

**Heart of the South West Local Enterprise Partnership  
LEP Board Paper agenda item 10**

**Report title:** Build Back Better Update

**Date:** 16 July 2021

**Purpose:** This paper is for **noting**.

**Link to LIS:** Indicate by **bolding** which area the paper links to.

Inclusive Growth		Clean growth		
Energy		Engineering		Digital
Ideas/ Innovation	People/Skills	Infrastructure	Bus. Environment	Places

**Timing:** Ongoing

**Financial Impact:** None

**Decisions requested:** None

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**Summary**

This first Build Back Better Board update paper focusses on the transformational programmes and the emerging delivery framework we are putting in place.

**1) Background**

- 1.1 In April of this year, we published the Heart of the South West’s Build Back Better plan following consultation with business and the 16 local authority, four university and 10 FE college partners.
- 1.2 Build Back Better is not on its own a recovery plan but is rooted in the ambitious vision of our Local Industrial Strategy (LIS). This identifies Energy, High Value Engineering and Digital as the dynamic heart of our local economy with opportunities to drive clean and inclusive growth across multiple sectors. Build Back Better focuses on accelerating these opportunities through the delivery of seven transformational programmes. Realising the potential of these transformational opportunities will enable us to rebalance and repurpose

our economy, supporting the green revolution and responding to global imperatives where we have unique capabilities such as in renewable energy.

- 1.3 Transformational change also has to be built on the right skills and business support, along with the creation of new ideas, products and services, all of which must be grounded in the places where we live and work. The Build Back Better plan is therefore underpinned by four enabling programmes which are closely aligned with local recovery plans and the need to level-up our economy. These match closely the key drivers of productivity and the economy and are being led by our four Leadership Groups – Business, Innovation, Skills and Place - working closely with local authorities as part of the recovery planning process.

## 2) Transformational Programmes

- 2.1 There are seven transformational opportunities in the Build Back Better plan focussing on the energy future for nuclear and renewable energy; the engineering future for marine, photonics and aerospace; and the digital future for health, tourism, and data analytics and digital innovation. The aim of each of these programmes is as follows:

- Energy – to capitalise on the area’s nuclear and renewables potential and become the UK’s first regional net-exporter of low carbon energy.
- Marine – to build a high-tech marine cluster focused on autonomous and digital systems, clean propulsion and cyber-secure smart ports.
- Photonics – to grow the photonics cluster, underpinning growth in digital and autonomous systems.
- Aerospace – to deliver a Future of Flight Programme for sustainable aviation technologies and fuels.
- Digital – to tackle economic and societal challenges through analytics and digital innovation.
- Health – to position the Heart of the South West as a health technology pioneer.
- Tourism – to establish a data-led, year-round, green and accessible visitor economy.

- 2.2 The activity in some of these programmes builds on existing work and looks to step up the level of ambition and pace of delivery. For example:

- 18 months ago, a new Ocean Futures partnership formed to develop the priority areas of marine autonomy, digital oceans and clean maritime. Earlier this year, we funded development of an Ocean Futures prospectus that is currently being finalised and are procuring consultants to help produce a business plan. This will form the basis of a submission to government for consideration as part of the Spending Review.
- We have funded capacity to enable the photonics industry to generate ideas and interventions for accelerating growth in our region. One of the priorities identified by the sector was the establishment of an advanced/ automated high value photonics and electronics manufacturing hub. This has directly informed one of Torbay’s Levelling Up bids, development of an Electronics and Photonics Production Park to provide new production and manufacturing facilities at Torbay Business Park. This

has the potential to deepen innovation, enable the growth of key businesses in the sector and attract further inward investment.

- The South West Tourism Alliance is finalising the sector's Towards 2030 – Reimagining the Visitor Economy in the South West – recovery plan. This has been co-funded by us, in partnership with our neighbouring LEPs in Cornwall and Dorset, and it sets out a series of short-term projects needed to reignite the visitor economy. A bid for £10 million is now being developed by the sector across the Great South West area for submission to government, and will be presented to the Tourism Minister at the next Great South West APPG meeting on the 21<sup>st</sup> July.

- 2.3 Other opportunity areas are at a slightly earlier stage. For example, a plan has begun to be formulated for health tech following consideration by the LEP's Innovation Board of a proposal from the University of Plymouth to develop a new Health Tech Cluster. The Plymouth Health Innovation Alliance has now been formed, which is an interdisciplinary cross-sector partnership dedicated to developing the profile of, and maximising opportunities for, health related research, innovation, knowledge exchange, R&D led business growth and inward investment in Plymouth and the South West region. The first meeting of the Executive Group of this Alliance was on the 6th July.
- 2.4 In contrast, energy has been a priority for most partners since LEPs were first established. Significant progress has been made in this time, with almost 1.2GWs of solar, onshore wind and other renewable energy now being generated across the Heart of the South West and the first new nuclear power station being built in the UK in over 20 years at Hinkley. However, the energy system is starting to undergo significant change and our ambition is high – to be a green energy powerhouse and first net exporter of clean energy.

### **3) Delivery Framework**

- 3.1 We have committed to leading delivery of the Build Back Better plan by sponsoring the transformational programmes and using the Leadership Groups to drive delivery of the enabling programmes. Key to our success will be the ability to facilitate a collective effort by all partners in the area and enable locally-led delivery.
- 3.2 We have explored the option of establishing programme boards for the seven transformational programmes. The primary purpose of these boards would be to:
- Have oversight of the delivery of each of the programmes;
  - Provide clear direction and agree priorities;
  - Monitor progress and review programme risks; and
  - Identify opportunities and help address any challenges.
- 3.3 The programme boards would be supported by the relevant LEP sector lead and include membership from key delivery partners and stakeholders. Their progress would be reported to the Board through this standing item update paper.

- 3.4 We are keen to avoid duplication with other groups that we are actively engaged with. In some areas there is an existing structure that it would be prudent to continue to support. This includes:
- Ocean Futures working group, which is considering new governance arrangements to drive delivery of the new programme of work.
  - SW Tourism Alliance, which has proven to be an effective partnership at a time when the industry needs collective and concerted efforts to aid recovery from the pandemic.
  - Plymouth Health Innovation Alliance is just forming, and it seems sensible to see how this group evolves in terms of its role, scope and priorities.
  - The High Tech Cluster has helped to inform the priorities for photonics and microelectronics and has good industry engagement.
  - The analytics and digital innovation programme has a relatively broad scope. The Innovation Board is specifically looking at solutions to grow the environmental intelligence market, with a proposition developed by the University of Exeter. The intention is to use this to build government awareness around our strong, globally significant offer and to submit a focussed ask into the Spending Review. The SW AgriTech group, which is supported by a collaboration of the six South West LEPs, has developed a positioning paper to state the case for the South West's position as the UK's growing super-power in AgriTech. The remit of this group was originally inward investment but it is possible that its interests will expand.
- 3.4 We are therefore progressing programme boards for two of the transformational programmes:
- Sustainable Aviation – The iAero cluster group has effectively stopped meeting due in part to the significant challenges that the sector has been facing over the past 15 months. We are therefore convening a meeting on the 12<sup>th</sup> July to kick off discussions about how we can bring the breadth of expertise and knowledge across the Heart of the South West's aerospace sector to form a programme board to help drive delivery of the sustainable aviation opportunity. Invitees to this meeting include Leonardo, Ampair, WEA, SWMAS, Connecting Places Catapult, Somerset and Devon County Councils, East Devon and South Somerset District Councils, Plymouth City Council, University of Exeter, and the Rigby Group. We will also ensure that FE colleges are represented on the programme board.
  - Energy – Since this is one of our top priorities, has a diverse range of delivery partners and stakeholders, and is a particularly challenging and technical issue for the area, we are proposing to establish a programme board to provide some needed impetus. Membership is intended to be drawn from WPD/SSE, Nuclear SW, SW Energy Hub, Regen, Universities, FE colleges, LAs, renewable energy industry, Energy Systems Catapult and BEIS. We will also ensure collaboration with the Great South West partnership given our programme aligns well with one of their priorities and successful delivery of this programme will depend as much on what is happening around us as it does within or area.
- 3.5 It is important to also note that delivery of the Build Back Better plan would be aided by locally-designed funding, and we have advocated a devolved single pot of both capital and

revenue funding. We have begun to work with business and other local partners to unlock the funding needed to realise the huge potential of the area, initially through input to the ongoing LEP review as well as through preparations for the government's Spending Review this autumn.

#### **4) Next Steps**

- 4.1 The priority over the next few months will be to establish the two programme boards and talk to each of the Leadership Groups about delivery of the four enabling programmes. This will be the focus of the next update to the Board.