



CORNWALL &
ISLES OF SCILLY
LOCAL ENTERPRISE PARTNERSHIP

Cornwall and Isles of Scilly Local Enterprise Partnership Business Plan

April 2016-March 2017



LEP Board Directors



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Vice Chair



Gavin Poole



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PA to Chair and CEO



INTRODUCTION:

In 2015 the Cornwall and Isles of Scilly Local Enterprise Partnership (CIO S LEP) launched a three year business plan covering the period to March 2018. Each business year we set out in detail our priorities for the year ahead. This 2016-17 implementation plan comes at a crucial point in the economic development of our region. 2016 is the tipping point from strategy to delivery for both the LEP and our partners.

2016-17 will see the LEP continue to become more visible in the business community, engage with our partners and monitor and evaluate implementation of programmes under our direct responsibility.

This year sees the culmination of much hard work achieved in partnership with the private and public sectors. In 2015 /16 Cornwall achieved its own Devolution Deal, the much anticipated Cornwall and Isles of Scilly EU Growth Programme finally went live and the LEP commenced implementation of its own £200m Growth Deal programme.

There remains much to do however, with the CIO S economy still lagging behind other areas of the UK and Europe in terms of productivity gains and overall value – measured in things like average salary levels, quality of skills, export numbers, 'Gross Value Added' and 'Gross Domestic Product'. Our key focus is to drive productivity and to address to the continuing issues faced by business and people. This year we will prioritise support for improved skills and employment: this is one of the key barriers to productivity-led growth and can be seen in the low wage economy that still holds back our economic performance.

Nonetheless, business confidence overall remains strong, we have a great partnership between the public and private sectors. As a refreshed Board, we are excited about and committed to delivering our plan and the resulting benefits for Cornwall and the Isles of Scilly.

A handwritten signature in blue ink, appearing to read 'Mark Duddridge'.

Mark Duddridge
Chair, CIO S LEP

A handwritten signature in blue ink, appearing to read 'Sandra Rothwell'.

Sandra Rothwell
Chief Executive, CIO S LEP



The State of the Economy 2015¹:

Our plan is developed following a robust analysis of a number of strategic drivers which ensures the plan is deliverable within the wider environment in which we operate. One of the most important factors is the state of our economy. Whilst we have seen some significant improvements in the Cornwall and Isles of Scilly economy over the past year, we still see the impact of the global recession on economic improvement. We are also very concerned at the 'gap' in EU programmes starting, which has meant a lack of new public investment in some economic activity in 2015. Most of the economic indicators for the year showed a continuing lack of productivity improvements in the local economy – resulting in poor performance on Gross Value Added as well as other indicators such as overall output and output per head figures. Whilst employment is high, productivity is low. We see this played-out in indicators such as continuing low average salary levels.

Unemployment
stands at **9,700** after peaking
at **23,000** in **2010**

Productivity only
72%
of UK average in **2013**

In 2015, average annual employee
earnings by workplace equalled

£17,340

6.0%
of the workforce have
no qualifications

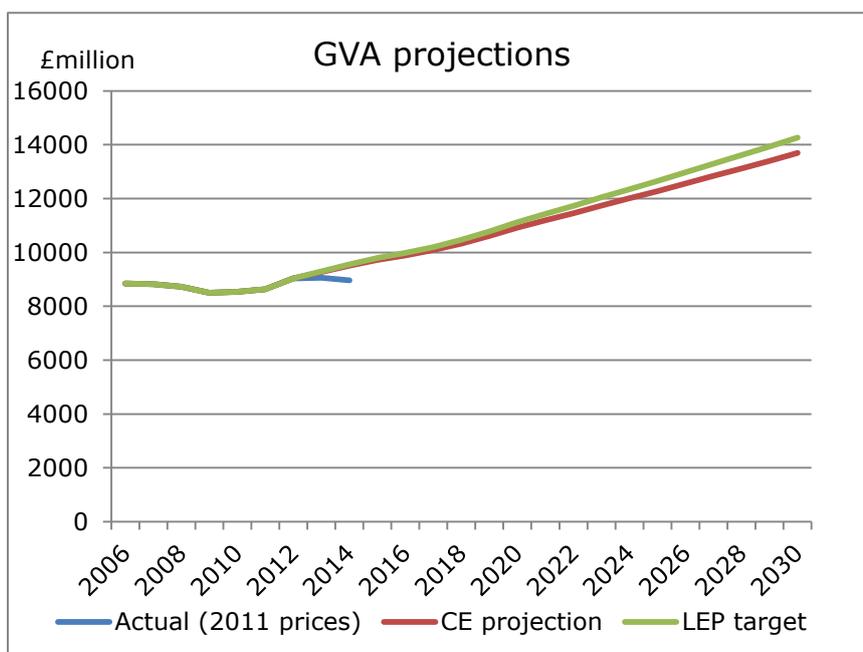
Employment is on the **up**
with **3,000** more people in
employment than a year ago

¹ The LEP works closely with **Cornwall Council** on keeping an overview of the state of the economy, the following section is partly based on their [state of the economy](#) report, produced in February 2016 by the Economy and Culture Service. Further figures and UK benchmark data can be found here.

Gross Value Added (GVA)²

The latest GVA data presents a disappointing picture of output in Cornwall and the Isles of Scilly. Although total output grew between 2013 and 2014, output per person fell to stand at £17,278. Cornwall and the Isles of Scilly had the worst performance of any of the 40 NUTS II³ regions. Analysis over a longer period, from 1999 to 2014, shows that on all measures – total output, output per person and output per person relative to the UK average – **the position of Cornwall and the Isles of Scilly has improved**. As a share of the UK economy, Cornwall’s share was up from 0.54% to 0.58% and per capita up from 65.3% to 70.2% of the UK average. Much of this improvement occurred pre-recession and was concentrated on the period 1999 to 2006.

The CIoS Strategic Economic Plan (SEP) has a key performance indicator measure against GVA improvement. A down-side to this measure is the lag on data, we are only able to see actual results in the past rather than during the business planning year. The figures are also subject to change due to the way that the Office of National Statistics (ONS) calculates these figures – see below. We will seek to further refine this measurement to ensure our focus on productivity continues, for example, moving to also include a ‘productivity per head, per hour worked’ measure. We have worked with Cambridge Econometrics (CE) to both improve our understanding of the data, and to take the figures out to a longer timeframe. Using the new ONS data, the GVA figure in 2014 was £8,960m. The LEP stretch target for the same year was £9,558m.



This chart shows the new projected output figures

² See glossary for full definition.

³ See glossary



In terms of progress to date, based on this revised methodology, we can clearly see that our targets are ambitious – particularly given the latest data on GVA (2014) showing a negative trend. However, we are absolutely clear that to address the continuing overall poorer performance of the CIoS economy, we must continue to prioritise activity on increasing our overall GVA. The focus of all implementation for the LEP remains on targeting investment in **drivers of productivity-led growth** such as skills, entrepreneurship and supporting increasingly competitive businesses.

As well as our GVA target and key indicators across our economy, the CIoS LEP has direct responsibility for a range of targets underpinning programmes which fall under the remit of the LEP. These include Enterprise Zones, Growth Deal, Regional Growth Fund and Growing Places Fund.

Headline key performance indicators to date across all of the programmes for which the CIoS LEP has direct responsibility are as follows:

Key Performance Indicators	New additional jobs invested in	New homes invested in ⁴	Businesses supported	Learners trained or supported	Infrastructure investment	Private sector leverage
Delivery to date (Q4 2015)	4,832	44	779	3,816	£27.617m	£90.925
Forecast to 2021	23,375	5,677	4,700	10,000	£60m	£93.70m

⁴ These are homes actually built – following investment to unlock development sites

Track Record 2015/16

The LEP has continued to make good progress on implementation. **Highlights** from the previous year include:

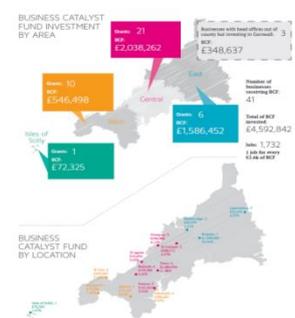
Growth Deal: Local Growth Fund

There are 15 projects that make up the Growth Deal programme. 8 projects have commenced with the Truro Housing and Employment Link project already completed. More information on this programme is available [here](#).

Regional Growth Fund (RGF) and Growing Places Fund (GPF) programmes have so far delivered:

- Created or safeguarded 6,759 jobs
- Supported 128 businesses.
- For every £1 of RGF & GPF levered £4.84 of other funds totalling £91.4million
- Built and facilitated 41,874sqm of workspace

BUSINESS CATALYST STATISTICS



A full overview of delivery across both Programmes can be found [here](#)



Interim Growth Hub

One of the key investments made through Growth Deal funding was an interim arrangement to develop a 'Growth Hub' facility for all business in Cornwall and the Isles of Scilly. Essentially, it is a single point of contact for advice and information for business. This facility has been and continues to be a priority for the LEP. A priority for 2016/17 is the roll out of a full Growth Hub facility.

The LEP continues to work with Cornwall Council on the **Better Business for All (BBFA)** Programme, providing a regulatory environment that promotes business success whilst continuing to provide public protection. Key BBFA achievements from April 2015 to January 2016 include:

- Our BBFA videos, which include case studies, have now achieved 945 views.
- Approaches from business to Cornwall Council's Trading Standards, Environmental health and Licensing have increased by 45%.
- Winner of the Partnership category of the inaugural National BBFA awards.



Enterprise Zone
www.aerohub.co.uk

Aerohub is the largest planning-free zone in the UK covering 650 acres which offers a unique operational environment for the aerospace sector.

- We have created 216 jobs and supported 9 businesses and, working with Cornwall Council and Cornwall Development Company, have delivered a new Business Park on the Newquay site.
- We have successfully extended the Zone to include Goonhilly Earth Station and allow for not only Business Rate relief to be applied but also allow for Enhanced Capital Allowances to be applied in both Newquay and Goonhilly.

Communications

Improving our communications with the business community was a priority area for the LEP in 2015/16. As well as the interim Growth Hub, the LEP redeveloped its approach to social media and other forms of communications such as radio and video.

Plan 15-18:

Our **VISION** for Cornwall and the Isles of Scilly is that it will flourish as the **natural place to grow great business**.

Our **MISSION** is to exceed predicted Gross Value Added (GVA) growth by an additional £338m (5% stretch) by 2020 and an additional £574m (10% stretch) by 2030.

Our **AIMS** remain as the four priorities and guiding principle set out in our original 2012 strategy.

In 2013 all LEPs were asked by Government to develop a Strategic Economic Plan (SEP) to outline in more detail our specific economic growth objectives for a defined period. In our case, this period stretches from 2014 to 2020 and deliberately aligns with the work and prioritisation we had led on the European Structural and Investment Funds (EU SIF). Our SEP also highlights areas including education, infrastructure and housing to give a more comprehensive set of economic growth priorities.

These documents should be read alongside this business plan and can all be found on our website www.cioslep.com. All of our objectives and targets are based on our SEP.



Evidence

Further to the high level general economic evidence base we developed in 2011 and 2012, we have continued to test and analyse the economic and market opportunities to ensure our objectives and targets are sound. Where possible we have sought to link this work with the development of the EU SIF Programmes so that a clear and aligned approach is followed across all economic growth investments and activity. Examples of our research includes:

- Future employment forecasting, April 2015.
- Research, Development and Innovation (R, D&I), December 2015. Outlining a future investment framework associated with the development of all research and innovation activity.
- Future Economy Skills, February 2016. Ensuring a clear approach to skills and training to support the development of our future economy sectors improvements in innovation across all areas.
- A number of reports to further understanding of the skills shortages and issues across key sectors (2015), including;
 - Aerospace and space
 - The care sector



- Construction
- Renewables
- Environmental goods and services
- Digital
- Food and drink
- Financial Engineering Instruments (November 2015, March 2016). Looking at an overall investment strategy to assess market demand for alternative forms of financing.

Our values

As a Local Enterprise Partnership (LEP) with a private and public sector membership, it is important to be guided by a common set of values which set a benchmark for the way we work. 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.

We are business led

We make decisions locally

We are accountable and transparent

We are ambitious

We are outward looking

We are efficient

We are focused

What we do

The LEP has very limited direct resources. The delivery of the Strategic Economic Plan (2014-20) 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 inform decision-making processes (at central government/EU levels as well as within Cornwall and the Isles of Scilly), representing the “voice of business” from Cornwall and the Isles of Scilly.
- **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.



- **Investing** funds which it has 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 instruments rather than always using grants.
- **In partnership** 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 other partnerships. 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.

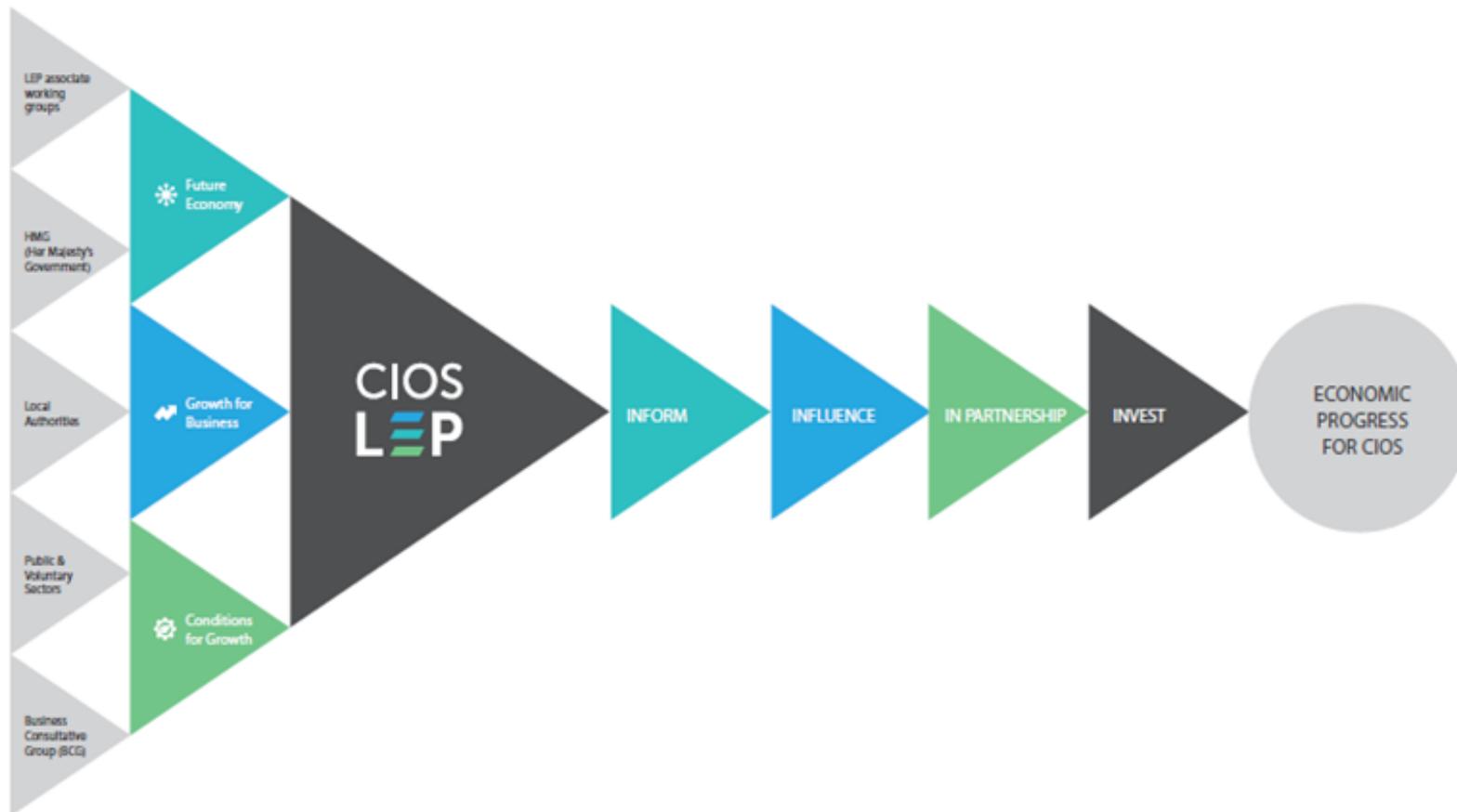
Engagement and communication

Improving the way we communicate continues as a priority for us in 2016. This year we see a strong focus on utilising the new Growth Hub as a platform for communications, as well as building on our learning from the Expo event to deliver an annual LEP conference.

2016 will be an important year to focus communication on implementation and ensuring the business community of Cornwall and the Isles of Scilly are fully aware of all the opportunities that exist to support them in successful growth. We will also continue to ensure our engagement with key decision makers at local, national and European levels is effective, building on our already strong relationships with local elected Members, Members of Parliament, Peers and MEPs.

As organisations and teams such as the Growth Hub, Visit Cornwall, the Islands' Partnership and Invest in Cornwall move forward with their delivery, we will seek to engage with them to effectively and sensitively use the unique 'brand' that is Cornwall and the Isles of Scilly. The South West LEPs have an ambition to collaborate on "*We are the South West*" through their respective growth hubs. This will benefit all regions as potentially large investment opportunities would be progressed in a collaborative fashion to benefit the South West as a whole and in turn the supply chain in each of the LEP areas.

How we work





Structure

The overarching strategy defining the activities of the LEP is the Cornwall and Isles of Scilly Strategic Economic Plan. There are three main implementation mechanisms helping achieve the SEP objectives: The EU Programmes, the Growth Deal and a grouping of smaller implementation programmes.

To fulfil our roles and responsibilities across all of these 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, primarily taken forward by three 'Driver Boards': Future Economy, Employment and Skills, Growth for Business and a Local Transport Board.

Performance

The LEP tracks and reviews progress in implementing its strategy and business plan, and it manages its own performance in relation to this process. The LEP discharges this function by collecting and analysing performance data on a regular basis at three different "levels":

1. The **overall economic performance** of Cornwall and Isles of Scilly
2. **Targets** which reflect activity we have commissioned
3. **Milestones** which reflect what we have influenced and/or challenged as well as milestone outcomes and spend profile

Assurance Framework

As part of the increasing responsibilities being given to LEPs, articulated via the Growth Deal negotiations, the CIoS LEP will work 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 will support the developing confidence in delegating funding from central budgets and programmes via a single pot mechanism. It will link 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. Therefore the LEP see the Framework as an essential tool in its natural development and maintaining proper accountability in its practices and decision making.

The Framework addresses the guidance set out by the Department for Business Innovation and Skills (BIS) it also brings together all the various frameworks and procedures for investment that are overseen by the LEP. In this context the document must be fit for purpose and principally be to the benefit of the LEP whilst addressing the points made by BIS. The CIOs LEP Assurance Framework can be found on our [website](#).

Risk

As part of the LEP taking on more responsibilities from Government, in turn it must also take responsibility for identifying, monitoring, managing and mitigating its risks. 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 arrangements
- Resourcing
- Financial compliance
- Programme management
- Devolution implementation
- Reputational.

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



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; a 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. It is supported through three Driver Boards, across the three thematic objectives of the Strategic Economic Plan. 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.

The LEP Board will undertake an annual review of this three year Business Plan as well as quarterly progress reports.

Every three years, the Nominations Committee will conduct an evaluation of Board competencies. This will be 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 of the accountable body.

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.



Objectives and actions: April 2016 to March 2017

Our objectives and actions remain focused on the priorities identified in the existing SEP. We have sought to ensure a continuation of the strong alignment between our own objectives and those of the EU Strategic Investment Framework, the development of which was overseen by the LEP in 2012. We have also brought our objectives in line with new developments such as investment through Growth Deals, the extension of the Enterprise Zone opportunity and the impact of achieving the Cornwall Devolution Deal.

Everything we do is focused on driving productivity across all sectors and all areas of Cornwall and the Isles of Scilly. In doing this we still adhere to our cross cutting principle to ensure the culture, communities and environment of CIoS remain special and unique, achieving our vision as the natural place to grow great business.

As well as continuing to implement our existing programmes, the LEP will be particularly prioritising four areas of activity, primarily through our three Driver Boards: Future Economy, Growth for Business and Employment and Skills.

- **Skills and learning:** The number one issue the business community cite as a barrier to productivity-led growth and at the heart of those elements of the devolution deal under the LEPs responsibility.
- **Growth Hub:** Building on the interim arrangements, the LEP will be prioritising making the fully-functional CIoS Growth Hub the very best resource to support the business community of CIoS to grow.
- **Access to Finance:** As well as working to support ease of access by business to public grant funds (such as EU programmes and national funding) we will be prioritising establishing alternative finance mechanisms, such as equity and loan investments.
- **Growth through innovation:** Taking forward the clear implementation areas outlined within the CIoS Research, Development and Innovation Framework, across both identified smart sectors and other businesses – with the single aim of achieving high impact productivity gains.

Whilst the following sections are aligned to the SEP priority themes - Future Economy, Growth for Business and Conditions for Growth - working across the themes is an important means of achieving effective economic growth. The detailed activity priorities outline this more clearly; for example in ensuring that implementation of skills is aligned to future economy needs or ensuring that the grid infrastructure is fit for purpose for future demands of the renewables sector.



Future Economy

- FE1 Aerospace, space and satellite technology and development**
- FE2 Renewable energy – technology and generation**
- FE3 Agri-food & agri-tech, food sustainability & innovation**
- FE4 E-health & smart homes**
- FE5 Digital economy**
- FE6 Growth through innovation**

LEP Board Strategic Champion

Professor Mark Goodwin: Chair of the LEP Future Economy Board

Our approach under Future Economy is to prioritise investments which will capitalise on CIoS's strengths and unique characteristics to exploit new and emerging markets with an identified competitive advantage. The 'Smart Specialisation' areas are identified within the Strategic Economic Plan and are outlined above.

As well as a focus on these sectors, we will seek to utilise research, development and innovation as recognised drivers of growth. For many years we have been acknowledged as a leader in low carbon technologies with excellent natural resources, innovation clusters and cutting edge infrastructure investments. These opportunities must be exploited, and new ones created, if we are to transform our economy.

Innovation enhances productivity, output and the development of new products and processes. It is therefore a key enabling force for economic growth. It is also an important potential contributor to economic transformation, leading to a more knowledge-based and higher value economy. The presence of, and ability to access, research expertise (including through higher education institutions (HEIs) and other research centres) also plays a key role in developing and maintaining a skill base and providing a sustainable innovation 'ecosystem'.

We will encourage a general uplift in R&D spending across the business base, with a focus on high-growth and high-growth potential companies (***growth through innovation***).

We will be working with Government to understand in detail how the Devolution Deal supports our Future Economy ambitions – in particular through the Low Carbon Enterprise Zone,



additional support from the Department for Business Innovation and Skills and the links to the employment and skills opportunities in the Deal.

As well as the wider opportunities through investment programmes such as the EU Growth Programme, the LEP will be prioritising the following areas:

Key Interventions 2016/17

ACTIVITY
<p>Through the Future Economy Board, implement the Research, Development and Innovation (R,D&I) Framework across:</p> <ul style="list-style-type: none">• Knowledge creation: Business opportunity-led research and effective networking• Enterprise: Innovation infrastructure and commercialisation of research• Capital: Finance availability and skills availability• Markets: market access, market development and inward investment <p>This will be implemented at both a wider level to achieve the 'growth through innovation' priority and at a more specific 'sector' or 'cluster' level, for example the development of a bespoke approach to support the creative and digital industry. Whilst this is an on-going action, significant work will be taken forward in the period April to December 2016 to maximise EU Investment opportunities.</p>
<p>Provide effective leadership to and high level strategic and programme management of, the Aerohub Plus Enterprise Zone. All revised governance arrangements to be in place by June 2016.</p>
<p>Work closely with Cornwall Council on the development of the Low Carbon Enterprise Zone at Hayle and Falmouth. Use this as a driver to deliver the Offshore Renewables Road Map. The Zone to be operational by December 2016.</p>
<p>Continue to support the development of the emerging Food Enterprise Zones. Our ambition, subject to planning, is to have the first Zone operational by March 2017.</p>
<p>Devise and agree ways that the Enterprise Zones add value and help bring success to all parts of the CIoS LEP, with a focus on new innovation, inward investment, marketing and export and skills/labour market development. On-going.</p>
<p>As part of the implementation of the R,D&I Framework, set-up and procure all necessary arrangements for the EU Financial Engineering Instrument by December 2016. This action also links to the Growth for Business theme in supporting business access to finance.</p>



Growth for Business

- GB1 Bespoke business 'Growth Hub'**
- GB2 Targeted and bespoke business support to those with *potential to grow***
- GB3 'Grow on' and work space supply**
- GB4 Expanding market reach to export products and services**
- GB5 Creating a step change in business innovation culture**

LEP Board Strategic Champion

Sarah Trethowan: Chair of the Growth for Business Board

Our ambition is to deliver investments which will accelerate increases in productivity and competitiveness in the region's businesses. Our overall strategy is very much business-led, and it is important our businesses have the tools and support to deliver economic growth and increased productivity. It should be noted that we include social enterprise in this description of 'business'. Developing a strong and competitive business base is imperative to a robust and sustainable economy that can continue to thrive in new areas, as well as making the most of more traditional sectors in CIoS. We aim to make investments and promote action which will increase productivity and competitiveness, with a particular focus on businesses with **growth potential**. Labour market skills and employability will also feature strongly. This will encourage a business culture based on research, development, innovation and accessing new markets (i.e. an increase in exports) to drive a step change in economic activity that can therefore improve productivity and GVA. There is a clear overlap with this theme and the Future Economy theme and we will ensure these links are maximised.

Delivering a high quality Growth Hub, fully resourced to deliver our expectation – as well as that of the business community – will be our **top priority**. We will be working with the Growth Hub provider (Cornwall Development Company) to ensure that opportunities in the Devolution Deal can be fully realised, with a comprehensive business support journey for all business, irrespective of size, sector and geography. A fully functional 'client referral system' will be established over the year to ease this journey. We will also be aligning the Better Business for All programme within the Growth Hub. A clear priority for us will be to deliver more support for business wishing to grow.



Key interventions 2016/17

ACTIVITY
<p>Work with Growth Hub (GH) provider to deliver a broad range of services across all business with potential to grow:</p> <ul style="list-style-type: none">• Ensure ERDF funded support meets business expectation through effective governance arrangements April 2016 and on-going.• Align national funding (implemented through the LEP) with the Growth Hub to ensure all business with potential can be supported April 2016 and on-going.• Align ESF funded 'Skills Hub' with the Growth Hub. Work with Employment and Skills Board to develop detail. September 2016 and on-going to achieve an operational Skills Hub.• Ensure Devolution Deal employment and skills implementation aligns with the GH and business support. In particular, aligning the delivery of the future apprenticeship programme. January 2017 to achieve an operational apprenticeship hub.• Further develop the LEP and GH relationship with 'intermediaries' (such as banks, accountants and other private business support companies) as well local public provision such as local regulatory services. Specifically, bring the Better Business for All (BBFA) programme into the Growth Hub by December 2016.
<p>Through the Growth Hub provider, implement and fund a fully functional Client Relationship System (CRM) – making the system inter-operable for all business support providers across the public and private sectors by July 2016.</p>
<p>Continue to undertake a regular monitoring, evaluation and gap analysis of all business support provision to inform the on-going development of the EU programme and the incorporation of national services under devolution (for example, inward investment and export). On-going.</p>
<p>Continue to oversee the implementation of the business support section of the devolution deal. In addition, work with CIoS Business Representative Organisations and Local Authorities to fully explore the review of business rates and what additional devolved and bespoke arrangements should be set up in identified areas such as Innovate UK, the Enterprise Europe Network and Catapults. On-going.</p>
<p>Take forward access to finance opportunities including:</p> <ul style="list-style-type: none">• Working with EU Programmes managing authorities to ensure private sector access to EU Programmes is as simple as it can be. Whilst this is on-going it is a <i>priority action</i>.• Identify new funding routes to support access to finance for grow on space. October 2016.• Ensure work on alternative finance is addressing market need/gap. December 2016.
<p>Work closely with the Future Economy Board to implement the R,D&I Framework and 'growth through innovation' priority. Utilise Business Representation Organisations and other sector networks to support a business-led approach to activity around knowledge, enterprise, capital and markets. On-going.</p>

A green icon of a gear with a leaf inside it, symbolizing growth and industry.

Conditions For Growth

- CG1 Strategic and intra connectivity and infrastructure**
- CG2 Isles of Scilly infrastructure for growth**
- CG3 Housing: Right homes, right place.**
- CG4 Skills, talent & raising aspirations**
- CG5 Creating community capacity and resilience**

LEP Board Strategic Champion

Paul Massey: Chair of the Employment and Skills Board

Our ambition for a prosperous future is built on sound evidence and an intimate knowledge of our people, places and resources. 'Conditions for Growth' forms the foundation for the Future Economy and Growth for Business themes. This is the part of our plan which 'takes the brakes off' our business-led growth ambitions and enables them to come to fruition. These are the five intervention areas without which our pioneering approach to a Future Economy will not be realised.

Our focus on connectivity and infrastructure will remain, with our priority to deliver the current Growth Deal programme and a potential increase to this infrastructure programme in any future round of Government funding.

We continue to work with the public and private sectors on the Isles of Scilly to deliver the priorities within 'Islands Futures' – part of the CIO S Strategic Economic Plan. Whilst we have invested in air-links resilience at both St Mary's and Lands End and supported their work on utilities infrastructure, we will be prioritising their work on wider opportunities for both resilience and economic growth through the Smart Islands programme. We will be working to identify specific ways that we can add value to this innovative agenda across the Islands.

As part of the refresh of the Strategic Economic Plan this year, we will be revisiting our approach to support our priority around housing. Whilst our Growth Deal investments have unlocked housing sites in growth locations such as Newquay and Redruth, we feel there is still more to do – and we need to understand how we can add value to this important area. In the meantime, we will continue to focus on supporting the construction sector, a key component of being able to deliver high quality growth with strong economic impact.



However, **our top priority** for this theme in 2016/17 is developing the employment opportunities and skills of our people for now and the future, developing a flexible and effective workforce equipped to meet the economic challenges we face. Through the Employment and Skills Board (ESB) work is now underway to refresh the Employment & Skills strategy incorporating elements of the devolution deal and reviewing our key objectives, which are:

- Create an aspirational and innovative employment and enterprise culture
- Improve skills and boost employment in growing global markets
- Enable those out of work to compete in the labour market by developing the necessary skills
- Increase employer and individual investment in skills
- Improve the quality of and access to information for learners, employers and providers

Future plans will also include increasing the quality and quantity of apprenticeships by working towards the government target of three million apprenticeship starts in England by 2020.

We want to see the demand for skills and the supply brought into sync, with better jobs being created, supporting our young people to get the best start in life through high quality education, advice and guidance.

We also want to understand better the impact of a healthy workforce on our productivity ambition across all activity.

This priority will also align with our continued support for resilient communities. We have argued strongly, alongside Cornwall Council, for the Community Led Development programme in the EU Growth Programme and, under the support and leadership of Cornwall Council alongside the four Local Action Groups look forward to see strong economic impact of their work.

Key Interventions 2016/17

ACTIVITY
<p>Continue to support strategic transport and connectivity work across Cornwall and the Isles of Scilly through the Local Transport Board. Where appropriate this will link to strategic connectivity across borders – such as rail, road and air. We will work closely with the South West Local Enterprise Partnerships on this activity. We will continue to monitor progress across the transport investment package linked to Growth Deal delivery and identify any areas of future gaps. We will also work over the year to extend the remit of strategic transport to encompass wider strategic infrastructure, such as future grid provision. On-going.</p>
<p>We will oversee performance and delivery across the existing Growth Deal Transport investment package to ensure the programme is delivered on time, on budget and to agreed outputs. On-going.</p>
<p>We will oversee performance and delivery across the existing Growth Deal Superfast Broadband extension infrastructure package to ensure the programme is delivered on time, on budget and to agreed outputs. On-going.</p>
<p>We will work with the Isles of Scilly (Council and Islands Partnership) to ensure that all of our priorities for 2016/17 have appropriate application for the Islands and their business community and in particular, will seek to add value to the Smart Islands Programme during 2016/17 in terms of its implementation. On-going.</p>
<p>Through the refresh of the CIoS Strategic Economic Plan, we will review our approach to support housing growth. This will also align with the work completed to support the Cornwall Local Plan. Review complete by September 2016.</p>
<p>Through the Employment and Skills Board, continue to oversee the implementation of the employment and skills section of the devolution deal. In particular we will be prioritising the following activities:</p> <ul style="list-style-type: none"> • Supporting the Post 16 Area Review, working with Local Authorities, post-16 education providers and the Heart of the South West LEP. November 2016 to January 2017. • Working with the Skills Funding Agency and Cornwall Council to align further education and adult skills budgets, and confirm necessary governance and commissioning arrangements by January 2017. • Revise the existing Employment & Skills strategy and develop a new CIoS Apprenticeship strategy. June 2016. • Work with Growth for Business Board to align a Skills Hub and Apprenticeship Hub as part of the Growth Hub. September 2016 and January 2017 respectively. • Oversee the implementation of the Enterprise Advisor programme with schools, working with Ofsted as part of the revision to school ratings for careers advice. Set up complete and operation for start of academic year September 2016.

Finance

As well as the actual 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 2015/16. 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 next 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.

CORE EXPENDITURE	Budget 2016/17 £	Future Years
NON-RINGFENCED INCOME - Revenue		
Public sector funding	150,000	
Core Funding (HMG)	250,000	
Strategy Funding (BIS)	250,000	
Capital Interest Accrued 2015-16 to date	274,000	
TOTAL	924,000	
RING-FENCED GRANT INCOME		
Specific Revenue	336,000	
TOTAL	336,000	
Sub Total	1,260,000	
Balance b/f from previous year (Revenue)	1,650,083	
Un-Ringfenced	1,307,447	
Ringfenced	342,637	
Future years Business Rates Growth		718,441
Future years debt income (GPF) (Rev/Cap)		4,475,000
TOTAL REVENUE INCOME	2,910,083	



EXPENDITURE BREAKDOWN	EXPENDITURE	
Administrative Costs		
Total salary and employee costs	390,000	
Premises	3,000	
Transport	20,000	
Total supplies and services	72,750	
Other support services	50,000	
Total Administrative Costs	535,750	
Grants and Future Programmes		
Future Economy	416,950	
Growth for Business	125,000	
Conditions for Growth	289,196	
Total Grants and Future Programmes	831,146	
Other Revenue		
Communications and Engagement	132,500	
Programme Management/Growth Deal 3	150,000	
Economic Policy & Analysis (inc. SEP refresh)	80,000	
Technical Assistance (ERDF/ESF)	129,375	
LEP Company Transfer of Funds (see below)	68,000	
Specific Revenue (Growth Hub/BIS)	205,000	
Enterprise Zone re-investment	200,000	
Total Other Revenue	964,875	
Sub Total of Administrative Costs, Grants and Future Programmes and Other Revenue	2,331,771	
LEP Company Account		
Public Relations	40,000	
Chair Honorarium	20,000	
Company Secretary	1,000	
Accountancy	2,000	
Other (inc. insurance, audit)	5,000	
TOTAL	68,000	



CAPITAL INCOME	27,846,794	
Balance b/f from previous year (Capital)	1,000,000	
Future Years Grant (Capital) income		21,262,265
TOTAL INCOME	28,846,794	
CAPITAL EXPENDITURE		
Growing Places	1,250,000	
Growth Deal Programme	27,596,794	
Total Capital Expenditure	28,846,794	
OVERALL TOTAL (Revenue + Capital)	31,178,565	
RESERVE BALANCE	578,313	

GLOSSARY

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.

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.

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 39 LEPs in England.

NUTS II Nomenclature of Territorial Units for Statistics. This is a 'geocode' standard definition for subdivisions of countries in the European Union. It is the geographical division by which EU structural funding programmes are delivered. In a UK context, NUTS I are the regions of England, Wales, Scotland and Northern Ireland. NUTS II are counties (some grouped such as Cornwall and the Isles of Scilly), inner and outer London.

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