



Title Local Enterprise Partnership Board

Date 19 July 2017

Time 10am to 3pm

Seminar Room 2, Peter Lanyon Building, Penryn Campus, Penryn TR10 9FE

Venue **(please meet at the AIR Building at 9:45 am and you will be escorted over to the Peter Lanyon building)**

Tea and coffee on arrival				
			Lead	Action
1.	1000	Welcome and Introductions Apologies for Absence (Gavin Poole, Roland Tiplady, Lucy Edge)	MD	
2.	1005	Nominations Committee: Cornwall Council and Council of the Isles of Scilly Nominated Representatives (pages 1-4)	MD	Decision
Strategic Context				
3.	1015	Cornwall Council Group of Companies/CORSERV (pages 5-12) <i>Colin Dennis (Chair of CORSERV Board) and Mike King (MD of Cornwall Development Company) in attendance</i>	SR/CD/MKi	Discussion
4.	1130	The Creative Economy in Cornwall and the Isles of Scilly, including an introduction and tour of the School of Film and Television (pages 13-16) <i>Glenn Caplin (Director of Strategic Innovation Projects, Falmouth Business School) in attendance</i>	EK/SR	Discussion
LUNCH 1315 to 1345				

Operational Matters				
5.	1345	Declarations of Interest	ALL	
6.	1350	LEP Board 24 May 2017 6.1 Minutes (pages 17-26) 6.2 Action Summary (page 27)	MD CB	To note To note
7.	1400	Chairman's Report (verbal)	MD	To note
8.	1415	CEO's Report (pages 28-48) 8.1 Great South West Governance (pages 49-50)	SR TB	To note Decision
9.	1455	Any other business	ALL	
10.	1500	CLOSE		

**Dates of next meetings
LEP Board 2017**

20 September (Isles of Scilly) – *inc. Business Networking*
22 November (County Hall, Truro)

Informal Board Sessions

15 August (venue tbc)
25 October (venue tbc)

Board Away Day Sessions

11 October (Tregothnan Estate)



CORNWALL AND ISLES OF SCILLY LOCAL ENTERPRISE PARTNERSHIP

MINUTES of a Meeting of the Cornwall and Isles of Scilly Local Enterprise Partnership held in The Business Space Truro, Chiltern House, City Road, Truro, TR1 2JL on Wednesday 24 May 2017 commencing at 09:30 am.

Present:- Mark Duddridge (Chairman)

Lucy Edge, Emmie Kell, Paul Massey, Gavin Poole, Roland Tiplady,
Andrew Williams

Officers and Support team:- Sandra Rothwell, John Betty, Theo Leijser (by phone), Matt Silver,
Tim Bagshaw, Jason Clark, Jonathan Eddy, Carol Bransgrove,
Debbie Osborne (minutes)

Apologies for absence:- Chris Loughlin, Mark Goodwin and Sarah Trethowan

APOLOGIES FOR ABSENCE

(Agenda No. 1)

Apologies for absence had been received from Chris Loughlin, Mark Goodwin and Sarah Trethowan (currently on sabbatical).

The Chair thanked the Directors for their understanding of the late change of venue due to travel issue getting to the Isles of Scilly. Another date to hold a meeting on the Islands will be organised as soon as practicable. He thanked Debbie Osborne for standing in to take minutes at this meeting.

The Chair asked the Board to note that due to the local elections on 4 May, there will be no public sector representative in attendance from the Council of the Isles of Scilly until after formal ratification at their Full Council Meeting on 25 May. The Cornwall Council Leader position on the LEP Board will be taken at item 2, however, the other two nominated local authority positions won't be known until after the Board.

The Chair also confirmed the appointments of John Acornley and Louise Rowe as Directors, however they were both unavailable for this Board.

WELCOME AND INTRODUCTIONS

(Agenda No. 1)

The Chair welcomed everyone to the meeting, in particular Tim Bagshaw, the new Head of LEP Governance and Operations.

NOMINATIONS COMMITTEE – CC NOMINATED REPRESENTATIVE

(Agenda No 2)

The Board considered a report prepared by the Chair and the Executive and Governance Manager regarding the resignation of John Pollard CC, Julian German CC and Daniel Pugh CC as Directors of the Company and to consider the nomination of Adam Paynter CC (Leader of Cornwall Council) as Cornwall Council's new nominated representative on the LEP Board.

Decision:

- 1. The Board approved the termination of Cllr Pollard, Cllr German and Cllr Pugh as Directors of the Company.**
- 2. The Board approved the appointment of Cllr Adam Paynter (Leader of Cornwall Council) as the new nominated representative from Cornwall Council.**
- 3. The Company's secretary be instructed to make all necessary updates to the books and registers of the Company.**

The Board agreed that a letter of thanks should be sent to Cllr Pollard, Cllr German and Cllr Pugh as recognition of their time associated with the LEP Board.

Action 1: The Company Secretary be asked to make the necessary updates to the books and registers of the Company.

Action 2: LEP Executive Team to write a letter of thanks to Cllr Pollard, Cllr German and Cllr Pugh.

DECLARATIONS OF INTEREST

(Agenda No. 3)

There were no declarations of interest expressed, however, it was noted that as Cornwall Council and the Council of the Isles of Scilly were applicants to Growth Deal 3 then officers Theo Leijser and John Betty would not take part in any related discussions on that item.

LEP BOARD 15 MARCH 2017

(Agenda No. 4)

Minutes

(Agenda No. 4.1)

It was agreed that the minutes of the meeting held on 15 March 2017 were a true and accurate record albeit amendments to the following points:

Agenda Item 6 Strategic Clusters Update

Aerohub+ Presentation (point i) wording to be amended to read ... *the Board was informed that if the bid were successful then*

Agenda Item 12 Growth Deal Implementation

Action 10 to be reworded to: The LEP Executive to liaise with Cornwall Council to make the necessary arrangements for Andrew Williams to replace Roland Tiplady as the CIoS LEP representative on the CIoS LTB.

Action Summary

(Agenda No. 4.2)

Actions confirmed at the meeting on 15 March 2017, details of which were noted together with a summary of outstanding actions.

The Board was updated in relation to Action 2: the LEP CEO advised that the work done by Falmouth University had been disappointing. Alternative routes are currently being looked at to get the SEP (Vision 2030) document designed and published.

The Board was updated in relation to Action 4: the LEP CEO advised that discussions around EZ governance were ongoing with Cornwall Council.

CEO'S REPORT

(Agenda No. 5)

The Board considered a report, prepared by the LEP CEO which focused on an overview of operational activities.

BUSINESS PLAN PROGRESS 2017/18

Budget, Compliance and Corporate Risk

Board Directors were asked to note the 3 associated appendices, namely: Final Budget Monitor for 2016/17; Agreed Budget for 2017/18; and the revised Corporate Risk Register.

The Board were advised that the 2016/17 accounts will be independently audited.

Emmie Kell asked for a breakdown on the administrative costs. LEP CEO advised that her salary is now 50% funded by Cornwall Council and the changes to Senior Leadership Team will be reflected in the updated budget which will be included in the CEO report to the July LEP Board.

Paul Massey asked a question about the Growth Hub reporting and what the Board's role is. The Head of LEP Governance and Operations explained that as the Growth Hub has now been in place for a year there needs to be a better monitoring role by the Board maybe in the form of a task and finish group.

Jonathan Eddy asked for update on the carry forward of Growth Deal monies. Tim Bagshaw advised that there will be a review of outputs at the end of the year and will also be reviewing reporting mechanisms. Tim Bagshaw advised that carry forward reflected end of year claims that are then reported in the first quarter of 17/18. We will review reporting of outputs however to ensure accurate and better end of year reporting.

IMPLEMENTATION

The LEP CEO outlined the following key headlines/highlights across the 6 Strategic Drivers within the SEP and the 2017/18 LEP Business Plan.

INNOVATION AND CREATIVITY

Employment and Skills

LEP CEO advised the Board that this element is falling behind on the devolution timeline. Capacity on the reframed programme and support for further negotiations to Government to be increased, this will be developed with Cornwall Council.

John Betty confirmed this was high on Cornwall Council's agenda and is supporting the progress of the Collab Plan implementation. LEP CEO advised that due to delays in implementation the current risk is red rated.

Industrial Strategy

Using Industrial Strategy consultation responses and Vision 2030 priorities, a clear reframed and impactful narrative will be written in preparation for the new administration following the General Election on 8 June 2017. This will clarify our next steps "Optimism and Opportunity".

Emmie Kell asked whether this narrative/response could be used as the "pitch" for a bid into the Industrial Challenge Fund. LEP CEO advised that the timeline for bidding to the fund was on hold due to the pending General Election. The Whitehall representative advised that due to Purdah it wasn't known how the new administration will "play" the fund. This information will be passed to all LEPs when known.

Lucy Edge asked whether communications on the "narrative" could be addressed. This was agreed as a priority.

At the recent Communications roundtable, businesses were supportive of a clear narrative for Cornwall and Isles of Scilly. The Head of LEP Governance and Operations advised of the need to engage with the business community and bring together a shared narrative

A Task and Finish Group is proposed to start the process of bringing the "pitch/offer" together and then look at pursuing opportunities. It was agreed to include Jessie Hamshar, the new Service Director, Strategy & Engagement at Cornwall Council in taking this work forward in partnership with the LEP.

A number of Directors noted the need for the LEP and its Directors to 'step up' with confidence to articulate the views of the business community and to also ensure the CIOs 'pitch' was a positive offer for UK PLC.

The Whitehall representative advised that all the Industrial Strategy responses are currently being analysed and there will be the chance to work in parallel with other areas. The Whitehall representative had confirmed the requirement for sector information. Future Local Growth Funding discussions with Policy leads are currently taking place but even in Purdah the message is still clear. LEP CEO advised that she chairs a small working group led by the LEP Network looking on the future funding landscape.

Action 3: LEP Executive to form a task and finish group to start the process of bringing the "pitch/offer" together and look at opportunities.

Financial Engineering Instruments (FEI)

The LEP CEO reminded Directors that the Government secured a grant to the British Business Bank to commence the work to form a Financial Instrument (Cornwall and

Isles of Scilly Investment Fund) utilising ERDF. Work is now actively progressing and the formal process with British Business Bank (BBB) has now started. The FI Steering Group membership is being reviewed to include John Acornley who will replace Rob Davey as LEP Director chair.

PRODUCTIVITY LED GROWTH

The LEP CEO gave a verbal update on the current status of Intermediate Body (IB) status. This is progressing well with Cornwall Council taking a lead role on how the programme is managed and what functions will be devolved to Cornwall Council. This will be up and running to lead on the new call process by July 2017. This will be important as a negotiating factor going forward. Call generation will be carried out locally but will meet all national standards, rules and regulations to ensure compliance. Lucy Edge asked if this would have an impact on the ITI Board. LEP CEO confirmed that there should be no impact going forward. The Whitehall representative confirmed that the ITI Board will still approve projects with help from the IB team.

COMMUNICATIONS

Andrew Williams asked for clarity on the Great South West (GSW) agenda. The LEP CEO advised that this started from a response as to whether there should be a regional/geographical voice for the South West. It is being led by CIOs, Heart of SW and Dorset LEPs. There is a need for a clear narrative on how GSW is framed and this is currently in development. The Whitehall representative said that this is a real opportunity for CIOs especially in relation to the SW Rural Productivity Commission work.

COMMUNICATIONS AND ENGAGEMENT STRATEGY

(Agenda No. 5.1)

The LEP CEO advised that over the last few months the task and finish group has been reviewing the strategy in light of the refreshed SEP. The review is now complete with a business focused message, values, stances and full set of KPIs. It explains how we will deliver against our ambition to become the "listening LEP" and to have more meaningful contact with businesses – "doing business with business".

The LEP Business and Stakeholder Relationship Manager advised that there was a positive reception to the film during Business Week, however the postcard that was circulated asking for business involvement in the work of the LEP had a low response rate.

The Head of LEP Governance and Operations confirmed the need to engage directly with business, building and developing regular messaging. This will also help when building the narrative for UK PLC and goes hand in hand with the LEP credibility.

Decision: The Board agreed with all 3 recommendations as laid out in the report.

- 1. That the LEP Board endorses the Communications & Engagement Strategy.**
- 2. That the LEP Board endorses the recommendations within the implementation plan and timeline to production.**
- 3. That the LEP Board endorses a brand workshop with an independent agency**

GROWTH DEAL 3 UPDATE

(Agenda No. 6)

John Betty and Theo Leijser (by phone) left the meeting due to their potential conflict as applicants.

The LEP CEO advised that due to her dual hat role of Service Director she would not take part in any discussions during this item on the Hall for Cornwall and Cornwall Council Transport Programme projects.

The Board considered a report prepared by the LEP CEO providing an update on progress to date in regard to the Growth Deal 3 Programme and next steps for decision.

The LEP CEO advised that following the formal Government announcement regarding the Growth Deal allocation the Investment Panel had reviewed the original programme of investment and reprioritised the Growth Deal 3 spending plans to take account of the allocation. The Investment Panel met on 24 March 2017 and received presentations from invited applicants to assist prioritisation of projects.

The Whitehall representative advised that Ministers and Senior Officials are keen to ensure that all LEP Assurance Frameworks are being adhered to, to ensure proper governance, transparency and accountability. The LEP CEO confirmed that this was the case.

The Chair asked that each recommendation be taken in turn and discussed separately.

LEP CEO outlined the following governance arrangements for the Growth Deal Programme in Cornwall and the Isles of Scilly:

- The process for Growth Deal 3 has been more complex and as such the LEP Investment Panel was set up to help expedite the process.
- Lessons have been learnt and improvements to the LEP Assurance Framework have been delivered to ensure a fit for purpose process. All related processes around Growth Deal 3 going forward are currently being reviewed and will be in place.
- Previous decisions have been based on the Expression of Interests received, depending on what decisions are reached by the Board today, due diligence will be carried out on each full business case.

The Board was asked to confirm their support of the recommendations of the Investment Panel which had previously been through a written procedure. Because the Board had not reached agreement as part of this process, this recommendation was now coming back to the Board for discussion and decision.

Each project was taken by turn.

GES Ltd

GES were requested to provide further information following their presentation on 24 March 2017 and a further meeting with GES Ltd was held on 26 April. Gavin Poole was invited to attend this meeting in his capacity as chair of the Enterprise Zone Board. A further meeting with the UK Space Agency (UKSA) was held on the 18 May, providing more detail on the proposed arrangements with the European Space Agency for handling any investment in GES.

During the debate the following points were noted:

- LEP Investment Panel and LEP Board agree that the credentials around space are important as is the relationship with the partners – this was a priority sector for investment.
- The Panel agreed that the way this project could potentially be funded needs clarity as there isn't enough evidence on whether this should be a loan or grant or mix. This needs to be resolved through a full due diligence.
- The initial opportunity of investment will be part of a contract with UK Space Agency (UKSA) and this will need to be taken into account in how we contract the funds.
- The proposal is to grant circa £500k for Phase 1, whilst that is underway due diligence will be undertaken on the full business case to independently ascertain how the remainder of £7.9m would be contracted. The Board agreed to support the initial grant of circa £500k, which will commence in this financial year, with due diligence being carried out on the full business case to confirm if this would be contracted as a grant or loan or mix.

Decision: (GES Ltd) The Board approved in principle the initial circa £500k grant for Phase 1 works and subject to due diligence to fund through grant, loan or mix a second stage payment of £7.9m.

Hall for Cornwall

During the debate the following points were noted:

- Andrew Williams noted that the previous Chair of the LEP was now the joint Chair of the Hall for Cornwall, whilst this was not a conflict it should be recognised.
- Application in principle is supported by the LEP Investment Panel.
- Concern was expressed amongst several board members and had been expressed at the Investment Panel that the project failed to strongly demonstrate how it would support and influence the wider Creative and Cultural industries in Cornwall and Scilly.
- Emmie Kell reminded the Board of the importance of the industry to the Cornwall and Scilly economy and the diversity and complexity of sub sectors, artists and companies involved.
- Board Members also felt that the project should show more how it will support place development in Truro and demonstrate links with schools, further and higher education. How this is done in other places in the UK would inform this.

Decision: (Hall for Cornwall) The Board approved that the HfC application should be put forward to full business case

Cornwall Council Transport Programme

Following a reprioritisation exercise undertaken by the Local Transport Board, Cornwall Council submitted applications identified as the priority transport schemes to be put forward for Growth Deal 3 funding. These were identified as:

1. One Public Transport System
2. East Bodmin Growth Hub
3. Plymouth Rail Station

During the debate the following points were noted:

- The East Bodmin Growth Hub links to the current A30 scheme and allows commercial and residential land to be unlocked. The Whitehall representative had confirmed that the East Bodmin Growth Hub would provide additionality.
- The Plymouth Rail Station will be refurbished as part of a £33m project in association with Heart of the SW LEP and Plymouth University, creating a Gateway to Cornwall. The LEP Investment Panel have been in discussions with Cornwall Council and have negotiated that any investment will be aligned with work on Saltash Station. Cornwall Council have agreed to this option.
- Lucy Edge agreed that a full business case would be required to answer any further questions.

Decision: (Cornwall Council) The Board agreed in principle on this application but would require further clarity on the Saltash element of the project.

Council of the Isles of Scilly - Smart Islands Project

During the debate the following points were noted:

- Whilst the LEP Investment Panel are supportive of the overall project, the panel felt unable to support the expression of interest following the presentation to the panel in March 2017. In particular, in relation to lack of confidence on deliverability, poor links commercial opportunity and limited research links.
- The Chair advised that at a recent Islands Futures Group which he attended, the project was discussed in detail. The Chair advised the Board that if this detail had been better addressed at the LEP Investment Panel on 24 March 2017, the concerns expressed by the panel would not have been as critical.
- The Chair explained the resourcing issues of the team pending contract with EU Programmes.
- Issues around ownership of Intellectual Property (IP) were raised and agreed needed to be addressed. Emmie Kell enquired as to other options if Growth Deal 3 wasn't granted. The LEP CEO advised that there is potentially the Industrial Challenge Fund (ICF) but this is a competitive process and only part of the project would be eligible, however this could be considered as an option. The Whitehall representative advised that if the Isles of Scilly Council could provide articulation for ICF then an application could be progressed.

Paul Massey and Roland Tiplady advised that they had to leave the meeting, however both were happy to support the application to full business case stage.

- Lucy Edge expressed strong concern that the applicant would not be able to complete the business case with resource currently available. The Board agreed to offer support for the Council of Isles of Scilly to help with development of the business case. It was noted that Hall for Cornwall, GES Ltd and Cornwall Council all have additional resource already available to them).

Decision: (Isles of Scilly Council) That the Smart Islands application should be put forward to full business case. It was also agreed to make a limited resource available to support additional capacity during development of the full business case.

The LEP CEO confirmed that if all 3 applications were approved subject to final business case £1.9m headroom would be available to invest in the 3 workspace

projects that are next on the Investment Panel's priority list, although the full amount requested by the 3 projects is more than that £1.9m available.

If the Board agrees with recommendation of including the town centre initiatives, the LEP Executive Team will work with the LEP Investment Panel and bring a recommendation to the next LEP Board in July.

Decision: The Board agreed to review with a recommendation then being brought to the LEP Board in July.

Action 4: The Board recommended that all unsuccessful applicants now be contacted on the basis of the draft letter attached to the report. Any responses to this letter will allow the potential project list to be updated.

Action 5: Agreed that successful applicants be contacted to advise that they are being taken to full business case stage.

CHAIRMANS UPDATE

(Agenda No. 7)

The LEP Board noted the Chairman's verbal report.

The Chair updated on the recent LEP Chairs/CEO meeting he attended along with the Head of LEP Governance and Operations. Discussions included debates on the impact of the General Election, the Great South West agenda, ensuring good governance and process across LEPs (Assurance Framework) and future funding.

The Board were reminded that we still have strong links with Whitehall and are in a good position to influence debate. The Board was further reminded that the LEP Network had circulated a summary of the Party Manifestos this week.

ANY OTHER BUSINESS

(Agenda No. 8)

Andrew Williams advised that Cornwall Council are reviewing how they support "place" and are targeting members to act as champions for different areas.

Informal Board Session

The Board noted that the next Informal Board Session was due to be held on 19 June, 2017 at the Alverton Manor, Truro.

The LEP Board noted the date for the next Board Away Day 11 October 2017.

The meeting ended at 1.30 pm.

[The agenda and reports relating to the items referred to above are attached to the signed copy of the Minutes].