

HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP (LEP) JOINT SCRUTINY COMMITTEE

2 November 2018

Present:-

Councillors J Brook (Chair) Y Atkinson, R Hosking, L Leyshon, M Lewis, R Williams, S Darling, G Derrick, J Morris, N Cavill and N Thwaites

Apologies:-

Councillors J Mathews, C A Paul and C Lewis

Members attending in accordance with Standing Order 25

Councillor J Brazil

* **1** **Election of Chair**

RESOLVED that Councillor J Brook be elected Chair for the ensuing year.

* **2** **Election of Vice Chair**

RESOLVED that Councillor R Williams be elected Vice Chair for the ensuing year.

* **3** **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

* **4** **Strengthened Local Enterprise Partnerships**

The Committee considered the Report of the County Solicitor (CSO/18/31) which outlined the detail contained within the recently received Government guidance relating to 'Strengthened Local Enterprise Partnerships'.

The Committee was also asked to consider this in light of its agreed terms of reference, which were attached at appendix 1 to the Report.

The Report highlighted there was a lack of detail within the guidance about how any local arrangements should operate, but the review documentation did recognise the role of local authorities in scrutinising LEPs and also the recommendations of the Mary Ney Report.

It further outlined some suggested reporting links between the Heart of the South west Joint Scrutiny Committee (LEP), the LEP Board and also the Heart of the South West Joint Committee.

The Committee considered the importance of reviewing the operation and effectiveness of the Joint Scrutiny Committee and suggested an evaluation took place several months after its initial meeting.

Discussion points with Members included:

- the need for the Committee to review strategic decisions of the LEP and to conduct proactive and pre-decision scrutiny by contributing to strategy rather than just reviewing decisions retrospectively; and

- ensuring that the cycle of the Committee was in line with the decision-making timescales of the LEP Board to allow Members to pro-actively input into strategic decisions.

It was **MOVED** by Councillor Brook **SECONDED** by Councillor Williams and

RESOLVED

(a) that the Committee's progress to date regarding the implementation of a Joint Scrutiny function (Committee) for the South West Local Enterprise Partnership (LEP) and the Terms of Reference and Operating Procedures as outlined in appendix 1 of Report CSO/18/31, be noted;

(b) that the recently issued Government Guidance 'Strengthened Local Enterprise Partnerships' be noted and that current processes in relation to Scrutiny are fit for purpose; and

(c) that the Committee review and evaluate its operation in twelve months time to assess effectiveness and added value and consider whether any changes are necessary noting, that any changes proposed would be subject to the approval of the Constituent Authorities and may require wider consideration across the Heart of the South West Councils.

* **5** **Introduction from Mr Ralph - Chief Executive of Heart of the South West LEP Board**

The Chief Executive of the Heart of the South West (HotSW) Local Enterprise Partnership (LEP) Board outlined the role of the Board and the benefit and value of joint working between the LEP Board and Scrutiny Committee.

Key points raised during the presentation and in discussion with Members included:

- The LEP Board was four years into a programme of delivery with most of the funds allocated to 67 projects;
- All of the HotSW LEP funds were held by local authorities, predominantly by Somerset County Council, who hold the Board to account through its Standing Orders and S151 Officer, as well as being internally and externally audited;
- A LEP Review had been conducted following concerns raised nationally around the accountability of LEPs, ultimately leading to the Mary Ney Review and the need for greater governance of LEPs, with Scrutiny playing a large part in this;
- The aim of the HotSW LEP was to drive economy in the area and to raise local productivity levels – however it was noted that the South West could never match the same productivity levels as London due to the different structural makeup. On average, the South West performed at 75% of national productivity levels and the LEP Board was looking at ways to change this;
- The LEPs Strategic Economic Plan included areas such as job growth, increasing knowledge and upskilling workers, increasing broadband connectivity, delivering new housing and raising productivity and wages;
- Future focus of the Board was on an aging population, business start ups, innovation, connectivity and increasing wages to keep young people in the South West;
- The impact of Brexit on the economy of the South West, including EU Workers and inward investment;
- Funding streams – such as the UK Shared Prosperity Fund;
- The necessity for superfast broadband and infrastructure to help support small local businesses and new housing developments; and
- The essential need for affordable housing for young people in the south west, and the current disparity between wages and house prices, forcing many families out of the area and ultimately affecting economic growth.

The Chair thanked Mr Ralph for attending the Committee and for his informative presentation on the work of the LEP Board.

A copy of the presentation is attached to the minutes.

* **6** **Scrutiny Processes and Operation - Presentation by the Head of Scrutiny**

The Committee received a presentation from the Head of Scrutiny at Devon County Council on Scrutiny processes and operations, including why (motivation), how (processes) and what (product) Scrutiny did to make better decisions and how this was achieved by being transparent, active, gathering evidence and making recommendations for change.

The four principles of good Scrutiny included:

- providing a critical friend to challenge executive policy and decision-makers;
- enabling the voice and concerns of the public;
- being carried out by independent minded councillors, and
- driving improvement.

It would be important for this new Scrutiny Committee to consider and review its impact on decision making.

A copy of the presentation is attached to the minutes.

* **7** **Devon Scrutiny Annual Report 2017/2018**

The Committee noted Devon's Scrutiny Annual Report for 2017/18.

* **8** **Scrutiny Work Programme**

In considering the work programme, it was **RESOLVED** that the work programme be agreed with the addition of items added at the meeting including:

- Digital activity
- Review of completed projects and lessons learned
- Emerging local industrial strategy
- Performance of the LEP
- Inclusive growth

A copy of the work programme is attached to the minutes.

* **9** **Dates of Future Meetings**

Dates of future meetings were noted as follows.

Thursday 14 February 2019
Thursday 20 June 2019
Thursday 17 October 2019
Thursday 13 February 2020

All meetings to start at 2.15pm with Masterclass sessions at 10.30am.

***DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.15 pm and finished at 4.40 pm

Scrutiny Committee HotSW Progress Report for 2018

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Minute Item 5

Purpose of Progress Report

- A report on progress against the objectives set out in the LEP's Strategic Economic Plan in 2014.
- Provides a broad overview of themes relating to the HotSW economy since the adoption of the SEP, as well specific LEP contributions towards them.
- Does not report on the contribution of all LEP partner activities and interventions.

SEP Objectives

- By 2030, there is distinctive legacy of 'better jobs' from the investment in Hinkley, marine and other transformational assets
- By 2030, proportion of businesses in knowledge economy has increased
- By 2030 there is a ratio of high/medium tech businesses matching regional
- By 2020, HOTSW is recognised as one of the best places in the UK to start and grow a small business
- 2020 the natural capital of the HoTSW area is enhanced and of increasing value to businesses and communities.

Building on our distinctiveness



- By 2030 increase the competitiveness of our businesses so GVA/hour matches national average
- By 2020, reduce youth and long term unemployment by half*
- By 2020, create an extra 50,000* jobs
- By 2030, increase average wages to match national average

Maximising productivity & employment opportunities



- By 2030 reduce rail journey times from Plymouth to London by 40*minutes
- By 2020, 100% of the population able to connect to Superfast Broadband
- By 2020, 60%* of adult population qualified to L3 or above and 40*to Level 4 or above
- By 2030, deliver 170,000 new homes

Creating the Conditions for growth





Jobs

SEP Objective:

By 2020, create an extra 50,000 jobs

Then (2014):

722,900 in employment (incl. military)

Now (2018):

770,400 in employment (incl. military)

Net Progress: +47,500 in employment (+6.7% v. UK +5.6%)

LEP Programme Contribution:

- LEP investments supported 2,240 jobs and 1,011 apprenticeships over the period 2014 to 2018.
- LEP investments: will deliver 26,930 jobs by 2021
- European funded projects: will deliver 1,042 jobs by 2023

Future challenges – ageing population could exacerbate labour shortages



Knowledge

SEP Objective:

By 2020, 60% of adults qualified to Level 3+ and 40% to Level 4+

By 2030, the proportion of businesses in the knowledge economy has increased

Then (2014):

55.3% qualified at level 3+ and 33.5% qualified at

L4

Now (2017):

58.8% qualified at level 3+ (v. UK 57%) and 36.2% qualified at L4+ (v. UK 38.4%)

LEP Programme Contribution:

- LEP's investments have trained 9,374 people 2014-18
- LEP investments: will deliver 59,005 people trained by 2021
- European funded projects: will deliver by 2023
 - 267 enterprises supported to introduce new-to-market product
 - 476 enterprises supported to introduce new-to-firm products
 - 272 enterprises supported to cooperate with research institutions

Future challenges – continue high level skills growth & digital skills



Housing

SEP Objective:

By 2030, deliver 170,000 new homes

Net Progress: +26,010 permanent new dwellings completed between 2014 and 2018

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LEP Programme Contribution:

- Significant investment in projects which have unlocked housing developments
- LEP investments have enabled +3,085 houses
- LEP investments: will deliver 18,342 new homes by 2021

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Productivity

SEP Objective:

By 2030, close productivity gap with national average

Then (2014): £25.9 per hour worked (88.7% of UK avg. excl. London)

Now (2016 - latest figures): £26.8 per hour worked (88.8% of UK avg. excl. London)

Net Progress: +3.5% over the period (i.e. slightly above UK growth excl. London)

LEP Investments:

Invested in key drivers of productivity:

- High-value industries (nuclear, marine, aerospace, photonics, environmental technologies etc.)
- Infrastructure (transport and broadband)
- Skills
- Business support (incl. exporting)
- Innovation



Wages

SEP Objective:

By 2030, increase wages to match national average

Then (2014): £464.7 per week (96.5% of UK avg. excl. London)

Now (2017 - latest figures): £488.6 per week (95.7% of UK avg. excl. London)

Net Progress: +5.1% growth over the period, compared with +6% UK-wide excl. London

Wage Gap a combination of:

- Productivity gap
- Higher % public sector employment (low wage growth)
- Lower % in higher productivity sectors
- Full time/ part time mix
- But positive FT employment growth vs national
 - HotSW FT employment +3.2% vs nationally 2.6%
 - HotSW PT employment +0.5% vs nationally 2.8%



Business

SEP Objective:

By 2020, be one of the best places to start and grow a business

Then (2014):

65,590 enterprises or 78,170 local units (workplaces)

Now (2018):

71,510 enterprises or 84,485 local units (workplaces)

Net Progress: +5,920 enterprises (+9% v. UK +18%) or 6,315 workplaces over the period (+8% v. UK +15%)

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LEP Programme Contribution:

- LEP investments have supported 6,908 businesses (5,050 via Growth Hub) 2014-18:
- LEP investments: will deliver 30,103 businesses supported by 2021
- European funded projects: will deliver by 2023
 - 4,115 enterprises supported
 - 1,088 entrepreneurs assisted to be enterprise-ready
 - 803 new enterprises supported

Future challenges: business start-up rates & scale-ups

Minute Item 5

In Summary

Positive

- Jobs growth
- Raising skills levels
- Broadband coverage
- Housing trajectory

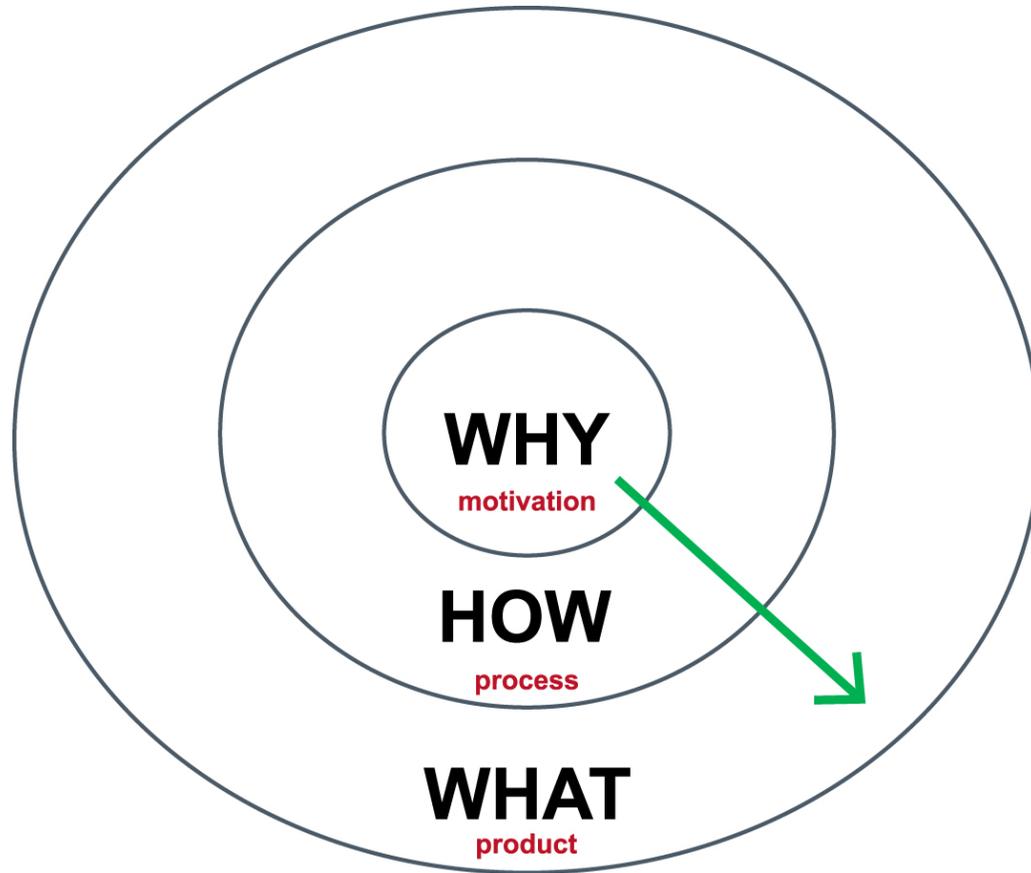
Future Focus

- **Raising productivity**
 - Business start-ups
 - Continued upskilling
 - Innovation
 - Connectivity
 - Broadband to premises
 - Broadband utilisation
 - Transport
- Ageing population: challenges & opportunities
- Creating better paid jobs
- Continued support for housing

LEP Scrutiny

Camilla de Bernhardt Lane
Head of Scrutiny DCC

Start with 'Why?'

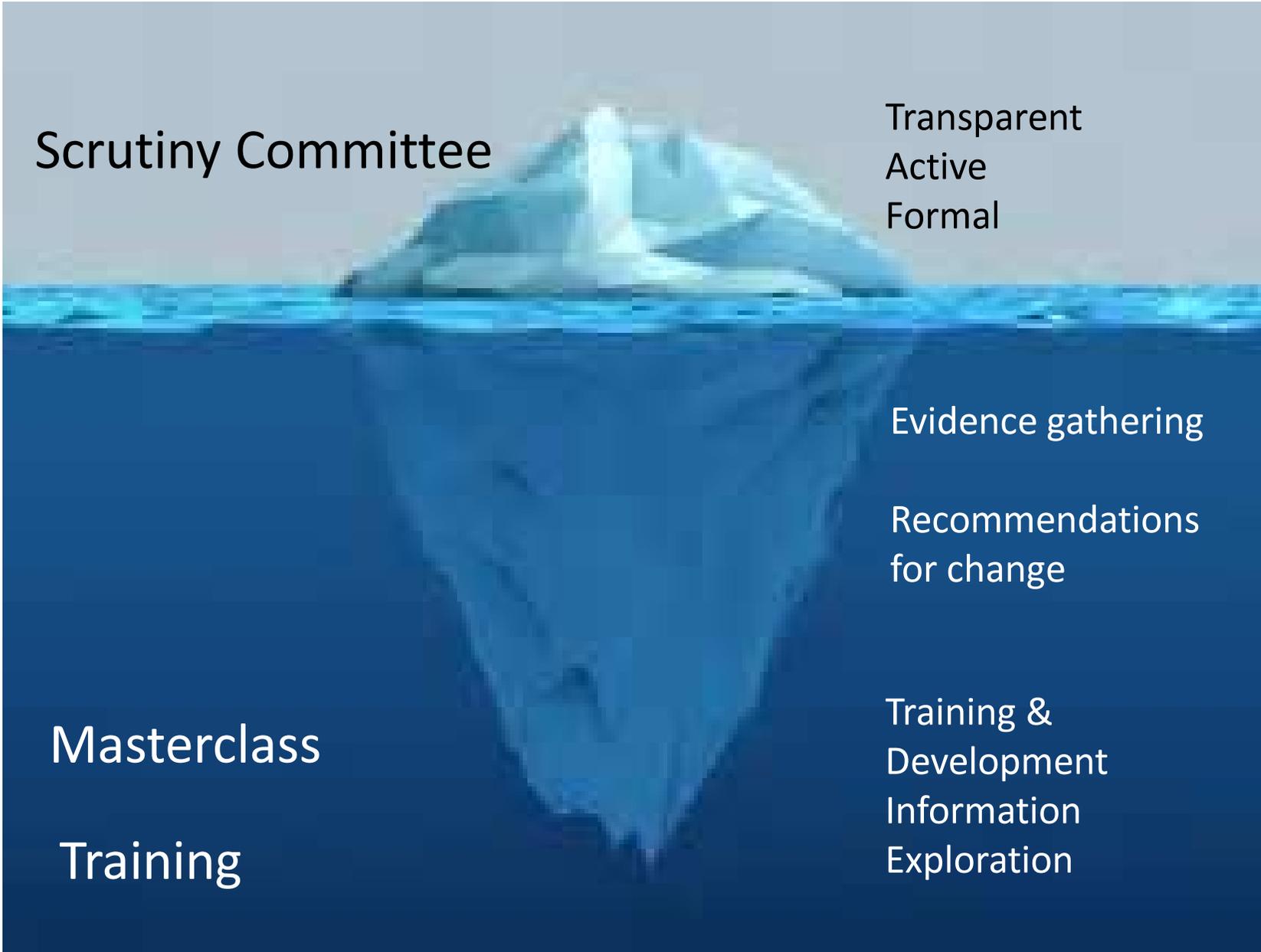


(Simon Sinek)

Why?



How?



What?

The four principles of Good Scrutiny

1. Provides critical friend challenge to executive policy and decision-makers

- Constructive, robust and purposeful challenge
- Non-aggressive to create optimum conditions for investigative evidence based process

2. Enables the voice and concerns of the public

- Committee meetings held in public and webcast
- Active role in listening to people

3. Carried out by independent minded councillors

- Councillors actively engage in the scrutiny function to drive improvement
- A-political atmosphere
- Issues are looked at across South West

4. Drives improvement

- Promotes community well-being and improves the quality of life
- Strategic review of corporate policies, plans, performance and budgets
- Where appropriate lobbies for change



Member Training and Development

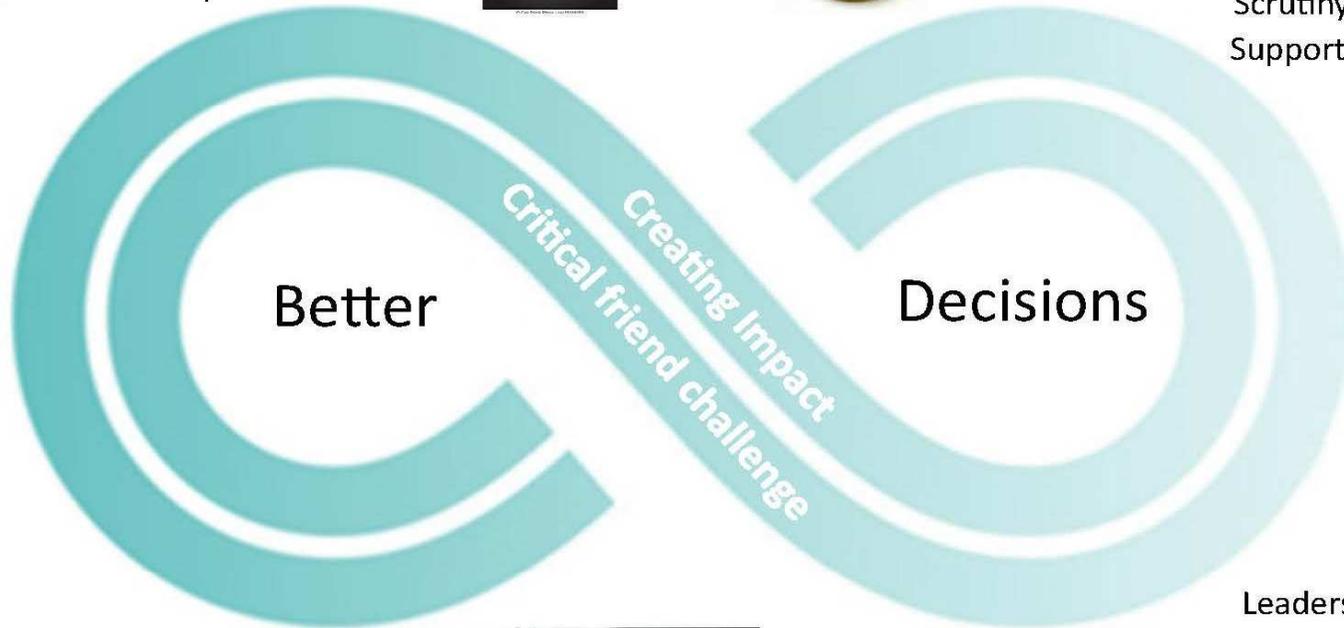
Access to Information



Quality output: policy and direction setting



Professional Scrutiny Support



Listening to the Voice of the Public



Independent Research



Strong Chairship

Leadership Support



Lessons from Select Committees: Dr Sarah Wollaston MP

- <https://www.youtube.com/watch?v=x-5rabRoWGI&feature=youtu.be>

Final Thoughts

- ‘So What?’
- What Value can you add?
- What would/wouldn't have happened if scrutiny hadn't been present?

- Year review will ask this question...

LEP Scrutiny Committee Work Programme

The Scrutiny Work Programme details the planned activity to be undertaken over the coming months. The items on the work programme are determined by the Committee.

Before an issue is added to the work programme Members should consider:

- Whether the issue is in the public interest
- Is there a change to National Policy?
- Does it affect people across the South West?
- Are there performance concerns?
- Is it a safety issue?
- Can scrutiny add value by looking at it?
- Is it Active? Has a decision already been taken?

The Work Programme will be submitted to and agreed by the Scrutiny Committee at each meeting and will be published on Devon County Council's website with the agenda for each meeting.

The Timescales/dates are indicative of when the Scrutiny Committee will review the item it is however possible that they may need to be rescheduled and new items added as new circumstances come to light.

Date	Masterclass (Members only)	Committee (Public Meeting)
	<p>Purpose: An information sharing and member development session where issues can be presented informally to members to raise awareness and increase knowledge. No formal minutes or notes taken.</p> <p>Frequency: The morning before each Committee meeting</p>	<p>Purpose: A formal public meeting where active items are discussed, and actions taken.</p> <p>Frequency: Approx. 3 times a year</p>
14 th Feb 2019	Local Industrial Strategy - development and direction	<ul style="list-style-type: none"> - Performance of the LEP - Inclusive growth
20 th June 2019	Review of completed projects and lessons learned	<ul style="list-style-type: none"> - Local Industrial Strategy
17 th Oct 2019		<ul style="list-style-type: none"> - Digital activity
13 th Feb 2020		