

HOTSW SCRUTINY Committee – June 2021

Introduction to the LEP, Clean Growth and Skills Plan

1. Introduction

The purpose of this report is update Scrutiny representatives on:

- Introduction to the LEP
- Clean Growth Plan
- Skills Plan

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2. Introduction to the LEP

A LEP induction pack is attached to this agenda setting out the role and purpose of LEPs. This is a little out of date and clearly following the publication of the Plan for Growth and LEP review, this is now subject to change eg the capital funding previously directed through LEPs is now going via Local Authorities (Levelling -Up Fund).

We are still waiting for how Government intends to replace EU Structural Funds in which LEPs had a particular role in advising Government how funding (for the area) should be best spent. In the short term Government has announced Community Renewal Funding (CRF) as a pilot for 2021/22.

In summary

- LEPs are sponsored by Government as local Partnerships led by business to drive economic growth.
- There is full coverage across England. The HotSW area- one of the larger LEPs includes Somerset, Devon, Torbay and Plymouth – covering some 1.8m people; 70,000 businesses across 16 Local Authorities and 2 National Parks. The HotSW Local Authorities come together through a HOTSWE joint-committee, Scrutiny meetings take place 3 times a year.
- The LEP operates through an Assurance Framework using Local Authority Financial Standing Orders – Somerset County Council are the Accountable Body.
- As well as Local Growth Fund, Getting Building Fund and Growing Places Funding (and evergreen loan fund), LEPs are responsible for Enterprise Zones and Growth Hubs and supported Freeport applications.

As well as its Route Map to Recovery (published in June 2020) the LEP published its Build Back Better plan - [Build Back Better plan - Heart of the south west LEP \(heartofswlep.co.uk\)](https://www.heartofswlep.co.uk) delivering clean and inclusive growth through 7 transformational projects in May 2021.

3. Update on Clean Growth

The Heart of the South West LEP is aiming to be a pioneer with its ambitious commitments to clean growth, which includes a pledge to help place the Heart of the South West area on a resilient pathway to net zero by the 2040s or sooner.

The LEP has joined an alliance of businesses, education institutions, cities, regions and investors in committing to the **United Nations' Race to Zero** global campaign, which aims

to achieve net zero carbon by 2050 at the latest. It hopes that by making this pledge, other organisations in the area will also sign up to it.

The pledge forms part of the plans set out in the LEP's newly released 'Blueprint for Clean Growth'. The LEP wants to grow the area's economy in a clean and sustainable way by delivering inclusive economic prosperity whilst protecting the environment, lowering emissions and enhancing natural capital. The blueprint sets out how it will do this, by focusing on the area's blue and green economy, creating the necessary conditions to enhance the economic connections with the marine and land-based environments.

The blueprint focuses on six themes:

- Leadership
- Low carbon energy
- Green businesses
- Sustainable communities
- Decarbonised transport
- Natural capital

Each of these themes has a clear objective and set of priorities that the LEP will focus on over the next two years. Rather than being a standalone strategy, it brings together and builds on the LEP's existing strategies, including the Local Industrial Strategy and Build Back Better plan, to drive sustainable economic growth.

Karl Tucker, Chair of Heart of the SW LEP, says: "We are delighted to pledge our commitment to the Race to Zero campaign, joining hundreds of countries, cities, businesses and organisations. It's important that we show leadership in this area and encourage others to join us.

"To recover from the pandemic and truly build back better, we need to focus on clean and inclusive growth to transform our economy and create long-term prosperity for everyone in all parts of our communities.

"Our Blueprint for Clean Growth will allow us to capitalise on the dynamic heart of our area's economy, delivering a low carbon energy powerhouse, and driving innovation in our key sectors such as aerospace, maritime, agriculture and tourism. We will embed our clean growth commitment in all our activities and actions, stimulating new ideas that address environmental challenges and deliver nature-based solutions, and ensuring people and businesses have the right support and skills to deliver and benefit from clean growth."

Key highlights in the blueprint:

- **To become pioneers in delivering clean growth**

The blueprint calls on more partners to join the LEP in recognising the global climate emergency and commit to the UN's Race to Zero pledge. It commits to putting inclusive climate action at the centre of decision making for the area, which covers Devon, Somerset, Plymouth and Torbay.

- **To be a green energy powerhouse and first net exporter of clean energy.**

Including building on the legacy of Hinkley Point C in Somerset. The LEP aims to continue to stimulate growth of the nuclear sector and accelerate innovation in future advanced nuclear technologies, such as fusion. The area is also home to a world-leading maritime sector,

which provides opportunities for innovation in offshore renewables. The blueprint also sets out how it will work with National Grid and Western Power Distribution to address grid capacity constraints. The LEP will also find ways to stimulate an increase in other low carbon energy and heat technologies.

- **To unlock opportunities for clean growth for local businesses**

The LEP will support local businesses to enable them to play their part, including advice and support to SMEs to implement energy efficiency measures. It will establish a clean growth skills and supply chain, initially focused on the energy and construction sectors in response to the drive to retrofit existing buildings.

The blueprint also sets out support for key sectors in the area, including food and farming, and tourism.

- **To be a test bed for the development of zero carbon housing and sustainable communities.**

The blueprint identifies that one-third of the area's carbon emissions come from the domestic sector – and there are approximately 100,000 new homes planned over the next 10 years. It aims to commit to the new Future Home Standard, available from 2023, as well as working with social landlords to develop a retrofit programme, leveraging funding from the new Social Housing Decarbonisation Fund.

- **To realise a greener transport future.**

Transport accounts for almost half of emissions in the Heart of the SW area. The LEP will continue to work with Peninsula Transport to ensure a clean strategic transport strategy is in place, which includes electrifying the rail network including the Great Western mainline. Delivery of a reliable electric vehicle charging network will be enabled, and a smart aviation cluster will be established. The use of electric and hybrid aircraft on regional routes is due to be piloted at Exeter and Newquay Airports through the Project 2ZERO consortium plans as part of the Government's Future Flight Challenge.

The LEP also aims to pioneer clean maritime by developing innovative pilot demonstrators that build a broad ecosystem, incorporating electrification and hydrogen and exploiting regional assets such as offshore energy.

- **To be the national lead in delivering nature-based solutions.**

Natural capital is the sum of ecosystems, species, freshwater, land soils, minerals and the sea. The blueprint recognises the importance of developing nature-based solutions to provide resilience and support a positive transition to net zero. The LEP has launched a £1m Natural Capital Demonstrator Fund to invest in natural capital projects.

To deliver the ambitions in the blueprint, the LEP will look for opportunities to collaborate with the private sector, investors and other organisations that share common goals, such as local authorities and universities.

Read the full blueprint here: <https://heartofswlep.co.uk/growing-our-economy/our-blueprint-for-clean-growth/>

4. Update on Skills Plan

Last year DfE invited areas to carry to establish Skills Advisory Panels and undertake Local Skills Reviews. Areas were asked to work closely with LEPs. HotSW LEP modified our People Leadership group – to include local Employment and Skills Boards and providers eg Colleges to form the new Skills Advisory Panel who published the Local Skills Review - [Heart of the South West Local Skills Report Launched - Heart of the south west LEP \(heartofswlep.co.uk\)](https://heartofswlep.co.uk) with a single vision that “every individual in the Heart of the South West should be able to access the skills they need to thrive in a productive job they value, supporting businesses, inclusion and growth”.

5. Conclusion

HOTSW LEP has identified that it will deliver future prosperity through delivering clean and inclusive growth. Through it Building Back Better plan it has set out clear priorities but is awaiting further details from Government on how it expects local areas to deliver recovery – particularly in the context of Levelling-Up remains opaque and may only be clearer when the Government publishes it White Paper

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 Build Back Better.