

Minutes of the Heart of the South West (HotSW) Joint Committee

Hosted by Somerset County Council at the Holiday Inn, Taunton TA1 2UA

1.30pm, Friday 5 October 2018

Attendance

Voting Members

Cllr John Hart	Leader - Devon County Council
Cllr David Fothergill	Leader - Somerset County Council
Cllr Tudor Evans	Leader - Plymouth City Council
Cllr Paul Diviani	Substitute - East Devon District Council
Cllr Ian Thomas	Leader - East Devon District Council
Cllr Clive Eginton	Leader - Mid Devon District Council
Cllr Mike Edmunds	Substitute - North Devon District Council
Cllr John Tucker	Leader - South Hams District Council
Cllr Jeremy Christophers	Leader - Teignbridge District Council
Cllr David Hurley	Substitute - Torridge District Council
Cllr Lois Samuel	Substitute - West Devon Borough Council
Cllr Harvey Siggs	Leader - Mendip District Council
Cllr Dawn Hill	Substitute - Sedgemoor District Council
Cllr Jo Roundell-Greene	Substitute - South Somerset District Council
Cllr John Williams	Leader - Taunton Deane Borough Council
Cllr Anthony Trollope-Bellew	Leader - West Somerset District Council

Non-Voting Members

Steve Hindley	Chair - Heart of the South West Local Enterprise Partnership
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Officers

Phil Norrey	Chief Executive - Devon County Council
Sue Rose	Policy Lead, Organisational Development - Devon County Council
Julian Gale	Strategic Manager/Partnership Governance - Somerset County Council
Peter Stiles	Clerk to the Joint Committee - Somerset County Council
Tracey Lee	Chief Executive - Plymouth City Council and Senior Responsible Officer
Alison Ward	Regional Partnerships Manager - Plymouth City Council
Steve Parrock	Chief Executive - Torbay Council
Dave Hodgson	Assistant Director, Finance - Exeter City Council
Stephen Walford	Chief Executive - Mid Devon District Council

Mike Mansell	Chief Executive - North Devon District Council
Steve Hearse	Strategic Manager, Resources - Torrington District Council
Darren Arulvasagam	Business Development Group Manager - South Hams District and West Devon Borough Councils
Stuart Brown	Chief Executive - Mendip District Council
Doug Bamsey	Corporate Director - Sedgemoor District Council
Brendan Cleere	Director, Growth and Development - Taunton Deane Borough Council and West Somerset District Council
Netta Meadows	Director, Strategy and Commissioning - South Somerset District Council
Eifion Jones	Head of Strategy and Operations - Heart of the South West Local Enterprise Partnership
David Ralph	Chief Executive - Heart of the South West Local Enterprise Partnership
Paul O'Sullivan	Managing Director, Partnerships - Devon Clinical Commissioning Group

Apologies

Cllr David Thomas	Torbay Council
Cllr Alan Tyreman	Torbay Council
Cllr Peter Edwards	Exeter City Council
Cllr Jane Whittaker	Torrington District Council
Cllr Philip Sanders	West Devon Borough Council
Cllr John Clark	South Somerset District Council
Cllr Val Keitch	South Somerset District Council
Cllr Bill Hitchens	Dartmoor National Park Authority
Cllr Andrea Davis	Exmoor National Park Authority
Robin Milton	Exmoor National Park Authority

1. **Declarations of Interest**

- 1.1 Details of councillors' appointments to local authorities were displayed in the meeting room and therefore there was no need to verbally declare these as personal interests. There were no other declarations of interest.

2. **Minutes**

- 2.1 The Minutes of the Joint Committee meeting held on 25 May 2018 were confirmed and signed as correct, subject to the Member representative for East Devon District Council in the attendance list being amended to read 'Councillor Ian Thomas' and to the seconder of the motion for the election of Cllr Fothergill as Chair in Minute 1 (Appointments) being amended to read 'Councillor D Thomas'.

3. Public Question Time

3.1 There were no public questions.

4. Chair's Update

4.1 Cllr Fothergill reported on developments since the last meeting which had included:

- achieving traction at national level, reflected by the Government's confirmation that the Heart of the South West was one of the six Local Enterprise Partnership (LEP) areas placed in Wave 2 of developing Local Industrial Strategies (LIS). The HotSW area was of interest to Government due to it presenting some interesting challenges, being a mixed urban/rural/coastal economy, the excellent working relationship between the Joint Committee and the LEP and the existing work on the Productivity Strategy
- Cllr Fothergill referred to a proposed review of the role and functions of the Joint Committee in the light of the outcomes of a recent Government review of LEPs and the development of a LIS
- the successful Heart of the South West Housing Summit held at Sandy Park, Exeter on 28 September 2018 which was closed by Cllr Harvey Siggs, Mendip District Council.

4.2 Cllr Fothergill commented on the need to maintain and build on the momentum achieved as we move towards 2019, building the Partnership's influence and moving into the delivery phase. The Partnership continued to adapt to the Government's changing policy agenda and it now needed to adapt again to reflect a shift in the relationship between the Joint Committee and the LEP following the Government's review of LEPs and the LIS announcement. The agenda included a paper setting out the scope for a review of roles and responsibilities. The Transport for the SW Peninsula STB was another exciting development which focusing on influencing Government to the benefit of the wider Peninsula

4.3 Cllr Fothergill indicated that there would be a meeting of the local authorities' economic development Portfolio Holders and Directors on 23 November 2018 to brief them on the Local Industrial Strategy, the Productivity Strategy Delivery Plan and the communications document.

4.4 At Cllr Fothergill's invitation, David Ralph, CEO of the HotSW LEP gave an update on local successes and developments since the last Joint Committee meeting as follows:

- a major achievement had been the inclusion of the HotSW in Wave 2 of LIS due to success in raising the profile of this unique area, the cohesive and ambitious partnership approach and progress on the Productivity Strategy
- other ongoing successful initiatives had included: Local Digital Skills Partnership; Growth Funding; and South West Growth/Energy/Careers Hubs
- challenges included: the economy 'flatlining' locally and nationally; changing the skills profile through business support programmes; evaluating/maximising 'natural capital'; reducing in-work poverty, health and wellbeing and achieving improvements for all; infrastructure planning; careers advice/guidance and workforce skills; and the need for early tangible impacts.

5. Heart of the South West Joint Committee – Senior Responsible Officer's Update and Position Statement

5.1 Tracey Lee, Plymouth City Council CEO and SRO, gave a presentation reminding the Joint Committee of the basis on which the HotSW Partnership had been founded in 2015; its evolution and development (the HotSW journey); how everything fitted together; how the Partnership had adapted to national policy and dialogue with Government; changing governance arrangements; and how the Productivity Strategy would be delivered.

5.2 Cllr Fothergill commended the progress made on Phase 1 of the Delivery Plan. Tracey Lee commented that work on Phase 2 was well underway.

5.3 The Joint Committee noted the position.

6. Heart of the South West Productivity Strategy Delivery Plan

6.1 Progress and Communications Document

6.1.01 The Joint Committee considered a report by Tracey Lee, SRO, on progress with the first phase of the HotSW Productivity Strategy's Delivery Plan and an associated communications document - presented by David Ralph, CEO of HotSW LEP.

- 6.1.02 The HotSW LEP was working with its partners to develop the distinctive opportunities that the area had to offer as investment-ready propositions with the potential to increase productivity. The Delivery Plan covered existing and future work and broadly divided into two sections - a 'core' offer concentrating on business support and skills which was available to all people and businesses everywhere; and a section focusing on the opportunities (transformational and bedrock) specific to the LEP area, their outcomes and the activity required to realise these opportunities.
- 6.1.03 At this stage, the opportunities section covered half of the opportunities previously discussed by the Joint Committee: Digital (photonics); Advanced Engineering (marine; nuclear); High-value Tourism; and Farming, Food and Fishing. Content around the core infrastructure and housing components was also being developed. Work on the other opportunities was progressing (Phase 2) with a view to updating the Plan in early 2019 to incorporate Healthy Ageing; further Digital (creative and big data) and Advanced Engineering (aerospace) content; and Construction and Defence.
- 6.1.04 In terms of the 'core offer' sections, the Business Leadership and Ideas and the Employment Skills and Learning sections had been populated and this information would continue to evolve. For Housing, Connectivity and Infrastructure, the information and outcomes from the Housing Summit would be used to populate the housing section; the connectivity section would be informed by the road and rail priorities for HotSW and linked to the case for the Sub-National Transport Body, based on the Peninsula Rail Task Force agreed 20 Year Plan and the road priorities identified for the next Highways England funding cycle. Delivery for digital connectivity would be informed by the Connecting Devon and Somerset programme.
- 6.1.05 The Delivery Plan and Local Industrial Strategy would be closely aligned and the timescale and next phase of the Delivery Plan would in part be dependent on the development of the LIS.
- 6.1.06 David Ralph referred to the draft communications document targeted at MPs, Ministers and officials as part of continuing to raise the profile of HotSW ahead of the 2018 Budget, the 2019 Spending Review and the anticipated launch of the UK Shared Prosperity Fund towards the end of 2019. He circulated the latest version of the document at the meeting, pointing out that further comments from Joint Committee members would be welcome, but given the tight timescale they should be submitted as soon as possible.
- 6.1.07 Joint Committee members were reminded that both the Delivery Plan and communications document were 'living' documents which would develop and evolve with further work.

6.1.08 Points made during discussion included:

- the reference in the introduction to the Delivery Plan (Page 2 of the document) to the worth of the economy in the HotSW area should read '£35bn'
- the impact of higher wage levels on Small and Medium-sized Enterprises (SMEs)
- the importance of improved careers advice/guidance and workforce skills in terms of attracting young people to, and retaining them in, employment in the South West
- concerns about the Government's proposals to prioritise high-skilled workers in post-Brexit immigration proposals; the importance of lower-skilled EU workers and impact on the construction, agriculture and other industries; the definition of 'high-skilled' (financial threshold); and the need to gather supporting evidence/data.

6.1.09 **RESOLVED**

(a) to note the progress with the Delivery Plan and endorse its direction and content

(b) to endorse the related communications document and the asks set out in the annex

(c) to delegate any final changes to the communications document, in the light of comments received, to Tracey Lee, SRO (noting that David Ralph, Chief Executive, HotSW LEP would sign off any changes on behalf of the LEP)

6.2 South West Housing Summit

6.2.01 At Cllr Fothergill's invitation, Cllr Harvey Siggs, Mendip District Council, who had closed the Heart of the South West Housing Summit held at Sandy Park, Exeter on 28 September 2018, summarised the potential asks to, and offers from Homes England for the South West, as follows.

Offers from Homes England:

Homes England had two primary offers for the South West:

1. Investment:

- Affordable Homes Programme/Registered Providers housing deals
- loan finance to encourage Small and Medium-sized Enterprises (SMEs) to grow and others to enter the market
- pump-priming of infrastructure

2. Land acquisition and disposal:

- public sector land/Compulsory Purchase Orders
- £1.9bn land assembly fund and small sites fund available, of which £1.3bn was for Homes England to buy stalled sites/land that would not otherwise come forward
- £630m to unlock 400,000 homes over the next 5 years

Bespoke Package of Asks and Offers for the South West:

Cllr Siggs expressed the view that the South West needed to speak as one and develop a bespoke package of asks/offers to Government. Based on the findings from the HotSW Housing Audit and the discussions at the Housing Summit, consideration should be given to the following:

Asks:

- viability appraisals - Homes England to assist with skills and resources to provide a stronger and consistent approach to viability appraisals across the region to help Local Planning Authorities defend local viability challenges and secure more affordable housing delivery in the region
- infrastructure capacity planning - to provide further support and funding to assist in developing a more comprehensive and up to date understanding of regional needs especially in terms of transport and other infrastructure capacity with improved modelling and delivery advice
- forward funding support - to underpin Housing Action Plans with further access to forward funding support to resolve identified site-specific barriers to unlock local housing delivery
- quality, not just quantity, was vital. Work with Homes England to introduce a version of Building for Life 2 to help local authorities and developers assess the quality of development
- better and clearer legislation in terms of reviewing Community Infrastructure Levy and Section 106 funding obligations.

Offers:

- to agree to the development of Housing Action Plans for strategic sites across the region
- to ensure that design quality was an integral part of housing delivery going forward
- to create a Housing Sector Task Force made up of strategic leaders from across the housing sector. The Task Force would be responsible for developing a proposition for Government and would report directly to the HotSW Joint Committee
- to prepare long-term joint local plans at a sub-regional level
- to champion a positive development management culture helping to pool specialist resources across multi-agencies and authorities in the region

- to offer a transformation pilot to Homes England as a test bed of housing delivery in a rural, urban, coastal setting adding in the following:
 - up-front infrastructure funding
 - quality, place shaping and design - further development of our Unique Selling Proposition (quality, tenure type, design that supported the objectives of prosperity for all linked to environment)
- to establish an Academy for Development and Construction for the HotSW area
- to provide developers with the security to take risks
- to consider whether local authorities can invest to further develop Modular Construction methods.

6.2.02 **RESOLVED**

(a) to welcome the very positive and widespread support for increased housing provision in the Heart of the South West as a key element of economic growth for the region; to agree that Stephen Walford, Mid-Devon District Council should lead work on the proposals set out above; and to ask that a report on the proposed Task Force or similar and the way forward be submitted to the next Joint Committee meeting, following discussion during the proposed Governance review.

7. **Local Industrial Strategy Update**

- 7.1 David Ralph, HotSW LEP, reported on the arrangements for developing a Local Industrial Strategy (LIS), following the recent announcement that the Heart of the South West was one of the six Local Enterprise Partnership (LEP) areas placed in Wave 2 of developing LISs.
- 7.2 LISs would be long-term, based on clear evidence and aligned to national Industrial Strategy. They would set out clearly defined priorities for how cities, towns and rural areas would maximise their contribution to UK productivity. The aim of LISs was to put local people and businesses in the driving seat allowing local leaders to harness the strengths of their own areas in a targeted approach, leading to further Government investment to raise productivity and prosperity.
- 7.3 David Ralph indicated that:
- the Government had asked LEPs to lead on development and the HotSW LEP with the Joint Committee would drive forward the LIS and oversee its delivery
 - the development of the LIS would follow from the work done on the Productivity Strategy so maintaining links to the Partnership
 - however, he emphasised that the wider Productivity Strategy was still relevant and important to both the Joint Committee and the LEP

- the route from Productivity Strategy Delivery Plan to LIS would be developed in the coming weeks as the LEP worked both with Government on the LIS and the Joint Committee on agreeing respective local responsibilities
- the timetable would lead to the LIS being agreed with Government in June 2019
- the Government had published guidance on the development of LISs which he would circulate
- inclusion in Wave 2 of LIS was a testament to HotSW's performance and offered a great opportunity to make the most of the area's distinctive assets and improvements for all.
- the HotSW LEP would be working with the West of England LEP which was also included in Wave 2, and other bodies/areas.

7.4 The Joint Committee noted the position.

7.5 Points made during discussion included the possibility of highlighting in the LIS:

- the major financial pressures relating to health, social care and housing provision in the South West associated with the high proportion of elderly persons in the population
- the unique, natural environment and attractive lifestyle choices to help attract young people to, and retain them in, employment in the South West.

8. Heart of the South West Joint Committee Governance Update

8.1 The Joint Committee considered a report presented by Julian Gale, Somerset County Council, proposing:

- a review of the Joint Committee's role and functions, in the light of the outcomes of the Government's review of Local Enterprise Partnerships (LEP) and the announcement that HotSW had been prioritised by the Government in Wave 2 of developing Local Industrial Strategies (LIS)
- that in advance of the outcomes of this review, the Joint Committee should recommend the constituent authorities to delegate authority to the Joint Committee to develop and agree their contribution to the HotSW LIS (noting that final approval of the HotSW LIS rested with the LEP and the Government)
- that the Joint Committee should submit a formal update report to the constituent authorities outlining progress on the Committee's work over the last six months which should include the Joint Committee's Budget and Cost Sharing Agreement for 2018/19 for formal approval.

8.2 The scope of the review (set out in an annex to the report) would include: the role and functions of the Joint Committee including the powers delegated from the constituent authorities; the Joint Committee's relationship with the HotSW LEP; and the management support arrangements of both the Joint Committee and the LEP.

8.3 The review was a significant piece of work with an expected timeline - given the urgency - of a concluding report and recommendations to the Joint Committee in January 2019.

8.4 **RESOLVED**

(a) to approve the proposal to review the role and functions of the Joint Committee

(b) to recommend that the constituent authorities should delegate authority to the Joint Committee for the development and endorsement of the HotSW Local Industrial Strategy (LIS) (noting that final approval of the HotSW LIS rests with the HotSW Local Enterprise Partnership (LEP) and the Government).

(c) agree that the Programme Management Office should prepare and submit an update report to the constituent authorities on the work of the Joint Committee.

9. **Brexit Opportunities and Resilience Group**

9.1 Phil Norrey, Devon County Council, gave an update on the work of the Brexit Resilience and Opportunities Group (BROG) established to advise the Joint Committee on preparations for Brexit and identify the opportunities and challenges of Brexit and their impact on businesses across the HotSW area. BROG had conducted detailed studies into agriculture, workforce and construction that had fed directly into the Local Government Association and the Government, had raised the profile of the region and had helped to shape thinking.

9.2 Phil Norrey reported as follows:

- BROG had organised a Brexit Joint Regional Sounding Board that would take place at the HotSW LEP Conference on 12 November 2018 at Sandy Park, Exeter with Government representatives from the Departments for Environment, Food and Rural Affairs (DEFRA), Business, Energy and Industrial Strategy (BEIS) and Ministry of Housing, Communities and Local Government (MHCLG) talking to business and Joint Committee members about Brexit
- there was increased interest from Government in hearing from local areas. Phil Norrey cited as examples of discussions at the South West

Councils Chief Executives Board on the morning of 5 October 2018 and an offer by MHCLG to send a representative to, and speak at, the Joint Committee meeting on 30 November 2018. Cllr Hart pointed out that Suella Braverman, MP and Parliamentary Under Secretary of State for Exiting the EU would be attending an event with South West Council Leaders on 8 October 2018

- with the continuing backdrop of slow progress in UK-EU Brexit negotiations, the UK's imminent departure from the EU and lack of clarity about the UK's future relationship with the EU, BROG had recently been focused on the planning of the Government for likely Brexit scenarios - Deal (whether Chequers, Canada ++, Norway) or No Deal etc. The Government was increasing its preparations for No Deal and urging businesses and public sector to do the same. Through August and September, the Government had published a series of Technical Notices covering all aspects of a No Deal scenario
- there were concerns about Brexit from the point of view of its impact on local government services, local economies and society as a whole
- local authority Chief Executives had pointed out to the MHCLG at their earlier Board meeting that the Government should share its risk assessments for Brexit with local government. Currently, these Government risk assessments were bound by confidentiality agreements but local authorities already handled confidential and extremely sensitive material, eg, on prevention of terrorism, and without access to relevant Government information local authorities would be unable to fulfil their roles. Also, the Chief Executives had asked MHCLG for Government help to prepare local authorities and businesses and advise them what they should do. Phil Norrey referred to there being a real danger of risk transfer to local areas from Government. MHCLG had referred to possible increased responsibilities for local authority service areas such as Trading Standards and Environmental Health in a No Deal scenario. The Chief Executives had pointed out that these services had been significantly affected by funding shortages. Phil Norrey responded to concerns expressed by a Joint Committee member about preparations for Brexit in relation to the food industry
- BROG was working with Cornwall colleagues to share resources for Brexit preparations as there were many common areas of concern and mutual interest such as the Local Resilience Forum (planning for civil unrest), agriculture, migration, workforce and labour market, fisheries, support for small businesses, UK Shared Prosperity Fund (UKSPF) and tourism
- impacts and opportunities relating to food and farming, fisheries, and funding for rural development:

- the Government had published the Agriculture Bill 2017-19 following its consideration of responses to the DEFRA Command Paper *Health and Harmony: The Future of Food, Farming and the Environment in a Green Brexit* consulting on a new post-Common Agricultural Policy domestic settlement for agriculture. The Bill was due to be given its Second Reading in the House of Commons on 10 October 2018
- the new framework would not only have an impact on the food industry, it would also impact on 'natural capital', tourism, land use and environment
- the main issue was the longer-term resilience of the farming and food production industry as changes to direct payments started to come into force, the case for food production seemed to be losing out and there was a real push from the National Farmers' Union for a level playing field for UK food production and farming
- there was a focus on research and development but with a recognition that not all rural areas were the same. For instance, the farming and food production industry in Devon and Somerset was markedly different from that in Lincolnshire
- in terms of funding it was unclear where the UKSPF would be utilised and whether Rural Economic Development funding would get lost in future subsidy linked to Industrial Strategy objectives
- BROG would be working with colleagues in Cornwall on a response to the Agriculture Bill. A strong voice was needed on this.

9.3 The Joint Committee noted the current position.

10. Transport for the South West Peninsula Update

10.1 Julian Gale, Somerset County Council, gave an update on the establishment of a Strategic Transport Board (STB) for the South West Peninsula. He reported as follows:

- Dorset had withdrawn from the South West Peninsula partnership in favour of joining the Western Gateway STB, leaving the following five transport authorities as members of Transport for the South West Peninsula (TftSWP): Cornwall, Devon, Plymouth, Somerset and Torbay
- TftSWP was due to be formally established on 5 November 2018 with its first formal meeting taking place on 8 November 2018
- its key functions were to engage with Government on strategic transport investment priorities and develop a transport strategy for the area
- an informal meeting of the local authority members of the STB had taken place on 3 October 2018 which had gone well. The meeting had agreed the governance arrangements necessary to establish the body which would be referred back to constituent local authorities for formal approval

- TftSWP would initially be an informal, non-statutory partnership but with a likely ambition to achieve full statutory status as soon as possible
- thought was being given to the name and branding of the TftSWP
- dialogue was being maintained with the neighbouring Western Gateway STB. Each STB would still have co-opted member status of the other and cross-boundary working with corridor alliances would continue, leaving the scope to develop a close working relationship with both operating initially as informal partnerships and options for moving towards statutory body status
- the joint approach to establish two STBs for the South West was acceptable to the Department for Transport
- outside of the local authorities there wasn't universal support for the two STB approach, for instance the Confederation of British Industry strongly supported a single grouping for the South West. However, the local authorities were progressing the implementation of 2 STBs as this was the deliverable option at this time.
- work was in hand on a prospectus for engagement and marketing purposes setting out the case and aspirations for the TftSWP and a joint letter from both STBs to the Secretary of State for Transport and the Treasury had been submitted presenting a case for proper funding of STBs, built on a regional evidence base, for the Comprehensive Spending Review period
- Government funding for this year was also being sought to enable TftSWP to achieve its objectives in a timely manner. Discussions with the DfT over a Government funding contribution were going well but without a commitment at this stage
- there was a local authority budget of approximately £320,000 to cover the first 18 months' operation of TftSWP.

10.2 Julian Gale indicated that he would keep the Joint Committee informed on progress.

10.3 The Joint Committee noted the current position.

11. Next Meeting

11.1 It was noted that the next meeting of the Joint Committee would be held on Friday 30 November 2018 at 10.00am (venue to be confirmed).

12. Work Programme for 30 November 2018

12.1 It was noted that this would include:

- considering the Productivity Strategy Opportunities document - Phase 2

- considering the Productivity Strategy Delivery Plan - Phase 2
- agreeing principles for the Investment Framework
- considering a draft budget for the Joint Committee for 2019/20.

(The meeting ended at 3.23pm)

CHAIR