

**Heart of the South West Local Enterprise Partnership
LEP Board Paper – agenda item 9d)**

Report title: Business theme update

Date: 12.04.2021

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.

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

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

Decisions requested: none

Author and contact details: Richard Stevens, Hadelzein Elobeid, Julia Blaschke. Please email Julia.blaschke@plymouth.gov.uk, Hadelzein.Elobeid@plymouth.gov.uk

Below is a brief update on Growth Hub, Inward Investment and reports from Key Sectors:

Business Leadership Group:

In 2021, the Business Leadership Group to prioritise the survival and recovery of our businesses throughout the ongoing Covid-19 pandemic whilst working with our partners to understand the challenges and opportunities that have emerged from the UK's departure of the European Union and how we can best help our businesses adapt to these changes. These issues shall be tackled by the newly reformed Business Leadership Group, which has realigned its membership to be more representative of the region's economic geography.

Growth Hub Update:
Activity

January was a busy month for enquiries to the Growth Hub team with a significant increase in interest in business support schemes and guidance from December. For Covid related enquiries,

funding and finance were predominant issues with many businesses somewhat confused about the lockdown or local restriction grants and what may apply to them. These queries reduced considerably towards the end of the month, and February saw this trend continue with overall enquiry volumes lower, and specific Covid and Brexit issues also generally down on the previous month.

Conversely, there was a lot of activity going on in February with EU Transition support, and Growth Hub sector programmes for Retail Recovery digital support and Farming and Food Business Resilience support both live. There were also several support schemes pushing for new business referrals before the financial year-end.

Supplementary £10M Funding

Funded activity under this stream has now concluded. The additional money from BEIS allowed us to work with both Devon and Somerset Chamber, the FSB, and offer increased 1:1 support through the Growth Hub, as well as raising the Growth Hub headcount by one FTE.

Further specific support was delivered across the defence cluster and aerospace and nuclear sectors, with the pilot programme to engage Black, Asian and Minority Ethnic (BAME) led-businesses now being evaluated. The research conducted by PFA, that saw 450 businesses from across the HotSW LEP interviewed, to assess needs and barriers around access to finance, has concluded. This will now complement the recently commissioned LEP research to inform the development of services supporting SMEs to grow and thrive, specifically looking to define and evaluate the barriers to finance, both in the form of businesses' access to finance, and investors' readiness to provide that finance.

We were also able to use this funding to support the LEP Bounce Back Digital Programme, and the Alison Edgar sales webinars hosted by Devon and Plymouth Chamber of Commerce, that can now be viewed on the Chamber's YouTube channel.

Peer Networks 2020-21

Despite the challenges to recruit participants experienced by some of our delivery partners, caused by the uncertainties around Lockdown, furlough, and the end of the transition period, we were able to see 10 Peer Networks delivered by the end of March 2021. Given the issues faced by businesses during this time and the tight delivery window, this should be considered a real success. Examples of the feedback we have received from participants have been included below:

"Having the chance to discuss the challenges we face as business leaders has not only built strong relationships within our peer group but also provided several routes to growing our business in many aspects"

"I have enjoyed meeting new businesses, finding out how they work and the issues they have within the different companies. It has been beneficial to learn from the others experiences also helpful with our journey towards understanding Nuclear"

'At first I thought, "Three hours a week? -I just don't have that much time!". Half-way through I found myself actually looking forward to the meetings and excited about the new tools I might come away with. By the end of the programme, we were all so pleased with the effectiveness that the group has developed its own ongoing programme so as to continue the invaluable learning environment. As an aside, I also experience increased confidence in communicating with peers who I now appreciate share lots of the problems I thought were unique to our business.'

Peer Networks 2021-22

We have now received confirmation of funding for the delivery of 17 cohorts during 2021-22. Programme paperwork is being updated to reflect some minor changes in the requirements from BEIS, and we will shortly be contracting delivery partners.

Transition Funding

Activity under this strand of funding has now concluded. While work had to be commissioned rapidly with a short delivery window, we were able to provide additional frontline support to assist businesses following the end of the transition period, engage pro-active outreach, and mobilise more specialist activity. The support was well received with one element delivered by the Growth Hub concluding with over 3,700 businesses contacted since January 2021. Nationally BEIS have been delighted with the level of reach achieved by this funding across the Growth Hub and LEP Network.

Growth Hub Funding 2021-22

BEIS have informed us of our Growth Hub funding allocation for 2021-22. At the Spending Review (SR) 2020 the Chancellor was able to confirm a further £50.4m of funding for business support for FY 2021-22 and part of that was an allocation of £22m for LEPs for core funding of their Growth Hubs. This funding has helped BEIS build upon the £22m in total provided in FY 2020-21, with a total funding envelope that remains at that increased level.

The ambition, within BEIS, based on a multi-year SR award was for a higher level of core funding than the agreed £22m. With a higher level of longer-term funding, it would have been a priority for them to have sought to refresh the allocations process. However, based on a one-year SR settlement of £22m, the same overall level as for the 2020-21 financial year, there is limited scope to make any significant changes to individual allocations for FY2021-22, and we will received an allocation of £536,500.

BEIS will now start the grant award process which will inform us of any specific areas where they would like us to focus this funding, a significant proportion of which is already allocated for the Growth Hub Service for All.

Inward Investment & Trade:

Two businesses have been successful in their applications to the ERDF inward investment grant scheme – a construction-related business near Ivybridge has been awarded £37,000 to purchase new machinery to help increase their productivity and create six new jobs.

A photonics business, recently taking space at EPIC, has been awarded £150,000 for research and development of a new product, two highly skilled roles will be created at the initial stage of the project. Good progress has been made on the round two High Potential Opportunities (HPO) for marine autonomy and Smart and Sustainable Advanced Air Mobility (SSAAM).

The marine autonomy HPO is nearing final draft stage and a very successful workshop was held in March for the SSAAM HPO with excellent input from stakeholders across the area.

The DIT Internationalisation Fund, providing grants for businesses starting out in their exporting journeys or trying something new, has awarded grants to over 30 Heart of the SW businesses. DIT

were successful in securing further levelling up funding for the South West, extending the contracts of seven dedicated South West International Trade Advisors for 2021/22.

Maritime/ 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.

Annual plan and funding from public sector (LEPS), business and research partners sufficient to fund secretariate and provide a modest marketing budget.

Sponsorship from DFT and Maritime UK to lead national maritime innovation agreed.

Business:

Successful Freeports bid for Plymouth

2 x bids being worked up for Low Carbon Maritime Demonstrator project.

Meet the buyer events planned for tidal energy programme TIGER.

Work on Marine Autonomy High Potential Opportunity for the South West completed in draft.

People:

Skills event held in February

Innovation:

Ocean Futures programme collateral being produced.

Floating Offshore Wind.

Strength in Places bid announcement pending. <https://maritimeuksw.org/boost-for-south-wests-floating-offshore-wind-ambitions/>

Place:

Supporting Appledore Middle Dock site regeneration research.

The Digital Skills Partnership (DSP):

Task and finish group set up to publish a digital skills snapshot of the region referencing some of the recent digital skills insights from TechNation, TechUK, Labour and Work Institute, Tech South West, computing.co.uk and Labour Market Intelligence data for the area. Alongside the insights, it will include a round-up of digital skills initiatives in the region (past and present), their cost, findings and outcomes. The intention is to provide a concise briefing paper that may be useful for Local Authorities when submitting their UK Community Renewal Fund proposals by end of April.

Contract received and project green light: ESF 'Digital Enablement for Small and Medium Enterprises (DESME) project to address the leadership and digital skills issues across construction sector' DSP is a 3-way consortium between YKTO, the DSP and Cosmic to deliver a digital upskilling programme to 75 construction organisations and up to 100 cross-sector supply chain organisation. This project will work closely with Building Greater Exeter and Plymouth working groups.

DfE National Skills Fund [Train4Tommorrow](#) Digital and Technical Bootcamps

- Skills Minister Gillian Keegan visited three of the Train4Tommorrow technical bootcamps. Press release [here](#)
- 72% of the Wave 1 Digital bootcamp learners completed their 12-week programme by the 31st of March. This completion rate is deemed very positive for fully online programme delivered against the backdrop of a national lockdown and pressures of home-schooling.
- First two learner case studies published including a [chef](#) who lost his job as a result of the pandemic and has retrained into cyber security and a [mother](#) who was able to develop her career prospects alongside homeschooling
- [Train4Tomorrow](#) Virtual Jobs Fair to help connect learners with open vacancies is planned for May 26th. **There is a direct ask to the group to help promote this inaugural event to employers in region with open vacancies, press pack available on request from charlotte.collyer@heartofswlep.co.uk**
- Confirmation of £500k extension to current Train4Tomorrow delivery to deliver 250 additional digital bootcamp places April to June '21
- Wave 2 HotSW LEP bid submitted for £3m+ to run digital and technical bootcamps in 21/22. (Digital led by Charlotte Collyer with DCC and Technical led by Mary Payne with SCC as the accountable body)

Digital Skills Partnership membership growth exercise resulted in 11 new members, Numatic, BCS, Optix Solutions, FSB from the private sector along with a further 4 FE colleges

Google Digital Garage: 5 free events ran in March with a further 7 free events running from April 21st. Link to book <https://www.eventbrite.co.uk/o/the-7-digital-skills-partnership-regions-dcms-32359708355>

Nuclear / Aerospace:

The **UK Atomic Energy Authority** launched a process for nominations for siting of the first **STEP Fusion test reactor** just before Christmas with a closing date for submissions of 31st March 2021. We worked with a strong collaboration of local stakeholders and landowners to submit an expression of interest for a site in Somerset. Potentially attracting the STEP project to the region would build on the nuclear assets, and expertise that we have invested in supporting the construction of Hinkley Point C. The outcome of the initial down selection of sites will be known in May, if we progress to the next stage then we will then enter into a formal process with UKAEA to enable an in-depth feasibility of site suitability to be undertaken. Final determination of the preferred site will be a Secretary of State decision.

BEIS have informed us that the business case for drawing down funding from the **National Supply Chain and Business Competitiveness Programme** to support the MEH phase at HPC will be considered by their Approvals Panel in May 2021. If successful, then funding for the HPC Supply Chain Service will be secured for 4 years.

A refresh of the **2018 Nuclear Sector Deal** is underway, to which we have been invited to participate.

A very successful 'deep dive' session was held with local stakeholders from industry, academia and skills meeting with the Department of Trade and Industry sector specialists, the ATI and Innovate UK to scope out the proposition for the **Smart Aviation High Potential Opportunity (HPO)**. We expect the first iteration of the marketing pack very shortly.

The **Future Flight** Project that we are partners in has now been announced by Innovate UK, which means that despite the project having started on 1 December, we can now officially talk about it. 2Zero is a £5M programme that will model and test systems at regional airports to enable electric commuter flights. Led by US company Ampaire, collaborating with Rolls Royce, University of Nottingham, Logan Air, Exeter and Newquay Airports and ourselves. The first (hybrid) test flight will take place from Exeter later this summer.

Following on from a very successful **Hydrogen Summit** run by the West of England Aerospace Forum, we are beginning to scope out with key stakeholders the potential for hydrogen demonstrator projects in the area.

Photonics:

The recruitment for a sector skills lead for photonics and microelectronics at SDC to lead on the development and implementation of the Technician Training Programme took place on 19th March, with a successful candidate appointed. The delivery of some elements of the programme have commenced.

Anthony Mangnall MP has joined the All Party Parliamentary Group for Photonics to represent the HotSW photonics cluster. Torbay Hi Tech Cluster (THTC) leads briefed Anthony Mangnall on key issues across the cluster ahead of the APPG on 26th March 2021.

A facilitated deep dive session was held on 1st March with over 35 companies to identify transformational projects for the wider cluster across LEP geography. It generated a list of key projects and recommendations to develop transformational projects and target future funding rounds.

The sector is seeing continued growth during the pandemic. Continue to work with the sector to generate PR opportunities. TDA/EPIC have booked to attend virtual international trade shows (e.g. Photonics West, Laser Munich) and are considering other events held later in the year (ECOC). Expectation is that these will be on-line as well.

Various high profile online events have been held where EPIC and cluster feature heavily in order to promote the unique capabilities across the HotSW.

Fishing:

An investment priority list of capital infrastructure projects for the fisheries sector has been created to target the £100M fisheries fund. Further information on the fund is expected shortly.

The Fisheries and Seafood Scheme was announced 6th April 2021. The scheme will be providing financial support over the next 12 months to support England's seafood sector, coastal communities and marine environment. Initially, the fund will focus on projects that help businesses adapt to life outside the EU's Common Fisheries Policy and recover from the impacts of coronavirus (COVID-19).

The next Fisheries Intelligence group meeting is due to take place on Tuesday 20th April.

Tourism:

The South West wide survey results were published in January, many of the sectors asks for support were addressed in the March Budget.

A draft Great South West (GSW) Tourism Recovery Plan is being developed in partnership with Cornwall, IoS and Dorset LEP. The report is aligned to Building Back Better, following the Governments archiving of the Tourism Sector Deal and it is anticipated associated themes will carry over into the Governments Tourism Recovery Plan to be published mid-May.

The GSW APPG and LEP Board tourism deep dive session took place in February, support for the recovery plan was outlined.

SW Regional Defence and Security Cluster:

The cluster began 2021 with a series of workshops delivered by the **National Composite Centre** and a workshop on the **Ecosystem around the Defence Innovation Centre**. These attracted a large number of attendees and were open to both members and non-members. These events have further increased the cluster's membership, which currently stands at 93 members. We are almost at our target of 100 members by April 2021 which was set out in our 1st year strategy document. The cluster has also become engaged with Cornwall over the last few months, with new members and opportunities coming from there.

The South West Defence and Security Cluster was mentioned directly in the **Defence and Security Industrial Strategy**. This described the support being given in creating further clusters across the UK after the pilot in the South West.

At present, the Programme Management team are working to create the second year work programme for the cluster as well as organising further opportunities for engagement and collaboration. This includes the upcoming event with Innovate UK EDGE who are keen to engage with the cluster and innovators across the South West.