

Report to:	Economic Growth and Development Overview and Scrutiny Committee	
Date:	4 June 2024	
Title:	Integration of LEP functions – Cornwall Growth Strategy	
Portfolio Area:	Economy	
Divisions Affected:	All	
Relevant Scrutiny Committee: N/A		
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Approval and clearance obtained:		Y
Date next steps can be taken		4 June 2024
For Cabinet and delegated executive decisions only		
Key decision? (≥£500k in value or significant effect on communities in two or more electoral divisions)		N/A
Published in advance on Cabinet Work Programme?		N/A
Urgency Procedure(s) used if 'N' to Work Programme?		N/A

Recommendation:

1. That the Committee considers information presented on the Cornwall Growth Strategy and endorses the principles suggested for the Cornwall Growth Strategy as set out in paragraph 2.9.

Recommendation to Cornwall Growth Board:

2. That the proposed Growth Strategy be endorsed.

1 Executive Summary

- 1.1 As part of the Local Enterprise Partnership (LEP) integration process, Cornwall Council has taken on the following functions, which until April 2024 were carried out by the Cornwall and Isles of Scilly Local Enterprise Partnership (LEP):
- Strategic economic planning for the local area
 - Business representation - embedding a strong, independent, and diverse local business voice into local democratic institutions
 - Continued delivery of growth fund activities such as Growth Hub
- 1.2 This report focuses on how Cornwall Council intends to put in place a Growth Strategy in order to fulfil its responsibility for carrying out strategic economic planning. Strengthening the economy and encouraging growth and development in key industrial and business sectors plays a critical role in achieving Cornwall Council's overall mission of 'working with communities for a carbon neutral Cornwall where everyone can start well, live well and age well'. The growth strategy will describe which of our economic sectors will need a growth in job numbers and the best opportunity to create 'Good Growth'. To enable this 'Good Growth' it will set out the types and numbers of future jobs, the workforce we need to do this, the skills we need to support existing communities, infrastructure to enable these sectors which includes the right mix, size, tenure of homes.
- 1.3 Following on from Economic Growth and Development Overview and Scrutiny Committee (OSC) on 27 February 2024 where Members considered the data analysis that forms the evidence base for the Cornwall Growth Strategy, this report sets out the principles in 2.9 below that will inform the strategy. Further detail on the underpinning evidence and strategic direction and an outline of the proposed Growth Strategy will be presented at this OSC on 4 June 2024.
- 1.4 It is recommended that the Committee considers the information presented on the proposed Cornwall Growth Strategy and endorses the principles suggested for the Cornwall Growth Strategy. It is further recommended that the Committee recommends to the Growth Board that based on these principles, the proposed Growth Strategy is endorsed and following Cabinet approval of the Strategy in July 2024, the Growth Board in cooperation with the Cornwall and Isles of Scilly (CioS) Economic Forum takes forward the implementation of the Cornwall Growth Strategy.

2 Purpose of Report

- 2.1 Cornwall Council is developing a new Growth Strategy. This builds on a strong evidence base composed of economic data, a sectoral strengths analysis and a housing needs analysis, as well as the Local Industrial Strategy and Vision 2030, both excellent but slightly dated strategies. Once complete, the Cornwall Growth Strategy will be used to:
- inform a range of Cornwall Council policies and strategies which influence economic activity in Cornwall (e.g. the new Local Plan (Planning), Local Transport Decarbonisation Plan (Transport), Housing and Environmental Growth);
 - direct negotiations with Government about the scale and scope of future funding programmes beyond March 2025 and direct how these funds are targeted at local level;
 - act as a guide to encourage private and community investment in activity designed to deliver Good Growth in Cornwall.
- 2.2 The Cornwall Growth Strategy will be fully aligned with Government [guidance](#), which asks local areas to identify the local economic opportunities for growth over the next 10 years, our challenges, how we intend to forge strategic connections across regions, and to list the top public and private sector investments priorities for Cornwall. The Growth Strategy will be considered by the newly established CloS Economic Forum, the Growth Board and finally approved by Cabinet on 24 July 2024. Given the upcoming national election and the anticipated work on a new Local Plan next year, it is an opportune moment to develop and agree a new local economic strategy. This gives us an opportunity to work with the private sector and other public and third sector stakeholders to set out an ambitious vision for the Cornwall economy that will enable us to take advantage of new opportunities following a general election and ensure strong coordination locally of activities that flow from different plans and strategies.
- 2.3 Importantly, in addition to meeting Government expectation, the Cornwall Growth Strategy will respond to local need and opportunity and ensure alignment to the conventions in Gwilyn Warbarth, the 2050 Cornwall Plan and continue the good work and progress made in sustainable and inclusive approaches to economic development.
- 2.4 Whilst we await clarity on future growth funding programmes, this strategy will provide a clear direction of travel that can be applied to future funding landscapes with a clear focus on the role of the private sector and investment-

driven growth as well as the targeted role of the public sector including Cornwall Council in any future delivery.

- 2.5 Through the development of the strategy, broad engagement will not only bring the perspectives of stakeholders engaged in economic growth and development, but also look at growth through the lens of wider Council services, on impacts and opportunities for young people the perspectives of communities, the workforce for delivery of key statutory functions and impact on or reduction in demand for public services.
- 2.6 The following process has been taken to develop the Growth Strategy and below (in 2.9) are a number of principles that the Committee are asked to endorse. Slides outlining the proposed Growth Strategy will be presented at the Committee meeting.
- 2.7 **Process:** Cornwall Council has commissioned Inner Circle Consultants and Metrodynamics to support us to develop this economic strategy, which will incorporate analysis of housing required to support growth and will feed into the development of the new Local Plan.
- 2.8 During February-April a thorough data analysis has been undertaken, including a sector analysis and a housing need analysis. Extensive stakeholder consultation has taken place during April-May (see section 5 below). All these elements feed into the strategy development phase which is taking place May-July.
- 2.9 **Principles:** A number of clear principles have emerged during the strategy development, that the Committee are asked to endorse:
 - **Principle 1: Economic Strategy structured around ‘distinctive’ ‘core’ and ‘foundational’ sector opportunities.** The data analysis suggests that we consider our economic sectors in terms of distinctive, core and foundational sectors. These are characterised as ‘distinctive’ sectors being those with high productivity and growth potential, ‘core’ sectors are sectors with significant existing employment, but which have low productivity and lacks growth potential, and ‘foundational’ sectors which are sectors found in all local economies and not particularly unique to Cornwall. While each category of sector is important to the local economy, different support in the form of growth levers will be applied to each of the different sector groups, with significant infrastructure investments focused on the distinctive sectors, while the core and foundational sectors are supported through general business and skills support. For our distinctive sectors, we will be looking to unlock new opportunities. For our core sectors, we will be looking to

augment and improve our existing offer. For our foundational sectors we will be looking to broaden impact and productivity.

- **Principle 2: Continue to deliver resilient, sustainable and inclusive growth.** Stakeholder engagement has showed strong support for the Growth Strategy to be established on the principle that 'Growth' is understood in its broadest sense delivering benefits for the economy, the natural environment and social inclusion. It is proposed that the Growth Strategy will articulate how Cornwall's economic priorities sit within the national context, how they align and contribute to the Government's levelling up missions, drive our Net-Zero and nature recovery ambitions and our commitment to an inclusive economy with a joined up and responsive labour market and a retained focus on driving appropriate investment in and through place.
- **Principle 3: Aligning future infrastructure ambitions to distinctive sector opportunities.** The stakeholder sessions have confirmed a good correlation between the sectors which have been identified in the data as 'distinctive' and the sectors which have articulated specific infrastructure investment ask. Early suggestions for large new infrastructure investments to be included in the strategy includes harbour investments linked to FLOW, grid upgrade and continued improvements connectivity of our economy (5G, EV charging network, to alternative trainline to Dawlish (mining transport)). There should be clear articulation of the role of the private sector in providing and driving investment into growth and a policy landscape that appropriately supports and enables implementation.
- **Principle 4: Continued investment in skills, business support and sector development to support growth and development.** Consultation and engagement have highlighted a strong ask for continued investment in 'institutional infrastructure' around business support, skills and sector coordination activities. A strong business support offer is central to enhancing business performance, innovation, expansion and hub creation. This should be closely aligned to a clear labour market strategy that integrates skills providers and employers with a focus on retaining and upskilling its workforce, particularly in leadership and high-level skills areas, encouraging businesses to invest in workforce development and initiatives aimed at keeping young people engaged in education and providing pathways to high-level qualifications will be essential for securing Cornwall's future prosperity.
- **Principle 5: Establish strong governance models and advocacy to promote ambitions and opportunities.** Cornwall Council acting in a role as central convener for partners to agree joint approaches and leveraging greater powers through devolution. There is a strong ask for Cornwall Council to continue to take on a role of convener of activity

and to lobby on behalf of the area towards Government. It is recognised that the composition of the CloS Economic Forum will align to the Growth Strategy with sector representatives for key sectors identified to support delivery of growth ambitions. Cornwall Council will retain a central role in coordinating activity. There is an importance of alignment between CC strategies and plans e.g. the Growth Strategy, the Local Plan and the Local Area Energy Plan, and also alignment in terms of various functions of CC being coordinated with each other e.g. planning, public health, economic growth, transport etc.

3 Benefits for Customers/Residents

3.1 The Council's Business Plan 2022 to 2026 outlines our overall mission of "working with communities for a carbon neutral Cornwall where everyone can start well, live well and age well". Within this overall plan there are a series of Outcome Delivery Plans, and the work outlined in this report sits within the context of the "Thriving and Sustainable Cornwall" priority as that seeks to deliver a thriving, sustainable Cornwall that offers a secure home, a decent income and a great environment for all as outlined in [Thriving Sustainable Cornwall Outcome Delivery Plan](#).

3.2 The development of the Cornwall Good Growth Strategy will produce a document that can be used to direct and inform investments that are designed to facilitate the change necessary in our economy to deliver the "Decent Income for All" objective of the Outcome Delivery Plan and therefore has the potential to:

- Improve Cornwall's productivity and wages
- Champion an inclusive, regenerative and equitable economy
- Support the regeneration of places in Cornwall
- Increase in the percentage of Cornish workers paid the Living Wage Foundation's Real Living Wage
- Reduce the percentage of people on Universal Credit searching for work
- Reduce the number of people who are unwillingly out of work and support people to progress into better paid jobs
- Deliver the First Carbon Neutral region of the UK

4 Relevant Previous Decisions

4.1 On 28 March 2024, the Leader of the Council approved the establishment of the Cornwall Growth Board as a Committee of Cabinet.

[Individual Decision - Cornwall Growth Board](#)

- 4.2 On 27 February 2024, the Economic Growth and Development Overview and Scrutiny Committee considered and commented on the proposed approach to develop a Cornwall Growth Strategy and resolved that a draft Growth Strategy be brought back to the Committee as part of the consultation process:

[Strategic Economic Investment Document - Cornwall Good Growth Strategy Council](#)

- 4.3 On 28 November 2023, Cabinet approved the Integration Plan for the Cornwall and Isles of Scilly Local Enterprise Partnership.

<https://democracy.cornwall.gov.uk/documents/s173670/Proposed%20Level%20202%20Cornwall%20Devolution%20Deal%20Cornwall%20and%20Isles%20of%20Scilly%20Local%20Enterprise%20Partnership.pdf>

- 4.4 On 18 March 2020, Cabinet endorsed the Cornwall and Isles of Scilly Local Industrial Strategy.

<https://democracy.cornwall.gov.uk/mglIssueHistoryHome.aspx?IId=87544>

- 4.5 On 25 January 2017, Cabinet endorsed the Cornwall and Isles of Scilly Strategic Economic Plan 'Vision 2030'.

<https://democracy.cornwall.gov.uk/ieDecisionDetails.aspx?AIId=63500>

5 Consultation and Engagement

- 5.1 Extensive stakeholder engagement has been conducted during April and May to test the emerging suggestions from the data analysis and to gather input and views on growth opportunities and investment priorities from stakeholders. Seven stakeholder sessions (listed below) have taken place with good attendance and rich input from a range of stakeholder voices. 48 individuals participated in the sessions listed below representing a range of businesses, sector groups and business representation groups, place-based and third sector voices. Overview of attendees:

- Cornwall Marine Network, Cornwall Manufacturers Forum, Chamber of Commerce, Federation of Small Businesses (FSB) and Data and Space
- Cornwall Food and Drink, Cornish Fish Producers Organisation, Local Nature Partnership and Visit Cornwall
- Renewables and Geo Resources
- Creative and Digital

- Cornwall Neighbourhoods for Change, Treyla, Citizens Advice Bureau, Trussel Trust
- Research, Development & Innovation (RD&I): Anchors

5.2 In addition to working with external stakeholders, consultation within Cornwall Council has also taken place including with the Economic Growth and Development Overview and Scrutiny Committee, Extended Leadership Board, Corporate Leadership Team, Sustainable Growth and Development Directorate Leadership Team and Cabinet.

6 Financial Implications of the proposed course of action/decision

6.1 The proposals in this report do not require or commit the Council to additional investment at this stage, the recommendations set out the strategic direction for the Growth Strategy.

6.2 Further resource asks following the implementation of the strategy will need to be considered in accordance with the Council's approved financial regulatory framework and as part of the Council's Business and Financial planning process.

7 Legal/Governance Implications of the proposed course of action/decision

7.1 On 4 August 2023, Government confirmed its previous 'minded to' decision to withdraw [central government support](#) (core funding) for LEPs from April 2024 and transfer their functions to local and combined authorities. The CloS LEP was subject to government endorsement of an integration plan and the agreement of the two councils.

7.2 Cornwall Council is working with the Council of the Isles of Scilly to develop this integration plan in line with published guidance. All parties are working together to ensure the independence of the local business voice currently provided by the LEP Board is both maintained and represented within Cornwall and the Isles of Scilly through advisory boards established by the two local authorities. Cornwall Council will ensure that any proposed CloS Economic Forum or equivalent structure is meaningfully involved in local decision making, maintaining a culture of constructive challenge and scrutiny, and includes representatives of the business community.

7.3 The membership of the CloS Economic Forum will be informed by the Growth Strategy, and the CloS Economic Forum will be asked to endorse the Growth Strategy as well as play an important role in its implementation.

8 Risk Implications of the proposed course of action/decision

- 8.1 Government guidance is clear that in order to receive any future local Growth Funding, local areas must put in place an updated or new Growth Strategy for their local area. There is a clear reputational risk to Cornwall Council for failing to develop a growth strategy for Cornwall as without one it may be difficult to engage Government in discussions about future funding allocations and delivery. Likewise, it would also be difficult to clearly communicate to the private sector how Cornwall can support their investment decisions. In addition, it would also be challenging to communicate to residents how our economic weaknesses will be addressed in the future.
- 8.2 Failure to meet the Government’s deadline of September 2024 could signal that Cornwall is unable to develop a strategy for its own economy which would run counter to our devolution ambitions.

9 Cornwall Decision Wheel

- 9.1 A Cornwall Development and Decision Wheel (CDDW), attached as Appendix 1 to this report and the results are outlined below. As a strategy development process, the impact is minimal in most areas.

Environmental and Social



Equality and Inclusion



Legend

- Long lasting or severe negative impact
- Short term or limited negative impact
- No or neutral impact
- Short term or limited positive impact
- Long lasting or extensive positive impact

10 Options available

- 10.1 **Option 1** – The Committee endorses the principles that will inform the Growth Strategy and recommends to the Growth Board that the proposed Growth Strategy is endorsed. This is the preferred option.
- 10.2 **Option 2** – The Committee endorses the principles, subject to any minor amendments agreed by the Committee, that will inform the Growth Strategy which will see the Cornwall Growth Strategy amended before going to the Growth Board for endorsement.
- 10.3 **Option 3** – The Committee rejects the principles for the Growth Strategy set out in this report and recommends an alternative approach. This option would necessitate a delay in the process and therefore include a risk that Cornwall will not have a new Growth Strategy within the timeframe stipulated by Government.
- 10.4 **Option 4** – The Committee rejects this report and recommends that Cornwall Council does not produce a revised economic strategy for Cornwall (the Do-Nothing option).

11 Supporting Information (Appendices)

- 11.1 Appendix 1 – Cornwall Development and Decision Wheel.

12 Background Papers

- 12.1 None.

13 Approval and clearance

All reports:

Final report sign offs	This report has been cleared by	Date
Governance/Legal	Lia Musto-Shinton	21/05/2024
Finance	Jo Smith	17/05/2024
Equality and Diversity	See section 9/Appendix 1	
Service Director	Glenn Caplin-Grey	22/05/2024
Strategic Director	Phil Mason	23/05/24