

**Heart of the South West Local Enterprise Partnership
LEP Board Paper agenda item 9i) annex A**

Report title: Performance Report – Delivery Activity

Date: 22nd October 2021

Purpose: This paper is for **information**

(overwhelming papers should be for decision)

Link to LIS: 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

Timing: immediate

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

Decisions requested: none

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Summary

The paper provides a report on the LEP’s delivery activity over April – September and notable successes and issues therein, and a forward look to emerging challenges through the remainder of the year. In doing so it also provides a report of progress in delivery of the 21-22 workplan.

This replaces the previous Leadership Group updates provided in the Board pack; Leadership Group Chairs will continue to provide a verbal update on progress on their work area at the meeting.

1. Background

The Board agreed the 21-22 workplan which is available at [Microsoft Word - 210511 Heart of the SW LEP Work Plan 21-22 \(heartofswlep.co.uk\)](#) and which set out three key priorities for the year:

1. Making a difference to the economy: delivering current programmes and activity
2. Making a difference to the economy: driving forward the transformational opportunities and their supporting programmes as set out in Build Back Better
3. Ensuring highly effective LEP operations

Detailed work programmes with deliverables and milestones were developed under each of these using the Objective & Key Result methodology (OKRs) used in many other organisations. Progress is monitored through F&R quarterly and through the Board 6-monthly or by exception.

Reporting is based on a dashboard (annex A) which gives a snapshot of progress against the objectives and shows which key results are green (on track or complete), amber (broadly on track though with some delay) or red (significantly delayed or not progressing). Also attached for information is an extract of the amber results (annex B)

The dashboard itself is a summary of the more detailed objectives and key results set out in the workplan. Prior to this Board report, the dashboard is reviewed by the LEP management team and F&R and progress against results marker red and amber items tested. More details on red rated results are given below and Leadership Group Chairs have reviewed actions against amber items with the relevant lead from the management team.

2. Highlights: successes, specific issues and their mitigation

Business

- Scale-up procurement complete & Inspire, the supplier of the previous contract, will work with 20 new business during the 6 months. Back to Business, clean growth and peer network support will continue to deliver. Also investigating how best to provide an access to finance signposting/ advice service to SMEs
- ERDF inward investment support has now awarded £340k of grants creating over 80 jobs with Torbay and photonics being particularly successful. Marine and smart aviation High Potential Opportunities developed with Dept for International Trade; HPOs are actively marketed by DIT overseas to attract new investors to the UK. Photonics & marine are live with Smart Aviation to launched at the Global Investment Summit on the 19th October
- The business support landscape has been mapped and demand assessed which will help with development of a new business support offer as funding transitions from the EU to the UK Shared Prosperity Fund

Place & Infrastructure

- National Highways (the new name for Highways England) will be consulting on their detailed proposals for the dualling of the A358 (Taunton to Ilminster) from mid-October, prior to publication of the Development Consent Order for the scheme.
- Construction of the A303 Sparkford to Ilchester dualling is now under way, with completion anticipated by mid 2023.
- The judicial review of the Secretary of State's decision to confirm the Orders for the A303 Stonehenge Tunnel project succeeded on two counts and the Orders were quashed. There is scope for the Secretary of State to re-determine the Orders in the light of further information on the aggregate impact of the scheme on heritage assets, and further consideration of alternatives.
- A detailed paper on the Retrofit and Energy Skills project is to be prepared to detail the benefits for the Greater South West regions LEPs. If there is a consensus in the 6 LEPs research will be carried out to further this work.
- A funding request has been received to deliver a set of outline business cases to take forward implementation of the Coastal Productivity Plan. We have asked the group leading this work to consider further the specific issues around low productivity, poor social mobility, health, housing stock and digital connectivity and also to work more closely with existing initiatives being led by groups such as the Skills Advisory Panel and Innovation Board.
- We are currently agreeing our rural priorities for inclusion in a rural productivity deal and have recently engaged our public affairs consultants to help improve our engagement with Ministers and officials.
- Research and shaping work includes
 - planned 22/23 review of the Market Towns study and any changes needed in the light of Covid

- facilitating a discussion with developers, businesses and other relevant partners, around the Future of our Workspaces to inform what strategic direction we need to ensure that there is an adequate supply of suitable workspace – both office and industrial.
- study on Community Led Local Development (local, small scale EU programmes) completed and will inform potential future work under UKSPF. Discussions have also taken place with Defra to inform any plans they may have for a LEADER Programme replacement.

People

Key challenge is the development of a single gateway approach to business training, skills and employment advice, working with and through the Growth Hub. As with wider sector opportunities, the lack of progress nationally on funding sources has slowed the ability to put forward new programmes such as the skills advisory approach. Options may emerge from the recent discussions around digital expenditure, but at present, the work is delayed as partners awaiting next steps on national programme activity.

The LEP is also seeking additional resources for curriculum development within opportunity areas – Delays in the Government roll out of levelling up funding and other approaches have made forward progression on this area difficult over the year. Whilst Bootcamps have been secured, it is currently difficult to anticipate where the next round of resources will come from. CRF and other funding programmes have also been delayed, limiting progress outside existing funding lines (ESF, DfE Lifetime Skills Guarantee)

Innovation

- Consultant appointed to develop the Technopole business case and the concept will be outlined by the Chair of the IB at the SW Innovation Expo on 14th October, Sandy Park.
- The MIT REAP work established *marine and environmental intelligence* as world leading LEP strengths. The Innovation Board has drafted supporting documents for both of these themes and the universities (Plymouth and Exeter) are working with MPs and policymakers to ensure a significant ask/proposal is put to government – that could result in step change in innovation for these themes
- 40 members of the Panel of Innovation Driven Enterprises (IDEs) in place: will be used to sense-check the Innovation Board's activity and priorities and gather intelligence on needs, ideas and challenges

Transformational Opportunities

- Nuclear 2050 is a refresh of the 2018 Nuclear Sector Deal and has been written by the Nuclear 2050 Programme Management Office. Our sector lead Corinne Matthews sits on this PMO as the representative of regions.
- Entering into negotiations about contractual arrangements with BEIS to give longer term certainty for the nuclear supply chain programme. The existing project has helped HotSW SMEs secure £55m of contracts from Hinkley with a further potential £75m in the pipeline
- It appears that Crown Commercial Services have pulled out of the South West Food Hub's regional procurement pilot and are instead planning to roll it out nationally. Work to map the food supply chain is still important and the results will be reported to the Board early in the new year, together with research into the impact of agricultural transition on the Great SW economy.
- Structural changes to the tourism sector are anticipated. The Towards 2030 plan has recently been published by the Great SW Tourism Partnership and the governance is being reviewed to ensure it is fit for purpose to take this recovery plan forward. An independent DMO review has also been published which recommends that Government brings coherence to England's DMO landscape via a tiering approach, with the national portfolio split into two tiers – a top tier of accredited Tourist Boards

acting as ‘Destination Development Partnerships’ (the hubs) and a second tier of accredited Tourist Boards acting as members of these Partnerships (the spokes). It is also recommended that Government provide core funding to each Destination Development Partnership, focused on activities that ensure their destination remains sustainable, competitive and responsive to high level strategic challenges

Red Rated OKRs

Of the Key Results for the quarter 5 are completed, 83 are green, 43 amber and 4 are red, detailed below: As per the guidance, amber projects are broadly on track with some slippage of milestones

Objective	Key Result	Issue & Mitigation
Successful delivery of ERDF inward investment support project	Secure additional £900,000 ERDF support	A request for additional funds has been submitted to Govt though no funds are immediately available; the LEP continues to make the case for ERDF projects to be extended
Investment in Offshore Renewables accelerated, focussing on floating wind and tidal energy	Successful floating wind Strength in Places bid and subsequent sector development plan produced	The bid was unsuccessful and a sector development plan is still awaited, which Cornwall partners are leading on. With two large floating wind projects proposed off the coast of North Devon, a study is now planned to determine the potential opportunity for HotSW so we can identify what actions could be taken to realise the associated economic potential
Action orientated strategic approach in place for natural capital	Projects shortlisted for LEP natural capital demonstrator fund	The first call in the spring was unsuccessful, partly due to the timing of the Environment Agency’s grant programme and partly due to the stage of development of projects able to generate enough funds to repay a loan. A revised proposal is being presented to November SIP
	Funding agreements in place for projects to be supported by the fund	

3. Issues and Priorities to March 2023

As well as delivery of the remaining workplan commitments, particular priorities for the next 6 months will include:

1. Agreeing future role and function of the LEP post LEP review and creation of a sustainable financial model. Includes
 - a. a real need to provide clarity to the 65 staff across the area who work for the LEP. This is split 6 working directly for the LEP and 59 providing support through local authority partners, a mix of full and part time
 - b. providing certainty over future funding to local authority partners
 - c. ensuring the LEP continues to operate as a going concern

The Board have started discussing and a future operating model and finance plan are planned by December/ January post-LEP review

2. Delivery of the core activity, notably the £8m digital investment which is planned to be finalised by December/ January but also including
 - a. Getting Building Fund spend completion by March

- b. Growth Hub & Careers Hub delivery, including future funding model for the Careers Hub, extant business support and skills provision including the Bootcamps and ESF activity.
 - c. Establish the new Low Carbon Energy Programme Board
 - d. Secure funding from BEIS to give longer term certainty for the nuclear supply chain programme
 - e. Complete the retrofit supply chain and skills study
 - f. Finalise the Ocean Futures business plan and establish a strong governance structure
 - g. Submit a whole farm approach support service to government to aid the transition and re-engage with government on a rural productivity deal
 - h. Submit a Phase 3 bid with Ampaire into the Future Flight Programme
3. Development of the technopole innovation offer
 4. Development of the inclusive growth proposition: being discussed separately at the October Board and refined from there