

Blueprint for Clean Growth



heart of the
south west
local enterprise partnership

April 2021

INTRODUCTION

The Context

The UK was the first major economy to embrace a legal obligation to achieve net zero carbon emissions by 2050. Doing so presents a huge economic opportunity for new, high value jobs, disruptive businesses ideas and innovative technologies, whilst also protecting the climate and environment upon which we and future generations depend. There is no more important challenge.

The Government's Ten Point Plan has laid the foundations for a Green Industrial Revolution and the Heart of the South West is in a unique position to take a lead on this. As well as its unrivalled set of industrial, academic and research assets aligned with clean growth and the abundance of natural capital, there is a growing political will among the area's constituent local authorities and public sentiment associated with the climate emergency that is stimulating the development of collective processes to achieve net zero carbon emissions.

The foundations have already been laid. Last year the Heart of the South West LEP published the Local Industrial Strategy, setting out the opportunity to transform the economy through clean and inclusive growth. This important economic strategy commits to pioneering a new model of environment-driven productivity growth, shifting to net zero carbon emissions and environmental resilience in such a way that the proceeds are shared across people and communities in urban, rural and coastal areas.

We fully recognise that without a healthy, diverse, efficiently functioning natural environment, we will not have a functioning economy. This is our blueprint for how we can ensure the Heart of the South West realises its clean growth potential.

Build Back Better – Build Back Greener

We have now published our plan to Build Back Better, reinforcing the strong commitment to clean growth in the Local Industrial Strategy. It will enable us to build back greener by:

- Capitalising on the dynamic heart of the economy through the transformational programmes, delivering a low carbon energy powerhouse, driving innovation to make our aerospace and maritime sectors cleaner, and exploiting the digital expertise in environmental science, geospatial mapping and agri-food systems;
- Embedding our commitment to clean growth in the enabling programmes, stimulating new ideas that address environmental challenges and deliver nature-based solutions, ensuring business and people have the right support and skills to benefit from clean growth, and encouraging the sustainable development of our urban, rural and coastal communities; and
- Embracing recent lifestyle changes and driving a low carbon recovery from Covid-19.

OUR BLUEPRINT

Our Ambition

It is our aim to grow the economy in a clean and sustainable way by delivering inclusive economic prosperity whilst protecting the environment, lowering emissions and enhancing natural capital. This blueprint is therefore unashamedly ambitious about what we hope to deliver.

We want to play our part in helping the government to build back better by supporting green jobs and accelerating our path to net zero.

We intend to do this by focusing on what makes the Heart of the South West distinct - our blue and green economy, creating the necessary conditions to enhance the economic connections with the marine and land-based environments.

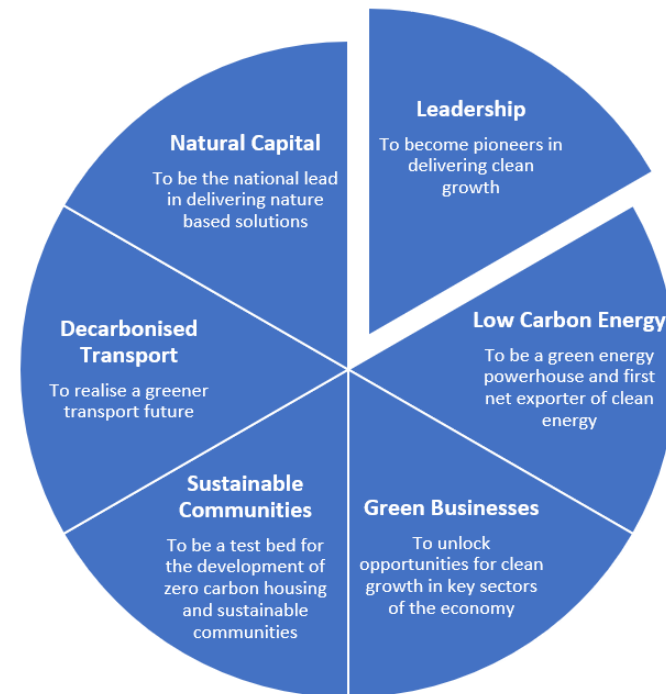
Our Objectives

We have prioritised six themes that we intend to focus on:

- Leadership
- Low carbon energy
- Green businesses
- Sustainable communities
- Decarbonised transport
- Natural capital

Each of these has a clear objective and an identified set of priorities that we intend to focus on over the next two years.

It is important to stress this is not a standalone strategy or plan but instead, it is a blueprint for how we intend to deliver our commitment to clean growth. We will therefore do this through the Heart of the South West LEP's own delivery plan as well as the Local Industrial Strategy and Build Back Better programmes, driving sustainable economic prosperity across the Heart of the South West.



Leadership - to become pioneers in delivering clean growth

Race To Zero Pledge

We recognise the global climate emergency and are committed to keeping global heating below 1.5 degree Celsius goal of the Paris Agreement.

We pledge to reach (net) zero in the 2040s or sooner and invite partners – political leaders, CEOs, trade unions, investors and civil society – to join us in recognising the global climate emergency and help us to deliver on science-based action to overcome it.

Working with our public sector partners, we will set an interim target to achieve in the next decade and are committed to putting inclusive climate action at the centre of our decision making, to create thriving and equitable communities for everyone.

This blueprint explains what specific steps we will take towards achieving net zero in the short to medium term, and we will immediately proceed to planning these inclusive and equitable climate actions that will help to place Heart of the South West on a resilient pathway and begin implementation no later than 2022.

We will report progress as part of our Annual Performance Report.

For our partners, stakeholders, businesses and communities to all believe in and incorporate the importance of clean growth in their plans we must first “walk the talk” and demonstrate strong leadership. Fundamental to this is publication of our Blueprint for Clean Growth. It is also important that we publicise and deliver on the United Nations Race To Zero pledge we have made. This is a global campaign led by the COP26 President to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero carbon recovery that prevents future threats, creates decent jobs and unlocks inclusive, sustainable growth.

There are three new actions we plan to take over the next 12 months. First, we will make the most of the partnership we have with the Joint Committee and look for ways to collaborate, delivering shared clean growth priorities and achieving added value from opportunities such as public procurement. Together, we could be instrumental in achieving net zero as the critical mass generated by all the local authorities working together with a common cause would enable us to combine our creativity, capacity and purchasing power to deliver extraordinary results for the Heart of the South West.

Secondly, we will develop a new framework to ensure our clean growth commitment informs future investment decisions, drawing on the experience of others that have already started on this journey.

Thirdly, with the spotlight on the UK in the run up to the COP26 climate change conference in November, we will run a clean growth communications campaign for six months to raise the profile of the Heart of the South West’s excellent credentials. By coordinating this with key partners and stakeholders, we will be better positioned to secure benefits for the area including further investment.

Low Carbon Energy - *to be a green energy powerhouse and first net exporter of clean energy*

The next ten years will be an exciting period for the Heart of the South West to deliver on its ambition to be a green energy powerhouse.

The area will be home to the first new nuclear power station in the UK for a generation – Hinkley Point C in Somerset. When it is fully operational in 2026, Hinkley will generate 3.26GWs of low carbon energy. We will continue to stimulate growth of the nuclear sector and capture the opportunity to secure a transformational economic legacy by anchoring the sector and its supply chain beyond 2026. This will include accelerating innovation in future advanced nuclear technologies such as fusion.

The government has committed to producing 1GW of floating offshore wind (FLOW) by 2030. With potential sites located around the South West coast, the Heart of the South West's world leading maritime sector is well positioned to benefit from this new national target. We will grasp this opportunity and actively engage in FLOW proposals to leverage as much as possible for the area, coordinating regional initiatives like Ocean Futures and increasing R&D activity to position the marine cluster at the forefront of this innovation.

We will support the FAB interconnector that will lay two subsea electric cables with a maximum transmission of 1.4GWs between France and Britain, coming ashore near Exeter. This could support the generation of tidal stream energy in the seas around Alderney and we will explore opportunities associated with this for our supply chain, alongside proposals for tidal range in the Severn Estuary.

One current constraint to realising our ambition to be a net exporter of clean energy is the grid capacity. We will work with National Grid and Wester Power Distribution to plan for the timely investment required to upgrade the transmission and distribution networks. We will also consider innovative funding solutions to unlock key employment sites that are also constrained by the grid capacity in their local areas.

As well as these large electricity projects, we will identify ways to stimulate an increase in the installation of other low carbon energy and heat technologies, such as developing a plan for the Heart of the South West and supporting geothermal and bioenergy projects. We will also establish a route map for green hydrogen to become a transport fuel source, supporting key demonstrator projects where appropriate.

The current energy system is relatively simple, with each of the supply and demand technologies across electricity, heat, and transport broadly autonomous and centralised. The future energy system will be the polar opposite, with energy areas intertwined. The transition to an energy system that is more localised and open to new entrants and the local supply chain means there is a far greater role for regional and local stakeholders. We recognise this and will play our part to enable the required transformation by supporting the testing and commercialisation of solutions such as local energy markets, distributed systems and energy storage.

Green Businesses - to unlock opportunities for clean growth in key sectors of the economy

All of our businesses will need to play their part if we are to grow the economy in a clean and sustainable way. We recognise our role in supporting them to do this and ensuring the clean growth opportunities are truly transformational for many of our key sectors.

One of our first actions will be to ensure that support is available to all SMEs to manage their resources more efficiently, be it implementing energy efficiency measures or finding new markets for waste that is generated. We will deliver this through the Growth Hub with specialist advisors available to complete an audit and provide support to implement the recommendations.

We will develop a clean growth skills and supply chain programme to support businesses that are already working towards achieving the net zero target or are interested in expanding into this new global market to provide new products and services. Our initial focus will be on the energy and construction sectors as a direct response to the drive to retrofit existing buildings and to aid the recovery. By growing the local supply chain, we will be able to ensure businesses across the Heart of the South West are able to gain from the significant volume of work expected, and targeted training will help the local workforce to benefit from the 50,000 new jobs the government expects to create by 2030.

There is an amazing cluster of globally recognised environmental science and digital innovation expertise in the area, including the Met Office and the University of Exeter. We will continue to exploit this to capitalise on the rapid growth of the environmental intelligence market through facilities like the Environmental Futures & Big Data Impact Lab and the planned Environmental Intelligence Accelerator. This in turn will drive economic growth in regional markets associated with environmental monitoring and data generation, environmental analytics and environmental consultancy. Together with a potential green finance deal to support enterprise and business start-ups that are developing innovative products and services for new clean growth markets, this should drive productivity in a range of business sectors.

The food and farming sector has an important part to play in reducing emissions, as well as environmental land management. The future will depend on how the government implements the Agriculture Bill through its new Path to Sustainable Farming roadmap, and also increasingly on emerging technologies and how they are deployed. We will build on agri-tech pilot projects that are already delivering innovative solutions across the Heart of the South West and support increases in the uptake of agri-tech solutions, with a particular focus on reducing emissions.

Another important bedrock sector that relies heavily on the natural environment is tourism. Our aim is to be a green tourism destination, reducing the carbon footprint of this important sector whilst growing the visitor numbers in the shoulder periods and raising awareness amongst visitors. We will work with the sector to incorporate ambitious sustainable tourism initiatives into the Local Tourism Recovery Plan, including greater collaboration with local communities.

Finally, we will accelerate development of clean growth clusters around the strategic employment sites at Exeter and East Devon, Gravity and Oceansgate, and explore the potential for clean growth Enterprise Centres in rural communities.

Sustainable Communities - to be a test bed for the development of zero carbon housing and sustainable communities

It is extremely important to target the domestic sector as part of our blueprint for clean growth as it accounts for almost one third of the area's carbon emissions, plus there are approximately 100,000 new homes planned over the next 10 year period.

We will continue to require high sustainable construction standards in all new developments, committing to the new Future Home Standard when the technical specification is available in 2023. There is a relatively large construction sector in the region that will need support to deliver the zero carbon ready buildings we require. We will facilitate partnerships between business and Further Education colleges such as South Devon and the Energy Skills Centre at Bridgwater & Taunton College to ensure the region is at the forefront of this transition.

The biggest challenge we face is to decarbonise our existing housing stock, especially as the Heart of the South West has a high proportion of the UK's hard to treat homes. But as has already been highlighted, this is also a significant economic opportunity as it can rapidly support employment at a time when we need job creation schemes as well as help address fuel poverty. We will work with social landlords to develop a retrofit programme, leveraging funding from the new Social Housing Decarbonisation Fund. We will align this with the clean growth skills and supply chain programme for the energy and construction sectors to ensure local businesses and the local workforce can support its delivery.

The Heart of the South West can be proud of how it has cultivated local community energy initiatives. We will take advantage of the ever-growing enthusiasm and capacity in our cities, towns and villages by supporting the SW Energy Hub to secure more funding to deliver an increase in local community energy projects. We will also back ambitious plans such as Net Zero Exeter and the Plymouth Net Zero Partnership.

Finally, it is important not to forget the value of green infrastructure. We will work with local partners to ensure the new garden communities such as Taunton Garden Town deliver beautiful green spaces that connect these developments to town centres and their hinterland.

Decarbonised Transport - *to realise a greener transport future*

We cannot have a commitment to clean growth without addressing transport, given it accounts for almost half of emissions in the Heart of the South West.

We will continue to work with Peninsula Transport to ensure a clean strategic transport strategy is in place that incorporates our transport decarbonisation priorities. We will specifically promote the case for electrifying the rail network, including the Great Western Mainline, and encourage implementation of measures to reduce the carbon impact of freight transport.

The government's commitment to electric vehicles has recently been supercharged, with a massive role out planned over the next ten years. We will enable delivery of a reliable electric vehicle charging network along the main strategic road corridors, integrating this with the roll out of electric vehicle charging in cities and towns. We will also provide our full support to any opportunity that arises for the Heart of the South West to secure a Gigafactory that would produce and manufacture the latest battery technology.

We are a partner in Project 2ZERO, which will demonstrate the use of electric and hybrid aircraft on regional routes and show the potential to decarbonise aviation while supporting regional connectivity. Our aim is to build on this and establish a Smart Aviation Cluster around iAero in Yeovil and Exeter Airport. Plans will be progressed to develop the proposal for a Future Flight Demonstration Zone in preparation for Phase 3 of the government's Future Flight Challenge.

Similarly, we aim to pioneer clean maritime by developing innovative pilot demonstrators that build a broad ecosystem, incorporating electrification and hydrogen and exploiting regional specific assets such as offshore energy. The region's maritime sector is well positioned to lend its expertise in marine science and innovation to this particular challenge, which forms part of Ocean Futures.

This new focus will not replace the need for continued investment in more traditional sustainable transport measures. We will continue to encourage investment in good walking and cycling networks, the timely replacement of the existing bus stock with low emission vehicles, and ongoing improvements to intermodal connections. Specifically in rural areas where the challenge of accessing job opportunities, services and recreational activities can often be acute, we will work to establish a rural mobility fund as part of a Heart of the South West Rural Productivity Programme.

Natural Capital - *to be the national lead in delivering nature based solutions*

Natural capital is the sum of our ecosystems, species, freshwater, land, soils, minerals, our air and our seas. These are all elements of nature that either directly or indirectly bring value to people and the country at large. It all provides valuable ecosystem services such as carbon sinks, flood management and pollination as well as food, clean air and water, wildlife, energy, wood and recreation which all in turn supports economic growth.

We completely recognise the importance of developing and delivering nature-based solutions to provide resilience and support a positive transition to net zero. The Heart of the South West has an abundance of natural capital that supports much of the economy including agriculture, food and drink and the visitor economy. It is also why so many people want to live and work in the area. The Prime Minister has also acknowledged in his Ten Point Plan that protecting the natural environment is one of the most important solutions to stopping climate change.

We have launched our £1 million Natural Capital Demonstration Fund to invest in projects that together can test innovative finance mechanisms for natural capital projects whilst delivering clean growth and wider economic benefits. We are aiming to support a portfolio of projects with this loan fund in both marine and land use environments. We will also explore other mechanisms that have been trialed elsewhere. One potential opportunity is a new, internationally recognised and verified Heart of the South West green and blue carbon offset scheme. We know there are other partners interested in exploring this concept and will work with them to determine how feasible it is.

We aim to actively promote and share best practice on our natural capital work through a seminar with stakeholders and an exhibition as part of the COP26 climate change conference. As well as focusing on how to finance natural capital projects, we will also share our learning on how to embed natural capital in more traditional economic development projects, with an initial focus on the Getting Building Fund projects.

Conservation of the natural capital base and the benefits derived from it is a vital factor for sustainable local economic development. If these crucial assets on which society and the economy depend are maintained and enhanced, it will bring continued dividends now and into the future.

OUR PLAN FOR IMPLEMENTATION

To deliver this blueprint we will draw on the LEP's existing staff resource, including the sector specialists and colleagues leading on skills and business support. We will look for opportunities to collaborate with the private sector, investors and other organisations that share common goals, such as local authorities and universities, and to learn from the experience and best practice in other regions. It will also be important for us to work with government departments and key agencies to secure the required funding to deliver many of our clean growth priorities.

This is a long term blueprint. However, policy and our understanding of net zero will keep moving apace so it will be important to keep these priorities under review and to maintain foresight, so we can respond quickly to new opportunities that might arise. The LEP Board will have responsibility for monitoring our progress and we will look to appoint a Board Champion for clean growth.

CLEAN GROWTH PRIORITIES

Our clean growth priorities are set out in the following table, comprising existing activity the LEP will continue to be engaged in and new areas we are planning to focus on.

	EXISTING ACTIVITY	NEW ACTIVITY
Leadership	<u>Blueprint</u> : Publish our Blueprint for Clean Growth.	<u>Investment Framework</u> : Develop a new framework to ensure our clean growth commitment informs future investment decisions.
	<u>Race to Zero</u> : Deliver on our Race to Zero pledge to eliminate our carbon emissions by 2050.	<u>Communications Campaign</u> : Run a clean growth communications campaign in run up to COP26 to raise profile of the Heart of the South West's green credentials.
	<u>Integration</u> : Collaborate across the Leadership Groups to embed clean growth priorities in all the LEP's activities.	<u>Strategic Partnerships</u> : Capitalise on the partnership with the Joint Committee to deliver shared clean growth priorities and achieve added value.
		<u>Local Procurement</u> : Explore ways to use public procurement to drive carbon reductions, focusing initially on supporting the food, farming and fishing sector through the SW Food Hub procurement pilot project.

Low Carbon Energy	<u>Nuclear</u> : Create a pipeline of long term opportunities to achieve a sustainable legacy from HPC and accelerate innovation in future advanced nuclear technologies, including fusion.	<u>Offshore Renewables</u> : Actively engage in FLOW activity to accelerate investment and secure benefits for the area and explore the potential for tidal energy opportunities in the Severn Estuary.
	<u>Offshore Renewables</u> : Establish Ocean Futures as a global centre of excellence for the testing, development and manufacture of autonomy, digital and clean ocean technologies.	<u>Hydrogen</u> : Establish a plan for green hydrogen to become a transport fuel source and support delivery of demonstrator projects.
		<u>Other Low Carbon Technologies</u> : Stimulate an increase in installation of low carbon renewable energy and heat technologies, developing a plan for the Heart of the South West and supporting demonstrator projects for geothermal and bioenergy.
		<u>Grid Capacity</u> : Identify ways to unlock grid capacity constraints both to large scale energy generation and key employment sites.
		<u>Local Energy System</u> : Transform the energy system by supporting the testing and commercialisation of solutions such as local energy markets, distributed systems and energy storage.
Green Businesses	<u>Research and Innovation</u> : Support research and innovation in environmental science and data, including the University of Exeter's planned Environmental Intelligence Accelerator.	<u>Business Support</u> : Provide resource efficiency advice for SMEs through the Growth Hub.
	<u>Low Carbon Clusters</u> : Accelerate development of the Low Carbon Enterprise Zones and continue to expand network of Rural Enterprise Centres.	<u>Skills</u> : Develop a skills programme to support delivery of clean growth priorities, including targeted training opportunities and curriculum development.
	<u>Digital Connectivity</u> : Improve digital connectivity, connecting places across the Heart of the South West and reducing the need to travel.	<u>Supply Chain</u> : Deliver a local supply chain programme to support businesses in the energy sector, with an initial focus on energy efficiency in response to the drive to retrofit existing buildings.

		<p><u>Finance</u>: Explore opportunities to develop a green finance deal to support enterprise and business start-ups that are developing innovative products and services for new clean growth markets.</p>
		<p><u>Agriculture</u>: Identify projects to increase uptake of agri-tech solutions, with a particular focus on reducing emissions.</p>
		<p><u>Tourism</u>: Incorporate ambitious sustainable tourism initiatives into the Local Tourism Recovery Plan to enable the Heart of the South West to become a green tourism destination.</p>
Sustainable Communities	<p><u>Sustainable Construction</u>: Require high sustainable construction standards in all new developments, transitioning to the new Future Home Standard when available.</p>	<p><u>Energy Efficient Housing</u>: Develop a social housing retrofit programme, leveraging funding from the new Social Housing Decarbonisation Fund and integrating it with a skills and supply chain programme.</p>
		<p><u>Community Energy</u>: Support the SW Energy Hub to secure additional funding for local community energy initiatives.</p>
		<p><u>Garden Communities</u>: Support the sustainable development of planned new garden communities, ensuring green infrastructure forms an integral part of the masterplans.</p>
Decarbonised Transport	<p><u>Strategy</u>: Work with Peninsula Transport to ensure a clean strategic transport strategy is in place, incorporating our transport decarbonisation priorities.</p>	<p><u>Walking and Cycling</u>: Encourage cities and towns to reduce carbon emissions through improved walking and cycling routes.</p>
	<p><u>Aviation</u>: Establish a Smart Aviation Cluster around Yeovil and Exeter & East Devon, building on Project 2ZERO.</p>	<p><u>Electric Vehicles</u>: Enable delivery of a reliable electric vehicle charging network along the main strategic road corridors, integrating this with the roll out of electric vehicle charging in cities and towns.</p>

		<u>Public Transport</u> : Promote more sustainable public transport provision, including electrification of the Great Western Mainline.
		<u>Rural Transport</u> : Establish a rural mobility challenge fund as part of a Heart of the South West Rural Productivity Programme.
		<u>Aviation</u> : Develop the proposal for a Future Flight Demonstration Zone in preparation for Phase 3 of the Future Flight Programme.
		<u>Maritime</u> : Pioneer clean maritime by developing innovative pilot demonstrators that build a broad ecosystem, incorporating electrification and hydrogen and exploiting regional specific assets such as offshore energy.
		<u>Freight</u> : Support activity that reduces the carbon impact of freight transport and enables good intermodal connections.
Natural Capital	<u>Investment Fund</u> : Use the LEP's Natural Capital Demonstration Fund to invest in innovative and replicable projects.	<u>Offsetting</u> : Work with partners to develop a Heart of the South West green and blue carbon offset scheme.
	<u>Best Practice</u> : Actively promote and share best practice on how to embed natural capital into projects, with an initial focus on the Getting Building Fund projects.	<u>Innovation</u> : Organise a regional seminar with stakeholders to explore new innovative finance mechanisms for natural capital.