

Heart of the South West Local Enterprise Partnership

LEP Board Paper agenda item 6d

Report title: Business Leadership Group

Date: 6th July 2020

Purpose: This paper is for noting

Link to LIS

Inclusive Growth			Clean growth	
Energy		Engineering		Digital
Ideas/ Innovation	People/Skills	Infrastructure	Bus. Environment	Places

Timing: Summer 2020

Financial Impact: None

Decisions requested: None

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Summary

1.1 Business Leadership Group activity has increased significantly since the lockdown was first announced on 23rd March 2020 in response to the Covid-19 pandemic. This has resulted in realignment of delivery and support within Growth Hub and across the sectors to focus initially on the response to the economic consequences of lockdown and to move increasingly towards recovery as lockdown restrictions are eased.

1.2 A brief update on Growth Hub, Inward Investment and reports from Key Sectors is set out below:

- **Growth Hub** - transferred from Serco to Devon County Council on 25th February 2020. As the impact of Covid-19 started to be felt enquiry levels during March and April ran at 3 – 4 times the normal volume, with staff from DCC providing additional frontline advisory and marketing support. The service switched to triage and direction to the right support, rather than collecting granular data. **Weekly views of the Covid-19 webpages** started at 189 on 7th March, reaching a peak of 2,478 at the end of March at the outset of the lockdown. Since 7th March until 21st June, these pages have been viewed 13,978 times. Views dipped in May, but have returned between 800 and 1,000 per week. The Growth Hub has also continued its partnership with Better Business for All (BBfA) and is hosting the BBfA toolkit, for businesses to re-open safely, on its website.

In the Budget the Chancellor announced a **further £10M of funding** would be made available for Growth Hubs in England. Following a period of intense clarification with BEIS, including a number of funding conditions, we have requested: an additional Advisor post, more one to one support and

business support through Business Representative Organisations, including the FSB and Chamber of Commerce. The remaining funding will target a number of the points raised by BEIS, which include levelling up. We are waiting for a further co-design meeting with BEIS.

The work by Inspire to deliver **Scale-up support** has been extended for a further 12 months, with them continuing to work with the businesses supported last year. In addition they will also be working with new clients during 2020-21. Inspire have also agreed to offer ad-hoc support for businesses to help them increase their resilience and explore opportunities for growth after the Covid-19 pandemic, and will be offering a lighter touch version of their full Scale-up programme. A “refresh” meeting between Inspire and the Growth Hub took place at the beginning of June.

Finally, and subject to ministerial sign-off, which could be in the next few weeks, we have been informed of two potential grant packages of support using European Funding. We will give an update at the meeting.

- **Inward Investment** - The **ERDF Inward Investment Support Project** is on track to be launched in August, a grant scheme support provider has been appointed. They will be preparing all of the necessary paperwork, carrying out the technical appraisals and handling the claims and monitoring process. A communications plan is currently being drawn up and a pipeline of potential applicants is starting to be formed. 2019/20 was the most successful year to date for HotSW with 30 investments by new and existing foreign owned companies. This is going against the national trend. Work is ongoing with DIT to recruit dedicated Great SW International Trade Advisors focusing on marine, clean growth and connecting with the Growth Hubs to help more businesses begin exporting.
- **Marine / Maritime** - The South Coast Marine Cluster, now rebranded as Maritime UK South West (MUKSW) covers Cornwall, Devon, Somerset and Dorset and is a collaboration between three Local Enterprise Partnerships, Local Government, Business and world class marine research institutes. In response to Covid-19, the **Maritime Sector Recovery Plan** was produced and disseminated to public/strategy leads across the SW. Reporting has been led by Maritime UK with intelligence from trade bodies, regional clusters and business survey data. Briefings on the Recovery Plan are being held with central government, but also other tiers of government. There is ongoing work with individual areas on sector recovery planning.

Nationally, the MUK Board is reviewing the possibility of a national **bid for Maritime Support programmes** with CMN. A proposal has been sent to BEIS and DFT to support MUKSW taking lead role on Maritime Innovation, with good support from DFT and MUK so far. MUKSW are also to scope and deliver more funded projects brokering innovation activity for autonomy with regional defence partner.

Following the rebrand, a new website has been launched, print collateral delivered to strategic partners and MUKSW video contracting now for October deadline. MUKSW has partnered with Oceansgate to deliver a program of Marine Tech Webinars and delivered supply chain webinars on tidal energy and floating offshore wind (6th July). Future events include the: Marine Tech Expo (postponed until spring 2021 due to Covid-19) and the Maritime UK Awards in Plymouth in October.

Work related to the **Centres of Excellence** is ongoing: **Offshore renewables** (Total has made an investment, the business plan for the Celtic Sea Cluster will be released in the Autumn and UKSW to lead on supply chain engagement in SW, the Strength in Places bid was also successful and the presentation to Great South West board on progress made and requirement is planned for Summer); **Marine autonomy and geospatial data** (the MUKSW leadership group developed the DIT “High Potential Opportunity”; the announcement of winner now delayed. Smart Sound 5G Growth Deal bid successful) and **Sustainable ocean economy** (the MUKSW Aquaculture network is established. Chair

and Secretariat appointed and an initial strategy and action plan for the group approved by MUKSW board; bids, collateral and exhibitions planned. A meeting planned over summer.)

- **Digital Skills Partnership** - There are a number of collaborations and partnerships: **Coursera** (Skills Leads for Devon and Somerset met with Devon JCP reps to understand the offer. The Local Government Implementation Plan is now being drafted for sharing with wider stakeholders); **Digital Boost** (free digital advice for small business and charities impacted by coronavirus, provided by expert volunteers. The Digital Boost presentation for stakeholders took place on 30th June); **West Country Computing Hub** (DSP are part of Steering Group. Problem exists as NCCE hubs have moved their training online and allocated set courses to each hub, whilst this makes sense for a national delivery program it works against us locally ensuring uptake of the digital CPD offer for teachers as they are unable to share figures on numbers of teachers enrolling from geographical areas or schools across the national picture. We also flagged for the hub to take back to the NCCE team the immediate need for digital CPD in online teaching across the teaching body); **South Devon University Technical College** (first connection made with the Principal. Looking to strengthen their connections with the Tech sector, DSP offered introductions.)

There are a number of emerging market opportunities: **National Retraining Scheme Wave 2** (met with NRS team and provided regional overview of need and potential to support a wave 2 programme); **Bounce Back Digital** (Paper drafted to take to F&R to extend programme into August and September with £10,000 of LEP funds); **5G DCMS Testbed trials** (Call held with Connecting Devon and Somerset team and Economy lead); **Future Skills Centre** (Following collapse of Flybe, DCC purchased the Flybe Training Academy which is likely to be leased to Exeter College. The academy will be split into 4 quadrants with 2 of the quadrants dedicated to 'AI, Robotics and Automation' and 'Adult Skill Retraining Provision'. Opportunity for DSP to work with Exeter College to align skill pathways to skills needs.)

DSP has undertaken the following activity: **Bounce Back Digital** (Live across June and July is a Covid-19 digital skills programme covering; E-commerce, Digital Book-keeping & Payment Gateways, Productivity Tools, Digital Marketing and Cyber Security. 147 business have accessed the courses from June the 8th and there are 293 businesses signed up to future events with the potential for 1000 businesses to engage); **NESTA Career Ed-tech** (project development with Skilllab continues with potentially integrations with South Devon college and Coursera); **Exeter Science Park Digital Tech Webinar delivered** (Remote working culture in digital teams. Planned topics for July include 'Digital platforms for asynchronous business models' and 'Automation'). Work is also ongoing around Recovery Strategies at LEP, Devon Country Council and Exeter City council levels around Digital, Education and Opportunities.

At a Board level, the HotSW Digital Skills Partnership launched June 2018. We are now preparing a press release which will point to **Impact Report** submitted to DCMS. Finally, DSP helped the **Growth Deal £1.2m FE Digital Accelerator** receive Board approval and will help steer project delivery.

- **Nuclear / Aerospace** - The **Nuclear Sector Deal** business case has been submitted to BEIS for the national supply chain programme with a standalone new nuclear element. The latter contains activity valued at £1.9M which if successful will deliver local supply chain support for 4 years. Waiting for confirmation by BEIS who will consider it.

F&R agreed to continuation funding for the **Hinkley Supply Chain Service** for 2021/22 which allowed for the original three year contract to be extended for a further year. The West of England Combined Authority and the Welsh Government have also contributed. An independent impact assessment was undertaken at the end of the original 3 year contract (March 2020). The highlights being as follows: supported *at least* £10.5M gross GVA to date in those businesses where Impact Records have been supplied and contract wins have been indicated. This is equivalent to c£33mn in contract values,

supporting 221 gross jobs in 37 businesses. It is estimated that the supply chain development strand has delivered a gross benefit: cost ratio of circa 7:1 against the public investment. 407 individual suppliers in HotSW have won 514 contracts valued at £308,067,414. Performance to date is provided below, reflecting impact of Covid-19. However, Contracts are still being won and the team have instigated a recovery plan to support continued delivery.

Supply Chain Contract Deliverable	To date	Contract Total for Extension
Enterprises receiving intensive support	4	42
Enterprises receiving information, diagnostic and brokerage	7	83
Job Creations in Supported Enterprises	0	25
Enterprises supported achieving new standards	0	8
Supported enterprises winning a nuclear related Contract	8	2

The **Nuclear South West Inward Investment** service has also been extended for a further year and is funded by the Somerset Business Rates Retention Scheme, Sedgemoor and Somerset West & Taunton Councils, WECA and Gloucester County Council. The team presented at the DIT Civil Nuclear Showcase event in March and fielded a key note speaker and workshop facilitators for a virtual World Nuclear Event. Enquiries are ongoing and the team are providing significant support to the pipeline of warm leads. In 2019/20 the service delivered over 50% of the DIT target for nuclear landings 11/20.

The **Nuclear Workforce Development** Manager is supporting the project by developing a talent pipeline to meet critical skills gaps, assisting with the ramping up of mobilisation post the lockdown reduction of workers on the HPC site, and putting in place entry routes for those who have been made redundant from other sectors during the pandemic. In development are the Welding School of Excellence with its hub and spoke model, an electrical engineering training centre and potentially similar for mechanical engineering.

While the **SW Aerospace sector** has been hit hard by Covid-19 (with job losses among the industrial primes and supply chain), the Somerset sector is performing better than others, as it is predominately aligned to defence contracts which are holding up. Work has paused on finalising the SW Aerospace Strategy document, as partners focus on recovery. Construction of the **iAero** Innovation Centre in Yeovil continues with completion estimated at the end of the year, and operation the first quarter of 2021. Following Flybe's collapse, new carriers (including Logan Air) operated some routes out of **Exeter airport**. Most operations ceased during lockdown, while some flights resumed on 4th July. Work is continuing on developing the Smart Aviation Cluster with a workshop of key stakeholders convened in June. The next steps are to map out work streams and work stream champions to focus on specific areas. We have joined a consortium led by an Electric Aircraft company which submitted a bid to the Innovate UK Future Flight Programme. If successful the airport will be used as a demonstrator site for testing systems/trialling flights between Exeter and Newquay.

- **Photonics** - The **Cluster rebrand** included a review of business representation and updated cluster web pages with company bios and pictures. Commitment was secured from cluster companies to attend Photonics West. Development of the PR pipeline is ongoing and work started on a new cluster brochure. Work has also started with the industry cluster to develop new **Technician Training Programme** leading to a level 6 qualification. Engaging with the LEP Skills Lead to identify development funding. Work is also ongoing with DIT to develop a lead generation target list (approximately 100 companies) for outreach of **High Potential Opportunities**. It will be run through the Velociti tool and graded for likelihood of investment. Further social media promotion in the autumn, with a specific landing page on .gov website.

EPIC has secured 2 new tenants (Bay Photonics and Heedra) with others in the pipeline including US LED lighting company. Further development work includes: a MOU with PIDA Taiwanese cluster, Global Photonics Alliance (attending quarterly online meetings); PLG UK to secure a local MP as a member of the APPG for Photonics; provided industry insight into the HotSW Defence report and EPIC sessions delivered and plan to deliver tailored photonics training at EPIC later in the year.

- **Visitor Economy** – In response to Covid-19, TDA has: provided emergency business response support; gathered local business intelligence; identified key issues and evidence to measure impact; lobbied where necessary; signposted businesses to relevant support (including Growth Hub); worked closely with DMOs; set up additional support webinars on business support; liaised with Food Safety and Licencing Teams (for reopening guidance and sharing new Growth Hub Toolkit); taken part in weekly South West DMO calls, highlighting key issues and areas of support needed.

The focus has now shifted to recovery and growth: supporting the delivery of the **HotSWLEP Tourism and Visitor Economy Recovery Plan**, establishing a new Working Group with DMOs and partners. Meeting calls are fortnightly (commenced in May). The Group are focussing on identifying key priorities across each area and allocating lead partners to each of the actions in the plan. The priority for all partners is reopening the sector on 4th July (for those that can); lobbying continues for the reopening of waterparks, theatres and those venues not able to open; providing lobbying support for DMO funding which for some ends on 31st July, 'current situation' reports have been submitted to DCMS, Visit England, MP's and HotSWLEP.

The working group are committed to the common themes on the plan, to repair and grow the visitor economy and to build ambitions to be a **Great South West Tourism Zone pilot area**. A meeting is to take place w/c 20th July with DCMS lead for Tourism Zones to discuss current thinking and shape our ambition. Development of the '**Be the Business**' Programme for the sector is ongoing. A short survey has taken place in June to gauge interest in the programme across the HotSW area. Feedback shows there is the appetite for support and all programme products (1-2-1 surgery calls, peer to peer support groups and masterclasses), work is now underway on the delivery and marketing plan (aiming for July launch).

- **Fishing** - Led by PCC, a successful **Fisheries group** was formed. The group gathered information and feedback on the impact of Covid-19 which fed into LEP weekly report. It was instrumental in **lobbying government** and the MMO (Marine Management Organisation) leading to £10M worth of support for the fishing sector nationally. Involving groups across the fishing sector, discussions are to be had at the next meeting as to whether the group will continue post Covid. Unfortunately, TDA's bid to EMFF for a feasibility study for the recycling of waste fishing nets was unsuccessful and work to secure funding for the expansion of Brixham Harbour is ongoing. Plymouth successfully set up **Call 4 Fish** and has enabled the sector to diversify and offer B2C services alongside its typical B2B, with local and national media coverage. It helps decrease supply chains and delivers fresh fish from fishmongers/restaurants direct to consumers. Despite encouraging Brixham to join the website, they have set up a similar service through their website.