

13 May 2021

Build Back Better: Plan for Growth

Purpose of Report

This paper provides a summary of the Government's strategy for growth *Build Back Better*, assesses how the document fits with the SCR MCA and LEP's priorities, and considers the implications of this.

Thematic Priority

Cross-cutting.

Freedom of Information

This paper will be available under the MCA Publication Scheme.

Recommendations

That LEP Board Members:

- Review how the Government's approach links to the Strategic Economic Plan and Renewal Action Plan.
- Consider what representations and other engagement may be needed with Government to persuade and influence policy and secure funding, powers and other resources required to achieve agreed objectives.

1. Summary

- 1.1 Alongside the Spring Budget, the Government published *Build Back Better: our plan for growth*. It replaces the Industrial Strategy. It is the Government's plan for the post-Brexit, post-pandemic world with technology, net-zero and innovation at its heart.

The 'three pillars' of the strategy are infrastructure, skills, and innovation. These fit neatly with the Strategic Economic Plan (SEP) and many of the government commitments listed correlate to interventions in the Renewal Action Plan (RAP).

2. Proposal and justification

- 2.1 There are six thematic chapters of *Build Back Better*.

2.1.1 1. Infrastructure

Government commitments include:

- Expansion of DWP Jobcentre support (doubling the number of work coaches), additional investment into the Flexible Support Fund to provide direct support at a local level, and additional intensive support to those who have been unemployed for at least three months.

- Expansion of existing provision, providing funding to expand the number of traineeships and sector-based work academy placements, alongside further support for new apprentice hiring.

Links to the SEP and RAP:

- This has a strong focus for apprenticeships and FE colleges, and links with the RAP interventions, including Back to Work, Train to Work, and the Young People's Skills Guarantee. The expansion of DWP services will support our commitments to help people remain economically active. We are working with DWP on the roll out of the new Restart programme for those who are 12 months unemployed. We are developing a case for use of £500k Flexible Support Funding to put four Skills Swap coaches in each SY local authority to help people more into growing sectors. Through the Back to Work programme, we are creating the South Yorkshire Jobs Fund that will provide a package of support for people out of work 6 months + including updating their skills and new work experience. We will also support our SY colleges in making use of £1.1m funding for traineeships to help young people progress into an apprenticeship as part of the Young People's Skills Guarantee. Through our commissioning of devolved AEB, we will be supporting innovative programmes to help young people avoid becoming NEET and we will be supporting additional Sector Work Academy Programmes.

2.1.2 2. Skills

Government commitments include:

- Additional investment and reforming technical education to align the post-16 technical education system with employer demand.
- Introduce the Lifetime Skills Guarantee to enable lifelong learning through free fully funded Level 3 courses, rolling out employer-led skills bootcamps, and introducing the Lifelong Loan Entitlement.
- Focus on the quality of apprenticeships and take steps to improve the apprenticeship system for employers, through enabling the transfer of unspent levy funds and allowing employers to front load apprenticeship training.

Links to the SEP and RAP:

- This has focus on apprenticeships and in-work training. It links with RAP interventions such as Back to Work, Train to Work, and the Young People's Skills Guarantee. As part of our Train to Work commitment, we are focusing our AEB commissioning on ensuring that all residents in South Yorkshire have the skills they need for work and for fulfilled lives. We are focusing on high quality AEB funded activity to make sure people have the platform for progression to secure higher skills and better jobs. As part of this, we will be implementing the Government's Lifetime Skills Guarantee which will enable any adult without a Level 3 qualification to undertake learning at that level at no financial cost to them, providing it is on the Government's high value qualifications list. As part of the Young People's Skills Guarantee, we will be working with partners to raise the profile of apprenticeships across South Yorkshire and to increase the number of enrolments and completions. We will be responding to the Government's Flexible Apprenticeships consultation to ensure South Yorkshire's needs are represented. We have now established a Careers and Enterprise Company hub within the LEP/MCA and are working through our network of Enterprise Co-coordinators to drive up the quality of advice for young people as the first step towards better CEIAG for all residents.

2.1.3 3. Innovation

Government commitments include:

- Supporting incentives for pension funds to invest in high-growth companies, continued government support for start-ups and scale-ups, and a regulatory system that supports innovation.
- Two new schemes to boost SME productivity: Help to Grow: Management, a new management training offer, and Help to Grow: Digital, a new scheme to help 100,000 SME adopt productivity-enhancing software.

Links to the SEP and RAP:

- This relates to the 'growth' section of the SEP, and the LEP's strategy to work more closely with entrepreneurs and high-growth businesses. It also connects with the RAP interventions of flexible investment and recapitalisation, leadership support and digital adoption.

2.1.4 4. Levelling Up

Government commitments include:

- Every region and nation to have at least one globally competitive city at its heart to help drive prosperity.
- A new UK Infrastructure Bank in Leeds and relocating 22,000 Civil Service roles out of London.
- Creating eight freeports across the country.

Links to the SEP and RAP:

- This is positioned around inter-, not intra-, regional inequality and thus focuses on strategies to bring greater prosperity into the region, for example through clusters of excellence like AMID, and through supporting 'shovel ready' investment as in the RAP, and international business links.

2.1.5 5. Net Zero

Government commitments include:

- Supporting up to 60,000 jobs in the offshore wind sector, 50,000 jobs in carbon capture, usage and storage (CCUS) and up to 8,000 in hydrogen.
- Working with industry, aiming to generate 5GW of low carbon hydrogen production capacity and capture 10Mt CO₂/year using CCUS by 2030.
- Ending the sale of new petrol and diesel cars and vans in 2030.

Links to the SEP and RAP:

- This links with the vision in the SEP, RAP, and Energy Strategy for net-zero delivered through sustainable travel and shovel-ready investments.

2.1.6 6. Global Britain

Government commitments include:

- Cooperate with partners to inspire and shape international action on our domestic priorities, including through G7 Presidency and COP26.
- Working internationally to strengthen the multilateral system and the World Trade Organization and using preferential agreements and bilateral trade relationships to directly expand trading opportunities for UK businesses.
- A new export strategy to align our support for exporters with the plan for growth and sectoral priorities
- Increasing UK Export Finance lending capacity.

Links to the SEP and RAP:

- The upcoming International Plan for the MCA and LEP will build on the SEP and explore and articulate the scope and opportunities for, globally competitive initiatives across South Yorkshire in line with.

- 2.2 The policy implications for SCR MCA and LEP are positive, as *Build Back Better* correlates closely with the SEP and RAP. It provides a strong policy foundation to work with Government to deliver the objectives of the SEP and RAP.

One major omission from the Government's plan is that *Build Back Better* hardly even references health and wellbeing, which is a key priority for the SCR MCA and LEP, especially with the effects of the pandemic. This could be something to engage with the Government on.

This plan for growth will likely inform how the Government will determine funding. It is promising that innovation is at the heart of this document, as it is in the SEP. The MCA and LEP may want to work closely with Government to convey that South Yorkshire is the ideal place to deliver on the levelling up objectives via their three pillars of this strategy:

- Infrastructure – the RAP has several shovel ready projects
- Skills – the government commitments in the strategy are very closely aligned to the RAP interventions and SEP ambitions
- Innovation – is at the heart of the SEP's growth objectives, and SCR is an ideal location for investment in translational research with assets such as the AMRC and AWRC.

The Government's plan for growth is an opportunity for the SCR MCA and LEP to work with Government to secure more funding and deliver on the levelling up ambition.

3. Consideration of alternative approaches

- 3.1 Do nothing. The LEP could decide to simply note the government's plan.

4. Implications

4.1 Financial

There are none at this stage; however, the Build Back Better plan could be a precursor to future funding streams such as the UK Shared Prosperity Fund.

4.2 Legal

There are no direct legal implications to this paper.

4.3 Risk Management

There are no specific risk implications to this paper.

4.4 Equality, Diversity and Social Inclusion

There are no specific risk implications to this paper at this stage

5. Communications

- 5.1 N/A

6. Appendices/Annexes

- 6.1 N/A

REPORT AUTHOR POST

Officer responsible
Organisation
Email

Felix Kumi-Ampofo
Assistant Director, Policy & Assurance
Ruth Adams, Deputy Chief Executive
Sheffield City Region
felix-kumi-ampofo@sheffieldcityregion.org.uk

Telephone **T: 0114 220 3352**

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ