

**West of England Local Enterprise Partnership  
Board meeting – Friday 17<sup>th</sup> May 2019  
BUSINESS AND SKILLS UPDATE**

**Purpose of the report**

1. To update and stimulate discussion on key interventions currently being developed and delivered by the WECA Business and Skills directorate with partners.

**Recommendations**

2. LEP Board members to provide comments and advice on progress highlighted in the report (including pipeline projects) in relation to direction of travel, strategic fit and delivery approach.

**Background – context for delivery**

3. The Business and Skills Directorate, working closely with its Unitary Authority partners across the West of England (WoE), is responsible for developing and managing a wide-reaching portfolio of projects and programmes against WECA's Operating Framework and associated objectives: *to enable our diverse, innovative and vibrant business community to flourish* (business) and *provide our residents with opportunities to develop the skills our regional businesses need* (skills).
4. Principally, our work is designed to address market failure and add value to economic development activity already in place across the public and private sectors. We need to, therefore, take a long-term view and work in partnership to focus relentlessly on a strategic and balanced portfolio of interventions which get to the heart of our economic challenges and opportunities. By doing this, we can create positive and enduring benefits for our businesses, communities and residents.
5. A brief update on projects currently being developed and delivered by the Directorate is set out below, grouped into the following thematic headings which mirror the strategic priorities of the emerging Local Industrial Strategy (LIS): 'People, Skills and Inclusive Growth', 'Enterprise, Inward Investment and Trade' and 'Innovation and Sector Development'. It is estimated that the current value of projects being delivered is around £40m (excluding ongoing services). More detail on key projects will be provided verbally at the meeting.

**People, Skills and Inclusive Growth**

6. As reported as the last LEP Board meeting, a regional **Employment and Skills Plan (E&S Plan)** is currently being developed to underpin the people strand of the LIS. The Plan will provide an over-arching framework to help shape the development of employment and skills activities across the region over the long term. It will set a collective vision and shared priorities for delivery, reform and investment, acting to influence and catalyse action from both local and national partners where priorities align.

7. The Plan will include a road map setting out initial proposals to take our priorities forward – this will remain a living and breathing document, able to respond to emerging opportunities and innovative proposals as they come forward.
8. *Progress* – following engagement with a wide range of stakeholders, a first full draft of the plan is readying completion. This will be further tested with key groups before being opened up for wider consultation, with the aim to present the final Plan to WoE Joint Committee in July 2019. A more detailed presentation will be given at the Board meeting.
9. **Adult Education Budget:** From the 2019/20 academic year, WECA will take responsibility for devolved delivery of the Adult Education Budget (AEB). Essentially, these powers will enable WECA to improve alignment with local economic circumstances, more effectively meeting the needs of its businesses, residents and communities. Adult Education provision funded through WECA's devolved powers and funding will start on 1st August 2019, with 2019/20 a 'transition/no change with scrutiny' year before more fundamental devolution from 2020/21 onwards. The E&S Plan will provide the backdrop to tailoring AEB to more closely reflect local economic circumstances.
10. *Progress* – WECA is currently in an implementation period to ensure it is prepared and able to manage and administer the use of powers and funding effectively, to the benefit of WECA residents (aged 19+), employers and the local economy. On the 31st January 2019, the Department for Education confirmed the 2019/20 WECA AEB budget as £14.7m - £2.9m less than the indicative value, reflecting underspend by the existing provider base. WECA has received 41 applications for 19/20 and officers are currently appraising all applications in line with the approach stated and consulted on. Allocations will be agreed by WECA committee in June 2019.
11. **Future Bright:** a pilot funded by DWP to the tune of £4m, led by WECA and local delivery teams within its constituent UAs, the project is designed to improve the job prospects of 3,000 people in low paid, low skilled employment by increasing their confidence, knowledge, skills and/or incomes. Over its lifetime, the project will engage with 400 employers to promote good employment practice in the region. e.g. secure contracts, flexible working, fair pay, progression pathways and support for learning and development.
12. *Progress* – following a slow start, a flexing of eligibility criteria by government and focused communications campaign, has led to a sharp rise in the number of referrals to the programme. The pilot has found that barriers to in-work progression are often complex and have required more intensive support than anticipated. Whilst it is due to close in 2020, partners are keen to learn from progress so far and see the existing scheme extended and potentially cover a broader cohort of people, once again, drawing from the evidence of the E&S Plan as well as an evaluation of the programme.
13. **Careers Hub and Enterprise Adviser Network:** WECA successfully secured funding for a Careers Hub (1 of 20 across England) which includes the 4 FE colleges and St Brendan's Sixth Form, along with 20 hub schools across the WoE LEP area. This will increase the impact of the existing Enterprise Adviser Network and ensure that young people have a chance to access meaningful employment encounters to help them consider future career paths. The Careers Enterprise Company provides funding for a

team leader, an allocation of central funds, and career leader training and bursaries to support schools to progress against the Eight Gatsby benchmarks.

14. **Progress** – a central co-ordination function has been built within WECA Business and Skills to manage delivery of the programme. A recruitment drive for new Enterprise Advisers is currently underway to ensure all Hub schools are effectively matched. The Hub is also seeking ‘Cornerstone Employers’ to act as ambassadors for the programme and promoters of good practice. An application to expand the Hub to cover all WoE schools was submitted to government last month with an outcome expected this month. This would incorporate a further 40 schools (including 6 special schools).
15. **Workforce for the Future:** Funded by European Social Fund (£4m), alongside £4m from the WECA Investment Fund, the project will help with the perceived failure of information between what adult learners chose to study and the current and future, most productive, job vacancies that exist or will arise. A delivery consortium will work with SMEs to improve direct business involvement in skills planning, training and education, mentoring, inspirational activities and workforce planning. The project has an overall target of 400 SME engagements with 300 ‘effective projects’, which may include:
  - Taking on new apprentices or increased numbers of apprentices.
  - Developing and implementing a training programme for current employees, enabling progression from low paid roles.
  - Engaging in a series of ‘inspirational’ activities with schools and colleges.
  - Undertaking a managed programme of engagement with FE providers to better shape course offers and curricula so that they better meet local economic needs.
  - Offering a range of meaningful and well-managed placements e.g. work experience, graduate, paid internship, T-level related, or in preparation for T-levels.
16. **Progress** – WECA has now secured co-financing organisation status with the Department of Work and Pensions (DWP – the managing authority for ESF). Events and briefings to start generating interest in being part of the delivery consortium will begin imminently and interested parties have already made contact with WECA. There are strong synergies with the more skills-focused proposals of the Talent Institutes project (see below). The programme is intended to be ready to offer support from the start of the 2019/20 academic year and will run at least until 2022.

### **Enterprise, Inward Investment and Trade**

17. **West of England Growth Hub:** managed by the Business and Skills Directorate, the Growth Hub helps businesses across the WoE innovate, grow and thrive. A Growth Hub website (and supporting helpline) acts as a portal for the multitude of free support available to businesses in the region, with themes including start-up, employment, finance, sales, marketing, exporting, and statutory regulations.
18. Aligned to the Local Industrial Strategy, the Growth Hub is increasingly focusing its delivery on the foundations of productivity, prioritising businesses with the potential to invest, innovate, export and raise wages. In addition, it will put in place mechanisms to encourage the diffusion and take-up of new technologies and practices, addressing the “long tail” of low performing businesses.

19. *Progress update* – it is estimated that between April 2018 and March 2019 the Growth Hub engaged 754 businesses including 44 with intensive support (more than 12 hours). Activity over the year included:

- Securing £1.35m for new Creative Scale-up Programme (see below).
- Development of 'scale-up generator map in partnership with Engine Shed. Hosting of first regional scale-up summit which drew in over 70 entrepreneurs to connect with the rich diversity of support available <https://www.westofengland-ca.gov.uk/west-of-englands-first-scale-up-summit-to-help-businesses-innovate-grow-and-thrive/> .
- Commenced high growth 'HMRC trial' which has so far identified over 60 businesses to be supported via the Growth Hub.
- Submission of Business Basics Funding bid to trial / test different approaches to increasing absorption of new technologies by SMEs.
- Expansion of 'in residence days' to cover a range of incubator facilities across the WoE region.
- Working with BEIS to explore the issues faced by first generation BAME led businesses in accessing regulatory business support.
- The creation of a Working Group, comprising a range of public/private support providers to oversee long term direction of the Growth Hub, chaired by Neil Douglas and reporting into the LEP Board.

20. **Invest Bristol and Bath (IBB)**: our regional inward investment service provides a range of free services to businesses who are looking to locate or expand in the region. These may include support on accessing land and property, skills/talent, funding, expert advice or existing businesses. IBB manages a diverse and substantial pipeline of leads, leveraging off its strong relationships with existing business networks, sectors and clusters.

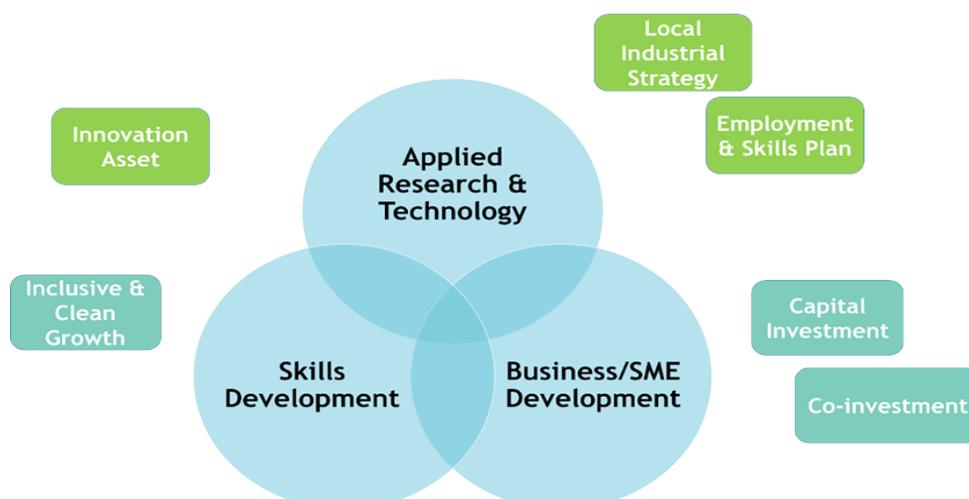
21. *Progress update*

- IBB has continued to build up a steady flow of investment interest in the last 12 months. Notable successes include Channel 4 Creative Hub, Bocard, Delaware and Latacore.
- In addition, Israeli Aerospace company set-up in South Gloucestershire (digital delivery hub).
- Our investment pipeline includes: US based marketing agency considering Bristol (30 jobs); London Fintech company to open regional hub and considering WoE (100 jobs).
- Presence at MIPIM to promote major capital investment opportunities in the region.
- Presence at JECWorld – attended global composites trade show in Paris working with the NCC.
- Upcoming activity in June includes:
  - Preparing substantial inward investment programme in Boston and Chicago.
  - Preparing regional presence at Paris Airshow.
  - Hosting international delegations and undertaking activity as part of London Tech Week.

## Innovation and Sector Development

22. **Talent Institutes:** In September 2018, WECA Committee agreed funding to undertake a feasibility study into Talent Institutes (TI), to test the hypothesis that WECA can invest in large-scale activity that delivers economic development goals, social inclusion and a financial return on investment. A TI should be an “innovation asset” delivering skills and training alongside research and innovation for businesses, within the context of the Local Industrial Strategy.
23. *Progress update* – the identification of a long-list of possible TI, including through the receipt of eight outline proposal submissions from a range of sectors. The outline proposals helped identify initial demand and need within the WECA region. Five of the eight submissions (see appendix 2) were deemed to largely fit the expected vision of a TI and project development work has continued with these through a series of face-to-face meetings in February/March 2019 and a workshop attended by all applicants in April.
24. The feasibility has resulted in some strategic re-positioning of TI in order to ensure best value and continued close alignment with the emerging themes of the LIS, in particular:
- A ‘Global Centre of Innovation Excellence’: Embedding the programme within the LIS’ wider innovation theme, to complement additional projects to address the barriers to innovation outlined in the evidence base; and
  - Adopting a programme approach as opposed to individual project competing/bidding against each other: There appears to be synergies between the proposals, particularly around “digital” and their proposed geography. This may lend itself to a series of complementary projects brought together under a single framework.
25. The vision that has emerged during the feasibility is presented below. It is important to note that any investment is unlikely to involve setting up the 3 key components from scratch (this would be prohibitively expensive); rather investment should be part of a larger and more strategic approach where individual investment will contribute to achieving the vision whilst also building on existing assets (especially the region’s many world-class research and technology facilities).

Figure 1: Vision



26. **5G Smart Tourism:** An £8.1m project to develop a 'testbed' to demonstrate 5G capability, establishing the region as a world-leader in advanced fixed and mobile communication systems. This testbed will focus on delivering enhanced visual experiences for tourists using Augmented Reality and Virtual Reality technology in major attractions in Bath and Bristol, including the Roman Baths and Millennium Square. The project sets out to create new opportunities for businesses and the visitor economy, developing capability and skills, and encouraging inward investment.
27. *Progress update* – DCMS has approved extension to the 5G Smart Tourism project focused on the Harbour Festival and a larger scale trial: a single R+D use case involving local SME and Bristol City Council. The extension will also include additional development of network monitoring and measurement at the University of Bristol.
28. **Creative Scale-up Programme:** Complementary to the Growth Hub's strategic direction, a new £1.35m programme funded by DCMS will provide a targeted package of support to 100 creative sector businesses over 2 years to maximise their growth potential and 'investor readiness'. The programme will build on work delivered through the Growth Hub funded 'Scale-Up enabler' (via Engine Shed) to identify both founders and investors of scale-up businesses in the WoE, and also link to the Bristol & Bath Creative R&D programme combining research from UWE, University of Bristol, Bath Spa University and the University of Bath, with the reach and community of Watershed, and companies working across design, broadcast, performance, technology, publishing, and other sectors.
29. *Progress update* – with the funding package now in place, recruitment for a project manager is underway. Officers continue to liaise with DCMS, other Combined Authorities and the Scale-up institute on how the project will be delivered. A delivery consortium will be convened, alongside marketing and awareness raising with the creative sector. A local business-led steering group will be set up to oversee the programme, with regular reports to the LEP Board. Estimated start date is Autumn 2019.
30. **Low Carbon Challenge Fund:** A new £4.2m project managed by WECA which will allocate grant funding to three types of projects aimed at 'decarbonising' the WoE economy: measures to improve energy efficiency in SMEs; the implementation of small-scale generation projects using renewable sources; and, projects to improve the efficiency of public housing or other buildings. It will support at least 130 SMEs leading to at least 2020 tonnes of CO<sub>2</sub> greenhouse gas savings by 2022. All grants offered to SMEs for energy efficiency improvements will need to be based on a robust energy survey and WECA will be able to provide free energy surveys to interested businesses.
31. *Progress update* – recruitment to the project team is underway. WECA has prepared bidding guidance and application forms for each work stream and intends to launch the programme following the completion of European elections.
32. **Women into Digital Jobs, Education and Training (WIDJET):** available across the LEP area, the project will provide a range of digital skills to predominantly women, and those from disadvantaged backgrounds. WIDJET hopes to reach at least 350 women through the training on offer and to engage with a larger number, offering them sign-posting to other suitable opportunities, which could include the locally operating Cyber

Fund, which also aims to support women to find roles within the cyber-security sector and is also funded by DCMS.

33. Funds of around £350k will be allocated through a delivery consortium of Mayden Academy, Bath College, Boomsatsuma, Knowle West Media Centre and The Dot Project. The programme of training will run throughout much of the 2019 calendar year and includes a full range of activity, from initial 'Introduction to digital roles' seminars right up to Mayden Academy's software developer course. All participants will also be able to use the services of the Eight recruitment agency operating out of the Knowle West Media Centre.
34. *Progress update* – a full programme of events has been prepared and this will be available to all interested parties on WECA's website, as well as each delivery partner. Social media marketing of the opportunity will commence shortly. Each of the four winning LEP areas are working collaboratively on evaluation and DCMS are keen to learn from best practice in encouraging and supporting women into digital roles. DCMS are hopeful that the individual programmes they have funded through DSIF will be sustainable and WECA has begun initial conversations with interested private sector stakeholders.

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**Appendix 1:** Business and Skills Pipeline Projects

**Appendix 2:** Summary of Talent Institutes proposals

## Appendix 1 Business & Skills Pipeline Projects

Project name	Description	Funding	Business Plan 18/19	Outputs	Timeframe	Geography
Talent Institutes (following the feasibility)	"Innovation assets" where businesses and educational providers come together to provide skills for residents together with research and innovation support for businesses	£100k for feasibility. Capital funding tbc	Objective 3 (WB3) Supporting an innovative economy	Investment in new 'Talent Institutes' across the WECA region Strong alignment with the LIS	Feasibility complete mid-2019. Business Cases to follow thereafter	WECA
Research & Innovation Challenge Fund	Grants to SMEs to undertaken research and innovation leading to new products and services for the firm/market. Encourage greater collaboration with research institutions  Outline Application submitted Nov 2018. Invited to Full Bid (but with a reduced funding ask) - deadline for Full Bid 15 <sup>th</sup> July 2019	£4m project / £2m from ERDF  (Although need to reduce – by about half - the ££ ask at Full Bid stage)	Objective 1 (WB1) Helping businesses to start-up, grow and flourish	i. 80 enterprises supported ii. 80 enterprises awarded a grant iii. 10 new to the market products / processes iv. 20 new to the firm products / processes v. 4 enterprises cooperating with research institutions	If funding secured, project to begin January 2020	WoE LEP
H2020 5G Verticals	Consortium, pan-European bid to Horizon 2020 to deliver 5G vertical sector trials. In the UK the trials will focus on the visitor economy and public safety. WECA role to help shape use cases and to disseminate and exploit R+D results	WECA seeking 100% cost recovery to the value of euro 262k	Objective 3 (WB3) Supporting an innovative economy	5G R+D lessons and learning	April 2019 - 2022	WoE LEP
Business Basics Fund (via Growth Hub)	Will test three different approaches to encourage SMEs to adopt tried-and-tested cloud-based financial accounting software that will boost their productivity.	£60K trial (potential for expansion)	Objective 3 (WB3) Supporting an innovative economy	To overcome including a lack of awareness, misconceptions surrounding these technologies and the lack of skilled workforce to implement uptake	2019-2020	WoE LEP

## **Appendix 2: Talent Institutes Proposals – Summary**

*Working Well Institute:* New build at either Bath Quays or Bath College. Supporting people and business to develop digital skills and access good jobs. Level 3 to Level 7 delivered across multiple sectors.

*Bristol Digital Technology Talent Institute:* New build as part of Temple Quarter. “Engine Shed for Skills.” Focus on high value digital skills for future digital jobs at Level 3 to Level 7.

*Digital Engineering Talent Institute:* Transformational technologies and skills provision in digital engineering, offering workforce development, innovation, R&D, business incubation. New Centre of Excellence plus extensive current resources and virtual network and capabilities.

*Talent Bridge:* Improve pathways for underrepresented groups focused on Entry Level to Level 3, including tailored “talent” packages for individuals, and then follow on signposting to higher level skills provision. Refurb an existing building (location tbc) to act as a “front door”, together with outreach.

*Foundations for Creative Careers:* Sufficient and appropriate skills and training development in the creative digital sector, bridging the training and work gap. A network of hubs/nodes (using existing facilities), alongside engagement/internships etc. People apply to a hub, enabling access to the hub network and connection to industry.

