

HEART OF THE SOUTH WEST

Local Enterprise Partnership

Heart of the South West LEP: Growth Deal 2015/16

31st March 2014



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Executive Summary

Our vision is to transform the reputation and positioning of our area nationally and globally. Over the lifetime of our LEP's economic strategy we want the key strengths of the Heart of the South West area to be seen as key assets of UK plc. From now onwards, we want our people, places and business to steadily benefit as the public and private sector work together to secure long-lasting and inclusive legacies from investment. So by 2030 we will have:

- Transformed our economic growth rate from below the national average to above;
- Doubled the number of new jobs and increased our rate of house-building by 50%;
- An economy approaching £50bn of GVA;
- Transport / skills infrastructure fit for the 21 century; and
- Our urban and rural economies strong and working together.

Having consulted widely with hundreds of businesses and stakeholders across our area, we have clearly identified where we now need to focus our efforts. There is wide spread agreement on our ambition to *'transform the profile, reputation and positioning of our area's economy nationally and globally'* but the current state of our transport, digital, skills and enterprise support infrastructure is an immense brake on growth.

The recent bad weather, devastation to strategic transport networks and flooding has simply highlighted the reality of this brake on our growth. To have the 15th largest City in the country cut off by rail for months – along with many other routes and communities seriously impacted – is not acceptable for a modern economy. This economic impact is compounded by further upgrades to strategic transport elsewhere.

After years of under investment, all stakeholders agree that to achieve this vision will need **investment in infrastructure on a transformational scale**. This single theme is the focus to our Growth Deal.

We are fortunate as an area to have a wide range of opportunities and strengths; ranging from an exceptional and world renowned natural environment to a series of world class immediate opportunities – two of which (Nuclear and Marine) will generate over 40,000 job hires on their own. These are opportunities of national significance which have already received special recognition from government.

We also have a 'once in a generation' opportunity to co-locate world leading researchers with key commercial partners around one of Europe's most powerful supercomputers. The new Met Office supercomputer will transform the operational and research capabilities of the UK in environmental prediction. Establishing a new Global Campus for Environmental Futures will act as a nucleus for world-leading science, business innovation and impact. It will attract the best scientists, technologists, companies and thought leaders to deliver longer-term growth in the private sector and maintain the UK's number one position in environmental science.

Despite these significant potential opportunities for our area and UK plc., the challenges we face to make the most of them are evident. In virtually every statistic on our economy from business productivity measures, to levels of innovation or exporting – the Heart of the South West is a poor performer compared to most other LEP areas. Feedback from business to our consultation supports our own detailed research; we have the potential; we have the ambition; we have the commitment. But we are

hampered by our poor connectivity on road, rail, broadband and mobile networks; we need to strengthen our skills infrastructure; and we need to have affordable homes for our people. This has been summarised by business as *“give us the infrastructure and we can deliver the growth the country needs”*.

This single theme is therefore the focus of our Growth Deal – we wish to agree with government a transformational investment across 5 proposals:

- Proposal 1:** Strategic Connectivity to Compete on the Global Stage
- Proposal 2:** A step change in Housing and Employment Site Growth;
- Proposal 3:** Investing in our People;
- Proposal 4:** An Exemplar Growth Hub and Enterprise Support; and
- Proposal 5:** Exploiting our Transformational Opportunities.

Our 5 Growth Deal proposals set out a series of integrated elements involving freedoms and flexibilities and / or investment from the Local Growth Fund into:

- Strategic transport routes
- Local infrastructure focused on enabling housing and employment growth
- Skills infrastructure in our Colleges to meet the needs of our businesses
- Digital infrastructure so our rural and urban economies can both work together
- Enterprise and innovation support systems and centres

Though the LEP is a young partnership, its constituent members have a successful history of working together on LEP area wide activities and have put in place its approach to governance and management so it is

confident it has the ability to take forward these investments with government. For example we have established:

1. The Heart of the South West LEP CIC with a majority of business members on the board and the wider community engaged and represented through a Business Forum which includes all the largest business groups;
2. Local Authority collaboration – with new governance arrangements for a Joint Committee awaiting enabling legislation so shadow arrangements currently operate on our first programs;
3. Leadership of Delivery and Special Interest Groups: A Management executive underpinned by SLAs has been established to manage delivery day to day with a delivery governance structure with business at its heart reporting to the board; and
4. Working functionally with others at appropriate geographies e.g. with the Local Transport Board, across LEP boundaries the Peninsula Rail task Force, the Hinkley Strategic Development Forum, within the LEP area e.g. Levels and Moors Action Plan Task and Finish group.

We are keen to work with Government on this Deal – we set out in this document the detail behind these proposals. A Growth Deal which will deliver an impressive Return on Investment (ROI) on the £332m sought of:

- A much more resilient economy
- Residents, businesses and investors reaping the benefit of more rewarding careers and greater prosperity
- More than 59,000 new jobs
- More than 76,000 new homes built faster than planned
- 370m of further investment leveraged

Introduction

By 2030, we want to have transformed the profile, reputation and positioning of our area nationally and globally. Economic projections suggest that, on our current trajectory, our average rate of growth will continue to fall behind the rest of the UK. Our ambition is to achieve transformational growth - *growing at a faster rate than the UK average*. By 2030, ***we aim to have created an extra 81,000 jobs, an extra £4bn in economic output and 74,500 more homes*** than would be achieved on our current trajectory.

Our Strategic Economic Plan analyses our starting point across the themes of place business and people, it outlines our opportunities and our challenges and arrives at a set of priorities to achieve growth, across three interdependent core aims:

- Creating the conditions for growth;
- Maximising productivity and employment; and
- Capitalising on our distinctive assets.

We will use all the tools at our disposal to implement our Strategy including our EU Structural and Investment Fund Strategy, the Plymouth and SW Peninsular City Deal, our Local Authorities strategic plans for growth, and our links with private enterprise. These tools will help us improve our growth rate and secure more houses and jobs.

However, we believe that to really unleash the high growth potential of the opportunities on our doorstep, we have to get the basic conditions for growth right and that means investment in our enabling infrastructure. We believe that Government support, through this growth deal, could have a major catalytic effect. This document, therefore sets

out how we can work in partnership with Government to deliver **transformational growth** in the Heart of the SW.

In this, our 2015 Growth Deal, we focus on the measures that can be most beneficial now - whether through the Local Growth Fund, through influencing national government departmental prioritisation and spending, or through flexibilities and freedoms to do things differently.

This document is structured as follows:

- **Introducing our key proposals** – This section introduces our five key proposals for transformation, how they link up and how they contribute to our growth aspirations.
- **Our key proposals** – This section brings together information about our five key proposals. Each section starts with a high level summary of the opportunity, our solutions and our offers and asks. We then provide supporting details of specific programmes and projects.
- **Our Financial Asks** – This section brings together a summary of:
 - Local Growth Fund 2015/16 bids;
 - Local Growth Fund 2016/17 onwards;
 - Non Local Growth Fund resources; and
 - Freedoms and Flexibilities.
- **Deliverability and Risk** – Highlighting: our track record of delivery, our Governance and Delivery structures, Risk Management, Reporting and Accountability.
- Appendices provide a 1-2 page summary of each LGF project.

Introducing our Proposals

Our Strategic Economic Plan, details our strategic priorities for growth. This Growth Deal does not attempt to take forward ALL of our SEP Priorities, instead we have focused our attention on those priorities, where support from Government, either through the Local Growth Fund, or through other freedoms and flexibilities, can be most beneficial now. The table below, highlights our SEP Priorities with elements we are taking forward through this deal. As detailed in our SEP, other implementation mechanisms, such as the EUSIF, the Plymouth and SW Peninsula City Deal etc. will be used to take forward other priorities.

Figure 1: SEP Priorities to be addressed through this deal

P = Proposal	Creating the Conditions for Growth	Maximising Productivity and Employment	Capitalising on our Distinctive Assets
Place Priorities	Transport and Accessibility (P1, P2, P3)	Enterprise Infrastructure (P4)	Specialist marine sites (P5)
	Sustainable solutions to flood and water management (P1)	Strategic employment sites (P2)	Science / innovation infrastructure (P4)
	Digital Infrastructure (P1)	Unlocking Housing Growth (P2)	Maximising our Environmental assets
	Energy infrastructure (P5)		
Business Priorities	Simpler more accessible business support system tailored to our needs (P4)	Reaching new markets (on-line supply chain and public sector)	Innovation through Smart Specialisation (P5)
	Stimulating Enterprise and Growth (P4)	Globalisation (exports and inward investment) (P4)	Building our capacity for innovation
	Improving Access to Finance		
People Priorities	Skills Infrastructure and facilities (P3)	Moving People into employment	Enterprise and business skills
	Accessibility to education/employment (P3)	Supporting people to progress to better jobs	Technical and higher level skills
	Employer Engagement and Ownership (P3)	Improving workforce skills	Maximising the skills and employment opportunities aligned to our transformational opportunities (P3)

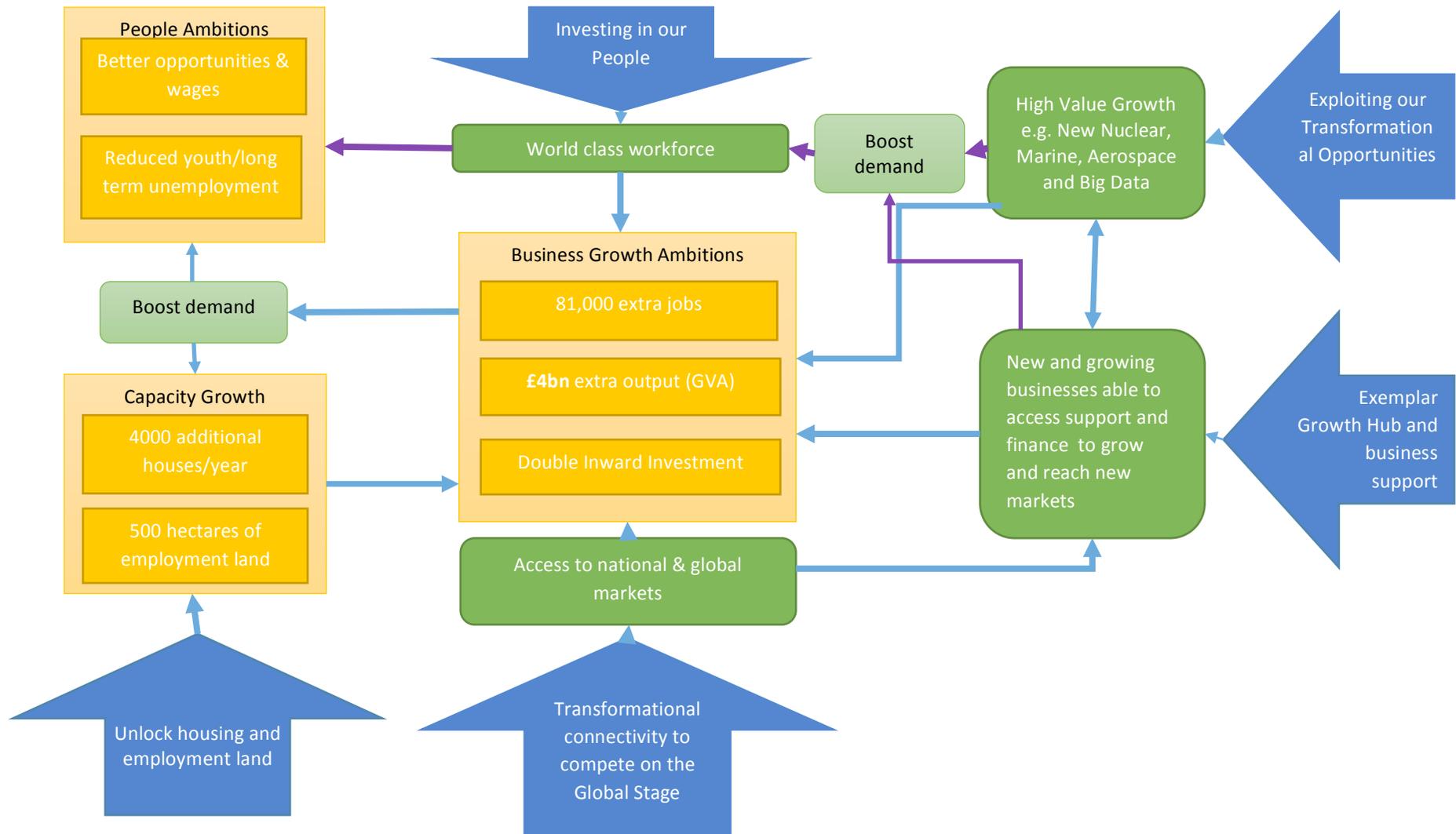
Our solutions have been grouped together under 5 integrated proposals, as illustrated below.

Figure 2: Five Integrated Proposals



Figure 3 overleaf, shows that these all have an important role to play in driving growth.

Figure 3: How proposals work together for growth



Proposal 1: Transformational Connectivity to Compete on the Global Stage

Summary		Transformational Connectivity to Compete in the Global Race	
The Opportunity Addressing 'head on' our peripherality constraint, this programme will catapult us from a 'strong growth scenario' to a 'transformational growth scenario' – aiming to achieve £4bn additional GVA and 81,000 extra jobs by 2030 , through: <ul style="list-style-type: none"> ✓ Reducing journey times from Plymouth to London by 45minutes could add £1bn to the Peninsula economy; ✓ Improving the A358/A30/A303 could create £41.6bn for the UK economy and 21,000 jobs ✓ Roll out of 4G mobile infrastructure could add £1.87bn and upgrading to 95% coverage of superfast could add £0.76bn. 		The Issues <ul style="list-style-type: none"> ✗ Journeys to Plymouth are slower than all other English Cities with >100,000 population ✗ Strategic infrastructure prone to catastrophic failure from flooding (e.g. Dawlish rail line, Cowley Bridge, Bridgwater etc.) ✗ Productivity decreases by 6% for every 100 minutes journey time from London ✗ Detrimental impact on inward investment and retention of businesses ✗ Poor broadband and mobile connectivity ✗ Strategic National Corridors, not extending to Plymouth 	
		LEP Sponsor  Steve Hindley, LEP Chair	
Our Solutions	Our key Offers	Our key asks	
Achieve national recognition for importance of strategic connectivity and resilience.	Work with Peninsula LEPs to influence DfT, Highways Agency and Network Rail spending.	Strategic National Corridors extend beyond Exeter to Plymouth. Bring forward modernisation of SW comprehensive TEN-T routes	
Securing a resilient rail and road infrastructure through comprehensive remediation and preventative works and development and upgrading of alternative routes.	Work with other Peninsula LEPs to fully understand economic impact of transport disruption and support the case for infrastructure investment.	<ul style="list-style-type: none"> • Network Rail/DfT to progress discussions with Heart of SW LEP in relation to: 1) Long term solution to Dawlish, Bridgwater etc.; 2) Improving capacity of Exeter to Waterloo as alternate. • Transport agencies and Environment Agency to work together and align funding to achieve common aims. 	
Achieve faster journey times on road through improvements to the A358/A30/A303 corridor, creating at least £41.6bn for the UK economy and 21,000 jobs .	Work with other LEPs and agencies alongside DfT and the Highways Agency, to progress feasibility study and agree priorities for early delivery.	<ul style="list-style-type: none"> • DfT to support inclusion of at least one significant dualling scheme as result of feasibility study on the A303 within the 2015-2019 Highways Agency Capital Programme.. 	
Achieve faster journey times by rail through improvements to infrastructure, signalling, fleet and ultimately electrification – resulting in potential uplift of £1bn GVA p.a.	Work with DfT and other LEPs to secure optimal patterns of train services.	<ul style="list-style-type: none"> • Network Rail/DfT to progress discussions with Heart of SW LEP in relation to: <ul style="list-style-type: none"> ○ Bringing forward line improvements and electrification; ○ Franchise service patterns and service enhancements 	
Secure digital and mobile infrastructure , enabling businesses to participate in the global marketplace, unlocking >£2bn	£4.75m EUSIF resources allocated to digital infrastructure. Continue to work with BDUK to build demand for superfast broadband	£10m LGF 17/18 and £23m LGF 18/20 for superfast broadband infrastructure. Pilot for DCMS Innovation Fund to address mobile connectivity £2.5m to develop pilot to deliver fast 4G coverage to “not-spots”	

Proposal 1: Background/Context

Under-investment by successive Governments in Strategic Transport infrastructure connecting the SW peninsula to national and global markets means that journeys to our area are relatively slower, less reliable and more prone to delays. In fact, journeys to Plymouth are slower than to all other English cities with >100,000 population.

Studies have shown that there is a direct correlation between distance from markets and the productivity of peripheral economies¹. The OECD found that among regions with below average GDP per head, transport infrastructure played a key role in driving growth² not least in increasing the competitiveness of SMEs and bringing new businesses to areas. Connectivity is also a key factor for linking people and skills to labour markets. The impacts of relative peripherality are likely to worsen as improvements are made to transport networks elsewhere in the UK³

Climate change scenarios prepared by the Met Office suggests that patterns of more extreme winter weather are likely to increase in frequency. The direct impact of disruption due to adverse weather is significant – estimated at £140m for 2012/13 with repair costs of £15m and compensation payments of £12m. The cost of disruption in 2014 has yet to be fully understood. Multiplied year on year the case for to invest in and future-proof strategic routes to prevent recurrence should be strong. Meanwhile, our infrastructure remains vulnerable to extreme weather events and we lack suitable diversionary routes.

The wider economic impact of prolonged disruption will take some time to assess. While short term local economic activity may be displaced, the

¹ Meeting the productivity challenge, 2005

² [How Regions Grow: Trends and Analysis \(OECD\)](#)

³ *HS2:Regional Economic impacts*, KPMG September 2013

longer term effect can be significant. First Great Western reported passenger numbers into Devon and Cornwall down by 2/3 during February and March 2014, summer holiday bookings were reportedly down by half compared to the same time the year before and University open days were under-attended - the **opportunity costs** are potentially huge if impressions of travel during disruption colour future choices.

The impact of perception on business choosing to locate in the area is possibly even greater. Our transport system and its stations are gateways to our area. Perceptions and the reality of the ease of transporting people and goods is key factor in business location and supply chain choices.

Digital infrastructure (both broadband and mobile) has become an essential means of connecting business to markets all over the world, and as such continuing to improve our digital infrastructure is vital for growth. Our businesses tell⁴ us that together with the general economic climate, mobile and digital connectivity are the most import enablers of their business growth.

Proposal 1: Addressing our Priorities

Our proposal therefore brings together activities relating to our priority to improve transport and accessibility, in particular the following sub-priorities:

- Resilient road and rail Infrastructure;
- Improved quality of our road and rail infrastructure
- Digital and Mobile Infrastructure.

⁴ Survey responses of 152 business SEP consultation

Proposal 1: Aligning Government Priorities

To date, transport infrastructure in the South West of England has not been a national priority. In order to reposition our area in the national mind-set our core road and rail routes should be considered as **Strategic National Corridors**. Plymouth port, the mainline rail route to Penzance, the M5/A38 corridor, and the A303/A358/A30 corridor are part of the **comprehensive TEN-T network**. As such, these routes are within the **highest layers of infrastructure planning for the EU**. To achieve our objectives, we would like to explore further alignment of national priorities, our SEP priorities and the Connecting Europe Facility.

During the floods and the aftermath of the adverse weather events of winter 2012/13 and early 2014, it became apparent that the policies and priorities, and rules for setting and spending budgets of DEFRA/Environment Agency, and the Highways Agency and Network Rail were not aligned, resulting in perverse decision making at times. We would like these agencies to work together to find cost effective jointly funded resilience solutions.

Our programme of digital infrastructure improvements (and associated business support and skills development) directly aligns with the Government's Information Economy Strategy.

Proposal 1: Working with Other LEPs

By its very nature our strategic transport infrastructure connects us to other LEP areas and improvements made in our area can be prove to be beneficial to a wider geography (for instance, any steps taken to reduce journey times to the Heart of the SW, will consequently improve journey times to Cornwall and the Isles of Scilly LEP area).

Therefore we have reached agreement with all our neighbouring LEPs that we will work together to address common priorities.

Proposal 1: Our Solutions

Our vision articulates a desire to ‘transform the profile, reputation and positioning of our area nationally and globally’. The current state of our strategic transport networks means that this vision will be almost impossible to achieve, without investment on a transformational scale.

However, we also recognise that there are smaller scale, tactical improvements that can make a difference almost immediately, however these benefits will be more incremental in nature, as illustrated below. Tables 2, 3 and 4 provides summary information about each proposed project.

Table 1: A summary of our Transformational and Incremental Strategic Solutions required to achieve our priorities

	Incremental	Transformational
Improved Resilience	<ul style="list-style-type: none"> Implement the package of resilience measures identified by Network Rail in response to the 2012/13 flooding; Improve resilience of the trunk road and motorway network; and Improve resilience of the strategic local authority highway network across the Somerset levels. 	<ul style="list-style-type: none"> Identify and implement solutions for long term resilience of the rail network west of Exeter, including comprehensive remediation at Dawlish and study, and best-case implementation, of additional route options – Improve resilience of main rail lines across the Somerset levels, including the Taunton to Bristol and Taunton to Westbury routes Improve line capacity on rail route to London Waterloo to enable it to accommodate diverted Great Western trains;
Improved Quality	<ul style="list-style-type: none"> Reduce mainline journey times to London Paddington through the franchising process – benefitting the economy by £38m/year. Enhance capacity and quality of trains, services and stations Improve connectivity to airports: Exeter, Bristol and Heathrow Improved interchange 	<ul style="list-style-type: none"> Dual A303/A358 corridor & Improve A303/A30 between Ilminster and Honiton - Generating £41.6bn for the UK economy and creating 21,400 jobs Improvements to main line rail infrastructure, signalling and train fleet, including electrification, to reduce headline journey time from Plymouth to London by 40 minutes by 2030 and seamless services to Heathrow.
Digital Infrastructure		<ul style="list-style-type: none"> Superfast Broadband to the remaining 10% Pervasive 4G infrastructure

Table 2: Improving the Resilience of our Strategic Transport Infrastructure

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Long term resilience of the rail network	<p>The Problem – Flooding and adverse weather have resulted in catastrophic failure of the railway at Dawlish, Exeter and in Somerset – resulting in significant closures and damage to the economy. In some cases, agency remits act as a barrier to holistic thinking and cost effective solutions.</p> <p>Our Solutions: The LEP and local authorities want to work with DfT, Network Rail and the Environment Agency/DEFRA to secure cross agency agreement to deliver cost-effective, long term resilience solutions against the effects of adverse weather, prioritising:</p> <ul style="list-style-type: none"> - the vulnerability of the single route through Dawlish - The vulnerability of the rail line to flooding on the Somerset levels <p>The Benefits</p> <ul style="list-style-type: none"> ✓ Economic growth is safeguarded, as businesses can reach markets and grow, investors will be reassured and our growth ambitions enabled. ✓ Long term cost savings to the agencies 	<p>Environment Agency, and Network Rail work together to align policies and priorities to enable jointly agreed and funded, cost effective, whole problem solutions that protect people, property and critical rail infrastructure.</p> <p>Commitment by Government to make the necessary investment to secure the long term resilience of the main line to the SW Peninsula.</p>	Studies on-going	Network Rail/Environment Agency
Improved line capacity London Waterloo rail route	<p>The Problem – Closures of the Great Western Mainline by acts of God or other events are sometimes unavoidable. The ability to divert trains is compromised by the limited capacity of the predominantly single track between Exeter and Yeovil Junction.</p> <p>Our Solution - Passing loops would let the route be used as a diversionary route and allow increased capacity.</p> <p>The benefits - Enhanced capacity enables enhanced train service reliability and potentially unlocks employment and housing growth.</p>	<p>Partnership working between Network Rail, the LEP, local authorities, and train operators to examine proposals for enhancing route capacity within the Western Route study.</p> <p>Commitments to delivering passing loop in East Devon (see table 6), and additional capacity as determined by the study.</p>	£50m (est)	Additional diversionary capacity from Network Rail Strategic Business Plan, or DfT

<p>Implement '2012/13 flood' resilience measures package</p>	<p>The Problem - Following the severe flooding of 2012/13 Network Rail identified 10 enhancement schemes across its Western Route to help mitigate flooding and improve resilience -reducing likelihood of line closure, and improving recovery from, flood events. £31m was apparently committed to deliver these works, but “disappeared” out of the Autumn Statement and this work has not been completed.</p> <p>Our solution – ‘Ask’ that the package of measures is implemented at:-</p> <ul style="list-style-type: none"> • Cowley Bridge, Exeter • Hele and Bradnich • Honiton and Crewkerne • Whiteball tunnel 	<p>DfT – to ensure early completion of the programme</p> <p>Environment Agency – to agree with Network Rail the design of the Cowley Bridge works</p>	<p>£31m</p>	<p>Government funding committed, plus some Network Rail funding</p>
<p>Improve resilience of the trunk road and motorway network</p>	<p>The Problem The severe wet weather of the last two winters and snow in previous years highlights the vulnerability of our road network.</p> <p>Our solution LEP and local authorities want to work with the Highways Agency and Environment Agency to agree and enable measures necessary to ensure a more resilient strategic highway network</p> <p>Benefits: this will reduce disruption to businesses and contribute to productivity</p>	<p>Highways Agency to progress flooding and resilience measures identified in Route Based strategies.</p> <p>Environment Agency, and Highways Agency work together to align policies and priorities enabling cost effective, whole problem solutions that protect people, property and critical road infrastructure.</p>	<p>To be identified in Phase 2 of the Route Based Strategies</p>	<p>Highways Agency capital programme. Highways Agency and EA</p>
<p>Improve resilience of the strategic local authority highway network across the Somerset levels</p>	<p>The Problem The moors and Levels were severely flooded in early 2014, cutting of communities and blocking key road and rail routes for months.</p> <p>Our solution Having prepared the Moors and Levels Flood Plan. The LEP and Somerset want to agree with Government a programme and funding of interventions including water management and transport infrastructure.</p> <p>Benefits A more resilient transport network will reduce disruption to businesses and communities, and help ensure a reduced likelihood of economic dislocation</p>	<ol style="list-style-type: none"> 1. £1.6m immediate repairs to local transport network. 2. £200k studies on how to make strategic highway network more resilient. 3. £25m to implement schemes to make strategic highway network more resilient 	<p>1 - £1.6m 2 - £200k 3- up to £25m</p>	<p>Somerset County Council/ DfT</p> <p>Growth Deal with local funding contribution contingent on outcomes of studies</p>

Table 3: Key Proposals - Improving the Quality of our Strategic Transport Infrastructure.

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Dual A303/A358 corridor & Improve A303/A30 between Ilminster and Honiton	<p>The Problem The A303/A358/A30 is a strategic route between South West and South East England and London. The route has sections of single carriage way which can add to journey times and gets congested at peak times of year.</p> <p>The solution The LEP will work with:</p> <ul style="list-style-type: none"> - DfT and the Highways Agency to progress the A303 feasibility study as quickly as possible. - Devon and Somerset County Councils to examine options for improving the A303/A30 between Ilminster and Honiton. - adjoining LEPs and local authorities to come to a shared view on priorities for improvement <p>Outcomes/outputs A direct dual carriageway route to the South West would transform the perceptions of the region's accessibility and is estimated to generate £41.6bn for the UK economy and support generation of 21,400 jobs</p>	<p>DfT -To progress the feasibility study to completion by Autumn 2014</p> <p>DfT -To support the inclusion of at least one significant dualling scheme on the A303 within the 2015-2021 Highways Agency capital programme</p>	To be determined by DfT feasibility study	Improvements will be funded from the Highways Agency capital programme
Reduce main-line journey times though 1) improved infrastructure, signalling and train fleet, 2)	<p>The Problem Line speeds make journey times on the mainlines between Bristol or London to Penzance via Plymouth slow. A business case based on direct return on investment through revenue would fail, however wider economic benefit resulting from faster journey times can be shown.</p> <p>Our solution: The LEP will work with adjoining LEPs (Swindon and Wilts, and Cornwall and Isles of Scilly), local authorities, Network Rail and train</p>	<p>Network Rail – investigation through Western Route Study and refresh of Electrification RUS</p> <p>Explore accessing Connecting Europe Facility to bring forward modernisation of TEN-T comprehensive network.</p> <p>Commit to electrifying line from Bristol to Exeter, Plymouth and beyond. Plan for continuation of electrification from Bristol towards the south west</p>	No yet known	<p>Network Rail budget for CP6 and CP7. DfT (either through franchise or directly) for replacement train fleet.</p> <p>Contribution from EU funds should be sought –particularly as: it would improve</p>

	<p>operators to explore the measures necessary to achieve the core SEP target</p> <p>Outcomes/Outputs: This level of enhancement would be transformative for businesses in the South West. Electrification could have a wider economic benefit of £100m/year⁵ in addition to £15m per year revenue gain.</p> <p>Encourage modal shift</p>	as that work completes		connectivity to a Transition and less developed area; the route is part of the comprehensive TEN-T network; market failure to modernise the route to date can be demonstrated
Reduce mainline journey times to London Paddington within the new Great Western franchise.	<p>The problem Current timetabling does not optimise journey times, frequency or timing of first and last trains.</p> <p>The solution The LEP will work with adjoining LEPs and local authorities to come to a shared view on priorities of timetable development and station calling patterns.</p> <p>Outcomes/outputs In order to contribute to business productivity and enhance prospects of securing/ maintaining quality businesses in the Heart of the South West. An hourly service to Paddington in 2h45m is estimated to bring a net economic benefit of £38m/year⁶ based on 2013 demand levels.</p>	<p>DfT – To progress discussions with key stakeholders about the specification for the 2016 Great Western Franchise at an early date. Committing as early as possible in the new franchise to at minimum improvements of:</p> <ul style="list-style-type: none"> - hourly fast trains to London (Plymouth 3 hrs, Exeter 2 hrs), - 2 trains per hour from Exeter and Taunton, and - at least hourly services from Totnes, Newton Abbot, Tiverton Parkway and Castle Cary - additional hourly stopping train between Exeter and Bristol <p>Network Rail – To continue discussions with LEPs and local authorities in the context of the Western Route study to ensure that the required franchise service pattern can be delivered.</p>	To be determined through DfT franchising process	New franchise will be funded from DfT franchise process
Enhance capacity and quality of trains and services	<p>The problem Demand has been under-forecasted, passenger numbers rose 245% in five years to 2012 on FGW (source FGW), Capacity has not met demand resulting in overcrowding.</p>	DfT – To progress discussions with LEPs and local authorities re the 2016 Great Western Franchise specification and train fleet resources on the Cross Country network to reduce overcrowding and accommodate growth, at an early date.	To be determined through DfT franchising process	<p>New franchise will be funded from DfT franchise budget.</p> <p>Growing patronage</p>

⁵ Economic Study into the Electrification of rail services to Plymouth and Cornwall, March 2014

⁶ Economic study into rail services for Plymouth, October 2011

	<p>Our solution: The LEP will work with adjoining LEPs and local authorities to come to a shared view on priorities to secure early franchise commitments to meet growing passenger demand.</p> <p>Outcomes/outputs</p> <ul style="list-style-type: none"> • Additional train services and rolling stock will enable passenger growth to be accommodated and reduce overcrowding. • Enabling modal shift - alleviating congestion on the highway network, and contributing to business growth in larger towns and cities. 	Network Rail – To ensure that the required franchise service pattern can be delivered		may finance incremental increases in service frequencies
<p>Investment in transport interchanges to enable door to door journeys and support the transfer of freight from road to rail</p>	<p>The problem Switching between transport providers or transport modes can be difficult for people and freight.</p> <p>Our solution The LEP wants to work with:</p> <ul style="list-style-type: none"> • Train operators to secure match funding from the National Stations Improvement Programme and Access for All • Bus operators to secure match funding. <p>Outcomes</p> <ul style="list-style-type: none"> • 1270 jobs • Facilitate modal shift to by developing transport hubs which make it easy for passengers and freight to transfer from one mode to another. Significant station gateway schemes to cater for increased footfall and enhance business potential include Plymouth, Exeter, Taunton, Totnes, Exmouth, Paignton and Bridgwater. Bus passenger interchanges include Plymouth, Derriford and Exeter • Inter-modal rail freight facilities can support 	<ul style="list-style-type: none"> • Support from Network Rail, train operators and local planning authorities in developing interchange proposals around railway stations. • Support from Network Rail and rail freight operators in identifying potential locations for cost effective rail freight facilities. 	The total cost of the proposed programme of schemes over 6 years is £38m	<p>Local contributions from: S106, CIL, New Homes Bonus, local authority capital. Each project will have at least 30% local contributions</p> <p>£24.1m LGF over the six financial years from 2015/16 to 2020/21</p>

	<p>sustainable distribution to the South West peninsula</p> <ul style="list-style-type: none"> • Reduced congestion through mode shift benefitting businesses. Reduced carbon footprint. • Improved access to employment, education and leisure activities for all areas. • Increased participation in employment. 			
<p>Improve connectivity to airports, Exeter, Bristol and Heathrow</p>	<p>The problem Access to international markets and supply chains require international transport connections. Regional airports need a critical mass of passengers to be viable, access to hub airports gives a greater choice of destination.</p> <p>Our solution The LEP will work with:</p> <ul style="list-style-type: none"> - Exeter Airport and Devon County Council to promote measures that support development of the airport - Network Rail, Franchise operators and others to understand demand for rail journeys to Heathrow airport and promote the case for the Western Rail Access. <p>Outcomes/outputs</p> <ul style="list-style-type: none"> • Support viability of the airport and encourage business development in a surrounding cluster • Provide easier access to Europe and long haul destinations and so global markets 	<p>HM Treasury to reconsider the case for rebalancing Air Passenger Duty to improve the viability of air services from regional airports</p> <p>Development of the Western Rail Access plans to Heathrow to allow seamless, fast, rail services from Plymouth, Paignton, Exeter and Taunton.</p>		

Table 4: Digital Infrastructure

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Superfast Broadband – Remaining 10%	<p>Partnership working with BDUK and commercial providers through the Connecting Devon and Somerset project to identify solutions.</p> <p>Match funding/outcomes To support this we will utilise £4.775m ERDF/EAFRD monies to take forward this agenda, particularly in rural areas. To complement our infrastructure investment and maximise our economic return, we will be investing EUSIF moneys to improve SME digital utilisation, in particular web-fuelled routes to exporting and new markets. Complementing this will be ESF resources targeting digital skills across the spectrum. Outputs: 95% coverage by 2017, resulting in £760m of economic benefit 100% coverage by 2020</p>	Benefit from investment in new technologies and commercial model development from DCMS Innovation Fund through business collaboration with a range of technology partners, including fixed broadband and mobile broadband.	£40m To achieve 95% coverage by 2017	<ul style="list-style-type: none"> • BDUK £22.75m (allocated) • £4.275m EUSIF (ERDF) for the 95% (allocated) • £4m Private sector (Estimate) • £9m LGF 2017/18
			£48m To achieve 100% coverage by 2020	<ul style="list-style-type: none"> • BDUK £20m • £0.5m EAFRD (for 95%+) • £4m Private Sector leverage (estimate) • £23.5m LGF 2018/19
Pervasive 4G infrastructure	<p>We have worked closely with the National ‘Mobile Infrastructure Project’ mapping of mobile ‘not spots’ across the Devon and Somerset area. As a result, the project will be installing approx. 40 new mobile masts across Devon and Somerset. We are continuing our technical feasibility work to address the remaining not spots looking at alternative technologies (e.g. small cell) so that we are in position to work with public/private investors. Outcome: Improved mobile coverage (91% to 97%) Economic Uplift</p>	<p>For the Heart of South West to be a pilot area to use alternative technologies to address mobile not spots – complementing our rural infrastructure investments. To use DCMS Innovation Fund as a catalyst to trail new commercial models.</p>	£3m	£2.5m LGF £0.5m Local contributions/private sector.

Proposal 2: A Step Change in Housing and Employment Site Growth

Summary		A Step Change in Housing and Employment Site Growth	
The Opportunity		The Issues	LEP Sponsor
<ul style="list-style-type: none"> ✓ Our ambitious plans for growth will require a step change in housing supply and employment land and as such is an enabler of growth. ✓ We forecast that an additional 4,000 homes/per year will be required to respond to our transformational growth scenario. ✓ The house building itself injecting £300m/year into the local economy and creating 7,200 jobs. ✓ Collectively, our adopted local plans are aligned with this ambition, providing a positive planning framework for delivery. 		<ul style="list-style-type: none"> • House building rates failing to keep up with new household formation, leading to unaffordable house prices. • Potential for housing shortages to act as a brake on growth. • Transport, planning and commercial viability issues are stalling the delivery of 37,000 homes and 450 ha of employment land • Extra 5,600 employees at Hinkley C, will drive demand for housing and employment land. 	 <p>Barbara Shaw, Chief Executive of Westward Housing group</p>
Our Solutions	Our key Offers	Our key asks	
Transport and Accessibility	<ul style="list-style-type: none"> ✓ Local Growth Fund Transport schemes: <ul style="list-style-type: none"> ○ Major transport schemes to unlock housing and employment ○ Transport to tackle pinchpoints and congestion; and ○ Improvements in central areas of cities and towns to improve attractiveness ✓ Securing private sector investment for ultra-fast broadband in our strategic employment sites through the planning system. 	<ul style="list-style-type: none"> ✓ A six year funding commitment of £156.8m LGF, delivered at an agreed profile through the LTB, in accordance with the approved assurance framework. Delivering 60,000 homes and 180 ha of employment land through majors ✓ Highways Agency to bring forward investment on motorway and trunk road network to unlock private sector investment in excess of £250m 	
Strategic Planning and Co-ordination	<ul style="list-style-type: none"> ✓ Set up a cross-disciplinary housing and employment site task and finish group, pooling resources and expertise. ✓ A proactive approach to public sector land. 	<ul style="list-style-type: none"> ✓ Accelerate the release of public sector land and property assets on flexible terms for housing and employment land delivery 	
New financial support	<ul style="list-style-type: none"> ✓ Development of 'Kick Start Housing and Employment Programme' aligning local and national initiatives ✓ EUSIF support for enterprise/incubation space 	<ul style="list-style-type: none"> ✓ Funding alignment and flexibilities in local infrastructure fund and wider HCA programmes to meet our housing and growth targets ✓ Flexibility to allow LAs to borrow against future Community Infrastructure Levy/s106 receipts 	
Hinkley Housing and Employment Programme	A programme building on £7.5m S106 monies to bring forward 1,500 homes and 121-200 ha of employment land	<ul style="list-style-type: none"> ✓ A Housing and Development Fund for the Hinkley Impact Area ✓ Working with Government to develop a portfolio approach to largest employment sites as a 'Hinkley Growth Zone' ✓ Work with the Hinkley Strategic Development forum to co-design solutions 	

Proposal 2: Background/Context

Our evidence base shows that our population is growing and will continue to grow over the life of this plan. Our ambitions for economic growth will

also drive population growth, as investment and workforce demand drive in-migration. Our modelling work shows that our growth ambitions, are likely to require an additional 74,500 homes than we are currently on

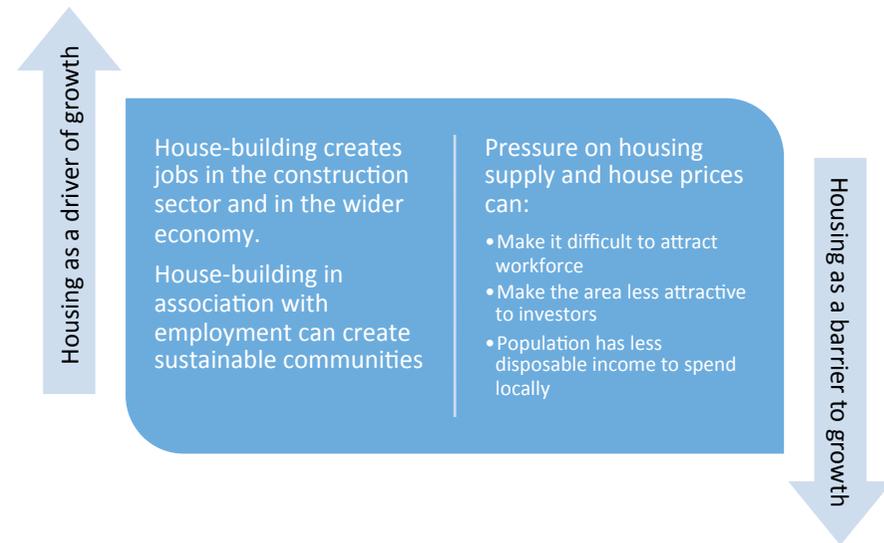
track to deliver by 2030. We will therefore need a step change in the delivery of housing over the life of the plan.

House prices tell us that demand for homes is already strong, with the average home costing £212,205, over 11.5 times the average wage⁷, significantly higher in places (in the S. Hams it is 17 times the average local wage). Pressure on housing stock is compounded by high levels of second home ownership and holiday homes. Housing affordability is a key social issue in our area which can only partially be addressed through developer contributions.

Coupled with this need, house-building can also give the local economy a major boost, with every new home built bringing £77,000 into the SW and creating 1.8 jobs directly and in the wider economy.

In terms of employment land, the Heart of the SW has just 0.77 sq metres of commercial office space per capita. This compares to an England average of 1.58 and places the Heart of the SW in the bottom quartile of all LEP areas against this indicator⁸. Our consultation with the business community also highlighted the importance of workspace in allowing our businesses to grow and attracting high value inward investors. Figure 2 below illustrates how housing can be a driver of growth, or a barrier if not tackled.

Figure 4: Housing as a driver of growth, or a barrier



Our local plans, which are largely adopted, show there is significant potential to grow the number of homes and employment sites, however, of the 52 large sites in our area, 44 have barriers to implementation, blocking upwards of 37,000 homes. Our analysis shows that sites can become blocked for a number of reasons including:

- Transport and other infrastructure costs;
- Flood risks (to the site or elsewhere);
- Planning consent; and
- Commercial viability.

⁷ Home Truths2013/14, the Housing Market in the SW National Housing Federation

⁸ Home Truths2013/14, the Housing Market in the SW National Housing Federation

Hinkley Housing Context

The Development of Hinkley Point C will pose significant opportunities for local housing and development. With 5,600 employees on site at peak and 500 to 1,000 suppliers involved over the life-cycle of the project, there is likely to be substantial demand for both housing stock and employment sites within

the impact area. The demand from the Hinkley project is estimated to be the equivalent of 5 years' worth of population growth in Sedgemoor, potentially occurring within 9-18months.

Local Authorities in the impact area have been working together over the last 18months to fast track wider developments allowing them to maximise the opportunity and address related challenges. This includes through documents such as the shared **Hinkley Supplementary Planning Document** for Sedgemoor and West Somerset and the **Joint Housing Needs Assessment for Taunton and Sedgemoor**, and through local authority's collective submissions to the Hinkley Point C planning process. Much progress has been made including:

- ✓ securing £7.5m housing investment from HPC s106 agreement
- ✓ 80-120 hectares of consented and close to market land;
- ✓ 200-240 hectares of consented development land with developer presence behind them;
- ✓ Officer capacity in 7 authorities and specific funding for a HPC housing officer post identified through HPC s106;
- ✓ A land review board involving LA's, business representatives and HCA

However, further support is needed to fast track this workstream so that new homes are built in time to meet the anticipated demand.

Proposal 2: Aligning Government Priorities

The Government has set out a series of actions to boost housing supply, support home ownership, and build new affordable homes through the Autumn Statement 2013, the HCA prospectus and the Budget 2014.

We intend to focus primarily on boosting supply, accelerating delivery in the short to medium term, maximising opportunities such as Hinckley which will deliver significant employment and housing growth, and ensuring delivery of affordable, specialist and rural housing to meet local need.

Table 5: Strategic Capacity improvement on our Motorway and Trunk road network – linked to unlocking development

We will also build on the trailblazing work undertaken with the creation of the Local Infrastructure Fund through Sherford and Cranbrook.

Proposal 2: Working with other LEPs to achieve a step change in housing and employment site growth

- ✓ Through the Hinkley Strategic Development Forum, we are working in partnership with the West of England to bring forward housing and employment site across the Hinkley Impact area.

Proposal 2: Our Solutions

Recognising the multi-faceted nature of unlocking housing and employment sites, our solutions can be grouped as follows:

- **Transport and Accessibility** – Proposals include:
 - Capacity improvements at key locations on the motorway and trunk road network – Table 5;
 - Transport Major transport schemes to unlock housing and employment land – Table 6;
 - Pinchpoint schemes to unlock housing and employment land – Table 7; and
 - Transport solutions to improve retail centres to unlock growth – Table 8.
- **Improved Planning and Co-ordination** – proposals for how we will work better together to achieve outcomes - Table 9.
- **Kick Start Employment and Housing Land Programme** - aligning local and national funding sources – Table 10.
- **Hinkley Housing and Employment Land Programme** – Table 11.

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Capacity improvements on the motorway and trunk road network	<p>We will continue to work with the Highways Agency to examine locations on the motorway and trunk road network where <i>planned development is being held back by capacity constraints</i>, with a view to <i>bringing forward significant capacity enhancements</i> at:</p> <ul style="list-style-type: none"> • M5 Junction 23 (to support Hinkley C and other growth at Bridgwater) • M5 Junction 25 • A38 Deep Lane interchange • A38 Forder Valley interchange • A30 Turks Head, Honiton <p>These strategic improvements have the potential to <i>unlock in excess of £250m private sector investment</i>. E.g. Investment of £15m-£18m at Junction 23 alone, could lever upward of £100m private sector investment.</p>	The Highways Agency to continue to develop these schemes in context of Route Based Strategies and emerging programme. Working with the LEP to ensure that <i>enhancements are timed to coincide with the proposed land use developments</i> (e.g Hinkley build).	No new funding is being sought.	Highways Agency Capital programme Local contributions will be available from Section 106 agreements relating to the major economic development sites.

Table 6: Local Transport Majors

Proposal Name	Description/Offer	Ask of Government			
A programme of major transport schemes to unlock key housing and employment sites	Through the Local Transport Board we have developed a 6 year prioritised programme of major (over £3m) transport schemes which unlock key development opportunities to deliver housing and jobs, and represent excellent value for money. These are put forward in annual tranches as follows. Details of individual schemes in each tranche is provided in Appendix 1,2, 3.	The 22 projects form an integrated programme to support our growth ambitions. Major transport schemes take several years to develop, hence there is a need for a long term view on funding. Therefore we ask Government to commit to the whole programme now, to ensure tranches 2 and 3 can be delivered as per schedule.			
	Tranche	Schemes	Total Costs	Funding	LGF Profile
	Tranche 1: 15/16 7 High priority major projects, all ready to start in 2015/15, subject to LGF funding. These schemes will unlock, 20,410 homes, 21,000 jobs and open up 19.5 hectares of employment land, providing for a further 8,000 jobs.	<ul style="list-style-type: none"> • Bridge Road widening, Exeter • Yeovil Western Corridor • Derriford/William Prance Rd Jnct, Plymouth • Marsh Barton and Edginswell Stations • A382 improvement, Newton Abbot • Torquay Gateway 	£74.945m	£18.09m LGF £27.1m formula allocation £29.75m local sources	15/16 - £4.28 16/17 - £6.12 17/18 - £5.29 18/19 - £2.4m
	Tranche 2:16/17 and 17/18 9 priority/major projects, planned for commencement in 2016/17 and 2018/19 These schemes will unlock, 18,355 homes, 5,000 jobs, open up 56hectares of employment land, 130,000 sq m of floor space, providing a further 8,000 jobs	<ul style="list-style-type: none"> • Tiverton Eastern Urban Extension • Dinan Way Extension, Exmouth • Millfield Lin, Chard • M5, Jnct 25, Taunton • Tavistock Rail line re-opening • Toneway corridor, Taunton • Cattedown Jnct, Plymouth • Alphinton P &R, Exeter • Forder Valley Link Rd, Plymouth 	£112.76m	£65.14m LGF £47.62m Local Sources	16/17 - £4.42 17/18 - £34.06 18/19 – £24.22 19/20 – £2.43
Tranche 3: 17/18 or later 6 pipeline projects. Unlocking 20,800 homes, supporting development of 6,720 jobs and 103 Ha of employment land.	<ul style="list-style-type: none"> • Forder Valley Link Rd, widening • Walton and Ashcott bypass, Somerset • Pomplett to the Ride, Plymouth • Exeter to Honiton railway – passing loop • Woolwell to the George, Plymouth 	£86.42m	£73.56m LGF £12.86m Local sources	17/18 - £9.16m 18/19 - £10.53 19/20 - £25.15m 20/21 - £28.72m	

Table 7: Transport Schemes to tackle Pinchpoints and Congestion

Proposal Name	Description/Offer	Ask of Government			
A programme of transport schemes to tackle pinchpoints and congestion hotspots	Pinchpoints are smaller scale schemes which remove capacity constraints on the local highway network unlocking housing and employment sites growth. Full details of the schemes are in appendix 4, 5, 6				
	Tranche	Schemes	Total Costs	Funding	LGF Profile
	Tranche 1: 15/16 7 projects, ready to start in 15/16 subject to LGF funding. Unlocking, 12,300 homes, 2,500 jobs and 53 Ha of employment land, resulting in 22,140 jobs	<ul style="list-style-type: none"> A38 Huntworth Roundabout, Bridgwater Roundswell Phase 2, Barnstaple A361 Portmore to Landkey, Barnstaple A39 Heywood Rd Junct, Bideford A379 Newcout Junct, Exeter Deep Lane Junct, Langage, Plymouth A386 Northern Corridor, A379 Eastern Corridor signal upgrades, Plymouth 	£22.21m	£13.61m LGF £8.6m local sources	15/15 - £6.21 16/17 - £4.6 Later - £2.8m
	Tranche 2: 16/17 3 projects, ready to start in 16/17, subject to LGF funding. Unlocking 2,170 homes and 950 jobs	<ul style="list-style-type: none"> A30 Market Street, Yeovil A358 Cross Keys Junction, Taunton Torquay town centre and harbourside 	£7.12m	£4.91m LGF £2.21m local	16/17 - £3.75m 17/18 - £1.16m
Tranche 3: 17/18 or later 5 pipeline projects, to start later in the programme. Unlocking, 2,100 homes and commercial land to support, 2,580 jobs.	<ul style="list-style-type: none"> The Leggar Link, Bridgwater A379 Dartmouth Rd, Paignton A385 Totnes Rd, West of Paignton A3022 Monksbridge Rd, Brixham A386 Manadon Junc Improvement, Plymouth 	£12.06m	£9.31m LGF £2.75m local	17/18 - £2.1m 18/19 - £4.5m 19/20 - £2.7m	

Table 8: Transport solutions to improve retail centres to unlock growth

Proposal Name	Description/Offer	Schemes	Total Cost	Funding
Transport solutions to improve retail centres to unlock growth	<p>A programme of enhancements which will revitalise central areas and give them the capacity to support growth. Key to this success will be integration of transport schemes within wider regeneration plans.</p> <p>Economic impact:</p> <ul style="list-style-type: none"> ✓ 2000job⁹ ✓ Private sector investment ✓ Reduction in vacant units ✓ Footfall and expenditure ✓ Multiplier effects ✓ Functioning cities and towns 	<p>Particular priorities are at:-</p> <ul style="list-style-type: none"> • Plymouth city centre • Exeter city centre • Torquay • Paignton • Taunton • Bridgwater • Barnstaple • Newton Abbot <p>Schemes aim to improve pedestrian, cycle connectivity and environment, within the context of wider regeneration schemes.</p>	£19.2m	<p>LGF - £11.5m over 3 years.</p> <p>Supported by local contributions at least 30%.</p>

⁹ Evaluation of regeneration projects in the sw. 2010, swrda

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Strategic Planning and Co-ordination	<p>To achieve:</p> <ul style="list-style-type: none"> An extra 4,000homes/year Private sector investment <p>We will utilise:</p> <ul style="list-style-type: none"> A cross disciplinary approach to strategic planning across the LEP - bringing together expertise across transport, planning, economy and environment in a task and finish group. The task and finish group to have a clear remit to support the step-change required Pooling resources and working together at appropriate geographies. Encouraging a barrier busting approach – By promoting best practice amongst our Local Planning Authorities. A proactive approach to public sector land – The LEP is currently piloting A Public Sector Land and Property Board, through the Plymouth and SW Peninsula City Deal and a Land Review Board for Hinkley. We will learn from these pilots to roll out 'boards in other areas or establish a LEP wide board. 	<p>Provision of specialist advice from relevant Government Agencies in new structures (e.g. Environment Agency, Highways Agency, HCA etc.).</p> <p>Accelerate the release of public sector land and property assets on flexible terms for housing and employment land delivery.</p> <p>Capacity and Training support for our local authorities in the use of key development tools (e.g. CPO powers).</p> <p>Flexibility to allow Local Authorities to borrow against future Community Infrastructure Levy/s106 receipts.</p>	No additional money sought.	n/a

Table 9: Improve Strategic Planning and Co-ordination to unlock housing and employment land growth

Table 10: Kick Start Housing and Employment Land Programme

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Kick start housing and employment land programme	<p>Partnership Working and Aligning Local and National Resources - Strategic collaboration between the LEP, local authorities, HCA and private sector to facilitate and finance accelerated delivery of housing and employment land and mixed use developments</p> <ul style="list-style-type: none"> Development by these partners of a ‘Kick Start Programme’, to unlock delivery of sites by deployment of national and local mechanisms such as: <ul style="list-style-type: none"> Local Infrastructure Fund Builders Finance Fund (a national scheme for small sites) EUSIF support for enterprise/incubation space where there is market failure. Potential use of resources from the LEP Growing Places Fund Simplified planning approaches eg Bath and West Showground “enterprise area” Balanced delivery approach, embracing the distinctive challenges of achieving viable small schemes in rural parts of the HoTSW area and bringing forward complex major schemes in cities and towns with significant “up front” costs and risks to developers. <p>Benefits:</p> <ul style="list-style-type: none"> ✓ Increased private sector investment, through reducing development costs and risks; ✓ Accelerated delivery of new homes and workspace 	<ul style="list-style-type: none"> HCA to work with LEP partners to develop the ‘kick start’ programme and consult with the LEP about prospective Local Infrastructure Fund and Builder Finance Fund investments to ensure delivery of shared priorities Flexibility to allow LAs to borrow against future Community Infrastructure Levy/s106 receipts Flexibility to allow the HCA to invest outside its RDA economic legacy estate in economic regeneration Encourage bids to come forward under the AHP for the LEP area Government to amend restrictions in the way certain housing stock is valued to increase housing association’s capacity to fund new homes Government to extend the guarantees programme for housing associations Increased availability and flexibility of investment to unlock smaller sites, with a percentage on a non-recoverable basis. 	n/a	Alignment of existing national and local funds and freedoms and flexibilities in their application

Table 11: Hinkley Housing and Employment Site Programme

Proposal Name	Description/Offer	What it will achieve?	How much it will cost?	How will it be funded?	Local Growth Fund	What are the other asks of Government Departments and Agencies
Hinkley Housing Programme	<ul style="list-style-type: none"> ✓ £7.5m of housing investment secured through HPC's S106 to be spent on a mixture of new/refurbished homes with a further £5m contingency fund. ✓ 200-300 acres of consented and close to market housing land within the impact area, with potential for 3,000 to 4,000 new units in the next 10 years; ✓ 500-600 acres of consented development land with significant developer presence behind them; ✓ 7 authorities with a proven track record on delivery and potential for investment from NHB and other mechanisms ✓ Officer capacity within authorities, with specific housing officer post identified with HPC S106 for Sedgemoor and West Somerset ✓ A Land Review Board involving LA's, business representatives and the HCA to identify and prioritise solutions on stalled and/or difficult sites. 	<ul style="list-style-type: none"> ✓ Over £250m of private sector leverage across the developer and house building community during the next 5 years. ✓ 1,500 new housing units across the impact area (and 5 years) ✓ 500 – 1000 new jobs in the construction sector ✓ 300-500 acres of development space as part of mixed use. 	Housing and pump priming funding of between £22.5 and £32.5m	Section 106 agreements already secured. Plus Freedoms and Flexibilities	No	<p>A Housing and Development Fund for the Hinkley Impact Area to consist of:</p> <ul style="list-style-type: none"> • Technical and Specialist Support – to assist with pulling together fund activity and bids; • Forthcoming Housing Funds – A ring fence for Hinkley specific activity, at least matching S106 funding (i.e. between £7.5m and £12.5m) • Unspent/Underspent Development Funds – Utilisation of any underspend that could be re-deployed for site development or pump priming within the impact zone (e.g CLG resource, £15m-£20m) • Empty Property Support – A package of support to facilitate ~1,000 empty properties brought back into use. Using empty Properties Fund, with increased flexibilities on criteria. • Rural Development Support – Flexibilities within existing programmes to deliver rural schemes, with a focus on need for higher level grant rates. Flexibilities on stock disposal in rural areas if RSL's wish to access AHP funding. • Tenant and Landlord Accreditation – Specialist capacity and support to introduce best practice and accreditation programmes. • Housing and Planning Apprenticeships – See People
Hinkley Employment	<ul style="list-style-type: none"> ✓ Local Authorities currently working with 5-6 key 	<ul style="list-style-type: none"> ✓ £200m of private sector 	No additional	Prioritisation of core sites	??	Partners are seeking to develop a 'development portfolio' with Government

<p>Sites</p>	<p>developers across the Hinkley Impact Area.</p> <ul style="list-style-type: none"> ✓ 400 hectares of developer space including Huntspill Energy Park (J23 of the M5), Monkton Heathfield (between Bridgwater and Taunton), Firepool (Taunton), Bridgwater Gateway (J24 of the M5), Bathpool in Taunton. As well as two sites in the West of England Area. ✓ Officer capacity with 7 local authorities, including Hinkley specific supply chain and development capacity secured through S106 ✓ Awareness of recent planning flexibilities made available to local authorities and a willingness to discuss how these might be best deployed 	<p>leverage within five years;</p> <ul style="list-style-type: none"> ✓ 120-200 hectares of development space delivered within five years ✓ 2,000 to 5,000 new jobs when combined with other relevant infrastructure and supply chain/inward investment 	<p>funding.</p>	<p>within existing funding mechanisms such as:</p> <ul style="list-style-type: none"> Local Infrastructure Funding CLG/BIS Capital resources Regional Growth Fund 	<p>around its largest employment sites. Ideally this would include:</p> <ul style="list-style-type: none"> ✓ Capacity from within relevant agencies to determine how the portfolio approach to development sites outlined might be expedited and relevant resourced secured within the existing funding envelope; ✓ Ring-fencing and prioritisation of £10-£15m within existing infrastructure and property resources to allow for the early delivery/pump priming of key sites to secure local benefit. Potential resources include within the CLG capital programmes; HCA resources and Regional Growth Funding; ✓ Consideration given to special status being provided to the collective portfolio, be it a formal treatment such as an enterprise zone, or informal prioritisation across relevant agencies and the LEP as the 'Hinkley Growth Zone'
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Proposal 3: Investing in Our People

Summary		
The Opportunities	The Issues	LEP Sponsor
<p>Our growth opportunities provide a springboard to:</p> <ul style="list-style-type: none"> ✓ Create high quality job opportunities and careers – improving wages across the economy to close the gap with national ✓ Inspire a cultural shift in attitudes towards training and development ✓ Minimise unemployment, particularly for long term and youth. Hinkley alone will create 25,000 FTE's over the next 10 years. 	<ul style="list-style-type: none"> • 45% less investment in skills infrastructure since 2001. • Changes to funding regime for apprenticeships, with a potentially detrimental impact on areas with higher levels of micro/SME • High levels of youth/long term unemployment • Highly rural area creates additional challenges for individuals to access employment/education and for providers to reach communities. 	 <p>Rachel Davies, Principal Somerset College</p>
Our Solutions	Our key offers	Our key asks
Investing in Skills Infrastructure	A portfolio of prioritised skills infrastructure investments that are aligned to our growth objectives and opportunities that are deliverable and represent good value for money.	<ul style="list-style-type: none"> ✓ £18.66 LGF Investment in infrastructure of 15/16 and £5.93m 16/17; ✓ Delegated funding to run an annual competition open to FE colleges, employers and private sector providers
Aligning resources to create a step change in workforce skills and employment	<ul style="list-style-type: none"> ✓ To provide a strategic lead, co-ordinating and engaging with relevant partners, including businesses ✓ Alignment of EUSIF, LGF and other local partner resources, alongside aligned national resources. 	<ul style="list-style-type: none"> ✓ SFA/DWP funding to develop and pilot an outcome focused multi-agency model. ✓ Commitment of DWP/BIS agencies to engage in process and take a barrier busting approach to achieving outcomes. ✓ Recognise the challenge of rural delivery through a rural premium
Piloting new approaches to employer engagement	<ul style="list-style-type: none"> ✓ Achieve a culture change in employer engagement. ✓ Using EUSIF resources to set up and run a series of 'Employer Ownership of Skills Pilots' ✓ Using the City Deal, promote employer engagement with schools/young people to increase employability. 	<ul style="list-style-type: none"> ✓ Work with UKCES/SFA to understand impact of funding regime changes and develop a series of rural engagement pilots to develop and test solution.
Improving Accessibility to Employment and Skills	<ul style="list-style-type: none"> ✓ Using EUSIF resources to address digital inclusion ✓ Using City Deal to improve accessibility to careers and training advice and information 	<ul style="list-style-type: none"> ✓ Local Sustainable Transport Infrastructure £95m across 6 years. ✓ Be a pathfinder area for Go-On UK to boost digital inclusion
Hinkley Employment and Skills	<ul style="list-style-type: none"> ✓ Hinkley Employment Package ✓ Hinkley Point Training Agency 	<ul style="list-style-type: none"> ✓ Freedoms and flexibilities in mainstream skills and employment support budgets, to align activity with the Hinkley Deal ✓ Work with the Hinkley Strategic Development forum to co-design solutions

Proposal 3: Background and Context

The need for skills

Human capital is widely recognised as a key driver of growth and prosperity. The productivity of a trained worker is on average 23% higher than an untrained worker; non-training businesses are almost twice as likely to close as those that provide training; and when foreign companies are considering investing in the UK, the most important consideration is the availability and skills of the local workforce¹⁰. Therefore **investing in our people** is a driver of growth and productivity.

Our ambitions for growth will have significant labour force implications:

- The development of Hinkley Point C is expected to create 25,000 FTE's over the 10 year build;
- The Plymouth and SW Peninsula City Deal is expected to create 10,000 jobs, with an emphasis on the marine sector;
- The establishment of a Global environmental Futures campus with the securing of a supercomputer at Exeter Science Park will drive demand for mathematics and other STEM subjects; and
- Our plans to accelerate development of housing and employment land will increase demand for construction and engineering skills.

However, when this is set within the context of an aging population in some sectors and falling overall unemployment as we come out of recession, we can expect the labour market to tighten considerably, potentially becoming a constraint on growth. As these growth opportunities start to take up the existing slack in the labour market, we must also be aware of the implications on other sectors, such as service industries as people are attracted to better opportunities.

¹⁰ Employer Ownership of Skills: Building the Momentum, UKCES, March 2013

Like the rest of the country, we have experienced, and continue to experience high levels of youth unemployment with potentially devastating impacts on the young people concerned. However, there is also an impact on the economy of the future, as the next generation of supervisors, leaders and managers misses out on vital experience at the beginning of their careers.

There is therefore a compelling business argument for investing in our people.

Hinkley Employment and Skills Context

Hinkley Point C is a once in a generation opportunity to transform the employment and training prospects of thousands of local residents:

- ✓ Employing 25,000 FTEs over the build and 5,600 at peak;
- ✓ 120 tier one contractors and 160 tier 2
- ✓ EDF commitment that 34% of labour will come from a 90minute catchment
- ✓ It is likely to be the SW's single largest employment generator

However, those seeking employment on site or related activity will need to have the right skills and experience. They need to have the correct accreditations, passed relevant checks and be Hinkley ready. Some key delivery elements are already in place:

- ✓ EDF Energy has established an HPC Employment Brokerage Service to work with key agencies to maximise local employment; and
- ✓ JCP has identified HPC Champions in local job centres.
- ✓ EDF workforce skills strategy delivered through: 1) contractual obligations with suppliers to produce employment and skills plans; 2) Establishing the Employer Affairs Unit (EAU) to communicate employment and skills needs across the entire programme of contracts.

But further investment is needed to maximise this opportunity.

Proposal 3: Our delivery challenges

FE Estate

- Historically, there has been under investment in our skills infrastructure, with colleges in the Heart of the SW typically receiving on average 45% less/m² since 2001, than colleges in other LEP areas in England.
- 28% of our FE capital is rated C (major repair or replacement needed within 3-5 years) or D (inoperable, space at serious risk of major failure), requiring approximately £131m of investment to refurbish¹¹.
- Research has shown that investment in FE estate can have multiple benefits relating to a) learner participation, b) employer engagement c) college finances¹².

Access to employment and training opportunities

- Job/training opportunities do not always coincide with where people live, therefore there is a need to travel, particularly for people living in rural areas.
- Public transport can play an important role in improving connectivity within and between urban areas.
- Digital skills are becoming increasingly important to accessing employment and training.
- Our extensive rural area adds to the cost of delivering employment support services.

Employer Engagement

- Low levels of employer engagement in skills, reflecting high proportion of micro-business.

¹¹ SFA College Condition and investment data, Nov 13.

¹² Evaluation of the Impact of Capital Expenditure in FE Colleges. December 2012 BIS Research Paper No. 99.

- Changes to funding regime for apprenticeships, with a potentially detrimental impact on areas with higher levels of micro/SME.

Proposal 3: Our Growth Deal Solutions

In addressing our SEP People priorities, five areas were identified in which we currently seek to make a deal with Government:

- **Investing in skills infrastructure** (including Hinkley Infrastructure needs) – Our proposals for investment in skills infrastructure using Local Growth Fund resources in 15/16 and subsequent years. These projects have been selected by a robust process that assessed a) Fit with the draft SEP; b) Deliverability; c) Value for Money. Projects were assessed by a sub-group of the board (managing for conflicts of interest) and prioritised into 3 groups:
 - A – those that strongly meet criteria;
 - B – those that have medium fit with criteria; and
 - C – those that have a poor fit (not put forward).
- **Aligning resources to create a step change in workforce skills and employment** – Our proposals for utilising a new way of working, aligning local and national resources to achieve our priorities.
- **Piloting new approaches to employer engagement** – Our proposals to use local resources to create a cultural shift, in return for national support to explore solutions to addressing rural employer engagement.
- **Improving accessibility to employment and training** – Our proposals to improve public transport provision, digital skills and careers advice to improve accessibility.
- **Hinkley Employment and Skills Programme** – Our proposals to align local and national resources in a co-ordinated way to achieve maximum benefit from the building of Hinkley Point C.

Proposal Name	Description (see Appendix 8)	How much it will cost?	How will it be funded?
15/16 FE Capital	<p>Group A – 5 projects were selected for 15/16 with a strong alignment with criteria</p> <ul style="list-style-type: none"> Bridgwater College – Project to support Hinkley C Construction Plymouth City College – Plymouth’s STEM, Creative and Digital Technologies and Marine Engineering catalyst for growth project Exeter College – Exeter STEM Centre Somerset College – Advanced Centre of Excellence for Engineering and Manufacture (ACE) South Devon College – Training Hotel 	£46m	£14.96 LGF (£2.72 profiled for spend over 16/17).
	<p>Group B – 2 projects were selected for 15/16 with a moderate alignment</p> <ul style="list-style-type: none"> West Somerset College – Digital Creative Suite Yeovil College – Vocational Training Centre 	£6.3m	£3.7m LGF (15/16)
16/17 FE Capital	<p>Group A – 2 colleges were selected for 16/17:</p> <ul style="list-style-type: none"> Strode College – Extension to Engineering Facilities South Devon College – High Tech Centre 	£17.7m	£5.933 LGF 16/17
Future Pipeline	<p>Through this process of college engagement, 5 projects were also identified for FE Capital investment between 17/18 and 19/20. However, we would expect this pipeline to grow reflecting:</p> <ul style="list-style-type: none"> Strengthening of existing proposals to better meet LEP criteria Our desire to engage with private sector training providers and employers in the process. 	£24.5m	A combination of LGF and local sources, to be finalised in future Growth Deals.
Hinkley Skills Infrastructure	<p>A portfolio of facilities and resources to support training and development in relation to Hinkley. Such as training rigs and facilities for: Steel fixing, form work, crane operations, scaffolding, non-destructive testing, plant and mechanical.</p>	£13m	50% LGF, 50% other. The LEP will manage a call for proposals from colleges and the private sector to secure match,
Nuclear Technical College	<p>On the basis of our collective strength in the provision of skills and research and future provision of nuclear power (inc by Babcock in Plymouth and EDF at Hinkley) the Heart of the South West and West of England LEPs, together, would provide a strong and effective host location for the proposed investment in a Nuclear Technical College. This would be integrated with existing FE provision and be supported to provide a national beacon for new nuclear training and skills development.</p> <p>On the basis of our collective strength in the provision of skills and research and future provision of nuclear power generation the two LEPs would provide a strong and effective host location for the proposed investment in a Nuclear Technical College . This would be integrated with existing FE provision and be supported to provide a national beacon for new nuclear training and skills development:</p> <p>Ask: That government confirms the Heart of the South West and West of England collective offer to host the location of the proposed Nuclear Technical College enabling the region to become a national beacon for new nuclear training and skills development.</p>		

Table 12: Investing in Skills Infrastructure

Table 13: Aligning resources to create a step change in workforce skills and employment

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Aligning Resources	<ul style="list-style-type: none"> ✓ Co-ordination and alignment of mainstream funding, EUSIF and private sector contributions to address key workforce skills issues. For example: Our growth ambitions mean that demand for construction skills are likely to exceed current supply. In our SEP, we illustrate, how demand for skilled labour can be understood and mapped across to potential 'supply' (e.g. offender management programmes, the work programme etc.). To better match services that support people, with genuine employment opportunities. ✓ Provide strategic lead, engaging relevant partners including business organisations 	<ul style="list-style-type: none"> ✓ SFA/DWP funding to develop and pilot an outcome focused multi-agency model. ✓ Commitment by DWP and BIS and their agencies to engage in process and take a barrier busting approach to achieving outcomes. 	No new resources required.	Flexing mainstream
Piloting new Approaches to Employer Engagement	<p>Our aim, through our EUSIF, City Deal and active Employment and Skills Boards is to secure a culture change amongst employers in the Heart of the SW: To achieve:</p> <ul style="list-style-type: none"> • A step change in the proportion of employers providing employment opportunities for young people leaving school and college; • A step change in the proportion of employers that provide training to their staff; • A step change in employers pro-actively engaged with the skills agenda. <p>To support these aims, we will:</p> <ul style="list-style-type: none"> ✓ Use EUSIF resources to set up and run a series of 'Employer Ownership of Skills Pilots' to directly engage employers in delivery, test approaches and address employer needs ✓ Using the City Deal, promote employer engagement with schools/young people to increase employability. 	<p>The UKCES/ SFA to work with us to:</p> <ul style="list-style-type: none"> • Understand the impact of changes to apprenticeship funding in an extensively rural area, with a high proportion of SMEs; • Develop and run a 'Rural engagement' pilot, testing a number of potential solutions 	Not costed	Combination of national and local resources.
Rural Premium		Recognise the challenges of rural delivery, through a rural premium		

Table 14: Improving Accessibility to Employment and Training

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Improve effectiveness of public transport by making bus journeys faster.	<p>By making bus journeys faster, we will:</p> <ul style="list-style-type: none"> ✓ Improve access to education, employment and leisure ✓ Reduce congestion & carbon footprint ✓ Encourage modal shift <p>We will do this through:</p> <ul style="list-style-type: none"> ✓ A rolling programme of schemes to improve bus priority ✓ Enable smarter choices of travel <p>Full proposals can be found in Appendix 7.</p>		£28m over 6 years	<p>£16.1m over the six financial years from 2015/16 to 2020/21</p> <p>Each project will have at least 30% local contributions.</p>
Improved walking and cycling links, joining housing with employment, education, healthcare and retail sites	<p>By improving walking and cycling links, we will:</p> <ul style="list-style-type: none"> ✓ Improve access to education and employment ✓ Reduce carbon footprint ✓ Improve health and well being. <p>To continue investment walking and cycling infrastructure and supporting sustainable travel by encouraging and enabling at a local level through information and smarter choices travel programmes.</p>		£23.4m over 6 years	<p>£18m over the six financial years from 2015/16 to 2020/21.</p> <p>Each project will have at least 30% local contributions.</p>
Digital Inclusion	<p>By improving digital inclusion, we will:</p> <ul style="list-style-type: none"> ✓ Improve access to employment and education ✓ Improve access to services <p>We will continue to invest in digital inclusion activities by:</p> <p>Working in Partnership – We have a broad cross section of stakeholder aligning activities to support the digital inclusion agenda.</p> <p>Aligning resources – We have allocated EUSIF resources to support this agenda.</p>	<ul style="list-style-type: none"> ✓ Be a pathfinder area for Go-On UK to boost digital inclusion 	No additional resources	

Table 15: Hinkley Employment and Skills

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Hinkley Employment	<p>A package of activities to maximise the long term benefits arising from Hinkley Point C development, including:</p> <ul style="list-style-type: none"> • Alignment and re-enforcement of capacity and client facing services to facilitate a ‘no wrong door’ approach’ • Improved integration of pre-employment provision • Enhancement of employability provision • Strengthen and improve transport access • Traineeships /apprenticeship opportunities • A Hinkley Training Guarantee for the impact area, supporting training for anyone unemployed <p>Resulting in (to be agreed with Government):</p> <ul style="list-style-type: none"> ✓ Uplift in the No. of individuals trained to be Hinkley Ready; ✓ Additional local employment ✓ Additional apprenticeships/ traineeships ✓ Reduction in claimant count ✓ Reduction in long term unemployment 	<ul style="list-style-type: none"> • Capacity support – accepting JCP/DWP offer to provide support in the form of 1-2 staff work with partners on the no wrong door approach. • Employability and Basic Skills – A £2m package of support for additional employability and basic skills provision (3,000 – 5,000 places). • Training and Support Flexibilities – securing flexibilities and re-direction of resources within existing provision. For example restrictions on adult skills support for those over 24; exclusions for those wishing to train to a level 3 or equivalent below 24. <p>Organisational flexibility – Allow relevant non college providers (i.e. West Somerset Community College) to access appropriate funding and act as a hub for relevant training provision in that locality</p>	No new resources sought	Re-assignment of existing skills and pre-employment funding
Hinkley Point Training Agency	<p>Our offer is to respond to the EDF’s EAU, by developing the essential interface to connect local and regional skills provision to the project. This is in the form of the BIS sponsored Hinkley Point Training Agency (HPTA). The HPTA will receive project skill demand, identify funding and policy gaps, co-ordinate a coalition of training providers and resolve gaps through connection with Government. This is a</p>	<p>A single flexible Hinkley Point C skills training budget – estimated to be around £5m-£15m/annum depending on phase.</p> <p>Funding to support establishment of HPTA – immediate need</p> <p>Flexibilities in training budgets:</p> <p>Adult Skills Budget to enable Learner</p> <p>Responsive growth to support training for the unemployed</p>	£5m – 15m of freedoms and flexibilities over project lifetime	Re-alignment/ flexing of existing sources.

live project, which will continue development to reach operational status by July 2014.

The outputs will be:

A new collaborative model the 'training supply chain' will be tested.

Optimised use of UK workforce

Maximised transformational effect

Private sector leverage:

Tier 1 contractors will contribute approx. 2% of total wage bill to training through a levy. For London 2012 (a smaller project) this equated to £75m.

EDF are also investing £11m to improve local training as well as £15m in developing their UK hub for energy training.

Fund unemployed people to gain essential licence to practice qualifications

Increase funding contract values in line with project demand

Top up Adult Apprenticeship funding through a 'nuclear rigor weighting'

Flexibilities to support training capacity

Start-up budget for development overheads to enter civil and mechanical/electrical engineering nuclear training market

High quality curriculum development for new qualifications specific to new nuclear

Salary enhancements and golden hellos to encourage trade professionals to become skilled trainers

Proposal 4: An Exemplar Growth Hub and support for businesses

The Opportunity		The Issues	LEP Sponsor
<p>Businesses that take up support, do better than those that don't. We want to help 20,000 businesses a year, find the support and finance they need to grow. We want Heart of the SW businesses to benefit from support programmes designed with them in mind. A step change in business start-ups, where start-up rates matched national, could net another 1,800 new businesses/year.</p>		<ul style="list-style-type: none"> • Lower take-up of business support services and products across the area • Poor awareness of services and perceptions of relevance • UKTI estimate that 4% of our businesses have the potential to export, but do not. • Poor performance across enterprise and competitiveness indicators. 	 <p>Nick Ames, Managing Director, Supercat</p>
Our Solutions	Our key offers	Our key asks	
An Exemplar Growth Hub	<ul style="list-style-type: none"> ✓ An exemplar growth hub that streamlines and simplifies the customer journey to the right business support. Helping 20,000 businesses/year, it will drive up the take-up of business support services across the Heart of the SW by 10%. ✓ Funded through the City Deal process till March 2015 ✓ £2m EUSIF allocated to continuation. 	<ul style="list-style-type: none"> ✓ Extension Funding - £2m RGF underspend to support the extension of the Growth Hub beyond March 2015 to 2020 – to reach storming delivery. ✓ Data Sharing – Work with us to devise data sharing arrangements reducing duplication of bureaucracy for businesses. ✓ Role of National Assets & Programmes – When key business support contracts come up for review, engage us and other LEPs in co-design of future delivery, to ensure complementarity of national and local provision. 	
Globalisation Package	<p>Globalisation is a priority for the Heart of the SW LEP, therefore both the Plymouth and Peninsular City Deal and our EUSIF proposals are investing in activities to support this. These proposals include:</p> <ul style="list-style-type: none"> ✓ UKTI Opt-in for Exporting (£3.5m EUSIF) ✓ Web-fuelled exports and growth vouchers ✓ Inward Investment support 	<ul style="list-style-type: none"> ✓ Mainstreaming the web-fuelled exports and growth vouchers service ✓ DEFRA/UKTI export pilot targeting sectors not eligible for ERDF support (e.g. agri-food, tourism) ✓ Inclusion of relevant Heart of SW projects in UKTI – RIO programme ✓ UKTI support for Extension of funding for FDI Partnership Manager, beyond 12 months. 	
Business Start-up Support	<p>Business start-up support is a priority for the Heart of the SW LEP, we have therefore prioritised start-up support in our City Deal and EUSIF. Over the next year, will work with partners to develop a FE/HE incubation programme, linked to the Growth Hub.</p>	<ul style="list-style-type: none"> ✓ Extension Funding – £1.8m RGF underspend to support extension of 'School for start-ups' ✓ Flexibility in the 2016/17 Growth Deal to support revenue projects to secure growth from our capital investments. ✓ £1m LGF – Plymouth City Centre Innovation Centre – Incubation and Start-up space – See Appendix 9. 	
Science and Innovation Infrastructure		<ul style="list-style-type: none"> ✓ £4.5m LGF – Phase 5 Plymouth Science Park – to accommodate an IT Academy and grow on space for SME businesses in the technology sector. <p>N.B Other Science and Innovation infrastructure proposals are contained in Proposal 5, relating to key transformational opportunities. See appendix 9</p>	

Proposal 4: Background/Context

An Exemplar Growth Hub

National research shows that businesses that use information and advice report significant benefits. However, less than half of UK SME employers currently use business support, primarily due to difficulties in accessing information or advice, doubts about the benefits of business support and concerns about the competence and trustworthiness of support providers¹³.

Our consultation work with businesses to support the development of the Plymouth and SW Peninsula City Deal, the EUSIF and the SEP all concurred that information failure was a key barrier to taking up business support. This is hardly surprising as, for instance, a recent mapping exercise found that there were 750 different grant schemes available in the UK. Our evidence base also shows a particularly low take-up of nationally delivered projects, programmes and incentives, suggesting issues of both relevance and engagement/awareness.

To address this problem, the Plymouth and SW Peninsula City Deal, supported the expansion of the Heart of the SW Growth Hub, delivered in partnership by GAIN (Plymouth University's Growth Acceleration and Investment Network), a nationally recognised exemplar to accelerate the development of its Growth Hub model.

Globalisation

We perform poorly on globalisation indicators, with lower than average levels of exporting (UKTI estimate that just 3% of Heart of the SW

businesses currently export and only 4% have the potential to do so, compared to 5%, for both indicators, nationally). Similarly, we attracted just 1.17% of FDI landings in 2012. Therefore, our strategic economic plan has prioritised globalisation. Our EUSIF has indicated a desire to participate in the UKTI opt-in for Exporting and our City Deal includes a number of activities to drive both growth in exports and inward investment. We also have close associations with our Chamber of Commerce, who are also active in supporting local businesses to export through the 'Export Britain programme'.

Business Start-up Support

Our evidence base shows that start-up rates are considerably lower than the England Average, if our rate matched the England average, we would see an extra 1,800 business starts/year. Therefore, the EUSIF has allocated funding to supporting start-up activities and the City deal includes

Proposal 4: Our Solutions

Our Strategic Economic Plan provides an overview of our business priorities, as well as our broader proposals to address these priorities through mechanisms such as the EUSIF and the Plymouth and SW Peninsula City Deal. Tables 16 to 18 below highlights those business support priorities where we have a broader ask of Government. These are broken down into 3 key areas:

An Exemplar Growth Hub

The Heart of the SW Growth Hub, delivered in partnership by GAIN, brings together everything and everyone that businesses need to grow; linking together: people with ideas, businesses with growth aspirations, investors, support services and physical assets (such as incubation space and science parks), it is an ambitious and unique model. Its new

¹³ BIS Analysis Paper Number 2: SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention. November 2013

governance model will enable long term sustainability and the engagement of private sector players.

The Heart of the SW Growth Hub, will provide a central role in achieving the business priorities outlined in our strategic economic plan, as illustrated below. This will be done by a) linking businesses to suitable provision b) working with national and local partners to fill gaps and tailor provision. as illustrated below:



Our ask of Government is to utilise RGF underspend to extend delivery of the growth hub beyond the initial year.

Our Globalisation Package

Our proposals bring together support for globalisation through the EUSIF and the Plymouth and Peninsula City Deal with a series of complementary asks of Government departments.

Business Start-up Support

Improving our start-up rate is vital to improving our competitiveness and has been identified as a priority in our SEP. Through our EUSIF we have also allocated resources to start-up and enterprise support. Similarly, our City Deal includes a one year ‘school for start-ups’ project, which we would like to see extended over a longer time frame. We are also investing in the physical infrastructure to support enterprise, including rural enterprise space (through the Rural Growth Network) and these form part of our offer.

We have much good practice to build on – Set Squared (a collaborative partnership between 4 universities including Exeter) is a university business incubator **currently ranked best in Europe**. Similarly, Plymouth College is a member of the Gazelles Group of colleges, a group of colleges committed to equipping students with an entrepreneurial mindset and Seedbed is an innovative social enterprise incubator. Over the next year, we want to bring together a range of partners, to develop a project that:

- Delivers spin outs and start-ups from both our HE/FE assets;
- Connects with our innovation, incubation, enterprise and FE capital infrastructure proposals;
- Connects with our Growth Hub; and
- Builds on existing successful models.

Our ask of Government is for flexibility in the 2016/17 growth deal to bring forward a revenue project such as this one.

Table 16: Asks/Offer – An Exemplar Growth Hub

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
An Exemplar Growth Hub	<p>Our Exemplar Growth Hub will deliver:</p> <ul style="list-style-type: none"> ✓ 20,000 businesses supported/year ✓ A streamlined customer journey, reducing the number of touch points that a business needs to find the most appropriate support. ✓ Increased penetration and uptake of business support services, increasing the proportion of business surveyed taking up support by 10%. ✓ A single, united voice, <i>championing the needs of HOTSW</i> businesses on the national stage <p>Local Resource Inputs: £2.8m funding for a wider Growth Hub for one year (until March 2015). £2m of EUSIF to support continuation</p> <p>Deliverability – The project is already underway through the City Deal, therefore reducing the deliverability risk, associated with RGF, where we have an excellent delivery track record.</p> <p>Additionality – Without extension funding, the growth hub would struggle to secure sufficient local match funding for its continuation beyond March 2015, resulting in a scaled back, less ambitious project.</p>	<p>Extension Funding - £400,000/year Match funding to support the extension of the Growth Hub beyond March 2015 to March 2020. Allowing:</p> <ul style="list-style-type: none"> • Full embedding of the hub as an integral part of the landscape • The hub to reach ‘storming phase’ of delivery • An evaluation of the model to coincide with the mid-term review of the EUSIF programmes, to be shared more widely. <p>Data Sharing – Work with us to put in place data sharing arrangements between ‘The Growth Hub’ and national provision, reducing the number of times a business is required to complete forms and sharing intelligence.</p> <p>Role of National Assets & Programmes – When key business support contracts come up for review, engage us and other LEPs in co-design of future delivery, to ensure complementarity of national and local provision.</p>	<p>£4m for five year continuation</p>	<p>£2m RGF underspend, where we have an unparalleled track record of delivery.</p> <p>£2m EUSIF allocation.</p>

Table 17: Asks/Offer – Our Globalisation Package

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Our Globalisation Package	Our globalisation package is complementary to the plans we have set out to improve our global connectivity, through improved transport, digital and mobile infrastructure.	✓ Mainstreaming the web-fuelled exports and growth vouchers service – Continuation of this service beyond March 2015, providing a useful progression from our SME Digital Utilisation programme. Suggestion that UKTI evaluates the service at the end of the first year, with a view to mainstreaming into their core service at re-tender.	No additional funding sought	n/a
	<p>Additionality</p> <p>Our globalisation package aims to ensure businesses can capitalise on new and improved infrastructure to deliver:</p> <ul style="list-style-type: none"> • A step change in the proportion of companies exporting, closing the gap with the national average (i.e. 3% of companies exporting in 2012 to 5% by 2020); • A step change in our levels of inward investment (i.e. from 1.17% of DFI landings in 2012, to 3% by 2020) 	✓ DEFRA/UKTI export pilot - We would like to work with DEFRA/UKTI to develop an export pilot targeted at sectors not eligible for ERDF support (e.g. agri-food, tourism), potentially utilising EAFRD as match (subject to eligibility).	£275k/year between 2015-2020	DEFRA/UKTI EUSIF as match
	<p>Local Resources</p> <p>City and EUSIF investments include:</p> <ul style="list-style-type: none"> • UKTI Opt-in for Exporting (£3.5m EUSIF) • Web-fuelled exports and growth vouchers (£150,000 RGF through City Deal) • Inward Investment support (£275,000 RGF through City Deal, plus Local Authority pooled investment in FDI Partnership Manager) 	✓ Inclusion of relevant projects on the RIO (Regeneration Investment Organisation) list – e.g.(e.g. South Yard, Huntspill Energy Park, Exeter Science Park).	No additional funding sought	n/a
	<p>Partnership Working</p> <p>Through the City Deal process, our Local Authorities have pooled resources to employ an FDI Partnership Manager for the LEP area to address shared priorities.</p> <p>Through our close connections with the Chambers of Commerce, the Growth Hub will be signposting businesses to ‘Export Britain’ run through the British Chambers of Commerce.</p>	✓ UKTI support for Extension of funding for FDI Partnership Manager, beyond 12 months.	£150k for 12 months extension	Continuation of LA pooled to provide match.
		✓ Government support to profile the Heart of the SW as open for business for both inward investors and visitors through:	No additional funding sought	n/a

Table 18: Asks/Offers – Business Start-up Support

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Business Start-up Support	<p>Our proposals for business start-up support are driven by the need to increase start-up rates, to levels comparable with the England average (an extra, 1,800 business starts/year). Achieving this sort of step-change would drive productivity through increasing competition and stimulating innovation across the economy.</p> <p>This proposal for start-up business support therefore, complements other proposals which address broader enablers to create the conditions for growth, through direct intervention to encourage start-ups.</p> <p>Local Resources We will be bringing forward considerable local resources to addressing the need for start-up support, including:</p> <ul style="list-style-type: none"> ✓ EUSIF allocation; ✓ The Plymouth and SW Peninsula City deal secured £377k for on year ‘school for start-ups project’. <p>Partnership working Over the next year, will work with partners to develop a FE/HE incubation programme, linked to the Growth Hub.</p>	<p>✓ Extension Funding: £377k/year for continuation of the ‘school for start-ups’ concept to deliver 250 new starts/year.</p>	£1.8m	RGF Underspend. EUSIF and local partner contributions
		<p>✓ Flexibility in the 2016/17 Growth Deal to support revenue projects to secure growth from our capital investments.</p>	Partner time	Partner contributions
		<p>✓ £1m LGF support for Plymouth City Centre Innovation Centre – creating 8,500 sq ft of business space, supporting 25 businesses and 50 jobs.</p>	£5.2m	£1m LGF Confirmed local match.

Proposal 5: Exploiting our Transformational Opportunities

The Opportunities		The Issues
To create high value clusters and niches, re-structuring our economy around growth opportunities, inward investment and supply chains. To create world class careers and opportunities, encouraging graduates to stay and return to our area.		<ul style="list-style-type: none"> ✘ Supply chain need access to knowledge transfer and global markets ✘ Skills in high demand and short supply ✘ Investment in infrastructure needed
LEP Sponsor	Our key offers	Our key asks
 <p>A New Nuclear Legacy from Hinkley Councillor David Hall, Deputy Leader, Somerset County Council</p>	<ul style="list-style-type: none"> ✓ Hinkley Innovation and Collaboration Centre, creating 1,500 high quality jobs and £184m GVA ✓ Hinkley Supply Chain Development Project ✓ EUSIF funding allocated to New Nuclear Innovation and supply chain activity 	<ul style="list-style-type: none"> ✓ £4m-for a Hinkley Innovation and Collaboration Centre ✓ Widen/flex of NAMRC/MAS ✓ Widen/flex existing funds e.g. TSB, AMSCI, KTP ✓ £3m business investment fund ✓ Work with the Hinkley Strategic Delivery forum to co-design solutions
 <p>A Marine Renaissance Councillor Tudor Evans, Leader Plymouth City Council</p>	<ul style="list-style-type: none"> ✓ £3m EUSIF allocated to development of the wider marine industries production campus ✓ Through the City Deal investment by LEPs and local partners to resource the work of the SW Marine Energy Park – playing a vital role in co-ordinating activities and stimulating investment in marine energy in the SW ✓ EUSIF resources allocated to marine innovation and low carbon investment to benefit our low carbon businesses. 	<ul style="list-style-type: none"> ✓ £250k LGF to support the development of detailed technical cases to bring forward the wider Marine Industries Production Campus – unlocking £128m investment. ✓ Through the next Spending Review allow greater flexibility in future composition of LGF to allow investment in marine renewables to unlock private sector investment.
 <p>Environmental Futures Professor Sir Steve Smith Exeter University</p>	<ul style="list-style-type: none"> ✓ EUSIF resources allocated to supporting innovation and growth aligned to the Environmental Futures specialism 	<ul style="list-style-type: none"> ✓ £2.5m LGF to support the Global Environmental Futures Campus Infrastructure at Exeter Science Park ✓ Confirm super-computer investment ✓ Support from TSB to capitalise on innovation outcomes of investment
 <p>Aerospace Simon Barker , Director, Augusta Westland</p>	<p>EUSIF resources allocated to supporting innovation and growth aligned to the Aerospace sector. Work with West of England Aerospace Forum and the WoE LEP to develop a virtual hub to support SMEs in the supply chains in the Aerospace and Advanced Engineering, High Tech Industries and Low Carbon Sectors.</p>	<ul style="list-style-type: none"> ✓ £3m over three years from TSB Aerospace Industrial Strategy £1m a year from private sector match. ✓ HCA to enable land at Yeovil innovation centre as part of its RDA legacy economic assets to be vested into a second phase development at the centre

Proposal 5: Background and Context

While as far as possible the balanced approach to growth in our Strategic Economic Plan is sector and place blind, we have identified some immediate opportunities that are unique to our area and have the potential to be transformational :

- **Construction and legacy of Hinkley C** will result in the UK's first new nuclear power station in 25 years. The £16bn project will be Europe's largest construction scheme, and the UK's largest inward investment project, employing 5,600 individuals at peak and providing in the region of £100m/year additional GVA into the local economy during the construction process
- **Marine sector growth through the Plymouth and South West Peninsula City Deal, *South West Marine Energy Park*** - driving forward the growth of the Marine sector (Marine and offshore R&D, manufacturing and services – including ship building (defence related and leisure) and marine renewables across the whole Peninsula (including Cornwall and the Isles of Scilly LEP).
- The Development of a **Global Environmental Futures Campus** around the securing of supercomputer investment by the Met Office at Exeter Science Park and in partnership with Exeter University.
- Securing growth from our **Aerospace and Advanced Engineering** sector through support and strengthening access to cutting edge knowledge exchange of the many SMEs in the supply chain.

Proposal 5: Addressing our Priorities

- Specialist marine sites
- Science and Innovation infrastructure
- Innovation through Smart Specialisation
- Building Capacity for innovation

Proposal 5: Aligning Government Priorities

- Supporting the delivery of a National Infrastructure project
- EU Marine policy – environmental data analysis
- Good alignment with the industrial strategy sectors and 8 great technologies.

Proposal 5: Working with Other LEPS

- ✓ West of England – Hinkley Programme, Aerospace
- ✓ Cornwall and Isles of Scilly – Marine City Deal
- ✓ SW LEPS – Marine Energy Park

Proposal 5: Our Solutions

- A new nuclear legacy from Hinkley
- A marine renaissance
- Environmental Futures
- Securing growth from Aerospace and Advanced Engineering

Table 19: A new Nuclear Legacy from Hinkley

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Hinkley Innovation and Collaboration Project	<p>The <i>Innovation and Collaboration Project</i> will deliver a programme of brokerage and support to businesses (both inward investors and local SMEs). To deliver:</p> <ul style="list-style-type: none"> ✓ 700 businesses supported over 15 years ✓ 1,500 high quality jobs ✓ £184m of GVA ✓ Export Potential ✓ Re-establish nuclear new build sector <p>Key elements of our offer include:</p> <ul style="list-style-type: none"> ✓ <i>Local resources to support Phases 1 and 2: Innovation Centre;</i> ✓ <i>A self-financing package of business support</i> <p>Business support will:</p> <ul style="list-style-type: none"> ✓ Work alongside other business support and investment offers (see below) to enable SMEs to reach nuclear standards. ✓ Broker collaborative relationships between local SMEs and upper tier supply chain businesses, <i>particularly around innovation.</i> 	<ul style="list-style-type: none"> ✓ LGF support for phase 2: Innovation Centre (see appendix 9) ✓ Ongoing project support from HCA ✓ Alignment of specialist support activity to maximise impact in Heart of the SW (i.e. the Nuclear Advanced Manufacturing Research Centre and Manufacturing Advisory Service) ✓ Alignment of UKTI Inward Investment Activity 	Purpose built innovation centre: £13.061m	<ul style="list-style-type: none"> • £3.94 LGF • ERDF • Section 106 • Somerset County Council
Hinkley Supply Chain Development	<p>Our proposal is to capture £100m of project spend in the local economy, by supporting 500 businesses participate in supply chain activities, leveraging £2m/year private sector investment.</p> <p>Somerset Chamber of Commerce has developed a robust and unique local supply chain management structure, enabling EDF and its T1 contractors to engage with 2,000 businesses in the region. Now as the project moves into its next stage, there is a need to work with these local businesses to ensure</p>	<ul style="list-style-type: none"> ✓ Widen scope of manufacturing support for nuclear new build to better reflect procurement opportunities. ✓ Additional (flex of existing) funding for new nuclear construction, engineering and technical services that includes capability for site operational support (construction services) [Growth Accelerator, Knowledge Transfer Partnerships, TSB competitive funds] 	<p>Enabling team: £150k/annum growing to £300k for 2015-2020.</p> <p>Business Investment Fund: £3m</p>	<ul style="list-style-type: none"> ✓ £150k already funded by EDF Energy and Chamber of Commerce ✓ Section 106 monies ✓ Flexing

	<p>they are well equipped to enter the >£100m local supply chain. Support will be provided through the existing Hinkley Supply Chain Enabling Team, which targets and interprets specific requirements, assesses gaps in supplier capability and leverages relevant support mechanism to grow capability and capacity of supply chain. Supporting suppliers in Manufacturing, Construction, Engineering Services and Site Operations supply chains relating to nuclear new build at Hinkley C.</p> <p>This will increase the number of businesses with innovative, competitive capability that are ready to be invited to tender and win contracts. A particular focus will be supporting smaller SME suppliers.</p>	<ul style="list-style-type: none"> ✓ SME access to funding (matched) for improved capability (accreditations and standards) and capacity (Equipment), for example through the £13m announced by TSB, NDA and DECC for nuclear supply chain activity on 9th December 2013 ✓ Creation of a £3m business investment fund, matching 1:1 public with private investment. 		<p>existing national support</p>
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Table 20: A Marine Renaissance

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Other MIPC sites	<p>Development of other sites that form the network of the Marine Industries Production Campus in other parts of the Heart of the SW.</p> <p>We will continue progress the MIPC through:</p> <ul style="list-style-type: none"> • Ensuring our planning documents do not pose a barrier • Technical/feasibility studies • De-risking developments where appropriate • Allocating £3m ERDF <p>Establishment of a private and public sector task and finish group under the LEP’s Place Leadership Group to develop a strategic delivery plan for the wider Marine Industries Production Campus across the Heart of the SW, to secure upwards of £128m investment in these sites.</p>	<p>Secondment from the HCA of capacity to advise the task and finish group in the development of the plan and assist with procurement of detailed technical work for the marine industries production campus across the Heart of the SW.</p>	<p>£500,000 for technical feasibility work for key sites and the development of a strategic delivery plan by end 2016</p>	<p>£250,000 LGF EUSIF, Growing Places Fund, Local Authorities Private Sector</p>
Marine Renewables	<p>Marine Renewables is a key component of our wider marine sector, where we have expertise and a growing industry – we are working to become leaders in this field. Our offer includes:</p> <p>Aligning local resources and expertise – Through the City Deal and local contributions, we are supporting the work of the SW Marine Energy Park, to co-ordinate and stimulate investment in the sector. Likewise, EUSIF resources have been allocated to marine innovation and low carbon investment.</p> <p>Holistic thinking – Tidal lagoons are a key opportunity for marine renewable energy generation in the Bristol Channel, where they may also provide flood protection role. Our offer is to bring together stakeholders such as SWMEP, EA, DfT, Crown Estate to explore wider benefits of tidal lagoons in the Bristol Channel.</p>	<ul style="list-style-type: none"> ✓ Node status for Offshore renewables catapult ✓ Recognise and support the ‘Balanced Technology Approach’ to unlocking energy from the Bristol Channel ✓ Recognition of potential role of tidal lagoons as part of renewable energy road map, sending a positive signal to potential investors ✓ Participate in a multi-agency approach to understanding the wide benefits of tidal lagoons in the Bridgwater Channel. <p>Through the next Spending Review allow greater flexibility in future composition of LGF to allow investment in marine renewables to unlock private sector investment.</p>		

Table 21: Environmental Futures

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Environmental Futures/Big Data Hub	<p>This proposal represents the next step in realising our ambition to see Exeter at the centre of pioneering cluster relating to Environmental Futures and Big Data.</p> <p>Our proposal includes:</p> <ul style="list-style-type: none"> ✓ A mechanism to derive value from the information generated by the Met Office ✓ An international centre for environmental science, building on the reputation of the Met Office and the University, attracting research and enterprise activity. Creating 500 indirect jobs and supporting 50 businesses. ✓ A partnership involving the Met Office, University of Exeter and the private sector ✓ £100m super-computer investment ✓ Providing a high profile ‘anchor’ tenant for the Exeter Science Park, consolidating previous public sector investment. <p>Supported by:</p> <ul style="list-style-type: none"> ✓ EUSIF resources to support innovation and knowledge transfer – potentially through a Catapult-lite model. 	<ul style="list-style-type: none"> ✓ Confirm super-computer investment at Exeter ✓ £2.5m LGF for the Global Environmental Futures Campus Infrastructure. The project will provide the enabling site infrastructure to allow the Met Office, the University of Exeter and other partners to develop an environmental science campus on Phase 2 of Exeter Science Park. The Met Office has £100m from Government to locate their next generation super computer on the park, and this would be supported by a collaboration centre and grow-on buildings to accommodate research bodies and private sector businesses in the sector. See Appendix 0. ✓ Support from TSB to capitalise on innovation outcomes of investment 	<p>£10</p>	<p>LGf - £2.5m</p> <p>Local Authority Land Contribution of circa £450k</p>

Table 22: Securing Growth from Aerospace and Advanced Engineering

Proposal Name	Description/Offer	What are the other asks of Government Departments and Agencies	How much it will cost?	How will it be funded?
Securing Growth from Aerospace and Advanced Engineering	<p>We have a strong cluster of businesses in the HotSW area supplying the aerospace sector; with most of these being SMEs. Our research in conjunction with the West of England Aerospace Forum (WEAF) has highlighted that these SMEs find it difficult to get access to cutting edge knowledge exchange (which drives competitive advantage), despite the TSB efforts to provide new resources and impetus to this agenda. The resultant weakness to the supply chain in the area therefore also puts our and the West of England prime aerospace companies at a disadvantage in the international market.</p> <p>Our offer going forward will be to work in conjunction with WEAF and the WoE LEP to develop a virtual hub to deliver support to SMEs in the supply chains in the Aerospace and Advanced Engineering, High Tech Industries and Low Carbon Sectors, focusing on technology development through innovation vouchers and practical in company direct action support and associated up-skilling the workforce to utilise the new technologies and leverage against.</p>	<p>Our ask is for the TSB to direct from future rounds of funding support under the Aerospace Industrial Strategy (Lifting Off – Implementing the Strategic Vision for UK Aerospace) £1m per annum for a three year period to this – this contribution will leverage a further £1m from relevant EU programs and £1m a year from private sector match. A three year programme would target 450 businesses with assistance (across the sub regional cluster stretching from Gloucestershire to Cornwall - the job growth predicted from this would be 120 and £10.5m GVA. Approximately 25% of these outcomes would relate to the HotSW area.</p> <p>HCA to enable land at Yeovil innovation centre as part of its RDA legacy economic assets to be vested into a second phase development at the centre</p>	£3m	£1m TSB £1m ERDF

LGF Deal Summary

Proposal	Theme	Funding source	Funding type	15/16	16/17	17/18	18/19	19/20	20/21	Total	Page ref	Prem's	Jobs	Houses	Numbers benefits
1	Strategic Connectivity	LGF	Capital	10.5	4.1	11.9	30.2	2.4	0	59.1	p9	90000	1270	0	0
		EUSIF	Capital							4.75		0	0	0	0
		Public	Capital							56.45		0	0	0	0
		Private	Capital							8.5		0	0	0	0
2	Housing and Employment site Growth	LGF	Capital	12.79	22.79	57.67	43.85	30.28	28.72	196.1	p20	0	56750	76145	0
		EUSIF	Capital							0		0	0	0	0
		Public	Capital							111.9		0	0	0	0
		Private	Capital							0		0	0	0	0
3a	Skills and Employment infrastructure	LGF	Capital	22.44	8.653	0	0	0	0	31.09	p31	0	0	0	7000
		EUSIF	Capital							0		0	0	0	0
		Public	Capital							0		0	0	0	0
		Private	Capital							51.91		0	0	0	0
3b	Sustainable transport	LGF	Capital	9.35	8.15	4	6.3	3.1	3.2	34.1	p31	0	0	0	0
		EUSIF	Capital							0		0	0	0	0
		Public	Capital							17.3		0	0	0	0
		Private	Capital							0		0	0	0	0
4	Growth Hub Enterprise Support	LGF	Capital	4	0	0	0	0	0	4	p40	0	250	0	0
		EUSIF	Capital							0		0	0	0	0
		Public	Capital							2.2		0	0	0	0
		Private	Capital							8		0	0	0	0
5	Added value to our Assets	LGF	Capital	7.19	0	0	0	0	0	7.19	p46	0	1602	0	0
		EUSIF	Capital							0.1		0	0	0	0
		Public	Capital							108.4		0	0	0	0
		Private	Capital							0.85		0	0	0	0
TOTAL		LGF	Capital	66.27	43.693	73.57	80.35	35.78	31.92	331.6		90000	59872	76145	7000
		EUSIF	Capital							4.85		0	0	0	0
		Public	Capital							296.3		0	0	0	0
		Private	Capital							69.26		0	0	0	0

Breakdown LGF – Proposal 1

<u>Proposal</u>	<u>Theme</u>	<u>Funding source</u>	<u>Funding type</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>Total</u>	<u>Page ref</u>	<u>Prem's</u>	<u>Jobs</u>	<u>Houses</u>	<u>Quals</u>
	Digital	LGF	C			9	23.5			32.5		90000			
		EUSIF								4.75					
		Public								42.75					
		Private								8					
	Mobile	LGF		2.5						2.5					
		EUSIF													
		Public													
		Private		0.5						0.5					
	Transport Interchanges	LGF		8	4.1	2.9	6.7	2.4		24.1			1270		
		EUSIF													
		Public								13.7					
		Private													
TOTAL		LGF		10.5	4.1	11.9	30.2	2.4	0	59.1		90000	1270	0	0
		EUSIF								4.75					
		Public								56.45					
		Private								8.5					

LGF Breakdown: Proposal 2

<u>Proposal</u>	<u>Theme</u>	<u>Funding source</u>	<u>Funding type</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>Total</u>	<u>Page ref</u>	<u>Prem's</u>	<u>Jobs</u>	<u>Houses</u>	<u>Quals</u>
	Majors	LGF		4.28	10.54	48.51	37.15	27.58	28.72	156.78			48720	59575	
		EUSIF													
		Public								104.23					
		Private													
	Pinchpoints	LGF		6.21	8.35	6.06	4.5	2.7		27.82			6030	16570	
		EUSIF													
		Public													
		Private													
	Retail	LGF		2.3	3.9	3.1	2.2			11.5			2000		
		EUSIF													
		Public								7.7					
		Private													
TOTAL		LGF		12.79	22.79	57.67	43.85	30.28	28.72	196.1		0	56750	76145	0
		EUSIF								0					
		Public								111.93					
		Private								0					

LGF: Breakdown Proposal 3

<u>Proposa3</u>	<u>Theme</u>	<u>Funding source</u>	<u>Funding type</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>Total</u>	<u>Page ref</u>	<u>Prem's</u>	<u>Jobs</u>	<u>Houses</u>	<u>Quals</u>
	FE	LGF		22.44	8.653					31.093					7000
		EUSIF													
		Public													
		Private								51.907					
	Sustainable transport	LGF		9.35	8.15	4	6.3	3.1	3.2	34.1					
	transport	EUSIF													
		Public								17.3					
		Private													
TOTAL		LGF		31.79	16.8	4	6.3	3.1	3.2	65.193		0	0	0	7000
		EUSIF								0					
		Public								17.3					
		Private								51.907					

LGF Breakdown: Proposal 4

Proposal 4	Theme	Funding source	Funding type	15/16	16/17	17/18	18/19	19/20	20/21	Total	Page ref	Prem's	Jobs	Houses	Quals
	Innov Centres	LGF		4						4			250		
		EUSIF													
		Public								2.2					
		Private								8					
TOTAL		LGF		4	0	0	0	0	0	4		0	250	0	0
		EUSIF								0					
		Public								2.2					
		Private								8					

LGF Breakdown: Proposal 5

<u>Proposal</u>	<u>Theme</u>	<u>Funding source</u>	<u>Funding type</u>	<u>15/16</u>	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>	<u>19/20</u>	<u>20/21</u>	<u>Total</u>	<u>Page ref</u>	<u>Prem's</u>	<u>Jobs</u>	<u>Houses</u>
	Hinkley	LGF		3.94						3.94			1500	
		EUSIF												
		Public								8.371				
		Private								0.75				
	marine	LGF		0.75						0.75			2	
		EUSIF								0.1				
		Public								0.05				
		Private								0.1				
	Global	LGF		2.5						2.5			100	
	Campus	EUSIF												
		Public								100				
		Private												
TOTAL		LGF		7.19	0	0	0	0	0	7.19		0	1602	0
		EUSIF								0.1				
		Public								108.42				
		Private								0.85				

Delivery track record

The LEP is a young partnership but its constituent members have a successful history of working together on LEP area wide activities, delivering multi million pound projects and supporting urban, rural and coastal communities. There are number of projects and partnerships which demonstrate this joint working across the LEP as a whole, among its component parts and with our neighbours including:

Local Authorities shared services

Devon and Somerset County Councils have been developing a number of shared service arrangements. Devon and Somerset Trading Standards has been operating successfully since April 2013, and more recently a shared service for pensions administration has been established. In December 2013 both Councils agreed in principle to join in a Heritage Trust providing archive, museum and other heritage services across the two counties, and a number of other joint approaches are under consideration.

The Councils have demonstrated that they can set up robust and cost effective pooled arrangements with short lead-in times and simple governance arrangements for 'front-line' as well as back office services. Within the historic county of Devon, there is a strong tradition of joint working between Plymouth City Council, Torbay and Devon County Council. The most recent high profile example of collaboration is the joint-commissioning of a 250,000 ton energy from waste plant (which will save the three councils millions of pounds), currently under construction.

Rural Growth Network

The Heart of the South West became one of five pilot areas to form a Rural Growth Network in 2012. The LEP, working with Devon and

Somerset County Councils secured £2.9m to provide the opportunities and infrastructure that rural businesses need to grow. The funding will create 700 jobs across the two counties with projects running up until 2015.

Connecting Devon & Somerset

Plymouth, Torbay, Devon and Somerset were founding members of Connecting Devon and Somerset (CDS) which is managing the delivery of a multi-million £ contract with BT (involving £33m of government funding and £20m of local funding). CDS also now contains North Somerset and BANES as full partners.

The CDS partnership were successful in becoming one of BDUK's first pilot programmes and have been used as a reference for subsequent programmes across the country. In addition to this capital funding CDS also manages a parallel ERDF programme to encourage take up of broadband infrastructure.

The partnership is formally constituted with underpinning contractual partnership agreements between the members – it is formally directed by a board drawn from the members and business (inc the LEP) and managed on a day to day basis by a management team funded by the members as part of these agreements. This model of governance of delivery is seen as a proven and practical alternative to a Joint Committee in the event that enabling legislation is slower in being put in place or more expensive to administer than currently anticipated

The project is now at the delivery stage with the first two cabinets enabled in September 2013, and another five communities set to have superfast broadband by the end of the year. Alongside the infrastructure partner, organisations from across the LEP are working to deliver ERDF funded support to enable businesses to better use the broadband services as they become available.

City Deal

The Plymouth and SW Peninsula City Deal is unique as it covers a wider area in addition to the city of Plymouth meaning the benefits will be extended further. To maximise the impact of the new powers and freedoms to help grow the regional economy, partners across the LEP including Plymouth University, Devon Country Council, West Devon Borough Council, South Hams District Council, Torbay Council, City College, Plymouth, South West Marine Energy Park (SWMEP), Plymouth Chamber of Commerce and Industry, Babcock, Princess Yachts and Plymouth Marine Laboratories have worked to develop a strong proposal based on the areas strength in marine technologies.

Exeter and East Devon Growth Point

Exeter is located at the centre of the LEP geography and offers significant opportunity for growth across the partnership area. To maximise the opportunities available the Exeter and East Devon Growth Point was formed. This is a public/private sector partnership which continues to play a key role in bringing forward and supporting a major growth programme centred on Exeter and extending in to the neighbouring District of East Devon. Partners including Exeter City Council, East Devon District Council, Devon County Council, Teignbridge District Council, and the Homes and Communities Agency, work together with a wide range of partners from the private sector through a board structure.

Developments championed by the Growth Board include:

- Skypark - 1.4 m sqft of office, industrial and manufacturing space
- Exeter Science Park
- Development of Exeter Airport
- The new town of Cranbrook and developments at Monkerton and New Court

Urban Enterprise

Recognised under the 2007-13 ERDF programme as facing significant economic challenges Plymouth and Torbay along with Bristol in the neighbouring West of England LEP were prioritised for support through the urban enterprise priority worth £20m over the life of the programme. While the challenges faced by each area vary there are shared priorities and these are being addressed through joint projects such the Social Enterprise Focus. Plymouth and Torbay have worked closely to ensure best practice is shared on projects including intensive start up support and enterprise coaching and both authorities have a wealth of experience in commissioning business support activity suited to the HOSW area.

Peninsula LIST

The authorities of Torbay, Devon, Cornwall and Plymouth are working together to create a new concept to fund early interventions through social investment which it is hoped will improve outcomes for people across Devon and Cornwall. Launched in 2011 the Peninsula Local Integrated Services Trust (LIST) is a flexible model where a company structure wholly owned by the public sector is established with the aims to:

- Reduce time in care for vulnerable children and adolescents.
- Reduce time in residential care and promoting placement stability in family environments.
- Reduce demand on public services so that limited resources can be targeted at the most vulnerable.
- Learn more about social investment 'in practice' and create of a Social Impact Bond.

Transport

There is a strong record of promoting and delivering transport projects across the LEP area, ranging from major schemes to sustainable transport measures and public transport initiatives. The Local Transport Authorities have experienced and capable teams, complemented by substantial private sector delivery capability.

Significant transport improvements successfully completed in the last few years include the East End scheme in Plymouth, Tweenaways Cross in Torbay, M5 Junction 29 at Exeter and the Third Way scheme in Taunton. Major schemes currently under construction include the £110m South Devon Link Road and the £21m Taunton Northern Inner Distributor.

The Heart of the South West has been successful in securing Local pinchpoint funding for schemes at Plymouth, Torbay, Barnstaple, Crediton, Exeter and Newton Abbot. Construction of Crediton Industrial Link road is well under way, and the remaining schemes are programmed for construction in 2014/15.

Major investments have been made in cycling, for example through the Cycle Exeter project, and £4.4 funding has been secured for improving cycle access to Dartmoor.

Rail enhancements also feature strongly, and funding has been secured for new stations at Cranbrook (under construction and opening in 2014) and Newcourt, Exeter. Additional train services to Paignton from Exeter and Newton Abbot started in December 2013, with funding partly from the EU INTEREEG programme, and these will be complemented by the new stations at Marsh Barton and Edginswell which are in the Local Transport Board priority programme of major schemes.

Cross Border Projects

Partners across the LEP have been involved in collaborative transnational projects and are seeking to continue doing this. For example, the Inspiring Open Innovation team (IOIT) project involves both Somerset County Council and the University of Plymouth and is enabling partners to benefit from additional EU funding they would not have received without working collaboratively.

As evidenced above there is a significant track record of collaboration across the LEP area. All partners recognise the importance of working together, more so now than ever with reducing capacity. Partners within the LEP have experience managing high profile and large scale projects together.

Transport partnerships and joint working

The LEP recognises that effective partnership working will be fundamental to delivering the key transport infrastructure which will transform business competitiveness and provide a platform for growth. It will build on productive relationships with the transport industry, strategic agencies, and Local Transport Authorities, and it will look beyond its boundaries in partnership with other LEPs.

Highways Agency – We have built a sound working relationship with the Highways Agency, and helped frame the programme of Motorway and Trunk Road Pinchpoint schemes which will be delivered during 2014 and 2015. These schemes at M5 Junctions 27 and 30; the A38 junctions at Splatford, Drum Bridges and Manadon, form the first stage of our ambition to ensure that the key M5/A38 corridor can act as an enabler to growth, and not a barrier.

We are working closely with the Highways Agency, particularly through their programme of Route Based Strategies, to follow through on this approach. Particular priorities are M5 Junctions 23 and 24, to accommodate the growth at Bridgwater including Hinkely C, and M5 junction 25, to reflect the growth of Taunton and the link with the A358 leading to the A303.

Through a cohesive partnership effort with Devon, Somerset and Wiltshire Councils, Dorset and the Swindon and Wiltshire LEP, we have built a persuasive case that there would be major economic benefits (up to £41.6bn) through eventual improvement of the A303/A358 corridor to dual carriageway standard from the M3 westwards, together with improvement of the A303/A30 to Honiton. This has led to Government's commissioning of a feasibility study, which is to be completed by the end of 2014. The partnership is continuing to conduct technical work, in parallel with the feasibility study, in order to ensure that a programme of

interventions could be added to the Highways Agency's capital programme.

Network Rail and Train Operators – Rail services play an increasingly important role for connectivity of the Heart of the South West, both strategic connectivity to London and the Midlands, and local connectivity within our area. Rail patronage has been growing strongly, and we have been working closely with partners in the rail industry to maximise the potential for continuing growth, to support the expansion of the economy of the South West peninsula.

Working jointly with the Cornwall and Isles of Scilly LEP, and the Local Transport Authorities of Cornwall, Devon, Somerset, Plymouth and Torbay we prepared the case through the South West Spine report for investment in rail infrastructure, to address concerns of resilience demonstrated by the flooding in winter 2012/13. Early progress in this regard is the work to Whiteball Tunnel, on the Somerset/Devon border in early 2014, which will include improved drainage as well as other structural work. However, the floods of 2014 and the disruption to rail services as a result of damage at Dawlish, and floods at Bridgwater highlight the continued vulnerability of our rail infrastructure and the urgency for investment in modern, long term, resilient solutions.

We are working with Network Rail assess the future capacity needs of the rail network through the Western Route study, and to understand the wider economic benefit of rail and the impact of disruption. Network Rail's support for improving access to rail services is evident in the delivery of new stations at Cranbrook (2014) and Newcourt (2015), and those planned for Marsh Barton and Edginswell, together with the re-opening from Bere Alston to Tavistock.

Stations can be significant gateways to our major towns and cities, as recognised in DfT's "Door to Door" strategy, and we are working with

Network Rail to identify and deliver station enhancement which will both support transport integration and also create a sense of place with an improved passenger environment. Footfall has increased significantly at our major stations, as can be seen in the comparative figures over the decade from 2001 to 2011 – Plymouth (1.3m to 2.4m), Exeter St Davids (1.4m to 2.3m), Taunton (0.7m to 1.2m), Exmouth (0.6m to 0.8m) and Paignton (0.3m to 0.5m) – and we are working with Network Rail, Train Operators and local authorities to bring forward significant enhancements at these and other stations.

Stakeholder Engagement – The LEP maintains a dialogue with transport industry and business stakeholders through its Transport Special Interest Group, which meets bi-monthly. This includes participation from the LEP business forum, the Highways Agency, Network Rail, public transport providers (bus and rail), freight operators, environmental groups, air, maritime and other transport interests. It acts as a sounding board for the emerging SEP policies and interventions, and assists the LEP in framing responses to national policy issues and consultations.

Working with other LEPs

Our structure enables Cross-LEP Investment and Programme Management for collaborative commissioning. These discussions are ongoing with a number of LEPs. During the preparation of the Strategic Economic Plan discussions have been held with neighbouring LEPs with regard to issues of cross border/joint interest, which provide potential opportunities to collaborate on alignment, lobbying and joint commissioning on delivery including sector development and infrastructure.

Cornwall and Isles of Scilly LEP

We have an ongoing relationship with Cornwall and Isles of Scilly LEP through membership of the Peninsula Rail Task Force. And have a shared interest in strategic road and rail resilience and improving the quality of our networks.

We are working with our neighbouring LEP in Cornwall on City Deal and also a range of other issues including Transport, SW Marine Energy Park and business development in some specific common sectors (eg Marine and Medihealth) as we recognise that a number of barriers and opportunities cross LEP boundaries .

Swindon and Wilts LEP

Improving strategic connectivity is an important objective for both our LEPs, and we have a considerable amount of shared interest.

Firstly, with regard to the A303, we are equally keen to see the route improved, and our joint target is for the DfT feasibility study to be completed and at least one significant improvement included in the Highways Agency capital programme for 2015 to 2019. There is a shared desire to secure safety improvements on the A303 to address the concerns identified in the Highways Agency Route Based Strategy.

On main rail line to Paddington we have a joint aspiration for faster services on the Berks and Hants line, as delivered by the proposal of 2 trains per hour from Exeter, one Plymouth, Totnes, Newton Abbot, Exeter, Taunton, Reading and the other Exeter, Tiverton Parkway, Taunton, Castle Cary, Westbury, Reading – that would give Westbury an hourly clockface service.

We also have a shared aspiration for electrification, the essential first step must be for the initial electrification to go to Bedwyn, not Newbury. That

would mean that the current Thames Valley services down the Berks and Hants line could all be electric.

We share the ambition to secure additional rail rolling stock for both local/regional services, through cascading the existing Thames Turbo train fleet westwards when the Thames Valley services are electrified.

Another shared aspiration is improvement of services on the Bristol – Westbury – Frome – Weymouth rail service to hourly. We believe that there would be merit in a joint study (with First Great Western and Dorset LEP) into the rail services radiating from Westbury to Bristol/ Bath, Swindon, Weymouth and Salisbury/ Southampton/ Portsmouth.

Dorset LEP

Connectivity is important to Dorset, which has good transport connections to the east but weaker linkages to the north and west.

We have a shared interest in improving the A303 and A358, together with M5 Junction 25. This is important to Dorset as the key route from Weymouth and West Dorset to the M5 is via the A37, A303 and A358, and the LEPs will be looking to discuss further the scope for removing pinchpoints on this route.

On rail, we have a shared aspiration for improvement of services on the Bristol – Westbury – Frome – Weymouth rail service to hourly, and a joint view that there would be merit in a study (with First Great Western and Swindon & Wilts LEP) into the rail services radiating from Westbury to Bristol/ Bath, Swindon, Weymouth and Salisbury/ Southampton/ Portsmouth.

We also recognise that there is merit in examining the potential for improved rail connectivity between Weymouth and Taunton/Exeter

West of England LEP

We have agreed to work together collaboratively on areas of common interest. Currently these include offering to pool our collective strength in the provision of skills and research to provide a strong and effective host location for the proposed investment in a Nuclear Technical College, and supporting the SME supply chain to the aerospace and advanced engineering sectors.

As with all our neighbouring LEPs we have an interest in the resilience and quality of our transport infrastructure. In particular we have a common agenda with the West of England for electrification from Weston-super-Mare to Taunton and Exeter for Intercity Express Project and local electric train services. This will improve connectivity and faster journey times to the South West. We support the West of England's request for new rolling stock to deliver MetroWest. The perfect opportunity is presented by the cascade of the Class 165 'Thames Turbos' trains following electrification of the Great Western Main Line. Class 165s provide greater capacity, passenger comfort, speed and acceleration. Equally it will enable existing rolling stock to be further cascaded to other parts of the South West to meet increasing passenger demand and facilitate additional services.

Beyond MetroWest Phase 1 and 2 and through the new Great Western Franchise we will work with our neighbouring LEPs, Heart of the South West, Gloucestershire, Swindon and Wiltshire and Oxfordshire, on extending services to Gloucester, Taunton, the West Wiltshire towns and Oxford. As part of the Hinkley development and to maximise access and sustainable travel we will support the Heart of the South West LEP's ask for 2-3 trains per hour between Bristol, Weston-super-Mare, Taunton and Exeter whilst maintaining half hourly services to all local West of England stations.

Deliverability and Risk

The LEP is a young partnership but its constituent members have a successful history of working together on LEP area wide activities. In addition to the Plymouth and SW Peninsula City Deal, Plymouth, Torbay, Devon and Somerset were founding members of Connecting Devon and Somerset (CDS) which is managing the delivery of a multi-million £ contract with BT (involving £33m of government funding and £20m of local funding). CDS also now contains North Somerset and BANES as full partners.

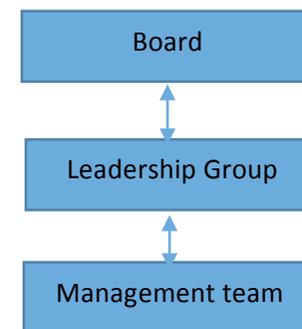
The CDS partnership were successful in becoming one of BDUK's first pilot programmes and have been used as a reference for subsequent programmes across the country. In addition to this capital funding CDS also manages a parallel ERDF programme to encourage take up of broadband infrastructure. The partnership is formally constituted with underpinning contractual partnership agreements between the members – it is formally directed by a board drawn from the members and business (inc the LEP) and managed on a day to day basis by a management team funded by the members as part of these agreements.

This model of governance of delivery is seen as a proven and practical alternative to a Joint Committee in the event that enabling legislation is slower in being put in place or more expensive to administer than currently anticipated

Growth Deal delivery routes and responsibilities

As outlined in the Strategic Economic Plan, the LEP will manage delivery through our three themes of People, Place and Business – with delegated

responsibility from Board, to Theme Leadership Group to Management team as set out in the governance arrangements above:



We set out below the specific delivery arrangements being put into place to manage the key activities for the proposals within the Growth Deal in each of these themes. Where activities cross themes or are not identified below, one of the themes will be given responsibility for its management by the LEP Board and the respective Leadership group will develop appropriate assurance and risk management processes.

- 1. Place** – the primary delivery activity within the Place theme relates to transport. The Local Transport Board (LTB) has been in place since September 2012 with its Assurance Framework expected to be fully signed off by the Department of Transport (DfT) this month. The LTB is a strong partnership between the LEP (with two voting seats) and local highway authorities with a focus on delivery. The original purpose of the Board was the prioritisation of the devolved major scheme funding from the DfT. It submitted a prioritised list of major schemes to the DfT for initial guaranteed funding in July 2013 having carried out an extensive prioritisation exercise including public and stakeholder consultation in the first half of the year – the latter received strong praise from the Campaign for Better Transport in a review of LTBs. The Board developed a larger prioritised programme of major

schemes that have provided the platform for the Local Growth Fund proposals in the Growth Deal.

The LTB has played a major part in developing the content of the SEP and in particular its implementation plans. Whilst the original role of the LTB was focused on major schemes it is now expanding to cover the full scope of transport interventions, reflecting the LGF funding makeup including the Local Sustainable Transport Fund (LSTF) and part of the Integrated Transport Block.

Detail discussion between the LTB and the LEP have taken place and are well advanced such that management arrangements will be in place for the LEP to meet its obligations in respect of Transport. Subject to finalisation, the key elements to form the foundation of this are:

- The LEP board will delegate to the Place Leadership Group (which contains a majority of business members) its **oversight and strategic decision making** responsibilities regarding Local Major Schemes and transport related elements of the growth deal.
- The Local Transport Board remains an independent body from the LEP and utilises the LEP's existing Transport Group (which contains all sectors) as an advisory group;
- The LEP Board delegates **management** of the transport element of the Local Growth Fund and existing local major schemes to the LTB through a formal partnership including an output / value for money agreement;
- The Local Transport Board will report to and advise the LEP's Place theme Leadership group to enable them to carry out their LEP-wide transport function. The Place Leadership group may

- delegate any of its functions, or part thereof, to the LTB
- An agreement is being drafted between the LEP Board and the LTB setting out management and reporting arrangements

2. **People** – the primary People delivery activity within the Growth Deal relates to the Skills Capital element of the programme. These capital schemes would be managed under the supervision of the People Leadership Group through a contractual and due diligence process already established and operating for the LEP in respect of the Growing Places Fund. This Fund has already committed £20m of the £21m allocated and is currently managing contractual arrangements of these monies – Devon County Council is the accountable body for this work on behalf of the LEP and subject to there being a similar level of funding (2% strip) available for this work have agreed with the LEP to undertake the management of these contracts going forward. Discussions with the SFA are at an early stage but it is anticipated that we would draw as much as possible on SFA expertise in due diligence work.
3. **Business** – the primary Business activities referenced in the Growth deal fall into two categories:
 - a. **Growth Hub** – this has been set up under the governance and management arrangements agreed with Government for City Deal and as referenced already above.
 - b. **Innovation Infrastructure** – these will be managed on the same model as outlined above for the Skills Capital.

Programme management, monitoring and managing risks

The Heart of the South West LEP iProject Management Office (PMO) has been designed in partnership with the University of Exeter's ISO 9001 accredited Research and Knowledge Transfer Division. The approach taken by the LEP incorporates risk assessment alongside standard project

management headings (objectives, milestones, timelines, outputs, deliverables, finance details etc) along with a front-end Dashboard for easy monitoring and reporting to the LEP Board and a section on evaluation/reflection that will feed into more formal evaluations and into reflections on ongoing practice. Delivery partners will be kept informed through reporting and a number will have lead roles for uploading data and intelligence to the PMO.

The LEP's Finance and Resources have agreed to the appointment of an individual to establish the PMO – it is anticipated recruitment will be complete by July 2014 in good time for the commencement of delivery activities.

In the proposed arrangements the HotSW LEP Board will oversee the SEP which sets the LEP's strategic priorities and its supporting Business Plan includes information on the LEP's structure and its planning cycle. To take forward the SEP priorities the LEP will produce every two years in the business plan those selected priority initiatives to be focused on in that time period and review progress on priority initiatives annually.

Furthermore, each year the LEP will report to its partners on progress in each of its priority initiatives. Each two years there will be a major review and a 'Taking stock of achievements'. At this point, the LEP will bring forward new priority initiatives or refresh the focus on existing initiatives.

Each three to five years the LEP will undertake a broader based exercise and review and revise its strategic priorities, seeking to maintain a long term view to identify future growth opportunities.

The LEP management and monitoring systems are proposed to be based on a system similar to that of Investors in People's Plan, Do, Review system to ensure continuous improvement:

- **Plan:** Develop strategies to improve performance.

- **Do:** Take action to improve performance.
- **Review:** Evaluate and improve performance.

Figure 5: Plan, Do, Review cycle



Management responsibilities

The LEP management structure is based around the three thematic workstreams of People, Place and Business. The programme management approach is proposed to be adopted by three thematic workstream leads to underpin annual reviews of activity where, as well as looking back at the previous 12 months of activity, the LEP will look forward to the next 12 months and incorporate forecasting and forward planning. A simple PMO is also to be created for the LEP. This is not a 'person' but a system and the emphasis will be on the need for the provider/leader of the project to drive the PMO reporting to help the LEP understand its commitments and how its activities (whether projects, programmes, bids,

tendering etc) are progressing and whether there are any issues to be discussed. It will be simple and designed for different user groups:

- Internal controlling dashboard
- Workstream leads

The systems to be put in place will also provide:

- Proformas for the establishment of activity records (inc objectives, milestones, risks and resources) on a consistent basis
- Version control of all documents based on ISO 9001 formats
- Customer service and Complaint management systems
- Progress reviews and updates inc updates on outputs, risks and deliverables
- Overall programme and activity risk registers:
 - Commercial
 - Financial
 - Technical
 - Management
- Performance reports
- Internal and external communication
- Audits, evaluations and continuous improvement

Commitments from key partners to contribute to delivery have being embedded into the SLA agreements setting out which resources will be deployed, how and whom to ensure delivery of key proposals in accordance with the above systems and processes.

It has also been agreed that the LEP will use Somerset County Council as its accountable body and will utilise the council's financial, personnel,

payroll and procurement systems to ensure full public accountability and transparency. These arrangements have also been embedded into a SLA with Somerset County Council.

The LEP will require resourcing as part of the Growth Deal to undertake the above management of 15/16 and subsequent delivery for:

- a. **Contract management** – based on a 2% strip paid 6 months in advance to enable due diligence work to be undertaken, contracts to be issued and management resources to be recruited.
- b. **Core themes and other management activities** – LEP core funding is currently provided for core and strategy work. Though Strategy development will reduce going forward it will still be necessary to undertake regular research, updates and evaluations. It is therefore proposed that as part of the Growth Deal to encompass core costs, strategy and delivery activities the LEP core funding for 15/16 and onwards is increased to £750,000 per annum.

In conclusion

The LEP partners have a strong track record of, and a commitment to, working together to deliver across boundaries and in partnership across the public and private sphere. While there is more work to do over the next three months to work with partners – including with government- to finalise our Deal, to strengthen our working arrangements and get ready for delivery, we have a clear sense of direction, ambition and purpose, and a strong foundation on which to build the practicalities.

