

**Minutes of LEP SIP Meeting
08/11/2022 at 09:30 – 11:30
Via Microsoft Teams**

Board attendees:

*David Bird Chairman of SIP, HotSW LEP Board Member
Jane Dumeresque, LEP Board Member
Amanda Ratsey, Business Lead, HotSW LEP Management Team
Keri Denton, People Lead, HotSW LEP Management Team
Paul Hickson, HotSW LEP Management Team
Vince Flower, Skills Lead, HotSW LEP Board
David Ralph, HotSW LEP Chief Executive
Mel Squires, HotSW LEP Board Member*

Officers in attendance:

*Eifion Jones, Chief Operating Officer, HotSW LEP
Claire Gibson, HotSW LEP
Mel Roberts, SCC Officer
Isaac Young, SCC Finance
Jason Buck, TDA (deputising for Carl Wyard),
Tom Satterly, HotSW LEP PMO
Ian Harrison, Independent Transport Assessor
Mel Sealey, HotSW LEP PMO
Dan Newman, HotSW LEP PMO
Jo Currie, SCC Finance*

*Agenda item guests
Haddu Elobeid, Agenda item 4.2*

NOTE: 4 voting members are required to be quorate. Number of voting members present in meeting: 8

NOTE FOR AUTHOR

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These minutes and the accompanying decision/actions table are now required to be published onto the LEP website with 10 clear working days of the meeting taking place. This may be in draft if internal LEP processes require clearance before they are finalized. The final documents must be published within 10 clear working days of being approved.

Therefore, following the process outlined above, please send the documents to LEPAdmin@somerset.gov.uk who will upload them onto the website.

Item No.	Agenda Item	Actions
1	Apologies	
	Richard Stevens	
2	Declarations of Interest	
	Vince Flower – Torbay Business Centre Keri Denton – CDS / Digital Paul Hickson – Digital/CDS Jane Dumeresque – Natural Capital	
3	Minutes from Last SIP Meeting – 6th Sept 2022	
	Minutes from the previous meeting were approved. Actions from previous minutes <ul style="list-style-type: none"> • BDUK voucher scheme limit has been increased to up to £3,000 • Letter to Gravity re. loan has been sent. No update to provide. 	
4	For Decision – Investment Programme Business Cases and Project Changes	
4.1	Growing Places Fund	
	<p>Natural Capital Options paper (verbal update) To find an innovative way to fund natural capital.</p> <p>Overview</p> <ul style="list-style-type: none"> • Still got £1m ringfenced for a loan to try to find an innovative way to fund natural capital. • Previously ran a call for projects which only got 1 ineligible response • Currently focussed on 2 proposals <ul style="list-style-type: none"> ○ Biosphere Foundation creating a new CIC to support those who have finance and those who have natural capital ○ South West Mutuals suggestion of setting up a south west agro/ecology finance scheme for farmers to access loans to be able to invest in natural capital • Small group from the board to review current proposals <p><u>Recommendations</u></p> <ul style="list-style-type: none"> • Small subset of the board to get together to review current proposals and brainstorm other opportunities • DCC run green innovation fund and a natural capital programme as part of recovery - although grants DCC would be happy to share insight. • Concerns around whether the Biosphere could pay back a loan. • GPF unable to be used in anyway other than a loan. <p>Points raised</p> <ul style="list-style-type: none"> • Potential projects put off by the fact that's it's a loan 	

<p>DECISION – Round table to be organised to discuss options/receive presentations from proposals and future of this loan fund</p> <p>GPF and GD2 Broadband</p> <p>Overview</p> <p>EJ provided an overview of the paper circulated.</p> <ul style="list-style-type: none"> • Main risks related to the remaining Airband and Wessex projects. • Complex funding mix. CDS team are managing multiple funding deadlines • Current challenges in the sector – labour, suppliers, financial fragility • Still important to support the provision of improved broadband across the area • No benefit to taking back the funding due to the knock-on effect to the companies and the ability to upgrade broadband across the area. <p><u>Recommendations</u></p> <p>Given the ongoing strategic priority around broadband and mobile connectivity and the project's reliance on the LEP funding alongside that from other partners, recommendations are</p> <ul style="list-style-type: none"> • The LEP maintains its Growth Deal and Growing Places Fund investments in the Phase 2 project but with enhanced monitoring. • Enhanced monitoring: technical assurance is already provided by CDS and BDUK so enhanced monitoring means specifically assuring progress of spend of LEP monies and progress against outputs. The LEP already sits on the CDS Board so it is recommended that whilst the project is red-risked quarterly monitoring reviews are held between the LEP and CDS accountable body to provide assurance. Suggested LEP attendees are CEX and a SIP LEP Board member. Anne-Marie Spalding will remain the project lead overseeing authorisation of the quarterly claims as usual. • Through the quarterly reviews, where a Lot may be delayed and spend of either Growth Deal or Growing Places is at risk of not being complete by December 2024, the issue to be brought back to SIP and consideration at that point over options around the LEP funding. • SIP notes that LEP spend on Growth Deal (under freedoms & flexibilities) remains December 2024, with longstop completion date 31st March 2025, and agrees GPF spend must also complete by December 2024, with longstop completion date by 31st March 2025. <p>Points raised</p> <ul style="list-style-type: none"> • The Community Triage project is part of the £8m Digital reallocation. This project is yet to get underway due to the difficulties of finding a local authority who is able to do the capital / revenue swap. • Could the LEP Comms team support in promotion and wayfinding for customers? Possibly provide a more geographically targeted approach? • Should a LEP board member with relevant expertise join CDS board meetings? <p>Actions</p> <ul style="list-style-type: none"> • DB to approach Paul Coles to as a LEP board member to join the LEP/CDS quarterly review meetings <p>DECISION – SIP support the recommendation as presented in the paper</p>		
4.2	Getting Building Fund (GBF)	
Torbay Business Centre		

<p>Overview</p> <p>HE attended to present this paper.</p> <p>Good progress has been made and work has started on site. However, due to challenges within the construction market, difficulties with the main contractor and ground conditions (found under the existing building) the build programme has slipped. Torbay Council therefore requests to re-profile the financial expenditure into Q4 2022/ 23, and to extend the longstop practical completion date to 31 January 2024.</p> <p>Recommendations</p> <ul style="list-style-type: none"> • Agree to extend the longstop practical completion date in the GFA to 31 January 2024. • To vary and extend the condition that GBF monies have to be spent by the end of October 2022 to 30 September 2023. <p>Points raised</p> <ul style="list-style-type: none"> • Paper to be resubmitted with correct dates and current spend. • Outputs unchanged • Need Government's approval as this would take GBF spend beyond March 2023 <p><u>Actions</u></p> <p>Request Govt agreement to extend spend into 23/24</p> <p>DECISION – SIP supports recommendation subject to revised paper being recirculated to SIP and Government's approval to take GBF spend beyond March 2023</p>	<p>EJ</p>
<p>4.3 Growth Deal</p>	
<p>Digital Programme</p> <p>Overview</p> <p>CG provided an overview of the paper provided.</p> <ul style="list-style-type: none"> • Remaining £1.8m left to spend on infrastructure within the Digital investment plan. • 3 options covered at the last SIP: <ul style="list-style-type: none"> ○ Extend voucher top-up for an area of Somerset ○ Another call for Build back better plan. 3 projects – living lab – smart sound connect subsurface and tourism data hub ○ Look for other capital projects without a digital focus. <p>Recommendations</p> <p>SIP is asked to;</p> <ul style="list-style-type: none"> • Allocate an additional £235k for the Taunton Digital Innovation Centre, on the basis that this is the only funding 'pot' available to deliver SIP's recommendation in September to commit £65k and a total of up to £300,000 in total for the fit out of this project, subject to Board approval, as over £250k. The project is also identified in the Build Back Better Plan as a priority. • Agree to issue a targeted call for EOIs for the remaining £1.565m, seeking digital capital projects that can help deliver the Build Back Better Plan 	

<p>and/or enhance existing capital projects funded by the LEP.</p> <p>Points raised</p> <ul style="list-style-type: none"> • Targeted approach as there is a quick turnaround needed. • The Mobile boost project has unmet demand and is closing this Friday. Can a more streamlined approach be taken for this project so it doesn't lose momentum. • Variation for existing projects rather than an EOI and business case. • Due to it being the tail end of the funding it seems more pragmatic to support existing projects. • £1.8m originates from the LGF whereas the TDIC project is funded by GBF • SCC to confirm as accountable body they are happy for TDIC to receive LGF money. <p>DECISION</p> <ul style="list-style-type: none"> • Support the extra TDIC funding as a recommendation to the LEP board • £250k ringfenced for mobile boost subject to variation documentation. Email decision will be required before January SIP. • Existing LEP digital projects to be approached for extra funding. • Any remaining funding to be used on a call for new projects. <p>Somerset LGF and GBF Project Cost Variations</p> <p>Overview</p> <p>IH provided an overview of the paper provided.</p> <ul style="list-style-type: none"> • 2 large Growth Deal projects in Somerset, Junction 25 improvement and Taunton Toneway which are physically complete and moving towards financial completion. • Request from Somerset County Council to retain the LGF from two projects expected to out-turn below the final estimated cost, in order to mitigate significant cost increases on another project. • SCC's GBF Firepool Junction project has forecast a significant cost increase. <p>Recommendations</p> <ul style="list-style-type: none"> • Agree that Somerset County Council retains the LGF which could otherwise be clawed back under the funding agreements for GD38 M5 Junction 25 and GD48 Taunton Toneway, with a consequent slight change in intervention rates. <p>Points raised</p> <ul style="list-style-type: none"> • Not a direct switch from Growth Deal to GBF. Request is for SCC to keep the estimated £160k Growth Deal underspend. • Other projects and organisation are also trying to navigate overspend on capital projects. • Important that we understand what they would like to do with the underspend • Concern that this decision is setting a precedence as to what project sponsors can do with their underspend but the request is consistent with the policy previously agreed by SIP 	<p></p> <p>CG</p> <p>CG</p>
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DECISION – Agreed that SCC can retain LGF for J25 and Toneway	
5	Investment Programme Delivery
5.1	Investment Programme Report
<p>MSe provided an update on Freedoms and flexibilities spend for Growth Deal and GBF.</p> <p>Growth Deal</p> <ul style="list-style-type: none"> Older projects are coming to an end. Nearly £3.5m spend in Q1 and Q2 <p>GBF</p> <ul style="list-style-type: none"> Nearly £2.5m spend in Q1 and Q2 TDIC and Zebcat2 still have a lot of money to spend before March 2023 Reporting to Central Government due by 25th November 	
5.2	Amber Project Review
No update	
5.3	SCC Update
No update	
5.4	CLGU update
No update	
6	AOB
No Update	

Next Meeting: 10th January 2023

Table of Decisions

SIP Paper	Decision Required	Decision Agreed
Natural Capital Options	How to progress with the Natural Capital loan funding	Round table to be organised to discuss options and future of this money including presentations from current proposals
GPF and GD2 Broadband	How to progress with the GPF and GD2 Broadband funding	SIP approve the recommendations as presented in the paper
Torbay Business Centre	Extend funding spend to January 2024	SIP approve the recommendation, subject to revised paper being recirculated to SIP and governments approval to take GBF spend beyond March 2023

Digital Programme	How to progress with the £1.8m digital Growth Deal funding	<ul style="list-style-type: none"> •Support the extra TDIC funding as a recommendation to the LEP board •£250k ringfenced for mobile boost subject to variation documentation. Email decision will be required before January SIP. •Existing LEP digital projects to be approached for extra funding. •Any remaining funding to be used on a call for new projects.
Somerset LGF and GBF Project Cost Variations	How to progress with the underspend from SCC Growth Deal projects	SIP Approved the paper as presented.