



Somerset Recovery and Growth Plan

Final Plan

Prepared by Somerset's Local Authorities

December 2020

Summary of Our Plan

Somerset's economy has been hard-hit and is vulnerable to further economic decline because of the Covid 19 crisis, with Oxford Economics forecasting a severe recession in Somerset in 2020, exacerbated by a second lockdown. Working together with Government we can tackle these challenges and *build back better* than before. Recovery and growth in Somerset will contribute to levelling up the UK economy. Our future growth will be greener and more inclusive, building on Somerset's innovative, high-value strengths in Clean Growth, Aerospace & Advanced Manufacturing, Digital & Environmental Data, and Agri-Food. Our plan outlines how we will work with Government to restart, revitalise and grow Somerset's economy.

People: Many Somerset residents have been furloughed, lost their jobs, or may not find employment. We already have low skills, productivity and wages; and deprivation and economic exclusion. However, we can work with Government to help the newly unemployed find jobs; support entrepreneurs to become self-employed; help people transition into sectors which are hiring in rural and urban areas; create local employment opportunities; create a more highly skilled and motivated workforce; and make sure people have the right skills for these jobs. Our experience from the West Somerset Opportunity Area can be rolled-out across Somerset, but we need support from Government to do this. With more flexibility to spend the Adult Education Budget we can help adults develop the skills needed in the future and investment in our FE sector will help adults and young people gain the skills needed to access employment and start their own enterprises.

Businesses and sectors: Our bedrock sectors have been badly hit, in particular the visitor economy, hospitality and retail. Businesses are closing and jobs being lost. The Coronavirus crisis and changes in demand have exposed weaknesses in some manufacturing companies in Somerset, leading to redundancies in this sector too. With an enhanced Growth Hub we can help businesses reopen and thrive in a socially distanced economy. We will develop and support our Voluntary, Community and Social Enterprise (VCSE) sector to deliver benefits and add value to existing sectors, for example care and children related services. Working with Government to deliver new workspace in our towns and rural areas will help businesses start up and grow. We will invest alongside Government to deliver innovation zones across the county, with innovation centres, high-value business support and supply chain development for our high growth sectors of Clean Growth, Aerospace & Advanced Manufacturing, Digital & Environmental Data, and Agri-Food.

Infrastructure: The economic and social impacts of Covid 19 have been exacerbated by constrained digital and physical connectivity in Somerset, but we can grow greener and faster with better infrastructure, helping to deliver the National Infrastructure Strategy and meet the aims of the Energy White Paper/Ten Point Green Plan. Investment in walking and cycling infrastructure will reduce car journeys in our towns. County-wide broadband coverage will help people in rural and urban areas engage in online activity, learn and work from home. Delivering our strategic employment sites, including the Gravity Enterprise Zone, will help create thousands of new jobs in our high growth sectors. Improved strategic road and rail connections will help us access national and international markets. New flood defences will protect existing places and enable new homes and business premises to be built. All of these actions will help to create a more inclusive and sustainable economy.

Places and homes: Footfall in our towns has fallen during the Covid 19 crisis, and ongoing social distancing will constrain recovery. We will work with Government to make our towns places where people want to stay, raise their families and start businesses. Funding our four Future High Street Fund and Town Deal bids will help deliver regeneration in our major towns, making the town centres the hubs of our

communities where the VCSE sector can deliver support in a focused way. Benefits must also accrue to the rural hinterlands, and must not be displaced from smaller towns and rural areas to our larger towns. We need to unlock our major residential and employment opportunities and unleash private investment through borrowing to establish a Revolving Infrastructure Fund, and a Getting Building Fund. Funding to deliver infrastructure such as schools will enable the private sector to deliver homes; but we also need preferential PWLB borrowing to enable us to directly deliver new homes.

With Government funding and support to enact these plans, together we will make a significant contribution to building back better, levelling up across the UK and our rural and urban areas, and delivering a greener UK economy.

1 Introduction

- 1.0.1 In response to the Coronavirus pandemic, existing challenges and future growth opportunities we have prepared a recovery and growth plan for Somerset's economy. This document sets out the plan, with more detail in the appendices. Our plan is fully consistent with the recent submission of shovel-ready infrastructure projects by the Heart of the South West (HotSW) LEP and the LEP's *Route Map to Recovery*¹ and *Build Back Better Programme*.
- 1.0.2 Our plan will support the UK Government's efforts to restart, revitalise and grow the national economy, helping to meet the aims set out in the recently published National Infrastructure Strategy, Energy White Paper and Ten Point Plan for a Green Industrial Revolution.
- 1.0.3 Despite the challenges that have been presented through Coronavirus, Somerset is uniquely placed to drive the economic recovery for the region. A programme of activity has been developed that focuses on a cleaner more inclusive recovery leading to us achieving our pre-Coronavirus growth aspirations at a faster rate. The programmes we deliver throughout the coming years and will build on our emerging sector strengths of Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Food. Through targeted interventions we will increase social mobility and accelerate our pre-Coronavirus levelling up ambitions.

1.1 Coronavirus challenges

- 1.1.1 It is important to note that the socio-economic impact of Coronavirus is not wholly correlated to the public health impact. Somerset saw a relatively low number of cases during the first wave of Coronavirus, but experienced a significant socio-economic impact due to the first UK-wide lockdown; the supply chain and market effects caused by national and global economic impacts; and the significance of sectors such as leisure and tourism in Somerset's rural and urban areas, which are dependent on visitors to the county. This pattern is continuing during the second and subsequent waves of the Coronavirus health crisis.

Reduced economic activity

- 1.1.2 The IMF² expects the global economy to contract by 4.4% in 2020, much worse than during the 2008–09 financial crisis. There will be reduced economic activity in the UK economy, with the Chancellor of the Exchequer quoting OBR projections of UK GDP shrinking by up to 12% in 2020³, with peak unemployment not expected until at least Q2 2021 and in Q1 2022 under a downside scenario. Latest OBR projections suggest that in the best-case scenario GDP recovers to pre-pandemic levels in Q1 2021 and grows in-line with original forecasts⁴. In the worst-case, there is longer term economic scarring and GDP does not recover to pre-pandemic levels until Q3 2024.
- 1.1.3 There is no reason to believe that Somerset will fare better than the UK economy, and the sectoral composition of its economy along with the rural and coastal nature of the county mean it may fare worse. Work undertaken early in the crisis for the Heart of the South West LEP suggests a decline in output of 35% in Q2 of 2020, which is more severe than in many other parts of the UK¹.

¹ Heart of the South West LEP Covid-19 - Route Map to Recovery, HotSW LEP (2020)

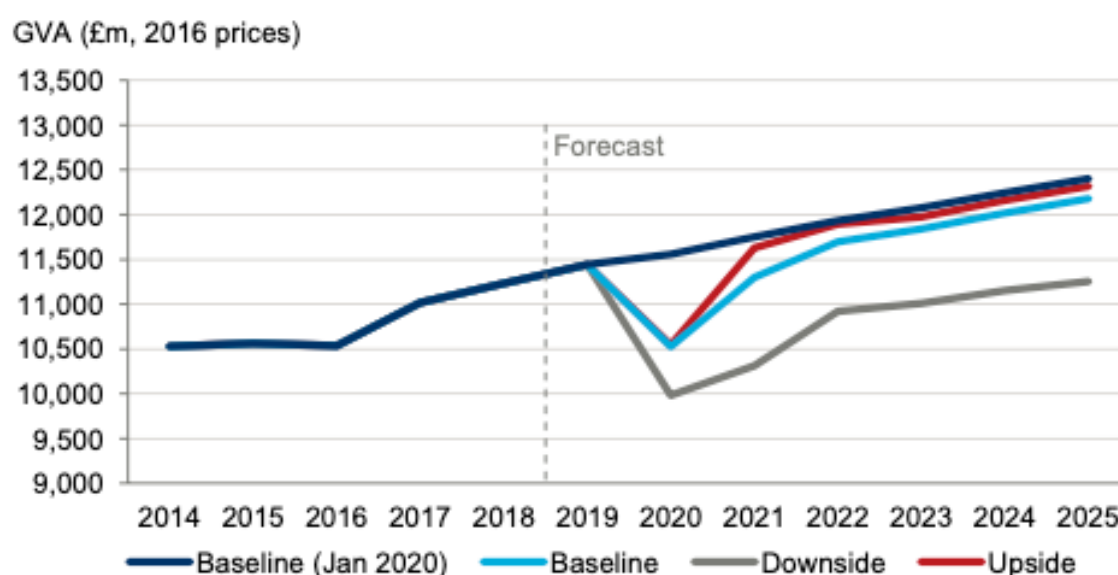
² World Economic Outlook, October 2020: A Long and Difficult Ascent, IMF (October 2020)

³ Chancellor of the Exchequer (November 2020) Spending Review, quoting OBR (November 2020) Economic and Fiscal Outlook

⁴ Fiscal Sustainability Report, Office for Budget Responsibility (July 2020)

- 1.1.4 Oxford Economics has forecast the impact of the pandemic and associated lockdown measures on the Somerset economy⁵. The baseline scenario finds that by 2025 GVA will be 1.8% lower pre-pandemic forecasts. This outcome is based on an 8% decline in 2020 followed by a 7.4% increase in 2021 and continuing growth (albeit at a slower pace) up to 2025.
- 1.1.5 Figure 1.1 below shows the impact of coronavirus on Somerset GVA, and a comparison to the pre-pandemic forecast. This shows that Somerset is forecast to lose at least £1 billion of GVA in 2020 compared to pre-pandemic forecasts. It should be noted that this modelling does not explicitly include the impact of the second wave of Coronavirus and the second national lockdown in November 2020.

Figure 1.1 - Impact of Coronavirus on the Somerset Economy



Source: Oxford Economics (July 2020)

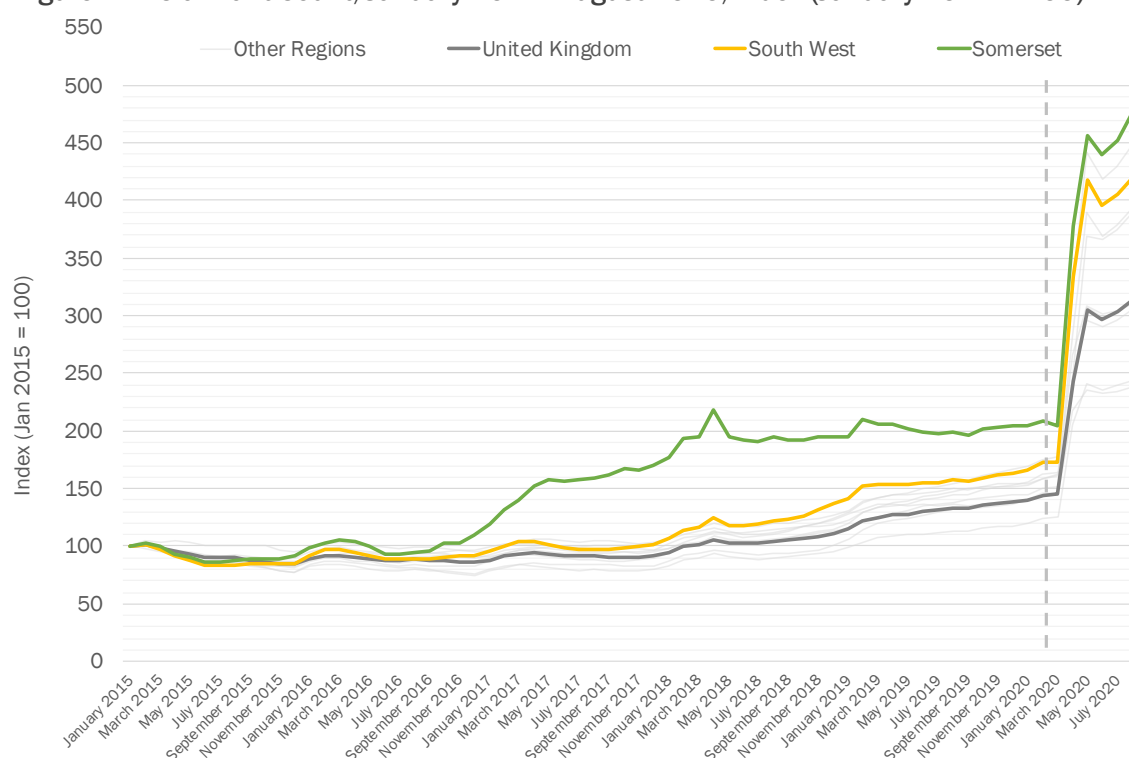
People and employment

- 1.1.6 In its report on the impact of the pandemic on the Somerset economy undertaken in July 2020, Oxford Economics forecasts changes to employment under three scenarios⁵. Under the baseline scenario it is estimated that there will be over 10,000 jobs lost in 2020, with the unemployment rate increasing to 5% (from 3% in 2019). The unemployment rate is forecast to fall from this 2020 peak year-on-year up to 2025 with a return to pre-pandemic levels by 2022.
- 1.1.7 The claimant count in Somerset rose significantly between March and August of 2020. As changes are introduced to the Coronavirus Job Retention Scheme and Self Employment Income Support Scheme throughout the summer it is likely that fewer workers will be furloughed, and whilst some will go back to work, this is likely to lead to an increase in claimants. However, the extension of the UK furlough scheme to March 2021 could delay a more significant drop in employment.
- 1.1.8 The Institute for Fiscal Studies (IFS) has published a report on the geography of the Coronavirus crisis in England⁶. This report considers Somerset to be very vulnerable, placing us in the fourth quintile of most vulnerable counties.

⁵ Oxford Economics (July 2020) Coronavirus: Economic Impact Scenarios for Somerset

⁶ The geography of the COVID-19 crisis in England, Institute for Fiscal Studies (June 2020)

Figure 1.2: Claimant Count, January 2015–August 2020, Index (January 2015 = 100)



Source: HJA analysis of ONS Claimant Count (2020)

- 1.1.9 The Coronavirus Jobs Retention Scheme (CJRS) was launched on 20 April, with the Self-employment Income Support Scheme (SEISS) following on 13 May. Reliable data on uptake of both schemes is available from the beginning of each scheme up until 31 May and then for each subsequent month.
- 1.1.10 By 31 May Somerset had 64,400 employments furloughed through the CJRS and 23,100 claims made to the SEISS. Figure 1.3 below shows the data from each scheme for the following months.

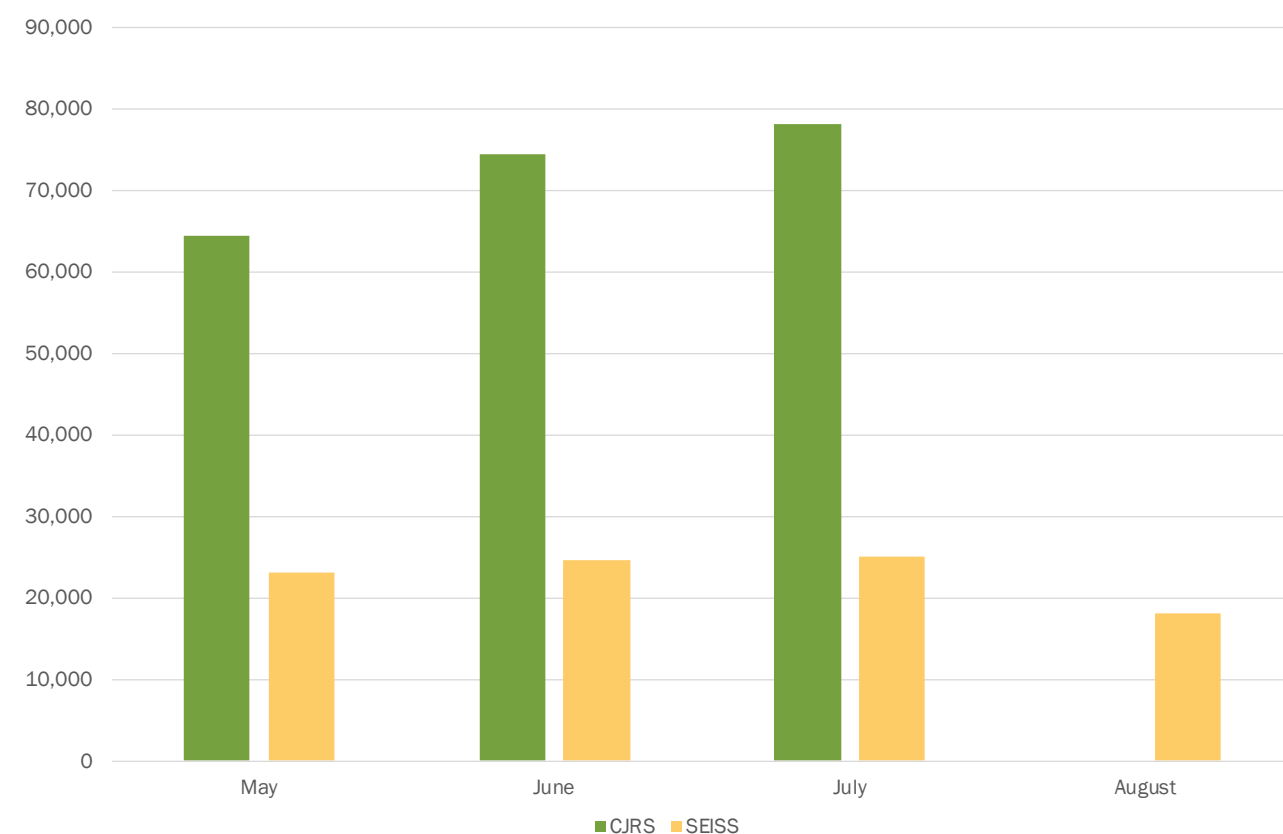
Businesses and sectors

- 1.1.11 A regular Coronavirus impact survey undertaken by the ONS shows that businesses in Arts, Entertainment & Recreation and Accommodation & Food Services are most likely to be temporarily closed⁷.
- 1.1.12 The impact of Coronavirus and the associated lockdown on businesses in Somerset has been assessed through a survey conducted by Somerset's local authorities. Just over 50% of businesses have reported that turnover has fallen by at least half. Profitability has been impacted even further with just over 40% of businesses reporting they have made zero profits, and almost a quarter reporting they have made 50% profits or less. Almost 70% of businesses are not confident that their profitability will return to pre-pandemic levels this year. The VCSE sector has faced particular challenges from social distancing, as many of its workforce/volunteers are older people who could not or did not feel safe to continue in work. As a consequence many such organisations could not continue to operate.

⁷ ONS Business Impact of COVID-19 Survey (BICS) published 8 June 2020, covering the period 18 May to 31 May

- 1.1.13 Social distancing and cash flow issues are reported as the most significant challenges facing businesses in Somerset. Of the 408 businesses that responded to the question, just over half indicated that financial support would be the most helpful thing to support their business.
- 1.1.14 Just over 30% of businesses agreed/strongly agreed that poor digital connectivity had posed a challenge for conducting business.

Figure 1.3 - Uptake of Government Support Schemes in Somerset



	CJRS	SEISS
May	64,400	23,100
June	74,600	24,600
July	78,300	25,000
August	-	18,200

Source: HMRC coronavirus (COVID-19) statistics

Places

- 1.1.15 KPMG has projected the economic growth of local areas in 2020⁸. The projections for Somerset's Districts show a loss of between 6.8% and 10% of GVA in 2020, with a recovery of between 3.6% and 4.6% in 2021.
- 1.1.16 In April 2020 the Centre for Progressive Policy analysed the economic impact on a local authority basis by applying the methodology used by the OBR to reach the figure of a 35% GDP contraction

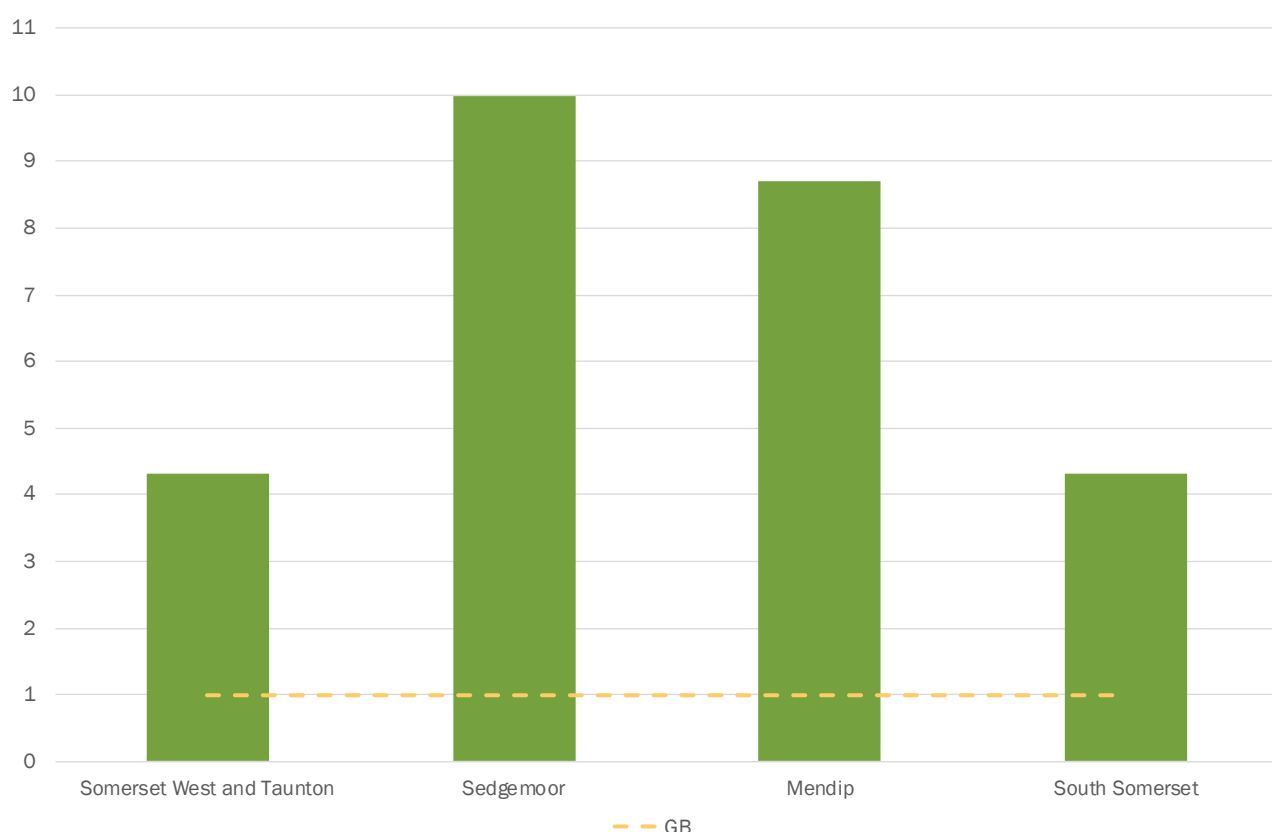
⁸ UK Economic Outlook: Hard Times, KPMG (June 2020)

for the whole of the UK in Q2 2020⁹. Each of Somerset's Districts is forecast to see a decline of between -30% and -41% of GVA during this period.

1.1.17 The Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) has carried out research on the localised impact of the pandemic on employment. This shows that between 26% and 28% of all jobs are at risk in each of Somerset's Districts¹⁰.

1.1.18 The RSA analysis suggests that, in a Somerset context, Sedgemoor and Mendip are exposed to the greatest level of jobs at risk with Somerset West and Taunton and South Somerset also above the average level of job risk for GB. Figure 1.4 below shows jobs at risk in each of the local authority areas relative to GB.

Figure 1.4 - Jobs at Risk Relative to GB (GB=1)



Source: Royal Society for the encouragement of Arts, Manufactures and Commerce (2020)

N.b. This data has not been calculated for the county of Somerset

1.1.19 The Centre for Towns has analysed the economic exposure of towns in England and Wales to Coronavirus lockdown measures¹¹. Minehead has the sixth highest proportion of local jobs in the four most vulnerable sectors (48%). Street and Wells are also listed in the top 5% of vulnerable towns, and Shepton Mallet is listed in the top 10%.

⁹ Which local authorities face the biggest immediate economic hit?, Centre for Progressive Policy (April 2020). Available at <https://www.progressive-policy.net/publications/which-local-authorities-face-biggest-immediate-economic-hit> [Accessed 19 June 2020]

¹⁰ Which local areas are most at risk in terms of impacts of Coronavirus on employment?, RSA (April 2020)

¹¹ The effect of the COVID-19 pandemic on our towns and cities, Centre for Towns (April 2020)

- 1.1.20 In general, it is thought that less prosperous areas are more vulnerable to Coronavirus because fewer people are able to work from home, more people travel on public transport, households tend to be larger and living in higher density, and more people have underlying health conditions.

1.2 Underlying opportunities and challenges

- 1.2.1 As well as the immediate challenges posed by the Coronavirus crisis, there are underlying opportunities and challenges we face, which will affect our future economic growth.

Opportunities

- 1.2.2 Our Growth Sectors are: Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Tech. There are also significant housing and growth opportunities in Somerset's towns, including the plans for Taunton Garden Town.

Challenges

- 1.2.3 There are a number of underlying challenges which need to be tackled to stimulate future growth and inclusion in Somerset, including:
- Infrastructure and connectivity challenges, including broadband, road, rail, public transport
 - Low productivity and wages
 - Labour market pressures in the longer term linked to an ageing population
 - Poor housing affordability
 - Rurality and low population density
 - Deprived communities lacking opportunities, and not benefitting from the economic growth that has taken place
 - An under-developed and under-utilised VCSE sector which could play a greater role
- 1.2.4 Many of these underlying challenges will be exacerbated by the Coronavirus crisis, as jobs are lost, new jobs are not created, and public transport usage falls, reducing the opportunities to tackle deprivation and social exclusion.

1.3 Our plan

Aims

- 1.3.1 In response to the immediate challenges of the Coronavirus crisis and the longer-term underlying opportunities and challenges we have set out the following aims for our Recovery and Growth Plan:
- Safeguarding jobs in our bedrock sectors¹² and creating new and better jobs
 - Ensuring that our residents can find and have suitable skills for new, sustainable, rewarding jobs
 - Support existing businesses and nurture start-up businesses from our bedrock and growth sectors
 - Delivering new affordable homes across Somerset
 - Promoting a green recovery and a low carbon economy

¹² Our bedrock sectors are: Health & Care, the Visitor Economy, Hospitality & Leisure, Retail, Food & Drink, and general manufacturing/supply chains. Agriculture and Construction are also important sectors in Somerset. Our Growth sectors are: Clean Growth (low carbon energy), Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Tech.

- Levelling up and delivering an inclusive economy for all residents of both rural and urban Somerset

1.3.2 By achieving these aims in Somerset we will make a significant contribution to levelling up the economy of the UK. We will help the Prime Minister to achieve his aim to *build back better, build back greener, and build back faster*. Our plan will help to meet the levelling-up objectives set out in the National Infrastructure Strategy. With the HM Treasury Green Book being revised to place more emphasis within investment decisions on supporting policy objectives and delivering growth outside London and the South East, Somerset can play a greater role in achieving this policy ambition.

Objectives

1.3.3 The objectives to support these aims differ as we restart, revitalise and grow the Somerset economy. Following a second wave of Coronavirus a second England-wide lockdown has been implemented. It is unlikely that recovery will be linear, and there may be several periods of lockdown and restart, with a gradual transition into a period of revitalisation then growth.

Figure 1.5: Objectives of the Recovery and Growth Plan

Lockdown	Restart	Revitalise	Grow
Minimise negative impacts <ul style="list-style-type: none"> • Minimise loss of businesses, jobs and productivity 	Support bedrock industries and the workforce <ul style="list-style-type: none"> • Re-open businesses • Get newly unemployed back to work • Retrain unemployed for opportunities that are available • Tackle inequality and exclusion 	Accelerate recovery through local interventions <ul style="list-style-type: none"> • Starting to build back better • Support to bedrock and growth sectors • Promote economic growth (GVA) • Create new jobs • Train residents to enable access to jobs • Reshaping of High Streets and town centres • Delivery of more and more affordable housing • Tackle inequality and exclusion 	Moving to a new (better) economy <ul style="list-style-type: none"> • Higher GVA and productivity • High value jobs in global growth sectors • Innovation and R&D • Low carbon economy • Digital • Reduction in carbon emissions • Reshaping of High Streets and town centres • Delivery of more and more affordable housing • Tackle inequality and exclusion

Growth themes and activities

1.3.4 We have identified four themes and a number of activities within them that will help to meet these aims and objectives. They are discussed in more detail in the rest of this Outline Plan:

- Supporting employment, skills and economic inclusion (**Chapter 2**)
- Helping business and sectors to grow and become more productive (**Chapter 3**)

- Providing the infrastructure needed to enable growth (**Chapter 4**)
- Creating attractive places and homes to live in (**Chapter 5**)

Cross-cutting themes

1.3.5 There are also a number of cross-cutting themes that link together activities in each of these areas. For example, we will:

- Tackle the impacts of Coronavirus by supporting businesses to reopen and get people back to work, improve walking and cycling accessibility to and within our towns, ensure that there is full digital coverage across Somerset and that people and businesses can use it. We want to continue the reduction in carbon emissions that we have seen during the crisis
- Promote employment and productivity growth in our bedrock sectors through a combination of skills development, business support, and capital investment in infrastructure and workspace
- Develop the employment and productivity contribution of our Growth Sectors, through targeted investment in our existing and emerging innovation zones including skills development, innovation support, and new infrastructure and promoting green growth
- Promote greater inclusion for all residents across the whole of Somerset through improving skills, supporting improved social mobility, helping people into jobs, supporting business growth and job creation supporting the VCSE sector to provide volunteering and employment opportunities, improving digital and physical access to learning and employment, and delivering affordable housing
- Make our towns better places to live and work by improving the physical environment, supporting business and employment growth, making them more accessible, delivering affordable housing and reducing carbon emissions

Fit with HotSW LEP's Build Back Better Programme

1.3.6 It is important that our plan is aligned with the LEP's Build Back Better Programme, contributing to a LEP-wide coordinated programme of recovery and growth. Where there are common challenges across the LEP area then shared efforts to deliver, for example business support and digital infrastructure, will be more efficient and effective. Activities within our plan will contribute to the LEP's goals of:

- **Energy futures**, e.g. our support for the Gravity development as part of a clean growth cluster, and a clean energy innovation zone, contributing to the ambition to become an exporter of low carbon energy
- **Engineering futures**, e.g. our support for iAero and an aerospace innovation zone, contributing to the Future of Flight Programme
- **Digital futures**, e.g. our support for the Taunton Digital Innovation Centre and a digital innovation zone, contributing to the HotSW's data analytics and digital capabilities programme
- **People**, e.g. our activities to support employment, skills and inclusion in Chapter 2
- **Business environment**, e.g. our support for businesses in the bedrock and growth sectors set out in Chapter 3
- **Ideas**, e.g. our support for innovation zones and innovation centres
- **Places**, e.g. our plans to deliver workspace, homes and transformation in a number of our towns
- **Infrastructure**, e.g. our proposals to invest in broadband, mobile, cycling, walking, rail and roads

2 Employment, Skills and Economic Inclusion

Overview

Employment

Employees in many businesses have been furloughed, but others are being, and will be made redundant, across a range of sectors. Sustaining employment, creating new jobs and supporting people into these jobs is critical for Somerset's economy.

During the two **lockdowns and restart** Government has provided some direct financial support to businesses, for the employed, and to the self-employed. We are supporting those facing redundancy, using our BRRP funds, although the expected peak in job losses is now likely in 2021 rather than 2020. We are starting to create a network of Employment Hubs to help people to find work or move into self-employment.

Through this period and as **revitalisation and growth** happen we will help to maximise the opportunities for local people to work in Somerset. We will support the redeployment of people into the sectors that are short of workers or growing, match people to the job opportunities that exist, and support people into new roles. We will extend the Skill Up service, and support businesses to create apprenticeships and traineeships.

Education and Skills

Low skills have historically contributed to low productivity in Somerset. People, particularly the young, need the right skills to access employment opportunities both now and in the future.

During the **lockdowns and restart** we will use BRRP funds to support the work of the EBP and the Careers Hub to provide enhanced careers, education, information, advice and guidance to young people. We will extend CEIAG to the whole population that aligns with Somerset's employment opportunities.

Through **restart, revitalisation and growth** we will work with our training providers to enhance post-16 education, training and re-training; ensure that every young person has access to high quality education or training; and extend skills provision to adults so they can access job opportunities. We will support capital investment across training providers.

Economic Inclusion

Those living in deprived communities, and our young people, are at greater risk of economic exclusion. They need additional support to engage in training and work, helping levelling-up within Somerset.

During the **lockdowns and restart** we will provide support to increase employment, improve educational attainment and improve skills in our excluded communities. We will develop a strategy to support our Young People and other impacted groups. We will apply to extend the Access to Learning and Support Grant to help individuals overcome barriers to learning and employment; and work with training providers to ensure access to learning for all. We will use BRRP funds to improve digital access. We will ensure that support is provided to those young people at risk of, or who are, NEET. This will contribute to **revitalisation and growth** of the Somerset economy.

2.1 Challenges and opportunities

2.1.1 The UK Government is providing significant support for employees and the self-employed throughout lockdowns, saving many jobs. However, many have also been lost as businesses have, and continue to, fail. We will help the Government to get people back to work by identifying local employment opportunities and ensuring that the people of Somerset have the right skills and support to access these jobs.

2.1.2 In his speech on 30 June the Prime Minister called for the UK to have the most motivated and highly skilled workforce, promising £1.5 billion of investment in further education. We will help to deliver that workforce. The Prime Minister promised an apprenticeship, or in-work placement, for every young person. We will help to deliver that. We will also support the local implementation of those packages of support announced through the CSR20.

2.1.3 Below we set out the key challenges for each of our themes:

Employment

2.1.4 Somerset is a predominantly small business economy with around 90% of businesses employing less than 10 people and has high levels of self-employment. As a rural county, Somerset has a far greater proportion of businesses in agriculture, and higher levels than nationally in the retail, manufacturing and tourism/leisure sectors. These sectors employ a significant proportion of the workforce in Somerset and are those hardest hit by Coronavirus. Some sectors, including agriculture and food processing, are more reliant on overseas workers and Coronavirus travel restrictions have made it more difficult for them to recruit. This is exacerbated by the exit from the EU. This does create a demand for workers in Somerset, and an opportunity for employment.

2.1.5 Around 70% of Somerset businesses have furloughed some of their staff, over half of Somerset's manufacturers believe they will have to cut jobs, and one in three small businesses say they will need to make redundancies. 35% of closed small businesses are not sure whether they will reopen. Around 90% of businesses within the tourism/leisure sector have been closed during the Coronavirus lockdown periods with more than a third having to lay off staff and/or enforcing unpaid leave. We are experiencing high levels of unemployment seen in a high claimant count alongside a lack of new employment opportunities. As the Job Retention scheme is wound down, we do not know how many of those on furlough will retain their jobs and therefore what the impact on employment will be.

Skills

2.1.6 Somerset has a long-term issue of low skills, low productivity and low wages leading to a disconnect between supply and demand for labour. Somerset has a slightly lower proportion of the population with higher level skills, although this is skewed slightly by inward migration of older people retiring to the area, particularly in our rural areas. Our deprived areas have low skills levels. Young people and adults with lower qualifications will likely be the hardest hit, which will be exacerbated because sectors recruiting these individuals are also those hardest hit. Younger workers are at particular risk with 16-24 year olds twice as likely to be furloughed as middle-aged workers. Supporting people back into employment will be essential, but they will need the right skills.

Economic Inclusion

2.1.7 Long-term challenges around deprivation and low levels of inclusion in a number of our towns, rural and coastal areas will be intensified as a result of Coronavirus. Somerset has several areas

with high levels of deprivation, with West Somerset identified as the worst area for social mobility across England.

- 2.1.8 The impact of educational disruption for young people in Somerset will be significant likely leading to increased numbers at risk of or being not in employment, education or training (NEET). Somerset has already seen a steep rise in NEETs over recent years, with a 2.8% percent increase in the three-year period to February 2019. This is combined with existing challenges for progression routes into higher education, and lack of employment and apprenticeship opportunities.

2.2 Our Response

- 2.2.1 In the short-term we will build on existing activity to support those most impacted and at risk including young people, displaced workers and those with barriers to work. In addition to ongoing activity, we are investing £750,000 from the Somerset Business Rates Retention Pilot (BRRP) to develop and implement immediate support for individuals. This is short-term funding and activity which needs sustaining longer term where appropriate. Many of our immediate responses, where demand remains, will need to be continued as we restart and revitalise the economy.
- 2.2.2 As we restart and revitalise the economy we will review all activity in delivery. We will continue, or reshape, programmes where there is continued demand and evidence of need and we will end programmes that are no longer relevant. As we move into revitalisation and growth, we will work with employers to encourage the creation of jobs, particularly in our higher value growth sectors, which are accessible to local people. We will work with training providers to ensure we have an appropriately skilled workforce and we will continue to raise awareness of future opportunities to establish a future workforce pipeline. The BRRP funding is largely funding our short-term response, but ongoing, and new activity will need resourcing longer term.
- 2.2.3 Below we set out our key proposals to address the challenges and opportunities highlighted in the above.

Employment

- 2.2.4 We are working with partners to provide immediate support for those who are at risk of redundancy or who have lost their job as a result of Coronavirus. We will implement local Response to Redundancy Taskforces, following our Response to Redundancy Framework. We will put in place a comprehensive package of support to individuals which will be available as an online resource and supplemented with direct support where needed. This support will be aligned with that on offer from key partners such as Job Centre Plus, National Careers Service, SERCO and others. Businesses will also be supported through the redundancy process and support will be available for their ongoing resilience and growth.
- 2.2.5 We are working with partners to improve local employment support through a number of activities.
- 2.2.6 We will create a network of Employment and Skills Hubs to provide support to individuals who are seeking work, considering self-employment or who are seeking an alternative career route. We will ensure that they have suitable employability and personal skills through these hubs. We will match people to job opportunities and help individuals to apply for these jobs. In doing so we will work with Job Centre Plus, National Careers Service, SERCO and other jobs brokerage partners; the Hinkley Point C Job Service with a view to extending this more widely across Somerset; and align with the Skill Up service to ensure appropriate signing posting to skills provision. Once we are able,

these hubs will be developed as physical locations where all partners can be brought together as a single point of contact for individuals.

- 2.2.7 We will work with partners to develop a joined-up approach to redeployment into sectors where employment opportunities exist, such as the care sector, and through major projects such as HPC, creating a workforce pipeline for the future and also supporting individuals to retrain for relevant roles.
- 2.2.8 We have developed the Step Up Somerset website bringing together a range of employment support into a single access point. The website will hold all electronic resources in relation to the above activities and will sign post out to partner services. We will continue to develop this website into the medium/long term identifying any gaps in provision and seeking to fill these.
- 2.2.9 We will provide support to improve local employment opportunities.
- 2.2.10 We will work with employers to maximise opportunities for local employment within our growth and across our bedrock sectors, specifically encouraging clean growth, and support individuals to access these opportunities ensuring they have the appropriate skills to do so. We will create a logistics academy to help local residents to train for opportunities as warehouse operatives, forklift truck drivers and LGV/HGV drivers. We will support our VCSE sector to help people to bridge the gap between unemployment and employment. For major projects within Somerset we will use planning and procurement processes to secure employment of local workers and for investment in their ongoing skills development e.g. using and extending local labour agreements. We will need enhanced capacity to enforce this through planning and effective contract management of procurement. This will support revitalisation and growth in Somerset.
- 2.2.11 Skill Up Somerset is currently funded through the BRRP and through our ESF funded, Skills for the Workforce Programme, we will continue and extend the Somerset Skill Up Service, delivered by DSTPN, until 2023. Skill Up works with business to encourage them to create apprenticeship and traineeship opportunities, supporting the government's Opportunity Guarantee for Young People, but also ensuring people of all ages have access to apprenticeships and training. Skill Up will work with business to support recruitment into apprenticeships and traineeships. We will work with the DSTPN to ensure appropriate provision is available and seek resources to improve the sustainability of these programmes. Our training providers will support the delivery of all employment related skills-based training programmes including traineeships and apprenticeships, underpinned by incentives to employers.

Figure 2.1: Employment

Response	Offer	Ask
Redundancy Support	Implementation of our Response to Redundancy Framework which provides coordination, and development, of a comprehensive package of support to business and individuals facing redundancy	DWP/JCP to be able to proactively share intelligence on redundancy announcements once HR1s are received Improved communications on large business making redundancies nationally/regionally where there is local impact

Response	Offer	Ask
		<p>To ensure that national programmes of activity engage with local partners to ensure coordination</p> <p>Contribution towards strategic capacity totalling £80k per annum</p>
Employment Support	<p>Creation of a network of physical Employment and Skills Hubs across Somerset matching people to job opportunities and helping individuals apply for these jobs.</p> <p>We will support redeployment into sectors where employment opportunities exist , such as health/care and HPC</p> <p>We will provide guidance and support to apprentices who have been impacted</p> <p>Supplementing the physical hubs, we have developed Step Up Somerset website bringing together a range of employment support into a single access point</p>	<p>£400,000 per annum of ongoing revenue funding for three years to support ongoing delivery of these initiatives</p> <p>Contribution towards strategic capacity totalling £80,000 per annum</p>
Improve Local Employment Opportunities	<p>We will work with employers to create employment opportunities within our bedrock and growth sectors, specifically encouraging clean growth, and support individuals to access these opportunities ensuring they have the appropriate skills to do so.</p> <p>We will support the development of a logistics training academy in partnership with a local logistics company.</p> <p>We will embed local labour agreements across all planning and procurement processes and encourage our supply chain to invest in their workforce</p>	<p>Contribution towards strategic capacity totalling £80k per annum</p> <p>Implement a range of funding and rule changes to 16-24 traineeship, apprenticeship and adult offers to facilitate training opportunities for all</p> <p>Employer incentives of up to £3,000 per apprentice, with an increase on non-levy funding allocations to match</p>

Response	Offer	Ask
	Continue and extend the Skill Up Somerset service, through DSTPN, to encourage creation of apprenticeship and traineeship opportunities. Skill Up will work with business to support recruitment into apprenticeships and traineeships	
Outputs and impacts	Those made redundant have access to appropriate support Increase in apprenticeship and traineeship opportunities Increased employment of local residents in local businesses	

Education and Skills

- 2.2.12 We are working with partners to provide enhanced careers, education, information, advice and guidance (CEIAG) to all Somerset residents, including raising awareness of apprenticeships, traineeships and T Levels as a viable post-16 option. We will create clear route maps, and escalators of progression, into and through our core sectors. These pathways will align with our employment support programmes and, working with colleges and training providers, we will ensure individuals can access the right training meeting the needs of employers.
- 2.2.13 During school closures the Somerset Education Business Partnership (EBP) moved all resources online and rolled out a programme of virtual work experience and careers events accessible to all young people across Somerset. We will seek funding to continue the services of the EBP which is essential to sustain and develop careers advice and engagement between employers, schools, young people and their parents/guardians. The EBP will continue to work in very close partnership with the Heart of the South West Careers Hub. To enable continuation of both of these activities locally we will need additional revenue funding. Ongoing activity will need to be aligned with local labour market intelligence as the post-Coronavirus landscape continues to change and develop. In the short-term we will utilise the BRRP funding to cover a proportion of these costs.
- 2.2.14 We have developed the Step Up Somerset website (mentioned above), bringing together all CEIAG support available across Somerset. We will coordinate and implement an enhanced CEIAG offer accessible to all through this website. We will continue to develop this website in the medium/long term, identifying any gaps in provision and seeking to fill these.
- 2.2.15 We will work with partners to enhance our post-16 education.
- 2.2.16 We will seek to extend skills provision for adults alongside our European Social Fund Skills Support for the Workforce, which will provide training support to those in, or close to, employment.
- 2.2.17 We will work with our colleges and training providers through the Devon & Somerset Training Providers Network (DSTPN), to enhance post-16 education, including re-training for the unemployed and greater flexibility in course offer and start dates. This will help to ensure that residents have the skills needed to contribute to revitalisation and growth in the economy. We need greater flexibility in the use of the Adult Education Budget (AEB), around eligibility, age and amount of funding assigned to a qualification in respect of Co-funding. We seek support, including through flexibilities, to allow easy access to training for adults who have been made redundant, such as the National Retraining Scheme. This skills provision will range from short courses to

higher level qualifications, including additional support for digital literacy, outreach and workforce mobilisation across distressed sectors. We will build on existing provision to deliver more blended learning and local delivery in remote areas.

- 2.2.18 We will work with our colleges and training providers to ensure every young person has access to high-quality education or training, funded to meet their needs. Funding needs to be flexible to allow students to start throughout the year. We seek support to allow young people to access digital learning technology.
- 2.2.19 We will deliver higher skills for the Growth Sectors, aligned to the HotSW Local Industrial Strategy. We ask for greater flexibility in the use of funding to allow re-training and up-skilling in Growth Sector areas. This will include digital skills across all sectors. We will seek investment towards the development of innovation and skills opportunities with a focus on high growth and clean growth innovation and high value employment. We seek support to develop new curriculum to support adults into employment into these key sectors. We seek support for marketing and communication of upskilling and reskilling programmes for adults.
- 2.2.20 We will work with the Education & Skills Funding Agency (ESFA) and wider partners to support measures around sustainability and growth including with financial hardship amongst training providers, and costs around modification and diversification as a result of Coronavirus. We seek an increase in the AEB funding rates to support the recruitment of specialist staff and additional cost related to Coronavirus, such as smaller groups and safety measures.
- 2.2.21 We will seek funding to support capital improvements within our colleges and across the training provider network including resources to enhance digital connectivity across the network to provide virtual learning to rural and urban areas and modernise assets. We seek investment for maintenance of training facilities. With greater flexibility and funding, we will be able to further develop delivery of blended learning opportunities (immersive online and face-to-face) and local delivery of post-16 education in less accessible places such as West Somerset.

Figure 2.2: Education and skills

Response	Offer	Ask
Enhanced CEIAG	<p>We will provide enhanced careers, education, information, advice and guidance to Somerset residents and raise awareness of apprenticeships, traineeships and T Levels</p> <p>We will create route maps and escalators of progression into and for our core sectors</p> <p>We will continue the services of the Somerset EBP and develop a sustainable local partnership model for beyond 2021</p> <p>We will continue to work with the HotSW Careers Hub and will provide an interim contribution</p>	<p>DfE to meet the full costs of the HotSW Careers Hub from 2021/22, to sustain provision</p> <p>Funding to continue the EBP post 2021.</p> <p>Contribution towards strategic capacity, totalling £80,000 per annum</p>

Response	Offer	Ask
	<p>to fund the shortfall in 2020/21 budgets</p> <p>We will align the CEIAG resource with our employment support programmes and will host all information on the Step Up Somerset website</p>	
Enhanced Post-16 Education (16-19 Year Olds)	<p>We will enhance the education and training of 16-19 year old learners to increase their contribution to the labour market and enhance their employment opportunities. Ensuring that every young person has access to high quality education or training</p>	<p>Funding to expand the education for 16-19 year olds to successfully deliver against our offer</p> <p>Support for 16-18 year olds to access education through the provision of free transport, in line with other parts of the Country such as London and Manchester</p> <p>£800,000 to provide all learners with access to a personal device and connectivity to access online learning</p>
Enhanced Post-16 Education (Adults)	<p>We will deliver the ESF funded Skills in the Workforce programme to support those in employment to increase their skills</p> <p>We will support those who are out of work to receive funded training to up/re-skill in a sector aligned to economic growth and/or bedrock sector and greater flexibility in course offer and start dates</p> <p>We will build on existing provision to deliver more blended learning and local delivery in remote areas</p> <p>We will deliver higher skills for Growth Sectors to enhance and accelerate economic strategies. We will develop a Systems Leadership approach and pilot this through the Yeovil Place Leadership Group</p>	<p>We ask that flexibilities are considered so that 19+ learners are given further support to incentivise participation in training development</p> <p>Repurpose balances of ESF to provide responsive and tailored programmes for adults within the community to re-train and re-skill</p> <p>Investment to develop and deliver programmes such as sector-based work academies</p> <p>Ensuring that training providers are embedded into JCP/DWP delivery</p> <p>Enhance the Adult Education Budget together in one budget line with the National Retraining Scheme, the National Skills Fund and the Shared Prosperity Fund ensuring balances are sufficient to meet increased demand to counter the impact of reduced</p>

Response	Offer	Ask
		<p>income if full-funding flexibilities are implemented</p> <p>Early release of a proportion of the National Skills Fund to support flexible learning. Fully fund 24+ adults to undertake subsequent L3 programmes or units in priority sectors</p> <p>Simplification of the funding rates and rules that training providers work to in order to have flexibility to meet demand</p> <p>Where needed, deliver a front-loaded payment profile for training providers to allow for intensive upfront delivery</p> <p>Support for colleges and training providers with development funds to assist the development of individual provider's strategy to adapt and become the provider of the future</p> <p>£800,000 to provide all learners with access to a personal device and connectivity to access online learning</p>
College and Training Provider Sustainability and Growth	<p>We will ensure colleges and training provider needs are reflected within local investment discussions and will seek funding for improvements to the physical assets within our training network, including support for ongoing sustainability of providers</p> <p>We will deliver modification and IT set-up to deliver blended learning</p>	<p>Support for colleges and training providers facing financial hardship and additional costs as a result of Coronavirus</p> <p>Funding to replace category C&D accommodation within our colleges</p> <p>Release 20% of the £1.5bn capital fund for IT equipment, software and building modification for all providers</p>
Outputs and impacts	<p>Young people, and the wider population, understand the learning and employment opportunities open to them</p> <p>Training is available for young people, and the wider population, to help them to progress</p>	

Response	Offer	Ask
	Colleges and training providers have facilities that are suitable to deliver training and education People in more remote areas can access training People of all ages have the skills that local businesses need	

Economic inclusion

- 2.2.22 Promoting economic inclusion is an important outcome of restarting, revitalising and growing the Somerset economy. To promote inclusion we will address unemployment, under-employment, and in-work poverty.
- 2.2.23 We need funding to help people to prepare for, and access, learning and work through the extension of the Access to Learning and Employment Grant that we have delivered in the West Somerset Opportunity Area. This is a flexible grant to individuals to help overcome any barriers to learning or work e.g. childcare, training, transport or suitable workwear/clothes.
- 2.2.24 We will work with training providers to ensure that the whole population has access to learning through localised provision, particularly in our rural and deprived areas where transport and connectivity issues are a concern. This will include a blended and distance learning approach, accessible via local learning hubs.
- 2.2.25 We will provide targeted support for in-work poverty to ensure that people already in work are able to access training for upskilling, enabling them to move into better paid jobs. We will ensure that other responses highlighted in the plan help to achieve this. We will also provide support to businesses to train and upskill their staff through our Skill Up service, enabling individuals to move into better paid roles. We will support the VCSE sector, which is more inclusive than mainstream businesses, to increase the opportunities for economic and social inclusion it can offer to Somerset residents.
- 2.2.26 Building on the pilot in South Somerset, we will develop a Somerset-wide coaching and support programme to help families to help themselves and support children from deprived backgrounds in improving their educational attainment and accessing employment.
- 2.2.27 We will continue to improve digital skills and access to broadband throughout the population to enable people to access digital services, support and apply for jobs. We are rolling out a pilot programme to loan devices, with broadband access, to residents who are seeking employment. If demand is proven, we would require funding to extend and widen this service. We will also work with our training providers to ensure learners have appropriate devices and broadband access for learning. Through our Skills Programme we will ensure individuals has access to appropriate digital training.
- 2.2.28 We will develop a strategy that considers the challenges faced by young people in the current climate. We will develop a programme of interventions, aligned where appropriate to wider interventions, to ensure that young people have access to employment and training opportunities. We will coordinate and act as a gateway to the DWP Kickstart Scheme within Somerset. We will encourage and support employers to offer placements and ensure every young person engaged has access to appropriate wrap-around support.

- 2.2.29 We will deliver our £1.3 million ESF NEETs programme to ensure that young people at risk of, or who are, NEETs re-engage in education or can access employment opportunities. We will seek additional funding to ensure that all young people can access support they need to continue to engage.
- 2.2.30 We will develop a strategy to support the over-50s, or other adversely affected groups, who are 50% more likely than other age groups to be unemployed 12 months after losing their job.

Figure 2.3: Economic inclusion

Response	Offer	Ask
Short-term		
Address Un/Under Employment and In-Work Poverty	<p>We will apply for funding to extend the Access to Learning and Employment Grant, currently delivered in West Somerset, across Somerset</p> <p>We will support access to learning for those in and out of work and encourage local delivery of training by extending the Skill Up Here model and supporting a blended learning approach/distance learning particularly in rural areas</p> <p>We will provide target support, via coaching, for in-work poverty and support deprived families to improve their employment prospects</p>	<p>£400,000 per annum for two years for the access grant</p> <p>£1 million for capital investment in local/remote facilities (learning hubs)</p> <p>Investment in training provider facilities to enable enhanced blended/distance learning</p> <p>£1 million per year for three years for a county-wide coaching programme</p> <p>Contribution towards strategic capacity totalling £80,000 per annum</p>
Digital Skills and Access	<p>We will continue to promote and deliver digital skills training for all</p> <p>Working with our colleges and training providers ensure that all learners have access to devices and internet to support their learning</p> <p>Extend the pilot scheme to loan devices and internet to individuals seeking work</p>	<p>£800,000 to provide all learners with access to a personal device and connectivity to access online learning</p> <p>Capital funding to extend access to devices at a total cost of £9,000 per 10 devices. This can be scaled to meet demand</p>
Young People Support	<p>Develop a strategy and define the interventions we will roll out for Young People</p> <p>Coordinate, and act as a gateway for, the DWP Kickstart Scheme</p>	<p>Support to implement any appropriate interventions identified through the Young People Strategy</p> <p>For national schemes to engage fully with local stakeholders to ensure alignment of delivery</p>

Response	Offer	Ask
	£1.3 million of ESF funds for the Somerset NEETs Programme: Somerset Works, supporting young people into education or employment	<p>£190,000 urgent funding for pastoral and academic activity to support 16 year olds back into study to enhance the ESF programme</p> <p>Establish a pool of funding to support students at risk of becoming NEET to include one-to-one tutorial support/mentoring and the establishment of bursaries to remove barriers to education</p>
Over 50s (or any other adversely impacted individuals) support	Develop a strategy and define the interventions we will roll out for those adversely impacted	Support to implement any appropriate interventions identified through the Strategy
Outputs and impacts	<p>Increased skills levels, especially within deprived areas</p> <p>People in deprived areas have improved access to job opportunities, hence greater social mobility</p> <p>Significant reduction in NEETs</p> <p>Young People have access to employment and training opportunities</p> <p>Over 50s (or any other adversely impacted groups) are able to re/up-skill and have access to employment opportunities</p>	

3 Helping Businesses and Sectors to Grow

Overview

Businesses across the Somerset economy are suffering from the direct impacts of the Coronavirus pandemic such as lockdowns and the need for social distancing, but also from drastic changes in markets and demand. This is leading some business to struggle and others to close.

Bedrock sectors

During the **lockdowns and restart** we will provide support to the visitor economy, extending the work we have already undertaken under the BRRP. We will extend the support provided by the HotSW Growth Hub to businesses in all sectors; and the BRRP funded business support that we are providing.

We will support and encourage local procurement by the public and private sectors, and encourage the expansion of the VCSE sector to ensure that benefits to the local economy and residents are maximised during **revitalisation and growth**. We will continue to deliver enterprise centres and work hub space in Bruton, Burnham/Highbridge, Chard, Glastonbury, Wellington and Yeovil.

Growth sectors

We are already delivering innovation support through the Somerset Catalyst Programme and Regional Entrepreneurship Acceleration Programme. We will extend inward investment support activity that we are already providing under the BRRP.

Our support for the growth sectors in Somerset's economy is part of an ongoing process of working with the HotSW LEP to promote innovation and drive up productivity in the **revitalisation and growth** of the economy. We are delivering innovation centre infrastructure at the Somerset Energy Innovation Centre, iAero and the Taunton Digital Innovation Centre. We are formulating plans for innovation zones for Clean Growth, Aerospace, Digital and Agri-Tech.

3.1 Challenges and opportunities

- 3.1.1 The HotSW LEP is formulating a business and sector-based response to the Coronavirus crisis, set out in its *Route Map to Recovery*. This Somerset plan supports the activity being undertaken by the LEP, and that set out in the Local Industrial Strategy.
- 3.1.2 Many businesses are unable to trade either in part or in whole, with a particular impact on the visitor economy, hospitality, retail and care sectors. This will inevitably lead to business closures and job losses, which are likely to increase after the end of Government support for employees and the self-employed. As the lockdown is eased businesses need support to adapt to social distancing and other constraints.
- 3.1.3 In the longer-term Somerset has significant opportunities in our Growth Sectors, and it is important that we support the development of businesses in these sectors. As well as creating employment, development of the Growth Sectors will help to drive up productivity and wages in Somerset.

3.2 Responses

- 3.2.1 The UK Government is working to stimulate economic activity whilst keeping people safe. We will help the Government to re-open and revitalise the Somerset economy.

Safeguarding and creating jobs in the bedrock sectors

- 3.2.2 During lockdowns and restart we will provide particular support to the tourism sector, extending work that we have been doing under the Business Rates Retention pilot. Award of a Tourism Zone and providing further support for the sector are necessary for this. Farm diversification is important to rural areas.
- 3.2.3 During this period we will enhance and expand the Growth Hub support to businesses, to enable the service to support more businesses throughout Somerset. This will help businesses to survive and grow, safeguarding and creating jobs, and help new-start businesses that are established.
- 3.2.4 We will continue and expand the activities delivered in Somerset that are currently funded by the Business Rates Retention pilot to promote economic growth and productivity, including support for the visitor economy, start-up support, scale-up support, business clusters, networks and peer-to-peer support, inward investment, access to finance, apprenticeships and other supporting activity. This will help businesses to survive and grow.
- 3.2.5 As revitalisation and growth takes place we will support and encourage local procurement activity, to help small businesses and VCSE organisations to access larger customers and encourage large organisations in the public and private sectors to develop local supply chains. As well as helping business survival and growth this activity will provide employment opportunities for local people, thus supporting inclusion. We will encourage social value to be incorporated into local procurement activity, with the inclusion of local authority contracts and spend. We will support projects such as the South West Food Hub that is currently being piloted, to promote new approaches to public sector food procurement.
- 3.2.6 We want to increase social capital and social innovation and build on the support for social capital and social innovation delivered through the Somerset Social Enterprise Fund and ERDF funded LEP wide Enhance Social Enterprise Programme to deepen and extend the impact of Social Enterprise across Somerset. We have great examples of social enterprise in action, in places like Watchet (Onion Collective), Glastonbury (Red Brick Building) and Frome, and we want to nurture social innovation and entrepreneurship, working with the likes of these exemplars to deepen and extend the impact of social enterprise across Somerset.
- 3.2.7 We will deliver new enterprise centre and work hub space in towns where there is a shortage of workspace and support for new and small businesses. We have proposals for new centres in Chard, Bruton, Wellington, Burnham on Sea and potentially other towns. This will build on the network and infrastructure that we have established throughout Somerset to ensure provision across the county. These centres will help the establishment of new businesses and their survival, creating local employment opportunities and inclusion.

Figure 3.1: Safeguarding and creating jobs in the bedrock sectors

Response	Offer	Ask
Enhance and expand the Growth Hub support	Somerset local authorities will promote Growth Hub through all available channels and provide local service delivery points	BEIS funding to the LEP to support this service

Response	Offer	Ask
Support to tourism businesses	Use of the balance of the Small Business Grant Fund to provide grants, advice and support	Additional dedicated funding for tourism businesses Designation by DCMS of a South West Tourism Zone
Local procurement activity	Somerset local authorities will work with business organisations to review opportunities linked to public procurement and promotion/celebration of local purchasing in our communities	--
Increase social capital and social innovation	Build on existing social enterprise innovation projects in Frome, Glastonbury and Watchet	Capital and revenue funds to support social enterprise and innovation
Deliver new enterprise centres and work hub space	Re-use/redevelopment of existing local authority land and property assets to provide space Local capital investment Reinvestment of income streams in business support to occupants and businesses in the wider local community Targeting of new investment towards centres highly impacted by Coronavirus. We will deliver enterprise centres in: <ul style="list-style-type: none"> • Bruton • Burnham/Highbridge • Chard • Glastonbury • Wellington And co-working space in Chard and Yeovil	Government investment in future programme via Local Infrastructure Stimulus Fund/MHCLG call for LEPs for shovel ready schemes and future funding sources e.g. UK Shared Prosperity Fund, Town Deals
Outputs and Impacts	Safeguarded businesses Safeguarded jobs A robust tourism sector Greater local procurement and local supply chains More, and more innovative, social enterprises Workspace to enable business growth and job creation	

Supporting growth and productivity in the Growth Sectors

- 3.2.8 The Energy White Paper and the Ten Point Plan for a Green Industrial Revolution have set out comprehensive and ambitious plans for the future of energy production and use in the UK, including investment in the nuclear power industry to encourage Small Modular Reactors and Advanced Modular Reactors; support for renewable and low carbon energy, including offshore wind; and encouragement of net zero aviation. Somerset has huge potential in these areas and can play an important role in the national effort. We can help to overcome the *indefensible gap in opportunity and productivity and connectivity between the regions of the UK* that the Prime Minister identified.

- 3.2.9 We will continue to develop Somerset's innovation ecosystem through the delivery of the Somerset Catalyst Programme and the Regional Entrepreneurship Acceleration Programme in partnership with MIT and BEIS. Both programmes seek to accelerate the delivery of entrepreneurship and encourage the use of technology to increase productivity. Direct outcomes include new business start-ups who have the expertise and knowledge to grow their business in the local area and contribute positively to the Somerset Economy.
- 3.2.10 The HotSW LEP will take the lead in this area, supported by the local authorities. Activity will include support for Clean Growth/Energy, Aerospace & Advanced Engineering, Digital & Data (environmental), and Agri-Tech. This will include grants, capital and revenue funding and inward investment support. More activity in the Growth Sectors will create job opportunities for local people, and also drive up productivity and wages. This will be complemented with training to ensure that people have the right skills for these jobs. Work will be undertaken to understand and meet the skills needs of these sectors. This is covered in the section on People and Skills.
- 3.2.11 Support is already being delivered to the nuclear and low carbon energy supply chain. Further commitments will help to continue delivery and expand this activity. Support will help with supply chain diversification into areas such as renewable energy. This will help with the long-term sustainability of these high-value sectors in Somerset.
- 3.2.12 We will ensure the delivery of innovation infrastructure projects to support the high growth sectors, including the iAero aerospace innovation centre in Yeovil and the Taunton Digital Innovation Centre. This will support the survival and growth of businesses and jobs in high-value sectors, driving up productivity in Somerset.
- 3.2.13 We will also deliver new innovation zones in Somerset, containing innovation centres along with specialist business support to enable innovation and R&D. The Clean Growth innovation zone around Bridgwater, Hinkley Point C and the Gravity enterprise zone is already established, and there are further opportunities to capture local growth. An Aerospace innovation zone around Yeovil is our next priority. The Firepool Digital innovation zone will include the Taunton Digital Innovation Centre. An Agri-Tech innovation zone is also being developed, and we are working with the HotSW LEP on early ideas for a coastal innovation zone. We will prepare Local Development Orders for these zones to simplify the planning process and speed-up their delivery. These zones will help to support new businesses, employment and higher productivity. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.
- 3.2.14 We are preparing a submission to Government and the UK Atomic Energy Authority (UKAEA), proposing Somerset as the location for the Spherical Tokamak for Energy Production (STEP) nuclear fusion project, including a research centre, test reactor, technology park, and associated training and skills centres.
- 3.2.15 We will also continue to deliver support to Somerset businesses for inward investment and export, and continue to deliver the Somerset Catalyst programme, which could be extended further.

Figure 3.2: Supporting growth and productivity in the Growth Sectors

Response	Offer	Ask
Delivery of innovation infrastructure projects	Complete the delivery of the iAero Innovation Centre	£0.5 million for iAero as part of Local Infrastructure Stimulus Fund/MHCLG call for LEPs

Response	Offer	Ask
Deliver new innovation zones (Clean Growth; Aero; Digital; and Agri-Tech)	We will deliver simplified planning through LDOs £4 million of match funding is already secured for the Taunton Digital Innovation Centre	£7.3 million for the Taunton Digital Innovation Centre as part of the LEP pipeline of shovel ready schemes for Local Infrastructure Stimulus Fund
STEP Nuclear Fusion Project	We will build on the infrastructure, ecosystem and collaborative teams already in place in place for the UKs only new building nuclear power station.	Government to locate this world leading project in Somerset, making the most of the attributes already in place and contributing to the levelling up agenda.
Additional inward investment promotion and support activity	Inward investment activity funded under the BRR pilot will be deployed to develop Somerset's key investment propositions linked to Clean Growth; Aero; Digital; and Agri-Tech	Build better working relationship with DIT
Somerset Catalyst programme	Delivery of an entrepreneurial ecosystem across Somerset	Additional funding to continue to deliver this programme after March 2021
Outputs and Impacts	Delivery of infrastructure to enable further growth in high-value exporting sectors New innovative businesses New high-quality jobs Increased innovation, R&D and GVA	

4 Providing the Infrastructure to Enable Growth

Overview

Somerset is largely rural, and limited infrastructure in some areas is exacerbating the negative impacts of lockdown and constraining the restart, revitalisation and growth of the economy. There are some infrastructure-related actions we can take immediately, but many will be delivered over the medium to longer-term.

Reducing carbon emissions through travel and energy efficiency

During the **lockdowns and restart** we have delivered temporary cycling and walking infrastructure, and we are now seeking to deliver permanent infrastructure within and between some of our towns. In the medium to longer-term we will retrofit energy efficiency technology to buildings, with an initial focus on social housing, supporting **revitalisation and growth** in our economy. We will introduce digital accessibility to our demand responsive transport in rural areas, and support decarbonisation of travel and transport within Somerset.

Improving digital and physical connectivity

We have already helped to improve broadband and mobile connectivity across Somerset, and will continue to invest in helping to deliver these throughout the county, which are critical to the **restart, revitalisation and growth** of the economy. We will continue to promote improvements in our strategic road infrastructure, including the A38, A39, A303 and A358, our motorway junctions, and critical local road projects, including main access routes into Bridgwater and Taunton. We are seeking to improve rail connectivity including a new station at Wellington as well as improved services.

Reducing flood risk to enable growth

To enable **revitalisation and growth** in the Somerset economy we need to improve flood resilience and protect against flooding and coastal erosion to protect our homes, towns, infrastructure and employment sites. Schemes such as the Bridgwater Barrier, Taunton flood attenuation, and Blue Anchor protection will help us to do this.

Delivering strategic employment sites

We will support the delivery of the Gravity Enterprise Zone, a regionally and nationally significant opportunity to deliver a clean growth campus, supporting our growth sectors. This could become part of a wider freeport zone in the South West. We will promote the delivery of other strategic employment sites in Somerset through investment from our revolving infrastructure fund.

Climate Emergency Strategy

We have recently prepared a Climate Emergency Strategy for Somerset. Delivery of this will help to decarbonise the public sector, make Somerset carbon neutral, and improve our resilience to the impacts of climate change.

4.1 Challenges and opportunities

4.1.1 Somerset is a largely rural county and the provision of infrastructure is limited in some areas, particularly in the more rural parts of the county. The economic and social impacts of the Coronavirus crisis have been exacerbated by the constraints to digital and physical connectivity in the county.

4.1.2 Key challenges include:

- Poor broadband and mobile coverage in parts of the county
- Relative inaccessibility of many of the more rural parts of the county
- Poor public transport provision, particularly in the more rural parts of the county, which has been exacerbated during the Coronavirus crisis
- Lack of capacity and resilience of some of the major road and rail links into and across the county
- Fluvial and coastal flooding and flood risk
- Lack of capacity in the electricity transmission and distribution network

4.1.3 There are also opportunities that will help to deliver further growth in Somerset, including:

- Opportunities for improved rail access and service provision
- Opportunities to reduce carbon emissions through green travel and improved energy efficiency

4.2 Our responses

4.2.1 The recently published National Infrastructure Strategy sets out an ambition to support recovery and levelling-up whilst delivering a net-zero economy. Priorities set out in the plan include the delivery of new roads (including the A303 and A358) and local road maintenance; new freeports; digital and broadband infrastructure; flood and coastal protection; and support for zero carbon vehicles and the charging infrastructure that they need. The Energy White Paper and Ten Point Plan for a Green Industrial revolution underline the focus on green public transport and active travel by cycling and walking; the use of zero emission vehicles and the delivery of electric vehicle charging infrastructure to support this; and the construction of greener buildings and retrofit of green technologies to older buildings.

4.2.2 The following interventions will help to tackle the challenges and ensure benefit from the opportunities listed above.

Reducing carbon emissions through travel and energy efficiency

4.2.3 Following the temporary introduction of more cycling and walking infrastructure we will deliver permanent cycling and walking infrastructure within and between towns including Bridgwater, Radstock-Frome, Taunton, Walton-Street-Glastonbury, and Yeovil; and the Eastover pedestrian prioritisation scheme in Bridgwater. This needs to be undertaken soon to build on lower carbon mobility trends that have emerged during lockdown, as well as to improve connectivity, enable non-motorised travel and so reduce carbon emissions. Some funding has been secured, and further funding is needed to deliver this infrastructure.

4.2.4 We will retrofit energy efficiency technologies to buildings to reduce running costs and carbon emissions, with a particular focus on social housing. The focus of this initial project will be on council-owned social housing as a pilot to test a number of approaches and find the best one for Somerset, with the aim of:

- Reducing carbon emissions from the building stock
- Reducing the cost per unit of retrofit, through the application of new approaches and technologies, before rolling this out more broadly
- Creating new businesses and jobs

4.2.5 The ask is for £1 million to find the best approach, with the aim of then rolling out the solution across Somerset and the Heart of the South West. There are also opportunities to introduce technologies for energy storage in rural areas where there are renewable generation opportunities but insufficient links to the grid.

4.2.6 We will deliver digital demand rural transport and electric car and bus infrastructure to enable people to travel throughout Somerset using low carbon vehicles. This will improve connectivity to work, learning and leisure opportunities, and reduce carbon emissions. We have submitted a bid to DfT for a DDRT trail, and the award of £1.5 million will help to progress this.

4.2.7 We are working on a strategy for the decarbonisation of the travel network and fleet, to help Government to achieve its targets. This will be ready in the autumn of this year. This will include proposals for electric vehicle charging as well as significant increases in the use of electric bicycles and scooters.

Figure 4.1: Reducing carbon emissions through travel and energy efficiency

Response	Offer	Ask
Deliver cycling and walking infrastructure	Plans in place for delivery of new infrastructure	At least £10 million of capital funds
Retrofit energy efficiency technologies to buildings	Utilisation of the social housing stock to pilot and find the best approach	£1 million for a pilot project
Digital demand rural transport and electric car and bus infrastructure	We have developed a proposal for a DDRT trail	£1.5 million of funds from DfT
Decarbonisation of the travel network and fleet	We are developing a strategy, to share with you in the autumn	--
Outputs and impacts	New innovative approach to retrofit Reduced carbon emissions Modal shift to green transport New businesses and jobs created	

Improving digital and physical connectivity

4.2.8 We will deliver broadband and mobile connectivity across the whole county. We will build on work already undertaken to roll-out of broadband across the county through *Connecting Devon & Somerset* (CDS), and complete Somerset-wide coverage. This will enable people in our rural and urban areas to engage in online activity, learn and work from home, which is likely to become more prevalent after the Coronavirus crisis. It will also support the setting up of new businesses and growth of existing businesses that draw on Somerset's strengths and key sectors. We are proposing to deliver training and skills to ensure that people make the best use of this digital infrastructure.

4.2.9 We will work with Highways England and the local highways authority to deliver strategic road infrastructure improvements, including upgrades to the A303, A358, A39, M5 junctions 22 and 23. This will improve accessibility within Somerset and to strategic economic locations outside the

county, including airports and the major cities of Bristol and Exeter, thus making Somerset a more attractive place for investment and in which to do business. We have already developed schemes, but need at least £1 million to complete this, and funding of more than £100 million will be needed for the works.

- 4.2.10 We also need support to deliver important local road projects including the Cannons/Cross Rifles junction in Bridgwater and Toneway in Taunton. Funding has been allocated for several schemes, but greater flexibility over the timing of delivery is needed, whilst we need additional funding to deliver others.
- 4.2.11 We are working towards improving rail connectivity in parts of Somerset to increase connectivity and inclusion, and reduce road traffic, congestion and carbon emissions. Feasibility work is being undertaken on new stations at Wellington, Shepton Mallet, and Langport/Somerton. Significant funding is needed to deliver these stations. We also want to increase service provision to Bridgwater and need to explore a new rail link to the Gravity Enterprise Zone.

Figure 4.2: Improving digital and physical connectivity

Response	Offer	Ask
Deliver broadband and mobile connectivity across the whole county	Build on coverage delivered under CDS. Support further roll-out with skills to make use of digital	Capital funds to complete the delivery of broadband and mobile coverage across Somerset
Deliver strategic road infrastructure improvements	We have plans in place for major road improvements	£1 million to complete technical work, and £100 million to deliver these schemes
Deliver important local road projects	We have plans in place for significant local road improvements	Greater flexibility to spend funds that have already been allocated, and the allocation of additional funds e.g. £5 million for Cross Rifles
Improving rail connectivity	We are undertaking feasibility work on new station infrastructure throughout Somerset	Funding for new stations and existing station improvements
Outputs and Impacts	Full digital connectivity across Somerset Overcome infrastructure constraints to development and growth Improved attraction for inward investment	

Reducing flood risk to enable growth

- 4.2.12 By improving flood resilience and flood and coastal erosion defences we will protect our towns, existing homes and employment sites and be able to deliver new homes and employment development in the protected areas. We have developed proposals for strategic flood defences at Bridgwater, the Bridgwater Barrier, a £100m scheme and need £10 million of additional funds to deliver this in partnership with the Environment Agency. An application for a Transport Works Act Order has been submitted to DEFRA and an early positive decision on this will enable rapid delivery. We also have significant project proposal for Frome, Taunton and the West Somerset coast, which we need £13 million to deliver. Methods of natural flood management will be considered for the longer-term.

Figure 4.3: Reducing flood risk to enable growth

Response	Offer	Ask
Improving flood resilience and flood and coastal erosion defences	Delivery of Bridgwater Barrier	Additional £10 million for Bridgwater Barrier, plus honouring existing EA offer. Early decision on the Transport and Works Act Order submitted in December 2019 £2.6 million for short-term measures for Taunton flood attenuation £3.55 million for Blue Anchor protection scheme
Outputs and Impacts	Delivery of major flood protection infrastructure Protection of towns, homes and employment sites Enabling more residential and commercial development	

Delivering strategic employment sites

- 4.2.13 We have been progressing the delivery of the Gravity Enterprise Zone for several years, to support delivery of a smart campus focusing on Clean Growth principles with the stated ambition being to create a multifunctional campus with digital connectivity, smart mobility, including rail restoration, designed to reduce the need to travel and enhance wellbeing. The EZ also has the potential to support the Freeport proposal at Bristol with opportunities to support advanced manufacturing facilities as part of a wider Freeport Zone for the South West. Forward funding for infrastructure, including the reinstatement of a rail link into the site, will help to stimulate the development of high technology and energy-related businesses on the site, creating thousands of high-quality jobs and improved productivity.
- 4.2.14 There are a number of other significant employment sites that we are working on with development partners, including Nexus 25 at Taunton and the Bunford Innovation Park at Yeovil. Funds for these sites will stimulate private sector investment in delivering premises for new high value businesses, creating hundreds of new jobs and productivity in high technology sectors. These will be supported through the Revolving Infrastructure Fund discussed below.

Figure 4.4: Delivering strategic employment sites

Response	Offer	Ask
Delivery of the Gravity Enterprise Zone	Use of retained business rates to forward-fund site infrastructure Delivery of a Local Development Order to accelerate delivery of the site and provide fast track and agile planning processes aligned to investor timescales and occupier needs Create innovation space and test bed on Gravity	Inclusion of Gravity in the Freeport Zone for the South West £10m for acceleration of WPD grid reinforcement from Bridgwater to site £2 million demonstrator and incubator space to attract first occupiers to site and to demonstrate smart campus concept DfT investment into rail restoration project to enable rail connection to the site (£50 million)

Response	Offer	Ask
		Government support to promote the site as a location for a Gigafactory £5m for smart mobility centre to provide transport innovation and mobility solutions on and off site
Outputs and Impacts	Delivery of a significant regional employment site Creation of 4,000 new jobs Attraction of inward investment, including FDI Which contributes to the Freeport Zone in the South West	

Climate emergency

4.2.15 We have prepared a climate emergency strategy that will be approved by Somerset's five local authorities in the autumn of 2020. This sets out our activities to support improvement to the natural environment. We have three goals:

- To decarbonise the local authorities and the wider public estate to reduce our carbon footprint
- To make Somerset carbon neutral by 2030
- To prepare for and be resilient to the impacts of climate change

4.2.16 We have identified nine sectors in which we will respond to climate change. These are:

- Energy, including and energy plan for Somerset
- Transport, including walking, cycling and electric vehicles
- The built environment, including energy use
- Business, industry and supply chains
- Natural environment
- Farming and food
- Water
- Waste and resources
- Communications

5 Creating Attractive Places and Homes

Overview

Lockdown, ongoing social distancing, and unwillingness to visit have significantly reduced footfall in many of our towns and villages, having a particular impact on retail, leisure, hospitality and tourism businesses. Ongoing social distancing and Coronavirus concerns will continue to suppress footfall. This is accelerating the gradual decline in the prosperity and vitality of town centres. Housing affordability and the struggle to deliver new development also affect the revitalisation of our towns and rural areas.

Improving the environment in Somerset's towns

We have been undertaking marketing and promotion to encourage people into our towns as we **restart** the economy after lockdowns.

We are developing integrated regeneration and development programmes for the towns of Bridgwater, Glastonbury, Taunton and Yeovil, seeking support from the Towns Fund and Future High Street Fund to help **restart, revitalise and grow** our towns. We would like to establish a similar fund to support similar integrated regeneration in our smaller towns.

Enabling the private sector to deliver development

We have a number of major development opportunities in Somerset that need some financial support to get started. Stimulating these will help with the **revitalisation and growth** of the Somerset economy. We would like to establish a revolving infrastructure fund to invest in enabling infrastructure, which would be repaid and re-used to support ongoing development. We would also like to establish a fund to invest directly in delivering some infrastructure and public realm where the opportunity for recycling is not possible.

Direct delivery of housing

Delivery of housing for the residents of Somerset is one of our highest priorities. We want to establish a fund to invest in the direct delivery of homes in our towns and rural areas. As well as delivering affordable homes for our residents, this construction activity will be an important part of the economic **restart, revitalisation and growth** of Somerset.

5.1 Challenges and opportunities

- 5.1.1 Lockdown, ongoing social distancing, and unwillingness to visit have significantly reduced footfall in many of our towns and villages, having a particular impact on retail, leisure, hospitality and tourism businesses. Ongoing social distancing and Coronavirus concerns will continue to suppress footfall. This is accelerating the gradual decline in the prosperity and vitality of town centres. It is particularly challenging in the coastal and rural areas that are prevalent in the county, although a number of the larger town centres have also been highlighted as being vulnerable.
- 5.1.2 Longer-term, Somerset, like most places, has an underlying issues of poor housing affordability but housing provision can grow significantly, being in a huge opportunity area between Bath, Bristol, Exeter and Plymouth. Housing affordability in rural areas, where wages are often lower, is a particular problem.

- 5.1.3 There are opportunities for significant development and regeneration in our town centres, leading to increased residential density, population and workspace; and development opportunities in new communities on the edge of some towns. New development will help to promote inclusion for all of Somerset's residents.
- 5.1.4 The quality of the natural environment in Somerset is of a particularly high standard. Within the Somerset Levels and Moors, there are various locations of national and international significance for wildlife. However, in light of a court Judgement in August 2020 (known as Dutch N), Natural England has recently advised that new development should not give rise to additional phosphates within the catchments of the Rivers Tone, Parrett, Brue and Axe. The impact of this has been that affected planning applications cannot be determined unless developers are able to provide evidence that their development does not cause an impact, and future developments will have to prove neutrality.

5.2 Our responses

- 5.2.1 The National Infrastructure Strategy sets an ambition for thriving communities, and in his speech on 30 June the Prime Minister said that the Government will invest in the town centres of left behind places, promoting growth outside the cities and the metropolis. We will help to achieve this in Somerset's towns. We will help to achieve the Prime Minister's ambition that our towns become *places that people have the confidence to stay, to raise their families and to start businesses*. The Prime Minister talked about building new homes on brownfield land, delivering low carbon homes, and speeding up the house-building process. We will do all of this in Somerset, delivering tens of thousands of new homes.

Improving the environment in Somerset's towns

- 5.2.2 During the restart of our economy after lockdowns we will undertake marketing and promotion activity to encourage people back into towns and encourage night-time activity. Stimulating footfall will encourage vitality and help our town centre businesses to recover from the effects of Coronavirus and grow further, safeguarding existing employment and creating new employment.
- 5.2.3 We are developing integrated programmes of activity for major town centre redevelopment in Bridgwater, Glastonbury, Taunton and Yeovil. Securing £38 million of Future High Street Funds for Taunton and Yeovil, and up to £50 million of Towns Deal funds for Bridgwater and Glastonbury will draw in match funding and investment from other partners. These programmes will deliver thousands of new jobs and homes in these town centres, turning them into vibrant and sustainable places which provide opportunities for many of our excluded residents.
- 5.2.4 We are also planning to promote integrated regeneration in a number of other towns, including Chard, Shepton Mallet, Watchet and Wincanton, which can potentially be developed into Town Deals. This will build on existing initiatives including a new masterplan for Shepton Mallet. These regeneration schemes will help to create jobs, opportunities and greater inclusion in these towns, and to their rural hinterlands. We have plans for development in towns across Somerset and need at least £25 million of flexible funds to unlock match funding from other partners and private investment. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.

Figure 5.1: Improving the environment in Somerset's towns

Response	Offer	Ask
Integrated programmes of activity for major town centre redevelopment	We are developing plans for integrated development in Bridgwater, Glastonbury, Taunton and Yeovil	£38 million of FHSF £50 million of Towns Deal funding
Integrated regeneration in a number of other towns	We have plans for the integrated development of other towns, in partnership with the private sector and VCSE sector	£25 million fund to deliver growth across Somerset towns impacted by Coronavirus through a distributed town deal
Outputs and Impacts	Major regeneration of our town centres Increased footfall, spend, vitality and economic sustainability More homes in sustainable town centre locations	

Enabling the private sector to deliver development

- 5.2.5 We have a number of major residential and commercial development opportunities in Somerset which need enabling infrastructure to get started. In some case the cost of the infrastructure can be repaid by the development, but in other cases it cannot.
- 5.2.6 We want £150 million grant-in-aid (repayable to Government upon cessation) to create a Revolving infrastructure Fund to invest in enabling infrastructure to kick-start new developments. As development is delivered, we will invest in further enabling infrastructure. Along with parallel investment in training and skills, these projects will create employment for local people in construction, helping to increase inclusive growth. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.
- 5.2.7 In some places in Somerset we need to invest in new infrastructure and public realm developments on a non-repayable basis in order to enable new development by the private sector. These will stimulate the delivery of new homes, new employment opportunities, employment opportunities in construction, and greater inclusion. Many new residential developments result in the need to deliver new schools, additional classrooms and educational infrastructure for the new population. We know from experience that the level of CIL/S106 funding that we can achieve in Somerset from new housing developments is insufficient to fund educational infrastructure as well as other essential infrastructure. Therefore, we are requesting funding to allow us to build school places, so they are ready for new housing. CIL collected from these housing developments will then be used to help fund future schools, moving us from always experiencing a funding gap to proactively providing school places.

Figure 5.2: Enabling the private sector to deliver development

Response	Offer	Ask
Revolving infrastructure Fund to invest in enabling infrastructure to kick-start new developments	Accelerated delivery of new homes and new jobs	£150 grant-in-aid repayable borrowing to create the RIF
Investment in new infrastructure, including the funding of new school places and public realm developments	Accelerated delivery of new homes and new jobs	£57m of new funding for schools in Somerset to be built and ready for the academic year starting Sept 2024 at the latest
Outputs and Impacts	Delivery of new infrastructure, schools and public realm Enabling the delivery of new homes	

Direct delivery of housing

- 5.2.8 Delivery of housing for the residents of Somerset is one of our highest priorities. As local authorities we have delivered significant numbers of new homes and can deliver many thousands more homes in our urban centres, towns and rural areas. To maintain momentum in the delivery of new homes as well as bringing forward additional sites that have been stalled (e.g. harder to deliver brownfield sites), the councils need access to low cost secure lending. Our proposal is that Government creates a facility within the PWLB, at a preferential rate, that allows significant borrowing specifically to deliver new homes. This is a strategic ambition for Somerset and we have established a group of stakeholders to develop plans for this activity. We are planning to provide more detail on this in the Spring of 2021.
- 5.2.9 Recognising the impact that phosphate assessments could have on housing delivery and recovery the Councils have moved swiftly to review existing applications to assess which are still viable for determination, and to commission work to develop a phosphates calculator to be launched in early 2021. This will allow applicants to calculate their phosphate budget and mitigations so that the development does not adversely affect the Somerset Levels and Moors Ramsar Site. Going forward a Phosphates Strategy for Somerset will also be delivered by the councils to enable economic growth to continue in compliance with both the legal ruling and our aspirations for clean growth.

Figure 5.3: Direct delivery of housing

Response	Offer	Ask
Loan funding to enable delivery many thousands of affordable homes in our towns and rural areas	Delivery of thousands of new homes	A borrowing facility with a PWLB rate close to BoE base rate
Overcome phosphates related constraints on the delivery of housing	Develop a phosphates calculator and phosphates strategy for Somerset	--
Outputs and Impacts	Delivery of thousands of new homes	

6 Strategic Delivery and Implementation

6.0.1 Our Recovery & Growth Plan set out how we are responding to the socio-economic challenges of Coronavirus, along with shaping the longer-term growth of Somerset. We are already providing support to the residents and businesses of Somerset, often in partnership with organisations such as the HotSW LEP, and have set out plans to do more.

6.0.2 To meet our aims and objectives set out in Chapter 1, the preceding chapters set out three types of activity:

- Immediate responses, which are already being delivered. These projects will help with the restart and revitalisation of the Somerset economy
- Projects and programmes already being developed, which will be delivered in the short to medium-term. These projects will support revitalisation and longer-term growth
- Strategic ambitions, which we are developing into projects and programmes, through consultation with other stakeholders. These are medium to long-term projects that will help us to build back better, and contribute to long-term structural change in the Somerset economy towards a green recovery and low carbon economy

6.1 Immediate responses

6.1.1 Working closely with other organisations including the HotSW LEP, we are ensuring the local delivery of national programmes. In several cases, we present the opportunity to extend the delivery of these activities. This includes:

- Support to those made redundant or at risk of losing their job
- Local delivery of the Careers Hub
- Local delivery of the Growth Hub, support to the visitor economy, and business support including inward investment support
- Investment from the Getting Building Fund in projects such as Taunton Digital Innovation Centre and iAero

6.2 Developing the readiness of projects and programmes

6.2.1 We have or are developing business cases and implementation plans for investment in a range of projects and programmes that will help to revitalise the Somerset economy, and help with the long-term transition towards a greener and more equal society. Examples of activities that we are preparing include:

- Capital investment to enhance and enable the delivery of post-16 education and training
- A range of enterprise centres and work hubs in many of Somerset's towns
- Digital demand responsive transport solutions
- Local road and rail projects
- Flood attenuation projects
- Town regeneration bids for funding from the Towns Deal and Future High Streets Fund

6.2.2 We have set out plans for the development of regionally significant projects, such as the Gravity Enterprise Zone.

- 6.2.3 Our plans support national ambitions to promote a greener and fairer recovery set out in the National Infrastructure Strategy, Energy White Paper and Ten Point Plan for a Green Industrial Revolution. We call on the Government to enable our contribution to national recovery and growth through support from the Levelling Up Fund and UK Shared Prosperity Fund.

6.3 Developing our strategic ambitions

- 6.3.1 In preparing this Recovery & Growth Plan we have identified some major opportunities for investment in Somerset that will stimulate long-term growth and transition. Local authorities have stepped forward to lead groups of stakeholders who will develop business cases for investment in these opportunities.

- 6.3.2 Whilst these ambitions are being developed for Somerset, they could be delivered at the LEP level or other strategic geography.

Multi-centre town deal

- 6.3.3 We are developing plans for an integrated multi-centre town deal across a number of towns not currently bidding for Towns Deal and Future High Streets Fund. We will identify the towns, and are seeking £25 million to add to the match funding already committed.

Revolving infrastructure fund

- 6.3.4 We are exploring the potential for a revolving fund to deliver enabling infrastructure, to kick-start development. We will re-invest all receipts as projects are delivered, enabling us to continue to stimulate development across Somerset. We anticipate a fund of around £150 million.

Innovation zones

- 6.3.5 We are developing proposals for a series of innovation zones to provide comprehensive support to our high growth potential sectors, including revenue funded activity such as business support, to complement capital investments in infrastructure. These zones would be thematic rather than specifically spatial. They include:

- Clean growth
- Aerospace
- Digital
- Agri-tech

Direct delivery of affordable housing

- 6.3.6 We would like to establish a fund to enable the direct delivery of affordable housing across Somerset.