

Draft Minutes of HotSW LEP CIC Board Meeting

14 October 2022

from

9.30 am – 12.30 in person

Touchdown 1, Future Skills Centre, Exeter EX5 2LJ

Board Attendees:

David Bird, Isca Ventures LLP (DB)
Cllr David Woan- Associate Lead Member for Economic Development & Inward Investment Somerset County Council (DW)
Jane Dumeresque – Non-Exec Director (JD)
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)
Paul Coles – CEO, SWBC (PColes)
Paul Crawford – Chief Executive, LiveWest (PCrawford)
Cllr Phil Bialyk – Leader, Exeter City Council (PB)
Richard Stevens – Managing Director, Go South West (RS)
Cllr Rufus Gilbert -Cabinet Member for Economy and Skills, Devon County Council (RG)
Cllr Steve Darling – Leader, Torbay Council (SD)
Stuart Brocklehurst – Chief Executive, Applegate (SB)
Tracey Lee – Chief Executive, Plymouth City Council, as alternate for Cllr Richard Bingley (TL)
Vince Flower – Non-Exec Director (VF)

Officers in attendance:

David Ralph – Chief Executive, HotSW LEP (CG)
Eifion Jones – COO, HotSW LEP (EJ)
Claire Gibson – Head of Delivery, HotSW LEP (CG)
Janet Powell – Executive Assistant, HotSW LEP (for minutes)
Alan Denby - Divisional Director Economy, Environment & Infrastructure | Place, Torbay Council accompanying Cllr Steve Darling
Karime Hassan - Chief Executive & Growth Director, Exeter City Council, accompanying Cllr Phil Bialyk

Apologies:

John Laramy CBE - Principal & CEO, Exeter College (JL)
Prof Lisa Roberts – Vice-Chancellor, University of Exeter (LR)
Cllr Richard Bingley – Leader, Plymouth City Council (RB)
Cllr Val Keitch – Leader, South Somerset Council (VK)
(The above gave proxy votes to Karl Tucker the Chair)
Suzanne Bond - Area Lead – Heart of the South West, Cities and Local Growth Unit - South West
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
6. Chief Executive's Report	i) Agree to the Annual Accounts and statement for a dormant CIC – see F&R report.	Agreed
	ii) Agree to extend Karl Tucker as Chair for a further term (3 years).	Agreed
	iii) Agree to hold a Member's meeting to amend the Articles to allow independent Board Members to continue to serve on the Board beyond 2 terms on annual basis – see 4.	Agreed
	iv) Note the update on Devo arrangements for Plymouth, Torbay, and Devon, and ask officers to prepare an operating model and business plan for the LEP for 23/24.	Noted & agreed
	v) Confirm that Stuart Brocklehurst is the LEP representative on the GSW Partnership Board.	Agreed
	vi) Endorse the draft Declaration of Intent for Local Food Procurement as a basis for consulting the public sector organisations.	Agreed

Agenda	Action
1. Welcome & Apologies The Chair welcomed everyone to the first face-to-face board meeting in over 2 years. Apologies as above.	
2. Declarations of interest All Board Directors submit yearly annual submission declarations of interest forms. Only those conflicts of interest over and above those already declared are required to be raised. SB: informed the Board that his company has been acquired by the Troy Group and his declarations of interest have changed.	
3. A little bit of Culture P. Coles read out 'Silly Little Baboon by Spike Milligan. J Petts volunteered to do the next poem.	
4. Draft minutes of 15 July 2022 Board meeting and actions arising C/ forward 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. All other actions were completed and the minutes were taken as accurate.	
5. Questions from the public None.	
6. Chief Executive's Report Since writing the report there are further updates:- <u>National Highways - Stakeholder Dinner</u> Whilst attending the above event, National Highways reps highlighted that in their view the SW doesn't consistently come together needing to be clearer on its strategic network and priorities. The A303 Stonehenge project is still earmarked for the next round of Highway's funding (which comes every 5 years) but signalled that most funding will need to be set aside for maintenance and delivery of existing commitments (bridges, end-of-life upgrades, etc). There appear to be no	

improvement plans for any work SW of Bristol i.e M5 and the LEP and partners may wish to think best about how to respond to this.

HotSW LEP Joint Scrutiny meeting

This was held on 13 October and focused on LEP spending and how the Devon Devolution Deal was progressing. The committee was reassured about the coordination of delivery and spending but the LEP's impact on performance is hampered by the fact that some projects won't deliver the outputs on housing and jobs until beyond 2025.

Mini Budget in September

This unveiled the Gov'ts intentions for Investment Zones which will offer generous, targeted and time-limited tax cuts for businesses and potentially liberalised planning rules to release more land for housing and commercial development. Known schemes being submitted are:- Devon County Council an expression of interest (EOIs) for a dozen or so sites across Devon working closely with and consulting with their district colleagues; Plymouth and South Hams Councils are accelerating the Freeport process and also sites around the city centre including the ABP port and Turnchapel (Thales); Somerset's Gravity and Torbay is building on some local schemes around the Brixham Fish market and Edginswell Rail Station. Planning is not the issue, it is with gap funding for infrastructure which has to be provided by the private sector and is not forthcoming. Gov't has said there is no further funding attached to investment zones but there are incentives for businesses in terms of business rates, first-year capital funding and tax exemptions and national insurance. Once Gov't has sifted the EOIs the LEP can support to help ensure robust business cases are put forward.

Comments by the Board included:-

- Concerns over the loosening up of planning regulations may mean abandoning some environmental aspirations something the National Trust is keeping a close eye on (the UK did accept all EU environmental standards).
- Should Local Authorities have consulted with businesses over the Gov'ts proposals in the Levelling Up White Paper to facilitate devolution to remaining regions of local government in England that are currently without a Mayoral Combined Authority as those regions with a directly elected Mayor gain a greater proportion of Gov't funding?
- Plymouth, Devon and Torbay have decided to opt for a level 2 area - a single institution or County Council without a directly elected Mayor across a functional economic area pointing out that whatever the level each has its own set of challenges and means giving up some local control.
- It would be interesting to see how the West of England (WECA) and other Combined Authorities with an elected Mayor have fared with their ambitions as a comparison.

Launchpads

UK Research and Innovation have announced Launchpads to deliver local innovation support and EOIs from across the UK will shortly be welcomed by Innovate UK (part of UK Research and Innovation) to identify partners and determine locations. An EOI will be submitted for Oceans Future on a Great South West (GSW) geography to cover grants for marine innovation with a deadline for submission of mid-November.

Economy

The Heart of the South West Economic Resilience and Opportunities Group (HEROG) deals with these issues and reports there are concerns over weaker order books, especially amongst tradespeople i.e homeowners not building extensions, etc. and are preparing a strategic response on what the 'asks' are of the region. The South West Manufacturing Advisory Service has an upcoming Hinkley Supply chain event on 6 November but is finding it difficult to get people to attend. Devon Chamber is currently also looking at the local market labour challenges.

Phosphates

The LEP is looking at how it can add value to this issue and has put in a bid to the South West Net Zero Hub for a study to look at the economic opportunities for Anaerobic digestion systems (which capture methane and allows it to be used beneficially) to weigh up the impact on land, carbon capture versus less land to grow food on.

This prompted comments by the Board on:-

- The need to work with academia to ensure the region has the skills for new energy systems (offshore wind and hydrogen), however, the lack of affordable housing in the SW remains an issue in retaining and recruiting staff.
- The lack of capacity in the National Grid is still a significant challenge i.e solar farms are taking too long to develop and can't plug into the grid until 2028 meaning businesses wishing to take up solar opportunities to insulate themselves against fluctuations in price and future energy shortages are either failing or not proceeding. This appears to be part of a national crisis in the UK exacerbated by Gov't uncertainty over whether to nationalise part of the grid but at the same time pushing the agenda for more renewable energy. A coherent view needs to be developed across local energy plans and systems across the LA areas to drive forward opportunities and highlight the shortfalls in grid capacity - could this be something the LEP or GSW champions? Would it be worth having a member from the National Grid on the GSW Partnership Board?
- The major challenge over import prices – with daily changing currency rates making it a logistical nightmare to import raw materials.
- Feedback from the Skills Advisory Panel (SAP) reports recruitment and retention of staff is still a big issue, lots of jobs but not able to match these with people coupled with shortages in housing, and the ability to offer decent salaries and this is affecting investment decisions. Tourism faces huge uncertainty with some businesses opting to shut during winter to conserve cash flow to save costs and reopen in Spring 2023.

Workstreams

A lot of work has been done on transition and devolution asks are into Gov't but with capacity issues and the Gov't currently concentrating on level 1 areas, this means that other decisions will be delayed until early next year. It seems quite likely that the LEP will continue to operate through 2023 – March 2024 and a business plan (with potentially a further 25% reduction in overheads) and a revised operating model will be put forward to the Finance and Resources (F & R) Committee. Gov't is also looking at further funding for LEPs in 23/24.

Decision: The Board noted the update on Devo arrangements for Plymouth, Torbay, and Devon, and asked officers to prepare an operating model and business plan for the LEP for 23/24.

The Chair's position is up for renewal in December 2022 and a decision is required by the Board to reaffirm KT's continuation in this role for up to 3 years.

Decision: The Board agreed to extend Karl Tucker as Chair for a further term (3 years).

Some Board members will come to the end of their second term by June 2023.

Decision: The Board agreed to hold a Member's meeting (after the January Board meeting) to amend the Articles to allow independent Board Members to continue to serve on the Board beyond 2 terms on annual basis.

The Deep Dive session into High-Value Engineering (due to be held on 9 September and postponed) is to be rescheduled to 10 March 2023.

GSW

The business case for Gov't funding was submitted in September and since this Board meeting took place the GSW business case has been signed off and the Government grant (of £250,000 for operating costs in 22/23) is on its way to the Accountable Body (Cornwall Council). £500k is provisionally allocated for 23/24 and £750,000 for 24/25 has been confirmed. The first GSW Partnership Board meeting is due to take place in early December and the partnership is in discussions with Businesses, LAs and Universities for representatives for the Board. KT will be the Interim Chair.

Decision: The Board confirmed Stuart Brocklehurst will be the LEP representative on the GSW Partnership Board.

The first Board meeting will need to identify which priorities will have the most value and the biggest impact. This is a reminder that the GSW Energy Summit is being held on 23 November at the University of Plymouth from 2 – 4.30 pm.

Formal invites are due to go out for the GSW Parliamentary Reception at the House of Lords on 3 November. Simon Clarke, MP has been invited. Prof Lisa Roberts will speak on behalf of the Universities and it is yet to determine who will speak on behalf of the LAs of Cornwall and Dorset. (This has subsequently been postponed due to impending rail strikes in November and a new **'save the date' of 10 January has been confirmed**).

Public Procurement of Food

The first draft of the 'declaration of intent for public sector organisations to sign that seeks to source more seasonally and domestically available locally produced food has been drawn up (which the Board supported in Jan 2022). It is hoped this will provide a framework for food procurement and will be socialised over the next few months to encourage feedback and brought back to the Board for key leaders to sign, culminating in a food summit launch in March 2023. LA leaders expressed concerns over the deadlines to sign up, as some outsource food procurement and are tied into contracts with differing expiry dates with little control and there are resource implications to achieve this at a time when faced with huge budget cuts. The University of Plymouth also said it was unable to commit to a deadline within 12 months but suggested to overcome the challenges conversations needed to be had to understand the practicalities and to encourage food producers in the SW and Co-ops to get onto the National Procurement Framework and to make it as easy as possible for public sector organisations to buy locally. The point was made that local food

procurement needs to consider the greater value to the economy which goes beyond price. It is hoped that the declaration of intent will eventually provide some momentum to persuade other public sector organisations e.g the Police, Schools. Prisons and NHS to sign up.

Decision: The Board agreed to endorse the draft Declaration of Intent for Local Food Procurement as a basis for consulting the public sector organisations.

Action: To liaise with LAs to see what the LEP can do to help the public sector achieve local food procurement, what resources are needed and whether there is some funding for a workstream to help support this.

The Chief Executive then asked the leadership groups and programme boards to give their updates including any OKR updates/concerns.

Energy Futures Programme Board an update was given by Claire Gibson

A presentation was given on the Clean Maritime Propulsion Market Analysis Report for the South West by (Jim Grant) Head of Business Development, Cornwall - Innovation, Impact & Business at Exeter University to illustrate where the clean maritime capabilities are in the SW.

Regen gave an update on some forthcoming events one of which is 'A day in the life of the electricity system in 2035 (13 Oct)'.

There was also a presentation on Hydrogen by Carlton Power who are developing a green hydrogen hub working alongside the LEP, Plymouth City Council and South Hams District Council, Regen, Hydrogen SW, etc. and has secured planning permission for a 10mw electrolyser and is identifying those who can take hydrogen up with existing equipment and those companies who have growth potential in the future.

The South West Net Zero Hub together with partners is undertaking a regional skills project partners to provide an overview of skills (primarily on retrofit and heat pumps) and the state of supply chains in the region driven by LA strategies for carbon and energy and how to meet these targets by 2030. Three LEPs (HotSW, Solent and GloucesterFirst) have contributed extra resources for further research around particular skills issues to enable more granular details for their particular areas and it is anticipated this project will be finished in Feb 2023.

Digital Programme Board – Paul Coles

The first Board meeting will be taking place soon.

Innovation Board – Stuart Brocklehurst

A meeting of MPs hosted by the University of Plymouth to increase their knowledge on the Technopole, Marine Autonomy Assurance Testbed, and Exeter's Environmental Intelligence Hub was successful and positively received.

The National Physical Laboratory will be located in this area from Teddington.

It is proving challenging in talking to the right people in Gov't to secure the National Marine Assurance Testbed (MAT) for the area due to the recent changes in Gov't depts and cabinet

minister reshuffles but it is critical to get the right leverage and support for this £30m EOI to ensure it doesn't otherwise land in Singapore or India. The good news is that Anne-Marie Trevelyan (Minister of State in the Foreign, Commonwealth & Development Office) mentioned MAT at the recent meeting of the Atlantic Future Forum in New York.

Business Leadership Group

The Growth Hub (GH) funding currently finishes in March 2023 (with ERDF match funding finishing roughly at the same time). Gov't funding confirmation is also often late and may not be confirmed until June 2023.

Officers are therefore looking at a model to underwrite the funding during this interim period which will be reported to F&R. Concerning performance, the GH received the highest number of enquiries during August but the 12-hour assistance support has been quite hard to deliver and there may be a need to rethink the nature of this support. This may be partly due to businesses being unsure of the future and unwilling to expand at this time.

The inward investment soft landing package has also been a challenge from initially seeing high demand this currently has 14 applications, 3 have received funding agreements, 3 are likely to lead to funding agreements and 8 enquiries (a total of £1.4m for Devon). Any funding not defrayed will need to be returned.

Inclusive Growth – Karl Tucker

The Social Mobility Commission Panel is almost ready with Sir Michael Barber chairing the first one at the beginning of January (it has been slower than would have liked) and will start to set targets and look at levers to deliver these.

LEP/GSW has been asked to contribute to the costs of the secretariat and in addition, will need to consider what further inclusive growth work should be prioritised as part of our Build Back Better plan. We are currently looking at the rationale for a community fund and progressing the South West Mutual through funding from the dormant assets fund.

7. Build Back Better & Performance updates (commercially confidential)

All the below papers were commercially confidential

a) 22/23 Workplan Report

+ Annex A – Workplan Dashboard

+ Annex B – Workplan amber items

+ Annex C- items not started

+ Annex D – Risk Register

These papers were duly noted by the Board.

b) Programme Board updates

These were provided under agenda item 6.

c) Reports from Strategic Investment Panel (SIP) and Finance & Resource verbal update – David Bird

SIP - the programmes presenting the biggest challenges are Digital delivery which remains red-risk.

<p>Some other projects benefitting from Freedoms and Flexibilities are starting to slip and Plymouth Station (Brunel Plaza) remains a challenge. However, SIP is on top of all delivery and recommendations will be brought forward to reallocate the £1.8m Digital underspend – commercially confidential.</p> <p>21/22 Finance report presented by David Bird (please refer to the AGM slides) There is a risk to LEP finances due to the state of flux the HotSW LEP finds itself in due to the transition towards Devon devolution, Somerset becoming a Unitary and changes in Gov't leadership which needs to be updated on the risk register.</p> <p>We will be carrying out our mid-year review next month but we remain a going concern although the lack of clarity about future direction adds to our risks of staff and Board continuity.</p> <p>Decision: The Board agreed with the Annual Accounts and statement for a dormant CIC.</p> <p>The following papers are commercially confidential</p> <ul style="list-style-type: none"> + Annex A – Financial Position + Annex B – Finance Dashboard + Annex C – Core Reserves <p>These papers were duly noted by the Board.</p> <p>d) Standing Item Leadership updates These were covered under agenda item 6.</p> <p>e) Inclusive Growth update This was covered under agenda item 6.</p>	
<p>8. Papers for noting No comment.</p>	
<p>9. AOB</p> <p>RG: Can the LEP assist the hospitality sector to try to influence Gov't on the regulation of Airbnbs which is taking away local accommodation to get better control of housing?</p> <p>SD: Reminded the Board that under the Tourism APPG 2 years ago this recommended a register of Airbnbs and the consultation concluded that this issue needed to be measured by applying regulations to manage the market.</p> <p>DB: Housing Associations need to be part of the housing solutions with rent increases capped at 5%.</p> <p>JPetts: The University of Plymouth has similar issues with landlords leaving the market and pulling away from houses for multiple occupation causing issues for student accommodation and will result in fewer coming to the area. There is a need for private developers but they don't want to invest.</p> <p>MS: The Rural England Prosperity Fund of £110m (part of the delivery of the UK Shared Prosperity Fund) is being led by local LAs who will need to submit plans to draw down this money but at present, there is no idea of what intentions are.</p> <p>Action: Local authorities In Somerset and Devon were asked to provide a briefing on what is being proposed.</p>	

The Board meeting finished at 12.15pm and was followed by the AGM at 12.45pm in person and via webinar.

The next Board meeting via teams is on 27 January 2023 from 9.30am – 12.30pm