

Heart of the South West Local Enterprise Partnership

LEP Board Paper agenda item 6d.

Report title: Business theme & sector update

Date: 07 September 2020

Purpose: This paper is for **noting**

Link to LIS (or Recovery Plan?): Indicate by **bolding** which area the paper links to.

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

Financial Impact: (cost or cost saving) n/a

Author and contact details: Julia Blaschke and Hadelzein Elobeid,
Julia.Blaschke@plymouth.gov.uk, Hadelzein.Elobeid@plymouth.gov.uk

Summary

Business support activity has increased significantly since the lockdown was first announced on 23rd March 2020 in response to the Covid-19 pandemic. We have realigned existing activity and commissioned additional activity through the Growth Hub to focus initially on the response to the economic consequences of lockdown and to move increasingly towards recovery as lockdown restrictions are eased. Additional funding from BEIS has been secured to deliver the peer networks programme. The ERDF funded Inward Investment programme is now live. Partners from MUKSW have been successful in securing development funding for the Floating Offshore Strength in Places bid. Both High Potential Opportunity bids for Marine Autonomy/Geospatial Data and Smart Aviation have been successful. Another round of the highly popular Bounce Back Digital programme is being launched and the LEP supports the launch of the SW Regional Defence Cluster.

Growth Hub - Activity: The Growth Hub team has continued to handle a high volume of enquiries, through phone calls, emails and its online form. Enquires have covered a broad range of topics although focus on Coronavirus related impacts are featuring less as the primary reason for the enquiry. August saw a significant rise in website hits with businesses viewing information on the announced Kickstart Grant Scheme (See below). A snapshot of the Growth Hub website for the period 17th August to 23rd August shows 13,163 page-views with the Kickstart Grant page having 5,605 views (4,292 unique), whereas the Covid Business Support page had just 460 views. Kickstart Grant: Having indicated that a potential grant

offer for businesses using European Funding may be made available, confirmation was received from MHCLG during July. A process then followed to ensure the appropriate delivery mechanism was in place and the Kickstart Grant scheme launched on 1st September. The package of grant support has been designed to help organisations recover from the impacts of COVID 19 and is open to enterprises who meet all criteria to receive European Regional Development Fund (ERDF) funding. Funding has been split into two pots, with £336,314 available to the Tourism Sector and £411,050 for the Non-Tourism Sector. Information and Guidance and a FAQ has been put on the Growth Hub website to assist businesses as they consider whether to apply, with a separate team at Devon County Council handling the grants. Demand is expected to outstrip supply. Supplementary £10M Funding: The co-design meeting between the LEP and BEIS to discuss the LEP's proposal for the allocated supplementary Growth Hub funding, announced in the Budget, took place in July. Plans included an additional advisor post and further one to one support for businesses. BEIS were also receptive to our thinking of identifying some activity only at a high level, in order not to commit funding until lockdown has eased, businesses re-opened, and there is greater clarity on the support needed. Peer Networks: Following a series of communications from BEIS during 2020, confirmation was received, at the end of July, that a programme of Peer Networks would be rolled out across the LEP / Growth Hub Network. Taking into account, the strategic direction of the LIS and the Productivity Strategy, we have identified 12 potential cohorts. We have reached out to potential delivery partners with activity commencing as soon as possible and completing by March 2021.

Inward Investment - The Heart of the SW ERDF Inward Investment Support Grant Scheme is now live. The grant is for all existing foreign owned and newly arriving non-EU SMEs, in ERDF eligible sectors. More information is available at <https://heartofswlep.co.uk/growing-your-business/inward-investment/heart-of-the-sw-inward-investment-support-project/heart-of-the-sw-erdf-inward-investment-support-grant-scheme/>. Details have been shared with local authorities and business groups across the Heart of the South West. As part of phase two of the Department for International Trade's High Potential Opportunity (HPO) Programme, two nominations were submitted – Smart Aviation for the Heart of the SW and Marine Autonomy for the Great South West. Both applications were successful and will now be taken forward to work up a full proposition to promote the opportunities internationally. The Heart of the SW LEP is one of only a handful across the country who will have three live HPOs.

Marine / Maritime - Maritime UK South West (MUKSW) covers Cornwall, Devon, Somerset and Dorset and is a collaboration between three Local Enterprise Partnerships, Local Government, and world class marine research institutes and business.

MUKSW fed into the Maritime Sector Recovery Plan which is being delivered nationally through Maritime UK working with DFT and will be submitted to Government in the form of CSR bid focussing in decarbonising and digitising the sector. The proposal for MUKSW to take a national coordinating role for maritime innovation has gained traction with BEIS, DFT and MUK nationally. A role has been scoped and will require tagging into larger national programmes to provide sustainable funding.

MUKSW partners COIS LEP, Plymouth and Exeter Unis and the Offshore Renewable Energy Catapult were successful in the Floating Offshore Wind Strength in Places 1st round bid. Full bid to be produced by Nov. MUKSW was successful with its (3 LEP combined) High Potential Opportunity bid for Marine Autonomy and Geospatial Data. The Plymouth 5G test bed RGF bid was also approved. A significant funding proposal under banner of Future Ocean Institute is being worked up which creates a hub for ocean

technology focussed around Plymouth and covering the SW. Business facing activity continues with regular ocean tech webinars, supply chain events for Tidal and Floating offshore Wind energy. A new project generation group has been established also to enable more SW bids: sandpit activities for autonomy and offshore renewables and smart shipping have been planned to respond to specific opportunities with more planned.

Digital Skills Partnership - Enterprise Nation and Amazon Small Business Accelerator Several District Economic Development Officer and Growth Hub invited to presentation. Good response and this is now with the LEP Management team to consider with the Growth Hub and for each District to take forward. Bounce Back Digital – 30 of the most popular digital skills workshops ran to date will be re-run from the 21st of September to end of October.

Nuclear / Aerospace - the Nuclear Sector Deal business case is still with BEIS with no clarity in relation to an approvals process. The LEP and Local Authority CEOs have written a letter to BEIS expressing their concerns. The continued uncertainty around the timing of the decision making for this funding is now causing us anxiety for continuation funding post March 2021. A suite of new contracts has just been awarded by HPC T1 Contactors of which several SW based companies are beneficiaries. Prior to the COVID Pandemic, 2020 was going to be a very busy year for the Nuclear South West Inward Investment service as it geared up for attendance at the World Nuclear Event, Nuclear Decommissioning Event and other shows. Most of the events have been cancelled or postponed. A virtual WNE was held in June for which we fielded a keynote speaker. WNE proper is still scheduled for December in Paris, but we have chosen to cancel the stand at the point where a full refund was available. However, we intend to continue to work on our marketing plans and collateral and will target overseas businesses in a different way. On Nuclear Workforce Development there are pathways into HPC roles (welding, and engineering construction) that are being developed as part of the National Re-training Scheme Pilot. Some better news for aerospace / aviation this quarter. The iAero Innovation Centre was selected as one of the Building Better projects (subject to a satisfactory business case) and if successful the funding will help to accelerate the completion of the project. Our High Potential Opportunity for Smart Aviation was approved by DIT, with work happening on developing on the proposition taking place later in the Autumn. And finally, we can announce very sotto voice that we are expecting some good news in respect of the Future Flight bid that went in, of which ourselves and Exeter Airport were partners.

Defence - the Heart of the South West's Defence Sector Mapping report was published in the summer, highlighting a sector that is worth £2.64b to the region. To support the findings and grow the sector the LEP will continue to support the work of the MOD's SW Regional Defence Cluster as they near their launch, promoting a pan-LEP cluster that will enhance the capabilities of SMEs and encourage greater levels of innovation within the region.

Photonics, Visitor Economy, Fishing – an update will be provided in the next Board paper.