

**Heart of the South West Local Enterprise Partnership  
LEP Board Paper agenda item 11d)**

**Report title:** Business theme update

**Date:** 02.07.2021

**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	<b>Bus. Environment</b>	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](mailto:Julia.blaschke@plymouth.gov.uk), [Hadelzein.Elobeid@plymouth.gov.uk](mailto:Hadelzein.Elobeid@plymouth.gov.uk)

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

**Growth Hub:**

**Activity**

April was a steady month for Growth Hub activity following a busy period at the end of March. From 1st April, the Growth Hub “Service for All” formally commenced, with the core service, funded by BEIS and the LEP, fully integrated with the ERDF funded 12-hr intensive support strand, (formerly delivered separately under the Growth Support Programme project). Procurement began for the 12-hr ERDF support work packages, and the Growth Hub re-launching its 3hr intensive assist work packages for non-ERDF businesses, focusing on (1) Farming and Food Business Resilience Support (1:1s, Support Plan) and (2) Retail Recovery Digital Support (workshops, 1:1 follow-up) with delivery scheduled to take place during June and July.

The Growth Hub also participated in the Devon & Plymouth Chamber of Commerce’s highly successful Access to Finance Live event in April, which can be viewed through the following link:

<https://www.youtube.com/watch?app=desktop&v=TZ1Wv0W3C0o>

Although the BEIS funding for EU Transition activity has now ended, the Growth Hub website continues to offer support and guidance, with ad hoc activity also planned, such as a webinar with the Home Office in June to raise awareness of the EU Settlement Scheme and employing overseas workers.

Enquiry levels for May were steady and similar to April at around 300, and while the Growth Hub team continues to field Covid support related enquiries, the general trend is that these are reducing.

Over the next few months we are anticipating work to join-up and to engage businesses with relevant schemes and support that is anticipated to arise from successful Community Renewal Fund projects.

### **Performance & Customer Satisfaction**

While the Growth Hub performance against Key Performance Indicators continues to look strong, the delivery of the B3s – Businesses receiving more intensive support – remains disappointing, and the in-year actual for 2020-21 is already below profile. We are mindful of the two initiatives that are happening, for Farming and Food, and Retail, and will continue to work with the Growth Hub to see this situation resolved.

Customer Satisfaction has also dipped from that reported for 2019-20.

In response to the question...

*“How satisfied or dissatisfied are you with the quality of this service?”*

The figure for 2019-2020 was 94% against 83% for 2020-2021 (It should be noted that the sample size for 2020-21 was much lower.)

In response to the question...

*“How likely would you be to recommend this service to a friend/colleague?”*

The figure for 2019-20 was 91% against 82% for 2020-21 (Again based on a much smaller sample size)

We are aware that last year was highly unusual, which may account for the figures, together with the much smaller sample sizes. Figures will continue to be monitored closely for 2021-22.

### **Growth Hub Funding 2021-22**

Following confirmation from BEIS of our Growth Hub funding award, the grant award process has been finalised, and we have completed and returned BEIS’ schedules, setting out how we will spend the funding, and on what activity. The completed schedules have been approved by BEIS and incorporated into our Offer Letter, which was received at the start of June.

### **Commissioning**

Our response to BEIS on how we would spend the Growth Hub funding set out some activities that will need to be procured. Once we have received the final Access to Finance and Mapping & Evaluation reports we will identify and commission solutions for the priorities identified in the reports and the annual work programme, and work with the Growth Hub to address the recommendations from this and the previous evaluation.

Specifically within our proposal to BEIS outlined activity on:-

- Access to Finance
- Clean Growth
- Back to Business (Which may be the development and delivery of business support interventions through a combination of training / events / bootcamps / 1:1 support of businesses via digital, to support Tourism / Food and Drink / High Street Businesses, plus additional co-ordination of ARG and CRF programmes.)
- Scale-up. Our contract with Inspire runs until the end of September 2021, and we are unable to extend. We are preparing to commission some form of support for Scale-ups that will run from October 2021 through to March 2022.

### **Growth Hub Annual Report 2020-21**

The Growth Hub Annual Report was completed and returned to BEIS at the end of May. BEIS will now review the report and set up a virtual meeting to discuss the report in more detail. They will also use the

meeting as an opportunity to talk with us about our planned Growth Hub activity as set out within the Grant Offer Letter for 2021-22.

### **Peer Networks 2021-22**

We have contacted our Peer Network Delivery Partners from 2020-21, all of whom have agreed to run two cohorts for us. In addition, another partner, who had to withdraw from the programme, due to the limited delivery window at the start of this year, has also signed up. We have received signed contract letters from six of the seven partners, with the seventh expected in early July. This gives us 14 cohorts, leaving us to commission partners to deliver three more, to take us to our allocation of 17. Partners are now working on recruiting businesses.

### **Inward Investment**

A third business has been successful in their application to the ERDF inward investment grant scheme – a photonics business based in Brixham has been awarded £150,000 for a number of upgrades to their current facility, over 70 jobs will be created as a result. The second round of the scheme is now live with interest to date from a number of companies.

The Marine Autonomy HPO has now been finalised and the proposition presented to DIT staff on Thursday 1 July, thanks to everyone who helped to develop a really strong proposition for the Great South West. The official launch of the proposition will coincide with the London International Shipping Week in September. The Smart and Sustainable Aviation HPO is still under development and will launch later in the year.

Work has started on developing a new range of sector propositions for the Heart of the SW, to help raise awareness of the strengths of the area with DIT, the first sector proposition under development will be food production.

### **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.

#### **Business**

Tidal Energy

MUKSW contracted through Tidal Energy Project Tiger produced 2 x supply chain seminars to over 700 businesses. Work under way to establishing Anglo French cluster.

Marine Autonomy High Potential Opportunity for the South West produced and ready for official launch at London International Shipping week in September 21.

#### **Innovation**

Clean Maritime Special Interest Group Established

4 x bids submitted to the Clean Maritime Demonstrator

Clean Maritime Network created.

Maritime Minister launched clean maritime summit.

Plymouth and South Devon Freezone – bid successful. Full business case being created.

Freezone links to ambition for “Ocean Futures” innovation framework. Prospectus at final draft stage pending presentation to Minister and Senior Departmental officials.

MUKSW Coordinator awarded DFT National Innovation Lead contract. 1 day per week to deliver collaborative R&D activity to help deliver national strategy.

## **Floating Offshore Wind.**

Strength in Places bid. Decision embargoed.

## **Digital Skills Partnership Update:**

- Department for Education National Skills Fund Train4Tomorrow Wave 1
  - 890 Learners have completed 12 week bootcamps between January and March 2021
  - 145 learners to complete July 2021
  - Virtual Jobs Fair held to broker interviews for learners
- Department for Education National Skills Fund (Train4Tomorrow ) Wave 2. Subject to contract £725,000 received for digital bootcamps and £1.8m for technical bootcamps. This is a 1yr + 1 yr contract so combined award is worth a potential additional £5million for digital and technical skills training in addition to the £2.2m already received through the Skills bootcamps between 2021 and 2023.
  - Met Office Super Computer #2. Second working group session held with Exeter Council, Devon County Council, LEP, Exeter Science Park and Exeter College. DSP prepared a paper to share with the group on Skills & Education. This paper highlights the current position; poor diversity in STEAM workforce, Impact of Covid, Social Mobility and the triple threat in the region of mismatch between supply and demand of STEMM professionals, the retirement of STEAM professionals, and short/ medium term changes in the labour market and labour availability stimulated by Brexit and COVID.
  - Community Renewal Fund, consortia bid from DSP, Devon and Cornwall Training Provider Network and University of Exeter submitted for £500,000 focused on digital skills in communities, for under-represented individuals and to increase the capacity of digital trainers. Bid selected by Devon County council as part of the CRF submission. Decision pending 18<sup>th</sup> of July.
  - DCMS Cyber Security & Schools Careers Inspiration. DSP convened discussion with CIOS DSP, South West Cyber Cluster, Bluescreen, University of Exeter, Real Ideas Organisation and Institute of Technology. In the end it was felt that the asks of the fund were unrealistic given the timeframe.
  - Tech Talent Charter. The DSP is coordinating an awareness and adoption campaign to increase diversity and inclusion across the tech and digital workforce. An implementation plan will be brought to the SAP with a request for the LEP to become Tech talent Charter signatories.

## **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 31<sup>st</sup> 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. We are pleased to have passed the initial showstopper criteria and have moved to the next selection stage together with 14 other sites. Further detailed appraisal of our submission together with a site visit will take place this summer.
- 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 has now been approved by the Governments approvals panel. We are awaiting SOS sign-off and then hopefully a contract will be put in place that will mean that funding for the HPC Supply Chain Service will be secured for 4 years.

- A refresh of the **2018 Nuclear Sector Deal** is underway, our LEP is leading on the Place element of that and have submitted proposals to support the geographical impact across the UK of nuclear programmes and projects.
- We received the first iteration of the **Smart Aviation High Potential Opportunity (HPO)** from DIT to which we have made various suggestions for how it can be improved. We are working towards launching it at the Global Urban & Advanced Air Summit (GUAAS) to be held at Farnborough in September.
- The **Future Flight** Project 2Zero is busy collaborating with local partners via its Advisory Board which includes representation from the Met Office, University of Exeter, WEA and East Devon Council and a series of research and development workshops. A very successful Skills session was held recently which included contributions from Exeter College and Exeter Aerospace on future skills demand.
- Work is progressing on establishing a Sustainable Aviation Programme Board that will help to steer, support and oversee projects that will deliver against the Build Back Better transformational programme. Included within this will be supporting and enhancing our existing innovation assets and exploring the potential for new projects and demonstrators including fuels and electric technology.

## Photonics

- It is important to consider provision for grow on space for tenants, especially those at EPIC. With this in mind the recent Torbay levelling fund application seeks to bring forward space for a 'photonics production park'.
- EFFECT Photonics have recently confirmed that they will need a circa 2000 sq metre clean manufacturing site in Torbay incorporating production, cleanroom, test and offices within the next 18 months. Considerations at Torbay Business Park are being made by both the company and TDA for a new build facility to support their expansion. This would form part of the photonics production park as above.
- Continue to support the growth of the photonics cluster including:
  - Anthony Mangnall MP is now the vice Chair of the All Party Parliamentary Group for Photonics and Quantum Technology. This should provide us with an opportunity to push our sector needs and arm Anthony with the information required.
  - On the Photonics and microelectronics technician training programme. Roger Hopper new sector skills coordinator now working full time in the role. Some elements of the training programme have already commenced. The recent big ticket project session noted a need for higher level skills more quickly and could present an opportunity to apply for funding. SDC have been successful in obtaining more funding through bootcamps to provide training in September. They submitted a bid to the community renewal fund where an element focuses on Photonics skills.
  - EPIC and sector looking to attend Photonics West 2022. HotSW LEP maybe able to provide financial support for us to attend. DIT internationalisation funding could support cluster members to attend.
  - Looking to identify transformational projects for the wider cluster across LEP geography. A facilitated session was held on 1st March with over 35 companies. This has provided a key list of 'big ticket projects' to develop and potentially target for current and future funds such as Levelling Up and UK Shared Prosperity Funds. Capacity funding may be required.
  - Two films are now available and are helpful collateral in promoting the cluster and our offer. One supporting the HotsW LEP designation from Dept for International Trade for HPO in Photonics and the other selling EPIC as a location for tech businesses.
  - We continue to streamline and update the Torbay Hi Tech Cluster web pages and include links to our international cluster partners and have uploaded our new film links. We have other development ideas we may look to take forward i.e. jobs board as many in the cluster are recruiting and some in large numbers.

- Two businesses in the local photonics cluster have recently been granted the maximum award (subject to conditions) of £150,000 in support of investment projects from the HotSW ERDF soft landings programme. Dutch owned EFFECT Photonics for their project to increase cleanroom and R &D capacity at Brixham Laboratory, and Nanusens (recent Spanish owned investor) for their project to locate and expand at EPIC. We believe that we may also see applications from Turkish companies Rekrom and Nitela Technologies bit of whom want to visit as soon as current restrictions are lifted. One is an optoelectronics company with specialisms in Lidar and another working in Quantum technologies.
  - Continue to work with Dept. for International Trade on promoting the Photonics High Potential Opportunity (HPO) to drive inward investment enquiries into the LEP/Torbay area including development a new film supporting the HPO messages setting out reasons for Photonics and Microelectronics companies to locate. Two 'presenters' were used from EFFECT Photonics. A further webinar session is tentatively planned with DIT in September where we also hope to feature Nanusens (who have recently been supported by Council and LEP) with their move to EPIC. Nanusens enquiry came through the DIT channel as did the Turkish enquiries.
  - We are also in conversations with a Norwegian UVLED company who utilise nanomaterials (graphene & nanowires) within their technology to set up a pilot production facility at EPIC. Again this the company prefer to visit when Covid travel restrictions are lifted.
- Needless to say Covid travel are hindering projects moving forward currently.

### **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 – lobbying from the sector is needed to understand when the details of the fund will be announced.
- Sector specific research and data has been reviewed, whilst some of it is helpful, further research is needed in order to form a baseline of data for the sector which will feed in to a set of priority actions.
- Plymouth City Council have been advertising for a Fishing Industry Development Officer – applications close on the 1<sup>st</sup> of June 2021.

### **Tourism:**

- The industry contributed towards the national Destination Management Organisation (DMO) review – through both written consultation and attending the Roundtable event organised by Visit England. Await final report in the summer
- Towards 2030 – Reimagining the Visitor Economy in the South West - is being finalised. This is co-funded by HotSW LEP, Cornwall & IoS LEP and Dorset LEP to set out a series of short-term (18 months) projects needed to reignite the visitor economy. This will contain £10M worth of projects which will form part of the CSR ask from the sector across the Great South West area
- Tourism minister is attending the next GSW APPG meeting on 21<sup>st</sup> July. Representatives from the sector will be presenting a summary of the above document (key asks) to the Minister
- The 3<sup>rd</sup> South West wide tourism survey is currently live

### **SW Regional Defence and Security Cluster:**

The SWRDSC work programme, throughout 2021, is being delivered with constant planning and discussions, to facilitate, participate and host events and projects. As the cluster moves through the series of events and projects, it is resulting in new collaborations; which give rise to new ideas, possibilities and conversations to be had. This is a coordinated effort between Programme Manager, Coordinator and Steering Group Chair.

A number of events have been run with a good level of interest, this included the recent 10<sup>th</sup> June Australian Connection event, with guest speakers from the British High Commission, Australian High Commission, Austrade and representatives from Systems Engineering & Assessments (SEA). All giving presentations on the types of opportunities available in Australia for businesses. As well as the first Security and Resilience Special Interest Group (SIG) event 17<sup>th</sup> June, with keynote speaker Major General Rupert Jones Standing Joint Force Commander; which was a first in a series of events for the SIG.

More events and projects are in the pipeline, for example, a highly anticipated event with Blue Abyss, which will be a chance for members to contribute to the design of the facility as well as regular monthly member update events now diarised. Overall, events in the work programme have been really well received and are proving to be a good way of encouraging collaborations both locally, regionally and internationally. Additionally, the programme management team are now trying to consider how in person events might happen now that COVID-19 restrictions are being removed.

SWRDSC has now secured over 100 memberships, spread across three membership types: Full, Affiliate and Strategic. Full and Strategic members have access to our all in one collaboration tool, Kahootz. Membership engagement with the Kahootz SWRDSC workspace has been increasing and is used to promote the news, events and opportunities from our different members, in example, DASA opportunities and competitions. As a whole, SWRDSC has been successful with engaging with other government, regional bodies, businesses and organisations to promote and encourage innovation and further collaboration.

In conclusion, the SWRDSC is well suited to further increase the standing of the defence sector in the HotSW region, to highlight otherwise hidden defence capability through SME involvement and encourage collaboration.

## **Digital Futures**

Co-ordinated the LEP response to the DCMS's Digital connectivity Call for Evidence for connectivity in hard to reach areas. The consultation by the DCMS sought to gather evidence about the demand for broadband services, their invaluable benefits, current barriers to deployment and take -up, and additional evidence from suppliers and vendors on technology availability, maturity, capabilities and costs to provide connectivity in Very Hard to Reach areas. DCMS are keen that decisions about better broadband are based on evidence from those who will be most affected by them and that this will all help inform the government's approach.

Currently we are developing a digital business support offer that would seek to improve the digital Utilisation of businesses across the HotSW area. Currently the digital business support across the SW is very patchy with many areas not being able to access support. Proposal is looking to align the support with activities already being undertaken under the Digital Advantage programme and the Digital element of the Growth Support Programme.