

PRODUCTIVITY LED GROWTH. EVIDENCE FROM THE PLACE THEME

PART OF THE EVIDENCE BASE
UNDERPINNING THE HEART OF THE
SOUTH WEST
LOCAL INDUSTRIAL STRATEGY

Document 009

Nature of the issue

Geography of the issue

DIGITAL CONNECTIVITY & RESILIENCE

- Lack of NGA broadband service (> 30Mbps) across the region
 - Existing provision is scattered across the area. This results in divided communities – part of a village may have suitable broadband service part does not. This impacts on the ability to deliver additional coverage because serving part of a community is less commercially viable than serving a full community
 - Different technologies have different costs. Broadly fibre technology is more expensive to deploy than wireless technology. However fibre technology is “future proofed” capable of transmitting significantly higher volumes of data at speed
 - Installing the infrastructure is a complex civil and engineering task. This takes time and impacts on other users. E.g. road access and use
 - Interplay of mobile and wireless access not yet well established – may be scope for this to be developed
- Across the region - and in the whole of Somerset there continue to be problems in accessing NGA broadband services
 - The most remote and inaccessible areas are often the least well served. The cost of reaching these areas is considerable and with limited numbers of premises available frequently they are less commercially viable to connect
 - Conversely some pockets exist in town centres where there are few premises connected to cabinets and which are also considered by the dominant supplier to be commercially unviable
 - In areas where neighbours can have significantly differing service there can be tension as adequate broadband service can appear random and irrational. Often this is due to broadband (FTTC) being built onto an existing network which was designed for different needs

BUSINESS INFRASTRUCTURE

- Insufficient supply of high quality employment land to meet existing business needs for new space in key growth centres
 - Pressure for new housing resulting in loss of employment land in some locations, particularly in smaller towns and rural areas
 - Market failures in the delivery of science park, innovation and high quality incubator/scale up space necessitating active public sector intervention to enable supply
 - Sector specific needs for business accommodation relating to our golden opportunities eg marine, aerospace
 - Changing and uncertain future patterns of demand for employment land and business premises – what will businesses require in the future?
- Golden opportunities in aerospace (principally Yeovil/South Somerset with aerospace supply chain presence in other parts of Heart of the South West including Plymouth and North Devon), marine (Plymouth, South Devon, Northern Devon), nuclear (particular focussed around areas adjoining Hinkley Point C) environmental/maritime sciences and data analytics (Exeter and secondarily Taunton) present geographically specific needs for business growth infrastructure
 - Lack of private sector investment in business infrastructure in rural areas (especially northern peninsula area encompassing North and West Devon, Torridge and West Somerset but factor in other rural areas too)
 - Need to ensure on-going land supply in key settlements/growth areas (Plymouth, Exeter, Torbay, Taunton, Bridgwater, Yeovil)

NATURAL CAPITAL

- Reconciliation of environmental USP vs economic development drivers such as accommodating housing growth, development sites and associated infrastructure puts pressure on green spaces
- Balancing the potential for growth in renewables against an environmental USP (perhaps using Natural Capital methodologies as the toolkit)?
- Maximising and realising benefits of USP may entail changes in land management practices which could lead to an erosion or change in the nature of the USP (e.g. change of land use such as re-forestation)
- Understanding the value of the asset (e.g. to productivity) and how best to maintain, enhance and use it
- Challenges are shared with neighbouring LEP areas and elsewhere in the country
- Common Agricultural Policy (CAP) reform following the UK withdrawal from the EU may have an impact in HotSW region as well as neighbouring areas such as Cornwall
- Two National Parks
- Eight Areas of Outstanding Natural Beauty
- Approximately 400 Sites of Special Scientific Interest (combined figures for Somerset and Devon taken from Natural England website)
- Diverse range of environments (terrestrial and aquatic) across the HotSW LEP region
- Long-standing land management practice as a cornerstone of much of the Agri-food economy
- Areas such as National Parks and AONBs play an important role in regional economy, both as producers of agri-food but also as locations for a strong visitor economy

ENERGY TRANSMISSION & DISTRIBUTION

- Accommodating housing growth and facilitating new business sites needs a power transmission and distribution infrastructure that is accessible and affordable
- Maximising the potential for growth in renewables requires a distributed network with the capacity and flexibility to respond to growth in supply across the HoSW area
- Diversity of generation methods/solutions (e.g. wind, wave, anaerobic, solar) which may not be able to provide a constant and/or predictable supply. Points to the need to complementary technologies such as energy storage and smart grid solutions and opportunities therein (as signalled in Ofgem's "Upgrading Our Energy System" plan)
- Balancing the potential for growth in renewables against an environmental USP (perhaps using Natural Capital methodologies as the toolkit)?
- Strategic constraints in National Grid infrastructure and deficiencies in local networks are barriers to growth in both cases – note push for smart solutions in preference to grid reinforcement
- Challenges are shared with neighbouring LEP areas, especially Cornwall and Isles of Scilly (joint LEP Energy Strategy is evidence of this)
- Investment planning and models for local grid infrastructure not sufficiently
- Constraints in National Grid infrastructure: specific routes involved
- Evidence of local capacity constraints
- Case study – Heathfield in Teignbridge

aligned with local planning of growth and infrastructure delivery; forward funding of infrastructure insufficient (presumption against “stranded assets”)

- Future/longer-term low carbon transport infrastructure? Urban areas may be able to capitalise on electric vehicles etc, but will the clean growth agenda extend to rural areas where we have the challenge of distributed populations and lack of infrastructure? Leads to disadvantage/increased costs if carbon consumption is dis-incentivised via taxation etc. Opportunity here for the development of efficient “low carbon rural solutions/technologies” that we could export?
- Heat as well as power? Particularly to drive focus on affordable and sustainable low carbon solutions