

Heart of the South West Joint Committee

Friday 23 March 2018

**10.00 am Council House, Plymouth,
PL1 2AA**

**There is public pay and display parking adjacent to
the venue in the Theatre Royal car park**

To: The Members of the Heart of the South West Joint Committee

Nominated Voting: Cllr Bill Hitchins (Dartmoor NPA), Cllr John Hart (Devon CC), Cllr Paul Diviani (East Devon DC), Cllr Peter Edwards (Exeter CC), Cllr Andrea Davis (Exmoor NPA), Cllr Harvey Siggs (Mendip DC), Cllr Clive Eginton (Mid Devon DC), Cllr David Brailey (North Devon DC), Cllr Duncan McGinty (Sedgemoor DC), Cllr David Fothergill (Somerset CC), Cllr John Tucker (South Hams DC), Cllr Ric Pallister (South Somerset DC), Cllr David Thomas (Torbay C), Cllr John Williams (Taunton Deane BC), Cllr Jeremy Christophers (Teignbridge DC), Cllr Jayne Whittaker (Torrige DC), Cllr Ian Bowyer (Plymouth CC), Cllr Philip Sanders (West Devon BC), Cllr Anthony Trollope-Bellew (West Somerset C).

Substitute: Andrew Cooper (Dartmoor NPA), Cllr Stuart Barker (Devon CC), Cllr Phil Twiss (East Devon DC), Cllr Rachel Sutton (Exeter CC), Robin Milton (Exmoor NPA), Cllr Tom Killen (Mendip DC), Cllr Richard Chesterton (Mid Devon DC), Cllr Mike Edmunds (North Devon DC), Cllr Dawn Hill (Sedgemoor DC), Cllr David Hall (Somerset CC), Cllr Simon Wright (South Hams DC), Cllr Jo Roundell Greene (South Somerset DC), Cllr Alan Tyerman (Torbay C), Cllr Mark Edwards (Taunton Deane BC), Cllr Humphrey Clemens (Teignbridge DC), Cllr David Hurley (Torrige DC), Cllr Patrick Nicholson (Plymouth CC), Cllr Lois Samuel (West Devon BC), Cllr Mandy Chilcott (West Somerset C).

Non Voting: Steve Hindley (HOTSWLEP)

Issued By Julian Gale, Strategic Manager - Governance and Risk – 15 March 2018

For further information about the meeting, please contact Julian Gale, Democratic Services, Somerset County Council or 01823 357628

Guidance about procedures at the meeting follows the printed agenda.

This meeting will be open to the public and press, subject to the passing of any resolution under Section 100A (4) of the Local Government Act 1972.

This agenda and the attached reports and background papers are available on request prior to the meeting in large print, Braille, audio tape & disc and can be translated into different languages. They can also be accessed via the council's website on www.somerset.gov.uk/agendasandpapers



RNID typetalk

AGENDA

Item Heart of the South West Joint Committee - 10.00 am Friday 23 March 2018

Public Guidance Notes

1 Apologies for absence

- i) To be reported and recorded

2 Appointments

- i) Chair
To elect a Chair for the remainder of the municipal year.
- ii) Appointment of Vice-Chair
To appoint a Vice-Chair for the remainder of the municipal year.

3 Declarations of Interest

4 Minutes of the HotSW Shadow Joint Committee (Pages 7 - 14)

To agree the minutes of the meeting held on 11 November 2017 as a correct record.

5 Public Question Time

The Chair will allow members of the public to present a petition on any matter within the Committee's remit. Questions or statements about any matter on the agenda for this meeting will be taken at the time when each matter is considered.

6 Update on discussions with the Department for Business, Energy & Industrial Strategy (Pages 15 - 18)

Update on discussions with the Department for Business, Energy & Industrial Strategy:

- (i) Tracey Lee, Senior Responsible Officer, Leaders for the Heart of the South West, to report.
- (ii) As part of the update the Committee is asked to consider a report - South West Institute of Technology (attached as Paper 6.0) – to be introduced by Phil Norrey, Chief Executive, Devon County Council.

7 HotSW Productivity Strategy & Delivery Plan (Pages 19 - 70)

To consider the draft Productivity Strategy and Delivery Plan design principles – for approval (attached as Paper 7.0) – to be presented by Tracey Lee, Senior Responsible Officer, Leaders for the Heart of the South West.

8 Statement of Strategic Intent - Report of the Chief Executives' Advisory Group (Pages 71 - 76)

To consider the statement of Strategic Intent (attached as Paper 8.0) – for

Item Heart of the South West Joint Committee - 10.00 am Friday 23 March 2018

approval – to be presented by Pat Flaherty, Governance Lead, Leaders for the Heart of the South West.

9 **Joint Committee Leadership and Management Support Arrangements** (Pages 77 - 86)

To consider the detail of the proposed support arrangements for the Joint Committee and specifically the terms of reference and arrangements for the Chief Executives' Advisory Group and the Chief Executives' Delivery Group – to be endorsed (attached as Paper 10.0) – to be presented by Julian Gale, Strategic Manager – Partnership Governance, Somerset County Council.

10 **Date of next meeting**

To note that the next meeting of the Joint Committee meeting will be held on Friday 25th May 2018 at 10.00pm – venue to be confirmed.

Work programme for this meeting to include:

- Update on discussions with the Department for Business, Energy & Industrial Strategy.
- To agree principles for the investment framework.
- To agree revised budget for recommendation to the constituent authorities.

11 **Any Other business**

Guidance notes for the meeting

1. Inspection of Papers

Any person wishing to inspect Minutes, reports, or the background papers for any item on the Agenda should contact Julian Gale on Tel: (01823) 359500 or Email: jjgale@somerset.gov.uk They can also be accessed via the Somerset County council's website on www.somerset.gov.uk/agendasandpapers

2. Public Question Time

If you wish to speak, please contact Julian Gale - by 12 noon the (working) day before the meeting.

At the Chair's invitation you may ask questions and/or make statements or comments about any matter on the Committee's agenda – providing you have given the required notice. You may also present a petition on any matter within the Committee's remit. The length of public question time will be no more than 30 minutes in total.

A slot for Public Question Time is set aside near the beginning of the meeting, after the minutes of the previous meeting have been signed. However, questions or statements about any matter on the Agenda for this meeting may be taken at the time when each matter is considered.

You must direct your questions and comments through the Chair. You may not take direct part in the debate. The Chair will decide when public participation is to finish.

If there are many people present at the meeting for one particular item, the Chair may adjourn the meeting to allow views to be expressed more freely. If an item on the Agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting. Remember that the amount of time you speak will normally be limited to two minutes.

3. Exclusion of Press & Public

If when considering an item on the Agenda, the Committee may consider it appropriate to pass a resolution under Section 100A (4) Schedule 12A of the Local Government Act 1972 that the press and public be excluded from the meeting on the basis that if they were present during the business to be transacted there would be a likelihood of disclosure of exempt information, as defined under the terms of the Act.

4. Recording of meetings.

The Committee supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the public may use Facebook and Twitter or other forms of social media to report on proceedings and a designated area will be provided for anyone wishing to film part or all of the proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film

or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chairman can inform those present at the start of the meeting.

We would ask that, as far as possible, members of the public aren't filmed unless they are playing an active role such as speaking within a meeting and there may be occasions when speaking members of the public request not to be filmed.

This Committee meeting will be webcast and will be available at: https://plymouth.public-i.tv/core/portal/webcast_interactive/339319

Minutes of the Shadow HotSW Joint Committee Meeting

Council Chamber, Somerset County Council, Shire Hall, Taunton TA1 4DY

1.30pm, Tuesday 11 November 2017

Attendance

Voting Members

Cllr David Fothergill	Leader, Somerset County Council
Cllr Paul Diviani	Leader, East Devon District Council
Cllr John Hart	Leader, Devon County Council
Cllr Ian Bowyer	Leader, Plymouth City Council
Cllr Andrea Davis	Deputy Chair, Exmoor National Park
Bill Hitchins	Chair, Dartmoor National Park
Cllr Clive Eginton	Leader, Mid Devon District Council
Cllr John Williams	Leader, Taunton Deane Borough Council
Cllr Des Brailey	Leader, North Devon District Council
Cllr John Tucker	Leader, South Hams District Council
Cllr Jeremy Christophers	Leader, Teignbridge District Council
Cllr Mandy Chilcott	Deputy Leader, West Somerset District Council
Cllr Ric Pallister	Leader, South Somerset District Council
Cllr Tom Killen	Deputy Leader, Mendip District Council
Cllr Dawn Hill	Deputy Leader, Sedgemoor District Council
Cllr Pete Edwards	Leader, Exeter City Council

Non-voting Members

Steve Hindley	Chair, Heart of the South West Local Enterprise Partnership
Annette Benny	Managing Director (Deliver) NHS NEW Devon Clinical Commissioning Group

Officers

Pat Flaherty	Chief Executive, Somerset County Council
Stephen Walford	Chief Executive, Mid Devon District Council
Tracey Lee	Chief Executive, Plymouth City Council
Mike Mansell	Chief Executive, North Devon District Council
Chris Garcia	Chief Executive, Heart of the South West

	Local Enterprise Partnership
Doug Bamsey	Corporate Director, Sedgemoor District Council
Brendan Cleere	Director, Growth and Development, Taunton Deane Borough Council
Kevin Bishop	Chief Executive, Dartmoor National Park
Mark Williams	Chief Executive, East Devon District Council
Steve Jordan	Executive Director and Head of Paid Service, West Devon and South Hams Councils
Phil Shears	Chief Executive – Teignbridge District Council
Chris Garcia	Chief Executive, Heart of the South West Local Enterprise Partnership
Bruce Luxton	Exeter City Council
Alison Ward	Plymouth City Council
Julian Gale	Somerset County Council
Alastair Higton	Somerset County Council
Peter Stiles	Somerset County Council
Sarah Bryan	Chief Executive, Exmoor National Park Authority
Eifion Jones	Heart of the South West Local Enterprise Partnership

Apologies

Mayor Gordon Oliver	Elected Mayor – Torbay Council
Steve Parrock	Chief Executive – Torbay Council
Cllr Jane Whittaker	Leader – Torridge District Council
Jenny Wallace	Chief Executive – Torridge District Council
Phil Norrey	Chief Executive – Devon County Council

1. Declarations of Interest

1.1 None were declared.

2. Minutes

2.1 The Minutes of the Shadow Joint Committee meeting held on 22 September 2017 were confirmed and signed as correct.

3. Chairman's Update Report

3.1 Cllr Fothergill, Somerset County Council, reported further to the meeting with Jake Berry, MP, the Minister responsible for Devolution, that his officials had asked that discussions on a devolution deal for the HotSW area should take place after the

forthcoming Budget/Autumn Statement. Sally Edgington (BIS Local Relationship manager) was also keen to take things forward. Cllr Hart, Devon County Council, added that Kevin Foster, MP for Torbay and Ministerial aide to Jake Berry had expressed his support for HotSW's initiative. Cllr Fothergill emphasised the need to establish a single of channel of communication with BEIS contacts and asked that Julian Gale/Alistair Higton be made aware of any dialogues, so as to avoid a range of separate conversations.

Cllr Fothergill referred to recent press interest in the alleged 'gagging' issue involving Paragraph 11.5 of the draft Inter-Authority Agreement on press releases and public statements and the response made to the media. Julian Gale explained that there was no intention to prevent individual constituent local authorities from expressing their own views on HotSW business and drew attention to a proposed revised wording (tabled) to remove any possible misunderstanding while maintaining the principle of collective communication for formal communications issued on behalf of the Joint Committee.

RESOLVED: to approve the amendment of Paragraph 11.5 of the draft Inter-Authority Agreement on the HotSW Joint Committee to read as follows:

'All press releases and public statements to be sent out on behalf of the Joint Committee shall be the responsibility of the press office of the Administering Authority'.

(NB. This amendment will need to be approved by constituent authorities when ratifying the proposed arrangements for the HotSW Joint Committee)

Cllr Fothergill was pleased that following clarification of certain issues Exeter City Council would formally be taking the Joint Committee proposal through their democratic process. He hoped that the Council would agree to formally join the Joint Committee as a constituent authority. The Committee supported the Chairman's proposal that Cllr Edwards, Exeter City Council, as a Labour member, should be invited to attend any future 'high-level' lobbying meetings with Ministers etc to ensure political balance.

4. Establishment of a Joint Committee

4.1 Julian Gale, Somerset County Council, gave an update on the formal approval by constituent local authorities of the proposed arrangements for the HotSW Joint Committee, indicating that assuming the necessary consents were given, the inaugural meeting of the Joint Committee would be able to take place on 26 January 2018 as planned.

5. Rural Productivity Commission

5.1 Chris Garcia, HotSW LEP and Sarah Bryan, Exmoor National Park gave a presentation on the report of the independent enquiry commissioned by four South

West LEPs to identify opportunities to stimulate rural productivity and growth which was launched at the South West Growth Summit on 20 October 2017.

5.2 The Commission was established to:

- hear and review evidence from a range of sources and stakeholders to frame the South West response to the Industrial Strategy and forthcoming DEFRA 25 year plans for 'food, farming and fisheries' and 'environment'
- draw out opportunities to drive rural productivity improvements
- understand functioning between urban and rural distinctions
- secure Government support for specific initiatives in the Autumn Statement
- influence national and local policies where appropriate to improve rural productivity.

5.3 The Commission had collected evidence through an open call for written evidence from April to June 2017 followed by five formal evidence hearings across the four LEP areas.

5.4 The most important themes that had emerged from the work were:

- digital connectivity presented a game-changing opportunity but without further urgent action businesses and communities would become left behind
- smart technologies had the potential to create solutions to many of the challenges faced by rural areas and the development of an innovation platform on a regional scale had the ability to create higher value jobs
- the rural South West hardworking and entrepreneurial culture, coupled with its stunning natural environment, with the right support, could become a hothouse of enterprise
- the South West agri-food-tourism economy was a strength upon which globally recognised propositions could be built as the place to start and build and grow a food business
- there were genuine concerns that rural communities in the South West were spiralling downwards towards 'fossilised retirement villages' unless Government and local leaders took prompt action - local and national policy must move away from the 'one size fits all' approach that failed to recognise that rural areas were different
- Brexit had the potential to shake the foundations of the South West rural economy - providing either a much needed boost or sudden economic shock. Now was the time for action if the South West was to reap the benefits in line with the Commission's recommendations.

5.5 The report and its findings - which had been endorsed by the four LEPs on 13 November 2017 - would be used to help embrace the opportunities and mitigate risks with partners in other South West LEPs, MPs, businesses and Government.

5.6 The Chairman thanked the Commission for all its hard work and commended the report which would raise the national profile of the rural South West and rural areas generally.

5.7 Chris Garcia undertook to follow up the following points raised during discussion:

- the need for training to enable those running local businesses to make better use of the opportunities for marketing through the digital infrastructure - perhaps, given the time pressures they faced, through the use of peripatetic trainers or in other imaginative ways - and greater clarity of/publicity for the benefits involved
- the need for improved digital access to Health Service advice and consultations on change
- the impact on local businesses of the loss of local banking facilities.

6. Productivity Strategy

6.1 Portfolio Holder Event

6.1.1 The Committee considered a report on the Portfolio Holders Engagement Forum on 7 November 2017 (copy attached to these minutes) relating to the development of a Productivity Strategy setting out the context and challenges for the HotSW area and the activities that would be required over the next 20 years to address them.

6.1.2 The report was presented by Cllr Paul Diviani, Vice-Chairman, who explained that the purpose of the event was to ensure that there was ownership and oversight of the Productivity Strategy within each authority and to give an opportunity for feedback into the consultation process.

6.1.3 Cllr Diviani outlined the conclusions which had been reached on the following areas: ambition and distinctiveness; urban versus rural challenges; and the framework for collaboration. He commented that the event had been very successful. It had shown that there was synergy in thinking, with there being common issues across the region, as well as a recognition that there were also differences, and the importance of collaboration. There were nuances which would need to be addressed within the Delivery Plan and Portfolio Holders were keen to help shape the Plan. Broadly there was an ownership developing for the Strategy and the challenge was to further develop that ownership through the organisations involved and to champion wider participation.

6.2 Consultation Process

6.2.1 Tracey Lee, Plymouth City Council gave an update on the process for consultation on the draft Productivity Strategy which had commenced on 9 October 2017. Engagement was taking place through various different channels, with the

consultation being hosted online by Torbay Council as a single point for responses and a series of sub-regional/local events that had already been held or were being arranged.

6.2.2 While it was acknowledged that the organisation of sub-regional/local consultation meetings had been left to local discretion (District Councils and others), Committee members agreed there was a need for greater clarity/information sharing about what was happening where and when and, given the number of such meetings that had still to take place or be arranged. It was suggested that it would be sensible in the circumstances for the consultation period to be extended beyond 30 November 2017.

6.2.3 RESOLVED:

(a) to extend the consultation period until 14 December 2017 to maximize the effectiveness of the response

(b) to circulate (urgently) to all Committee members a list of all the dates, times, venues and organisers for all sub-regional/local consultation events.

7. Brexit Resilience and Opportunities Group

7.1 The Committee considered a report by Alistair Higton, Somerset County Council, providing an update on the work of the Brexit Opportunities and Resilience Group (BROG) to identify the opportunities and challenges of Brexit and their impact on businesses across the Heart of the South West (HotSW), the findings and next steps and the relationship between BROG and the Joint Committee.

7.2 The workstreams involved were:

- three pieces of detailed research commissioned from Plymouth City Council into HotSW on: agriculture and land use; the construction industry and the labour market and skills
- business engagement through a survey as well as regular contact between BROG and the business community and their representatives
- development of an online knowledge hub facility to collate reports, surveys and other important documents that were Brexit related.

7.3 The report outlined findings and key messages for HotSW from the research, examples of which are set out below:

7.3.1 *Agriculture and land use* - the vital importance of agriculture to the HofSW economy; impact of end of EU subsidies; EU Protected Designation of Origin (PDO) status; strategic importance of EU market; opportunity for HotSW to influence national policy development through Rural Productivity Commission findings and otherwise

7.3.2 *Construction* - closely linked with the overall health of the economy; buyer and investor confidence and public sector investment in infrastructure; access to labour and skills and imported materials and plant, dependency on EU funds, regulation and taxation; pricing insecurity.

7.3.3 *Labour Market and Skills* - difficulty in filling lower skilled roles; possible barriers to EU citizens being able to come to the UK; implications of potential workforce reduction.

7.3.4 *HotSW Business Survey* - concerns about loss of skilled workers from EU countries and retention of easy access to EU markets post Brexit.

7.4 During discussion:

- concern was expressed regarding the impact of uncertainty about the terms of the UK's withdrawal from the EU on the construction industry and the growing shortage of workers in the care and other critical sectors due to low wage rates
- Alistair Higon agreed that BROG would look at the impact of Brexit on the education and research sectors and the numbers of overseas students coming to the UK.

7.5 **RESOLVED:**

(a) To note the work and findings of BROG to date

(b) In order to take findings forward, make and develop contacts in order to promote the opportunities of Brexit and develop resilience to risks, and without prejudice to any activities that partners wish to undertake

- BROG continue to set its work programme based on priorities that emerge as a result of movement towards Brexit, for example research and continued engagement with partner agencies and businesses including (but not limited to) in the near term:
 - issues arising from the Rural Productivity Commission Report
 - issues arising from UK/EU negotiations; and
 - any further topic that the Joint Committee wishes BROG to consider
- BROG facilitate discussion with key MPs in HotSW as part of wider partnership engagement to share findings and key messages.

8. **Next Meeting**

RESOLVED that the first formal meeting of the Joint Committee be held on Friday 26 January 2018 at 9.30am at the offices of Plymouth City Council.

(The meeting ended at 2.45pm)

Chairman



HotSW Joint Committee

Meeting Date – 23 March 2018

SOUTH WEST INSTITUTE OF TECHNOLOGY

Lead Officer: Phil Norrey, Chief Executive, DCC

Author: Phill Adams, Senior Manager, Employment and Skills, DCC

Contact Details: 01392 381049

1. Summary

- 1.1 The South West Institute of Technology ('SWIoT') is a £15.1m joint bid by HotSW and Cornish partners to the Government's Institute of Technology competition.
- 1.2 Bringing together a consortium of 5 of the region's colleges (Exeter, PETROC, City College Plymouth, Bridgwater and Taunton, and Truro and Penwith); our two universities (Exeter and Plymouth), and 5 core business partners (Babcock, TDK Lambda, Met Office, Watson Marlow and Oxygen House), the SWIoT seeks to secure designation for an distributed IoT model to be rolled out across the HotSW area from 2019, focusing on enhancing digital and advanced engineering / manufacturing skills.
- 1.3 A successful SWIoT bid will enable the development of six interlinked training centres across the peninsula, delivering a range of tailored provision to businesses and individuals within our golden opportunity sectors and beyond. Co-located with and complementary to our existing college and university offer, the new provision would be industry led, incorporating the latest in process and digital content, as well as drawing upon the experience of key industrial partners from across the area.
- 1.4 The SWIoT bid is complementary to our ongoing focus on productivity and skills development, meeting the HotSW's emerging ambition to secure additional technical training capacity (as set out within the Employment, Skills and Learning theme of the Productivity Strategy), as well as the broader ambitions of the Government's recent Industrial Strategy.

2. Recommendations

- 2.1 The Joint Committee is asked to:
 - Note the content and ambition of the SWIoT bid, seeking to support the bid with Ministers and wider stakeholders / influencers as appropriate.

3. Background to Institutes of Technology

- 3.1** Originally announced by the Prime Minister in January 2017, Institutes of Technology ('IoTs') are a central element of the Government's refreshed approach to addressing skills productivity within the UK.
- 3.2** Recognising a growing requirement across the economy for intermediate and higher level technical skills (i.e. above Level 3 / 'A Level' Equivalency), IoTs are envisaged as reinforced centres for technical education, bringing together industrial, HE and FE partners to provide industry relevant and industry led training. Prestigious new bodies, the IoTs are to provide a complementary learning environment for emerging 'T' Levels (the Government's new technical qualification), as well as build upon existing industrial strengths across the country.
- 3.3** To facilitate the development of these bodies, the Chancellor announced a £170m competitive fund for the establishment of the first 10-15 IoTs at Budget 2017. The resource was to be used to establish the new centres, with an expectation that the funding would attract additional match and private sector engagement to facilitate the creation of a small number of industry led, high quality institutions. The detail of the competition process for the £170m was duly launched by the SoS for Education in November 2017, with bids due to be submitted by the 1 March 2018.
- 3.4** Further detail on the IoT competition, their focus and approach, can be found in the IoT Prospectus linked to below.

4. The South West Institute of Technology

- 4.1** The SWIoT is a joint £15.1m bid from partners within the HotSW and Cornwall and the Isle of Sicily LEP area, to create a new Institute of Technology within the peninsula focusing on digital and advanced engineering / manufacturing skills.
- 4.2** The bid, submitted on 1 March, brings together 5 HotSW and Cornish colleges (Exeter, PETROC, City College Plymouth, Bridgwater and Taunton, and Truro and Penwith); our two universities (Exeter and Plymouth), and 5 anchor business partners (Babcock, TDK Lambda, Met Office, Watson Marlow and Oxygen House), as well as a range of supplementary support from neighbouring colleges and wider business partners.
- 4.3** Developed around a distributed model, and building on the experience of the National College for Nuclear in Somerset, the bid outlines the creation of 6 learning hubs across the peninsula to lead the IoT approach, specialising in a range of engineering and industrial capacity:
- **North Devon**– A refurbished centre of excellence located within PETROC's Northern Campus, delivering an enhanced learning environment for engineering and computing studies.
 - **Plymouth** – An enhanced centre of learning within City College's recently completed STEM centre, equipped to an industrial standard and focused upon new engineering, digital and manufacturing capabilities.

- **Bridgwater / Taunton** – Refurbished and expanded facilities to allow for additional capacity around nuclear and engineering training, including system management and high value welding and fabrication.
- **Exeter University**– A new training facility, located within the University’s refurbished Innovation Centre, providing an enhanced digital and data science offer with strong links to the University’s research and higher-level skills capability.
- **Truro and Penwith** – A new centre focused on manufacturing and engineering specialisms, including materials inspection, testing and precision fabrication to industry standard.
- **Exeter College** – Development of new purpose-built centre for digital training, providing industry standard equipment and IT capacity to focus on data analytics, cloud-based processing and services and other emerging IT specialisms

4.4 Collectively, the 6 SWIoT Centres will provide technical and specialist skills coverage of the entire peninsula area, with each hub covering both their immediate vicinity and providing a specialist resource for one or more sub-sector. As set out, centres will be located within or alongside existing college or universities facilities, seeking to build upon existing capacity and complement the existing learning offer across the area.

4.5 Whilst co-located however, the SWIoT is required to be a wholly independent and new body by Government. Anchor colleges, the universities and business partners will become directors / shareholders of the new institution on a successful bid, with related assets and staff contributed to the project as support in kind / as a direct contribution as appropriate.

4.6 Testing financial rigour and acceptance of the governance model with boards / governors has therefore also been a key part of the preparation process for the IoT, with all partners expected to be able to demonstrate good financial health as a minimum before being able to join the consortium and sign up to a divested governance model with a business led board.

5. Wider Associations / Linkages

5.1 In bringing forward the SWIoT proposal, the consortium has been through an iterative process to reach the final list of anchor partners involved. Critical to this has been the ability to commit to a significant capital contribution at short notice, as well as have the collective capacity to service the bid.

5.2 Partners have however been careful to ensure that partners that were unable to meet this commitment in time have not been excluded from the SWIoT approach, and that a route has been left open for wider partners to become involved, either directly or indirectly at a future date. As such, the bid includes reference to a wider group of associated Colleges who have been involved in the SWIoT development process, but were either not in a position to engage at this point (South Devon, Strode and Cornwall

College), or had already committed to other approaches (Yeovil). It is envisaged however that close working will continue with each of these college partners as the SWIoT develops, with a hope that one or more may join the initiative at a future date.

- 5.3** Similarly, the bid includes mention of a range of associated industrial partners, who were interested in involvement but were unable to secure agreement to become an anchor in time for the initial deadline. These include EDF Energy, IBM and Goonhilly Earth Station Ltd (the later two of which have already offered some form of revenue support). Discussions continue with these partners, in hope that they can be fully incorporated within Stage 2 of the bidding process.

6. Next Steps

- 6.1** Following the submission of the bid on 1 March, the SWIoT is now awaiting formal or informal feedback from Government. This is likely to include a first stage process where Government considers the potential for merging bids if appropriate, as well as eliminating those bids considered to not meet the outline criteria.

- 6.2** In terms of partner engagement during this period, the SWIoT consortium is focused upon raising awareness of its bid with key partners (including today's paper) as well as continuing its discussions with key industrial and other anchors. In particular, it is seeking the support of key partners with Government and Ministers, outlining and reinforcing the case for its IoT bid and the benefits and synergies with Government's own policy.

6. Background papers

- 5.1** The following background papers have been utilised / referred to in the production of this paper:

- Institute of Technology Prospectus
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/663691/DfE_IOT_Prospectus_Nov17.PDF

Note: For sight of individual background papers please contact the report author.



HoftSW Joint Committee

Meeting date – 23 March 2018

HEART OF THE SOUTH WEST PRODUCTIVITY STRATEGY AND DELIVERY PLAN

Lead Officer: Tracey Lee, Senior Responsible Officer, Leaders for the Heart of the South West

Author: Kate Spencer, Programme Management Office

Contact Details: 01803 207014

1. Summary

1.1. This report sets out the proposed Heart of the South West Productivity Strategy which has been developed over the past 12 months through a range of engagement and consultation with partners and stakeholders.

1.2. The report also details the principles on which the associated Delivery Plan will be prepared.

2. Recommendations

2.1. **The Joint Committee is recommended to:**

(a) **Adopt the Heart of the South West Productivity Strategy, Appendix 1 attached and delegate authority to Tracey Lee (as Senior Responsible Officer), in consultation with the Chair, to agree any final minor proofing changes required prior to publication.**

(b) **Agree the principles that the Delivery Plan for the Strategy should be based on, as set out in Appendix 2 attached.**

3. Reasons for recommendations

3.1 To enable the Heart the South West Partnership to move forward in working together to improve the productivity and prosperity of our region, and to continue to demonstrate to Government that we have a shared, ambitious vision, building on our key strengths.

4. Background

4.1 The Heart of the South West Partnership was established in August 2015 with the aim of addressing the productivity gap between Heart of the South West and the rest of the UK.

- 4.2 The Partnership published its Statement of Intent in September 2015 and Prospectus for Productivity in March 2016 in the expectation of a devolution deal with Government. While the devolution agenda nationally has slowed, the Partnership remains resolutely committed to improving the productivity of the Heart of the South West, and agreed that developing and implementing a Productivity Strategy would provide the best framework within which to deliver the Partnership's aims.
- 4.3 The Productivity Strategy (as set out in Appendix 1 to this report) sets out the ambition of the HotSW Partnership to double the size of our economy over the next twenty years, thereby creating higher productivity and prosperity for all. The Strategy will replace the current Heart of the South West Strategic Economic Plan. The Heart of the South West Local Enterprise Partnership has been heavily involved in the development of the Productivity Strategy and will also be formally approving it at a Board meeting in March. They will also be a key partner in the Delivery Plan.
- 4.4 The Productivity Strategy focusses on creating the conditions to increase productivity and thereby drive prosperity. It:
- sets out our long-term ambition to raise productivity, the themes we will focus on, and our approach;
 - supports the devolution of greater power and autonomy for our area;
 - outlines how we will support the Government's Industrial Strategy.
- 4.5 The Productivity Strategy is not a community strategy for the Heart of the South West – it does not cover all aspects of economic activity nor has it been intended to. As a response to the national productivity challenge, the Strategy provides a framework for improving productivity in our area, creating positive outcomes for the communities of Devon and Somerset. We have set as one of our principles that we will have inclusive growth, meaning that we want to see improved productivity across the entire region (whether that is urban, rural or coastal communities) and across all sectors.
- 4.6 The Productivity Strategy is an umbrella strategy which sits over the local strategies and plans of each organisation within the Partnership, which in turn sit above the neighbourhood plans of our communities.
- 4.7 Therefore, whilst we have aimed to ensure that the Heart of the South West is identifiable and distinguishable from other areas of the UK, the final Strategy does not reference every project and every community within the region.
- 4.8 The Strategy identifies three strategic themes to focus our activity to improve productivity. We will strengthen and develop:
- the leadership and ideas within businesses in our area
 - the housing, connectivity and infrastructure our people and businesses rely on for living, moving goods, accessing jobs and training, and exploiting new opportunities.
 - the ability of people in our area to work, learn and improve their skills in a rapidly changing global economy, and to maximise their economic potential.
- 4.9 In addition, there are three cross-cutting themes, referred to throughout the

Strategy:

- Inclusive growth for our people, communities and places
- Capitalising on our distinctive assets
- Maximising the potential from digital technology

4.10 The next stage will see the development of a Delivery Plan to support the Strategy, alongside an Investment Framework. The principles by which the Delivery Plan will be developed are set out at Appendix 2 attached.

5. Consultation, communication and engagement

5.1 Engagement on the development of the Productivity Strategy started in January 2017 with the publication of a Green Paper which set out the challenges facing the Heart of the South West in some detail, together with an evidence base. The Green Paper set out a number of questions and sought views from across the region. The evidence base and the feedback from the engagement process on the Green Paper was used to develop a draft Productivity Strategy which was published for consultation in October 2017.

5.2 The consultation period ran between 10 October and 14 December 2017. The consultation included:

- Publication of the draft Strategy (hosted on the Torbay Council website and available on via partners' websites)
- Online survey open for the duration of the consultation period
- Written representatives accepted
- Heart of the South West Local Enterprise Partnership Conversations held in Devon and Somerset
- Discussion at the Heart of the South West Local Enterprise Partnership Annual Conference (including completion of questionnaires)
- Engagement event held for economic development, housing and transport portfolio holders from each of the local authorities in the Partnership
- Engagement events held across the region: Eastern Somerset, Western Somerset, Exeter and East Devon, Northern Devon, Torbay, and Plymouth, South Hams and West Devon
- Engagement event with the Devon Association of Local Councils and Somerset Association of Local Councils

5.3 The report from the consultation exercise is available to view at www.torbay.gov.uk/devolution

5.4 Overall, within the consultation, there was strong support for an ambitious Productivity Strategy. However, responses suggested that the ambition needed to be more clearly articulated in what that would mean for the Heart of the South West – its places, its sectors and its people.

5.5 The feedback was used to ensure that, whilst not name-checking every community and sector, the Strategy describes the Heart of the South West as

a distinct region with a unique set of assets and attributes. The Strategy now shows that we are not just aiming for a level playing field with the rest of the Country but we want to step up and compete with the rest of the UK.

5.6 Each of the three Strategic Themes were supported by the responses to the consultation, meaning that the Partnership can use these themes confidently knowing that our stakeholders understand what we will deliver against. The proposed Strategy also takes account of the Government's Industrial Strategy White Paper.

5.7 As the Partnership moves forward in developing the Delivery Plan for the Strategy and implementing the Strategy, we will ensure that engagement and communication continues, in particular with key stakeholders, including Government Ministers and the region's MPs.

6. Options considered and the reasons for rejecting them

6.1 The development of the Productivity Strategy has been an iterative process with the results from each stage of the engagement and consultation being used to inform the Strategy now before the Joint Committee.

7. Equalities Implications

7.1. An Equality Impact Assessment has been undertaken to support the Productivity Strategy and is included as Appendix 3 attached.

8. Other Implications

8.1 Legal:

It is not a legal requirement to produce a Productivity Strategy and as stated earlier in this report it is a high level policy document which will overlay local strategies and plans of each organisation within the Partnership. Decisions required of partners to deliver projects and initiatives under the Delivery Plan will, of course, be subject to the full governance requirements of that organisation including consideration of any legal implications.

8.2 Financial:

There are no financial implications associated with agreeing the Productivity Strategy. However the Delivery Plan will require resourcing both within the Joint Committee budget and by those organisations identified for delivery purposes. A draft budget for the Joint Committee was approved as part of its establishment and this will be reviewed as the Delivery Plan is developed. A revised Joint Committee budget for 2018/19 will be brought to the Joint Committee for consideration in May 2018 for recommendation to the constituent authorities as necessary. However, by adopting an ambitious Productivity Strategy and maintaining a strong Partnership it is hoped that the Heart of the South West can work to secure a greater share of national funding streams.

An Investment Framework will be developed alongside the Delivery Plan for the Strategy and the Section 151 Officers from each constituent authority will be involved in this work. The Framework will not create a new single funding pot. As priorities for delivery and project opportunities are identified, it is proposed that a cocktail of investment from a range of sources will be

blended together.

8.3 HR

The work moving forward in preparing and implementing the Delivery Plan will be undertaken by officers from authorities within the Partnership. This will be on an “in kind” basis (as has been the work in developing the Productivity Strategy). As part of the partnership approach, the Chief Executives of each constituent authority will be asked to continue to contribute the skills and capacity of their officers who can help to drive the delivery of the Strategy.

8.4 Risk

The aim of the Productivity Strategy is to provide a framework which enables programmes that open up opportunities for accelerated change and innovation and make the economic case for improved prosperity – allowing the area to compete globally and nationally. Not adopting the Strategy could mean that these opportunities are missed or not able to be maximised.

Further, if the Productivity Strategy is not adopted the risk is that the Partnership is no longer seen as united or having clarity of purpose. The Strategy has been prepared based on discussions held with Leaders and Chief Executives over the past 18 months. The Strategy has developed to take account of the feedback received through extensive engagement and consultation.

8.5 Health and Well-being

The Productivity Strategy aims to make sure that everyone in the HotSW has the opportunity to benefit from, and contribute to, our productivity growth, regardless of status or location. Finding the measures to generate productivity growth in an inclusive manner, so that the benefits are felt through the breadth of society, is an important consideration. We will be flexible in how we deliver the Strategy in order to respond to the needs of different places and business sectors and ensure benefits are delivered across the Heart of the South West.

Further developing an idea from the SW Rural Productivity Commission’s recommendation to “rural proof” activity, we will impact-assess the inclusivity of all our interventions, socially and spatially, to understand where and by whom any (positive and negative) impacts are likely to be felt.

8.6 Health and Safety

There are no health and safety implications as a result of the recommendations.

8.7 Sustainability

By identifying one of the cross cutting themes of the Strategy as “Capitalising on our distinctive assets”, it is recognised that the economy and the environment are closely interrelated. The Strategy sets out the importance of natural capital and its opportunity. Harnessing and nurturing our natural capital while avoiding over-exploitation can be a spur to economic growth, and HotSW is the ideal location to trail blaze natural capital-led productivity growth. Issues ranging from energy supply, transport links and housing are all covered within the Strategy.

8.8 Community Safety

There are no direct Community Safety implications as a result of the recommendations.

8.9 Privacy

There are no privacy implications as a result of the recommendations.

9. Background papers

9.1. None

Note: For sight of individual background papers please contact the report author.

The image shows a complex industrial system, likely a water treatment or desalination plant. It features numerous parallel yellow pipes running horizontally across the frame. On the right side, there are several vertical metal frames supporting black control cabinets or electrical boxes. The scene is illuminated with a warm, yellowish light, possibly from overhead fixtures. The overall impression is one of a large-scale, modern engineering project.

STEPPING UP TO THE CHALLENGE

PRODUCTIVITY STRATEGY
2018

heart of the south west partnership

CONTENTS

Executive Summary.....	1
Introduction.....	5
Key Strengths and Challenges.....	8
Our Approach.....	14
Strategic Themes	
Business Leadership and Ideas	16
Housing, Connectivity & Infrastructure	22
Employment, Skills and Learning	27
Cross Cutting Themes	32
Leadership & Delivery	35
Measuring Change	36

THE HEART OF THE SOUTH WEST



EXECUTIVE SUMMARY

Our Opportunity and Vision

The Heart of the South West is a special place with enormous potential in its businesses, its people and its places. Transformational change is taking place in the global, national and local economies, driven by new business models and the potential of digital and new industries. These changes will open new opportunities for our businesses and places, opportunities to develop new ideas, products and services and opportunities to develop new businesses.

Our vision is for all parts of the Heart of the South West to become more prosperous, for people to have a better quality of life and higher living standards. To achieve that, we want to create a more vibrant economy where the benefits can be shared by everyone. Improving our productivity will help us achieve that goal.

Our ambition is simple – to double the size of the economy over 20 years. We have ambitious local plans that outline needs and opportunities for housing and economic growth. To accelerate our progress towards our ambition and vision, improving productivity is our collective focus.

We will raise productivity to drive prosperity for all.



The Productivity Strategy

Productivity is the key to delivering better wages, better jobs, stronger businesses, better public services and a fantastic place for people and businesses to live and work.

This Strategy...

- sets out our long-term ambition to raise productivity, the themes we will focus on, and our approach
- supports the devolution of greater power and autonomy for our area
- outlines how we will support the Government's Industrial Strategy.

It is **ambitious** - aspiring to grow faster than the UK average

It is **focused** - on those programmes which will have the greatest effect

It is **shared** - with a partnership committed to delivery

It is **evidence-based** - building on the drivers of productivity and our unique opportunities

Productivity in the UK is lower than that of the other G7 countries, while the productivity of the Heart of the South West (HotSW) area is lower than the UK average and varies significantly within the area. Higher productivity is characterised by businesses creating more wealth, higher value jobs and contributing to better living standards. We will ensure the benefits of productivity growth are widely felt across our geography, businesses and individuals.

Achieving Our Ambition

We have identified three strategic themes to focus our activity to improve productivity. We will enable measures that can strengthen:

- the leadership and ideas within businesses in our area
- the housing, connectivity and infrastructure our people and businesses rely on for living, moving goods, accessing jobs and training, and exploiting new opportunities
- the ability of people in our area to work, learn and improve their skills in a rapidly changing global economy, and to maximise their economic potential

We have set out ambitious programmes across each of these themes, seeking to build upon the potential within every sector and every individual.

We have identified our areas of world-class capability: in nuclear, aerospace and advanced engineering, marine, data analytics, and healthcare; areas with the potential to further drive and accelerate our growth. We will exploit these to bring new benefits to our businesses and communities and we will develop a sound understanding of the potential of other opportunities as they evolve.

In delivering this Strategy we will recognise the importance of our natural capital and its contribution to our economic success, the essential need for our growth to be inclusive and the transformational opportunity from digital technology.



Our quality of life attracts people to live, learn and work here. We will support new ways of working to nurture new businesses and new sectors as well as making the most of our traditional coastal and rural strengths in food and drink production, agri-tech and tourism.

In developing our long term approach we will also apply a set of cross cutting themes, referred to throughout our strategy, these are:

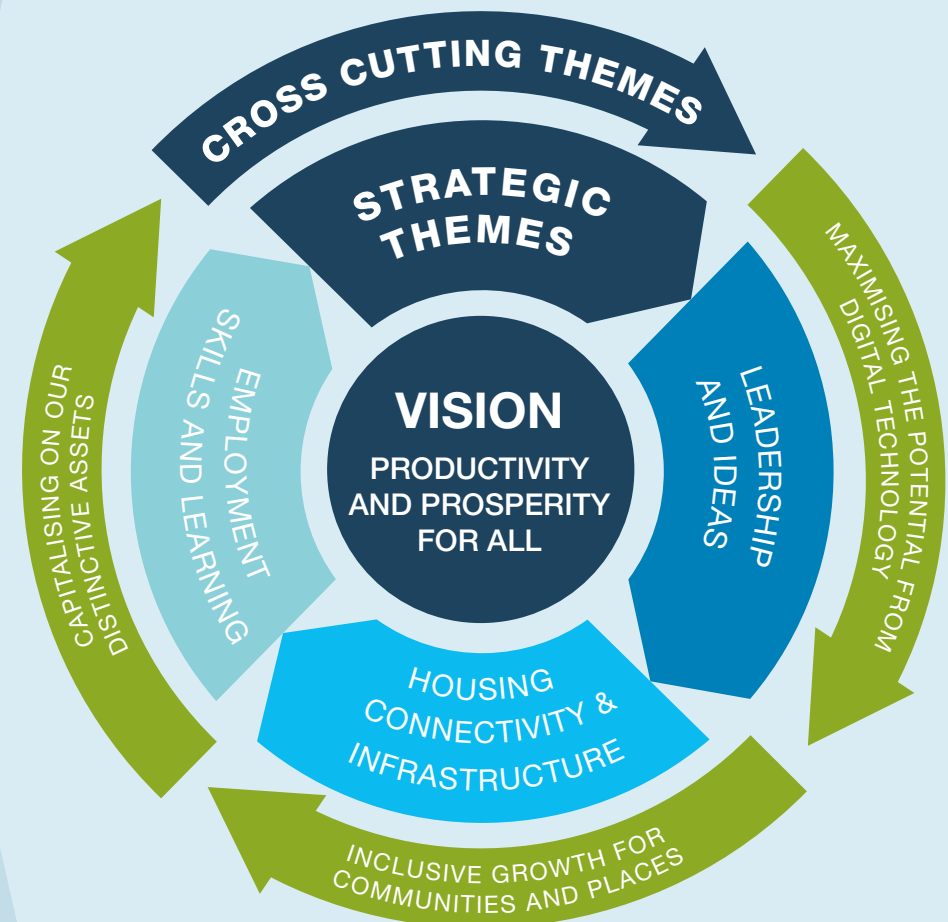
- Inclusive growth for our people, communities and places
- Capitalising on our distinctive assets
- Maximising the potential from digital technology

Consultation

The Strategy has been consulted on extensively, is based on a wide-ranging evidence base and is owned by all our local authorities, the National Parks, Local Enterprise Partnership and health partners. It will not be possible to deliver all our programmes immediately, but we will work together locally, with other parts of the country, with investors and with Government to secure the investment needed to deliver our potential.

Whatever the challenges we face now, this Productivity Strategy is looking ahead and preparing for the opportunities to 2038 and beyond. Our aim is for our businesses and residents, in whatever place or sector, to realise the benefits of becoming more productive - which, in turn, will lead to increased prosperity for our communities. We will drive productivity and prosperity for all.

The Heart of the South West Productivity Strategy



Ambition: to double the economy by 2038

What we will do...

LEADERSHIP AND IDEAS

Summary/Outcome

Our businesses are strong and are amongst the most innovative and productive in their sector

High-level Aims

- Significantly improve the productivity of existing businesses in both urban and rural areas
- Capitalise on our competitive advantages and transformational (golden) opportunities
- Attract additional, high value, business
- Support and encourage a more equal distribution and take up of opportunities

Programmes

- Business innovation
- Management excellence
- Exports - New markets, new opportunities
- Accessible support to start up and grow
- Attracting business investment and Foreign Direct Investment

HOUSING CONNECTIVITY AND INFRASTRUCTURE

Summary/Outcome

Our businesses have the right physical environment to thrive, connectivity to markets and the space to grow

High-level Aims

- Create vibrant places that are attractive to skilled people and new investment, with infrastructure to support productivity and inclusive growth

Programmes

- Connectivity and resilience
- Housing and land for business
- Improving digital infrastructure and opportunities
- Clean energy infrastructure

EMPLOYMENT, SKILLS AND LEARNING

Summary/Outcome

Our businesses have a skilled workforce and are committed to training and developing talent to capitalise on future opportunities

High-level Aims

- Develop, attract and retain a highly skilled and adaptable workforce
- Enhance education, skills and learning opportunities to improve the economic potential of our workforce

Programmes

- Educating and Retaining the Workforce of the Future
- Creating Pathways to Success for All
- Skills for Our Golden Opportunities
- Supporting our Workforce to Succeed in a Changing Economy

INTRODUCTION

Our Potential

The Heart of the South West has an economy worth almost £35 billion, and covers the administrative areas of Plymouth, Torbay, Somerset and Devon. It is home to almost 1.8 million people, projected to grow by 150,000 from 2015 to 2030. Over 600,000 of these people live in the six urban centres of Plymouth, Exeter, Torbay, Taunton, Yeovil and Bridgwater.

We have a reputation for the best music festivals, amazing coastline, great food and drink, historic market towns and unspoilt moorland. Alongside that we are a dynamic, forward looking area with some of the country's most successful businesses, leading universities, the biggest naval base in Western Europe, the UK's largest infrastructure project, world-leading climate science and a whole host of cutting edge companies...

...we value these things.

It is the combination of innovation and heritage, of countryside and cities and of connectivity and community that makes the Heart of the South West special. It is why we would live and work nowhere else.

Nevertheless, our economy is not as strong as it could be, and we need to be able to compete with the best. We need to be more flexible and resilient in the face of uncertainty and see change as an opportunity. We must ask ourselves how we can be better at what we do - at all levels; what we can do differently to create a competitive advantage; and how we can capitalise on new opportunities to deliver a better quality of life for people living and working in Heart of the South West.

“Productivity isn’t everything, but in the long run it is almost everything. A country’s ability to improve its standard of living over time depends almost entirely on its ability to raise its output per worker.”

*Paul Krugman
The Age of Diminishing Expectations*



Our Vision, Ambition, Opportunities and Challenges

Our aim is to accelerate how fast our economy grows, to double the economy over the next 20 years, to create a region known for its dynamic, innovative businesses, vibrant well-connected places, rewarding jobs and talented people. A region where people can move through school into higher education, benefit from good jobs with career progression, and enter a rewarding retirement, all whilst enjoying a good quality of life in an outstanding natural environment.

Our vision is for all parts of the HotSW to become more prosperous, enabling people to have a better quality of life and higher living standards. To achieve that, we have to create a more vibrant and competitive economy where the benefits can be shared by everyone.

For us, this means stimulating a significant and sustained increase in productivity. This is because:

- More productive businesses generate more rewarding jobs and higher wages which in turn generate more wealth, leading to improvements in living standards in our towns, cities and villages and helping create stronger communities
- Increasing productivity for all, while sustaining or increasing the number of jobs, will increase the local and national tax take and lead to better funded public services

The public and private sectors in the HotSW are therefore working together on delivering this strategic approach to productivity-led growth

This Strategy, like Government's Industrial Strategy, has a relentless focus on productivity to transform the economy.

For us, applying Government's five foundations of productivity in the HotSW means focussing on:

- Ideas – developing new and better ways of doing things
- People – developing skills for good jobs and greater earning power for all
- Infrastructure – investing in enabling infrastructure
- Business environment – helping businesses to grow
- Places – improving prosperity for all our communities

We have many economic strengths to build on. These include a burgeoning knowledge economy, leading aerospace, nuclear and marine industrial specialisms. We also have an expansive rural economy, supported by a growing agri-tech sector, internationally successful food and drink companies, and a thriving tourism industry.

However, we continue to face significant economic challenges, the biggest of which remains raising productivity levels in our area to match our real potential. Raising productivity is core to creating better jobs, improved wages and a better standard of living. Since the financial crisis we have raised levels of employment to rival some of the best performing countries in Europe, yet productivity within the Heart of the South West area has slipped against the UK average. The UK's consistently low productivity in comparison to other countries has made improving productivity a national priority. The Heart of the South West's low productivity in relation to the rest of the UK makes it our priority too.

This Strategy sets out how we will step up to address the area's productivity challenge. It is focussed on unlocking the potential in our businesses and people, and in our natural capital. We want our most successful places and sectors to thrive so that they can compete with the best, they are vital for all of us; but we also want to reduce disparity and improve prosperity across the whole HotSW area. We are committed to sustainable and inclusive growth.

Put simply, this strategy is about delivering improved productivity:

Across our geography - Our cities, urban, rural and coastal areas all contribute to our economy. We recognise that productivity growth is currently uneven within the HotSW area. We want to unleash the potential of all our places.

Regardless of business type – We will support all businesses that really want to grow and compete, be they a small rural business or a multinational manufacturing company.

For everyone – We want to maximise every individual's potential to contribute to, and benefit from, our economic success.

A changing national policy context, preparations to leave the European Union and the Government's Industrial Strategy mean now is the time to review our approach to economic growth set out in the area's 2014 Strategic Economic Plan. The Government remains committed to

devolving more freedom and autonomy to local areas. Our partnership has become stronger and more determined to capitalise on this opportunity, and to focus collective energy where it can have the biggest impact.

Our Partnership

To drive and deliver this Strategy we have come together in a unique partnership. For the first time, all the district, county and unitary authorities have joined with the National Parks, the Local Enterprise Partnership, and health partners to provide collective leadership for the Heart of the South West. This partnership will work with private sector and third sector partners and with Government, using whatever resources we have and can attract.

The partnership is an enabler, providing incentives and interventions that will create supportive infrastructure; encourage collaborative acquisition and dissemination of knowledge; and promote other favourable business and community conditions.

The Strategy is a critical step in the journey that we want to take. Our partnership is united in its desire to step up and raise productivity, to secure the resources we need to do this, and improve living standards for everyone in this area.

Inclusive Growth

While our cities and urban areas play a crucial role in driving economic development and bringing together plans for employment, housing and infrastructure, we want to ensure that our market-towns, coastal resorts and rural areas are economically successful in their own right. We are committed to the principle of sustainable inclusive growth and we will be taking forward the work of the South West Rural Productivity Commission¹.

Evidence Base

In developing this strategy, we undertook robust analyses of our strengths and challenges for the economic growth potential of the area, with a particular focus on raising productivity. These were published as a Green Paper² and associated technical documents³ and form the supporting evidence base to the Strategy. We also consulted widely upon the Green Paper and an earlier draft of this Strategy, through events and online. We are grateful to all those who participated and informed our thinking.

¹ The SW Rural Productivity Commission, Key findings and recommendations 2017 can be found on the Heart of South West LEP website.

² Driving Productivity in the Heart of the South West, Consultation (Green Paper) Jan 2017;

³ Skills and Productivity in the Heart of the South West (Technical paper); Productivity Growth in the Heart of the South West (Technical Paper); Creativity in the Heart of the South West (Technical Paper); Productivity Strategy: Economic Modelling September 2017.

KEY STRENGTHS AND CHALLENGES

Transformational Growth

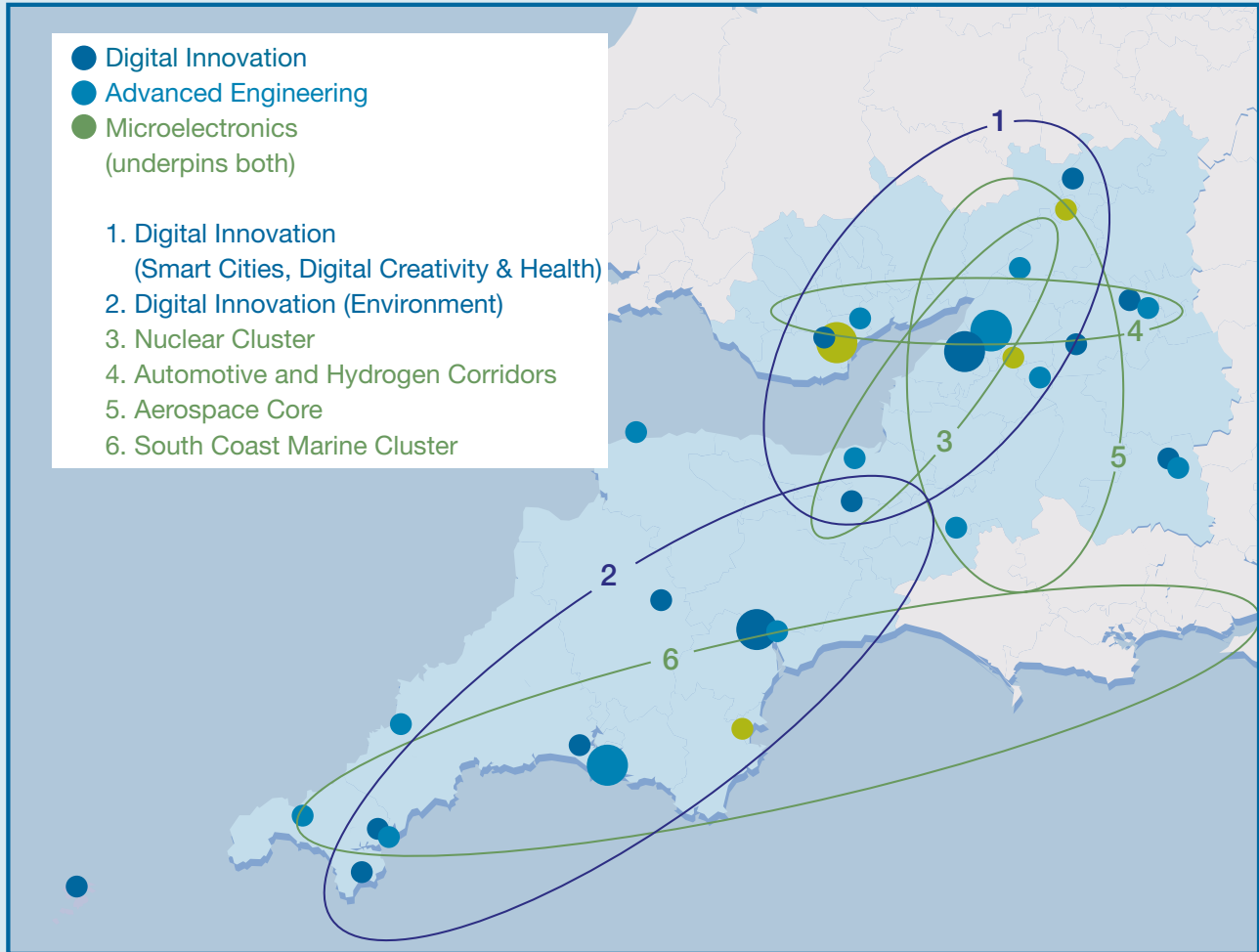
The HotSW region has world class potential across several, high value sectors, with the potential to provide a springboard for accelerated productivity growth – within those sectors – throughout their supply chains and across the area. These transformational sectors are our ‘golden opportunities’:

- Advanced manufacturing ranges from aerospace, with specialism in rotorcraft focussed around Yeovil, to a high-tech, electronic and photonics cluster around Torbay, and engineering in Plymouth
- The marine cluster within which Plymouth sits is home to a community of world-class businesses, specialist research organisations, and other partners, working right across the South Coast to maximise the sector’s potential for growth
- The new nuclear power plant being built by EDF Energy at Hinkley in West Somerset is stimulating the development of a nuclear cluster that stretches from Plymouth to Gloucestershire
- Exeter has an exceptionally high concentration of climate and environmental science experts, and Europe’s most powerful supercomputer located in the Met Office. It is emerging as a cutting-edge place for enviro-technology, agri-tech and data analytics. The UK Hydrographic Office in Taunton also provides world class maritime data, cartography and navigation expertise
- Expertise and facilities in association genetics, clinical trials and healthcare in Exeter, Plymouth, Torbay and Devon, and our older demographic, provide the base for a healthcare cluster with real potential in the field of healthy ageing

As a region, we have identified a high growth corridor that broadly tracks the A38/M5 spine, and which links to a number of our golden opportunities. Supporting our places to grow at the pace of their ambition, and ensuring that we capitalise on our golden opportunities, will drive transformational growth that benefits the whole region.



A World Class Knowledge Base



The HotSW has a world class knowledge base which includes three universities, two medical schools, ten FE colleges, a specialist maths school, the UK Met Office and numerous research centres. Science parks at Exeter and Plymouth are building a cohort of innovation-led businesses alongside this.

The South West England and South East Wales Science and Innovation Audit found that the area has major areas of world-class potential which have synergies with our ‘golden opportunities’ and which generate strong links with neighbouring areas.



Strength in Traditional Sectors

The HotSW benefits from a mixture of strong traditional, rural and coastal businesses, including tourism, farming, fisheries, food and drink and mixed manufacturing. These businesses continue to underpin much of the employment and production undertaken within the area. There are 30 working fishing ports across the HotSW ranging from England's two largest fishery landings at Brixham and Plymouth to smaller traditional locations. Our tourist and visitor economy attracts millions of visitors per year and our food and drink sector has a significant impact on local and national GVA. Improving outcomes for these businesses, and the people who work in them, is essential in realising the area's ambitions and creating a foundation for future growth.

The HotSW visitor economy and the quality of life in our area relies hugely on our natural capital. The area boasts two National Parks, two World Heritage Sites and countless stunning beaches, attracting millions of visitors each year. The area is known for its cultural assets and creative businesses - with Plymouth in particular having a burgeoning creative sector - providing real opportunities for the economy.

Additionally, the HotSW hosts one of the highest concentrations of social enterprises and community-based businesses in the country⁴, with a combined turnover estimated at £1.5bn.

Our foundations are strong but we have significant challenges to overcome if we are to realise our potential and deliver increased prosperity for all our citizens.

⁴ HotSW Social Enterprise Sector Report, Wavehill Social and Economic Research - March 2016



A Productivity Challenge

UK productivity is significantly below most developed-world comparators. Output per hour worked in the UK was 15.9% below the average for the rest of the G7 advanced economies in 2015, 22% below that of France and the United States and almost 27% below Germany⁵. Productivity varies considerably around the country, but in 2015, the Heart of the South West ranked 7th lowest of 39 LEPs in terms of output per hour.

To overcome the productivity challenge in our area, a number of key issues need to be addressed:

- Economic outcomes vary significantly within the HotSW. For example, income per head in Exeter is £32,090, which is higher than Bristol, and it was ranked the second fastest growing city in the UK in a recent report by Centre for the Cities. This outstanding performance is a key regional strength. However, income per head in Torridge is just £15,363 putting it in the bottom 10% of all UK local authorities, and overall the growth rate of the HotSW area is below the national average
- Rural areas account for 58% of output and 60% of jobs in the South West. Yet rural productivity is 8% lower than urban areas in the region, and 10% lower than the average for rural areas in England
- Despite some exemplars, our traditional business sectors contain many enterprises with lower than average productivity for their sector
- HotSW businesses are less likely to either export or invest in innovation, and start-ups levels are lower, all of which are drivers of productivity. For example, on average, local firms rank 31st of 39 LEPs on R&D spend per FTE. Overall, economic resilience is also arguably lower than in other areas
- The population is projected to grow by 150,000 to 2030, most of whom will be over 60. An ageing and decreasing workforce,

⁵ International Comparisons of UK Productivity (ICP), final estimates: 2015, Office for National Statistics

⁶ State of the Nation_2017 – Social Mobility in Great Britain, Social Mobility Commission, November 2017

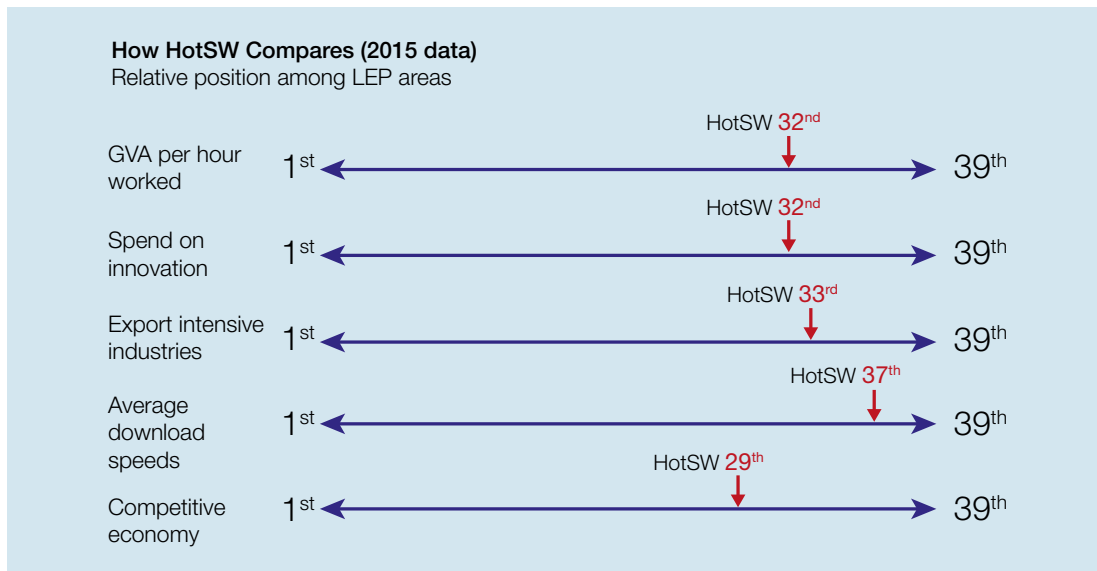
and ongoing challenges with retention and attraction of talented younger people, will exacerbate current skills shortages

- Our changing and growing population will need new homes to live in
- Skills levels vary across the region, with specific pockets of underachievement and underemployment in rural and coastal communities, and with many inner city and urban areas continuing to struggle with deprivation
- Low wage levels and limited in-work progression, as well as poor aspiration and ambition are all barriers to raising productivity
- Our transport networks need strengthening. Resilience, capacity and journey times need improving between areas within the HotSW, and to other parts of the country and internationally. Congestion within urban areas,

such as Exeter City centre are also considered barriers to growth

- Digital connectivity has patchy coverage or poor quality in parts of the area
- Poor transport links to education and work opportunities are a barrier to social mobility, with West Somerset the worst performing area for social mobility in the whole of England⁶

These points are expanded on in the Strategic Themes. The HotSW productivity gap is real and reflects issues with capital stock, sector composition, firm characteristics, labour skills, as well as access and distance to markets. To improve overall productivity, the HotSW Productivity Strategy must tackle higher-level skills, capital investment and key infrastructure. It must also target the promotion of innovation, new business growth and competitive engagement.



⁵ International Comparisons of UK Productivity (ICP), final estimates: 2015, Office for National Statistics

⁶ State of the Nation_2017 – Social Mobility in Great Britain, Social Mobility Commission, November 2017



Sharing the Benefits

The approach must ensure that businesses and communities across the area can benefit from the expected investments and improvements. Knowledge sharing networks of cooperation across the economic area will be needed, spreading 'best practice' across spatial and industrial boundaries.

The 'blend' of these will vary from place to place - one size does not fit all. This is why our partnership is so important.

Understanding Future Changes

Many wider issues will affect our economy, including structural changes in the global economy, growing social inequality, increased pressures on our environment, Brexit, a growing and ageing population, and reduced public funding. It is not clear how these and their impact on HotSW may play out.

Changes in Government policy have a direct bearing on our economy, for example the MoD is a key driver for many advanced engineering businesses in the area from marine to rotorcraft; and agriculture and fisheries policy post Brexit will have significant bearing on our rural and coastal areas. As we go forward, we will need the foresight to make sure that our politicians, planners, and businesses have the information they need to positively influence or adapt to issues that affect our area.

Key Facts



1.7 million people live in the Heart of the South West, growing to **1.85 million** by **2030**.



Major strengths in nuclear, aerospace and advanced engineering, marine, data analytics and health and care.



Hinkley Point C will produce **7%** of the UK's electricity and support **900** permanent jobs.



98% of our businesses employ fewer than 50 people. Only **25%** of our companies export goods and services



2 National Parks, **2** World Heritage sites and over **240 miles** of the SW Coast Path.



In Plymouth, **98%** of postcodes can access superfast broadband, but only **57%** in Devon



3 universities, **10** colleges and **multiple** specialist research centres.



OUR APPROACH

To deliver our vision, we need to take advantage of the opportunities we have by unlocking the potential in our people, our places and especially in our businesses.

Strategic Themes

Businesses are at the heart of creating prosperity. Our three strategic themes will focus our activities on enabling our businesses to grow and all our key activities will be aimed at improving productivity. The themes are:

- Business Leadership and Ideas
- Housing, Connectivity and Infrastructure and
- Employment, Skills and Learning

For each of these themes, we will have to maximise:

- » the productivity of all our places. We will take forward the work of the SW Rural Productivity Commission, and go one better in our commitment to sustainable, inclusive growth. We will ensure that we understand the impact of our interventions across the HotSW to ensure all places have the opportunity to benefit.
- » opportunities from our areas of world-class potential: nuclear, aerospace and advanced engineering, marine, data analytics, agri-tech, healthcare;
- » management capability: supporting businesses to develop the management skills to increase productivity and grow levels of new businesses, export and enterprise is a priority;

- » innovation: Increase overall innovation activity across our area as well as increasing the potential of our knowledge and research assets: particularly in Advanced Engineering and Digital Innovation (as identified in the Science and Innovation Audit) to act as a catalyst towards driving innovation within businesses
- » our pool of highly skilled people: develop, attract and retain qualified and adaptable people, ensuring those in education and in work can fulfil their potential by developing their skills as demand changes in the coming years, in particular ensuring those in lower value occupations and those not working can develop their capacity
- » the potential of our communications infrastructure: ensuring that our air, road, rail and broadband networks are resilient, efficient and ready for future demands
- » the opportunity provided by our natural capital: harnessing and enhancing what makes the HotSW a special place to live and work and find new ways to create value from those natural assets

Cross Cutting Themes

Businesses are the engine of our economy and the strategy is strongly focused on supporting their needs. However we must also be mindful that our interventions also take into account the cross cutting criteria that we've identified. We will act on three principles that reach across all our work as we deliver our challenging ambitions for increased productivity. These are:

- Inclusive growth for our communities and places
- Capitalising on our distinctive assets;
 - Our sectors and business mix
 - Our knowledge and research
 - Our natural capital
- Maximising the potential from digital technology

These are woven through our Strategic Themes, with more detail set out in their own section.

Delivery Plan

Our priorities will be delivered differently in different places, taking account of local needs and opportunities. They will consider existing research, ensure alignment with the Government's Industrial Strategy, and allow for regular horizon scanning of emerging opportunities. More detailed projects will be developed under these themes and set out in the Partnership's Delivery Plan.





STRATEGIC THEMES

Business Leadership & Ideas

Why is this important?

Business is at the heart of our region's economy. It is business that creates the jobs for our people; it is business that creates wealth and opportunities; and it is business that provides the goods and services that markets need. To achieve sustainable growth, we need to work with business to grow faster, compete more successfully and to innovate constantly. It is business that can make practical changes to deliver an increase in productivity. Our aim is to create an enabling environment in which our businesses can thrive, good business practices can flourish, and opportunities are more equally distributed.

Understanding the Issues

Our research⁷ shows that causes of our relatively weak productivity levels include a poor record on innovation, a lack of effective leadership, under investment in skills and training, low propensities to export, and low levels of capital investment.

Increasing average productivity can be achieved by a blend of:

- enabling our existing businesses (their workforce and capital) to be more productive
- increasing investment in our competitive advantages
- attracting additional businesses in higher-productivity industries

This helps to expand the overall business base and workforce with a higher balance of productive economic activities. We aim to do all three in a balanced way. We will seek to exploit our area's identified golden opportunities. However, we acknowledge the value of our small businesses across the region and the supply chain across all sectors of the economy, and we will capitalise on our social enterprise presence to drive fairer and more inclusive business practices that benefit our residents and protect our natural capital.

⁷ Productivity Strategy: Economic Modelling – Heart of the South West & Partners, September 2017, Driving Productivity in the Heart of the South West, Consultation (Green Paper) Jan 2017

Innovation

Creating and implementing new or better products and services, driven by new ideas is fundamental to growing businesses and describes innovation as defined in the Industrial Strategy. It includes the introduction of new products and services, upgrades to business processes, new technologies and changes in strategy, management approaches and marketing. Industry 4.0 and automation will have a fundamental impact on the way businesses operate.

Our Green Paper highlighted local strengths in publicly funded research and development (R&D) but a low ranking on overall business engagement in innovation, in both proportionate and absolute terms. The UK Innovation Survey also ranks the HotSW LEP within the bottom third for innovation activity overall⁸. This poor performance is accentuated by poor performance in securing government funding for innovation in the area: HotSW receives only 9% of Innovate UK funding in the South West despite being home to over 30% of its population⁹.

Businesses, across our golden opportunity sectors and beyond, are investing and innovating to ensure future growth. The HotSW is home to globally-recognised universities and research institutions; clusters of dynamic firms are exploiting new ideas and technologies; our Science Parks are key 'anchors' for retaining graduates and young talent. By building on their lead, and commercialising their research, we can encourage more innovation in our businesses, as well as productive supply chains across our urban and rural areas alike.

Business leadership

Effective management practices drive productivity amongst businesses. Firms grow by being aspirational, generating new ideas, taking risks, and allocating resources efficiently. Established evidence shows that UK businesses underperform on the adoption of effective management practices relative to top performing countries¹⁰. Recent research shows how Heart of the South West is especially affected by this compared with the UK average¹¹.

Entrepreneurship and competitiveness

Business start-ups are proven to bring new ideas to existing markets and introduce competition. However, there is a comparatively stable business environment in our area, with lower competitive market pressures. This is evidenced by a low rate of dynamic change (business births and deaths). The HotSW area's low entrepreneurship level is in part driven by underlying low confidence and aversion to risks, as well as difficulties in accessing finance and premises owing to low supply and high cost. The same barriers prevent existing businesses from diversifying into new markets and achieving economies of scale. Our research into scale-ups showed that the main barriers for potential high growth businesses are skills gaps, management capacity, capital and relationships as well as tightly defined eligibility criteria that were



⁸ BEIS, UK Innovation Survey 2015, found under: <https://www.gov.uk/government/publications/uk-innovation-survey-2015-analysed-by-local-enterprise-partnerships>

⁹ Innovate UK, Data Mapper Tool, December 2017 BEIS, UK Innovation Survey 2015, found under: <https://www.gov.uk/government/publications/uk-innovation-survey-2015-analysed-by-local-enterprise-partnerships>

¹⁰ Management Practices Across Firms and Countries Survey, 2012

¹¹ Unlocking Regional Growth, CBI 2017

¹² Ash Futures/South West Growth Service. Scale-Ups Research, 2017



barriers to accessing innovation programmes¹². The inaccessibility of programmes owing to discrepancy between national definitions and our businesses was also a main finding from the SW Rural Productivity Commission report. Evidence shows that businesses that are involved in more markets, especially through overseas exports, are more productive, add more value, employ more people, pay better wages, innovate more, and therefore grow better and survive.

Exports

The HotSW suffers from comparatively lower propensities to export than other parts of the country, with many businesses lacking the awareness, or confidence to expand into overseas markets. The benefits of exports are significant, both to the individual business, and to the economy as a whole. Exporting allows firms to specialise in activities of comparative advantage relative to other areas and countries; achieves economies of scale (decreasing production costs as well as prices to consumers), encourages exposure to greater competition and new ideas (which encourages greater efficiency); boosts economic growth and the demand for jobs; and boosts business for the underlying local supply chains.

Capital Investment

Firms grow by creating and satisfying demand and do so by adding value. Over time, this means increasing capacity through investment in new plant and machinery. The HotSW Green Paper highlights deficiencies of local capacity and resilience in connectivity. Generally, HotSW businesses suffer from the UK's relative lack of incentives for investment in the most productive capital machinery. Capital investment by UK firms, generally, is relatively weak, and capital

investment in the HotSW area is weaker than the national average. The Office for Budget Responsibility believes that the fall in business investment since the 2008/09 recession has significantly depressed productivity growth, and this needs addressing from the bottom up.

Consultation responses have highlighted a need for general business infrastructure, such as workspace, innovation centres and Science Parks. The SW Rural Productivity Commission report suggests that work hubs with good quality digital infrastructure can play an important role in dispersed rural geographies in creating economies of scale and creative collaboration space.

We also know that:

- A lack of skills, particularly high-level and science, technology, engineering and mathematics (STEM) skills, has been highlighted as a key barrier to productivity growth, with some small and medium-sized enterprises (SMEs) unable to easily find and acquire the necessary talent to drive growth
- Key infrastructure – such as broadband, employment land, transport, intercity connectivity and connectivity with the rest of the region, the rest of the country and internationally – has historically been a significant barrier to productive business

These issues are addressed under the Employment, Skills and Learning, and Housing, Connectivity and Infrastructure sections, and are acknowledged as key demands from business as baseline enablers to day-to-day business, as well as to achieving growth aspirations.

The following pages describe the outcomes we will be aiming for and the programmes we will use to achieve them.

CASE STUDY ICE CREAM AND MICROSCOPES?

Langage Farm

A successful dairy business employing 50 people, Langage Farm has established a highly productive relationship with Plymouth University.

By utilising the services and equipment of the University's Electron Microscopy Centre, they were able to improve the consistency of their products, opening up the potential of accessing new larger-scale customers. This was followed by a longer-term Knowledge Transfer Partnership with the University. The change in their products enabled by the Centre and the work of the KTP Associate meant that after a year Langage Farm was able to sign a £4.2m deal with a major supermarket.



What we will do

Summary/Outcome

Our businesses are strong and are amongst the most innovative and productive in their sector.

High-level Aims

- Significantly improve the productivity of existing businesses in both urban and rural areas
- Capitalise on our competitive advantages and transformational (golden) opportunities
- Attract additional, high value, business
- Support and encourage a more equal distribution and take up of opportunities

Programmes

- Business innovation
- Management excellence
- Exports - New markets, new opportunities
- Accessible support to start up and grow
- Attracting business investment and Foreign Direct Investment

Programme: Business innovation

We will support all our businesses to adapt to innovative trends and technologies, create new products and services and implement new practices.

We will invest in making sure that our research and technology in key sectors pivot towards local market demands, allowing us to become a test bed for innovation. We have the research expertise in our universities, we have the business acumen in our best companies, we have the technologies in key sectors. We will work together to focus all of that on what the local market demands.

We will support all our businesses, in rural and urban areas, to create and implement new ways of working and become more innovative. Connecting our businesses with existing research and innovation capabilities is a priority for us, as well as providing further enabling capital infrastructure and facilitating networks and clusters to drive the creation of new ideas.

Our social enterprise base is significant, and our evidence shows that these firms are more likely to innovate, grow, and survive than standard SMEs, as well more likely to pay fairly. Therefore, they present an opportunity to drive more inclusive, productive growth. We will take forward the findings of the SW Rural Productivity Commission and will impact assess our proposed interventions and ensure opportunities are available to all businesses that want to grow.

We also recognise that alongside building on these opportunities and stepping up, we will need to invest in foresight and find ways to support new products and new business models to ensure a more resilient economy. The drivers of change put continuing pressure on us to understand what ideas, technologies and disrupters might affect us in the future and we will strengthen our ability to understand these.

Programme: Management excellence

We want to stimulate a culture of management excellence across all HotSW businesses. Driving entrepreneurship and greater ambition increases productivity by establishing new business models of value, and driving dynamic business change. It also increases competitiveness, builds the resilience to outside acroeconomic shocks, and encourages the confidence to take up new opportunities as they arise.

Programme: Exports - new markets, new opportunities

Across all geographical parts of the HotSW, there are thousands of businesses across all sectors that have the potential to grow and become more productive. Most of these are micros and SMEs, and have the potential to export; however, many lack the confidence, or the management skills and awareness to do so; strong business networks, and digital platforms and training are key in achieving this.

At the same time, there are opportunities to expand into new markets, for example: the Mayflower 400 celebrations and the



developments leading up to these present significant opportunities for our businesses to expand into U.S. markets.

We will step up the support available for existing businesses to export for the first time, and encourage its take up. We recognise the importance of broadband and transport connectivity as enablers for growing markets, and will support measures to increase digital proficiency to exploit growth opportunities.

Programme: Accessible business support to start up and grow

There is a strong evidence to suggest that businesses which access good quality and impartial business advice are more likely to grow. Businesses need help navigating business support, therefore guaranteeing effective co-ordination of our investments is key.

We will ensure that investments in business support are levered off other investments, particularly investments in innovation centres, science parks and business support spaces.

We aim to make it easier to find and access business support (such as for business growth and expansion into new markets) and remove barriers for start-up and scale-up businesses (in urban, rural and coastal areas).

Programme: Investment and Foreign Direct Investment

We want the world to know that the HotSW has everything needed for businesses to start, grow and flourish. A supportive environment for all sizes of business, cutting-edge sectors, world-leading research, a skilled labour force, a great quality of life. We will work with our tourism industry and market the HotSW area, to businesses and talented people, as a place to invest and grow, and more than just a great place to visit.

We will support capital investment that enables growth, for example on enabling infrastructure, and will explore with our partners how to make appropriate access to finance more available – from accelerators to business angels.

HOUSING, CONNECTIVITY & INFRASTRUCTURE

Why is this important?

Supporting our businesses to become more productive and competitive means our infrastructure, and the built environment in our towns, cities and rural areas must be up to that challenge. In particular, meeting the housing needs of the growing and changing population is essential if businesses are to have access to the skills they need, and people are to have access to rewarding jobs.

Business needs excellent transport and communications systems to move people, goods and ideas to markets; they need thriving communities in which to operate and attract staff; and they rely on a range of services from the natural environment.

The Government has recognised the need to “... better align central government infrastructure investment with local growth priorities.”¹³

Our priorities in the HotSW are driven by our critical challenges and opportunities and focus on four key areas: transport and digital connectivity; housing and land for business; energy; and natural capital.

These broadly mirror the infrastructure priorities in the Government’s Industrial Strategy: efficient transport systems; clean and affordable energy; digital infrastructure; and housing.

Understanding the issues

The HotSW region has a large and diverse physical and economic geography, including urban, rural and coastal areas. This is both a strength and distinctive quality, but also creates challenges. Our cities and urban areas are keen to support rapid growth, including large housing developments and new sites for business and services. These areas form a corridor that broadly tracks the A38/M5. These areas will require the right physical and digital infrastructure to support faster growth, at scale.

Our rural and coastal areas also have a lot to offer, and capitalising on their potential will be essential to boosting productivity to satisfy our inclusive growth principle. The South West Rural Productivity Commission report made a number of recommendations which we will seek to take forward. We are committed to:

1. Establishing a Joint Task Force of SW LEPs to take forward the report’s detailed recommendations at the right scale – locally, regionally, nationally.
2. Rural-proofing local economic policies, and calling on government to do the same, including with regard to future investment through the National Productivity and Infrastructure Fund (NPIF), other funds relating to the Industrial Strategy, the Housing Infrastructure Fund, and the proposed Shared Prosperity Fund.

¹³ Building our Industrial Strategy, Green Paper January 2017



Transport and Digital Connectivity

In producing this strategy, the most common concern among consultees was connectivity; the need to strengthen the capacity, resilience and usability of major transport links – be they road, rail or air – to connect places and opportunities across a dispersed geography or internationally – and the need for a broadband and mobile infrastructure fit for an emerging digital economy and especially critical to realise the opportunities in a dispersed economy.

Housing and land for business

Our area struggles to keep pace with demand for new housing, and as our economy grows we will need to provide even more homes for our increasing population and workforce. We need to achieve a step change in the delivery of new homes by tackling a range of barriers. Working more effectively with Government and private developers, and being more proactive as local authorities, we will use a range of methods to deliver at scale and at pace in those areas that have identified a need, and where housing will drive growth. We also need to find innovative ways to address the issue of affordability so that we can attract new workers with the skills we need.

We need to maximise the potential from existing employment sites and develop new ones in the right locations across city, urban, rural and coastal areas. From small, local work hubs through to major new enterprise zones, businesses rely on land and property to accommodate their changing needs. We will aim to release public sector land as far as possible for housing and employment, and maximise our use of brownfield sites.

Energy

To accommodate the changing needs of business and to enable new development sites, we need an electricity grid with enough capacity and flexibility to continually adapt to current and future demands. With distributed clean renewable energy generation becoming more common, the new nuclear plant at Hinkley, and the national aspiration to promote a significant increase in the use of low carbon vehicles, our energy system infrastructure, along with the digital data connectivity that will be needed to support the smart operation of an effective and efficient network, must be robust, resilient and up to the job.

Natural Capital

The Heart of the South West has a major strategic asset in its natural capital, one of our most distinctive features. Recently

commissioned research¹⁴ highlights that we have a unique opportunity to develop the area into a centre of excellence for managing natural capital for the prosperity and well-being of our citizens, businesses, visitors and investors. This is backed up by leading research institutions including University of Exeter, University of Plymouth and Plymouth Marine Lab and the UK Natural Environment Research Council (see <http://www.sweep.ac.uk>).

Safeguarding and augmenting our natural capital helps increase productivity by attracting inward investment, underpinning sustainable development, strengthening the productivity of businesses (by reducing costs/risks, and creating new revenue streams), improving the resilience of communities (such as to flooding and coastal erosion), and maintaining a healthy and productive workforce – due to benefits attributable to having access to nature.

Realising this potential will require working closely with our expert partners, including our Universities and environmental non-governmental organisations.

The following pages describe the outcomes we will be aiming for and the programmes we will use to achieve them.

CASE STUDY

Devon Work Hubs

Devon Work Hubs is a growing community of friendly and flexible work spaces, perfect for home-based and mobile workers, business start-ups, freelancers and entrepreneurs.

The Hubs offer a nurturing and supportive environment, where remote workers, sole traders and professionals can meet and collaborate with likeminded individuals: perfect for growing business ideas and stimulating innovations. A key recommendation of the SW Rural Productivity Commission, is to extend the network into more areas.

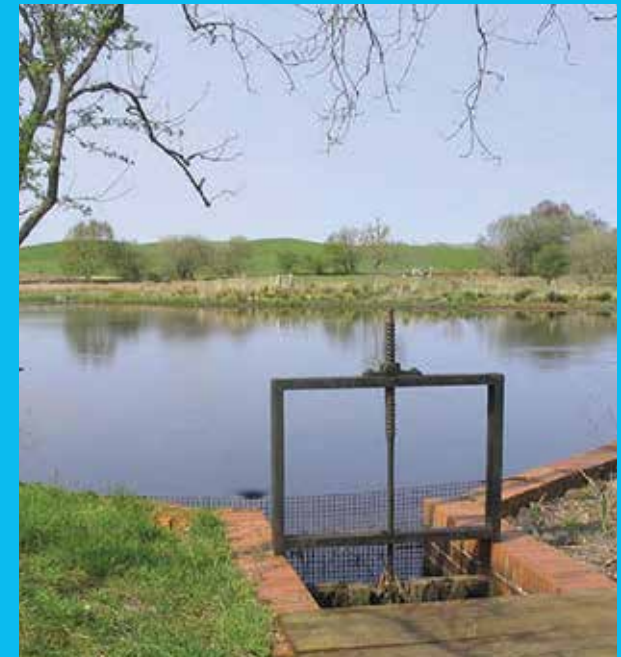


CASE STUDY

Upstream Thinking project

Working with landowners, the project is making changes to the way land is managed in order to keep pesticides, fertilisers and animal waste out of the rivers. This brings huge benefits to wildlife and the moorland environment - but it also improves water quality and reduces water treatment costs.

South West Water have seen substantial financial and operational benefits to their investment in natural capital.



What we will do

Summary/Outcome

Our businesses have the right physical environment to thrive, connectivity to markets and the space to grow

High-level Aims

- Create vibrant places that are attractive to skilled people and new investment, with infrastructure to support productivity and inclusive growth

Programmes

- Connectivity and resilience
- Housing and land for business
- Improving digital infrastructure and opportunities
- Clean energy infrastructure

Programme: Connectivity and resilience

To boost productivity and inclusive growth both inter and intra-regional better connectivity is needed to improve resilience, ensure better access to markets, support a stronger HotSW investment proposition, and to better share the benefits of productivity growth between urban, rural and coastal areas.

Our area is connected to other parts of the country by our principal road corridors (M5/A38) and mainline rail services. Exeter airport and Bristol airport, just outside our boundary in North Somerset, have regular flights to a number of domestic, European and international destinations. Our ports, including the major seaport at Plymouth, serve as gateways to our area for passengers and freight.

Inter-area and international transport routes are vital to the region's success, but so too are secondary corridors and the broader arterial road network (including the A303/A358/A30, A37, North Devon Link Road) and rail network. A key issue for road and rail is resilience, with our strategic transport infrastructure vulnerable to flooding. Capacity and journey times are also considerations for meeting the transport needs of people and businesses.

Within our area, there are congestion hotspots. Exeter city centre is considered one of the busiest cities to navigate at peak times, drivers can spend a quarter

of their time in congestion at an average speed of 4.6mph. Congestion and delays to journeys are a barrier to growth but also have severe air quality and health implications.

We will aim to secure a bigger proportion of national investment in transport infrastructure and will work more cohesively as an area to agree priorities that will unlock growth.

As per our Clean Growth ambitions, we will look to exploit opportunities in electric and autonomous vehicles, whilst also encouraging existing sustainable modes of transport (such as cycling).

Programmes: Housing and land for business

Page 52 New housing will be needed to meet our expanding population and we will aim to build on sites that will support our economy. Increased demand for housing is likely to come from an aging population and young professionals. Major new sites will be built with resilient transport and digital connections. Our aim is to make all new housing more sustainable and with the latest energy and digital infrastructure built in from the outset.

Where possible we will prioritise previously used land and will look to maximise the reuse public sector land. We will support suitable sites for employment uses, identifying gap funding and making sure that the Local Plan process across the HotSW area is aligned with our ambition to accelerate productivity and promote inclusive growth. As businesses grow, they have different needs. We will support the concept of a Business Ladder to provide appropriate space for small businesses to grow over their lifetime and to design those spaces to be flexible.

Programme: Improving digital infrastructure and opportunities

Digital connectivity is vital to productivity in a digital economy. We are committed to delivering superfast broadband to homes and businesses irrespective of location. We will maintain pressure on the government to implement the Universal Service Obligation (USO) for broadband as promised by 2020 and call on Government to raise the USO to >30Mbps by 2025, whilst continuing to invest in local superfast broadband partnerships like Connecting Devon and Somerset. Alongside this we will continue to aim for pervasive mobile network and data coverage and will seek to enable timely rollout of new digital infrastructure technologies as they become viable.

Programme: Clean energy infrastructure

The HotSW region has considerable potential for the development of renewable energy resources, including solar, wind, marine and waste. We are working with Cornwall and the Isles of Scilly and Dorset LEPs on an energy strategy that will identify strengths and capabilities as well as proposing the way forward to overcome challenges and barriers, such as the limitations of the current energy grid infrastructure. In so doing we will seek to maximise the benefits of affordable clean energy for communities, businesses and our economy. This includes the major investments to support Hinkley Point C and the economic opportunities that flow from it. We need to make sure that, at the local level, we maximise opportunities to generate and consume affordable clean energy when and where it is needed¹⁵.

¹⁵ The Joint LEP Energy Strategy is due to be completed and agreed by the end of March 2018. The outcomes from the strategy, covering three LEP areas, will be considered when developing the Productivity Strategy Delivery Plan as well as informing the delivery programme of the forthcoming SW Energy Capacity Hub.

EMPLOYMENT, SKILLS AND LEARNING

Why is this important?

People's skills and experience underpin the success of an area's economy. People are a central element in the creation of local prosperity; providing the labour that fuels successful businesses; the talent that drives forward enterprise and innovation; and the capacity that attracts investment and competition.

The most productive economies are those which grow, attract and retain the most talented people. Economies with the most skilled and active workforce and with the best education and life-long learning environments, are often those best able to meet new economic challenges and opportunities. Successful economies recognise that people develop at different rates and that different pathways are important; there must be no closed door to developing talent. Improving both access to employment and the quality of that employment is key to both raising productivity and achieving the prosperity that flows from that. Realising and enabling the potential of every individual to work and learn has benefits beyond business performance, with the most skilled communities tending to be healthier, safer, more confident and more adaptable to change – a virtuous circle of prosperity.

Ensuring our workforce is consistently supported to meet its full economic potential through enhanced education, skills and employment opportunities is imperative. This will allow us to build on opportunities as they arise, across the HotSW and nationally, as well as address any challenges to ongoing sustained growth.

Understanding the issues

Making the most of people's potential

In the HotSW we are successful in getting people into work. With almost functional full employment in many areas, we do not face the same challenges around worklessness perhaps found elsewhere in the country.

Instead, the HotSW faces issues around fulfilling the potential of its residents, whether those not working due to barriers to employment or learning; those in work who lack the skills to move to a better position; or those in education who lack the ambition or knowledge to pursue wider career choices.

In 2016, 23% of the HotSW's workforce still held less than a GCSE level qualification, whilst 10% fewer students went on to university than elsewhere in the country. Within the workforce, only 50% of those with a disability were in full time employment, whilst unemployment in our most deprived wards was four times that of our best performing. The aspiration and achievement of our young people has to be improved, ensuring they are well prepared for the future labour market, as well as ambitious and entrepreneurial.

Too many young people are still leaving the area after their studies; and too many talented older people decided to retire early. The area also continued to face a range of wider structural labour challenges, with gender wage equality amongst the lowest in the UK in parts of the HotSW, and a rapidly ageing population starting to infringe on labour availability.



Whilst the HotSW has seen significant improvements in interaction between business and education over recent years, there remain significant gaps between destinations and the needs of the labour market, as well as gaps in young people's own knowledge on entering the world of work (notably with regards employability and wider transferrable skills, like digital literacy).

Unemployment and underemployment represent an ongoing loss to our overall economic potential, which has a direct impact for our economy and creates a wider cost in terms of housing, health, crime and education.

These factors all contribute to our economy having a series of workforce gaps; whether in higher value occupations where graduates have migrated to London and other locations; or whether in companies seeking technical skills around construction, health, engineering or farming; or in communities with higher levels of worklessness. With Brexit potentially further constraining labour supply in some of these areas, the HotSW faces growing pressures in fuelling its growing economy.

Areas of strength

Despite these challenges, the HotSW has significant areas of strength around employment, skills and learning. We benefit overall from a talented workforce with a range of sectoral expertise, as well as a strong learning environment on which to build. We also have improving educational capacity across the area; good quality Further Education and Higher Education institutions; and businesses committed to lifelong learning.

As a result, some of our communities, such as those around Exeter and Plymouth, benefit from a higher proportion of knowledge and service-led opportunities than elsewhere in the region. This is closely aligned with our high quality further and higher education capacity. Similarly, NVQ Level 3 performance remains high across Somerset and parts of Devon and Torbay, aligned to an increase in specialisms in advanced manufacturing, digital careers and health occupations. Our rural areas also benefit from niche specialisations, in areas like tourism, land management and agriculture/food manufacture, reflecting the natural assets-based economy which has traditionally.

Our golden opportunities require access to the right people and talent if they are to meet their potential, as well as access to the right research, teaching and learning environments if they are to achieve their ambitions. Our skills development capacity will be central in defining the HotSW as a place to invest in these sectors.

A changing future

Whilst supporting high-value opportunities is vital, it will also be important to ensure that the rest of the economy, and particularly its workforce, are supported to evolve over the next decade. As highlighted through the Government's Industrial Strategy, our businesses and their workers will likely face a period of considerable change through to 2030, with a range of digital technologies and wider disruptive developments modifying the way we work and live. Changes like Brexit and the effects of wider national economic performance have the potential to drive further shifts in behaviour; including the demand for labour; automation and modernisation; and affecting consumer patterns.

Ensuring that the workforce of our most important traditional sectors (such as tourism and farming), and those sectors which underpin wider economic performance (such as construction and logistics), are ready for change is critical to the wider improvement of productivity.

Sharing benefits and developing potential

If the HotSW is to thrive it needs to ensure that the success of our best performing areas is replicated across everywhere and routes to success are available to all those who wish to learn and advance.

Any approach to enhancing productivity in the HotSW requires a clear focus on meeting the area's skills challenge and emerging needs. We will therefore focus on building the capacity of those without work, those already in work and those in education, to thrive in a more diverse future economy. We will also seek to meet the needs of our emerging golden opportunities and future sectors, as well as our existing business base, recognising the importance of both in terms of driving growth and ensuring inclusion.

The following pages describe the outcomes we will be aiming for and the programmes we will use to achieve them.

CASE STUDY

Hinkley Point Training Agency

The HPTA is an innovative approach to supporting the recruitment of local labour into the construction of Hinkley Point Power Station. During the 10-year construction period there will be some 25,000 different job roles with almost 6,000 people employed during peak. The aim is for the project to generate 1,000+ apprenticeships and ensure that at least 34% of all those working on-site are within a 90-minute travel to work zone.

To achieve this and ensure that Hinkley leaves the legacy of a highly skilled sustainable workforce, an education and training supply chain has been formed. This coalition will provide accredited, quality assured training to meet the needs of the main contractors. Recent HPTA activity includes the development of a L4 Project Management Apprenticeship and a new Pre-apprenticeship, Introduction to Engineering Construction Programme with three of HPTA's training providers, starting in September 2017.



What we will do

Summary/Outcome

Our businesses have a skilled workforce and are committed to training and developing talent to capitalise on future opportunities

High-level Aims

- Develop, attract and retain a highly skilled and adaptable workforce
- Enhance education, skills and learning opportunities to improve the economic potential of our workforce

Programmes

- Educating and Retaining the Workforce of the Future
- Creating Pathways to Success for All
- Skills for Our Golden Opportunities
- Supporting our Workforce to Succeed in a Changing Economy

Programme: Educating, Retaining and Attracting the Workforce of the Future

We will improve the advice that our young people receive on careers and opportunities throughout their education, building on the content of the Government's recent Career Strategy. This will include a focus on primary, secondary and tertiary levels by 2020, recognising that careers advice should be integrated throughout learning.

We will simultaneously seek to better support schools to provide students with the skills they need for work, including around independent decision making, enterprise and other work ready disciplines. This will be particularly important in areas demonstrated to have a long-term challenge around aspiration, such as the West Somerset Opportunity Area, where partners will work closely with Government and others to enhance social mobility opportunities.

Reinforcing this approach, we will build upon the good practice already in place across the area with a Business and Education Partnership, enhancing linkages between our schools, businesses, and further and higher providers. This will include working with the strengthened Careers Enterprise Company as lead advisory body, and through any emergent Skills Advisory Panel's role around labour market intelligence. We will also improve knowledge of alternative career pathways, including ways into entrepreneurship, ensuring that apprenticeships and other technical training routes are given ample weight alongside academic qualifications, as costed and valuable career paths.

On higher level skills, we will continue to work with business and further and higher education partners to enhance access to delivery across the area. This will allow us to meet the existing and emerging needs of our business community, and provide local learning

opportunities for our students as well as for those in work. There will be ongoing activity to reinforce our capacity around science, technology, engineering and mathematics and related high value technical skills disciplines; a shared bid for an Institute of Technology; and ongoing coordination to be at the forefront of T Level implementation. Similarly, we will continue to focus on securing complementary Higher Education capacity within those areas of the HotSW which currently lack local provision, notably the ambition for a University of Somerset and wider provision within Northern Devon and Torbay.

Finally, as part of our shared approach to higher level skills development, partners will come together to consider how they might better align activity to attract and retain qualified individuals within the HotSW, both those newly trained and those with experience. This will include working with employers, higher and further education colleges and wider stakeholders.

Programme: Creating Pathways to Success for All

To achieve our ambition for productivity, the HotSW will need to harness the potential of its entire workforce.

We will therefore enhance the offer to those in work who are willing to retrain and up-skill, as well to those outside of work but wanting to return. We will seek to harness existing and developing support for adults, including the emerging content of the Careers Strategy; the Government's ambitions for technical training and T Levels; pilot activity around Career Learning; and other opportunities to create an environment in which adult retraining and career progression is supported. We will also work with partners to promote apprenticeships in all forms, including Degree Apprenticeships.

For those facing an existing barrier to work, we will join local and national partners, including local authorities, our colleges, Jobcentre Plus and wider providers to

create a “no wrong door” approach to support. We will seek to build on the Government’s ambitions in its Careers Strategy; its Improving Lives White Paper; and its developing approach to adult learning and engagement, to support pathways to work and training for those furthest from the labour market. This will include those physically unable to reach employment and skills provision due to transport issues; those with a childcare need or other personal barrier; and those with a disability or wider health related barrier.

A range of interventions will be established to improve transport and digital access to skills provision at all levels, in particular help around basic numeracy and literacy, and wider employability skills.

We will also work with employers, Jobcentre Plus and further and higher education providers to seek innovative ways to better link together more remote rural and coastal communities, and wider groups that are underrepresented in our workforce, to areas of growth and demand. This will include engagement with our ageing population and seeking to improve the gender balance of parts of our economy. In taking forward such support, we aim to create more integrated advice and support systems, moving towards a single gateway for end users.

Programme: Skills for our ‘Golden Opportunities’

We will seek to maximise the impact of our golden opportunities through skills investment. We will come together with further and higher education colleagues to ensure that existing capital and revenue investments are being fully aligned. We will seek to build upon sector specific investments that are already in place, such as the National Nuclear College in Somerset, the STEM Centre at City of Plymouth College, or the Robotics and Engineering Centre at Exeter College. We will also seek to secure wider capacity for key sectors like advanced engineering, aerospace and marine development, nuclear, and digital technologies from emerging Government announcements and initiatives,

like the ongoing Institute of Technology process and the Sector deals announced as part of the Industrial Strategy.

We will also work together to facilitate and drive forward joint working around labour market intelligence in our golden opportunity sectors, and across the wider economy. This will include initiatives such as the Digital Skills Partnership, mapping the specific needs and opportunities related to digital skills and capacity across our economy over the next decade, and the creation of a wider Skills Advisory Panel for the HotSW area, providing a single view of skills demand and training need across our economy.

Programme: Supporting our Workforce to Succeed in a Changing Economy

The HotSW Partnership will work with our traditionally areas of strength to develop new skills capacity for a changing environment. In particular, we will seek to work with the tourism, farming and the construction sectors to identify emerging opportunities, gaps and challenges; and seek to deliver added value and improved outcomes for their workforce. This could include integration of digital skills, science, technology, engineering and mathematics content, and other high value/ innovative elements into their activity.

We will also seek to enhance and promote skills and training provision across the wider economy, including into sectors like social care, the wider public sector and retail activity. The strength of the area’s further and higher education sectors is a major opportunity in creating this training and development. We will also seek to embed and promote new practices and learning methodologies into the education sector itself, as well as work with the sector and wider business community to ensure that content and delivery approaches are both relevant and suitably quality assured.

CROSS-CUTTING THEMES

As highlighted previously, our cross cutting themes are integral to our approach to raising productivity. They are woven into our Strategic Themes but are key areas of focus in their own right. This section explains the opportunity they present.

Inclusive growth for our communities and places

We will make sure that everyone in the HotSW has the opportunity to benefit from, and contribute to, our productivity growth, regardless of status or location. We know there are unemployed people who need support to prepare them for work. We also know that many areas continue to be affected by deprivation, particularly in some of our bigger towns and cities but also some rural and smaller coastal communities. In these places, the number of people claiming unemployment-related benefits can be more than three times the HotSW average.

Finding the measures to generate productivity growth in an inclusive manner, so that the benefits are felt through the breadth of society, is an important consideration. We will be flexible in how we deliver the Strategy in order to respond to the needs of different places and business sectors and ensure benefits are delivered across the Heart of the South West.

Further developing an idea from the SW Rural Productivity Commission's recommendation to "rural proof" activity, we will impact-assess the inclusivity of all our interventions, socially and spatially, to understand where and by whom any (positive and negative) impacts are likely to be felt.

Capitalising on our distinctive assets

Sectors and business mix

We have world class capabilities in high productivity sectors which stretch across different geographies in the HotSW and beyond. We have 'golden opportunities' with our globally significant clusters in aerospace and advanced engineering, nuclear, marine, data analytics and health, which have transformational potential for our area. We have three strategically located enterprise zones for businesses to come in and capitalise on our strengths: Huntspill Energy Park near Bridgwater allocated for energy innovation and generation complements the investment at Hinkley C and a new nuclear cluster; Oceansgate in Plymouth is a marine and maritime site with deep water access; and Exeter and East Devon Enterprise zone has four sites complementing the environmental science and data analytics cluster. We have world class people who have the talent and capacity to drive forward new enterprise development and innovation across LEP areas. We are already collaborating beyond our boundaries through Nuclear South West, South West Aerospace and the South Coast Marine Cluster and we want to make sure more businesses across the whole area benefit from these opportunities.

Most of the businesses in the HotSW are small and medium sized enterprises (SME) employing fewer than five people, providing potential for growth and innovation, given the right investment in infrastructure, skills development and support. Putting a package of such measures together with incentives, such as those seen in Enterprise Zones, informs some of the ways local areas are thinking about regeneration, particularly in coastal areas such as Torbay, or northern Devon and Somerset.





Knowledge and research

Research expertise in and around our universities provide us with important knowledge assets. As well as environmental science and big data analytics, Exeter has world-leading expertise in agri-tech, water security, mathematical modelling and advanced materials. Plymouth is a centre of expertise for marine research. Expertise and facilities in association genetics, clinical trials and healthcare across the HotSW are the base for an emerging medical devices and healthcare cluster, while the Academic Health Sciences Network, spanning two LEPS, shows a close working relationship between the NHS, academia and commerce.

Natural capital

The economy and the environment are closely interrelated and Housing, Connectivity & Infrastructure sets out the importance of natural capital and its opportunity. Harnessing and nurturing our natural capital while avoiding over-exploitation can be a spur to economic growth, and HotSW is the ideal location to trail blaze natural capital-led productivity growth. It is rich in natural capital, with a spectacular coastline and substantial land areas within National Parks and Areas of Outstanding Natural Beauty. The area is reliant on abundant natural assets – and the ecosystem services that derive from them – to power economic growth. Our coastline, moorlands and countryside attract more domestic tourists than any other UK region. Employment in sectors that depend directly on natural capital, such as agriculture and fisheries, is proportionately higher than any other UK area. Our natural capital has an important influence on the economic success and demographic trends in our area, attracting skilled inward migration. There is scope to build on this, enticing enterprises and entrepreneurs to move

to the HotSW for the quality of life that our area offers. The SW Rural Productivity Commission cites many examples of successful innovative rural based businesses working in different ways and in symbiosis with urban centres – particularly given the right digital and/or transport connectivity.

Our quality of life, supported by our stunning environment, strong and enterprising communities, our cultural heritage, together with our centres of knowledge and anchor industries, endow the Heart of the South West with New World potential.

Maximising the potential from digital technology

Digital technology has become a utility like energy or water, and drives social interactions, education and communication in almost every household. In parallel, it has changed a range of business processes from basic invoicing, through to big data analytics and bespoke manufacturing, and it has opened up previously unimagined business opportunities, for example the rise of streaming services. The transformative effect this has had on the relationship between businesses, customers, products and services, means that all businesses have to think about how they adopt and utilise technology to interact with consumers and with each other. As a result, all businesses now need to be ‘digital’ businesses, making digital take-up key. The need to improve digital connectivity has consistently been a major concern of consultees in the HotSW area.

There is strong evidence that digital skills and tools can improve performance and lead to higher levels of productivity¹⁶. We need to support all our businesses, particularly in rural and peripheral areas to increase their digital capability and take advantage of new digital infrastructure.

¹⁶ Nesta, Sage. The State of Small Business. Putting UK entrepreneurs on the map. (Nesta 2017)

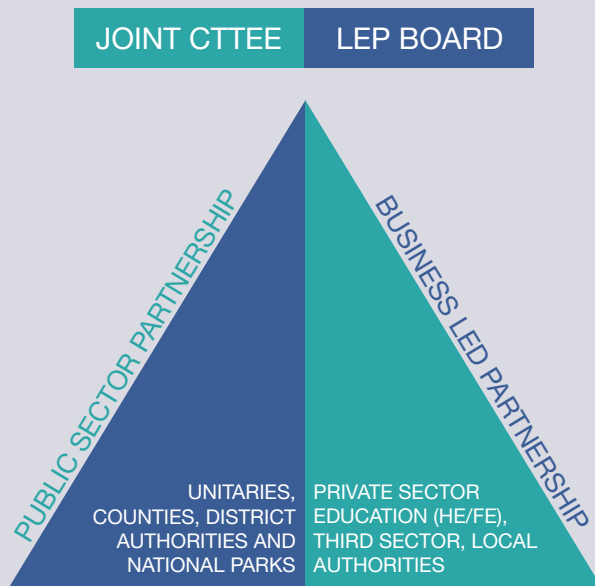
LEADERSHIP & DELIVERY

This Productivity Strategy is owned by both the Joint Committee and the Local Enterprise Partnership. The shared responsibility between all the local authorities, the National Parks and the business-led LEP means that we have a stronger commitment than ever before to set the strategy and deliver the priorities.

Our partnership is also creating strong links with a number of other relevant organisations in the region, such as the two Local Nature Partnerships, the Rural Productivity Commission, business groups and health bodies.

Of course, our Strategy sits alongside many others – whether for skills, transport or broadband – and it provides an over-arching context and a clear sense of direction for all we do.

Page 60



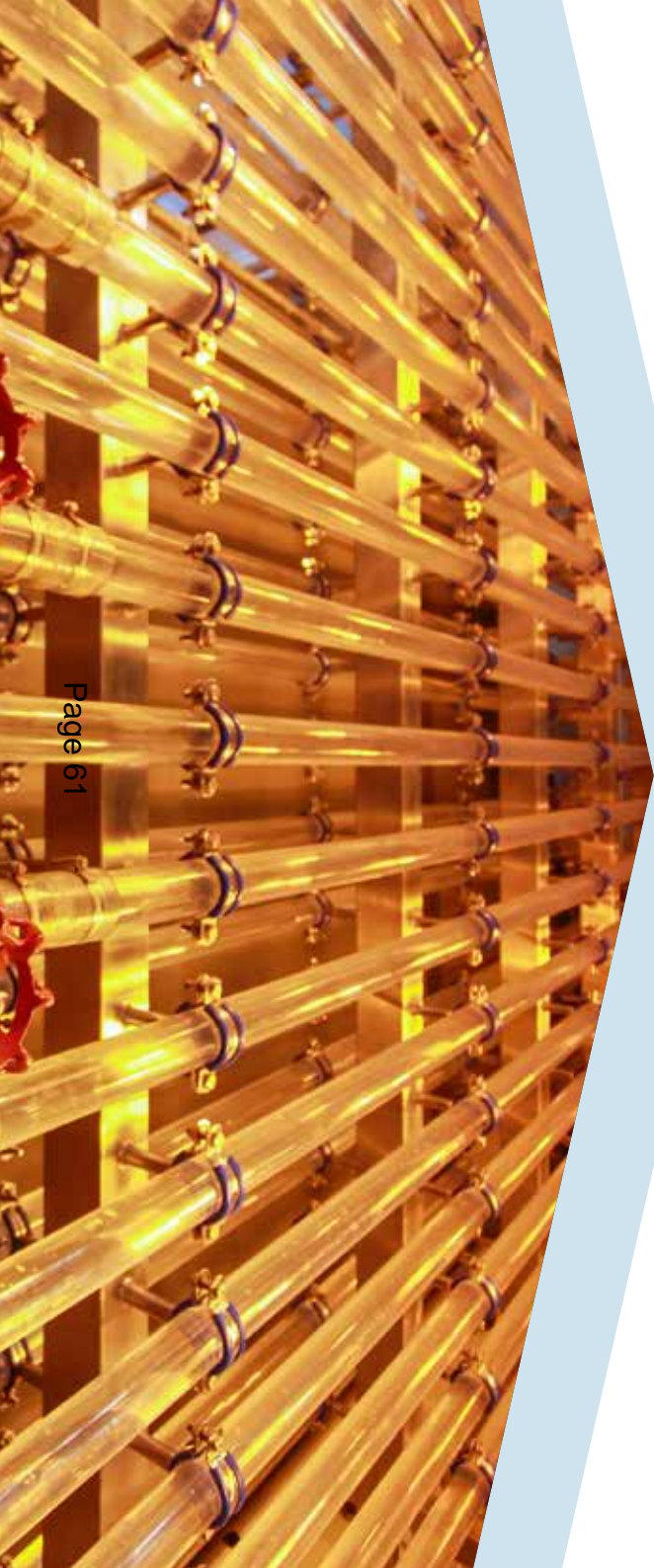
Delivering the plan

We will take overall responsibility for commissioning different strands of activity; for monitoring progress; for ensuring that it remains fit for purpose and for working with partners to agree different roles. The Productivity Strategy sets out our strategic intent for delivering ‘productivity and prosperity for all’.

Following the agreement of this Productivity Strategy, we will publish a Delivery Plan that will set out in more detail exactly what will be done, phasing in rolling programmes through to 2038, in different parts of the region – demonstrating how our plans can be delivered.

Delivery will be a combination of interventions that apply everywhere (for example improving digital connectivity across the whole area) and interventions which happen in a particular place but which offer opportunities for surrounding areas (such as marine). In this way it will be multi-layered and multi-dimensional; working across different geographies and with different groupings of partners depending on how the activities are best delivered and how opportunities arise. Strong links to neighbouring areas are fundamental to our economic success. The Heart of the South West is just that – the heart of a wider region. We must therefore work with other LEPs, other sector networks and national partnerships wherever appropriate.





A new economic compact

In the private sector, the best businesses are efficient and ambitious, productive and innovative. They train their staff and take prudent risks with their own and stakeholders' money in the expectation of future returns. They aim to grow profitably, productively and, as a consequence, offer satisfying, rewarding and sustainable jobs.

The public sector's role is to build the foundations that will let the private sector's entrepreneurship thrive. The public sector will invest in areas of market failure, helping to disseminate the information and knowledge that businesses and workers need to compete. It has particular roles in the planning process and regulation, as well as with infrastructure development and the promotion of a culture to invest in competitiveness.

But, to be successful, the partnership between the two needs to operate openly and flexibly. In an age of less public funding, the public sector's ability to deliver a full range of activities to support business needs will be severely reduced unless a different partnership is forged between local government and businesses at a local level.

There needs to be a mutual commitment to invest in the human, physical and entrepreneurial capital that will help businesses succeed. Companies will need to invest more of their own resources and

will need to commit more effort to bringing wider social benefit from their endeavours. Local authorities will have to be more innovative about how they invest in business support measures and may have to look at other ways to enable business to thrive: local planning, making land available, prudential borrowing for infrastructure improvements, joint ventures and information sharing. Our partnership is keen to work with the private sector to develop this, and with government to develop investment models.

Funding and investment

Our proposals are not about creating a new single funding pot. We believe that we need to be more nimble than that. As we identify priorities for delivery and project opportunities, we will blend together a cocktail of investment from a range of sources. However, all our experience shows that we will need access to some revenue funding alongside capital investments to make the most effective interventions.

MEASURING CHANGE

This Strategy is aimed at achieving results over the next two decades. Not everything is within our control, but this Productivity Strategy, and the delivery plan that sits beside it, aims to uplift productivity and a range of associated economic indicators over the life of the Strategy. However, different activities will be delivered as resources are secured and some may take several years.

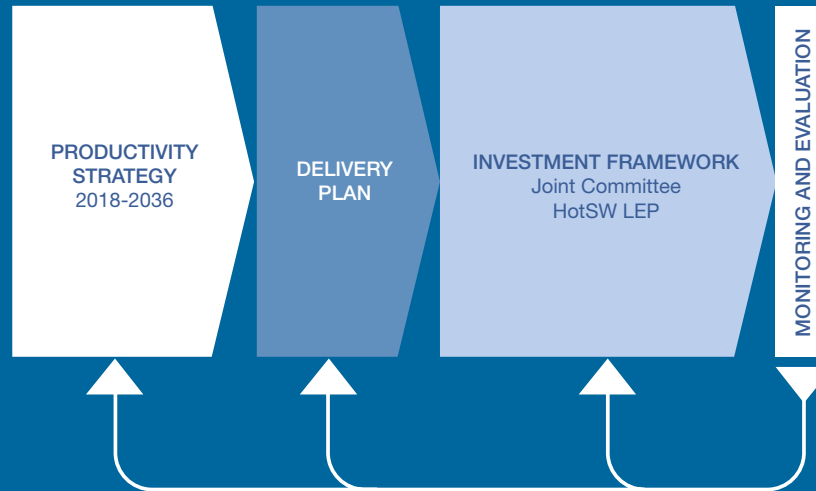
Our ambitions for productivity

Our plan is to improve business productivity and to increase the opportunities for people to contribute to and benefit from economic growth. We aim to double the size of our economy over 20 years through raising productivity.

Overall, we believe that an ambitious but not unreasonable macro target might be to increase average local productivity growth to between 0.3%-0.5% per annum above the national average over the period of this strategy.

To achieve such a shift in performance requires higher investment and research and development ratios (closer to G7 averages). This will need to be achieved by businesses. The partnership assembled under the Productivity Strategy, is an enabler, providing incentives and interventions that will:

- create supportive infrastructure to build connectivity in its widest sense - real and virtual
- encourage collaborative acquisition and dissemination of knowledge
- promote other favourable business and community conditions, especially competitive aspiration and market engagement



However, there are a myriad of factors involved in raising productivity performance and many are beyond local control or influence. Moving the productivity rate towards '2% per annum' would be a significant but realistic achievement. It could mean moving the HotSW area's real GVA growth from about 2.3% per annum to 2.8% per annum and holding employment growth to 0.8% per annum.

A more ambitious target is to raise productivity growth by 0.5% a year above the projected local and national baseline. This would indicate productivity growth of 2.2% per annum and real GVA growth of slightly over 3% per annum. This is a challenging aspiration and a step change for Heart of the South West, but it is a level of growth that has been achieved in other parts of the UK and the world.



Prosperity for all

Improving absolute and relative productivity is a key component of economic growth. However, it is recognised that this should have the potential to benefit all individuals and areas. Inclusive growth is giving the opportunity for individuals to benefit from and contribute to economic growth through higher value activity. Essentially, this is about providing access to employment and access to better employment. The emphasis between the two will vary from place to place across HotSW and success will be measured through the indicators in the table opposite.

Page 63
Economic growth has not necessarily meant improvements in sense of wellbeing and traditional measures of economic growth do not allow for an understanding of the distributional impact of growth.

National policies and fiscal, monetary and economic decision-making have a large bearing on the growth and inclusiveness of local economies. Policies such as deficit reduction, welfare reforms, tax and spending decisions, housing policy, and public service reform impact significantly upon living standards, and it could be argued that in some cases act against local efforts to promote economic inclusion.

Consequently, we have identified a number of indicators that have readily available data and will represent progress towards our aim of prosperity for all. These will be published with our delivery plan. By using these indicators, we can:

- identify strengths and weaknesses across policy areas to inform future activities

- create a means of monitoring performance against inclusive growth objectives and potentially benchmarking outcomes against other areas
- use a tool that is flexible, easily understood and accessible, and can be owned by the partnership moving forward

Making choices over which specific projects and programmes to support to deliver our strategy, will depend on the appraisal of those projects in relation to the outputs and outcomes they generate, the risks and rewards, and the persistence of those benefits in qualitative and quantitative terms.

In doing so, we would expect to consider the '5 cases for action':

- the strategic case – matching the requirements of current policy intentions and desires
- the financial case – sound funding and affordability
- the commercial case – business logic and profitability
- the management case – practical achievability and
- the economic case – net 'additionality'

The partners will develop an investment framework which captures these and ensures we are making the best use of scarce resources.

The Heart of the South West Partnership Productivity Strategy is focussed on accelerating the rate at which our economy grows by focussing on improving our productivity; to raise living standards across the area, to provide better jobs and create better places to live.

**WE NOW
NEED TO
DELIVER
THIS
STRATEGY**

**WE INVITE
YOU TO
JOIN THE
CHALLENGE.**



heart of the south west partnership

Delivery Plan Principles

1. Outcome driven: we'll set outcomes with milestones, and select appropriate metrics to provide a more granular picture of what productivity growth looks like across the HotSW area in 5/10/15 years' time.
2. Programme level, not projects.
3. Articulating activity at different spatial geographies, each contributing to the Productivity Strategy
 - Peninsula: e.g. Transport
 - HotSW: e.g. Innovation/ Ideas
 - Sub-regional: e.g. Joint Local Plan areas.
4. Recognise our diversity
 - different parts will want to move at different speeds
 - urban and rural issues and opportunities may be different, requiring a different response.
5. Multi-layered and multi-dimensional: depending on the theme and the geography.
6. Ensure that a 'core offer' is available for all areas, to bring all parts of our region up to a high standard
7. Transformational (Golden) opportunities – existing and future - may be place specific: we will connect our places to opportunities
8. Additionality: we will map existing activity to identify gaps/opportunities - and evaluate the success of existing programmes to ensure they're good value for money and effective.

This page is intentionally left blank

Heart of the South West (HotSW) Productivity Strategy
Equality Impact Assessment

Describe the piece of work you are assessing and the reason it is being carried out:

The assessment relates to the draft Productivity Strategy for the HofSW Partnership. The strategy has been drafted to double the economy over 20 years and in doing so, improve the productivity of businesses across the region to maximise world-class potential, provide better jobs and generate increased prosperity for communities. The aim is for businesses, in whatever place or sector, to realise the benefits of becoming more productive which, in turn, will lead to increased prosperity for communities.

Who is leading on the piece of work being assessed?

The strategy is being led by HotSW Joint Committee. This assessment has been completed by the Programme Management Office on behalf of the partnership.

What are the timescales for completing the work? Are there any committee deadlines?

The final draft is due to go before the HotSW Joint Committee on 23rd March. The strategy is a high level document that sets out the future vision for productivity and inclusive growth across the region. Sitting beneath the strategy will be a delivery plan and investment framework. It will be the delivery plan which identifies the specific programmes that will deliver the vision and objectives within the Productivity Strategy and once agreed, these will also need to be assessed in terms of their impact on those people with protected characteristics.

What are the aims and objectives of this work? How do these link to wider council or strategic objectives?

Businesses are at the heart of creating prosperity and the three key objectives of the strategy are:

- Connectivity and infrastructure
- Leadership and knowledge
- Working and learning

The HotSW Productivity Strategy is reflective of the government's wider ambition to boost productivity and earning power throughout the UK.

Who will be the main beneficiaries of the piece of work and in what way?

The Strategy aims for businesses, in whatever place or sector, to realise the benefits of becoming more productive which, in turn, will lead to better jobs and generate increased prosperity for all communities across the HotSW region.

Do you have any data on how different groups will be affected by this work?

We are not aware of a breakdown of business across the HotSW in terms of protected characteristics. For example, we do not know how many businesses are owned by people with protected characteristics and we do not know the workforce profile of the businesses in terms of employees with protected characteristics. Census data can provide a breakdown across the region in terms of ethnicity, religion, health problems or disability and deprivation but this has not been cross referenced across different business sectors.

The partnership should consider collating this data so that it can ensure that people with protected characteristics benefit from the outcomes of the Productivity Strategy. The partnership could also use the data to determine whether specific interventions are required, as part of the delivery plan, to ensure that people with protected characteristics benefit in the same way as those people who do not.

Have any research studies or reports been carried out in other areas of the country or nationally that provide information about the likely impact of your work on equality groups?

The Government's Industrial Strategy sets the overarching vision for driving growth across the UK. The strategy focuses on the five foundations of productivity – ideas, people, infrastructure, business environment and places. The strategy recognises that businesses that have diverse, inclusive workplaces brings improved productivity and that more should be done to address the under-representation of other groups in the labour market and support employees to stay in work.

The strategy makes specific reference to the McGregor-Smith review which put the potential benefit to the UK economy from full representation of BME workers, through improved participation and progression, at £24bn a year. It also recognises that organisations with the highest levels of gender diversity are 15 per cent more likely to outperform their rivals, yet female employment continues to be below that of men. The strategy also states that in mid 2017, just under half of working age disabled people were in employment, compared with 81 per cent of working age non-disabled people.

The Race Disparity Audit may help to identify areas that require extra work to help those from BME backgrounds into the workplace.

The Government will publish shortly a plan for improving social mobility in England, which will set out how the education system will expand equality of opportunity. Further steps include:

- Working with business to develop an action to make flexible working a reality for all employees across Britain and to inform the evaluation of the Right to Request Flexible Working Regulation.
- Supporting people to return to work after time out for caring,
- Publishing plans to achieve the Government's ambition to see one million more disabled people in employment in the UK by 2027 and also help those with mental health conditions to enter, progress and remain in work.

The strategy also recognises that there are disparities in the education system depending on region.

Cornwall and Isles of Scilly have produced a Strategic Economic Plan 2017-2030 and the West of England have prepared a Strategy which is currently out for discussion. Neither of these makes reference to the representation of people with protected characteristics in the labour market.

The partnership should consider whether it wants to measure progress in delivering against these national targets. It should also consider how it can work with the business community to promote practices to help under-represented groups benefit from predicted growth across the region. Monitoring of this data on an ongoing basis will help the partnership to determine whether specific interventions are required, as part of the delivery plan, to ensure that people with protected characteristics benefit in the same way as those people without.

What consultation has taken place or is planned with customers (individuals and groups) from equality groups?

A series of consultation exercises have been conducted throughout the development of the draft Productivity Strategy. This has included:

- Publication of the draft Strategy (hosted on the Torbay Council website and available on via partners' websites)
- Online survey open for the duration of the consultation period
- Written representations accepted via engagement@torbay.gov.uk
- Heart of the South West Local Enterprise Partnership Conversations held in Devon and Somerset
- Discussion at the Heart of the South West Local Enterprise Partnership Annual Conference (including completion of questionnaires)
- Engagement event held for economic development, housing and transport portfolio holders from each of the local authorities in the Partnership
- Engagement events held across the region: Eastern Somerset, Western Somerset, Exeter and East Devon, Northern Devon, Torbay, and Plymouth and South West Devon
- Engagement event with the Devon Association of Local Councils and Somerset Association of Local Council

Targeted consultation with customers from equality groups was not undertaken because the strategy is aimed at business.

What does the consultation indicate about any differential positive or negative impact(s) of this piece of work?

Addressing inequalities in the gender pay gap.

Increasing the level of support into work for those with health issues both physical and mental.

Strategies to support women, the elderly and disabled persons, plus wider help for disadvantaged children such as universal free school meals.

No mention of social mobility, however it is implicit in many responses and none of the respondents disagreed with the ambition to deliver inclusive growth.

Better skills progression for those from disadvantaged backgrounds.

Include elements in support of women and disabled people.

Implications of an ageing population.

If there are any gaps in your previous or planned consultation and research are there any experts/relevant groups that can be contacted to get further views or evidence on the issues? If so, please explain who they are and how you will obtain their views.

Yes, see above. More work required to get a better understanding of the current workforce profiles of the businesses across the region.

Could there be a positive or negative impact on community relations or equal opportunities?

Closer monitoring of the workforce profile across the HotSW area would help to ensure that people with protected characteristics are able to benefit from the increased prosperity predicted in the strategy.

Lorraine Betts

Programme Management Office



HoftSW Joint Committee

Meeting date – 23rd March 2018

STATEMENT OF STRATEGIC INTENT – REPORT OF THE CHIEF EXECUTIVES’ ADVISORY GROUP

Lead Officer: Tracey Lee, Senior Responsible Officer

Authors: Sue Rose/Alison Ward

1. Summary

- 1.1. This report recommends that the Committee adopts a Statement of Strategic Intent as a policy framework document. It has been developed by the Chief Executives’ Advisory Group on the back of initial discussions with the Government Minister and officials.

2. Recommendations

- 2.1. **The Joint Committee considers and adopts the Statement of Strategic Intent set out in this paper, to guide its work moving forward.**

3. Reasons for recommendations

- 3.1 The creation of the Joint Committee signals the commitment of the partners to work together to deliver better outcomes across the Heart of the South West. The statement sets the framework within which the Joint Committee will work moving forward, to ensure that it is best positioned to take advantage of any policy opportunities arising from Government.

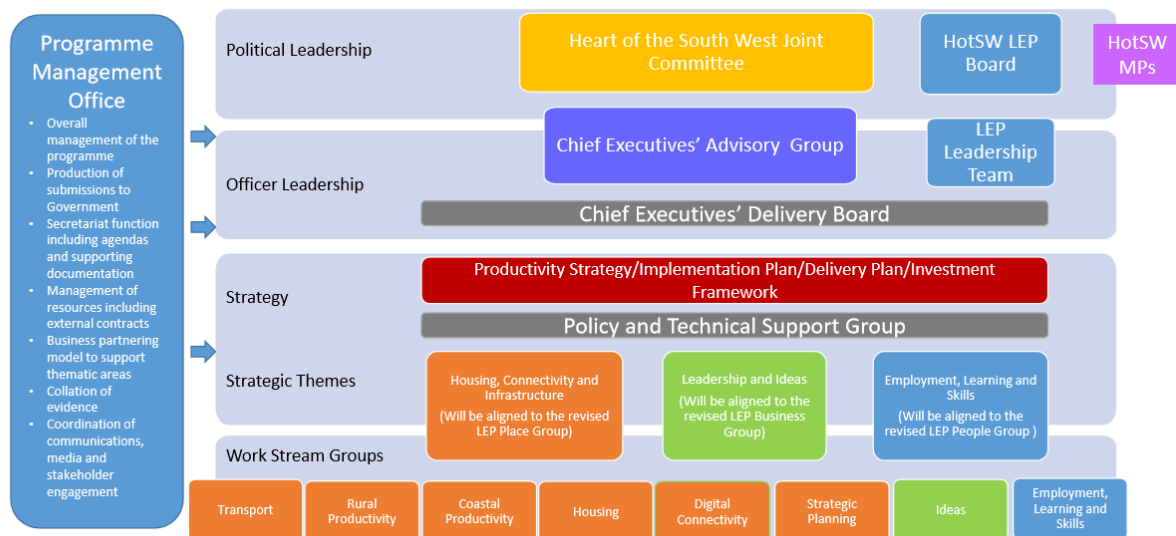
4. Background

- 4.1 The Partnership has been working together since August 2015. It has now entered into a formal Joint Committee arrangement to progress its objectives to co-deliver a Productivity Strategy for the Heart of the South West with the LEP, and to engage with Government to secure powers and funding to help achieve its ambitions.
- 4.2 The Government’s commitment to devolution remains unclear and they have yet to publish their Devolution Framework for non-mayoral Combined Authorities. Despite this lack of national direction, the Partnership (and latterly the shadow Joint Committee) has taken the view that it will continue to work together and prepare for any opportunities arising from Government.
- 4.3 At a recent meeting with the Cities and Local Growth Unit, officials praised the approach taken by the Partnership and gave encouragement to continue. They were particularly

struck by:

- the unity and clarity of purpose of the Partnership,
- the productive relationship between the public and private sector, illustrated by close working with the LEP
- clear leadership and governance arrangements which provide reassurance of our commitment and capacity to deliver (refer to leadership structure below in figure 1)
- the ambitious vision set out in the Productivity Strategy, building on our strengths

Figure 1 – HotSW Joint Committee Leadership Structure



- 4.4** Another clear message that came from the discussions with civil servants was the need to be flexible in terms of the geography at which we work, and therefore which partners we engage with. This needs to be on a case by case basis, depending on the issue. This approach is important for Government, as on some issues they expect to work at a larger scale than the LEP geography. The Partnership must therefore be ready to work collaboratively with other areas.
- 4.5** There is already evidence of successful cross-LEP collaboration, for example on the Science and Innovation Audit, and the South West Rural Productivity Commission. There is also now an emerging consolidation around a South West Peninsula grouping of the 3 LEPs (Cornwall and the Isles of Scilly, Heart of the South West and Dorset) and the 4 county areas (Cornwall, Devon, Somerset and Dorset). These are the core participants in taking forward the Memorandum of Understanding with Innovate UK; in proposing a strategic transport body for the South West Peninsula; and in delivering the recommendations from the Rural Productivity Commission.
- 4.6** Consolidating the relationships across the Peninsula through a 'coalition of the willing' will provide a coherent geography; a greater critical mass covering a population of over 3 million people; and a stronger voice to Government. Whilst not an 'exclusive' group, as there will naturally be cooperation outside of this on some topics, it's clearly the 'best fit' to quickly progress the current opportunities with Government.
- 4.7** Members of the Joint Committee have already agreed, through their respective

Councils, the 'Arrangements' and 'Inter-authority' documents which described the purpose of the Joint Committee, how it will operate, be supported, and funded, and the role of individual members.

- 4.8 This Statement of Strategic Intent complements those documents by describing the proposed relationship of the Joint Committee with neighbouring councils; with other areas in the South West; and nationally, in order to support the delivery of the Productivity Strategy, and when engaging with Government on different issues. It also sets out the approach that the Joint Committee (and the LEP) will adopt in delivering the Productivity Strategy.

5. Statement of Strategic Intent

- 5.1 The Productivity Strategy sets out an ambitious agenda for the Heart of the South West economy, with the aim of delivering increased productivity and prosperity for all. Delivering this step change will require the Joint Committee to be clear on the approach it will adopt.

- 5.2 Within this context, economic development can helpfully be categorised in terms of transformational or incremental activity. Transformational economic development is generally the large scale strategic or disruptive activity that creates a step change in an area's economic growth, and which will require multiple interventions across the three strategic themes in the Productivity Strategy. In this regard the investment at Hinkley, and the work to realise the £50 billion of business opportunities from this to create a long-term nuclear supply chain capability in the area will be 'transformational'.

- 5.3 Incremental economic development however is also an essential component of growth, and is vital in ensuring that all areas are benefitting and growing. The impact is steady, sustained and measurable, though not on the large scale of programmes like Hinkley. An example could be the provision of support to grow start-up businesses, or to help businesses to export. Interventions here would be more likely to involve just one or two of the Productivity Strategy's strategic themes.

- 5.4 The Joint Committee will support both approaches, working alongside the LEP to achieve the objectives in the Productivity Strategy. These will be illustrated by the range of activities and interventions described in the Delivery Plan. Some of the programmes will operate across a larger geography.

STRATEGIC INTENT (For reference the position of the LEP is also set out where relevant within this Strategic Intent.)

- **Strategic framework** – the Joint Committee will work with the LEP to develop a series of high level programmes across a number of themes, and an associated investment framework. These programmes will make up the rolling Delivery Plan that will achieve the aims in the overarching HotSW Productivity Strategy.
- **Transformational opportunities** will be those that focus on sectors, businesses and areas that have the potential for higher value, faster growth, capitalising on our unique strengths and assets as a region, and enabling the area to compete nationally and internationally. The LEP will also focus on transformational opportunities by working at a national, cross-regional, HotSW or sub-regional level as required.

- **Economic development** will continue to be led by individual local authorities, working with sub-regional partners, as appropriate, as part of their 'business as usual' services. The Joint Committee will seek to add value to this 'core offer' by sharing best practice across the Partnership and raising the overall quality and accessibility of the offer. The LEP will also continue to work to support incremental economic development, for example through the Growth Hub, and will work with local partners to maximise the core offer across the region.
- **Flexible boundaries** means that the Joint Committee is open to working collaboratively across flexible geographical boundaries, as opportunities arise. The LEP will also operate in this way to maximise the impact of joint working and to capitalise on engagement with Government. This could be with other LEP areas; with neighbouring local authorities; Peninsula-wide; across the whole of the South West; or nationally as in the case of Sector Deals. The councils and LEPs covering the South West Peninsula are currently emerging as the 'core group' to collaborate on a number of opportunities, representing a coherent geography and size.

6. Consultation, communication and engagement

- 6.1 This statement has been developed by the Chief Executives' Advisory Group following a recent meeting of all HotSW Chief Executives, meeting as the Chief Executives' Delivery Board. There has therefore been a wide level of engagement at Chief Executive level.

7. Options considered and the reasons for rejecting them

- 7.1 None considered.

8. Equalities Implications

- 8.1 As this is just a policy statement there are no direct equalities implications associated with the proposed decision.

9. Other Implications

- 9.1 Legal, Financial, HR, Health & Well-being, Sustainability, Community Safety and Privacy Implications :

As this is just a policy statement there are no direct implications under the above headings associated with the proposed decision.

- 9.2 Risk

There are no direct risks to the Joint Committee of not adopting this policy statement but as stated earlier without being transparent and open about the way the Joint Committee intends to work may reduce our influence within the Government and our ability to deliver the Productivity Strategy. This could result in reputational damage further down the line.

10. Background papers

10.1 None

Note: For sight of individual background papers please contact the report author.

This page is intentionally left blank



HoftSW Joint Committee

Meeting date – 2nd March 2018

JOINT COMMITTEE LEADERSHIP AND MANAGEMENT ARRANGEMENTS

Lead Officer: Tracey Lee, Senior Responsible Officer, Leaders for the Heart of the South West

Author: Julian Gale, Programme Management Office

Contact Details: 01823 359500

1. Summary

1.1. This paper summarises the leadership and management arrangements at officer level and in support of the Joint Committee. The Committee is being asked to endorse the arrangements. The paper focuses on the key support groups, the:

- Chief Executives' Advisory Group
- Chief Executives' Delivery Board.

2. Recommendations

2.1. The Joint Committee is asked to endorse the:

- (a) Leadership and management support arrangements set out in the diagram attached as appendix 1 to this report .
- (b) The working arrangements of the Chief Executives' Advisory Group – attached as appendix 2 to this report
- (c) The working arrangements of the Chief Executives' Delivery Board – attached as appendix 3 to this report

3. Reasons for recommendations

3.1 It is critical that the Joint Committee has adequate support arrangements in place at officer level to drive the business of the Committee and ensure that its meets its objectives.

4. Background

4.1 Following the establishment of the Joint Committee by the constituent authorities effective leadership and management arrangements are necessary at officer level to take forward the business of the Joint Committee between meetings. Particular attention at this stage is being given to the Delivery Plan required to deliver the

Productivity Strategy and discussions with government officials on the wider opportunities presented by devolution. The diagram attached as appendix 1 shows the detail of the arrangements in place to support the work of the Joint Committee. This report goes into some detail on the Chief Executives' Advisory Group – see appendix 2 attached - following the approval of the terms of reference of this Group in the Joint Committee's 'Arrangements' document. It also details the working arrangements of the Chief Executives Delivery Board - see appendix 3 - which comprises the Chief Executives of all of the constituent authorities. These groups are critical to taking forward the work of the Joint Committee.

- 4.2 The diagram at appendix 1 also shows the work-stream groups through which the Productivity Strategy will be delivered and which are forming the basis of the discussions with Government officials.

5. Consultation, communication and engagement

- 5.1 These arrangements have been developed by the Chief Executives and are an extension of the arrangements that have been operating successfully over the time of the devolution project.

6. Options considered and the reasons for rejecting them

- 6.1 None considered.

7. Equalities Implications

- 7.1. This report is setting out a support structure and there are no direct equalities implications associated with the proposed decision.

8. Other Implications

- 8.1 Legal, Financial, HR, Health & Well-being, Sustainability, Community Safety and Privacy Implications :

This report is setting out a support structure and there are no direct implications under the above headings associated with the proposed decision.

- 8.4 Risk

There is a direct risk to the Joint Committee of not having adequate leadership and officer arrangements in place to support its work but this is mitigated by the seniority and expertise of those involved and the continued willingness of the constituent authorities to provide this level of 'in kind' support. If this support was not made available on an on-going basis then the Committee would be unable to fulfil its objectives without buying in an appropriate level of support. This would come at a considerable cost to the constituent authorities.

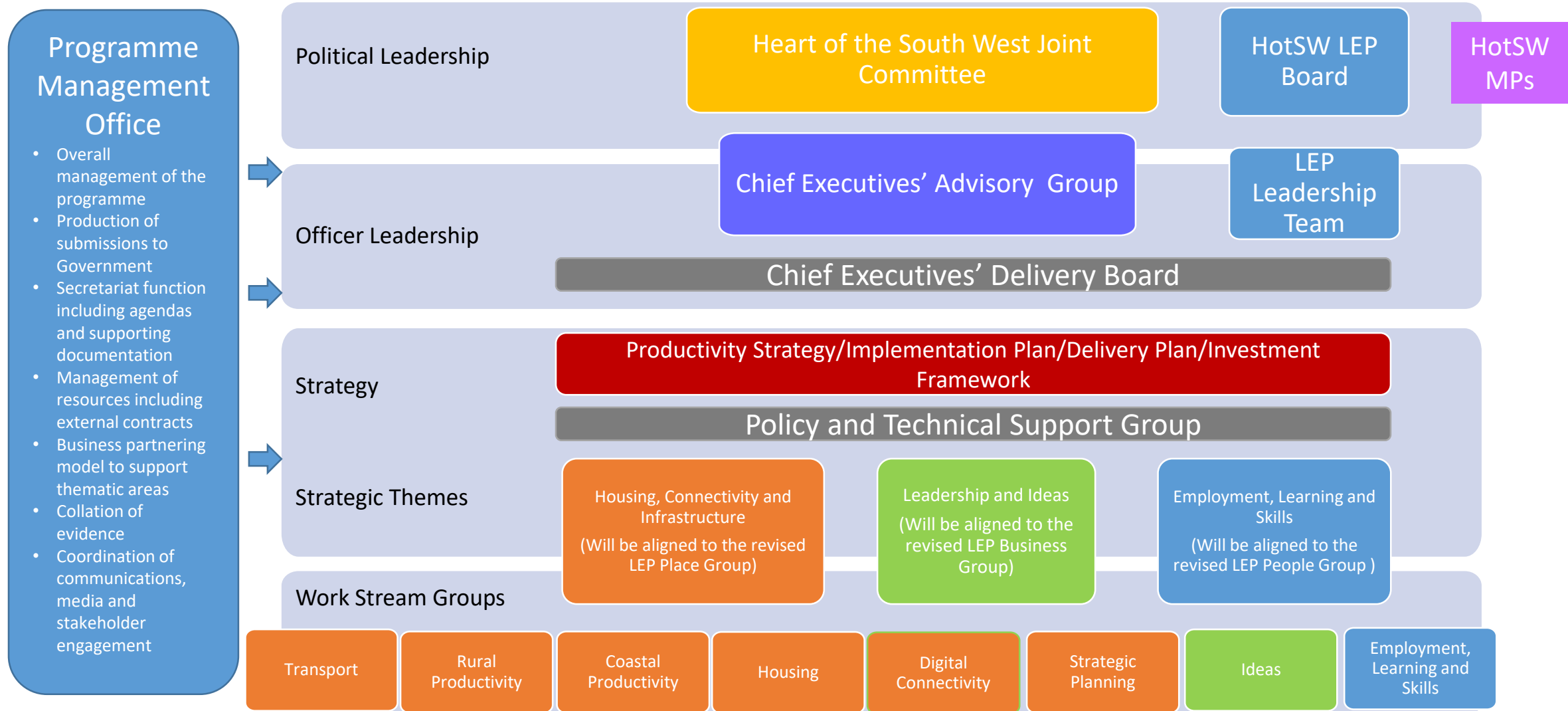
9. Background papers

- 9.1. None

Note: For sight of individual background papers please contact the report author.

Leadership and Management Structure

Page 79



This page is intentionally left blank

APPENDIX 2

Chief Executives' Advisory Group – Working Arrangements

Appointment

The Chief Executives' Advisory Group will report directly to the Heart of the South West Joint Committee. The Group shall be responsible for agreeing its own operational arrangements within the Terms of Reference set out in the Inter-Authority Agreement and for reporting these to the Joint Committee.

Terms of Reference

As agreed in the Inter-Authority Agreement for the Heart of the South West Joint Committee, the Chief Executives' Advisory Group shall:

- (a) Ensure that the Joint Committee fulfils its functions and responsibilities in accordance with all legal and constitutional requirements.
- (b) Plan and co-ordinate the Joint Committee's activities to ensure the achievement of its aims and objectives
- (c) Consider the performance and effectiveness of the Joint Committee on an on-going basis and make recommendations for changes for consideration by the Joint Committee and Constituent Authorities as necessary.
- (d) Ensure that professional advice is available and provided as necessary to the Joint Committee to enable it to carry out its functions.
- (e) Rigorously monitor and scrutinise the Joint Committee's budget.
- (f) Consider disputes between the Constituent Authorities over the application or interpretation of the Inter-Authority Agreement together with any potential breaches of the Agreement.

Membership

The Advisory Group will include the Chief Executives (or their nominated senior representatives) of each upper tier local authority in Devon and Somerset, two Somerset district councils, two Devon district councils, the Local Enterprise Partnership and one of the National Park Authorities.

In appointing officers to serve on the Advisory Group, consideration shall be given to securing representation from across the geographical spread of the region as well as the range of communities (i.e. rural, urban and coastal) within the region.

Operating Principles

Within the terms of reference of the Advisory Group, the following operating principles will apply:

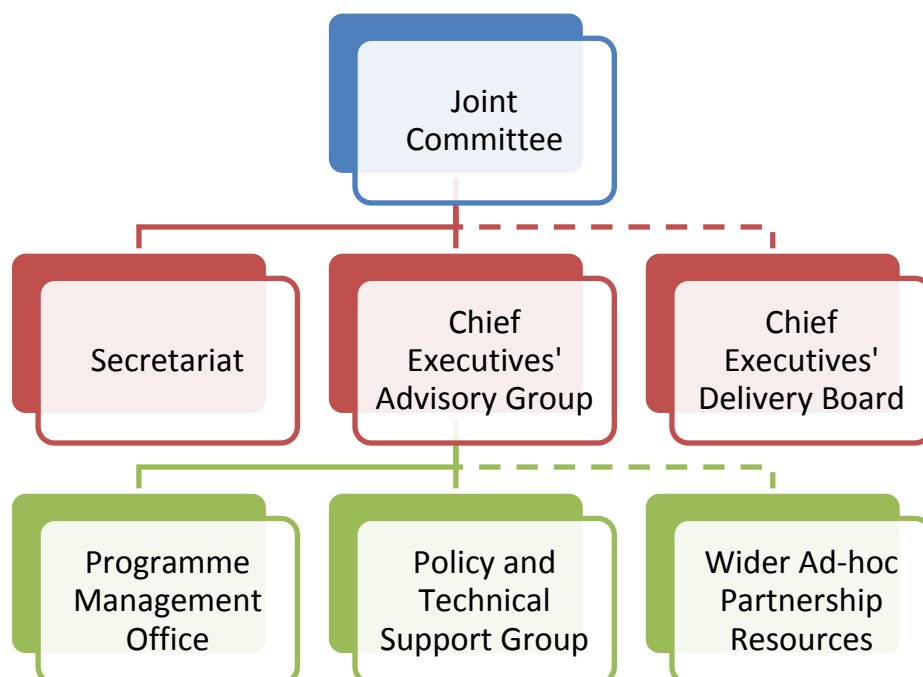
- Each member of the Advisory Group will take the lead on a specific theme within the work of the Joint Committee.
- Reasonable resources from each Chief Executive's organisation will be made available to co-ordinate the work on their specific theme.
- Collectively the Advisory Group's role is driving the delivery of the Joint Committee's aims and objectives.

Relationships across the Partnership

The Senior Responsible Officer will chair the Chief Executive's Advisory Group.

The Programme Management Office and the Drafting Group/Policy Advisory Team will report to the Chief Executive's Advisory Group who will have final sign-off of documentation being presented to the Joint Committee.

The Chief Executive's Advisory Group will regularly brief (ideally after each meeting of the Joint Committee) all of the Chief Executives within the Partnership on forthcoming activity, issues arising and future planned direction. All Chief Executives will be asked to provide support to the work of the Joint Committee especially through the delivery phases of the Productivity Strategy.



Proposed Membership

(Note: The roles undertaken by each member of the Group may change as the work of the Joint Committee progresses.)

Name	Council/Organisation	Representing	Role
Phil Norrey	Devon County Council	Upper tier council	Lead for health
Pat Flaherty	Somerset County Council	Upper tier council	Lead for governance
Tracey Lee	Plymouth City Council	Upper tier council	Programme SRO
Steve Parrock	Torbay Council	Upper tier council	Lead for coastal towns
Karime Hassan	Exeter City Council	Urban Devon district councils	Lead for housing
Stuart Brown	Mendip Council	East Somerset district councils	Lead for connectivity and infrastructure
Doug Bamsey	Sedgemoor District Council	West Somerset district councils	Lead for working and learning
Chris Garcia	HotSW LEP	LEP/Private Sector	Lead for leadership and knowledge
Stephen Walford	Mid Devon District Council	Rural Devon district councils	Lead for rural issues and market towns
Kevin Bishop (Sub. Sarah Bryan)	Dartmoor National Park	National Park Authorities	Lead for natural capital

This page is intentionally left blank

Chief Executives' Delivery Board – Working Arrangements

Membership

The Delivery Board will include the Chief Executives (or their nominated senior representatives) of each local authority in Devon and Somerset, both National Park authorities and the Local Enterprise Partnership.

Representatives of the Clinical Commissioning Groups will be invited when appropriate themes are discussed.

Role and Purpose

The Productivity Strategy is jointly owned by the Joint Committee and the LEP Board, working cooperatively to deliver the Strategy. With regard to the Joint Committee's activity, the Role and Purpose of the Delivery Board is

- (a) To support chief executives to be advocates of the work of the Partnership and the Productivity Strategy in their own organisations and local authority areas, particularly with their own Elected Members and other key stakeholders.
- (b) To ensure that explicit connections are made between the Productivity Strategy and individual local authority growth strategies and Local Plans
- (c) To contribute to the development to the Delivery Plan and to develop new activities designed to achieve the objectives in the Productivity Strategy, working in partnership with the LEP
- (d) To share evidence of effective interventions in order to scale up good practice across wider areas
- (e) To support chief executives in working with local, regional and national partners, businesses and academic institutions to build coalitions that will stimulate innovation, attract investment; to co-design and deliver programmes; and to maximise investment and growth opportunities.

Operating Principles

Within the purpose of the Delivery Board, the following operating principles will apply:

- Collectively the Delivery Board's role will be to support the Chief Executives' Advisory Group in driving the delivery of the Joint Committee's aims and objectives.
- In addition, the Board will have a role in providing the synthesis between the technical expertise of officers across the Partnership and the political will of the members of the Joint Committee and the constituent authorities.
- Each chief executive will be encouraged to contribute their data, evidence and studies to the collective evidence library

- As part of the partnership approach, chief executives will be asked to contribute the skills and capacity of their officers who can help to drive the delivery of the Strategy

Meeting Frequency

Initially the Delivery Board will meet quarterly with meetings arranged to take account of meetings of the Joint Committee and the Devon and Somerset Chief Executives Groups.

The frequency of meetings will be reviewed periodically.

Relationships across the Partnership

The Senior Responsible Officer will chair the Chief Executives' Delivery Board.

The Chief Executives' Delivery Board will report to the Heart of the South West Joint Committee via the Chief Executives' Advisory Group.

