

Scrutiny Committee HotSW Progress Report for 2018

Purpose of Progress Report

- A report on progress against the objectives set out in the LEP's Strategic Economic Plan in 2014.
- Provides a broad overview of themes relating to the HotSW economy since the adoption of the SEP, as well specific LEP contributions towards them.
- Does not report on the contribution of all LEP partner activities and interventions.

SEP Objectives

- By 2030, there is distinctive legacy of 'better jobs' from the investment in Hinkley, marine and other transformational assets
- By 2030, proportion of businesses in knowledge economy has increased
- By 2030 there is a ratio of high/medium tech businesses matching regional
- By 2020, HOTSW is recognised as one of the best places in the UK to start and grow a small business
- 2020 the natural capital of the HoTSW area is enhanced and of increasing value to businesses and communities.

Building on our distinctiveness



- By 2030 increase the competitiveness of our businesses so GVA/hour matches national average
- By 2020, reduce youth and long term unemployment by half*
- By 2020, create an extra 50,000* jobs
- By 2030, increase average wages to match national average

Maximising productivity & employment opportunities



- By 2030 reduce rail journey times from Plymouth to London by 40*minutes
- By 2020, 100% of the population able to connect to Superfast Broadband
- By 2020, 60%* of adult population qualified to L3 or above and 40*to Level 4 or above
- By 2030, deliver 170,000 new homes

Creating the Conditions for growth





Jobs

SEP Objective:

By 2020, create an extra 50,000 jobs

Then (2014):

722,900 in employment (incl. military)

Now (2018):

770,400 in employment (incl. military)

Net Progress: +47,500 in employment (+6.7% v. UK +5.6%)

LEP Programme Contribution:

- LEP investments supported 2,240 jobs and 1,011 apprenticeships over the period 2014 to 2018.
- LEP investments: will deliver 26,930 jobs by 2021
- European funded projects: will deliver 1,042 jobs by 2023

Future challenges – ageing population could exacerbate labour shortages



Knowledge

SEP Objective:

By 2020, 60% of adults qualified to Level 3+ and 40% to Level 4+

By 2030, the proportion of businesses in the knowledge economy has increased

Then (2014):

55.3% qualified at level 3+ and 33.5% qualified at L4+

Now (2017):

58.8% qualified at level 3+ (v. UK 57%) and 36.2% qualified at L4+ (v. UK 38.4%)

LEP Programme Contribution:

- LEP's investments have trained 9,374 people 2014-18
- LEP investments: will deliver 59,005 people trained by 2021
- European funded projects: will deliver by 2023
 - 267 enterprises supported to introduce new-to-market product
 - 476 enterprises supported to introduce new-to-firm products
 - 272 enterprises supported to cooperate with research institutions

Future challenges – continue high level skills growth & digital skills



Housing

SEP Objective:

By 2030, deliver 170,000 new homes

Net Progress: +26,010 permanent new dwellings completed between 2014 and 2018

LEP Programme Contribution:

- Significant investment in projects which have unlocked housing developments
- LEP investments have enabled +3,085 houses

- LEP investments: will deliver 18,342 new homes by 2021



Productivity

SEP Objective:

By 2030, close productivity gap with national average

Then (2014): £25.9 per hour worked (88.7% of UK avg. excl. London)

Now (2016 - latest figures): £26.8 per hour worked (88.8% of UK avg. excl. London)

Net Progress: +3.5% over the period (i.e. slightly above UK growth excl. London)

LEP Investments:

Invested in key drivers of productivity:

- High-value industries (nuclear, marine, aerospace, photonics, environmental technologies etc.)
- Infrastructure (transport and broadband)
- Skills
- Business support (incl. exporting)
- Innovation



Wages

SEP Objective:

By 2030, increase wages to match national average

Then (2014): £464.7 per week (96.5% of UK avg. excl. London)

Now (2017 - latest figures): £488.6 per week (95.7% of UK avg. excl. London)

Net Progress: +5.1% growth over the period, compared with +6% UK-wide excl. London

Wage Gap a combination of:

- Productivity gap
- Higher % public sector employment (low wage growth)
- Lower % in higher productivity sectors
- Full time/ part time mix
- But positive FT employment growth vs national
 - HotSW FT employment +3.2% vs nationally 2.6%
 - HotSW PT employment +0.5% vs nationally 2.8%



Business

SEP Objective:

By 2020, be one of the best places to start and grow a business

Then (2014):

65,590 enterprises or 78,170 local units (workplaces)

Now (2018):

71,510 enterprises or 84,485 local units (workplaces)

Net Progress: +5,920 enterprises (+9% v. UK +18%) or 6,315 workplaces over the period (+8% v. UK +15%)

LEP Programme Contribution:

- LEP investments have supported 6,908 businesses (5,050 via Growth Hub) 2014-18:

- LEP investments: will deliver 30,103 businesses supported by 2021
- European funded projects: will deliver by 2023
 - 4,115 enterprises supported
 - 1,088 entrepreneurs assisted to be enterprise-ready
 - 803 new enterprises supported

Future challenges: business start-up rates & scale-ups

In Summary

Positive

- Jobs growth
- Raising skills levels
- Broadband coverage
- Housing trajectory

Future Focus

- **Raising productivity**
 - Business start-ups
 - Continued upskilling
 - Innovation
 - Connectivity
 - Broadband to premises
 - Broadband utilisation
 - Transport
- Ageing population: challenges & opportunities
- Creating better paid jobs
- Continued support for housing