

# Somerset West and Taunton Council

## Scrutiny Committee – 4<sup>th</sup> August 2021

### Innovation District Update

This matter is the responsibility of Executive Councillor Marcus Kravis

Report Author: Mark Wathen, Lead Specialist Economic Development and Prosperity and Dawn Adey, Director of Development and Place

#### 1 Executive Summary / Purpose of the Report

- 1.1 This paper contains an **update on recent activity and progress** and a response to a request from a member of the Corporate Scrutiny Board **to explore the links between the resolutions made by the Executive in November 2018** and the activity to deliver inward investment and the Innovation District.

#### 2 Recommendations

- 2.1 This report is provided as an update paper to note by the Scrutiny Committee.

#### 3 Risk Assessment (if appropriate)

- 3.1 This report is an update of the Innovation District fo note by the Scrutiny Committee.

#### 4 Background and Full details of the Report

- 4.1 Statement by Cllr Marcus Kravis “*As Portfolio Holder for Assets and Economic Development, I confirm that I am content that the resolutions made by Taunton Deane Borough Council (TBDC) in 2018 have been taken into account when taking the activity to deliver the innovation district and inward investment forward and am proud of the achievements of this Council to date.*”

#### 5 Introduction

- 5.1 The Innovation District action plan is in its early formative stage and will continue to be a long term evolving programme of activity responding to new and emerging opportunities and policy direction for investment from Government, Academia, R and D businesses and the private sector, working collaboratively.

- 5.2 The EiBC consultancy work appointed in July 2020 found a considerably changed innovation landscape in 2020/21 when compared to 2018 and that matters had progressed significantly over the intervening period including:
- i. The business case for a Taunton Digital Innovation Centre.
  - ii. The Somerset NHS Foundation Trust 50/50 private sector led Joint Venture (JV) with Rutherford Diagnostics Ltd., the first of its kind in the UK.
  - iii. Strategic masterplanning of the Firepool regeneration site including innovation and commercial employment space.
  - iv. An outline masterplan for Henry Boot's Nexus 25 employment land and potential LDO.
  - v. The final publication of the Taunton Garden Town Prospectus with a chapter being written by the economic development team on a collaborative knowledge sharing creative and cultural business destination.
  - vi. A longstanding empty site "Gravity" purchased by Salamanca merchant bankers Gravity at J23, designated as one of three LEP enterprise zones; this site had been empty for a considerable number of years before interest.

- 5.3 The priority has been not to create more new buildings/innovation space but to extract more value for SWT residents and businesses from existing allocations and to make the individual innovation assets more than the sum of their parts.

To that end, the concept of a networked Taunton Innovation District was born (alongside other actions) and adopted by SWT, the public summary published on SWT's business facing website in March 2021, a subset of the economic development strategy approved by Full Council in February 2020. [Innovation Framework Summary Report \(somersetwestandtaunton.gov.uk\)](https://somersetwestandtaunton.gov.uk)

The Innovation District work programme is progressing the conclusions of the 2018 Task and Finish Group and provides a further refinement and development of the themes. The programme also takes into account how Government policies and funding have changed at both the national and sub-regional level.

## **6 Update on the significant progress made in the 6 months since the adoption of the Innovation Framework**

- 6.1 Since the approval of the Taunton Innovation District (TID) Framework (and EiBC recommendations more broadly), work has been taking place on:

- i. working up the TID concept to put to the market
- ii. aligning SWT town centre, marketing and inward investment work programmes with the TID
- iii. continuing the dialogue with the high-tech businesses and innovation organisations that will 'anchor' the TID
- iv. establishing the governance structure for the TID.

***Excitingly, new market opportunities have arisen in the meantime which the Innovation District is capitalising on including:***

- a) **AI/Big Data & Digital:**

- Subject to the business case and funding confirmation (expected July 2021), a £9.5m Innovation Centre on Firepool will start on site in the next couple of months
- UKHO have undertaken a £0.5m commercialisation accelerator programme and challenge competition against various themes linked to the exploitation of its AI/Big Data.
- Visit Somerset is developing an AI/Big Data platform for the visitor economy utilising latest digital technologies and techniques.

**b) Healthcare, medtech and e-health:**

- The Joint Venture between Somerset NHS Foundation Trust at Musgrove Park and the private sector led Rutherford Diagnostics and innovation Centre opens in September 2021.
- The healthcare partners and the College have run 12 week National Re-training Skills Bootcamps in e-health and digital upskilling.
- We are working on a Levelling Up bid working with Sedgemoor for a centre of excellence in Social Care allied to the work we are doing on the healthcare cluster.
- We have been joint working with Plymouth and Exeter and the Academic Health Science Network on a LEP wide healthcare technopole.
- An Expression of Interest has been submitted to the Connected Catapult to host a one year “Homes for Healthy Ageing testbed demonstrator site” which if successful could be one of 5 receiving up to £0.5m during 2021-2022.

**c) Creative/cultural:**

- The launch of SWT's cultural strategy
- Funding was gained from the collective £4m Business Rates Pool to support the capacity of both our cultural and digital sectors.
- We have submitted a £0.5m Community Renewal Fund bid in June 2021 for the Somerset Arts and Business Cultural Alliance (SABCA).
- **THIS LINE HAS BEEN REDACTED DUE TO CONFIDENTIALITY 10/08/21**

**d) Innovation ecosystem and higher level skills (education)**

- The launch of T levels and University Centre Level 6 courses in ICT/Digital/Big Data and Nursing and Healthcare supported by the Institute of Technology.
- Bridgwater & Taunton College (BTC) has been recommended for approval by the Nursing & Midwifery Council (NMC) to deliver a Nursing Degree & Nursing Degree Apprenticeships across Adult Nursing and Mental Health pathways. The NMC has also recommended the approval of the Trainee Nurse Associate programme. All the programmes are validated by the University of the West of England (UWE), with the apprenticeships due to start this year. Bridgwater & Taunton College has become the first college in the UK to achieve this recommendation. These degree pathways enhance the degree provision at University Centre Somerset and have been developed in direct response to Somerset's skills gaps in nursing.
- A Somerset wide Bootcamp for 10 businesses, which included Singer Instruments and three other businesses from our District which helps inform future innovation ecosystem development.

**e) Circular natural capital economy:**

- The Onion Collective Biohm private sector Joint Venture, a circular economy natural capital business in West Somerset which is starting production of its sustainable construction insulation materials; the development of an Exmoor strategy which recognises the opportunity for new entrepreneurial start-ups in sustainable circular economy businesses using its natural capital to counter climate change.

**f) Renewable energy/nuclear:**

- The collaborative approach with the LEP and Nuclear South West and EDF to submit an Expression of Interest to host the Nuclear Fusion Tokamak R and D facility, one of 16 sites shortlisted.

**g) Inward investment and place making and promotion:**

- Appointment of a full marketing communication agency to help hone our inward investment propositions and marketing collateral
- The Nuclear South West proposition is already well developed and more recently a DIT supported Autonomous Maritime Vessels national proposition incorporating the UK Hydrographic Office (UKHO)
- Articles have been written for the South West Insider Investment magazine which went around the UK as well as profiling the Taunton Innovation District at the annual UK Science Park Association conference.

6.2 ***Further developments are expected during the course of this year including the launch of a refreshed Innovation Strategy by the Government and a multi-year approach to the UK's Prosperity Fund from 2022 onwards.***

**7 Relevant Policies and Strategies informing the approach taken and continuing evolution of the SWT Innovation District**

7.1 The recent Policies and their timeline that have informed and are aligned to the Taunton Innovation District and its direction of travel is as follows:

- **Affordable Employment Land Task and Finish Group's report November 2018 (Taunton Deane Borough Council)** affirmed by the Executive of TDBC – this is the report that I have been asked to refer to in the context of where we are now and the response to the three more detailed recommendations are considered below.
- **SWT Council's Corporate Strategy October 2019** was approved by Full Council and relevant objectives that relate to the Innovation District include:

***Environment and Economy***

- Work towards making our District ***carbon neutral by 2030.***

- Shape and protect our built and natural environment, supported by a **refreshed Local Plan**, develop our heritage, cultural and leisure offer, including a **clear vision and delivery plan for the Taunton Garden Town**.
- Encourage wealth creation and economic growth throughout the District by **attracting inward investment, enabling research and innovation, improving the skills of the local workforce** and seeking to **ensure the provision of adequate and affordable employment land** to meet different business needs.
- **Support the town centres** throughout the District to meet the challenge of changing shopping habits.
- **Facilitate the development of the commercial parts of the Firepool site** in Taunton.
- Support the **enhancement of arts and culture provision** within the District.

➤ **LEP's Local Industrial Strategy (LIS) published in 2020**

This has superceded the *South West and South Wales Science and Innovation Audit referenced in the 2018 Task and Finish Group, prioritising those aspects that are of most relevance to the LEP's greatest chances of success*. The LIS subsequently identified **three key priorities to build on the expertise and distinctive assets of the LEP area, whilst moving to a greener economy**:

They are:

- ▶ **energy**; stemming from the construction, and legacy benefits, of one of Europe's largest infrastructure projects – the UK's first nuclear power station in twenty years at Hinkley Point C – and pioneering the development of the next generation of marine renewables;
- ▶ **engineering**: leading on the development and commercialisation of marine autonomy, and supporting the sustainable aviation challenge through development of rotary technologies and electric planes; and
- ▶ **digital**; specifically through environmental intelligence, the marine geospatial innovation market, and health and agri-technologies.

➤ **SWT's first ever economic development strategy approved at Full Council in February 2020**

A key stated objective was to encourage wealth creation and clean economic growth throughout the District by:

- **Attracting inward investment and enabling research and innovation.**
- SWT also committed to **explore a Higher Level Educational Research Institution and Innovation Park to explore and validate emerging knowledge economy opportunities** such as AI/Big Data and digital technologies, remote healthcare delivery and low carbon renewable energy and environmental technologies as well as exploring the circular economy and natural capital, including plastic waste recycling.
- Reviewing business and innovation support to determine the **most appropriate approach to building a sustainable Somerset wide local business and innovation ecosystem.**

- Strategic employment site development, specifically referencing **Firepool** and the development of an innovation zone.
- **Implementing a Rural Local Development Order**, supporting and promoting **Nexus 25** and our **own commercial assets and sites**.
- **Taunton Garden Town** becoming a dynamic economy of cultural, creative and digital businesses as part of a future Tech Nation Corridor.

➤ **SWT Innovation Framework in March 2021 under the delegated authority of the Portfolio Holder**

Over the last few months, SWT has been working to understand its knowledge economy and innovation assets, clusters and businesses to help further develop the knowledge economy opportunities for its businesses and residents looking to the future and as a commitment made in the Economic Development Strategy published in March 2020.

It has provided a clear way forward for developing **a framework for action for the short term but with an eye to a longer term gain**, as the initial innovation clusters and innovation board is established, building on immediate opportunities.

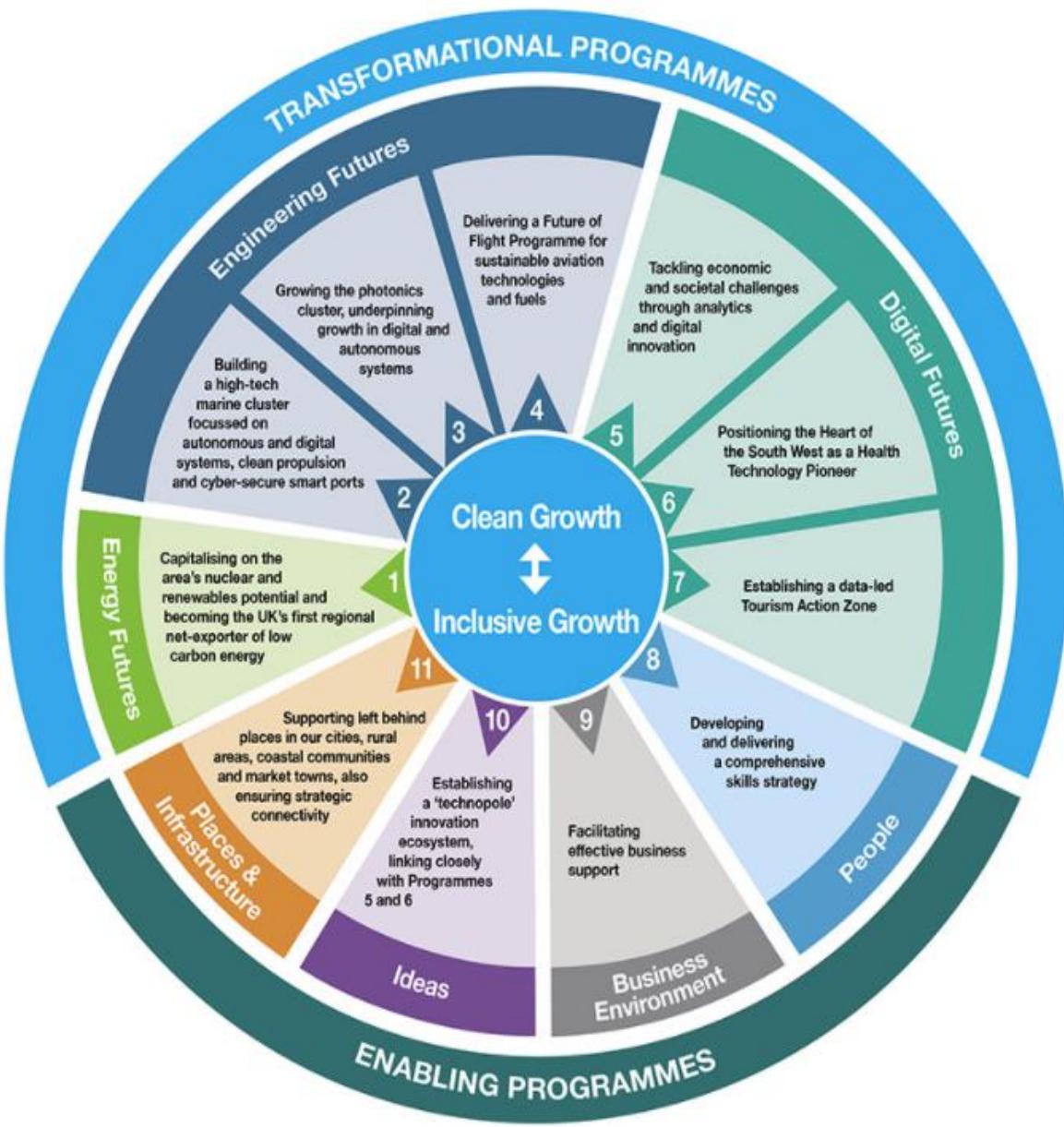
**It is to be stressed that this is the start of an evolving journey involving a range of partners linked to the emerging Somerset West and Taunton Innovation District concept.**

➤ **Somerset Recovery Plan March 2021 - SWT Report Template 2020**  
(somersetwestandtaunton.gov.uk)

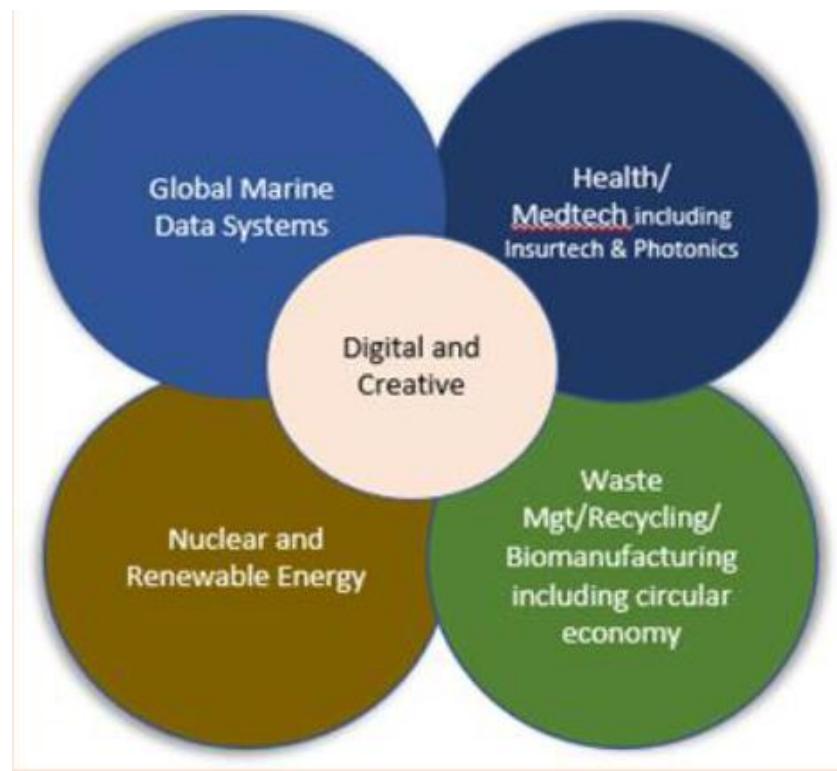
The Plan was developed and **agreed by 5 Local Authorities in Somerset in January 2021** and submitted to Government and replaces the Somerset Growth Plan which was developed pre-pandemic.

The plan differentiates activities and interventions across the different phases of recovery (**Lockdown, Restart, Revitalise, Grow**), which has been adopted widely by partners across the Heart of the South West LEP.

➤ **LEP's Build Back Better Plan March 2021** - the Build Back Better Plan is not on its own a recovery plan from COVID-19, but is rooted in the ambitious vision of our Local Industrial Strategy (LIS), which has a distinctive focus to deliver on clean and inclusive growth.



**Source: EiBC Innovation District Framework 5 Domains**



**Source: HoTSW Building Back Better Plan Priorities 2021**

The specific opportunities from the diagram and SWT's innovation domains align in the following ways:

- **Energy Futures:** *capitalising on the area's nuclear and renewables potential*
- **Engineering Futures:** *UKHO's involvement in building a high-tech marine cluster and commercialising its AI/Big Data assets*
- **Digital Futures:** tackling *societal challenges through digital innovation* and positioning the Heart of the South West as a *Health Technology Pioneer* and establishing a *data-led Tourism Action Zone*, with Visit Somerset now deploying AI/Big Data platforms
- **Enabling programmes (Ideas):** establishing a '*technopole' innovation ecosystem* which is not focused on Universities but on *any business undertaking R and D* and connecting them with other businesses & the knowledge base and future R&D funding opportunities

## **8 Specific responses to the final resolutions of the Affordable Employment Land Task and Finish Group 2018**

- 8.1 This section aims to respond specifically to explore the links between the final resolutions related to the Affordable Employment Land Task and Finish Group's report, which was affirmed by the Executive in November 2018 and the eventual EIBC report. The resolutions made in 2018 have been delivered by a diverse approach and are not solely found in the EIBC report.

The recommendations in the 2018 report were:

**Resolved** that the Executive noted the Task and Finish Group's Report and recommended the following:-

## **1. Affordable Employment Land:**

- a) TDBC and the subsequent Council must build on the Affordable Employment Land Report undertaken by Peter Brett Associates by commencing an urgent reappraisal of all employment sites;
- b) TDBC and the subsequent Council to explore the delivery of Affordable Starter Employment Units via different delivery models including varying forms of Local Development Orders, and expedient Council enabling through a standalone approach or development partner involvement.

## **2. Investigate the feasibility of an office for the creation of a Research and Innovation Centre:**

- a) TDBC and the subsequent Council should undertake a prompt detailed feasibility study into the viability of such a centre. Effective use of appropriate partnership working was crucial to the success of such a venture.

### **8.2 The response in respect of gap analysis of each of the above in turn is as follows:**

#### **1a) Affordable Employment Land**

**Somerset West and Taunton Local Plan development** - the National Planning Policy Framework requires the planning system to be genuinely plan-led. The Council will be reviewing its employment sites through the Local Plan review process considering them for their sustainability, appropriateness, deliverability, attractiveness as employment sites, infrastructure requirements and other local benefits that could be delivered. The Council will also consider where employment development should be retained in order to deliver sustainable communities. The Plan-led approach to reviewing employment sites ensures that decisions on the location of new employment and the specific sites is considered in conjunction with all other strategic planning matters and not in a silo.

This process will be informed with up-to-date evidence on employment land needs. Emerging evidence suggests a need for 44,800 sqm office floorspace and 53 ha of industrial land between 2020-40 although the appropriate target will be determined through the Local Plan review.

#### **1b) Affordable Starter Units**

**A Rural Local Development Order received Full Council Approval on 29<sup>th</sup> September 2020** - during the early part of 2019, the economic development team working with our planning colleagues made the development of affordable starter employment units a priority in accordance with the Executive Resolution from 2018 and developed a Rural Local Development Order which has subsequently been published and launched and fully adopted by the Full Council on 29<sup>th</sup> September 2020.

[Employment Local Development Order \(somersetwestandtaunton.gov.uk\)](http://somersetwestandtaunton.gov.uk)

- This LDO is a proactive planning tool to enable increased delivery of small-scale employment space in rural parts of Somerset West and Taunton, and was

developed in response to demand from small businesses to set up or expand their existing operations.

- The LDO and accompanying Design Code will provide clarity on how to deliver high quality small-scale employment space appropriate to the site. It will ensure that a high and consistent standard of design is delivered, providing sustainable and stimulating working environments whilst at the same time enabling the diverse requirements of individual occupiers to be met.
- The LDO sets out to grant planning permission for small scale office, research and light industrial space across the Council area removing the need for a planning application to be made. Development must accord with all aspects of the Design Code in order to benefit from the permitted development rights confirmed by the LDO.

### **Other support for progress delivery of allocated employment land in response to need**

- **Firepool business case was approved in November 2020.** This will provide circa 600 residential units, subject to planning and circa 20000 sq/m of commercial, office and leisure uses. The site has been fallow since the cattle market closed 12 years ago. Our estimate is that this will provide FTE 350 direct jobs and up to 3000 construction jobs over the course of the programme. The space also provides space for the Digital Innovation Centre being developed in partnership with Somerset County Council.
- **Coal Orchard,** was built in 2020/21 in a location where the market could not make viable. This build continued through the Pandemic. This has provided 40 apartments, 8 commercial units and car parking for 40 cars, including EV charging. SWT have enhanced public realm and access to river, and flood mitigation is built into the design. The site has the propensity to create 94 Jobs.
- **Seaward Way, Minehead, West Somerset.** SWT built two much needed employment spaces in 2020 and this project came in under budget and produced a 4.9% yield for income. In total, 32,000 sq ft of commercial / light industrial space was built. Both units have been let, one to a local company who have been based in Minehead for 20+ years who was desperately in need of larger and more modern facilities to expand.
- **Additional employment space review is underway in West Somerset** - being able to find new employment land for industrial purposes in West Somerset has been a significant problem for many years. Aside from the recent Snazaroo development and the units next to West Somerset Railway, no new sites have come forward in over a decade. A review is being undertaken to identify land and employment site options in West Somerset to help to continue to deliver growing employment opportunities and to respond to their immediate needs.
  - **One SME** in Minehead employ 33 staff and produce products for security, medical and military personnel. They are seeking 1,200 sqm of space (12-15k sq. ft) and will create 10 new jobs. PWL would be content with a discreet premise and would prefer the Minehead area.
  - **Another SME** employs some 30-40 staff and produce scientific research instruments. They are seeking 2,800 sqm (30k sq. ft) and will create 15 new jobs initially. They would prefer a high profile site preferably in the Minehead area. One of the two businesses is likely to move away from the area if a site is not found. Both businesses are content with renting space from the Council and are happy to wait on the outcome of this report. They are both currently looking at options to temporarily expand. In addition to this it is recognised that one of the

sites identified should be large enough to accommodate other future units if possible.

- **Town Centre/High Street affordable employment space.** SWT are also working with Town Centre locations to explore the opportunities afforded to start-up companies by using the available space created by vacant retail locations. In Wellington, a feasibility study has also been undertaken on an enterprise centre and hotdesking centre in the High Street, making use of vacant retail space as appropriate. All of these initiatives aim to respond to the need in a post Covid19 environment and be more agile in helping to meet those needs in a more flexible manner, building on the existing enterprise centre network of the County Council in Minehead, Williton, Wiveliscombe and potentially in Wellington.

## **2a) Investigate the feasibility of an office for the creation of a Research and Innovation Centre:**

Research has shown that there is adequate site provision in our District – there is no evidence of need for additional office for a Research and Innovation centre. The current offers include:

- Over the next 3 years a network of new innovation centres will be delivered in Taunton (2), Bridgwater (3), Yeovil (1).
- Additionally 3 sites in SWT (Firepool TDIC, Nexus and Blackbrook) offer further opportunities for grow-on space for knowledge based businesses with a capacity in excess of 600,000 square feet in Taunton.
- This is in addition to a further 300,000 square feet of general business and light manufacturing space at the Crown Estate and over 300,000 square feet at the Gravity site.
- Firepool has a capability to accommodate a Phase 2 innovation centre and Blackbrook, already the home for several health based knowledge based businesses, has a key undeveloped site adjacent to Rutherford Diagnostics innovation Centre, whilst the 40 acre Nexus site can accommodate around 377,000 square feet of knowledge based business.
- Outside Taunton, Watchet can also accommodate at least 54,000 square feet of business space at the former papermill site. All of these sites are committed and most are 'shovel ready'.
- Excluding the Crown Estate and Gravity sites and the other innovation centres coming on stream elsewhere in Somerset, the remaining SWT sites deliver in excess of half a million square feet of space with a potential to accommodate up to 4,600 direct knowledge based jobs in addition to jobs that are indirect and induced economic impacts .
- On 9<sup>th</sup> July 2021, a meeting of the initial inaugural group of over 12 private and public sector stakeholders representative of the five domains of the Innovation District were brought together to help inform the development of the workplan over the next year and to move to a more formalised stewardship group, which was avidly received by all the participants, including links to the LEP and their Innovation Board. This collaborative approach to the Taunton Innovation District embeds the principles of the integrated project delivery approach which was highlighted in the 2018 work and still has a long way to go, but the foundation pieces are beginning to be laid.

## **9. Next steps**

9.1 The next steps for the 2021-2022 programme will continue to be developed over the course of the summer and in line with corporate plan commitments. Some of the immediate components of the forward looking workplan are illustrated here and will be overseen by the stewardship of the recently convened Innovation Leadership Group (ILG) this to be formalised in September/October 2021.

### **9.2 Infrastructure**

- Finalise funding package to enable the start on site build of the Digital Innovation Centre
- Support Somerset NHS Trust to open up the Rutherford Diagnostics centre in September and develop the model for appointing medtech innovation centre operator
- Continue to support local knowledge based businesses expand into grow-on space (two companies are actively seeking support) and engage more in detail with 1:1 cluster businesses
- Identify regeneration opportunities and locations for student accommodation build for the healthcare sector in Taunton so that this supports full-time and part-time Higher Education and CPD growth

### **9.3 Clusters**

- Identify ways in which the clusters can be strengthened by providing more operational capacity
- Undertake more detailed cluster segmentation and mapping to identify unique characteristics and USPs and opportunities for joint collaboration and funding
- Start mobilisation of other clusters including biomanufacturing, waste and circular economy and work with the Council and County Climate Change teams

### **9.4 Innovation support**

- Commission innovation support for Digital Innovation centre in 2021/22 and collaborate with plans to establish a HotSW Technopole service

### **9.5 Talent Development**

- Work with the college and businesses to engage young people in the innovation district through innovation and enterprise placements
- Align the courses and skillsets of young people to develop the talent pool needed by businesses within the Innovation District

### **9.6 Place marketing and promotion**

- Work with the consultants appointed over the course of the next year to update marketing and propositions for inward investment and establish place marketing protocols, ensuring they are complementary to surrounding regional clusters and add value

### **9.7 Funding opportunities**

- Review opportunities on the horizon and identify immediate needs

### **9.8 Stewardship**

- Support the establishment of the Innovation Leadership Group in terms of its terms of reference and composition
- Identify cluster development groups/leads to engage and network the private sector businesses and the college and universities
- Respond to offer of support from the Connected Catapult to support the development of the Innovation District

## **10 Links to Corporate Strategy**

**See 7.1**

## **11 Finance / Resource Implications**

This report provides an update only. No decision required that would have financial or resource implications

## **12 Legal Implications (if any)**

This report provides an update only. No decision required that would have legal implications.

## **13 Climate and Sustainability Implications (if any)**

This report provides an update only. No decision making that would have climate or sustainability implications.

## **14 Safeguarding and/or Community Safety Implications (if any)**

This report provides an update only. No decision making that would have safeguarding or community safety implications.

## **15 Equality and Diversity Implications (if any)**

This report provides an update only. No decision making that would have equality and diversity implications.

## **16 Social Value Implications (if any)**

This report provides an update only. No decision making that would have social value implications.

## **17 Partnership Implications (if any)**

This report provides an update only. No decision making that would have partnership implications.

## **18 Health and Wellbeing Implications (if any)**

This report provides an update only. No decision making that would have health and wellbeing implications.

## **19 Asset Management Implications (if any)**

This report provides an update only. No decision making that would have asset management implications.

## **20 Data Protection Implications (if any)**

This report provides an update only. No decision making that would have data protection implications.

## **21 Consultation Implications (if any)**

This report provides an update only. No decision making that would have consultation implications.

## **22 Scrutiny/Executive Comments / Recommendation(s) (if any)**

*Not applicable.*

### **Democratic Path:**

- **Scrutiny - Yes**
- **Cabinet/Executive - No**
- **Full Council - No**

**Reporting Frequency:**  Once only  Ad-hoc  Quarterly  
 Twice-yearly  Annually

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