business resilience, support or writing. Also collaborating in offering some business resilience workshops as one of the new developments earlier in the year, guide businesses on how to mitigate risks of different scenarios- whether that's diversified income streams or other and generally pushing the Growth Hub message as best as possible.

- AR talked about structural reform when taking energy as a starting point. She elaborated that one of the drivers is that energy costs are going up; "a structural change at sensitive uses" and gave the example of some businesses having solar panels- that there is a structural sort of shift which is tied as net zero as well.
- DH commented that in the page, they tend to point to that changethings like the SME toolkit, the government launched. Also looking at the new options for business and head to finance that, and he said that some sectors actually are really investing heavily in solar-the farming industry, for example.
- DG shared their experience with rural businesses in light of everything that's going on. Seconding DH, she said that at the moment the engagement in this support that's available is lower than what's desired. DG added that it's obvious that everyone is now very much in survival mode. She explained their approach of support which involved acknowledging all the challenges, getting around and sharing this acknowledgement and preparing them to the prospect of even more to come. DG added that the hurdle is to remain flexible in the support provision so that it can be continuously changing to address all of the new hurdles as they're coming out. Also to make sure businesses know support is available. She added that some of the hurdles stopping immediate response is staff shortages. DG concluded that it's a real balancing act for businesses at the moment to be able to utilize all the support that's available for them.
- NS said that he hasn't seen the impact of the immediate announcements but there are ongoing conversations which seem less





- positive, and wondered about how that translates into actual deals and gave an example of the still low stock levels. NS concluded that it would be interesting to see the perceptions/options for all businesses, large or small, for PVC application vs. the construction of the building.
- SE mentioned working on installing a solar PV on the roof of public sector owned buildings, but paid for by the private sector, and so how that can be scaled up and moved across to then help private sector tenants convince their landlords to allow them. SE said that it's quite complicated because while landlords technically have the legal responsibility to install; energy prices as they are and people wanting energy security.
- EJ concluded that just in terms of the communications, there's support available to a certain extent and suggested talking about the matter offline separately. EJ said that there will be intelligence coming through that be very helpful and mentioned involving/ making use of upcoming HEROG meeting.
- CW asked if there is an opportunity for the LEP actually make a point or a statement and signpost to the relevant areas of expertise that can help support businesses in the region because of that level of gravity is incumbent BLG as a group to be able to provide as much equivalent support.

## 4 2022/23 GH Funding Update- Eifion Jones (EJ)

- EJ gave an update about the Growth Hub funding- saying that there is a potential funding gap coming up next year. He mentioned that the funding currently runs until the end of March 2023, that there are some government's and both the EU funding which is funding the Thrive program, which is on business support package, that they haven't received confirmation and growth of funding for following years until June or July time.
- Then EJ talked about devolution mentioning that timing is still for a
   Devolution deal to be in place and operating by around September

# Creating opportunities in Devon, Plymouth, Somerset and Torbay



- time. He added that there's an ongoing need beyond that to think about growth hub coverage,
- He confirmed that the original and valuable purpose of the growth hub remains valid, which is to provide that way to what is an ever correct business support that.
- EJ mentioned working on a proposal together to seek LEP funding for six months to basically enable the growth hub to operate from April through September next year, through a summer window where government hopefully will confirm future funding and also to when the intended devolution deal comes in through.
- Then EJ talked about further funding details and proposed scenarios (please see attached slides).

#### **Questions & Comments:**

- AR commented that "putting the devolution hat on" support from the LEP is welcome in terms of making sure that there's continuity. She added that there is a need to continue funding through devolution and whatever else that comes. She also mentioned about previous conversations and where to go or find out about where all the plethora of support that may be relevant?
- SE said that Growth Hub is an essential service and he supports it completely, he said he wasn't sure what the chamber would do but still in full support
- DRi seconded both AR and SE's support for the Growth Hubcommending the valuable services it provides
- SW also said the FSB is certainly supporting the Growth Hub because they are "the- go- to" when it comes to supporting their businesses
- DG said they also support the Growth Hub because in such a confusing landscape with so much support available; having that one place for people to go to help navigate that and be able to make the best of o what's available to them is vital.
- DRo said that the Growth Hub is an important source of support generally and for the social economy especially. He talked about the money coming in through shared prosperity fund and wondered





- whether it is possible to bring some of that money into the business support for the Growth Hub
- DH answered DRo saying that HH would cover the UKSPF slot that it is a very good point, but the wider point is I think there is a next stage, where they might try and join up the various aspects of shared prosperity fund, but there might be a risk of overlap of business support in other areas and there might also be some opportunities for some individual programs.

## 5 Growth Hub Update- David Hynd (DH)

- DH gave an update about the Growth Hub saying that they remained busy during summer, with inquiries on all sorts of topics: funding, finance, pitch, general business growth, and business resilience remain high as well as signposting.
- He said that the newsletter features grants of any kind, as end-result receiving 400 inquiries and information click through is actually inquiries to the to the growth hub.
- DH mentioned some challenges such as workshops- mainly getting people to commit to those workshops, where there are very high dropout rates for those that are booked on.
- The ERDF program through which the Thrive program is largely partfunded by- provides 12 hours support. The challenge is in getting business through those 12 hours in the timescales for that program.
   DH said that they are having some discussions about an extension and that they are also looking at how to do more geographic local marketing, how to push the workshops that are thought to get attendance up there.
- DH said that they are now at the point with some aspects of the Thrive program where they had over 900 businesses registered, where the targets are 600 businesses getting 12 hours' worth of support- about 50% conversion. He said that even though there are projections for over1200 registrations for Thrive by the end of the year, however there





- is the challenge of pushing through having 6, 9 and 12 hours of support vis a vis the big drop off.
- DH then gave a break down insight- taking a look at Somerset where the targets are a lot lower- 180 businesses of 12 hours, 150/ 160 businesses for 3 hours or more which translates to 8% or so of the targets. He added that Somerset got a good chance of achieving the target while using a different approach starting by recently appointing an engagement officer.
- DH added that some of the things that came out the working group really to get this over the line with the non ERDF support which is 3 hours as the baseline target. So though it's still a massive challenge however, it's promising when looking at the summer engagement with non ERDF businesses in terms of registrations.
- DH concluded that the general picture is that they don't have enough visitors in the hopper and they're not converting quickly enough through workshop programs to get to those (420 businesses at 12 hours' worth of assistance- a stretch given the remaining time scales)

#### **Questions & Comments:**

- DG said that the one to one engagement is definitely showing as a preference among clients with the workshops being that slightly bigger challenge to get them through
- EJ said that it sounds like a mechanistic issue and that it shows from what DH presented that there's plenty of demand for business support
- DH detailed how the process is and explained it to members and DG added that it is really important to be able to address that flexibility as we move forward and start to look at shared prosperity funding for business support, explaining flexibility as in enabling support to be an hour or 4 hours or whatever it is that the client's actually needs, then it will allow for increased engagement. She added that although they used to work fine in the past with the 12 hour blocks, however they are now becoming a challenge given what businesses are facing recently
- HH said they came across all this in the farming support and other things and that they already flexed; that they already redesigned the





future Farmers Alliance so that it's very flexible in terms of how much support for farmers can happen. She continued saying that their intention to design any future support programs including SPF- not without any limits obviously, but to be as absolutely as flexible as possible. HH seconded the conclusion that an output consisting of 12 hours might be unsuccessful and that going forward, one of the main things to build in is flexibility

- JH said that she agrees with all discussed, and fully understands all the mentioned concerns. She added that they recently had to terminate one of their business support contracts on a very similar basis that they knew the constraints were going to be too great for them to deliver to the ERDF standards. Lastly, JH talked about the duplication of work and the multiple offers that are out in the market place which are making it easy for businesses to be confused by which is best for them
- EJ asked whether the working group in terms of promoting the growth hub was still going on and CB answered that they have one more session planned in at the working group and that they would take it from there. CB said that it seems from what DH shared there is need and provided an analogy that "businesses are looking for an all you can eat buffet." When looking for business support.

# 6 Shared Prosperity Fund & Rural England Prosperity Fund Updates- Julia Blaschke (JuB), Heather Hillman (HH) and Amanda Ratsey (AR)

- JuB updated the group about Shared Prosperity Fund saying that they submitted the original investment plans and every unitary or district council sort did this. She said that they received feedback from governments and initial feedback that they passed the first checks.
   The government originally said they will sign off investment plans from October on. While waiting for further communication, all districts are teaming up.
- HH continued explaining that in Devon they had £10m and three shared prosperity split between the districts and Exeter in addition to Torbay and Plymouth. The team has been doing some work with the

Creating opportunities in Devon, Plymouth, Somerset and Torbay



districts to understand what their plans and to put together a strategic business support offer which follows on from Thrive. HH said that they put together an offer which involved an element of general business support, an element of start- up support, and a little bit of green business support and then we have. Next, this process was refined, put together and made fit what was understood to be the sorts of amounts that districts might like to spend- looked at roughly about 100 grand a year per district.

- HH explained that the more areas that join in, the less the ratio between management, delivery, organization coordination and actual delivery costs. She listed interested districts: East Devon, Teignbridge, Mid Devon, South Hams and West Devon. HH mentioned that they organized a meeting (on Tuesday 04 October), to which they also invited a Torbay, Plymouth and Somerset. This meeting is to help understand who is taking part to talk about which areas people are most interested in and also when delivery needs to start.
- She mentioned that they put in basically some costs for mobilization early next year, however, with procurement and everything else, there won't be much delivery occurring this this financial year.
- EJ asked about the explanation of "per year" and AR answered that for UKSP round figures are used- so say that is £10 million. It is about 10% has to be spent in this financial year. AR said that is very difficult because none got an offer letter from government and after that they need to get something through cabinet. AR added that the best thing to do is to add it up to the next financial year. She said that the plan is not 3 years but two years and ¼, so they are going to have ¼ in this financial year. AR added that because these are revenue programs, they will go straight into negotiation with government within a year to go and state what allocation would be. AR went explaining saying that it is a "basket case" since the procurement has to be sorted out and instead of having one funding source now there are at least 12 funding to a different pots to try and join up. AR concluded that it is not a





straightforward fund and that this is not a simplification of public sector money.

- EJ said that at least it is good to know there are moves towards future business support.
- HH talked about the Rural England Prosperity Fund, describing the work of the Economy, Enterprise and Skills' Team, which is working with the districts within Devon and who are going to use that fund to add to whatever grant programs there.
- SW said that it was a bit of a shock to a lot of local councils- East Devon, Mid Devon have been given £800,000 for rural prosperity and there doesn't seem to be any major plans for what they're going to be doing with that. She said that it would be nice to see some sort of breakdown.
- JuB said that- to her understanding- the authorities who got the extra funding will have to produce an addendum to the investment plan where they have to lay out what they're going to do with the money. She added that as HH has just mentioned, it's predominantly capital and there's no funding, no extra management fee attached to it.
- Lastly AR provided a brief update on Devolution Deal- a topic which
  was suggested to be further discussed in the next meetings in light of
  the upcoming updates.

# 7 Inward Investment Updates- Carla Modley (CM)

- CM asked members if they had a chance to go through the previously sent papers then she started with the grant scheme (after providing a brief explanation to new members) on the three main strands- the group has approved four grants to date, 7 new jobs have been created, one has got a slight delay and the delivery of the machinery, but hopefully that one was moving forward. The fourth applicant creating the most jobs is not progressing like the rest, so it will have an impact on our job output. CM said that she has a pipeline of potential





- businesses and that she met some businesses based in Somerset, which is great news.
- CM then moved to business support, where they have to deliver 3
  hours of business support to 27 businesses. They commissioned
  Business West to do that, they have access to database of 8000
  businesses. CM said that in early October, they will start the promotion
  as well as providing information, diagnostic and brokerage service.
  She mentioned that they have struggled to find small businesses in
  Somerset.
- CM discussed the final part and probably the most successful part is the marketing. Explaining that they had a budget of £75,000 which supported a number of photonics events which have been quite successful. Then one of the largest marine events in the world, also went to Farnborough earlier this year. And the two other reports that will run through requests and support some further events. CM mentioned producing some marketing materials for supporting future aviation test zone. Also produced a video which is available on the LEP website. CM said they are looking to produce some new propositions for the heart of the South West-looking at a food processing storage.
- CM concluded with a couple funding approvals; explaining that HotSW is part of the South West Aerospace Partnership and it is led by the West of England. Going forward, they took advice from an aerospace specialist and she has recommended that it would be really worthwhile attending the events in this proposal. There is the Australian International Air Show and the Paris Air show. CM said they have already started discussions with the Department for International Trade to maximize their time out there. She arranged meetings with the head of the aerospace specialist team, been in touch with the posts both in Paris and Australia who represents DIT, so they we can start forming relationships and speak to as many businesses as we can. CM added that although Australia is a much smaller scale (than Paris) it gives access to the Asian market. The funding request is £18,000 in total-which covers exhibition, all the travel and accommodation. And there





is a large amount of match of funding, so the Australian version with matched by West of England and the Paris Air show, all six partners will put into that to attend represent the area. CM sought approval from attending members and informed them that she got approval from KL already:

- JuB asked for clarification where CM mentioned three people, but the proposal only talks about travel for two people. CM said there are four in total. The specialist is paid for by the West of England and they will still commission her.
- SH asked about what attending this event would achieve. CM
  answered that the majority is awareness raising, the opportunity to
  raise profile with DIT, in particular the Australian Air Show. That they
  can have the stand next to the IT UK and set meetings in advance. CM
  added that they get access to delegate lists.
- EJ suggested writing a note to the group besides the post event summary report as well as including a contacts list after meeting them
- SH said that for spending that sort of money, there is a need to set a strategy detailing targets and all.

Attending members approved the request.

- CM presented another request- the UK real estate investment and Infrastructure Forum (next year). She mentioned that she attended this year's as a delegate- it was a three day event and there were 300 speakers and 4000 delegates from West of England and Cornwall. CM said that they will be looking to attend, to take an exhibition stand and have their own panel. CM further explained the benefits of attending this event and declared the associated cost as £ 16,000 and explained what it entails. JuB asked CM to explain the showcase which she did. SH suggested to come up with a master plan for the meeting and JuB seconded that saying it is critical. CM suggested starting a working group gathering thoughts to make sure this is the strongest possible.

EJ asked attending members if they were happy to support the funding request, maybe with the condition that CM would come back with a plan and







structure. Attending members agreed to EJ's suggestion and supported the funding request.

#### Comments:

- CM sought answers and discussions to the questions she previously shared with the group members. Mainly about what a future scheme might look like.
- JaB said that he approves of funding and suggested looking at doing something new while supporting those that are existing and focusing on removing the SME barriers. He added that's important to note that grant is more helpful than a loan.
- CW agreed with JaB and said that restrictions on the funding are a significant issue and that according to his experience in Somerset region, a thorough look is needed for this fund- not only looking at the funding source, but also looking at the way in which that funding will be used in its best way.
- CW answered EJ's ask saying that it's a discriminator in terms of the kick- start where the main issue is that it will never be able to fulfil the costs of starting up.
- CM concluded her slot asking members to share any thoughts or queries by email.

8 AOBs

Next Meeting: TBA