

## HotSW Joint Committee

Meeting date – 25 May 2018

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### HEART OF THE SOUTH WEST PRODUCTIVITY STRATEGY DELIVERY PLAN

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#### 1. Summary

- 1.1. This report sets out the proposed approach to the Heart of the South West Productivity Strategy's Delivery Plan.

#### 2. Recommendations

2.1. **The Joint Committee is recommended to:**

- (a) **Adopt the proposed approach to identifying and commissioning programmes of activity that will form the Delivery Plan.**
- (b) **Agree that the Delivery Plan focuses on the opportunities highlighted in the paper.**

#### 3. Reasons for recommendations

- 3.1 To enable the Heart the South West Partnership to agree our delivery opportunities and move to detailed planning; to include identifying potential to align our local resources and identifying the potential to secure further external investment.

#### 4. Background

- 4.1 The Productivity Strategy was approved by the LEP Board and the Joint Committee in March<sup>1</sup> and the focus over the coming months is to develop the Delivery Plan. At the last meeting, the Joint Committee also agreed a set of principles for the Delivery Plan. These were that the Plan should:

- Be outcomes driven

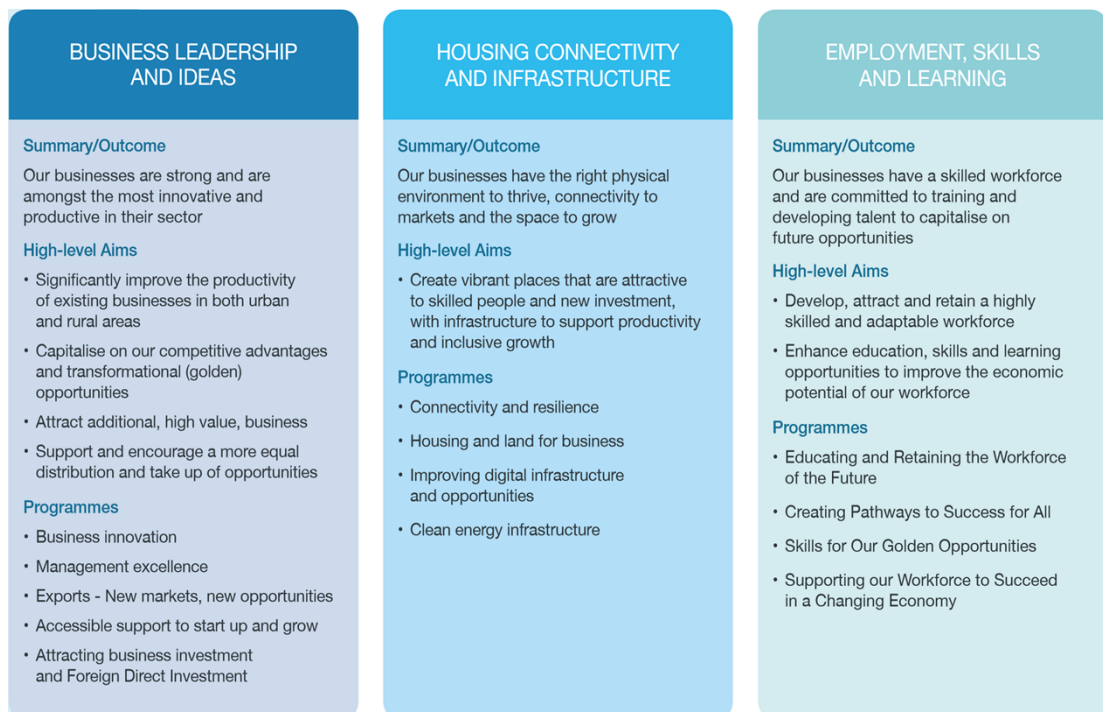
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<sup>1</sup> The final Strategy is available on the LEP website at <https://heartofswlep.co.uk/wp-content/uploads/2018/04/HeartoftheSouthWestProductivityStrategy.pdf>

- Be programme level, not projects
- Reflect different spatial geographies
- Recognise our diversity
- Be multi-layered and multi-dimensional
- Have a “Core Offer” available in all areas
- Be based on transformational opportunities
- Demonstrate “additionality”

4.2 Whilst the Strategy and Delivery Plan are jointly owned by the Joint Committee and LEP Board, the partnership as a whole contains numerous sub-geographies which will vary depending on particular issues; for example coastal areas may work together on one priority whilst a city-region may focus on another. In line with the adopted principles, the Delivery Plan process will respect this and enable different areas to progress at different speeds as wanted by partners in those areas, meaning that programmes are tailored to specific circumstances.

4.3 The Strategy is grouped around three strategic and three cross cutting themes; the graphic below shows the three strategic themes and the high level aims and programmes within them.



4.4 The Delivery Plan will be based on these high level programmes, as identified in the Strategy. Two stages are needed to move from the programmes to delivery; the first is to develop outcomes the programmes will realise, the second to set out how the outcomes will be achieved. More detail on these stages is set out below. Whilst there is clearly already a lot of work ongoing across the Heart of the South West at different levels, the ambition in the Strategy is to refocus our efforts and ensure that we are making the most of those things that will have the greatest impact on raising

productivity and improving prosperity, whilst also satisfying our cross-cutting themes of capitalising on our distinctive assets, maximising the potential from digital technology and inclusive growth for communities and places.

4.5 The Delivery Plan will reflect the fact that activity is already underway, however as a partnership we need to focus on what we will do differently in the future to 'step up to the challenge'. This may mean exploring different ways of working locally to better align our efforts and resources within the area. This will also mean working with different partners and Government departments and ensuring we have the right funding in place for new programmes of work. Consequently much of the work we need to do is yet to be defined. Feedback from previous discussions has also highlighted the following considerations

- The Delivery Plan must be outcome focussed with clear linkages between the activity and the outcomes we are aiming to achieve, including having a good understanding of what has worked in the past
- We must recognise that there will be interdependencies between programmes of activity and build this into our model.
- Alignment with the national Industrial Strategy, (the 5 pillars and 4 grand challenges) will ensure that we are in tune with Government policy and funding opportunities as they arise. This will mean adopting a strong innovation-driven approach.

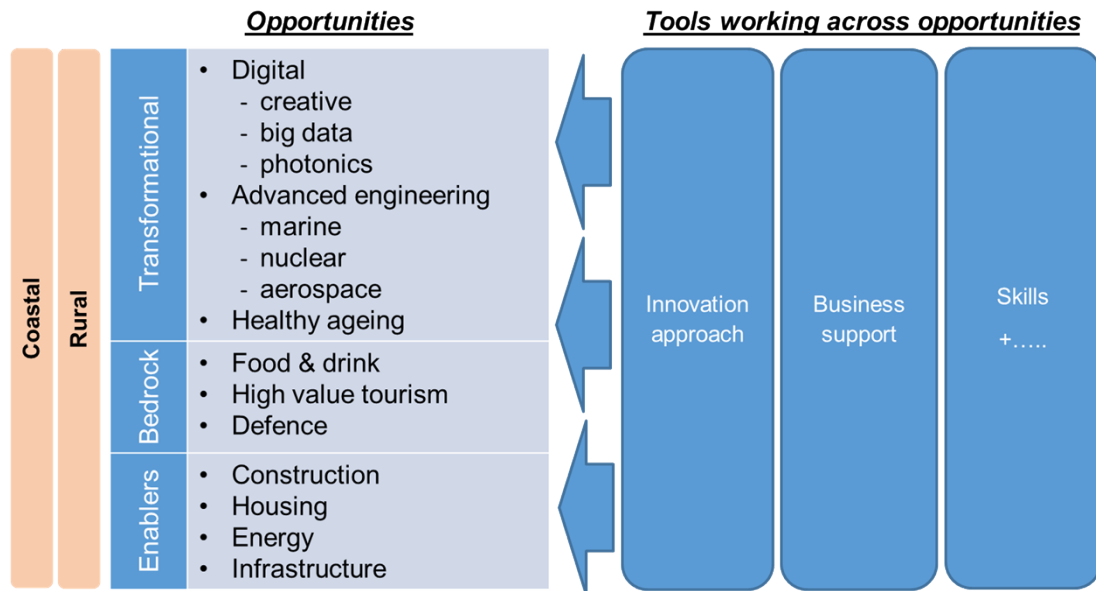
## **5. Outline Approach**

5.1 The programmes in the table above give a starting point around which to structure the Delivery Plan, however these need to be better articulated if we want to be able to gauge our progress. Over the last six weeks, there have been a number of workshops and meetings with chief executives, senior officers and the LEP management team and Board members to develop the outcomes - statements that describe what 'good' looks like; alongside these outcomes 1-2 measures will be identified to gauge progress. For example, 'Business Innovation' may have an outcome such as 'HotSW businesses to be recognised as the most innovative in the country', measured by percentage of turnover invested in R&D. This is an example only and more work is being done to develop these.

5.2 The outcomes are the starting point. The key focus of the delivery plan will be a suite of opportunities which reflect the specific potential of the Heart of the SW area, and the activity required to realise these opportunities. Each opportunity will be judged against the outcomes to ensure they are delivering to the themes and overall ambition of the Productivity Strategy.

5.3 A potential set of HotSW opportunities is set out below. Each opportunity will form a compelling commercial proposition, a clear reason for investing in the Heart of the SW area, supported by the key investments needed to realise this. This approach is aimed both at being clear on our collective priorities across the partnership and in creating significant propositions to Government and other funders.

5.4



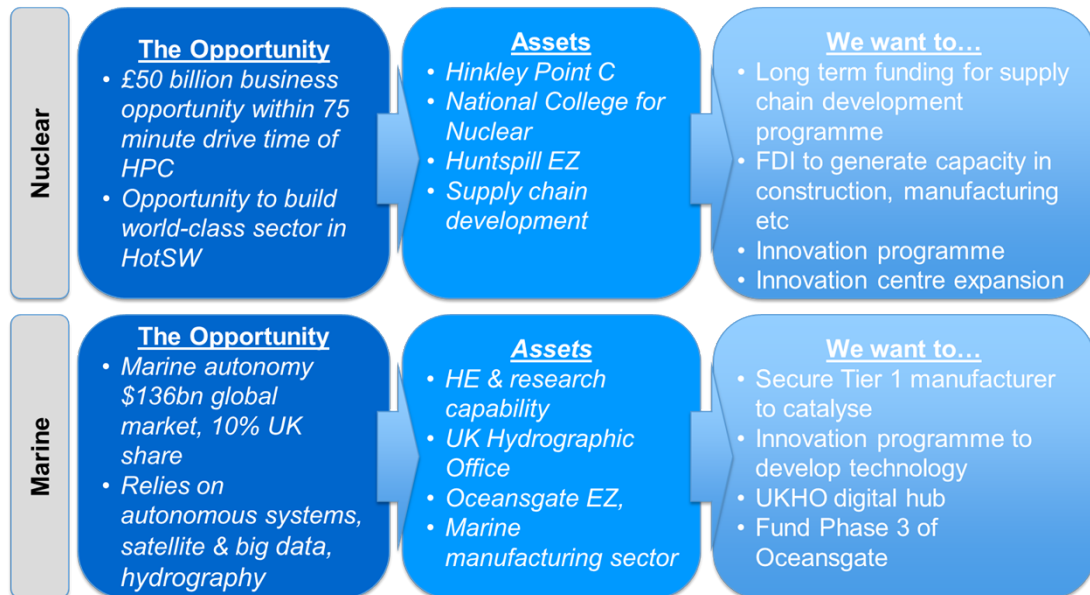
5.5 Transformational opportunities are those which have the potential to create a step change in the area's productivity. Bedrock are parts of our economy which are highly significant but which may not offer quite the same high productivity outputs. Enablers are critical priorities within the area which need investment to ensure the other opportunities can be realised.

5.6 To ensure rural and coastal priorities are met, each opportunity will need to consider how it will deliver across these geographies but it may also be necessary to simultaneously wrap these into a coastal or a rural package if required to make our case. This is currently happening with the follow-up work to the Rural Productivity Commission where priorities in digital, food & drink and tourism are being focused on across multiple LEP areas under the rural banner.

5.7 Flexibility will be key as funding may not always neatly match our opportunities and partners or the partnership as a whole will want to develop bids for other funding that may become available for activity that was not specifically included in the delivery plan.

5.8 Some important components, such as innovation, also cut across most or all of the opportunities and a coordinated approach to this with universities, research partners, Innovate UK and the LEP will be needed. Similarly, the partnership's approach to business support or skills may also cover multiple opportunities.

5.9 The approach ensures that the extensive assets in the area are matched to a compelling reason to invest and ensuring the partnership has a ready pipeline that can be targeted at future funding as it becomes available. For example, the Advanced Engineering proposition is proposed to include both nuclear and marine and could look as below – each opportunity is clearly quantified, the assets in the area recognised the further interventions needed set out. Note that this is an example only and will be developed further:



5.10 The full Delivery Plan will need to include milestones for the various pieces of work that fall under each opportunity and reflect the current discussions being held with Tony Bray. The Plan will also capture existing work already under way. A draft of how the plan could be laid out is shown in the Annex.

## 6. Next Steps

6.1 Subject to Joint Committee agreement, the Policy & Technical Support Group, working with the LEP and other key partners, will now take forward developing the opportunities which will then need to be tested and refined through engaging across the area, before bringing back to a future Joint Committee. The Policy Group is therefore a key mechanism to ensure coordination between the Joint Committee and LEP strands of work.

## 7. Equalities Implications

7.1 There are no equalities implications associated with this report.

## 8. Other Implications

### 8.1 Legal:

There are no specific legal implications associated with this report.

### 8.2 Financial:

An investment framework will flow from the identification of our opportunities and our compelling commercial propositions to Government and other funders. As stated earlier a flexible funding approach will be required to deliver our opportunities and we will need to be open to pursuing funding opportunities as they become available.

### 8.3 HR

No implications.

**8.4** Risk

The key risks to the Joint Committee and the wider partnership working agenda of a failure to progress the Delivery Plan as planned would be to the delivery of our ambitions set out in the Productivity Strategy. The impact of this would be significant in our communities and for the partners associated with the Joint Committee. This damage would go beyond reputational to wider damage to the ambitions of the partners. Future levels of funding to the public sector in Devon and Somerset could be impacted as the Government and other organisations lose confidence in the ability of partners to deliver on promises.

**8.5** Health and Well-being

No implications.

**8.6** Health and Safety

No implications.

**8.7** Sustainability

No implications.

**8.8** Community Safety

No implications.

**8.9** Privacy

No implications.

**9. Background papers**

9.1. None

## Annex

The matrix below shows what an opportunities-based delivery plan could look like and how the existing work is captured within this. Note that this is a draft only and is not intended to be a comprehensive plan. Subject to Joint Committee agreement of the overall approach a fuller picture will be developed in the coming weeks.

	<b>Opportunity</b>	<b>Existing High-Level Activity (includes Tony Bray workstreams)</b>			<b>Future Activity</b>		
Transformational	Digital - creative - big data - photonics	<ul style="list-style-type: none"> <li>• iHeritage (UoP, UoE)</li> <li>• Digital infrastructure (TB)</li> </ul>	<ul style="list-style-type: none"> <li>• Ideas – Innovate UK MOU (TB)</li> <li>• Employment &amp; skills workstream (TB)</li> <li>• x-LEP rural productivity commission follow-up</li> <li>• Rural productivity workstrand (TB)</li> <li>• Coastal productivity workstrand (TB)</li> </ul>		<ul style="list-style-type: none"> <li>• Develop Environmental Data Institute</li> </ul>		
	Advanced engineering - marine - nuclear - aerospace	<ul style="list-style-type: none"> <li>• Nuclear SW &amp; Nuclear sector deal</li> <li>• National College for Nuclear</li> <li>• South Coast Marine Cluster</li> </ul>			<ul style="list-style-type: none"> <li>• Nuclear innovation programme</li> <li>• UKHO digital hub</li> </ul>		
	Healthy ageing	<ul style="list-style-type: none"> <li>• Medical schools &amp; UoP Life Sciences scoping</li> <li>• UoE drugs trials</li> </ul>			<ul style="list-style-type: none"> <li>• Scoping research to quantify the opportunity</li> </ul>		
Bedrock	Food & drink						<ul style="list-style-type: none"> <li>• Develop offer through rural strand</li> </ul>
	High value tourism						<ul style="list-style-type: none"> <li>• Develop offer through rural strand</li> </ul>
	Defence						<ul style="list-style-type: none"> <li>• Maximise defence legacy for advanced engineering sector</li> </ul>
	Construction	<ul style="list-style-type: none"> <li>• Construction skills working group (LEP)</li> </ul>	<ul style="list-style-type: none"> <li>• Construction bid to ISCF</li> </ul>				
	Housing	<ul style="list-style-type: none"> <li>• Housing workstrand (TB)</li> </ul>	<ul style="list-style-type: none"> <li>• Innovative funding mechanism to unlock housing development</li> </ul>				
Enablers	Energy	<ul style="list-style-type: none"> <li>• Energy strategy in development (LEP)</li> </ul>					
	Infrastructure	<ul style="list-style-type: none"> <li>• Digital infrastructure (TB)</li> <li>• Growth corridor study</li> <li>• Sub-national transport board</li> </ul>			<ul style="list-style-type: none"> <li>• Digital infrastructure investment</li> </ul>		