

**Business Leadership Group**

**MS Teams meeting- Wednesday 11 January 2023, 14-16:00**

**Present:**

Stuart Elford (SE) – Devon & Plymouth Chamber of Commerce/ Chair  
Eifion Jones (EJ) – LEP Chief Operating Officer  
Chris Wardman (CW) – General Dynamics UK Ltd  
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)  
Paul Bird - Paul Bird (PB) – Digital Lead (Elixel)  
Dee Gill (DG) – Business Support Representative (Business Information Point)  
Alistair Handyside (AH) - Tourism Alliance  
Katriona Lovelock (KL) - Local Authority (Somerset County Council)  
Philip Mitchell – Philip Mitchell (PM) – Photonics Lead (Lumentum)  
Adam Chambers (AC) – Business Representative (Smart Outcomes Limited)  
Ruth Lambert (RL) – Business Body Representative/ (Federation of Small Businesses- Somerset and Wiltshire)  
Paul Bird (PB) – Digital Lead (Elixel)

**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  
Katherine Malavelle (KM) – Growth Hub (Thrive)  
Hadelzein Elobeid (HE) – Local Authority (Plymouth City Council)

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**Apologies:**

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

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

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| <b>1</b> | <b>Introductions, Apologies and Conflicts of Interest- Chair</b>   |
|          | <ul style="list-style-type: none"> <li>- Introductions and apologies were made (please see above),</li> <li>- Chair and members congratulated RS and JH on their recent honour,</li> <li>- Conflict of interest was declared by: DG, DRi, AC, KL and JH (mainly on UKSPF and Growth Hub)</li> </ul>  |
| <b>2</b> | <b>Minutes of Last Meeting and Matters Arising- Chair</b>  |
|          | <p><b>Last minutes:</b></p> <ul style="list-style-type: none"> <li>- KL apologies included.</li> </ul> <p><b>Matters arising:</b></p> <ul style="list-style-type: none"> <li>- Update on GH funding: EJ confirmed that Growth Hub is now funded through to September irrespective of what happens with government funding and thanked members for their valuable input,</li> <li>- SE emphasized that these meeting must be action- orientated and suggested adding an action item to the minutes under each slot.</li> </ul>  |
| <b>3</b> | <b>Round table: 2023 challenges &amp; opportunities- Chair</b>   |
|          | <ul style="list-style-type: none"> <li>• SE started the discussion saying that the British Chambers of Commerce have made comment on the updates on the energy crisis or the energy support bill- 12 months support which isn't nearly enough by the government's own figures. He also talked about the cost crisis businesses are struggling with, mentioning the high inflation, high interest rates, higher wage bills, lack of skilled people and that it'll be very expensive living and working and doing business in the UK over the next year or two,</li> <li>• SE concluded his discussion with an opportunities note, talking about the Great SW event on 10 January and encouraged the notion of maximizing opportunities around the blue-green economy. He added that the Chamber thinks that the real defining point for the South West is blue economy (the Blue Peninsula)- mentioning that Plymouth and South Devon Freeport, the National Marine Park, and all other blue</li> </ul> |

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|  | <p>parts of the economy are exciting and they offer real opportunity that will come true by coming together and maximizing opportunities.</p> <ul style="list-style-type: none"> <li>• RL seconded SE's point about the revised energy support, saying that they at FSB think that it is a disaster with the support stopping off a cliff edge. She added that they think as an organization that £5 billion would be better off spent helping businesses equip themselves for to use less energy in the future to become more energy efficient rather than giving them a few pence off their energy bills. RE said that she is pleased to see that the support does go across all the sectors since they were a bit worried that it wouldn't go across everybody.</li> <li>• RL then talked about opportunities saying that speaking from a Somerset perspective; the Somerset unitary coming this year is an opportunity for businesses because they're doing a lot of review of the business support and that they offer and the way that they support businesses across the county as BROs were being consulted on that so they can streamline what's on offer, make sure it's very clear to the businesses based in the county what other support besides what the Growth Hub is offering might be available.</li> <li>• SW added a couple of things from an FSB perspective: that they lost two pubs this Christmas due to energy issues. She added that she thinks The Great SW is fabulous, but doesn't think "we're asking for enough money", that £2 million / 3 years won't cover what's needed and that they should all ask for more. She then talked about the energy crisis seconding that it's completely off the cliff edge and that everyone must be there to support those small businesses over the next few years.</li> <li>• SH said that in terms of challenges, one of the biggest challenges they are facing is basically finding suitably qualified and experienced staff members- employment and skills shortages is a big issue at the moment in the region. Alongside of that, there is the issue of high inflation and the associated costs of their employees - expectation for any pay rises, eventually cost to the business passing on to clients. He then talked about opportunities mentioning that they are the Queen Award winners for sustainability and they hope to make something of that</li> <li>• PM talked about the high tech cluster in Torbay, saying that it is growing still. He also mentioned the electronic Photonic Innovation Centre , saying that they are currently waiting for a announcement in terms of the levelling up fund, that they've requested £20 million for building a second EPIC- the first epic is full of 100 people doing very interesting things in terms of like computer programming software, telecommunications, security, photonics, microelectronics... etc.- so, building a second EPIC will mean taking small companies of 15 to 17 people or 20 people and housing them in a different type of EPIC for the small to medium sized companies where they can now grow their (very specialised manufacturing). He went to talk about the challenge of employment and mentioned that they find it difficult finding technical staff. PM added that they in Torbay work closely with South Devon College- working together to develop courses and apprentices.</li> </ul> |
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- PB talked about skills saying that nationally, a lot of agencies went under and let go of their skilled staff and gave an example of Shopify. He said that however there was a flip side businesses like them who are looking for creative talents.
- PB added that in terms of the Digital Plymouth side of things, there are a few challenges around kind of signposting for businesses and hence they've been working with Tech Spark to create a Plymouth tech cluster/map. He mentioned that besides telling about tech businesses in Plymouth, this map also tends to create a more united approach across the whole of the Southwest.
- NS talked from an Alder King perspective, echoing SH's comments on wage inflation and skills and that they struggled to recruit surveying staff. He added that they have seen a real "flight to quality", that people are taking less space, but a better quality, adding that there is definitely gonna be a sort of secondary market of industrials of office space, which isn't that attractive and that will then lead to space needing to be repurposed in, in town and out of town locations.
- NS added that the big issue that the property industry faces is probably the planning system- new schemes, new developments, which could be inward investment, which existing business are actually expanding and a lot of the planning permissions which take an awful long time. He concluded that the good thing is there is still demand out there, people are still taking office space.
- SH asked if there was a scale shortage in planning departments, and mentioned that a lot of people that are being trained by the local authorities are actually leaving and going into to private sector. NS responded that it's a structural issue with how they're paid and what expected to deliver that affects the system.
- JH echoed what PB recalled regarding the digital businesses whereabouts saying that the talent and skills piece is still as strong as it was last year, but will that switch during the year and obviously they are looking at the potential downturn of it in employment levels. She added that if the challenge around gaining digital talent and digital skills is as strong as ever, that is equally an opportunity as it is a challenge for businesses out there. JH said that she hears people talking about "de-growth" a lot at the moment- how businesses adapt to the notion that growth for growth's sake is not a major ambition over the years ahead, partly due to the context and the economic environment. She concluded by emphasising collaboration as a key element to the success of The Great SW.
- DG echoed what a lot of people have said in terms of the employment challenges and gave an example of struggling to find roles such as marketing and admin. She then moved to talk about the opportunities saying that there has been quite an increase over recent times of a more funding for supporting agricultural businesses they work with, which is helping them through the agricultural transition that's going on at the moment and helping them to become more resilient and sustainable past that transition period. DG seconded what JH said, adding that a lot of businesses are very much in survival mode and are

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|  | <p>addressing questions of: how they will get through over these challenges, through the next year and with what aim. She concluded that UKSPF provides a great opportunity especially for non- profits like their organization however, the delay and not knowing what's next and the danger of lapse in providing support to businesses.</p> <ul style="list-style-type: none"> <li>• CW echoed JH and SH's concerns saying that skills and mobility are a problem but they are backing that off with the sort of hybrid working opportunities there, adding that budgets are shrinking in terms of government funding so there is talk of budgets being reduced across all of the four different areas. CW said that in terms looking at opportunities some of the things talked about including the green agenda, equal opportunities, is the social value. He added that every defence company in the UK will require that 10% of the marks will be associated with that. CW mentioned that the other opportunity they see from government is the drive for export, he elaborated talking about a program called the DILB ( Defence Industry Liaison Board) which runs through defence exports' organisations and is sponsored by BEIS which is pushing hard for defence businesses and covers something similar to what PM was talking about (sat comms). He added that the defence industry and government can support exports to get there.</li> <li>• AH said that the sector faces serious skills problems from housekeeping right up to top- end chefs, he added that people are leaving the sector on top of everything else- leading to what he described as undergrowth. AH gave examples of businesses deciding to operate only three days a week to keep their team working, other businesses which are closing for three months and then only open for a few nights in the week except in peak season.</li> <li>• AC commented that interventions are around helping businesses become more operationally efficient; to try and drive costs out that way and exhaust energy efficiency as well, and helping to get access to finance. He added that the thing he is most worried about is the uncertainty around publicly funded business support provision out through back end of 2023- mentioning that it's great to hear Growth Hub will be supported until September 2023. AC said that there is a need for longevity and sustainability to those interventions to help the small and microbusinesses and that is the real challenge. He added that social enterprise supports publicly funded is a big problem and concluded that one of the challenges and where the opportunities are around getting our thinking caps on about how we can give a bit more.</li> <li>• EJ talked about two things: first thing was related to skills shortage; saying that the local skills improvement partnerships are coming. The second thing was in terms of building the tech cluster map PB was talking about and the possibility that the Growth Hub can help with that as well in terms promoting that map... etc.- a sort of peer-to-peer stuff not only in the tech sector, but more generally.</li> <li>• SW commented that it's more of a people challenge rather than a skills challenge- that simply there are no more people to do the job. She added that in this case upskilling is not the answer.</li> </ul> |
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|   | <ul style="list-style-type: none"> <li>SE seconded and added that there's a lot of people who will be made redundant, there will be a lot of reskilling, automation is going to be a big thing and businesses will need to invest in that.</li> <li>HH said that with UKSPF coming, her worry is about the re-fragmentation of business support again under SPF- that there's a balance to be struck between making sure that each area gets what they need and also the level of confusion for businesses and having an offer which is strategic as well- mentioning that this is what Thrive has been doing. She added that SPF is a real opportunity to build on what was done over the last few years away from ERDF constraints.</li> <li>DRi said that from the public sector perspective challenges are: budget cuts, pressure to create income from front line activity to recover costs, succession planning with aging workforce and no new people due to difficulty in recruitment but also inability to meet market wages and keep staff.</li> <li>SE summed up the session listing the challenges: skills, labour and costs as being the major issues for businesses. He then questioned what to do about it all, and suggested lobbying when necessary, sharing best practice and innovating.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>To include a slot about local skills improvement partnerships in the next meeting. SE suggested that Helen- the local skills improvement plan manager for HotSW give an update,</li> <li>EJ and PB to get together and discuss about the tech cluster map.</li> </ul> |
| 4 | <p><b>Updates:</b></p> <ul style="list-style-type: none"> <li><b>Growth Hub- David Hynd (DH)</b></li> <li><b>Inward investment- Carla Modley (CM)</b></li> <li><b>Shared Prosperity Fund- Julia Blaschke (JuB) and Heather Hillman (HH)</b></li> </ul>   |
|   | <p><b>Growth Hub:</b></p> <ul style="list-style-type: none"> <li>Before presenting DH asked DG and KM to chip in, then he talked about the recent updates and highlights of the Growth Hub, saying that inquiries have been pretty steady over the last quarter with a small dip in December. He added that they are seeing a mixed picture but more or less reflecting to the current business climate and maybe a bit more positive. He elaborated saying that funding requests remain high, businesses are seeking more operational type costs and are certainly looking at quick solutions and quick options. DH seconded HH's earlier comment saying that de- fragmentation is indeed an issue to be addressed. He then talked about a couple of announcements and events. (For more details, see the detailed presentation slides attached in the minutes' email).</li> <li>KM talked about Thrive saying that they are submitting a project change request to shift the balance between outputs from the heavy focus on 12 hours to have being able to claim more of the three hour</li> </ul>  |

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|  | <p>outputs- adding that this is reflective of the type of support the businesses have been taking them up with, and that this change has already been gone through with the department for levelling up which is something positive.</p> <ul style="list-style-type: none"> <li>• DG added a positive note saying that it is encouraging to see through the activity on Thrive, there has been a steady stream of those pre-starts coming on- mentioning that this is a positive thing to pick up on given the status of “doom and gloom”.</li> <li>• EJ talked about the growth hub funding, saying that there is a proposal within government working its way through BEIS at the moment for growth hub funding for 2023 to 2024 and that they will know more about that over the next couple of months.</li> <li>• SE suggested signposting peer support, saying it has proven both success and value with the Chamber and FSB.</li> <li>• RE seconded SE and said that they find sessions on simply understanding finances and what accountants provide are popular with people as many have very basic financial understanding.</li> </ul> <p><b>Inward Investment:</b></p> <ul style="list-style-type: none"> <li>• CM gave a quick update on the ERDF project, saying that they are fast approaching the end of the project so unfortunately they had return some of the grant funding. She added that external factors have impacted on businesses investing. However and in a good news notion, CM said that three businesses were approved grants, that they have created 11 new jobs and that they are working with these businesses to try and get them through by the deadline of March.</li> <li>• CM said they have just commissioned some consultants to carry out the summative assessment for the project which will have a focus on cost of living in COVID, impacting their success and hitting their outputs.</li> <li>• She added that she will continue to deliver the inward investment contract for Somerset County Council, that they developed a new brand and are about to launch a new website for them at the end of the month. They will then be undertaking some targeted marketing proactive lead generation and will directly target businesses looking to expand.</li> <li>• On behalf of The Great SW, CM is leading on the development of an internationalisation strategy that focuses on inward investment, export and international tourism, and she is about to put out an invitation to quote for consultant to help with the development of that.</li> <li>• SE commented that it is good to hear about the jobs creation and asked CM if they were high value jobs, which she confirmed saying that most of those jobs were sort of £40k plus salaries.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>• CM mentioned working on options for what the LEP’s inward investment service will look like post ERDF, and that she will bring some options for discussion to the next meeting to get the group’s input on the direction and the priorities.</li> </ul> |
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|          | <p><b>Shared Prosperity Fund</b></p> <ul style="list-style-type: none"> <li>JuB talked about what is happening in Plymouth, that they received the funding agreement from the government early December 2022 with a deadline of the 23rd of December to return to signed copies, which was done. In terms of next steps, JuB said that they are preparing to have a webinar, again to talk to interested organisations- those who either have already expressed an interest or are interested about how plans for the second year (an invitation to the webinar will be sent around).</li> <li>As was told previously, The Plymouth Growth Board is the designated group (advisory group) which comments and recommends on how the funding should be spent. JuB said that the next Growth Board is on February 1<sup>st</sup> and then after it, they we will have more information in terms of what the priorities are for the next year.</li> <li>HH followed up on that with a Devon update saying that she has been talking to their districts since in Devon the SPF comes down to the districts and that they have been talking to through the Devon Place Board, that they have been talking to other authorities as well and that they have put up a proposal six months ago which offered a kind of strategic business support program that builds on Thrive, have since done an iteration with more details and budget.</li> <li>HH added that now they split it into two now one is focused around start-ups, more general sort of business support, different elements similar to Thrive and green business support. And the other one is focused around Agritech and innovation in land based industries. They have sent those around and have asked local authorities to come back if they're interested in incorporating that within their SPF plans by the 16th of January.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>JuB is to send the invitation to the group.</li> </ul> |
| <b>5</b> | <p><b>Support for Business: draft plan for 2023- Eifion Jones (EJ)</b></p>  |
|          | <ul style="list-style-type: none"> <li>EJ gave a presentation about the priorities and outline of the 2023/24 plan. He talked about the context of uncertainty and the decision points before discussing details of the draft plan and actions, Growth Hub, maximizing deal flow and the suggested priorities for 2023/24. (For more details, see the detailed presentation slides attached in the minutes' email)</li> </ul> <p><b>Questions and Comments:</b></p> <ul style="list-style-type: none"> <li>SE talked about how Cornwall Chamber of Commerce runs a finance group for finance leaders or for people in finance, and that they find it really valuable. He added that he is considering doing the same for Devon. SE talked about the access to finance event which was well received and that they are happy to do another one. He mentioned that an issue with most businesses is that they don't have financial</li> </ul>   |

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|          | <p>directors and suggested discussing this further with EJ (offline). SE concluded his comment saying access to finance and financial understanding are two valid points and that it is pivotal to know how you pitch to businesses.</p> <ul style="list-style-type: none"> <li>• In support to the above, DG talked from the small businesses' perspective about one of the workshops they run under Thrive which is about creating a successful funding application. She added that this workshop is best attended and a popular workshop sessions within the small businesses.</li> <li>• JuB asked EJ whether they think the earlier reflected upon challenges are addressed in the plan and if there is something that could be done to address those sort of urgent issues. EJ responded that it's not reflected and that there is probably more to do to address the issues and to consider feedback from the group.</li> <li>• CW said that the South West has low productivity levels and asked about route or an opportunity to look at ways to enhance productivity in the general sense of running a business- developing skills in order to increase that productivity level. CW questioned how to look at ways to support businesses to become more productive without necessarily picking on shortages on the people, the staff... etc.</li> <li>• AC said that one of the ways to help small businesses with their productivity is looking at their operational efficiency and peer-to-peer alert sharing. He added that smarter ways of working can often be very helpful as a low cost thing and added bringing business leaders together to share information and learning</li> <li>• AC mentioned the Social Investment Fund and the need to find a way for helping with that investor readiness piece to bring organisations which have gone through it talking about their experiences and sharing that knowledge. He suggested the social enterprise networks to help with this.</li> </ul> |
| <b>6</b> | <p><b>AOBs</b></p> <ul style="list-style-type: none"> <li>• SE talked about the Lighter Later campaign and the effect it has on a reduction in energy consumption and bringing energy bills down as well as its impact on health and well-being. He asked members to share views and or interest to bring that again to the table.</li> </ul> <p><b><i>Next Meeting: 06 April, 14- 16:00</i></b></p>   |