

Impact Report 2018-19



heart of the
south west

local enterprise partnership

Analysis of the impact of the LEP from 2014

*with thanks to
Adriana Curca, Plymouth City Council
James Gilgrist, Somerset County Council*

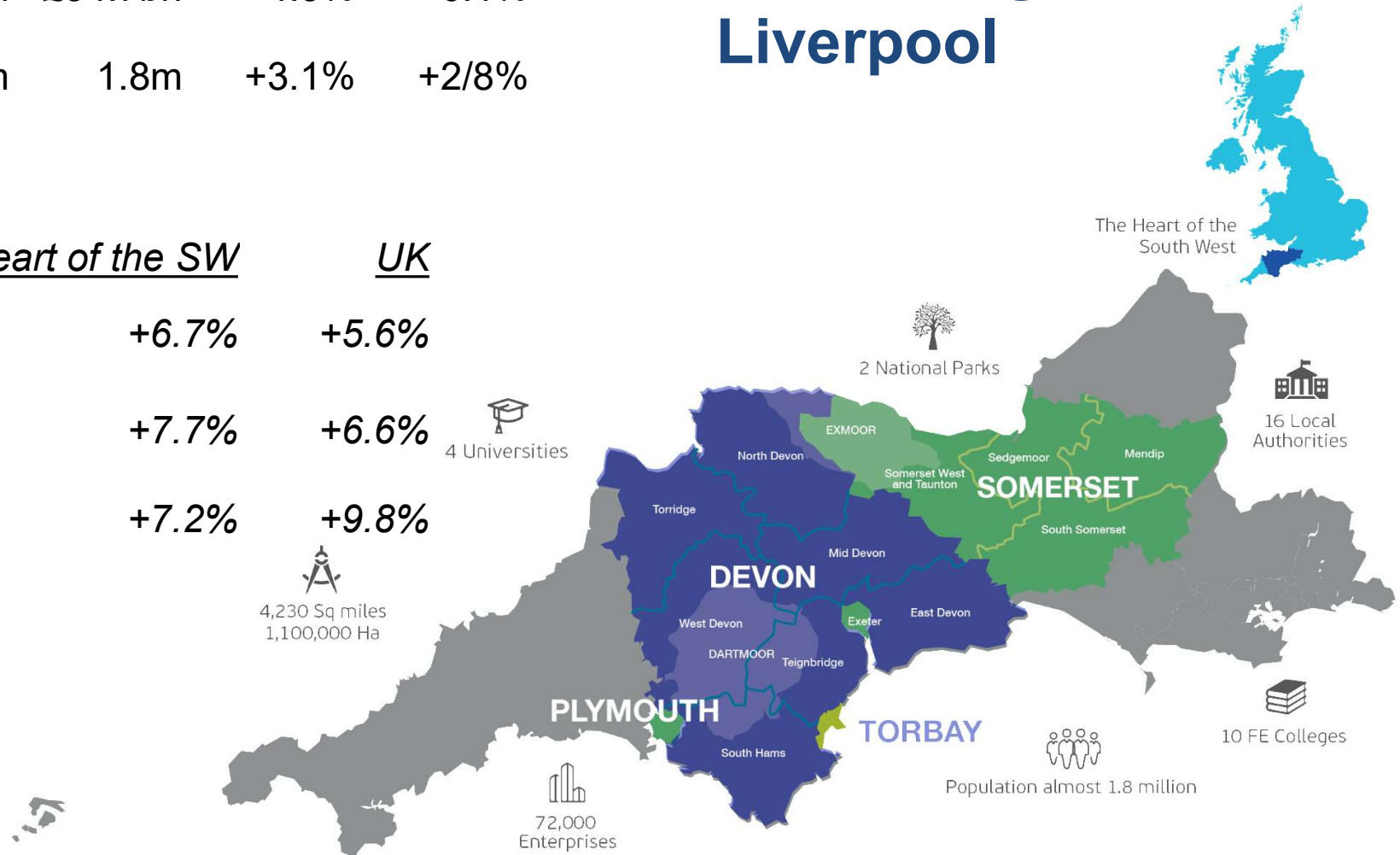
An area rich in potential...

£35 billion economy – as big as Birmingham or Liverpool

	<u>2014</u>	<u>Now</u>	<u>Change</u>	<u>UK</u>
Economy Real GVA 2015 prices	£33.3bn	£34.7bn	+4.3%	+6.1%
Population	1.7m	1.8m	+3.1%	+2/8%

Change since 2014

	<u>Heart of the SW</u>	<u>UK</u>
Employment Jobs full time equivalent	+6.7%	+5.6%
Productivity Nominal GVA per hour worked	+7.7%	+6.6%
Wages Average earnings per week	+7.2%	+9.8%



...progress, but more to do

2014 Strategic Economic Plan Objectives

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

Building on our distinctiveness



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

Maximising productivity & employment opportunities



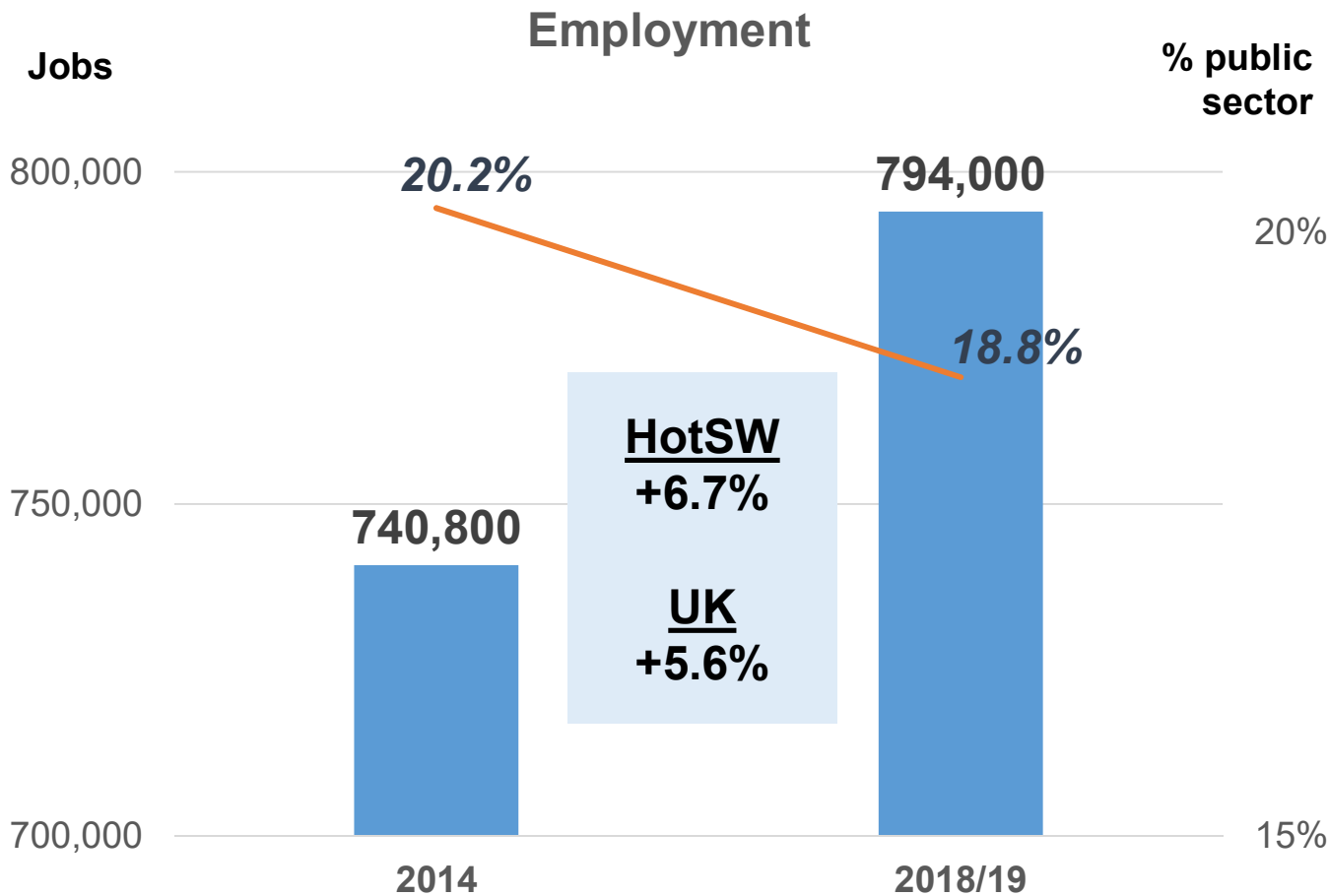
- By 2030 reduce rail journey times from Plymouth to London by 40*minutes
- By 2020, 100% of the population able to connect to Superfast Broadband
- By 2020, 60%* of adult population qualified to L3 or above and 40*to Level 4 or above
- By 2030, deliver 170,000 new homes

Creating the Conditions for growth





Jobs: by 2020 create an extra 50,000 jobs



- ✓ Jobs growth +53,200
- ✓ Private sector employment

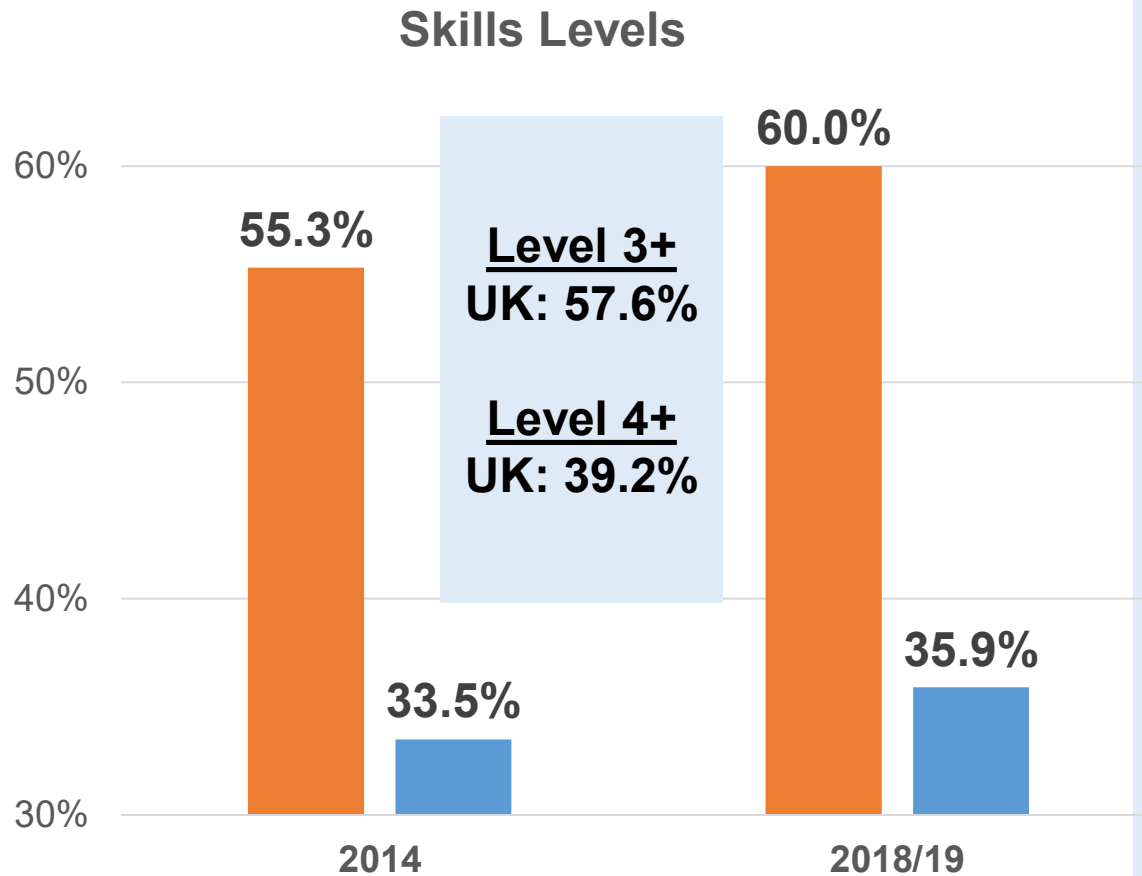
LEP Programme Contribution

- 2014-19: LEP investments supported 2,906 jobs and 1,588 apprenticeships
- 22,504 jobs by 2025
- European funded projects: 991 jobs by 2023

Future challenge: skills investment - changing economy & ageing population could exacerbate labour & skills shortages



Knowledge: by 2020 60% of adults qualified to Level 3+, 40% to Level 4+



- ✓ Level 3 above UK average
- More to do on higher level skills

LEP Programme Contribution

- 2014-19: LEP's investments have trained 12,134 people
- 55,381 people trained by 2025
- European funded projects: by 2023
 - 163 enterprises to introduce new-to-market product
 - 186 enterprises to cooperate with research institutions

Future challenge: growth of high level & digital skills

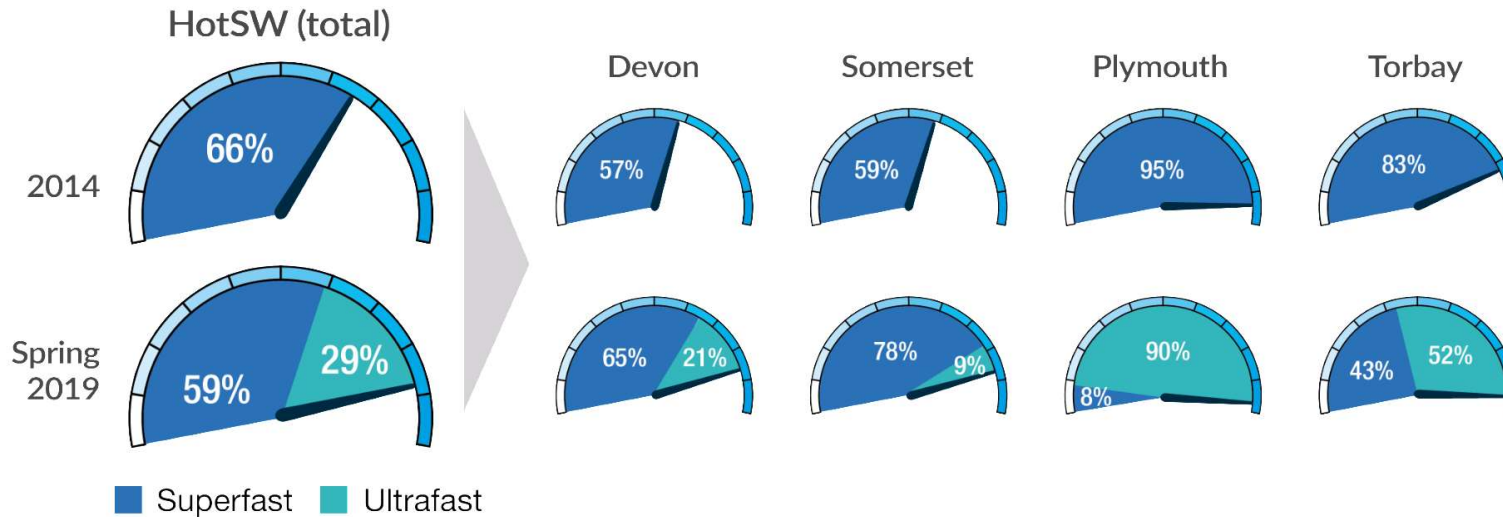


Broadband

By 2020 100% superfast broadband (>24Mbps)



Broadband Speed Improvements*



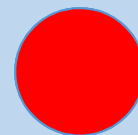
Superfast: ≥ 30 to < 300 Mbps
 Ultrafast ≥ 300 Mbps

* Based on number of premises connected. Source: Ofcom Connected Nations Report, Spring 2019

LEP Programme Contribution

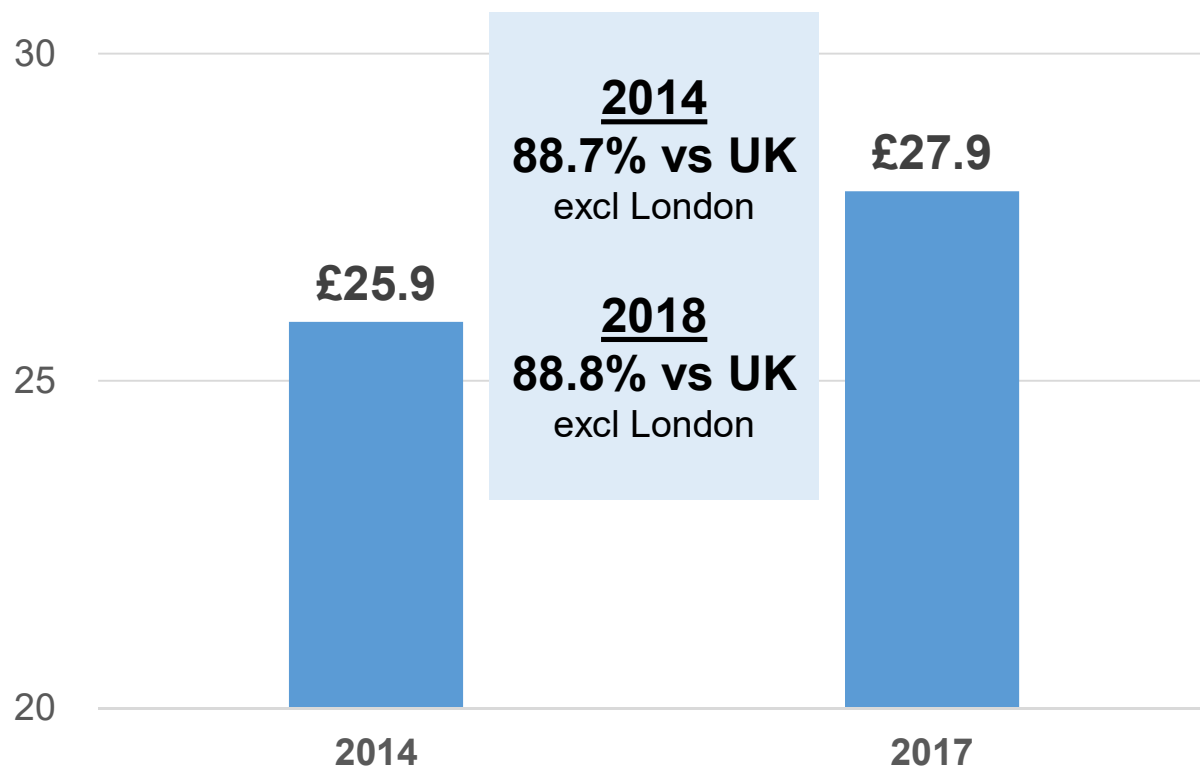
- 2014-19: £16.2m in digital infrastructure + £3.6m European funds in utilisation
- Digital Skills Partnership: drawing down national support
- 4,738 businesses connected by 2021
- 25,000 businesses connected by 2025
- European funded projects: 2,230 businesses connected by 2023

**Major challenges:
 fibre to the
 premises,
 utilisation & digital
 skills**



Productivity: by 2030, close productivity gap with national average

Productivity - output per hour worked

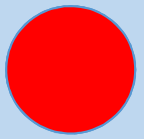


- ✓ +7.7% vs 6.6% UK
- Growth, but gap remains

LEP Programme Contribution

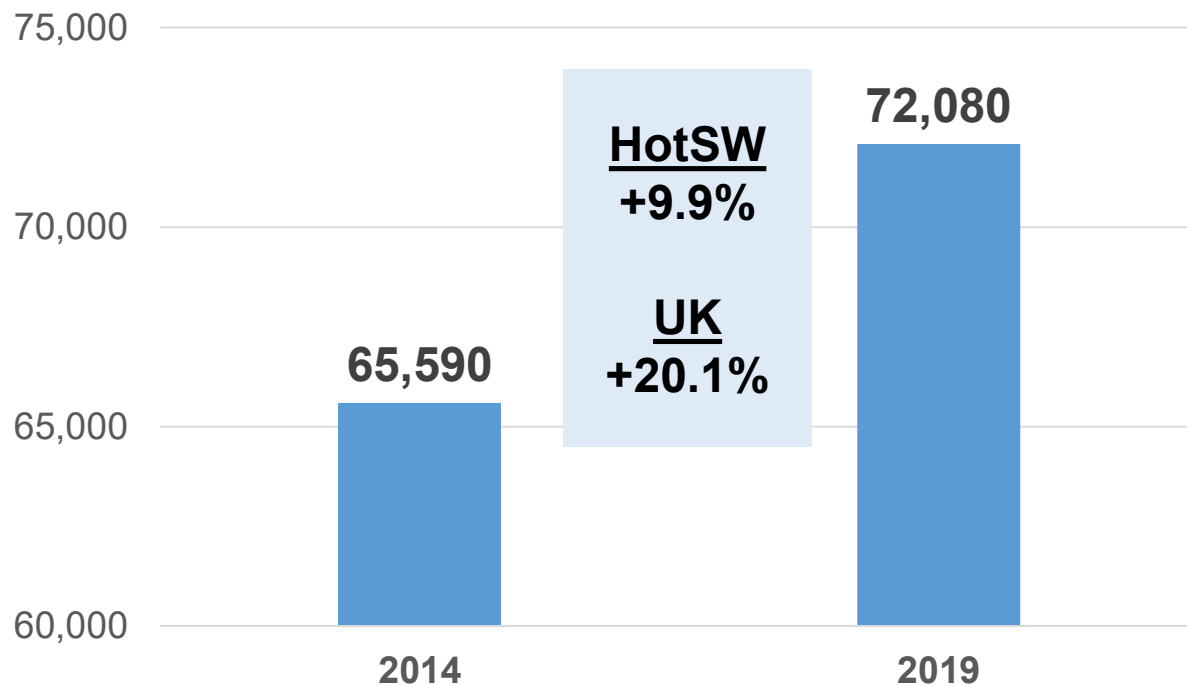
- Invested in key drivers of productivity:
 - Local opportunities (nuclear, marine, aerospace, photonics, big data etc.)
 - Infrastructure (transport and broadband)
 - Skills
 - Business support (incl. exporting)
 - Innovation

Major challenge: increased focus through Local Industrial Strategy



Businesses: by 2020, be one of the best places to start and grow a business

Number of Enterprises



X Business growth behind UK average

LEP Programme Contribution

- 2014-19: 8,386 businesses supported
- To 2021: 39,325 businesses supported
- European funded projects: by 2023
 - 845 entrepreneurs assisted to be enterprise-ready
 - 628 new enterprises supported

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



Housing: by 2030, deliver 170,000 new homes



Net Progress

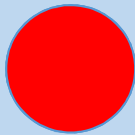
+25,530 permanent new dwellings completed between 2014 and 2018

➤ **Housing growth positive though more to do**

LEP Programme Contribution

- *2014-19: 4,432 houses completed*
- *To 2025: 16,815 houses completed*

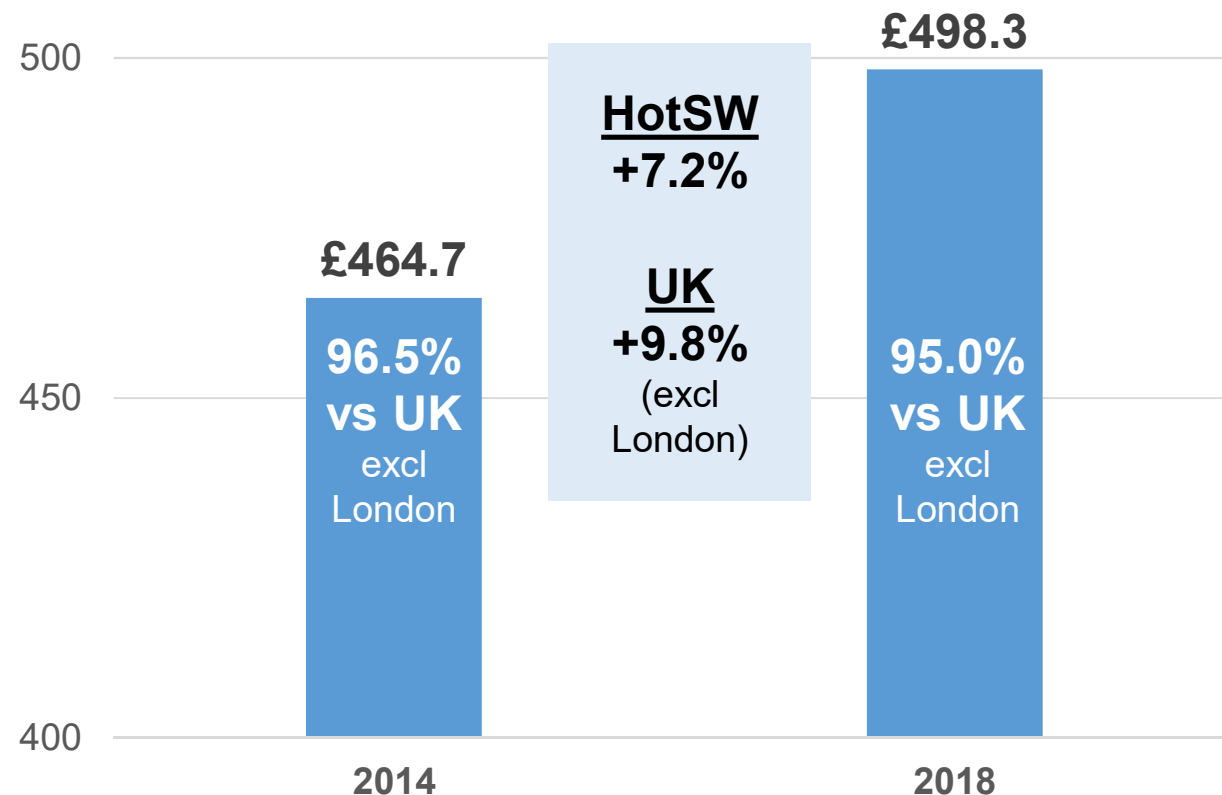
Future challenges: continuing to unblock development, realise the potential of new communities, e.g. garden villages



Wages

By 2030, increase wages to match national average

Weekly Pay



X Growth but gap is widening

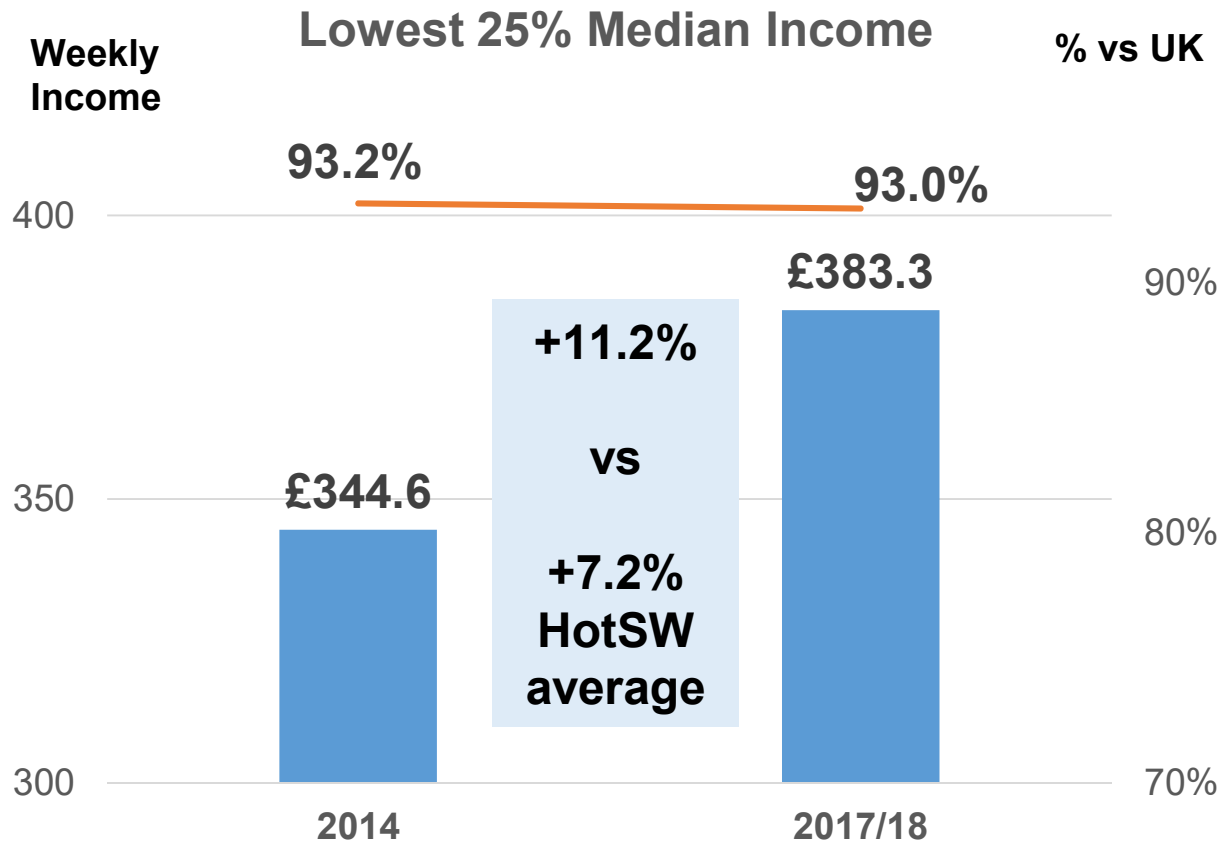
Wage gap a combination of

- Productivity gap
- Type of work
 - public sector employment remains higher than nationally (lower wage growth)
 - lower proportion in higher productivity sectors
 - higher proportion of part time work

Future challenges: increase opportunities for better paid jobs



Inclusive Growth



- ✓ Lower paid wage growth has been better than average wage growth
- Growth but slight widening of gap vs UK

Key focus of the Local Industrial Strategy and this conference

In Summary

Positive

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

Future Focus

Clean Growth which

1. Raises productivity

- Business start-ups
- Innovation
- Connectivity
 - Broadband to premises
 - Broadband utilisation
 - Transport

2. Raises prosperity

- Creating and accessing better paid jobs



heart of the
south west

local enterprise partnership

