

**Heart of the South West Local Enterprise Partnership**

**LEP Board Paper agenda – item 7**

**Report Title: Chief Executive – Update**

**Date:** 16 July 2021

**Purpose:** This paper is for **information and guidance**.

Update the Board on any key issues since the last meeting including:

- What’s going well (and what isn’t)
- Update on LEP Review
- Highlight possible asks into CSR
- Update paper on reforms, challenges in the Agricultural, food, and farming for briefing and discussion
- Update on our Blueprint for Clean Growth

Elsewhere on the Agenda, we review:

The Annual Accounts for last year (ahead of our AGM) at the end of the summer

Progress on Build Back Better Plan and specific recommendation on (LGF funded) Digital Delivery

Updates from each of the Leadership Groups

**Link to Build Back Better:** Indicate by **bolding** which area the paper links to.

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

**Financial Impact:** (cost or cost saving)

None directly relating to this report.

**Decisions required:**

**Formally approve the accounts**

**Note progress on LEP review including feedback from MPs**

**Agree to next steps relating to changes, challenges, and opportunities in the food and farming sector**

**Agree to key priorities/asks for CSR**

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## **Summary**

The main changes since the last meeting (in April) are the delays to opening-up, the emerging delivery of the Levelling-Up Fund and pilot CRF programme, and slow progress on the LEP review. We also need to recognise significant labour market challenges – in several sectors but particularly health and tourism and hospitality – in the context of the delayed opening-up. We are also sharing some recent CBI analysis of our region (with some comparators to other regions).

It is important to reiterate that the LEP prioritises delivering our route map to recovery working with our partners to support our businesses and communities through recovery. Specifically, we still have over £50m of capital funding projects to be delivered this year and we are progressing delivery of the key transformational opportunities set out in our Build Back Better plan published in May and endorsed by all HotSW LAs.

There is a report on the agenda on the progress of each of these opportunities.

### **Headlines - since the last meeting**

Confirmation in May from MHCLG/BEIS of our Annual Performance Review which concluded:

**Governance:** Met

**Strategic Impact:** Met

**Delivery:** Met

To ensure job outcomes and financial targets are achieved within the agreed timescales, progressing Getting Building Fund capital projects remains a government priority for LEPs and MCAs.

This enabled offer letters from Government for Getting Building Fund could be released. We have not yet received the offer letter for core funding for 21/22 which remains subject to a business case agreed with the Treasury.

We have also now received confirmation of Growth Hub funding for 21/22.

### **Infrastructure and Places**

- **Town Deal** funding for Bridgwater (£22.6m) and Glastonbury (£23.4m) confirmed
- Business cases for £51m of **High Street Funding confirmed** – Plymouth, Barnstaple, Yeovil, Taunton, and Paignton
- All 24 **Getting Building Fund** projects now contracted
- **Exeter- Okehampton** line confirmed and on-site. Significant infrastructure investment at Exeter St David's.
- March Budget confirmed **Levelling-Up Fund and Community Renewal Fund** to be delivered by Local Authorities. CRF and Levelling-Up submissions were completed by June 18<sup>th</sup>, 2021 - endorsed where appropriate by the LEP.
- **A303 Improvements** to start in September

### **Skills**

- HotSW Retraining Programme – Train4Tomorrow – one of only 3 areas nationally concluding– 850 participants, £1.7m – Round 1 programme now concluding. Round 2 bid submitted across wider

geography (including Dorset and Cornwall)– 22 Technical Bootcamps confirmed (not yet announced) – and Digital Bootcamp confirmed although formal announcements in the next couple of weeks.

## Other

- New **business bulletin** published - [HotSW LEP publishes Spring Business Bulletin 2021 - Heart of the south west LEP \(heartofswlep.co.uk\)](https://www.heartofswlep.co.uk/news/2021/03/16/hotsw-lep-publishes-spring-business-bulletin-2021/)
- **High Potential Opportunities programme** - Photonics delivering significant added value - [Heart of South West LEP awards almost £190k to local businesses as second round of grant scheme is announced - Heart of the south west LEP \(heartofswlep.co.uk\)](https://www.heartofswlep.co.uk/news/2021/03/16/heart-of-the-south-west-lep-awards-almost-190k-to-local-businesses-as-second-round-of-grant-scheme-is-announced/)

The Marine HPO has also now gone live but will be publicly launched at International Shipping week in September.

- **Eon Energy** confirmed to deliver SW Energy Hub – Eco Homes Grant across HoTSW
- **HotSW Build Back Better Plan** – published.
- **Great South West** – UK's Natural Powerhouse flyer updated [GSW\\_E-Flyer-pr2.pdf \(greatsouthwest.co.uk\)](https://www.greatsouthwest.co.uk/media/544767/gsw_e-flyer-pr2.pdf)
- **STEP nomination for Bridgwater Bay confirmed** – alongside 14 others nationally
- **Growth Hub funding - £528,000** and funding for 17 Peer to Peer programmes confirmed
- **BluePrint for Clean Growth published** - [HotSW-LEP-Blueprint-for-Clean-Growth-Final.pdf \(heartofswlep.co.uk\)](https://www.heartofswlep.co.uk/news/2021/03/16/hotsw-lep-blueprint-for-clean-growth-final.pdf)
- **£6m Somerset Economic Recovery Plan** - agreed

## Summary

### 1. UK Plan for Growth

The Government has also set out **three priority objectives**:

- **Unite and level up the country**, tackling geographic disparities; supporting struggling towns to regenerate; ensuring every region and nation of the UK has at least one globally competitive city; and strengthening the Union.
- **Enable our transition to net-zero**, driving growth that is green by delivering our Ten Point Plan for a Green Industrial Revolution and taking action to fulfill our commitment to being the first generation to leave the natural environment in a better condition than we found it.
- **Support our vision for Global Britain**, welcoming international investment to create new jobs, role modelling free and fair trade, and taking advantage of the opportunities available to us now we have left the European Union.

Following the Budget, the Government invited bids from Local Authorities for Levelling-up Fund and a pilot Community Renewal Fund programme (to be completed by March 2022) for June 18<sup>th</sup>, 2021 including engagement and support from local MPs. Following calls for projects, CRF bids were appraised locally and submitted for Devon, Torbay, Somerset, and Plymouth. Various (mostly transport) bids were submitted for R1 of Levelling-Up with some development work taking place for potential future bidding rounds. LEP officers have supported these bids by helping with appraisals (particularly regarding strategic fit) and have endorsed bids where asked.

## 2. LEP Review

The LEP Review was also announced at Budget and over the last few weeks there have been discussions across the four broad themes which are:

- Objectives and Functions
- Geographies and Accountabilities
- Representation and Interaction with Local Government
- Implementation and Funding

2. The Minister leading the review is Paul Scully MP, Minister for Small Business at BEIS and the Budget confirmed that the review would complete by the summer recess. Things have probably slowed down in the last few weeks with the establishment of the new Levelling-Up Team working across BEIS/MHCLG/HMT and how this engages with the review.

### Discussion

3. There is a desire to ensure that the Review is inclusive and collaborative and the discussions of the functions group have proposed that in the future LEPs should have:

- **A strategic role**, providing place-based economic expertise and insight to central and local government and helping secure long-term inclusive growth at the local level as part of the Plan for Growth.
- **To identify key local sectors and industries**, and to design and deliver interventions to make them more competitive, making the most of local opportunities. The place-based growth this could unlock should be centred around the pillars and themes of the Plan for Growth, especially the UK's Net Zero requirements.
- **To deliver a programme of joined-up, expert, and tailored business advice** and support for local businesses, ensuring they can play their full part in the Plan for Growth. A consistent, quality offer should be available throughout the country.

Most recently, the review has been looking at the relationship between LEPs and Government (which might have been a better place to start).

### Local consultation and conclusions

As agreed we have discussed the review with our BROs, our MPs and are doing so with our Local Authorities. With Levelling-Up funding now directed via Local Authorities and the Plan for Growth published we recognise that a review is timely. Our key messages with MPs have been as follows:

1. **LEPs should evolve** and also need to improve further, continue to provide strategic scrutiny and insight, especially from the business perspective. If LEPs aren't to be the conduit for funding then consideration to how to make this a meaningful role, such as being a statutory consultee or having a right to veto might be appropriate
2. LEPs could/should have **a wider meaningful role**, particularly in highlighting/gathering the business perspective, to help identify the transformational opportunities for the area to the wider world and supporting delivery and recovery in local places but lifting their heads to work across geographies

3. LEPs are **important convenors**, providing a role to facilitate and convene collaboration between partners, neighbouring LEPs, LAs.
4. LEPs need to **be better/smarter at advocating** the real opportunities of the area – providing a strategic overview, longer-term focus and ability to identify and to drive more networked opportunity, driving commerce interest, introductions, to pursue and champion – this includes some of our key transformational opportunities and sites.
5. **Levelling-Up** and economic recovery should have a greater cognisance with health (inequality) working more closely with local partners
6. There are **differing views about geography**, particularly in the medium/long term but it was recognised that this review affects delivery in the lifetime of this current Parliament

As your LEP, we asked that decisions about the future role of LEPs:

- a) are **expedited promptly** to avoid a continuing hiatus and increased risk of loss of engagement by existing business stakeholders/directors/staff
- b) the future role with both Government and local partners including MPs is **clear, meaningful, and funded** appropriately
- c) continues to promote **collaboration and partnership with business in the lead**
- d) **has real influence** in directing funding to support economic growth, levelling up and or business support
- e) supports the key **business-to-business relationships** set out in the HoTSW Build Back Better Plan.

Our 20/21 AGM is likely to be part of the (face to face) Board meeting on 16<sup>th</sup> October 2021. The 20/21 accounts are included in this agenda (agenda item 6b).

### 3. Agricultural Reform, Opportunities and Challenges

Our Food and farming sector is undergoing significant change and a briefing note has been attached (see agenda item 7, appendix 1)

Mel Squires has agreed to lead a short conversation about messaging and the next steps.

### 4. Asks into CSR

In their recent publication, Levelling-Up the Great SW – a legacy for G7, Pennon Group made the following recommendations:

- Transform levelling up into an integrated national project, with economic growth plans for every British region incorporated into a central framework. These plans should be delivered by regional leaders with regional accountability.
- Establish a Transport for the South West body with similar powers to Transport for the North, able to champion transport infrastructure projects across the region.
- Deliver ultra-fast South West 5G mobile, fibre, and wireless broadband through to 90% of the population by 2030.

- Expand the now-doubled public RD&I budget in every British region, prioritising the South West's portion in the advanced manufacturing and environmental science clusters.
- Commit to opening up more science and technology pathways for students in higher and further education.

Through working with our partners on delivering our Building Back Better Recovery Plans we are developing business cases for key transformational propositions for CSR as follows:

- Oceans Futures
- A Rural Productivity Deal
- A Tourism Recovery Plan
- HotSW Technopole

Therefore our broad asks for CSR might be:

Completion of the LEP review supporting a meaningful role for business-led LEPs and specific support to deliver key components of our Build Back Better plan

A clear mechanism to deliver universal service, ultra-fast and digital transformation to all HOTSW communities

Securing the now-doubled public RD&I budget, prioritising the South West's portion in the advanced manufacturing and environmental science clusters

Supporting our farmers and tourism businesses through a rural productivity deal and SW Tourism zone

Support delivery of our Plymouth and Devon Freezone and extension in benefits at our Enterprise Zones

Supporting the development of a sustainable transport plan to deliver an electrified rail network and better rural connectivity for future transport needs

Support delivery of key defence assets in the SW such as Devonport and the AW149 mid-sized helicopter.

Support for an effective Hinkley legacy including sector deal funding to support the supply chain and STEP

## **5. Blueprint for Clean Growth**

Following the Board's approval of our Blueprint for Clean Growth, it was launched on the 27<sup>th</sup> May. This was followed by a sponsored breakfast session at the CBI's national Road to Net Zero conference on the 15<sup>th</sup> June. We used this opportunity to promote the credentials of the Heart of the South West by focussing on cutting-edge digital transformation projects that are helping the transition to net-zero, with a spotlight on Ocean Futures, Environmental Intelligence, and Natural Capital.

The Blueprint has been sent to key partners including the Joint Committee, the four strategic LAs, Peninsula Transport, and the business representative organisations, and we have asked to collaborate with them to deliver shared priorities. Strike Communications has also been appointed to help us deliver our clean growth communications campaign, including an interactive map of assets, projects, and business activity that will be launched at the end of October immediately before COP26 starts.

Other activity that is progressing and which has not been mentioned elsewhere in the Board pack includes assessment of a potential floating wind opportunity, establishment of a plan for hydrogen, consideration of

investment into a retrofit skills and supply chain study, development of a targeted advice service via the Growth Hub, and identification of priority actions to support the uptake of agri-tech solutions.

## **Summary - What's going well and what isn't**

### i. Scrutiny and Annual Performance Review

Summarised above

### ii. Business Closures/labour market

All staff at Oscar Mayer have now been served notice to all staff. Some 850 staff have been supported through a locally-led redundancy task force. More broadly, business closures are significantly lower than you would anticipate (particularly following such an economic downturn). However, with the Government support tap being turned off this as well as unemployment may rise significantly.

### iii) Brexit Resilience and Opportunities

HEROG has continued to meet (now fortnightly). ARG grants need to be dispersed in full by the end of July to draw down any further funding. Some LAs seem to be finding this challenging/others less so.

### iv. European Structural Funds

A change request has been submitted to increase the value of our Inward Investment Soft Landing package. An ESIF update is included elsewhere on the agenda.

### v. Nuclear Sector Deal

A further HSDF meeting was held last month with local stakeholders and BEIS including feedback from the site and the Hinkley Place, People, and Business sub-groups.

The Nuclear Sector Deal is celebrating its 3rd anniversary and is being refreshed. The Sector Deal (Places) supply chain programme has been approved by IDaB and we hope is moving towards ministerial announcement and contracting. A fuller report is available elsewhere on the agenda.

### vi. Growth Hub

Funding for 21/22 has been confirmed including cluster funding for GSW. A Growth Hub update is provided within the Business update report. In addition, the Growth Hub has been contracted to deliver 17 cohorts of Peer to Peer support – it delivered 9 in 20/21.

### vii. Food, Farming, and Fishing

We have a specific discussion on food and farming. Challenges/opportunities to fishing remain but include a Levelling-up bid, submitted by Torbay that includes significant fishing infrastructure improvements to Brixham Harbour - as well as some capital funding to support photonics)

### viii. Board Effectiveness

The Board Effectiveness review is on agenda item 9.

### ix) CDS update

CDS has recently published their response to the consultation on Very Hard to Reach – the LEP has also responded – as well as a briefing on the delivery of the BT gain share programme. As part of the SIP report decisions on the change request to mobile boost and future support for Digital delivery are included – the former as part of the SIP update.

x) Access to Finance

The report on gap analysis into the availability of finance has been completed and reported to the Business Leadership group next month.

xi) Great South West

Neither the GSW Steering Group nor the APPG has met since our last LEP Board meeting – although the Tourism Minister has confirmed that he will update the next meeting to update the APPG on a response to our Tourism asks. This is now scheduled for July 21<sup>st</sup>, 2021.

AT PMQs on 30 June, the Chair of the GSW APPG asked the PM for GSW recognition. The Local Growth Minister – following a meeting – has agreed to respond directly but we await an update.