

Productivity and Prosperity in the Heart of the South West

With an economy of £35 billion per year and a 1.7 million population, the Heart of the South West is the size of a major UK city. Employment is amongst the highest in Europe and the challenge now is to raise productivity levels to increase prosperity.

The local authorities, national parks and LEP have united in developing a Productivity Strategy and a series of opportunities within that which build on the unique assets within the area.

The ambition is to double the economy to £70 billion over the next 20 years, building 170,000 new homes and creating 163,000 new jobs.

The Heart of the South West Productivity Strategy



Ambition: to double the economy by 2038

Heart of the South West Productivity Strategy
host web address (TBC)

HEART OF THE SOUTH WEST
PARTNERSHIP

Unfold for a map of the area and key statistics...

£35 BILLION ECONOMY
as big as Birmingham or Liverpool

4 Universities

2 National Parks

17 Local Authorities

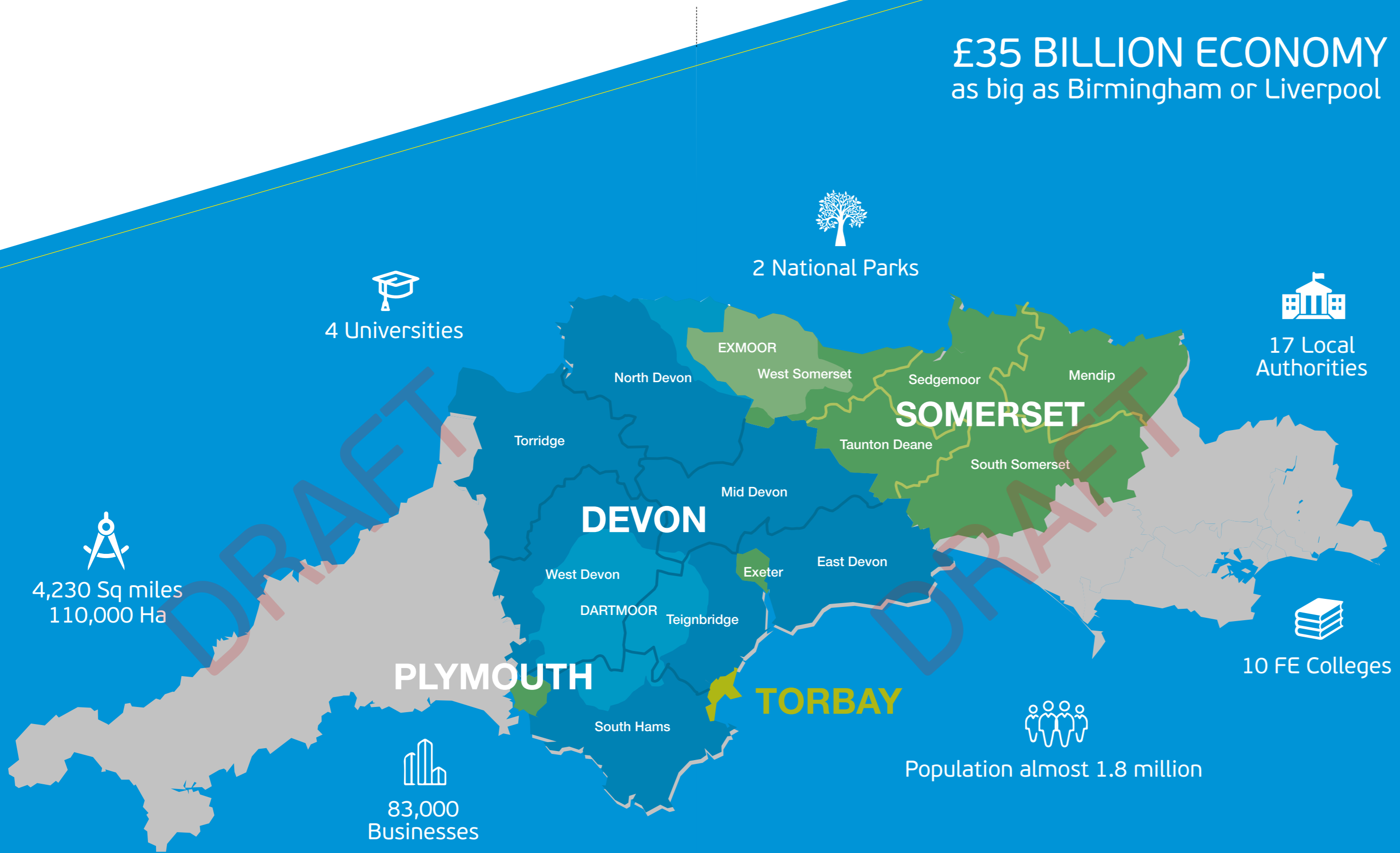
4,230 Sq miles
110,000 Ha

PLYMOUTH

83,000
Businesses

Population almost 1.8 million

10 FE Colleges



The potential within the Heart of the South West is enormous

These opportunities are a route map to transforming the productivity and prosperity of one of the most beautiful parts of the country; to raise living standards across cities, towns, villages and hamlets, in rural and coastal areas.

The Heart of the South West Partnership is investing and working locally to make this potential come to life, and it can be truly realised by addressing some of the long-standing strategic connectivity challenges the area faces.

Our strategic transport links across road and rail need significant improvements to better connect businesses to markets and strengthen resilience; Investment is needed to better connect our communities to local opportunities; and superfast and 5G connectivity will open up national and global markets for business.

The Heart of the South West LEP is working with its partners to develop the distinctive opportunities that the area has to offer as investment-ready propositions that have the potential to increase productivity and align with the national Industrial Strategy at a local level.

The Heart of the South West area presents many opportunities, some of them are termed as “**TRANSFORMATIONAL**” meaning that they present the most potential for high value growth for The Heart of the South West. Others are “**BEDROCK**” opportunities, which are the traditional sectors that the area relies upon as mature, sustained economies.

The five opportunities that have been developed into robust propositions are: marine, nuclear, photonics, high value tourism and farming, food and fishing. However, the LEP and the Heart of the South West Joint Committee are working in partnership to present further important propositions in spring 2019 which will include aerospace, creative industries, big data, defence and construction.

Delivering Productivity Growth



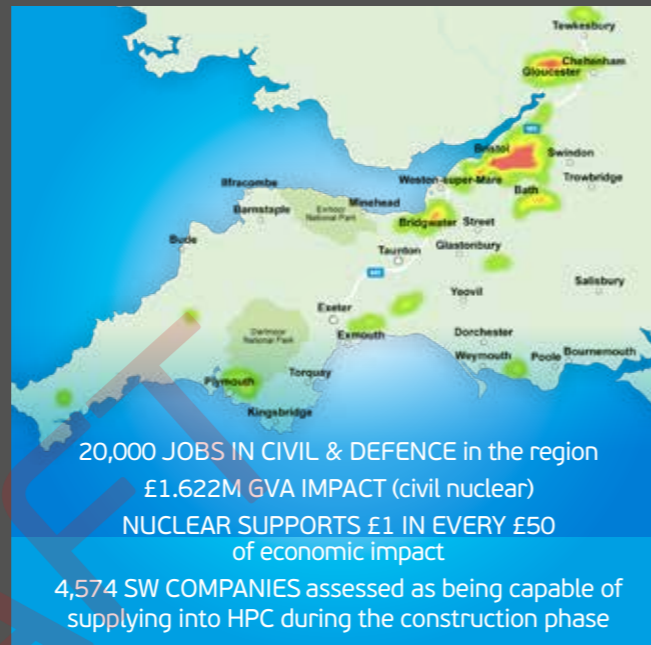
The strategic themes relevant to all of the sectors are:

Leadership and Ideas; Employment, Skills and Learning; Housing; Connectivity and Infrastructure. Cross-cutting themes are: Digital, Inclusive Growth and Natural Assets.



1 ADVANCED ENGINEERING NUCLEAR

Hinkley Point C and the nuclear defence sector represent an opportunity to develop a world-class advanced engineering supply chain, offering highly skilled jobs and global export potential for existing and new businesses. Alongside this, wider supply chain and job opportunities exist around the construction of Hinkley Point C.



The UK's nuclear sector is a £50 billion opportunity, up to £15 billion of which could be delivered by South West companies.

New-build nuclear power stations in the UK and globally are creating engineering, construction and other supply chain opportunities. Civil and defence nuclear decommissioning, especially in submarines, are opening up a multi-billion pound growing market.

Partners across the Heart of the South West are already investing to maximise the potential of this opportunity.

- Working with partners across the South West and Wales, investment in developing the supply chain is enabling many businesses to understand the market, attain the certification needed and win new contracts in advanced engineering and other sectors
- **An extensive skills infrastructure has been developed** which includes the National College for Nuclear in Bridgwater



- the Somerset Energy & Innovation Centre provides strong linkages with the world-class nuclear research capability in the University of Bristol and wider West of England area
- Huntspill Enterprise Zone near Bridgwater will provide a world-class location for businesses across the spectrum
- Nuclear South West provides a clear private sector voice alongside EDF and other major primes

Our Proposition for Transformational Delivery

An excellent start has been made but there is more to do to unlock this opportunity. This includes:

- Supply chain development: **long-term investment** to support businesses in accessing this market and secure the engineering and export legacy and expand the successful civil programme to the defence sector
- Nuclear innovation: securing a Strength in Places bid to bring the full capability of the University of Bristol and partners to work with businesses in developing new products and services to solve challenges in the nuclear supply chain
- Skills development: securing an Institute of Technology in Heart of the South West and Cornwall & the Isles of Scilly. Working across multiple sectors the IoT will create a pool of high level engineering and digital talent to support growth in South West businesses
- Infrastructure: funding to improve capacity at J23 of the M5 to reduce congestion, support economic growth in the area and development of Hinkley Point C

Contributing to the National Industrial Strategy



Ideas

Generating new products and services in the civil and defence nuclear market



People

Creating high skill, high value jobs for the South West



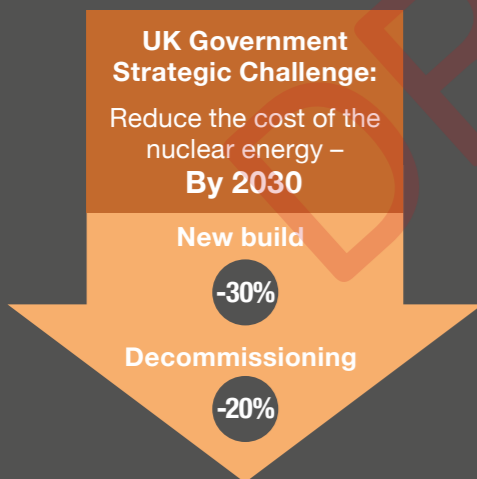
Business Environment

High quality facilities at the Innovation Centre and Enterprise Zone



Infrastructure

Hinkley Point C: a multi-billion pound investment in the UK's strategic energy infrastructure



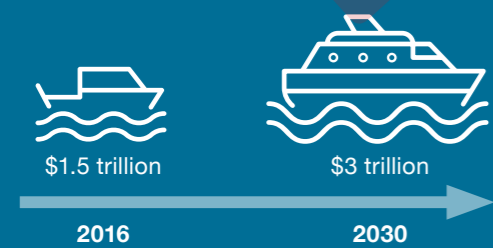


2 MARINE

The UK's southern coast is exceptionally well placed to capitalise on the doubling of the global marine economy to 2030, expanding a high value, research intensive cluster to be a globally significant location.

The Marine and Maritime sector contributes £2.5 Billion to the South Coast economy each year. The cluster stretches across the southern coast of the UK from Cornwall & the Isles of Scilly to Hampshire and the Solent and includes coastal and inland communities. Globally significant companies and a rich seam of SMEs are located across the area. World class research institutions excel in marine and environmental technology and advanced manufacturing. The coastline has a globally distinctive and unique set of natural assets for product development and testing.

Global Economy Growth



MARINE AND MARITIME INDUSTRY ACCOUNTS FOR 8% OF UK GVA AND 10% OF EMPLOYMENT – More than any other UK cluster
THE STRONGEST REGION FOR MARINE RESEARCH IN THE WORLD
THE AVERAGE JOB IN THE MARINE INDUSTRY GENERATES £65,000 IN GVA – above the UK-wide level of £50,800

Three major opportunities for the South West...



Marine Manufacturing

- The cluster accounts for 1 in 4 UK marine jobs
- UK market worth £7.6 billion per year

Offshore Renewables

- UK market to rise to £2.9 billion pa by 2030
- The cluster accounts for 10% of the UK's offshore renewables sector

Marine Autonomy

- A strategic growth opportunity: marine autonomy global market to grow to \$136 billion over the next 15 years
- UK is forecast to secure a 10% share. The majority of marine autonomy platform developers in the UK are located on the south coast

The Heart of the South West area accounts for 7.5% of the UK's marine and maritime sector



Investment has been significant

- Oceansgate Enterprise Zone in Plymouth and the Marine Business Technology Centre provide waterfront access for businesses, links to the world-class research institutes and an in-sea test facility for marine autonomy
- A strong cluster group is developing a comprehensive strategy across the whole south coast
- The cluster is working with Maritime UK to develop a marine and maritime sector deal

Our Proposition for Transformational Delivery

The potential for high value jobs and business growth is huge, giving access to global markets. Realising this requires:

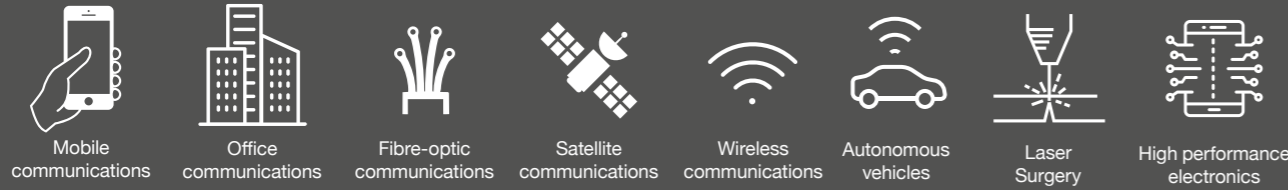
- Long term sector support: secure the Marine and Maritime sector deal with Government, including a strong south coast component
- Developing new products & services and expand the marine autonomy offer to add:
 - A Strength in Places bid enabling close cooperation between world-class research institutions and business to develop new products and services
 - A Geovation Innovation Hub enabling the world-leading data scientists in Taunton's UK Hydrographic Office to work with businesses
- World-class premises: funding to complete the Oceansgate Enterprise Zone, open the waterfront access in the site and enable the Zone to become self-funding
- Skills development: secure an Institute of Technology (IoT) in Heart of the South West and Cornwall & the Isles of Scilly. Working across multiple sectors the IoT will create a pool of high level engineering and digital talent to support growth in South West businesses

Contributing to the National Industrial Strategy

- Ideas**
New products and services for the rapidly expanding global marine market
- People**
New higher value, higher skilled jobs
- Business Environment**
World-class facilities for business to develop, test and sell new products and services
- Places**
Bringing new jobs and opportunities to communities across the south of the UK
- AI & Data Economy**
Maximising the potential of the data at the UK Hydrographic Office to extend this global excellence to business
- Future of mobility**
Leading development of the marine autonomy sector



3 PHOTONICS

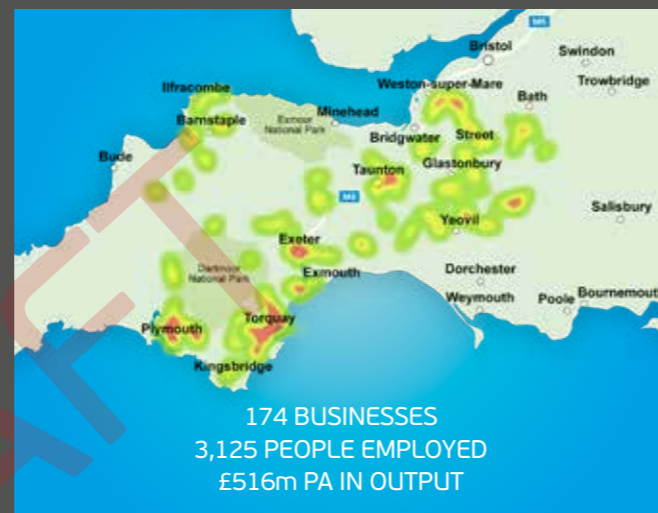


Photonics drives the modern world. It is the technology of light, key to smart phones, data, 5G, photovoltaic cells, autonomous vehicles, laser surgery, lighting, LEDs, cameras, fibre optics and many other future technologies. The Heart of the South West has 4% of the UK photonics industry and is already driving growth.

The global photonics industry almost doubled from £228 billion in 2005 to £447 billion in 2015. The UK photonics industry is worth around £12.9 billion and is forecast to grow at around 8-10% per year.

The Heart of the South West accounts for 4% of the UK sector. Over 170 companies across the area employ more than 3,000 people with research excellence in:

- Microwave photonics
- Quantum optics
- Photonic integrated circuit packaging



The area is home to the R&D facility of one of the fastest growing companies on the Silicon Valley Index in 2017. Around Torbay, the industry leads the Hi-Tech Forum, which has an industry and academic work programme delivering and identifying skills needs and outreach activities between industry and schools.

£8m has been invested in the Electronic and Photonics Innovation Centre in Torbay (EPIC). This will be a state of the art centre of excellence for innovation in microelectronics and photonics.

Complementary markets across the South West where photonics plays a key role as an enabling technology present major growth opportunities. These include the supply chains in marine, aerospace, nuclear, defence and space applications.



Contributing to the National Industrial Strategy



Ideas

New products and services to deliver to an expanding global market



People

A skills infrastructure to match industry need with local provision



Business Environment

Delivering world-class innovation facilities



Places

Creating new high value jobs across the Heart of the SW, including some of its poorest communities



AI & Data Economy

New optical communications have the power to deliver more data in real-time. Key to Superfast broadband, supporting the growth of data centres, along with 5G technology and the next generation



Clean growth

Next-generation photovoltaic technologies and LED lighting that can be integrated into buildings. Wider adoption of highly efficient laser-cutting marking and welding in manufacturing. More efficient photovoltaic cells



Future of mobility

Leading development of the marine autonomy sector



Ageing population

Photonics is critical for non-intrusive predictive preclinical diagnosis enabling efficient healthcare delivery in the community. Laser surgery is being continuously improved to reduce the downtime of patients

Our Proposition for Transformational Delivery

Highly skilled jobs can be created and businesses expanded to reach global markets in multiple sectors. To secure this we want ...

- New products and services – develop an integrated photonics design facility in conjunction with the University of Southampton
- Skills development – develop a Hi-Tech & Digital degree programme and strengthen the Higher Education offer with additional HE status and degree awarding powers in Hi-Tech & Digital degree subjects
- To support and attract businesses – develop a business accelerator programme to help existing businesses grow and offer a soft-landing package to new businesses coming to the area
- World-class facilities – photonics requires specialist vibration-free facilities and further investment in EPIC and other local employment sites will strengthen this offer

4 FARMING, FOOD AND FISHING

Farming, Food and Fishing is the opportunity to capitalise on our existing strengths in land management food production to create prosperity across the area.

The distinct opportunity in the Heart of the South West

The Heart of the South West has a rich farming, food and fishing heritage, producing a wide range of products from both small artisan producers to internationally recognised names such as *Riverford Farm*, *Yeo Valley*, *Sheppy's Cider* and many more.

We are known for:

- Livestock and Dairy, the South West raises 1/3 of England's cattle and produced 3bn litres of milk/year
- Ports and fishing with ports in the peninsula landing £68.2m catch in 2015
- Sustainability and pioneering approaches to land management
- Our nationally significant research assets, which are pioneering innovative agri-tech solutions



The sector is experiencing significant changes:

Brexit is expected to provide a once-in-a-lifetime opportunity for fundamental reform of direct support arrangements including a greater focus on public goods such as environment.

At the same time, the digital age is bringing about new opportunities to use **technology and automation**

Contributing to the National Industrial Strategy



Ideas

Using data and digital applications to transform the industry



Business Environment

Tackling low productivity and improving sector performance



People

Improving the skills of the workforce and SMEs

Our Proposition for Transformational Delivery

Our vision for the farming, food and fishing sector is to develop a world leading, internationally recognised proposition, that is known for its high quality, healthy, competitive and sustainable produced products.

Working together with our partner LEPs, we are developing proposals for a 'Rural Productivity Partnership' with Government. Our proposals address five key priorities:



Our ask of Government is to work in partnership with us to co-design our 'Rural Productivity Partnership Proposals'. These currently include ideas to:

- Boost exporting by developing exporting supply chains and overcoming practical barriers
- Pilot new ways to deliver business advice to the sector and enhance our natural capital
- Boost innovation through regional collaboration to transform food production
- Upskill our workforce through the development of a Virtual Skills Academy





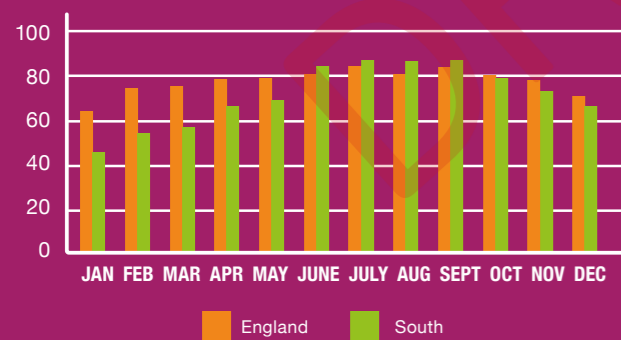
5 HIGH VALUE TOURISM

High value tourism is our ambition to secure greater economic value from tourism through extending the season and reaching new, high value, markets.

The distinct opportunity in the Heart of the South West

The Heart of the South West attracts 6.5m trips per year, resulting £1.4bn visitor expenditure. Employing approx 12% of our workforce, it is vitally important to us. This volume reflects the breadth and depth of our tourism offer.

The South West Rural Productivity Commission Report highlighted the importance of the sector and the scope for improving productivity – particularly through extending the season. The graph below highlights the difference in room occupancy between the South West and the rest of England.



Source: Visit Britain



BRINGS IN £8.1bn EXPENDITURE
210,000 PEOPLE EMPLOYED
£3.75bn GVA

Contributing to the National Industrial Strategy



Ideas

Using data and digital applications to create tomorrow's experiences



Business Environment

Tackling low productivity and improving sector performance



People

Creating year-round opportunities and improving skills



Our Proposition for Transformational Delivery

Our vision for the tourism sector is to make the peninsula an exemplar of high value sustainable tourism, 365 days/year.

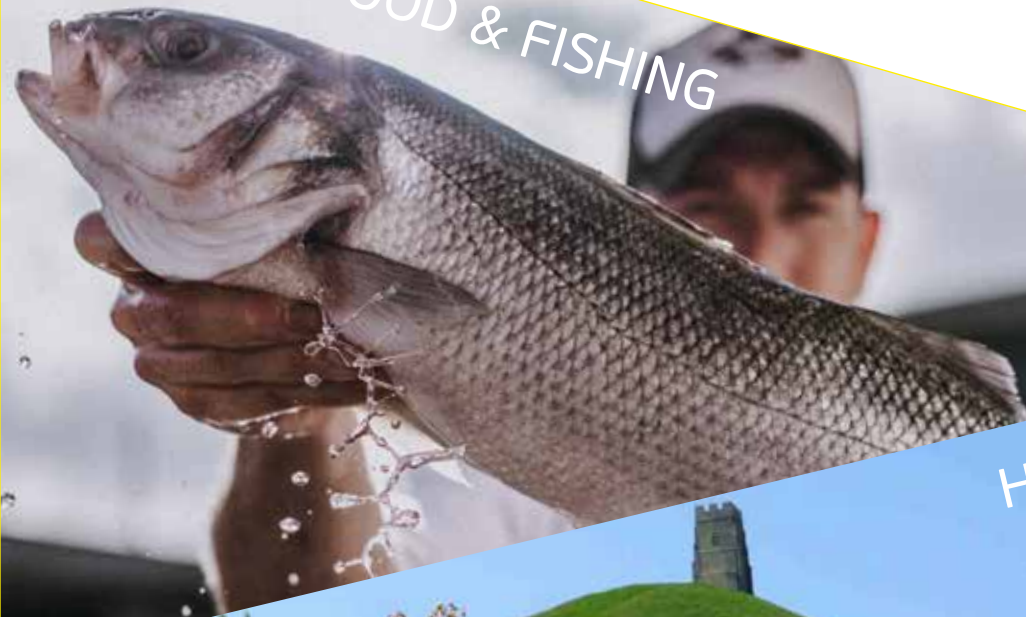
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- Capitalise on big data and digital solutions to provide new, immersive experiences for our visitors as well as new insights and intelligence for both businesses and destinations alike
- Capitalise and protect our natural assets, such as the South West Coastal Path by creating visionary tourism zones that bring together people, wildlife and economic opportunity
- Improve skills through the development of a Virtual Skills Academy
- Maintaining and enhancing our tourism infrastructure and natural assets

FARMING, FOOD & FISHING



HIGH VALUE TOURISM



ADVANCED ENGINEERING - NUCLEAR



MARINE



PHOTONICS