



Economic Development Board (EDB) Minutes

Monday 31st October 2016 (12 noon)

1. Attendees and apologies

Attendees

- Simon Dabell (Chairman, Visit IOW),
- Janet Stevens (Head of Workforce Development, IW College)
- Cllr Ian Stephens (Executive Member for Regeneration, Economic Sustainability and Development)
- Norman Arnold, Chair (FSB IoW Vice-Chair)
- Cllr Jonathan Bacon (Leader, IWC)
- Matt Hill (Economic Development, IWC)
- Ashley Curzon (Head of Economic Development, IWC)
- Kevin Smith (Chief Executive, IW Chamber)

Apologies

- John Owen CMG MBE DL
- Steve Porter (Chairman, IW Chamber)

2. Matters Arising

Minutes from the meeting held on the 18th July 2016 agreed and approved.

Officers agreed to develop a diagram mapping the links between partner bodies and relevant groups including the Solent Employment and Skills Board, the Chamber's Advisory Board and the IoW Technology Group. The objective is to map a hierarchy and interactions.

Board members noted the adoption of the Economic Development Plan: 2016/17 > 2018/19 by the IWC Executive on the 08/09/16. Members also reiterated the need for an Executive Summary.

ACTION – Officers to draft an Executive Summary for comment at the next Board meeting.

3. Solent Employment & Skills Board (ESB)

It was noted that the Solent Employment & Skills Board (ESB) is a constituted sub-regional group, with elected members and chaired by Sarah McCarthy-Fry, an executive at GKN Aerospace.

One of the Solent LEPs skills programmes (Employer Ownership of Skills) has been taken-up on the IoW with projects from MHI Vestas Offshore Wind and BAE Systems.

The Board was informed that the Solent Skills Strategy was due for a refresh possibly in line with the Solent Strategic Economic Plan and that the EDB will have an opportunity to influence.

The Chamber suggested that the local ESB be formally closed and members of the Board agreed.

Members of the Board discussed skills in the construction sector. Construction Industry Training Board (CITB) has been reporting skills shortages nationally and now the recruitment of younger people in the Solent area and on the IoW into the sector is becoming a real issue.

Officers highlighted a recent CITB research report into regional construction labour & skills for the Solent region – www.citb.co.uk/documents/research/solent%20lep%20-%20april%202016%20-%20full%20report.pdf

The Career and Enterprise Company (CEC) is seeking to develop a Solent-wide **Enterprise Advisor Network**. Its purpose is to create powerful, lasting connections between local businesses, schools and colleges in the area.

Once recruited volunteer 'Enterprise Advisers' will work closely with the Senior Leadership Team in local schools to support them in developing their careers and enterprise strategies and employer engagement plans. The issue for the CEC representative is simply to gain access to schools as take-up on the IoW is limited. Members suggested working through the local Secondary Heads Forum.

Members of the Board then discussed the Solent ESB and the proposed refresh of the Solent Skills Strategy. The opportunity for the EDB is to influence the refresh and that the role for the local ESB was now limited.

4. Wight BID update

The 2017 marketing campaign is now being finalised.

Visit IOW (VIOW) recently met with officers to discuss a new local leisure brand, one that might be extended to cover the live, work and play theme.

VIOW reported some resistance from a limit number of levy payers, approximately 3% (of 1,025) to the recently issued bill with statutory enforcement action being the next option post non-payment.

ACTION – VIOW to circulate Wight BID proposal and business plan amongst members for reference.

5. Destination Management Plan (DMP) refresh

VIOW informed the Board that many objectives and actions with-in the current DMP had now been fulfilled. VIOW Executive will now go through the DMP action by action. It was also suggested that the revised DMP might then be put before the EDB for review and comment.

ACTION – Include revised DMP (review) on future agenda.

6. IWC regeneration team recruitment

Officers informed the Board that three posts had been advertised for a Director, a deputy and a property manager. (It was noted that a new director of regeneration will be responsible for ensuring the delivery and viability of significant schemes.)

Members of the EDB will be invited to a stakeholder event to provide an opportunity to observe the candidates, see presentations and feedback views to the recruitment panel. The recruitment process will culminate in positions being filled in March 2017.

It was also noted that the Local Government Associations was supporting the development of a regeneration programme to provide a clear steer for the new team. The strategy work will most likely go before the Council's Executive in December 2016 or in January 2017.

Officers reiterated that the viability of schemes has to be a central consideration as at present some market fundamentals currently impeded regeneration activity, impede private investment and bids for regeneration funding. Officers also indicated that from a strategic perspective, increasing local tax revenues will become increasingly critical in supporting local economic well-being.

ACTION – Officers to provide the EDB with a summary of the regeneration paper to Executive at the next meeting and details of relevant governance arrangements.

7. Apprenticeship Levy and CECAMM

Board members were informed that the **Apprenticeship Levy** was scheduled to be implemented in April 2017 changing the way the government funds apprenticeships in England.

The levy will be payable by employers, in any sector including the public sector, with a pay bill of more than £3 million. The levy will be charged at a rate of 0.5% of an employer's annual pay bill with a levy allowance of £15,000 per year to offset against the overall levy liability.

It was noted that the only means of obtaining a return on levy payments was to invest in Apprenticeships.

In terms of the balance of funding it has been suggested that every £1 paid by employers will be matched by £2 from government.

It was noted that employers seem confused by the scheme and in particular the digital voucher and account schemes. SME engagement with the proposed Digital Apprenticeship Service will be critical as will ease of use. The IW College has been running sector events.

ACTION – IW College to circulate the recently produced 'Employers Guide'.

It was noted the employers now had a greater degree of control to ensure that the training delivered meets employer requirements. The employer led trailblazer schemes have increased flexibility of delivery with employers now having the ability to select an apprenticeship framework or standard, choose the training provider and an assessment organisation.

Employers can also negotiate funding rates with providers, in effect to cap costs and large employers may also seek to train existing employees to get better value for levy payments.

It was noted that the IW College will be providing an employer support function and other members suggested offers of partner support.

IW College provided an up-date on **CECAMM** with the facility set to open in the spring (2017) and with employers inputting into the fit-out and equipment specifications.

It was noted that the 500+ trainees might come from across the Solent area to train in a realistic modern manufacturing environment. This was a real USP for the facility and one that partners needed to promote.

Aerial footage of the development had been obtained to add context to a new leaflet.

8. Funding update including SGD3, ESIF, H2020 & CCF

Growth Deals provide funds to LEPs for projects that benefit the local area and economy. LGD 1 was announced on 7 July 2014 with further funding announced Jan 2015.

Currently the **Solent Growth Deal** programme is valued at £151.9m for the period 2015-2021. As had previously been reported to the Board a new £161.7 million Local (Solent) Growth Deal (3), for the period to 2025, had been submitted to government. The deal submission included an allocation for the Isle of Wight in the form of a fund to address various economic challenges.

The Board were informed that allocations will be announced in the Autumn Statement on the 23rd Nov 2016 and that the allocation for the Solent's, adopting a per capita approach to allocation, might be between £40m and £50m. If the sum announced is less than anticipated then the proposed IW allocation may well be impacted.

European Structural Investment Funds (ESIF) – the Board were informed that the Chancellor, in his conference speech, set out a guarantee for ESIF-funded projects. The official position is now that anything contracted or with a signed funding agreement by the Autumn Statement (23rd November) will be honoured.

Treasury has now actioned Local Managing Authority teams to work with ESI Funds subcommittees in each LEP area to gather information on the remaining activity and associated funding that might be signed after the Autumn Statement and while we remain a member of the EU.

The impact of delays on providing funding agreements through-out 2016 despite the recent guarantee is as follows.

- ERDF Innovation Network Bid with the University of Southampton has been approved at the last ESIF meeting so should be a signed funding agreement by the Autumn Statement.
- ERDF Low-Carbon Bid is still in negotiation with DCLG and a resubmission maybe required, as such this project is at risk.
- The skills based ESF projects are progressing and should be OK. We are not a direct partner, but the Island will benefit as they are Solent wide schemes.

A separate Horizon 2020 is progressing well. 30 partners involved in long and complex negotiations. The intention is for this project to start on 1st Jan 2017 with HMG guaranteeing funding for all H2020 projects.

The H2020 project is “to produce a smart grid architecture for the IOW and test grid balancing technologies, including thermal storage for dwellings and EV charging infrastructure.” The context is to find a smarter way of managing the Island's grid so that current and future renewable generation is not constrained by the network.

IWC has now been informed that the recently **Coastal Communities Fund** stage one application was unsuccessful. The fund was massively oversubscribed with over £240m of applications applying for £36m funding.

This funding was to support infrastructure investment on Island Technology and Kingston Marine Parks. As such the situation on KMP is that some infrastructure remains unfunded as two unsuccessful applications had already been made to the Solent LEP.

9. Business Rate Revaluation (April 2017)

Members discussed the ongoing business rate revaluation process with rateable values changing in April 2017 from the current 2008 valuations to those noted on the new ratings list for April 2015.

In October 2016 draft revalued rateable values became available on the GOV.UK website. As such partners may now begin to receive feedback from members.

In terms of the global position the gross rateable value for the whole Island has increased from £94.2m (Sept 2016) to £107m from April 2017 based on 2015 valuations.

Officers indicated that it was currently impossible to assess if the NNDR revenue will be higher or lower given changes to SBRR and with the transitional reliefs. Supposedly the revaluation will be fiscally neutral at the national level however steep increases have been noted in central London.

The proposed multiplier next year is 46.7 SBR and 48.00 standard so UBR set back at the 2014/15 rates in line with the revaluation date.

Several authorities reported that RV's had reduced for supermarkets but seen increases in RV for car parks and shopping centres.

The Small Business Rates Relief (SBRR) scheme is changing as the thresholds are increasing so more properties will benefit. Those with an RV of £12,000 and below will receive 100% relief and those between £12,000 and £15,000 RV will receive tapered relief.

10. AOB

The Board was provided with an update on the plans to create a **Solent Combined Authority** with devolved powers and funding. The consultation phase is now over with results published.

All three Councils had now voted to submit a formal application to government. Members confirmed that the £30m per annum deal was still being offered and that no other deal was being considered although the final position of HCC still needed to be confirmed as the retained business rates position then increases to £705m.

The Solent Combined Authority would take on responsibility for services currently managed by central government with a focus on driving economic growth, improving infrastructure and transport links and delivering homes.

Members also described a formal study to examine the viability of a **local university facility** with 350 students currently resident on the IoW and a further 150 need to be attracted to be viable.

The Chamber informed the Board that work continued with various Town and Parish Councils on small-scale regeneration initiatives. Previous masterplans have been assessed for continued relevance and over 110 regeneration objectives had been discarded with the ultimate goal being to create five or six objectives.

Some members asked if the ED Board might be able to provide guidance on investment proposals and planning applications. Officers informed the Board that the Planning Authority was a distinct entity and subject to certain democratic processes. It was also noted that some Board member organisations may be able to positively influence investment decisions and already acted as consultees on certain planning applications.

The Board were reminded that Chamber ED Advisory Board had undertaken a basic SWOT analysis on the IOW as an investment destination. The Chamber will now create a prospectus to assist in local inward investment.

ACTION – The Chamber to present the prospectus for review at the next EDB.

Close meeting at 3.10pm

Proposed dates of future meetings

- Tuesday 28 February 2017 2.30-4pm, IW College (Rescheduled from Monday 13 February 2017 3-4.30pm)
- Monday 19 June 2017 3-4.30pm, IW Chamber
- Monday 16 October 2017 3-4.30, IWC, County Hall