

## Heart of the South West Local Enterprise Partnership

### LEP Board Paper agenda item 8a)

**Report title:** Build Back Better Plan – Progress Report

**Date:** 15 July 2022

**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 paper provides an update on progress made towards delivering the Build Back Better Plan over the last quarter.

#### **1) Background**

- 1.1 In April 2021, the LEP 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. It is rooted in the ambitious vision of the agreed Local Industrial Strategy, focussing on the dynamic heart of our local economy - Energy, High Value Engineering and Digital - with opportunities to drive clean and inclusive growth across multiple sectors.
- 1.2 At the April 2022 Board meeting, a refresh of the plan was approved. It now contains eight transformational programmes and focusses on activity to accelerate delivery of these opportunities. As a reminder, the revised Build Back Better 'wheel' is attached in Annex A.
- 1.3 The Build Back Better Plan is increasingly driving the LEP's delivery activity, particularly in relation to the agreed priority sectors. This is being overseen by four new programme boards covering Energy, Aviation, Digital and Food, Farming & Natural Capital. The LEP is looking to existing groups to drive delivery of three of the other transformational programmes, in the form of the new Ocean Futures Partnership Board that is being convened, the High Tech Cluster and the Great South West Tourism Partnership. Discussions are ongoing about how to take forward the Health Tech programme.

## 2) Progress Update

2.1 A progress report is provided for each of the programmes below.

### ***Energy Futures***

- 2.2 The Energy Futures Programme Board met on the 5<sup>th</sup> May, chaired by Prof. Judith Petts. The group discussed the findings of the Floating Offshore Wind (FLOW) opportunity study that the LEP part funded. It was recognised that Cornwall and Wales have put substantial resource into FLOW over recent years but that it was still not too late for HotSW as there are a lot of strategic decisions yet to be taken. Priorities that were raised by the group included: the need for further work on the associated community benefits; a focus on helping developers prepare their supply chain plans required by government; capitalising on the need for further technology R&D as HotSW is well positioned to benefit; the need to influence the Crown Estate, Ofgem and National Grid in addition to government; and exploring the opportunity to target high energy users as potential inward investors. Discussions are taking place in July to establish what success looks like and how the LEP can help achieve this.
- 2.3 A working group on hydrogen was convened by the LEP in June, with members from both the Energy Futures and Sustainable Aviation Programme Boards, to share knowledge about potential projects, capabilities and funding calls. It was agreed that a distributed strategy for hydrogen was needed for HotSW due to the nature of the region and the different sector interests such as aerospace, maritime and transport. The next step is to map current activity, linking with the work that the Western Gateway has done.
- 2.4 A Clean Growth Prospectus has been produced by the Hinkley Point C Legacy Group that regional stakeholders were consulted on at a workshop in June. The next steps are to finalise the prospectus and present it to the Hinkley Strategic Development Forum in September for sign-off. A delivery plan that includes milestones and KPIs is also under development.
- 2.5 The next meeting of the Programme Board is on the 11<sup>th</sup> July. Agenda items include an update from the South West Net Zero Hub on their new remit and funding from BEIS, a discussion about the floating offshore wind '[Areas of Search](#)' in the Celtic Sea identified by the Crown Estate and what success looks like for HotSW, and details from Western Power Distribution explaining Ofgem's new Access and Charging code changes that come into effect in April 2023.

### ***Marine***

- 2.6 The Ocean Futures 10 year investment plan has been finalised following helpful input from government officials within BEIS, DfT and DIT. The Exec Summary is attached for information at Annex B. Should anyone want to see the full plan, please contact Claire.
- 2.7 The focus turns now to establishing the Ocean Futures Partnership Board, a key component of the governance for Ocean Futures that will oversee delivery of the plan, and to secure investment to establish a small core team and deliver the enabling activity such as the Marine Innovation Delivery Service. The partnership is also making good progress towards securing investment for the strategic projects including: the Marine Autonomous Assurance Testbed led by Lloyd's Register and the National Physical Laboratory, which forms part of the Maritime and Environmental Science Accelerator (MESA) promoted by the LEP's Innovation Board; the Appledore Clean Maritime Innovation Centre led by Torridge District Council working with the universities of Exeter and Plymouth; and the Oceansgate Innovation Centre led by Plymouth City Council. Both the innovation centres form part of two Levelling Up Fund bids that are being submitted to government this month and which the LEP has provided letters of support for.

- 2.8 A number of key visits have taken place in recent weeks at which Ocean Futures has been promoted, including the Secretary of State for International Trade which Stuart Brocklehurst attended on the LEP's behalf.
- 2.9 A significant milestone has been reached for the Plymouth and South Devon Freeport. Government has now approved the outline business case, along with two of the three Freeport tax sites – South Yard and Sherford. The third site at Langage will hopefully follow, with designation expected in the autumn. The Freeport Special Purpose Vehicle has also been formalised under the interim chairmanship of Adrian Bratt at Princess Yachts, and work is underway on an interim Executive.

### ***Photonics and Microelectronics***

- 2.10 The Photonics & Optoelectronics degree course at South Devon College has received accreditation and will be able to take a September 2022 intake. This is a significant milestone for the cluster and adds to the investment pitch. It will attract students to the region and support sector growth whilst also raising the area's profile. The South Devon College Kao Hockham training suite has also been formerly opened, providing an environment that is fit for purpose to support students in their learning. Strong links continue to be formed between South Devon College and the High Tech Cluster, with most of the equipment in the training suite having been donated by cluster companies and key members have become associate lecturers. The College will also be able to deliver a range of short courses in photonics/opto-electronics/microelectronics to meet the needs of business, providing a steppingstone or door into the sector for those who have previously worked elsewhere.
- 2.11 The High Tech Cluster continues to look for opportunities to encourage visitors and build relationships with companies and organisations further afield. In June, the cluster attended PIC International in Brussels. On the 18<sup>th</sup> October 2022, in association with the International Microelectronics Assembly & Packaging Society (IMAPS), the 3rd International Conference and Exhibition on Photonics and Opto Packaging (POP3) Conference will be held in Torbay. This will attract companies, engineers, academics in photonics and microelectronics from across the UK to the region. The intention is to also encourage other industry bodies such as the European Photonics Industry Consortium to consider the Heart of the South West. Further detail is awaited from DIT on Photonics West '23, in particular if the cluster's lobbying for SME support to attend the show has been successful. It is hoped that there will be a strong UK branded stand with the High Tech Cluster forming part of it.
- 2.12 The cluster is working with the Photonics and Quantum APPG, supporting Anthony Mangnall MP in his role as Vice Chair as well as feeding in the needs of the sector. The Levelling Up Fund bid being resubmitted this month by Torbay Council includes the Photonics Production Park grow on space. It is hoped that the APPG will support the bid given the intended end users.

### ***Sustainable Aviation***

- 2.13 At its last meeting on the 13<sup>th</sup> April, the Sustainable Aviation Programme Board endorsed the findings of a high level feasibility study into HotSW's proposition for providing demonstration facilities for future flight technologies, supported by our wider aviation / aerospace eco-system and key industrial partners and assets. The proposed Future Aviation Test Zone was introduced to the Minister for Aviation at a visit to Exeter on the 5<sup>th</sup> May and will be formally launched at the Farnborough Airshow on 18-22 July, where we have a presence on the WEAFA stand. With the help of a working group, promotional material has been developed and is attached for information at Annex C.
- 2.14 The next meeting is on the 7<sup>th</sup> July, which will flesh the Future Aviation Test Zone proposition out in more detail and identify potential funding opportunities. An update on a recent skills workshop that some of the Programme Board members attended will also be provided at the meeting.

- 2.15 Following the official opening of the iAero innovation centre in Yeovil earlier this year, support is now being provided to develop the operating model and create a pipeline of businesses to locate at the centre. The ITT for innovation services across Somerset is due to be issued by Somerset County Council shortly, which will support delivery at iAero as well as the Somerset Energy Innovation Centre in Bridgewater and the new Digital Technology Centre in Taunton. iAero has also been the location for several events recently, including a Skills Workshop in June and the 2Zero end of project conference in July.

### ***Digital Futures***

- 2.16 The Digital Futures Programme Board has not yet had its first meeting. There is a separate Board paper on the Digital Investment Programme that provides an update on recent progress.

### ***Health Tech***

- 2.17 The aim of the Build Back Better Health-Tech programme is to position the Heart of the South West as a health technology pioneer. The University of Plymouth is leading this work on our behalf with a particular focus on the challenges presented by the area's ageing demographic and opportunity to establish a regional demonstrator project that will support the user-led design and adoption of digital health technologies across the region that are not found elsewhere in the UK. Unfortunately, it has taken longer than envisaged to form a South West group to drive this activity forward. One option being considered is to build on the Plymouth Health Innovation Alliance, a partnership whose funding ends in December 2022, and develop a Peninsular Digital Health Hub. Further consideration is however needed to determine the best way forward.

### ***Tourism***

- 2.18 Work continues to support the Great South West Tourism Partnership. In May, a roundtable discussion was organised in North Devon with the DCMS Head of Tourism to discuss current sector trends and issues. Attendees included the English Riviera BID Company (Torbay), Visit Devon, Visit Exmoor and Devon Association of Top Attractions. However, the sector continues to wait for the Government's response to the DMO Review, which is expected before the summer recess.
- 2.19 The business case for a regional Heart of the South West Tourism Data Hub was submitted in June for consideration by SIP in July. The aim is to build a sustainable comprehensive data and research programme to support tourism, leisure and hospitality businesses and help drive productivity across the region. The Hub would provide Destination Management Organisations and businesses with timely, consistent, robust and valuable data insights into consumer and business behaviours to enable more efficient market targeting and product development to drive recovery post-Covid. This is the topic of a separate Board paper on the Digital Investment Programme.

### ***Food, Farming & Natural Capital***

- 2.20 The LEP has continued to work with neighbouring LEPs across the Great South West and the NFU on the following priorities:
- Research into the value and impact of the Basic Payment Scheme (BPS) both on the food and farming sector but also the rural economy as a whole.
  - Establishment of a Whole Farm Business Advisory Service for farmers and landholders.
  - Increasing public sector food procurement from local producers.
- 2.21 Research undertaken by the Countryside and Community Research Institute (CCRI) into the loss of BPS concluded that over the transition period (2021 to 2027), GSW farmers will lose £884 million. As between a quarter and a half of BPS money is spent on businesses supporting the farming sector, there will also be a reduction of between £220m and £440m over the next five years for feed merchants, machinery retailers, contractors, vets and many other suppliers.

- 2.22 The research highlighted the need for a comprehensive advisory service to support the sector through the transition. Over the last year, Devon County Council (DCC) has been delivering an Interim Future Farm Resilience Fund across Devon and Somerset, funded by Defra. This ends in September 2022 when a new programme is expected to start. DCC has submitted a bid to Defra to operate the new Future Farm Resilience – Scale Up advice service across the GSW, which has been supported by the LEP. The LEP also facilitated the opportunity for DCC to present this to the Defra Minister, Victoria Prentis, at the last GSW APPG meeting. A decision from Defra is expected soon.
- 2.23 The DCC service will offer an important suite of 1-2-1 and business support, however it will be limited due to the restricted budget available - £1k per farmer. The GSW partners have instead backed a Whole Farm Business Advisory Service with a budget of £2.5k per beneficiary. This would enable a single point of bespoke advice and support to guide the farmer through a comprehensive assessment and analysis of business function and future performance, along with individual support to access and complete all competitive bidding opportunities currently available to them. DCC's Future Farm Resilience - Scale Up advice service would form an important part of this, but additional resource could usefully be provided to increase the amount of 1-2-1 support and enable tailored interventions that support an individual farmer to implement their own development plans in their business. With additional resource, the Growth Hubs could be more aligned and have dedicated business advisers, ensuring farmers can access the generic business support available to all SMEs such as new product development, marketing, and innovation advice for farmers with new business propositions. The 50% reduction in Growth Hub funding from BEIS this financial year will make this challenging.
- 2.24 Details of the Whole Farm Business Advisory Service have been shared with the Defra Minister and, with the help of the GSW APPG Chair Simon Jupp MP, a meeting has been offered with her officials to explain the GSW proposal in more detail.
- 2.25 The third priority has been to increase public sector procurement of local food. The research recommendations from the University of Exeter were endorsed by the Board in January 2022 and the following action plan has now been developed:
- 1) Drive culture change, within and between, public organisations in the South West by developing a South West Food Procurement Declaration and securing buy-in from CEO and senior decision makers.
  - 2) Make public procurement more accessible to regional producers and suppliers in the South West by using pre-market engagement to improve the quality of tenders and reassessing procurement criteria so as not to exclude regional producers.
  - 3) Support farmer focussed supply chains in the South West by increasing regional capacity for food processing, distribution and freezing, and testing options for the procurement of food produced in the region through a trial of a Dynamic Procurement System.
  - 4) Continue to develop the South West as a test bed for national change by agreeing the metrics for measuring the impact of public food procurement in the South West, calling for increased clarity from government on the criteria that can be specified for procurement of local food in public sector tenders together with re-evaluation and simplification of Defra's Balanced Scorecard.
  - 5) Supporting and leveraging the delivery objectives set out in the Government's Food Strategy published on the 13<sup>th</sup> June 2022, namely:
    - A prosperous agri-food and seafood sector that ensures a secure food supply in an unpredictable world and contributes to the levelling up agenda through good quality jobs around the country
    - A sustainable, nature positive, affordable food system that provides choice and access to high quality products that support healthier and home-grown diets for all

- Trade that provides export opportunities and consumer choice through imports, without compromising our regulatory standards for food, whether produced domestically or imported.

- 2.26 The Government's renewed focus on food production is particularly welcome, especially the plan to consult on setting an aspirational target that at least 50% of food spend within the public sector should be on food produced locally. The intention is to invite Defra to work with the GSW Partnership to develop the South West Food Procurement Declaration, possibly as a pilot, and to jointly host a regional summit for senior decision makers across the public sector later in the year.
- 2.27 The Food, Farming & Natural Capital Programme Board had its first meeting on the 6<sup>th</sup> June, chaired by Mel Squires. It agreed the Whole Farm Business Advisory Service was the "big ticket item", and that it would help draft the public sector declaration. Through this group, we will maintain a focus on delivering the Food Procurement Action Plan. The next meeting in September will also include a focus on natural capital, in particular how it can be championed for greater inclusion in economic development projects whilst also having to deliver value for money.



## Annex A: Heart of the South West Build Back Better Plan

