



CORNWALL &
ISLES OF SCILLY
LOCAL ENTERPRISE PARTNERSHIP

Cornwall and Isles of Scilly Local Enterprise Partnership Business Plan

April 2017-March 2018

INTRODUCTION:

This is the 2017-18 Business Plan for the Cornwall and Isles of Scilly Local Enterprise Partnership (CIoS LEP). It should be read in conjunction with the recently refreshed Strategic Economic Plan for CIoS – [Vision 2030](#); and, in essence, is an annual implementation plan for the LEP. We call on other organisations and businesses from across CIoS to also consider the ambitions in Vision 2030 when they detail their own priorities, and we know, for example, that both local authorities in our LEP area have already sought to do this. 2017-18 is a year of change – with local elections and a General Election. It will also be an important year in determining the future economic development landscape; with our revised capacity arrangements, engaging with Government on future economic development policy (currently detailed in the Industrial Strategy Green Paper) and continuing detailed negotiations on the post-Brexit environment. Amongst all this change, it is our imperative to drive forward with implementation and achieve our focus on productivity-led growth - and this is detailed in this plan. Of particular priority is taking forward a CIoS Investment Fund; implementing two Enterprise Zones – and the specific opportunities within them including Wave Hub and Spaceport; delivering our Employment and Skills Plan and maximising the devolution of skills funding and delivery; supporting the delivery of three Growth Deal Programmes worth over £300m; and taking forward a new approach alongside our local authorities to place-based economic growth and inclusive growth.

We have spent much time in ensuring our strategic focus is right – now is our time to deliver on those ambitions.

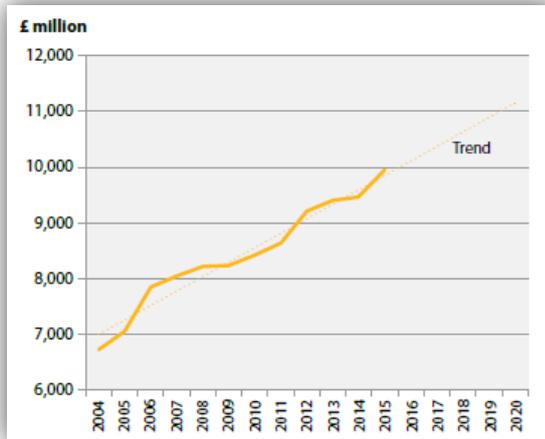


Mark Duddridge
Chair



Sandra Rothwell
Chief Executive

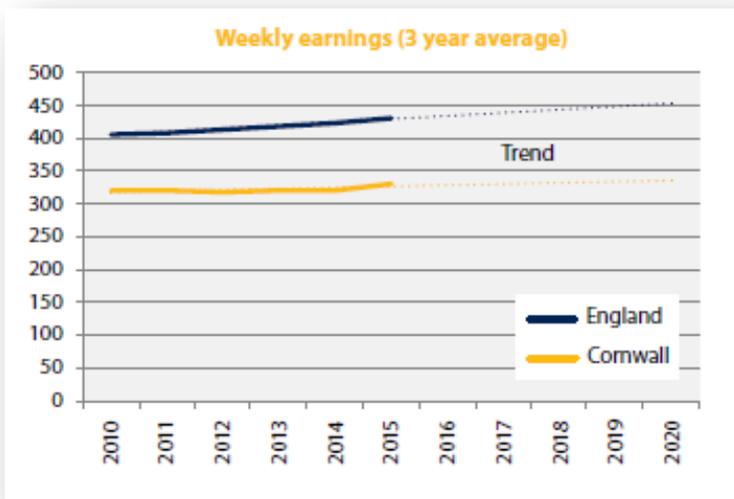
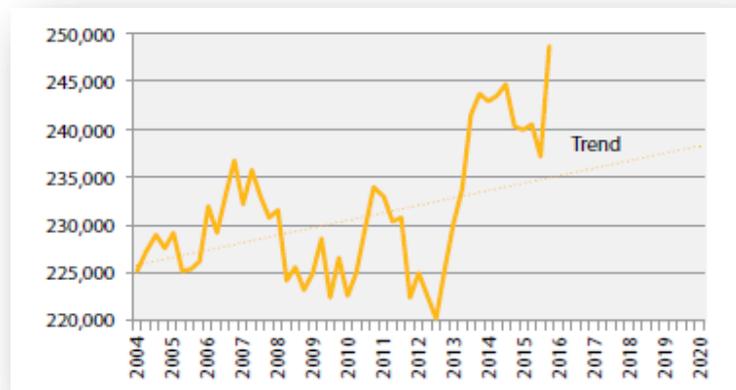
The State of the Economy 2017¹:



Overall, there has been good progress in the economic growth of Cornwall and the Isles of Scilly during the period since 2008. We have seen progress against some of our priority indicators such as **Gross Value Added (GVA)**, which in 2015 stood at £9,911m up 4.1% of the 2014 total and compared to a UK growth rate of 2.9%:

Employment figures are rising steadily. The number of people in work now stands at some 247,700.

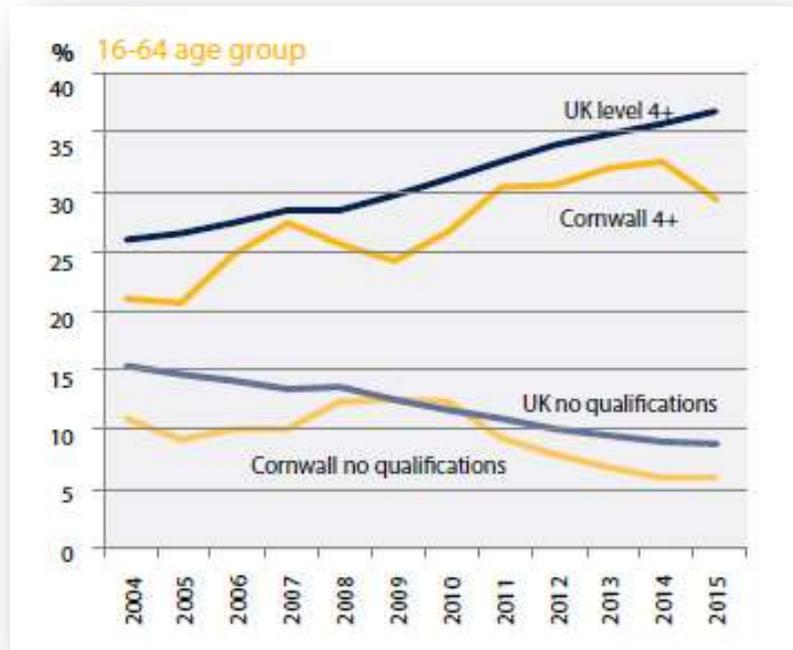
However, whilst the trend is upwards, we still have a number of underlying issues such as high rates of self-employed and low earnings.



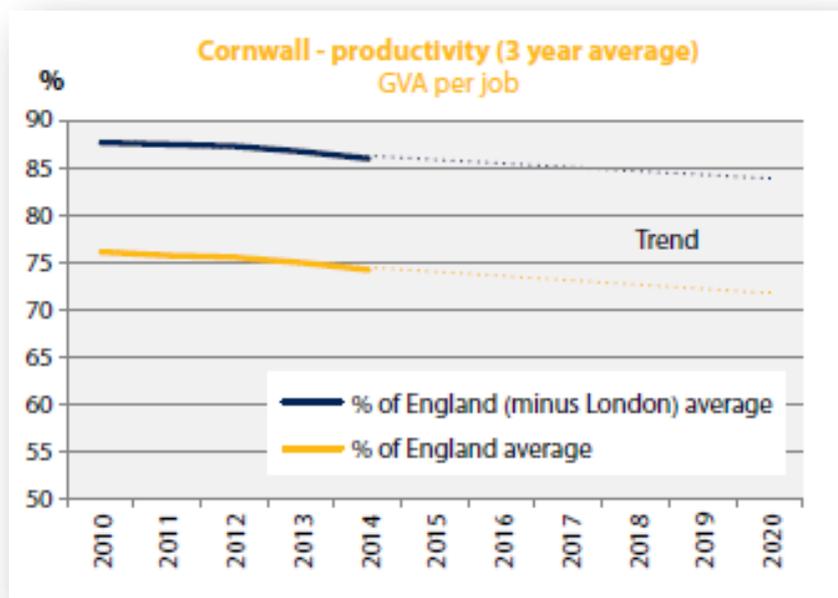
At £17,873 our average **annual earnings** are significantly below the UK average (77.4%). A number of factors contribute to this, including part-time employment rates and a high percentage of those working in lower-paying, often seasonal sectors.

¹ Since 2011, the LEP has developed a growing evidence base, stored for public use in the LEP [library](#).

Improving **skills and education** is an important part of supporting increases in pay for all. Cornwall and the Isles of Scilly have been doing much better in recent years in relation to improvements in skills and learning. In particular, those with no qualifications is lower than the UK average. It is interesting however to consider the position of NVQ4+ (degree level and above) as a measure. CIoS does not perform well here against the UK average – and this tells us much, particularly about the lack of higher level skills and the link to low levels of productivity.



It is **productivity** which must occupy our focus as much as possible. The performance of CIoS on all measures of productivity is weak. Data from the Office for National Statistics (ONS) suggest that GVA per filled job in CIoS was 78% of the England-wide average in 2005, but it fell to 74% in 2014, again suggesting that CIoS has fallen further behind over recent years. This “productivity challenge” has been identified across the whole of the UK, but in CIoS, it is accentuated.



Track Record 2016/17

The LEP has continued to make good progress on **implementation**.

Direct results achieved² by the LEP by end of 2016/17:

- *New jobs created to date: **5,654***
- *Learners trained or supported to date: **5,310***
- *Business supported to date: **2,861***
- *New homes built to date: **44***
- *Infrastructure investment to date: **£47.9m***
- *Public/Private leverage to date: **£135m***

Highlights from the year included:

- **Skills and learning:** In 2016/17 this was the number one issue the business community cited as a barrier to productivity-led growth and at the heart of those elements of the devolution deal under the LEPs responsibility. Last year we worked alongside DCLG to procure a provider for a **CIoS Skills Hub** funded by European Social Fund, Cornwall Council and LEP funds. This should go live in the first quarter of 2017/18 and will be embedded alongside the Growth Hub. We launched the **Enterprise Advisors**, who have started to connect schools and business – and will be seeking to expand this programme in 2017/18.
- **Health and Productivity:** Connecting with the Department for Work and Pensions and directly contributing to the Health and Disability Green Paper, outlining specific issues for SMEs in CIoS.
- **Growth Hub:** The CIoS Growth Hub went live in 2016/17.
- **Enterprise Zones:** Supporting Cornwall Council to lead the final stages of negotiation to create 'MarineHub' – the Low Carbon Enterprise Zone. Expanding the Aerohub to Aerohub+ and incorporating the Goonhilly Earth Station site. Further success with new inward investment at both sites – and developing our space cluster as a bid to become a Spaceport.
- **Growth Deal:** Continuing to deliver on time and in budget the existing Growth Deal Programme – as well as securing an additional £52m (Growth Deal plus leverage).
- **Strategic Economic Plan:** Completion of the refresh of the strategy.
- **Sponsorship and leadership:** Across a number of events in year, including the CIoS Creative Event with the Creative Industries Federation, a series of Roundtables considering the Industrial Strategy and our own Annual Event at the Eden Project.

² These are accumulative figures

Targets and focus 2017/18

The productivity challenge really matters. **Productivity** is crucial because it is the single most important determinant of average standards of living. While for individual companies productivity increases may be achieved by reducing the workforce, at an aggregate level without productivity increases, economies will be less competitive and wages will decline. Businesses will not pay their staff more unless productivity levels rise, simply because they cannot afford to. We will prioritise activity to target driving productivity increases in 2017/18 – this will include actions around business support, skills and accessing new markets.

Whether businesses are within the construction sector or the visitor economy, or whether they are generating leading-edge digital content, all must be **innovative and creative** if productivity levels are to rise and if wage levels are to increase. We will also target this area of activity in 2017/18.

Drawing two elements of our economic performance together – low wage levels and poor productivity performance – there is an overarching imperative for more **inclusive growth** models. Specifically, more attention needs to be paid to the social costs and benefits of growth processes, recognising that many households are “squeezed” and struggle to make ends meet. The LEP will prioritise activity around this new area of focus contained within the recently update CIoS Strategic Economic Plan.

Our focus for 2017/18 will therefore be on: **productivity, innovation/creativity and inclusive growth**. We will do this in a year in which we expect a shifting economic development landscape as we prepare and negotiate for Brexit – and pitch a clear position for CIoS as part of the Industrial Strategy. A strong emphasis on **national influence and clear positioning** will also drive our activity in 2017/18.

As well as progress towards the KPIs within the Strategic Economic Plan, specific LEP delivery targets for 2017/18 include:

- **Growth Deal:** *Progress towards an increased programme of £342m; which includes the creation of 5,670 new jobs and 7,000 homes.*
- **Growth Hub:** *895 businesses supported to access information, complete a diagnostic and/or receive a brokerage package of support. Of these 120 will target businesses that are not eligible for EU support.*
- **Skills Hub:** *150 businesses engaged (linked to LEP match funding).*
- **Enterprise Zones:** *(tbc).*

Strategic Economic Plan 2017-30:

The LEP will focus its activity on implementing the priorities of the CIoS Strategic Economic Plan³ where it can add value to other partners and stakeholders.

Our 2030 **VISION:**

By 2030, Cornwall and Isles of Scilly will be the place where businesses thrive and people enjoy an outstanding quality of life.

Across all our interventions, three **STRATEGIC OBJECTIVES** will guide our priorities and frame activity:

Business – to achieve thriving businesses which excel at what they do

Economic growth will be delivered by businesses. It is therefore crucial that we focus on enabling business to thrive among our new starts, established businesses and our inward investors. “Excellence” will be measured by our levels of innovation, productivity and market reach. Excellent businesses support brilliant places providing an outstanding quality of life for all.

People – to achieve inclusive growth and improve the skills of our workforce

People are at the heart of our economy. How the distribution of economic growth impacts upon us is of fundamental importance and concern. Inequality not only has a social cost, but it also hampers long-term economic performance and the productive potential of people and places. Inclusive growth will be the heartbeat that drives our ambition. Supporting people with the right skills and opportunity to benefit from the opportunities of economic activity will be crucial.

Place – to improve infrastructure and economic distinctiveness

Cornwall and Isles of Scilly is made up of amazing places and is unparalleled in its natural beauty and rich cultural heritage. As well as a strong emphasis on promoting the excellence of Cornwall and Isles of Scilly to the rest of the world and our connectivity to it, we will also focus on advancing the economic distinctiveness of our places within, enabling places to ‘work better’.

National opportunities

2017/18 will see the launch of the Government’s **Industrial Strategy** and commencement of **Brexit** negotiations. The CIoS LEP will work alongside business and our Local Authorities to make our case based on the priorities of the SEP. We will also prioritise opportunities realised through cross LEP collaboration, both at a South West and national level. In particular, we are working with South West LEPs on the ‘Great SW’ initiative to give economy of scale to key issues such as connectivity. This also includes building on the Science and Innovation Audit with our Universities and

³ Summary on back page

sector-led activity such as the South Coast Marine Cluster and the developing LEP Space Sector partnership.

Our values

- **AMBITIOUS**
- **INCLUSIVE**
- **ENTREPRENEURIAL**

As a partnership across the private and public sectors, it is important to be guided by a common set of values which set a benchmark for the way we work. These are listed above. As well as our guiding principle in which we ensure that the culture, communities and environment of Cornwall and the Isles of Scilly remain special and unique; the LEP adheres to the highest standards, adopting the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The Board will publish agendas for, and minutes from, its own meetings and Board members will make every effort to make themselves available, particularly to businesses from across Cornwall and the Isles of Scilly. Ensuring clear lines of accountability and transparency are paramount.

What we do

The delivery of the Strategic Economic Plan (2017-30) must be a shared responsibility. We recognise our interventions alone will not be sufficient to drive the economy of Cornwall and Isles of Scilly, however, they form an important part of a private sector led agenda for sustainable growth.

We act in the following ways:

- **Influencing/Challenging** - The LEP will influence decision-making (at central government/EU levels as well as within Cornwall and the Isles of Scilly), representing a range of business-led views from across Cornwall and the Isles of Scilly. We are independent, with our own resources. We can be disruptive in our approach and thinking in order to make a positive difference. We must be enquiring and inquisitive – challenging ourselves and seeking challenge from others. We will take risks if we need to in order to achieve the best results.
- **Informing** – from the business perspective – key statutory plans and policies, notably Local Transport Plans, the Local Plan and linked issues such as health and education. We act in an open-minded and inquisitive way. Our role is to lead and facilitate new thinking and innovation in implementing economic growth. We are ambassadors and advocates of and for business in Cornwall and the Isles of Scilly.

- **Investing** funds which we have secured through National Government (such as Growth Deal and Growing Places Funding) to deliver the objectives of the Strategic Economic Plan. Where we can, we will prioritise alternative financing rather than always using grants. We will maximise opportunities for public and private leverage alongside our investments. We will focus investments for strategic impact aligning with our Strategic Economic Plan.
- **In partnership and collaboration** with a range of key partners and wider stakeholders, including the two Unitary Local Authorities, those from the private sector and from voluntary and community groups, to continue to make real headway in relation to the agreed priorities for Cornwall and the Isles of Scilly. Where a joint approach is most effective we will also work closely with others. In particular; other LEPs, the Cornwall and Isles of Scilly **Local Nature Partnership** and the Cornwall and Isles of Scilly **Health and Wellbeing Boards**.

The LEP is not the only organisation supporting economic growth for Cornwall and the Isles of Scilly. Private sector businesses have the most important role overall. In addition, the two councils and the colleges/institutes of higher education all have resources, influence and priorities (and imperatives) of their own. Sometimes the strategic emphasis of these different bodies will differ from those of the LEP – but overall, this ought to be a source of resilience and constructive debate. The LEP will therefore sustain a close dialogue with these and other organisations, effectively providing a local economic leadership team for Cornwall and the Isles of Scilly. In this regard, the LEP has noted the progress made in some city-regions in England: while the context is different, the principles of strong local partnership are just as potent – not least in attracting the ear of government at national and EU levels.

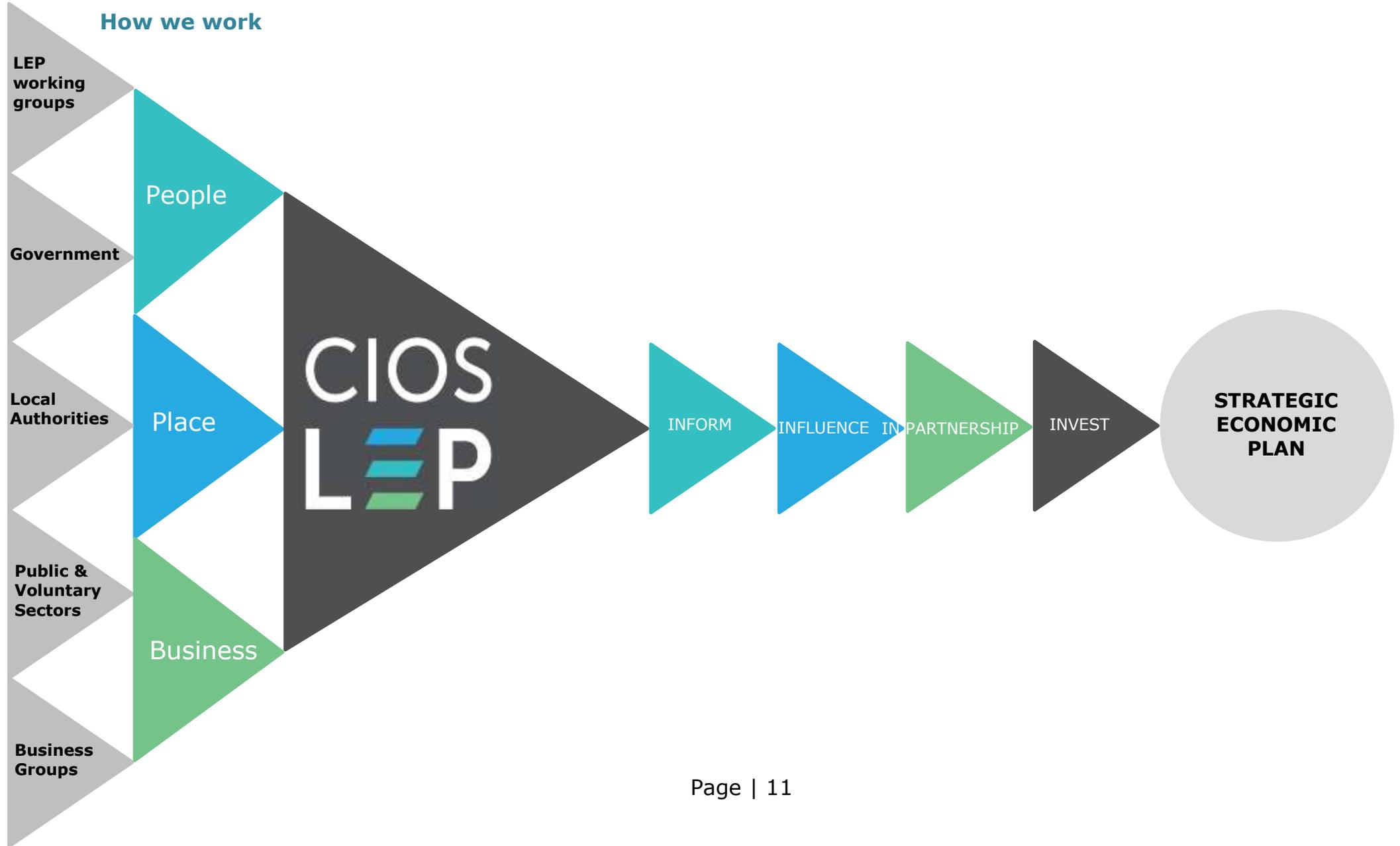
Engagement and communication

‘Doing business with business’ is a priority for the LEP, and this year we aim to deliver our ambition to become the **‘listening LEP’**. All of our communication and engagement activities will be transparent, clear and concise. We will aim to be proactive and flexible and will consult widely where appropriate. Our objectives include:

- Increase engagement by businesses, both within and outside of CIoS, with the LEP.
- Increased awareness of CIoS LEP and our purpose and activities.
- Influence stakeholders locally, nationally and internationally by building strong relationships.
- Promotion of the strategic economic plan.

This year we will be introducing a new way of operating: Moving away from standing Boards, unless they have a very specific purpose and responsibility, and moving to a more open and engaging 'task and finish' approach. Our priority is to engage with a wider range of business across more specific issues and opportunities across the year.

How we work



Drivers and Interventions: April 2017 to March 2018

As well as continuing to implement our existing programmes our future priorities for 2017/18 will be focused on the six **Strategic Drivers** in the SEP.

Innovation and Creativity

By 2030...

CIoS will be widely recognised for excellence in respect of innovation and creativity, and by then, networks of relevant businesses/institutions will have scale, visibility and profile nationally and internationally.

LEP Board Strategic Champions
Professor Mark Goodwin/Emmie Kell

Issues	Priority Interventions 2017/18	Impact / KPIs
<p>The economy of CIoS is dominated by small and micro businesses which are scattered across a predominantly rural area. This business structure and the overall lack of critical mass helps to explain why the wider innovation ecosystem is relatively thinly developed.</p> <p>As a result, CIoS fares poorly on conventional innovation indicators. For example, it has very low levels of business investment in research and innovation.</p> <p>The results are low levels of competitiveness and productivity.</p>	<p>Inform</p> <ul style="list-style-type: none"> Produce a STEAM (Science, Technology, Engineering, Arts, Maths) strategy by end of 2017. Work with partners across the South West to take forward elements of the Science and Innovation Audit, prioritising CIoS opportunities such as Satellite Applications. A task and finish approach to taking this forward will be adopted. <p>Influence</p> <ul style="list-style-type: none"> Respond to the Industrial Strategy innovation pillar and identify CIoS opportunities within the Industrial Strategy Challenge Fund. Initial response in April 2017, with activity leading to funding bids during summer 2017. Ensure future ERDF/ESF calls 	<p>More firms discovering new knowledge and the application of that knowledge to create new or improved products, processes and services that address a market need.</p> <p>Enhancing productivity through increasing levels of research, development and innovation.</p> <p>Doing this in a creative way – looking at attitude and the application of more creative solutions that are suitable for CIoS and market demand.</p> <p>Key success measures:</p> <ul style="list-style-type: none"> GVA per job R&D expenditure per person employed

	<p>align with a business-led approach to commercialisation of innovation. New calls developed by Q3.</p> <p>In Partnership</p> <ul style="list-style-type: none"> • Build on the existing MoU with Combined Universities Cornwall and business networks to develop a CIoS Innovation Eco-System/Innovation Hub; align this with SW activity where appropriate. By start of Q4. • Form new relationships to develop activity across UK knowledge transfer partnerships and catapults to support strategic clusters around advanced engineering and digital innovation. On-going throughout year. <p>Invest</p> <ul style="list-style-type: none"> • Prioritise investment in innovation and creative activity within the Growth Deal 3 capital programme. • Implement a financial instrument Programme in CIoS. If ERDF based, first deals by autumn 2017. If alternative solution, deal flow in Q4. 	<ul style="list-style-type: none"> • Research and innovation spend as a proportion of GDP • Proportion of firms engaged in product or process innovation
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Productivity-led Growth

By 2030...

Overall productivity levels will be at least 80% of the English average. This represents a step change in relation to current performance and takes into account the limiting factor of sector structures in CIO S.

LEP Board Strategic Champion

Sarah Trethowan

Enterprise Zone Champion

Gavin Poole

Issues	Priority Interventions 2017/18	Impact / KPIs
<p>The performance of CIO S across all measures of productivity is weak. ONS data suggest that in 2014, GVA per filled job was 74% of the England-wide average. This was the lowest of any LEP area.</p> <p>Whilst productivity is increasing, it is not increasing at the same rate as the rest of England – indeed the gap is greater in 2014 than in 2004.</p> <p>CIO S will struggle to compete on productivity metrics because of its rurality and sectoral structure, but even so, improving current performance is an absolute priority.</p>	<p>Inform</p> <ul style="list-style-type: none"> Produce a CIO S approach to 'scale-up' by September 2017, working with a task and finish group. Use CIO S Productivity Framework to inform a clear business support landscape which focuses on 'getting business ready for productivity growth'. Link this to ERDF calls and response to Industrial Strategy. A task and finish group(s) will be set up. Q3. <p>Influence</p> <ul style="list-style-type: none"> Use Chair position on the Growth Hub management Board to influence future delivery and integration of the BBFA: 'Getting business ready for productivity growth'. Throughout 2017. Work with CIO S partners to review ERDF/ESF calls 	<p>High levels of productivity underpin competitiveness, material wellbeing and sustainable economic growth.</p> <p>Key success measures:</p> <ul style="list-style-type: none"> Median wage levels GVA per job

	<p>under SME Competitiveness to ensure a focused approach to productivity and business led investment. By Q3.</p> <p>In Partnership</p> <ul style="list-style-type: none"> • Ensure all activity of business support aligns with the activity of the Growth Hub. • Continue to chair and lead the Aerohub+ Enterprise Zone, and integrate the new Marinehub Enterprise Zone activity. Throughout 2017. • Prioritise the development of the emerging space cluster at Aerohub+. On-going. <p>Invest</p> <ul style="list-style-type: none"> • Prioritise investment in Enterprise Zone activity within the Growth Deal 3 capital programme and other funding streams. • Work with Growth Hub to identify future sustainable funding sources. • Prioritise support to delivery of sector-led activity which drives productivity-led growth. Including; creative industries, manufacturing, digital and construction. 	
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Inclusive Growth

By 2030...

CIoS will be a place where every household both contributes to and benefits from our growing economy – and where households are better off.

LEP Board Strategic Champions

Lucy Edge/Emmie Kell

Issues	Priority Interventions 2017/18	Impact / KPIs
<p>Low pay is associated with in-work poverty, and it is increasingly replacing unemployment as a major driver of poverty. Low pay can be associated with 'churning' between work and benefits, resulting in financial hardship. It is also a consequence of a sectoral structure with a high incidence of low paid, part time/casual employment.</p>	<p>Inform</p> <ul style="list-style-type: none"> Produce a clear response to the RSA Inclusive Growth Commission, including an offer to pilot activity. A task and finish group will be set up to look at this priority area Q1. To work with the ECoC team to consider linkages between culture and inclusive growth. Q1 to Q3. <p>Influence</p> <ul style="list-style-type: none"> Continue to work with DWP to take forward activity to pilot 'health in the workforce' activity, building on from participation in the Green Paper development. Q4. Host a major event in CIoS in 2017 to highlight the issues of inclusive growth. Work with other partners such as the Health and Well Being Board to take this forward. By Q4. 	<p>Economic growth can impact positively across the whole community, with the dividends of prosperity impacting on better public services, wellbeing, health and overall quality of life.</p> <p>Key success measures:</p> <ul style="list-style-type: none"> Lower quartile earnings Proportion of households that are "workless" Proportion of the resident working age population with (a) no qualifications and (b) higher level qualifications

	<p>In Partnership</p> <ul style="list-style-type: none"> • Work alongside the developing Community Led Local Development partnership to support targeted activity in the most deprived communities. Q2. • Work alongside the LEADER Local Action Groups to support targeted activity in the most deprived rural communities. Q1. <p>Invest</p> <ul style="list-style-type: none"> • Undertake research in partnership with Growth Hub and other partners to investigate the impact of an ageing workforce on SMEs in CIoS. Q4. 	
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Building Great Careers

By 2030...

Cornwall and the Isles of Scilly has a healthy, skilled and productive workforce with access to rewarding jobs, clear progression pathways and opportunities for all.

LEP Board Strategic Champion

Paul Massey (Chair ESB)

This section should be read in conjunction with the CIoS Employment and Skills Strategy, which is overseen by the Employment and Skills Board (ESB). The Board is developing an Implementation Plan covering 2017/18 which will outline priority areas for activity.

Issues	Priority Interventions 2017/18	Impact / KPIs
<p>Despite very significant headway in HE provision over the last decade, the incidence of younger adults in the population of CIoS is still relatively low. More young people need to be persuaded that CIoS is, genuinely, a great place to be.</p> <p>Retaining/attracting more young people is important in relation to all aspects of the CIoS's economic growth ambitions.</p>	<p>Inform</p> <ul style="list-style-type: none"> Support the development of a STEAM based skills plan for the two CIoS Enterprise Zones and appropriate business led support alongside schools, colleges and universities. Task and finish group activity to develop this work. Q1. <p>Influence</p> <ul style="list-style-type: none"> Expand the Enterprise Advisors Programme to cover all schools across CIoS and drive additional business volunteers. To achieve real results in schools on improved careers advice. Improved performance by Q4. <p>In Partnership</p> <ul style="list-style-type: none"> Working alongside Cornwall Council, implement new governance and capacity arrangements to deliver 	<p>Top performing LEP areas in terms of productivity have the highest levels of those with Level 4+ qualifications.</p> <p>Key success measures:</p> <ul style="list-style-type: none"> Proportion of younger adults in the population of working age Median wage levels GVA per job

	<p>the Devolution Deal ambitions in employment and skills by end of 2017.</p> <p>Invest</p> <ul style="list-style-type: none"> • Support the long term sustainability of the Skills Hub alongside the Growth Hub. (Ensuring that evaluation of its success or otherwise is taken into account). Q4. 	
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Vibrant Communities

By 2030...

CIoS will be a place in which people from every community are able to contribute fully – and in rewarding ways – to economic life

LEP Board Strategic Champions

Andrew Williams/CC Member (tbc)/IoS Member (tbc)

Issues	Priority Interventions 2017/18	Impact / KPIs
<p>“Places” across CIoS vary greatly in their local character but all of them need to be home to vibrant and thriving communities. This means that economies need to work well at a local level (with, for example, provision for small businesses); town centres need to be a hub for local people; and there must be good local access to key services.</p> <p>These outcomes need to be achieved whilst recognising that both Local Authorities are planning for growth through their Local Plans. Some 38,000 full time jobs and 704,000 sq. m of employment space will need to be delivered supporting a minimum of 52,500 homes by 2030 in Cornwall alone.</p> <p>Private sector investment will be needed to achieve these ambitions across all places.</p>	<p>Inform</p> <ul style="list-style-type: none"> Working with the CIoS Construction Group, support opportunities for local supply chain and improved quality across the built environment. On-going. <p>Influence</p> <ul style="list-style-type: none"> Support the development of two new place based economic plans: South East Cornwall and St Austell Bay. Support the implementation of the Environmental Growth Strategy, working alongside the Local Nature Partnership. <p>In Partnership</p> <ul style="list-style-type: none"> Support the implementation of LEADER Local Action Groups across the rural areas of CIoS. Develop new relationships across Business Improvement Districts, with a focus on town centre workspace. Supporting the Growth Hub to build on the 	<p>A clear, place based economic vision, locally owned and market-facing will encourage business confidence to invest in growth.</p> <p>Key success measures:</p> <ul style="list-style-type: none"> Occupancy levels in business accommodation at a local level Town centre vitality measures – e.g. footfall (shoppers, visitors) and occupancy levels Median wage levels

	<p>success of town takeovers to ensure a bespoke approach to business support in places.</p> <p>Invest</p> <ul style="list-style-type: none"> • Continue to manage performance of some £12,530,871 place based investments as part of the live Growth Deal 1 and 2 Programme. 	
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Global Presence

By 2030...

CIoS will be firmly “on the map” as the home for outstanding businesses that compete within a range of sectors in UK and world markets.

LEP Board Strategic Champions

Sarah Trethowan/CC Portfolio Holder (tbc)

Issues	Priority Interventions 2017/18	Impact / KPIs
<p>The last 10-15 years has seen the globalisation of more product and service markets. This has opened up new market opportunities, but also increased competition. In CIoS, local markets are generally strong – which is helpful in relation to local supply chains, but can be challenging when CIoS businesses seek to compete globally (as they may have been sheltered from competitive forces).</p> <p>There is a need to encourage more businesses to engage in exporting, and to attract inward investment, in order to grow the economy and provide more opportunities for people across CIoS.</p>	<p>Inform</p> <ul style="list-style-type: none"> Linking to the productivity interventions, develop a ‘business leaders’ programme to support productivity and new markets in business. Link to potential EU Calls and existing provision such as the Eden ‘Hot House’. Q3. <p>Influence</p> <ul style="list-style-type: none"> Work with the newly created Department for International Trade (DIT) to develop a clear CIoS global ‘brand’/marketing strategy with a focus on post-2020 trade. By Q4. <p>In Partnership</p> <ul style="list-style-type: none"> Work alongside Invest in Cornwall to support any gaps in provision and identify future funding sources. By Q4. Ensure all activity in relation to ‘global presence’ aligns with IiC 	<p>A clear CIoS market platform – profiling what is available and supporting national/global marketing of products, services and place. Attracting inward investment and developing new international markets.</p> <p>Key success measures:</p> <ul style="list-style-type: none"> Share of firms actively exporting Employment in export intensive industries Inward investment enquiries/projects

	<p>activity. On-going.</p> <p>Invest</p> <ul style="list-style-type: none"> • Prioritise investments which support access to markets through improved connectivity. On-going. 	
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Finance

In addition to the amounts in the table below, it should be noted that we have secured a commitment from private sector Board members and other named private sector individuals to provide a significant amount of 'in kind' contribution in time in addition to time spent on main Board business. We calculate 250 hours in total, per quarter at £150 per hour (average rate calculation). This equates to £37,500 per quarter of a total contribution of £150,000 worth of time in 2017/18. In addition to the formal paid for arrangements by Cornwall Council acting as the LEP accountable body, it is also anticipated that an annual value of £150,000 worth of public sector in-kind time will also be provided to support direct LEP activity. All time is recorded.

As well as the funding over which it has control, the LEP will work to influence the use of other resources within Cornwall and the Isles of Scilly – not least the EU Programme to the end of 2020. Delivering the SEP for Cornwall and the Isles of Scilly needs to be a shared endeavour and all of these different resources will need to contribute. The LEP budget is managed and reported separately from the Economic Growth budget of Cornwall Council. However, where there are opportunities to align funding for shared priorities, this will be considered.

CORE EXPENDITURE	Budget 2017/18	£	Future Years
NON-RINGFENCED INCOME			
Public sector funding	150,000		
Core Funding (HMG)	250,000		
Strategy Funding (BEIS)	250,000		
Capital Interest Accrued 2017-18 estimate	132,000		
TOTAL	782,000		
RING-FENCED GRANT INCOME			
Specific Revenue	205,000		
Business Rate Income Enterprise Zone estimate	200,000		
TOTAL	405,000		
Sub Total	1,187,000		
Balance b/f from previous year (Revenue)	2,166,912		
Un-Ringfenced	1,238,859		
Ringfenced	928,053		

Future years Business Rates Growth		600,000
Future years debt income (GPF) (Rev/Cap)		2,600,000
TOTAL REVENUE INCOME	3,353,912	
<i>Unringfenced</i>	2,020,859	
<i>Ringfenced</i>	1,333,053	
EXPENDITURE BREAKDOWN		
Administrative Costs		
Total salary and employee costs	373,330	
Transport	20,000	
Total supplies and services	74,100	
Other support services		
• Accountable body (CC)	50,000	
□		
Total Administrative Costs	517,430	
Grants and Future Programmes		
Innovation and Creativity	200,000	
Productivity-led Growth	770,000	
Inclusive Growth	5,000	
Building Great Careers	250,000	
Vibrant Communities	145,000	
Global Presence	225,000	
Total Grants and Future Programmes	1,595,000	
Other Revenue		
Communications and Engagement	100,000	
Programme Management	50,000	
Economic Policy & Analysis (inc. SEP)	50,000	
LEP Company Transfer of Funds	83,000	
Specific Revenue (Growth Hub)	205,000	
Enterprise Zone Re-investment	200,000	
Total Other Revenue	688,000	
Sub Total of Administrative Costs, Grants and Future Programmes and Other Revenue	2,800,430	
Balance Remaining	553,482	

CAPITAL EXPENDITURE		
Capital Income	16,731,067	
Balance b/f from previous year (Capital)	18,499,703	
Future Years Grant (Capital) income		21,626,265
TOTAL INCOME	35,230,770	
RGF & Interest	199,060	
Growing Places	2,281,922	
Growth Deal Programme Total	32,749,788	
Breakdown of Growth Deal:- Vibrant Communities	12,530,871	
Total Capital Expenditure	35,230,770	
OVERALL TOTAL (Revenue + Capital)	38,031,200	
RESERVE BALANCE	553,482	

Structure

The overarching strategy defining the activities of the LEP is the Cornwall and Isles of Scilly Strategic Economic Plan. To fulfil our roles and responsibilities across our activities the LEP is administered via an unincorporated partnership, with the partnership consisting of Cornwall Council (CC), Council of the Isles of Scilly (CIoS) and the not-for-profit CIoS LEP Co.

The LEP Co is constituted by a **board of private sector and individual representatives**. Profiles of Board Directors can be found [here](#). Local Authority Members also hold a seat on the board to provide public sector input. They are all directors of the LEP Co. The LEP Co Board has strategy and decision making responsibilities of the unincorporated partnership. Local Authority partners can perform the accountable body function, administration function and act as employer for the unincorporated partnership. This will be fulfilled by CC.

The LEP Co Board is supported in its role through a wider structure involving a larger number of stakeholders.

Our operating structure and all specific details on how we manage our programmes can be found in our [Assurance Framework](#).

Assurance Framework

As part of the increasing responsibilities being given to LEPs, articulated via the Growth Deal negotiations, the CIoS LEP works with Government through a single assurance framework covering all Government funding flowing through the LEP to ensure we have robust and transparent value for money processes in place. This assurance framework supports the developing confidence in delegating funding from central budgets and programmes via a single pot mechanism. It links to the Accountability System Statements for both Local Government and the Local Growth Fund which provide assurance to the Department Accounting Officer and to Parliament for how Local Growth Funds and wider funding routed through Local Government and Local Enterprise Partnerships are allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety and value for money.

The need for such a Framework is welcomed by the Cornwall and Isles of Scilly LEP as a means to encapsulate and properly monitor the far reaching impact of its roles and responsibilities. The Framework is an essential tool to maintain proper accountability and decision making for all LEP activity.

Performance reporting

All detailed reporting processes are outlined within the LEP Assurance Framework – terms of reference across all LEP groups are also contained there. LEP business is conducted via the main Board and two delegated Committees populated by Board Non-Executive Directors: Nominations Committee and Audit and Assurance Committee, both of whom are delegated to oversee detailed issues on Board appointments and budget respectively.

The LEP Board operates under an Articles of Association and all business is conducted by standard reporting templates. The Board meets bi-monthly. As well as two seats on the ITI Board of the Cornwall and Isles of Scilly 2014-2020 EU Programmes, the LEP has seats on Growth Deal delivery boards. These meet on a regular (monthly/bimonthly) basis to discuss progress, monitoring and evaluation and spend across the National Growth Deal and EU programmes. The LEP Board, because of its specific responsibility for delivery of the Growth Deal, receives performance reports from the Growth Deal delivery boards for review by the LEP Board members. These performance reports are placed onto the LEP website along with any associated press

releases and ministerial visit programmes applicable to the Growth Deal. The LEP also delegates specific delivery oversight to its Enterprise Zone Board to oversee delivery of the Zone and oversee reinvestment of the business rates retention associated with the Zone.

Every three years, the Nominations Committee will conduct an evaluation of Board competencies. This was last conducted in 2016.

The Audit and Assurance Committee will oversee an annual external audit of the accounts if it deems that necessary, in addition to the internal audit by the Accountable Body.

Risk

As part of the LEP Assurance Framework we are ensuring we take appropriate steps to manage and mitigate risk. Different programmes sometimes demand a different means of reporting risk and assessing other issues such as value for money. However, as a principle across all of our activity we will ensure:

- We have a full understanding of our obligations.
- We have sufficient processes and internal systems of control (via our Accountable Body) to meet our obligations.
- We have appropriate systems and process in place to allow us to identify, manage and review our risks.

The LEP has a corporate risk register which is reviewed monthly by the LEP Executive Team, quarterly by the LEP Audit & Assurance committee and is presented at LEP Board meetings on a quarterly basis. Risk headline themes are:

- Governance
- Resourcing
- Financial compliance
- Programme management
- Implementation
- Reputation

All risks have control measures in place with associated mitigation actions.

Resourcing

Staff

Supported by a combination of funding from central government and resources from Cornwall Council, the Council of the Isles of Scilly, the private sector and Higher Education partners, the LEP has a small core delivery resource. Core resources have been matched by in-kind contributions from the private sector, not least through the substantial time devoted to the LEP's activities by Board members.

The LEP maintains a deliberately small team with a strong reliance on direct in-kind support from the private sector, local authorities and other organisations. The dedicated LEP Executive details are shown below.

In 2016, the LEP CEO also took responsibility for overseeing Cornwall Council's Economic Growth Service. Cornwall Council has fully endorsed the CIoS Strategic Economic Plan which has ensured alignment behind a single overarching strategy. Therefore, the team operates as a consolidated resource behind a single set of priorities. The final detail of all staff across the new resource will be finalised during 2017/18. The LEP staffing budget is not expected to change from the figures above.

LEP Board Directors



Mark Duddridge
(Chair)



Chris Loughlin
(Vice Chair)



Gavin Poole



Sarah Trethowan



Andrew Williams



Roland Tiplady



Lucy Edge



Paul Massey



Emmie Kell



Mark Goodwin



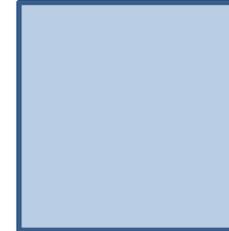
Adam Paynter



Louise Rowe



John Acornley



IoS rep (TBC)

LEP Executive Team



Sandra Rothwell
CEO



Tim Bagshaw
Head of LEP
Governance &
Operations



Greg Slater
Head of Investment &
Growth



Andy Davies
Programme Monitoring
& Evaluation Manager



Carol Bransgrove
Executive &
Governance Manager



Clare Harris
Employment & Skills
Manager



Matt Silver
Business Stakeholder &
Relationship Manager



Debbie Osborne
PA to Chair and CEO



Emma Grainger
Support Officer

GLOSSARY

GVA is the measure used to quantify the contribution each sector, industry or producer makes to the economy, and when added, the total value of economic activity in a particular area. It is used as an indicator of the value of economic activity that takes place within a sector, or area.

In simple terms, GVA is the value of the goods or services as they leave the sector or area, minus the cost of inputs used to produce them.

GVA is the difference between output and *intermediate consumption* for any given sector/industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. GVA therefore measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom and is used in the estimation of GDP.

What is Gross Domestic Product?

The Gross Domestic Product (GDP) is the market value of all final goods and services produced within a geographical entity within a given period of time.

Difference between Gross Domestic Product and Gross Value Added (GVA).

GVA equals the value of outputs minus the value of inputs. GDP equals GVA plus any product taxes minus any subsidies. GDP is used by Eurostat to measure output.

Productivity can be measured as 'the ratio of outputs to input' – in other words, the value of an output once all factors in any production process have been taken into account. This is often measured as an hourly figure per hour worked for individuals and businesses, or at a geographical level it is measured using the GDP and GVA measures explained above. Five factors or 'drivers' of productivity are often cited as being important to achieve high levels of productivity. These are: innovation, investment, skills, enterprise and competition.

SEP Strategic Economic Plan. In 2013/14 all Local Enterprise Partnerships were asked to develop a strategic economic growth plan for their areas outline priorities for growth.

LEP Local Enterprise Partnership. LEPs were created by the Coalition Government in 2011 to help determine local economic priorities and lead economic growth in local areas. They are a voluntary partnership between local authorities and business. There are 38 LEPs in England.

Enterprise Zones are designated areas across England that provide tax breaks and Government support. For information can be found [here](#).