

Heart of the South West LEP

Enterprise Zones Assessment Panel Feedback

Assessment Panel

Paul Taylor, Head of Strategy & Operations, Heart of the South West LEP
Barbara Shaw, Board Director and Chair of Place Leadership Group, Heart of the South West LEP
Nick Ames, Board Director and Chair of Business Leadership Group, Heart of the South West LEP
Ian Knight, Head of Area, Homes & Communities Agency

Declarations of interest

At the start of the meeting Panel members declared potential conflicts:

Paul Taylor, Barbara Shaw, Nick Ames – involvement in Growth Deal funding programme management including projects linked to a number of the EZ proposals

Ian Knight – HCA investment in the Science Park east of Exeter

Summary of Assessment process

The Panel received a 15 minute presentation from each proposal team and then conducted questions for 30 minutes. The proposals were assessed against the criteria in the Government's Application Form, under three headings: strategic fit; value for money; implementation.

Each proposal was scored out of five on each of these criteria, where:

- 1: No evidence is provided. The criterion is not met.
- 2: There is little evidence. The criterion is met in part.
- 3: There is satisfactory evidence. The proposal meets minimum requirements.
- 4: There is good evidence. The proposal exceeds minimum requirements.
- 5: There is excellent evidence. The criterion is fully understood and the proposal surpasses expectations.

Summary of Outcome

All 5 proposals were deemed to have met the minimum criteria and therefore have potential to be a new Enterprise Zone for the Heart of the South West. We are extremely grateful for the hard work that had gone in to both the draft applications forms and the presentations given, and the time taken on the day. See appendix below for detailed scores.

Name of Proposal	Total Score (out of a possible 15)	Rank
Digital Innovation Gateway South West (Taunton)	9	3 rd
Exeter & East Devon Enterprise Zone	11	2 nd
Hinkley Enterprise Zone (Bridgwater)	13	1 st
Northern Devon Enterprise Zone	8	5 th
Western Growth Zone (Torbay)	9	4 th

Recommendation

It is recommended that the LEP support an application from the first and second ranked proposals, namely **Hinkley Enterprise Zone** and **Exeter & East Devon Enterprise Zone**.

The Panel felt that given Government is encouraging multi-site Enterprise Zones, and that both of these proposals have a focus on innovation and productivity linked to transformational opportunities (Environmental Futures and Nuclear) in the SEP, they could easily be linked to form a strong proposal with two distinct and complementary offers linked by common themes and support packages for businesses. A combined proposal would also link with the Government priority on rural and smaller town EZs, with the Hinkley proposals stimulating growth in rural Somerset north of Bridgwater, and the Exeter and East Devon

proposal supporting the further growth of a new town in a previously rural location, albeit linked to the expansion of Exeter city.

If this recommendation is accepted and a combined single application can be achieved in the time now available, we would also like to see the **Digital Innovation Gateway (Taunton)** site added to the proposal.

Based on the preliminary data presented by the proposal teams, this combined application would represent an Enterprise Zone of circa 200 Hectares, with a projected business rate income of £225million over the 25 year life of the Zone.

If this application was successful, the LEP area would have 3 Enterprise Zone locations: Plymouth, Exeter, Bridgwater – each focused on one of smart specialism / transformational opportunities – marine, environmental futures, and nuclear, respectively. With a package of support to stimulate productivity-led growth in these sectors, in these locations, but also enabling all parts of the Heart of the South West area to link in and access support, the panel felt we would have an extremely compelling proposition to Government.

Appendix A: Detailed scores

Digital Innovation Gateway South West (Taunton)		
Criterion	Score	Comments
Strategic economic fit	3	Good fit with SEP and productivity – high value jobs and innovation emphasised.
Value for money	3	Demand evidence from high tech firms eg Atom Cars; opportunity to develop site linked to A358 improvements
Implementation	3	Delivery team to be put in place including Councils, Highways England, Environment Agency, LEP and landowner
Overall strong proposal linked to investment in A358 and LEP investment in Junction 25, both of which open up land for development. At 10-13 Ha the scale was a concern for the panel, who felt a less conservative option drawing in larger/more parcels of land in the vicinity, could have been explored. However we understand the concerns about the exact route of the new A358 and how this may impinge of any site. Good level of synergy with both Hinkley EZ and Exeter & East Devon EZ proposals which could be explored further.		

Exeter & East Devon Enterprise Zone		
Criterion	Score	Comments
Strategic economic fit	4	Very good fit with SEP and smart specialisation in environmental futures and big data, for eg. Proposal focused on innovation and creating higher value jobs
Value for money	3	Proposal appears to be have very strong potential to generate significant returns – further analysis required.
Implementation	4	Growth Point team with strong track record of delivery and underpinned by partnership between local authorities
Proposal fits extremely well with the SEP both in terms of the need to raise productivity and drive growth but also in terms of the transformational opportunity in environmental futures. Investment is being made by the LEP and other partners in the Science Park and any EZ would help unlock these opportunities, whilst also supporting rebalancing of growth at Cranbrook towards economic and employment uses to catch up with major housing growth.		

Hinkley Enterprise Zone (Bridgwater)		
Criterion	Score	Comments
Strategic economic fit	5	Excellent strategic fit. Hinkley is a major transformational opportunity and the EZ directly addresses major risk of a lack of space for Hinkley supply chain firms to locate.
Value for money	4	High levels of demand clearly evidenced through size of UK /international markets for new nuclear and reports that industry is considering sites much further away to service Hinkley.
Implementation	4	Landowner (BAE) working very closely with Council team to ensure delivery. Majority of remediation complete, EZ will fund final remediation and site servicing.
The proposal is an excellent fit with the SEP and the material provided and presentation given provided a high quality of evidence to support the criteria. Hinkley Point C will be the largest construction project in Europe and in conjunction with Bristol and the Oldbury development there is an opportunity to create a new nuclear cluster. Currently, however, there is a severe risk that a lack of space for Hinkley supply chain firms will see opportunities lost. This proposal both addresses a high risk short term need and supports the longer term transformational opportunity.		

Northern Devon Enterprise Zone		
Criterion	Score	Comments
Strategic economic fit	3	Good fit based on links with marine industries and manufacturing. Alignment with investment in the A361 and emphasis on rural multi-site EZs in guidance.
Value for money	2	Scale of sites overall would generate a much smaller return on investment than other proposals.
Implementation	3	North Devon Plus and Employment & Skills Board to work with Councils.
<p>Whilst the panel is sympathetic to the economic challenges in North Devon, it was felt that an Enterprise Zone isn't necessarily the tool that will deliver a step change in delivery. Of the 8 sites, a number are already serviced and ready to be developed, and the plan would be to use returns from those sites to invest in those currently without infrastructure. Risk that if demand is not currently there to fill serviced sites could it be stimulated sufficiently to ensure business rate returns to the LEP? Also the scale of the opportunity is small compared to other proposals. Panel extremely interested though in the marine industries opportunity presented by Yelland, and would like the LEP to work closely with North Devon to explore this further.</p>		

Western Growth Zone (Torbay)		
Criterion	Score	Comments
Strategic economic fit	4	Very strong strategic fit with the SEP based on electronics and photonics smart specialism and need for higher value jobs.
Value for money	3	EZ would have a positive impact and stimulate some growth however overall quantum of rates return relatively limited compared to others
Implementation	2	TDA track record of delivery, however real concern about supermarket owner of one of the sites preventing delivery.
<p>The strategic importance of these developments to the LEP should be reinforced, and the Claylands opportunity in particular to continue to seek funding from the LEP's Unlocking Growth Fund. The LEP is also investing in the EPIC Centre in Paignton and recognises the value of the electronics and photonics cluster to the area. However due to the overall scale of the proposal and the business rates to be generated, and some real concerns over the ownership of one of the three sites being an impediment to delivery, the panel felt that this was not quite right for EZ designation at this stage, when assessed against other proposals.</p>		

APPENDIX B: Summary of Enterprise Zone proposals

Text from draft application forms

Digital Innovation Gateway South West, Taunton

This proposed Enterprise Zone occupies a highly prominent location at the interface of the M5 Junction 25 (Taunton) and A303/358 corridor, providing superb transport connections throughout the South and with the rest of the UK. The Enterprise Zone will form the first phase (10 ha) of the proposed new Strategic Employment Site at this location. The DIG SW Enterprise Zone will be a catalyst for achieving transformational growth in higher value digital and knowledge-based industries, in Taunton, Somerset and the wider Heart of the South West (HotSW) LEP area. It is currently a 'greenfield' site at an advanced stage in the pre-planning process, with evidence of strong commercial demand. Enterprise Zone status is sought to drive transformational growth as stated above, with enabling investment required in hard and soft infrastructure as part of the commercial proposition.

Exeter & East Devon Enterprise Zone

The proposed Enterprise Zone is located to the east of Exeter in East Devon district, close to junction 29 of the M5 and the A30. The zone covers 129 hectares across 5 sites, these are:

- *Science Park*
- *Sky Park*
- *Cranbrook (employment space)*
- *Airport and Airport Business Park*
- *Intermodal Freight Terminal*

This geography has been determined based upon the sites being deliverable and likely to result in increased business rate growth. It is clear that the proposed Enterprise Zone will support the delivery of these 5 employment sites and also support the delivery and growth of the sub region more widely.

Science and technology has been as the key sector for the Enterprise Zone. This is a good fit for existing and emerging activities within the east of Exeter area, and will support the development of Innovation Exeter.

Hinkley Enterprise Zone

The Hinkley Enterprise Zone seeks to capitalise on the development of the first new nuclear power station to be built in the UK in a generation, by bringing forward Huntspill Energy Park, the South West's largest allocated brownfield site.

A 225 acre site located alongside the M5 motorway, and crucially 12 miles from Hinkley Point, Huntspill Energy Park is currently allocated for employment usage, with a specific focus upon low carbon and other energy sector investment. The site benefits from an active consent for 180,000 sq metres of employment space, including provision for primary energy generation on site, as well as related logistics, servicing and industrial uses. The consent also includes permission for related infrastructure, including a new access road to the site from J24 of the M5, as well as a linked package of investment which will benefit the surrounding community.

Northern Devon EZ

The Northern Devon Enterprise Zone will cover eight new employment areas across North Devon and Torridge District Councils. The multi-site Enterprise Zone proposed will cross Council boundaries and provide an incentive for new businesses and investors in Northern Devon. The Northern Devon Enterprise Zone will not be sector specific but by definition some of the sites included will focus on supply chain to existing businesses on adjacent sites eg Appledore Quays which lies adjacent to Babcocks shipyard. The sites across Northern Devon that are included are:

- *Appledore Quays*
- *Chivenor Cross*
- *Larkbear*
- *Mount Sandford Green*

- Mullacott
- Roundswell (south of the A39)
- Westacott
- Yelland

The Western Growth Zone, Torbay

The Western Growth Zone (TWGZ) is a multi-site Enterprise Zone (EZ) proposal across Torbay (and possibly wider) with a focus around supporting innovation and technology predominantly in the hi-tech sector.

Torbay is located on the South coast of Devon, equal distance between Plymouth and Exeter. While traditionally a sea side resort which is dependent upon tourism it is also the heart of the UK's growing photonics sector in leading innovation and research and development in emerging disruptive technology.

The sector currently employs around 960 FTE across South Devon and contributes around £108m per annum to the local economy, half of which is generated through exports. The sector is made up of a number of both micro companies along with leading multi national technology companies which supply some of the lead communication and tech giants including as well as providing components for the aerospace and space sector.

The Western Growth Zone proposal will focus on three strategic key sites:

- *Torbay Gateway/ Edingswell, Torquay*
- *Claylands, Paignton*
- *Whiterock Business Park, Paignton*