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To: The Chair and Members of the Heart of the  
South West (HotSW) Local Enterprise  
Partnership (LEP) Joint Scrutiny Committee

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

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Date: 3 February 2021

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**HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP  
(LEP) JOINT SCRUTINY COMMITTEE**

Thursday, 11th February, 2021

A meeting of the Heart of the South West (HotSW) Local Enterprise Partnership (LEP) Joint Scrutiny Committee is to be held on the above date at 2.15 pm at County Hall to consider the following matters.

Phil Norrey  
Chief Executive

**A G E N D A**

1 Apologies

**PART I - OPEN COMMITTEE**

2 Minutes (Pages 1 - 8)

Minutes of the meeting held on 22 October 2020, attached.

3 Items Requiring Urgent Attention

Items which in the opinion of the Chair should be considered at the meeting as matters of urgency.

**MATTERS FOR CONSIDERATION OR REVIEW**

4 Local Enterprise Partnership Update (Pages 9 - 34)

A Report from the Chief Executive of the Heart of the South West Local Enterprise Partnership including the response to COVID-19 and Inclusive Growth, attached.

5 Clean Growth Plan (Pages 35 - 50)

A Report of the HotSW Local Enterprise Partnership's Head of Delivery on the Clean Growth Plan, attached.

**MATTERS FOR INFORMATION**

6 Scrutiny Work Programme

In accordance with previous practice, Scrutiny Committees are requested to review the list of forthcoming business and determine which items are to be included in the Work Programme.

The Scrutiny Work Programme can be found at:

<https://new.devon.gov.uk/democracy/committee-meetings/scrutiny-committees/scrutinywork-programme/>

7 Dates of Future Meetings

Dates of Future Meetings

Please note that dates of future meetings will be included in the Devon County Council meetings calendar:

<https://democracy.devon.gov.uk/mgCalendarMonthView.aspx?GL=1&bcr=1>

All will take place virtually, unless otherwise stated.

17 Jun 2021 @ 2.15 pm

21 Oct 2021 @ 2.15 pm

10 Feb 2022 @ 2.15 pm

**PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED**

NIL

*Members are reminded that Part II Reports contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). They need to be disposed of carefully and should be returned to the Democratic Services Officer at the conclusion of the meeting for disposal.*

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**Induction Loop available**



## HEART OF THE SOUTH WEST (HOTSW) LOCAL ENTERPRISE PARTNERSHIP (LEP) JOINT SCRUTINY COMMITTEE

22 October 2020

### Present:-

Councillors J Brook (Chair), R Hosking, J Mathews, Y Atkinson, M Lewis, R Williams (Vice-Chair), G Derrick, J Morris, L Howgate, K Kennedy, B Spencer, R Chesterton and M Ewings

### Apologies:-

Councillors A Bown and N Cavill

\* **30** **Minutes**

**RESOLVED** that the Minutes of the meeting held on 17 October 2019 be signed as a correct record.

\* **31** **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

\* **32** **COVID-19 Recovery Plans**

The Committee received a Report from the Chief Executive of the Local Enterprise Partnership (LEP) which outlined key areas including the LEPs Route Map to Recovery in the context of the Covid-19 pandemic; sharing the key proposals of the LEPs Local Industrial Strategy which aimed to deliver clean and inclusive growth; and set out the LEPs response to the Chancellor's consultation on Comprehensive Spending Review (CSR).

### Covid-19 Route Map to Recovery

The Report highlighted that whilst the levels of COVID-19 cases had been relatively low with the South West region, the impact on the economy had been severe.

The LEP had published its Route Map to Recovery on June 3rd 2020 which set out the challenges, priorities and next steps. As well as working with Local Recovery Plans, the LEP had identified 2 specific pieces of work to progress:

- a) to develop the LEPs pipeline into a series of prioritised interventions (to feed into the CSR)

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- b) to bring together the actions from the Productivity Plan, LIS and Recovery Plans into a single work programme.

The Route Map could be found at

<https://heartofswlep.co.uk/wpcontent/uploads/2020/06/Heart-of-the-SW-C-19-Route-Map-to-Recovery-June2020.pdf>

In addition, the Local Resilience Forum in Devon, Cornwall and Avon had specific responsibilities and most local areas had developed local recovery plans.

Whilst much of the response to COVID-19 had been nationally applied, such as lockdowns, LEPs had been integral to the economic response to COVID-19 phase by providing:

- a) Government accredited advice and guidance to businesses through the Growth Hub;
- b) delivering local grants e.g. Kickstart and local response initiatives such as Bounceback Digital, Jobs and Skills launchpad, Better Business for All guidelines
- c) securing £35.4m Getting Building Fund (shovel-ready projects to be delivered by January 2022 targeted at Green Recovery, Work Hubs and individual projects – summary projects could be viewed at <https://heartofswlep.co.uk/news/getting-building-fund-projects-announced-for-heart-of-the-south-west/#:~:text=HotSW%20LEP%20received%20%C2%A335.4,be%20complete%20by%20March%202022>
- d) working with local partners, stakeholders and key officials on particular issues affecting the HotSW area.

## Local Industrial Strategy

The Local Industrial Strategy was submitted to Government in October 2020 following approval from the LEP Board and Joint Committee. The LEP Board had agreed to publish the LIS as part of its recovery plan to build back better.

The Government had identified the following key requirements of Local Industrial Strategies:

- they would be long-term, based on clear evidence and aligned to the National Industrial Strategy;
- they should set out clearly defined priorities for how cities, towns and rural areas would maximise their contribution to UK productivity. Local Industrial Strategies would allow places to make the most of their distinctive strengths and would better coordinate economic policy at the local level and ensure greater collaboration across boundaries;

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- they would help to inform local choices, prioritise local action and, where appropriate, help to inform decisions at the national level; and,
- they would also provide strategic overview which would inform Local Enterprise Partnerships' approach to any future local growth funding deployed through them. In conjunction with the key reforms set out in the Strengthened Local Enterprise Partnerships, Local Industrial Strategies would help local areas in England decide on their approach to maximising the long-term impact of the new UK Shared Prosperity Fund once details of its operation and priorities were announced following the Spending Review.

The Report advised that despite the delays, Local Industrial Strategies still constituted an important policy tool as they represented a robust and assessed independent analysis of the key strengths of a region, notwithstanding that they would need to be reviewed in the context of the Covid-19 pandemic. The HotSW Local Industrial Strategy delivered a step change in ambition balancing the economy alongside inclusive growth and environmental impact across the whole of the HotSW area. Once adopted, it would require significant action both locally and nationally if its objectives were to be realised.

## Working with Government

The Report outlined that although LEPs were managed and delivered locally, they were instruments of Government with joint departmental responsibility delivered through the Cities and Local Growth Unit.

A Government official had been invited to attend this meeting to discuss Governments role with Members, including if relevant how LEPs fit into emerging thoughts on a White Paper on Devolution.

## Response to Chancellor's consultation on CSR (Comprehensive Spending Review)

The Report advised that the Chancellor announced his intention to deliver a CSR this Autumn and ahead of its publication had invited responses from LEPs through consultation. The Heart of the South West Leaders submitted a response, which was attached to the Report.

Members discussion points included:

- the impact of the LIS not being endorsed by central government and how this could affect future projects – it was noted that a number of projects that had previously been agreed by government had now either been removed or watered down;
- concern raised that whilst the LIS acknowledged the role of traditional industries of Devon such as agriculture and tourism, very little had been

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- identified in terms of projects to help support these vital industries moving forward;
- that the South West economy had underperformed for many years against how it would expect to perform in terms of productivity and delivering inclusive growth – however employment had remained high. A Challenge for the LEP was looking at how to transform the economy to deliver an above average performance against national trends;
  - the LIS set out an economic plan that was more robust about how the South West economy responded to other challenges like climate change and focussed on investment in clean and inclusive growth.
  - The South West being a predominantly service economy with the need to focus on tourism, retail, care services and skills – research and development was also a vital area which required improvement and investment;
  - Housing – housing needs assessment identified huge amounts of housing required in Devon, and therefore a need to develop modular construction facilities in Devon – the Committee were advised that the Joint Committee had set up a Housing Task Force to look into the White Paper on housing as well Retrofit and looking into a the range of models available, with £4m of the Getting Building Fund allocated to deliver Retrofit ;
  - Energy – in order to meet climate change requirements the South West would need to move to more sustainable energy forms – a large barrier to this was the national grid not being able to take surplus energy and the need for the LEP to identify how this bottleneck could be resolved;
  - The digitisation of the agricultural industry;
  - The idea that the HotSW LEP area should be carbon neutral at the latest by 2030 and that the LIS did not address carbon neutral challenges moving forward – the Committee were advised that the LEP had not signed up to the Climate Change Emergency in the same way most Councils in the south west had, but discussions had taken place with both the Devon and Somerset climate emergency leads around the LEPs role in addressing it. As a government sponsored organisation, the LEP followed government policies in respect of the climate change and the need to be carbon neutral by 2050.

It was **MOVED** by Councillor Atkinson, **SECONDED** by Councillor Howgate, and

## **RESOLVED**

- a) The Board support the publication of the Local Industrial Strategy (LIS) subject to the LEP urgently considering the adoption of a climate emergency action plan;
- b) The inability to have Government support for the LIS causes significant concerns and the Scrutiny Committee would like to understand what can be done to rectify this; and,
- c) The Productivity Plan be included as part of the LIS.



\* 33 **Getting Building Fund projects**

The Chief Executive of the Local Enterprise Partnership provided an update on the Getting Building Fund projects announced for Heart of the South West.

The LEP announced the 12 projects which would develop business cases to receive funding from Government's Getting Building Fund.

The LEP had received £35.4m from the national pot of £900m from the Getting Building Fund and had chosen a final list of 'shovel-ready' projects from its bid. Projects would now complete a business case demonstrating job creation and that spending would be complete by March 2022.

The funding was allocated under three headings: Work Hubs and Fit out (£8.7m); Retrofit and Low Carbon (£5.3m) and Individual Projects (£21.4m).

The projects that progressed to business case submission, which would support employment, regeneration, skills, innovation and clean energy, were:

- Torquay Gateway (£2m)
- Concourse Phase 2, Brunel Plaza, Plymouth (£4.17m)
- Firepool and Taunton Station Access (£0.4m)
- Ilfracombe Watersports Centre (£1.5m)
- Burrows Centre, Torridge (£0.4m)
- Exeter Bus Station (£0.8m)
- Enhancement of Future Skills Centre at Exeter Airport (£1m)
- Taunton Digital Innovation Centre (£5.5m)
- Welding Centres of Excellence, Plymouth (£0.35m)
- Exeter Science Park Grow-out Building (£5m)
- Green Housing and Business Programme (£5.3m)
- Work Hubs and Fit-out project (£8.7m)

\* 34 **Government Updates**

Suzanne Bond, the Area Lead for the Heart of the South West, Cities and Local Growth Unit informed Members of the excellent work of the Joint Scrutiny Committee, with the issue of scrutiny practices having been raised in the mid-year review and it had been noted that the HotSW was ahead of most other LEPs in having robust and formal scrutiny practices already in place. The annual performance review would take place during January, which the Chair of the Scrutiny Committee and other Members were welcome to attend.

The Members raised points around whether LEP Scrutiny Committees would receive clear direction and legislation from central government around how LEPs would function in the future and the role and purpose of the Joint Scrutiny Committees. Members advised the government representative that one of the main challenges with LEP Scrutiny operating without any

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government guidance or legislation/resources had been trying to maintain the Scrutiny role as a critical friend and understand where the Scrutiny Committee fit within the LEP Board and LEP Joint Committee to avoid duplication of work. One of the main significant challenges included not being able to scrutinise the LIS before being published as it was a confidential document not able to be discussed in the public domain, and the understanding of the relationship between the LEP Board and the Scrutiny Committee. It was asked how government envisaged Scrutiny being engaging and useful at the LEP level. Ms Bond undertook to reflect the concerns of the Scrutiny Member's feedback to the CLGU.

\* 35 **Scrutiny Work Programme**

In considering the work programme, it was **RESOLVED** that the work programme be agreed as follows:

| Date                      | Masterclass (Members only)   | Committee (Public Meeting)   |
|---------------------------|--|--|
|                           | <p><b>Purpose:</b> An information sharing and member development session where issues can be presented informally to members to raise awareness and increase knowledge. No formal minutes or notes taken.</p> <p><b>Frequency:</b> The morning before each Committee meeting</p> | <p><b>Purpose:</b> A formal public meeting where active items are discussed, and actions taken.</p> <p><b>Frequency:</b> Approx. 3 times a year</p>  |
| 11 <sup>th</sup> Feb 2021 | TBA  | <ul style="list-style-type: none"> <li>- Clean growth strategy</li> <li>- Inclusive growth progress</li> </ul>   |
| Future items              |  | <ul style="list-style-type: none"> <li>- White paper on regional developments?</li> <li>- review of the respective Terms of Reference for the Joint Committee and Scrutiny Committee</li> <li>- further strategic work with the board</li> </ul> |

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\* 36 **Dates of Future Meetings**

Dates of Future Meetings were noted as:

11 Feb 2021 2.15 pm  
17 Jun 2021 2.15 pm  
21 Oct 2021 2.15 pm  
10 Feb 2022 2.15 pm

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 2.15 pm and finished at 4.25 pm



## **HOTSW SCRUTINY Committee LEP Chief Executive's Report**

### **1. Introduction**

The purpose of this report is to:

- Up to date the Committee on the Covid-19 response (to the economy) including our emerging priorities to Build Back Better
- 
- Update the Committee on our progress regarding Inclusive Growth
- 
- A separate report sets out our emerging thinking on Clean Growth
- 

### **2. LEP Summary Update**

#### **Successes**

HotSW Retraining Programme – Train4Tomorrow – one of only 3 areas nationally. 12 bootcamps – 850 participants - £1.7m - Probable 2<sup>nd</sup> programme

£51m of High Street Funding provisionally confirmed – Plymouth, Barnstaple, Yeovil, Taunton and Paignton

£21.5m Towns Fund confirmed for Torquay; Town Investment Plans with LEP support submitted for Glastonbury and Bridgwater

CDS Digital Infrastructure programme (includes £10m contribution from LGF) re-procured before Christmas to 3 providers – Airband, Wessex and Truespeed

LGF programme to complete March 2021 – 2 outstanding projects. Delivery of Taunton Toneway and Digital GD3 project

Marsh Barton railway station finally approved

12 of 24 Getting Building Fund projects now contracted

Inward Investment soft landing package – approved first grant which will lead to creation of 6 jobs paying £21-42,000. Further applications being appraised

High Potential Opportunities programme live for Photonics and has recorded its first inward investment success – a photonics company from the US. Further HPOs in Maritime and Future Flight being developed with DIT

Future Flight project (Exeter Airport) approved by Innovate UK, supporting the development of electric-powered flight, and Long lane access road on site

Progress on new stations – Cullompton and Wellington and potentially reopening lines incl Okehampton

# Agenda Item 4

## **For Information**

4 new private sector Directors started this month

Energy White Paper published – significant relevance to our region e Nuclera and Floating Offshore Wind

Changes to Housing White Paper published

Hinckley announced Dome 22 objectives and significant upscaling of staffing numbers

FE White Paper published – HotSW SAP Local skills report to be submitted next month – White Paper points to Local Skills Plans (with business)

Growth Hub has some additional funding to support Brexit transition

DCO for A303 Sparkford to Ilchester confirmed

Freeports bids for Plymouth and Gravity (part of Avonmouth bid) being supported

SW Energy Hub 2<sup>nd</sup> phase announced

## **Challenges**

Role of local areas and therefore LEPs in delivering recovery not clear (expecting Chancellors Plan for Growth in March budget) which might make things clearer

Single year CSR means lots of delivery activity being rolled over for a further 12 months – LEP core funding confirmed for 21/22

Complex picture of latest emergency grants roll-out for business

Local task forces for Oscar Mayer closure (Chard) and Debenhams (Taunton) in place

Major infrastructure resilience Dawlish plans slipping/A303 long term delivery drifting.

### **3. Covid-19 Route Map to Recovery**

It is important to recognise that whilst the incidence of the pandemic has been comparatively low across our region the economic impact has been stark particularly in coastal and rural areas.

Following the publication of the Route Map to Recovery - <https://heartofswlep.co.uk/wp-content/uploads/2020/06/Heart-of-the-SW-C-19-Route-Map-to-Recovery-June-2020.pdf> we have continued to work with partners (through the HEROG group) on addressing the challenges of Covid-19 and most recently have published our Build Back Better Plan (on which we are currently consulting)

In line with the recommendations of the Route Map to Recovery we have recently invited expressions of interest to deliver action 1 - To develop our pipeline into a series of prioritised interventions (to feed into the CSR)

And will be bringing together a single delivery plan to the Board in April to meet action 2 - To bring together the actions from the Productivity Plan, LIS and Recovery Plans into a single work programme.

## 4. Response to Covid-19

The coordination of the response to economic implications across HotSW are overseen by the HEROG group, chaired by the CEO at Devon CC and attended by representatives (public and private) from across the area as well as Government officials. (This group has also worked together as the response group for Brexit - providing briefings to the HOtSW joint-committee.

Economic impacts, particularly to certain communities, particular places and particular sectors are stark with the estimated impact of Lockdown 3 likely to be a loss of some 4% (in addition to the approx 8% loss in 2020. This will lead to a double dip recession and although things do start to recover quickly in the summer, the impact is likely to mean recovery particularly of the long tail will take longer.

Many of the response mechanisms to support business and individuals have been nationally applied eg lockdowns, job retention scheme, CBILS, CLBILS, BBILS and Future Fund through British Business Bank,

Locally, Local Authorities have been responsible for delivery over £1/2 billion of grant schemes for business. There are currently 9 different local schemes relating to various stages of Lockdown – information sheet in Appendix 1.

LEP have also had some specific responsibility for local response providing:

- a) Government accredited advice and guidance to businesses through the Growth Hub;
- b) delivering local grants eg Kickstart and local response initiatives such as Bounceback Digital, Jobs and Skills launchpad, Better Business for All guidelines and Train4Tomorrow
- c) Securing £35.4m Getting Building Fund (shovel-ready projects to be delivered by Jan 2022) targeted at Green Recovery, Work Hubs and individual projects – summary projects can be viewed at <https://heartofswlep.co.uk/news/getting-building-fund-projects-announced-for-heart-of-the-south-west/#:~:text=HotSW%20LEP%20received%20%C2%A335.4,be%20complete%20by%20March%202022.12> of 24 of these projects have now been contracted and we are expecting to meet our delivery targets.
- d) Working with local partners, stakeholders and key officials to highlight particular issues affecting the HotSw area

## 5. Build Back Better

Following the publication of the Route Map to Recovery, many local areas have published their own recovery plans.

Using these recovery plans, our updated evidence base and the Local Industrial Strategy commitment to clean and inclusive growth, the LEP published its high level plan to Build Back Better before Christmas for consultation - see Appendix 2.

This document seeks to highlight the (7) key transformational investment propositions across the Heart of the South West and the key interventions to build prosperity through clean and inclusive growth.

## 6. Delivering Inclusive Growth

As highlighted, our Local Industrial Strategy commits us (as a region) to delivering improved prosperity through clean and inclusive growth. The former is elsewhere on the agenda but in

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the LIS – finally published at the end of last year – we committed to an inclusive growth expert panel. A working group has been established to shape this work, chaired by the LEP Board's skills champion, Fiona McMillan and the LEP is resourcing a dedicated coordinator who will develop the detailed work programme and support Fiona in establishing the full expert panel through the spring.

## **7. Conclusion**

Building Back Better starts to set out our priorities to build back better (by delivering clean and inclusive growth), how Government expects local areas to deliver this – particularly in the context of Levelling-Up remains very unclear. The status of Local Industrial Strategies remains unclear; the Government appetite for further Devolution seems to have changed and announcements on how the Levelling-Up Fund and UKSPF will operate remain outstanding.

Therefore our priorities at the LEP continue to be to deliver those programmes we are responsible for; work with local partners on Covid-19 response and Building Back Better.



## Briefing Paper – Business Support Grants

From the first national lockdown in March Local authorities have had 8 schemes to administer between April and November:

1. Small Business Grant (Scheme 1)
2. Retail, Hospitality & Leisure Grant (Scheme 2a)
3. Retail, Hospitality & Leisure Grant (Scheme 2b)
4. Discretionary Business Grant Scheme
5. Local Restrictions Support Grant (Closed)
6. Local Restrictions Support Grant (Open)
7. Local Restrictions Support Grant (Closed) Addendum
8. Additional Restrictions Grant

The small business grant and the retail, hospitality and leisure grant saw councils paying out large sums:

For example North Devon paid out 3,775 grants, that is, 96% of eligible businesses to the value of just under £43m. Exeter paid out £29.5m in 3,032 grants.

Since the New Year we've had 4 more schemes:

1. Local Restrictions Support Grant (Sector)
2. Christmas Support Payment for wet-led pubs
3. Local Restrictions Support Grant (Closed) Addendum: 5 January onwards
4. Closed Businesses Lockdown Payment

The Christmas payment scheme is **for wet-led pubs** a one-off payment of £1,000 for pubs that derive under 50% of their income from food sales. Grants awarded so far = 51 totalling £51,000 in Exeter, £42k in East Devon; 332k in North Devon.

The main issue for councils will be progress with the local restrictions grants and further funding for Additional Restrictions Grant scheme.

The Government announced the new grants on 5<sup>th</sup> January but guidance was not forthcoming until the 13 January.

Presently only Mid Devon, and Torridge have got the schemes up and live and Mid Devon has made payments. Mid Devon paid out £1.5m on the same day they got the guidance. South Hams and West Devon will be in a position to start paying out from Monday and the rest of Devon districts by the end of the month.

There are many reasons for the differences in performance, a principal reason is the data bases and the IT support packages that underpin the systems. Councils use different IT systems and some suppliers provide a product for delivering the schemes.

It is probably worth highlighting the discretionary scheme

In May 2020 the Government announced that a discretionary fund would be made available aimed at small businesses who were not eligible for the Small Business Grant Fund or the Retail, Leisure and Hospitality Fund.

Whilst Government Guidance set out some mandatory eligibility criteria, it also provided scope to target the grants in accordance with local economic circumstances and priorities.

A coordinated Devon policy by Leaders and Chief Executives of the eight Devon District Councils on 20<sup>th</sup> May 2020 and also adopted by Plymouth City Council and Torbay Council.

- Government asked local authorities to prioritise:
  - Small businesses in shared offices or other flexible workspaces.
  - Regular market traders with fixed building costs, such as rent, who do not have their own business rates assessment;
  - Bed & Breakfasts which pay Council Tax instead of business rates; and
  - Charity properties in receipt of charitable business rates relief which would otherwise have been eligible for Small Business Rates Relief or Rural Rate Relief.

There was some scope to target the grants to maximise support to the local economy, within a standardised framework, for example businesses in shared offices (Exeter) and marine businesses (South Hams).

To give you an idea of the amounts paid out under the discretionary scheme  
North Devon paid out £2,255,000 (471 awards)  
Exeter paid out: £1,341,750 (217 awards made)

With the announcements in the New Year of

Regarding the two discretionary schemes in development:

**Local Restrictions Support Grant (LRSB) - Open**

Discretionary grants (£467, £700 or £1,050 per 14-day period) will be paid to:

- (i) businesses in the hospitality, leisure, sport facilities, entertainment, events and accommodation sectors whose turnover and trade has been severely affected by the localised restrictions on socialising
- (ii) businesses in the supply chain to the hospitality, leisure, sports facilities, entertainment, events and accommodation sectors, where the majority of their trade is with those sectors
- (iii) market traders and local independent retail shops whose turnover and trade has been severely affected by the localised restrictions on socialising
- (iv) traders dependent on providing direct in person services in homes whose turnover and trade has been severely affected by the localised restrictions on socialising
- (v) personal care facilities whose turnover and trade has been severely affected by the localised restrictions on socialising

- (vi) licensed taxi drivers
- (vii) Early Years providers/Day Nurseries

**Additional Restrictions Grants (ARG) to give members an idea of the amounts I will use Exeter as an example**

The Council's allocation of £3,795,377 will be used as follows:

- (a) £1,937,277 for one-off discretionary grants to support eligible businesses impacted during the current and previous national lockdown period and while Tier 3 local restrictions were in place including supporting businesses not entitled to the Local Restrictions Support Grant (Closed) Addendum: 5 January onwards scheme and the Closed Businesses Lockdown Payment
- (b) £1,040,000 will be used by the Council to support businesses through a range of interventions both during and post the Covid-19 crisis;**
- (c) £48,100 will be utilised for exceptional hardship support
- (d) £770,000 will be retained to allow for any subsequent discretionary grant programme requirement before 31 March 2022

The range of interventions include:

- **Exeter Works** - an initiative designed to support people who have been made redundant as a result of the impact on the economy due to the pandemic.
- **Business Recovery Grant Programme** - to support businesses to; adapt, change, diversify and update their business processes and operations in order to grow and develop and come out of the current situation in a stronger position, more resilient, and with increased productivity
- **Digital Business Support Package** - a bespoke programme of commissioned support for businesses to adapt to digital ways of working to improve their business operations and processes. Building on the successful 'Bounce Back Digital' programme run by the Digital Skills Partnership.
- **Business Support Package for SMEs** - a commissioned programme of support targeted at identified priority businesses that will build on the range of services already available to businesses, providing additionality, in the form of dedicated 121 support and mentoring to address specifically identified needs.
- **Pop Up Shops** - a programme using Exeter City Council owned retail property, to make the space available to market traders, and other retail businesses that have been impacted by the pandemic and government restrictions. Provides exposure and new opportunities to develop markets and customers
- **City Centre Click & Collect, and online shopping platform** - space dedicated to provide a city centre click & collect facility, which compliments investment in an online platform to enable customers to add to an online shopping basket, helping customers to buy from multiple shops but have just one delivery. This would be supported by CoDelivery, a new city wide last mile bike deliver service.

## Reflections

1. Complexity of schemes challenging for us to administer and more challenging for the businesses to navigate. To give an example South hams an west devon emailed 1000 eligible businesses for Local restrictions support grant open grants resulted in only 160 applications.

2. Tension between audit and ensuring non fraud claims with speed of getting the money out of the door.
3. Classic mixed messages
  - Government giving out the message that although they are keen to get grants paid out quickly they stress the need for discretionary payments to be made to businesses in an orderly and controlled manner, and
  - **Initially we were told the original discretionary grant would have to last until March 2022 and there would not be a top up! Therefore eek it out.**
  - Then the Business secretary tells us the money has to get out of the door, and Published league tables – name and shame



HEART OF THE  
SOUTH WEST

**BUILDING  
BACK  
BETTER**

BUILDING BACK  
BETTER BY DELIVERING  
INCREASED PROSPERITY  
THROUGH CLEAN AND  
INCLUSIVE GROWTH

## INTRODUCTION

**Covid-19 is a dislocation as severe as any ever experienced. As well as the personal cost, the economic and societal impact is profound; the crisis is extending longer than many had thought, pre-existing trends such as the growth of digital have been accelerating rapidly, new opportunities are opening up and there is considerable uncertainty over the longer term effect on parts of our economy such as the high street.**

Transitioning to the post-Covid world will be a challenge, but it is a chance to innovate and Build Back Better. The Heart of the South West has demonstrated time and again that it is a place willing to push the boundaries, take on challenges and seize opportunities. This pioneering spirit is now evident in our vision to create a more resilient, stronger and prosperous area through our focus on clean and inclusive growth but we need support to turn our ideas into reality.

## WHAT DOES BUILDING BACK BETTER MEAN TO US?

Building Back Better is an integral part of the Heart of the South West's Covid-19 recovery. It is supported by leading figures from the region in business, academia, the social economy and the public sector. Extensive efforts continue to be made by Government and local partners to mitigate the immediate impact of the pandemic. We have been working with business and Local Authority partners on recovery plans to support the hardest hit places and the hardest hit sectors including Nuclear, Marine, Aerospace, Tourism, Construction, Creative/Cultural, High Streets and Manufacturing. These efforts to help our communities and businesses recover will continue, ensuring that national government initiatives work for us.

But it is also essential to look ahead – to innovate, plan and invest now for the sort of longer-term future our area needs – unfortunately Covid-19 will not be the last crisis our area faces. Pre-crisis structural challenges and opportunities must be addressed; building a more prosperous, fairer economy will ensure that the area is better able to weather future storms and create better standards of living for all the people who live in Heart of the South West.

So Building Back Better recognises the immediate impact of Covid as well as the long-standing challenges and opportunities we face around productivity growth, climate change and levelling up. It is rooted in the ambitious vision

and robust evidence base of our Local Industrial Strategy which focuses on the dynamic heart of our local economy. That means major opportunities around:



**Energy Futures** - stemming from the construction of the UK's first nuclear power station in twenty years at Hinkley Point C and the development of the next generation of marine renewables;



**Engineering Futures** - focusing on the development of marine autonomy, photonics and the sustainable aviation challenge; and,

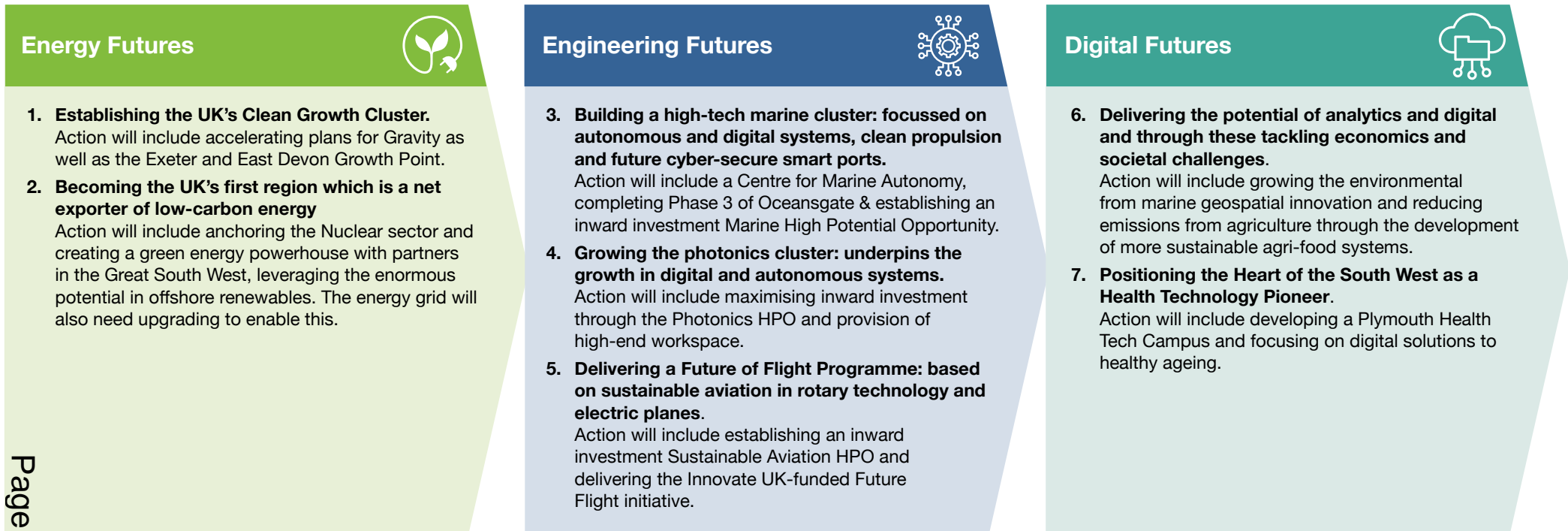


**Digital Futures** – building on the environmental, geospatial intelligence and sustainable agri-food systems markets whilst also responding to the challenges of healthy ageing.

Realising the potential of this dynamic heart will help to build a fairer, more prosperous future. It will enable us to rebalance and repurpose our economy to take account of new opportunities, supporting the green revolution and capitalise on unique capabilities such as offshore wind.

**To achieve this potential we have identified 15 transformational programmes which set the direction for specific investments in the coming years:**

Figure 1: Our programmes for transforming our economy



The following supporting programmes are integral to delivering these opportunities...







## WHAT DO WE NEED?

This potential will not be delivered without a strong partnership between Government and partners in the Heart of the South West. Working in partnership has already paid dividends but our collective efforts can be further strengthened, specifically through:

- ▶ **Co-design; working together with Government on taking forward key parts of the programmes we have identified**, e.g. scope and implementation of a rural productivity deal;
- ▶ **Powering locally led delivery through meeting the manifesto commitment to develop a UK Shared Prosperity Fund** to support local and regional recovery, re-committing to a devolved locally led single pot of both capital and revenue funding which as a minimum comprises the following:
  - Replacement for EU Structural Funds
  - Replacement for historic Local Growth Fund and Regional Growth Fund programmes
  - Devolving ESFA funding to the local level to provide skills programmes tailored to local needs and opportunities
- ▶ **Local decision-making on innovation and growth:** putting local areas at the centre of setting out how places will reach the UK 2.4% R&D target including extending Enterprise Zone benefits to 2030 and if appropriate supporting a Freeports programme;
- ▶ **Supporting business growth:** specifically targeting SMEs, scale-up, start-up and Covid-19 support for business by extending and increasing Growth Hub Funding for the duration of Parliament to bring forward the single gateway we envisage; and
- ▶ **Enabling areas to develop local talent:** a further commitment to Skills Advisory Panels, retraining and further devolution of skills funding. This should also include support for careers hubs, Digital Skills Partnerships and specifically ensuring funds for adult training and re-training can be deployed flexibly as needed by the local area.

## WHY IS THIS IMPORTANT?

Covid-19 has had an immense effect on the Heart of the South West economy due to its sectoral mix; although the Heart of the South West has had comparatively low levels of coronavirus cases, the pandemic has had a more severe impact here than elsewhere in the country. Modelling by Oxford Economics shows that the high proportion of businesses and employment in the hospitality and manufacturing sectors and the lower levels of professional services means the economy is projected to be 1.9% smaller in 2025 than pre-Covid, averaging 1% growth per year compared with 1.3% nationally. This will exacerbate pre-Covid structural challenges.

## KEY FACTS

- ▶ The mix of businesses in much of our area is skewed towards those sectors most exposed to the crisis such as tourism, hospitality, retail, manufacturing and construction
- ▶ GVA is expected to contract by 8% in Devon and Somerset, 8.2% in Plymouth and 10% in Torbay
- ▶ We are likely to see significant job losses and increased unemployment across the region
- ▶ The effects will be disproportionately felt in rural and coastal areas
- ▶ Recovery is likely to be slower in some sectors (e.g. tourism) and for some areas (e.g. coastal communities)
- ▶ It will affect those furthest from the labour market, the young and the poorest most significantly

References: RSA, Centre for Progressive Policy and Oxford Economics Impact Reports for South West Councils

Heart of the South West remains a significant economy, some £35 billion a year, making it the size of Birmingham or Liverpool.

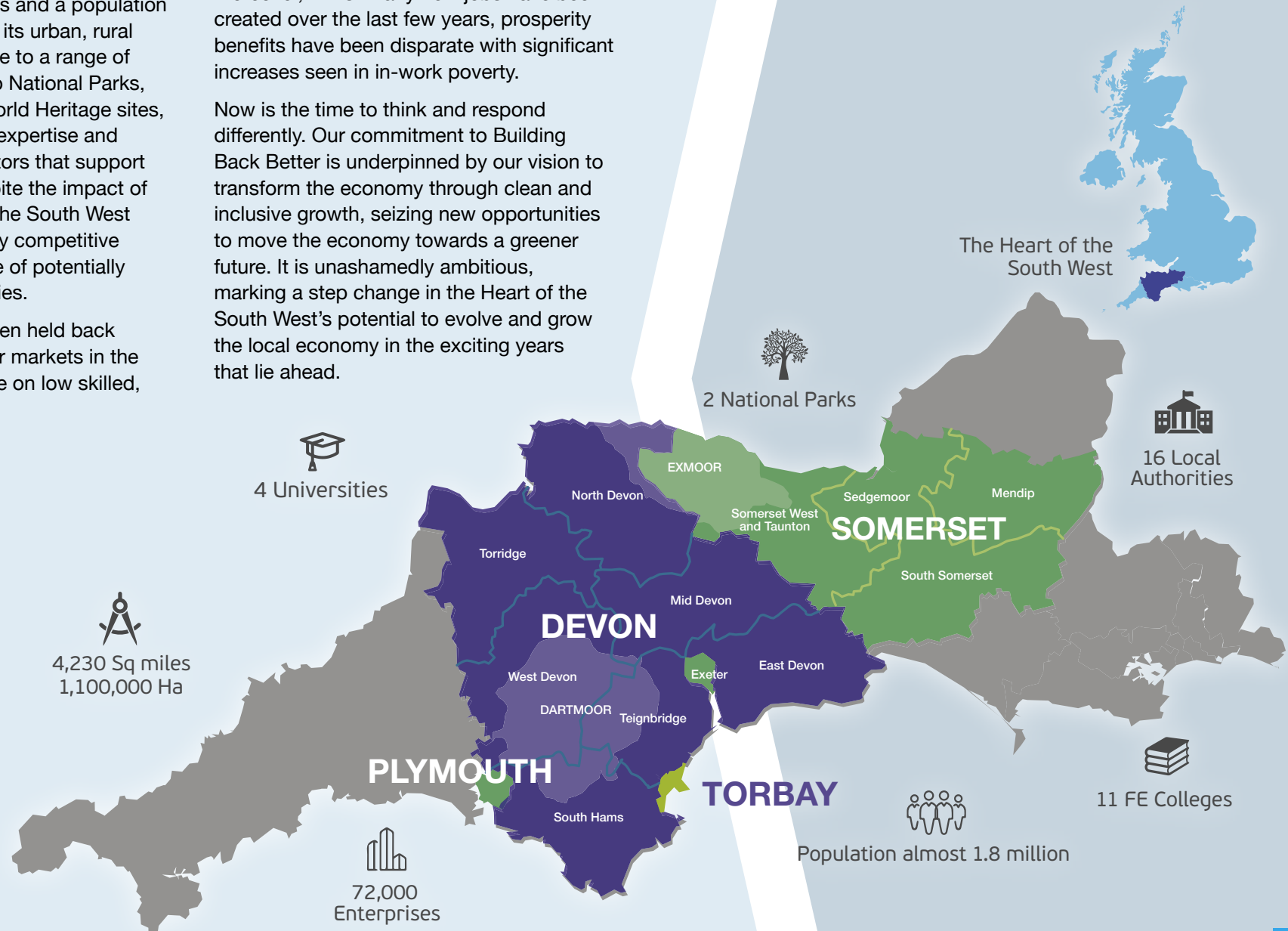
There are 72,000 businesses and a population of almost 1.8 million across its urban, rural and coastal areas. It is home to a range of natural assets including two National Parks, a UNESCO geopark and World Heritage sites, alongside unique scientific expertise and research capabilities in sectors that support our growth ambitions. Despite the impact of the pandemic the Heart of the South West still has a number of globally competitive strengths, providing a range of potentially transformational opportunities.

Historically, the area has been held back by one of the tightest labour markets in the country and an over reliance on low skilled,

low wage and often seasonal employment. It is essential that this pattern is not repeated in the post-Covid recovery. Moreover, whilst many new jobs have been created over the last few years, prosperity benefits have been disparate with significant increases seen in in-work poverty.

Now is the time to think and respond differently. Our commitment to Building Back Better is underpinned by our vision to transform the economy through clean and inclusive growth, seizing new opportunities to move the economy towards a greener future. It is unashamedly ambitious, marking a step change in the Heart of the South West's potential to evolve and grow the local economy in the exciting years that lie ahead.

Figure 2. The Heart of the South West



# HOW ARE WE DEVELOPING OUR ROUTE-MAP TO RECOVERY?

In response to these issues the Heart of the South West Local Enterprise Partnership has already published its route-map to recovery (<https://heartofswlep.co.uk/wp-content/uploads/2020/06/Heart-of-the-SW-C-19-Route-Map-to-Recovery-June-2020.pdf>).

As we moved out of the first national lockdown this focused on three phases to recovery that would enable us to re-start, revitalise and grow the economy which will be actively monitored and managed as the situation evolves. Our £35 million Getting Building Fund award from government marked a step on this journey but a step-change is now needed and this document sets out our pathway for the future.



Figure 3. Phases of Recovery





Low res  
image

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## HOW WILL OUR PLAN SUPPORT INCLUSIVE GROWTH?

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Inclusive growth is at the core of our plan to Build Back Better – enabling us to focus on levelling up and providing the opportunity for everyone to contribute to and benefit from growth.

There is enormous disparity in economic performance across the Heart of the South West and, building on the Local Authorities' recovery plans, our vision for Building Back Better will support our urban, rural and coastal communities which are likely to recover at differing levels and on differing time frames.

The LEP has already established an Expert Panel to accelerate and mobilise its plans for 'mainstreaming inclusive growth both socially and spatially across all investments in our area. With its inaugural meeting in autumn 2020, the Panel will be tasked with ensuring that all of our communities can benefit from and contribute to increased productivity, addressing inequalities of opportunity. An early priority will be to review the local finance market and, by the end of 2020, make proposals for financial instruments that can work for our people across the Heart of the South West.

# WHAT ARE THE BUILDING BACK BETTER PROGRAMMES?

Our aim is to harness 15 transformational programmes under our established energy, engineering and digital themes and ensure the right supporting activities are in place to enable these to happen.

Within these programmes we identify specific actions, investments or projects that will facilitate or accelerate delivery and examples of these are given here.

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## Low res Gravity logo



### PROGRAMME 1

#### Establishing the UK's First Clean Growth Cluster

The Heart of the South West has made substantial inroads in developing a clean growth cluster, with the Gravity Enterprise Zone located along the M5/A28 corridor as its focal point, extending across the Heart of the South West including the East Devon and Exeter Enterprise Zone.

Gravity is bringing to fruition one of the most sustainable smart campuses in Europe with access to a world-class regional talent pool and expertise in clean growth sectors. Its location along the M5/A38 corridor supports an economic spine that runs through the core of the area from Bridgwater to Plymouth, with arterial roads such as the A30/303 supporting growth and productivity to the East and opening up multiple opportunities across the whole area. With continued investment these developments will enable the Heart of the South West to achieve something truly special that makes a difference socially, economically and environmentally.



**FINANCIAL ASK: £XXXX, DELIVERING XXX**



### PROGRAMME 2

#### Becoming the UK's First Region which is a Net Exporter of Low-Carbon Energy

The Heart of the South West will be home to the first new nuclear power station in decades: Hinkley Point C in Somerset. With associated opportunities estimated to be worth over £50 million to the region, HPC is also integral to realising the national strategy for energy and the Nuclear Sector Deal. Through the delivery of specific MEH Factory, Nuclear Fusion and supply chain projects, our goal is to anchor this high value sector in the area, facilitating a pipeline of long-term opportunities. These actions will also help us to unlock the area's huge potential to become the UK's world leader in clean growth. Working with Cornwall and the Isles of Scilly and Dorset LEPs under the Great South West brand and backed by the region's wealth of natural and research assets we will create a green energy powerhouse. Through developments in nuclear, geothermal, marine renewables and especially focusing on our assets in floating wind we will transform our green and blue economy. The Great South West will effectively become a test bed for new thinking and new technologies to accelerate the move to a greener, more prosperous economy, whilst also tackling shared challenges like poor connectivity, an ageing population, poor productivity and climate change. Together, these ambitious actions, along with an upgrading of the energy grid, will enable the region to become the first net-zero carbon economy and a net exporter of clean energy.

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## PROGRAMME 3

**Building a High-Tech Marine Cluster: Focused on Autonomous and Digital Systems, Clean Propulsion and Future Cyber-Secure Smart Ports**

Marine autonomy is a growing, disruptive technology that has the potential to transform the marine sector. The Heart of the South West is home to a range of assets such as the UK Hydrographic Office, alongside extensive research capabilities and innovative coastal testing facilities such as Smart Sound. Supported by an emerging photonics sector, Heart of the South West also has a strong commercial base to exploit this opportunity with a concentration of defence primes, marine platform manufacturers and supply chain companies for sensors, navigation and communication equipment.

This programme will seek to develop our unique marine autonomy proposition through investment in a Centre for Marine Autonomy, covering defence and civil applications, along with completing Phase 3 of the Oceansgate development in Plymouth and establishing a Marine High Potential Opportunity (HPO) proposition.



## PROGRAMME 4

**Growing the Photonics Cluster: Underpinning the Growth in Digital and Autonomous Systems**

Photonics is a £13.5 billion industry nationally and is projected to grow by around 8.5% between 2020 and 2025. There is a strong and established cluster of 174 companies, employing over 3,000 highly skilled people across the Heart of the South West, contributing over £603 million per year. The cluster boasts a broad range of capabilities across the value chain and is a key enabling technology for a range of industries from UK Security and Resilience through to Robotics. As a specific action, the establishment of a Photonics High Potential Opportunity (HPO) proposition will help us to develop our world class cluster, placing us at the forefront of cutting edge innovation with a focus on 5G, Big Data and autonomous vehicles.

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## PROGRAMME 5

**Delivering a Future of Flight Programme: Based on Sustainable Aviation in rotary and fixed wing technology**

The Aerospace Sector Deal looks to position the UK to take advantage of global moves toward cleaner aircraft including electric/hybrid power along with the use of alternative fuels such as hydrogen, as well as to exploit new markets such as drones. The Heart of the South West, in partnership with neighbouring LEPs through i-Aero, is well placed to support this challenge, being host to key industry players including the only industry prime in the UK with a complete end-to-end capability in rotary technology.

As a key part of our Future of Flight Programme, the establishment of a High Potential Opportunity (HPO) proposition will enable us to make a specific contribution to the sustainable aviation challenge in rotary technology and electric planes. With associated skills and R&D opportunities, this programme will strengthen both the Yeovil and Exeter & East Devon Aerospace clusters.

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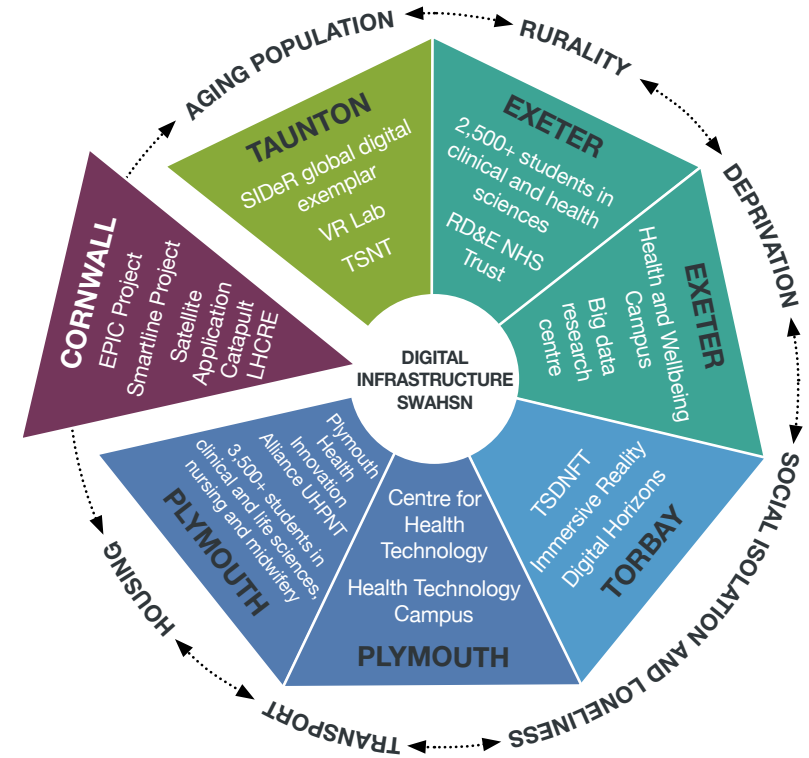


## PROGRAMME 6

### Maximising our Data Analytics and Digital Capabilities and using them to Tackle Economic and Societal Challenges

The Heart of the South West is home to two national capability government facilities with a focus on environmental and geospatial data (the Met Office and the UK Hydrographic Office). Sitting alongside expertise in the universities of Exeter and Plymouth and a growing commercial capability in the application of data and machine learning, they are attracting partnerships with global organisations such as Amazon Web Services, Microsoft, Google, IBM, the World Health Organisation and NASA, as well as talented academics from around the world. Specific actions will include harnessing data analytics and digital solutions to grow the environmental intelligence market and maximising the potential from marine geospatial innovation. Our capabilities will also be harnessed to reduce emissions from agriculture through the development of more sustainable agri-food systems, supporting the recovery and future of agriculture.

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## PROGRAMME 7

### Positioning the Heart of the South West as a Health Technology Pioneer

The Heart of the South West is significantly ahead of the UK's ageing curve, spread across a peripheral-dispersed population. It is also home to a number of exceptional regional assets and health technology innovation capabilities, based in our universities and clinical trials units as well as in the wider business ecosystem, presenting us with a range of market opportunities. As a specific action, the Plymouth Health Campus will support the user-led design, development, evaluation and adoption of digital health technologies that are not found elsewhere in the UK. This will support the Heart of the South West in its aim to become a Health Technology Pioneer, providing a national centre for the development, evaluation and application of solutions to the challenges of an Ageing Society.

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## People

### PROGRAMME 8

#### Developing and Delivering a Comprehensive Skills Strategy

In a modern, innovative and creative economy, an area's most significant asset is its people. Ensuring that the Heart of the South West's workforce, and training / education offer, emerges more skilled, more flexible and more economically focused than before is crucial if the area is to achieve its ambition to Build Back Better. Led by the Heart of the South West Skills' Advisory Panel, partners will work together to finalise the area's Skills Strategy/Local Skills Report, and then accelerate its delivery. With a focus on maximising our opportunity sectors, but also rebuilding and reinforcing our skills foundations and wider social inclusion, the strategy will focus the area's efforts around creating clear pathways into work, progression and higher earning. Starting with additional support for employability, basic skills and educational achievement and aspiration, partners will coral funding and communication efforts to reinforce routes to academic and vocational/apprenticeship success; reinforce support into work/progression through work for adults; widen our existing strengths in technical skills and further and higher education alignment; and seek to create a skills and training landscape both better able to drive the recovery and meet the needs of our future economy. To achieve this, the area will seek to fully harness the tools now at its disposal, including England's largest Careers Hub, our two Institutes of Technology and excellent partner colleges, our world class universities, our nationally recognised pathfinder activity around digital skills and adult retraining, as well as the Government's new universal skills offer for adults, employment and Kickstart programmes, and wider support for employers and learners alike as we emerge.

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## Business Environment

### PROGRAMME 9

#### Establishing a Single Gateway for Heart of the South West Businesses to Access a Comprehensive Range of Support and Advice alongside Financial Support for Businesses

The Heart of the South West is home to 72,000 businesses across a wide range of sectors and industries. This includes a number of high-profile businesses that exhibit best practice and have transformative potential. It also includes a growing social enterprise sector, providing an important opportunity to support inclusive growth. With an ambition to be one of the best areas in the UK to start and grow a business, we are developing a strong business support infrastructure. Central to this is a single gateway providing business support, advice and guidance alongside support for apprenticeships, shorter supply chains, increased inward investment and exporting. With a dedicated team of sector specialists we will promote the area's strong and emerging sectors as well as supporting entrepreneurship and start-up companies, ensuring businesses at all stages receive the right support at the right time. Additionally, we will develop a financial support package enabling our business to access the finance they need to invest and grow.

**FINANCIAL ASK: £XXXX, DELIVERING XXX**

These programmes  
must be supported by  
underlying work in key  
areas. These are...



## Ideas

### PROGRAMME 10

#### **Establishing an Innovation Ecosystem for Businesses: Driving up the Growth of Research Intensive Businesses & Innovation More Widely**

The Heart of the South West has unparalleled place-based opportunities for innovation, commercialisation and the dissemination of ideas that have both commercial and societal value. We also have many of the ingredients necessary to capitalise on these opportunities, including demonstrable research excellence in a range of technologies and sectors, together with a vibrant community of research-intensive businesses. However, the area still exhibits comparatively low levels of innovation activity and businesses face a number of challenges in bringing ideas to market. Heart of the South West will lead a partnership in the creation and delivery of an innovation strategy which addresses this. This will strengthen the local innovation ecosystem by connecting businesses with the area's knowledge and R&D base, facilitate more multi-disciplinary collaboration, open access platforms, a talent pipeline and effective support for businesses to innovate and engage in R&D. They will also enable the Heart of the South West to plug gaps in the diffusion of technology and ideas across key sectors, supporting businesses to innovate and bring ideas to market.

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## Places

### PROGRAMME 11

#### **A Workspace Offer of Work Hubs, Innovation Centres, Enterprise Zones and Freeport Offer for a Post Covid-19 World**

The Heart of the South West has a diverse network of settlements. This includes growing cities such as Exeter and Plymouth, industrial towns such as Bridgwater and Yeovil and market and coastal communities such as Torbay and Barnstaple. These sit alongside a number of smaller towns, villages and settlements, reflecting the rural nature of much of the area. Whilst this diversity can be a strength, it also poses a challenge in terms of securing agglomeration effects. Partners in the area have responded to this challenge by starting to create an exciting network of innovation centres and work hubs, complementing our high profile Enterprise Zones, and providing an opportunity to stimulate enterprise in more rural and peripheral areas. Acceleration of these plans will bring the network fully on line and ensure that the spaces are well-connected, fit for the future and reflect the changing world of work in a post Covid-19 environment. Alongside this we have aligned the marine strengths/port assets of Plymouth with the knowledge economy and airside capabilities of Exeter and East Devon and the aerospace and engineering excellence of Somerset in a Freeport proposal. This would provide an exciting hub with reduced regulations, supporting business growth and enterprise.

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## PROGRAMME 12

### Supporting Rural and Coastal Areas and Developing our Farming, Food and Fishing Offers

As part of our aim to lift economic performance across the Heart of the South West including underperforming towns, peripheral areas and coastal communities, we will strive to improve the productivity of the farming, food and fishing sectors which are also intrinsically linked to the area's natural capital. Businesses in these sectors will be supported with the adoption and diffusion of technology, including digital technology which can transform how they operate. Alongside this, working with partners in the Great South West we have been getting more rural areas ready for the future, setting ourselves up as a test bed for new thinking - able to trial new ideas at scale and at speed. Our Rural Productivity Commission was established to examine the barriers and opportunities for delivering sustainable growth in our rural areas and identified a fantastic range of ideas, a number of which are already being tested, developed, funded and brought to market. Taking this to the next level we are exploring the establishment of a Great South West Rural Task Force with the ultimate aim of achieving a Rural Productivity Deal.

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## PROGRAMME 13

### Establishing the Heart of the South West as a Regional Demonstrator for Natural Capital

Text to follow

**FINANCIAL ASK: £XXXX, DELIVERING XXX**



## Places

### PROGRAMME 14

#### Establishing a Tourism Action Zone to help the Sector Recover and Prosper Post Covid-19

Prior to the Covid-19 pandemic, the Heart of the South West had been working on plans to improve the productivity of the visitor economy and generate higher value tourism. Working with neighbouring LEPs, this included development of a skills and data-led proposal for a Tourism Zone aligned with the Tourism Sector Deal. The aim was to bring together a coherent regional proposal for this important bedrock sector to boost productivity by extending the season, reaching a more diverse market (including accessible tourism) and capitalising on the area's wider digital expertise. With tourism having been one of the hardest hit sectors by the pandemic, efforts to support the sector are even more crucial and they will also support some of our hardest hit places which are reliant on the visitor economy.

**FINANCIAL ASK: £XXXX, DELIVERING XXX**



## Infrastructure

### PROGRAMME 15

#### Ensuring Strategic Connectivity

In order for our transformational programmes to succeed, our plan also includes a series of enabling investments, supporting our drive to increase both competitiveness and inclusion. Given that the Heart of the South West suffers significantly through long standing poor infrastructure, securing our economic recovery has to be underpinned by a step-change in improvements. This includes digital connectivity of gigabit-capable infrastructure and at least 30Mbps services for all by 2025 which can also reduce the need to travel. In addition we will work with Government to make the case for dualling of the A303/A30/A358 corridor and a smart motorway to support strategic transport connectivity along with rail improvements and decarbonisation of rail travel to ensure the resilience of lines into and through the Heart of the South West.

**FINANCIAL ASK: £XXXX, DELIVERING XXX**

## WHAT ARE OUR NEXT STEPS?

This document sets out our ambitions for delivering a stronger, greener and more inclusive future for the Heart of the South West. We know that there are challenges ahead but we have the vision, energy and commitment to seize the moment and Build Back Better. With the right investment, these opportunities can become reality

Our plan requires collaboration and partnership both within and beyond our region. But we are confident that by working together with all of our partners across and with government we will achieve a better future.



# HEART OF THE SOUTH WEST

Page 34

BUILDING BACK  
BETTER BY DELIVERING  
INCREASED PROSPERITY  
THROUGH CLEAN AND  
INCLUSIVE GROWTH



## **HotSW LEP Joint Scrutiny Committee 11<sup>th</sup> February 2021**

### **HotSW LEP's 10 Year Plan for Clean Growth**

#### **1. Purpose**

The purpose of this report is to:

- Present the HotSW LEP's Outline Plan for Clean Growth; and
- Seek early input from the Joint Scrutiny Committee on the emerging priorities.

#### **2. Introduction**

In November last year, the HotSW LEP published the Local Industrial Strategy which sets out a comprehensive plan to make the most of the distinctive opportunities within the Heart of the South West area. Core to this strategy is the commitment to develop a new approach to growth in urban, rural and peripheral areas, whereby economic growth is decoupled from emissions growth and where the proceeds are shared across people and communities.

The Local Industrial Strategy identifies a number of strategic priorities for achieving clean growth, all of which have been collated into a single clean growth plan. To ensure strategic alignment, a review of the existing local authority Climate Emergency Plans has been undertaken and additional priorities incorporated into the plan where the LEP can add value. National policies have also been drawn on such as the Prime Minister's 10 Point Plan published in November 2020 and the Energy White Paper published in December 2020.

The intention is for the HotSW LEP's plan for clean growth to provide a long term framework for the LEP to work alongside its public and private sector partners and deliver a win-win-win:

- Improved productivity and prosperity;
- Inclusive growth for areas left behind; and
- Reduced emissions and increased biodiversity.

#### **3. Outline Plan for Clean Growth**

The aim of the HotSW LEP Plan for Clean Growth is to enable the economy to grow in a clean and sustainable way by delivering inclusive economic prosperity whilst protecting the environment, lowering emissions and enhancing natural capital. The plan horizon is 10 years to coincide with the strong commitment from a range of partners across the area to achieve net zero by 2030.

The plan capitalises on the three key areas identified in the Local Industrial Strategy that form the 'Dynamic Heart' of the economy, where there are significant local assets and global potential:

- Energy: Developing a critical mass of businesses operating within, or supplying to, the energy sector to create a globally recognised cluster.

# Agenda Item 5



- Engineering: Advancing engineering strengths in maritime and aerospace sectors to drive low carbon shipping and aviation.
- Digital: Exploiting digital expertise in environmental intelligence, geospatial data and sustainable agri-food systems.

The plan also looks to embed the commitment to net zero in everything the LEP does, such that the productivity drivers underpinning the Local Industrial Strategy also drive clean growth:

- Ideas: Test bed for innovation to address environmental challenges
- People: Skilled workforce to support clean growth
- Infrastructure: Future carbon proofed transport, housing and employment land
- Business environment: Climate conscious businesses
- Places: Sustainable urban, rural and coastal communities

The intention is also to use the plan to embrace recent lifestyle changes that have arisen due to Covid-19 and build back better by driving a low carbon recovery.

The plan identifies six priority areas to drive clean growth: Leadership, Low Carbon Energy, Green Businesses, Sustainable Communities, Decarbonised Transport, and Natural Capital. Further details on each of these themes are provided in the attached presentation.

## 4. Next Steps

Input from stakeholders is now being sought to ensure the priorities identified are the right ones. This outline plan will then evolve into a delivery plan with short, medium and long term opportunities identified. It is hoped that endorsement can be secured from the Joint Committee in March before final approval by the LEP Board in April 2021. In parallel, work will continue to identify funding that can deliver quick wins as well as facilitate acceleration of key strategic projects.

Claire Gibson, Head of Delivery, HotSW LEP  
2nd February 2021



# 10 Year Plan for Clean Growth Draft V2.2



heart of the  
south west  
local enterprise partnership

# Aim

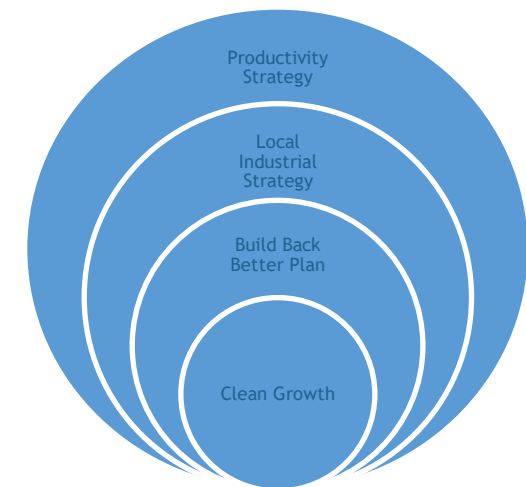
“To grow the economy in a clean and sustainable way by delivering inclusive economic prosperity whilst protecting the environment, lowering emissions and enhancing natural capital.”

# Approach

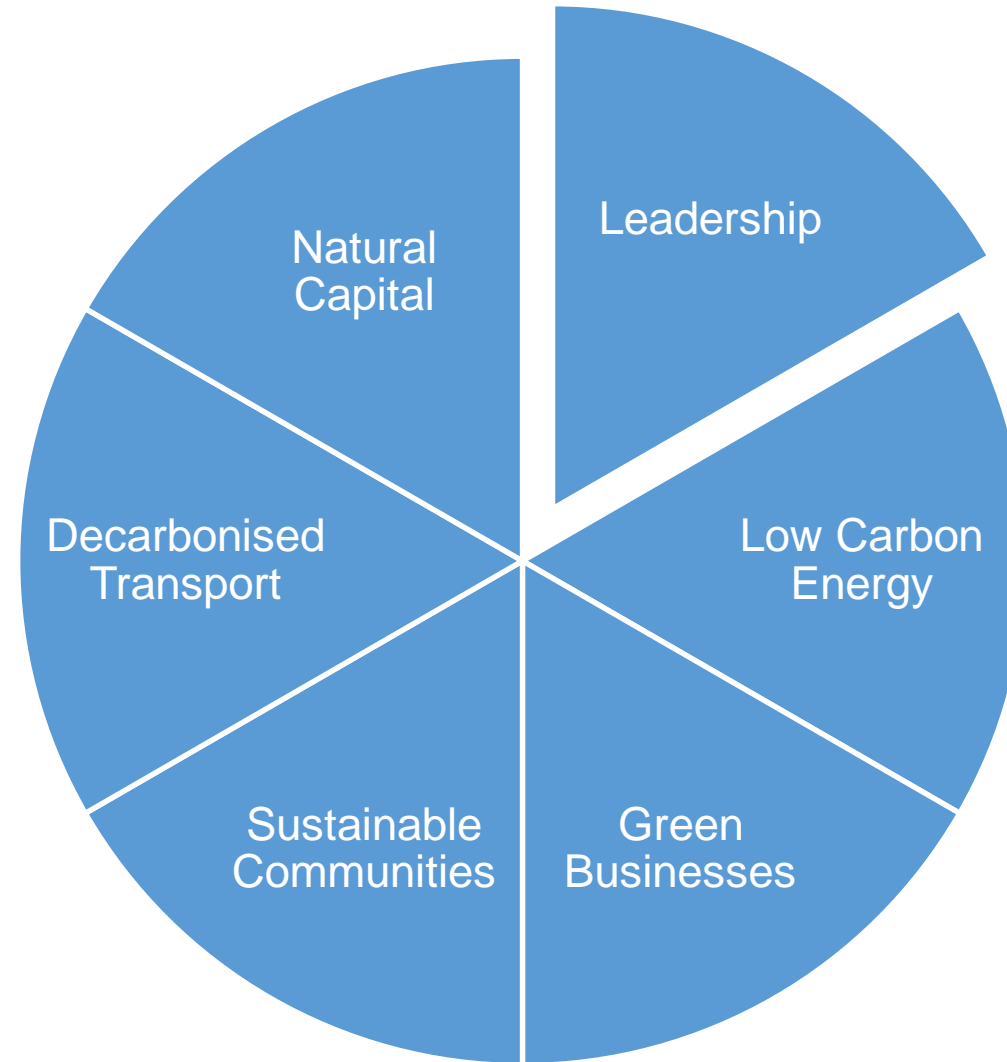
- To capitalise on the 'Dynamic Heart' to be a UK leader in driving clean growth:
  - Low carbon energy powerhouse
  - Innovation in advanced engineering, including aerospace and maritime sectors
  - Exploitation of digital expertise in environmental science, geospatial mapping and agri-food systems
- To embed zero carbon commitment in everything we do:
  - Ideas: Test bed for innovation to address environmental challenges
  - People: Skilled workforce to support clean growth
  - Infrastructure: Future carbon proofed transport, housing and employment land
  - Business environment: Climate conscious businesses
  - Places: Sustainable urban, rural and coastal communities
- To embrace recent lifestyle changes and drive a low carbon recovery from Covid-19

# Progress To Date

- Strategic alignment with key HotSW LEP economic strategies
- Reviewed existing local authority climate emergency plans
- Identified key national policies, strategies and priorities
- Connected with other regions where there is added value
- Started stakeholder engagement
- Identifying collaboration opportunities to deliver a win-win-win:
  - improved productivity and prosperity
  - inclusive growth for areas left behind
  - reduced emissions and increased biodiversity



# Clean Growth Priorities



# Leadership

- Become leaders in delivering clean and inclusive growth
- Ensure the region's commitment to achieving net zero informs future investment decisions
- Collaborate with public sector partners to create common clean growth policies and deliver shared priorities to achieve added value
- Explore ways to use public procurement to drive carbon reductions
- Help the region capture a fair proportion of future national clean growth funding opportunities
- Secure benefits for the region from the UK hosting the UN COP26 climate change conference
- Proactively showcase the region's clean growth credentials

# Low Carbon Energy

- Be integral part of a green energy powerhouse and first net exporter of low carbon energy
- Capitalise on Hinkley Point C legacy by anchoring the nuclear sector and its supply chain beyond 2025
- Accelerate innovation in future advanced nuclear technologies, including fusion
- Leverage potential in offshore renewables by co-ordinating regional initiatives and increasing R&D activity to position marine cluster at forefront of innovation
- Drive innovation in other low carbon energy technologies such as bioenergy, geothermal and hydrogen
- Transform the energy system by testing and commercialising solutions such as local energy markets, distributed systems and energy storage
- Work with partners to unlock grid capacity constraints that prevent delivery of priorities

# Green Businesses

- Support businesses to manage resources more efficiently
- Develop a green finance deal to support enterprise and business start ups developing innovative products and services to serve clean growth markets
- Ensure targeted skills support is available to support clean growth
- Exploit data and research capability to capitalise on rapid growth of the environmental intelligence market for a net zero economy
- Establish clean growth clusters at the Enterprise Zones and other key workspace
- Reduce emissions and other impacts from agriculture by supporting the adoption of new practices
- Be a national exemplar in sustainable tourism and conservation



# Sustainable Communities

- Establish the region as a test bed for development of low carbon communities
- Capitalise on the drive to retrofit existing buildings by growing the local supply chain to realise the associated economic benefits
- Require high sustainable construction standards in all new developments
- Support sustainable development of the planned new garden communities
- Encourage the growing enthusiasm and capacity within towns and villages for the delivery of local community energy initiatives
- Explore opportunities to create additional green infrastructure in existing and planned communities

# Decarbonised Transport

- Enable delivery of a clean strategic transport network with reliable electric vehicle charging, an electrified rail network and good intermodal connections
- Encourage cities and towns to significantly reduce carbon emissions through improved bus services and increased walking and cycling
- Improve connectivity through support for an innovative rural mobility fund
- Explore more sustainable ways of transporting freight
- Develop a smart aviation cluster and support delivery of an innovative flight demonstration zone
- Accelerate clean growth in the maritime sector, capitalising on expertise in marine science and innovation

# Natural Capital

- Enable HotSW to become the national lead in delivering nature based solutions to provide resilience, improve biodiversity and support a positive transition to net zero
- Develop a new financing mechanism to stimulate significant investment in natural capital programmes and drive substantial change on the ground
- Develop a new internationally recognised and verified HotSW green and blue carbon offset programme

# Next Steps

- Engage with key stakeholders to ensure the plan focusses on the right clean growth priorities
- Develop outline into a delivery plan with short, medium and long term opportunities
- Secure endorsement from the Joint Committee in March 2021
- Secure approval from the LEP Board in April 2021
- Identify funding to deliver quick wins and facilitate acceleration of key strategic projects



heart of the  
south west

local enterprise partnership

