

Heart of the South West Local Enterprise Partnership

LEP Board Paper 10 b)

Report title: Build Back Better & Programme Update

Date: 27th January 2023

Purpose: This paper is for **noting**

(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: Ongoing

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

Decisions requested: n/a

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Summary

Provides an update across the main priorities of the LEP's work.

Background

The 22-23 workplan set out five priorities for the year:

- A. Supporting transition
- B. Delivering against net zero & the transformational opportunities
- C. Delivering Growth Hub, increased innovation and tailored business support
- D. Delivering on the goal of inclusive growth
- E. Delivering the £40m Growth Deal, Getting Building Fund and Growing Places legacy investments

1. Highlights: successes, specific issues and their mitigation

The below highlights salient points by exception.

A. Supporting Transition – outcomes are

- Future roles of broader partnership is clear, aligned to pillars and missions on the white paper & other key policy drivers. Timeline agreed for transition
- Skills and employment supports the area's key opportunities and improved access to jobs and careers
- LEP continues to support partner's activity in other relevant areas
- Highly effective LEP Board
- LEP operations are delivering effectively ahead of and through transition

Transition arrangements are now on hold until progress of Devon devo deal is clear.

A more detailed outline of skills & employment work is attached as an annex with highlights below

- The labour market remains tight and in line with national trends, fewer individuals are economically active than pre-Covid and, including a greater proportion of the over 50s. Around half of those receiving Universal Credit have a health or other condition compared with 25% in 2019. Work continues across the area to enhance and reinforce provision using, e.g. DfE Bootcamps, residual EU funding etc, however the majority of external / non mainstream skills funding is currently due to end before the new financial year. Discussions are ongoing around replacement / Government intentions around new provision
- Careers Hub delivery has continued with discussions to begin shortly with partners and BEIS / DfE for the new financial year. There is some suggestion that prioritisation / ringfencing of the Careers Hub programme as part of Govt's LEP or other funding settlements is currently being considered, though we await further details
- The Digital Skills Partnership will resume quarterly meetings from January, chaired by Ash Roots (UoE Chief Digital officer). To date this year, the DSP has supported 1,995 individuals with digital skills sessions
- Delivery continued across both the Dorset and Somerset, and Devon and Cornwall Bootcamps, with around 1,500 training opportunities for fast tracked entry to added value employment being offered and continued focus on provision around digital courses (with around half in that space) and increased interest in electrical, construction, engineering and health boot camps from providers / employers
- As a result of ongoing successes across the HotSW / Dorset / CloS areas DfE offered Devon and Cornwall an additional £3m Bootcamp activity in late December 2023, with an opportunity to further extend the programme. Procurement is under way.
- Both the Skills Advisory Panel and the Chamber-led Local Skills Improvement Partnerships work under from guidance from DfE. There is some scope to better align the two and more guidance on this from DfE is awaited. In the meantime, the local teams continue to look to share intelligence, make best use of respective membership etc. A governance review to look at this and other issues is recommended as part of the wider 23/24 business planning (see separate paper).

B. Delivering against net zero & the transformational opportunities – outcomes are

- HotSW's unique sectoral strengths are harnessed to deliver net zero, higher productivity growth with a particular focus on:
 - Exploiting the potential and for HotSW to be recognised as a green energy powerhouse;
 - Developing an area proposition in electrical and hydrogen propulsion and maximising digital innovation;
 - Establishing a global centre of excellence for marine autonomy, digital ocean and clean maritime;
 - Developing a world class reputation for the growing photonics and microelectronics sector;

- Ensuring digital investment in infrastructure, skills, business support and innovation makes a tangible difference for business & communities;
- Recovering and growing the tourism sector, building towards being a data-led, year-round, green and accessible visitor economy;
- Establishing HotSW as a test bed for new food and farming practices and nature based solutions; and
- Supporting and enabling growth across the unique sectoral opportunities with Enterprise Zones and the Freeport.

Update as below.

Energy

Nuclear – HPC Supply Chain and Inward Investment Contract terminates on 1st March 2023. Discussions are being held with EDF, the Somerset Chamber and SWMAS to determine how some activity can be maintained for 2023/24. There is an active pipeline of over 70 inward investment enquiries and efforts are being made to secure funding to re-procure a service for 2023/24. A pipeline of longer-term opportunities is being created to achieve a sustainable legacy from Hinkley Point C. This includes a specific workstream to identify transferrable capabilities both within the nuclear supply chain and workforce for other clean energy opportunities such as floating offshore wind (FLOW) and support for advanced nuclear technologies. We are working with various stakeholders both nationally, regionally and locally to raise the profile of our nuclear licensed sites for potential re-use for other nuclear technologies (SMR / AMR).

FLOW – The Celtic Sea Cluster published its [regional strategy](#) in November, which focusses largely on Cornwall and Wales. In response to our request, the Cluster Board has recently been reviewed and the new governance arrangement includes a representative from HotSW. We continue to convene a local authority officers' group to ensure our activity is co-ordinated, and the FLOW developers have been invited to meet with us in January to discuss their requirements and the HotSW offer.

Hydrogen – We have provided support to Carlton Power for their 10MW hydrogen production project at Langage, which forms part of the Plymouth and South Devon Freeport. This has now received planning permission and an application for funding is being considered by BEIS as part of their Industrial Decarbonisation and Hydrogen Revenue Support Scheme. We have also had meetings with the National Composites Centre, GW4 and Hydrogen SW to explore collaboration opportunities across the South West.

Green Skills Study – The SW Net Zero Hub has appointed consultants Gemserv to undertake the Green Skills Study and stakeholder engagement, including a business survey, will start in January. This is specifically looking at the requirements for retrofit and heat pump installation across the South West, and additional funding from the HotSW SAP budget is enabling analysis to also be undertaken on the skills requirements for solar PV, FLOW and low carbon transport. The recommendations will be reported to the SAP and also fed into the process led by the Chambers to develop the LSIP.

Energy Futures Programme Board – The programme board has met twice this quarter and discussed the HPC legacy plan, Celtic Sea FLOW strategy, the clean maritime opportunity, Green Skills Study, Local Area Energy Plans, SW Net Zero Hub activity, and a strategy for hydrogen. The programme board also helped shape the Great South West Energy Summit held on the 23rd November that we organised.

Aerospace

Our funding application with Somerset County Council to BEIS's Regulator's Pioneer Fund to undertake the design work for the Future Aerospace Test Zone was unsuccessful. The consortium met in December to identify those tasks that could be taken forward by partners using in-house resource. The next step will be a stakeholder workshop to ensure the right organisations are engaged – those that could form part of the industrial pull from FATZ and those that can enable activity to happen.

This work is being overseen by the Sustainable Aviation Programme Board, which has met twice this quarter. The next meeting in January will focus on developing the marketing plan.

Photonics and Microelectronics

Two new companies have located to the EPIC Centre this quarter – QLM Technology (UK), which has developed some of the world's most sensitive remote gas detectors for environmental monitoring, and VTEC Lasers & Sensors from the Netherlands) who have also submitted an application to us for the ERDF Soft Landings funding.

Torbay Council have resubmitted their Levelling Up fund bid to support delivery of growth space for this sector with a Photonics Production Park. A decision by Government is now expected early in the new year.

Digital

Funding contracts have been signed this quarter with the Satellite Applications Catapult to deliver the Environmental Living Lab, the University of Plymouth to deliver the Smart Sound Connect Subsurface project, and Destination Plymouth to deliver the Tourism Data Hub.

A further call for expressions of interest for the remaining £1.3m was issued on 14th November. 15 EOIs have been received. A recommendation from SIP on the shortlist is a separate paper on the Board agenda for the 27th January. The next step is to invite business cases by the 2nd March with award decisions by the 7th April. Financial completion for all of these digital projects is the 31st March 2025.

The new Digital Futures Programme Board had its first meeting in November. The next meeting in the new year will focus on the Digital Skills Continuum Programme the LEP is funding and the Taunton Digital Innovation Centre.

Food, Farming & Natural Capital

A draft public sector food procurement declaration was presented to the Board in October. One to one meetings have since been held with the University of Plymouth, Devon and Somerset County Councils and Plymouth City and Torbay Councils to inform a revised draft. This is being brought back to the Board for endorsement at today's meeting.

The Food, Farming & Natural Capital Programme Board also fed into this revised declaration at its meeting in December, when it also provided advice on the set up of the Environmental Living Lab, the potential scope of a detailed proposal to Defra for funding towards the Whole Farm Business Advisory Service, and the local authority submissions to the Rural England Prosperity Fund.

C. Delivering Growth Hub, increased innovation and tailored business support – outcomes are

- Business support in place to support productivity-led growth
- Heart of the SW is recognised internationally as a location for FDI with a year-on-year increase in FDI enquiries and (re)investment
- Increased investment in innovation through:
 - creation of a major new research and innovation capability in the world-leading clusters of Marine & Environmental Intelligence
 - dedicated innovation support across the LEP geography through a Technopole drawing in existing expert provision

Growth Hub funding now underwritten by the LEP to end September. A decision on 23/24 funding decision is still awaited from BEIS and though it seems likely that GHs will be funded for a further year, the quantum is not clear. 1,071 new businesses have engaged with the Growth Hub in 22/23 with 1,700 forecast to end March. Finance and funding related enquiries are the most common and some financial hardship enquiries or issues relating to business difficulties have been fielded by the team although

frequency of this type of enquiry remains low. A more common observation from the Growth Hub Advisers is that they see an increase in enquiries from businesses seeking funding for operational expenditure rather than new investments.

Work on the finance platform continues with a targeted spring launch date to align with the British Business Bank funding. The 23/24 business plan sets out proposals to ensure the platform has momentum and makes a difference to SMEs seeing finance.

Discussions are continuing with local authority partners around how the LEP could support/ add value to SPF though as expected, this is leading to a fragmentation of business support provision, meaning the Growth Hub remains as essential front door for businesses looking to access support.

Innovation

The Board continues to meet quarterly, and membership has remained relatively constant and committed. Working with the main HEIs in the region the Innovation Board devised a considerable innovation offer - The Marine Testbed and Maritime Accelerator, Environmental Intelligence Accelerator & Technopole - this had made considerable impact on Government prior to the political complications last year. Nonetheless, it still has traction and lobbying continues. The Innovation Board remains committed to this development as critical to government efforts at levelling-up.

We are engaging with the Great South West to explore where we can support it with in prioritising innovation. Contacts for this are attending our forthcoming (January 17) Innovation Board where we will also be exploring skills issues associated with driving innovation – the re-licensing of the SWIoT being a potential opportunity here for the region.

Our Innovation Driven Enterprises Panel continues to be a useful resource to reach enterprises and gather intelligence. Current Innovation Board priorities are:

1. To lobby and liaise very closely with Government around our very clear innovation offer. The change in leadership at governmental level is clearly a significant one and as yet we are unsure how this will impact on our proposals. We will make sure the LEP and our Stakeholders are kept closely informed and, so far, they have been happy to lobby and support our offer. We will update the LEP when we know more.
2. To liaise with the emerging Great South West to ensure we support this with a coordinate innovation ask and avoids unnecessary duplication.
3. To liaise with emerging innovation support services (such as the Freeport, Somerset Innovation Services and Gravity) to ensure added-value and that the LEP is closely involved.

All of the above are topics for discussion at our next Board meeting on 17th January.

The Innovation Board remain a potential resource to help inform developments of the Devolution Deals, LSIPs and innovation support more broadly.

D. Delivering on the goal of inclusive growth – outcomes are

- the LEP facilitates the ability of everyone to access to and benefit from economic growth

The Board agreed three priorities around leveraging the private sector, investigating the potential for a social investment fund and supporting the Social Mobility Commission. Updates are

- Commission funding agreed through Great SW & representation on the Commission agreed. As noted at previous Board meetings there is a continued opportunity to seek to broaden the Commission's remit beyond the education focus of the 2022 report. This is being pursued by Paul Crawford and Karl Tucker
- LiveWest is developing a skills programme with Exeter College which will both help develop future skills around e.g. retrofit, low/zero carbon boilers etc and seek to widen participation from remote communities or disadvantaged areas. Details are still being worked on but there may the potential to use this as a template for other businesses/ sectors

- Options around a potential social investment fund are part of the planned refresh of the Growing Places Fund, set out in the 23/24 business plan slides

More broadly, the continued challenge is how to better hard-wire inclusive growth into funding and other decisions in the area. This includes for example

- how the Social Mobility Commission as a strategic/oversight body, effectively influences the work of organisations (private & public) who are “delivering”
- how do SMEs better leverage & achieve inclusive growth, e.g. a peer-to-peer programme on skills could support this
- more prosaically, how does the proposed LEP governance review best ensure delivery of inclusive growth as one of the outcomes

Meanwhile, development of knowledge and expertise continues with e.g. bids from Exeter and Plymouth universities for UKRI monies to fund Local Policy Improvement Partnerships which will provide research, evidence, data and expertise to support inclusive and sustainable local growth.

E. Delivering the Growth Deal, Getting Building Fund and Growing Places legacy investments – outcomes are

- LEP investments are supporting transformational change in the economy

Government spend milestones for Getting Building Fund and work on committing the remainder Growth Deal & GBF continues through SIP.




























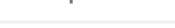












Revising the Growing Places proposition is set out in the 23/24 business plan.

Skills Report Annex

Overview

- 1.1 Despite a relative flattening of economic growth during the second half of 2022, the labour market remained increasingly buoyant tight during the winter period across the HotSW. Claimant count across the three months to November (the last recorded figures) remained at 2.4% or 25,000 individuals across the LEP, with a slower but steady reduction in numbers. This was broadly in line with the long-term trend for the area, which had been 2.2% in 2019 directly preceding the COVID crisis.
- 1.2 Of some concern however, the overall labour market within the Heart of the South West continued to trail the pre COVID level during the later part of the year, at 78.2%, with around 25,000 fewer individuals economically active at the end of 2022 than the comparison period in 18/19. Data suggests that many of these were within the over 50 age group, in line with national trends, with a mass exit of the labour market over the period and only a slow return in the face of the cost-of-living crisis. Data for claimants also suggests that those receiving Universal Credit post COVID pose significant additional complexity, with around half of all claimants having a health or other condition now compared to 25% in 2019, and the percentage who are long term unemployed (over 6 months and a year) having increased by around 30-40%.
- 1.3 This tightening of the labour market unsurprisingly means that vacancy demand remains high, with employers continuing to report issues around recruitment and skilled staff. As of the December, 25,000 individual vacancies were open across the HotSW per day, compared to 18,000 at the same point in 2018. Health, administration and logistics continuing to dominate the most in demand skills / roles, but software development, teaching and teaching support, and legal, engineering and science occupations all featured in the top 20 (provided below). Of particular note, 50% of those roles coming forward with a skills need in December 2022 were seeking an individual with technical or degree (Level 4 plus) across the area.

Top Posted Occupations

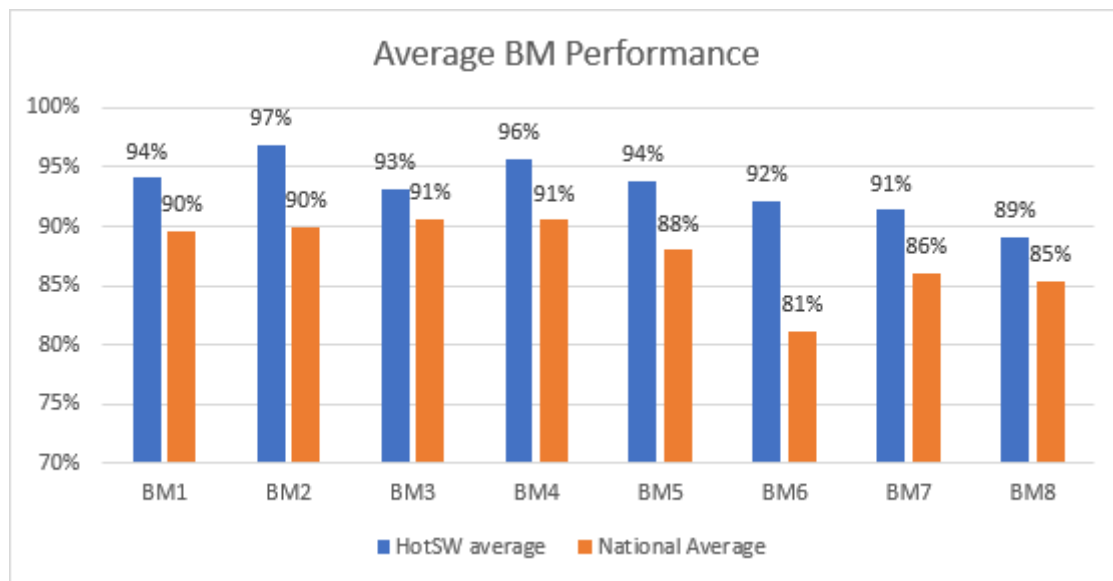
Occupation (SOC)	Total/Unique (Aug 2022 - Oct 2022)	Posting Intensity	Median Posting Duration
 Care Workers and Home Carers	9,145 / 2,122	4 : 1 	32 days
 Nurses	10,253 / 1,570	7 : 1 	33 days
 Other Administrative Occupations n.e.c.	3,231 / 1,303	2 : 1 	32 days
 Customer Service Occupations n.e.c.	3,754 / 1,206	3 : 1 	34 days
 Sales Related Occupations n.e.c.	2,302 / 1,180	2 : 1 	33 days
 Kitchen and Catering Assistants	3,255 / 1,099	3 : 1 	31 days
 Elementary Storage Occupations	3,264 / 994	3 : 1 	33 days
 Cleaners and Domestics	2,210 / 842	3 : 1 	33 days
 Van Drivers	2,294 / 800	3 : 1 	34 days
 Chefs	1,764 / 685	3 : 1 	29 days
 Teaching Assistants	1,183 / 667	2 : 1 	32 days
 Programmers and Software Development Professionals	1,519 / 631	2 : 1 	30 days
 Managers and Proprietors in Other Services n.e.c.	1,145 / 576	2 : 1 	33 days
 Nursing Auxiliaries and Assistants	3,416 / 531	6 : 1 	31 days
 Human Resources and Industrial Relations Officers	1,101 / 530	2 : 1 	34 days
 Solicitors	1,357 / 529	3 : 1 	34 days
 Sales and Retail Assistants	1,243 / 501	2 : 1 	32 days
 Science, Engineering and Production Technicians n.e.c.	1,395 / 500	3 : 1 	34 days
 Engineering Technicians	1,190 / 499	2 : 1 	31 days
 Teaching and Other Educational Professionals n.e.c.	1,049 / 465	2 : 1 	15 days

- 1.4 In light of the above, work continues across the area between skills colleagues, private sector partners and with the provider community (HE, FE and Training providers) around seeking to enhance and reinforce provision to core sectors and with key businesses. As set out elsewhere, this includes usage of the DfE Bootcamp programme, shaping of local LA and other support into core opportunities, and intelligent usages (as available) of residual EU and other funding. However, this position will begin to slow into later 2023 as things stand, with the majority of external / non mainstream skills funding in the system currently due to end before the new financial year. Discussions are ongoing around replacement / Government intentions around new provision.

2) Careers Hub

- 2.1 Activity across the Careers Hub continued over the winter, working with the area's full secondary cohort of 155 schools. As of the end of December 2022, 48 schools (31%) had reached 100% of

the Gatsby benchmark, with the average benchmark score out of 7 moving from 4.41 in 2021 to 6.08 in 2022, above the national average. Headline performance is set out below:



2.2 With regards direct delivery, the Hub secured funding for 6 additional small projects over the winter period, tackling disadvantage in a small sample of schools around alternative provision and care experienced young people in Somerset; Supporting mental health provision across the wider cohort with 500 female students in year 9; supporting apprenticeship provision and supporting teacher encounters with employers. The Cornerstone network was also extended to 21 employers in the period, amongst the largest such provision in the Country.

2.3 Looking ahead, the current programme is funded through to August 2023, with discussion due to begin shortly with partners and BEIS / DfE around expectations for the new financial year. Intelligence from the CEC / BEIS suggests that a discussion around prioritisation / ringfencing of the Careers Hub programme as part of the LEP or other funding settlements is currently being considered, though we await further details.

3) Digital Skills Partnership

3.1 The Heart of the South West LEP Digital Skills Partnership will resume quarterly meetings on the 27th of January 2023 at the University of Exeter. The meeting will be chaired by Ash Roots (UoE Chief Digital officer) supported by Debra Steel as Digital Skills Partnership Manager and Simone Marillier as Coordinator. The meeting is in tandem with a DSP reignite campaign that is running throughout January on LinkedIn promoting the digital activities of a wide range of partners.

3.2 To date this year, the partnership has supported 1995 individuals with digital skills sessions (target 500), delivered digital careers talks to 40 young people (target 500), represented the partnership on 5 panel events (target 6) and secured £33,000 of resource investment (target £40,000).

3.3 The Digital Series programme activity will start in January which will support workforce development of digital capability, business leaders looking to lead digital transformation and increase the number of young people opting to take GCSE Computer Science. The Digital Course Finder was used by 80 individuals in December and 4 new businesses signed up to the Digital Maturity Index tool.

3.4 The DESME programme has brokered over 20 Digital T:Level and graduate Digital placements on behalf of Exeter College and University of Plymouth with Devon SME's. Monthly meetings and reporting continues to be held with DCMS and the other regional Digital Skills Partnerships. DCMS have asked the DSP to submit a sustainability proposal for delivery in 2024/25 in light of the lack of onward funding from DCMS.

4) DfE Bootcamps

- 4.1 Delivery continued across both the Dorset and Somerset, and Devon and Cornwall Bootcamp programmes over the winter, with around 1,500 training opportunities for fast tracked entry to added value employment being offered. A focus continued in the provision around digital courses (with around half in that space), but with an increased interest in electrical, construction, engineering and health boot camps from providers / employers. Geographically, provision also continued to be relatively evenly spread around the area, though with a focus on Devon, Plymouth and Torbay and Somerset providers as the principal recipients of funding / provision. Notably, the programme was also considered one of the more successful nationally, with around 75% of all individuals taking part completing provision / taking part in a directly offered interview. Work is ongoing to track how many then moved directly into related employment, but early figures suggest over 35%.
- 4.2 As a result of ongoing successes, the HotSW / Dorset / CloS areas were offered additional Wave 4 Bootcamp activity by DfE in late December 2023, with Devon and Cornwall offered an initial £3m of additional provision, and an opportunity to further extend the programme later in the year. Work is currently ongoing around the procurement of this provision with providers, with Devon County Council and Somerset Council again acting as the accountable bodies. Based on early engagement, provision is likely to include around 35 % digital, 35% engineering / advanced manufacturing and 30% other sector activity at Level 4 and above. Further details however will be announced over the next 4 weeks.

5) SAP / LSIP

- 5.1 The SAP continues to operate according to the MoU agreed with Department for Education (DfE) represented by The Secretary of State for Education for the financial Year 2022-2023. To date, three meetings have taken place (May 22, July 2022, November 2022), with a further meeting planned for March 2023. They have been well attended. The purpose and content of these meetings was developed to support economic / skills updates for members provided by Exeter University, updates on DCC County Deal, Somerset County Council, Skills plans, updates on the LSIP, sector updates and an opportunity for members to discuss and learn from each other through networking. In addition, links have been created between Devon and Plymouth Chambers of Commerce and Exeter University to support the work on the LSIP as indicated in the MoU.
- 5.2 As part of the SAP approach however, and to try and align its activity with future arrangements linked to the Local Skills Improvement Partnership approach led by the Chambers of Commerce, discussions have been ongoing over the winter between the LSIP and SAP teams to seek to join up their approach and activity. This has included a joint session with the Chair in early December, where it was agreed that membership and intelligence sharing would be aligned as far as practicable, awaiting DfE's guidance on next steps for both organisations. The SAP team also continues to work closely with the Chamber more widely around the development of their emerging skills plan, seeking to provide background information and detail from the previous Annual Skills Plan cycle to inform the next iteration of local prioritisation and sector focus.
- 5.3 With regards SAP policy nationally, we continue to await a firm position around the future of the SAPs from DfE, with no formal position provided to either SAP or LSIP partners at present around next steps. Discussions are ongoing between officials around the need to clarify this approach in advance of the new financial year given related staffing and partnership issues for many LEs.