

## Heart of the South West Local Enterprise Partnership

### Finance & Resources

**Confidential**

**Report theme:** Oct – Dec 22 Performance Report

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## **Summary**

The October - December performance report is attached, providing an overview progress against the workplan, available online at [220517-Heart-of-the-SW-LEP-Workplan-22-23.pdf \(heartofswlep.co.uk\)](https://heartofswlep.co.uk/220517-Heart-of-the-SW-LEP-Workplan-22-23.pdf).

KEY RESULTS TOTAL	Q1	Q2	Q3	Q4
Red	0	0	0	0
Amber	9	9	10	0
Green	59	55	51	0
Not Started	8	4	4	0
Completed	0	8	11	0

Progress against objectives remains on track with some items happening albeit at later dates than originally planned (Amber) and some having not started as completion dates are later in the year – details in the annexes

## **Recommendations**

That F&R note progress and relevant mitigations.

## **1. Background**

The 22-23 workplan set out five priorities for the year:

- A. Supporting transition
- B. Delivering against net zero & the transformational opportunities
- C. Delivering Growth Hub, increased innovation and tailored business support
- D. Delivering on the goal of inclusive growth
- E. Delivering the £40m Growth Deal, Getting Building Fund and Growing Places legacy investments

The workplan was developed using the Objective & Key Result methodology (OKRs) with progress is monitored through F&R quarterly and through the Board 6-monthly or by exception. This report and attachments provide the latest update of progress against these with issues highlighted in this covering report.

- Annex A gives a snapshot of progress against the objectives and shows which key results are green (on track or complete), amber (broadly on track though with some delay) or red (significantly delayed or not progressing)
- Annexes B & C are an extract of the results classed as amber or not started

## **1. Highlights: successes, specific issues and their mitigation**

The below highlights salient points by exception.

#### **A. Supporting Transition – outcomes are**

- Future roles of broader partnership is clear, aligned to pillars and missions on the white paper & other key policy drivers. Timeline agreed for transition
- Skills and employment supports the area's key opportunities and improved access to jobs and careers
- LEP continues to support partner's activity in other relevant areas
- Highly effective LEP Board
- LEP operations are delivering effectively ahead of and through transition

Transition arrangements are now on hold until progress of Devon devo deal is clear.

It also remains unclear how the skills work might transition from the Skills Advisory Panel to the Chamber-led Local Skills Improvement Plans and a governance review to look at this and other issues is recommended as part of the 23/24 business planning (see separate paper).

#### New Amber Items

Objective	Key Result	Issue & Mitigation
Future roles of the broader partnership are clear, aligned to pillars & missions in the Levelling Up white paper & other key policy drivers	LEP Board agrees transition plan and revised operating model	Original date of October now delayed as timescale of devolution has shifted. Work to restart as and when devo work starts again  Since this was written, GSW also now has funding and transition to GSW and devo is part of the 23/24 business plan

#### **B. Delivering against net zero & the transformational opportunities – outcomes are**

- HotSW's unique sectoral strengths are harnessed to deliver net zero, higher productivity growth with a particular focus on:
  - Exploiting the potential and for HotSW to be recognised as a green energy powerhouse;
  - Developing an area proposition in electrical and hydrogen propulsion and maximising digital innovation;
  - Establishing a global centre of excellence for marine autonomy, digital ocean and clean maritime;
  - Developing a world class reputation for the growing photonics and microelectronics sector;
  - Ensuring digital investment in infrastructure, skills, business support and innovation makes a tangible difference for business & communities;
  - Recovering and growing the tourism sector, building towards being a data-led, year-round, green and accessible visitor economy;
  - Establishing HotSW as a test bed for new food and farming practices and nature based solutions; and
  - Supporting and enabling growth across the unique sectoral opportunities with Enterprise Zones and the Freeport.

Update as below.

We are reporting four amber OKRs but all are progressing, just at a slightly slower pace than envisaged: development of an energy skills and supply chain programme, a marketing plan for the Future Aerospace Test Zone and attendance at two events, exploration of larger regional grants for the photonics sector, and investment of £1 million in natural capital.

#### New Amber Items

Objective	Key Result	Issue & Mitigation
Sustainable Aviation Area proposition in electrical and hydrogen propulsion developed and digital innovation maximised	Marketing Plan in place and 2 significant events held	Farnborough International Airshow was the first event for 2022/23 and it was intended to exhibit at Avalon in March 2023. The latter has not been authorised; therefore, activity will be moved to 2023/24 with a presence planned at the Sustainable Skies Summit (April 23) and Paris Airshow (June 23)

#### Energy

**Nuclear** – HPC Supply Chain and Inward Investment Contract terminates on 1<sup>st</sup> March 2023. Discussions are being held with EDF, the Somerset Chamber and SWMAS to determine how some activity can be maintained for 2023/24. There is an active pipeline of over 70 inward investment enquiries and efforts are being made to secure funding to re-procure a service for 2023/24. A pipeline of longer-term opportunities is being created to achieve a sustainable legacy from Hinkley Point C. This includes a specific workstream to identify transferrable capabilities both within the nuclear supply chain and workforce for other clean energy opportunities such as floating offshore wind (FLOW) and support for advanced nuclear technologies. We are working with various stakeholders both nationally, regionally and locally to raise the profile of our nuclear licensed sites for potential re-use for other nuclear technologies (SMR / AMR).

**FLOW** – The Celtic Sea Cluster published its [regional strategy](#) in November, which focusses largely on Cornwall and Wales. In response to our request, the Cluster Board has recently been reviewed and the new governance arrangement includes a representative from HotSW. We continue to convene a local authority officers' group to ensure our activity is co-ordinated, and the FLOW developers have been invited to meet with us in January to discuss their requirements and the HotSW offer.

**Hydrogen** – We have provided support to Carlton Power for their 10MW hydrogen production project at Langleigh, which forms part of the Plymouth and South Devon Freeport. This has now received planning permission and an application for funding is being considered by BEIS as part of their Industrial Decarbonisation and Hydrogen Revenue Support Scheme. We have also had meetings with the National Composites Centre, GW4 and Hydrogen SW to explore collaboration opportunities across the South West.

**Green Skills Study** – The SW Net Zero Hub has appointed consultants Gemserv to undertake the Green Skills Study and stakeholder engagement, including a business survey, will start in January. This is specifically looking at the requirements for retrofit and heat pump installation across the South West, and additional funding from the HotSW SAP budget is enabling analysis to also be undertaken on the skills requirements for solar PV, FLOW and low carbon transport. The recommendations will be reported to the SAP and also fed into the process led by the Chambers to develop the LSIP.

**Energy Futures Programme Board** – The programme board has met twice this quarter and discussed the HPC legacy plan, Celtic Sea FLOW strategy, the clean maritime opportunity, Green Skills Study, Local Area Energy Plans, SW Net Zero Hub activity, and a strategy for hydrogen. The programme board also helped shape the Great South West Energy Summit held on the 23<sup>rd</sup> November that we organised.

#### Aerospace

Our funding application with Somerset County Council to BEIS's Regulator's Pioneer Fund to undertake the design work for the Future Aerospace Test Zone was unsuccessful. The consortium met in December to identify those tasks that could be taken forward by partners using in-house resource. The

next step will be a stakeholder workshop to ensure the right organisations are engaged – those that could form part of the industrial pull from FATZ and those that can enable activity to happen.

This work is being overseen by the Sustainable Aviation Programme Board, which has met twice this quarter. The next meeting in January will focus on developing the marketing plan.

#### Photonics and Microelectronics

Two new companies have located to the EPIC Centre this quarter – QLM Technology (UK), which has developed some of the world's most sensitive remote gas detectors for environmental monitoring, and VTEC Lasers & Sensors from the Netherlands) who have also submitted an application to us for the ERDF Soft Landings funding.

Torbay Council have resubmitted their Levelling Up fund bid to support delivery of growth space for this sector with a Photonics Production Park. A decision by Government is now expected early in the new year.

#### Digital

Funding contracts have been signed this quarter with the Satellite Applications Catapult to deliver the Environmental Living Lab, the University of Plymouth to deliver the Smart Sound Connect Subsurface project, and Destination Plymouth to deliver the Tourism Data Hub.

A further call for expressions of interest for the remaining £1.3m was issued on 14<sup>th</sup> November. 15 EOIs have been received. A recommendation is being presented to SIP on the 10<sup>th</sup> January with the aim of agreeing a shortlist at the Board meeting on the 27<sup>th</sup> January. Business cases will then be invited by the 2<sup>nd</sup> March with award decisions by the 7<sup>th</sup> April. Financial completion for all of these digital projects is the 31<sup>st</sup> March 2025.

The new Digital Futures Programme Board had its first meeting in November. The next meeting in the new year will focus on the Digital Skills Continuum Programme the LEP is funding and the Taunton Digital Innovation Centre.

#### Food, Farming & Natural Capital

A draft public sector food procurement declaration was presented to the Board in October. One to one meetings have since been held with the University of Plymouth, Devon and Somerset County Councils and Plymouth City and Torbay Councils to inform a revised draft. This will be brought back to the Board for endorsement on the 27<sup>th</sup> January.

The Food, Farming & Natural Capital Programme Board also fed into this revised declaration at its meeting in December, when it also provided advice on the set up of the Environmental Living Lab, the potential scope of a detailed proposal to Defra for funding towards the Whole Farm Business Advisory Service, and the local authority submissions to the Rural England Prosperity Fund.

### **C. Delivering Growth Hub, increased innovation and tailored business support – outcomes are**

- Business support in place to support productivity-led growth
- Heart of the SW is recognised internationally as a location for FDI with a year-on-year increase in FDI enquiries and (re)investment
- Increased investment in innovation through:
  - creation of a major new research and innovation capability in the world-leading clusters of Marine & Environmental Intelligence
  - dedicated innovation support across the LEP geography through a Technopole drawing in existing expert provision

Growth Hub funding now underwritten by the LEP to end September. A decision on 23/24 funding decision is still awaited from BEIS and though it seems likely that GHs will be funded for a further year, the quantum is not clear.

Work on the finance platform continues with a targeted spring launch date to align with the British Business Bank funding. The 23/24 business plan sets out proposals to ensure the platform has momentum and makes a difference to SMEs seeing finance.

Discussions are continuing with local authority partners around how the LEP could support/ add value to SPF though as expected, this is leading to a fragmentation of business support provision, meaning the Growth Hub remains as essential front door for businesses looking to access support.

The innovation proposition around *the Marine Test-Bed and Maritime Accelerator, Environmental Intelligence Accelerator & Technopole* had made considerable impact on Government prior to the political complications earlier in the year. Nonetheless it still has traction and lobbying continues. The Innovation Board remains committed to this development as critical to government efforts at levelling-up.

The Innovation Board are also engaging with the Great South West to explore where to support it. Contacts for this are attending our forthcoming (January 17) Innovation Board which will also look at skills issues associated with driving innovation – the re-licensing of the SWIoT being a potential opportunity here for the region.

#### **D. Delivering on the goal of inclusive growth – outcomes are**

- the LEP facilitates the ability of everyone to access to and benefit from economic growth

As previously agreed, being taken forward through supporting Social Mobility Commission (now a Great SW priority), looking at how to leverage private sector and exploring potential for a social investment fund; the latter is part of the 23/24 business plan and revising the Growing Places Fund proposition.

UKRI have invited bids for the Local Policy Innovation Partnership Programme which will create a network of knowledge centres which contribute to inclusive sustainable economic growth. The LEP is directly involved in a University of Plymouth-led bid and has also been approached for support for a bid covering the Great West 4 universities (Swansea, Cardiff, Bristol and Exeter) plus UWE. Bids closed on 12<sup>th</sup> January with funding decisions expected March.

#### **E. Delivering the Growth Deal, Getting Building Fund and Growing Places legacy investments – outcomes are**

- LEP investments are supporting transformational change in the economy

Government spend milestones for Getting Building Fund and work on committing the remainder Growth Deal & GBF continues through SIP.

Revising the Growing Places proposition is set out in the 23/24 business plan.

## **2. Red Rated OKRs**

None reported