

**Heart of the South West Local Enterprise Partnership
LEP Board Paper agenda item 6d)**

Report title: Business theme update

Date: 16.11.2020

Purpose: This paper is for **noting**
(overwhelming papers should be for decision)

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

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

Non- LIS purpose: (if not connection to LIS, explain it's purpose. Again overwhelmingly papers should link to the delivery of LIS)

Decisions requested: none

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Business support ecosystem (including Growth Hub Service for All)

Work has continued to deliver the various strands of the Business support ecosystem that the LEP programme manages. Our next steps are to look into Access to Finance, including current delivery across the HotSW LEP area.

- Growth Hub Service for All: During September the high volume of calls and enquiries started to reduce, but picked up again during the final two weeks with strong interest in Kickstart Grants as a further tranche of funding was made available. Enquiries continue to be broad ranging although grant search requests and finance queries generally feature prominently. Other queries cover general business support, start-up and skills. Growth Hub traffic began to reduce during October although the number of Covid related enquiries increased at the end of the month and during the first week of November, in line with the announcement of a second Lockdown and the associated support for businesses.
- Supplementary £10M Growth Hub Funding: The additional Growth Hub advisor is in post and the additional one to one Growth Hub support is being delivered, while the activity undertaken by Devon

Chamber, Somerset Chamber, and the FSB has been completed. We are working with partners, to help shape the offer for the balance of the funding to deliver across a number of sectors including nuclear, aerospace, marine, and digital.

- **Peer Networks:** Having engaged with potential delivery partners, and received a number of positive responses a Grant Offer Letter and Data Sharing Agreement were prepared and issued. Five partners have returned their signed agreements covering eight of our 12 networks and we are waiting for two partners to return their signed Offer Letters, which will take our total to 10. We have separately approached two partners to run a further network across Somerset but both have declined, so will now go back to one of our existing providers. It is planned that the final network will cover the defence sector and be run by another of our existing deliver partners. The delivery timeframe continues to be challenging with activity having to complete by 31st March 2021, and we are still to receive the participant registration form from BEIS.
- **Transition Funding:** For a number of weeks there has been talk of funding coming from BEIS for the provision of support for businesses as the UK approaches the end of the transition period. We have now received a “Letter of Comfort” from BEIS confirming that we will receive £81,000 for expenditure through to the 31st March 2021 for three additional FTE advisers. We have met with colleagues at Devon County Council and Somerset County Council to begin to look at how we may address this “ask”, and based on our experience with the Supplementary Funding earlier this year, are keen to receive the Offer Letter to understand what conditions may be attached.
- **Scale-up:** Inspire continue to deliver a programme of Scale-up support across the HotSW area. The contract was extended for a further 12 months, with Inspire continuing to work with the businesses supported last year, while also engaging new clients during 2020-21 through to the end of September 2021. At the end of September their portfolio of businesses was 42, with 24 from Devon and 18 based in Somerset. Inspire are also offering ad-hoc support to businesses to help them increase their resilience and explore opportunities for growth after the Covid-19 pandemic. A lighter touch version of their full Scale-up programme is also available for businesses not currently in a position to take up their full offer. Trends seen during the year include a shift to younger business owners, and people accessing business support through different mediums. Interestingly more people are watching playbacks of webinars than are tuning in for the live broadcast. Following a pause due to the pandemic, a chargeable “Virtual Board” programme, available to businesses in addition to our contract, has restarted. Offering businesses access to a cohort of non-executive directors results have been positive and we will be receiving a case study for a HotSW business that has taken up this offer.

Inward Investment

The Heart of the SW ERDF Inward Investment Support Grant Scheme is progressing well, since the launch at the end of August there have been 20 enquiries. Of those 20, a number were ineligible due to the size of their parent company or business sector. To date six businesses have successfully gone through the eligibility process and been sent the full application and guidance, it is hoped that a few of these will be returned shortly and presented at the January Business Leadership Group for a decision.

The workshop for the Marine Autonomy High Potential Opportunity was held in September, with stakeholders from across the Great South West, the first draft of the proposition is due shortly. The Smart Aviation HPO workshop will be held in December, with a range of stakeholders from the Heart of the SW.

As part of the Trade Budget Uplift Project, three new specialist International Trade Advisors (ITAs) have now been appointed to work across the Great South West, to work with the smaller more rural businesses

who may be new to exporting. The three ITAs will focus on Marine, Clean Growth and working with the three Growth Hubs across the geography.

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.

- Ports and Floating Wind Manufacturing sites: MUKSW convened SW Ports to discuss port infrastructure investment and submitted a letter to BEIS to request a joined up a strategic approach to port investment to drive SW supply chain involvement.
- Tidal Energy: MUKSW contracted through Tidal Energy Project Tiger produced 5 x supply chain seminars to over 700 businesses. Working on establishing Anglo French cluster.
- The Maritime UK Awards will be hosted from Plymouth in November.
- Trade and Invest Webinar delivered. Showcasing new video. <https://maritimeuksw.org/>
- Work on Marine Autonomy High Potential Opportunity for the South West underway.
- Careers video produced: <https://www.maritimeuk.org/careers/resources/videos/south-west-england/>
- Careers webinar run as part of Maritime UK week.
- Skills in Offshore Wind planned for Nov.
- Plan to produce careers materials for Offshore Renewables.
- Partners from across South West submitted an ambitious “Future Ocean Institute” positioning document to government’s comprehensive spending review at the end of September. The outline plan focusses on marine autonomy and other smart, clean maritime technologies. The paper aligns with a wider £1BN Maritime UK bid to decarbonise the sector. Further work is planned to develop the business case working with government and regional partners
- Floating Offshore Wind: Strength in Places bid 1st round success for over £30M <https://maritimeuksw.org/boost-for-south-wests-floating-offshore-wind-ambitions/>. Full bid to be submitted in Nov 2020.
- The cluster has delivered a wide range of marine technology webinars.
- Notably: MarRI-UK Smart Ship Land Operations Workshop (Oct), Offshore Wind and Autonomy Webinar (Nov).
- Special Interest Group on Low Carbon Maritime to be established in 2021.

Digital Skills Partnership

- Bounce Back Digital: ended of October 21st. 800 businesses have attended workshops since it began in June.
- 600+ learners registered for Coursera this includes business owners and their workforce. Submitting a proposal to spend £10K of GH funding on Coursera for SME’s – separate paper sent to Evonne.
- Met with Business in the Community South West contact. Agreed to speak quarterly, though will also be following up to connect with members about the Digital and Technical Bootcamps.
- Subject to contract secured £1.7m to deliver Digital and Technical Bootcamps to 750 individuals. Marketing of the initiative with information for Employers will be available later this month.
- Digital Boost presented update to DSP’s and DCMS – attached slide shows take-up from businesses in the HotSW LEP. This program has received investment from DCMS and offers businesses free digital tailored 121 support. Full slide deck available on request

Nuclear/Aerospace

The Hinkley Point New Build Project continues to provide some business certainty / continuity during these challenging and uncertain times. EDF Energy Jobs Brokerage Team have supported a number of DWP Redundancy Task Force Teams and are providing visibility of opportunities for those at risk of losing their

jobs. Re-training is an important part of that and the Skills for Nuclear Workforce Development Manager has been proactive in the utilisation of EDF's Apprenticeship Levy to support training interventions with SME's within the supply chain, as well as helping to develop some pathways / boot camps as part of the National Re-training Scheme. The Hinkley Supply Chain Team are currently working with SME's to help them access £70M of current contract opportunities including UKAEA Fusion - £50M of £100M - decommissioning and £100M of new nuclear. These are near term prospects for this quarter, the New Year should see valuable MEH Contracts coming forward from Tier 2 suppliers. We have worked with LEP colleagues across the region to submit to Government a Made Smarter programme (business support to increase digitalisation in manufacturing) and are awaiting news. Additional business support is also being provided to both the nuclear and aerospace sectors via the BEIS Peer Network Programme and Growth Hub coordinated funds. Nuclear Inward Investment has been impacted by Covid and has slowed down investment decisions by overseas companies. However, there are currently 23 companies that are being actively account managed of which 10 of those have come on the books since March 2020. It is expected that many of these will land next Spring / Summer. The Smart Aviation High Potential Opportunity (HPO) is underway and is looking to extend its reach to encompass the West of England. There are many synergies and shared assets which should strengthen the commercial opportunity. An announcement on the larger projects submitted to the Future Flight programme is expected soon. There was also good news that the former Flybe MRO facility was purchased from the Receiver by Dublin Aerospace (now branded Exeter Aerospace) and will be creating at least 100 highly skilled engineering roles. We are working with the SW Centre of Excellence for Satellite Applications to formulate a strategic approach to maximising the use of these applications within our key sectors. A virtual workshop is being planned for later this year / early next.

Photonics

- The cluster have made good progress with MP Anthony Mangnall (Totnes) recently joining the APPG for Photonics & Quantum. He has been engaging with the cluster to understand how we feed in and engage with the APPG.
- The sector has recently secured two new FDIs, both of which have joined the cluster and located in EPIC. The cluster are also forging international links with foreign photonics clusters including PIDA in Taiwan with plans to hold a joint event around key photonics topics and encourage trade links. The cluster continues to work with DIT on new leads in the pipeline.
- Promotion and profile raising of the sector continues through PR and social media channels along with a draft cluster brochure imminent. Work is progressing with DIT to develop a new film to support the HotSW Photonics HPO which will feature EPIC, the wider cluster and key stakeholders. A visit by DIT sector team specialists and others is expected in Spring 2021.
- Attendance at Photonics West in 2021 is still in balance due to current circumstances. Other UK based events have been identified.
- Delivery of the Photonics Technician Training Programme is progressing with recruitment of a new skills co-ordinator expected around Christmas. Initial co development funding has been secured from LEP, TDA, SDC, and DCC.
- EPIC has welcomed EFFECT Photonics, Nanusens and Tether Technologies to EPIC, two of which are foreign owned. Advanced negotiations are taking place with a US company that has chosen Torbay as the location for their UK R&D facility. The facility currently hosts a growing cluster of 10 innovative companies developing new leading technologies. Recent Getting Building Funding investment will also support EPIC to enhance its technical capability.

Visitor Economy

- Provision of ongoing support has continued in the local and regional sector, both directly to businesses and the HotSW LEP DMOs, in particular around the safe reopening and more recently

in response to the Government's Lockdown 2 announcement. This has included dissemination of information within the hospitality sector and sharing and interpreting new guidelines and grants information. Work has also continued in gathering local business intelligence, identifying key issues and evidence to measure impact and lobbying on the needs of the sector in partnership with the HotSW LEP DMOs and the Great South West Tourism Partnership.

- Local impacts highlighted in the Great South West Tourism Covid-19 Business Impact survey have been discussed in the House of Commons with the Tourism Minister and local MP's. In November a call with DMOs, South West Tourism Alliance with the Tourism Minister Nigel Huddleston MP took place to articulate the concerns of the sectors.
- The 'Be the Business' Support Programme has been launched and is now live, with three products on offer (1-2-1 surgery calls, peer to peer groups and masterclass series). Take up from tourism and hospitality business across the HotSW LEP is growing and focus is on Covid-19 recovery and future resilience. Promotions are supported by partners DMOs and Growth Hub. Work continues with supporting the delivery of the HotSW LEP Tourism and Visitor Economy Recovery Plan, the Working Group meets fortnightly. Following the reopening and announcement of Lockdown2, DMOs and partners are refocusing on key priorities to strengthen and rebuild the sector. Identifying lead partners actions in the plan continues.

Fishing

The fisheries group set up as a result of Covid-19 continues to provide support to the sector. Intelligence is shared across the HotSW area (and Cornwall) and collaboration is strong. As lockdown eased the groups aims have focused on Brexit and the fisheries bill, current lockdown has led to preliminary conversations around emerging support for the sector going forwards. Furthermore, Plymouth, Torbay and North Devon fed into a government consolation on fisheries. Early conversations with South Devon College have begun around a 'sea fishing apprenticeship' which would promote career opportunities and help attract young people in to the sector, MP Anthony Mangnall has been supportive in early discussions.

Defence

The SW Regional Defence & Security Cluster, which has been part funded by the LEP, launched on the 4th of November. Joined by over 330 participants from over 160 organisations, spanning 3 continents, the launch event provided participants with the opportunity to hear from senior members of the Front Line Commands, DASA, Minister for Defence People and Veterans Johnny Mercer as well as representatives from key defence primes and SMEs from across the South West. At present, this pan-LEP cluster is onboarding members and developing a programme of events and workshops with the first, a Meet DASA event led by DASA's SW Innovation Partner, Mike Madden, being held in 2 weeks' time.