

**BRISTOL CITY COUNCIL
CABINET
4 MARCH 2014**

REPORT TITLE: West of England Local Enterprise Partnership Strategic Economic Plan

Ward(s) affected by this report: All

Strategic Director: Neil Taylor, Interim Strategic Director, Place

Report author: Zoe Willcox, Service Director, Planning & Sustainable Dev.

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Purpose of the report:

1. Provide information on the background, consultation results and contents of the West of England Local Enterprise Partnership (LEP) Strategic Economic Plan (SEP).
2. Describe the Bristol City Council response to consultation on the draft.
3. Outline the next steps for the LEP following submission of the SEP to Government.

RECOMMENDATION for the Mayor's approval:

1. **Note the final corporate response to LEP consultation on the draft SEP**

The proposal:

1. The West of England Local Enterprise Partnership (LEP) is preparing to submit to Government its Strategic Economic Plan (SEP), by the end of March 2013. The SEP will be crucial in accessing the Local Growth Fund (LGF), through negotiation of a Growth Deal. The LEP is seeking up to £90 million per year over five years (2015-20).
2. Government have indicated that the negotiation of a Growth Deal will be a competitive process and the SEP will act as the bidding document for a slice of the £2bn a year LGF. Therefore, the SEP needs to be very focussed on specific interventions and activities that create economic growth in the long term. Our success at delivering our first year intervention programme (using the LGF) will impact on the amount of funding the LEP will receive in the next year. Government will assess SEPs on the basis of ambition and rationale for intervention in the local area, value for money, and delivery and risk.
3. The LEP began early engagement to inform the SEP in May 2013. This included undertaking over fifty qualitative research interviews with businesses, local authority officers, and further and higher education representatives on the strengths, weaknesses, threats and opportunities for growth in the West of England economy. Oxford Economics was also commissioned to provide a robust evidence base.

4. The LEP sector groups were also asked to identify a range of interventions that would create economic growth in the West of England. These interventions were subsequently scored against set criteria, such as the rationale for public intervention and evidence of a market failure, supporting a priority sector, impacts and benefits and strategic fit against the core objections set out in the document
5. The LEP's strategic approach is based on 'smart specialisation' which involves formulating an economic transformation agenda which builds upon and innovatively combines our existing strengths to deliver the best economic impact
6. The economic evidence base points to five key growth sectors (creative and digital media; advanced engineering and aerospace; high tech industries; low carbon industries; and professional and legal services) which are already embedded in the West of England economy and have the greatest potential for creating growth and jobs and in other sectors. This approach proposes to use these sectors where the West of England has a sustainable international comparative advantage to outperform the market as a whole in the medium to long term. These five sectors have all have experienced significant growth in the amount of GVA (gross value added) generated per FTE (full time equivalent) between 1998 and 2010.
7. These growth sectors will be supported by investing in the 'drivers for growth': skills, place and infrastructure, promotional activity and small and medium sized enterprise (SME) business support. The strategy also has a spatial focus – delivering growth in the Enterprise Zone and five Enterprise Areas.
8. It is important to note that the exclusion of other sectors or drivers for growth from this strategy does not mean they will not be supported by the LEP. The LEP will continue to support other sectors through work in SME business support, skills, infrastructure, and promotional activity.
9. A draft SEP was published on 16th December 2013, for consultation until 24th January 2014. The draft Executive Summary for that consultation is attached as Appendix A.
10. Bristol City Council's corporate response to the draft SEP was considered by the Executive Board on 21st January 2014 and submitted to the LEP on 24th January. The response is attached as Appendix B.
11. The consultation response highlighted the challenge of the SEP attempting to be both a 'bidding document' for the LGF and an overarching strategy for driving local growth over the next 15 years. We are suggesting that the SEP would be better placed to focus on accessing the LGF and that a full strategy be developed separately, allowing it to be more responsive to local conditions, concerns and ambitions.
12. Other points made in our response included calls for
 - a. Greater emphasis on addressing market failure and meeting community needs
 - b. Identification of the contribution to UK economy of reducing welfare spend as well as from economic growth
 - c. South Bristol to be added to the list of Priority Locations
 - d. Inclusion of Core Cities Proposals for Growth
 - e. Governance to be strengthened with a Strategic Leaders' Board
 - f. "Asks" of Govt. repositioned as Govt.'s contribution to joint enterprise

13. A revised version of the SEP, taking into account consultation responses, is not available at the time of drafting this report (29th January 2014), but it is hoped that it will be prior to the Cabinet Meeting on 4th March. Failing that, we hope to have a report on the result of the consultation exercise, indicating the amendments to be made to the SEP prior to submission.

Next Steps, SEP submission and onwards

- March 2014 Submission of SEP to Government
- June-July 2014 Confirmation of funding available to LEP
- July-Dec 2014 Programme based funding to be developed and agreed by LEP
- April 2015 Fund starts

Consultation and scrutiny input:

- a. **Internal consultation:** Bristol City Council's response to consultation on the draft SEP was compiled following consultation with members and a range of officers across the authority, culminating in a report to Executive Board on 21st January 2014. See Appendix B for the response submitted as a result.
- b. **External consultation:** Undertaken by the LEP, from 16th December 2013 to 24th January 2014. This was a well-publicised online consultation.

Other options considered:

- a. Not responding to the consultation – this was rejected as it would rule out a key opportunity to influence an important stage in developing the local economy and addressing some of the economic issues affecting Bristol.
- b. Relying on individual responses from officers and members, rather than compiling a corporate response – this was rejected as it would not achieve the impact and level of influence which could be expected of a more cohesive, comprehensive and collective response.

Risk management / assessment:

FIGURE 1							
The risks associated with the implementation of the (subject) decision :							
No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
	Threat to achievement of the key objectives of the report	Impact	Probability	Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation).	Impact	Probability	
1	SEP proposals prove unable to deliver employment and economic growth (GVA), or represent poor value for money	High	Medium	The LEP appointed KPMG to evaluate both the SEP proposal process and its contents, to ensure the final plan offers a robust methodology, value for money and the best possibility of delivering the jobs growth and GVA	High	Low	LEP
2	Funding secured is less than could be expected or desired.	High	Medium	Part of the purpose behind consultation has been to ensure that the SEP presents a compelling case to Govt.	Medium	Low	LEP

FIGURE 2**The risks associated with not implementing the (subject) decision:**

No.	RISK	INHERENT RISK		RISK CONTROL MEASURES	CURRENT RISK		RISK OWNER
		(Before controls)			(After controls)		
		Impact	Probability		Impact	Probability	
1	Threat to achievement of the key objectives of the report Should BCC not approve the SEP the submission to Govt. for funding using the LGF would be seriously undermined, as would be the prospects for future funding or flexibilities together with the potential for collaborative working across the LEP area.	High	High	Mitigation (ie controls) and Evaluation (ie effectiveness of mitigation). Explanation of SEP importance and benefits to Bristol, even in the case of a less than perfect SEP	High	Low	Zoe Willcox

Public sector equality duties:

An equalities impact assessment, if appropriate, would be the responsibility of the LEP.

Eco impact assessment

Similarly, an environmental impact assessment would be the responsibility of the LEP. The Sustainability City Group were included in the internal consultation to arrive at the corporate response, with their comments being integrated into that response.

Resource and legal implications:**Finance**

The SEP is in effect a bidding document to government for a share of the LGF. The LGF will fund the project 'interventions' agreed by the LEP Board. If funding is less than expected, the proposed project interventions will have to be scaled down or alternative funding sources found

Some of the interventions resulting from the SEP may require match-funding. It is not proposed that any match funding comes from Bristol City Council, other than existing funding already committed to West of England projects, such as Metrobus for example. However, if there are financial implications for Bristol City Council resulting from a project, these will be taken through standard Bristol Council procedures for formal project approval including approval of any financial implications or commitments

Advice given by Mark Taylor/Service Manager, Finance

Date 30th January 2014

Legal implications:

There are no legal obligations as this report is for information only.

Advice given by Liam Nevin/Service Director, Legal Services

Date 30th January 2014

Land / property implications:

Not applicable at this time

Human resources implications:

Not applicable at this time

Appendices:

Appendix 1 – Draft SEP Executive Summary

Appendix 2 – Bristol City Council SEP consultation response

EXECUTIVE SUMMARY

1.1 Background

Regional economies in England are competing for a slice of £2 billion pounds of Government funds for economic development, through their Local Enterprise Partnerships (LEPs). Each LEP is producing a Strategic Economic Plan (SEP), with the support of local businesses, authorities, and education and skills providers. Evidence-based plans need to identify the best way to create sustainable economic growth and jobs. Bold plans will identify distinctive, competitive, international opportunities, and build on a region's strengths.

Identifying the best strategy is only the start. It is crucial to demonstrate how real market failures can be addressed with inspiring interventions. This requires prioritisation and the creation of a flexible and scalable delivery plan, with projects that make a difference in the first year, and the tenth year. All aspects of the plan need to demonstrate value for money.

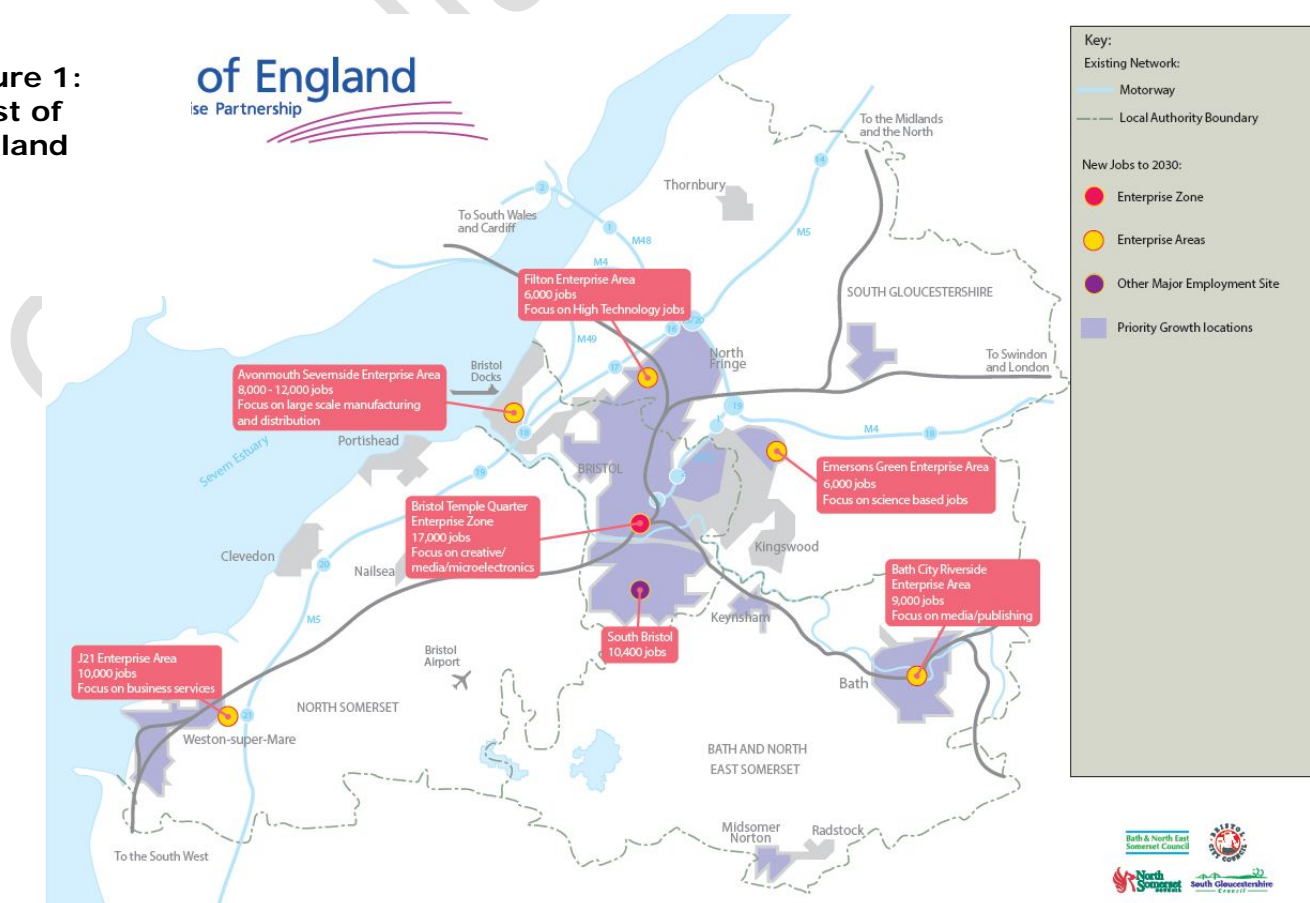
Partnership working throughout the regional economy is required. This goes beyond local government boundaries, involves business leaders and understands the role of schools, colleges and universities. The allocation of public funds needs to be open and transparent and the monitoring of results needs to be well designed and tight. Good governance will be evidenced by high levels of participation and consultation.

LEPs Strategic Economic Plans will be competitively assessed by the Government in 2014 as part of the negotiations on the Local Growth Fund.

The West of England LEP's Strategic Economic Plan

Our SEP has been developed through a combination of quantitative and qualitative evidence gathering, and sense-checking with hundreds of LEP participants, and a public consultation [16th December to 24th Jan 2014 <http://www.westofenglandlep.co.uk/>]. It builds on the region's rich heritage of international trade and knowledge, innovation in design and engineering, and builds on the quality of life provided to us by a strong cultural sector and the surrounding environment.

**Figure 1:
West of
England**



1.2 Introduction

The government has four aims to help the economy to grow: to create the most competitive tax system in the G20; to make the UK the best place in Europe to start, finance and grow a business; to encourage investment and exports as a route to a more balanced economy; and to create a more educated workforce that is the most flexible in Europe.

We note that the UK's eight core-city regions represent half the population and generate almost half the national economy, but control just 5% of tax revenue. We note the huge levels of investment made in London over the last three decades, which 30 years ago was a city in decline both economically and in terms of population. We celebrate the transformational success experienced by London and are confident we can complement this. We believe that UK plc will be served most sustainably, in the coming decades, by further developing core-city regions beyond London. **We have an important part to play in our country's future success and we are ready.**

The West of England LEP was one of the **first to be established**; built on a successful commitment to partnership and joint working that goes back several decades. Over 800 businesses, civic societies and public bodies, and thousands of people have engaged with our LEP in its formative years. The LEP covers **a natural functional economic area** comprising the Unitary Authorities of Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire. These authorities have been working in partnership for many years. The LEPs **spatial priorities align with the statutory planning documents of the four Unitary Authorities**, including **Core Strategies** (Local Plans) and the **Joint Local Transport Plan**. This Strategic Economic Plan also guides our **European Structural Investment Fund Strategy (EU SIF)**, allocated for the same geography.

The West of England economy is worth **£25.5bn** per year. Our population of just over a million is growing and is **more educated and skilled than the national average**. We are large enough to **contribute some £10bn¹ to the Treasury, one of only two net contributors outside of London to UK Plc**. We are small enough to have a strong sense of local identity and community. With more local control over public expenditure, we are confident and motivated to work together to contribute even more.

Nine out of ten people who work here live here. This creates local dynamism and spill-over effects between various clusters, creating a 'hot bed of innovation'. This is informed by our four Universities, driven by small and medium size companies, and nurtured by our cultural industries. Using a robust evidence-based approach, **we have identified sectors of the economy where we are already strong both nationally and internationally**. These sectors currently outperform the market, offer us the best opportunities for further medium-long term sustainable growth potential and **dovetail with national economic priorities**. We have a **track record of delivery** demonstrated by our ability achievement to deliver the **National Composite Centre and Engine Shed** within 10 months.

Deliverable interventions, that address market failures, will **help us to grow our priority sectors at an accelerated pace**, benefiting the people of the West of England and UK plc. This Strategic Economic Plan contributes to our **2030 Vision for the area**. It sets out **our ambitions** and how we want to **strike a Growth Deal with Government** and to **attract investors from the private sector, to sustain and develop our ongoing success**.

1.3 West of England 2030 Vision

The West of England Vision describes an area which is and will continue to be one of the fastest growing sub-regions in the Country. Our population is expected to increase to over 1.1 million by 2026, and our current share of national economic growth (GVA) is the highest of any core city region at 3.1%. Economic growth has provided many benefits to businesses and our communities, and we recognise that growth must be managed sustainably. The West of England

¹ Centre for Cities 'Accounting for Tax Contributions at sub-national level' 2013, Published on the LEP Website

Vision was created to give the strategic direction of how growth will be managed to everyone's benefit.

An Economic Region Built on Success and Delivering Success

Our Vision is that by 2030 the West of England will have:

- One of **Europe's fastest growing and most prosperous** sub regions which has **closed the gap between disadvantaged and other communities** – driven by major developments in employment and government backed infrastructure improvements in South Bristol and North Somerset.
- **A buoyant economy competing internationally, based on investment by innovative, knowledge-based businesses** and a **high level of graduate and vocational skills**.
- **A rising quality of life for all**, achieved by the promotion of healthy lifestyles, access to better quality healthcare, an **upturn in the supply of affordable housing of all types** and the **development of sustainable communities**.
- Easier local, national and international travel, thanks to **transport solutions that link communities to employment opportunities and local services, control and reduce congestion and improve strategic connections** by road, rail and through Bristol Airport and Bristol Port.
- **Cultural attractions** that are the envy of competitor city regions across Europe, **making the West of England the place of choice for talented, creative workers and affluent visitors**.
- **Success secured in ways that** are energy efficient, protect air quality, minimize and manage waste and **protect and enhance the natural and built environment**.
- **Built upon the benefits of its distinctive mix of urban and rural areas**.
- **Real influence** with regional and national government, by **demonstrating vision and leadership and delivering these achievements**.

The Vision has been developed by consultation through our communities, and has the full support of the Local Enterprise Partnership, individual business organisations, and all political parties within the local authorities. This Strategic Economic Plan is a building block towards the fulfillment of the Vision.

Strategic Objectives to achieve our Vision

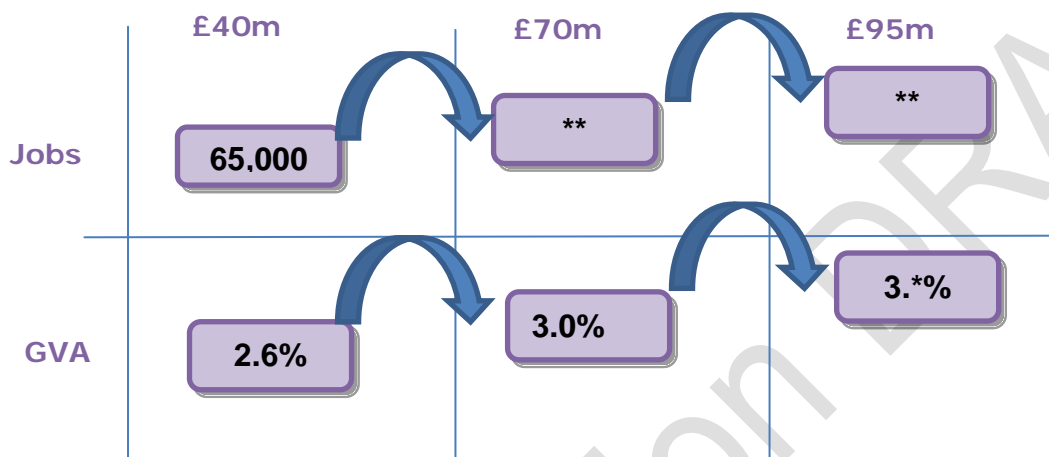
The LEP will provide leadership to proactively drive and deliver sustainable economic growth alongside enhanced quality of life in the West of England. Our objectives are to:

- | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Create the right conditions for business to thrive. Give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth. |
| 2 | Enhance & protect our natural & built environmental assets to build our resilience to climate change. |
| 3 | Create places where people want to live and work, through delivery of essential infrastructure including transport and housing to unlock suitable locations for economic growth. |
| 4 | Shape the local workforce to provide people with skills that businesses need to succeed and that will provide them with job opportunities. |
| 5 | Ensure all our communities share in the prosperity, health and well-being and reduce the inequality gap. |

1.4 West of England LEP Ambition

Oxford Economics base line growth projects 2.6% GVA growth and 65,000 jobs to 2030. This is less than our previously stated ambition of 3.4% GVA growth and 95,000 jobs by 2030. **We remain ambitious for higher levels of growth** than our baseline both in jobs and GVA. This depends in part **on the level of government funding in our investment opportunities and the Government working with us to meet our asks**. We would expect to receive funding that reflects our role as a key driver of national growth. We will be proposing a range of interventions that address market failures and include some "significant investment opportunities" listed in the interventions section. If these are agreed through our **Growth Deal, together with our City Deal** (including the **Economic Development Fund**), **EU-SIF**, and **complementary funding from our private and public sector LEP partners**, we will be well placed to achieve our ambitions. *(to be further evidenced in time for submission to Government in March, informed by indicative interventions and technical advice from KPMG. To be agreed by the LEP Board 6th February 2014).*

Figure 2: West of England Delivering our Ambition



**Subject to Negotiation through the Growth Deal with Government

To create flexibility to deliver our overall investment programme we will pool our resources including the **Local Growth Fund** alongside the **EU SIF**; our **City Deal**; our **Major Schemes programme**; our **Revolving Infrastructure Fund**; other potential public funding sources, and the **leverage of private sector investment** this allows.

Our Strategy

Our story is a compelling narrative. We are a sub-region with strongly embedded sector specialisms that cannot be 'created' or bought. The West of England has particularly strong and well established sectors of the economy such as Aerospace and Advanced Engineering, High Tech, Creative & Digital Media and Professional Services. They are the results of a long legacy of innovation and skills developed over many years. This gives us sectors that are synonymous with our rich heritage, and a competitive economy that thrives on talent, initiative, investment and testing of new ideas.

Figure 3 Our Economic Strategy



Our economic strategy has identified **5 key growth sectors** as the focus for support and intervention. The growing sectors demonstrate the greatest potential to **create GVA and jobs** and also **generate multiplier effects** in other sectors.

We will build on the growth sectors by investing in skills, place and infrastructure, promotional activity and SME business support. Increasing activity in the sectors will further **strengthen the enablers of growth**.

Our strategy will focus resources and deliver growth in the Enterprise Zone and our network of Enterprise Areas.

Drivers of Growth

Our economy is driven by our sectors and our cross-cutting activities.

➤ People- Knowledge Economy (Innovation) & Skills

Our strategy addresses the skills needs of business whilst ensuring we narrow the local deprivation gaps. This will be underpinned by our aspirations around growth, sustainability and inclusion. Integration of business support and improving employer influence of skills supply will drive the creation of new products, services, businesses and jobs and improve productivity in key priority sectors, social and rural businesses and areas of multiple deprivation.

➤ Place – Infrastructure to unlock growth

Place-making is a key enabler of growth. It aids the flow of everyday life, opens spaces for business and recreational activity, creates a sense of community and pride. We support a plan led approach that maximises investment opportunities ensuring jobs and housing are delivered in the right locations at the right time, supported by necessary and efficient use of supporting local and strategic infrastructure.

➤ Investment & Promotion

A city region with a strong profile makes a significant contribution to the UK's global competitiveness. Investing in effective marketing is vital to our local and national economy. Our strategy supports organisations responsible for promoting investment into the area.

➤ Enterprise Business support (Exports & trade, SMEs, skills & incubation)

85% of the West of England's businesses employ less than 10 people. Our goal is threefold: identify businesses with high growth potential, support them and help them export; identify businesses that will employ large numbers of people locally and to simplify the provision of business support services.

1.7. Priority locations

Our strategy has a spatial element which resources priority places, the Enterprise Zone and our network of Enterprise Areas:

- **Bristol Temple Quarter Enterprise Zone-** developing creative, technology, communications, financial and professional services and software companies.
- **Bath City Riverside Enterprise Area-** creative, micro-electronics, and high value engineering.
- **J21 Enterprise Area-** business services and R&D in food technology.
- **Avonmouth/Sevenside Enterprise Area-** large scale manufacturing and distribution, and logistics and environmental technologies.
- **Filton Enterprise Area-** aerospace design, research and manufacturing for robotics and autonomous systems, defence, and emerging materials technologies.
- **Emersons Green Enterprise Area**—science and technology based companies, engaged in research and development and advanced manufacturing.

1.8 Asks of Government- freedom and flexibilities

There are a variety of asks of government that do not necessarily require funding through the Local Growth Fund but will provide us with flexibilities, freedoms and further opportunities to deliver growth. These broadly cover the following areas and are set out in full in the document:

Local Sustainable Transport Fund-We would like to see our capital proposals matched by revenue from Government.

The Affordable Housing Programme- We would ask of Government that the requirement to spend by the end of 2015 is re-considered and becomes a commitment to spend linked to activity. This will provide certainty to our Registered Providers and other investors.

Investment in unlocking sites-Current Government funding opportunities have a focus on sites with potential for 500-1,000 units for housing, this threshold is a constraint in our urban areas. We would welcome a portfolio approach where a number of sites within an area could be combined to access these funds.

Skills -We are a skills pilot area and we would welcome dialogue with Government on how we may build on this success.

“One Front Door”-Freedom and Flexibilities We welcome the Local Growth Fund and ask that more funding streams be devolved in this way and reporting mechanisms be streamlined.

We are committed to our growth agenda and appropriate joint governance will be agreed in response to the level of additional funding, freedoms and flexibilities negotiated with Government through the Growth Deal.

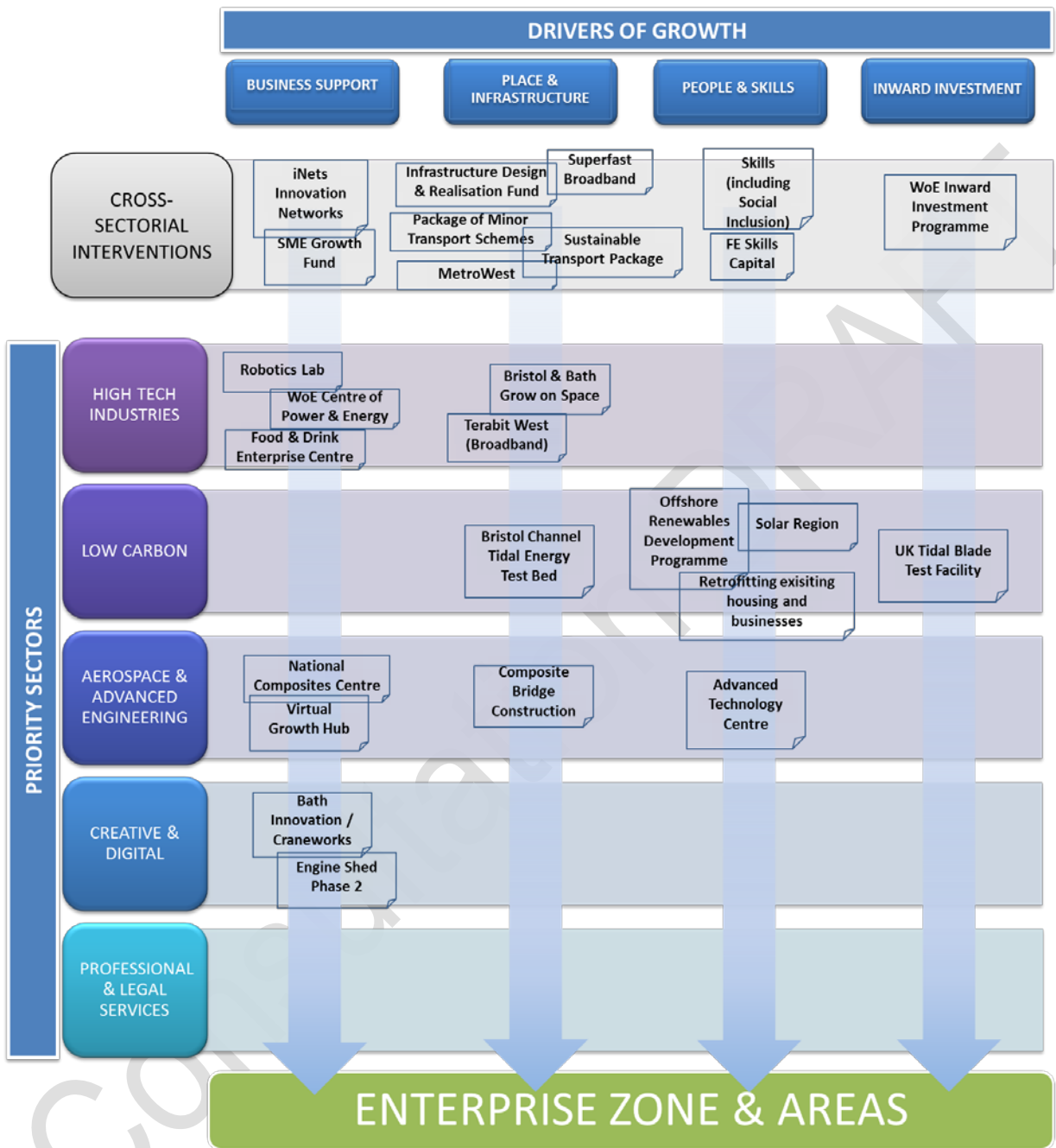
LGF timescales- We ask that the commitment to LGF be extended by 10 years to match our devolved funding major schemes arrangement through the City Deal.

1.9 Indicative Programme of Interventions

The West of England are building an indicative programme for our negotiation of the Local Growth Fund with Government. This indicative programme is set out in this draft SEP and will be finalized through our LEP Board prior to submission to Government.

The process for developing a pipeline of schemes to be considered for the Local Growth Fund and EU SIF Programme will be subject to project evaluation and approval of the overall programme by the Investment Award Panel, the matrix below shows indicative types of interventions that could be included into a draft programme.

Figure 4 Indicative Interventions Matrix



A firm programme for 2015/16 will be required by the conclusion of the negotiations with Government in Summer 2014, and an outline programme for 2016/17-2019/20. New or further refined proposals will be considered if they meet the key aims of the approved SEP and could enter the indicative programme of proposals which will be regularly reviewed.

Additionally, there are a variety of asks of government that do not necessarily require funding through the Local Growth Fund but that will provide us with flexibilities, freedoms and further opportunities to deliver growth.

1.10 Leadership

To take forward and fully exploit the opportunities and flexibilities identified in this Strategic Economic Plan requires strong governance and the ability to make timely, binding and difficult decisions. We have well established and robust arrangements for joint governance built around a LEP Board and a series of authority or business led Committees, Boards or Groups with remits that include transport, planning, skills, inward investment and our key sectors. These all operate with boundaries which are coterminous with the West of England geography, embracing the four unitary authorities and reflecting our natural economic area.

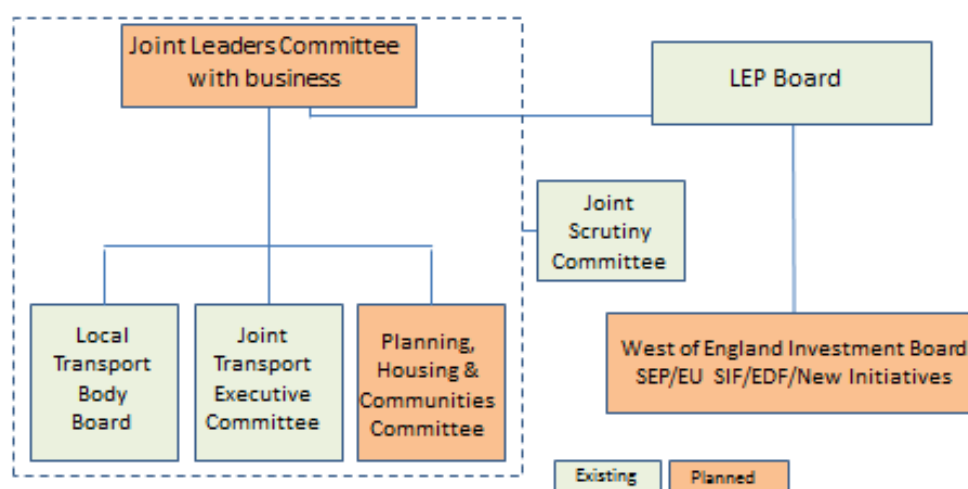
The LEP Board brings together the four Council Leaders with world class representatives from international and local businesses and higher education. The Board has been meeting formally since April 2011, successfully driving forward the shared vision for economic growth including the identification of our Enterprise Zone and Areas and leading our City Deal negotiations with government.

Notwithstanding these firm foundations we recognise we must continue to move forward with joint governance to seize these new opportunities, and are reviewing options for our plan to include:

- Proposals for robust Joint Governance. One potential model is a Joint Leaders Committee with LEP involvement, whose remit will include overseeing the SEP. This will provide transparency and accountability for key strategic decisions, whilst allowing the LEP Board to continue to function and provide streamlined decision making with the active participation of business. For the purposes of illustration only this model is shown in figure 5 and described in more detail in section 6 of the Plan.
- Strengthen the current joint authority Planning, Housing and Communities Board (PHCB) to become a formally constituted Committee, mirroring existing arrangements in place for transport; and
- Create a single West of England Investment Board including representatives from business and local authorities (and wider interest for EU SIF) to oversee the Local Growth Fund/EU SIF and other related funding, and monitor and steer the implementation of the interventions.

The final Governance arrangements would need to reflect the funding and programmes to be managed following the Growth Deal negotiation with Government.

Figure 5:
West of
England LEP
Governance
arrangements



Our plan takes advantage of our assets. It sets out a number of visionary and ambitious interventions, that befit our ongoing desire to establish further successes by implementing robust proposals that we are well positioned to deliver. Our plan is balanced, builds upon our distinctive strengths and **will be delivered**.

Bristol City Council response to consultation on the draft West of England Local Enterprise Partnership Strategic Economic Plan 2013-2030 (SEP)

This represents the corporate response from Bristol City Council. It has been collated from responses from a wide range of officers and has been discussed by the City Council Executive Board.

We welcome the SEP's aim to bring additional resources in strengthening the local economy and are keen to see it succeed in achieving its stated objectives. That said, we are concerned at the emphasis of parts of the SEP document and appreciate the opportunity to contribute towards making the document stronger and more relevant to local businesses and communities.

As is made clear right at the outset, this document tries to be two things at once, a locally determined strategic plan and a Government driven bidding document. To do both is challenging and the SEP reads as being more directed at meeting the requirements of the Local Growth Fund (LGF) than setting out a locally defined strategy. In doing so, it is not clear how the SEP will capture the commitment, drive and investment of local partners. These factors are important to ensuring effective delivery of strategic objectives; it's not just about securing central Government funding.

An early example of how the SEP struggles to cover both the medium-term LGF requirements and the potential for a longer-term Vision is the use of strategic objectives. The plan sets out five strategic objectives, to achieve the LEP Vision, but the SEP itself only really relates to, at best, three of the objectives – those most easily associated with the LGF.

The five objectives were identified by local engagement exercises and reflect the priorities expressed by a range of partners

1. Create the right conditions for business to thrive. Give confidence and certainty to our investors to attract and retain investment to stimulate and incentivise growth.
2. Enhance and protect our natural and built environment to build our resilience to climate change.
3. Create places where people want to live and work, through delivery of essential infrastructure including transport and housing to unlock suitable locations for economic growth.
4. Shape the local workforce to provide people with skills that businesses need to succeed and that will provide them with job opportunities.
5. Ensure all our communities share in the prosperity, health and well-being and reduce the inequality gap.

We feel that it is entirely correct for the LEP to concern itself with building resilience to climate change and reducing inequality, but these objectives are largely omitted from the SEP as they do not fit readily with the LGF. We would like to see more attention paid to the LEPs concerns and activities in these areas in a Vision, strategy

or growth delivery plan either divorced from or more overtly driving a document aimed at meeting LGF requirements.

The SEP is successful in exploring what investment in the West of England could do to benefit the whole of “UK plc”, in terms of driving economic growth. Where it could improve is in terms of reducing the social costs of that growth not reaching all communities or neighbourhoods. There is a significant economic brake applied by unemployment and economic exclusion and we would like to see a West of England strategic approach paying more attention to addressing market failure.

While there is clear benefit to UK plc in growing the positive contribution in terms of economic output, there is also net benefit to be gained through reducing the costs of an area in terms of its ‘benefit take’. There will be merit in attempting to quantify the gains that will be made from moving more of our residents away from benefit reliance and more towards self-reliance. The SEP twice makes mention of the net contribution to HM Treasury from the West of England (£10bn annually, one of only two net contributors to UK plc outside London) – the net contribution can be increased by reducing cost as well as by increasing output.

A Strategic Economic Plan, setting aside LGF requirements would enable us to produce a document no longer looking over its shoulder at Whitehall but answerable to local leadership. We need to be able to express ourselves about the longer-term future of our region rather than being constrained by a focus on short-term project delivery as an end in itself.

However, given the immediate need for a SEP which meets the needs for bidding against LGF criteria for Government funding, we suggest that the SEP aims specifically at this, no longer attempting also to be an over-arching strategy for driving economic growth in the West of England. It becomes more explicit in its aim of attracting medium-term resources, in the context of a Vision to be expressed elsewhere and directed towards all of the strategic objectives.

Some specific points about the text of the SEP, in the context of bidding for LGF

- We support inclusion of the proposals set out in the **Core Cities’ Prospectus for Growth**; some of these are echoed in the SEP but would benefit from an explicit reference to the “nine steps for competitive places and prosperous people”
 - a) Boost Jobs & Skills – a Skills & Labour Market Agreement to move more people from welfare to work
 - b) Grow Business & Innovation – a Business Growth Hub as a gateway for business support and advice
 - c) Build More & Better Housing – a local Single Housing Investment Plan, linked to a Core Cities’ Joint Housing Investment Board, together with tax and policies keyed into driving urban growth
 - d) Strengthen Transport Networks – an integrated local transport fund and increased regulation powers

- e) Increase Investment – ‘place-based settlements’ for revenue funds, devolved property taxes and local financial flexibility
 - f) More Efficient, Cheaper Energy – Energy Service Companies across the core cities to generate, supply and distribute energy
 - g) Speed Up Broadband – research and development test beds for ultrafast broadband
 - h) Join Up Services to Improve People’s Lives – place based settlements for integrated and locally responsive services
 - i) Set Cities Free – a new legally binding agreement between cities and central Govt., with decentralisation and co-design
- Vision (p6) – the statement around the environment does not really express a leading **strategic vision for a low carbon economy**; we suggest that this is re-worded to be more ambitious for reducing carbon emissions, more efficient use of resources and improving both air and water quality.
 - Ambition (p7) – figures for jobs and GVA growth need some more context and explanation. Why are the new baseline and previous ambition numbers so far apart? Is it that necessary to quote numbers? They can easily become a distraction and hostage to fortune. We should be demonstrating amongst the headlines that **GVA growth includes strong productivity growth** – output growth is not driven by employment growth alone but that we are getting ‘smarter’ (more highly skilled workforce) and making more efficient use of resources. This could be shown by using GVA per worker (or hour worked) alongside the GVA figures. The West of England already has a strong showing for productivity (GVA per full-time worker), coming from our highly skilled workforce, high proportion of knowledge intensive businesses and from the sectoral spread in the local economy, and we are well positioned to grow this in the future, given the five priority sectors expected to drive growth. The prospects for strong productivity growth are shown in support of our selection of the priority sectors (p18-19), but should also feature in the Executive Summary and as a key part of our offer.
 - “**Asks**” of Government (p9 and elsewhere) – we should stop using this terminology as it helps to define our relationship with Government as being overly dependent on largess; instead we could refer to Government’s contribution to a joint enterprise, along with one or two more significant ‘game changers’ or fundamental reforms that indicate real commitment to a shared vision, for example regulatory reform to aid Severn Estuary tidal energy propositions or local taxation proposals. This might be where we include the Core Cities proposals (above).
 - Indicative programme for funding (p9) – there is a perception that these were determined in advance of the strategy, to fit with external priorities, rather than be directed at delivering locally agreed objectives.
 - Our Story (p.12) – there could be some **mention of enterprise or trade**, which is what turns the research and development into innovation, bringing ideas to market; **our ‘rich heritage’ is about seizing business opportunities.**

- Opportunities & Challenges (p14&15) – **connectivity with rest of the UK** (Europe) as well as London & South East; it's easy of travel to London that's the key, followed by access to mass markets elsewhere. "**Favourable 'image'**" is underplayed; this is what enables us to attract and recruit the high skilled workforce that then attracts investment, or attracts investment that will work because the talent will relocate. The 'Opportunity' around **Green Capital** could be re-worded to read "Building upon the already excellent existing low carbon technology and services within the region to ensure that the European Green Capital year will act as a global springboard not only for the WoE but also for UK plc." To the first threat (losing key sector industries) could added "and there is a risk of losing the intellectual and knowledge centre of Marine technology to South Korea and France". The threat around **climate change** should read "Climate change and the need to ensure mitigation and adaptation for a resilient future".
- Economic Strategy (p16-21) – perhaps could benefit from more explanation of 'smart specialisation', unless the SEP is only for those already familiar with the term (civil servants?); some of the other language could also be 'plain English' checked. The section on Professional & Legal Services should emphasise its role in underpinning growth in other sectors, and local expertise in developing alternative and ethical banking. The section on low carbon should include statements around marine technology, in a similar vein to those on creative industries. Figure 8 appears to have the titles of the first two columns transposed.
- Skills (p22-29) – commentary and activities could widen to consider **developing lower level skills**, which will benefit excluded sections of the community and support 'bulk employment' rather than growth sectors, important in sharing prosperity and reducing inequalities. This is the only section of the SEP that mentions work with **local communities**, implementing the objective to target those most affected by market failure, but it still makes no mention of overtly engaging with those communities in order to ensure their active commitment, participation and lasting benefit from interventions. This is in marked contrast with the concept of 'employer ownership of skills'. There needs also to be mention of the **role of Local Authorities**, in engaging with and shaping provision from those excluded from the labour market. The Skills Capital Investment Plan (p25) should also be taking account of the needs of the local population.
- Place & Infrastructure (p30) – key to creating places where people want to live and work, and 'sustainable communities' is to build **vibrant local centres** for living, culture, entertainment, leisure, shopping, business and civic activity. This means moving our centres/high streets beyond retail, becoming more resilient and relevant through strategic management and resource co-ordination, including support for Business Improvement Districts. We should be looking to create self-contained and well-designed neighbourhoods that have vibrant local centres, within walking and cycling distance, and where

new development is appropriate and sympathetic to the identity, culture and history of the area. The bullet points for “This Economic Plan is integrating our” should include a point referring to low carbon and environmental objectives; especially as in the TQEZ we will be looking to make that a low carbon enterprise zone through the provision of low carbon heat via a district heating network.

- Housing (p32) – needs to also consider **affordability** (wider than housing association managed ‘affordable’ homes) and the impact this has upon economic growth. The statement on a **high quality living environment** needs bolstering to emphasise the importance of reducing carbon emissions.
- **South Bristol** – there is reference to the jobs potential of development in South Bristol (10,000 jobs, page 34) and it appears as a ‘major development site’ amongst the ‘shared delivery priorities’ (page 72), but there is little commentary on activities that will support this ambition, other than transport infrastructure; there needs to be specific mention of targeted support to realise this potential and skills interventions with local residents to enable them to compete for the jobs. South Bristol should be included amongst the Priority Locations, without detracting from the agreed Enterprise Areas. A specific focus upon the residents of South Bristol and activity to enable them to access and contribute towards growth will help to remove the economic brake of exclusion and market failure. This will not damage the prospects of the Enterprise Areas but has the potential to support the prospects for the Enterprise Zone and the wider economy.
- Sustainable Economic Growth (p36) – there could be more mentioning of **‘greening’ the local economy** than just the impact upon construction and development; we can also look at ‘greening’, or making more resilient, a whole raft of business models and processes, making resource use more efficient and reducing waste – this could be included amongst business support at 4.4.3 (p44), expanding upon 4.4.3(iv) (p46)
- Investment & Promotion (p38) – this section could be strengthened by inclusion of the **European Green Capital** year and the use of that to develop an inward and indigenous investment strategy for the low carbon field, which would benefit the WoE and the UK plc. at a global level.
- Interventions (p48-56) – 5.2 could be more positive and confident than starting with a feasibility study; there is huge and near-unique potential in the **Severn Estuary** (although it is only 5% of UK’s electricity, not all energy), together with scope for collaboration with Cardiff; getting consents (seabed, finance, environmental, shipping, etc.) will be crucial and need an early start to avoid excessive delay; tidal (lagoon and stream) marine interventions have a huge export market across the globe. We would like to see the construction of district heating and electrical private wire networks expressed more overtly. Especially within the economic zones, where we can attract high energy intensive industries; this should be part of the economic strategy.

- Governance (p59-62) – we propose the establishment of a **Strategic Leaders Board** (joint committee), to focus on strategic economic issues and to unlock barriers to growth in support of delivering the SEP. It would bring together the three Leaders and Mayor of Bristol, who would be empowered by their authorities to improve the WoE economy. The existing Local Transport Body Board and Joint Transport Executive Committee, together with the proposed Planning, Housing & Communities Committee, would report to the Strategic Leaders Board.
- Pooling of resources (p62) – at present this appears to be a list of existing pots of money, without an explicit statement about the funding streams being pooled; there could also be consideration of **pooling locally-generated and non-financial resources**, demonstrating partners' commitment of effective delivery of the SEP objectives.
- We have suggested a number of textual changes for the ESIF Strategy, which, if accepted, should be carried through into the SEP, which should align with the ESIF.