



**Title** Local Enterprise Partnership Board

**Date** 20 September 2017

**Time** 10:00 to 13:00

**Venue** Wesleyan Chapel, St Mary's, Isles of Scilly, TR21 0JD  
(*travel arrangements detailed within accompanying email*)

<b>Tea and coffee on arrival</b>				
			<b>Lead</b>	<b>Action</b>
1.	1000	Welcome and Introductions ( <i>no observer requests for this meeting</i> )  Apologies for Absence (Bob Egerton CC)	MD	
2.	1005	Declarations of Interest	ALL	
3.	1010	LEP Board 19 July 2017 3.1 Minutes 3.2 Action Summary	MD TB	To Note To Note
<b>Operational Matters</b>				
4.	1025	Growth Deal 3 Update	MD/TB	Decision
5.	1110	CIoS LEP Branding Update	ST	Decision
6.	1140	Chairman's Update (verbal)	MD	To Note
7.	1150	CEO Report	TB	To Note
8.	1210	IoS – progress report on the Islands Futures Strategy	FG/TL	To Note
9.	1250	Any other business	ALL	

10.	1300	CLOSE		
<b><i>LUNCH 1300 - 1330</i></b>				

**Dates of next meetings  
LEP Board 2017**

22 November (County Hall, Truro)

**Informal Board Sessions**

15 August (The Alverton)

25 October (venue tbc)

**Board Away Day Sessions**

11 October (Tregothnan Estate)



**CORNWALL &  
ISLES OF SCILLY**  
LOCAL ENTERPRISE PARTNERSHIP

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## **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 Peter Lanyon Building, Penryn Campus, Penryn, TR10 9FE on Wednesday 19 July 2017 commencing at 10.00 am.

Present:- Mark Duddridge (Chairman)  
Chris Loughlin (Vice-Chairman)

John Acornley, Bob Egerton CC, Professor Mark Goodwin,  
Francis Grottick, Emmie Kell, Paul Massey, Louise Rowe, Phil  
Seeva CC, Sarah Trethowan, Andrew Williams

Officers and Support team:- Sandra Rothwell, Andy Brown, Greg Slater, Jonathan Eddy,  
Tim Bagshaw, Carol Bransgrove, Emma Coad

Apologies for absence:- Lucy Edge, Theo Leijser, Adam Paynter CC, Gavin Poole,  
Roland Tiplady

### **WELCOME AND INTRODUCTIONS**

(Agenda No. 1)

The Chair welcomed everyone to the meeting, in particular Louise Rowe and John Acornley newly appointed Board Directors. He also welcomed Greg Slater, Head of Investment and Growth and Andy Brown, Service Director – Resources and accountable body lead for the LEP

### **Apologies for absence**

(Agenda No. 1.1)

Apologies for absence had been received from Lucy Edge, Gavin Poole and Roland Tiplady.

The Chair advised that Theo Leijser would be unable to attend the Board meeting due to travel issues from the Isles of Scilly. The Board noted that Adam Paynter CC would be unable to attend the meeting due his involvement, as Leader of the Council, with the flooding incident in Coverack.

The Board was informed that the LEP and Cornwall Council had implemented the emergency response for businesses in Coverack.

### **NOMINATIONS COMMITTEE: CORNWALL COUNCIL AND COUNCIL OF ISLES OF SCILLY NOMINATED REPRESENTATIVES**

(Agenda No. 2)

The Chair asked Bob Egerton CC, Phil Seeva CC and Frances Grottick to leave the room while the recommendations relating to them were being considered.

Bob Egerton CC, Phil Seeva CC and Frances Grottick left the room during consideration of the appointments.

The Board considered a report prepared by the Chair and Executive and Governance Manager regarding the resignation of Steve Sims as Director of the Company and to consider the nomination of Bob Egerton CC (Portfolio Holder for Economy & Planning) and Phil Seeva CC (Leader of the Conservative Group) both from Cornwall Council together with Frances Grottick (Vice-Chairman and Lead on Economic Development) for the Council of the Isles of Scilly as new nominated representatives on the LEP Board.

The Board was informed that letters of thanks had been sent to the Councillors who had been terminated as Directors of the Company at the last meeting.

Arising from the above appointments, Board Directors emphasised the importance of regular attendance by Board Directors from all sectors at LEP Board meetings.

#### **Decision:**

- 1. The Board approved the termination of Councillor Steve Sims as Director of the Company;**
- 2. The Board approved the appointment of Councillor Bob Egerton and Councillor Phil Seeva as the new nominated representatives from Cornwall Council;**
- 3. The Board approved the appointment of Councillor Frances Grottick as the new nominated representative for the Council of the Isles of Scilly.**

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

#### **CORNWALL COUNCIL GROUP OF COMPANIES/CORSERV**

(Agenda No. 3)

Colin Dennis (Chair of CORSERV Board) and Mike King (MD of Cornwall Development Company) attended the meeting and provided a presentation to the Board regarding the Cornwall Council Group of Companies, in particular Cornwall Development Company.

The Board noted a briefing paper providing background information and context to support the detailed presentation and LEP Board discussion on current and future relationships.

#### **CORSERV**

Colin Dennis provided an overview of the structure of the CORSERV Group as illustrated in the briefing paper. He provided details of his employment background, with particular reference to his work within the aviation, financial services and housing association sectors. Colin Dennis presented details on the services CORSERV supported.

Arising from the presentation, and the ensuing debate reference was made to the following points:

- (i) in regard to the role of the Cormac Solutions Company and Cormac Contracting Company, the Board was provided with details of the specific role of each Company and the reporting mechanisms to CORSERV. The Board was informed that Cormac Contracting Company had the ability to pursue profit making activities acting as a vehicle for private sector growth (Cormac Contracting currently sat outside the CORSERV governance structure) and that Cormac Solutions Company provided services to Cornwall Council and its partners with the ability to passport the tendering process for works due to the Teckal concept;
- (ii) the Board was informed that CORSERV provided strategic direction for the CORSERV Group of Companies, being the delivery arm of Cornwall Council; decision making in regard to highway projects sat within Cornwall Council;
- (iii) the LEP CEO confirmed that the LEP Board had previously agreed to use Cornwall Council's procurement process, and that the degree of freedom had not been removed;
- (iv) reference was made to the process for tendering work and details were provided on the types of schemes that could be passported. Cornwall Council had a responsibility to ensure value for money, in doing so they had to consider not just the cost of work but the other elements such as tendering costs which were often lengthy and costly;
- (v) the Service Director - Resources outlined the process undertaken by Cornwall Council as the applicant in the determination of tendering for work to ensure value for money and the need to ensure that checks and balances were in place.

### **Cornwall Development Company**

Mike King provided an overview of the work of Cornwall Development Company. He provided details of his employment background, with particular reference to his work within Wales and Jersey. Mike King presented details on the role of Cornwall Development Company (CDC) as an arms length economic development company of Cornwall Council with particular reference to the LEP/CDC Projects, which included Growth Hub, Skills Hub, Enterprise Zones and Spaceport Bid.

Mike King advised that CDC would be redesigned around core functions to achieve greater impact at lower cost and that Cornwall and Isles of Scilly LEP could play an important role in the development of the new CDC by providing input into the process from Q4 2017, this input would be vital to ensure alignment with the SEP and the private sector.

Arising from the presentation, and the ensuing debate, reference was made to the following points:

- (i) the Board referred to the challenges regarding future funding mechanisms; CDC's delivery activity on behalf of CC and the LEP was almost entirely funded by ERDF and ESF, a scenario that would change by 2020;
- (ii) the Board referred to the role of Cornwall Council, CDC and the LEP in terms of Policy, Strategy and Delivery. It was commented that Strategy should drive Policy;

- (iii) reference was made to productivity and how businesses could be supported; the LEP had identified a need to capture those businesses who could be more productive and to provide relevant support;
- (iv) reference was made to the disconnect between inward investment and trade development activity in Cornwall and Isles of Scilly; CDC was proposing to create a fully integrated inward investment and export trade development organisation (Cornwall Trade & Investment) as a solution;
- (v) in regard to Business Rate retention this would have positive benefits for reinvestment opportunities;
- (vi) the Whitehall representative referred to the inward investment activity and timescales for delivery due to Brexit. He suggested that CDC consider accelerating the switch to a new model rather than wait for Brexit;
- (vii) reference was made to the level of involvement between CDC and the LEP to ensure the strategic visions were delivered;
- (viii) the Board was advised that CDC could provide the LEP with further details in regard to inward investment and trade deal proposals;
- (ix) the Board was advised that CDC could provide more aggressive business support to enable businesses to gain a greater market share;
- (x) it was commented that specific sector areas were being targeted by CDC to ensure that they were receiving the necessary support.

The Board gave consideration to how the wider work of the LEP in terms of influence, support and investment could contribute to make most impact through its relationship to CORSERV in general, and Cornwall Development Company, in particular, to deliver the SEP ambitions confirming that a report would be prepared for the November Board Meeting with specific discussion topics in regard to a four year framework, Shared Prosperity Fund, the potential for income generation and governance arrangements between the LEP and CDC.

The Chair thanked Colin Dennis and Mike King for attending the meeting.

Colin Dennis and Mike King left the meeting at the conclusion of the above item.

**Action 2: a report would be prepared for the November Board meeting with specific discussion topics in regard to a four year framework**

**THE CREATIVE ECONOMY IN CORNWALL AND THE ISLES OF SCILLY, INCLUDING AN INTRODUCTION AND TOUR OF THE SCHOOL OF FILM AND TELEVISION**

(Agenda No. 4)

Emmie Kell (LEP lead on the Creative Economy) and Glenn Caplin (Director of Strategic Innovation Projects, Falmouth Business School)) attended the meeting and provided a presentation to the Board regarding the Creative Economy in Cornwall and the Isles of Scilly.

The Board noted a briefing paper providing background information and context to support the detailed presentation and LEP Board discussion on the creative economy in Cornwall and the Isles of Scilly.

Emmie Kell provided an overview of the Creative Economy in Cornwall and the role of LEP Board to ensure Cornwall and the Isles and Scilly was in a strong position to exploit the potential creative business to drive economy growth. She highlighted the following details in her presentation:

- those sectors included in the creative economy;
- the level of GVA growth within the UK;
- Government recognition that the creative economy was one of five sectors receiving an early deal in the Industrial Strategy;
- details of creative clusters across the UK,;
- identified tech hotspots in Truro and Redruth;
- details of the Nesta analysis;
- data from MeetUp.com providing a clear picture on who was working collaboratively;
- Nesta research indicated that creativity would become the single most valuable commodity as it was the only skill that could not be automated.

Glenn Caplin provided an overview of his role at Falmouth University in relation to Film and Television. He highlighted the following details in his presentation:

- details of the opportunities available to capture the market share in a growing Film and Television industry;
- details of the projected skills shortages in occupation across UK Film and Television and adjacent industries;
- the opportunities for Cornwall to meet the skills shortages was high;
- the Film, Television, Video and Radio clusters in Cornwall were highlighted;
- details were provided of the 'Harbour' Concept providing shared services, sector support, and growing space;
- it was commented that the School of Film and Television in Falmouth had been accepted into the International Association of Film and Television Schools;
- the need to capture the market for post production, and to change the nature of how Cornwall was known in the industry;
- details were provided on Magnet Cities and the research undertaken by KPMG;
- that the Creative Industry underpinned the LEP Strategy.

The next steps for the Creative Economy were outlined to the Board, which included developing a clear plan of action to unlock the Creative Industries, the response to the Industrial Strategy including a clear articulation of Cornwall's vision for the sector; inform the Bazalgette Review; articulate a clear relationship between Cornwall and Isles of Scilly cultural sector and creative economy; development of a creative enterprise zone; development of financial instruments and business support; development of STEAM; and a focus on exports.

Arising from the presentation, and the ensuing debate, reference was made to the following points:

- (i) the Whitehall representative commended the presentation, commenting that in regard to the Industrial Strategy, going forwards there was a need to evidence what Cornwall had to offer in the creative economy and outline clear propositions;
- (ii) the LEP CEO advised that the indication from BEIS Industrial Strategy Team was that there was now a need to develop the detail and specifics, including the rationale behind that detail, being clear on the what/who and how;
- (iii) in response to comments regarding infrastructure to support the post production element, the Board was informed that the LEP and Falmouth University had commissioned work to establish an understanding of the infrastructure requirements;

- (iv) reference was made to the need to ensure that communication in regard to creative industries was explicit, it was commented that people outside the sector had a different perception of the creative industries;
- (v) reference was made to the skills shortages in the creative economy sector; there was a need in the education system to supply talent with right mix of skills. STEAM subjects had the potential to develop job ready creative, analytical, innovative problem solvers;
- (vi) reference was made to the blend of skills in the creative economy sector and the need to move away from the lifestyle marketing aspect.

The Board received an introduction and tour of the School of Film and Television at Falmouth University. The tour enabled Board Directors to see what was on offer for students at Falmouth University.

Upon returning from the tour of the School, the Board concluded that the key priorities which would inform the LEP pitch to the Industrial Strategy in relation to the Creative Economy should be Infrastructure, Connectivity and School/Education connections.

The Board highlighted the benefits of the 'Harbour' concept which would enable the connections to be made.

The LEP CEO advised that the Raising Aspirations Steering Group would provide an opportunity to discuss curriculum development in creative economy to ensure that the journey could start at a younger age.

**Action 3: The Head of LEP Governance and Operations to work with Glenn Caplin and Emmie Kell to see how the LEP can support the creative industries sector over the coming months.**

The Chair thanked Emmie Kell and Glenn Caplin for their presentation to the Board.

Glenn Caplin left the meeting at the conclusion of the above item.

## **DECLARATIONS OF INTEREST**

(Agenda No. 5)

There were no declarations of interest.

## **LEP BOARD 24 MAY 2017**

(Agenda No. 6)

### **Minutes**

(Agenda No. 6.1)

It was agreed that the minutes of the meeting held on 24 May 2017 were a true and accurate record subject to reference to the following being included within the minutes:-

Agenda Item No. 5 (Industrial Strategy) – the Whitehall representative had confirmed the requirement for sector information.

Agenda Item No. 6 (Cornwall Council Transport Programme) – the Whitehall representative had confirmed that the East Bodmin Growth Hub should provide additionality.

### **Action Summary**

(Agenda No. 6.2)

Actions confirmed at the meeting on 24 May 2017, details of which were noted together with a summary of outstanding actions.

The Board was updated on the current position in relation to Action 3, the Head of LEP Governance and Operations confirmed that work was ongoing with Sarah Trethowan and Emmie Kell regarding the task and finish group. It was commented that 'branding' should be a separate action to the 'pitch/offer' action.

### **CHAIR'S REPORT (VERBAL)**

(Agenda No. 7)

The LEP Board noted the Chair's verbal report.

Further to the presentation by Colin Dennis (CORSERV) and Mike King (Cornwall Development Company) the Board gave consideration to the responsibilities of the LEP to optimise and promote Economic Development in Cornwall and the role of the LEP Board in setting strategy, priorities and delivery.

The Board Directors discussed the roles of the LEP, Cornwall Council and Cornwall Development Company and how those roles should be clearly defined. The Board Directors emphasised that the LEP had a clear remit and independent role.

The Whitehall representative commented on the need for the LEP to determine its role in the implementation of the strategy.

### **CEO'S REPORT**

(Agenda No. 8)

The Board considered a report, prepared by the LEP CEO which focussed on an overview of operational activities, regarding capacity and governance, business plan progress, performance, programmes, and other activity.

#### Meeting of LEP CEO's

The LEP CEO provided the Board with a verbal update in regard to her meeting with all LEP CEO's in London this week. She provided a summary of the topics discussed which included information regarding the implementation of the Industrial Strategy, timescales for the Shared Prosperity Fund, discussion regarding the minority Government, the Devolution Agenda, and the future of LEP's in the country. The three key areas in relation to LEP's related to LEP Governance arrangements and framework, transparency for decision making and clarity in regard to the LEP's relationship with Government.

In response to questions raised by Board Directors regarding the above, the LEP CEO advised that:

- (i) the roles and responsibilities of LEP's was a top priority to ensure that they were fit for purpose. A review, being led by Mary Ney, Non Executive Director at DCLG was ongoing, the findings of this review would be made available once it had been concluded;
- (ii) a White Paper regarding the Industrial Strategy was expected by the end of the calendar year. LEP's would be asked to respond to the White Paper with a local Industrial Strategy. The CIOs Strategic Economic Plan should form the basis of the local Industrial Strategy, with a greater sense of specifics.
- (iii) consultation on the Shared Prosperity Fund would be undertaken in the Autumn; over the next 12 months there would a considerable amount of work to be undertaken by the LEP regarding the Fund and discussion on how LEP's should respond. The LEP CEO was chairing a Group comprising representatives of the 38 LEP's with a view to setting out the key principles for LEP's. The Whitehall representative advised that the LEP CEO was in a key role in the consultation process, which together with the agreement between DCLG, Cornwall Council and the LEP that they should to be involved in the consultations before formal consultation, led to the LEP being in a great position to influence Government. It was anticipated that the Shared Prosperity Fund would be implemented in 2019, this would provide the replacement for the EU Programme and Growth Deal which would end in 2021.

The LEP CEO drew attention to the shorter CEO report and welcomed feedback from Board Directors regarding the level of content.

## **LEP Governance**

### Capacity and Governance

The Board received an update on the work being undertaken to complete the capacity review between Cornwall Council and the LEP. The process of confirming/recruiting all existing staff to post was due to be complete by September 2017.

### Business Plan Progress

The Board was advised that any implications to the staffing budget as a result of the implementation of the capacity review and communication plan would be confirmed in detail over the summer with any proposed changes to be recommended to the September Board meeting. The Board felt it would be useful to have sight of the commitments list together with the budget monitor at future Board meetings.

An independent audit of the Statement of Accounts for 2016/17 would be undertaken with a further report coming back to the Board later in the year.

The Assurance Framework had been signed by the LEP Chair and Cornwall Council's Section 151 Officer and submitted to the Cities and Local Growth Unit by the deadline.

The Board noted that there were no matters of compliance to escalate.

Revisions to the Corporate Risk since the last meeting included an acknowledgement of potential impact of Growth Deal spend via private sector applicants and/or third parties and the need for appropriate evidence based and timely claims from project delivery bodies.

## **Performance**

## Outputs

The Board noted that work was currently underway to provide a full breakdown of performance against the Strategic Economic Plan KPI's. The LEP Executive were working on 'feeder' KPI's such as those within the employment and skills strategy.

## **Programmes**

### Growth Deal

The LEP CEO referred to the shortfall in 2016/17 Growth Deal expenditure as detailed within her report. There had been a shortfall in expenditure and claims forecast for 2016/17 due to a combination of issues, in particular reference was made Growth Deal investment to the Cornwall Rail Improvement Package. The report detailed the reasons for the delay linked to the Train Care Centre and Night Riviera schemes. Therefore there had been an impact on the ability to drawdown Growth Deal funds.

The Board commented on the risk associated with the shortfall in expenditure, and the need for a defined deadline for the submission of evidence by GWR. The Board was advised that whilst this was an issue of concern, it had not been flagged as a red issue as project work was in progress, mitigation underway and not paying claims was as a result of acting entirely appropriately as a 'competent authority'. The Board was informed that both GWR and the Department for Transport had agreed what evidence would need to be provided to allow significant payments to be made in respect of rail investments and a subsequent Growth Deal claim Q2 17/18.

Board Directors expressed concern regarding the risk associated with the shortfall in expenditure. There was a discussion as to whether it should have been flagged as a 'red' issue. The overall responsibility sat with the LEP Executive.

The Board was informed by the LEP CEO that the risk had been fully understood and that the reasons behind why there had been a shortfall in spend had been detailed in the report.

The Whitehall representative confirmed that he was satisfied with the reasons for the shortfall in spend advising that he had been in regular contact with the LEP Head of Investment and Growth and was confident that the issue would be resolved by December 2017. The Board commented on the need for a clear narrative and explanation of the issue to ensure that the correct approach had been taken.

The LEP CEO confirmed that a specific deadline would be sought in regard to the above. She advised that in the unlikely event that there was an issue with payment, spend would be re-profiled and there would be an opportunity to re-invest the funds.

The LEP CEO advised that there was a need to have greater clarity regarding governance and processes, and she would progress this and report back to the Board accordingly.

## **Points of Escalation**

### Contract for Difference

The Board was informed that in regard to Contract for Difference (CFD) the point, as detailed in the report, had been escalated with officials and with MP's who were meeting Ministers over the next week to seek to resolve the issue.

The Whitehall representative confirmed that he would ensure that the point was escalated to the right officials, including Richard Harrington, Minister for Energy and Industry which would also provide an opportunity to discuss renewables.

#### Community Led Local Development (CLLD)

The LEP CEO confirmed that this point of escalation had been resolved since the preparation of the papers.

#### Financial Engineering Instruments (FEI)

The LEP CEO updated the Board regarding Financial Engineering Instruments advising that work was actively progressing. It was anticipated that the Financial Instrument (Cornwall and Isles of Scilly Investment Fund) would be launched in January 2018.

#### Output Targets

The LEP CEO noted comments expressed by Board Directors regarding the level of detail within the summary of key overall output targets and agreed to provide further details going forwards. The Head of LEP Governance and Operations reminded the Board that the Budget figures were for a two month period to end of May 2017.

#### Place Making

The Board noted that work in regard to Place Making was gaining traction and commented that it would be useful for Board Directors to feed into the background work, providing a joined up approach.

**Action 4: the LEP Executive to include budget commitments as part of the budget monitor going forward.**

**Action 5: the LEP Executive to confirm the deadlines associated with the shortfall in 2016/17 Growth Deal expenditure.**

#### **Great South West Governance**

(Agenda No. 8.1)

The Board considered a report prepared by the Head of LEP Governance and Operations regarding governance arrangements for Great South West brand and to agree representation from Cornwall and Isles of Scilly LEP on the 'Leaders Forum'.

The Head of LEP Governance and Operations outlined the proposed two levels of structure for the governance, which included a Management Group made up of representatives from public, business and education sectors; and a Leaders Forum with a good level of representation from business and the education sector across the whole region.

The report suggested that the four business members from Cornwall and Isles of Scilly should include Mark Duddridge, Chairman of Cornwall and Isles of Scilly LEP; a private

sector representative on behalf of the LEP; Toby Parkins, President of Cornwall Chamber and Michael Beadel, Chairman, Stephens and Scown.

The Board noted that the West of England LEP had chosen not to engage in the Great South West brand, however, businesses and education sectors in the West of England had indicated that they wished to be engaged in the development of the brand.

The Board also noted that Chris Loughlin had been approached and agreed to actively participate in the Management Group as a representative of the Pennon Group. Chris Loughlin offered to also represent the LEP if there were no other representatives available.

**Decision: the representation from Cornwall and Isles of Scilly on the 'Leaders Forum' be agreed as Chris Loughlin, subject to an approach being made to the St Austell Brewery for business sector representation.**

**Action 6: The LEP Executive Team to approach St Austell Brewery seeking a business sector representative.**

The meeting ended at 3.30 pm.

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