

Heart of the South West Joint Committee

Friday 1 October 2021
12.00 pm

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 Nick Kelly	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 Luke Taylor	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
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Issued By Scott Wooldridge, Strategic Manager - Governance and Risk – 23 September 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 - 12.00 pm Friday 1 October 2021

Guidance Notes

1 **Apologies for Absence**

To be reported and recorded.

2 **Election of Chair**

To elect a Chair for the municipal year.

3 **Appointment of Vice-Chair**

To appoint a Vice-Chair for the municipal year.

4 **Declarations of Interest**

Any new Declarations of Interest are to be reported and recorded.

5 **Minutes of the previous meeting** (Pages 9 - 16)

To agree the minutes of the meeting held on 12th March 2021 as a correct record.

6 **Public Questions**

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

7 **Chair and LEP Updates** (Pages 17 - 22)

Cllr Val Keitch (Chair) and a representative of the HotSW Local Enterprise Partnership are to give an update to the Committee.

8 **Progress Report on Delivery** (Pages 23 - 28)

To receive the report.

9 **Housing Task Force Update** (Pages 29 - 32)

To consider the report introduced by Stephen Walford, Chief Executive, Mid Devon District Council.

10 **Coastal Productivity Plan** (Pages 33 - 34)

To receive the report by Mark Hammett, Strategic Support Manager, Torbay Council.

11 **HEROG** (Pages 35 - 38)

To receive the report presented by Phil Norrey, Chief Executive for Devon County Council.

12 **Peninsula Transport**

To receive a powerpoint presentation.

13 **HotSW CSR Asks** (Pages 39 - 48)

To consider the final letter presented by LEP.

14 **Any other urgent business**

Any other urgent business the Chair agrees.

15 **Date of the next meeting**

All to agree the dates of 2022 HotSW meetings as below. The venue is to be confirmed.

Friday 4th February 2022

Friday 25th March 2022

Friday 24th June 2022

Friday 30th September 2022

Guidance notes for the meeting

1. Council Public Meetings

The former regulations that enabled virtual committee meetings ended on 7 May 2021. Since then, all committee meetings need to return to face-to-face meetings. The requirement is for members of the committee and key supporting officers to attend in person, along with some provision for any public speakers. However due to the current COVID restrictions and social distancing measures only a small number of people can attend as meeting room capacities are limited. Provision will be made wherever possible for those who do not need to attend in person including the public and press who wish to view the meeting to be able to do so virtually.

Anybody attending the meeting in person will be asked to adhere to the current Government guidance and Council procedures in place to safely work during COVID 19. These include limiting numbers in a venue, maintaining social distancing, using hand sanitisers, wiping down areas that you have used, wearing face coverings when not sitting at a table (unless exempt from doing so) and following one-way signs in the venue/building. You will also be asked to sign in via the NHS Test and Trace app or to sign an attendance record and will be asked relevant questions before admittance to the meeting. Everyone attending the meeting will be asked to undertake a lateral flow test up to 72 hours prior to the meeting.

Please contact the Committee Administrator or Democratic Services on 01823 357628 or email democraticservices@somerset.gov.uk if you have any questions or concerns.

2. Inspection of Papers

Any person wishing to inspect minutes, reports, or the background papers for any item on the agenda should contact Democratic Services at democraticservices@somerset.gov.uk or telephone 01823 357628.

They can also be accessed via the council's website on www.somerset.gov.uk/agendasandpapers.

Printed agendas can also be viewed in reception at the Council offices at County Hall, Taunton TA1 4DY.

3. Members' Code of Conduct requirements

When considering the declaration of interests and their actions as a councillor, Members are reminded of the requirements of the Members' Code of Conduct and the underpinning Principles of Public Life: Honesty; Integrity; Selflessness; Objectivity; Accountability; Openness; Leadership. The Code of Conduct can be viewed at: [Code of Conduct](#)

4. **Minutes of the Meeting**

Details of the issues discussed, and recommendations made at the meeting will be set out in the minutes, which the Committee will be asked to approve as a correct record at its next meeting.

5. **Public Question Time**

If you wish to speak, please contact Democratic Services by 5pm 3 clear working days before the meeting. Email democraticservices@somerset.gov.uk or telephone 01823 357628.

Members of public wishing to speak or ask a question will need to attend in person or if unable can submit their question or statement in writing for an officer to read out.

In order to keep everyone safe, we respectfully request that all visitors to the building follow all aspects of the Covid-Secure guidance. Failure to do so may result in you being asked to leave the building for safety reasons.

After entering the Council building you may be taken to a waiting room before being taken to the meeting for the relevant agenda item to ask your question. After the agenda item has finished you will be asked to leave the meeting for other members of the public to attend to speak on other items.

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

At the Chair's invitation you may ask questions and/or make statements or comments about any matter on the Committee's agenda – providing you have given the required notice. You may also present a petition on any matter within the Committee's remit. The length of public question time will be no more than 30 minutes in total (20 minutes for meetings other than County Council meetings).

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

If an item on the agenda is contentious, with many people wishing to attend the meeting, a representative should be nominated to present the views of a group.

An issue will not be deferred just because you cannot be present for the meeting. Remember that the amount of time you speak will be restricted, to three minutes only.

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.

Provision will be made for anybody who wishes to listen in on the meeting only to follow the meeting online.

6. **Meeting Etiquette for participants**

- Only speak when invited to do so by the Chair.
- Mute your microphone when you are not talking.
- Switch off video if you are not speaking.
- 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.
- There is a facility in Microsoft Teams under the ellipsis button called turn on live captions which provides subtitles on the screen.

7. **Exclusion of Press & Public**

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

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, ask Participants to leave the meeting when any exempt or confidential information is about to be discussed.

8. **Recording of meetings**

The Council supports the principles of openness and transparency. It allows filming, recording and taking photographs at its meetings that are open to the public - providing this is done in a non-disruptive manner. Members of the

public may use Facebook and Twitter or other forms of social media to report on proceedings. No filming or recording may take place when the press and public are excluded for that part of the meeting. As a matter of courtesy to the public, anyone wishing to film or record proceedings is asked to provide reasonable notice to the Committee Administrator so that the relevant Chair can inform those present at the start of the meeting.

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

A copy of the Council's Recording of Meetings Protocol is available from the Committee Administrator for the meeting.

Minutes of a Virtual Meeting of the Heart of the South West (HotSW) Joint Committee held under the Coronavirus Regulations, 2020 on Friday 12 March 2021 at 12.00 noon.

Attendance

Members:

Cllr Val Keitch	Leader - South Somerset District Council (Chair)
Cllr Tudor Evans	Leader - Plymouth City Council (Vice-Chair)
Cllr John Hart	Leader - Devon County Council
Cllr Steve Darling	Leader - Torbay Council
Cllr Philip Bialyk	Leader - Exeter City Council
Cllr Bob Deed	Leader - Mid Devon District Council
Cllr David Worden	Leader - North Devon District Council
Cllr Claire Hodson	Deputy Leader - Torridge District Council
Cllr David Fothergill	Leader - Somerset County Council
Cllr Ros Wyke	Leader - Mendip District Council
Cllr Benet Allen	Deputy Leader - Somerset West and Taunton Council
Andrew Cooper	Devon National Park Authority
Cllr Andrea Davis	Deputy Chairman - Exmoor National Park Authority
Cllr Liz Brookes-Hocking	Devon/Somerset Associations of Local Councils

Officers/Local Enterprise Partnership etc:

Phil Norrey	Chief Executive - Devon County Council
Phill Adams	Senior Manager, Skills - Devon County Council
Sue Rose	Policy Lead - Devon 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
Anne-Marie Bond	Chief Executive - Torbay Council
Karime Hassan	Chief Executive - Exeter City Council
Anne-Marie Bond	Chief Executive - Torbay Council
Stephen Walford	Chief Executive - Mid Devon District Council
Steve Mullineaux	Deputy Chief Executive - South Hams District Council/West Devon Borough Council
Ken Miles	Chief Executive - North Devon Council
Steve Hearse	Chief Executive - Torridge District Council
Scott Wooldridge	Strategic Manager, Governance and Democratic Services - Somerset County Council

Paula Hewitt	Director of Commissioning and Lead Director, Economic and Community Infrastructure - Somerset County Council
Peter Stiles	Clerk to the Joint Committee - Somerset County Council
Doug Bamsey	Deputy Chief Executive - Sedgemoor District Council
Stuart Brown	Chief Executive - Mendip District 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
Rosa Payne	Homes England

1. Apologies

Apologies for absence were received from:-

Cllr Alistair Dewhurst - Teignbridge District Council
Cllr Ken James - Torridge District Council
Pat Flaherty - Somerset County Council
Cllr Liz Leyshon - Mendip District Council
Cllr Gill Slocombe and Bob Brown - Sedgemoor District Council
Cllr Federica Smith-Roberts - Somerset West and Taunton Council
Pamela Wood - Dartmoor National Park Authority
Paul Johnson - Devon Clinical Commissioning Group
Ian Collinson - Homes England
Suzanne Bond and Kate Goodenough - BEIS

2. Declarations of Interest

There were no declarations of interest.

3. Minutes of the Previous HotSW Joint Committee Meeting

The Minutes of the Joint Committee meeting held on 29 January, 2021 were confirmed and signed as correct, subject to: the Chair, Cllr Val Keitch being moved from the list of those present to the list of apologies for absence; Cllr Benet Allen being added to the list of those present; and Cllr Tudor Evans being shown as having Chaired the meeting.

4. Public Question Time

There were no public questions.

5. Building Back Better

The Joint Committee considered a report presented by David Ralph, Chief Executive, HotSW Local Enterprise Partnership setting out a revised draft version of the Build Back Better document endorsed at its last meeting.

The revised draft was more closely focused on the transformational opportunities flowing from structural challenges and opportunities identified in the Local Industrial Strategy, which in many cases the Covid-19 pandemic had exacerbated.

The report set out the responses received from partners to a consultation on the emerging Build Back Better document which confirmed clear support for the concept, with stakeholders pleased to see that it reflected the Local Industrial Strategy. However, the feedback had suggested that refinements could be made to the structure and content of the document, which had been responded to and appropriate changes made.

Developments since the last meeting included the announcement in the Budget of several new funding streams such as the Levelling Up Fund and Community Renewal Fund. Details on others such as the UK Shared Prosperity Fund were still to be confirmed and given the severity of Covid there might be other opportunities for the HotSW area which were yet to emerge. The Budget also saw the publication of the Government's own Build Back Better plan which focused on infrastructure, skills, innovation, levelling up, net zero carbon emissions and Global Britain. While there was a change in emphasis and language in economic development terms, Government proposals were still broadly in line with previous strategies.

David Ralph commented that HotSW Build Back Better offered a compelling proposition for the area setting out ambitions for delivering a stronger, greener and more inclusive future and a way to open a discussion with Government on how this part of the UK could play its part in national recovery from Covid.

David thanked all partners for their continuing support for Covid recovery.

RESOLVED

(a) to endorse the publication of the HotSW Build Back Better plan as a tool to open a conversation with Government on the transformational opportunities in the area

(b) to note that the plan was still draft and agree to delegate final sign-off to the Chair.

6. HotSW Skills Update

The Joint Committee considered a report presented by Phill Adams, Senior Manager, Skills, Devon County Council providing an update on the current skills environment across Plymouth, Torbay, Devon and Somerset.

The report referred to:

- skills and employment challenges and opportunities within the HotSW area
- current projects and programmes across the area
- the establishment of the South West Skills Advisory Panel, and associated Local Skills Report/Skills Strategy
- proposals for further development of the skills landscape through the Government's Skills White Paper.

Salient matters included:

- Skills performance and its knock-on impact on wages and in-work progression remained a key differential between HotSW and other areas in terms of productivity and prosperity
- Core indicators suggested that HotSW remained mid-table overall for skills and employment but continued to trail on higher level skills achievement compared to the rest of the UK
- However, HotSW's relative position had improved over the past five years
- Performance within HotSW was among the most varied in the UK - it still contained some of the strongest and weakest performing areas in the South West around key educational and progression indicators
- Recent work by HotSW partners suggested that the most significant challenges remained around relative disadvantage
- the ageing population and concerns about level of skilled workers lost from the workforce in the next 10 - 15 years
- The HotSW economy had suffered an unprecedented peacetime shock over the past 12 months as a result of Covid and was likely to take several years to recover
- Employment impact had been dramatic but very mixed. Core sectors such as health, agriculture and public services had seen limited impact to date, while hospitality had seen between 20% and 40% impact
- Unemployment had doubled or tripled in all areas. However, furlough had so far protected large parts of the workforce
- There had been a disproportionate impact on young people, with youth unemployment climbing the fastest and highest of any sub-group

- However, apprenticeship numbers had held up better than elsewhere and NEET numbers for those below 19 had remained relatively stable in most areas
- The year to come was likely to be mixed, with education having been disrupted for nearly two full academic years by September
- The HotSW response involved: strengthened local skills leadership and intelligence; a shared skills strategy and approach; and accelerated and expanded delivery, including additional recovery activity
- Skills leadership in HotSW was now the responsibility of a Skills Advisory Panel, a formal partnership rolled out by the Department of Education to every LEP area. Membership was limited to 20, with a focus on business representatives and FE/training provider leads
- Every SAP was required to produce an annual report setting out a core vision and priorities and actions for skills and employment.
- The HotSW Local Skills Report, its core vision and key priorities, key sectors, geography, actions and next steps now that it was broadly complete and had been 'signed off' by most stakeholders (Phill Adams agreed to include reference to Taunton and Bridgwater in the list of areas within HotSW that were recognised as having differing skills and labour markets)
- The Government's Skills White Paper, its focus on business-led provision and accountability and the belief of local partners across HotSW that they were in a good position to bid for 'trailblazer' status for areas that worked together to develop a shared funded skills strategy which could lead to significant additional funding and flexibility
- Additional support and opportunities around skills and employment made available in the Budget
- Partner-led activity on skills development initiatives e.g. EU Social Fund; South West Institute of Technology; Digital Skills Partnership
- The need to clarify future funding arrangements for the HotSW Careers Hub, the joint £700,000 annual programme to support careers information advice and guidance across the HotSW, currently funded by the HotSW LEP, Careers Enterprise Company/DfE and four upper-tier local authorities (the Government recently enhanced the role of the Careers Hub through the Skills White Paper, reaffirming the long-term approach, though this was based on local authorities and their partners in individual areas continuing to provide significant match funding for the service)
- The case for future funding of the HotSW Careers Hub, one of the country's strongest performing hubs (covering 160 schools and colleges with 14 advisors/co-ordinators working with around 25,000 students a year) from either provision of additional Government support or pursuing local funding.

RESOLVED

(a) to 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) to endorse the draft Local Skills Report annexed to the main report

(c) 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

(d) 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

7. Updates on Heart of the South West Economic Opportunities and Resilience Group (HEROG), Coastal Communities Plan and Housing Task Force

(1) HEROG

Phil Norrey reported as follows on progress on implementing HEROG's approved work programme:

- *Support for business especially SMEs in adapting to new regulatory regimes in EU trade and in response to recovery from the economic shocks of Covid - work had included: exploring gaps and issues in EU transitional D20 as well as Covid response and recovery initiatives which had been raised with Government departments and solutions offered; detailed assessment and analysis of the impact of Covid particularly on the cultural and creative industries which had been shared with DCMS and received a positive response; gap analysis of business grant initiatives shared with BEIS*
- *Addressing potential disadvantage to agriculture, land-based industries and fishing relating to state aid rules and other issues - with a focus on getting evidence to the EFRA Committee inquiry into meat and seafood border and trade issues with EU (the announcement that full imposition of border controls would be deferred for six months would help the agricultural and fishing industries but there were major issues still to be resolved, particularly the immediate impact on the shellfish sector)*
- *Supporting the Joint Committee with economic evidence and business intelligence to press for a fair share of the UK Shared Prosperity Fund and levelling up funding*
- *Continuing to support business sector opportunities as they arose and pressing Government to establish the South West Food Hub*

- *Developing a HotSW position on collaboration between the hospitality, tourism and business sectors and local authorities to lobby for the safe reopening of beaches and tourism - a national group on beaches and tourism on which the South West was well represented had been reconvened which would meet for a second time on 17 March; a HotSW workshop event would be held on 23 March to bring together business sector representatives and local authorities to work not only a safe reopening but also focus within the context of Covid on a good visitor experience, allaying concerns of residents about large influxes of visitors to their localities, alleviating parking issues and managing pressure on the motorway and trunk road system.*

(2) Coastal Communities Plan

Anne-Marie Bond reported that a Coastal Group had been formed to help deliver the HotSW Coastal Productivity Plan as revised to reflect the extent of the economic impacts of Covid on coastal economies and recent changes in Government policy. She undertook to update the Joint Committee on the work of the Coastal Group after its first meeting in April.

(3) Housing Task Force

Steve Walford reported that the next meeting of the Housing Task Force was due to take place shortly when it would focus on the impacts of Covid on housing delivery in the short term and opportunities for future influence. He undertook to update the Joint Committee on the work of the Task Force after its upcoming meeting.

8. Communications and Engagement Update

The Chair reported that a reply had not yet been received to the letter from the Joint Committee to Luke Hall, MP, Minister of State for Regional Growth and Local Government inviting him to attend a future meeting of the Joint Committee but that the matter was being followed up. She referred to the heavy workload reflecting the Joint Committee's busy agenda and emphasised the importance of maintaining dialogue with Government and stakeholders.

9. Chair's Closing Remarks and Dates of Next Meetings

The Chair thanked everyone for attending the meeting and report authors and others for their contributions. She reminded Joint Committee members of the dates of the next two meetings, as follows:

25 June 2021

1 October 2021

(The meeting ended at 12.50pm)

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Heart of the South West Joint Committee

LEP Update Heart of the South West LEP

Lead Officer: David Ralph, Chief Executive, HotSW LEP

Contact Details: 07543 21930 – david.ralph@heartofswlep.co.uk

1. Summary

- 1.1. This report provides an update from the Heart of the South West LEP (HotSW LEP).

2. Recommendations

- 2.1. **It is recommended that Joint Committee:**
 - (a) **notes the report;**

3. Background

Covid has accelerated many trends and changes that were already occurring pre-pandemic. The restructuring of retail, transforming town and city centre roles, remote working and virtual meetings, the increasing digitalisation of business, markets, commerce and society – have all taken a big leap in the past 18 months.

Whilst between 1 and 2 million job losses have been forecast between 2019 and 2021, jobs creation is rebounding quickly, and the labour market is tightening due to the loss of 1.3 million foreign-born residents. There is also significant supply chain disruption to the UK economy and youth unemployment, exclusion and inequality, business indebtedness and continued uncertainties over international trade and investment are some of the main challenges.

Policy and institutional change for local economies is going to happen in Autumn. It is unlikely to depart radically from competitive grant funding and a few new areas given modest devolution powers and funding. A “Green Recovery” package could help to accelerate economic recovery and deliver on climate change targets – but implementation of low carbon and sustainable solutions and structural change is slow.

4. Impact of Covid-19

The immediate and long-term impacts of Covid-19 are significant, and could be far reaching for certain industries and communities. Patterns of investment, employment and how and where people work may change in the future. The main highlights, in terms of the UK economy, are as follows:

Significant fall in GDP: UK gross domestic product (GDP) is estimated to have decreased by 1.6% in Quarter 1 (Jan to Mar) 2021, revised from the first estimate of a 1.5% decline. The level of GDP in Quarter 1 2021 is now 8.8% below where it was pre-pandemic at Quarter 4 (Oct to Dec) 2019.

Claimant unemployment peaked at 2.678 million (6.4% of the working-age population) in February 2021, increasing from 1.256 million (3.0%) in February 2020. Claimant unemployment now stands at 2.268 million (5.4%) in July 2021. **Youth unemployment** is a particular concern, especially for school leavers transitioning to entry-level jobs and Apprenticeships, where the number of openings has fallen.

Furloughs peaked at 8.9 million employments in May 2020 – representing one-quarter of all workforce jobs. Furlough and relief schemes have prevented much higher rates of job loss and unemployment.

Covid-19 has amplified existing inequalities in communities, and the impacts have been uneven both spatially and according to income group, age, ethnicity and gender.

In particular, retail, hospitality, and the visitor economy industries – have been severely affected. Office-based activities that provide jobs and footfall for urban areas have also been curtailed, with many people working from home. Many businesses are looking to certainty and therefore more local supply chains

Spatial unevenness of Covid impacts. Covid has impacted large city centres, coastal and rural areas disproportionately. Some smaller towns have benefitted from buoyant spending and footfall as residents were forced to shop and consume locally during the pandemic.

Covid has had a huge impact on UK businesses. The October 2020 Bank of England DMP survey estimated that sales were still 17% lower than they otherwise would have been in 2020 Q3, while employment was 8% lower and investment 24% lower.

CityUK suggest that, by the end of March 2021, £35bn of unsustainable debt will be owed by UK businesses from government loan schemes; and £100bn of total unsustainable debt will be owed by UK businesses. This may lead to pressure on financial markets including a credit crunch.

As of June 2021, businesses owed local councils almost £2.5bn in unpaid business rates. Insolvency practitioners Begbies Traynor also provided analysis that shows a record 527,000 businesses are in significant financial distress. In “Supporting Economic Recovery – Recapitalising Businesses post COVID-19”, a detailed report on this issue, banking lobby group

5. Actions since last meeting

Cabinet Reshuffle – clearly lots of changes particularly at the newly named MLUCH both ministerially and a little in policy lead eg the new Levelling-UP Task Force. Some changes at Treasury, DCMS and obviously Foreign Office and International Trade. Little change at BEIS. In his messaging the BEIS SoS, Kwasi Kwarteng MP highlighted 5 key priorities.

- Supercharging R&D
- Decarbonising our economy
- Revising the spirit of enterprise
- Impacts of past 12 months
- Private finance to create jobs

LEP Review – I have circulated 3 briefing notes over the summer on the LEP review to all Leaders. Suffice to say that we have as yet little clarity but expect some details in the Spending Review – October 27th and publication of the Levelling-UP White Paper when t

appears. We held a Board session last Friday, to check they were comfortable with our approach and our F&R have reviewed the risks with the uncertainty but are happy that we have sufficient resources to continue.

Future Flight – last month saw the first electric flight (from Scotland to Exeter) as part of the Flight2Zero programme

Hinkley – accelerating delivery at HPC is ongoing and Bridgwater Bay is on the long list for STEP.

SW Tourism for 2030 - has been published and presented to the Minister (still in place)

Train4Tomorrow - secured some £1.7m of further delivery funding to support retraining (mostly in technical skills)

Ocean Futures – has published its prospectus at International Shipping Week

HOTSW Technopole – HotSW contains important tech companies and important Science Park assets and yet our innovation ecosystem is not strong and certainly doesn't reach out throughout the area. The HotSW Technopole, working with our universities, Innovate UK and other stakeholders is looking at how this might be improved.

Town Deals, CRF and Levelling Up bids – Town Deals in Torquay, Bridgwater and Glastonbury are starting to prepare business cases for their Town Deal projects. All areas are still waiting to hear on bids relating to Community Renewal Fund and the first phase of Levelling-Up Funds. County Deal EOIs were submitted for Somerset, Devon and Plymouth – Government has not concluded its follow-up meetings nationally and has suggested a small number of County Deals possibly as a first step.

Various construction capital projects funded through Local Growth Fund or Getting Building Fund - including Taunton and Plymouth stations, I-Aero, Burrows Centre, Exeter Bus Station, have either concluded, topped out and a couple of the later ones have started on site. A small amount of underspend has been reallocated (to contribute to delivery of Phase 2 of the North Devon Enterprise Centre.

LEP Scrutiny – the joint-committee scrutiny committee is meeting later in October and as well as the LEP review will be looking at our plans to deliver Inclusive Growth

The LEP had its mid-year conversation with Government officials last week – any feedback will be provided verbally

The Growth Hub – engaged some 4000 businesses over the past 12 months

The Digital Vouchers scheme proposed by CDS has not been approved and later this month the LEP will be reviewing how best to spend this funding. However, although delivery had been week, the Mobility Boost programme has had agreed a new (technology) solution to support improved mobile connectivity in the home (which may also improve access to higher broadband speeds).

The LEP AGM will be held on October 22nd at midday when we will be publishing:

The LEPs Annual Report

Local Growth Fund Programme Report

Our plans to accelerate digital

6. Great South West – The UK’s Natural Powerhouse

The 3 LEP Chairs continue to meet regularly – largely on the LEP review - and a GSW APPG was held in July to present the Tourism 2030 plan to the Tourism Minister. The Western Morning News wrote an open letter to the PM asking that he 1back the Great South West and we have written to both Mr Gove and the new Minister for Regional and Local Growth, Kemi Badenoch MP to share the Great South West prospectus - [GSW Brochure A4 new colours.indd \(greatsouthwest.co.uk\)](#)

There is some discussion about an Autumn APPG possibly looking at energy or rural issues.

7. Next Steps

The LEP review has without question created uncertainty across LEPs but we still have an extensive agenda to deliver including our plans to Build back Better, legacy local growth and getting building Fund projects, Enterprise Zones and the HotSW Growth Hub. In total, we still think there is some £40 investment to oversee as well a supporting Town Deal Boards and local recovery plans.

We are currently carrying out 1:1 meetings with Districts and as soon as we get any insights into the outcomes of the LEP review we will let people know.

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Productivity Strategy Delivery Update

Lead Officer: Tracey Lee, Chief Executive Plymouth City Council & David Ralph, Chief Executive HotSW LEP

Author: Eifion Jones, HotSW LEP

Contact Details: 07525 806334

1. Summary

1.1. This report provides an update on delivery of the Productivity Strategy.

2. Recommendations

2.1. It is recommended that Joint Committee members note the content of the report and that the Build Back Better plan will be the route to implement the Strategy over the medium term

3. Background

3.1 The Productivity Strategy is jointly owned by the Joint Committee and the LEP and was published in early 2018, followed by a delivery plan in spring 2019 setting out the key actions. The Strategy and accompanying evidence base is available at [Productivity - Heart of the south west LEP \(heartofswlep.co.uk\)](http://Productivity - Heart of the south west LEP (heartofswlep.co.uk)) and the delivery plan at [Microsoft Word - 190423 HotSW Partnership Productivity Strategy Delivery Plan \(heartofswlep.co.uk\)](http://Microsoft Word - 190423 HotSW Partnership Productivity Strategy Delivery Plan (heartofswlep.co.uk))

3.2 The Strategy sets out how the area will address its long-standing productivity challenges – the fact that people and businesses in Heart of the SW have to work longer than those in other parts of the country to produce the same level of output. This structural challenge means incomes of those working in Heart of the SW are invariably less than the UK average, even if London is excluded. The issues and challenges identified in the strategy have been exacerbated by the pandemic whilst opportunities such as marine of sustainable aviation continue to accelerate.

3.3 The Strategy remains the cornerstone of the area's approach, firstly as the foundation first for the Local Industrial Strategy and now the Build Back Better Plan.

3.3 This Annex attached to this paper provides a high level update against the

delivery plan which was structured around the key themes of Business Leadership & Ideas, Housing Connectivity and Infrastructure and Employment Skills & Learning alongside the area's distinctive opportunities. The progress outlined here clearly sits alongside much wider work which all partners have undertaken over last 18 months to mitigate the impact of the pandemic and there will be many other achievements from individual partners which are not shown.

4 Next Steps

- 4.1** A lot has been achieved though as ever, there is much more still to do. The area's Build Back Better plan outlines the key medium-term actions across the partnership, setting out the key programmes and placing a central emphasis on clean and inclusive growth. The Joint Committee will continue to be updated on progress against this in the future

Annex - Delivery Plan Progress

Highlights set out against the key headings in the plan

A. Business Leadership & Ideas

- Growth Hub continues to work with c3,000 SMEs a year, helping them access business support. The service was in high demand during the pandemic.
- £900,000 European Regional Development Fund soft landing programme live, supporting existing and new overseas investors to locate and grow in the area. To date £340k of grants awarded creating over 80 jobs with Torbay and photonics being particularly successful
- Three High Potential Opportunities developed with Dept for International Trade covering photonics, marine and smart aviation. HPOs are actively marketed by DIT overseas to attract new investors to the UK. Photonics & marine are live with Smart Aviation to be launched at the Global Investment Summit on the 19th October
- HotSW developing proposals for a technopole to provide specific support for research intensive businesses, led by the area's Innovation Board consisting of business, universities, UK Hydrographic Office, local authorities and Innovate UK

B. Housing, Connectivity & Infrastructure

- Digital connectivity: whilst there remains much to do, significant progress has been made in the area's broadband connectivity, for example through Connecting Devon & Somerset
- Housing Task Force agreed four priorities for joint working: Monitoring and Market Awareness, Promotion of Design and Quality, Social Housing Delivery, Energy Efficiency and Retrofit
- On the Strategic Road Network significant progress has been made in development of the A303/A358 corridor to the South-West. Construction of the A303 Sparkford to Ilchester dualling started in August 2021. A preferred route has been announced for the A358 Taunton to Ilminster dualling, and consultation on the detailed plans is due this Autumn. The Secretary of State's confirmation of the Orders for the A303 Stonehenge Tunnel was successfully challenged, but it remains open for the application to be re-determined.
- On the rail network the enhanced service patterns on the Great Western network were successfully introduced in December 2019, and patronage in the South-West is recovering well post Covid-19. The first phase of the new sea wall to protect the rail corridor at Dawlish is complete, and the second phase is under way; construction of a rockfall shelter to protect the railway from cliff falls is now commencing.
- In addition to the Growth Deal projects for major improvements at Taunton and Plymouth railway stations, construction of the new station at Marsh Barton, Exeter is under way. Work to enable re-opening of the railway between Okehampton and Exeter will be complete by the end of 2021. Funding has been secured for another new station at Edginswell, Torbay. A Strategic Outline Business Case has been completed for railway stations at Wellington and Cullompton, and the Department for Transport has allocated funding for their detailed design.
- Peninsula Transport, the Sub-National Transport Body for the South-West has been established, and has secured Department for Transport support for developing the business cases for improvements on the Major Road Network, with the A382 at Newton Abbot and links to Plymouth City Centre from the A38 Parkway being prioritised. Peninsula Transport has published its vision for a Peninsula Transport Strategy, and expects to complete the draft strategy in early 2022.

C. Employment, Skills & Learning

- Skills Strategy for the area agreed and published [Skills Strategy - for Heart of the South West \(skillslaunchpad.org.uk\)](https://skillslaunchpad.org.uk)
- Skills Launchpad provides information on skills, careers, training and jobs across the area. [Employment, Skills and Training in Devon, Plymouth Somerset and Torbay \(skillslaunchpad.org.uk\)](https://skillslaunchpad.org.uk)
- The HotSW Careers Hub has been expanded to every state-funded school, college and FE institution across the area and is now one of the largest hubs in the country. Working together with employers, universities and career professionals to ensure that careers outcomes are improved for all young people
- SW Institute of Technology established and operational

D. Distinctive sector opportunities

Sector resource in place through the LEP across each of the key opportunities identified in the Productivity Strategy and now the Build Back Better plan. Key highlights include:

i) Advanced engineering - marine

- Plymouth and South Devon Freeport awarded and business plan in development
- 5G testbed to improve and enhance connectivity for the marine and maritime sectors accessing and testing technology within Smart Sound Plymouth
- Ocean Futures prospectus has been produced setting out the opportunity to create a global centre of excellence for the testing, development and manufacture of autonomy, digital and clean ocean technologies for the rapidly growing global ocean economy

ii) Advanced engineering – nuclear

- The existing supply chain project has helped HotSW SMEs secure £55m of contracts from Hinkley with a further potential £75m in the pipeline. Now entering into contractual arrangements with BEIS to give longer term certainty for this programme.
- Innovation: submitted bid to locate STEP fusion reactor in the area and have passed the first hurdle of UKAEA's nomination process.
- Inward investment: Nuclear SW Inward Investment Programme continues to deliver with 20 companies now being actively account managed.
- Refreshing the 2018 Nuclear Sector Deal making it fit for purpose / relevant against the backdrop of Green Industrial Strategy, Energy White Paper and Build Back Better business recovery. Place element recognises that nuclear happens mostly in rural, economically lagging geographies so is an important element of levelling up.

iii) Advanced engineering – aerospace, aviation & space

- Innovate UK Future Flight funded 2ZERO project secured, developing electric hybrid propulsion for aircraft with test flights between Exeter and Newquay
- Prepared a vision for the iAero Innovation Centre to enable a secure collaborative partnership between Leonardo Helicopters, Somerset CC and the LEP for supporting delivery.
- Submitted a bid to UK Space Agency for funding to recruit a Space Cluster Development Manager for 6 months to take forward work with the Space Applications Catapult.

iv) Photonics

- Skills programme in place to develop pipeline of future talent
- Levelling Up bid submitted to expand EPIC, the photonics innovation centre in Torbay

v) Digital

- Secured an additional £750k for delivery of additional DoE Train4Tomorrow digital and technical bootcamps. This includes delivery across Dorset, Cornwall and the Isles of Scilly, and the West of England as well as HotSW, which our DSP is leading.
- Developing a new digital investment programme to support the roll out of further targeted digital skills programmes, a utilisation and triage service, further infrastructure funding for very hard to reach areas, and the Digital Futures programmes in the Build Back Better plan. Decision paper is going to SIP on the 5th October and Board on the 22nd October.

vi) Healthy Ageing & Health Tech

- £1.03m secured from getting Building Fund to develop a Health Tech Incubation Hub delivering state-of-the-art facilities for early stage laboratory-based businesses

vii) Farming, Food & Fishing

- Developed an agri-tech proposition in consultation with key stakeholders which includes support for a new Agri-Tech forum, a digital farm engagement programme, and an innovation showcase and knowledge hub
- Continuing to press the case for a rural productivity deal for the area.

viii) Tourism

- Towards 2030 tourism prospectus developed and published by the Great SW Tourism Partnership; opportunities to take forward being explored [Towards-2030-Reimagining-the-Visitor-Economy-in-the-South-West.pdf \(heartofswlep.co.uk\)](https://www.heartofswlep.co.uk/Towards-2030-Reimagining-the-Visitor-Economy-in-the-South-West.pdf)

ix) Defence & Security

- Industry-led defence cluster established to develop specific programmes to support the sector further

E. Inclusion

- Coastal Productivity Plan developed and opportunities to implement being taken forward
- Broad inclusive growth approach for the area being developed – update to be given at the Joint Committee meeting
- Evaluation completed of Community Led Local Development scheme (delivered under EU funding) as a basis for a similar approach when UK Shared Prosperity Fund is launched

F. Major Funding Secured

This is not a comprehensive list but shows highlights for the area in recent months:

i) Future High Streets Fund

Yeovil	£9.7m
Taunton	£13.9m
Plymouth City Centre	£12.0m
Barnstaple	£6.5m
Newton Abbot	£9.0m
Paignton	£13.3m

ii) Town Deals

Glastonbury	£23.6m
Bridgwater	£23.2m
Torquay	£21.9m

iii) Freeport

Plymouth and south Devon Share of £175m nationally (c. £22m)

iv) Getting Building Fund, Deal & EU funds

£35.4m Getting Building Fund secured for 24 projects across HotSW. This was the 7th highest award of all LEP areas. Project details on [Projects in our area Archive - Heart of the south west LEP \(heartofswlep.co.uk\)](#) and awards split across the following themes, shown alongside other LEP funding (match excluded)

£ millions (excl match funding)	<u>Growth Deal</u>	<u>Getting Building Fund</u>	<u>Growing Places Fund</u>	<u>Defra Rural Pilot</u>	<u>EU Structural Funds</u>	Totals
Clean growth		4.35			3.95	8.30
Innovation	47.05	12.90	9.50		20.96	90.41
Natural capital	13.04	0.62				13.66
Skills	18.25	1.34			40.58	60.17
Transport & housing	91.92	5.50	5.93			103.35
Workspace	4.89	9.87	2.90		8.56	26.22
Business support	2.77				12.51	15.28
Digital	17.93		4.20		5.01	27.14
Rural				3.79	18.33	22.12
Other*	1.95	0.82				2.77
Totals	197.80	35.40	22.53	3.79	109.90	369.42

*includes programme management costs

Housing Task Force Update Paper

1st October 2021

Report of: Stephen Walford, Chief Executive - Mid Devon District Council

1. Purpose of Report

This short update paper is intended to provide members with a brief overview on matters relevant to the housing theme. It outlines some of the key factors pertinent to housing delivery across the area, and also highlights upcoming issues or events that will do the same.

As an additional point, assuming that members wish the work of the housing task force sub group to continue, the members will need to appoint a new task force chairman by way of a vote at the committee meeting.

2. Key Points linked to Agreed Areas of Focus

As members may recall, it was agreed at the last meeting that the broad subject of housing be channelled into four main areas of interest. These are shown below, with a short commentary on any relevant points to note by way of update.

2.1. Monitoring and Market Awareness

The focus here was to maintain visibility on the performance, delivery, risks and other related metrics at HotSW level. The main point to note at the present time is that the updated housing delivery test (HDT) results are anticipated next month (November), which will allow analysis of 2021 delivery and supply including trends in starts, sales and house prices.

Members should be aware that a recent parliamentary statement has confirmed that the HDT will continue to be part of the planning system landscape as part of the 'reformed planning system' moving forward, but that specific changes to this year's delivery test have been made by the government in light of the covid impact:

'...there will be a deduction of 122 days to account for the most disrupted period that occurred between the months of April to the end of July [2020].'¹

2.2. Promotion of Design and Quality

This was an area of high interest and high priority for all members of the task force. Since the last update to the committee, the government has officially launched the 'Office for Place' (on 20th July 2021):

The Office for Place will improve our understanding of people's preferences about places – what makes them popular or not – and how this relates to public health, well-being and sustainability. And by sharing what we learn from our design code pilots and research, our aim is shifting an industry culture to a point where mediocrity is no longer proposed nor accepted.

(Secretary of State the Rt Hon Robert Jenrick, speaking at the launch²)

At the present time the Office for Place sits within the Ministry of Housing, Communities and Local Government (MHCLG), but there is consideration to this being reconstituted as an independent body (informed by the response to the national Planning Reform consultation)³.

Locally, the first round of pilots of the National Model Design Code are due to conclude imminently, with final reports due to be available in October – with one of the 14 pilots being within the HotSW area, there is scope for sharing and learning from what came out of that process. Plus, as members are no doubt aware, there has recently been a call from government for expressions of interest in participating in the next round of design code pilots. As always, the test for relevance will be the extent to which the codes

¹ <https://questions-statements.parliament.uk/written-statements/detail/2021-09-06/HCWS254>

² <https://www.gov.uk/government/speeches/office-for-place-launch>

³ <https://www.gov.uk/government/groups/office-for-place>

become sufficiently robust as to refuse poor quality design, against a backdrop where unit delivery is often the key policy driver.

2.3. Social Housing Delivery

With the changes on right-to-buy policy (funding use) providing councils with greater latitude on the use of 1-for-1 receipts, it is believed there would be merit in conducting a review of emerging/revised delivery plans across the HotSW area in order to track the impact of policy shift with a view to demonstrating that further change would bring about even greater delivery impact. Such a review has not yet been commissioned, but would assist in future lobbying efforts were such a correlation to be established.

2.4. Energy Efficiency and Retrofit

The committee has previously been advised that ‘the elephant in the room is that vast programmes of intervention are going to be required if there is a desire to decarbonise the country’s housing stock’.

New housing accounts for 1-2% of the stock each year, therefore the focus needs to be on how to enable retroactive action for the vast majority of already-built houses. 17% of the UK’s direct emissions are from buildings (split: homes (77%), commercial buildings (14%) and public buildings (9%)), and it is inconceivable that national net zero targets can be met without addressing the housing sector.

With programmes like the social housing decarbonisation fund, there are some pots of money to initiate energy efficiency and retrofit measures within the social housing stock (usual bidding processes apply). However, the social stock is already of a better standard than both the privately-owned and private rented sector⁴, so the challenges at a strategic level will be about how to encourage private investment in energy efficiency and retrofit measures.

To that end, the government is looking at encouragement through programmes like the Clean Heat Grant, as well as regulatory intervention by the much-publicised banning of gas boilers. However, more detail on this area is expected shortly as part of the government’s Heat and Buildings Strategy.

3. **Other Items of Note**

3.1. The latest update on the government’s proposed planning reforms was due to be published imminently, with significant press commentary in the days prior this report being published that the housing targets and zone proposals that were initially put forward were to be removed or watered down. However, with the change in Secretary of State for Housing, Communities and Local Government comes a revised timetable and it appears likely that the incoming Secretary will wish to take soundings on how best to proceed before any formal proposals are published. Members will have their own views (via their own authorities) on what these intended changes to the planning system will mean; but one uniting cause for concern was the extent to which the zonal approach would diminish public engagement and confidence in democratic representation at the point of considering individual applications.

3.2. The Bacon Review into scaling up custom and self-build housing⁵ was published in August 2021. Among a number of recommendations made by the report (which the government has yet to respond to), it clearly defines the dilemma that many of our communities are experiencing:

We are in danger of becoming Two Nations – one nation in which a whole generation struggles to find somewhere to afford to live at all, while the other adds to its buy-to-let portfolio.

(Bacon Review, Aug 2021)

⁴ <https://www.gov.uk/government/statistics/english-housing-survey-2019-to-2020-energy>

⁵ <https://www.gov.uk/government/publications/independent-review-into-scaling-up-self-build-and-custom-housebuilding-report>

3.3. The emerging failure of the long-term rental market in some areas due to short-term lets and AirBnB is being highlighted in parts of the HotSW area. One district has seen a 10% increase in properties moving over to business rates since April. This has recently been highlighted to the Devon MPs in briefings and there is evidence that this is increasing demand on homelessness services as well as disrupting the lives of local people who rely on the private rented sector. Specific examples of challenge include difficulties with teachers and tourism-related jobs as no one can find any accommodation within striking distance of the jobs. This had led to employment offers not being taken up.

Discussions on possible measures to tackle this have included:

- Persuade MHCLG to restrict short term Airbnb type lets to 90 days a year as in London
- Lobby MHCLG for a new planning class for short-term lets so owners would have to apply and LPAs could decide through adopted policy how, which, or what they will allow
- The introduction of new regulatory powers for safety checks of such premises.

3.4. Finally, it is worth noting that the Afghan resettlement scheme is adding extra challenges for housing authorities as availability issues are compounded by the difficulty in providing suitable support, particularly in rural or remote parts of the area.

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HotSW Joint Committee 1 October 2021

Coastal Productivity Plan Theme Update

Context

The purpose of the Heart of the South West (HotSW) Coastal Productivity Plan (CPP) is to articulate the unique challenges and issues which face the seaside towns and coastal resorts across the local geography, and to co-ordinate and drive action to address the same.

Since the presentation of the CPP to the HotSW Joint Committee in January 2021 both the Coastal Delivery (officers) and Strategic Groups (elected members) have been setup, the recommendations within the CPP have been reviewed and prioritised, along with the development of outline business cases (OBC) for each identified priority. These are:

- Digital Tourism Business Hubs
- Centres of Excellence for Training
- Coastal Action Zone (CAZ)
- Centres of Excellence for R&D
- Lobbying Central Government

Both groups are also considering how to tackle rail and road transport infrastructure in coastal areas and this was discussed at the meeting of the Delivery Group on 17 September 2021 where it was agreed that further work was required before lobbying the Peninsula Transport Board.

Update on Progress

The next step for the five identified priorities is the development of full business cases in preparation for any appropriate upcoming funding opportunities. At the meeting of HotSW CEO Group on 11 August a paper was presented that set out that an estimated £240k was required to support the development of the five identified priorities so that full business cases can be developed. No solution to funding these priorities has been identified.

The LEP has reviewed the opportunities but are unable at this stage to support the funding required to develop these outline business cases due to the reasons listed below. The feedback from the LEP identified the following areas for the group to consider as it further develops its outline business cases:

- More development required around low productivity and poor social mobility
- Greater focus required on health as per the Chief Medical Officer Report
- Increased emphasis on housing stock and digital connectivity
- Need to link OBCs to existing initiatives and work being undertaken in the area.

In relation to the lobbying work the coastal delivery group have been informed that whilst no funding will be forthcoming to support a public affairs campaign the issues pertinent to the coastal work will be represented in the wider lobbying being undertaken by the LEP throughout the autumn.

The coastal delivery group considered the feedback at their meeting on 17 September and resolved to:

- To make contact with organisations such as the Innovation Board and Skills Advisory Panel to explore what work they are undertaking on coastal issues and how the coastal group could work with them moving forward

- Undertake a mapping exercise across the HotSW local authorities to understand what each local authority is doing or plans to do in relation to coastal issues. The group will then review this mapping to understand what next steps it needs to undertake.

The delivery group will reconvene on 20 October and will consider the outcome of the above actions and will then consider the next steps that it will propose undertaking so that these can be considered by the strategic group that meets on 29 October.



**Heart of the South West Joint Committee
Update from Heart of the South West Economic Resilience and Opportunities
Group**

Lead Officer: Phil Norrey, Chief Executive, Devon County Council
Author: Sue Rose, Policy Lead, Devon County Council
Contact Details: 01392 382371

1. Summary

- 1.1.** This report provides an update on the work of Heart of the South West Economic Resilience and Opportunities Group (HEROG) between Spring and Autumn 2021 in support of the Joint Committee and HotSW Local Enterprise Partnership (HotSW LEP) objectives.

2. Recommendations

2.1. It is recommended that Joint Committee:

- (a) notes the continuing work of HEROG to support the economic recovery of the sub-region;**

3. Reasons for recommendations

- 3.1** HEROG continues working in partnership with Constituent Authorities, business representatives and Whitehall officials to influence Government policy and practice in response to leaving the EU and recovery from the Pandemic.

4. Background

- 4.1** The HEROG was established by the Joint Committee and HotSW LEP as a working partnership of senior officers from Constituent Authorities, business representative organisations and Whitehall officials to identify mitigations and opportunities following the decision to leave the EU.
- 4.2** In April 2020, the Joint Committee tasked the group with facilitating conversations with Government to influence policy and practice during the Covid Pandemic.
- 4.3** The Joint Committee has received reports on the work of HEROG at each

meeting. This report sets out activity between Spring and Autumn of 2021

5. HEROG Work Programme (Spring-Autumn 2021)

Roadmap out of lockdown

The group worked through the four steps of the Government's Roadmap out of Lockdown between February and July 2021. This was to raise awareness across the business community of safe re-opening and to feed back to Whitehall the specific sector concerns with each step.

Beaches and Tourism Task Group

This group brought together sub-regional public health, public services and businesses over spring and summer to provide evidence and practical solutions into a Government Task Force on the re-opening of tourism. The Group will shortly present its final report to Government officials on learning from the summer 2021 such as:

- Requirement for Government to work with regions and local areas to plan early for next year with clear messaging and shared communication at the heart of the collective response
- Impact on housing market of a shift to provision of holiday accommodation
- Government departments need to co-ordinate activity as there were numerous examples of mixed messaging between DHSC, BEIS and DCMS
- Government departments such as DfT are a key component of any response to effective visitor management but were reluctant to provide solutions to help local areas
- Alignment required between effective visitor management and visitor experiences. A shared definition between Government, businesses and public health teams would have resulted in more effective management
- Overall message is that Government should be working with local areas now to manage the 2022 season

Recruitment and Retention Task Group

Following an alert from the South-West Tourism Alliance about a recruitment crisis in the sector, HEROG formed a Task Group to look at the specific recruitment and retention issues facing the sub-region. The Group was established in June and within six weeks produced a report with recommendations for local solutions and Government action.

The Group rapidly identified the most pressing problems were in sectors with traditionally low pay, an element of seasonality or with no clear paths for progressions. In particular there were problems identified for hospitality,

tourism, care and supply chain – HGV drivers. The Group provided evidence of the problems in these sectors such as 46% of hospitality businesses stating they had less staff than pre-covid and their concerns about the safe management of tourism re-opening in what was one of the busiest seasons for decades.

HEROG will continue to monitor the comprehensive set of recommendations put forward for Government or partner action.

Brexit impacts and opportunities

The Group continues to monitor the impacts of the transition out of the EU. For example, at its recent meeting on 28th September the group heard from officials about the decision to delay additional import rules for products from EU to help supply chains.

Through the Better Business for All group the Heart of the South West has contributed to a range of post-Brexit seminars for business run by Home Office for EU Settled Status scheme and BEIS.

Looking forward

The Group will continue to work on projects that assist the economic resilience of the sub region and to identify opportunities for a sustainable recovery. A key piece of work will be the business implications and awareness of moving to a net zero carbon economy.

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Comprehensive Spending Review

Dear Chancellor

Levelling up to zero: Heart of the South West and the Comprehensive Spending Review

“I think the South West, of all the areas in the UK, is really at the forefront of the fight against climate change and also the green industrial revolution” – Rt Hon Kwasi Kwarteng MP, Secretary of State BEIS, June 2021

The Heart of the South West can power Britain to our net zero future. From world leading climate researchers – with expertise unparalleled outside the United States – to renewable power, clean marine technologies, investing in sustainable agri-food supply chains and land use, boosting no-fly tourism; the Heart of the South West is leading a positive environmental transformation and in doing so provides the chance to level up some of England’s most deprived districts.

Our shared endeavour is to go beyond net zero faster than any other region; demonstrating to the country and the world what is possible.

Local authorities, MPs, universities and business leaders have worked in lockstep before, through and as we emerge from the pandemic to develop powerful proposals for the blue-green economy, capitalising on our natural resources and promising greater lives for those who work within it. We are a partnership that can deliver; Local Growth and Getting Building investments are delivering over 21,000 jobs, working alongside Government we have invested directly to ensure that 96% of premises in the area will have superfast capability. With government’s support we will now:

- create new, green jobs through a South West Low Carbon Cluster and delivery of our Clean Growth blueprint;
- accelerate the development of marine autonomy and clean ocean tech;
- increase investment in R&D, and especially in marine and environmental intelligence and delivery of the HotSW Technopole;
- equip people with the skills to deliver the new economy;
- enable our businesses to scale up and reach their potential
- connect the region to opportunity and investment across the nation and the world;
- level up our coastal and rural communities, supporting sustainable economic growth and ensuring they gain most in the change ahead
- supporting strong local partnerships that can deliver the Plan for Growth and levelling up.

The table below sets out in detail how we will achieve this. We look forward to working with you to make our region a shining beacon of the positive future net zero can deliver.

Yours sincerely

Karl Tucker

Chair, Heart of the SW LEP



Val Keitch

Chair, Heart of the SW Joint Committee



cc. Paul Scully, MP, Minister for Small Business, Consumers and Labour Markets
Luke Hall, MP, Minister of State Minister for Regional Growth & Local Government
Devon MPs
Somerset MPs
Forwarded to:- Deborah Fraser, CBI, Director in the South West
Stuart Elford, Devon Chamber, Chief Executive
Alistair Tudor, Somerset Chamber, Operations Manager
Susan Wilkinson, FSB, Development Manager Devon
Ruth Lambert, FSB, Development Manager Somerset & Wiltshire
Beverley Waters, ICAEW, Regional Director South, South West & Wales
Suzanne Bond, Cities and Local Growth Unit - South West, Area Lead – Heart of the South West
HotSW LEP Board
HotSW LEP Management Team

Heart of the South West Partnership – the CSR 2021 Opportunity

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Delivering the Plan for Growth						The Heart of the South West Opportunity	Finance Ask?	Policy Ask?
Global Britain	Net Zero	Infrastructure	Skills	Innovation	Levelling Up			
✓	✓	✓	✓	✓	✓	1. Accelerating transformational opportunities to drive business growth and new jobs, with a strong focus on developing a SW low carbon cluster. Specifically		
						<p>a. Capitalise on the area’s world leading strengths in marine and environmental intelligence to aid the development of innovation driven businesses across the region, create the opportunity to extend Britain’s lead in addressing net zero whilst levelling up some of the most disadvantaged parts of the country. Includes</p> <ul style="list-style-type: none"> i) Delivering Ocean Futures, a centre of excellence for testing, development and manufacture of marine autonomy, digital ocean and clean maritime technologies for the rapidly growing global ocean economy, as a key pillar of the country’s ambition to be a science and innovation superpower. Includes investing in priority projects such as a new Maritime Skills Academy and a marine innovation programme. This will create a highly visible anchor for high productivity regional employment, supporting the Levelling Up ambition ii) Accelerating development of a multi-billion pound global market for big data by capitalising on the world leading environmental intelligence cluster and leveraging the intellectual power of the Met Office and other leading partners in the area. Creation of a new Net-Zero Innovation Zone in the part of Devon not covered by the Plymouth Freeport, offering incentives similar to those in an Enterprise Zone. At the centre of the Zone will be an Innovation Hub in central Exeter, for which we are seeking £24 million in capital investment. This building will house a start-up hub, business accelerator, university outreach services, and a home for net zero R&D that sits within the community rather than on the university campus iii) Supporting establishment of a Heart of the SW Technopole, working with HotSW partners to join all the key partners in the innovation ecosystem to provide innovation-intensive SMEs with bespoke advice, signposting, relevant partnerships and expertise 	£20m	Y
						b. Enabling continued development of sources of low carbon energy:		

					<ul style="list-style-type: none"> i) Making a UKAEA STEP investment at Hinkley Point the anchor point of a strategically important low carbon cluster delivering to the Energy White Paper & Green Industrial Revolution, acting as a catalyst for ensuring a lasting economic legacy from Hinkley ii) Enabling continuation of the existing nuclear supply chain programme, which is supporting UK businesses to access £Ms of contracts, by committing to 3 years of new nuclear supply chain funding from 22/23 onwards. iii) Work with local partners to ensure the floating offshore wind opportunity in the Celtic Sea can be realised in a way that benefits local communities and taps into the strong local maritime sector supply chain 	£1.5m	Y
					<p>c. Enabling the development of low carbon industry:</p> <ul style="list-style-type: none"> i) Support delivery of key defence assets in the SW such as Devonport and the AW149 mid-sized helicopter, working with the industry-led SW Defence and Security Cluster to establish supply chain programmes which will benefit the area's SMEs based on the successful Hinkley model 		Y
					<ul style="list-style-type: none"> ii) A clean growth package to accelerate development of the strategic employment sites (Enterprise Zones). To include <ul style="list-style-type: none"> a. Gravity Somerset: strategic transport infrastructure investment to accelerate delivery of the 616 acre Gravity Smart Campus in Somerset, to include as a minimum both upgrading M5 Junction 23 (£20m) and restoring the rail link to the site for passenger and freight services (£50m), enabling 7,500 jobs. b. Oceansgate Plymouth: enabling phase 3 of the Oceansgate Enterprise Zone to progress to build out, closing the funding gap in what's possible from borrowing against future business rate income (£50m) and delivering a key part of the wider Ocean Futures opportunity c. Exeter & East Devon: development is hindered by availability of power supply for the Zone and the surrounding area. A clear strategy is needed to ensure grid capacity improvements are aligned with the development programme, especially given the long lead times involved in securing grid capacity. This also needs to be part of a wider energy strategy to underpin the delivery of low carbon development and the transition to a net zero economy including supporting the development of a sustainable aviation cluster centred on Exeter Airport 	£70m £50m	Y

						<p>d. Maximising impact from the strategic employment centres through a package to ensure the Enterprise Zones are internationally competitive, including</p> <ul style="list-style-type: none"> • 100% occupier business rates relief will be available to 2025 for FDI. • Employers NIC contributions set at 0% for 3 years for employees earning up to £25k p.a. to encourage recruitment locally and of trainee, apprenticeship and semi-skilled grades. • Capital Allowances to include the enhanced Structures & Buildings Allowance ('SBA') for commercial buildings and structures • Enhanced Capital Allowances on plant and machinery 	£15m	
						<p>iii) Unfreezing the Aerospace Technology Institute Innovation Programme to allow funding for VTOL (Vertical Take Off and Landing) projects to be developed in Somerset, utilising Leonardo's OEM experience coupled with its ground-breaking industrial and academic partners to bring a wealth of expertise and knowledge from proven aerospace and automotive sectors to deliver innovative hybrid-electric power and novel lift systems.</p>		Y
						<p>iv) Approval of the £6m Levelling Up Fund bid to create an electronics and photonics production park in Torbay. This will enable R&D undertaken in the existing Electronic & Photonics Innovation Centre (EPIC) to move into production. In addition £0.6m is required to expand EPIC's R&D facilities to address the growing demand from industry</p>	£6.6m	
						<p>d. Supporting reduction of emissions from existing housing stock, essential for achievement of the net zero ambition, by delivering the full £3.8bn in the Social Housing Decarbonisation Fund. There are opportunities for LEP/ local authority collaboration on R&D, pilots to demonstrate affordable solutions and engagement and collaboration with private business and home owners.</p>		Y
✓	✓	✓	✓		✓	<p>2. Creating high value, high skill jobs, supporting the growth of the industries of the future and connecting local people to these opportunities. Specifically</p>		
						<p>a. Ensuring long term funding for Careers Hubs which currently depend on LEP/LA financial contributions which will be unsustainable in context of "evolved" LEPs – 3 year ask £200k per year</p>	£0.6m	
						<p>b. Providing additional capacity to work with our business community around their skills and workforce development plans through an enhanced Skills Advisory Service linked to the Growth Hub; specific focus on supporting both our higher value and more vulnerable sectors around recruitment and future workforce planning.</p>	£5m	Y

						<p>c. Supporting business to maximise the use of the apprenticeship levy and other new opportunities such as T Levels and supported internship, providing additional capacity to support young people and adults to access higher value vocational opportunities</p> <p>d. Provide additional support to and expand the membership of the South West Institute of Technology, investing in its capacity to work with our highest value sectors and provide business relevant / critical skills and training.</p> <p>e. Fastrack agreement of further Local Skills Improvement Partnership nationally, which would include proposals from Somerset and Greater Devon providing 100% partnership coverage of the LEP area.</p> <p>f. Support partners in the Heart of the SW area to address labour shortages in key industries, in particular</p> <p>i) building flexibility into future funding streams for skills retraining and redundancy support to allow local authorities to target activity at recruitment shortage sectors</p> <p>ii) widening seasonal workers permits to allow greater flexibility in the system to resolve recruitment issues in care, tourism and hospitality sectors</p> <p>iii) planning: enabling greater flexibility on use of farm buildings to support diversification and recovery in the farming sector</p>	£5m	Y
✓			✓	✓	✓	3. Enabling business innovation and growth of the south west's most scaleable and innovative companies. Specifically:		
						<p>a. Long-term funding settlement for the Growth Hub to continue to provide advice and guidance to SMEs seeking to grow (£0.5m per year) and funding for a locally designed business support programme to replace that formerly delivered under EU funding (£0.5 per year). This would</p> <p>i) continue to ensure SMEs can effectively navigate the array of business support available</p> <p>ii) complement national schemes such as Help to Grow by closing local gaps in provision and need</p> <p>b. Supporting the British Business Bank to address gaps in the provision of finance to SMEs in the area</p>	£6m	Y
✓	✓	✓			✓	4. Connecting the south west to national and international opportunities. Specifically:		
						a. Strategic road connectivity to/ from the area. Specifically		

						<ul style="list-style-type: none"> i) Urgent work to revisit the recent A303 judicial review and deliver on Government's commitment to dual the section around Stonehenge ii) an early decision/confirmation on the A38/Bristol Airport access Major Route Network Scheme iii) Delivering Electric Vehicle charging infrastructure on highway routes to and within the South West to enable zero emission travel by visitors and residents. This can be achieved through firstly working with local partners, especially Peninsula Transport, to ensure the forthcoming EV Infrastructure Strategy can accommodate the challenges of developing a charging network in a more rural and dispersed peninsula. This will include a mix of funding and policy actions. Secondly supporting businesses which have already invested to expand their charging capacity will be an important part of ensuring an integrated charging network 		<p>Y</p> <p>Y</p> <p>Y</p>
						<ul style="list-style-type: none"> b. Working with Peninsula Transport to complete a sustainable transport strategy and investment programme which includes a low carbon rail network, better rural connectivity for future transport needs, a long term strategy for improved A303/30/358 connectivity and agreed priorities for the major infrastructure programmes c. Rolling out enhanced mobile connectivity along south west rail corridors to deliver the 'mobile office on rail' concept through <ul style="list-style-type: none"> i) Funding the proposed Network Rail concept trial on the Exeter to Newton Abbot line for deployment during the 2019-24 Control Period (£6m) ii) Supporting Network Rail and local partners to develop a Strategic Outline Business Case to upgrade connectivity along all rail lines in the peninsula during Control Period 7 (2024-2029) 	£6m	<p>Y</p> <p>Y</p>
✓	✓				✓	5. Levelling up: supporting sustainable economic growth in rural areas, working in partnership to address the challenges ahead. Specifically		
						<ul style="list-style-type: none"> a. Establish a Rural Productivity Deal that supports rural enterprises to access emerging markets, adapt their ways of working, realise clean growth opportunities, drive innovation and enhance rural social mobility and wellbeing for rural communities. Deliver the South West public sector food and drink procurement pilot with Crown Commercial Services, allowing direct access for public sector bodies to food producers, suppliers and processors on a dynamic basis. 	£3m	Y

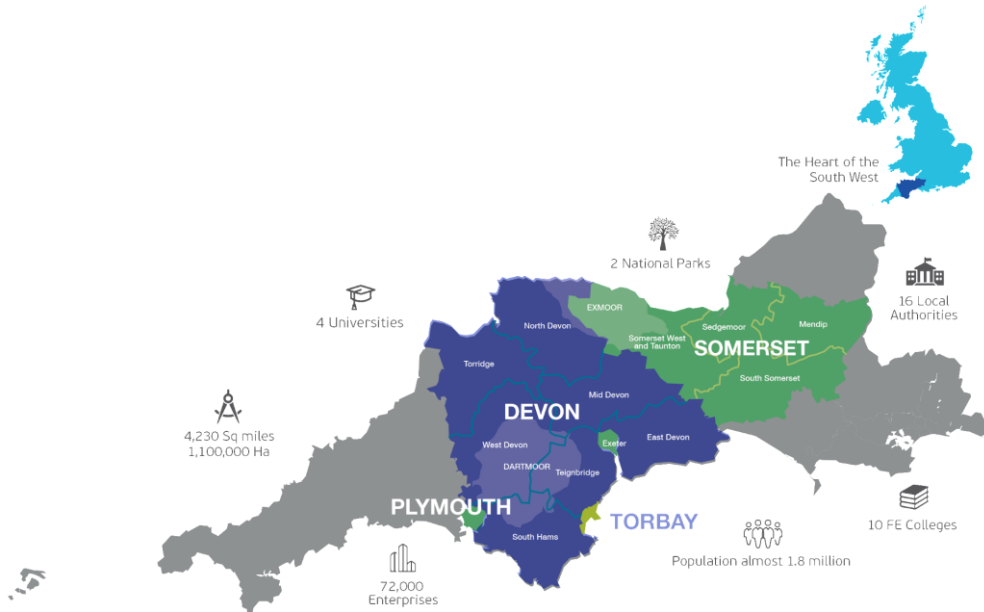
						<ul style="list-style-type: none"> b. Working with the Great South West Tourism Partnership to deliver the opportunities within “Towards 2030: Reimagining the Visitor Economy in the South West”¹ and a minimum of £5m funding to the action plan. This delivers clean and inclusive growth to achieve Net Zero whilst making the area the most accessible and inclusive destination in the UK, addressing seasonality and improving productivity c. Work with Heart of the SW partners to ensure the Coastal Productivity Plan is used to shape future policy on coastal issues particularly in the design of the UK SPF levelling up left behind coastal areas by addressing long standing structural challenges, addressing health and wellbeing inequality and driving up productivity d. Co-working with Government to deliver the Project Gigabit Programme and support to pilot alternative solutions in the Very Hard to Reach areas. e. Increase the capacity and capability of planning departments to deliver better outcomes by committing to the implementation of the full uplift in nationally-set planning fees to strengthen the resourcing of this valuable service as set out in letters to local planning authority Chief Executives as far back as February 2017. The government has long recognised the need to ensure planning services are sufficiently resourced to deliver ‘better services, improved performance, and greater capacity to deliver growth’ and in recent times this brief has expanded to include a welcome new focus on high quality design as well as accelerated delivery. However the fundamentals remain that local planning authorities should be empowered via the implementation of this additional 20% uplift in fees to invest more in their planning functions to deliver the outcomes that will be needed to drive recovery and deliver growth f. Supporting levelling up by diversifying the lending and banking market, opening access to banking facilities for many currently excluded: use the next tranche of dormant account money – the Expanded Dormant Assets Fund – to create a fund to support capitalisation of emerging banking mutuals across the UK. Cost neutral to HMT g. Collaborate with the LEP to test innovative finance mechanisms for natural capital projects, including the establishment of a Natural Capital Readiness Fund as a mechanism to redirect private investment into nature-based projects. 	<p>£5m</p> <p>£3m</p> <p>£1m</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p>
✓	✓	✓	✓	✓	✓	6. Enabling strong local partnerships to deliver on levelling up, the Plan for Growth and net zero. Specifically		

¹ [Towards-2030-Reimagining-the-Visitor-Economy-in-the-South-West.pdf \(heartofswlep.co.uk\)](https://heartofswlep.co.uk/Towards-2030-Reimagining-the-Visitor-Economy-in-the-South-West.pdf)

						<ul style="list-style-type: none"> a. Swift completion of the LEP review enabling a meaningful role for business-led LEPs and specific support to deliver key components of our Build Back Better plan b. Working with partners to develop county deal opportunities for the area c. Accelerated announcements on the Community Renewal Fund, Levelling Up Fund and UK Shared Prosperity Fund. This will enable local partners to begin relevant delivery and plan for medium term activity 		<p>Y</p> <p>Y</p> <p>Y</p>
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Annex: Our Area - the size of a major UK city

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Heart of the South West covers the local authority areas of Devon, Somerset, Plymouth and Torbay. With a population of 1.8m, 72,000 businesses and a £35 billion a year economy, the economy and population make the area the equivalent of a major UK city. The area has a long-standing productivity gap with the rest of the UK, even excluding London and the south east, and economically was one of the hardest hit parts of the country in the pandemic. However there is a major opportunity for Heart of the South West to make a significant contribution to the Plan for Growth, delivering net zero and the levelling up agenda based around new and growing industries. We have set out just how we can do this, working in partnership with Government.

About Us – our partnership

HotSW LEP is one of 38 local enterprise partnerships across England and our business-led Board have successfully overseen delivery of the area’s Local Growth Fund and Getting Building Fund awards. Heart of the South West Joint Committee brings together Leaders from all the local authorities and national parks in the area and, together with the LEP, have set out the key priorities to transform our economy and prosperity.

The Opportunity –based on real strengths

Heart of the South West is home to globally competitive industrial assets and strengths which provide a foundation to transform the economy and prosperity of the area, tested and verified through an extensive evidence base. These opportunities are already in the area and the support we are seeking will help nurture them to their full potential. The area will always have a strong tourism, hospitality and food offering and the new industries alongside the higher productivity in these traditional sectors can close the productivity gap and deliver levelling-up. The future opportunities are:

- energy; stemming from the construction, and legacy benefits, of the UK’s first nuclear power station in twenty years at Hinkley Point C – and pioneering the development of the next generation of marine renewables;
- engineering: leading on the development and commercialisation of marine autonomy, and supporting the sustainable aviation challenge through development of rotary technologies and electric planes; and
- digital; specifically through environmental intelligence, the marine geospatial innovation market, and health and agri-technologies.