

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
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- Update the Committee on our progress regarding Inclusive Growth
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- A separate report sets out our emerging thinking on Clean Growth
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2. LEP Summary Update

Successes

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

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 2nd 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

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.