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Team Devon COVID-19 Economy and Business Recovery Prospectus

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Introduction

This document sets out Devon's shared vision for economic recovery over the next three years.

Devon is predicted to be the fourth worst impacted County in England and the South West is predicted to host 7 of the 20 worse affected districts in the UK. Even before the pandemic, Devon was home to the district with the lowest average wages in the UK, so this is a critical document for Devon, setting out clearly how we can level up our economy and achieve national productivity rates providing a prosperous future for our communities. We are seeking an initial investment package of £56m to support our hardest hit communities and sustain 6500 local jobs, deliver 5000 training opportunities and support 7500 enterprises.

Developed in partnership by local authorities, key public sector agencies and business and community stakeholders, the plan provides a single economic programme for the County to respond to the crisis and build our economy back stronger and more resilient. It aligns activities to address our hardest hit places, communities and business sectors and take forward emerging new opportunities capitalising on our significant assets. Key amongst these is taking forward a set of measures to achieve a greener economy.

COVID-19 has had a disproportionate impact upon the county, its businesses and its residents, with strong indications that the next 36 months may be amongst the most challenging economically in living memory for many areas. Initial data for the area suggests that around 60% of all Devon business have been closed during the current lockdown phase, and almost 40% of all those in work (both employed and self-employed) furloughed, or are seeking self-employment support due to not being able to work. More widely, unemployment has increased by 180% in the three months to June 2020, with sharp increases in youth unemployment, and business confidence hit an all-time low in May 2020, both outpacing the position during the war and the 2008 recession.

The picture of the emerging impact across Devon is however complex, changing from sector to sector and place to place. 92% of Devon businesses in the tourism and hospitality sector for example were disrupted by the crisis between March and June 2020, but only 5% of businesses in the digital sector faced the same level of disruption. Similarly, whilst Exeter saw claimant count of unemployment double across the city in the three months to June 2020, the same measure increased by 400% in the South Hams area. Similar differences in economic makeup, sectoral structure, demography and skills levels can be seen across the County, often making the economic impact feel unique to individual residents and businesses.

Modelling evidence suggests that this fragmentary and pronounced impact will continue into the medium term, with the County's economy retracting by around 8% in 2020 (roughly 1% more than the rest of the UK) before experiencing a slow recovery process through to 2023. However, it is anticipated that the local impact of this economic downturn will vary greatly, from a 2-year dip and recovery period in Exeter, through to a 10% reduction and 5-year recovery journey for areas such as Mid Devon and Torridge. For some sectors, such as tourism and hospitality, the journey back to levels of income and employment experienced in 2019 may be the work of the next decade.

The predicted impacts of leaving the EU at the end of the year on World Trade Organisation terms would further reduce our performance by 2% and bring other complexities for our economy. Devon's economic performance lags the national average, and whilst we have some significant strengths and assets, our economy has a number of underlying fragilities and areas of deprivation. This Prospectus seeks to address these, by building back better, recognising the support and interventions we need to create a more inclusive and sustainable economy.

The challenge for Devon partners is twofold; to catalyse activity to alleviate and manage the overall impacts of COVID-19, managing and mitigating a once in a lifetime economic shock to the County's economy; and ensure the County has a support and recovery packages which can also address the need of the hardest hit, whether individuals, businesses, whole sectors or whole communities and towns. This requires a joined-up, cross discipline approach to recovery over the next few years, with partners from every sector contributing towards securing and delivering a comprehensive recovery programme for the people and business of Devon.

As such, this Prospectus focuses upon securing support and delivering relief in four core areas:

- **Our Businesses** – Supporting our business community through the current crisis, and enabling businesses to emerge stronger, more diverse and more resilient. In particular, seeking to reinforce our hardest hit sectors, such as Tourism and Retail, whilst still maximising the impact of new growth opportunities for Devon, such as in the digital and environmental technology sectors.
- **Our Places** – Ensuring that no place or community is left behind through the current crisis, whether our rural and coastal communities which provide the backbone of our visitor and agricultural economy, or our core city and market towns which underpin our manufacturing, health and digital expertise.
- **Our People** – Ensuring that our young people, our wider workforce and our residents are supported through the current downturn and provided with the support they need to access good quality work and learning, improving their prosperity and well-being and that of the wider economy.
- **Our Opportunities** – Ensuring that the County maximises the impact of emerging opportunities to drive a green and inclusive recovery and set a renewed economic direction for the future, whether for our people, communities, business or whole economy.

In bringing forward this programme, partners within Devon are mindful that recovery is likely to be an inconsistent journey, with a need for differing actions as the economic situation progresses and business and individuals needs change.

As such, this Prospectus splits its action into three core timeframes:

- **Restart** – Focusing on activity which can immediately seek to address the worst impacts of the COVID-19 crisis and support our economy as it emerges from lockdown, whether around reopening and reorienting business; supporting displaced employees; or providing initial assistance for places to reopen.
- **Regrow** – Seeking to bring forward actions which will allow business and communities to grow, addressing both economic challenges and supporting wider efforts to close the gap between Devon's economy and the wider UK. This includes efforts to modernise and diversify our business community, our workforce and our approach to our environment; improve our places and quality of life offer; and set the foundation for future growth.
- **Reset** – Actions to change and enhance the trajectory of Devon's economy, seeking to build on Devon's sector and business capabilities, workforce capacity and environmental strength to return economically bigger, better and bolder than when the crisis began.

Whilst partners have set out a strong vision of the recovery they wish to see through this document, such action will not be possible without appropriate resources. Given the scale of the challenge faced, existing resources alone will not be enough to see Devon even return to its pre COVID-19 status. As such, this document is unapologetic in seeking additional support at the national, sub-national and local level towards its ambitions, seeking to align a package of enhanced funding and capacity across themes and organisations to improve outcomes for Devon's businesses, residents and communities.

Partners in Devon believe that there is now an opportunity to restart, regrow and reset our economy in the face of the COVID-19 crisis, emerging a stronger, more dynamic location which can play its part for UK plc's resurgence, as well as close the gap for our communities and residents. In achieving this ambition, every sector and individual has a role to play, from rebuilding our tourism trade to embedding our digital expertise; from supporting young people transition into work for the first time; to supporting a greener and more inclusive economy, that retains local benefits for all. With the right resource and commitment at all levels, Devon partners believe that they can build Devon back better.

Team Devon is a strong partnership spanning business, education, skills and the public sector. We will work together to take forward the actions set out in this Prospectus, aligning resources and capacity to achieve our aim of building back a stronger, and more inclusive and sustainable economy.



Support for hardest hit sectors

Ensuring that our hardest hit sectors are supported through the current crisis is paramount if Devon's economy, the 4th hardest hit in the UK, is to recover quickly and successfully.

Our bedrock sectors of **Tourism, Agriculture, Food & Drink, Retail and Construction** support a significant proportion of overall employment across the County, providing roles for around 100,000 residents and underpinning the economy of many of our most vulnerable communities. Tourism, retail and agriculture, food and drink are intertwined in many areas of Devon, with impacts in one sector likely to fundamentally undermine the others if no action is taken. In our rural communities for example, diversified farms supporting our remote villages are often entirely supported by the interplay of our three bedrock sectors, and without one, the others would rapidly fade. Ensuring the health and wealth of these sectors is embedded within Devon's identity.

- **Tourism and Hospitality** – 5.5% of the local economy, and employing 12% of the workforce, tourism activity stalled across Devon in March 2020. This timing could not have been worse for the County in many ways, devastating the 2020 tourism season, and having knock-on effects for retail, agriculture, food and drink and across key rural and coastal communities. In a recent survey of local tourism businesses, only 63% stated they would reopen, with 37% stating they were either not sure or already making plans to permanently shut. There remains however significant potential to upscale and upskill the value of our tourism sector and offer, with a focus on experiences, sustainability, health and local social integration.

- **Agriculture Food & Drink** – Making up 20% of Devon's economy by value, timing of the COVID-19 lockdown coincided with the start of the main growing/harvest season impacting on production, marketing livestock and finalising exports. Lockdown and travel restrictions also resulted in disruptions to labour provision, impacting capacity and increasing costs. Whilst supermarket demand held up (and even increased), this was offset by massively reduced demand for food from the hospitality sector, seeing an overall 20% hit to the sector in May 2020. There are also concerns around how long some markets may take to recover and the impact of any recession on commodity prices in the medium term. Devon has some of the country's best known and highest quality producers, with a reputation internationally for the quality of our food and our goods. There are good opportunities to build on its strengths, diversify the sector, consider technology and automation and a renewed focus on local buying and supply chains.
- **Retail** – Making up 13% of Devon's economy, the almost total shutdown of high street retail in March has seen activity drop across the retail sector overall by around 25%. However, the picture on retail is extremely varied, with a stark divide between those also trading online and those who do not, between food retailers and non-essential retailers, and those able to adapt and operate with post COVID-19 restrictions and those who cannot for either logistical or cost reasons. Evidence however suggest a disproportionate impact is now being felt by retailers within smaller centres, where larger numbers of more fragile independent traders underpin the local offer.
- **Construction** – Forming 12.5% of the local economy, the impact on the construction sector over the last three months has been extremely mixed. Whilst there has been some disruption to large site activity, with companies initially closing 50% of their activity on sites, the majority of impact has been felt by micro business within the sector working in people's homes and within the supply chain. Polarisation of the sector is likely to worsen as the year progresses, as larger companies seek to shorten supply chains and contracting arrangements, and new contract activity slows.

We are placing a specific focus on these bedrock sectors in our Recovery Prospectus, seeking to build on their unique needs, but also support their strengths for the future.

A summary of the core actions included for each sector is set out below:

Across Tourism, Hospitality and Leisure, we will:

- **Pursue the allocation of a Great South West Tourism Zone to include Devon**, providing support towards new visitor attractions and features, activity that can extend the tourism season and support for improving transport and the visitor experience.
- **Seek £10m of additional grant funding to support the tourism sector in Devon**, providing up to £5,000 per business to support adaption and reopening costs, marketing and communications and other projects which benefit trade and the visitor experience.
- **Implement a regional certificated scheme on opening safely**, seeking to utilise the well-received Better Business for All Toolkit approach and Buy with Confidence approved trader scheme.
- **Lobby for a sector specific extension to the furlough scheme and VAT payment deferral** – support the sector with extensions to these two national support measures and other potential costs around reopening safely. Seek a relaxation of furlough regulations taking account of specific issues for seasonal and part time workers.
- **Working closely with DWP, take forward an accelerated approach to redeployment / rapid retraining of staff members made redundant within the tourism sector**, including providing access to short retraining courses and tailored employability support into other sectors, such as Digital or Health and Care.
- **Seek £500,000 to provide up to 500 additional training places for the Tourism sector**, including additional support in leadership and management, customer service, business administration and sector specific skills (catering, hospitality).
- **Establish an enhanced business support offer for the Tourism sector**, including hospitality and leisure leadership and management qualifications. This would include a 'Be the Business' training programme to support business planning, rebuilding and embed learning around COVID-19 impacts.
- **Enhance the resilience of the sector through grant support for projects which look to extend the tourism season and reinforce local supply chains**, including support for diversification of individual offers (around health, environmental and accessible tourism) and which encourage local buying / purchasing. This includes a 'Made in Devon' quality approval scheme linked to Buy with Confidence.
- **Pursue Town Funding for regeneration projects which contribute to the visitor economy in 8 coastal and rural locations**, including town centre renewal in Ilfracombe and Dawlish.
- **Seek additional support for our Destination Management Organisations**, to sustain their operations and take forward additional joint destination marketing activity over the next year.



Across Agriculture, Food & Drink we will:

- **Seek an additional £10m of grant support towards assisting agriculture and food & drink sector to restart within Devon,** providing £5,000 per business towards adaption, mitigation and diversification activity.
- **Engage additional staff resources to support producers to diversify and access new markets.** To include support and grants for accessing new markets; product promotion, realising export opportunities, assistance with diversification, and bringing together suppliers and buyers in line with the South West Food Hub Model.
- **Seek £150,000 to support 150 additional training places in the agricultural sector,** including in farm management, engineering and livestock and animal health certifications.
- **Seek support for additional technical and higher skill training opportunities** in agriculture, food & drink including across engineering, science based and management competencies and Agri-tech.
- **Become an active partner in the South West Good Food Network,** seeking to drive forward new collaborations around logistics and digital solutions, with the aim of utilising more of the food we produce close to home.
- **Implement a 'Made in Devon' campaign aligned with Buy with Confidence,** seeking to promote the region as a food destination / quality supplier, and promoting local consumption and buying.

Across Retail, we will:

- **Seek additional grant support for retail businesses facing the double whammy of lockdown and now modification costs to operate**, building on existing Government led programmes to enable stores within our hardest hit high streets to manage costs and supporting essential COVID-19 modifications.
- **Seek to support existing Business Improvement Districts to enhance their offer**, working with local BID teams and District / Town Councils to enhance, re-purpose and future proof the high street experience and our retail hubs as destinations.
- **Working closely with DWP, take forward an accelerated approach to redeployment of staff members made redundant by the retail sector**, including providing access to short retraining courses and tailored employability support.
- **Implement a regional quality assurance scheme which promotes consumer confidence in safety on the high street** by building on the Buy with Confidence, approved trader scheme.
- **Develop and implement a specific digital skills and support programme** to capitalise on the online trading and digital opportunities for the sector.



Across Construction, we will:

- **Develop a 'Late Payment' pilot to support small business with cashflow**, seeking to use small grants and a better approach to online invoicing to improve payment terms.
- **Provide support for 150 additional sector skills places through the Sector Skills Training approach**, with a focus on site operations, civils, trades, modern methods of construction and wider new and high demand construction competencies.
- **Take forward an enhanced programme around supporting businesses to champion sustainable construction**, including additional training around sustainable supply chains and community wealth, new building skills and future building methods and materials and supply chains choices.
- **Public Sector Stimulus** – Consider how local government can support the sector to grow through simplifying and streamlining procurement and planning policies. This would include the publication of the public sector's 3 year construction programme across Devon, providing an opportunity for construction businesses and other interested parties to align their supply chain offer.
- **Support smaller construction business and trades to access support, new markets and supply chains** by bringing together suppliers and SMEs with tier 1 construction companies and consider how local government can support the sector to grow through simplifying and streamlining procurement and planning policies.
- **Support local employment and training** – Work with the sector to maximise the value of existing projects for Devon, through agreeing local labour agreements to support employment and skills goals, and local procurement approaches to best utilise the local supply chain.
- **Ensure early delivery of housing schemes funded from the Housing Infrastructure Fund** (South West Exeter, Tiverton, Cullompton, Barnstaple and Ilfracombe, Dawlish) to support the construction sector and provide new homes.

Support for businesses to build back better

Devon's business community is currently facing a period of unprecedented challenge.

With the UK economy due to shrink by around 7% before March 2021, and Devon's economy by around 8%. Additional impact may also come where we exit the EU without a negotiated deal. Businesses are currently experiencing the sharpest economic recession in modern history.

However, we have several business growth opportunities to deliver future high value jobs, both directly and indirectly through supply chains, improve social outcomes, and enhance productivity. Devon benefits from a range of significant forward-facing opportunities and growth sectors which can support the County emerge stronger from a period of intense disruption. These include:

- **Digital Technology** – The shift to working from home has already resulted in rising demand for rural properties, seen as 'safer' areas. Maintaining a core focus on the digital sector could unlock further employment and using Devon's unique selling points attract new inward investment. The Digital technology sector is also Devon's fastest growing sector, with both digital business and digital jobs currently outstripping wider growth by around 100%. Over the past ten years, more digital business and roles have been created per capita than any other sectors, with digital demand spreading into every major sector of the economy. Devon benefits from significant assets and capacity in this area, from the presence of the Met Office to digital start-ups across the Exeter area, to bespoke software provision in North Devon, and cyber security in East Devon.
- **Environmental Technology and Clean Growth** – Devon's stunning environment attracts both new businesses and visitors to the area every year. There is an opportunity to grow the environmental technology and clean growth sectors by positioning Devon as a clean, green, healthy County in which to live and work, while saving many businesses money through lower long-term water, energy, and waste costs. Devon's carbon emissions reduced by 23% during lockdown. There is opportunity to strengthen sector sustainability through collaboration of the construction and clean tech sectors to deliver home and commercial retrofit energy efficiency solutions. The County also benefits from state-of-the-art innovation within the sector, with Exeter leading in environmental science and data management.
- **Sustainable Tourism, Leisure and Hospitality** – Devon's large visitor economy draws spend of £2.5bn per year and employs 63,000 people. The natural environment is a key asset recognised by visitors alongside the quality food and protected landscapes. 25% of businesses generate 50% of turnover in July / August. Restrictions on foreign travel presents a significant opportunity to grow a local sustainable visitor economy promoting 'staycations', linking closely with sustainable food, community wealth and promotion of a healthy lifestyle and offering a variety of quality 'leisure upgrade' experiences, to build sector resilience.
- **Sustainable Farming and Food** – There is a significant opportunity to sustain and grow positive 'buy local' behavior by continuing support for infrastructure, storage, transport and digital logistics to make buying local the norm. There is an opportunity to implement innovative research to ensure maximum nutrient value from food grown in a way which nurtures Devon's environmental assets, and the local economy. Mechanisms to support and encourage sustainable farming practices have cross-cutting benefits for health, natural capital, resilience, food security and achieving carbon net zero targets.

- **The Inclusive Economy** – Devon’s tight-knit communities have a tradition and culture of mutual aid and support, offering new opportunities to extend social enterprise and build a new model of local business activity in a post COVID-19 environment. There is the opportunity to extend local authority and other partners’ roles as anchor institutions that build community wealth by leading on and facilitating processes and systems to secure maximum social value. Community wealth building principles are a roadmap to create a more resilient economy, strong communities, a dynamic social enterprise sector and achieving net zero carbon outputs. This opportunity underpins both the recovery of vulnerable sectors and the development of ‘Build Back Better’ sectors, in particular, local food and produce and the tourism, leisure and hospitality sectors.
- **Transformative Health Care** – The County has a large innovative health and care sector, which contributes nearly £1.5bn, into the local economy, 8.5% of our economic output, and supports 46,000 jobs. The sector demonstrates high levels of innovation and expertise and significant scientific and production strengths across the sector in areas like Northern Devon. The opportunity linked to health and care is therefore twofold, to maximise our existing assets in science and production, but also seek to build on a changed health environment for our own residents, with a shift from an approach based around ‘care settings’ to ‘places and communities’.
- **Higher Value Engineering and Manufacturing** – Advanced manufacturing makes up around 8% of Devon’s economy, with specific strengths in marine, aviation and aerospace, defence and high value component and electrical production. Whilst Devon is often overlooked as an area of primary production, unlike perhaps Bristol or Plymouth, significant levels of the South West’s supply chain is embedded within the county, supporting Devonport, Filton and Yeovil to meet future demands. There is significant potential for additional growth and specialisation, particularly around greening of mobility, materials science, system and process engineering and enhancing supply chain efficiency across multiple sectors.

- **Transportation** – Making up around 5% of Devon’s economy, transportation and logistics has felt significant impacts from national and international travel bans, leading to several high-profile failures and closures over the past three months. Most notable amongst there was the closure of Flybe in March, leading to 1,000 job losses across the County and an initial 50% drop in traffic at Exeter Airport. However, wider restrictions on goods movements, public transport and rail activity over the past two months has also seen wider challenges emerge across operators, hauliers and ports / airports, as the sector has ground to a halt and restart activity has proven expensive and complex in terms of regulatory burden.



Given the above, there is now a clear need for partners to come together and support the business community through the ongoing crisis and maximise our opportunities to build back better.

We will:

- **Secure £600,000 of additional business support capacity across Devon**, providing up to 3 hours of free support to struggling businesses around their operations, HR matters and business planning and to offer a specific programme to support rural micro enterprises scale up.
- **Seek an additional £300,000 towards the cost of extra online business start-up and self-employment support**, including the Online Business School Pop Up programme, self-employment support working with DWP, a dedicated digital programme and a dedicated social entrepreneurship programme.
- **Implement enhanced programmes of digital business support and digital skills** – supporting businesses to adapt to new ways of working, invest in skills and technology and work together around core issues such as innovation and knowledge exchange and transfer.
- **Collectively attract inward investment, promote Devon’s skills base and seek to maximise export and trade opportunities by working with DIT**. Take forward a programme of proactive marketing, including trade fairs, focussing on Devon’s build back sectors, seeking to reduce the migration of skills out of the County and to support wider sustainability and growth.
- **Support inclusive growth and community wealth building**, working across partners to put together a programme around localised procurement practises and investment into social enterprises and entrepreneurs.
- **Develop a volunteer ‘listening ear’ support programme responding to business mental health needs**, seeking to provide additional support to business owners and sole traders facing challenges with their businesses, through the Growth Hub and develop a peer to peer support programme across our business community.
- **Maximise Devon’s sustainable tourism, hospitality & leisure potential**: preparing businesses for changing consumer behaviour and new markets and products, support to take-up digital technology and establish a Great SW Tourism Zone.
- **Maximise Devon’s sustainable agriculture & food potential** building on SW Good Food Network to include rural Devon establish and implement a ‘Made in Devon’ campaign, take forward a Sustainable Food Places co-ordinated approach to agriculture and food through Local Food Plans, advocate a community wealth approach to drive local purchasing and support farmers to access future ELMs Agri environment schemes.
- **Stimulate Innovation in the Environmental Technology, Agri-tech and Health and Care sectors**: secure £1 million to work with growth businesses to bring new products and services to the market, through a combination of challenge funding and student placements, providing new routes for sharing innovation and best practice to enhance business competitiveness.
- **Develop and promote a clean, sustainable economy** through the development of a bespoke business support offer – ‘Go Green’, supported by grant activity of up to £1.5m, a sustainable / clean growth tool kit and online facilities and additional resources available through the Growth Hub.
- **Lobby for a National Industrial Accelerator Fund**, providing revenue and capital support to companies that are seeking to expand but are finding issues around bank funding availability due to wider market liquidity issues.

Support for our city, towns and rural communities

The pandemic has impacted significantly on all aspects of life in our city, towns and rural communities and the delivery of business and public services.

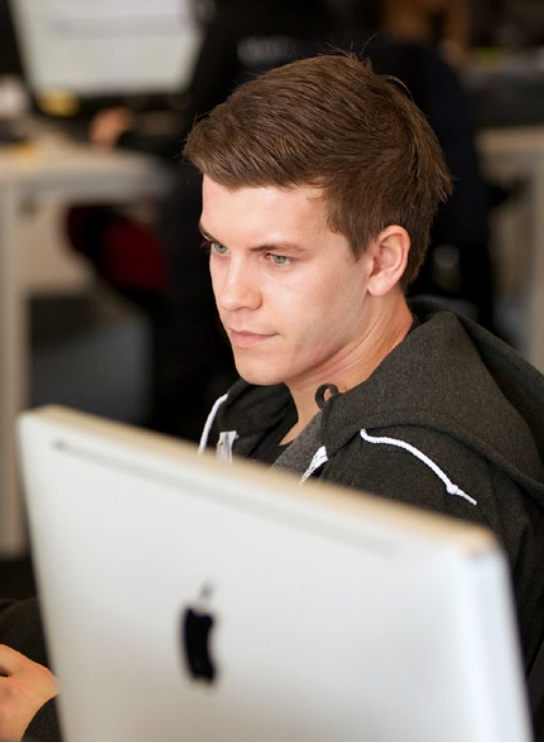
We have developed solutions to help restore our communities and re-grow our economy, focusing on immediate re-opening support, taking full advantage of building back better opportunities and enabling Devon to level up.

The Safe re-opening of our high streets, supporting the opening of our beaches and outdoor facilities, maintaining momentum of our capital and infrastructure programmes are all going to be key to stimulating the economy, and supporting our communities in the next few months. Building back better and options to reimagine our urban locations, developing live-work space and responding to changing behaviours on travel, home working and digital solutions are all strong opportunities for our communities. Driving forward greener economy activities in the way we design and build our homes, use and produce energy and renew and regenerate our hardest hit communities are priorities within our Recovery Prospectus.

COVID-19 has emphasised some key issues, such as rural isolation, low wages, and inequalities between and within areas. Relative poverty and housing affordability particularly in rural and coastal areas is likely to worsen. We have poor digital infrastructure, road and rail links in some areas. Our natural environment and the economic strength of Exeter are key economic assets we can build on. Our rural landscape is a huge attraction to residents and visitors alike, as well as capturing carbon emissions and boasting some of the UK's best renewable energy resource potential. Exeter is likely to bounce back more quickly from COVID-19 as an economy and can stimulate and support recovery across the Greater Exeter footprint.

We will:

- **Secure at least £15m additional town and high street funding to restart our hardest hit communities**, making a case for new capital and revenue funding to support a number of our rural, coastal and market town communities.
- **Confirm and accelerate Future High Street Fund indicative awards to our towns**, and sign off business cases for Bideford, Barnstaple and Newton Abbot.
- **Improve consumer confidence** through a coordinated approach to promoting our high streets, towns and communities, facilities, services and businesses, building local confidence to shop and visit safely and develop our digital retail offer.
- **Extend the Work Hub Programme**, securing £1m to build on the successful work hubs network and enable rural communities and smaller towns to grow their own local service provision, including options to develop community assets and hubs.
- **Digital infrastructure investment** – improve mobile and digital connectivity in rural areas through working with communities to maximise the national Rural Gigabit Voucher Programme and local Mobile Boost Voucher scheme, in addition to piloting new solutions where poor coverage still remains.
- **Transport Connectivity and Housing** – develop community, town and city transport initiatives and infrastructure, including for cycling, buses, rail and other forms of sustainable transport – between and within communities. We will support the housing sector by accelerating Housing Infrastructure Fund supported projects and increasing affordable homes.



- **Seek increased investment to facilitate city / town centre living**, with partners seeking to secure £1.5m for investment in and development of vacant high street property in 3 pilot locations, including Exeter and utilise local apprenticeship programmes to improve construction skills.
- **Develop and secure investment for a city / town set of renewal plans** – including sharing best practice and ideas develop proposals for future funding opportunities including One Public Estate, Land Release Fund, Coastal Community Funding, Zero-carbon pilots and Garden Communities programme.
- **Natural Capital Programme** – secure £15m to develop projects to support flood prevention, landscape management, carbon sequestration and develop a Woodland Enterprise Zone including an Enterprise Hub, apprenticeship and skills programme.
- **Energy Infrastructure** – £20m investment to enable smart energy management and renewable energy generation through upgrading the national grid network.
- **Work with Government to accelerate funding for Dawlish sea wall / rail infrastructure and A303 upgrades.**

Support for our people and workforce

Devon's people are its most important economic asset, driving around 40% of the County's £17bn economy and creating the day to day conditions for our businesses to thrive and grow.

Ensuring that our workforce is therefore protected and supported through the current crisis is paramount, preserving the talent and capacity of the County's residents to support future growth, and ensuring that Devon's economy emerges better prepared, higher skilled and more productive than before.

However, improving workforce productivity alone will not see the County's economy successfully emerge from this crisis. If our future economy is to thrive, it must be more inclusive and more balanced than the Devon of 2019. Those working in our foundation sectors, such as Tourism and Construction, must have the higher-level skills required to allow our businesses to compete in a rapidly changing world. Additionally, opportunities in our growth sectors must be open to all and ensure that the whole of our community's talent can be harnessed.

At the heart of Devon's ambition for its people post COVID-19 is therefore a determination that every resident should have an equal opportunity to a purposeful education; to enter meaningful employment and ultimately be able to achieve and secure a long-term income. This will both see the efficiency and productivity of all our sectors enhanced, but also lead to a more inclusive, balanced and prosperous Devon for the future.

To achieve this ambition, we must now resolve both new workforce challenges arising from COVID-19 and make progress around perennial issues which have long affected our workforce's efficiency and inclusivity, including:

- **Unemployment** – Over 30% of all workers within the Devon area (including Plymouth and Torbay) have either been furloughed or made redundant in the initial 12 weeks of lockdown, with up to 90% in sectors such as tourism and hospitality currently outside of work. Across all sectors in April 2020, numbers of vacancies had fallen by around 40% compared to the previous year, and claimant unemployment had risen around 90% in a single month.
- **Education and Aspiration** – Within education and training, all learners across the County have faced a period of extended disruption during 2020. For young people the impact of this disruption has been stark, with a loss of routine, educational time, pastoral support and huge uncertainty around next steps on learning and transition. When coupled with existing challenges around progression routes into higher education within Devon; and a likely reduction in apprenticeship places from September, and reduced employment options in both growth and foundation sectors alike, young people face a potential opportunity cliff edge into 2021.
- **Deprivation and Inclusion** – Underlying weaknesses within Devon's labour market continue to drag on our workforce competitiveness. These include ongoing challenges around the County's relative rurality / coastal nature and the ability to connect people to better work and learning; challenges around poorer skills performance in some of our leading sectors (notably tourism and retail); ongoing skills supply issues within growth sectors (such as digital industries, advanced engineering and health); and embedded challenges around deprivation and aspiration across many of our communities.

We are therefore placing a strong focus on supporting those most at risk or in need – young people, displaced workers in vulnerable sectors, and those with a barrier to work, as well as those sectors facing the greatest impacts – Tourism, Retail and Food and Farming, or with the greatest potential for future growth - health, digital and advanced engineering.

We will:

- **Bring together a Devon Skills Recovery Partnership**, responsible for the delivery of relevant actions within the County's Implementation Plan and instituting a "no wrong door" approach across core services.
- **Support the campaign for a September / Opportunity Guarantee for Young People**, seeking to ensure that every young person between 16-25 has access to a training or vocational learning place next academic year if they wish to take it.
- **Implement an enhanced Careers, Information, Advice and Guidance Service across Devon for Autumn 2020**, covering both Young People and Displaced Adults. The partnership will be supported by an additional £75,000 towards communications and marketing costs.
- **Work with DWP, District Councils, CABs and other local economic and community partners to take forward a joined-up approach to redeployment into opportunity sectors such as Health and Social Care**, building on the Sector Based Work Academy model to support individuals, in particular young people to retrain / redeploy into new / relevant roles.
- **Seek £1m of additional resources towards a Sector Skills Response Package**, focused on working with those leaving Tourism, Retail and other hard-hit sectors to train and remobilise. Where return isn't an option, seek opportunities to career jump into opportunity sectors such as health, digital or engineering.
- **Seek £500,000 of funding to implement an enhanced Volunteering / Traineeship / Apprenticeship approach**, supporting partners to fast track development of traineeship / pre-apprenticeship opportunities for young people and adults alike. Seek to maximise opportunities in growth sectors such as health or digital roles.
- **Work with Government to secure an initial £1.5m of additional support towards employability / adult basic skills provision for Autumn 2020**, including additional support for digital literacy, outreach and 'career jumping' opportunities (supporting those being displaced from or requiring upskilling in the Tourism, Retail and Construction sectors).
- **Seek funding for and implement a new £8m Technical Skills Development Programme across Devon**, providing new opportunities within growth and foundation sectors (including digital, advanced engineering and manufacturing, health, tourism, construction and retail).
- **Seek to secure up to £7.5m of additional resources to increase the sustainability of apprenticeships, traineeships and wider learning**, including through bursaries / maintenance support, wage subsidies, assistance with rural and access to education transport costs, support for digital equipment and connectivity; and other measures. Devon is determined that with the advent of T-Levels, a young person's postcode will not determine their access to high quality, first choice education.
- **Secure additional support for Devon's Training Provider Network and network of Employment and Skills Boards**, supporting their ability to act as a first point of contact and support with Devon's business community and training providers, and empowering them to support implementation of new programmes.
- **Work with the ESFA and wider partners to support measures around provider sustainability and growth**, including support with financial hardship amongst training providers, and costs around modification and diversification linked to COVID-19.
- **Seek up to £90m of resources from the Further Education Capital Programme**, including resources to enhance digital capacity within our College and Provider Network to provide virtual learning and further modernise and grow the local FE estate.
- **Seek to secure £10m towards a Green Skills Development Package for Devon**, incorporating capital and revenue programme to be spent over the next three years to Fast-track relevant sector and employment opportunities.
- **Secure up to £20m of additional innovation and skills development opportunities working with the County's Universities and Colleges**, with a focus on high growth and clean growth innovation and high value employment in opportunity areas such as health, green economy and advanced manufacturing and engineering.

Support our opportunities

We have several globally significant assets and opportunities to support our ambition to grow our economy back better.

Devon is a place that benefits from an outstanding natural environment, a skilled and talented population and many forward-looking businesses, colleges, universities and organisations. These are major assets that can act as a launchpad for restarting our economy; driving productivity growth locally, regionally and nationally and contributing to a greener, more resilient and more inclusive growth that benefits us all.

We have identified four key programmes we will take forward to build on our strengths over the coming months:

Green Recovery

Recognising the ongoing challenge of climate change and the need for further emission reduction before 2030, a programme of combined activity to address carbon emissions from Devon's homes and businesses.

We will:

- **Roll out an ambitious Domestic Energy efficiency and Energy Generation Pilot** – a council tax pilot with an ask of £77.5m to support 37,000 households over 3 years to invest in energy efficiency and energy generation measures, stimulating demand for environmental technologies and construction sectors.
- **Carbon In-setting Pilot** – Working alongside Government, develop an appropriate regulatory framework for a pilot carbon in-setting approach, seeking to reduce / offset carbon emissions back through supply.

- **Low Carbon Programme Business Support Programme £2.5m** – stimulate new investment working with SMEs to reduce carbon emissions and increase productivity through energy efficiency and on-site renewables including extending Salix loans to the private sector.

Clean mobility

A innovation led programme seeking to build upon our world class expertise in electrical vehicle design and systems, with the potential to place Devon at the cutting edge of electrical and green transport technologies.

We will:

- **Establish a Centre for Clean Mobility at Exeter Science Park – £3.75m** – create a high-specification collaboration laboratory to be used for research, development and innovation, with strong industrial engagement to test autonomy within marine, off-highway, HGV, rail, and defence sectors.
- **Champion a SMART Aviation Cluster and Freeport Proposal – working with Exeter Airport and other partners** – support the development of new classes of electrical and autonomous air vehicles, such as drones, 3 to 5 person green aircraft and commercial green aircraft, and linking together with the new Future Skills Academy led by Exeter College and additional innovation capacity within the local area.
- **Seek Government support of £1.83m for a comprehensive and future proofed Electric Vehicle and Shared Mobility infrastructure network across 58 of Devon's communities with a population of over 1,100** – this will focus on addressing market failure in small to medium sized communities; bring forward and accelerate the network in tourist areas and address any significant gaps in our larger communities that will support the greening of our businesses.

Strategic funding and investment

A programme of investment and targeted business support to accelerate the progress of our most exciting businesses and newest talent, seeking to create the next generation of high value Devon businesses.

We will:

- **Develop a Venture Capital Network** – establish a ‘Bounce Forward’ loan programme to accelerate capital investments across a range of sectors, particularly manufacturing sector, environmental technologies and clean growth and Agri-tech.
- **High Growth Start Up Programme** – raise £40m to support innovative new start-ups in high growth areas, notably around digital and FinTech. Ideally, scheme would include a strong focus on young people and graduates.
- **Student and young people entrepreneurship programme** – encourage more students and young start-ups to stay in Devon, building upon the existing small scale COVID-19 fund (£50k) in place at University of Exeter to support 50 new businesses across the County and activity through our Colleges and Innovation Centres.



Supporting lean modern industry

A programme of support to assist high value manufacturing businesses, and those with the potential to become high value, to further grow, innovate and refine their approach to production, as well as work together with other Devon businesses to access new opportunities.

We will:

- **Develop an advanced business and industrial efficiency programme** – increasing awareness amongst business leaders in how to apply data-led, lean methodologies to reduce waste and consumption through business collaborations linking Analytical Experts with Industry.
- **Develop a new Industrial Digital Technology Hub and Impact Lab** – driving digitisation of manufacturing processes including transport and links with wider ‘Made Smarter’ programme.
- **Ensure the roll-out of the University Enterprise Zone model as a hub and node approach across the whole of Devon** – ensuring that companies have access to research facilities even if they are basing their companies from home or local hubs.
- **Support for High Value Supply Chain development**, supporting Devon’s smaller businesses to work together to secure new orders and develop their capacity to work on higher value procurements, as well as mapping networks of supply across the County to better sell Devon’s goods to the world.

Impacts and outcomes

Building on our dynamic and entrepreneurial business community, coupled with our world-class environment, global expertise in climate science and green technologies and our talented workforce our ambition is to create a stronger, more inclusive and sustainable economy.

The programmes and projects listed in this Prospectus have the potential to create 30,000 new jobs, create 80,000 new training places and secure investment of £550m, generating £2.8bn of additional economic output.

Our immediate priorities are seeking an investment of £56m into local projects that will assist businesses to re-open, adapt and grow, help young people and those at risk of redundancy find or keep a job and invest in our hardest hit communities and sectors. This initial package aims to safe-guard and create 6500 jobs, will assist the delivery of 5000 training places and support 7500 businesses, stimulating business investment and accelerating our economic recovery to pre-COVID levels much sooner.



Our aim is to achieve:

- Thriving and successful city, town and rural communities attracting residents, visitors, businesses and students to live, work, learn and visit safely and feel connected.
- Productive and nationally competitive businesses with our economic performance and employment reaching pre-COVID-19 levels by 2022 and achieving a growth rate of at least the national average.
- Every individual can access a worthwhile job, undertake relevant and meaningful training and progress in learning or secure employment providing the income they need to thrive.
- Regardless of background, characteristic or need, Devon's residents will be able to access a successful route into work within a growing and diversifying economy.
- Flourishing tourism, food and drink and agricultural sectors embracing digital practices, adopting innovation and supporting qualified and well-paid employment.
- Recognised nationally for our expertise and capabilities in low carbon, digital technologies and entrepreneurship across our businesses, research institutes and workforce.
- A strong and vibrant skills, digital, workspace, energy and transport infrastructure that underpins our economy and enhances our natural environment.
- Made in Devon – a sense of pride in our own products, services, young talent, expertise and knowledge and a strong community and business network that backs Devon.

A more detailed implementation plan and investment strategy are under development to deliver the interventions set out here. This will set out clearly the direct and indirect impacts our programme will deliver.

Implementation and next steps

This Prospectus has been developed by Team Devon, a strong public and private sector partnership drawing in expertise from business, education, skills and public sector organisations.

It has the backing and support of our business representative organisations, District Councils and the County Council, the Heart of SW Local Enterprise Partnership, our National Parks and our Members of Parliament.

Team Devon is committed to implementing our Recovery Prospectus in partnership with Government, the Heart of the South West Local Enterprise Partnership and other agencies. We will align our recovery programme with local and regional Recovery Plans to maximise impact. Implementing our Prospectus requires capital and revenue resources from Government, our public sector partners and key employers. Team Devon will align our skills, expertise and resources locally to achieve a successful, inclusive and sustainable economy. Our Prospectus also recognises that working with our neighbours to give scale and critical mass on key interventions is appropriate and gives a stronger voice and case to secure investment for our businesses and communities.

A more detailed implementation plan and investment strategy are under development to support the delivery of the key interventions and actions set out in this document.

We will:

- Re-purpose local and national resources already announced or awarded to support the priority measures set out included EU funding, along with opportunities within local authority capital programmes to accelerate projects.
- Influence national funding already trailed such as the £5bn Gigabit Broadband Programme, Adult Skills Re-training Programme, the UK Shared Prosperity Fund to replace EU Funding and Transport Schemes to deliver our stated priorities.
- Work with the Local Enterprise Partnership to shape its Investment Pipeline and supporting the prioritisation of programmes to secure new funding for our hardest hit places, sectors and communities.
- Develop business cases to support our priorities in readiness for future funding and bidding opportunities, including One Public Estate Round 8, Coastal Community Funding.
- Work with our MPs to influence key policy areas and pilot programmes such as the Levelling Up agenda, and Town / High Street Funding, Sector Deals and driving national zero carbon targets.
- Develop public / private sector partnerships to address innovation or technology trials and solutions, such as 5G Trial Test Beds, Innovate UK opportunities, Digital Solutions to Health Transformation.

