

## HoftSW Joint Committee

Meeting date – 23 March 2018

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### 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](http://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.