



Heart of the South West European Structural and Investment Funds Strategy

Appendix 1

Consultation Findings

Findings from the Consultation on the first draft of the Heart of the South West LEP EUSIF strategy first draft.

Approach

The Heart of the South West LEP placed its draft EUSIF Strategy on its website on the 7th of October 2013, along with an invitation for people to provide their views by means of a consultation form. This was promoted via the LEP's wider communications such as tweets and newsletters. In addition, HOTSW staff and LEP partners encouraged stakeholders to engage in the process when attending events or meetings. The first draft itself was a collaborative document, and a summary of the consultation responses that informed it were published in an appendix.

Throughout the development of the final draft of the LEP ESIF Strategy, engagement with partners has been ongoing within the themes of place, people and business.

Local authorities have been consulted through their representation on the LEP board and ongoing engagement with the LEP management team.

In addition to the on-line consultation, the LEP commissioned South West Forum to seek the views of the Social Purpose sector both broadly and in relation to Social Inclusion issues. This was undertaken through a

separate on-line survey and a series of events/one to one discussions across the area.

The LEP also sought the views of the business community through:

- Engagement and discussion with the business forum executive and members;
- A series of events across the area focused on the wider development of the Strategic Economic Plan and refinement of the EUSIF;
- An on-line business survey focusing on business needs.

A wide range of organisations have also contributed to the development of the LEP's Strategic Economic Plan and the ESIF thematic analyses and priority development by Place, People and Business through.

In this appendix we have included results and reports summarising the findings of these together with the initial consultation findings that informed the first draft of the SEP.

Responses

Channel	Number of responses	Types of organisations
General/stakeholder consultation	<p>19 on-line responses Plus 7 via email by the deadline</p> <p>Note: Some emails duplicated on-line responses, some responses represented multiple stakeholders. Other emails have been received since the closing date and taken into consideration</p>	<p>Local Authorities Local Nature Partnerships Further Education Business sector organisations HOTSW Special Interest Groups Development Organisations Business Representative Organisations Environmental organisations Community Organisations Heritage Organisations</p>
Social Purpose Sector – On-line survey	19	A range of VCS local organisations and representative groups.
Social Purpose Sector - Workshops	30	A range of VCS local organisations and representative groups.
Business workshops	80 tbc	Workshops were held in Paignton, Plymouth, Exeter and Taunton for business representatives to discuss priorities.
Online Business Survey	152	Private sector businesses

Summary

In this section, we highlight the main issues raised by stakeholders. In addition to this there were also a number of very detailed responses commenting on the use of language. These have utilised through the editing process.

There is broad support for the balanced view taken although the challenge in balancing rural, urban and coastal priorities is also made clear. Consultation responses and a summary of the business survey are appended with the key points arising from the consultation set out below:

Sections	Issues raised through consultation process
Heart of the SW Area	<p>General recognised as a good account with suggestions relating to:</p> <ul style="list-style-type: none"> • Greater reference to offshore renewables associated with the opportunities relating to the Atlantic Array/Tidal renewables where development may happen sooner. • Weakness – international transport links • Enhance rural element with recognition of strong features such as Transition Towns • Figure 1 incorrect ref Exeter and East Devon Growth Point • Demonstrate greater interaction between Economy, Environment and Society e.g. river catchments • Greater recognition of micro-enterprises and their role in rural communities • Recognising community enterprise alongside social enterprise • Cultural heritage highlighted but not taken further in strategy • Not underestimating the importance of domestic energy efficiency issues
Vision and Three Core Aims	<p>Generally positive with suggestions around:</p> <ul style="list-style-type: none"> • Framing within the context of sustainable development (e.g. landscape scale planning recognising the role of river catchments) • Not looking for economic growth per se, but sustainable growth. • Vision suggests choice in living here, but this not the case for all. • Maximising employment opportunities is too generic this should include entrepreneurship • Disconnect between vision and three core aims • Reference the creative and cultural industries under ‘distinctiveness’ • Should include references to built environment alongside land and sea • Reference to ‘historic’ environment
Socio-Economic Performance and SWOT	<p>A number of additional strengths, weaknesses, opportunities and threats were raised, reflecting the interests of the stakeholders:</p> <ul style="list-style-type: none"> • Greater emphasis on SMES, start ups and micros • Opportunities - Integrated economic, social and environmental spatial planning through the Catchment Based Approach (led by DEFRA)

	<ul style="list-style-type: none"> • No reference to low wages associated with food production sector • Threat – public sector procurement cuts (0.5bn expected to be stripped out of local economy) • Opportunity – young retirees – older in migrants and their skills & potential contribution. • Threat – Competition from neighbouring LEPS with equally outstanding natural environment • Creative industries – linked to incubation/knowledge transfer • Energy efficiency of housing stock is an opp rather than a weakness • The urban environment is also high quality.
Barriers and Drivers of growth	<ul style="list-style-type: none"> • Lifestyle business and role in productivity gap • Too much emphasis on Hinkley and not enough on more general energy efficiency improvements etc. • The FSB Report, "Back to Work: The role of small businesses in employment and enterprise. Peter Urwin and Franz Buscha September 2012, makes a powerful case that the likeliest path into employment for those furthest from the labour market is through SMEs. They say, "During the last 15 years small businesses have been a more robust employer of the unemployed compared to large firms." • The importance of the tourism economy to the HOSW is not underestimated, however there is concern this does not translate into a culture based priority.
Overarching Approach to Growth	The balanced approach outlined in the draft is broadly supported. It is recognised that this approach suitable for the diverse HOSW economy.
Investment Priorities	<p>Use of existing documents and community led local development to develop the investment priorities was recommended:</p> <ul style="list-style-type: none"> • Little reference to the visitor economy despite its reference in the vision • Not enough focus on local impact and community led local development. • Not enough use made of Local Plans for the area and the evidence base these provide. • Key infrastructure – A30/A303, mainline and local rail speed and frequency, flood defences, new homes and employment land infrastructure • Exeter and East Devon Growth Point promotion and employment infrastructure investment • Practical support for the Met Office’s future ambitions • Focus on market/coastal towns and economic infrastructure development. • Skills improvement and knowledge economy based around university and Science Park, colleges and improved growth sector labour market focus
Place	<p>Further opportunity to build on the LEPS distinctiveness is highlighted with two new towns being built:</p> <ul style="list-style-type: none"> • Infrastructure development in North Devon materially exceeds value (50%) - funding to support this gap without falling foul of

	<p>state aid?</p> <ul style="list-style-type: none"> • More clarity is needed around proposed activity • Physical and educational infrastructure should • Links between connectivity and social well being should be recognised • Urban/rural differences must be recognised. • The cultural, creative and tourism sectors have fallen off the radar
Business	<ul style="list-style-type: none"> • Overall there was support for recognition of lack of consolidated and simplified access to business support but concerns around how businesses will directly benefit from investment (e.g. through small scale grants through LAGs) • The importance of social enterprise was reiterated • The need to build on growth corridors was highlighted • The issues around rural digital connectivity are underestimated
People	<p>General support for recognition of under employment and more general skills for enterprise support. Other priorities include:</p> <ul style="list-style-type: none"> • Careers advice to ensure better utilisation of skills • Employability issues of young people one of the biggest problems for SMEs. • Ageing population – opportunity • Skills development critical, and should include UTC provision
Distribution of Funds	<ul style="list-style-type: none"> • Disappointment that there is no allocation for financial instruments. • Alignment with other EU funds is missing • What happens after the Rural Growth Network ends? • Query as to whether the low carbon theme is sufficient to deliver the percentages required by the guidance • An opportunity to include social investment
EAFRD	<p>There was concern around the lack of detail on EAFRD due to allocation not being announced prior to submission of the draft strategy.</p> <ul style="list-style-type: none"> • Suggestion EAFRD should be used for skills in rural areas • Broad support for the digital infrastructure and rural growth hub but caution that rural businesses are not stereotyped • Use of EAFRD to support community led local development aims, with ERDF and ESF funding larger scale projects
Delivery, Governance & Cross cutting themes	<ul style="list-style-type: none"> • Reference to building on the existing Local Action Groups. • District Local Planning Authorities should feed into the Implementation Group • Importance of managing conflict of interest • Need clarity on how businesses and partners can access the funds • Energy infrastructure is largely ignored outside Hinckley

Response to Key Issues

The responses received to the consultation have been used to shape the revised strategy. We have not responded to each individual point, however the reasoning behind some key decisions is set out below.

Community Led Local Development

A number of consultees raised concerns that the strategy does not set out the need for CLLD. While we are not looking to ringfence funding for Local Action Groups we see their role continuing under the next programme and would encourage project ideas and applications for funding through this route. Funding provided for LAGs via EAFRD will remain and continue to be used for CLLD.

Social Enterprise Focus

The need to reiterate the social enterprise strength the LEP has and the opportunities available to the sector was highlighted. While we have added a greater focus on social enterprise the strategy is deliberately sector blind where possible. Social enterprises have many of the same issues as other business models for example, investor readiness, knowing how to access funds etc. Social Enterprises will have access to the same funding and business support as any other business in the HOTSWS. In the same vein, under our integrated activity for economic and social inclusion, we have made provision for “supporting the growth and development of social purpose businesses and organisations” in order not to inadvertently discriminate against a social purpose venture solely on the basis of its business model.

+Financial Instruments

The decision was taken at draft stage that the level of investment required to develop financial instruments was too great, and the case for market failure was slim. While we take on board the need to enable businesses to access finance it is felt that other elements of the strategy will meet this need.

Low Carbon priority

Concern was raised that the low carbon requirement of the SIF might not be met and that the focus was too strongly on the Hinckley development. The spreadsheets which accompanied the draft strategy were not made public, but we are confident the distribution of funds will meet the low carbon requirement.

Business Survey

General Information

152 businesses from a range of sectors responded to a survey December 2013. Of the respondents 49% employed between 1 and 4 people.

Including yourself, how many people do you currently employ?

1-4	49.3%
5-10	17.8%
11-49	17.1%
50-249	5.9%
250+	9.9%

89% of businesses expected to still be in the Heart of the South West area in 10 years time.

Market, Business Performance & Exporting

The market for respondents is mainly local (46%), and national (36%). Only 18% see their market as international. 85% of respondents do not currently export.

The main reason cited for not access national/international markets are that the business is too small or the product is not suitable for a wider market.

Have you seen any change to your business in the last 12 months?

Answer Options	Business Turnover	Domestic UK orders	Overseas orders	Staff numbers	Capital investment	Investment in research and development
Increased	83%	67%	17%	50%	48%	37%
Stayed the same	45%	36%	37%	56%	38%	43%
Decreased	16%	12%	8%	16%	22%	10%

What changes do you expect to see in the next 12 months?

Answer Options	Business Turnover	Domestic UK orders	Overseas orders	Staff numbers	Capital investment	Investment in research and development
Increased	106%	87%	28%	61%	46%	37%
Stayed the same	31%	25%	41%	60%	45%	52%
Decreased	11%	6%	1%	6%	13%	7%

Thinking specifically about turnover, how do you expect your business to perform over the next three years?

Pessimistic – expect turnover to decline significantly	0.0%
Nervous – expect turnover to decline slightly	10.5%
Neutral – expect to maintain existing turnover	15.8%
Cautiously optimistic – expect modest growth in turnover	57.9%
Confident – expect strong turnover growth	15.8%

Location & Growth Opportunities/Constraints

What is the main reason you are based at your current location? (Rank in order of priority)

Answer Options Ranked by "most important" (All respondents)	Most important	Important	Slightly important	Not at all important	N/A
Proximity to customers	44	44	22	26	14
Historic	39	35	19	27	28
Availability of appropriate office space/facilities	35	38	24	20	29
Low running costs	31	48	32	15	19
Transport links and logistics	19	47	42	17	21
Access to skilled labour / workforce	8	33	32	25	44
Proximity to the coast	6	8	10	71	53
Proximity to supply chain	5	19	21	48	49
Incentives or support	4	17	16	42	62

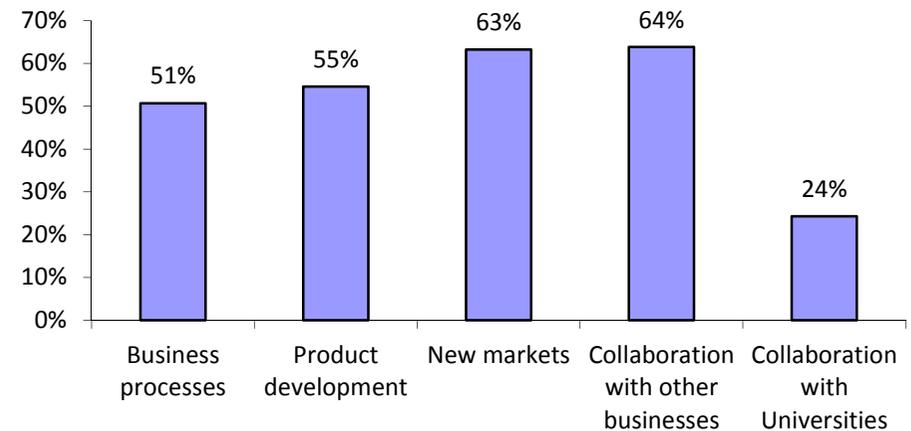
What factors are likely to constrain your growth at your current location? (Rank in order of priority)

Answer Options Ranked by "most important" (All respondents)	Most important	Important	Slightly important	Not at all important
Digital connectivity	68	41	19	20
General economic conditions	66	66	11	9
Mobile connectivity	56	43	24	26
Proximity to key customers	39	48	22	40
Lack of access to investment/finance	33	34	33	52
Transport infrastructure	32	49	30	37
Lack of space for expansion/suitable premises	26	33	31	60
Availability of skilled employees	25	53	33	38
Energy/resource costs	20	38	43	47
Lack of access to business support	12	35	47	55
Lack of access to innovation	9	30	43	67
Housing availability	5	13	28	102
Proximity to key suppliers	3	23	35	87
Coastal defence/flood risk	3	3	16	127

**What factors are likely to support your growth at your current location?
(Rank in order of priority)**

Answer Options Ranked by “most important” (All respondents)	Most important	Important	Slightly important	Not at all important
General economic conditions	78	52	14	8
Digital connectivity	66	38	19	25
Mobile connectivity	55	40	25	29
Proximity to key customers	43	46	19	40
Access to investment/finance	35	36	28	52
Transport infrastructure	34	49	30	36
Availability of skilled employees	25	48	35	42
Availability of space for expansion/suitable premises	25	46	30	48
Energy/resource costs	23	35	35	55
Access to business support	16	42	37	54
Lack of access to innovation	9	30	37	73
Housing availability	8	17	22	101
Proximity to key suppliers	4	25	37	82
Coastal defence/flood risk	3	5	11	131

Looking at opportunities for growing your business and increasing its competitiveness over the next 3 years, where do you see improvements coming from? (Tick ALL that apply)



Innovation & Business Support

92% of respondents have not previously access research or innovation funding.

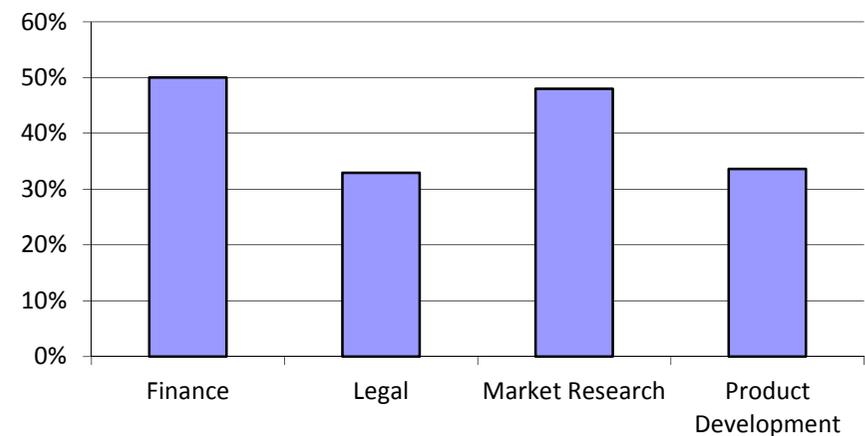
To what extent do you agree/disagree with the following statements about publicly funded businesses support available in the Heart of the South West area:

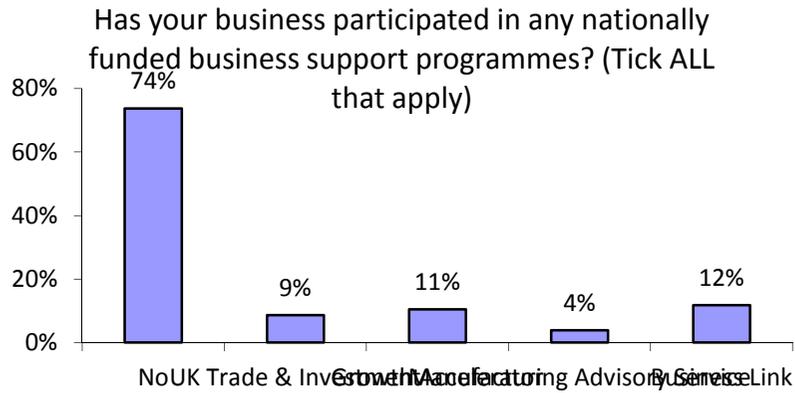
Answer Options	Strongly Agree	Agree	Neither agree/disagree	Disagree	Strongly Disagree	Don't know
It is easy to find out what support is available	4	29	40	45	25	9
Current business support programmes are relevant and appropriate	4	23	48	29	22	24
It is easy to qualify and receive support when you need it	3	12	35	44	29	27
Business support providers and intermediaries are independent and will refer me to the support that is best for my business	7	23	54	27	6	35

Where does your business go for support and advice? (Tick ALL that apply)

Answer Options	Response Percent
Family and Friends	22%
Bank	19%
Lawyer	18%
Accountant	51%
Other businesses in the supply chain	37%
Private business advisors	31%
Membership organisations (eg FSB or Chamber of Commerce)	63%
College / Training provider	11%

What sort of advice do you find the most valuable?





£2500 - £5000	5.3%
More than £5000	19.1%

82% received no subsidy towards this training.

Do you employ any school leavers/apprentices/graduates within your business?

Answer Options	Yes	No
School leavers	25	102
Apprentices	43	97
Graduates	40	93

Skills & Training

Does your business have any difficulty in recruiting appropriately skilled staff?

Answer Options	Response Percent
Yes	36.8%
No	63.2%

If you have invested in skills development and training activity for staff within your business in the last 12 months, how much did you spend?

Answer Options	Response Percent
N/A	30.3%
Less than £500	15.8%
£500 - £1000	16.4%
£1000 - £2500	13.2%

Social Inclusion in the Heart of the South West

Report 1: The Civil Society Perspective



1 Approach and methodology

2 Key strategic issues

3 Priority groups

4 Activities and interventions

5 The right money?

6 Community Led Local Development (CLLD)

7 Commissioning and working with the social purpose sector and civil society

8 Governance and engagement with civil society

Appendices

1 Definition and description of social inclusion

2 Phase 1 feedback

3 Workshop participants

4 The intervention logic

1 Approach and methodology

1.1 South West Forum used two main mechanisms to collect the views of civil society organisations: local consultation workshops in

This report, researched and written by South West Forum, was commissioned by the Heart of the South West Local Enterprise Partnership (the LEP). It is a key output of a contract with South West Forum to advise the LEP on social inclusion priorities¹, potential interventions and investment allocations in relation to the European Structural and Investment Funds Strategy (ESIFS) and on civil society engagement more broadly.

The report is complemented by a Data Report prepared for South West Forum by Marchmont Observatory which collates data on key social inclusion indicators for the Heart of the South West area.

Feedback obtained from a limited consultation exercise undertaken during an early phase of the contract in September is included in Appendix 2

¹ The European Union's definition and description of social inclusion is included in Appendix 1 for information.

Langport, Exeter and Plymouth² which attracted a total of 30 participants and an on line survey using SurveyMonkey which generated 19 responses. (A list of organisations represented at the workshop is in Appendix 2). Note that some workshop participants will have also responded to the online survey. In addition 3 people who could not attend consultation workshops fed in their views via phone interviews or via email. Given the limited time available and the relatively low level of awareness of the Draft ESIFS this was a reasonable level of response. Throughout this report we use the term “consultee” to refer to anyone who has contributed their views on the ESIFS irrespective of the mechanism they have used.

1.2 Consultees reflected a broad range of organisations and interests, as demonstrated in the Workshops attendance list in the Appendix. We were pleased to engage some small embryonic groups (e.g. South West Portuguese Association) as well as larger and well established organisation (e.g. St Loyes Foundation and Westward Pathfinder). The consultees also embraced a wide range of specific and specialist interests and types of organisations, including local development trusts, cultural and arts providers, training organisations and providers of advice and information services. Although we did manage to involve some voluntary sector networks and infrastructure providers the level of engagement from this sector was a little disappointing, given their importance in reaching out to and communicating with the voluntary sector as a whole. However the short timescale for the consultation and the

² A workshop planned for Barnstaple was cancelled because of low numbers and it was not possible to arrange a workshop in Torbay in the time available. However people from these areas were able to feed in their views via the on line survey and direct to South West Forum.

capacity issues facing the voluntary sector’s infrastructure across the Heart of the South West area would have been key barriers to more active involvement.

1.3 However, in general the breadth and quality of the input, reflecting the views and expertise of this broad range of organisations, has provided a substantial body of material which should be a valuable contribution to the process of developing the ESIFs. It is hoped also that this material will assist the LEP in developing and implementing its broader Strategic Economic Plan.

1.4 It should be noted that respondents found it difficult to comment on some aspects of the ESIFs because the rationale and logic behind the selection of specific priorities and the indicative investment allocations was generally not available. This is always a challenge with consultations of this type where the focus is on a single document. In future, and with more time for a more engaged consultation process, it should be possible to make available supporting background material to enable consultees to make a more informed response.

2 Key strategic issues

2.1 Consultees broadly endorsed the overall strategic priorities relating to “people” as set out in the ESIFs which were stated as:

- *“promoting social inclusion and combating poverty” with a focus on “active inclusion in particular with a view to improving employability”;*
- *“promoting employment and supporting labour mobility”;*
- *and*
- *“investing in education, skills and lifelong learning”.*

2.2 Ten of the twelve respondents (83%) to the relevant question in the on line survey said “yes””*these are the right priorities for the HotSW*”. Comments relating to this question generally highlighted particular types of intervention which should be supported and their suggestions are reflected elsewhere in this report.

2.3 Eleven of the fourteen respondents (79%) to the relevant online survey question felt that the summary analysis of social inclusion in the ESIFS was accurate. However comments from consultees generally revealed a common view that the ESIFS failed to reflect a deeper understanding of the reality of social inclusion across the area. In the words of one survey respondent, the social inclusion analysis was “*incomplete and overly-simplified but not wrong*”. Consultees noted that while social exclusion does have a geographical component, and is reflected in IMD data at Local Super Output Area level, exclusion is also experienced by small numbers of individuals with particular needs who are often not concentrated in specific geographical areas and thus will not show up on a spatial analysis of exclusion data.

2.4 A number of further overarching concerns about the ESIFS were raised by consultees. There was a widespread view that the Strategy failed to articulate a strong vision as to what the HotSW area should and could “*look like*” if the ESIFS was successful and what would be the legacy of the investment. Coupled with this was a widely held view that the ESIFS was too rooted in the present and did not adequately reflect the challenges and opportunities arising from further big cuts in public sector funding, especially affecting local authorities, welfare reform and other changes in public

service delivery and the changing demographic profile of the area. Some consultees said that the ESIFS should better reflect “*what we have now but may not have in one or two years’ time*”.

2.5 Several consultees also commented that the ESIFS focussed too heavily on high level skills and industry sectors. There was a widespread plea to give a greater priority to high volume, relatively low skill business sectors such as tourism, leisure and the care sector. These sectors were regarded by consultees as critical to providing employment opportunities for those likely to be most excluded from the labour market.

2.6 In general consultees advocated that interventions to address social exclusion and remove or reduce barriers to employment should be locally based, often at neighbourhood level, to reflect the needs of particular communities and groups of people and complement existing provision. There was a strong message from consultees that interventions supported through ESIFS investment should be carefully targeted and focussed. These may often need to concentrate on niche and specialist provision geared to those who are most distant from the labour market and whose exclusion is the result of multiple barriers. Feedback generally points to a strong argument for the LEP considering the Community Grants model as an efficient mechanism for delivering targeted investment into locally-based interventions. Modest grants of this type can be highly effective in delivering good outcomes and unlocking the capacity of volunteers and social purpose groups.

2.7 Consultees questioned how well the HotSW LEP understood the real experiences of people facing multiple problems, struggling to secure employment, living in isolation and/or on low wages or benefits. It was suggested that a programme of local “*seeing is believing*” visits and conversations could be arranged to allow the Board and LEP team to “*get down and dirty*” and engage with the people and communities who would be the ultimate beneficiaries of at least some of ESIFs interventions.

2.8 We have included for information in Appendix 4 an explanation of the “intervention logic” relating to the links between social inclusion and economic growth as presented in the initial Interim Report. While this statement was not explicitly a focus for the consultation process we are confident that the general thrust of the feedback supports and endorses the key principles.

3 Priority groups

3.1 Consultees were asked for their views on the “*groups in society facing the greatest barriers to full participation in the labour market*” through the online survey and in the workshops. Inevitably the responses collectively provided a very long list of potential priority groups (see below) but our assessment of the feedback has identified the following key groups as a particular priority for investment:

- **Young people**, mainly in the 18-25 year age group, especially those with low levels of self-esteem, confidence and aspiration and who were poorly engaged in their communities.

- **Mature and older people**, generally identified as those aged 50 and over who had substantial experience and skills but who having been made redundant struggled to re-enter the labour market.
- **Long term unemployed people**, including in particular those who faced multiple barriers to employment relating to, for example, long term health conditions, including mental health, disability, an offending background and caring responsibilities.
- **People living in rural isolation and poverty** of any age and gender who were constrained by the lack and cost of transport to employment opportunities and lack of access to social networks, training and support services.
- **People experiencing digital exclusion**, mainly due to the constraints of their own skills, confidence and physical ability to make full use of on line technology. It was noted that young people while confident in some aspects of social networking may not be well equipped to use digital technology for employability and employment purposes.
- **People who are participating in the labour market but not to their full potential** – including those on low wages, on zero-hours contracts and/or undertaking a number of (low paid) part-time and seasonal or temporary jobs who found it extremely difficult to develop their skills, improve their income and fulfil their aspirations.

3.2 The priority groups identified by consultees demonstrates the need for very targeted interventions geared to people with an often complex range of needs and facing multiple barriers who are not (well) served by mainstream provision. In some cases the number of people involved may be relatively small, in the context of the HotSW population as a whole, but the additionality imperative for ESIFS investment does give the opportunity to commission specialist, closely targeted and, where appropriate, innovative interventions for particular groups and communities.

3.3 The full range of priority groups identified by consultees, excluding those identified above, was as follows:

- Women, especially those who have left the labour force for caring responsibilities
- Lone parents
- Victims of domestic abuse
- Unpaid carers and ex carers
- Young people leaving care
- Young people not in employment, education or training (NEET)
- Ex-offenders and prison leavers
- People made redundant
- Ex-services personnel
- Immigrants with qualifications not recognised in UK
- People with poor literacy
- People with poor English language skills
- Asylum seekers
- Disabled people
- Older workers with long term health conditions
- Benefits claimants facing barriers to start up in business

- People with mental health problems
- People with undiagnosed “invisible” disabilities (e.g. Aspergers Syndrome)
- People with disfigurements
- People with learning difficulties
- People in debt
- People from ethnic communities facing prejudice and cultural barriers

3.4 In general consultees argued for investment to focus on specific groups in society who faced particular barriers to (full) employment rather than particular geographical areas – apart from the broader priority group of those living in rural poverty and isolation highlighted earlier. However some consultees did articulate the need for particular areas to be a higher priority for investment. These included Somerset which was regarded as having especially low skills levels and was in “*danger of being left behind*”, Plymouth which was felt to be facing particular difficulties in retaining talent and responding to continue reductions in defence spending and Torridge and North Devon which were reported as having weak economies reflected in low GVA levels.

4 Activities and interventions

4.1 Understandably consultees highlighted a very wide range of activities and interventions that they felt should be considered as a priority for investment. It is recognised that some of the proposed interventions would be ineligible under ESIFs and there are insufficient resources available to fund HotSW wide programmes across all the interventions suggested. Furthermore some may be

regarded as duplicating existing provision. However, we have attempted to draw out the key types of intervention that reflects a broad consensus emerging from the consultees and have most strategic significance. These are as described below.

Local labour market intelligence

4.2 It was proposed that the LEP commissions a process for collecting, maintaining and making available robust local labour market intelligence that could be used by a wide range of providers (e.g. Work Programme, Careers Service, Work Clubs, community based services etc), businesses and individuals. There was a strong view that comprehensive labour market information is not currently available at a geographical level which relates to individuals actual and realistic employment search area. Existing labour market information appears to be collected mainly for strategic planning purposes rather than to inform high quality, informed advice and support to individuals and businesses.

Living Wage and raising incomes

4.3 Consultees recommended that the LEP should consider intervening to raise wage levels, recognising that low incomes are a significant barrier to individuals' progression in employment and constrain the growth of the economy. The LEP may wish to consider developing a specific strategy or strand of activities designed to increase wage levels. These could include initiatives to engage employers in adopting the Living Wage; build in Living Wage commitments in commissioning and tendering processes; and developing ways employers can retain some flexibility in employment while avoiding the most exploitative elements of zero

hours contracts. The LEP could champion a "good employer" form of quality mark across its area.

Building the engagement of young people

4.4 The feedback from consultees demonstrates the need for the LEP to invest in a programme of locally based interventions, activities and initiatives designed to build the confidence, self esteem, social networks and aspirations of disaffected and disengaged young people. Consultees in general argue that a key priority is to provide support which progresses people along the route towards employment, rather than necessarily focuses directly on getting them into a job. A range of initiatives including outdoor, adventure, sports and arts based activities were amongst the suggestions.

4.5 Consultees also highlighted the importance of high quality and consistent careers advice and support. It was felt that with responsibility for careers advice now devolved to individual school level provision was now patchy, inconsistent and often inadequately resourced. Investment in high quality careers advice based on robust local labour market intelligence was argued by several consultees.

4.6 The importance of physical spaces and buildings enabling young people (and others) to meet, support each other, network, access services and training and participate in cultural, artistic and other activities was highlighted by several consultees. This was set within the context of youth clubs and other services for young people closing as a result of public spending cutbacks. There is a case for the LEP considering how investment in physical infrastructure (such

as innovation hubs and other workspaces) geared mainly to business and enterprise support could also be flexed to help deliver social inclusion outcomes.

4.7 One consultee noted that in the South West young people, especially those most disadvantaged in the labour market, frequently secured work through “their mates” rather than through formal recruitment routes. It was argued that interventions should respond to and go with the grain of this culture. Structured volunteering programmes were widely regarded as an important part of the mix of support and progression routes that should be made available to young people.

4.8 Early intervention with children and young people and their families around family structures, tackling low self esteem and low aspiration including strengthening social and life skills education in schools was called for by a number of consultees. It is recognised that this may not be eligible for support through ESIFS but should feature in the LEPs Strategic Economic Plan and other appropriate investment programmes.

Transport to work and training

4.9 Access to affordable, demand responsive community-based transport enabling individuals to access training, support and employment opportunities was highlighted as a priority for investment, especially in rural areas. Some consultees noted that transport provision needed particularly to respond to the needs of people taking up part-time and evening and weekend work. The trend for an increasing proportion of people to have a portfolio of part time and self employment with flexible, variable and

sometimes unsocial hours indicates that improved transport to work provision should be addressed for the benefit of individuals and employers. The LEP could apply its investment to scale up and expand existing community-based transport provision. The proposed Local Impact Fund could be a mechanism for delivering such investment.

Unlocking the skills and talents of mature people

4.10 Consultees proposed that the LEP should allocate investment specifically designed to unlock the skills, talents and expertise of mature and older people, in particular those aged 50 plus. Although there was no clear consensus as to what specific type(s) of activities were required the following were suggested as potential components of a programme geared to this age group:

- Specific support geared to ex services personnel and their families.
- Re-skilling and skills “refresh” designed to up date individual’s skills to be better geared to opportunities and employer needs.
- Support to strengthen digital skills to better equip individuals for employment and to access services, support and training.
- Structured volunteering geared to those with high level professional, specialist and management experience.
- Engaging mature, experienced individuals to support, mentor and assist young people in moving into employment and self employment.

Progression towards employment

4.11 The importance of providing targeted and bespoke support to people who are furthest from the labour market was a consistent and common theme emerging from consultees. While young and mature older people were particularly highlighted as key target groups it was recognised that support is needed for people facing particular and often multiple barriers irrespective of age. The range of interventions that were proposed by consultees was very wide, pointing to the need for a flexible and responsive investment programme which allows and enables provision to be tailored to particular local or community of interest needs. As stated earlier Community Grants may provide a model for delivering this type of investment.

4.12 The range of interventions proposed included:

- Supporting literacy and English language skills.
- Structured volunteering and Time Bank programmes.
- Support to carers and ex-carers who can be and feel very isolated in the labour market.
- Support to those with mental health issues including depression.
- Support to families on employability and employment which integrates with existing troubled families programmes and similar interventions. Developing apprenticeships geared more explicitly than currently to local employment opportunities.
- Building digital skills relating to employment opportunities and accessing training and support.
- Job clubs and related initiatives.
- Funded attendance at Colleges for basic employability skills.

- Specialist training geared to particular user/customer groups – such as carers who have never worked or people with particular disabilities.
- Work trials and short term work experience with built-in supervision and mentoring.

Growing locally based enterprises

4.13 There was a consistent message from consultees that growing locally based enterprises was an important part of the mix of interventions needed to promote social inclusion. Some consultees referred to the findings of a recent research study by the Federation of Small Businesses³ which demonstrate that “*SMEs are critical to getting the unemployed back into work and offering opportunities to those facing barriers to employment*”. Some consultees advocated providing financial support specifically to assist benefit claimants set up businesses

4.14 Consultees felt that there was considerable potential to support social entrepreneurs and start ups and grow existing social enterprises and conventional businesses in the environmental, cultural, tourism, leisure, care and community services sectors. Enterprise development in these sectors would build on the environmental and cultural assets of the Heart of the South West and the area’s strong foundations and networks in social purpose and social enterprise activity. A common thread running through much of the consultee feedback was that the LEP should take a strategic role in ensuring and investing in consistent business support to develop the social purpose and social enterprise sectors

³ Back to Work: The role of small business in employment and enterprise, FSB, September 2012

across the Heart of the South West to maximise growth and employment and play a key role in tackling exclusion. It was noted that current provision in this field is piecemeal across the area and that there needed to be better collaboration and coordination across different initiatives and providers and a strategic approach to ensuring geographical and other gaps in provision are addressed.

Building community infrastructure and capacity

4.15 In line with the general call from consultees to tackle exclusion mainly through locally based, interventions geared to targeted and specific needs, the consultation responses flagged the importance of strengthening and investing in community infrastructure to help unlock the potential and capacity of the social purpose sector and civil society more widely. The case presented by consultees is that in addition to investment in specific front line services the LEP should be supporting local networks and infrastructure organisations which support and incubate local activity and innovative community based initiatives. These might include local development trusts, Transition Town and market town initiatives, work hubs and local social enterprise and social entrepreneurship development networks.

5. The right money?

5.1 Consultees were asked to comment on the proposed distribution of investment funds between “business”, “place” and “people”. Some consultees found it difficult to respond without having more information about the rationale behind the proposed allocations. And there was a sense from the discussions that this three way split was simplistic and failed to recognise that, as one

consultee stated, “*people-based and business support activities are complementary*”.

5.2 However the two main views expressed by consultees were:

- Broadly supporting the proposed approach; and
- Proposing an increased allocation to “people” based activity – with one suggesting this should be 50% of the total.

5.3 Consultees were also asked to comment on the proposed distribution of funds within the “people” strand. Feedback from the online survey and workshop discussions again falls into two main points of view as follows:

- Broadly supporting the proposed allocation (“*seem reasonable*” and “*seems OK*”) and;
- Advocating a higher level of investment in the following priorities:
 - Raising aspirations and supporting those most excluded and furthest from the labour market ;
 - Employment support for long-term unemployed/inactive and young unemployed; and
 - Improving skills to progress in work.

6. Community Led Local Development (CLLD)

6.1 We asked consultees in the online survey about their views on the LEPs position on CLLD. (The ESIFS states that the LEP “...*does not anticipate making use of a CLLD model to deliver the ESIF Strategy. The rationale for this is that our allocation is insufficient to justify further disaggregation.*”). While this proved difficult for some consultees who were unfamiliar with the concept the responses revealed some strong and divergent views. Some consultees failed

to understand why the LEP was rejecting the CLLD concept when it was felt that *“groups like LAGs and others have had fantastic success in delivering, jobs, business and training..”*; that *“EU and government guidance was recommending CLLD as a central plank of LEP activity...[and]..there is no justifiable argument to negate this in Devon”*; and *“surely you can create at last some opportunity for locally led projects to bid into these funds”*.

6.2 On the other hand one consultee felt that *“available funding should not be diluted by additional layers and CLLD can sometimes result in factionalism”* and another said *“it is acknowledged that CLLD does not always fulfil its full potential to comprehensively integrate local needs and solutions into Local Development Strategies”*.

6.3 In this context then, the two key messages from the consultation are as follows:

- that the LEP should more thoroughly demonstrate that it has considered the potential for a CLLD approach and that this firmly based on robust evidence of the effectiveness and value of CLLD in the South West and elsewhere; and
- that the LEP should consider adopting some of the elements of the CLLD approach relating to local, community based activity in its proposed interventions without necessarily adopting the formality of the CLLD model.

7. Commissioning and working with the social purpose sector and civil society

7.1 In the online survey we asked respondents the following two specific questions which relate to how the LEP might work with the social purpose sector:

- How do you think the LEP could and should work “alongside” the social purpose sector? (The ESIFs states that *“LEP partners see working alongside a strong social purpose sector as a potential means to address some of these (social inclusion challenges)”*)
- How the LEP could achieve the accessibility? (The ESIFs states that *“across [its] commissioning arrangements, we would..seek to maximise their accessibility to a range of potential providers including SMEs and the Third Sector”*).

7.2 The survey responses reflect a high level of interest in these issues and a substantial level of constructive feedback was generated. Our analysis of the responses highlights the following key and common themes.

7.3 Consultees felt that the LEP needs to negotiate commissioning and funding arrangements with Opt in providers and other co funders that enable highly effective small, specialist and niche providers to deliver services – where appropriate in partnership and collaboration with others. There was a strong view that the LEP should recognise that large scale prime provider contracts delivered by national organisations without local connections and supply chains can often fail to deliver the outputs and outcomes required and can damage existing locally based provision. Some consultees urged the LEP pro-actively to facilitate and encourage the establishment of consortia and partnerships which can enable small specialist providers to contribute to participate in delivering

ESIFs priorities and outcomes. (The Cornwall Learning Partnership was cited as a particularly successful cross sector collaboration which enables and maximises the offer from a diverse range of providers.)

7.4 Payment by results contracts should be avoided. Appropriately staged payments enable a wider diversity of small specialist providers that can deliver high quality outcomes and contribute added value to participate in delivery.

7.5 Social purpose organisations and other potential providers should be involved in the co-design of new services and interventions – a practice increasingly common amongst local authority and health and care commissioners. The LEP and its co-funding partners should “talk to” those with front line experience in delivering services and through them the users of those services.

8. Governance and engagement with civil society

8.1 Online survey respondents were asked to comment on the governance section of the Strategy. In general consultees welcomed the inclusion of a VCSE representative on the proposed ESIFs Implementation Group but most argued that this did not go far enough. There was a clear view that seeing governance almost exclusively in terms of representation whether at the LEP Board or at Implementation Group level failed to fully understand the true nature of effective governance which also embraces accountability, transparency, communication and community and public engagement.

8.2 Other key messages from consultees were as follows:

- Effective communication with the civil society sector, including smaller organisations, was a crucial component of effective governance.
- Governance structures should engage a wider range of stakeholders including communities and groups it seeks to benefit.
- Effective representation (including from VCSE) needs to be supported and backed up by mechanisms that enable the individual(s) to “genuinely represent” the sector.
- A single VCSE representative is inadequate in terms of the breadth, range and diversity of the sector.

8.3 Survey respondents were also asked the more specific question: *How can the LEP ensure it engages effectively with voluntary and community organisations and wider civil society?* Inevitably some of the responses to this question also reflect the feedback on the governance question, summarised above. The key common themes emerging from consultees on this topic relate to:

- communication;
- engaging with local networks, forums and umbrella groups;
- engaging with more sector representatives at Board and strategic level; and
- demonstrating the LEP is genuinely and seriously interested in the work of civil society organisations.

8.4 Consultees urged the LEP to “*build a strong communication strategy*” and have “*active communication with VCS organisations*”. This was a consistent plea throughout the consultation process. Feedback from consultees indicates there is a strong willingness from networks, forums and membership organisations to assist the

LEP in communicating with the sector and ensuring this communication reaches a much wider range of people, communities and organisations than currently. It was also noted that the content of the material communicated by the LEP needs to better resonate with the target audiences; there was a common view that the language and tone of some LEP material could be exclusive and fail to reflect the LEPs concern with social inclusion and the role of civil society.

8.5 Consultees also encouraged the LEP to engage with local VCS forums, infrastructure organisations, umbrella bodies, networks and user led organisation. This was seen as a key mechanism for effective two-way communication with a wide range of stakeholders and a vehicle for establishing a much enhanced understanding of the LEP's roles, priorities, constraints and investment programmes. It was recognised that the LEP has limited capacity to engage directly and individually with even a modest number of local networks and in general consultees agreed that there was a need for the social purpose sector at least to "organise itself" across the HotSW LEP area. However if this is to happen social purpose organisations need to believe that LEP is "serious" about engagement with the sector and will actively engage with any mechanisms that are established.

8.6 As reported in the governance section above there was a general call from consultees that the LEP needs to engage with more and a wider range of sector "representatives", champions or advocates at Board and Implementation Group level. It may be that the "People-focussed" strategic group being assembled

through Devon County Council will help to address this gap in engagement but we understand this group is not yet established.

8.7 As reported earlier consultees felt strongly that if the LEP wants to have more effective engagement with civil society then it must demonstrate more assertively than at present that it genuinely understands the nature of social exclusion in its area; that it is committed to reducing exclusion to help increase employment and generate growth; and that it fully recognises the pivotal role played by civil society organisations in delivering solutions and effective interventions. One consultee suggested that the LEP Board should have a range of Key Performance Indicators on engagement and should publish an annual report on progress against which it is held accountable.

**South West Forum
29th November 2013**

Appendix 1 European Union Definition and Description of Social Inclusion

This definition is provided in the government guidance provided to LEPs

"Social inclusion and combating poverty is defined as provision for those beneficiaries furthest away from the labour market. Provision should assist in improving employability, promoting active inclusion and combating discrimination in a holistic and integrated way, including early action before problems become entrenched, outreach activities and access to locally provided services. Target

groups can include those people with caring responsibilities, minority ethnic groups, those requiring debt and money management assistance and those people who experience digital exclusion. In addition, provision can assist in reducing drug and alcohol dependency; improving educational attainment (particularly due to lack of basic literacy and numeracy and those with ESOL needs); improving family, parenting and relationship intervention; improving access to flexible and affordable childcare, addressing health problems (including mental health); homelessness; learning difficulties and disabilities; life skills; offending; and access to transport.”

Appendix 2 Phase 1 Feedback

Below is an extract from the Interim Social Inclusion Priorities Report submitted to the LEP on 23rd September which summarises the feedback from the limited consultation undertaken in Phase 1.

Feedback so far

Although the consultations and discussions on social inclusion with social purpose organisations and other stakeholders have been relatively limited the feedback to date has covered a very wide range of topics. This feedback has covered the following main themes:

- The importance of addressing **in-work poverty, low wages and under-employment**.
- The importance of **early intervention and support with families and children** (including in schools) to improve long

term outcomes – noting that “quality” of parenting in early years is crucial in determining long term prospects.

- **Physical access (for example public transport) to employment, training and sources of support** is a critical barrier to unlocking employment opportunities – especially but not exclusively in rural areas.
- Tackling **financial barriers to participation** – including the cost of training and transport.
- Effective, consistent **information, advice and guidance** for young and older people are essential – and are currently inconsistent and poorly resourced.
- The experience, expertise and **value of older people in the workforce** should be better recognised and unlocked, especially given the growing proportion of older people of working age in the area.
- **Employers need to be supported** (and resourced) to enable them to better realise the potential of the workforce – in relation to provision for training, accessibility and flexible hours.
- Social enterprises offer significant business growth potential – as well as often helping to deliver social inclusion interventions. There is a need to **raise awareness of social enterprise** and build into schools and other education programmes.

- **Low aspirations** remain a persistent barrier to unlocking individual's potential and this needs to be addressed at a very early stage and through a variety of routes.
- The **food and land based business sector** may offer particular opportunities for locally based employment opportunities in rural areas.
- **Lack of digital skills and capability** in the context of employability is regarded as a key barrier across age groups and across rural and urban areas
- Need to **invest in volunteering support** as a mechanism for bringing those with multiple barriers to employment closer to the workforce and improving employability.
- **Women face particular barriers** in relation to securing work, increasing their hours and pay and setting up enterprises.
- A particular need to support **young people on the autistic spectrum**.
- Support for **offenders and ex-offenders** is important but a key need is for intensive, tailored support to follow up from more generic job club type services.
- **Link into existing community development work** including that managed by housing associations.

Feedback has also identified a number of types of intervention that could be pursued

- A programme of **progression support** geared to **National Citizenship graduates** – at present the NCS provides little follow up support for those exiting the programme.
- The **Future Jobs Fund** which provided highly subsidised jobs and training for long term unemployed in voluntary and public sector organisations was regarded as highly effective – improving the employability of participants and enhancing the capacity of host organisations to deliver support, often to the socially excluded.
- Volunteer-run **English Language classes** for people with poor English skills.
- **Programmes that support women** in the labour market including, for example, those relating to mentoring; promoting positive role models; access to better women-tailored advice, guidance and business support; improved access to childcare and caring respite.
- **Family intervention projects** and programmes are needed as under- and un-employment, low aspirations and other barriers frequently reflect the position of the “whole family” rather than a sole individual. It will be important to build on those already in place and working well.
- **Investment in credit unions and improving access to micro-finance**.

Appendix 3 Attendance at Consultation Workshops

Organisation

Plymouth Guild
SWAP
Plymouth Centre for Faiths and Cultural Diversity
Stonehouse TimeBank and Stonehouse Community Action Group
The Elder Tree
Young Devon
Zebra Collective
Street Factory
Wolseley Trust
Effervescent
Whitleigh Big Local
Community Regeneration Outreach Projects Ltd (CROPS LTD)
Barbican Theatre
South Somerset Association for Voluntary and Community Action
Somerset Art Works
Whelan Associates
VISTA
Glastonbury Community Development Trust
Careers South West Ltd
Headway Devon
Westward Pathfinder
Unionlearn
Community Action SW
Community Council of Devon
North Devon Voluntary Services
St Loyes Foundation
Community Council of Devon
Wear United Community Forum for Countess Wear Exeter
Well UK, Wellbank

Appendix 4 The intervention logic

This is an extract from the Interim Report prepared during Phase 1 of the contract.

3.1 Promoting social inclusion and combating poverty **directly contributes to the HotSW LEP's overarching aims** of:

- Securing more sustainable and skilled jobs
- Improving productivity and promoting growth
- Generating greater prosperity for all

3.2 Social inclusion interventions can be crucial to securing these aims for the following reasons:

- People effectively excluded from the labour market represent a substantial **pool of skills and expertise** which can help drive business growth but which employers are failing to exploit.
- 'High levels of social inclusion are correlated with **high levels of productivity**, economic growth and sustainability at the levels of nations and places.'⁴ The EU Growth Strategy 'Europe 2020' puts a clear emphasis on prioritising a 'smart, sustainable and inclusive economy' which will deliver the targets of high levels of productivity, employment and social cohesion.

4

http://www.dpac.tas.gov.au/__data/assets/pdf_file/0005/109616/Social_Inclusion_Strategy_Report.pdf

- Better support for people with particular needs and their carers provides a more **attractive “social environment”** which will assist employers in attracting and retaining high quality staff.
- Engaging people with particular needs or backgrounds can help employers identify opportunities for **new markets and/or new products and services**.
- Increased employment, more secure long term (as opposed to short term and seasonal) employment and higher skills levels will generate **higher wages** and in consequence **greater spend** within local communities.
- Social purpose organisations, the majority of which are in some way promoting social inclusion, themselves represent a **substantial business sector** providing high quality jobs (37% of voluntary sector employees are qualified to degree level or higher compared to just 21% in the private sector.)
- Social enterprises in particular represent a business sector which exhibits high levels of growth, survival and sustainability as well as commonly operating in the most deprived communities and neighbourhoods.

Summary of consultation responses - Business Engagement Events, Colleges and Universities Consultation Event and Written Responses to inform 7th October first draft.

Business Support and Innovation

- Across all consultation, there was significant support for greater coordination of business support and more effective signposting to both local and national schemes
- Access to funding/finance was raised at all business engagement events. At the FE Colleges and Universities event, it was suggested that the emphasis should be on investment readiness of start-up and high (er) growth businesses, rather than direct provision of finance.
- All business engagement events made some reference to addressing the specific needs of micro and small businesses, e.g. 1:1 'on the ground' support, small grants, local self-help (clusters, co-operatives, self-reliance) and developing entrepreneurial (e.g. leadership and management) skills.
- General support was also noted for assisting businesses to take advantage of broadband. At the FE Colleges and Universities event, it was specifically suggested that this could be used to drive exports.
- Numerous events (Exeter, Paignton, Plymouth and the the FE Colleges and Universities session) suggested that innovation was a key theme and underplayed in the presented priorities. At the FE Colleges and Universities event, the following specific suggestions were made:
 - Creating demand from SMEs for innovation support, including tailoring language (e.g. 'doing things differently' or 'new products and services' rather than innovation) and using case studies to inspire
 - Producing a simple toolkit to help businesses with innovation, potentially building on University of Exeter pilot

- Building on current innovation vouchers and business technology centre initiatives
- Potential to look at synergies across sectors and translatable skills/expertise – e.g. nuclear, advanced engineering and marine
- List of Smart Specialisation sectors in the 'notes document' seen as STEM heavy and suggestion that consideration should be given to: the role of the Met Office, tourism, creative industries, environmental, rural and education as a business.
- Some specific reference was made to the need to encourage lifestyle businesses to be more ambitious (in Exeter and at FE Colleges and Universities event). The FE Colleges and Universities event also suggested a focus on new businesses (including support from employment/unemployment to self-employment), budding 'gazelles' and 'gazelles'.
- In Exeter, it was also noted that business support should be a private sector activity and that mentoring provision did not meet demand

Social Enterprise

- Access to wider range/sources of funding / finance (Bideford and Taunton)
- Reducing carbon / energy and resource consumption (Bideford and Taunton)
- Building skills and confidence. This could include social entrepreneurship training in schools. (Bideford)
- Encouraging social enterprises to come forward and ask for help/support (Bideford)
- Raising awareness of social enterprises – e.g. case studies (Bideford)
- Suggestion that empty shops could be used to encourage social enterprise start-up/growth, offering reduced rents (Bideford)

- Strongly queried / challenged the perceived separation of social enterprise and mirco / SME themes at the event, considering that the needs were the same (Taunton)
- Suggestion that it would be beneficial to work with other LEP areas on social enterprise, e.g. West of England (Taunton)

Inward Investment and Exporting

- Bideford, Exeter, Bridgwater and Taunton events all highlighted the importance of a competitive business environment to attracting inward investment, e.g. skills / workforce availability, connectivity (transport, broadband, mobile), flood and water management/resilience and suitable business premises/land.
- Marketing was specifically mentioned in Exeter, Bridgwater and Taunton, with a need to focus on marketing an identifiable area (i.e. not HotSW) and a distinct/targeted offer. Specific suggestions were:
 - Activity should be a combination of a general landing point and specific proactive activity tailored to specific target markets/sectors (Bridgwater)
 - Identifying similar areas in the EU, America etc and proactively targeting these (Taunton)
 - Identifying sector ambassador to build relationships, attend shows/events and identify leads (Taunton)
 - Hosting consular from UKTI so that they have good knowledge of the area and opportunities to draw on in promoting the HotSW (Taunton)
- Specific inward investment support services referenced were:
 - Improving accessibility and availability of information, e.g. detailed, current and searchable information on premises, skills availability and grants/support (Bridgwater)
 - Grant funding to relocate (Exeter)
 - Supporting joint ventures between indigenous and incoming businesses (Taunton)
 - Facilitating increased collaboration (rather than competition) both within and beyond the LEP area, leading to a stronger offer and efficiency (Taunton)
 - Capitalising on university strengths (Taunton)
 - Decreasing regulatory burden for inward investors (Exeter)
- Specific sectoral priorities for inward investment noted were:
 - Aerospace (Exeter and Taunton)
 - Engineering (Exeter and Taunton)
 - Low carbon / Energy (Exeter and Taunton)
 - Marine/maritime (Exeter and Taunton)
 - Land-based and food (Exeter)
 - Health and pharmaceuticals (Exeter)
 - Creative industries (Exeter)
- Exporting was raised at all business events with suggested activities of:
 - Support for micro-businesses (Taunton)
 - Business mentoring from experienced exporters (Plymouth)
 - Supporting access to wider markets (Bideford)
 - Enabling businesses to understand that their offer to others is important / can be attractive (Exeter)
 - Linking with UKTI, using their experience, contacts etc. (Exeter)
 - Stimulating demand for UKTI services in the HotSW (Exeter)
 - Targeting opportunities but also market failure (Exeter)

Employment and Skills

- Supporting access to the labour market was raised at all consultation events and in a written response from Petroc college. Specific issues/opportunities highlighted were:
 - Developing employability skills, e.g. interview techniques, attitude to work and transferable skills such as

- communication etc (Exeter, Plymouth, Bridgwater and Taunton as well as in a written response from Petroc College)
- Employment support programmes which are flexible/bespoke and reflect the local context (Paignton, Plymouth, Bridgwater and written response from Petroc)
- Tackling financial barriers - cost of training and transport - to securing and retaining employment (Exeter, Paignton and Taunton)
- Supporting those who are, or who are at risk of becoming, NEET (Plymouth and in a written response from Petroc college)
- Maximising employment opportunities / support for the 50+ (Paignton)

In this context, it should be noted that there were, however, mixed messages in relation (to the term) social inclusion:

- At both the Bideford and Taunton events opinion was split with some considering that social inclusion should be an area of focus whilst others felt that it was not a true priority ('nice-to-have'), not the LEP's role or would be an automatic result of increased economic performance
- At the Paignton and Plymouth events there was specific support for promoting social inclusion and tackling deprivation. At the Plymouth and universities and colleges events it was stressed that a holistic / embedded approach was needed. In Plymouth, there was specific mention of family intervention projects in areas of deprivation.
- Across the consultation, there was strong support for skills provision to:
 - Be (more) employer-led/responsive, building (stronger) engagement, working relationships and partnerships across schools, colleges, HEIs and employers

- Encourage and support entrepreneurship, both amongst young people / prospective entrepreneurs and existing entrepreneurs.
- Increased support for apprenticeships (including higher apprenticeships) was raised in Bideford, Exeter, Paignton and Taunton as well as at the FE colleges and universities event and in a written submission from Petroc college. Specific proposals were:
 - Support for small and micro enterprises to see a place for and take on apprentices, including facilitating sharing/pooling of apprentices between businesses (general observation, Exeter and Bideford)
 - Adult (i.e. over 24) apprenticeships (Bideford and Paignton)
 - Developing pre-apprenticeships, traineeships, internships and work experience to provide 'hands on' experience and prepare young people for the workplace (Taunton and written response from Petroc)
- Addressing the mismatch between skills provision/availability and employer needs in respect of specific sectors and major projects was raised in Bideford, Exeter, Plymouth, Bridgwater and Taunton as well as in a written submission from Petroc College:
 - engineering/STEM (Exeter, Plymouth, Bridgwater and Taunton)
 - Hinkley Point C (Bideford, Bridgwater, Taunton and in a written response from Petroc College)
 - Health / social care (Exeter and Taunton)
 - Tourism (Taunton and Exeter)
 - Atlantic Array (Bideford and in written response from Petroc college)
 - Land-based industries (Bideford)
 - Sustainable construction (Bideford)

- Addressing Level 3 skills gaps was mentioned in Exeter, Paignton, Plymouth and Bridgwater as well as at the FE colleges and universities consultation event. At the latter, an FE equivalent of the 'Grads for Growth' scheme was mooted.
- Increasing higher level skills and HE resource was identified as a priority in Paignton, Bridgwater and Taunton as well as at the FE colleges and universities consultation event and in a written submission from Petroc College. Petroc also highlighted the need to develop appropriate progression routes into Higher Education / Higher Apprenticeships.
- Retaining HotSW Graduates / young people in the area (and attracting further graduates/young people to the HotSW) was raised in Bideford, Exeter and Paignton as well as at the FE colleges and universities consultation event and in a written submission from Petroc College. Specific suggestions included:
 - Creating a market for employer sponsorship of students (Colleges and Universities event)
 - Building on the 'Grads for Growth' and 'Unlocking Potential' activities (FE colleges and universities event)
 - Improving transitions for young people - e.g. from school to work/further study, further study to work/higher study and higher study to work in the area (FE colleges and universities event)
 - Generating greater graduate / career opportunities by increasing number of high-growth and innovative businesses (Exeter and colleges and universities event)
- Careers information, advice and guidance was raised at Exeter and Taunton, the FE colleges and universities event and in written contributions from Petroc college and Careers South West. This included:
 - Raising young people's aspirations (Exeter, FE colleges and universities event and written response from Petroc college)
 - Supporting informed choices by young people, including identifying clear sources of information/brokerage (Exeter, Taunton, FE colleges and universities event and written response from Careers South West)
 - Commissioning robust labour market intelligence and making this available to skills and employability providers and to those using their services (Careers South West)

Infrastructure and Utilities

- The importance of improved transport connectivity (including road, rail, air and public transport) to support movement of people and goods was highlighted in Bideford, Bridgwater and Taunton as well as at the FE Colleges and Universities event
- Access to Superfast Broadband was identified as a priority in Bideford, Exeter, Bridgwater and Taunton. However, in Plymouth it was noted that Broadband is 'not the panacea for businesses'.
- Housing was raised in Paignton, at the FE colleges and universities event and in a written contribution from the National Housing Federation. Specific comments were made in respect of:
 - Addressing affordability issues, particularly in rural areas and coastal resorts (Paignton)
 - Working with the HCA to tackle housing constraints which act as a key barrier to graduate retention (FE colleges and universities event)
 - Encouraging the HotSW to 'opt-in' to the Social Housing Financial Instrument (National Housing Federation. N.B It

should be noted that the NHF jointly developed this mechanism with the EIB!

- Investment in flood and water management / resilience was mentioned in Taunton and Bridgwater.
- Development/ availability of suitable business accommodation was raised in Taunton, Exeter and at the FE colleges and universities event
- Improved mobile phone coverage and utilities (e.g. no gas in most of Torrington) were specifically mentioned in Bideford
- In a written contribution, the RSPB encouraged the HotSW to promote truly sustainable development and highlighted that its 'Planning Naturally' publication demonstrates that economic growth and sustainable development are mutually dependent rather than conflicting.

Other

- A number of additions to the presented list of 'competitive advantages' were proposed, namely:
 - Natural environment (Bideford, Plymouth, Taunton and in written contributions from Petroc College and the RSPB)
 - Low carbon (Bideford, Paignton and Plymouth)
 - Creative industries (three individuals in Plymouth, Bridgwater and Taunton and at the FE colleges and universities event)
 - Food and drink (Bridgwater, Taunton and in a written contribution from Mendip District Council)

- Voluntary sector (Paignton)
- Construction (Bideford)

- In respect of the identified 'rural' competitive advantage, specific proposals and comments were:
 - Some concern that the needs of rural areas will be overlooked with funding criteria seen to favour more urban areas. (Bideford, Plymouth and in written response from Petroc)
 - Needs more intelligence and definition, although recognise its value and contribution (Bideford, Plymouth)
 - Some query as to whether the rural economy should be a discrete priority or a cross-cutting theme – 'rural-proofing' all activity (Plymouth)
 - Paying attention to the role of market towns (Taunton)
 - Tackling rural isolation (Petroc)
 - In a written response, the RSPPB raised the following priorities: managing water resources, utilising natural assets to support growth, low carbon, sustainable food production and support for LAGs. They also requested that the LEP considers using the Local Environment and Economic Development (LEED) toolkit trialled by New Anglia LEP.

Appendix 2

Evidence Base