Heart of the South West Productivity Strategy

Consultation Results

December 2017

TORBAY COUNCIL

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Introduction

The consultation period for the Heart of the South West Draft Productivity Strategy ran between 10 October and 14 December 2017.

The consultation included:

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

An Interim Report was prepared in early December based on the responses received up to 29 November 2017. This report provides an overview of all of the responses received during the consultation period.

Summary

Vision

Overall there was support for an ambitious Productivity Strategy. However, that ambition needs to be clearly articulated in what that will mean for the Heart of the South West – its places, its sectors and its people.

Strategic Objectives

There is support for the three Strategic Objectives within the draft Strategy with the following actions being highlighted as the most essential:

Leadership and Knowledge

- Strengthen innovation and business connections
- Market the region's special benefits to attract new talent
- Market the region's unique business opportunities to attract new investment

Connectivity and Infrastructure

- 100% superfast broadband and 4G coverage
- Leapfrog broadband speeds and bandwidth
- Capacity, resilience and usability of major road and rail networks
- Connecting places and opportunity across a dispersed geography

Working and Learning

- Higher level skills
- Establish centres of excellence and technology institutes for sector skills

There is clear demand for universal broadband and mobile coverage as well as connectivity in the physical sense with the point being made that this has been "on the agenda" for many years.

The suggested additional issues which should be included under these Strategic Objectives include: the recognition of the number of micro businesses and self employed; connectivity within and across the region; housing and its affordability; implications of an ageing population and the raising of retirement ages; raising aspirations of young residents; and the wider health agenda.

Cross Cutting Themes/Principles

It was felt that <u>inclusive growth</u> needed to be more strongly expressed throughout the whole Strategy with interventions targeted to those hardest to reach. The Strategy needs to include the rural, health, retail, tourism and arts/culture sectors.

The growth from the <u>Golden Opportunities</u> needs to be shared across the region recognising that there is a supply chain behind each golden opportunity and that these need to be supported as well. It was felt that the golden opportunities need to be more clearly defined. Improving the connectivity within rural areas is critical. Our existing successful sectors also need to be recognised including tourism, agriculture and food and drink.

There needs to be clear understanding about what we mean by <u>natural capital</u> within the Strategy and that it needs to be stronger in its statements on this matter. It needs to be recognised that this is one of the region's selling points and that we should sensitively commercialise both our green and blue spaces.

Improving <u>digital opportunities</u> is by far and away the strongest issue and the top priority of most respondents.

General Points and Gaps

There was an overwhelming feeling that the Strategy was not dynamic or imaginative and that it should be more positive, aspirational and exciting. There was a sense that the Strategy showed the region playing "catch-up" rather than "stepping up to the next level". The region needs to sell itself as well as show where we are being held up.

It is felt that the Strategy is currently very generic with the Heart of the South West (and its towns and areas) not being recognised. We need to be able to differentiate ourselves from the rest of the UK.

There also needs to be clarity about how the Strategy fits with other strategies and plans – both at a national level (Industrial Strategy), regional level (Sustainability and Transformation Plans), local level (Local Plans and Economic Strategies) and town/parish level (Neighbourhood Plans). There is a recognition of the need to work together within the region, between the public and private sector and across LEP/local authority boundaries.

There are a range of comments that the Strategy is focused too much along the M5/A38 Corridor and Plymouth, Exeter and Taunton and that there needs to be more focus on rural areas, market towns and coastal areas. The need for Rural Enterprise Zones and Coastal Enterprise Zones should be articulated.

Little mention is made of continuing support for the markets were we are already successful such as tourism, food and drink, agriculture and health and care, as well as those emerging sectors such as arts, culture and heritage.

Online survey results

Introduction

In the period covered, 60 online responses were received. However, one respondent noted however that two had been made by him as extensions to earlier, briefer comments that he had already submitted. Therefore, for the purposes of this report, there have been responses from 58 individuals.

Summary

45% of respondents felt that the balance between the ambition and the realism of the Strategy's goal was right with 24% feeling it was too ambitious and 22% believing it was not ambitious enough. However, questions were raised about the data and methodology behind the vision and a feeling that the Strategy should articulate what successful delivery will look like.

There is support for the three Strategic Objectives within the draft Strategy with the following actions being highlighted as the most essential:

Leadership and Knowledge

- Strengthen innovation and business connections
- Market the region's special benefits to attract new talent
- Market the region's unique business opportunities to attract new investment

Connectivity and Infrastructure

- 100% superfast broadband and 4G coverage
- Leapfrog broadband speeds and bandwidth
- Capacity, resilience and usability of major road and rail networks
- Connecting places and opportunity across a dispersed geography

Working and Learning

- Higher level skills
- Establish centres of excellence and technology institutes for sector skills

Generally the feedback showed that the cross cutting themes were supported but that all of them needed to be better embedded throughout the Strategy.

Results

Q1. Does the Strategy set an appropriate balance between an ambitious yet realistic goal - to double the size of our economy by 2036?

	Count	%
I feel the balance is right	26	44.8%
I feel the Strategy is not ambitious enough	13	22.4%
I feel the Strategy is too ambitious	14	24.1%
No response	5	8.6%
Total	58	100%

Q1a Comments relevant to the answers given in Question 1

Key issues were:

- That the year on year rate of growth needed to achieve the doubling had been seriously under estimated. This would have to be 4% per year continuously for 18 years or 7% per year compounded if inflation was to be accounted for.
- There was some challenge to the calculations of the increase required to double GVA
- The intended rate of growth is not aligned with professional long term projections such as those from the OECD (It was 1.5% overall in 2017 and estimated by the OECD and others at between 1.1% to 1.2% in 2018 & 2019), however some responses welcomed an overtly ambitious target
- Inclusive growth not fully embedded in the document despite the ambition for it;
- The objectives fail to include reducing inequalities – too focussed on science / technology jobs largely filled by men;
- The demographics of the SW are less conducive to growth than elsewhere, fewer younger qualified persons and more elderly and infirm;
- Such rapid growth could create much increased housing prices with a bubble effect that might burst destructively;
- The level of investment needed from external sources is likely to be unachievable;
- The objectives appear to ignore areas such as the care industry, tourism etc.;
- The measures to gauge success are poorly defined and based on too few factors – setting targets properly is essential and should include factors such as health and wellbeing and demographics;
- Relying on local politicians / councils to have the competence, leadership and moral backbone to drive the changes is overly ambitious;
- There is no indicative budget, no specific actions to be taken and no defined performance indicators.
- The structuring of what it was hoped to achieve and the reasons for doing so were not explicitly set out nor how the separate strategies meshed together;
- There is a conflation of “increased productivity”, “better quality of life”, and “long-term wellbeing” whereby the terms are used interchangeably although they have very different meanings;
- Increased GDP, the stated aim of the strategy, does not necessarily make life better for residents – much depends on the factors which are involved;
- Too many areas are left out of the Strategy, such as bio-sciences (driven in part by Exeter University), rural productivity, hospitality and tourism, which are known to be key factors in the South West’s economy;
- Where detail is given there is a concentration on the urban areas rather than the wider South West.

Strategic Objectives

Q2 How strongly do you agree that these are the right areas of focus to raise productivity?

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	No response
Leadership and Knowledge	19	26	8	4	0	1
Connectivity and Infrastructure	36	17	4	0	0	1
Working and Learning	23	27	6	1	0	1

Leadership and Knowledge

Q3 How important do you think the following actions are for raising productivity in our area?

	Not important	Important	Essential	No response
Bespoke management programme	14	32	6	6
Golden opportunities sector programme	5	34	12	7
Foresight Network	11	31	7	9
Networks and clusters for accelerating innovation	2	29	22	5
Prepare for opportunities around data analytics, AI and the Internet of Things	2	26	24	6
Strengthen innovation and business connections	0	21	32	5
Access to finance	1	26	27	4
Market the region's special benefits to attract new talent	3	16	35	4
Market the region's unique business opportunities to attract new investment	4	14	35	5

Q4 What more can be done in this area?

There were 35 responses that made suggestions either for improvements or noting areas where respondents viewed the Strategy as having little current coverage. Points include:

- Working to a shorter time frame like a rolling 5-year plan;
- Concentrate on infrastructure (roads, rail and communications) to facilitate business expansion instead of trying to "pick winners" from businesses;
- More emphasis to be placed on matters not covered such as:
  - Agriculture;
  - Tourism;
  - The care industry;
  - Social enterprises;
  - Alternative / green / renewable energy;
  - Environmental protection;

- The better living environment.

- Suggested that the public sector should only create the environment / conditions for growth but other than that keep out of business' way.
- The financial advantages to businesses of workplace health and well-being;
- The actions outlined need to be described more clearly so as to bring out their worth and effectiveness in more compelling ways, thereby increasing opportunities for funding;
- Those leading and driving the Strategy should not be unduly constrained by the "golden opportunities" as they are but work to develop additional ones which create inclusive growth by acknowledging the potential of missing areas such as tourism, heritage sites, creative arts and rural agricultural development and building on the GeoPark status;
- Consideration of overseas direct investment and more local assistance to proactively support areas of potential growth.

Disagreement with the Strategy existed with respect to Bespoke Management Programs and the Foresight Network. In both cases, respondents were highly critical of the capacity of the partners to do better than those actively engaged in business and pointed out the difficulties of predicting which areas might generate the greatest future growth.

Connectivity and Infrastructure

Q5 How important do you think the following actions are for raising productivity in our area?

	Not important	Important	Essential	No response
New partnerships to deliver smart grid and energy storage	6	32	15	5
Capacity, resilience and usability of major road and rail networks	0	15	40	3
Infrastructure for electric and autonomous vehicles	9	30	14	5
Connecting places and opportunity across a dispersed geography	2	19	32	5
Infrastructure Commission	12	23	17	6
100% superfast broadband and 4G coverage	1	9	45	3
Leapfrog broadband speeds and bandwidth	2	16	32	8
Future proof new developments	6	20	24	8
Expand the Enterprise Zone concept across coastal and rural areas	10	18	26	4
Develop key sites to support the golden opportunities	7	30	16	5
Support the release of public land for business needs	14	24	15	5
Develop pilot schemes for green spaces	10	31	11	6
Flexible funding for accelerated housing delivery	12	26	15	5

Create shared vision and methodology for using natural capital stocks and flows	15	22	15	6

Q6 What more can be done in this area?

There were 31 responses with suggestions. These covered:

- Clear demand for universal broadband coverage, and also mobile coverage with 4G as the minimum, preferably 5G;
- Connectivity in the physical sense, better road & rail plus public transport. The point is made that these have been "on the agenda" for many years and will require great efforts to get them moving;
- Water provision & supply (costs);
- Improving urban congestion;
- Protection of green spaces;
- Concerns over peripherality (eg northern Devon) and role of market towns in delivering growth / being attractive to businesses and entrepreneurs;
- Making sure that deals with outside enterprises are not at the expense of the partners to the Strategy. Things like the Private Finance Initiative show how badly and expensively things can go wrong.
- That Okehampton and the catchment area between it and Exeter were not covered;
- That connectivity could very positively impact those with mobility or related health issues by enabling home working via tele-commuting;
- Connectivity involving air transport was not raised but could enhance the desirability of regional development hubs by effectively bringing them "closer" to other regions of the UK;
- The advantages of a Coastal Enterprise Zone had not been covered but that this could have very real and tangible benefits given the size and nature of the south west coastline;
- That the improvements to connectivity (of all types) needed to be sustainable and resilient – outages in communications, rail or road travel have detrimental effects on how the region is perceived and thus on the outcome of future investment decisions

Disagreement covered the extent of the matters not dealt with such as:

- The ongoing lack of success with regard to better road and rail links;
- Sources of investment;
- Lack of proven capabilities among the partners to handle a project of this magnitude;
- That there were few, if any, safeguards to protect the environment and natural capital of the region that formed the foundation for the tourism industry.

Working & Learning

Q7 How important do you think the following actions are for raising productivity in our area?

	Not important	Important	Essential	No response
Higher level skills	0	25	30	3
Skills Taskforce	12	24	13	9
Maximise the potential of apprenticeships	4	28	21	5
Strengthen and streamline the provision of careers information, advice and guidance and HE/FE/school integration	3	28	23	4
Employment support	4	34	15	5
Centres of excellence for English, Maths and digital literacy	9	29	15	5
Establish centres of excellence and technology institutes for sector skills	2	23	29	4
Capital renewal fund	9	27	12	10

Q8 What more can be done in this area?

This generated 25 responses which covered:

- Education, skills and training: clear and strong priorities for respondents;
- Improvements to the School funding formula;
- Addressing inequalities in gender related pay;
- Scaling back on austerity measures;
- Balancing increased education with increased job opportunities to avoid a “brain drain” out of the SW;
- Including improvements to Primary and Secondary Schools so that pupils are better prepared for higher education;
- Increased, and better, Vocational Training.
- Increasing the level of support into work for those with health issues, physical and mental, would be of great financial benefit because of the switch from them being unemployed to employed. Likewise increased health and wellbeing in the workplace could result in great productivity. (Points raised by DWP although some academics and disabled persons organisations have disagreed with their analysis and the conclusions that they drew from it);
- Meaningful work and purpose-driven businesses become more productive so the partnership has the opportunity to build these features into its aims;
- Examining, and if needed changing, the mix of vocational and academic training up to higher levels to feed into the future needs of expanding businesses – targeted bursaries could assist in that;
- Changing perceptions of the tourism and hospitality industries to make them more attractive as these areas have strong prospects for growth and could absorb many locally qualified young persons. Similarly the construction industry as more housebuilding will be required for an expanding population;

Disagreement was in two areas, the skills taskforce and centres for excellence. The main points made were that councils had a poor record for developing skills and that the centres for excellence / skills agenda need to be integrated with downstream business needs or the result could be that even more well-qualified young persons leave the region for better prospects elsewhere.

Principles

Q9 Inclusive growth – Do you feel there is anything missing from our Productivity Strategy which can help deliver this for the area?

This received 42 responses, again with most covering multiple areas. Matters that were mentioned included:

- "Good" growth, not just growth;
- Ensuring a solid background of empirical evidence and sound statistics so as to do things that "work";
- Supporting social enterprises, the rural economy, the local artists, tourism, retail and health care;
- Address the potential for social enterprise to improve matters;
- Improved public transport and road / rail infrastructure;
- Better partnership working across borders;
- Demography (aging population) presents a risk as well as an opportunity;
- Strategies to support women, the elderly and disabled persons, plus wider help for disadvantaged children such as universal free school meals;
- That the Partnership behind the Strategy would not have any influence over wage levels whatever the scale of its investment. With high regional unemployment wages might not rise as intended while any increased profits that resulted for businesses could well be moved out of the SW;
- Making sure there are good Key Performance Indicators to monitor progress and gauge success as it happens.
- Need for rural productivity focus;
- Metrics must be appropriate and support inclusive growth (need for an additional business case on page 30?);
- No mention of social mobility, however it is implicit in many responses and none of the respondents disagreed with the ambition to deliver inclusive growth.
- Making the Strategy more inclusive so as to cover rural areas with low connectivity and skills and with plans for the inclusion of better skills progression for those from disadvantaged backgrounds;
- Making inclusive growth one of the strategic priorities and defining it to include poverty, well-being, the environment and more. Reference is made to the work of the Joseph Rowntree Trust, RSA and CLES as well as the UN Sustainable Development Goals and the OECD among others;
- Building the cross-cutting objectives more coherently into the Strategy as well as the "drivers" that are described;
- That biosciences are not adequately represented in the Strategy, nor is a compelling case made for environmental improvements or resource efficiency;

- Looking beyond the major towns (Exeter, Plymouth and Taunton) and at the prospects for economic growth outside these limited areas in places such as the coastal regions and away from the A38/M5 corridor;
- Adding to earlier responses fuller details are given regarding the financial contribution to the regional economy from Heritage / Tourism and the number of jobs these support - matters not included in the Strategy;
- That initial support for businesses, which is covered, needs to be supplemented by aftercare that will facilitate sustainable expansion and that internationalisation of businesses also needs to be addressed.

Disagreement with the Strategy as presently set out was strongest in the areas of the potential availability of funds to implement all of the different aspects. This was not expected to be forthcoming in which case prioritisation would be required and it was not an area presently addressed. There was also disagreement regarding the degree to which the strategy took account of the economics of development, that it lacked sufficient empirical evidence to support it and that even the calculations as to the necessary year-on-year rate of growth that was a pre-requisite contained serious errors.

Also deemed to be missing were:

- The future costs of social care which are already projected to increase significantly over the 25 years;
- Elements in support of women and disabled people;
- Sound statistics to demonstrate the viability of the Strategy;
- A program for accountability;
- Defined measures to validate the degree to which it is successful.

Q10 Golden Opportunities – What more can be done in these areas?

There were 35 responses covering a wide range of suggestions. Matters covered included:

- The Strategy should think about creating an environment new, as yet unknown sectors and concepts to flourish;
- Better and more understandable definitions of the aims and objectives;
- Boosting high value health & care for the elderly;
- Little said about the health and care golden opportunity;
- Attracting more high value tourism;
- Concentrate on sustainability not short term, one-off gains;
- Re-examine the “golden opportunities” in terms of the risks inherent in their business functions / models and their high sensitivity to legislative and political changes as well as alterations in government policies & priorities -are they genuinely sustainable;
- Improve university / business links for implementation of advances;
- Address the demographic challenges which come from a population with more aged persons and high outward migration of young adults;
- Look at boosting coastal / marine industries, commercial and leisure fishing, fish & oyster farming, sailing, boat building / maintenance, wave technology and wind farms.
- The need to plan ahead so that increased education opportunities met up-coming business needs;

- A considered strategy to increase the attractiveness of the region to professionals that would counter the present low wages and high property prices;
- A more definitive exposition of how the “golden opportunities” would be taken forwards;
- Analysis of how collaborative functionality across the “golden opportunities” could help;
- Deeper data analytics to inform the Strategy.

Disagreements were largely in respect of those matters that it was thought had either been left out or covered in insufficient detail. These are covered in the new and previous responses covered above.

Q11 Natural Capital - How do you feel we can make the most of our natural capital to contribute to the goal of raising productivity in the area?

This had 36 responses, some highly positive and detailed. The responses might usefully be considered verbatim alongside the Rural Productivity Commission report when completing the draft Strategy:

- Definition required of “natural capital”;
- Natural capital is a lifestyle draw and should be managed and marshalled sensitively;
- Improvements to tourism (detailed response provided to this);
- Inclusive growth;
- Sustainable development;
- Renewable energy;
- Keeping green spaces / parks unspoilt by developments as they are what people value and come to see;
- Boosts to Agricultural Technology and production methods.
- Evaluating and clearly defining what constitutes our natural capital and ensuring that it is consistently described and valued as an asset rather than a constraint;
- The engagement of environmental specialists from the start so that the value of that natural capital is preserved, or preferably, enhanced;
- By placing emphasis, currently missing, on the fact that we have many areas of outstanding natural beauty and nature parks as well as a UNESCO GeoPark;
- By planning ahead to incorporate and align the HoSW Strategy with any relevant parts of the forthcoming Resource and Waste Strategy from the government.

Disagreements were again largely in respect of those matters that it was thought had either been left out or covered in insufficient detail. These are covered in the suggestions made in the new and previous responses covered above which, in addition to being suggestions, also queried why the points had not been included already.

Q12 Digital Opportunity - Do you feel that there are any other actions we can identify which will help us make the most of the digital opportunity in the Heart of the South West?

This had 33 responses, most quite brief. They touched on:

- Improving digital infrastructure is by far and away the strongest issue and top priority to most respondents – typified by the statement suggesting we don’t need to consult on this: “just get on with it”;

- Site provision for business expansion – to have it ready for when it is needed to avoid development delays;
- Digital connectivity;
- Avoiding potentially expensive past mistakes like PFI;
- Understanding that, if the growth targets are approached or met, there can be a serious downside like rises in house values because of limited supply that price young local residents out of the market;
- Ensuring that funding and assistance to businesses is done with demonstrable integrity.

Details of respondents

Survey completed:	Number	%
On a personal basis as an individual	25	43.1%
On a personal basis, but as an employee of a particular organisation or business	14	24.1%
As an authorised representative of a particular organisation or business	18	31.0%
No response	1	1.7%
Total	**58**	**100%**

Location	Number	Location	Number
EX1/EX2/ERX3/EX4 – Exeter	7	TA4 – Bicknoller	1
EX6 – Exminster	1	TA21 – Wellington	1
EX7 – Dawlish	1	TA23 – Watchet	2
EX10 – Sidmouth	2	BA4 – Shepton Mallet	1
EX15 – Cullumpton	1	BA5 – Wells	1
EX16 – Tiverton	3	BA11 – Frome	1
EX20 – Okehampton	1	BS28 – Wedmore	1
EX21 – Beaworthy	1	TQ1/TQ2 - Torquay	5
EX31/EX32 – Barnstaple	3	TQ5 – Brixham	1
EX35 – Lynmouth	1	TQ7 - Kingsbridge	2
PL1/PL2/PL3/PL4 – Plymouth	8	TQ9 - Totnes	1
PL8 – Brixton	1	TQ12/TQ13 - Newton Abbot	2

Appendix 1 to this report sets out the businesses and organisations who responded to the online consultation (as well as those organisations who submitted written representations).

Of those 25 individuals:

Status	Number
Working Full-Time (30 hours plus per week)	11
Working Part-Time (Under 30 hours per week)	2
Wholly retired from work	3
Unemployed and available for work	0
Permanently sick / disabled	0
On a government supported training programme (e.g. Modern Apprenticeship)	0
Self-employed full or part time	6
Full time education at school, college or university	0
Looking after the home	0
Carer	0
Other (text)	3
Total	25

	Number
Male	14
Female	10
Prefer not to say	1
Total	25

Disability	Number
Yes	2
No	23
Total	20

Age Group	Number
16 to 24	0
25 to 34	1
35 to 44	6
45 to 54	6
55 to 64	7
65 to 74	4
75 +	1
Total	25

Ethnicity	Number
White	19
Mixed race	0
Asian or Asian British	0
Black or Black British	0
Chinese	0
Other	0
Prefer not to say	0
No response	1
Total	20

Written Representations

Introduction

Written representations were invited either as well or instead of completion of the online questionnaire. 34 were received and the names of the businesses and organisations who submitted responses are set out in Appendix 1.

An interim report was prepared based on the responses received up to 29 November 2017 – the additional findings since that report was produced are shown in blue for ease of reference.

Findings

Editorial points:

- The document needs to avoid the use of jargon, in particular acronyms (e.g. SME and CAP)
- There is too much repetition of key themes which overwhelms and leads to disengagement
- Document is not dynamic or imaginative, it needs to be future focused and forward looking
- Tone of the document needs to be more positive, aspirational and exciting
- Golden Opportunities need to be more clearly defined
- Document gives the sense that we are playing "catch-up" rather than "stepping up to the next level"
- We need to sell ourselves as well as show where we are being held back
- Unclear what the term "pilot schemes for green spaces" entails
- Unclear what the Strategy means by "rural productivity" and this needs to be clarified
- Clearer understanding of what "natural capital" means
- The document is very generic – specific areas within HotSW cannot be recognised and neither can the Heart of the South West – differentiate the HotSW offer from other UK destinations
- Clarity needed around how it joins up with other strategies – what is its place in the wider picture?
- What is the Strategy's relationship with Government plans, local plans, neighbourhood plans, STPs etc
- Strategy needs to be closely aligned to the local plans
- The map doesn't accurately reflect the transport network including the inter-relationship between railway stations and roads
- Strategy needs to better consider its audience and speak with greater confidence - unlcear who the audience is
- Need absolute clarity about the status and purpose of the strategy and how it fits into a suite of documents
- Use of infographics will make it more accessible and reduce the length of the Strategy
- Consideration to be given to whether to reorganise the Strategy into the five Industrial Strategy headings
- Review the future inclusion of the various maps which can be seen as misleading

Gaps

- Does not reflect the ambitions for growth around Exeter and the M5 corridor [alongside a number of comments that it is too focused on the M5/A38 Corridor and Exeter, Plymouth and Taunton]
- Need to create a vibrant rural economy and keep our villages alive (Rural Enterprise Zones)
- No recognition of the need for coastal growth (Coastal Enterprise Zones)
- Recognise that regulators have a role to play in navigating barriers alongside businesses – not just to be perceived as a barrier
- Quality and investment in the public realm, especially small green spaces in our towns
- Insufficient attention to the differences between areas, pay and opportunities
- Currently too urban centric – market towns and hinterlands are missing, rural issues need to be weaved through the whole document
- There needs to be continued support for the existing large markets in the SW (e.g. tourism, food and drink, agriculture, health and care) – Tourism Zone
- Potential for a further cross cutting theme of "sustainability"
- The scale of resources required to deliver the Strategy are not referenced
- Creative arts are of growing significance

- Fails to recognise an opportunity for SME development in the creative industries
- Market towns characterise the HotSW more than any single sector or urban area – potential for high value, high growth, better environments
- Need to work across the boundaries set by the LEP areas – recognise that Functional Economic Areas do not conform to political boundaries
- Need to be alert to future opportunities
- Culture and heritage are important
- Unconvincing on the need for trans-generational investment innovation within the education continuum
- Lacks detail and does not reflect the aspirations of Torbay
- There needs to be greater emphasis on the unique and quite remarkable contribution that this region does play for the country as a whole

Vision

- Extremely ambitious but welcome
- Target and methodology behind it is confusing – is it accurate?
- Need to look to close the gaps in productivity
- Need to define the ambition more clearly – what will successful delivery of the Strategy look like?
- Strategy should focus on four big challenges
- Lacks any real evidential base and analytical thought
- Is relatively generic and doesn't differentiate the area's growth strategy from other competing regions
- Better synergy required between the vision and the objectives
- No explanation of why the ambition to double the economy has been set or what the implications of this will be

Cross Cutting Themes

- Not clear how the cross cutting themes are taken through the rest of the Strategy

Inclusive Growth

- Express more strongly how inclusive growth runs through the whole strategy
- Inclusive growth and social enterprising approaches as a Golden Opportunity
- Targeted intervention for those hardest to reach facing multi-generational issues/barriers

Golden Opportunities

- Growth to be shared throughout the region
- Focus on improving connectivity in rural areas is key
- Need to recognise the supply chain for the golden opportunities
- We should make the most efficient use of existing and planned strategic infrastructure
- Natural capital should be included as a Golden Opportunity as it is our USP
- Need a better description of the golden opportunities - possible renaming them "transformational opportunities"

Natural Capital

- Still weak on its statements about natural capital – it has an economic value in its own right
- One of the major selling points of the region to the rest of the UK
- How can we sensitively commercialise natural capital
- Green Space and Blue Space
- Natural capital recognised in the context of economic growth but the Strategy does not fully recognise the range of ecosystem services which the natural environment provides
- Little reference to how farming, agriculture and forestry will be supported
- Aspiration for natural capital to be a cross cutting theme has not been met

- “Natural Capital Advocacy” document being prepared - trail blaze a natural capital approach to productivity in the area
- Natural capital not just about tourism - Strategy underplays the importance of natural capital
- Marine issues largely ignored in the Strategy - marine/blue sector should be strengthened throughout the document
- Our natural capital a focus for leisure activities and the tourism industry it has an economic value in its own right

Using Digital Technology

- Should include promoting technological innovation

Strategic Objectives

Leadership and Knowledge

- Insufficient focus on micro businesses and self employed
- Strong support for business-business mentoring
- Position science parks as “anchor points” and create “centres of excellence” for technology – landmark investments as a catalyst for wider change
- Seasonality needs to be addressed
- Missing appropriate hooks to support businesses through investing in capital infrastructure and R&D

Connectivity and Infrastructure

- Highway infrastructure is a major barrier and has been ignored
- Infrastructure and connectivity are a massive issue in rural areas
- Little mention of housing and the affordability of housing
- Road and rail challenges still remain
- Connectivity around the area are as important as links to London and Birmingham
- Transport connections between rural and urban areas
- Emphasise the connectivity we already have – don’t forget Exeter and Bristol airports
- Connectivity and infrastructure is the key element
- Rural economy has the most to gain from a step-change in achievable broadband speeds
- Ensuring 100% superfast broadband and 4G coverage is the fundamental issue
- Future proofing new development
- Clean energy infrastructure
- School places to be included
- Broadband is the critical part of the infrastructure
- Digital and mobile connectivity are incredibly important
- Affordable public transport
- Actions don’t seek to provide a competitive advantage merely to level the playing field
- Need to clearly demostrate the impact of investing in infrastrure to bring us to the level playing field
- Blue infrastructure could be highlighted more
- Exeter Airport and Flybe not mentioned within the Strategy and their impact on Greater Exeter is phenomenal

Working and Learning

- Recognition needed that self-employed, micro and SMEs have difficulty creating time and space for learning and skills
- Importance of adult skills
- Focus on young people who don’t go to university
- Implications of an ageing population and increasing retirement ages

- Aims expressed are good but a little bit “motherhood and apple pie”
- Flexible funding required to tailor provision to demand
- Apprenticeships have potential for all ages
- Wider health agenda is important to help over 60s continue to work
- Raising aspirations of young residents
- 18-30 brain drain is a key challenge
- R&D should be a means to driving innovation
- Value of clustering innovation is understated
- Describe more clearly where R&D and Innovation site
- Important to support primary and secondary education providers
- Greater future proofing of skills
- Work between schools and businesses needs to be developed and supported further

Leadership and Delivery

- How can Towns and Parishes be represented – towns and parishes can be part of the solution
- Social enterprise can actively contribute to inclusive growth
- Effective communication across sectors, organisations and authorities will be key in achieving the overall growth target.
- Area and the document appear to lack strong leadership
- Needs a greater degree of business engagement

LEP Conversations

Background

The LEP hosted one social enterprise event (24 October 2017) and two with businesses (20 and 22 November 2017), in conjunction with Devon Chambers and the Federation of Small Businesses. Each event asked participants to test the delivery actions in the draft Strategy and, in the case of the social enterprise event, to provide more feedback on the proposed inclusive growth approach and ways of measuring this. Points from the sessions are set out below; some feedback reinforced the existing messages in the Strategy, e.g. the need for resilient road and rail network. The ones below highlight a difference of emphasis versus what has already been published.

Feedback

Broadly, there were no "show-stoppers" highlighted. The Strategy is on the right track and a lot of what was discussed is already in the document, even if it has been missed. Certain key themes/ priorities came forward which may affect their relative weighting in the final Strategy.

General

- Feeling that the tone of the document needs to be more positive, aspirational and exciting.
- Presentationally it needs to recognise that ownership by business is key, that business isn't being 'done to'; the partnership is working hard to enable business productivity growth.
- Golden Opportunities ought to be more clearly defined – potentially a clear leader for each of them identified.
- Need to ensure we are alert to future opportunities as well, not just today's.
- Presentational concern that Working & Learning strongly overlaps with Leadership & Knowledge; more general question of how to present the three areas as working together and linking?
- Understand how natural capital contributes to Productivity and provide some evidence for example as in the document.
- Retention of people and attracting new people seen as important; how to retain younger people given the draw of large metropolitan areas? What are our USPs here. Or do we accept Bristol etc will always attract the young to a certain extent and instead focus on the 30+ age groups who already are drawn to the area, its environment etc.

Connectivity & Infrastructure

- Very clear message that broadband infrastructure and utilisation is the <u>absolute priority,</u> across all geographies and the three objectives in the Strategy. 4G and superfast is now but we need to be looking beyond that to future speeds.
- Need to consider using planning obligations, e.g. automatically installing in new business parks/ developments (includes mobile as well)
- Poor airport connectivity needs to be recognised
- Idea of network of workhubs across the area, connecting disparate businesses to knowledge, networking, support, superfast etc.
- A sense that overall, this looks like the area is in catch-up mode rather than stepping up to the next level.

Leadership & Knowledge

- Strong support for business-business mentoring & facilitating better connections between businesses helping motivation & ambition, staff swaps, connections with universities/ colleges. Innovation hubs/

enterprise centre networks a role to play in this. Could act as a delivery platform for other activity down the line
- Potential to position Science Parks as 'anchor points' for retaining graduates/ younger people. How to better connect these with the wider HotSW geography and the point above?
- Similarly, there may be an opportunity to create a 'centre of excellence' for technology. The issue is broadly the same – how to use landmark investments as a catalyst for wider change?
- Leadership – Wiltshire have an enterprise champion/ 'czar'; is there the possibility of this sort of role within HotSW?
- Make it easier for business to ask about anything at all – in the structure that they want – rather than prescriptive methods of business support already provided.
- Business escalator: how to support businesses to grow in a structured way? E.g. Ireland has long term business support with different help available at different thresholds. Businesses know that if they reach a certain level and specific amount of support will be available there so can commit themselves in advance knowing that.

Working & Learning
- Key demand for flexible funding to allow provision to be tailored to what is needed. Currently the funding is driving provision rather than demand
- Strong view that no job is for life so enabling lifelong learning is a critical strand. Especially applies to digital as this is moving so fast
- Apprenticeships have potential for all ages though branding and perception is not aspirational. An apprenticeship model may not be appropriate for older workers as 20% off-the-job requirement is a big ask. No clear solution here but identifying what older workers need a key theme, and then matching funding to that. Apprenticeships seen as an input – what is the outcome we are looking to achieve?
- With an older workforce/ higher retirees, is there the potential to use that experience, e.g. mentors/ lecturers/ coaches
- Wider health support agenda important to help over 60s continue to work
- Where new HE provision is to be considered, e.g. Somerset, feeling that this should be linked to sectoral priorities rather than a HEI for its own sake
- Training 'centres of excellence' could catalyse workforce development.

Inclusive Growth
Strong support for the definition proposed and the group was pleased on the emphasis on this in the Strategy. Feedback

- Could express more strongly how inclusive growth runs through the other significant areas/ opportunities in the Strategy. In this, set an overarching goal to sit alongside the goals around doubling the economy. This is to "halve the gap between the bottom 20% of earners and the top 20% earners by 2036". To align this with the way the other two goals are expressed it would be ideal to be able to add numbers and these need sense checking for realism.
- Request to add inclusive growth and socially enterprising approaches as a Golden Opportunity. Social enterprise as a model can contribute actively to inclusive growth, e.g. more social enterprises were seen as positive as their pay differential tends to be lower, or social enterprises could act as role models for inclusive growth.
- Add a case for inclusive growth to the "5 cases for action" listed on p30.
- Measurement: agreement that there were headline indicators to track: income differential between top 20% and bottom 20% and level and level of economic inactivity.

LEP Annual Conference

Background

The Heart of the South West Local Enterprise Partnership Conference and Annual General Meeting was held on 10 November 2017 at Somerset Cricket Club. Over 300 delegates from across Devon, Plymouth, Somerset and Torbay attended. Delegates heard an update on the Heart of the South West Productivity Strategy in which all the councils in the HotSW area, the LEP, the two National Park Authorities and the three Clinical Commissioning Groups, are working in partnership.

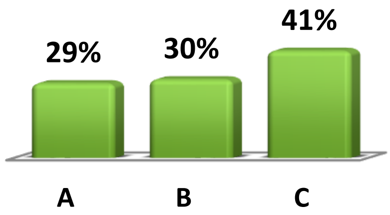
Businesses and stakeholders are invited to make their responses to this draft strategy during the consultation period which is open until the end of this month.

As part of the conference a series of questions were asked including around the draft Productivity Strategy and the Government's Industrial Strategy.

Results

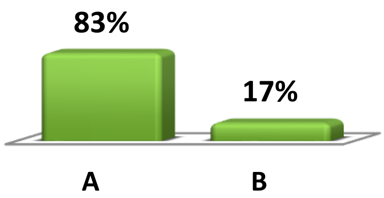
Of the three objectives within the Productivity Strategy, which would you say is the most important?

A	Leadership & knowledge with SMEs	58	29%
B	Working & learning	61	30%
C	Connectivity & infrastructure	83	41%
		202	**100%**



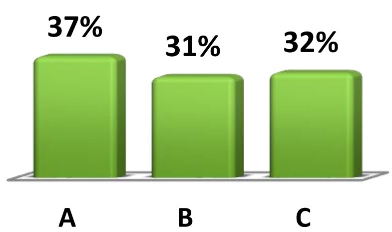
Do you agree that inclusive growth is a critical measure of the success of the Strategy?

A	Yes	170	83%
B	No	36	17%
		206	**100%**



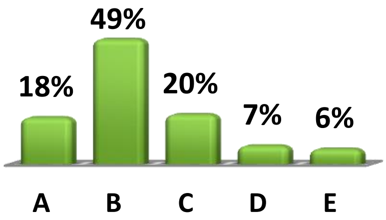
Does the Strategy set an appropriate balance between an ambitious yet realistic goal – to double the size of our economy by 2036?

A	I feel the balance is right	30	37%
B	I feel the Strategy is not ambitious enough	25	31%
C	I feel the Strategy is too ambitious	26	32%
		81	**100%**



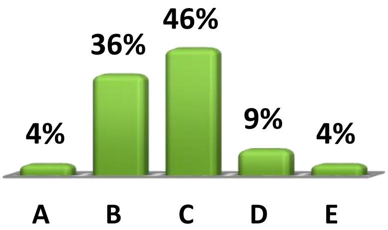
Is the theme, Leadership and Knowledge, the right area of focus?

A	Strongly agree	15	18%
B	Agree	40	49%
C	Neither agree nor disagree	16	20%
D	Disagree	6	7%
E	Strongly disagree	5	6%
		82	**100%**



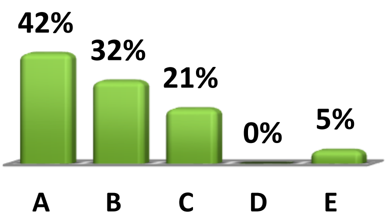
Is the programme the right one to guide the detailed work in the coming years?

A	Strongly agree	3	4%
B	Agree	27	36%
C	Neither agree nor disagree	34	46%
D	Disagree	7	9%
E	Strongly disagree	3	4%
		74	**100%**



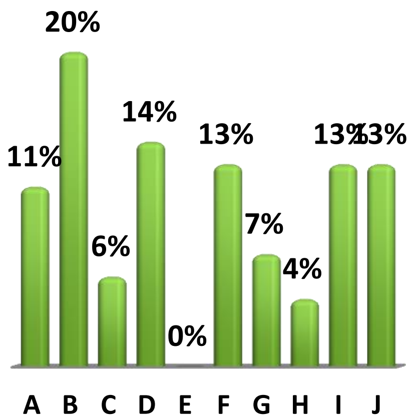
How important are these programmes in raising productivity in our area?

A	Very important	8	42%
B	Important	6	32%
C	Neither important nor unimportant	4	21%
D	Unimportant	0	0%
E	Very unimportant	1	5%
		19	**100%**



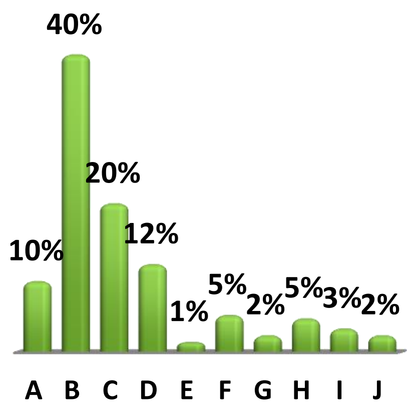
Which of the following actions are most important for raising productivity in our area?

A	Bespoke management programme	8	11%
B	'Super-charged' Growth Hub – enterprise, export, scale-ups, digital	14	20%
C	Golden opportunities sector programme	4	6%
D	Networks and clusters for accelerating innovation	10	14%
E	Foresight Network	0	0%
F	Strengthen innovation and business connections	9	13%
G	Access to finance	5	7%
H	Market the region's special benefits to attract new talent	3	4%
I	Market the region's unique business opportunities to attract new investment	9	13%
J	Prepare for opportunities around data analytics, AI and the Internet of Things	9	13%
		71	**100%**



Which pillar in the Industrial Strategy is the most important to productivity & prosperity in HotSW?

A	Investing in science, research & innovation	21	10%
B	Developing skills	88	40%
C	Upgrading infrastructure	44	20%
D	Supporting businesses to start & grow	26	12%
E	Improving procurement	3	1%
F	Encouraging trade & inward investment	11	5%
G	Delivering affordable energy & clean growth	5	2%
H	Cultivating world-leading sectors	10	5%
I	Driving growth across the whole country	7	3%
J	Creating the right local institutions	5	2%
		220	**100%**



Engagement Events

Introduction

A number of engagement events were held during the consultation period:

Portfolio Holders within each Devon and Somerset local authority – 7 November 2017

Devon Association of Local Councils and Somerset Association of Local Councils – 21 November 2017

Torbay – 20 November 2017

Northern Devon – 28 November 2017

Western Somerset – 29 November 2017

Eastern Somerset – 24 November 2017

Plymouth and South West Devon – 23 November 2017

Exeter and East Devon – 21 November 2017

These were each promoted by local authorities to their businesses, business representative organisations, town and parish councils and other stakeholders.

Findings

Overall there was support for an ambitious Productivity Strategy. However, there was clear feedback that the Strategy needs to be bespoke for the Heart of the South West. It also needs to be aspirational, selling the unique qualities of the region – the draft version felt quite negative in outlook.

The different elements of the Heart of the South West – in terms of locations and sectors – should be recognisable within the Strategy. There were concerns that it didn't reflect the more rural areas of the region or adequately reflect the existing plans in the bigger centres.

The views expressed at the portfolio holder and regional events mirrored that of the overall consultation:

- Connectivity and infrastructure was identified as the critical issue
- Need to keep young people in the region – through education and skills, apprenticeships and graduate programmes
- Market towns have a role to play as sustainable economic solutions
- More prominence for the rural community and the role it (and agriculture) can play in increasing productivity
- Recognition of the needs of micro, small and medium sized businesses
- Better explanations of "inclusive growth" and "natural capital" and how these themes can be addressed throughout the entire Strategy
- Need to ensure join up with local and neighbourhood plans

Appendix 1: Organisations responding to the consultation

Online questionnaire	Written representations
Barnstaple Town Council	Brixham Town Council
Bay Photonics ltd	Crediton Town Council
Bishop Fleming Chartered Accountants (and Torbay Business Forum and English Riviera BID Company)	Dartmoor and Exmoor National Park Authorities
Country Sporting Experience Ltd	Devon Chamber of Commerce
Department for Work and Pensions and Public Health England (Joint response)	Devon County Council
Destination Plymouth Ltd.	Devon Local Nature Partnership and the South West Partnership for Environment and Economic Prosperity
Devon County Council Waste Management Team and Ecowaste4food project.	Devon Wildlife Trust
ESSENCE - Exeter's Social Enterprise Network	East Devon Alliance
Exeter Pound CIC	East Devon District Council
Harmonic Ltd	Exeter & the Heart of Devon Economic Partnership
Iridescent Ideas CIC	Exeter City Council (including businesses)
Lynton & Barnstaple Railway	Fremington Parish Council
Newton Abbot Town Council	Friends Life Limited
National Farmers Union	Frome & District Chamber of Commerce
Optimise4 Ltd	Heart of the South West Better Business for All Partnership
Plymouth City Council	HotSW LEP Business Leadership Group
Plymouth University Business School	Ivybridge Town Council
Real Ideas Organisation	Member of West Devon Borough Council
S Barrett Consulting	Mid Devon District Council
Smart Outcomes Limited	North Devon Council
South West Manufacturing Advisory Service (SWMAS Ltd)	Okehampton Town Council
South West Water Limited	OkeRail Forum
Teignbridge District Council	Onion Collective CIC
The SQL Workshop Ltd	Petroc College
Torbay Council	Plymouth City Council
TTA	Plymouth College of Art
West Devon BIP Ltd	Plymouth Social Enterprise Network
	Sedgemoor District Council
	Somerset County Council
	South Hams District Council and West Devon Borough Council
	Taunton Deane Borough Council
	Torbay Council
	West Somerset Council
	Woodland Trust