Public Document Pack

Heart of the South West Joint Committee

Friday 12 March 2021
12.00 pm Teams On line meeting

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

Nominated Members

Cllr John Hart	Leader - Devon County Council
Cllr David Fothergill	Leader - Somerset County Council
Cllr Tudor Evans	Leader - Plymouth City Council
Cllr Steve Darling	Leader - Torbay Council
Cllr Philip Bialyk	Leader - Exeter City Council
Cllr Bob Deed	Leader - Mid Devon District Council
Cllr Judy Pearce	Leader - South Hams District Council
Cllr Ken James	Leader - Torridge District Council
Cllr Neil Jory	Leader - West Devon Borough Council
Cllr Val Keitch	Leader - South Somerset District Council
Cllr Frederica Smith-Roberts	Leader - Somerset West & Taunton Council
Cllr Andrea Davis	Deputy Chairman - Exmoor National Park Authority
Cllr Gordon Hook	Leader – Teignbridge District Council
Cllr Duncan McGinty	Leader – Sedgemoor District Council
Cllr David Worden	Leader – North Devon District Council
Ms Pamela Woods	Chairman – Dartmoor National Park Authority
Cllr Ros Wyke	Leader – Mendip District Council
Cllr Paul Arnott	Leader – East Devon District Council

Nominated Substitute Members

Cllr Paul Hayward	East Devon District Council
Cllr Rachel Sutton	Exeter City Council
Cllr Peter Smith	Plymouth City Council
Cllr Marcus Kravis	Somerset West & Taunton Council
Cllr Malcolm Prowse	North Devon District Council
Cllr Lois Samuel	West Devon District Council
Cllr John Clark	South Somerset District Council
Cllr Alistair Dewhirst	Teignbridge District Council
Cllr Gill Slocombe	Sedgemoor District Council
Cllr Claire Hodson	Torridge District Council
Andrew Cooper	Secretary of State Appointee - Dartmoor National Park Authority
Cllr Hilary Bastone	South Hams District Council
Robin Milton	Exmoor National Park Authority
Cllr Richard Chesterton	Mid Devon District Council
Cllr Darren Cowell	Torbay Council
Cllr David Hall	Somerset County Council
Cllr Liz Leyshon	Mendip District Council
Cllr James McInnes	Devon County Council

Non-voting Members

Karl Tucker	Chairman - Heart of the South West Local Enterprise Partnership

Issued By Scott Wooldridge, Strategic Manager - Governance and Risk – 3 March 2021
For further information about the meeting, please contact Scott Wooldridge, 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

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AGENDA

Item	Heart of the South West Joint Committee (Please Note – all public meetings are taking place virtually until further notice.) - 12.00 pm Friday 12 March 2021

Guidance Notes for Virtual Meetings

1 **Apologies for Absence**

To be received and recorded.

2 **Declarations of Interest**

To be reported and recorded.

3 **Minute of the previous Meeting** (Pages 13 - 20)

The minutes of the meeting held on 29th January 2921 as an accurate record.

4 **Public Question Time**

The Chair will allow any members of the public who have registered to speak, 2 minutes to give their statement or ask questions.

5 **Endorsement of the Build Back Better Plan** (Pages 21 - 46)

To consider and endorse the plan.

6 **Endorsement of the HotSW Skills Plan** (Pages 47 - 112)

To consider and endorse the Plan.

7 **Updates from HEROG, Coastal Communities Plan and Housing Task Force**

To receive the updates.

8 **Communications and Engagement Update**

To receive an update from the Chair.

9 **Any Other Business**

Chair to raise any urgent matters of business.

10 **Date of next meeting**

All to note the dates of the next meetings:

25th June 2021
1st October 2021

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Somerset County Council Virtual Meetings Procedure Using Microsoft Teams

1. Introduction

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations permit remote attendance in Local Authority meetings.

Remote attendance is permitted as long as certain conditions are satisfied. These include that the Member is able to hear and be heard by the other Members in attendance. Also, being able to hear and be heard by any members of the public entitled to attend the meeting (in line with the public participation scheme). A visual solution is preferred, but audio is sufficient.

This also relates to members of the public attending the meeting also being heard.

The regulations are clear that a meeting is not limited to those present in the same place, but includes electronic, digital or virtual locations (internet locations, web addresses or conference call telephone numbers).

A precis of the Regulations is contained in Appendix 1 of this protocol.

2. Microsoft Teams

Teams is the system recommended for hosting remote / virtual meetings. It has functionality for audio, video, and screen sharing and you do not need to be a member of an organisation (or have a Teams account) to join a Teams meeting.

3. Access to documents

Democratic Services will publish the agenda and reports for committee meetings on the Council's website and will notify councillors by email in line with usual practice.

Printed copies will not be available for inspection at the Council's offices and this requirement was removed by the Regulations.

4. Setting up the Meeting

This will be organised by the Democratic Services Team. They will send a meeting request via Microsoft Teams and will also appear in your Outlook calendar. This effectively enables them to be the 'organiser' and gives them slightly more functionality than other participants. This will be used to support the Chair of the meeting.

5. Including external participants

Everyone employed by the Council has Microsoft Teams on their laptop/device linked to their email account and therefore they can join a meeting.

For external users, they can also use the Teams app, by downloading it to their laptop, smartphone or tablet.

External participants can be sent the meeting request vie email and if a participant is included in this way, they can use all the functions of Teams (video / chat) in the meeting. This might be useful for external presenters at Committee meetings, for example NHS / CCG Officers.

Alternatively, someone can be added to a meeting as a voice call. This can be done at the appropriate time in the meeting by the Democratic Services Officer.

There is also provision for a conference call number and ID to be given to external people who are calling in, which is another mechanism for them to join the meeting. Again, this will be done by the Democratic Services Officer as part of the meeting administration.

6. Joining the Meeting

Best practice would be for an officer in Democratic Services to join the meeting at least 10 minutes before the meeting starts to manage the lobby and assist those trying to join the meeting.

Members and officers are encouraged to join the meeting promptly (i.e. at least three minutes before the scheduled start time) in order to avoid disrupting the meeting.

Attendees should use the link within the calendar invite for the meeting which will say 'Join Microsoft Teams Meeting', which will open the Microsoft Teams app on the laptop/tablet automatically.

7. Starting the Meeting

At the start of the meeting, the Democratic Services Officer will check all required attendees are present (viewing the participant list).

The Democratic Services Officer will also have details of any Members of the public attending and / or press. The public and press will be notified via the meeting information on the website that they will need to contact the Democratic Services Officer to obtain the conference call number and ID for the meeting.

The Chair will ask all Members and Officers to **turn off all unnecessary microphones,** unless they are speaking. This prevents background noise, coughing etc which is intrusive and disruptive during the meeting. The Democratic Services Officer will also keep a watch on this and will be able to turn off participant mics when they are not in use. The Chair can also do this, but the Democratic Services Officer will fulfil this function. Members would then need to turn their microphones back on when they wish to speak.

The Chair, who will use video when speaking will ask all participants to **turn off their video cameras**. It cannot be stressed enough how important it is to turn off the video (unless you are the Chair or speaking). This helps with call quality. There is no facility for the Democratic Services Officer to turn off other participants video (like you can with microphones) or even see who has their video turned on, so it is even more important that participants are aware of this.

Some of the virtual meetings will be recorded. Participants will be asked to only turn on their microphones **when they are invited to speak**. This is good practice for all meetings, but especially important because the meeting is recorded. The recording is not like a webcast, because what is being recorded can be different to what you see on screen, even as a meeting organiser. So, participants could be being filmed, even if they are not speaking, simply by virtue of having their video switched on. It might be helpful for Members to think in terms of switching the video and mic on and off at the appropriate times, just like it would be in the committee room.

8. Notice to Speak - Members

The Council's Standing Orders relating to Member speaking at meetings will continue.

Members wishing to speak can either use the new 'hand up' by pressing the hand icon or use the chat facility to show they wish to ask a question.

9. Public Participation

Participation by members of the public will continue in line with the current public participation scheme.

This can include speaking and / or asking formal questions and / or making representations at various Committee in line with the scheme.

Members of the public can listen to the proceedings of a committee. They are asked to contact the Democratic Services Officer so they can be sent the link direct into to the meeting or be dialled in at the appropriate time.

When a member of the public is addressing a meeting, in line with the public participation scheme, they will be invited to speak at the appropriate time.

Both they and the Democratic Services Officer will need to ensure their microphone is enabled so the meeting can hear them.

It must be switched off again after they have made their statement or asked their question.

As stated earlier, for those who do not have access to the internet / teams, the Democratic Services Officer can dial the member of the public into the meeting using either a mobile or landline phone number.

10. The Meeting and Debate

Councillors who are not Members of the Committee who wish to speak on a particular agenda item must indicate their wish to speak to the Democratic Services Officer in advance of the meeting, within the required timescales.

For Members of the Committee who wish to speak in the debate, they should click on the meeting chat facility and simply write their question or state they wish to ask a question? The Chair will then be aware you wish to speak and can take the requests in the appropriate order.

There will be an upgrade to Microsoft Teams, shortly, which will allow participants to virtually 'raise a hand' i.e. signalling that they wish to speak, which will be used when available.

It is important that the chat function is used solely for this purpose or to raise a point of order, otherwise it is very distracting if other questions/conversations are happening within the chat, simultaneous to the meeting.

When referring to reports or making specific comments, Councillors should refer to the report and page number so that all Members of the Committee have a clear understanding of what is being discussed at all times.

If the debate appears to be coming to an end, the Chair may ask if any other Member wishes to speak before concluding the debate.

When you speak, remember to switch on your mic and video, refer to any relevant page numbers and speak clearly.

11. Meeting Etiquette Reminder

- Mute your microphone when you are not talking.
- Switch off video if you are not speaking.
- Only speak when invited to do so by the Chair.
- Speak clearly (if you are not using video then please state your name)
- If you're referring to a specific page, mention the page number.
- Switch off your video and microphone after you have spoken.

12. Voting

Within the Team facility, there is a straight-forward mechanism to deal with voting.

The chat function should be used to ask the Committee to take a vote. When it comes to taking formal votes, the Democratic Services Officer will type in the chat 'All those in favour'. Those in favour of the proposal should type in 'yes' and those against should type 'no'. Members wishing to abstain from voting should type 'abstain' or alternatively no response will represent an abstention. Alternatively members may use the raise hand facility.

If a Chair does not wish to use this mechanism, they may choose to ask each Member (of the Committee) to vote in turn. If this is the case, Councillors should express their vote verbally and the Democratic Services Officer will record the outcome of votes and announce these to the meeting.

13. Part 2 Reports and Debate

There are times when council meetings are not open to the public, when confidential, or "exempt" issues – as defined in Schedule 12A of the Local Government Act 1972 – are under consideration. It is important to ensure that there are no members of the public at remote locations able to hear or see the proceedings during such meetings.

Any Councillor in remote attendance who fails to disclose that there are fact persons present, such as those who may be able to see and/or hear the meeting, who are not entitled could be in breach of the Council's Code of Conduct.

If there are members of the public and press listening to the open part of the meeting, then the Democratic Services Officer will, at the appropriate time, remove the participant from the meeting.

It would be good practice to turn off smart speakers such as Amazon Echo (Alexa), Google Home or smart music devices. These could inadvertently record phone or video conversations, which would not be appropriate during the consideration of confidential items.

14. Interpretation of standing orders

Where the Chair is required to interpret the Council's existing standing orders in light of the requirements of remote participation, they shall take advice from the Democratic Services Manager or Monitoring Officer prior to making a ruling. However, the Chair's decision shall be final.

15. Disorderly Conduct by Members

If a Member behaves in the manner as outlined in the Constitution persistently ignoring the ruling of the Chair or behaving irregularly, improperly or offensively or deliberately obstructs the business of the meeting, the Chair can propose that the Member is silent and if seconded, the proposal will be voted on without discussion.

If agreed and the Member continues to behave improperly, the Chair can propose that either the Member is excluded from the meeting or that the meeting is adjourned for a specified period. If seconded, the proposal will be voted on without discussion.

16. Disturbance from Members of the Public

In line with the council's procedural rules, if any member of the public interrupts a meeting the Chair will warn them accordingly.

If that person continues to interrupt or disrupt proceedings the Chair can ask the Democratic Services Officer to remove them as a participant from the meeting.

17. After the meeting

Please ensure you leave the meeting by clicking on the red phone button to hangup.

Some virtual meetings may be recorded and uploaded to the public website.

18. Technical issues

In the event that the Chair or Democratic Services Officer identifies a failure of the remote participation facility, the Chair should declare a recess while the fault is addressed.

If it is not possible to address the fault and the meeting becomes inquorate through this fault, the meeting will be abandoned until such time as it can be reconvened. If the meeting is quorate, then it should continue.

Those attending remotely would be aware and accept that the meeting would continue and a vote would be taken without their attendance.

If the meeting was due to determine an urgent matter or one which is time-limited and it has not been possible to continue because of technical difficulties, the Chief Executive, Leader and relevant Cabinet Member, in consultation with the Monitoring Officer shall explore such other means of taking the decision as may be permitted by the Council's constitution.

19. Disability

It is also important for authorities to ensure that the needs of any disabled members are taken into account when considering the practicality of a remotely attended meeting.

A Briefing on the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020

The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 come into force from 4th April 2020.

The regulations are made by the Secretary of State for Housing, Communities and Local Government, in exercise of the powers conferred by section 78 of the Coronavirus Act 2020(1) and paragraph 36(1)(b) of Schedule 6 to the Police Reform and Social Responsibility Act 2011(2).

The Regulations apply to local authority meetings (and police and crime panel meetings) that are required to be held, or held, before 7th May 2021.

In the Regulations, "the 1972 Act" means the Local Government Act 1972 and "local authority" includes a County Council (and numerous other bodies).

Frequency of Meetings / Annual Meetings

A local authority is permitted to alter the frequency, move or cancel such meetings, without requirement for further notice. In reality this means a meeting can be cancelled, even if the agenda has been published.

When an appointment would otherwise be made at an annual meeting, such an appointment continues until the next annual meeting of the authority or until such time as that authority may determine.

Remote Attendance in Local Authority Meetings

A meeting is not limited to a meeting of persons all of whom, or any of whom, are present in the same place. The reference to a "place" includes reference to more than one place including electronic, digital or virtual locations (internet locations, web addresses or conference call telephone numbers).

A Member 'in remote attendance' can attend the meeting as long as certain conditions are satisfied. These include that the Member is able to hear and be heard by the other Members in attendance. Also, being able to hear and be heard any members of the public entitled to attend the meeting. The regulations would prefer a visual solution, but audio is sufficient.

This also relates to members of the public attending the meeting being heard, but preferably seen.

To be clear, the above caveats (in relation to Members of the authority and the public) includes a person who is attending by remote access.

The Regulations clarify that any reference to being "present" at a meeting includes being present through remote attendance….. and a "place" where a meeting is held, or to be held, includes reference to more than one place (including electronic, digital or virtual locations such as internet locations, web addresses or conference call telephone numbers).

Standing Orders

The provision in the Regulation overrides provisions in existing standing orders or rules governing the meeting.

However, a local authority may make other standing orders regarding issues such as voting, member and public access to documents; and remote access of public and press to a local authority meeting to enable them to attend or participate. This doesn't appear necessary as current processes allow this and access to meetings and public participation will continue.

Annual Meeting
Paragraphs 1 and 7 of Schedule 12 to the 1972 Act are disapplied which means the removal of the requirement to hold an annual meeting.

Access to Information

The requirement for a paper copy of an agenda to be displayed in the Council's offices has been removed, so publishing on the website only is acceptable.

Access of Public and Press

The Regulations clarify that a meeting being "open to the public" includes access to the meeting through remote means (video conferencing, live webcast, interactive streaming). Where a meeting is accessible to the public through such remote means the meeting is deemed open to the public whether or not members of the public are able to attend the meeting in person.

Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 have also been amended to reflect the new arrangements in terms of access to documents and meetings, but still retains the need for publication of key decisions, general exception, cases of special urgency etc.

The provisions in relation to the inspection and supply / copy of documents have been disapplied, but the Authority would still need to make any background papers available for inspection through other means (for example the website).

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Draft Minutes of the meeting of the Heart of the South West (HotSW) Joint Committee Virtual Meeting, 12.00pm on Friday 29 January 2021.

Attendance

Members:

Cllr Val Keitch	Leader – South Somerset District Council (Chair)
Cllr Tudor Evans	Leader - Plymouth City Council (Vice-Chair)
Cllr David Fothergill	Leader – Somerset County Council
Cllr Bob Deed	Mid Devon District Council
Cllr Philip Bialyk	Leader - Exeter City Council
Cllr David Worden	Leader - North Devon District Council
Cllr Judy Pearce	Leader - South Hams District Council
Cllr Ken James	Leader - Torridge District Council
Cllr Claire Hodson	Deputy Leader - Torridge District Council
Cllr Neil Jory	Leader - West Devon Borough Council
Cllr Ros Wyke	Leader - Mendip District Council
Cllr Gill Slocombe	Deputy Leader - Sedgemoor District Council
Cllr Paul Hayward	East Devon District Council
Cllr Swithin Long	Cabinet Member for Economic Regeneration, Tourism and Housing - Torbay Council
Cllr Paul Arnott	Leader - East Devon District Council
Cllr Marcus Kravis	Somerset West and Taunton Council
Cllr Andrea Davis	Deputy Chairman - Exmoor National Park Authority
Cllr Liz Leyshon	Mendip District Council
Cllr Liz Brookes-Hocking	Devon/Somerset Associations of Local Councils
Cllr Rufus Gilbert	Cabinet Member for Economy and Skills – Devon County Council

Officers/Local Enterprise Partnership etc:

Phil Norrey	Chief Executive – Devon County Council
Sue Rose	Policy Lead – Devon County Council
Scott Wooldridge	Strategic Manager, Governance and Democratic Services – Somerset County Council
Andrew Randell	Clerk to the Joint Committee – Somerset County Council
Tracey Lee	Chief Executive – Plymouth City Council and Senior Responsible Officer, Heart of the South West Partnership
Alison Ward	Regional Portfolio Manager – Plymouth City Council

Mark Williams	Chief Executive – East Devon District Council
Anne-Marie Bond	Chief Executive – Torbay Council
Stephen Walford	Chief Executive - Mid Devon District Council
Ken Miles	Chief Executive - North Devon Council
Pat Flaherty	Chief Executive – Somerset County Council
James Hassett	Chief Executive - Somerset West and Taunton Council
Alex Parmley	Chief Executive - South Somerset District Council
Karl Tucker	Chair - Heart of the South West Local Enterprise Partnership
David Ralph	Chief Executive - Heart of the South West Local Enterprise Partnership
Andy Bates	Chief Executive - South Hams District Council
Doug Bamsey	Strategic Director – Sedgemoor District Council
Michael Tichford	Head of Place - North Devon Council
Mike O'Dowd- Jones	Strategic Manager Highways &Transport – Somerset County Council
Sean Kearney	Head of Communities and Place - Torridge
Suzanne Bond	Cities & Local Growth, BEIS

1. Apologies

Apologies for absence were received from:-

Ian Collinson Devon Clinical Commissioning Group
Pamela Woods Dartmoor National Park
Cllr Alistair Dewhirst – Teignmouth District Council
Rufus Gilbert attended as a substitute on behalf of John Hart - Devon County Council
Sean Kearney attended as a substitute on behalf of Steve Hearse – Torridge
Swithin Long attended as a substitute on behalf of Steve Darling – Torbay Council

2. Declarations of Interest

Rufus Gilbert and Tudor Evans both declared interests as Board members of the LEP

3. Minutes of the Previous HotSW Joint Committee Meeting

The Committee agreed the minutes of the meeting held on 9th October 2020 as a correct record, following an amendment for Councillor Leyshon to be listed under Mendip District Council and not Somerset County Council.

4. Public Question Time

No Public Questions were received in advance of the meeting.

5. Formal Agreement of the Building Back better document

David Ralph presented an update which set out the pandemic response as a result of the build back better report. The report provided an update for the Constituent Authorities on the Build Back Better Document setting out that the Covid-19 pandemic had a greater economic impact on the Heart of the South West area than many other parts of the country; analysis by the Institute of Fiscal Studies set out that Heart of the SW was one of the areas most severely economically affected by the Covid crisis, as shown on the map presented in the annex.

This resulted in particular from the structural challenges the area has long faced and included a business mix with a higher proportion of sectors more severely impacted by the numerous restrictions of the last 9 months.

In autumn 2020 the Joint Committee and LEP published the area's Local Industrial Strategy (LIS) which highlighted the key opportunities, based on local strengths, to address long-standing challenges and deliver clean and inclusive growth. In so doing this would help ensure the area was more prosperous and that businesses, communities and individuals had a higher degree of resilience for future crises.

Starting from the LIS and reflecting the immediate recovery challenge, the Build Back Better plan set out the key programmes to deliver this ambition. Build Back Better set out a framework from which to make the case for investment in Heart of the SW, potentially as part of a 'recovery deal' for the area

During the consideration of the item the following comments were made: -

- Concerns were expressed the strategy lacked commitment and needed to address the health impact to communities as a result of the pandemic.
- Officers gave reassurance these concerns would be taken away for consideration and addressed.
- Town and parish Councils had expressed concerns to Local Government addressing the Climate Emergency.

- Ambitions to achieve clean growth and climate change proofing was requested in a document going forward. There was an increased requirement for access to cycling for commuting and leisure.
- The next steps were set out which included sharing feedback to board members and involve members in the task group to pick up issues going forward.
- Officers were conscious of being ready when approached by the government on the plan, but it was recognised more work was needed.

RESOLVED

The Committee agreed to: -

1. Welcome and fully support the continued joint work on economic recovery for the Heart of the South West with the LEP;
2. Endorses the draft Build Back Better plan for further engagement with partner councils and other key partners; and
3. Request that the final plan is reported for approval at the Committee's next meeting

6. HotSW 2020/21 Budget Update and Draft Budget Update 2021/22.

Scott Wooldridge presented the report, setting out allocations for the housing taskforce priorities.

The report provided a further update for the Constituent Authorities on the Joint Committee's pooled budget for 2020/21. The report follows from the report in October 2020 and contains some revised recommendations for budget allocations from the available budget. It also sets out updated proposals for a draft 2021/22 budget.

The background of the report was set out which included previous consideration of approval in September 2019 of funding allocations for 2020/21 with the proposed budget for 2021/22, within the envelope of budget contributions from Constituent Authorities and carry over funding from previous financial years.

Further information was provided in relation to HEROG support

Following the presentation, no comments or questions were raised by the Committee.

RESOLVED

The Committee agreed that:-

(a) as part of continuing to support economic recovery work that further funding is allocated and Somerset West & Taunton Council are re-appointed for 2021/22 until 22 January 2022 to provide staff resources to support the HEROG work (see section 4.4 and table in 4.5.1);

(b) the bulk of the 2020/21 funding already allocated for project officer resources to support and develop the Housing Task Force priorities is deferred to provide funding in 2021/22 due to the impacts of Covid 19 emergency work (see tables in 4.5.1 and 4.6).

(c) the revised draft 2021/22 Budget is endorsed (see section 4.6)

7. Coastal Communities Plan

Anne Marie Bond provided an update which set out the Coastal Productivity Plan (CPP) which responded to both the long term structural and the immediate Covid-19 challenges by setting out interventions to create opportunities and improve economic resilience and prosperity in seaside towns and coastal resorts. This would in turn contribute to delivery of the Heart of the South West (HotSW) Local Enterprise Partnership's (LEP) mission of repositioning the Heart of the South West's profile and reputation, nationally and globally. Connecting people, places, businesses and ideas to transform the economy, securing investment in infrastructure and skills to create more jobs and enable rewarding careers.

The CPP had been developed in consultation with the HotSW LEP, coastal local authorities and relevant stakeholders. It focused on five key themes: Ideas, People, Infrastructure, Business Environment and Place. Each one looking at the context and approach to the economic challenges and making recommendations to support growth.

The Ideas theme explored the role of natural capital and cultural assets in 'place-making'. They offer the opportunity for economic diversification and improved productivity, by encouraging creation of new job opportunities in sectors such as renewable energy, biomanufacturing, and biomimicry, along with offering new visitor related products which help extend the tourist season. These opportunities responded not only to the climate emergency but also to the launch of the Government's 10 point Green Plan.

The People theme examined the key issues impacting on residents of coastal towns such as the divergence in ambition and how this impacted on the 'brain drain', social mobility and widening pay gaps. The aim was not just growth but inclusive growth.

Infrastructure was a key enabler for productivity-led growth, particularly in coastal towns which were on the 'edge'. Investment in infrastructure was critical to turning the tide on decades of lost growth

Following the presentation, no comments or questions were made by the Committee

RESOLVED

The Committee agreed that:-

1. The Heart of the South West Coastal Productivity Plan and supported its publication.
2. That A Coastal Group is established to support delivery of the actions within the Coastal Productivity Plan.
3. That the Coastal Productivity Plan is used to lobby Government and direct future policy on coastal issues particularly in the design of the UK Shared Prosperity Fund (SPF).

8. Climate Emergency Update

Paula Hewitt provided an update in relation to the Climate Emergency Update.

Details were set out in relation to the status of the Devon Carbon Plan, current carbon reduction projects, work of the Climate Impacts Group and proposed governance. Progress of existing projects were set out which included solar farms, electric vehicle charging and Green Homes Grant

RESOLVED

The Committee noted the Climate Emergency Update for the Heart of the Southwest Area.

9. Peninsula Transport Update

Paula Hewitt provided an update in relation to Peninsula Transport. The following headlines were presented as part of the Progress update

- The Department for Transport had awarded £425k funding to the body to contribute towards the work programme with Local Authority contributions continuing.
- High level transport vision, goals and objectives were agreed, with vision document to be published and consulted on in March 2021.
- Integrated Impact Assessment Scoping Report had been completed and was due to be published for consultation to put in place robust framework for future strategy decisions. Covering Strategic Environmental, Equality and Health Impact requirements.
- Coast Communications appointed through procurement process to deliver comms activity.
- Programme management up and running with monthly programme meetings and monthly progress reporting to DfT. Project and programme dashboard in place. Meeting with DfT programme team every other month.
- Local Authority scheme promoters continuing to develop the prioritised Major Road Network (MRN) and Large Local Major (LLM) schemes in their areas.

An award of £425k of funding had been awarded from Government for the work programme enabling work to progress more quickly. Local authority contributions were continuing

During the consideration of the item the following questions were raised:-

- Developing high level strategic travel corridors would underpin the strategy work. This would be shared more widely in due course.
- It was recognised there was further investment required in the Southwest, particularly in relation to rail investment.
- Cliff stabilisation work in Dawlish was believed to be at least 7 years away from commencing, more demands should need to be made of government to address this timeframe. Work continuing to Lobby the Government about this subject, this was the highest priority and further funding was needed.
- Rurality continued to be a challenge along with the challenged around this needing to be voiced to central government, the Peninsula transport Board being the most rural of all the subnational transport boards.
- The creation of walking and cycling routes between market towns and communities would be fed into the plan, there was a recognised shift to this around active travel modes from the Department for Transport.
- The details of the consultation on the future of transport rural strategy would be published. With the following link requested to be included in the minutes https://www.gov.uk/government/consultations/future-of-transport-rural-strategy-call-for-evidence

RESOLVED

The Committee noted the Peninsula Transport Update

Closing Remarks and Planning for the Public Meeting

The next meeting dates set out below were noted by the Committee.

The possibility of the postponement of the local and PCC elections were referred to with a decision from Central Government expected towards the end of February.

12th March 2021

25th June 2021

1st October 2021

(The meeting ended at 1.50pm)
Chair

Leaders
for the Heart of the South West

Building Back Better

Lead Officer: David Ralph, Chief Executive, HotSW Local Enterprise Partnership
Author: Eifion Jones HotSW Programme Management Office

1. Summary

1.1. In January, the Joint Committee considered the draft Build Back Better document. Since then the narrative has been re-worked to more tightly focus on the transformational opportunities in the area. These relate to the structural challenges and opportunities identified in the Local Industrial Strategy and which in many cases the pandemic has exaggerated.

1.2. Whilst the Budget announced several new funding streams such as the Levelling-Up Fund and Community Renewal Fund, details on others, such as the UK Shared Prosperity Fund, are still to be confirmed and given the severity of the pandemic there may be other opportunities for the area which are yet to emerge. The Budget also saw publication of Government's own Build Back Better plan which focusses on infrastructure, skills, innovation, levelling up, net zero and Global Britain.

1.3. With this context Heart of the SW Build Back Better offers a compelling proposition for the area and a way to open a discussion with Government on how this part of the UK can play its part.

1.4. In developing the revised draft, detailed comments from partners have also been logged and fed in and these are also attached.

2. Recommendations

2.1. It is recommended that:

a) **The Joint Committee endorses the publication of the Build Back Better plan as a tool to open a conversation with Government on the transformational opportunities in the area**
b) **Noting that the plan is still draft, that the Joint Committee delegate final sign off to the Chair**

3. Reasons for recommendations

3.1 The HotSW Build Back Better proposition sets out the transformational opportunities in the area and enables a discussion to be opened with

Government on how this area can play its part.

4. Background

4.1 As set out above

4.2 Some parts of the document require finalising, for example at the time of writing a photonics workshop is being held with businesses which will shape the final content of the photonics programme. It is therefore recommended that final Joint Committee sign-off of Build Back Better is delegated to the Chair.

5. Equalities Implications

5.1 The HotSW Scrutiny Committee recommended an equalities impact assessment be carried out and this is being done for the final version

6. Other Implications

6.1 Legal:
None

6.2 Financial:
There are no immediate financial implications. Programmes within Build Back Better require a mix of funding that would be determined as and when it becomes available.

6.3 HR
None

6.4 Risk
The key risk is that delivery fails to materialise as quickly as hoped due to a lack of Government support for the area's priorities.

6.5 Other Implications: Health and Well-being; Health and Safety; Sustainability; Community Safety; Privacy
No implications.

7. Background papers: none

Building Back Better Document: Consultation Response

The Heart of the South West LEP has invited feedback on its emerging Building Back Better (BBB) document. The draft was discussed by the Heart of the SW Joint Committee, the Scrutiny Committee that scrutinises LEP activity, local MPs and written responses were received from seven organisations. The process confirmed clear support for the concept with stakeholders pleased to see that it reflected the Local Industrial Strategy (LIS). However, the feedback also suggested that refinements could be made to improve both the structure and content of the document. A summarised log of points to consider has been compiled (see Annex A). The Annex also sets out our response to each item.

In moving the document forward we have addressed three sets of strategic issues which cut across the majority of the feedback:

1. **Status and Purpose**
   Feedback indicated that the purpose of the document - and therefore what it will deliver – was not sufficiently clear. Calls were made for it to bridge the gap between Covid-19 response and recovery more clearly and to be more distinctive.

   RESPONSE
   This has been made clearer within the revised document. The document is primarily designed to outline (at a high level) how the structural, LEP-wide transformational projects articulated within the LIS can drive our goals to Build Back Better. These are distinctive opportunities that derive from the assets and opportunities available to us within the Heart of the South West and are built on a robust evidence base. However, transformational change has to be built on the right skills and business support, along with the creation of new ideas, products and services, all of which must be grounded in the places where we live and work. The document therefore also contains a series of 'enabling' programmes which will underpin our delivery. These will be developed through the LEP's leadership groups, working closely with Local Authorities as part of the recovery planning process.

2. **Focus of the Programmes**
   There was a suggestion that 15 programmes may be too many. Further, colleagues felt that it was not always clear which were investable propositions, how they would deliver clean and inclusive growth or what success would look like.

   RESPONSE
   The 15 programmes have been reviewed and reshaped in response to the consultation feedback. Links to our clean and inclusive growth objectives have been made clearer throughout.

3. **Missing Elements**
   It was felt that some important aspects were either missing or under-played. There were calls, in particular, for the document to have more of an emphasis on social prosperity

and levelling up, a more explicit focus on rural communities/market towns/coastal communities and more on the rejuvenation of high streets. It was also felt that some sectors were missing.

RESPONSE

The document has been further developed to make our ambitions to drive social prosperity and levelling up much clearer. A new 'Place and Infrastructure' Programme has also been added which will provide us with an opportunity to focus more substantially on rural communities/market towns/coastal communities and our high streets as well as on the area's bedrock sectors.

4. Equalities Impact Summary

   Concern was expressed through Scrutiny review on the lack of reference to an equalities impact summary.

   RESPONSE

Impact Summary

Build Back Better serves to remind Government of the importance of improving productivity; delivering clean growth and ensuring inclusive growth through recovery and specifically the need to highlight genuinely transformational regional or nationally relevant opportunities at scale that could deliver a step change in these outcomes and which the LEP will take a lead role in developing.

Build Back Better reminds Government and our local stakeholders that to achieve this triple bottom line - people, planet and prosperity - we will need to deliver a step change in what we achieve and how we deliver it. Post pandemic recovery provides an opportunity to do this. It does not point to business as usual but to transformation. However, supporting these specific transformational opportunities, the LEP will continue to support the implementation of local recovery plans particularly as many focus on early response for which the LEP has few resources.

People Affected

For many years the benefits of growth have not been evenly shared and the pandemic itself impacted communities differently. Moreover, this was directly identified in the Local Industrial Strategy and an Inclusive Growth expert panel is now meeting to guide action in the delivery of future investment opportunities.

Build Back Better serves to re-emphasise our strategic commitment to clean and inclusive growth and therefore future project development and investment will need to set out specifically how they will support these most dis-advantaged groups or communities.

For example through the emerging skills plans we would expect to see targeted support on those most impacted by the pandemic such as helping our young people into employment, training or education to improve their life chances and raise aspirations.

The HOTSW area contains significant pockets or areas with low levels of social mobility and local place based projects delivered through the Levelling-Up Fund or similar are likely to prioritise such areas.

In addition to our hardest hit communities, the LEPs Route Map to Recovery identifies the specific need to support some of the hardest hit sectors such as tourism and hospitality and retail where we know there is a significant number of part time female workforce and contributes directly to our gender pay-gap.

Our hardest hit communities are in the main the same communities that had underlying fragilities and levels of deprivation. Working with local authorities and the inclusive growth panel to develop effective recovery will help develop the investment case to regenerate these communities, creating new job opportunities and wider social benefits.

Finally, LEPs financial procedures are identical to Local Authority Financial standing orders – Somerset County Council act as Accountable Body. Therefore all investment commissioned or agreed by the LEP requires any appointed contractor to ensure a fair, equal and legally compliant approach is adopted, and funding and is monitored to measure the impacts and benefits of the investment .

General Comment

Overall, we have provided 'hooks' where possible for the activities that people have expressed a desire to see featured within the revised document. However, given that it is intended to be a high level summary, rather than a strategy document, this has had to be balanced against its primary focus.

Page 26

ANNEX A: SUMMARISED FEEDBACK LOG

Who	Comment	Response
	HEADLINE COMMENTS	
Devon partners	Status and purpose of the document needs clarity with a clearer vision	Addressed; designed as a high level document for government
Devon partners	15 areas of focus need detail and understanding of what success look like	They have been restructured in response to feedback
Devon partners	Distinctiveness is lacking	Builds on the evidence-base & distinctive LIS – made more explicit
Devon partners	Needs to distinguish between commitments and aspirations	Made clearer within the restructure
Devon partners	Needs to bridge the gap between response and recovery better	Addressed
Devon partners	Needs to reflect social prosperity/levelling up agenda better	New Inclusive Growth section has been added
Business LG	15 is a lot of priorities	Agreed – they have been reduced and restructured
BLG	Needs to emphasise business support to underpin digital growth	Referenced more significantly in business support Programme
BLG	Would like to see short and longer term metrics as measures of success	Measures of success shown in relation to Programmes
BLG	Needs a portfolio of investable propositions to support the document	To follow separately
BLG	Message to government is funding needs to be a minimum of 3 years	Noted
BLG	Strategic approach needed for both capital and revenue projects	Noted
Torridge & North Devon	Elements which deliver clean and inclusive growth are limited in scope	This has been made more explicit
T&ND	Inclusivity must address geographic as well as community interests	Explicitly referenced in new Programme 11
T&ND	Needs more on town centres under the places element – what are the proposals?	Explicitly referenced in new Programme 11
T&ND	Include local impacts of growth on communities/environment/ wellbeing in metrics	Measures of success shown in relation to Programmes
T&ND	Focus is on the macro scale rather than local – hard to know what	Focus is intentionally on LEP area-wide structural

Who	Comment	Response
	will happen	transformation
Plymouth City Council	Inclusive growth element does not reflect issues of deprived city wards	Broadened to reference cities
PCC	Some important sectors are missing (e.g. digital health, defence)	To be referenced through Programme 11/local recovery response
PCC	Relationship between housing growth and economic prosperity is missing	Too detailed for this document
PCC	Is 15 too many priorities? Some could be supporting actions	Agreed – they have been reduced and restructured
PCC	What will the interventions bring in terms of jobs etc – needs an investment pipeline	To follow separately
PCC	Digital delivery/growth needs bigger focus	Referenced more significantly in business support Programme
PCC	Would like to see short and longer term metrics as measures of success	Measures of success shown in relation to Programmes
PCC	What is the Tourism Action Zone/ what is the natural capital proposal?	Made clearer within the restructure
PCC	Reference to the A38 is missing	Now included
PCC	Fishing shouldn't be bundled into rural productivity	To be referenced through Programme 11/local recovery response
Somerset County Council	Make the offer unique to specific opportunities	Made clearer within the restructure
SCC	Needs to be much clearer about its proposition and what it can deliver	It's designed as a high level document for government
SCC	Ensure plans are referenced and linkages made to national policies	Included more plan and policy links throughout
SCC	Ensure that HotSW impacts of Covid are better reflected	Updated with reference recent LEP Covid bulletin
SCC	Use template for programmes 3&4 which are clearer	Agreed
SCC	Redraft Programmes 1 and 2 to ensure there is clarity on the proposition	Programmes 1 and 2 have been merged
SCC	Either remove 8,9 & 11 or make clear how they contribute to BBB	They have been reframed as enabling Programmes
SCC	Make better linkages and connections between programmes of activity	Have tried to make this more explicit where possible

Who	Comment	Response
SCC	Specific suggestions made for metrics	Measures of success shown in relation to Programmes
Association of Local Councils	The focus on the M5/A38 corridor has been to the detriment of rural communities	Rural communities explicitly referenced in new Programme 11
ALC	What does it mean for towns and parishes	Towns and parishes explicitly referenced in new Programme 11
ALC	Climate change and sustainability should be considered	Covered by new narrative on the clean growth opportunity
ALC	Concerns around inclusivity – how do we achieve it within/between communities	To be the focus of the Inclusive Growth Panel
ALC	Have the programmes been assessed for climate and carbon emissions	No – this is a high level positioning document
ALC	Not enough emphasis on lower skilled/paid jobs	The People Programme covers all level of jobs/skills
ALC	Programme 2 – route to inclusive growth but speed of thinking is a problem	Programmes 1 and 2 have been merged
ALC	Programme 7 – include training & opportunities for the professionalisation of care	Too detailed for this document
ALC	Programme 9 – to include rural social enterprises and local innovation	Programme 9 covers all businesses, including SE
ALC	Programme 11 - to support enterprise in rural and peripheral areas	Explicitly referenced in new Programme 11
ALC	Programme 13 – further detail is needed	Programme 13 has been removed
ALC	Programme 15 – to reference cycle route development and cycling enterprise	Done
ALC	Needs to support rejuvenation of high streets	Explicitly referenced in new Programme 11
ALC	Remember to support the cultural offer	To be referenced through Programme 11/local recovery response
ALC	Give the rural hinterland as much of a focus as the M5/A38 corridor	Explicitly referenced in new Programme 11
TDA	Needs more emphasis on sectors/areas being disproportionately affected by Covid	To be referenced through Programme 11/local recovery response
TDA	More on levelling up needed and ref: to Levelling Up Fund	Now more explicitly referenced

Who	Comment	Response
TDA	Programme 7 – ref: Torbay's hospital plan	Investment in hospitals now referenced more generically
TDA	Programme 9 – should be more about reach and impact for all businesses	Programme 9 covers all businesses
TDA	Stronger links needed between Programmes 10 and 11 (innovation support)	Done
TDA	Fishing needs its own support programme	To be referenced through Programme 11/local recovery response
TDA	Does Programme 14 put all eggs in one funding basket?	Now a transformational Programme underpinned by enablers
TDA	Programme 15 needs to ref: strategic employment land	Done
TDA	Need to understand how the detail under each programme will be shaped	To follow separately
Scrutiny C'ttee	Will there be an equalities impact assessment	Govt have advised this isn't needed for LISs and the national Industrial Strategy has been evaluated. Building Back Better is based on the LIS but in recognition of Scrutiny's feedback, one will be developed for this document
	DETAILED COMMENTS	
Devon partners	Co-design should extend to communities	Text amended to reflect that
Devon partners	Should recognise benefits of devolved funding	Noted and one of the key asks
Devon partners	Needs to be clearer about how it will impact on rural and coastal communities	Explicitly referenced in new Programme 12
Devon partners	Link between programmes and clean/inclusive growth needs to be clearer	Made clearer
Devon partners	Is an environmental and carbon impact of the plan going to be undertaken	No – not required for this type of document
Devon partners	Needs to reflect more of the assets across the whole area	High level document – not possible to name check all assets
Devon	There is no mention of community energy production	Now added

Who	Comment	Response
partners		
Devon partners	Should say Enterprise Zone rather than Growth Point	Has been rephrased
Devon partners	Existing investment in energy networks, public transport etc are down-played	Addressed energy network in re-drafted Programme 1
Devon partners	Programme 5 doesn't sufficiently talk about Innovate UK funding	Innovate UK funding referenced more clearly in new Programme 4
Devon partners	Needs to recognise longer term sustainability of Exeter airport	Exeter airport referenced more clearly in new Programme 4
Devon partners	Programme 6 needs specificity and recognition of Exeter's knowledge base	University of Exeter referenced here
Devon partners	Sustainable agri-food systems should align with Exeter uni's circular economy work	Made clearer
Devon partners	Programme 7 should reference social enterprises	Done
Devon partners	Programme 7 - mention massive investment in re-building Devon's hospitals	Investment in hospitals now referenced more generically
Devon partners	Should also link to current pharma companies/technologies including N. Devon	Too detailed for this document
Devon partners	Skills development should be referenced in Programme 8, building in Devon's work	Skills development is explicitly included
Devon partners	Unemployment / underemployment / Low Skills / Low Pay need to be referenced	Woven into Programme 8
Devon partners	P7 – needs to recognise longer term sustainability of bedrock sectors	Explicitly referenced in new Programme 11
Devon partners	Should expand on how economy can diversify/make some sectors more productive	Explicitly referenced in new Programme 11
Devon partners	Unesco North Devon Biosphere Reserve (land and marine) should be identified	It's a summary map – not able to mention every project/place
Devon partners	Programme 9 - needs to recognise the Growth Hub and how models can develop	Programme 9 has been restructured
Devon	P9 – query what the review of financial instruments means	SW Mutual referenced in the new inclusive growth

Who	Comment	Response
partners		opportunity
Devon partners	P14 – scope to extend reach (work hubs) in to less populated and connected areas	Explicitly referenced in new Programme 11
Devon partners	Strategic employment sites are not specifically drawn out (with challenges)	Explicitly referenced in new Programme 11
Devon partners	Programme 13 – needs to reference the North Devon Biosphere	Programme 13 has been removed as a stand-alone Programme
Devon partners	Programme 15 - missed opportunity for innovation within rural communities	Explicitly referenced in new Programme 11
Devon partners	Programme 15 – should focus on links within the area	Explicitly referenced in new Programme 11
Devon partners	The North Devon Rail Line should be prioritised for investment	To be considered in taking forward strategic connectivity
Devon partners	Needs to reference natural capital and ways or working better	Referenced in the inclusive growth and clean growth opportunities
Devon partners	Needs more overt reference to social economy/social inclusion/high streets	Social economy referenced in the inclusive growth opportunity
Devon partners	Link between healthy population and economy is missing	Inclusive Growth updated
Devon partners	Needs more on developing a flourishing social economy	Social economy referenced in the inclusive growth opportunity
Devon partners	Pictures are very industrial – more green and innovative needed	To be covered in the final design
Devon partners	Long term impacts from the EU Exit not referenced	Too detailed for this document
BLG	Should reference joined up business support (not just single gateway)	Programme 9 has been restructured
BLG	Delivering business support in partnership is missing from the narrative	Programme 9 has been restructured
BLG	The term “navigate business support eco system” is important	Programme 9 has been restructured
BLG	Reference publicly funded and private business support	Programme 9 has been restructured
BLG	Complexity around business support needs to reduce – call for	Programme 9 has been restructured

Who	Comment	Response
	simplicity	
BLG	Reference wider encouragement around good employment and business practices	Programme 9 has been restructured
BLG	Reference environmental support for businesses & “cleaner” businesses practices	Programme 9 has been restructured
BLG	Access to finance and financial instruments, should plug gaps re: attitudes to risk	Programme 9 has been restructured
BLG	Business Hubs should have less focus – more people working from home	No longer a stand-alone Programme
BLG	Longer term projects (10 years) – more effective	Noted – focus on transformational programmes
T&ND	P5 - co-design needs to extend to communities	Text amended to reflect that
T&ND	P5 - recognise benefits of devolving funding	Noted and one of the key asks
T&ND	P6 - needs to be clearer about how it will impact on rural and coastal communities	Explicitly referenced in new Programme 11
T&ND	P7 - Unesco North Devon Biosphere Reserve (land and marine) should be identified	It’s a summary map – not able to mention every project/place
T&ND	P7 - What is there in the plan to overcome that dependence on tourism	Too detailed for this document
T&ND	P7 - query graphic on p7 for those outside local govt	Noted
T&ND	P8 - Devon Business and Economy Recovery Prospectus uses different terminology	Terminology reflects the LEP’s published route-map to recovery
T&ND	P8 – why is there a sep. plan for Devon – could it be incorporate in Devon Plan?	It’s been designed as a high level document for government
T&ND	P9 – more detail on the review of local financial instruments is needed	SW Mutual referenced in the new inclusive growth opportunity
T&ND	P10 – would be good to see more about other areas of energy generation	Text has been expanded
T&ND	P10 - is an environmental & carbon impact screening to be undertaken of the Plan	No – not required for this type of document
T&ND	P12 – needs to mention investment in re-building Devon’s hospitals	Investment in hospitals now mentioned more generically
T&ND	P12 - also link to current pharma companies/technologies including	Too detailed for this document

Who	Comment	Response
	N. Devon	
T&ND	P13 – skills network needs to be reinforced	Too detailed for this document
T&ND	P13 – is the single gateway for business support the best model for the geography	Programme 9 has been restructured
T&ND	P14 – requires a stronger spatial perspective	Explicitly referenced in the new Programme 11
T&ND	P15 – not just about farming and fishing	Noted
T&ND	P15 - needs to reference the North Devon Biosphere	Programme 13 on Natural Capital has been removed
T&ND	P15 - missed opportunity for innovation within rural communities	Made clearer in Programme 10
T&ND	P16 - should focus on links within the area	Explicitly referenced in new Programme 11
T&ND	P16 - the North Devon Rail Line should be prioritised for investment	To be considered in detailed strategic transport connectivity
T&ND	Why no reference to Appledore Shipyard	Northern Devon referenced in Marine programme
T&ND	Has any research been done on clusters?	Draft is based on the LIS and its extensive evidence base

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PAGE ONE – no change but we could include the strapline “"Building Back Better by delivering increased prosperity through clean and inclusive growth” to allow more space on p2

PAGE TWO

Introduction

Covid-19 is a dislocation as severe as any ever experienced. As well as the personal cost, the economic and societal impact is profound with the crisis extending longer than many had thought. It is exposing a number of our pre-existing structural challenges and there is considerable uncertainty over the longer term effect on parts of our economy such as the high street. At the same time, there has been a positive acceleration of some trends, such as digital growth, with new opportunities opening up.

Huge investment and effort is going into immediate protection from the worst economic impact of the pandemic but it is essential that at the same time, we make similarly strenuous efforts to ensure the area’s economy provides better jobs and better incomes as the recovery gathers pace; future prosperity and resilience demands this. Within this context Building Back Better therefore sets out Heart of the South West’s key transformational opportunities to unlock investment, boost job creation promote Global Britain and deliver Carbon-net zero in response to the climate change emergency declared by many of our local partners.

It should be considered in conjunction with local recovery plans and is particularly focused on medium and longer term revitalising and growing the HotSW economy as opposed to immediate recovery. It is supported by leading figures from the region in business, academia, the social economy and the public sector and is led by the Heart of the SW LEP. It updates key priorities in our agreed Local Industrial Strategy but maintains our commitment to increasing prosperity through increased productivity by clean and inclusive growth.

What Does Building Back Better Mean to Us?

Through the Government’s Plan for Jobs and Local Recovery Plans, extensive efforts are being made by Government and Local authorities to mitigate the impact of the pandemic and through our Route Map to Recovery, we continue to work with and support them on recovery plans for the hardest hit places and sectors.

These collective efforts will help our communities and businesses recover and ensure that national initiatives work for us. But it is also essential to look ahead – to innovate, plan and invest now for the sort of long-term future our area needs and to affirm the key transformational opportunities that will turbo-charge recovery in addition to those local recovery initiatives.

Building Back Better is not on its own a recovery plan but is rooted in the ambitious vision of our Local Industrial Strategy (LIS) which has a distinctive focus to deliver on clean and inclusive growth. The robust evidence base – confirmed through the Covid-19 pandemic - identifies Energy, High Skilled engineering and Digital as the dynamic heart of our local economy with opportunities to drive clean and inclusive growth across multiple sectors.

Building Back Better therefore focuses on accelerating those opportunities through the delivery of seven transformational LEP sponsored programmes of activity. Realising the potential of these transformational opportunities will enable us to rebalance and repurpose our economy, supporting the green revolution and responding to global imperatives where we have unique capabilities such as in renewable energy.

Transformational change, however, has to be built on the right skills and business support, along with the creation of new ideas, products and services, all of which must be grounded in the places where we live and work. Our plan is therefore underpinned by four enabling programmes to provide the right foundations to grow our future economy and which support local recovery plans. The LEP’s leadership groups – Skills, Business, Places and Innovation – will work with Local Authority partners who are leading on bids under the new Levelling Up and Community Renewal programmes to draw much needed investment into the region addressing recovery priorities for communities, people and businesses, and support local business-led partnerships taking forward Skills Trail Blazers and the development of Local Skills Improvement Plans.

Through these collective efforts, Building Back Better will contribute to the delivery of a more prosperous, fairer economy, ensuring better standards of living for all the people who live in Heart of the South West and ensuring that the area is better able to weather future storms.

PAGE THREE

TRANSFORMATIONAL PROGRAMMES

Energy Futures	Engineering Futures	Digital Futures
1. Capitalising on the area's nuclear and renewables potential and becoming the UK's first regional net-exporter of low carbon energy	2. Building a high-tech marine cluster focussed on autonomous and digital systems, clean propulsion and cyber-secure smart ports 3. Growing the photonics cluster, underpinning growth in digital and autonomous systems 4. Delivering a Future of Flight Programme for sustainable aviation technologies and fuels	5. Tackling economic and societal challenges through analytics and digital innovation 6. Positioning the Heart of the South West as a Health Technology Pioneer 7. Establishing a data-led Tourism Action Zone

Clean Growth

Inclusive Growth

Enabling Programmes

People	Business Environment	Ideas	Places and Infrastructure
8. Developing and delivering a comprehensive skills strategy	9. Facilitating effective business support	10. Establishing a 'technopole' innovation ecosystem, linking closely with Programmes 5 and 6	11. Supporting left behind places in our cities, rural areas, coastal communities and market towns, also ensuring strategic connectivity

KEY COVID FACTS - February 2021

The mix of businesses in much of our area is skewed towards those sectors most exposed to the crisis such as tourism, hospitality, retail, manufacturing and construction, with smaller firms in the area continuing to be most adversely affected. This makes the immediate impact more severe and recovery is likely to take longer than elsewhere

Exports in the South West have seen a steeper contraction than seen nationally

Earlier forecasts suggested a return to growth in 2020 but this has been put back following further lockdowns, though the Bank of England believes that a reasonably fast recovery through 2021 is possible

Whilst unemployment has been less severe than expected as a result of the Government's employment and financial support schemes, it is still likely to peak at a higher level than previously hoped

The crisis affects those furthest from the labour market, the young and the poorest most significantly, with a disproportionate impact also seen in some geographic areas

PAGE FOUR

What have we already Done?

The Heart of the South West Local Enterprise Partnership published its route-map to recovery in the summer of 2020 (https://heartofswlep.co.uk/wp-content/uploads/2020/06/Heart-of-the-SW-C-19-Route-Map-to-Recovery-June-2020.pdf) focusing on three phases to recovery that would enable us to re-start, revitalise and grow. Our £35 million Getting Building Fund award from government marked an important stage in our journey but a step-change is now needed.

What do we Need?

Our programmes – both transformational and enabling - can only be delivered through collective efforts. Strong partnerships will be required between our communities, Government and other stakeholders in the Heart of the South West for us to Build Back Better. Our collective efforts can be strengthened as we take our next steps by:

- **Co-design on taking forward key parts of the programmes we have identified**, e.g. scope and implementation of a rural productivity deal;
- **Powering locally-led delivery through locally-designed funding**. The UK Shared Prosperity Fund and Levelling-Up Fund are major opportunities to support local and regional recovery; localities are best-placed to match funding to need and ensure it compliments other activity on the ground. We are advocating a devolved locally led single pot of both capital and revenue funding which as a minimum comprises:
    - Replacement for EU Structural Funds
    - Replacement for historic Local Growth Fund and Regional Growth Fund programmes
    - Devolving ESFA funding to the local level to provide skills programmes tailored to local needs and opportunities, ensuring funds for adult training and re-training can be deployed flexibly as needed by the local area.
- **Local decision-making on innovation and growth:** putting local areas at the centre of setting out how places will reach the UK 2.4% R&D target, working with local partners to develop the right ecosystem to help local businesses generate new products and services including;
- **Supporting business growth:** with scale-up, start-up and Covid-19 support for business by extending and increasing Growth Hub Funding for the duration of Parliament, extending Enterprise Zone benefits to 2030 and supporting a Heart of the South West Freeports programme; and
- **Enabling areas to develop local talent**: a further commitment to Skills Advisory Panels, retraining and further devolution of skills funding. This should also include support for careers hubs and Digital Skills Partnerships alongside the devolved funding above.

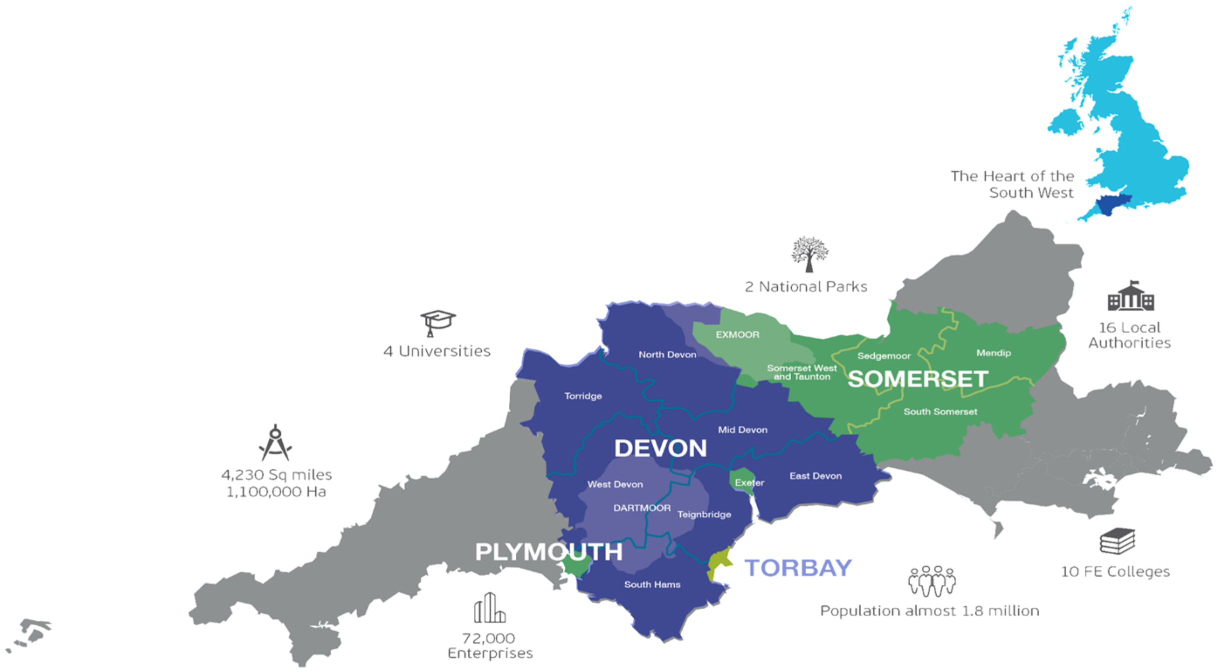
PAGE FIVE

Why is this Important?

Covid-19 has had an immense effect on the Heart of the South West economy due its sectoral mix; although the Heart of the South West has had comparatively low levels of coronavirus cases, the pandemic has had a more severe impact here than elsewhere in the country. Modelling by Oxford Economics, and re-confirmed by EY in their regional analysis, shows that the high proportion of businesses and employment in the hospitality and manufacturing sectors and the lower levels of professional services means the economy is projected to be 1.9% smaller in 2025 than pre-Covid, averaging 1% growth per year compared with 1.3% nationally. This will exacerbate pre-Covid structural challenges which were particularly acute in our coastal towns that were already in need of support to boost economic prosperity as part of the Government's commitment to level up across the country.

Heart of the South West's economy is the size of Birmingham or Liverpool, some £35 billion a year. There are 72,000 businesses and a population of almost 1.8 million across its urban, rural and coastal areas. It is home to a range of natural assets including two National Parks, a UNESCO geopark and World Heritage sites, alongside unique scientific expertise and research capabilities in sectors that support our growth ambitions. Despite the impact of the pandemic the Heart of the South West still has a number of globally competitive strengths, providing a range of potentially transformational opportunities that we must capitalise on to Build Back Better. Making the recovery work in Heart of the South West is delivering levelling up on a major scale.

Our commitment to Building Back Better is underpinned by our vision to transform the economy through clean and inclusive growth, seizing new opportunities to move the economy towards a greener future. It is unashamedly ambitious, marking a step change in the Heart of the South West's potential to evolve and grow the local economy in the exciting years that lie ahead.



PAGE 6

What is the Clean Growth Opportunity?

The UK was the first major economy to embrace a legal obligation to achieve net zero carbon emissions by 2050, and the Government's Ten Point Plan has laid the foundations for a Green Industrial Revolution to deliver new high value jobs, disruptive businesses ideas and innovative technologies. The Heart of the South West is in a unique position to take a lead on this. As well as its unrivalled set of industrial, academic and research assets aligned with clean growth and the abundance of natural capital, there is a growing political will among the area's constituent local authorities and public sentiment associated with the climate emergency that is stimulating the development of collective processes to achieve net zero carbon emissions.

Clean growth is at the core of our plan to Build Back Better – enabling us to focus on growing the economy whilst protecting the environment, lowering emissions and enhancing natural capital. We will capitalise on the dynamic heart of the economy through the transformational programmes and deliver a low carbon energy powerhouse, drive innovation to make our aerospace and maritime sectors cleaner, and exploit the digital expertise in environmental science, geospatial mapping and agri-food systems. We will also embed our commitment to clean growth in the enabling programmes to stimulate ideas that address environmental challenges and deliver nature based solutions, ensure business and people have the right support and skills to benefit from clean growth, and encourage the sustainable development of our urban, rural and coastal communities.

We intend to be recognised as leaders in clean growth by ensuring the aim of achieving net zero informs future investment decisions, by collaborating with others to deliver shared priorities and added value, and by developing exemplar initiatives that showcase the Heart of the South West's clean growth credentials.

What is the Inclusive Growth Opportunity?

Although the economy was operating at close to full employment before the pandemic there had been significant inequality in economic performance, these being strongly linked to social mobility and life chances for individuals and the situation has been exacerbated by the pandemic. Although the consequences of the pandemic have been significant for the whole area, they will be felt deeper across particular sectors, places and parts of our workforce. It is essential that actions to drive social and economic inclusion are embedded across our short, medium term and longer-term ambitions for Building Back Better, supporting the area's natural capital.

Like clean growth, inclusive growth is at the core of our plan to Build Back Better – enabling us to focus on levelling up and providing the opportunity for everyone to contribute to and benefit from growth.

We will galvanise the work of our Expert Panel which is being created to accelerate and mainstream plans for inclusive growth both socially and spatially across our area. With an initial focus on financial instruments we have already invested in SW Mutual which is a regional bank being set up across Cornwall, Heart of the South West and Dorset, the benefit being that deposits from businesses and individuals are re-invested locally rather than nationally/ internationally and could be directed towards developing the economy. Beyond this we will co-create a programme of work to ensure that plans are truly inclusive, drawing on the social economy as an engine for social innovation and dovetailing with local activity.

PAGES 7-9 What are the Transformational Programmes?

PROGRAMME 1 - Proposition: we will capitalise on the area's nuclear and renewable energy potential and be a green energy powerhouse and first net exporter of clean energy

The Opportunity: the Heart of the South West has made substantial strides towards becoming a green energy powerhouse. It will be home to the first new nuclear power station in decades, Hinkley Point C in Somerset, with associated opportunities estimated to be worth over £50 million to the region. The area is also generating 1.2GWs of onshore renewable energy, with ambitions to increase this significantly and realise the addition of offshore renewables. This unique combination is helping to unlock the area's huge potential to become a net exporter of clean energy. There are also opportunities to accelerate the transformation of the energy system with the introduction of local energy markets, distributed systems and energy storage, and to take advantage of the growing enthusiasm and capacity within towns and villages to deliver local community energy initiatives.

Supporting Building Back Better: we will stimulate new thinking and new technologies to accelerate the move to a greener, more prosperous economy and increase the critical mass of businesses operating within or supplying to the energy sector in order to create a globally recognised cluster. Our goal is to anchor the high value engineering sector in the area, facilitating a pipeline of long term opportunities, and encourage the generation of more onshore and offshore renewable energy. This will create a major national and international clean growth opportunity for existing and new businesses and increase the potential for inward investment whilst delivering inclusive growth through lower cost energy and community energy solutions.

Key Actions: we will anchor the nuclear sector by facilitating a pipeline of long term opportunities such as decommissioning, defence and fusion, and open these opportunities to energy and engineering businesses across the South West. The deployment of more large scale onshore and offshore renewable energy will be facilitated whilst also encouraging local community energy solutions. We will explore ways to test and commercialise local energy markets and distributed systems alongside support for upgrades to the existing grid network. Plans for the clean growth Enterprise Zones (Gravity, Exeter & East Devon and Oceansgate) will be accelerated to develop strong clean growth clusters. We will continue to develop the skills infrastructure which includes the National College for Nuclear and two Institutes of Technology.

PROGRAMME 2 - Proposition: we will build a high-tech marine cluster focussed on autonomous and digital systems, clean propulsion and cyber-secure smart ports

The Opportunity: marine autonomy is a growing, disruptive technology that has the potential to transform the marine sector, contributing to the Future of Mobility Grand Challenge and Maritime 2050. The Heart of the South West is well placed to lead the shift to an increasingly digitised low carbon maritime environment in addition to enabling offshore renewables as set out in Government's recent Ten Point Plan for a Green Industrial Revolution. We are home to a range of assets such as the UK Hydrographic Office, alongside extensive research capabilities and innovative coastal testing facilities such as Smart Sound and a strong commercial base with a concentration of defence primes, marine platform manufacturers and supply chain companies stretching from Plymouth and the south coast, through northern Devon and throughout Somerset.

Supporting Building Back Better: we will lead in the development and commercialisation of autonomy, digitisation and other low carbon marine technologies, becoming recognised as a national Centre of Excellence. This will unlock public and private investment in this highly productive clean growth sector, underpinned by our manufacturing base, and delivering inclusive growth by creating jobs across the full range of skills levels. Further impetus will come through our High Potential Opportunity (HPO) in Marine Autonomy, supporting inward investment.

Key Actions: we will focus on developing a national Centre for Excellence for Future Oceans including marine autonomy, covering defence and civil applications, completion of Oceansgate 3 and Freeport designation. Building on our Marine Business Technology Centre and the Smart Sound concept we will leverage R&D and innovation, supported by our technopole, to place the UK as a world-leader in advanced maritime technology.

PROGRAMME 3 - Proposition: we will grow the photonics cluster, underpinning growth in digital and autonomous systems

The Opportunity: photonics is a £13.5 billion industry nationally and is projected to grow by around 8.5% between 2020 and 2025. There is a strong and established cluster of 174 companies, employing over 3,000 highly skilled people across the Heart of the South West, contributing over £603 million per year. The cluster boasts a broad range of capabilities across the value chain and is a key enabling technology for a range of industries from UK Security and Resilience through to Robotics, with significant opportunity for growth.

Supporting Building Back Better: through our High Potential Opportunity (HPO) in photonics we will attract inward investment, supporting the development of a world class cluster that places us at the forefront of cutting edge innovation with a focus on 5G, Big Data and autonomous vehicles (also supporting delivery of Programme 2). We will also build on this with other actions, such as skills development, to support the continued growth of this cluster.

Key Actions: to follow after photonics workshop on 1st March

PROGRAMME 4 - Proposition: we will deliver a Future of Flight Programme for sustainable aviation technologies and fuels

The Opportunity: the Aerospace Sector Deal looks to position the UK to take advantage of global moves toward cleaner aircraft, as well as to exploit new markets such as electric aircraft, unmanned ariel vehicles and urban air mobility. The Heart of the South West, in partnership with neighbouring LEPs through iAero, the SW Aerospace Cluster and the evolving Heart of the SW Smart Aviation Cluster, is well placed to support this challenge, being host to key industry players including the only industry prime in the UK with a complete end-to-end capability in rotary technology.

Supporting Building Back Better: through the establishment of a High Potential Opportunity (HPO) proposition we will make a specific contribution to the sustainable aviation challenge in rotary technology and electric planes, by attracting high value foreign direct inward investment, as well as growing our own capability. By utilising the associated skills and R&D opportunities, this programme will strengthen both the Yeovil and Exeter & East Devon Aerospace clusters, anchoring this high value sector in the area and delivering inclusive growth through increased supplier capability, jobs and skills.

Key Actions: as a partner within the Innovate UK Future Flight Programme project 2Zero, we will provide demonstration facilities and support the design of new airport infrastructure to accommodate smart aviation technologies and fuels and will broaden that demonstration zone along the A303 / A30 corridor, building the eco-system around Exeter Airport and encompassing Yeovil. Utilising the iAero Centre we will grow the capability of the local supply chain to innovate and adapt to new aviation technologies. Working with key stakeholders within the Smart Aviation Cluster and in the context of our Skills Strategy, we will implement a roadmap of future skills and workforce requirements for this sector that can be delivered locally.

PROGRAMME 5 – Proposition: we will tackle economic and societal challenges through analytics and digital innovation

The Opportunity: the Heart of the South West is home to two national capability government labs with a focus on environmental and geospatial data (the Met Office and the UK Hydrographic Office). Sitting alongside expertise in the universities of Exeter and Plymouth and a growing commercial capability in the application of data and machine learning, they are attracting partnerships with global organisations such as Amazon Web Services, Microsoft, Google, IBM, the World Health Organisation and NASA, as well as talented academics from around the world. We have an ambition to grow this market, catalysing the development of a multi-billion pound global market for big data to deliver a transformative effect.

Supporting Building Back Better: we will harness data analytics and digital solutions to grow the environmental intelligence market and maximise the potential from marine geospatial innovation through clean growth applications. Our capabilities will also be harnessed to reduce emissions from agriculture through the development of clean, sustainable agri-food systems, aligned with Exeter University's circular food economy work. This will support the recovery and future of agriculture, one of our bedrock sectors which has been affected by both the pandemic and departure from the European Union, supporting inclusive growth through expanding the local food economy to address health and inequality.

Key Actions: we will develop key assets including a Geospatial Innovation Centre in partnership with UKHO, an Industrial Digital Technology Hub and Environmental Intelligence Accelerator at Exeter Science Park. We will also collaborate with the UK's Agri-Tech Centres and Satellite Applications Catapult to accelerate development, commercialisation and dissemination of data analytics and AI technologies within the farming sector.

PROGRAMME 6 – Proposition: we will position the Heart of the South West as a health technology pioneer

The Opportunity: by 2046, one in four people in the UK will be aged 65 or over and the Heart of the South West is significantly ahead of the UK's ageing curve, spread across a peripheral-dispersed population. It is also home to a number of exceptional regional assets with investment in hospitals and health technology innovation capabilities, based in our universities and clinical trials units as well as in the wider business and social enterprise ecosystem, presenting us with a range of market opportunities.

Supporting Building Back Better: we will capitalise on the challenges presented by the area's ageing demographic and health research assets to position us as a Health Technology Pioneer, providing a national centre for the development, evaluation and application of solutions to the challenges of an Ageing Society. Digital products and services will enable clean growth and also contribute to inclusive growth objectives by improving the experience of end users within the context of the UK Ageing Society Grand Challenge mission.

Key Actions: we will develop the Plymouth Health Campus to support the user-led design, development, evaluation and adoption of digital health technologies across the region that are not found elsewhere in the UK as part of a regional Demonstrator project.

PROGRAMME 7 – Proposition: we will establish a data-led Tourism Action Zone

The Opportunity: prior to the Covid-19 pandemic, the Heart of the South West had been working on plans to improve the productivity of the visitor economy and generate higher value tourism. Working with neighbouring LEPs, this included development of a skills and data-led proposal for a Tourism Zone aligned with the Tourism Sector Deal. With tourism having been one of the hardest hit sectors by the pandemic, efforts to support this crucial bedrock sector are even more crucial.

Supporting Building Back Better: we will support some of our hardest hit communities which are reliant on the visitor economy through the Tourism Zone which aims to extend the season and diversify the offer. More to follow after deep dive session

Key Actions: to follow after deep dive session

PAGE 10 - 11

What are the Enabling Programmes?

PROGRAMME 8 – enabling transformation by developing and delivering a comprehensive skills strategy

In a modern, innovative and creative economy, an area's most significant asset is its people. Ensuring the Heart of the South West's workforce, and training / education offer, emerges more skilled, more flexible and more economically focused then before its crucial if the area is to achieve its ambition to Build Back Better. Skills development at all levels is essential in addressing the levelling up and inclusive growth agenda.

Led by the Heart of the South West Skills' Advisory Panel, the area's Skills Strategy focusses on maximising our opportunity sectors and rebuilding and reinforcing our skills foundations and wider social inclusion. The strategy creates clear pathways into work, progression and higher earning as well as addressing unemployment, underemployment, low skills low pay and higher level skills. Partners will coral funding and communication efforts to reinforce routes to academic and vocational / apprenticeship success; reinforce support into work / progression through work for adults; widen our existing strengths in technical skills and further and higher education alignment; and seek to create a skills and training landscape both better able to drive the recovery and meet the needs of our future economy.

To achieve this, the area will seek to fully harness the tools now at its disposal, including England's largest Careers Hub, our two Institutes of Technology and excellent partner colleges, our world class universities, our nationally recognised pathfinder activity around digital skills and adult retraining, as well as the Government's new universal skills offer for adults, employment and Kickstart programmes, and wider support for employers and learners alike as we emerge.

PROGRAMME 9 – enabling transformation by facilitating effective business support

The Heart of the South West is home to 72,000 businesses across a wide range of sectors and industries. This includes a number of high-profile businesses that exhibit best practice and have transformative potential. It also includes a growing social enterprise sector, providing an important opportunity to support inclusive growth.

With an ambition to be one of the best areas in the UK to start and grow a business, we are developing a strong and joined-up business support infrastructure. Operating as a hub and spoke model over a large geographic and dispersed geography the Growth Hub will contribute to the Building Back Better goal with increased digital delivery to increase its reach. Central to this is a public/private partnership approach to providing business support, advice and guidance alongside support for apprenticeships, shorter supply chains, increased inward investment and exporting.

With a dedicated team of specialists, we will help businesses navigate the support available, promoting the area's strong and emerging sectors as well as supporting entrepreneurship and start-up companies, ensuring businesses at all stages receive the right support at the right time. Throughout our delivery we will promote and encourage good employment practices, alongside environmental support for "cleaner" business. With Covid having accelerated existing trends, it is more likely that digital business practices, including selling on line, future home working will increase meaning that digital will be a greater driver for productivity and clean growth in the future. Additionally, we will develop a financial support package enabling our business to access the finance they need to invest and grow, plugging known gaps around attitudes to risk.

PROGRAMME 10 – enabling transformation by establishing a 'technopole' innovation ecosystem

The Heart of the South West has unparalleled place-based opportunities for innovation, commercialisation and the dissemination of ideas that have both commercial and societal value. We also have many of the ingredients necessary to capitalise on these opportunities, including demonstrable research excellence in a range of technologies and sectors, together with a vibrant community of research-intensive businesses. However, the area still exhibits comparatively low levels of innovation activity and businesses face a number of challenges in bringing ideas to market.

To address these challenges, we will lead a partnership in the creation and delivery of a 'technopole' to support the growth of research intensive businesses and innovation. This programme will strengthen the local innovation ecosystem and especially support the delivery of the data analytics and health tech programmes by connecting businesses with the area's knowledge and R&D base, also facilitating multi-disciplinary collaboration, open access platforms, a talent pipeline and effective support for businesses to innovate and engage in R&D. The technopole will enable the Heart of the South West to plug gaps in the diffusion of technology and ideas across key sectors, supporting businesses to innovate and bring ideas to market.

PROGRAMME 11 – enabling transformation by supporting left behind places and ensuring strategic connectivity

It is essential that no communities or places are left behind in our plans to Build Back Better. To ensure this we will work with our Local Authority partners, building on their existing efforts to support cities, rural areas, coastal communities, market towns and parishes right across the patch. Taking into account the need for strategic employment land, this will include a workspace offer, expanding the reach across our diverse network of settlements, designed for a post-Covid world. Linked closely with the technopole this will support both urban and rural enterprise and innovation, including in peripheral areas. We will also consider how best to support the longer term sustainability of these communities and also our high streets along with those places which have a high reliance on the hardest-hit sectors, working with them to develop plans to mitigate the immediate impact and open up opportunities in new growth sectors.

Strategic connectivity will be a key part of this effort, supporting our drive to increase both competitiveness and inclusion. Given that the Heart of the South West suffers significantly through long standing poor infrastructure, securing our economic recovery has to be underpinned by a step-change in improvements. This includes digital connectivity which can also reduce the need to travel, alongside making the case for road improvements (e.g. A303/ A30/ A358 corridor and the A38), electrification of the main rail line and network rail improvements to ensure the resilience of lines into and through the Heart of the South West. Links within the area will also be prioritised, potentially including cycle route development. The strategy will align with our Clean Growth Plan and the work of our Rural Productivity Commission, supporting our goal to secure a Rural Productivity Deal.

What are our Next Steps?

This document sets out our ambitions for delivering a stronger, greener and more inclusive future for the Heart of the South West. We know that there are challenges ahead but we have the vision, energy and commitment to seize the moment and Build Back Better. With the right investment, these opportunities can become reality.

Our plan requires collaboration and partnership both within and beyond our region. But we are confident that by working together with all of our partners across and with government we will achieve a better future.

Leaders
for the Heart of the South West

Heart of the South West Joint Committee Skills Update

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1. Summary

1.1. This paper provides an update on the current skills environment across Plymouth, Devon, Torbay and Somerset. It sets out a short overview of skills and employment challenges and opportunities within the HotSW; a sample of the various projects and programmes currently ongoing across the area; details the recent development of the Heart of the South West Skills Advisory Panel, and associated Local Skills Report / Skills Strategy; and highlights recent proposals for further development of the skills landscape through the Government's Skills White Paper.

1.2. In providing an update, this paper seeks agreement from the Committee on three skills related matters; Joint Committee's endorsement of the draft Local Skills Report; agreement in principle to seek 'Local Skills Improvement Plan Trailblazer' status across the area/s, working closely with associated Chambers of Commerce; and agreement to seek future support for the HotSW's Careers Hub programme, from either provision of additional Government support or pursuing local funding.

2. Recommendations

2.1. It is recommended that members:

(a) Note the portrait of the skills environment outlined, both recent and ongoing challenges, but also the significant progress being made by local partners to address these.

(b) Agree to endorse the draft Local Skills Report, attached as an annex of this report;

(c) Agree to endorse the pursuit of Trailblazer status for local areas, working closely with Chambers, FE and Training / Education providers and wider stakeholder partners to secure additional recognition of the strength of the area's skills partnership approach; and

(d) Agree to support the case for future funding of the HotSW Careers Hub, ideally through securing additional funding from Government, or through agreement of a sustained local approach.

3. Background / Context

3.1. The Heart of the South West is an area of significant disparity with regards skills and employment. With its broad-based economy, and notable specialisms in engineering and manufacturing, the area overall tends towards the national average in most key skills and employment indicators, ranking 23rd-24th out of 37 on performance at GCSE level and A level equivalency, and benefits from some of the highest level of unemployment activity in the Country (before the recent pandemic). Whilst wages trail the national average overall by around 15%, hotspots such as Exeter push local averages upwards, with growth areas such as digital industries, marine technologies, nuclear and aerospace development, higher value tourism, logistics, health, agritech / food manufacturing and construction also contributing to local growth.

3.2. However, the Heart of the South West is also an area of extreme differences between its communities and constituent areas in terms of both employment and skills performance. In 2018, weekly wage levels differed 55% between the area's best and worst performing district, with over twice the number of residents having a degree when similarly compared. These differences further widen within district areas, with one district within the Heart of the South West having one of the greatest differentials in England in 2019 between its top performing and bottom performing wards in terms of employment and skills performance.

3.3. The causal factors for these differentials are numerous and complex, ranging from issues around connectivity and access; rurality and peripherality of our coastal and deep rural communities; ongoing issues around urban deprivation and relative prosperity; challenges around aspiration and ambition across families and communities; issues around a culture of progression in education and work; and structural issues including the area's sectoral mix, small business focus and higher propensity towards life style and similar self-employment choices. Collectively, these factors see the Heart of the South West trails the UK around its higher-level skills performance, the progression rates of its young people and the achievement of those facing a disadvantage or barrier to work or learning.

3.4 Over the past five years however, significant progress had been made around elements of the skills and employment challenge. Whilst wage levels remained low, the gap between area had reduced in some cases (notably between rural and urban neighbours), and overall skill performance had rapidly improved, with a 7% increase in individuals holding Level 3 and degree level qualifications respectively. In 2019, the area also had one of the country's highest level of apprenticeship uptake and had seen unemployment and inactivity rates fall to their lowest levels in over 35 years.

3.5 In this context, the recent impact of Covid 19 has been extremely difficult. Whilst the situation remains fluid, unemployment levels in 2021/22 are likely to be their highest since records began in parts of the HotSW. Early indications suggest that this could see a particularly disproportionate impact on the life chances of disadvantaged pupils, young people's progression into work and learning, particularly those from a disadvantaged background or with another barrier; communities which have traditional trailed the average, and or those with a focus on more exposed sectors such as hospitality or tourism; and for adults who may have lower levels of training or skills but have never faced unemployment before. Some evidence also suggests the impact on part time workers and women has been more severe.

3.6. Despite the seriousness of the situation, and need for ongoing intervention and joint working, the medium-term picture remains positive. Training capacity and apprenticeship numbers, despite delivery challenges and business closures, have been sustained at high levels across HotSW, several high growth sectors (notably digital and health) have actually grown over the past twelve months, and the need for replacement staff across our business community (in part due to our aging workforce) mean significant new opportunities for skilled work are due to be generated over the 3-5 years regardless of the impact of recent months. Early signs from the first lockdown also suggest that recovery in the HotSW was rapid over the summer in many sectors, with new opportunities opening up across multiple sectors as the economy unlocked.

3.7 The balance of this paper seeks to now move forward this recovery activity, outlining activity already underway and collective areas of achievement for member information; detailing and seeking endorsement for the area's shared skills plan / strategy to frame shared activity; and highlighting additional issues of focus that we would welcome member support on.

4 Current Activity

4.1. Despite the recent challenges posed by COVID, partners across the Heart of the South West have come together over the past few years to deliver an unprecedented level of direct delivery, joint investment and partnership working around skills and employment. Through both the work of the LEP, and bilateral / multilateral programmes between Councils, Colleges and business, the area has seen a rapid acceleration in both training and employment creation. This in turn offer genuinely opportunities to both sustain the progress made before March 2020 and reinforce our collective approach to building back better over the next period.

4.2. Between 2015 and 2020, partners within the Heart of the South West have collectively secured in the region of £350m of additional FE and HE educational capacity, and around £50-70m of additional skills and employment direct delivery. Core programmes / initiatives include:

- **Heart of the South Growth Deals (~£200m)** – Support for 18 skills and innovation projects spread across the area, facilitating 22,000 learning places to date, and due to support a further 34,000 learners by 2025. Outcomes include over 3,000 engineers, 4,000 data analysts and programmers, and 5,000 wider apprenticeships.

- **European Social Fund (£45m)** – 10-12 spending programmes taken forward over the past five years, working with our most disadvantaged and those outside of work and learning; NEETs and those young people at risk of being outside of employment and training; upskilling staff within our small business community and across core sectors and employers; supporting apprenticeships for young people and adults; and supporting community development and other local service. As of January 2021, the programme had supported over 30,000 learning places in the HotSW, and was due to provide support to a further 10,000 individuals through to 2024 (including new programmes led by Plymouth City Council, Devon County Council and Somerset County Council for the first time)

- **South West Institute of Technology (£35m)** – Bringing together 4 of our colleges, 2 universities and 6 of our largest / most influential employers, the SWIoT was formal opened in September 2019, offering higher level technical education in digital and engineering disciplines across the area. Working with 1,500 young people and adults per year by 2024, the IoT (and its sister West of England IoT) offer the area significant additional capacity to drive our core sectors and key businesses.

- **Departmental Skills Pilots (£4.5m**) – Five pilot programmes working with the Department for Education and Culture, Media and Sport to support over 2,500 individuals to rapidly upskill across the area. Provision has included fast track programmes into health care and nursing, into finance and engineering. The current 'Bootcamp' programme, worth £1.5m, has delivered 750 places in digital and engineering roles, with a guaranteed interview between 1 January and the end of March.

- **Heart of the South West Careers Hub (£1.5m)** – England's single largest Careers Hub, providing a single careers and advice service to all 160 mainstream secondary school and special schools in the Heart of the South West. In 2019/20, the provision worked with over 50,000 young people through partnerships with our schools, linking business and education providers together to support progression and advice.

- **Digital Skills Partnership (£2m)** – One of England's 6 pilot Digital Skills partnerships sponsored by DCMS, the DSP has delivered over 3,000 digital training places in the past 4 years, working with blue-chip partners including Google, Microsoft, Facebook and IBM. This has included delivery in schools, provision of equipment, support for older people around digital, funding for higher level digital qualifications and direct job creation and business support.

- **HotSW Skills Launchpad / Plymouth Launchpad** – Bringing together local skills advice, service and the provision under single brand and gateway, the launchpad brand has grown exponentially over the past year to provide a growing menu of support and signposting to people across the area. Visited by over 10,000 individuals last month, the web presence is a growing destination for advice, support, information and guidance.

- **Building Plymouth / Building Greater Exeter** – Focused on supporting the development and recruitment within the construction sector, the area's two 'Building' partnerships led by their respective Councils bring together young people, employers, colleges and training providers and wider stakeholders to deliver opportunities across our fifth largest sector. With over 20,000 new roles on offer by 2031, the partnership is uniquely placed to deliver traineeships, apprenticeships, new jobs and leverage new investments over the next decade.

- **Skill Up Somerset** – Supporting young people across Somerset with advice and guidance around apprenticeship and wider training opportunities, the Skill Up Somerset project has worked with over 2,000 young people through schools and direct contact over the past 18 months. Hosted by the Dorset and Somerset Training Provider Network, the project has set a template for independent advice of vocational and other pathways for young people across the County.

- **Youth Hubs (£600,000)** – Currently in the process of being mobilised across Plymouth, Torbay, Exeter, North Devon and Somerset, the area's fleet of locally led Youth Hubs are due to provide support to over 1,000 of the area's hardest to reach young people by March 2022. Supported those most impacted by the recent pandemic, the Youth Hubs (and the Adult Hub in Plymouth) bring together core services, partners such as JCP, Councils and Training provider and wider support into a single place.

- **Kickstart (Ongoing)** – Since inception, local Gateway organisations across the Heart of the South West have been working closely with both businesses and wider partners to secure and roll out Kickstart provision Whilst progress has been difficult at times, the areas had secured in the region of 1,000 placements in total by the end of January, with new groups now being submitted daily.

5. Skills Advisory Panel / Local Skills Report / Skills White Paper

a) Background

5.1. Skills Advisory Panels ('SAPs') were originally proposed by Government in 2018 to better bring together local employers and skills providers to pool labour market intelligence and provide reinforced leadership around skills and learning priorities. The Government was keen to establish a lead strategic partnership within each LEP area focused on skills, working closely with its LEP, but providing additional expert capacity to inform DfE thinking and prioritisation.

5.2. Within the Heart of the South West, the decision was taken to evolve the LEP's existing People Leadership Group into the HotSW Skills Advisory Panel. This required a modification of the Leadership Groups' existing membership to fulfil DfE's structural requirements for the board, incorporating local Employment and Skills Board leads from the area's five partnership into the new structure, and reducing membership overall to 20 members, better balancing public, private and provider representation around the group. The process was completed in late 2019.

5.3. The HotSW SAP has now been operating for ~18 months, primarily focused on development of the area's evidence base. This has included the development of a long-term research and evidence partnership with the University of Exeter, and publication of the area's first Skills Intelligence Report, a comprehensive document setting out the current skills and employment position across the HotSW.

5.4. With the establishment of SAPs complete by early 2020 however, Government indicated it was keen to further develop its approach to national skills prioritisation and management, and the role of the SAPs within it. In March 2020 therefore, DfE placed a formal requirement on each of England's 37 Skills Advisory Panel to produce a Local Skills Report ('LSR') on behalf of its area.

5.5. A medium blueprint of shared priorities across the skills landscape, the LSR is envisaged by DfE to play 5 key roles:

- Clearly set out key skills needs within a LEP area – ensuring local skills needs are visible to local partners who can then engage with them.

- Feed intelligence to the national Shared Prosperity Board ('SPB') and central government – providing a consistent output common to all SAPs that the SPB can use to understand the needs and priorities of local areas and build into a national picture of the supply and demand for skills

- Be a 'go-to' document for everything local-skills related – bringing together existing and new skills information into a consistent format common to all SAPs.

- Offer a valuable insight and evaluation into local work and conditions – detailing the progress made on current local skills initiatives and outlining future skills plans to plug key skills gaps.

- Act as an engagement tool – providing a vehicle through which SAPs can directly engage, influence and rally employers and providers in their areas to support the local skills agenda.

5.6. To assist local SAPs to produce their LSR, DfE published formal guidance for the documents in August 2020 (updated in November) setting out the core content being sought. This included chapter by chapter descriptions of content, page limits for each chapter, section headings to be included within chapters and limits on the data types to be used in evidence. Crucially, the guidance also set out a deadline of the 31 March 2021 to produce the document.

b) Current Status

5.7. The HotSW SAP has been focused upon the development of the area's Local Skills Report since last autumn, taking forward the document's development through three successive waves of consultation:

- **Initial consultation and scoping (July to October)** – Seeking feedback from SAP and wider provider /business partners (including the five local Employment and Skills Boards) on common skill priorities and issues arising. Responses were then collated to capture shared themes and objectives.

- **First Draft Consultation** – An initial consultation draft provided to partners and SAP members in mid-November as part of a 6-week consultation phase. Responses captured over the period then collated and used to iterate on the document.

- **Second Draft Consultation** – A second, near final draft was produced and shared with SAP and LEP Board members on the 14 January. SAP Board and LEP Board agreed to the currently draft in late January / Early February, with DfE agreeing the document in principle for publication over the past two weeks.

5.8. The draft LSR attached to this paper therefore, has been developed following a substantive level of consultation and iteration between partners. It seeks to capture the feed in and core priorities raised by skills and business partners, as well as position the various needs and opportunities around skills within the HotSW within a wider national priorities and programmes. This includes seeking to position the area in advance of the Skills White Paper, roll out of the Lifetime Guarantee and Government's strengthen approach to adults' skills and training more generally.

5.9. At its core, the document seeks to focus our approach to skills delivery within the Heart of the South West around a single vision, **that every individual in the Heart of the South West should be able to access the training or learning they need to thrive in a productive job they value, supporting wider economic growth and prosperity.**

5.10. To achieve this vision, the LSR focuses on three core objectives for the area which will drive forward skills performance and individual and business success. These are:

- **Ensuring that our skills and training environment is responsive and forward facing, meeting both individual and business needs;**

- **Ensuring that every individual can access the skills and training they need to achieve their own potential; and**

- **Ensuring that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity**

5.11. In support of these actions, the LSR also sets out clear priorities around sector skills (drawing upon the content of our local industrial strategy and wider recovery and skills plans across the HotSW) and the varied labour markets / travel to work areas that the area encompasses. In addition, the Strategy also highlights a range of specific skills and employment priorities emerging from COVID 19 for more urgent action.

5.12. The balance of the document is made up of a brief progress update around our position on delivery and partnership working; a summary of our shared evidence base, and perhaps most critically, a short action plan focused on those headline priorities we wish to pursue over the next 3-5 years. This latter plan however, developed from extensive feedback from core partners and stakeholders, only provides a summary of planned activity given page limitations.

c) **Next Steps on Local Skills Report**

As set out, the draft Local Skills Report has now been through extensive

5.13. consultation and is now nearing completion, with the Chair of the SAP due to sign off the final document for publication at the end of March (aligning with DfE's formal guidance.

5.14. Given the importance of the document however in bringing together partners, and setting the shared agenda highlighted through this report to date, we would welcome the endorsement and any feedback from Joint Committee.

d) **Skills White Paper**

5.15. Building upon DfE's recent strengthening of skills governance through Skills Advisory Panels, and requiring each area to have a shared Local Skills Report / Skills Strategy, the Department published its long-awaited Skills White Paper on the 21 January.

5.16. Setting out a strengthened focus on business led provision and accountability, the White Paper focused on five core areas:

- **Giving employers a greater say in the development of skills** – Giving businesses a formal role in the design of all qualifications by the end of 2030, and placing employer led demand / prioritisation at the heart of the curriculum and funding.

  This includes proposals to introduce Local Skills Improvement Plans to be led by Chambers / Business Organisations to provide a business led shared blueprint for skills funding and college and other investment (building upon the approach set out through the Local Skills Report).

- **Providing additional higher level technical skills** – Reinforcing apprenticeship and wider skills provision across the country, with a focus on increasing the number of students taking a technical qualification or equivalent provision.

- **Providing a flexible, lifetime skills guarantee** – A commitment from Government to support every adult to undertake at least four years of post-18 education over their lifetime, with a focus on upskilling. This includes providing up to £95m of additional funding from April 2021 to allow every adult without an existing Level 3 qualification to undertake one in a high demand skill area fully funded.

- **Simplifying funding and accountability arrangement** – Simplification of funding regimes across the skill landscape to provide multi year settlements, but with improved accountability to the Department over expenditure and over delivering business / employer led priorities.

- **Supporting outstanding teaching** – Providing additional support for more high-quality teacher training and provision, with ringfenced funding to be released over the next three years.

Within the Heart of the South West, partners have broadly welcomed the content and basic principles of the Skills White Paper, many of which reflect existing

5.17. strengths of the partnership model and joint approach we have taken with employers.

5.18. In particular, partners across the area have been keen to support the Government's reinforced approach to local skills planning, and providing additional funding and flexibility to a small number of early 'trailblazer' areas that come together to develop and agree a shared funded skills strategy. Following initial discussion between Local Authority, Chamber, College and wider partners, local partners across the Heart of the South West believe that they should be well positioned to compete for this status, and could provide significant additional investment and opportunity for joint working over the next few years, accelerating existing prioritisation and tailoring around employer led opportunities.

5.19. We would therefore welcome Joint Committee's support in this ambition, working closely with partners over the next few months to make the case for trailblazer status for local areas working with accredited Chambers. There may be a case for one Trailblazer across the whole of the Heart of the South West, or several proposals across the area, possibly at a county level to reflect the accredited Chamber geography. Local has not been more defined by DFE in its guidance.

Budget 2021

e)

5.20. Building on the Skills White Paper, Budget 2021 set out a range of additional support and opportunities around skills and employment last week. This included additional support for apprenticeship take up (with an improved employer grant); introduction of a new flexible apprenticeship post / scheme; £170m additional funding for additional traineeships nationally; and extra support for digital skills provision.

5.21 The announcement also included details of the first tranche of support to replace European Structural Funding through the new Community Renewal Fund, a £220m pilot fund to be used in 2021/22 to support 100 vulnerable areas across the country. The funding has been made available to upper tier local authorities on a competitive basis to focus on four core priorities; investment in skills; investment for local business; investment in communities and place; and supporting people into employment. Within the HotSW, 4 district areas within Somerset and Devon have been selected for prioritisation as part of this first wave.

HotSW Careers Hub

6.

6.1. The HotSW Careers Hub is one of the area's core tools for engaging with young people around careers and progression, providing a team of dedicated advisors who work with schools and their careers leader around development of their career programme. This includes working with local business and employer representatives as Enterprise Advisors to each school, supporting careers activity and the school's wider capacity.

6.2 As of 2020, the Careers Hub has been embedded within every mainstream and special school in the HotSW, with its network having grown to cover all 160 HotSW institutions over the past four years. This reflects a wider move by DfE / Government to formalise the role of the Careers Hubs and the Career Enterprise Company as an integrated part of the curriculum nationally, beginning to reintroduce elements of a formal careers service.

6.3 However, the Government only currently provides 65% of the total cost year for the Careers Hub programme through the Careers Enterprise Company, with an expectation that local partners will fulfil the balance. Since its inception, the LEP working with local authority partners has fulfilled this requirement, successively increased our collective contribution each year to meet the programme needs. As of 2020, partners were required to provide £290,000 of match, of which the LPE provided over 80%.

6.4 Looking ahead to 2021/22, DfE / CEC has indicated again that there will be a requirement for a further £290,000 of match to continue to run the programme as required. Whilst the LEP is able to provide £170,000 of this funding, recent funding decisions by Central Government mean further support is likely to be difficult. Looking beyond 2022 as well, no surety at present can be provided for any element of the funding, with the potential for the entire programme to revert back to and beyond. For local authority partners, this requirement to find significant match resource on an ongoing basis may pose a longer-term challenge in a period of relative constraint. Government has no plans at present to either reduce the emphasis on careers advice and guidance, or provide wider funding, with an expectation of future match being found.

6.5 The current choice open to LEP and local authority partners are therefore difficult. The Careers Hub is a crucial element of the area's wider ability to work with the area's most vulnerable young people, as well as being subject to broad support from wider partners. In 2020, the Hub was amongst England's most successful, with over 70% of its school cohort having achieved relevant Gatsby Benchmarks (Government's preferred measure of careers advice and guidance), and strong levels of employer and College / University buy in. Downsizing and or reduction of the programme is therefore likely to have difficult consequences both in terms of delivery to young people, but also reputation consequences if other LEP / MCA / Combined Authority areas do not likewise cut their core service. To add to the complexity, this process is also time critical, in that DfE require partner sign off in advance of the summer break.

6.6 We would therefore seek Joint Committee support around this issue, ideally either seeking to encourage Government to provide the required funding for the programme if it is their intention to maintain and sustain the approach over the long term (in effect making it a new burden on local areas), and/ or to agree that the programme should be prioritised locally. This latter option would require relevant officers to return to Joint Committee before June 2021 with an appropriate budget proposal, or simply agree a multilateral approach outside of Committee.

We would however welcome Joint Committees views on this issue if an alternative approach is preferred.

6.7

7. Equalities Implications

7.1. There are no specific equalities implications associated with the recommendations of this paper, though the skills programme and strategy approach outlined clearly have significant positive impacts for both individuals and constituent authorities' communities. This includes specific support for addressing inequality and deprivation, reduce disparities and extending opportunities between vulnerable and harder to reach cohorts, and targeting interventions to those with the most acute needs and / or most at risk of exclusion. Recent government announcements around living wage increases and targeted support for deprived communities will also support improved equity in parts of the area.

7.2. With regards the funding and operation of the Careers Hub, any future decision to reduce or curtail activity would however need additional consideration. This will need to be considered in the round of any future decision making by constituent authorities.

8. Other Implications

8.1 Legal:
There are no formal legal implications from this paper

8.2 Financial:
As stated in the report.

8.3 HR
There are no formal legal implications from this paper

8.4 Risk
The key risk to the Constituent Authorities is potentially

8.5 Other Implications: Health and Well-being; Health and Safety; Sustainability; Community Safety; Privacy
No negative implications, though significant benefits associated with core programmes and projects outlined.

9. Background papers

9.1. The Draft **Heart of the South West Local Skills Report** can be found attached to this paper.

9.2. A copy of the HotSW Employment and Skills Review for Feb 2021 is also included for information.

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February 2021 Issue 2

Heart of the South West Employment and Skills Review

In this edition

Produced by the University of Exeter on behalf of the Heart of the South West Skills Advisory Panel. For further information email Jo Holmes at J.LHolmes@exeter.ac.uk.

Introduction

As this edition is being produced, England is in the middle of another national lockdown amidst a coronavirus pandemic that has infected almost 4 million people across the UK and claimed more than 120,000 lives. The human cost of the pandemic is immeasurable and its effects on society, the economy and the environment wide-ranging. At the same time, the economic and labour market consequences of Brexit are also beginning to emerge, although differentiating these effects from that of the pandemic, is problematic.

Clearly, labour market performance is influenced to a large extent by economic performance: official statistics suggest that the level of UK GDP in the third quarter of 2020 was almost 9% below where it was prior to the coronavirus (COVID-19) pandemic at the end of 2019[i] Looking ahead, Andrew Bailey, the governor of the Bank of England, is optimistic, expecting the UK economy to “recover rapidly” this year, with a successful vaccination programme supporting a “material recovery in household spending”[ii]. Moreover, the Government’s own projections suggest[iii] that the economy will grow by 5.5% this year, following a contraction of 11.3% during 2020. Independent economic forecasters broadly concur with this assessment, although at 4.8%, their median forecast is slightly less optimistic than the OBR central economic scenario. In particular, PwC predicts that while most sectors will return to low growth over the course of 2021, recovery to pre-crisis levels should not be expected until 2023 at best[iv].

Unemployment is almost universally expected to rise during 2021. According to the OBR, the ILO unemployment rate could reach 7.2% in the final quarter of this year, up from 5% currently[v]. PwC highlights many challenges ahead: “the largest ever increase in unemployment, potential negative net migration from the EU, over 10 million people facing food poverty and increasing gender and ethnicity pay gaps, potentially reversing a decade’s worth of progress”[vi]. Furthermore, the Hays UK Salary and Recruiting Trends 2021 survey revealed that 81% of employers believed that the workplace will never return to the way it was before the pandemic.[vii]. It is within this broad economic climate, that we consider the labour market challenges ahead.

Take 10

1 Most indicators of labour demand nationally are below levels recorded before the pandemic with the exception of the number of people in full time employment.

2 The economic impact of the pandemic is being played out differently across sectors in terms of employment trends, take-up of government support, redundancies and vacancies. Among those most negatively affected include: accommodation & food services; arts, entertainment & recreation; administrative & support service activities; wholesale & retail and manufacturing and construction.

3 These sectoral trades are particularly affecting the employment prospects of the youngest and oldest workers but most especially 16 to 17 year olds, among which employment has fallen by more than one quarter nationally.

4 It is still too early to discern any statistically significant effect of the pandemic on employment in the Heart of the South West. Take-up of the government's Coronavirus Job Retention Scheme, however, is broadly in line with the national average and is highest in Torbay, which one study suggests, is among one of the most vulnerable areas in the country, to the social and economic impacts of the pandemic.

5 Self-employment has contracted by around one-tenth nationally since the start of the pandemic. Take up of the government's Self Employment Income Support Scheme locally is lower than the national average. Self-employment is a particularly important source of income in the LEP area.

6 More than one-third of employees are currently working from home although this rises to more than two-thirds of those working in information & communication (78%), professional scientific and technical activities (69%) and education (69%).

7 Real wages have almost returned to 2008 levels but recent growth is attributed to compositional changes: in particular the decrease in the number and proportion of lower-paid jobs, which has pushes the overall average earnings up. The earnings gap between the Heart of the South West and the national average has increased.

8 Recruitment activity has picked up locally with nurses, care staff, office assistants, software engineers, project managers, teacher assistants, customer service representatives, cleaners and lawyers among the most sought after positions.

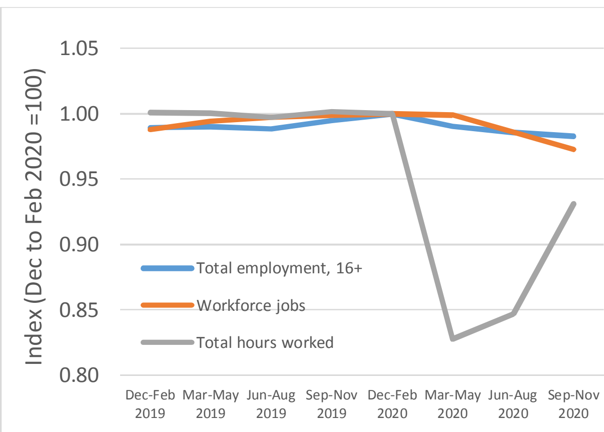
9 Redundancies are almost four times higher than before the pandemic and have risen particularly quickly in: wholesale & retail; manufacturing; and administrative & support services. While there is no clear pattern by age, employees aged between 25 and 34 are the most likely to be made redundant.

10 The claimant count has risen dramatically during 2020 and commentators expect unemployment to rise further during 2021. The claimant count rate in the Heart of the South West is lower than the UK average in most parts of the LEP average with the exception of Torbay.

Employment and jobs

The first national lockdown had an immediate and dramatic impact on hours worked as people were told they ‘must’ stay at home and certain businesses were closed. The easing of restrictions over the summer led to a partial recovery in hours worked but activity remained 17% below pre-pandemic levels during September to November. The impact on jobs and employment has been less acute than it might otherwise have been had the government not invested in job retention schemes, income support for the self-employment and business grants. Despite this significant intervention, however, there are still around 973,000 fewer jobs and 570,000 fewer people in employment in the UK, currently, than during the period immediately before the pandemic

Figure 1: Measures of total labour demand in the UK, 2019 to 2020



Source: ONS

Total employment in the Heart of the South West stood at 836,100 during October 2019 to September 2020. The employment rate at the time was 77.7%. While both estimates are lower than those published for the previous year, the differences are not statistically significant. The Heart of the South West’s employment rate, is however, higher than the UK average (75.5%).

Sectors

Government imposed restrictions in response to Covid-19 have disproportionately affected some sectors; and some businesses *within* sectors. For example, within retail, supermarkets have remained open whilst most specialist retailers have had to close although those with e-commerce capability have been able to keep trading. Analysis of workforce jobs data reveals that the number of jobs in the UK contracted across almost all sectors between December 2019 and September 2020 with the exceptions of agriculture, forestry and fishing and public administration and defence. Those recording the largest falls in the number of jobs both overall, and relative to the size of their workforce were:

- Administrative & support service activities (-217,000; -7.2%). This include activities such as travel agencies, office cleaning and car hire.
- Accommodation and food services (-144,000; -5.7%)
- Construction (-118,000; -5.0%)
- Arts, entertainment and recreation (-110,000; -10.4%)
- Wholesale, retail; repair of motor vehicles and motorcycles (-103,000; -2.1%)
- Manufacturing (-97,000; -3.6%)

Together, these sectors account for more than half (51%) of employment in the Heart of the South West compared to 47% in England. Research suggests that coastal areas are notably more vulnerable to both health and economic impacts of the crisis with Torbay ‘standing out’ as one of two areas in the UK, that is most vulnerable due its elderly population, economic reliance on tourism and hospitality and pockets of local socio-economic disadvantage[1].

People

The pandemic has disproportionately affected the employment prospects of the youngest and oldest workers. The number of 16 and 17 year olds in employment has fallen substantially (-26%), as have the number of students working part time (-16%). An increasingly competitive labour market is likely to be prompting young people to remain

[1] https://www.ifs.org.uk/publications/14884

in education longer than they might otherwise have considered; and older workers, to leave the labour market, either permanently or temporarily, should their roles become redundant.

Employees and furloughed workers

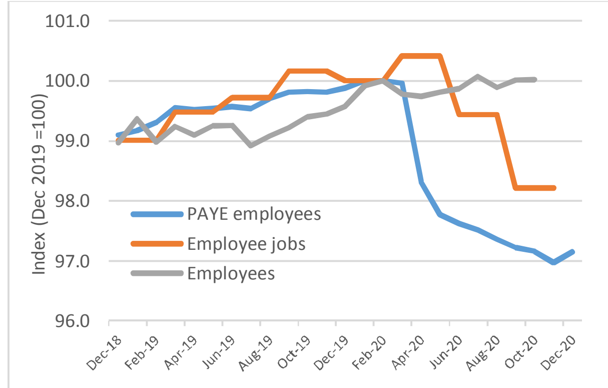
Focusing on employees only, it is clear that the number of jobs has declined since the pandemic started. For example, 'real-time' HM Treasury data suggests that the number of employees registered for PAYE fell by 2.9% between February and December 2020[2] although the number rose slightly between November and December 2020. This is equivalent to 827,654 fewer jobs since February 2020.

The employer-survey based estimate of employee jobs reveals a similar trend but on a reduced scale. The number of people working as employees, however, continues to rise, albeit slowly, with divergent trends for part-time and full-time workers; the number of people working part time fell by 425,000 (-6%) while the number of people working full time increased by 454,000 (+2%) between December 2019 to February 2020 and September to November 2020.

The period is also characterised by: a decline in workers with second jobs; an increase in temporary employees and an increase in the number (and share) of part-time and temporary workers who could not find full time or permanent work respectively[3].

According to the latest Annual Population Survey estimates covering the 12 months to September 2020, 687,100 people living in the Heart of the South West were employees aged 16 and over. The number of employees living locally has fallen on the previous year but the difference is not statistically significant.

Figure 2: Headline estimates of UK jobs; latest compared to pre-pandemic



Source: ONS *https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistic*

Many employees are currently unable to work due to lockdown measures but are being retained in employment. Latest estimates from ONS's latest fortnightly business survey (BICS[4]) suggests that around 17% of the workforce is currently on partial or furlough leave[5]. This is up from the 11% reported at the time of the last review. The government is providing financial assistance through the Coronavirus Job Retention Scheme (CJRS)[viii] to ensure that employees receive at least 80% of their usual wages while they are being furloughed. On the 31st December 2020, the scheme was supporting around 3.8 million employments and had supported almost 10 million employments since its launch in March[6,7].

Locally, 88,400 employments[8] were furloughed using the scheme across the Heart of the South West LEP area in in December 2020 (Table 1). Take-up of the scheme is broadly in line with the national average but with local authorities tending to cluster into two groups: those with lower than average take-up including the more urbanised local authorities of Plymouth, Exeter, and Mid Devon; and rural and/or coastal authorities where

[2] December 'flash' estimate. https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2021#pay-as-you-earn-real-time-information

[3] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/summaryoflabourmarketstatistics

[4] https://www.ons.gov.uk/economy/economicoutputandproductivity/output/datasets/businessinsightsandimpactontheukeconomy

[5] This is the percentage of employers indicating that staff were on partial or furlough leave in the last two weeks. Interviews were conducted between 28 December 2020 and 10 January 2021.

[6] https://commonslibrary.parliament.uk/research-briefings/cbp-8898/

[7] Some individuals may be counted more than once in this figure if they have been furloughed from more than one job or their employer has made multiple claims covering differing pay periods

[8] The statistics count employments. An employee with jobs at two employers will be counted twice if both jobs are furloughed and a job-share post will be counted as two employments. Employments are therefore not equal to jobs.

take-up is higher than the national average including Torbay, North Devon and South Hams.

Table 1: CJRS Furloughed employments by local authority in the Heart of the South West, claims received up to 31 December 2020

County and district / unitary authority	Employments furloughed	Take-up rate
Plymouth UA	11,000	9%
Torbay UA	8,400	15%
East Devon	7,700	13%
Exeter	5,900	10%
Mid Devon	3,500	10%
North Devon	5,800	14%
South Hams	4,600	14%
Teignbridge	7,300	13%
Torridge	3,400	13%
West Devon	2,600	12%
Mendip	6,500	13%
Sedgemoor	6,200	11%
Somerset West and Taunton	7,700	11%
South Somerset	7,800	11%
Heart of the South West LEP	**88,400**	**12%**
England	3,127,100	12%

Source: GOV.UK Official Statistics – Coronavirus Job Retention Scheme statistics: January 2021

The BICS and CRJS data both reveal clear sectoral patterns in the incidence of furloughing and participation in the government-supported scheme with both particularly common within: arts, entertainment & recreation; and accommodation & food services. For example, the BICS found that around 56% of the arts entertainment & recreation workforce was furloughed in the New Year followed by 47% in accommodation and food services. Administrative data from CRJS shows that young people aged under 18 (34%) and aged between 18 to 24 years old (18%) are more likely than older employees to be furloughed. This reflects their greater representation in sectors where take up is highest: accommodation & food services (47%) and arts, entertainment & recreation (41%).

Self-employment and the Self-Employment Income Support Scheme (SEISS)

In stark contrast to the upward trend in the number of employees, self-employment has been particularly badly affected by the pandemic; falling by around 10 per cent since the first lockdown. Compared to before lockdown there are currently 537,000 fewer self-employed individuals[9] across the UK and 422,000 fewer self-employed jobs[10]. These trends are a concern for the Heart of the South West where self-employed accounts for a higher proportion of employment than the UK average (17%[11] compared to 15%) particularly in rural Devon. It seems likely, therefore, that both the level and rate of self-employment has fallen locally[12]. Latest estimates[13] suggest that around 144,400 are currently self-employed in the Heart of the South West.

Some self-employed individuals whose business has been adversely affected by coronavirus are eligible for government support through the Self-Employment Income Support Scheme (SEISS). Three tranches of the scheme have been rolled-out so far with the latest providing support up to the end of April 2021. Data published by HM Revenue & Customs shows that half (50%) of the 107,100 individuals in the Heart of the South West who were potentially eligible for the third tranche scheme had made a claim by 31st December 2020 (Table 8); a drop from the 65% take-up for the second grant. Take-up for SEISS 3 is lower than the UK average (57%) across the majority of local authority areas in the LEP, except for Plymouth (60%) and Torbay (58%). Mid Devon had the lowest local take-up at 43%. The average value of SEISS 3 claims in the Heart of the South West (£2,793) is broadly in line with the UK average (£2,800).

9 December 2019 to February 2020 compared to September to November 2020.
10 December 2019 compared to September 2020.
11 Annual Population Survey, October 2019 to September 2020.
12 The decline in self-employment is also evident in local estimates derived from the Annual Population Survey but the difference between October 2018 – September 2019 and October 2019 – September is not statistically significant.
13 Annual Population Survey, October 2019 to September 2020.

Table 2: SEISS Phase 3: Claims to 31 December by Local Authority in the Heart of the South West

County and district / unitary authority	Total no. of claims made *(to 31 Dec)*	Total value of claims made (£'000)	Take-Up Rate
Plymouth UA	6,600	17,700	60%
Torbay UA	4,600	12,800	58%
East Devon	4,500	12,700	48%
Exeter	2,900	8,400	54%
Mid Devon	2,600	7,300	43%
North Devon	3,700	10,300	50%
South Hams	3,400	9,100	47%
Teignbridge	4,300	11,900	50%
Torridge	2,500	6,700	44%
West Devon	1,900	5,200	44%
Mendip	3,900	11,000	47%
Sedgemoor	3,600	10,900	52%
Somerset West and Taunton	4,500	12,700	50%
South Somerset	4,600	12,800	47%
Heart of the South West	**53,600**	**149,500**	**50%**
United Kingdom	1,924,000	5,417,000	57%

Source:https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-january-2021

Remote working

More than 10 months have now passed since restrictions were first introduced by UK government to curb the spread of COVID-19, forcing widespread adoption of home-working practices. The latest Business Impact of Coronavirus survey – covering the period 28 December 2020 to 10 January 2021[14] – reveals that a third (34%) of employees are working remotely instead of their normal place of work, an increase from 32% reported in the previous wave of BICS. This slight increase in homeworking is unsurprising as many areas entered into the highest Tier 4 restrictions during the Christmas period and on 4 January 2021, new national guidance for England was released placing the country into a third lockdown. As in previous lockdowns individuals must work from home unless it is not possible.

The incidence of remote working varies considerably by industry sector, with the percentage ranging from 78% working remotely in Information & Communication, 70% in professional scientific and technical activities, 69% in education and at the lowest proportion, 6% in accommodation and food service activities.

By far the largest change in remote working practices is in education, which has risen 24 percentage points compared to the previous wave of the survey (covering 14 December to 27 December). This can be attributed to the new lockdown restrictions which saw all schools and colleges close to the majority of pupils and switch to remote learning.

Wages

National average weekly earnings[15] are currently broadly comparable to those paid in early 2008 and have fully recovered earlier falls as a result of the pandemic (Figure 3). However, recent growth is increasingly being driven by changing composition of employee jobs – specifically a decrease in the number and proportion of lower-paid jobs, which pushes the overall average earnings up. Furthermore, the Annual Survey of Hours and Earnings[16] data suggests that while pay has "held up for most employees" some groups fared less well, most notably younger employees, the lowest-paid part-time employees, and those working in accommodation and food services. Not all furloughed workers received full pay as the employers were not obliged to top up the Government's 80% contribution. Overall, more than one in ten (11%) employees were furloughed with reduced pay in April 2020.

[14] Businesses were asked for their experiences for the reference period 28 December 2020 to 10 January 2021. However, for questions regarding the last two weeks, businesses may respond from the point of completion of the questionnaire (11 January to 24 January 2021).

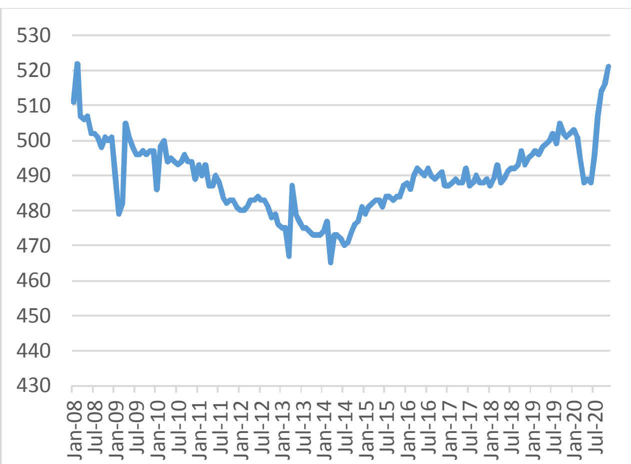
[15] For all workers (i.e. average across full and part time workers).

[16] The latest estimates from the Annual Survey of Hours and Earnings (released November 2020) relate to the pay period that includes 22nd April 2020, at which time approximately 8.8 million employees were furloughed under the Coronavirus Job Retention Scheme

Studies reveal how the pandemic has affected household incomes:

- According to the Bank of England, 28% of households have seen incomes fall during the pandemic, rising to 66% among the self-employed[17].
- The Institute for Fiscal Studies calculates that while better-off households saved, on average, more than £300 a month between March and September 2020, the poorest households were £170 a month worse off[18].
- The Joseph Rowntree Foundation suggests that destitution levels in Great Britain are expected to double in the wake of the pandemic[19].
- At the same time, UK households are estimated have accumulated around £100bn in 'excess savings': money some economists hope will fuel a spending spree when Covid-19 related restrictions are lifted.

Figure 3: Real average weekly earnings (seasonally adjusted), Great Britain January 2008 to October 2020



Source: ONS *https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsearn01*

To see what the median annual earnings are for your occupation or local authority click here[20].

New earnings data published since the last review, suggest that median full time weekly wages in the Heart of the South West fell between 2019 and 2020 and the earnings gap between local wages and the England average increased over the period.

Table 3: Median gross weekly pay of fulltime workers, 2020

	Resident	Workplace
Devon	528	527
Plymouth	507	558
Somerset	539	526
Torbay	469	490
Heart of the South West	**527**	**527**
England	**590**	**590**

Source: Annual Survey of Hours and Earnings, 2020

Workforce skills

Participation in job-related training has changed little over the last 10 years and there is little evidence to suggest that the pandemic has disrupted or accelerated this trend. During the last quarter, 13% of employees across the UK had received any job-related training[21]. The Annual Population Survey suggests that employees and the self-employed in the Heart of the South West are more likely than the UK average to have participated in job-related training in the last 12 weeks (29% compared to 25%). As nationally, participation is higher than average among public sector workers and those employed in managerial and professional occupations. Highlights from the recently published results from the UK Employer Skills Survey suggests that:

- While Heart of the South West employers were slightly more likely than average to have trained staff over the last 12 months, the number trained as a percentage of all

[17] https://www.bankofengland.co.uk/bank-overground/2020/how-has-covid-19-affected-the-finances-of-uk-households
[18] https://www.ifs.org.uk/publications/15146
[19] https://www.theguardian.com/society/2020/dec/09/covid-driven-recession-likely-to-push-2m-uk-families-into-poverty
[20] See Figures 6 (occupation) and 9 (local authority).
[21] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/jobrelatedtrainingreceivedbyemployeesemp15

staff mirrors the England average and the number of training days per trainee and training days per staff are lower than the England average.

- Employers in the Heart of the South West (16%) are more likely than the England average (13%) to report that they have at least one employee who lacks the required proficiency or proficiencies to fulfil their role effectively and so have a "skills gap" within their workforce. The proportion of staff in the Heart of the South West who are not fully proficient in their roles (5.0%) is a similar proportion to the national average (4.6%) – equivalent to over 36,000 employees.
- Interestingly, local employers are considerably more likely to identify at least one member of staff with qualifications and skills that are *more advanced* than those required for their current role (34%), than they are to identify at least one member of staff with a skills deficiency (16%). Additionally, one in five employers reported that 50% or more of their staff had qualifications that were more advanced than needed for their current role, including 8% who reported that all their employees were over-qualified for the work they did. This is all indicative of under-utilisation of skills, and could be a result of various factors including staff holding degrees/qualifications not directly relevant to their role, or individuals with valuable qualifications failing to find a job where these skills can be applied.

Vacancies

According to the ONS Vacancy Survey, the number of job vacancies in the UK fell to a record low[22] during April to June 2020 as employers shelved recruitments plans in response to the virus; although the decline in vacancies actually pre-dates the pandemic. Recruitment has revived somewhat since then, rising in each of the last two quarters, but activity remains below that recorded in the same quarters last year. Competition for posts has intensified as unemployment rises. In April to June 2020, there were 4 unemployed people for every vacancy: more than double that recorded before the pandemic (Figure 4).

Figure 4: Number of vacancies in the UK, October to December 2018 to October to December 2020

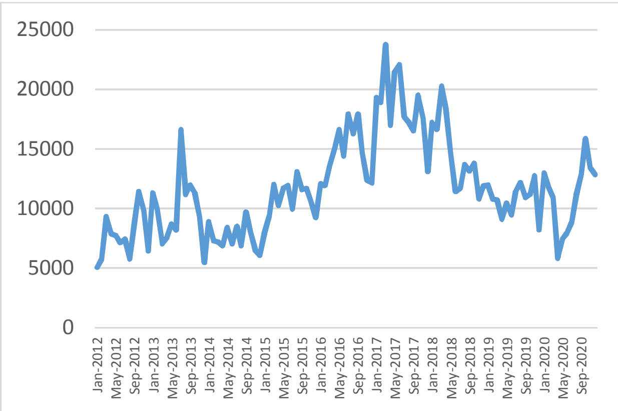
Source: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/jobsandvacanciesintheuk/latest

Real-time vacancy information generated by Labour Insights[23] identified 12,836 unique postings assigned to locations within the Heart of the South West LEP area in December 2020. While the number of job postings can vary considerably from month to month, volumes locally have followed a down-ward trend since 2017 but with a brief revival between April and October this year.

[22] The number of vacancies in the economy fell from 796,000 in January to March 2020 to 337,000 in April to June 2020. Vacancies recovered slightly during May to July (370,000) but are still very low by historical standards. See: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/august2020#vacancies

[23] Note: Web-scraping software is likely to underestimate the total number of vacancies for lower skilled roles that might be advertised via word of mouth or in the employing building such as a shopfront notice.

Figure 5: Total postings in the Heart of the South West LEP, January 2012 to December 2020



Source: Labour Insight (Burning Glass Technologies)

The most common job postings in the Heart of the South West in December 2020 are presented in Table 4. The current demand for people with skills and experience in health and social care is clearly evident with high demand for nurses and care assistants, although these were in high demand compared to other occupations in 2019 as well.

The pandemic is likely to have contributed to the rising demand for workers fulfilling these roles as well as the introduction of general cleaners into the Top 10 for December 2020.

Table 4: Top 10 postings for the Heart of the South West: December 2019 and December 2020

December 2019 (8,167)	December 2020 (12,836)
Registered General Nurse (RGN) (278)	Registered General Nurse (RGN) (603)
Office / Administrative Assistant (256)	Caregiver / Personal Care Aide (434)
Caregiver / Personal Care Aide (196)	Office / Administrative Assistant (378)
Teaching Assistant (172)	Software Developer / Engineer (315)
Software Developer / Engineer (165)	Project Manager (290)
Project Manager (156)	Care assistant (284)
Customer Service Representative (153)	Teaching Assistant (238)
Account Manager / Representative (129)	Customer Service Representative (211)
Chef (123)	General cleaner (191)
Care assistant (116)	Lawyer (181)

Source: Labour Insight (Burning Glass Technologies)

Recruitment difficulties

Some vacancies are more difficult to fill than others. Overall, half of employers in the Heart of the South West who were recruiting at the time of the last UK Employer Skills Survey, had at least one vacancy that was proving hard-to-fill. This is slightly more than the England average of 44%. Forty-six percent of vacancies were hard to fill: 31% due to skills-shortage and 15% due to other reasons. Skills shortages accounted for a larger share of vacancies locally than the England average (25%).

Local employers are most likely to report skills shortages for skilled trades reflecting a long-term, national shortage of people with these skills - more than half of vacancies within this occupation locally are hard-to-fill. The next most commonly affected occupations are: professionals (42%) and caring, leisure and other services staff (41%). Skills shortages are more acute locally than the England average across most sectors[24] but are particularly prevalent in transport & storage (where 50% of all vacancies were skill shortage vacancies in 2019), information &

[24] With the exception of manufacturing, education and arts & other services.

communications (43%), construction (42%) and health & social work (37%).

Redundancies

Commentators continue to express concern for the many hundreds of thousands, if not, millions of people currently being supported in potentially "zombie jobs" who could be made redundant when the Government's Coronavirus Job Support Scheme closes[ix] Latest Labour Force Survey data reveals that:

- Almost 400,000 people reported redundancy in the three months prior to interview during September to November 2020 – an almost four-fold increase on pre-pandemic levels[25] and the highest quarterly level reported since the series begins in 1995[26].
- By sector the largest numbers of redundancies were in wholesale, retail and repair of motor vehicles, manufacturing and administrative and support services[27]. Redundancy rates have risen substantially across the private sector industries with the exception of financial, insurance and real estate activities. Rates were highest in the administrative and support services reflecting the reduction in demand for, amongst other things, travel agency services and hire of vehicles.
- Men are slightly more likely than women to be made redundant although there is no clear pattern by age: employees aged between 25 to 34 years old are the most likely to be made redundant.

Employers planning to cut 20 or more jobs are obliged to notify the Insolvency Service and while these statistics are not routinely published the BBC has regularly submitted Freedom of Information requests of planned lay-offs. Their most recent analysis relating to planned redundancies notified in November 2020 suggests that while the number was higher than on the same month last year, it was far below the peaks seen in the summer. Since the last review, the following have been announced in the local press:

- National Trust – the closure of the Killerton estate hub has led to 514 compulsory redundancies, and the National Trust accepted 782 voluntary redundancies
- Oscar Mayer – the closure of the Chard sites will necessitate the redundancy of the majority of the 860 staff
- Fix Auto – 50 jobs were lost after the closure of the garage in light of failing to land a government support loan[28]

Jobs are also expected to be lost locally with the closure of retailers Arcadia and Debenhams and pub-chain Fuller's. Press coverage has also stressed the potential impact on areas with existing vulnerabilities: worst-case scenarios for Torbay could reach up to 18,000 job losses, with considerable knock-on increases in demand for foodbanks.[29]

[25] https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/redundancies/timeseries/beao/lms

[26] https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/redundancies/datasets/redundancieslevelsandratesseasonallyadjustedred01sa

[27] This includes rental and leasing activities, employment activities and travel agency, tour operator and other reservation service and related activities and cleaning activities.

[28] https://www.plymouthherald.co.uk/news/plymouth-news/more-job-losses-plymouth-amid-4268882

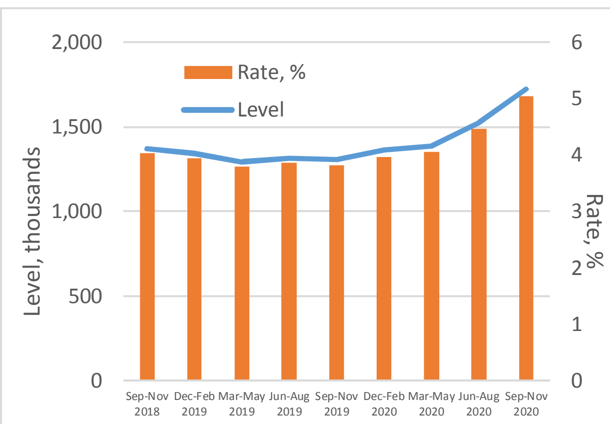
[29] https://www.huffingtonpost.co.uk/entry/coronavirus-economy-torbay_uk_5f11ab34c5b6d14c33665cdf

Joblessness

Restrictions imposed to safeguard public health against Covid-19 have precipitated a substantial rise in joblessness despite government investment in furlough and self-employment income support schemes. The rise in joblessness is illustrated by the rapid rise in ILO unemployment and the claimant count (Figure 6).

According to the Labour Force Survey, around 1.72 million people across the UK were looking for work during September to November 2020, a rise of 418,000 on the same quarter last year. The unemployment rate, currently at 5.0%, has risen consistently during 2020 with particularly rapid increases in the second half of the year. 16 to 17 year olds remain the most likely to be unemployed (25.6%) with an unemployment rate more than 7 percentage points higher than that of the second highest age group (18 to 24 year olds; 18.2%). Unemployment is expected to continue to rise into 2021.

Figure 6: Unemployment in the UK, September to November 2018 to September to November 2020



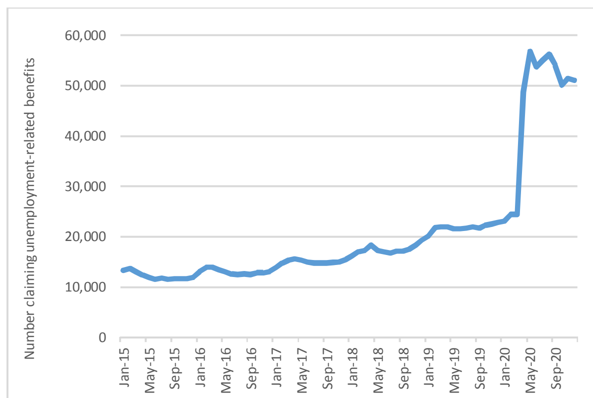
Source: [*https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2021#employment-unemployment-and-economic-inactivity*](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/january2021#employment-unemployment-and-economic-inactivity)

Latest comparable results for the Heart of the South West cover the 12 month period to September 2020 when an estimated 33,900 people were unemployed according to this measure. The unemployment rate at this time, at 3.9%, was not statistically different to the UK rate for the same period. As nationally, 16 to 19 year olds (23%) had the highest rate of unemployment.

The claimant count offers an alternative measure of joblessness. Traditionally considered a narrower measure of unemployment since it reflects the number of people receiving unemployment-related benefits, it has the advantage of timeliness and is not subject to confidence intervals since it is based on administrative rather than survey data.

Recently, however, the claimant count exceeds the ILO measure of unemployment. This suggests that most people who are looking for work are now claiming benefits, and that perhaps, in difficult labour market conditions, those that do not need to look for work, are deciding to move into economic inactivity. In December 2020, 51,040 people in the Heart of the South West were claiming unemployment-related benefits. The number of claimants across the Heart of the South West has increased substantially since March 2020 when the first lockdown restrictions were implemented (Figure 7).

Figure 7: Claimant count in the Heart of the South West LEP, January 2015 to December 2020



Source: Claimant Count, NOMIS

The claimant count is also published as a proportion of the resident population aged 16 to 64, producing the claimant *rate*. This shows which areas and which demographic characteristics are more or less likely to be claiming unemployment-related benefits. At 4.9%, the claimant count rate for the Heart of the South West is just over one percentage point lower than the UK rate[30] (6.3%). The only area within the Heart of the South West with a claimant count rate above the UK average is Torbay (7.2%). Wards that have seen high growth in the claimant count between March and December 2020, and had a higher than average rate to begin with are:

- Mendip: Glastonbury (St Edmund's, St John's and St Mary's) and Street (North)
- South Somerset: Chard (Combe)
- East Devon: Exmouth (Town)
- Exeter: Mincinglake and Whipton, Priory
- Teignbridge: Teignmouth (East and West)
- South Hams (Totnes)
- South Devon: St Mary's-with-Summercombe
- Torbay: Berry Head-with-Furzeham and Blatchcombe and St Marychurch

Economic inactivity

Levels of economic inactivity had been falling prior to the pandemic but rose in the immediate aftermath of the first lockdown. This is likely to reflect a combination of increased inflows into inactivity among students who might otherwise been looking for their first, or temporary job and older workers deciding to retire early rather than look for another job following redundancy. Inactivity has started to fall again but is still higher than 12 months ago.

Around 192,700 people in the Heart of the South West were economically inactive during October 2019 to September 2020 of which one-quarter wanted a job. Heart of the South West residents are less likely to be economically inactive than the UK average but those that are inactive, are more likely to want a job.

Educational status of young people

The proportion of young people in full time education across the UK has reached record levels. Nine in ten 16 to 17 year olds were in full time education between September to November 2020, more than 5 percentage points higher than in March to May that year. The percentage of 18 to 24 year olds in full time education peaked at almost 36 per cent during July to September 2020 but has since fallen back to the longer-term average of one-third. The proportion of 16 to 24 years olds in full time education with a job (25%) is also at a six year low. The estimates suggest that there are 1 million people aged between 16 to 24 years old in the UK who are not in full time education and are unemployed or economically inactive.

Apprenticeship starts locally are lower than last year, particularly among young people but the scale of the decline among this group is comparable to the England average.

Table 5: Number of apprenticeship starts in the first quarter of 2019/20 and 2020/21

		Q1 2019/20	Q1 2020/21	2020/21 as % of 2019/20
HotSW	Under 19	2,040	1,190	58
	19 to 24	1,490	1,030	69
	25+	1,860	1,430	77
England	Under 19	40,700	23,800	58
	19 to 24	36,800	25,800	70
	25+	48,300	41,500	86

Source: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attac and https://explore-education-statistics.service.gov.uk/data-tables/fast-track/b0d0a6d2-dcc1-443d-bbc2-22abc52ac776

It is not clear to what extent the fall in starts recorded so far this year can be attributed to the pandemic or Brexit since apprenticeships starts among young people have fallen consistently since 2015/16.

Before the pandemic, around one in sixteen (6%) of 16 to 17 year olds across the HotSW LEP area were not in education, employment or training (NEET) or whose destination was unknown.[31]. Management Information from CSW suggests that the proportion of NEET students in Years 12 to 14 in January 2021 was higher than the previous year in Devon and Plymouth but lower in Torbay[32].

[30] Not seasonally adjusted.
[31] https://www.gov.uk/government/publications/neet-and-participation-local-authority-figures. Average of December 2019 to February 2020.
[32] Data for Somerset unavailable at the time of writing.

Heart of the South West: At a glance

Indicator	Latest		Trend
	Period	Result	Change on previous year
Total in employment, 16+	Oct 2019 - Sept 2020	836,100	-2.4%
Employment rate, 16 to 64	Oct 2019 - Sept 2020	77.7%	-1.5 pp
Total employees, 16+	Oct 2019 – Sept 2020	687,100	-0.8%
Total in self-employment, 16+	Oct 2019 – Sept 2020	144,400	-8.0%
Self-employment rate, 16+	Oct 2019 – Sept 2020	17.3%	-1.0 pp
In employment, part-time rate 16+	Oct 2019 – Sept 2020	28.0%	-2.1 pp
In employment, non-permanent, rate	Oct 2019 – Sept 2020	4.9%	-0.1 pp
In employment, private sector, rate	Oct 2019 –Sept 2020	77.2%	-2.9 pp
In employment, job related training, rate	Oct 2019 – Sept 2020	25.0%	-3.9 pp
With NVQ4+, 16 to 64, rate	Jan 2019 to Dec 2019	35.3%	-0.6 pp
Unemployed, 16+	Oct 2019 – Sept 2020	33,900	+13.4%
Unemployment rate, 16+	Oct 2019 – Sept 2020	3.9%	+0.5 pp
Economically inactive, 16 to 64	Oct 2019 – Sept 2020	192,700	+5.8%
Of whom, wants a job	Oct 2019 – Sep 2020	47,700	+10.9%
Economic inactivity rate, 16 to 64	Oct 2019 – Sept 2020	19.1%	+1.1 pp
Claimant Count, 16+	December 2020	51,040	+122.8%
Claimant rate	December 2020	4.9%	+3 pp
Employments furloughed	31st December 2020 *(provisional)*	88,400	*N/A*
Take-up of CJRS, %	31st December 2020 *(provisional)*	12%	*N/A*
SEISS claims made (3rd grant)	31st December 2020	53,600	*N/A*
Take-up of SEISS (3rd grant), %	31st December 2020	50%	*N/A*

[i] https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/quarterlynationalaccounts/julytoseptember2020
[ii] https://www.bbc.co.uk/news/business-55934405
[iii] Published in November 2020.
[iv] https://image.uk.info.pwc.com/lib/fe31117
[v] September to November 2020.
[vi] https://www.pwc.co.uk/services/economic
[vii] https://www.hays.co.uk/salary-guide/
[viii] The scheme announced by the Government on 20 March 2020 provides employers with financial support to retain employees who might otherwise be made redundant due to loss of business during the pandemic (or the nature of work being such that it is not possible for them to work from home). With the introduction of 'flexible furlough' on 1 July 2020 (allowing furloughed employees to return to work on a part-time basis and claim furlough for the remainder of their contracted hours that are not worked), staff who had not already been furloughed under the scheme could not be included in claims for support. The scheme was due to close on 31 October 2020 but due to ongoing restrictions at varying levels of severity (culminating in a month-long lockdown in November) the government made the decision to extend the scheme until the end of April 2021, and from 1 November it again became possible to claim support to furlough jobs that had not been previously.
[ix] https://news.sky.com/story/coronavirus-zombie-company-warning-as-557-000-firms-endure-significant-distress-12116938

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Heart of the South West Local Skills Report

V6 Draft – 14 January 2021

1) Foreword

1.1 Education and skills shape a place. They provide the foundation for its economic personality, set the tone for its industrial and social mix, and contribute to its overall prosperity, providing the foundation for both growth and equity. We know that the most successful places and prosperous communities are underpinned by strong educational and skills performance; with those areas with the highest appetite for learning and the ability to harness such talent being those that most thrive.

1.2 The Heart of the South West is no different. Its economy is shaped and led by the skills of its residents and businesses. The skills of its workforce underpin its economic potential; whether through providing the essential technical skills which drive high value engineering and manufacturing; the insight and innovation that fuel our knowledge economy and the work of its universities; or providing the day-to-day leadership of small and micro businesses that form the backbone of every community. Supported by its strong schools, colleges and universities, as well as a network of dedicated private training providers and active employers, the area has real depth in its capacity to harness its skills and training capacity, and through doing so improved prosperity

1.3 Despite the area's capacity to train, and its residents' appetite to learn, too many individuals still fail to reach their potential in the Heart of the South West. The statistics are clear. The level of those holding a higher-level qualification or working in a professional occupation within the Heart of South West remains below the national average; the number of those undertaking technical qualifications continues to trail the amazing opportunities on offer; and too many young people and adults facing disadvantage across the economy end their educational journey at GCSE level or below.

1.4 As an area, we understand that the failure to fully utilise the talent of our workforce has a price for our entire economy or all our communities; fewer individuals achieve a worthwhile job they value; reducing the ability of our businesses to grow and expand; and ultimately limiting the economic prosperity of all. The impact of Covid-19 over 2020 has only increased the challenge, with more young people and adults in need of additional support and opportunity than ever before.

1.5 Over the past 18 months, the Heart of the South West Skills Advisory Panel ('SAP') has brought partners together to address these shared challenges; working in unison to understand how we can improve skills outcomes for all, and champion shared approaches, projects and investments that will make a difference. As set out within Chapter 6 of this document, SAP and Local Enterprise Partnership ('LEP') working has already done much to progress skills uptake, promote aspiration and delivery opportunities over the past few years. Building on the strong partnership ethos already in place between business, skills providers and wider stakeholders within the Heart of the South West however, we believe that there is more progress that can now be made on this crucial agenda.

1.6 This document therefore sets out the next step on that journey. It provides a shared skills blueprint for the area with a single vision at its heart**, that every individual in the Heart of the South West should be able to access the training or learning they need to thrive in a productive job they value, supporting inclusive growth and prosperity.**

1.7 To achieve this ambition, this report commits partners to work together around three headline skills and training objectives within the Heart of the South West:

- **Ensuring that our skills and training environment is responsive and forward facing, meeting individual and business need;**

- **Ensuring that every individual can access the skills and training they need to achieve their own potential;** and

- **Ensuring that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity**

1.8 Through achieving these three goals, partners will improve the capacity of our education and learning sector, businesses and individuals can grow and raise prosperity and create an environment in which skills and training opportunities are more accessed, more tailored to individual and business need, and lead to better outcomes for more people.

1.9 Words alone will not achieve these objectives. This report therefore includes a discrete action plan – our skills blueprint - to be taken forward over the next five years. This identifies named partners, addresses the various challenges identified through our shared evidence base, and take full advantage of new opportunities arising from our Local Industrial Strategy, the Government's emerging vision for Levelling Up, and wider support and initiatives to assist with our shared recovery from the recent pandemic.

1.10 As we have seen even more acutely over the past year, the Heart of the South West has significant opportunities to pursue, as well as a range of challenges yet to overcome. Through this document however, we can translate some of our shared endeavor around skills and employment into individual and shared success, driving forward our recovery in the short term, and setting a foundation for longer-term inclusive growth and prosperity for the Heart of the South West.

2) Skills Advisory Panels - Introduction

2.1 The Heart of the South West Skills Advisory Panel ('SAP') is the strategic partnership for skills and employment within the Heart of the South West area (covering Somerset, Devon, Plymouth and Torbay). Its members include the Heart of the South West Local Enterprise Partnership ('HotSW LEP'), Local Employment and Skills Board, Colleges and University Partners, and wider public and private sector representatives and organisations

2.2 Skills Advisory Panels ('SAPs') were created by Government in 2018 to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges. These include both immediate needs and challenges and looking at what is required to help local areas to adapt to future labour market changes and grasp future opportunities. This will help colleges, universities and other training providers deliver the skills required by employers now and in the future

2.3 The SAP partnership is the latest iteration of skills leadership within the HotSW, with partners working closely together at the LEP level over the past five years to align and accelerate delivery. The period has seen a mixture of public, private and institutional investment that has sought to enhance local progression and reinforce the area's underlying labour market expertise and specialisation. Key developments have included:

- South West Institute of Technology ('IoT')– Successfully secured in 2019, the South West IoT brings together further and higher education partners with regionally and national significant private sector partners to advance technical skills delivery and development across the economy. With a focus upon advanced engineering and digital competencies, the IoT offers local partners and businesses a unique opportunity to fast track the development and growth of core technical competencies in our opportunity sectors.

- Sector Skills Investment – Over the past five years, further and higher education partners across the HotSW have invested over £250m into specialist capacity and facilities to advance learning and expertise within our core sectors. These include:

    - New engineering, digital and technology centers in Exeter, Bridgwater, Torbay and Plymouth;

    - National Centres of excellence around Nuclear, Marine and other advanced manufacturing, construction and engineering approaches;

    - Investment into higher education facilities in Exeter, Plymouth and Taunton; and

    - New investment in space for additional innovation and enterprise across the wider HotSW.

- HotSW Careers Hub – Emerging from the work of the Careers Enterprise Company and Gatsby Foundation, the HotSW Career Hub as of September had grown to cover every mainstream secondary school in the area, providing support for high quality careers, advice and guidance and business/education engagement to every student. The largest hub in the UK, the HotSW Careers Hub has developed nationally competitive expertise in supporting work experience and engagement with business.

- **Digital Skills Partnership** – One of two original pilots agreed with DCMS in 2018, the HotSW Digital Skills Partnership brings together partners from across the public and private sector with a focus on digital skills development and capacity. Securing over £3.5m of funding in its lifetime towards local delivery to date, and facilitating wider success across careers advice, business support and infrastructure opportunities. The DSP has taken a strong leadership role in promoting digital pathways and the uptake of digital skills from basic to higher level.

- **Delivery of the European Social Fund** – HotSW partners have been successful over the past 4 years in committing over £44m of ESF funding across a range of high value / high need projects. These include joint working with key national partners such as the Education and Skills Funding Agency ('ESFA') and Big Lottery, universities and colleges, and wider community and voluntary organisations. As of 2020, the HotSW programme had supported over 20,000 individuals to access an apprenticeship, develop their in-work skills, return to work and training and progress more generally.

- **National Retraining Scheme / Skills Fund Pilot Activity** – Working closely with the Department of Education ('DfE') since 2017 on the emerging development of the National Retraining Fund and subsequent policy, HotSW partners have contributed towards the delivery of 1,500 adult training places in the past three years as part of wider testing and roll out of the Government's update skills approach. This includes testing of forerunner approaches to the lifetime guarantee offer at Level 3, and most recently bootcamp approaches for core sectors.

2.4 In October 2020, Government placed a formal requirement on each of England's 37 Skills Advisory Panel to produce a Local Skills Report for their respective area by 31 March 2021. Providing a five-year blueprint for shared priorities across the skills landscape, the plan is required to both align skills investment and activity with its respective area and provide a foundation for future growth and inclusion through maximising the impact of the skills provision.

2.5 Specifically, the plan is required to play the following five roles:

- **Clearly setting out key skills needs** – ensuring local skills needs are visible to local partners who can then engage with them.

- **Feeding intelligence to the national Shared Prosperity Board ('SPB') and central government** – providing a consistent output of intelligence common to all SAPs that the SPB can use to understand the needs and priorities of local areas and build a national picture of the supply and demand for skills

- **Being a 'go-to' document for everything local-skills related** – bringing together existing and new skills information into a consistent format common to all SAPs.

- **Offering valuable insight and evaluation** – detailing the progress made on current local skills initiatives and outlining future skills plans to plug key skills gaps.

- **Acting as an engagement tool** – a vehicle through which SAPs can directly engage, influence and rally employers and providers in their areas to support the local skills agenda.

2.6 This document is the Heart of the South West first Local Skills Report.

3) Skills Strengths and Needs

a) Overview

3.1 Located in the peninsula of the South West of England, the Heart of the South West is one of the country's largest LEP areas. Its economy is broadly-balanced, and while many of its industrial strengths capitalize on its rich endowment of environmental assets, it is has high-tech specialisms in aerospace, photonics and ship building with strategies in place to capitalize on the golden opportunities afforded by marine, nuclear, aerospace and advanced engineering, data analytics, health and care and rural productivity. Its economic strategy envisions doubling the size of the economy but with an emphasis on clean and inclusive growth.

3.2 In order to meet this challenge, the HotSW will need to unlock the region's productive potential over the next decade, whilst creating quality employment opportunities for its residents in the broader context of Covid-19 recovery and recalibration of the UK's trading relationship with the European Union. Skills will be integral to realising these ambitions. Covid-19 has had a disproportionate impact on parts of the area, due to the HotSW's heavy reliance on tourism, hospitality and retail activity. Productivity is also traditionally low by national standards due to a combination of factors relating not only to skills but also innovation capacity and capability, the nature of economic activity and ownership of enterprises, business dynamism and propensity to export and 'connectiveness' within other major cities. Recovery and growth will therefore involve maximising the economies of industrial clusters and improving leadership and management skills so that local businesses and organisations are more efficient, fully utilising the capabilities of all staff, and adopting the latest technologies and management practices.

b) Key Economic Features

- A mixed geography – The Heart of the South West is one of England's most geographically diverse LEP areas. Encompassing a coastline of over 200 miles, around 630 sq miles of National Park and over 2,500 miles of wider green space, the LEP is predominantly a rural area by nature. However, the LEP's two major cities (Exeter and Plymouth) and market towns along the strategic M5, A38, A361 and A303 corridors contain 90% of its population and economy.

- Low productivity overall, but significant economic diversity across the HotSW's geography - In 2018, GVA per head in the HotSW was approximately 18% lower than the national average, whilst average earnings were approximately £40 per week lower than the national equivalent, and £20 lower than the South West average. This disguises substantial differences within the area, with wages and productivity per head in Exeter roughly the same as the national average in 2019, whilst wages in Torridge were approximately 20% lower than those in Exeter, and output per head roughly half the national average.

- A small business / self-employed economy - As a predominantly rural area, 98.2% of the Heart of the South West' Businesses were either small or micro organisation in 2020, with only 1 in 5 businesses in the HotSW having a turnover above £50,000 per annum. Similarly, roughly 18% of the population in the HotSW were self-employed in 2020. As a side effect of this, the area also had extremely low level of foreign owned enterprise in 2020 (0.3%) when compared with peers, high levels of family-owned enterprise (roughly 90%), and relatively low levels of innovation or knowledge led business (estimated by the Institute of Engineering and Technology ('IET') as the lowest in the UK). Similarly, only 48% of the workforce employed in the HotSW were employed by a large business in 2020 compared to 54% nationally, with implications around per head investment, workforce training and salary levels.

- **A shrinking working age population** – The HotSW's working age population is currently ageing around a third faster than the rest of the UK, with around one third of the Heart of the South West's overall population already over the age of 65 in 2019, compared to just 6% of the population between the age of 16-19. This was roughly 6% higher than the national average for those aged 65 and above, and 3.4% lower than the national average for young people. This poses challenges for the HotSW workforce across multiple areas, whether around enhanced demand for services, a loss of skills within core sector through retirement, a reduction in the overall size of the labour market available, or through applying additional pressures in terms of requiring more seasonal and migrant labour than peers. The latter issue is of particular interest following our recent departure from the European Union.

- **Significant clusters of localised deprivation though often disguised by proximity to more prosperous communities** – The HotSW had above average numbers of wards within the bottom 20% nationally in 2019, notably concentrated within Plymouth, Torbay, Northern Devon, Exeter and Western Somerset, as well as across wider rural and coastal locations. These were often lost in national comparators due to the relative affluence of more prosperous parts of Devon and Somerset. However, those within these wards were 3 times as likely to be receiving free schools' meals than those outside, half as likely to progress to higher education, and 50% more likely to be suffering from some level of underutilisation of their skills within work. Given the area's high levels of economic activity, in work poverty and families living and working in poverty were areas of particular concern, with relative wage levels in several of the HotSW districts amongst the bottom 1% of areas in the UK.

- **High overall levels of economic activity and those of working age in employment, but low levels of average pay, higher proportions of individuals working within lower value sectors, and a lower proportion of the working age population overall undertaking a higher-level role** – Historically, the Heart of the South West has benefited from above average economic activity rates, with the average only falling below 77% once in past 25 years before the onset of Covid-19. However, gross weekly pay for full time workers in 2019 was roughly 11% lower than the English average; around 4% more individuals worked within sectors with an average pay level below the English average, and 5 percentage points less individuals employed in a senior or professional occupations than the national average. Graduate retention, whilst stronger in Exeter and Plymouth, remains a challenge across wider areas.

- **A mixture of skills and education capacity** – The Heart of the South West is home to 4 universities, 11 Colleges, 160 mainstream secondaries, and over 300 independent training providers. It is also home to a range of specialist provision, including its Institutes of Technology, the National College for Nuclear and additional research capacity, and facilities covering specialist skill development within the agricultural, marine, engineering, digital, construction and environmental science sectors. Whilst the area has a breadth of provision however, organisations find ensuring the economic relevance of their offer remains an ongoing challenge, particularly around the modernity of estates and equipment.

- **Difference in physical, financial and virtual access to learning** – Whilst the Heart of the South West benefits from reasonable achievement levels overall, access to learning continues to be influenced across the area by a range of tangible and intangible barriers.

Mixed transport and public transport access to Centres of learning; significant differences in broadband and digital capacity and infrastructure availability; and challenges around the affordability of learning itself for those form a more disadvantaged background continue to be important differentials in relative performance across the HotSW.

c) Skills Supply

3.3 The HotSW's education system overall is effective in ensuring that the majority of young people attain a Level 2 qualification by the age of 19. In 2019, GCSE and A Level achievement for those aged 16-19 levels in the HotSW was roughly equivalent to the national average (though with significant local difference), with the area benefitting from a Level 3 achievement level for non-A level qualifications roughly twice that of the national average. Level 4 and above achievement (amongst adults) was also roughly equivalent to national averages. Notably, the Heart of the South West also had some of the Country's highest levels of apprenticeship activity and achievement (notably around Plymouth and Exeter).

3.4 However, attainment at Level 2 by 19 has fallen in each of the last four years within the area, with evidence suggesting that disadvantaged pupils and those with a barrier to learning are considerably less likely to achieve educationally than their peers. National studies suggest that many of those that do not achieve by age 19, do achieve Level 2 or 3 by age 25, with qualitative feedback from providers and employers suggesting this is also the case in the local area. These 'second', or even 'third' chance opportunities are crucial within the HotSW for individuals who did not achieve formal qualifications at school or college.

3.5 Those that remain in education in the HotSW tend to achieve well and acquire qualifications in subjects valued by employers – as evidenced by better-than-average employment rates. Rudimentary assessment of labour market fit suggests that there is an opportunity, to encourage more learners to access courses at all levels, in particular focusing on subjects allied to information and communication; business administration and law; health, public services and care (including teaching); and engineering and manufacturing technologies. This needs to be underpinned by access to good quality careers information, advice, and guidance.

3.6 Progression into higher education in the HotSW though remains low when compared to peer areas, with graduate retention remaining a specific challenge as it is for many areas outside London and the South East. The ongoing development of industrial clusters seeks to support this issue, enticing experienced workers into the area with the possibility of opportunities beyond the 'destination job'. While salaries are lower than the England average, the Heart of the South West performs well on various quality of life metrics including house prices (though these can vary considerably) and environmental quality, which also seeks to reinforce local appeal. However, rates of progress here remain slow.

3.7 The above summary of supply is likely to be subject to additional distortion due to the impact of Covid-19. Early indications suggest that this could see a particularly disproportionate impact on the life chances of disadvantaged pupils through learning loss experienced during the first lockdown and subsequent summer holiday; the effects of low income on health and well-being; and the lack of apprenticeship or other employment opportunities for those not entering further of higher education. There is also a risk that young people who chose to remain in education, in response to the lack of employment opportunities, may suffer psychologically, if they are not adequately supported in their studies. Restrictions are also likely to have reduced the availability of work placements which offer vital opportunities for less well-connected students to forge relationships with adults outside their immediate family.

d) Skills Demand

3.8 Skills demand over the past five years within the HotSW has been relatively consistent over the past five years. Top sectors have included manufacturing and engineering related occupations, health, construction, logistics, professional and financial services roles, and hospitality, leisure and retail opportunities. In the past three years, health and social care, hospitality and leisure, and engineering / advanced manufacturing have been areas of enhanced pressure, reflecting patterns in demographic change, local sector growth and changing economic patterns and habits.

3.9 The past year has seen a significant shift in demand patterns across the HotSW as a result of Covid-19. Whilst it is still too early to fully describe the long term labour market impacts of the pandemic, and the consequences for local labour demand, economic forecasts are currently pessimistic around employment growth nationally this year or next, with consequences for both local demand, and particularly for young people.

3.10 In the short-term, skills demand in the HotSW will depend on how lockdowns and any subsequent restrictions affect commercial activities and ultimately business survival. Redundancy rates and take-up of Government job retention support suggests that the pandemic is disproportionately affecting demand for customer-facing sectors such as arts, entertainment and recreation and accommodation and food services but also construction and manufacturing. Demand for occupations related to health and care, and the skills implicit within these, appears strong. It is unclear at present how the area's recent departure from the European Union will impact on local workforce demand, with a proposed reduction in migrant labour availability potentially the first impact to be felt, with significant potential issues for agriculture, hospitality, leisure and other seasonal and high turnover sectors.

3.11 It is currently predicted however that employers will identify a deficiency or need to improve general and industry specific digital skills across the workforce as a result of recent events. The pandemic is likely to have further increased the need for digital competencies and enhanced leadership and management skills. Indeed, even before the pandemic employers were most likely to identify managers as those most in need of developing their skills in the future. This would certainly help to address issues of skills utilisation and unlock the potential for productivity improvements therein.

3.12 Longer-term, it is anticipated that skills demand will continue to be shaped by mega trends such as technological change, globalisation, climate change and demographic change with the pace of these changes potentially accelerated due to the Covid-19 pandemic: for example, increased remote-working and online shopping. It is perhaps too early to call whether changes in consumer preferences and work design will persist over the longer-term, however, the broad direction of travel is unlikely to change. Employment projections for the Heart of the South West predicts that while there will be a net requirement for workers with qualifications at all levels from Level 2 upwards, expansion demand is concentrated solely among occupations requiring for higher education qualifications and particularly first degrees.

3.13 Focusing upon specific sectoral demand, it is currently anticipated that the following core sectors will be areas of specific heightened need / demand into the medium term:

- Health and social work are currently predicted to create more 'new' jobs than any other sector locally over the next 10 years particularly among caring personal service occupations but also health professionals. The existence of skills shortages and gaps within the sector now, suggest that encouraging more adults and young people to follow careers in health and care should be a priority.

- **Professional and support services and information technology** are predicted to be key source of job growth locally over the next 10 years underpinning demand for a range of mainly high-skilled occupations particularly in the former. Within this, Nesta predicts strong demand for skills groups related to data engineering, IT security operations, market research and app / web development.

- **Accommodation and food and arts and entertainment**, along with other services and wholesale and retail trade were also predicted to create new opportunities over the next 10 years. The extent to which these opportunities will be realised will depend on how quickly these sectors recover from the pandemic and the extent to which consumer preferences and business models within these sectors evolve as a consequence.

- **Construction**, a sector that currently has the second highest redundancy rate in nationally predicted to increase employment locally. Most of the increase is anticipated to be at professional and associate professional and managerial level, although demand for construction trades will also increase. The fortunes of the construction sector tend to track those of the wider economy these jobs will depend on the impacts from exiting the EU and the broader recovery.

- **Production, manufacturing and Science, Technology, Engineering and Math (STEM) based employment** is currently expected to be expected to be an area of significant replacement demand, though overall job numbers are expected to fall. For example, the total requirement for science, research, engineering and technology professionals and associate professionals is expected to increase by 19,000 and the requirement for skilled trades by 10,000 over the 10-year period covered by the projections, despite small reduction in overall job numbers.

3.14 In addition, it is anticipated that new roles will be created by a mixture of other trends and opportunities including:

- ongoing technological advances, notably around clean growth and automation. As new technology is deployed to undertaken routine tasks, augment existing roles and create new ones, personal skills such as creativity, critical thinking, people management, emotional intelligence, judgement and decision-making and negotiation will also become increasingly important.

- Existing businesses seeking to integrate nontraditional sector roles (including data engineering, IT Security, market research and app/web development) into their activity, increasing the impact and productivity of these sectors.

- New opportunities created through enterprise and self-employment, with entrepreneurial behaviour traditionally increasing after large scale economic shocks as individuals seek to adjust and find new options. This is particularly likely in the HotSW given a tradition of self-employment and business creation as a career option. Wider opportunities arising from the knowledge economy and innovation will similarly drive additional enterprise activity, with spin outs and graduate enterprise likely areas of growth.

e) Matching supply and demand

3.15 There is some evidence of a mismatch between skills supply and demand within the HotSW. In 2019 for example, 25% of those completing a Level 3 qualification locally were in professional services, finance and business disciplines, whilst a further 19% were in service enterprise activity (which includes beauty and personal care, customer service and other small business centric qualifications) or sports and leisure qualifications. This is despite these sectors making up just 13% and 1% of the economy respectively. Alternatively, only 1% of qualifications were within logistics and retail qualifications (16% of employment), and 13% in health and social care (approximately 20% of employment and current vacancies).

3.16 As such, the Chartered institute of Personal Development '(CIPD') recently described the Heart of the South West as being in "skills surplus": a situation of high supply overall, but against a low demand for skills. Analysis of the area however suggests that the picture is rather more complex than this simplistic summary suggests, with the need for a nuanced understanding of local skills demand and labour markets across the LEP's economy. In general, the area could perhaps be better described as below:

- high supply and high demand for skills in the Exeter Travel to Work area (i.e. "High-skills equilibrium")
- lower supply and lower demand for skills across Somerset, Plymouth, and Torbay (i.e. "Low skills equilibrium"); and
- high supply, but lower demand across parts of Devon (i.e. "Skills surplus")

3.17 Across all areas however, the HotSW continues to have specific hot spot / areas of enhanced demand across multiple sectors and occupational groups. These are:

- Sectors with an ongoing and cyclical recruitment and skills need – These include the skilled trades, care sector, leisure sector and across the generic service sector.
- Sectors with ongoing occupation specific needs, but who generally don't have a wider challenge around recruitment - These arewithin elementary occupations (skilled trades), sales and customer services (finance, managerial posts), associate professionals (project management, finance) and hotels and restaurants (chefs, management)
- Specific occupational gaps - These include demand within professional occupations, transport and storage, information and communications, construction, manufacture and production, and specialist health and social work roles within the HotSW.

f) Conclusion

3.18 The Heart of the South West is a diverse and complex area in terms of both its economic performance and labour market. Whilst it benefits from a mixed economy with clear areas of strength and a healthy mix of education and skills provision, it faces a significant number of local structural and skills performance issues and challenges. The position can be broadly summarised as below:

- Mixed economy, with strengths amongst a number of technical, service / hospitality and manufacturing sectors. The area has traditionally struggled with lower productivity per head then its peers. It has also felt a disproportionate economic and employment impact from Covid-19 over the past 12 months due to its reliance on the tourism, hospitality and leisure sector

- There are significant differences across the economic and skills makeup and capacity of the Heart of the South West, with wide variation across districts and local communities. Averages often conceal deprivation and economic performance challenges.

- The HotSW's ageing population and shrinking working age population continues to tighten the local labour market, and drive a growing requirement for replacement labour. Exiting the EU holds potential to further complicate this issue.

- HotSW has a relatively strong educational offer, with average levels of achievement at 19. However, there are ongoing issues amongst those from a disadvantaged background / with a barrier to learning and work, and wider challenges around performance dropping over the past four years, with Covid-19 likely to exacerbate issues. Assets across the education and learning sector also require additional investment to remain current. There is some evidence however, of particular strengths around apprenticeships.

- There are challenges around progression into higher education, with a 11 percentage point difference in the number of individuals with a Level 4 qualification when compared to the national average, and lower levels of retention in many areas. Aspiration and ambition are key issues locally.

- Demand for skills had been significantly disrupted by Covid-19, however, there is strong demand in health and social care, professional services, digital occupations / wider digital competencies, accommodation and leisure, construction and advanced manufacturing occupations.

- There is a mismatch between skills supply and demand, however this is changeable across parts of the HotSW and occupations. There is some evidence of oversupply in some occupations and areas.

4) Skills Strategy

i) Overview

4.1 Skills performance is a crucial element of any areas' economic performance, determining its productivity, shaping local wellbeing, and underpinning its industrial and knowledge economy. As set out in Chapter 3, the Heart of the South West is no different, facing a range of social and economic opportunities and challenges over the next decade which require skills solutions if the area is to both achieve additional growth and address individual disparity.

4.2 This core strategy seeks to provide that shared blueprint for the Heart of the South West. At its core is a shared vision that:

Every individual in the Heart of the South West should be able to access the training or learning they need to thrive in a productive job they value, supporting inclusive growth and prosperity.

4.3 This vision seeks to put the individual and their progression at the heart of our skills activity, ensuring positive life chances are extended to all. Through supporting and shaping individual advancement, we will provide our businesses with the skills they need to drive a more productive and inclusive economy. Through securing more skilled people, we will enable the area to better address the challenges and take up the opportunities it faces, supporting the economy and our communities to recover from the recent shocks associated with Covid-19, and providing a foundation for future prosperity.

4.4 To achieve this, the Heart of the South West needs a skills and education environment that is fit for purpose and focused on supporting recovery, need and growth. It must:

- Ensure **every** individual benefits from an effective education or training offer, that promotes aspiration and ambition, integrates good quality careers advice and guidance, supports confidence to upskill and reskill, and leads to a job they value;

- Break down and overcome barriers created by disadvantage and other challenges to progression, allowing those furthest from learning and economic prosperity to achieve and prosper.

- Promotes and drives forward economic success and growth opportunities, notably within core sectors such as clean growth, digital and creative industries, advanced engineering and production, modern construction, and health and social care, recognising their crucial role in driving our future economy;

- Enables employers to grow, promoting confidence in upskilling their business and providing a foundation to develop, retain and attract new talent. This will also attract wider investment and engagement, which can both sustain the area's unique economic strengths, reinforce wider prosperity through wages, and support future production and innovation.

- Support and enable enterprise, self-employment and broader business growth, alongside wider leadership, management and skills for innovation development across the business community, reinforcing our micro and small business led economy.

- Ensures that we have a high quality technical / professional offer that complements wider academic pathways, recognising the importance of technical skills to our economy.

- Be underpinned by a network of outstanding skills and training providers (whether colleges, independent providers or schools), that are structurally fit for purpose and demand led, able to offer flexible provision and are ready to meet the needs of our business and existing / future economy, and supported by modern facilities and knowledgeable staff

- Maximises the impact of our higher education and specialist skills provision, meeting the needs of our economy and driving forward innovation, creativity and knowledge. These will also contribute to local objectives around social inclusion, productivity and clean growth.

4.5 The Heart of the South West does not start from a blank page. Whilst the area has ongoing challenges and needs, it already benefits from an array of committed partners and a strong network of providers that are working together to achieve many of the core outcomes listed. The region has also been successful over recent years in securing additional investment from National and European sources into skills capacity and delivery, though there remains much to do.

4.6 However, if the area is to both rapidly recover from recent events, and fully enable the potential of our existing and future workforce to drive individual prosperity and enhance productivity, accelerated action will be needed. As set out in Chapter 3, long term challenges around progression into higher education, aspiration and achievement amongst the disadvantaged, and those facing a barrier to learning and work, and meeting demand from core sectors will need to be addressed to support our wider economic performance and productivity. Alternatively, existing advantages like the area's acceptance of apprenticeships and vocational / technical pathways as a route to a good job provide options for accelerating local growth. Issues such as the impact of Covid-19, demographic change and the potential of clean growth, also offer new opportunities and risks for the area.

4.7 The Heart of the South West will focus on three core objectives moving forward, which will drive and accelerate progress around skills delivery and performance. These are:

- Ensure that our skills and training environment is responsive and forward facing, meeting individual and business need

  Working with our work based learning providers, whether colleges, independent providers and their networks, schools, universities, or other specialist provision (notably our IoTs. national centers of excellence and providers of community and enterprise education) to ensure that our delivery environment and provision is fit for purpose and able to support both existing business needs and future economic opportunities (notably within key sectors such as clean growth, digital and creative industries, advanced engineering and production, modern construction and health). This in turn will seek to address ongoing challenges around individual achievement and business skills uptake, and mismatches between business demand and skills supply.

  Activity will include joint working and projects to ensure that provision is shaped to fit with and drive forward local economic demand / opportunities; is responsive and flexible to both individual and business requirements; is able to support those furthest from the market; and provides a seamless and integrated training offer / escalator approach. To achieve this, partners will seek to best utilise and integrate new capital and revenue support to meet emerging economic opportunities and reinforce existing complimentary capacity, as well as seek to work together to ensure that recovery activity supports those with the greatest barriers to progression.

As part of the development of this approach, engagement with business and economic partners will also be crucial, ensuring that demand for roles is stimulated within key sectors; that workforce provision is business led and co-designed; that essential apprenticeships (at both tertiary and higher level) and other vocational pathways are consistently promoted; and the value of higher and technical skills to business performance demonstrated and championed. This will require joint working to ensure that demand led activity activity is fully funded (including resources for key business / provider partnerships) as part of the Heart of the South West's overall skills approach.

- Ensure that every individual can access the skills and training they need to achieve their own potential

  Working together to ensure that the Heart of the South West has a skills and training offer that can meet the needs of any individual and support them into or progress through a job which adds value to the wider economy. This will seek to address both the area's challenges around individual productivity and economic performance; support wider efforts around extending opportunity to all and better enabling access regardless of individual barriers; and expand and enhance our shared labour market for higher, technical and high demand skilled.

  Actions will include:

  - working together to better support those with barrier to learning or work, developing a shared approach to improving social inclusion and mobility. This will include facilitating new community learning capacity and offers in our most deprived communities; enhancing outreach to our most vulnerable and hardest to reach individuals and young people; and seeking to improve wraparound support for those with a barrier to progression.

  - providing enhanced careers advice guidance for young people and adults, particularly those with at risk of NEET or economic exclusion;

  - improving training availability for those in and outside of work who may be able to upskill, butr face another barrier to progression;

  - making full use of new training and learning offers like the Lifetime Guarantee;

  - securing additional support for those who are long term unemployed; and

  - engaging and drawing upon other government led skills and work provision that can enable us to harness individual progression, including support for self-employment and enterprise activity which benefits the individual, and ensuring every individual has the digital skills they require to thrive.

  This will require close working with businesses, to promote the opportunities involved in expanding and extending recruitment patterns; capture and fully market their career pathways and new opportunities to those in education and across the existing workforce;

and increase demand for higher level skills, technical roles and staff able to lead and enable innovative growth and services.

- Ensure that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity

  Working together, public, private and skills provider / educational partners will seek to ensure that skills activity and funding is designed to best meet the needs of both the economy and drive social inclusion / shared prosperity. This will seek to address challenges around deprivation and economic exclusion, as well as improve overall supply responsiveness and economic fit of provision.

  This will include joint working around labour market intelligence, economic monitoring and other data to ensure that there is a shared understanding of needs and opportunities; integration of social inclusion objectives in shared investment approaches, focusing on extending opportunities to all; working together to optimise the skills and employment impact of key public and private sector investments, such as new construction opportunities or national significant infrastructure projects; seeking to eliminate barrier s to learning such as around digital exclusion, financial exclusion and challenges around transport access; and seeking to find new solutions and approaches to working in the hardest to reach communities and those facing the most disadvantage.

4.8 In taking forward the above, partners will ensure that the skills landscape will both champion economic and social inclusion across the area, as well as support our wider ambitions around sector growth, economic development and productivity improvement.

ii) Productivity and Sectors

4.9 The Heart of the South West Local Industrial Strategy ('LIS') sets out our shared ambition to transform the local economy through clean and inclusive growth. The strategy seeks to develop a new approach to growth across the area, seeking to decouple economic growth from emission growth, and more widely share the proceeds across people and communities.

4.10 As part of this ambition, the LIS identifies 3 areas of significant growth opportunity that it wishes to prioritise over the next two decades, Engineering Futures; Digital Futures; and Energy Futures. Partners believe that these priority sectors have a key role to play in both contributing to Government's long-term ambitions for national growth, whilst driving forward social inclusion and levelling up across the HotSW's mixed economy, as well as support wider clean growth.

4.11 This Strategy recognises the potential of these three core sectors in driving forward clean growth and inclusion in the HotSW. This will be achieved in the first instance through a focus upon promoting and prioritising their development through our skills investment, creating clear pathways / escalators of progression into and through these three core opportunities areas, providing a 'no wrong door' approach to related careers. This will ensure that, regardless of background or prior achievement, a route to a high-quality job in a clean growth sector will be available.

4.12 More specifically, we will:

- Engineering Futures – Seek to build upon the expertise of our universities, colleges and specialist education and training providers to create and support pathways into evolving engineering disciplines, with tailoring around marine, aerospace, photonics, nuclear, civil construction, medtech and defence careers. These in turn will serve wider clean growth ambitions, as well as wider productivity goals.

  This will include increased support for specialisation within our training landscape; improved linkages between business and training providers to improve the relevance of qualification design and delivery; enhanced opportunities for innovation and higher-level skills development; and a focus on the development and increased delivery of individuals with technical level skills for related sectors. Critical to these outcomes will also be a consistent approach to related careers advice and guidance for young people and adults; maximising the impact of our Institutes of Technology and Centers of Excellence / National College; and better aligning the flow of individuals between secondary education, further education and higher education opportunities.

- Digital Futures – Recognising the area's existing strength in training and higher-level skills within data analytics, cyber security and environmental data technologies, seek to create an area wide approach to digital career progression and development. This will include a focus on ensuring every individual has the basic digital competencies required to achieve in a modern role, but also that businesses are able to thrive in a digital environment.

  Activity will therefore encompass working with schools and other educational settings to promote digital careers and opportunities throughout the HotSW; working with our Colleges and wider training providers to offer a graduated approach to digital training and progression, from basic skills for adults to technical competencies up to Level 5-6; engagement and co-design with employers, universities, colleges and our two Institutes of Technology of relevant qualifications and competences; and development of specialist training and innovation capacity within our Colleges and universities around higher level skills and teaching / management capacity.

  In bringing forward this opportunity, the HotSW will seek to drawn upon and work intensively with its Digital Skills Partnership, providing a leadership and coordination role amongst partners. Through the integration and enablement of individual and business level digital skills, the area will also drive forward more sustainable work patterns, cleaner outcomes and prepare itself for future changes across the world of work.

- Energy Futures / Low Carbon Growth – Seeking to build upon the area's unique strength around nuclear technology and engineering, but also specialisms in green energy, marine energy, photovoltaic, wind, nuclear fission and decommissioning expertise, and clean mobility technologies, providing clear progression and entry routes into related career paths. Through growing our potential in this sector, and creating a world class workforce, we will directly contribute to UK carbon reduction and wider sustainability ambitions, as well as drive individual life chances.

  This will include accelerating existing careers and information pathways within schools around nuclear and energy / green related careers; reinforcing training and qualification approaches into clean growth based careers, reinforcing specialist training and curriculum delivery in colleges and through the area's IoT and National College capacity; supporting local leadership and upskilling to access supply chain and other opportunities within the sector; and promoting and supporting innovation by both the business community and our FE and HE institutions and specialist training providers

4.13 This emphasis on opportunities and clean recovery is also critical in light of the impact of the recent pandemic. With significant disruption across the labour market and economy, as highlighted elsewhere, ensuring that opportunities for renewal are maximised will be key to the HotSW approach towards building back better. As identified through both local and LEP level recovery plans, opportunities sectors provide one key route for achieving this ambition.

4.14 In addition to these growth opportunities, the area has a range of broader sectors which are crucial to its economy and require a discrete focus. As both drivers of local economic output and major contributors to local and regional economic, these sectors have a key role to play in driving forward the area's wider economy, but also providing valuable high-skilled jobs for the future which benefit individuals, communities and wider clean growth. In light of Covid-19, these sectors have also taken on a new priority, either as core contributors to our shared recovery, or in need of substantial additional support due to the distortive impact of the pandemic. We will:

- Health and Social Care – Seek to work with the health and social care sector to provide new opportunities to enter the sector, promoting the sector as both a valuable career pathway and hub for innovation and productivity enhancement. Support individuals to progress into higher level health or specialist occupations; work to create a culture of learning and recognition of training across all levels; seeking to reinforce innovation approaches through learning; and link together employer, education providers (including further education, higher education and training providers) and community / employment approaches and needs. In doing so, support Government's wider ambitions around integrated healthcare.

- Construction – Work with the construction sector to both identify key areas of need and opportunity for the future, including working together around replacing an aging workforce; develop new pathways into apprenticeship and other routes into the trades; promote upskilling for existing construction operatives; and develop capacity for higher value construction training. This will include creating and supporting training to facilitate new methods of construction and sustainable construction. This will also include working together to maximise the opportunities arising from wider developments, such as the need to retrofit our housing stock and develop civils and infrastructure engineering capacity linked to highways, utilities and broadband. Activity will seek to build upon lessons learnt through projects like Building Plymouth and Building Greater Exeter, as well as best practice developed through civils programmes around Hinkley Point.

- Agritech and Food and Drink Production – Seeking to build on the Heart of the South West's internationally recognised agricultural / food and drink industries, we will work with the sector to identify formal training pathways and upskilling across the sector, looking to add value to existing roles, support the sectors modernisation and ongoing diversification, and improve local competitiveness. This may include increased investment in robotics, digital technologies and other aligned skills sets which support investment and growth, as well as around land management and other science-based approaches. Projects such as the proposed food hub also offer opportunities to align approaches in pilot environments.

- Tourism, Hospitality, Retail and Leisure – Recognising challenges posed during the recent Covid-19 crisis, but also the importance of these core sectors to our shared economy, work with relevant businesses and sector organizations to accelerate the upskilling and value of our tourism, retail and hospitality / leisure offer, through upskilling of staff, reinforced leadership and management skills and wider customer service and digital capacity across the sector. This will include support for skills within new higher value tourism sub-sectors, including green and sustainable tourism approaches. In addition, seek to maximise the impact of new initiatives and wider business support approaches, such as the South West Tourism Zone, High Street Funds and other regeneration resources to use skills training and skills capacity to support sector development and renewal.

4.15 As part of our sector skills approach, it will also be critical to ensure that there is a firm link between research and development / innovation activity and wider skills and labour market development. In many cases, skills development and knowledge transfer underpins individual business innovation activity, and wider sector performance. This is particularly critical within our higher value opportunities, including within aerospace, defence, nuclear, marine, wider advancing engineering, health, clean industries and digital sector development. Our higher education institutions, IoTs, Colleges and other research and training bodies will have a core role to play in this integration. However, it will also be important to ensure that a culture of innovation and enterprise is integrated throughout our approach, including working with schools and young students to promote positive behaviours and aspiration.

iii) Geography

4.16 The Heart of the South West does not comprise a single economic geography, but is instead made up of multiple labour markets, with a mixture of sectoral, environmental and social strengths and weaknesses, opportunities and threats. As such, any skills approach to the Heart of the South West must recognise these local differences, with a clear understanding of the differing skills, learning needs and requirements of each of our shared communities

4.17 Building on our 3 headline priorities for the Heart of the South West, we will therefore also seek to achieve the following over the next five years in each of the Heart of the South West's 6 Skills and Employment geographies:

- **Plymouth** – Recognising the manufacturing strength and opportunities associated with our Ocean City, we will build upon Plymouth's nationally significant capacity in marine technologies and wider advanced engineering, manufacturing and defence excellence. Aligned to this, we take forward the city's ambitious plans for recovery and growth, and to address social inclusion, focusing on maximising the impact of engagement with schools, locally led employment and training activity through the City College Plymouth and the Devon and Cornwall Training Provider Network ('DCTPN'), higher level learning and innovation activity through the City's universities, and supporting wider opportunities in areas such as cyber/digital development, health and social care, and construction.

- **Exeter and its travel to work area** – As the heart of the area's knowledge economy, and quickest growing locality, we will seek to maximise the productivity and levelling up potential of Exeter and its wider travel to work area covering East Devon, Mid Devon and Teignbridge. A focus will be placed on the potential of the city as a hub for digital technologies, green growth, advanced manufacturing, and professional / financial services. In addition, partners will seek to maximise the impact of the City's outstanding College and broader FE institutions, research university, and capacity of DCTPN's membership to drive ongoing efforts around aligning education and work opportunities; employability and upskilling activity around construction and health; and seek to build digital capacity from basic skills to advanced technical competencies.

- **Northern and Western Devon** – Recognising the diversity of the economy and employment within Northern and Western Devon, we will focus on extending opportunities to every rural, coastal and market town location. Building on existing opportunities within advanced manufacturing and engineering (notably within marine technologies), pharmaceuticals, agritech, and tourism and health, we will seek to enhance the capacity of PETROC and wider DCTPN members to support local upskilling and attainment; engage and accelerate local efforts around educational aspiration and economic inclusion; improve local employability and earning potential; and seek to work with the area's majority small business community to harness local growth opportunities. Improved transport and wider infrastructure linkages may also play an important role in driving upskilling, supporting community prosperity and improving business productivity.

- **Western Somerset and Mendip** – Bringing together the key market towns of Bridgwater and Taunton, the nationally significant development at Hinkley Point, and the wider rural and coastal geography of Western Somerset and Mendip, we will seek to harness the mixed economy of the Western Somerset and Mendip area through its skills development. Building upon existing strengths in nuclear, advanced manufacturing, digital capacity, health and social care, agritech, construction and tourism, we will seek to accelerate upskilling and earnings through focused employment and upskilling activity.

  This will include building upon the expertise of Bridgwater and Taunton College and Strode College; enhancing the capacity of members of the Dorset and Somerset Training Provider Network ('DSTPN') to meet both specialist skills need and wider local provision; supporting the development of University Centre Somerset to provide strengthened higher education provision within Somerset; leveraging high value opportunities around clean growth and energy / engineering competencies emerging from Hinkley Point and development of the Gravity Enterprise Zone; and supporting programmes that further support aspiration and employment amongst young people.

- **South Somerset** – As a centre for UK rotorcraft and helicopter manufacture, and hub for wider aerospace and aviation technologies, we will focus on maximising the impact of the aerospace and high value engineering / manufacturing cluster within South Somerset. This will include building the capacity of Yeovil College to support the sector, as well as working across wider education partners, with DSTPN partners and other provider capacity to build upon South Somerset's wider economy, with strengths and opportunities around tourism, agritech and health and social care. A specific focus will be placed upon inclusion and attainment, with support for employability, upskilling and clear pathways to work and progression.

- **Torbay and South Devon** – Drawing on the mixed economy of the English Riviera and the strength of both South Devon College and the work of wider DCTPN partners, we will focus on maximising the development of existing and new opportunities within the bay. This will include new employment and upskilling within HotSW wide growth sectors such as electronics and photonics, marine engineering, and tourism and wider coastal industries. This will include a specific focus on maximising the impact of any future Tourism Zone in terms of skills and employment. Recognising long standing challenges within the area around inclusion and employment, a specific focus will also be placed upon aspiration and talent retention, seeking to support young people and adults to grow and development within the bay, as well as support companies to upskill, renew and refocus as the economy evolves.

v) Covid-19

4.18 Whilst this Strategy has been designed to identify the medium to long term skills requirements of the Heart of the South West, it cannot ignore the recent impact of Covid-19 on the skills and education environment. With a 12-14% reduction in local GDP as a result of the pandemic in 2020/21, a trebling of local unemployment (including increasing levels amongst those under 24 by 500%), and significant education disruption for young and people and adults alike, it is critical that the area has a joined up and focused response to the recent downturn.

4.19 This strategy therefore seeks to support wider efforts around Covid-19 recovery, building upon the ambitions of local partner recovery plan and the Local Enterprise Partnership's Building Back Better Framework, to return the area to growth and stability as quickly as possible. The core priorities and objectives set out through this strategy already will contribute to recovery, with a focus on new opportunities, sector renewal, reinforcing individual progression and resilience, and supporting individuals to have the flexibility they may need in a transformed economy.

4.20 However, the impact of Covid-19 also requires more immediate action, with a distinct focus on supporting people through the ongoing impact (which has yet to end as of January 2021) and then into recovery and renewal. In particular, it will be important to ensure that those individuals and communities most at a disadvantage, and likely hardest hit by Covid 19, are able to access a level playing field of support and opportunity to avoid permanent economic scarring and worsening economic inequalities.

4.21 As such, partners intend to prioritise the follow core objectives linked to Covid-19 recovery:

- **Work together to enhance the Heart of the South West's support offer for young people, both those in and those recently leaving education.** Seek to reinforce careers advice and guidance and the transition process into further learning or work / vocational training, with a focus on reaching those most at risk of exclusion. Further promote information about apprenticeships and employment activity to young people. Maximise the impact of initiatives like Kickstart, the Apprenticeship and Traineeship support grants for employers and wider mental health, functional skills and other residual support offers.

- **Seek to work towards a single retraining / employment support offer for those leaving work** - Seeking to support individuals to upskill and reskill if they wish to do so to find a better job or access new opportunities / sectors. Maximise the impact of initiatives like the Lifetime Skills Guarantee and Skills Bootcamps to fast track individual opportunities. This action includes a focus on supporting those hardest hit by the downturn, notably those currently in furlough, many of which will likely not return to their existing role after April 2021 but may have been outside of work for over 12 months. The offer will also incorporate enterprise / self-employment opportunities as alternative pathways into work.

- **Work across provision to ensure that digital and remote learning offers, and associated pathways to work and learning, are available to all –** Seek to ensure young people and adults are able to both access and have the skills to access digital training offers and approaches, with a focus on supporting those furthest from the market / most at risk of digital exclusion.

- **Enhance skills and employment support within traditionally harder communities and places across the Heart of the South West -** Ensuring that historic gaps in employment, training and educational attainment are not worsened by the Covid-19 crisis through the roll out of tailored provision and support where able and affordable.

- **Work with business support partners to promote and fast-track self-employment and enterprise activity for the unemployed, those wanting to change career or those that may benefit from an alternative pathway to work** – Support enterprise and self-employment activity focused on maximising new business opportunities emerging beyond Covid-19 and supporting those who wish to follow the HotSW's tradition of entrepreneurial behaviour. Support to focus on enhancing skills for business, including around business leadership, financial management, customer service, digital competencies and core business skills. Promote enterprise as a career pathway to students and young people, seeking to harness their potential as new business leaders.

- **Work with opportunity sectors to promote a joined-up recovery offer over the next 12-18 months**, with a focus on fast tracking new employment opportunities, promoting relevant training and apprenticeships activity, and engaging with young people and adults alike about the post Covid-19 opportunities and skills. This will include a focus on opportunities in health, engineering and manufacturing, digital industries and around clean growth.

- **Seek to engage with businesses in the hardest hit sectors to support upskilling and wider staff training where appropriate, promote staying in work to more vulnerable individuals, and supporting redundancies where unavoidable** – Recognising that the Covid-19 crisis has had a disproportionate impact on certain sector (notably Tourism, leisure, hospitality and retrial) seek to work with companies and individuals in relevant sectors to support either renewal or transition processes. This will include taskforce approaches in the largest cases, but also local initiatives, pilots and programmes which tailor support too individual sectors.

- **Working with our Colleges, Universities and wider training providers to adapt to the new environment –** supporting providers as they work through any financial or operational challenges and requirements which may emerge as a result of the pandemic.

5) Skills Action Plan

5.1 The Heart of the South West's Skills Strategy sets out the area's preferred approach to skills development over the next five years, including our preferred sector focus, geographic approach, and priorities for COIVID recovery.

5.2 Strategy alone however will not deliver the progress sought around skills and employment over the next decade, with a clear need for partners to come together across the HotSW area to ensure that relevant delivery activity is commissioned, funding secured, and outcomes achieved. To achieve this, and respond to Covid-19 effectively, an unapologetic focus on prioritising delivery of the area's agreed priorities will now be needed, seeking to fulfil the opportunities and address the challenges outlined elsewhere in this document.

5.3 This chapter therefore sets out a complementary action plan for the delivery of skills and related employment priorities over the next five years. Drawing upon the Skills Advisory Panels' detailed evidence base, the skills action plan identifies specific activity areas and programmes against each of the ten priority areas already identified through our Core strategy, seeking to provide a single blueprint for skills development across the Heart of the South West area. It also seeks to deliver on our core ambitions around clean growth, improved productivity, and social inclusion through skills and employment activity.

i) Ensure that our skills and training environment is responsive and forward facing, meeting individual and business need

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Secure additional resources to support curriculum development for training and skills development within opportunity areas, notably within nuclear, marine, digital, aerospace, clean growth and photonics training. Seek to also secure additional delivery resources to fastrack skills opportunities within growth sectors.	Noting the mismatch between provision and demand in many areas, work with local providers to prioritise and develop their offer around areas of unique strength / opportunity. Focus on those facilities and courses / curriculum offers which reinforce economic growth and specialisation and promote wider HotSW opportunities. Explore the potential to use boot camp and other funding approaches to fast-track opportunities.	Improved resourcing and focus on supporting careers within high value and opportunity, with downstream labour market benefits for both local productivity and around improving individual and community prosperity.	HotSW LEP, Colleges, IoTs DCTPN / DSTPN, Universities, HotSw DSP, ESBs, ESFA / DfE	Medium Term	Nuclear – Western Somerset; Marine – Plymouth and coastal areas; Aerospace / Aviation - South Somerset and Exeter / East Devon; Digital – Exeter; Photonics – Torbay and South Devon
Develop an enhanced offer around high demand career opportunities that cut across the HotSW, notably within Health and Social Care, Construction, Logistics, Agritech, and Clean Growth occupations.	Recognising currently unmet demand in the health, construction, logistics, agritech and green sectors, work with providers and business to develop new capacity and secure new investment into related skills and training. Explore the potential for boot camp and other funding approaches to fast-track opportunities.	Improved throughput and progression into opportunity and high value / need career, with a focus on retaining more local talent.	Local Authorities, Colleges, DCTPN / DSTPN, Universities, Careers Hub, National Careers Service, ESBs	Short Term	SAP Wide
Support skill renewal and recruitment through recovery within the Tourism, Leisure and Retail sectors. Support redeployment activity where required.	Work with Covid-19 impacted sectors to support staffing training and upskilling, with a focus on transferable skills, leadership and management, and upskilling around core competencies (customer service, financial management, service specific trade skills). Seek to maximise the impact of initiatives like Tourism Zones and national support packages / Lifetime Skills Guarantee.	Improved sustainability and business outcomes for sector business. Improved workforce capacity in sectors, including an emphasis on leadership and management.	Trade Bodies, Local Authorities, DWP	Short Term	SAP Wide
Bring forward a joint approach to marketing and promoting higher-level apprenticeship provision across the business environment.	Recognising the opportunity posed for the local area by higher level apprenticeship, particularly amongst opportunity sectors, seek to extend the take up of related provision to more businesses, including SMEs. Explore the potential for new pathways amongst bedrock and other sectors, where added value could be beneficial.	Improve skills and progression outcomes amongst the workforce, with a focus on higher level staff being secure within opportunity and bedrock sectors. Improved workforce capacity, dynamism and output, with the additional potential to extend opportunity to those who may not be able to otherwise access higher level learning.	HotSw SAP, Colleges, DCTPN / DSTPN, Universities, ESBs, Major Employers	Medium Term	SAP Wide
Agree a new framework approach to ensure that skills funding is directed towards relevant capital capacity and course provision across providers through the use of accurate LMI	Recognising the current mismatch between current supply and demand for skills within the HotSW and drawing on the SAPs role in coordinating local LMI, direct both revenue and capital skills funding towards the development and delivery of economically relevant capacity, reinforcing positive trends and areas of economic opportunity.	Improved and increased throughput of trained staff at all levels into opportunity and higher value sector/ career opportunities. Improved workforce productivity across economy.	Colleges, Universities, DCTPN / DSTPN, HotSW LEP / SAP, ESBs, ESFA / DfE	Medium Term	SAP Wide
Support higher level specialisation and skills development to support innovation and enterprise activity within opportunity sectors / occupations	Building upon the opportunity sectors identified through the HotSW LIS, and working with Colleges, Universities, and Institute of Technology partners, seek to bring forward additional project and programmes promoting innovation led skills development. Seek to promote enterprise skills and activity through higher level programmes. This will place a specific emphasis on engineering, health, digital and leadership skills.	Improved innovation and prodcutivity outcomes from related sectors, and heightened levels of enterprise / business start-up activity. Increased investment and Research and development expenditure related to upskilling / additional capacity.	Colleges, DCTPN / DSTPN, Universities, IoT	Medium / Long Term	SAP Wide
Secure significant new investment in our FE Estate	Building upon the outcomes of recent estate condition survey outcome, and emerging business plans for wider college development, seek to support relevant and prioritised investment into new capacity and facilities to support economically relevant training.	Support for learning and sector / technical capacity across the estate, reinforcing delivery activity to opportunity and wider growth sectors. Improved workforce and productivity outcomes.	Colleges, ESFA / DfE, AoC	Medium / Long Term	SAP Wide, though focused on our FE Estate

Grow the technical skills capacity of our Institutes of Technology and other specialist centres through new facilities	Recognising the potential and need for technical level skills capacity and facilities within the HotSW, work with the area's Institutes of Technology and wider specialist provision (including its National College) to secure additional funding and opportunities to extend the physical assets linked to technical skills.	Targeted support for the IoTs to increase the provision of trained, technical staff within our primary opportunity sectors, including digital, advanced engineering and health related activity. Positive impacts around productivity, clean growth and wider inclusion and community upskilling.	IoTs, Colleges, Universities / HE Institutions, Private Sectors, DfE	Medium Term	SAP Wide
Continue to invest in our Higher University assets, including within University capacity in Somerset and Northern Devon	Seeking to build upon the area's significant university capacity and expertise, support the case for further HE investment. This include seeking specific investment in HE capacity where it may not already exist in the area, notably within Somerset, Torbay and Northern Devon.	Support for learning and sector / technical capacity across the estate, reinforcing delivery activity to opportunity and wider growth sectors. New provision in areas which have traditionally been underserved, providing new routes into higher value training and learning. Wider impact on workforce resilience, productivity and upskilling, as well as positive extension of higher-level provision into currently harder to reach communities.	Universities, HE Institutions, Private Sector, DfE	Medium / Long Term	Exeter, Plymouth, Somerset, Torbay, Northern Devon
Secure additional support for ongoing investment in digital transformation across the education, FE, HE and training provider sectors	Noting the link between digital skills gaps and infrastructure investment in training and education, seek to secure additional support for digital facilities and capacity across the HotSW's education and learning environment, including provision in schools, colleges, training providers and our universities and other institutions.	Promotion of improved digital competitiveness and access across the teaching environment, with benefits for learners and businesses. Downstream improvements in digital competency across the workforce, with positive outcomes around competitiveness, productivity and clean / remote work practices.	Schools, Local Authorities, College, DCTPN / DSTPN, Universities, wider HE Institutions	Medium Term	SAP Wide

ii) Ensure that every individual can access the skills and training they need to achieve their own potential

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Develop a dedicated HotSW Social Mobility and Inclusion Programme, promoting capacity building across communities to extend learning opportunities to those furthest from the market, support the most disadvantaged to learn and progress, and extend education and skills offers to all.	Recognising the significant gaps around educational achievement, progression and aspiration within our most deprived communities and amongst hardest to reach individuals, develop a programme of projects and activity to promote new pathways to learning. Working education and community partners, develop new projects which support young people and adults from a more disadvantaged background into learning, support community-based learning and talent development opportunities, enhance outreach activity from FE, HE and employers, and seek to support capacity building within community learning organisations and through other community based education and learning projects.	Promoting embedded and tailored learning and community centric opportunities to reduce disparity and provide pathways into wider skill and employment opportunities. Through improving progression and inclusion, promote enhanced work and prosperity amongst harder to reach groups and communities, with positive impacts for both economic growth and wider productivity.	Local Authorities, Community learning organisations, Colleges, Universities, Voluntary and community sector, DWP	Medium Term	SAP Wide, but focused on bottom 20% most deprived communities and wards.
Secure ongoing funding support for the HotSW Careers Hub, providing an integrated careers advice and guidance offer for young people within education across the HotSW, and seeking to support those most at risk of NEET.	Recognising ongoing challenges across the HotSW around achievement by age 19 of those most disadvantaged, issues around the take up of STEM related roles, emerging challenges from Covid 19, and longer-term challenges around aspiration and ambition amongst young people in the HoTSW, enhanced Careers, Information Advice and guidance ('CIAG') provision through the HotSW Career Hub programme. Initially focused on secondary schools and colleges, but seeking to expand provision to cover wider education settings overtime. This will also include an ongoing focus on business / education partnership working and engagement and support for governors, headteachers and teaching staff to understand and champion CIAG activity.	Delivery of improved careers outcomes for young people, with a focus on increasing higher value employment uptake within HotSW growth sectors, as well as supporting wider employment, skills and inclusion / aspiration ambitions.	Careers Hub, Business Partners	Short / Medium Term	SAP Wide
Work with apprenticeship lead organisations, providers and businesses to further develop our shared offer on apprenticeship, traineeship and T Levels for young people, and reaching those most at risk of NEET.	Building on the HotSW's relative strength in apprenticeship and vocational training, seek to further promote vocational pathways into work and learning, with an emphasis on promotion to businesses, young people, education providers and parents and development of a shared approach. Seek to build on examples of good practice in Plymouth, Exeter and around Hinkley Point, as well as work championed and led by the DSTPN and DCTPN and projects such as Skill Up Somerset and Ask. Seek to secure further funding for such projects where appropriate.	Acceleration of vocational training uptake across opportunity and bedrock sectors. Improved uptake by employers across the economy. Improved throughput from learners within protected or higher need groups, and from communities with higher levels of income deprivation.	SWAAN, NAS, YAAN DCTPN / DSTPN, Colleges, Universities, , Local Authorities, Employment and Skills Boards, ESFA / DfE	Medium Term	SAP Wide
Work across providers to better align careers advice and guidance support for adults, seeking to maximise the impact of existing and emerging CIAG provision, and support those furthest from the market to thrive.	With a significant proportion of HotSW's workforce still employed in roles below Level 3, seek to work with and support the National Careers Service and wider providers to promote aspiration and ambition, upskilling, and career jumping activity with a focus on our opportunity sectors. Place a specific focus on career management and planning as part of the approach, as well as the potential of vocational pathways / higher level apprenticeships for those already in work.	Increased uptake / labour supply into opportunity and high needs sectors. Specific focus on clean growth, digital and creative industries, advanced engineering and production, modern construction and health and social care.	NAS, SWANN, NAS, Local Authorities, Colleges, Universities, DCTPN, / DSTPN, DWP	Medium Term	SAP Wide
Working with DWP, use a mixture of Sector Based Work Academies and other approaches to provide fast-track opportunities into growth sectors for all.	Reflecting skills gaps within foundation sectors and occupations (notably health, construction, and digital roles), seek to work with DWP and other partners to create fast track routes into relevant careers. Place a specific emphasis on reaching individuals and communities facing the greatest barriers to entry and / or disadvantage.	Increased throughput into opportunity and wider bedrock sectors, improving labour market fit between those re-entering the market and demand. Focus on reaching those further from the labour market and with a barrier to employment / learning.	DWP, Local Authorities, Colleges, DCTPN / DSTPN, ESBs, Major Employers	Short Term	SAP Wide

Support the further development of the HotSW's digital literacy offer, including additional remote delivery of basic and functional skills. Seek to accelerate basic skills uptake working with DWP, adult learning services and wider partners.	Recognising ongoing challenges around basic skills and progression to intermediate skill opportunities amongst adults, as well as specific challenges around supporting those most disadvantaged during the Covid-19 crisis, support additional opportunities to development digital literacy and undertake other basic skills provision.	Increased progression into intermediate skills opportunities and a reduction in digital exclusion across the HotSW. Downstream impacts on employability, with benefits for productivity and social inclusion.	HotSW DSP, DWP, Local Authorities, Colleges, DCTPN / DSTPN, ESBs, Major Employers	Short Term	SAP Wide, but focused upon delivery within the most deprived communities.
Maximise the impact of ongoing initiatives to support youth unemployment, including through the Kickstart programme. Ensure a firm progression route through such programmes.	Recognising the significant increase in youth unemployment since March 2020, seeking to utilise the various policy tools provided by Government to maximise youth employment and training / progression. Seek to reinforce with additional support around core skills, mental health, and other support to enhance access and resilience. Place a strong focus on those most at risk from CovId-19 and or facing a significant disadvantage.	Increased employment and training uptake amongst 16-24-year olds, with a focus on ensuring improved apprenticeship and traineeship progression. Downstream and long-term productivity benefits, seeking to avoid economic and employment scarring.	Gateway Organisations, Local Authorities, DWP, Colleges, Universities, DCTPN / DSTPN	Short Term	SAP Wide
Pilot skills escalator programmes to cover three opportunity sectors; Digital Futures; Engineering Futures and Energy Futures.	Building upon the economic opportunities identified through the HotSW LIS, seek to pilot specific escalators and bootcamp activity to maximise skills and employment opportunities for local people within the area's prioritised growth sectors. Focus upon ensuring such opportunities are directed towards and extended to individuals with a recognised barrier to advancement, seeking to address challenges around disadvantage.	Improved local throughput into high value and opportunity sectors, with a focus on progression across multiple educational levels. Focus on reaching those further from the market.	HotSW LEP / SAP, Colleges, DCTPN / DSTPN, HotSW DSP, Universities, ESBs, Major Employers	Medium Term	All, with a focus upon Exeter, Plymouth and Taunton (Digital Futures); Western Somerset, East and Northern Devon (Energy Futures); and Western and South Somerset, Greater Exeter and North Devon, Torbay, and Plymouth (Engineering Futures)
Secure additional support for digital skills provision for those within non-digital sectors, supporting individuals to upskill and enhance both their own and their sectors future resilience.	Recognising challenges around digital skills capacity across the economy, and notably amongst more deprived communities and disadvantaged individuals, seeking to provide additional provision which can support those in and outside work to further their digital capabilities. Seek to promote digital careers and pathways in non-digital industries,	Promoting additional digital literacy and expertise across the HotSW economy, in both digital and non-digital roles and sector. Downstream impact on productivity within small and large businesses, individual opportunity and wider prosperity and growth.	HotSW DSP, Local Authorities, Colleges, DCTPN / DSTPN, Universities, ESBs	Medium Term	SAP Wide
Develop new and extended support for older people seeking to retrain, with a focus on supporting opportunity and growth sectors.	Building upon recent data around underperformance on skills and training amongst those over the age of 50, develop a programme / programmes of support to work with those in the second half of their career to upskill / reskill. This may include support to train as trainers and other options.	Improved economic outcomes across all sectors, with a focus on supporting older people to retrain / career jump to new opportunities. Improved inclusion and community impact.	Local Authorities, DWP	Medium Term	SAP Wide
Develop renewed support programmes for those seeking to retrain or learn with a disability or other health / mental health related barrier to work, recognising the end of European Funding Support for similar programmes.	Noting the ongoing gap in the HotSW between those in employment with and without a disability, seek to secure additional support for employers and those seeking work around upskilling, training and adaption / reskilling.	Improved economic activity and progression rates amongst those with a disability or other health related barrier to work. Improve community and inclusion outcomes.	Local Authorities, DWP, DoH	Medium Term	SAP Wide

Develop a more structured approach to leadership and management skills delivery and uptake	Work with providers and the private sector to promote and development enhanced opportunities for in work leadership and management development.	Improve focus on skills and workforce development, as well as wider business productivity benefits. Downstream benefits in terms of competitiveness and wider economy, inclusion, and sustainability outcomes.	Colleges, DCTPN / DSTPN, Universities, IoT, ESBs	Short Term	SAP Wide
Working with business support organisations and DWP, seek to develop a shared approach to self-employment and enterprise support as a route to employment and valued work	Recognising the value of self-employment and enterprise as a route back into employment for both those who may have been affected by Covid-19, but also those who may see new opportunities, development of a joint enterprise / self-employment programme to support individuals to set up on their own.	Improved economic output, through business creation and job creation. Downstream productivity and social inclusion benefits, through additional business activity, additional employment and more sustainable employment options.	HotSW Growth Hub, DSTPN / DCTPN, DWP	Medium Term	SAP Wide

iii) Ensure that all skills and training investment and activity contributes to both improving our shared prosperity and collective productivity

Action	Description	Desired Outcome	Lead Partner/s	Timescale	Geography
Develop a single gateway approach to business training, skills and employment advice and support, working with the Growth Hub and wider partners to provide a seamless support service	Recognising ongoing challenges around fragmentation of advice and the complexity of the support involved, seek to reinforce the business pathway to workforce advice and support. Ideally taken forward through a single portal or approach.	Improved take up of business training and learning opportunities across multiple areas (apprenticeships, traineeships, in work training, innovation links etc). Improved progression and outcomes working with both opportunity sector and bedrock.	Growth Hub, Local Authorities, Colleges, Universities, ESBs	Medium Term	SAP Wide
Further develop linkages and joint working approaches between FE and HE institutions, building on positive examples like the Institute of Technology	Recognising the HotSW's progression gap from Level 3 to Level 4 and beyond, seek to support reinforced linkages between HE and FE, supporting organisation like our Institutes of Technology to provide reinforced opportunities to enhanced skills progression in and outside of work. This will include close working with the private sector around maximising the impact of relevant opportunities.	Improved outcomes across technical and higher-level skills levels, with a specific focus on growth within opportunity sectors. Contribution to wider sustainable development and clean growth.	Colleges, DCTPN / DSTPN, Universities, IoT, HotSW LEP, ESBs, Major Employers	Medium Term	SAP Wide
Continue to promote business education linkages amongst schools, supporting both enhanced educational opportunities and wider aspiration	Addressing ongoing gap in progression beyond Level 3 and into opportunity sectors, support business education linkages beyond careers advice, seeking to promote cross curriculum working and other opportunities to engage young people with business specialisations. Build on strong exemplars such as those in Plymouth, Somerset's Education Business Partnership and the Careers Hubs Cornerstone Approach.	Improved career and learning progression amongst young people, with a focus on high need and opportunity sectors. Improved educational achievement and local economic and social inclusion outcomes.	Schools, Careers Hub, Local Authorities, ESBs	Short Term	SAP Wide
Work with education partners / academy groups to identify additional opportunities for joint activity around improving inclusion and supporting aspiration amongst the hardest to reach, best practice in teaching and wider pedological projects	Noting national and regional evaluation around the importance of sharing of pedological best practice, further support schools and wider institutions to come together to pool knowledge and reinforce individual student outcomes.	Improved achievement and progression amongst the hardest to reach into further learning and higher value careers. Specific focus on promotion of opportunity and higher value sectors. Focus on outreach and intervention to improve community and individual inclusion.	Schools, Local Authorities, Colleges, Universities	Medium Term	SAP Wide
Working with partner organisations, develop supported pathways into higher value careers for those with more complex backgrounds.	Noting ongoing gaps around earning levels and employment amongst those with a protected characteristic, seek to provide enhanced support for individuals with a more complex pathway to opportunity roles. These include those with a disability or other health related barrier to work, within an occupation where gender or other demographic gaps are relevant, from a deprived community or other complex background.	Improved learning outcomes within those with a protected characteristic or need, or from within communities considered the most in need of support. Increased throughput of local talent into high value and opportunity sectors.	Colleges, DCTPN / DSTPN, Universities, Local authorities, ESBs, ESFA / DfE, DWP, DoH	Medium Term	SAP Wide
Secure ongoing support for the development of the HotSW's shared evidence and labour market intelligence approach, working through the Skills Advisory Panel and with our universities	In line with Government's requirement for alignment and refinement of the local intelligence base, seek to secure longer term support for LMI activity and wider intelligence sharing and gathering	Improved intelligence supporting targeting of investment and activity, with a focus on opportunity sectors.	HotSW SAP, Universities	Short / Medium Term	SAP Wide
Agree a renewed approach to working with the business community around capturing sectoral and other labour market intelligence	Seeking to further improve the business relevance and applicability of the HotSW's evidence base, work with ESBs and other business organisations, as well as individual businesses to support the gathering and analysis of skills and demand data.	Improved intelligence supporting targeting of investment and activity, with a focus on opportunity sectors.	HotSW SAP, Universities, ESBs, Major Employers	Medium Term	SAP Wide, though focused upon the area's 5 ESB partnership areas.

Support Employment and Skills Boards and other relevant representatives to act as champions for capturing local labour market intelligence.	Recognising the leadership role of our Employment Skills Boards and related organisations, work with relevant organisations to secure ongoing support towards their local coordination and alignment role.	Improved reflection between intelligence and business need, leading to improved targeting of resources and activity to better meet local demand. Improved productivity and inclusion outcomes, with a focus on local tailoring.	HotSW SAP, Local Authorities, ESBs	Short Term	SAP Wide
Maximise the impact of information and signposting service, like the LEPs Launchpad approach piloted in Devon and Plymouth.	Recognizing the value and potential of shared signposting and best practice from other locations, seek to build upon the LEP's Launchpad approach, using a single local partnership / web service to reach employers, learners and other stakeholders.	Improved signposting and alignment of labour market and wider advice. Increased throughput into opportunity sectors and wider areas of high demand.	HotSW LEP, Growth Hub, Local Authorities, ESBs	Short / Medium Term	SAP Wide

6) Assessment of SAP Progress

i) Introduction

6.1 The Heart of the South West has a long history of joint working and collaboration around skills and employment matters, stretching back to the development of sub-regional arrangements in the late 1980s and 1990's. As such, the area benefits from both a long-standing commitment to joint working and collaboration on skills matters between business, providers and public sector partners, with extensive experience in taking forward shared projects and ambitions.

6.2 Whilst this document encompasses the first iteration of a shared Skills Strategy and Action Plan for the Heart of the South West area, partners within the Heart of the South West have been working together around its core themes and ambitions for a number of years. At a LEP level, partners first formed the HotSW People Leadership Group in 2014, bringing together public, private and business representative to agree shared skills and employment objectives for the area's Strategic Investment Plan, and direct the emerging European Social Fund and FE Capital Programmes. Partners have been active since this point in developing and implementing a range of programmes and shared projects across the area.

6.3 The launch of the Heart of the South West Skills Advisory Panel and the development of this document therefore, marks more of an evolution and acceleration of existing activity in the HotSW, then a revolution. The implementation of the SAP over the past year has provided an opportunity to reaffirm local partners commitment to working together to advance skills delivery and achievement, and to align behind key opportunities and needs. It benefits from having inherited an extensive programme of existing skills and employment activity that has been the work of several years.

6.4 The rest of this chapter provides a broad description of the current and recent activity of the SAP and SAP partners within the HotSW, and the progress already being made around the crucial themes of this document.

ii) Taking a Local Leadership Role

6.5 Inheriting the role of the LEP's People Leadership Group, the Heart of the South West Skills Advisory has rapidly taken on the mantle of strategic leadership around skills matters and shared priorities across the Heart of the South West area. Bringing together a strengthened body of lead partners and decision makers, the SAP now provides the local area with a central and formal recognised leadership mechanism for skills policy development, intelligence sharing and decision making.

6.6 Whilst in many ways, this reflects the previous role of the LEP's People Leadership Group, the renewal and strength of membership provides the SAP with a differing personality and authority to its predecessor. In particular, integration and membership by the area's five formal Employment and Skills Board, nominated membership from the area's 11 colleges, 4 universities, and two training provider networks, and business membership from key local businesses including EDF, Waitrose and Kawasaki, the Chambers and FSB, provide the SAP with significantly greater depth of knowledge and breadth of intelligence then its forebear.

6.7 This capacity and reach, as well as renewed commitment to partnership working, has proven invaluable during the recent Covid-19 crisis, providing a shared forum for discussing issues arising, feedback sector by sector intelligence around impact and local challenges, and work together to develop joint solutions and approaches. SAP members have been involved or led the formation of each of the LEP areas four local recovery plans; SAP team members have jointly come together to formulate and launch new projects around supporting redundancy and reskilling, and SAP structures and inter relationships have provided opportunities to bring together partners around wider initiatives such as the Kickstart programme.

6.8 However, the SAP is still a relatively young organisation, with more to do. The finalisation of this document, and agreement of its shared priorities, will provide further impetus for joint working and delivery over the next few years. This will cover multiple funding streams and initiatives, from support for young people in education, to technical skills, new apprenticeships to supporting the assets needed to undertake world class innovation.

iii) Enhancing local knowledge

6.9 As part of its early work, the HotSW Skill Advisory Panel has taken forward an extensive analysis of local skills demand, skills performance and overall economic as part of its lead role on skills and employment evidence. Developed in partnership between the SAP Core Team and the University of Exeter's Marchmont observatory, the SAP evidence base is one of the most extensive pieces of skills research undertaken by local partners for around a decade. Covering a comprehensive assessment of underlying conditions, supply and demand, future risk and opportunities, the final document has provided the local area with core data and skills information which has both informed our LIS, this document and wider recovery and local economic development activity. Data has also been shared extensively with local business and provider partners / SAP members, informing their work with Government, developing relevant business cases and plans, and supporting local priorities for spend and sector development.

6.10 Of particular importance, evidence resources linked to the SAP have been crucial during the recent Covid-19 crisis in allowing for real time understanding of issues emerging across the Heart of the South West area. Data tools and evidence shared through the SAP on local vacancy rates, apprenticeship data, skills and training performance and wider social economic indicators, have been used across every local area over the past 9 months to inform evidence-based recovery strategies, develop associated business plans and project applications, and shape delivery. Within Devon, such data has been utilised to better target basic skills and hospitality, leisure and retail provision; within Somerset around identifying hotspots of impact and informing skills delivery emerging from Hinkley Point; and within Plymouth to make the case for new, targeted ESF support to enable new skills delivery within key sectors.

6.11 Looking ahead, the SAP has used the period of disruption to recognise that there are still gaps remaining however in its evidence base. During the first lockdown period for example, it became clear that the area would benefit from a range of more granular business and household data around skills, training, recruitment approaches and apprenticeship uptake / levy expenditure. These are areas the SAP will be seeking to reinforce over the next two years, to provide additional granular detail to our understanding of demand across individual areas and sectors, and further reinforce our approach to impactful delivery.

iv) Impact on local skills provision

6.12 As set out, the Heart of the South West SAP benefits from a mature and long-standing set of relationships with local providers, including close working links between the LEP / SAP and its 11 colleges, 4 universities and the areas' two training provider networks (Dorset and Somerset Training Provider network, and Devon and Cornwall Training Provider Network). This includes joint memberships of Boards, co-sponsorship of projects, and co-design and authorship of reports and policy. This extends to partnership working on the LEPs core business, with the area's SAP evidence base jointly developed with the University of Exeter, and commissioning of the University of Plymouth to support the development of the area's Local Industrial Strategy.

6.13 As such, provider and LEP / SAP prioritisation have been broadly aligned through partnership working in the Heart of the South West for a number of years, with strong growth across technical, STEM and high demand disciplines across the local provider landscape. Notably areas of joint work / delivery since 2014 include:

- Development of the South West Institute of Technology, bringing together 4 of the area's Colleges (City College Plymouth, Exeter College, PETROC and Bridgwater and Taunton College) and its two universities to successfully bid for one of the UK original 12 IoTs, the consortia worked closely around the development of the scope and focus of the SW IoT, with its emphasis on engineering and digital skills at Level 4 and beyond.

- Delivery of skills provision linked to Hinkley Point, working closely with Bridgwater and Taunton College, DSTPN members and wider partners – Closely working around successive skills programmes emerging from Hinkley Point, including Bridgwater's development of associated engineering and construction capacity, successful bids to secure the Southern Campus of the National College for Nuclear, and wider investment in engineering and construction capacity across the area.

- Delivery of Digital Skills within Exeter – Championed and funded by Exeter College and University of Exeter for several years, digital and STEM based provision has been an area of enhanced focus in the city. The LEP, working alongside the HotSW DSP, has sought to support this approach over recent years, seeking to reinforce investment and support for related programmes and projects as far as possible.

- Support for High Tech Engineering and Innovation in South and Northern Devon – Working with South Devon College and PETROC, the LEP has supported the development of STEM and engineering capacity at both colleges, seeking to enhance both their business responsiveness within core sector and apprenticeship capacity within LEP growth areas.

- Co-Development of Growth Fund Business Cases, ESF Projects and other provision – The SAP core team has also worked closely over the past 2 years with colleges, universities and wider provider partners to develop a range of joint applications and projects which have extended curriculum and delivery across the LEP area. This has included cross sector investment in digital capital development within the area's Colleges; joint business cases to support the development of specialist sector capacity in nuclear, digital and marine with funding from BEIS and DFE; European funding support to enhance technical skills and apprenticeship provision covering engineering, health and other high demand skills areas; and most recently, funding to support digital and technical bootcamps and fast track retraining, working with both college and independent training providers

6.14 Looking ahead, deepening integration between provider and SAP approaches is a key priority, with work already ongoing with multiple College around their future business plans and delivery approaches. It is anticipated that this joint working will be reinforced through new funding programmes, such as the Lifetime guarantee, due to come online later in 2021.

v) Covid-19 Recovery and Renewal Plans

6.15 As set out, the HotSW SAP has been heavily involved in providing evidence and informing thinking around emerging skills and employment issues. This has included supporting Employment and Skills Boards and local areas around development of their respective recovery plans, providing data tools and intelligence into joint council and LEP processes and corralling intelligence from business and provider partners.

6.16 It is however anticipated that this role will further accelerate as the area moves towards a firmer sustained recovery, underpinning shared skills and employment initiatives, shaping the HotSW response to new funding opportunities and approaches, such as the Lifetime Guarantee, and working with providers to ensure high need areas are prioritised and joint delivery is taken forward

vi) Skills Action Plan

6.17 This document sets out an ambitious and wide-ranging series of shared priorities and areas for action within the Heart of the South West, seeking to build on the gap between demand and supply in some areas, and address ongoing challenges around performance amongst those with a barrier to work or learning or from disadvantaged background.

6.18 The SAP benefits from substantive provision already being rolled out around many priorities outlined within this document. This includes around careers advice and guidance, apprenticeship provision, technical skills support and around basic skills and digital provision.

6.19 In many of these cases, the challenges faced related less to funding being available for the activity, and instead are issues of alignment and coordination between multiple funding departments and organisations. This is notably the case around support for the unemployed, where duplicative funding for basic skills is often deployed by DfE and DWP, but no flexible funding is in place to support mental health preparedness. Others policy priorities, such as support for Career advice are funded, but subject to one year rolling funding settlements that make surety and planning a significant challenge.

6.20 There remain areas where additional work is needed in the HotSW. This includes supporting the most disadvantaged to access training and go beyond Level 2; additional activity to promote progression beyond Level 4 across multiple sectors; and support for those sectors and individuals most impacted by the recent pandemic. Funding also remains a key challenge in several priority areas, including around curriculum design, where flexible funding support to meet business need remains difficult to secure for many providers.

6.21 Overall, the HotSW finds itself in a positive place to begin delivery of its Skills Strategy, with a range of activity already ongoing, new initiatives and national provision due to begin shortly, and strong partnership working providing a firm foundation on which to now build.

7) Case Studies

7.1 This section is still currently being developed and will be finalised for the final published document to be submitted in March. It will contain 8 case studies of key skills projects and programmes that have been taken forward locally by partners over the past 3-4 years,

7.2 The current intention is to include the following case studies:

- *HotSW Careers Hub*
- *South West Institute of Technology*
- *Careers Learning Pilot*
- *HotSW Bootcamps*
- *Skills Launchpad (Plymouth and LEP)*
- *Skill Up Somerset*
- *HotSW Digital Skills Partnership*
- *Building Exeter / Building Plymouth*

8) Looking Forward

8.1 This document sets out a clear, priority-based approach to skills development within the Heart of the South West. Drawing upon the area's substantive evidence base, the plan sets out a shared agenda for skills delivery and prioritisation over the next period, looking to address those opportunities which may best deliver for both our economy and our residents, and better focus action around our greatest areas of skills need or challenge.

8.2 In bringing forward this plan however, skills and employment partners within the Heart of the South West are acutely aware of both the ongoing economic turbulence emerging from Covid-19 (and reciprocal recovery needs), potential additional pressures emerging from our final transition out of the European Union, and wider opportunities / challenges emerging around our changing climate, aging demography and wider shifts in life and work linked to accelerating digital technologies and shifting social trends.

8.3 Looking ahead to a 10-year time horizon however, partners believe that 5 core issues in particular will need explicit additional focus:

- Covid-19 Recovery – Covid-19 has had a dramatic and disproportionate impact on the Heart of the South West skills ecosystem over the past 10 months, severely affecting the local economy given its reliance on tourism, leisure and accommodation, retail and manufacturing activity, as well as disrupting core provision within our universities, schools, colleges and wider training providers.

  Whilst partners are already undertaking action to address the immediate impacts of the pandemic for local people, it remains too early to say what the long-term impact of this disruption will ultimately be. Likely medium-term issues to address however may include:

  - A trebling of unemployment in the area, with significant additional demand for retraining and redeployment capacity now likely to be needed through to at least 2024-25 in many areas, and longer-term support services for those who find themselves unable to work even after the onset of a recovery.

  - disruption to 2 years of educational provision across adults and young people alike, potentially slowing and even reversing recent trends around adult skills and progression to Level 3 and beyond. Recent data on progression at age 18 for the HotSW suggests a reduction for the first time in a decade in the number of individuals moving on to a further qualification.

  - new financial strain placed on educational institutions, with the costs and challenges around new delivery models, reduced student numbers in some locations, and reduced business demand placing individual providers under additional strain.

  - significant disruption to the business community and their investment capacity, a medium to long term on parts of the businesses community's capacity to support training, apprenticeships and wider skill activity, with some sectors now not expected to recover until the second half of the decade.

- **Demographic Change** – The Heart of the South West is currently undergoing an ongoing period of demographic change, with a population that is aging roughly 30% faster than the national average. In 2019, the population aged over 65 was 6.1 higher than across the rest of the UK, and 3.3 lower below the age of 33, with the ratio of those in work to retired shifting from 1 in 4 to roughly 1 in 3 since 2004.

  For the Heart of the South West, this may pose considerable labour market and skills challenges, with an overall labour market pool that is likely to remain roughly the same size over the next 10-20 years, but with a significant increase in demand for new care and age related support service. More widely, there is some evidence that this rapid increase in over 65's will also be linked to a loss of substantive numbers of skill staff / specialist capacity as individual retire or fall out of the labour market. However, positive trends are also coming forward around this shift, with people working longer, some evidence of a shift towards intergenerational knowledge sharing and apprenticeship uptake (up until 2020), and upskilling and career jumping at a later age.

- **Digital Transformation** – Digital transformation continues at pace across the HotSW, with data suggesting that recent Covid-19 related events may further accelerate. Shifts in retail, work structure and job types can already be clearly seen across the economy, with a steady five-year pattern of growth in digital industries and careers against a change in existing industrial structures in many sectors. This pattern is only likely to accelerate as further automation and integration of digital processes and approaches is felt across the wider economy, with both new opportunities around roles and types of work, but significant issues around a growing digital divide and skills challenges amongst young and old alike. With current predictions suggesting at least 33% of the economy may be vulnerable to automation over the next 25 years, the HotSW will have to adapt to keep pace with the wider UK.

- **Climate Change and Greening of the Economy** – The 23 warmest years on record have occurred in the past 25 years within the South West, with the region experiencing 10% more rainfall per annum than it did in 1960, and 30 additional frost-free days. Relative sea levels have also risen 250mm in the same period. Predictions currently suggest that by 2050, sea levels will have risen around 30cm summer temperatures risen by a mean of around 3-5 degrees and annual rainfall increased by a further 50%. without any behaviour change.

  The case for transformation and action is therefore now continually building, with efforts and activity around greening of our economy accelerating daily. In 2019, Government committed itself to reducing UK emissions to zero by 2050, with an end to the sale of all new petrol and diesel vehicles by 2035. The economic implications of this shift in policy pose both significant new opportunities and risk around local employment, skills and labour market capacity. With investment and change needed across the energy sector, within agricultural, transport, business process and residential and construction services, with the potential creation of 60,000 to 100,000 new or transformed roles by 2040. Each of these will require new training capacity, teaching abilities, curriculum development and other skills pipeline activity, as well as business modification and leadership to take forward.

- **Nature of Work** – The South West has, for a number of year, been undergoing a steady shift in the type and nature of work on offer, with a polarisation between lower value service sector and traditional manufacturing work, and higher value, often digitally based production and engineering and knowledge service activity. The recent events of Covid-19 have likely further accelerated this shift across multiple sectors, with individuals forced to work from home, with traditional sector disrupted and supply chains undermined. Whilst the impact is yet to be fully felt, it is unlikely that the nature and type of work that emerges post Covid-19 will be exactly that that was found before the events of 2020, with strengthened focus on digital skills, knowledge work and higher value outputs.

These pose both opportunities and challenges for the local area over the next decade, as lower value service activity is reduced as a share of the population, and individual require upskilling or reskilling to take advantage of the new roles created. Wider support service will also likely be needed to work with those left behind by this change in work, as previous certainties are lost.

8.4 The above highlights the breadth and potential risks / opportunities faced across the HOTSW and its economy over the next decade and beyond. From a skills perspective, the challenge is now to ensure that our approach and prioritisation can keep pace with the above.

8.5 Through this plan, the Skills Advisory Panel has a key role to play moving forward in supporting the area's adaptation and response to the above, working with partners to ensure that our interventions and investments are cognisant of the factors outlined, and are providing both a preparatory and active response to the changes and issues outlined as they accelerate and impact on our shared labour market.

8.6 To achieve this, the SAP will continue to take leadership around future skills deep dives and research as it moves forward, working closely with core groups like the HotSW Social Mobility Panel, local Climate Change Leadership groups, and wider business and social partner organisations to ensure that the areas response and capacity is shaped to meet the future skills needs of shared region and economy.

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