

Heart of SW LEP Board meeting

Paper 4.3 September 2017

Report title: GSW Update

Report theme: Board

Author: Chris Garcia

Purpose of the report

To provide an update on the revised focus to the development of Great South West, highlight the emerging set of propositions which are becoming the focus of the initiative and set out proposed next steps.

Recommendations

1. To encourage attendance at the SW Growth Summit on 20 October
2. To ask for feedback on how we should progress the next steps

Background

Further to our discussion at the HotSW LEP July Board meeting we have consulted our fellow LEPs in Cornwall and Dorset on the points and concerns raised about Great South West and they too have taken soundings. In particular there seems to be consensus that:

- The branding needs to be down played as its seen as a work in progress.
- The focus needs to be re-orientated around the few key propositions and opportunities for cross LEP working where using our combined weight gives added value – rather than trying to merge together the LEPs' Strategic Economic Plans (which are inevitably much broader) or include everything under the regional umbrella. As was said at the Board – we “aren't looking to create another LEP”.
- Engagement with partners on cross LEP agendas should be built around normal LEP channels rather than setting up new SW wide democratic structures. So for those looking to engage, this should be through normal LEP engagement rather than regional constituencies. So keeping partners in HotSW briefed / engaged falls to me, partners in Cornwall falls to Sandra Rothwell, partners in Dorset to Rob Dunsford.

Our cross LEP working on opportunities is therefore the core of what we in HotSW LEP are currently focused on. For example:

- Nuclear – working hard to get our Place specific propositions into the national sector deal under development by the NIC / NIA
- iAero – active engagement around the development of High Value Design propositions in the WoE to ensure linkages into Yeovil
- Marine – less developed than the above two but as important
- Environmental – now has a strong supporting business case that underpins our offer

The other area of opportunity for cross LEP working around the key ‘Place’ agendas to build propositions for Govt to engage with as part of the emerging national Industrial Strategy. We are proposing to discuss the outcomes from the SW Rural Growth Commission at this Board as this will be a valuable springboard alongside existing Strategic Road and Rail opportunities.

I have attached to this paper as Annex 1 the latest iteration of a GSW Briefing Note which reflects these points and which is being used by Kate Kennally, CEO of Cornwall Council in briefings she is undertaking. This slightly fuller than the version circulated to directors recently and is therefore provided for information.

This specifically references and encourages attendance at SW Growth Summit on 20 October (please register at www.greatsouthwest.org.uk). We propose making our cross LEP propositions the focus of this event and using the event to gauge whether there is or isn’t support for cross LEP working in the SW. In coming weeks we will also be investing in building the business cases behind each proposition where this is necessary – so we can use these to support further funding opportunities.

As outlined in the CEX report, most other regions have at least one cross LEP brand which is recognised by Govt. We are the only region that currently doesn’t. So I would value Directors views on how we should address the key next steps, if there is support from all partners at the Summit for this regional approach. In particular I would value feedback on:

- What needs to be done to develop / finalise propositions and brand after feedback at the Summit – *if* there is sufficient support.
- How should we take these to Government, to highlight how economic growth in the South West benefits the UK.
- Agree future ways of working as the South West, and managing what we do on cross-LEP agendas.

Annex 1 Great South West Briefing note



September 2017 update from Kate Kennally, CEO, Cornwall Council

The South West of England is a great place. It is poised for a step change in prosperity and productivity. When the productivity in the South West of England matches that currently in the South East we will add over £18bn a year to the UK's economy. That's enough to build a new NHS hospital every week.

Our economy is already bigger than that of Manchester and more than two and a half times that of Birmingham – with the single largest infrastructure project in Europe already underway (generating billions of pounds of business opportunities) and the best natural capital in the country (attracting more visitors than anywhere else outside London).

The publication of the SW Growth Charter in 2016 started our journey to promote our great region and we welcome the continuing support of stakeholders across the region to help in shaping our opportunities and building the momentum.

THE APPROACH

Leaders from organisations across the South West of England (including from the public, business and education sectors) have been discussing how they can add value through cross LEP working and work together under a common banner to enable a common strategy for increased productivity and prosperity for all. Great South West is the working title for this.

To date this has been guided by an informal group of leading business leaders and discussed by both LEP and Local Authority Leaders and Chief Executives (as part of SW Councils) with a common interest in increasing prosperity in the region. This work has been led by a small group drawn from the Local Enterprise Partnerships, including myself and Nigel Riglar, chair of South West ADEPT.

Our focus is to work collaboratively across our cities, towns and rural communities, developing shared propositions, attracting investment and tackling barriers to productivity; making the whole of the South West a prosperous region.

This is not adding an 'extra layer', it's about working on areas of common interest across the South West where our combined efforts can make a real difference.

Much has been achieved on the last year, and this is detailed below. However, it is now nearly one year on since the original South West Growth Summit and Charter.

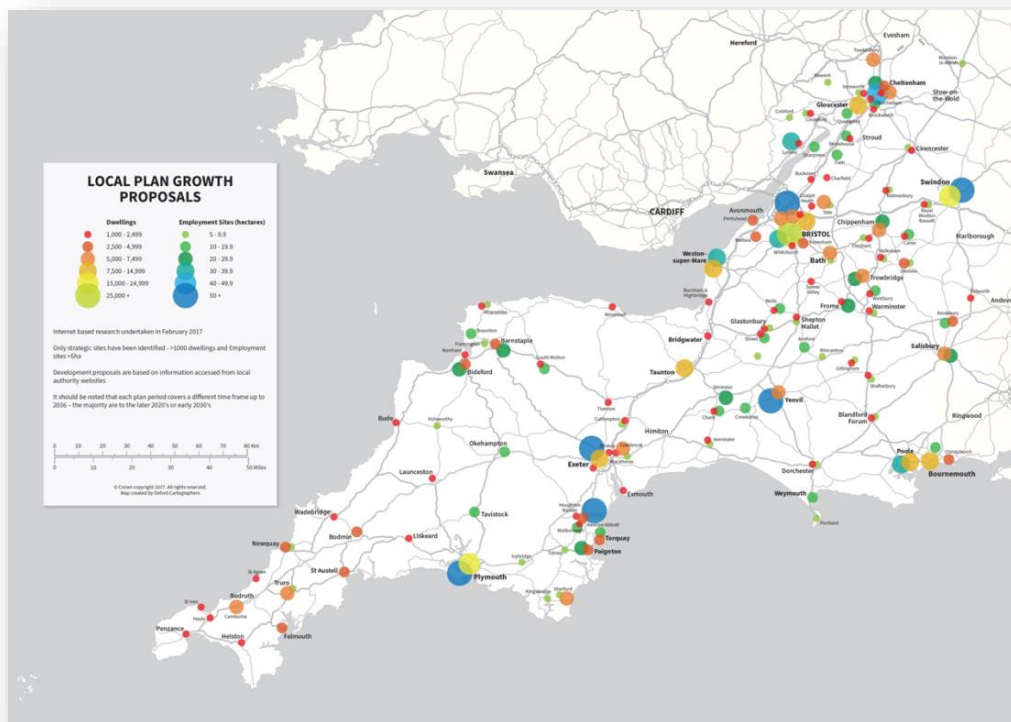
On October 20th 2017 at Sandy Park in Exeter, the next South West Growth Summit will be held. This will be a pivotal moment in the continuation or otherwise of the South West Growth initiative. Perhaps a 'make or break' moment if we are all to truly get behind this and articulate a clear voice to Government - to wake the 'sleeping giant' which is the economy of the South West.

The summit's purpose is threefold.

- 1) To update on progress.
- 2) To outline the potential detailed propositions for working closer together as the 'South West', defining our offers and asks to Government and, importantly, the commercial environment.
- 3) To gauge whether there is genuine appetite across the area to move forward together as the South West, with real momentum and purpose

PROGRESS and PROPOSITIONS:

Work has progressed to better align existing activity as well as identification of gaps, to better 'tell our story'. For example, working more closely with ADEPT South West to understand the levels of growth being achieved and predicted across the South West:



These levels of growth are significant and certainly on a par with areas in the North and Midlands. Collectively they also highlight the opportunity to strengthen our case to Government for continued investment to unlock further growth and support resilience. Some 80% of investment across the South West is currently focused on resilience. The importance of connectivity and future-proofing for levels of growth is a critical and common issue across the area. A failing transport network with poor journey times and network saturation develops a negative reputation, has a detrimental impact on local business activity and undermines inward investment.

The South West Local Enterprise Partnerships, working alongside Local Authorities, have so far brought in an additional £975m since 2012 through three rounds of Growth Deal settlements (much of this targeted at infrastructure investment). Whilst this is a significant amount, it still falls short of that secured in other regions of the UK. Local Authorities continue to invest significant levels into growth – but to enable further growth, more must be achieved. For example:

Transport, Energy and Digital Connectivity: The *Greater Connected* Strategy agreed by five South West LEPs makes a compelling case for addressing our regional connectivity and has been the foundation for our work since then; for example, by the Peninsula Rail Task Force's 20-year Action Plan recently submitted to Government and Highways England programme of improvement proposed for the A303/358/30 corridor. Additionally robust energy infrastructure enables employment sites to be developed and for our region to reach its potential in renewables. We are currently funded by Government to undertake a major study of our energy capacity and future energy opportunities to 2030. A *South West Energy and Low Carbon Prospectus* is currently in development and due to be complete in 2017. We have also made progress on digital connectivity in recent years and this represents a hugely significant opportunity for transforming our prosperity and enabling all parts of our economy to benefit. We have ambitious plans to have in the South West the first location in the UK, even globally, to deploy a live 5G network; we estimate the general roll out of 5G would be worth an estimated £7bn to the UK economy.

All of these ambitions, and more, were reflected at the National Infrastructure Commission visit to the South West in April 2017. An interesting reflection from the Commission representatives was that they felt very 'unsighted' on the South West's ambitions for growth and the importance of infrastructure (both in terms of quality and scale). We are not articulating our needs and the scale of growth effectively to decision makers and influencers in London.

World class skills for employment: The strong headlines on our employment and educational attainment hide significant weaknesses in social mobility and cold spots for education and skills progression. We are focusing on a range of measures to strengthen routes into employment, enable individuals to thrive and continually develop their skills and so have rewarding careers, and enable businesses to grow by having the talent they need.

Whilst we will continue to undertake bespoke activity in our own areas, there is a clear need and opportunity to work in sectors (especially looking at STEM skills demand)

and targeting specific issues raised by employers, such as the impact of Brexit on our migrant workforce, where working in partnership will add value.

One of the important factors of the work in developing the South West potential propositions has been to understand our 'unique' opportunities that best reflect the geography and people of our area.

Some headlines have emerged to date as the 'USPs' of the South West:

Our Environment
Our Digital Potential
Our Commercial Opportunities

We recognise that the 'Great South West' working title doesn't perhaps specifically reflect these unique assets for some audiences. More work may be required here – and this is something we will turn to at the summit in October.

These propositions should be seen in the context of our geography. We have numerous 'gateways' to other places – Wales, the Midlands, the South East, and even the continent. Our geography is also unique and to be celebrated. The *South West Rural Productivity Commission*, due to report at the Summit, has focused on these points particularly. Articulating this to Government is critical, especially at a time when so much attention is being placed on industrial strategy.

Our commercially focused potential propositions target our uniqueness as the South West. These also target Government priorities within the emerging UK Industrial Strategy. It is clear that future national investment will be targeted to proposition that have scale and national/international impact.

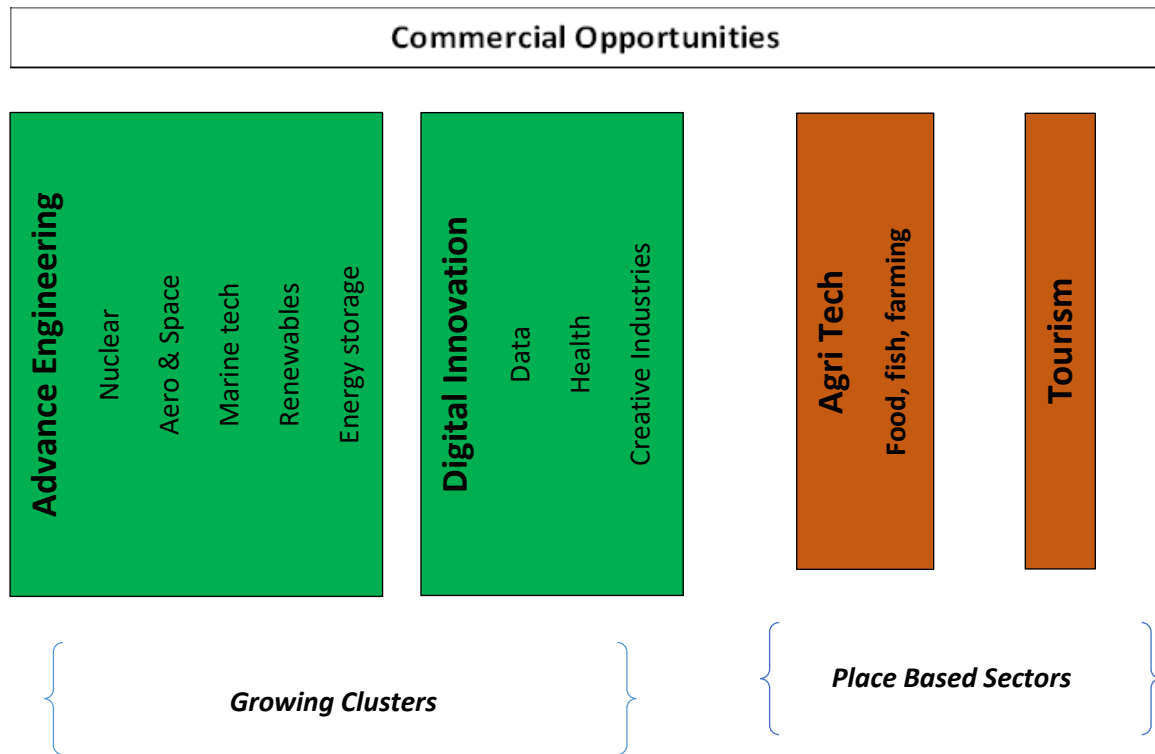
Our recent South West England and South East Wales Science and Innovation Audit recognised that we have world-leading research and innovation in the South West, including aerospace, microelectronics, energy generation, environmental technologies and digital systems.

Other exciting opportunities include:

- A burgeoning energy cluster, including nuclear and renewables, exists along the spine of the South West.
- Pioneering new expertise across a wide range of digital / data areas.
- A nationally significant Agri and Fishing industry that contributes twice as much to the economy (£1.6 billion) and twice as many jobs as the average English region.
- An incredibly diverse aerospace and unique space offer across the region.
- The UK's leading Marine Cluster, extending from Cornwall to the Solent.

A significant amount of work is currently in progress to take these developing propositions forward, including potentially a multi-LEP South West partnership with Innovate UK, which would be only the second place-based partnership with the Government's innovation investment agency in the UK.

Our developing propositions will be discussed and explored in detail at the Growth Summit. However, they can be summarised as follows:



***The 'Conditions for Growth'
needed to enable commercial opportunities***

Infrastructure

- Transport: *road, rail, air and sea*
- Digital and Mobile Connectivity: *enablement and digital skills*
- Environmental resilience
- Energy distribution and storage

Skills

- STEM focus
- Employer demand
- An active labour market

NEXT STEPS:

- Finalise propositions and brand after feedback at the Summit – *if* there is sufficient support.
- Take these to Government, with a particular focus on how economic growth in the South West benefits the UK.
- Agree future ways of working as the South West, on cross-LEP agendas.