heart of the south west
local enterprise partnership

Quarterly Business Bulletin

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Coping with Covid-19 - Executive Summary

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HotSW LEP Chief Executive

Looking back at the last Bulletin, published early in the new year, underlines just how seismic the last few weeks have been. At that time reflections centred around the new Government, the pending Budget and resolution of the Brexit uncertainty. I wrote that "a period of political stability is to be welcomed" – a classic case of being careful what you wish for!

You may have read my more regular updates over the last few weeks on the LEP's news pages, so this Bulletin provides an opportunity to step back and reflect on the wider picture.

The impact of Covid on Heart of the South West has been profound. The essential truth is that overall number of cases is one of the lowest in the country but the economic impact is amongst the most severe of all places. This is a result of mix of businesses in our area.

Some sectors have been especially hard hit, with tourism and hospitality facing a period of extended uncertainty just as the peak time of the year would normally be starting. Social distancing either means being unable to operate at all or running at such a reduced capacity that the business is unviable. In turn this means that our places which are heavily reliant on these more vulnerable sectors, especially coastal and rural areas, face a longer period of recovery. Data is just starting to come through but there has been a significant reduction in the number of vacancies and the aerospace sector has announced large scale redundancies given the reduced demand expected in the next few years.

Our universities face significant challenges with the drop off in students from overseas and the crisis is putting a severe strain on the finances of local authorities. With both the universities and local authorities being key drivers of the local economy, this will further deepen the impact and lengthen the recovery time.

Concern is mounting on the longer term impact on key groups, especially younger workers; 40% of jobs performed by 16-19 year olds are at risk with 20-24 year olds next most vulnerable group; experience from the last recession shows that disengagement at this age can lead to long-term economic consequences for this group.

Against this, many businesses have found inspirational ways to adapt, some have even thrived, and we have highlighted some of these on our website over the last few weeks. Many others have faced enormous challenges and we of course welcome the extensive range of support that has been made available. The LEP's Growth Hub has been a key channel to direct businesses to the help available and we have been working hard with local partners to identify and feed back to Government the impact of and gaps in that support. Its evolution through the crisis has shown that Government is listening and we will continue to push for more over the coming weeks.

Nationally, the trajectory of the recovery is highly uncertain; the Bank of England has presented a "scenario", rather than a forecast, of an extremely sharp but relatively swift V-shaped downturn and recovery. However, there is much uncertainty about the pace of that recovery - the capacity of the economy and businesses to rebound having been

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artificially switched off against things like the impact of a prolonged or repeat surge in cases, international discord as countries and supply chains adjust and so on. Whatever the eventual shape, there is a high degree of certainty that the short and even medium-term impact on our businesses and people will be significant.

The situation continues to be fast-moving, data and intelligence change daily, and this bulletin is therefore shorter than would normally be the case. It offers a snapshot, and only that, of the current situation and many partners and people are working incredibly hard to mitigate the impact as best they can.

I would like to offer heartfelt thanks from the LEP to all the keyworkers who have helped keep things moving in the last few weeks and have cared for those who have suffered. I would also like to thank our partner organisations who have helped us bring this bulletin together and who represent over 25,000 businesses across our patch.

I strongly believe that carefully considering what post-C-19 future we want to build is an increasingly urgent task and we offer some thoughts on this in the Bulletin.

It will be hard work but the investment and business decisions we are all making now will shape the next few years and present us with a unique opportunity to build a better future.

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Heart of the South West – a snapshot as of mid-May 2020

The COVID-19 (C-19) crisis has moved extremely fast and the usual sources of data and analysis are rapidly outdated. The below offers a snapshot, and only that, of the local situation in mid-May.

Whilst infection rates in Heart of the South West have been relatively low, the economic impact has been stark, with the initial shock of the Flybe closure quickly followed by a range of challenges across the wider economy.

The immediate impact is expected to be around a 35% loss of output in the Heart of the SW economy but focussed disproportionately on coastal and rural areas where there is highest reliance on the hardest hit sectors;

7 of the 12 local authority areas in Heart of the SW could see a higher decrease than this.[1] In the short term the impact on employment has been substantially mitigated by interventions such as the Coronavirus Job Retention Scheme (furloughing), the Coronavirus Business Interruption Loan Scheme etc, with clear implications for the next few months as these are projected to end. Vacancies in the area have halved. The following is the status at the time of writing:

1. Following a very high rush, the pace of enquiries through the banks has steadied and backlogs are being cleared. In the short term many of our businesses have been getting much needed support (though issues remain especially - see tourism & hospitality below) but beyond that, e.g. through a second wave, more is going to be needed. The overall sense of urgency easing up is mirrored by the Growth Hub which is seeing a rise in non-COVID related enquiries
2. At the time of writing, Government figures show that some 75% of the available £540m of emergency business grant administered through the 14 Unitary and District Councils has been distributed and there is strong focus on distributing the remainder as quickly as possible.

[1] https://www.thersa.org/discover/publications-and-articles/reports/local-areas-coronavirus-employment

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3. Regional detail on the C-19 Business Loan Interruption Scheme (CBILS) is not available but details can be found at https://www.ukfinance.org.uk/lenders-provide-over-%C2%A34-billion-smes-through-covid-19-loan-scheme
4. Key issues remain:
   - **Frustrations persist with some businesses saying that they still cannot get the funding solution they want and many firms are increasingly unwilling to take on debt where there is so much uncertainty about recovery;**
   - **Gaps in grants and support have been plugged over the weeks but there remain exceptions; additional flexibilities introduced to Government's business rates relief scheme have helped but local discretion will continue to be important to ensure local needs are met;**
   - **Company directors falling outside of PAYE are exposed, risking businesses failing due to the personal finances of the directors rather than the businesses;**

- **85% of the manufacturing sector are seeing a reduction, worse than the 2008 crash. Profits decreasing and future predictions worse. Likely that employment will take a significant hit;**
- **More third-sector organisations now emerging for support, e.g. charities cannot access the business grants if they don't have premises as they are not eligible but they still have the costs.**

5. The tourism and hospitality sectors are especially vulnerable as are the places most reliant on them:
   - **Social distancing means the sector is likely to be one of the last to get back to normal and it is possible the key summer season will be lost with businesses having to survive until Christmas/Easter;**
   - **The sector estimates that operating with social distancing measures mean the sector could operate at only 30% capacity making it unviable to open;**
   - **As talk turns increasingly to re-opening there is concern from residents on the potential impact of a rise in visitor numbers.**
6. Local initiatives such as Call for Fish are supporting fishing though this key sector is still facing challenges and the LEP is urging the Marine Management Organisation to engage with the harbour authorities and auctions in addition to large-scale stakeholders. Longer term, upgrade of the fleet and landing facilities is needed.
7. The agriculture sector is still awaiting the detail of criteria for the dairy hardship fund, amongst concern this won't be relevant to all those who have seen significant impact from C-19 events.
8. The current reading of the Agriculture Bill must result in a system which protects the existing high standards. Family farms in the area are even more vulnerable as direct support starts to diminish with the Environmental Land Management scheme still some way off, and it appears, far from accessible to most family farms. Uncertainty around a Brexit no deal also still remains which threatens resilience.
9. Early data is just coming through on jobs (see National Picture below). At the regional level, every area has experienced an increase in claimant counts[2] from March to April, however the South West has seen the biggest % (i.e. not absolute) increase, with claims rising by 94% vs 69% nationally. This equates to an increase from 75,800 claimants in March to 146,600 in April.
   - **At the HotSW LEP area, claimants rose by 98.8%, from 24,425 to 48,560. Though note the claimant count rate here is typically lower than the national average and remains so.**
   - **The claimant count rate rose from 2.4% to 4.7% between early March and early April.**

Date	Heart of the South West	Heart of the South West %	South West %	Great Britain %
March 2020	24,425	2.4	2.2	3.1
April 2020	48,560	4.7	4.3	5.1

Source: ONS claimant count by sex and age

[2] ONS: claims for JSA as well as those claimants falling under the 'searching for work' conditionality of Universal Credit

10. Businesses are trying to work out how to re-open with social distancing. This will be a very gradual process though early indications are that a relatively high proportion of businesses are returning to full or partial activity. Fully re-opening will take a matter of months.

   - **It is highly likely to involve additional costs and reduced revenues – support to enable businesses to operate significantly below capacity will be key.**
   - **It involves intense consultation with unions and staff safety representatives, investment in PPE and supply chain planning, opening on a trial basis.**
   - **Businesses and business owners will want to ensure liability is clear in the event of any subsequent C-19 outbreak and clear guidance on things like PPE is essential.**

11. Feedback on the Bounce Back scheme has been positive with quick payment of cash to businesses. Extension to the furlough scheme is welcome but:

   - **detail on prospective costs to business from August is needed;**
   - **to fit redundancy timings, Government should commit to giving at least 45 days' notice of withdrawing or changing support under the scheme and a flexible approach is needed to enable businesses to bring back staff as needed over the next few months.**

Businesses are trying to work out how to re-open with social distancing.

The National Picture

Many of the usual sources of sentiment and data included in this section are tracking behind the events of the C-19 crisis. A summary of the key available information is below and the picture is one of a very severe downturn in Q2, followed by a recovery which, following the removal of government public health restrictions, at least at first is considered to be quick though the longer term trajectory is uncertain. Unemployment is anticipated to get close to 10% in 2020, with GDP losses as much as 14% for the year. However, there remains enormous uncertainty about the shape and pace of the recovery which will be dependent on things like:

- **The spread of the virus, locally and internationally;**
- **The sequencing, or timeline for lifting restrictions on movements and social distancing;**
- **The interventions made by Govts (incl. us) both in terms of response and recovery;**
- **The potential reshaping of local and international supply chains.**

The reality is that we are in a period of unprecedented uncertainty and can only really rely on the best guesses of experts like the Bank of England, OBR, OECD and others, who themselves are at pains to stress the challenges.

The picture is of an extremely severe downturn in Q2 followed by a recovery which, following the removal of government restrictions, at least at first is considered to be quick - the longer term trajectory is very uncertain.

Office of National Statistics – GDP Estimates for Q1, 2020

https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpfirstquarterlyestimateuk/januarytomarch2020

On 13th May the ONS released GDP estimates for Q1 (Jan-March) 2020. Bearing in mind the lockdown measures had only just come into place at the end of March, the estimates suggest:

- **UK gross domestic product (GDP) in volume terms had fallen by 2.0%, the largest fall since Quarter 4 (Oct to Dec) 2008;**
- **When compared with the same quarter a year ago, UK GDP decreased by 1.6% in Quarter 1 2020; the biggest fall since Quarter 4 2009, when it also fell by 1.6%.**

Whilst in definitional terms one quarter of negative growth is not a recession (needs to be two consecutive quarters), in real terms we know we are in a recession, and that the impact on GDP is going to be far more significant from here on out.

As a side note, the ONS have stressed limitations with this data given current impediments to normal national accounting methodologies due to lockdown conditions (e.g. difficulties contacting businesses or carrying out face-to-face surveys). This is an issue facing lots of National Statistical Institutes and something the ONS is working to remedy.

The ONS is also engaging in the use of 'experimental statistics', defined as a 'series of statistics that are in the testing phase and yet to be fully developed', in order to produce faster societal and business indicators on the C-19 pandemic. https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/conditionsanddiseases

This has consisted primarily of two main surveys:

1. The Opinions and Lifestyle Survey (OPN). From the 9-20th April, 84% of adults saying they continue to 'strongly support' the lockdown measures.

   Of all employed adults, 30% had neither worked from home nor travelled to work; the reason for this is not known but could be because of the person being on leave, sick leave, furloughed or being off-shift during the reference seven days.

2. Business Impact of Coronavirus Survey (BICS) The 7th May release of the BICS survey covering the two-week period from 6th April to the 19th April (6114 respondents) reported headline figures concerning:

   - **The main sectors that reported temporarily closing or pausing trading were the accommodation and food service activities sector (81%) and the arts, entertainment and recreation sector (80%).**
   - **Of the 4,690 businesses continuing to trade, 58% reported that their turnover had decreased, while 30% reported that their financial performance had not been affected.**
   - **Of businesses continuing to trade, 19% of the workforce had been furloughed in the period 6th April to 19th April 2020.**

Labour Market Overview, UK: ONS May 2020

https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/may2020

The Labour Force Survey estimates outlined here are based on interviews from the start of January to the end of March so only those from the final week of March relate to start of the lockdown measures but the information gives an early insight to the impact.

- **Whilst the employment rate for this period was a joint-record high of 76.6% with employment in the last week of March broadly consistent with other weeks in the quarter, there was a significant increase in employed workers temporarily away from work.**
- **Total weekly hours worked (people aged 16 and over) showed its largest annual decrease in 10 years, dropping by 1.2% from the last release.**
- **Experimental estimates suggest this fall was mostly caused by the decrease in hours from the last week of March, with total number of hours worked in this final week 25% fewer than in other weeks in the quarter.**
- **Government's support measures such as the CJRS have insulated the headline job figures, with unemployment rising by 0.1% on the previous quarter, with the overall economic inactivity rate at a joint record low of 20.2%.**
- **Job postings data highlights the underlying conditions of the labour market however, with 170,000 fewer vacancies from February to April than the previous quarter, and 210,000 fewer than a year earlier, showing a slump in demand for labour.**
- **Experimental claimant count data, which covers claims for JSA as well as those claimants falling under the 'searching for work' conditionality of UC, show a 69.1% increase in the number of claims between March and April, taking the level to over 2 million.**

Bank of England Monetary Policy Report and Interim Financial Stability Report - May 2020 https://www.bankofengland.co.uk/report/2020/monetary-policy-report-financial-stability-report-may-2020

C-19 and the measures to contain its spread are dramatically reducing jobs and incomes in the UK. They have also put a big strain on UK businesses' cash flow.

While there are wide bands of uncertainty around any estimates of activity at the present time, UK GDP is expected to be close to 30% lower in 2020 Q2 than it was at the end of 2019. UK GDP is expected to have fallen by around 3% in 2020 Q1 and then to fall by a further 25% in Q2. Unemployment expected to rise to 9% in Q2.

Spending by consumers has also fallen sharply, with payment data pointing to a reduction in levels of household consumption by around 30%.

The BoE is injecting a further £200bn into the economy through quantitative easing, as well as supporting £190bn of bank lending to businesses.

In regard to specific sectors, manufacturing was generally weak, in particular for contracts supplying the automotive, aerospace and house building sectors. Similarly, construction output also fell sharply, as house building activity largely stopped. Other commercial and civil engineering projects were reported to be operating at around half normal levels. For recovery, longer term reduced face to face contact will impact some sectors more significantly than others and the Bank has mapped this out in the latest report (extract overleaf).

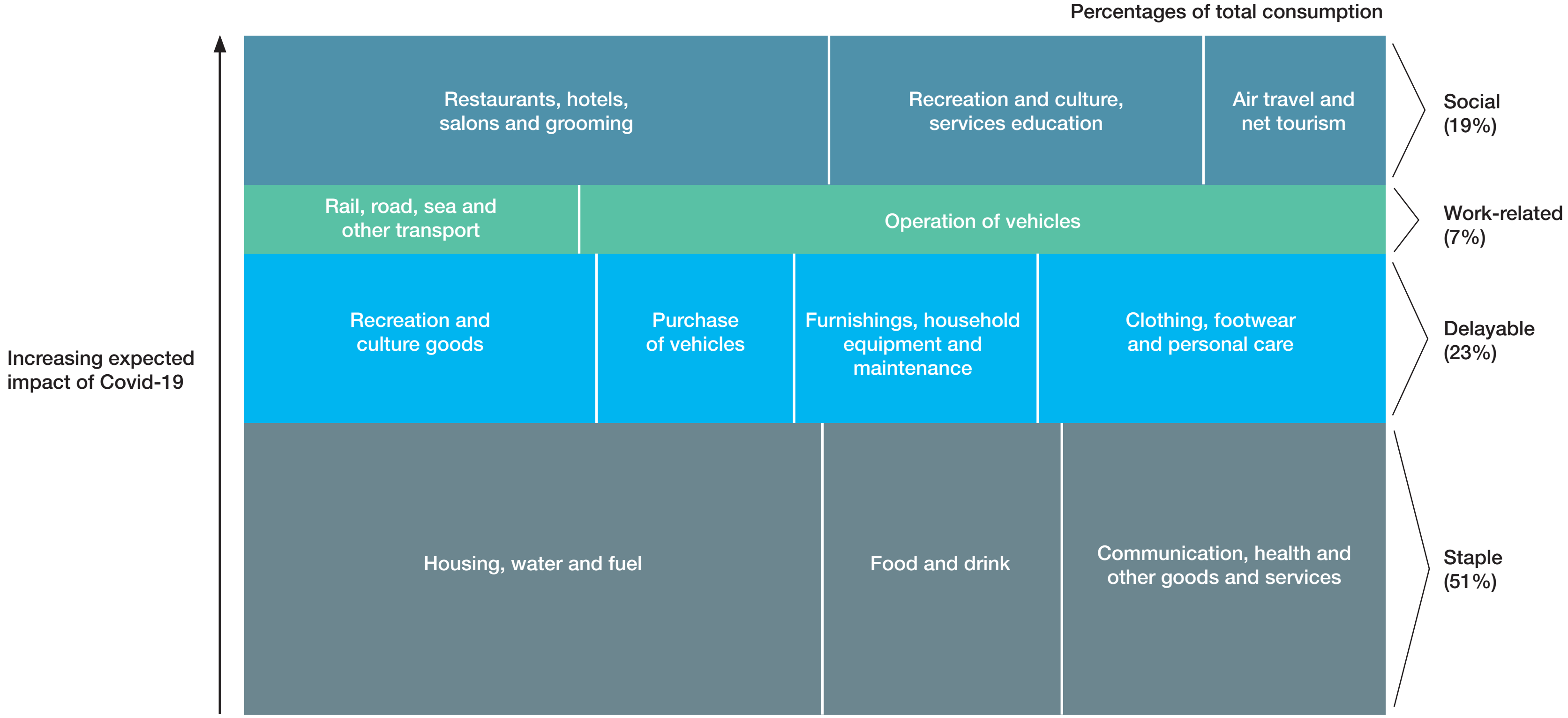
Bank of England Agents Summary of Business Conditions (26th March) https://www.bankofengland.co.uk/agents-summary/2020/2020-q1

The BoE in their 'Agents summary of business conditions', published early in the pandemic on the 26th March 2020, stated that C-19 had caused a sudden and rapid decline in economic activity, described by many agency contacts as worse than the 2008 financial crisis. 81% of businesses reported that C-19 was one of the top three sources of uncertainty to the Bank of England (BoE) in March.

- **The most immediate impact of reduced consumer demand has been in the travel, leisure and hospitality sectors.**
- **Manufacturing output has weakened considerably due to supply-chain disruption, declining demand and measures to avoid contagion. Similarly, the construction sector is anticipated to witness a slowdown.**
- **Widespread reports of cashflow issues with credit availability tightening despite demand increasing, particularly in retail, travel, hospitality and car dealerships. In addition, investment has slowed down with companies favouring the retention of cash buffers.**
- **The cutting of hours/asking staff to take unpaid leave has been reported in a range of sectors, with recruitment plans largely on hold, particularly in the non-food retail, restaurant and hospitality sectors.**

Spending on goods and services that involve social contact will be the most affected by the pandemic

Share of annual UK household consumption in 2019



Sources: ONS and Bank calculations.

Office for Budget Responsibility Reference Scenario (14th April)

https://obr.uk/coronavirus-analysis/

On the 14th April the OBR published a 'reference scenario' premised on a three-month lockdown followed by another three-month period where lockdown restrictions are partially lifted. Some of the key headline results arising from these assumptions include:

- **Real GDP falls 35% in the second quarter but bounces back quickly, and falling by 13.7% in total in 2020.**
- **Unemployment rises by more than 2 million to 10% in the second quarter, but declines more slowly than GDP covers.**
- **Public sector net borrowing increases by £218 billion in 2020-1 to reach 14% of GDP, before falling back close to forecast in the medium term. This would be the largest single-year deficit since WWII.**

The table illustrates the projected impact on GDP across the various sectors. The overall loss of 35% to GDP for the quarter is calculated by averaging the projected losses across all sectors, weighted according to the size of each sector in the national economy. Using the OBR's assumptions, the Centre for Progressive Policy produced local authority level projections, suggesting the South West is likely to see a bigger average impact than that seen nationally in Q2 (37%).

The South West is likely to see a bigger average impact than that seen nationally in Q2.

Output losses by sector in the second quarter of 2020

Sector	Per cent Weight in whole economy Value added	 Effect on output relative to baseline
Agriculture	0.7	0
Mining, energy and water supply	3.4	-20
Manufacturing	10.2	-55
Construction	6.1	-70
Wholesale, retail and motor trades	10.5	-50
Transport and storage	4.2	-35
Accommodation and food services	2.8	-85
Information and communication	6.6	-45
Financial and insurance services	7.2	-5
Real estate	14.0	-20
Professional, scientific and technical activities	7.6	-40
Administrative and support activities	5.1	-40
Public administration and defence	4.9	-20
Education	5.8	-90
Human health and social activities	7.5	50
Other services	3.5	-60
Whole economy	100.0	-35

Organisation for Economic Co-operation and Development (14th April): http://www.oecd.org/coronavirus/policy-responses/evaluating-the-initial-impact-of-covid-19-containment-measures-on-economic-activity-b1f6b68b/

In the OECD's report published on the 14th April, the OECD projected:

- Decline in output of a fifth to a quarter in most economies, with consumer expenditure falling by a third.
- Global GDP growth could fall between 4-6 percentage points lower than anticipated during a 3-month lockdown period.
- Within the G7, the majority of the impact on output comes from the hit to output in retail and wholesale trade, as well as professional and real estate services (although this latter sector has been less affected in the UK due to WFH capability).

NatWest/IHS Markit Purchasing Managers' Index update, as at 11th May https://www.markiteconomics.com/Public/Home/PressRelease/2fb3838576734117abb943b389cde0f7

- Record decreases in business activity seen across all UK regions in April 2020, with the survey revealing record contractions in output and employment across all areas of the UK.
- The steepest decreases in output for goods and services were experienced in Northern Ireland, the North East, Scotland, and the West Midlands; at the other end of the scale, the slowest fall in business activity was seen in the North West, albeit with the rate of decline still considerably faster than even at the depths of the global financial crisis.
- All 12 UK regions saw a survey-record decline in incoming new work amid reports of client closures and a collapse in both domestic and international demand. The South West region saw the steepest drop in demand in April, after Northern Ireland. This has resulted in backlogs of work falling at a rate unmatched since data were first compiled – the North East, Northern Ireland, and the South West saw the steepest declines again, whilst the South East saw the slowest rate in backlog depletion.
- Firms across all regions reported decreases in employment, with the fastest rate of decline seen in North East.
- For the first time since the aftermath of the global financial crisis, a decrease in average prices charged for goods and services was seen in April across all 12 regions. The greatest amount of discounting by businesses was seen in Scotland and the South West, with the same two areas seeing the steepest decrease in underlying input costs.
- Business confidence towards future output varied greatly by region in April. Sentiment was positive in 8 of the 12 regions, with optimism improving in the five highest ranking regions, namely Wales, East of England, West Midlands, South West and the South East. Expectations were negative in Scotland, London, North East, and Northern Ireland, falling to new record lows in the case of the latter two.

Towards the Future

'Many short-term emergency measures will become a fixture of life. That is the nature of emergencies. They fast-forward historical processes.'[3] *(Yuval Noah Harari, author of Sapiens: a brief history of humankind, Homo Deus and 21 Lessons for the 21st Century)*

There is much debate and uncertainty on what the future holds. In this section we offer some reflections on what evidence is pointing to and outline a vision for the area for the future. In the coming weeks and months the LEP will be working with partners to develop this further as we build the recovery plan for the Heart of the South West.

At a macro scale, the pace of recovery is uncertain. Whilst the Bank of England has put forward a scenario of a very sharp downturn, followed by a relatively swift recovery, it is emphasised that this is a scenario rather than a forecast. Plenty of other opinions abound with, as yet, little overall consensus; Kristalina Georgieva has suggested that the IMF's forecasts may be too optimistic; it's notable that they foresee the UK being the least affected major European nation with a 6% contraction. Adair Turner has described the OBR's projection of a 13% contraction in GDP this year as 'a best case scenario', because it envisages a rapid recovery in 2021. To a large extent the halting of the economy has been artificial so some element of 'bounce back' would be logical but as noted in the last Bulletin, pre-Covid growth rates and sentiment were not strong.

It also seems highly likely that the recovery will be stop/start in nature and that different places and sectors will recover sooner than others – with aviation, tourism and hospitality being perhaps amongst the last sectors to fully recover.

Experience from the last recessions shows that areas of lower prosperity are likely to be harder hit and recover slower and that invariably means places like coastal and rural communities and there are growing concerns over the longer term impact on younger workers and those just entering employment.[4]

Government spending (and debt) will continue to grow to restart economies though this could bring inflationary pressure. Pre-Covid global challenges have not gone away and there may well be pressure to focus the same level of resources as have been directed at C-19 onto major issues like climate change.

Indeed, the demand for 'clean' or 'green' growth as a central part of any recovery is growing, for example the World Bank's call for a green stimulus framework.[5]

Experience from the last recessions shows that areas of lower prosperity are likely to be harder hit and recover slower

The Budget, only two months ago, outlined a range of priorities for the Government including closing the gap on R&D with other countries, levelling up and developing a greener economy so a framework for recovery investment exists.

[3] https://www.ft.com/content/19d90308-6858-11ea-a3c9-1fe6fedcca75
[4] https://www.thersa.org/discover/publications-and-articles/reports/local-areas-coronavirus-employment
[5] https://blogs.worldbank.org/climatechange/thinking-ahead-sustainable-recovery-covid-19-coronavirus

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Lower interest rates may make higher borrowing more sustainable than in the past and whilst the level of indebtedness will always be newsworthy, equal if not more attention needs to be given to recovering the lost productive capacity in the economy.

Some forms of business investment – especially marketing & training – can be expected to be lower in the short term, though there will be some areas of investment and in general there is finance available. Potential opportunities include:

- some possibility of re-shoring supply chains or diversifying existing offshore locations which could open up trade and investment opportunities;
- building supply chain resilience, e.g. higher stock levels, or potential re-shoring will be capital and skills intensive for business. Significant advances in robotics and large scale 3D-printing could potentially reduce the cost differential, but the technology required to have a sufficient impact on payroll costs is not yet available;
- many businesses have successfully transitioned to on-line business models, coupled with remote working. It is highly likely a large part of this will continue, with implications for important pre-Covid physical assets such as high streets, offices etc;
- moving on-line, plus harvesting of information through contact tracing means there will be a significant acceleration in the quantity of data being generated. Businesses will increasingly invest to capitalise on this and having the infrastructure to support this will be essential for successful places, e.g. 5G. It will also raise ethical considerations over the use of this data. Successfully combating the virus is highly likely to rely on mass contact tracing as well as a medical approach. In an extreme outcome this has been described as normalising “the deployment of mass surveillance tools in countries that have so far rejected them… a dramatic transition from “over the skin” to “under the skin” surveillance”.[6] Being able to track an individual’s heart rate and body temperature also opens up the potential to track how an individual responds to consumer and other messaging;
- conversely, investment in high streets and business premises may continue to decline and at a faster pace than before;
- innovation still requires interaction and new ways of meeting and developing ideas will emerge, potentially increasing investment in on-line platforms.

The growth in digital working and data will require acceleration in the development of digital skills and in the ability of people and businesses to re-skill as the pace of change accelerates. Institutions will seek to recover income lost through e.g. overseas students, through new channels such as by moving to on-line provision.

In general, whilst it is impossible to predict the future with absolute certainty, a rapid acceleration of pre-Covid trends seems highly likely and as is always the case new opportunities will emerge.

[6] https://www.ft.com/content/19d90308-6858-11ea-a3c9-1fe6fedcca75

A Vision for the future

Even with a high element of uncertainty, a vision for the future in Heart of the South West starts to emerge, one which helps people and businesses adapt and grow in the 'new normal'. Broadly this means a place where:

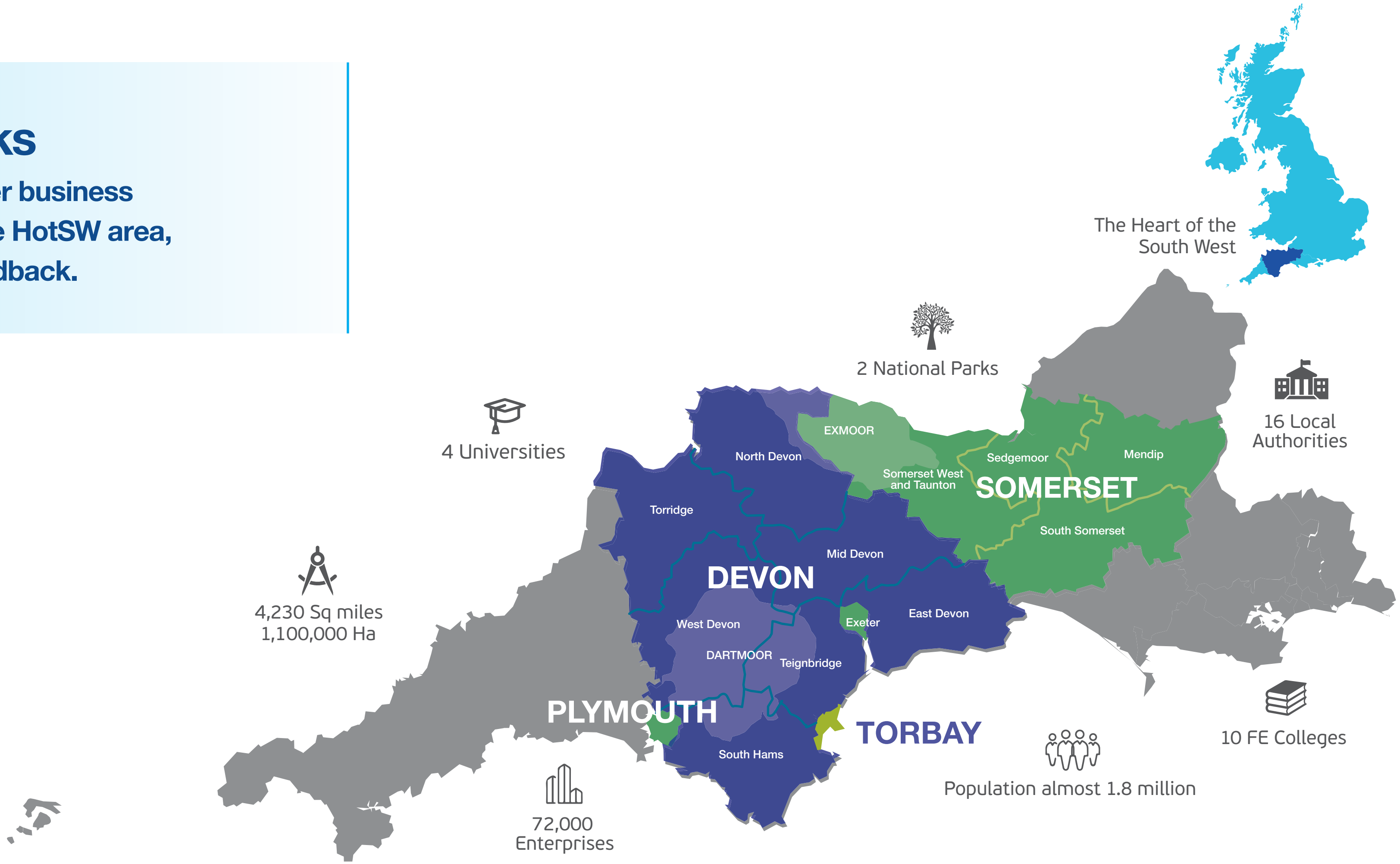
- There is a step change in digital infrastructure, digital usage and digital skills across the area, supporting sectors, businesses and people to make the transition;
- Clean growth and the long term areas of comparative advantage (high tech engineering, clean energy, digital & data) are the basis for developing prosperity and resilience for Heart of the SW;
- Inclusive growth is essential; enabling places and people to both benefit from and contribute to the new kind of growth will be a central tenet of our approach;
- Short term measures to revive sectors which are very hard hit will also enable those sectors to move into the future.

The LEP will be working with partners to develop and refine this in the coming weeks as recovery planning accelerates.

The Heart of the South West

With thanks

again to the wider business community in the HotSW area, for providing feedback.



£35 BILLION ECONOMY
as big as Birmingham or Liverpool