

Action Plan for the Green Knowledge Economy

Presentation to the MAA Board

2nd September 2009

Geo
economics

Nations to neighbourhoods



In association with
Centre for
Applied Economic Geography
Birkbeck College
University of London



Project Objectives

- **To draft a GKE Action Plan for the MAA**
 - ✓ Develop a Dorset-based GKE model – taking account of market trends and the uniqueness of the local economy
 - ✓ Articulate the GKE model in a way it can easily assimilated by a wider audience
 - ✓ Provide a strategic direction to the MAA Board which helps the Board and Councils to develop a business-led response to climate change



THE RATIONALE





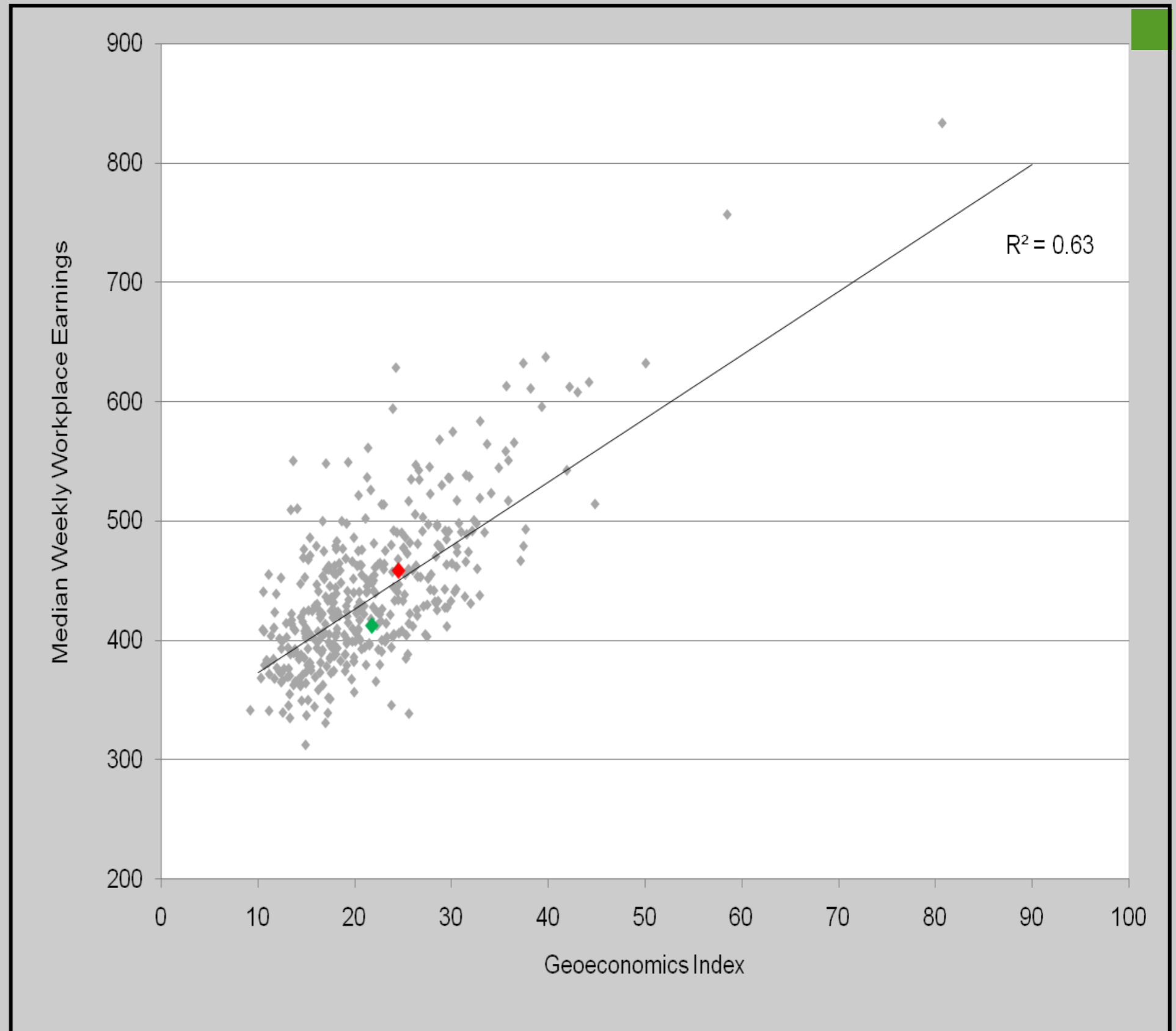
Multi-Area Agreement – 14th July 2008

- **Our vision is to develop a strongly performing sub-regional economy which delivers better quality jobs, whilst respecting and protecting the area's environmental assets**
- ✓ Convergence with GB average on median earnings (workplace=resident at TWA-MAA Sub Region level)
- ✓ Skills & transport themes are supportive
- ✓ **Environment: “maximise synergies between the environment and economic growth” >>>> The Green Knowledge Economy**

The 2007 Baseline

The need to
strengthen the
knowledge
economy

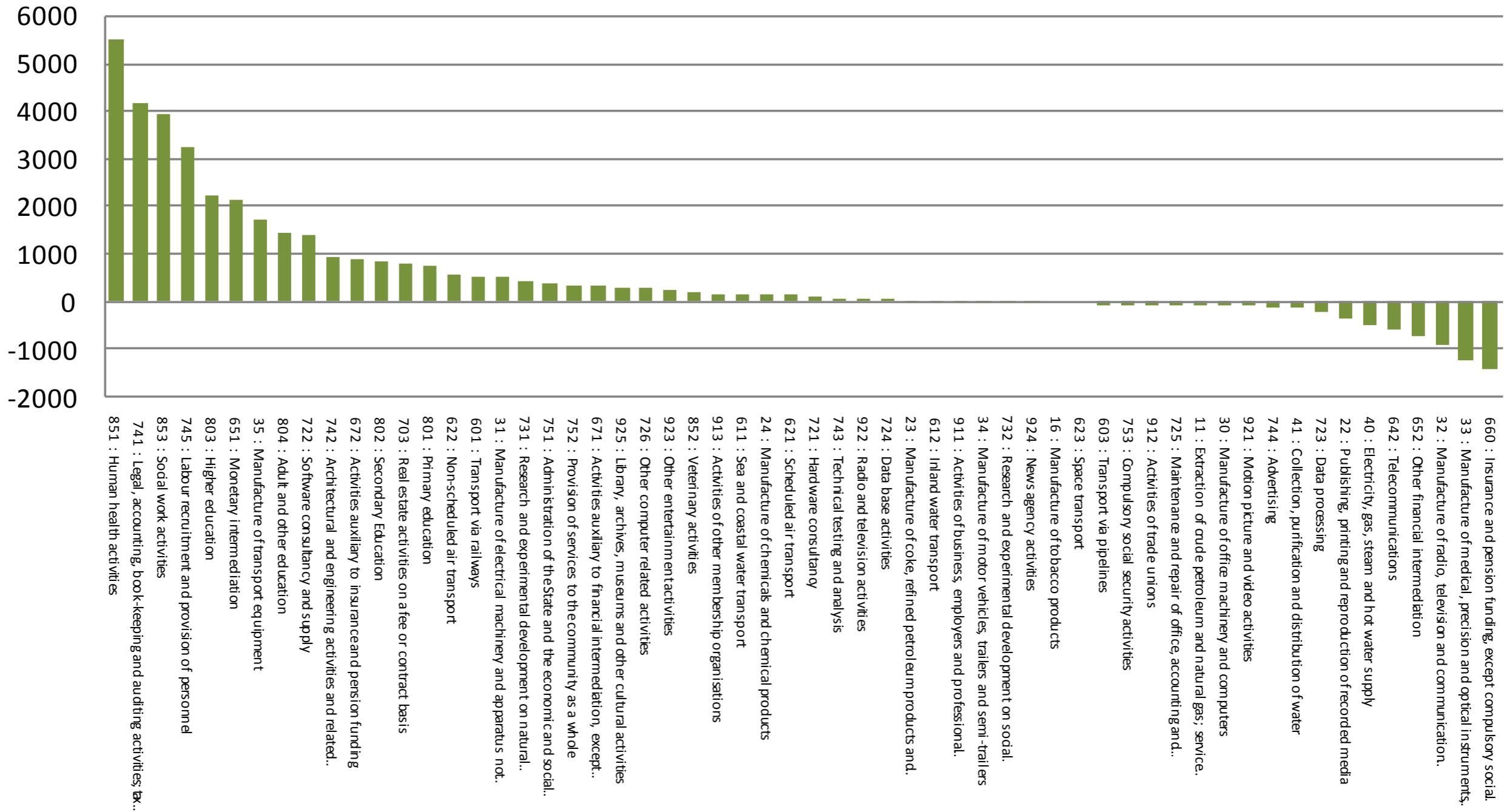
Urban/Rural
imbalance



BPD Sub Region = green GB = red

Job-creation trends in KI sectors before the recession

BDP sub-region: change in number of employees 1998 - 2007

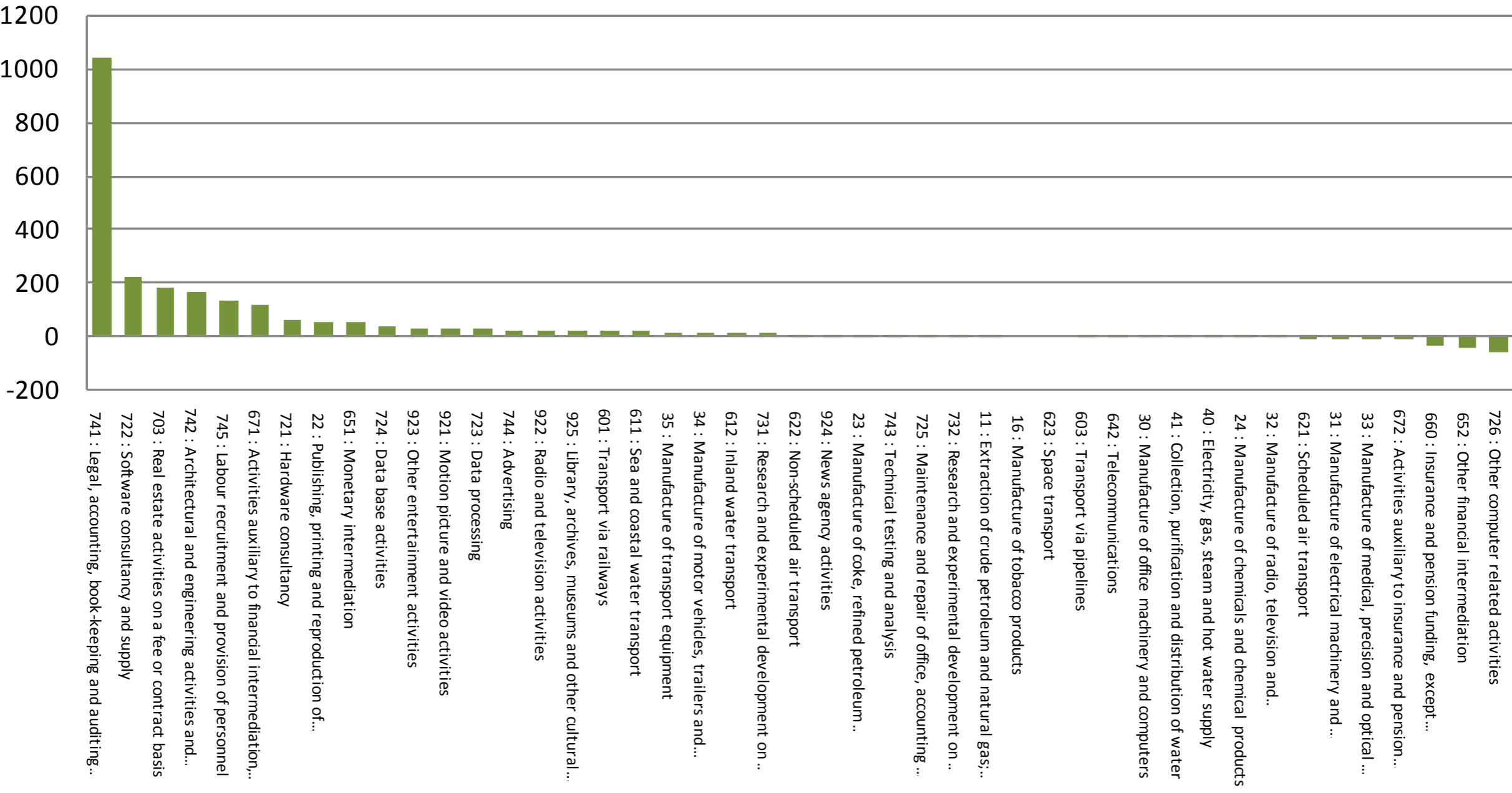


“Sunseeker Cluster”, Finance and Public Services (25%)



Business formation trends before the recession

BDP sub-region: change in number of business units 1998 - 2007



Business Services, with some Creative Cluster



Significant areas of economic specialisation*

1. Non-scheduled air transport (0.5% of total employment)
2. Building & repairing of ships and boats (0.83%)
3. Camp sites and short-stay accommodation (0.73%)
4. Manufacture of electrical equipment (0.34)
5. General mechanical engineering (0.97%)
6. Hotels (2.19%)
7. Monetary Intermediation (3.20%)
8. Manufacture of special purpose machinery (1.68%)
9. Manufacture of aircraft and spacecraft (0.52%)
10. Instrument engineering (0.28%)

➤ **Engineering is the main knowledge-intensive cluster**

*Location Quotient is 1.4+ and 1000 plus workforce in 2007

A Paradigm Shift in Economic Development



The Knowledge Economy

20C Vision

Competitiveness
(economy)

Intangible Capital
(Human & Social)

Wheels & Wires

Services & High Technology
(Finance & Business Services)

Skills – Graduates

The Green Knowledge Economy

21C Vision

Sustainability
(economy, equity, *environment*)

Intangible Capital, Produced Capital
& *Natural Capital*

Wheels, Wires, *Watts*
Water & Waste

All Sectors
Environmental Goods & Services

Skills – Graduates & Skilled
Manual/Process Workers



Building a Green Knowledge Economy

- The Green Agenda (resilience to climate change, resource efficiency and ecosystem protection) shifts to the centre of the economy and society
- EU, UK and SW policy drivers for a low carbon economy – new job and new business opportunities (winners & losers)
- Greening the existing economy – familiar sectors but also new technologies, markets, skills and policies



Principles for the GKE Strategy

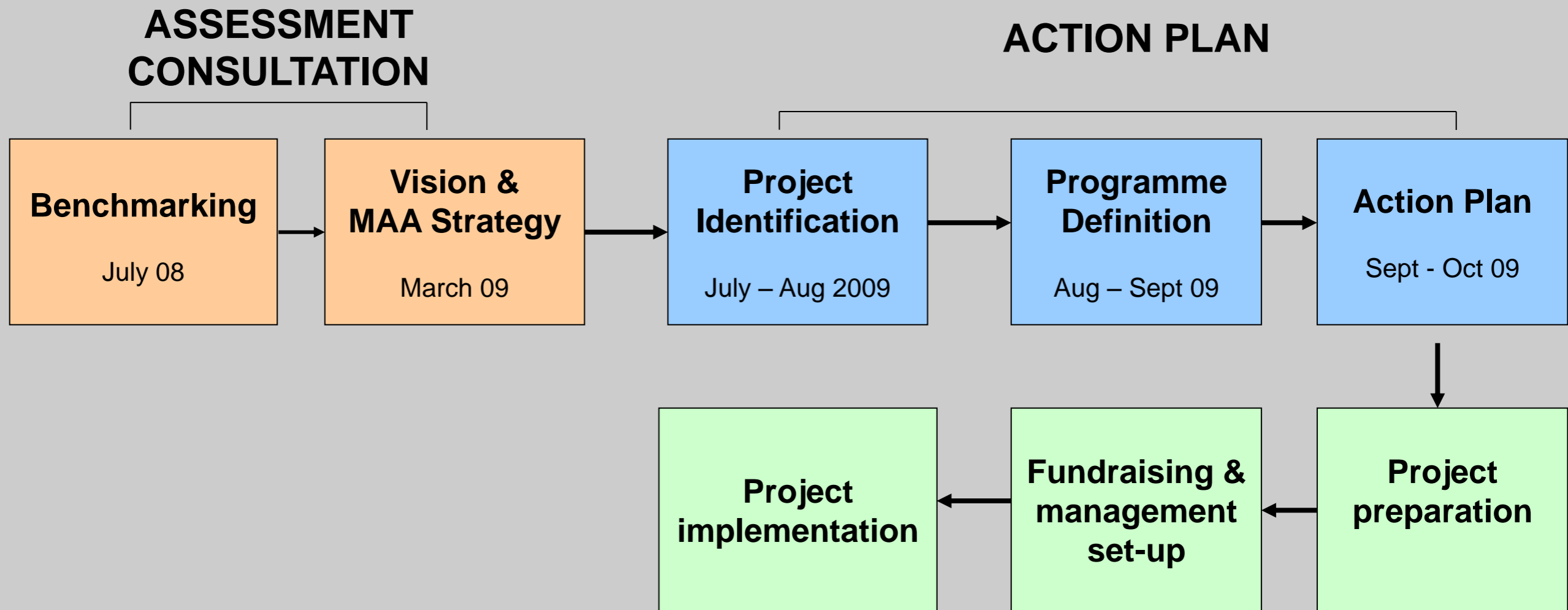
- ✓ Comparative advantages: natural capital; EGS knowledge base; engineering cluster; and political/community support for a ‘green society’
- ✓ The logical geography of the GKE is the sub-region – the MAA is a window of opportunity
- ✓ Everybody wins – positive sum game based on cooperation
- ✓ A powerful vision of the GKE which unifies and inspires
- ✓ Action Plan – programmes & projects which set clear directions of travel and establish profile & message to investors and government – and community



DEVELOPING AN ACTION PLAN



The Process: Assessment to Action Plan





Project Identification

- 26 Project Information Forms (19 public, 6 business, 1 community)
- Meetings with Theme Groups and stakeholders
- ✓ GKE proof of concept (unifying, resonance)
- ✓ Good range of GKE areas
- ✓ Variability of quality and readiness
- ✓ MAA role is clear – consensus-building, scalability and ambition
- Gaps: economic impacts; baselines; management capacity; funding
- Projects are grouped into 4 Programmes



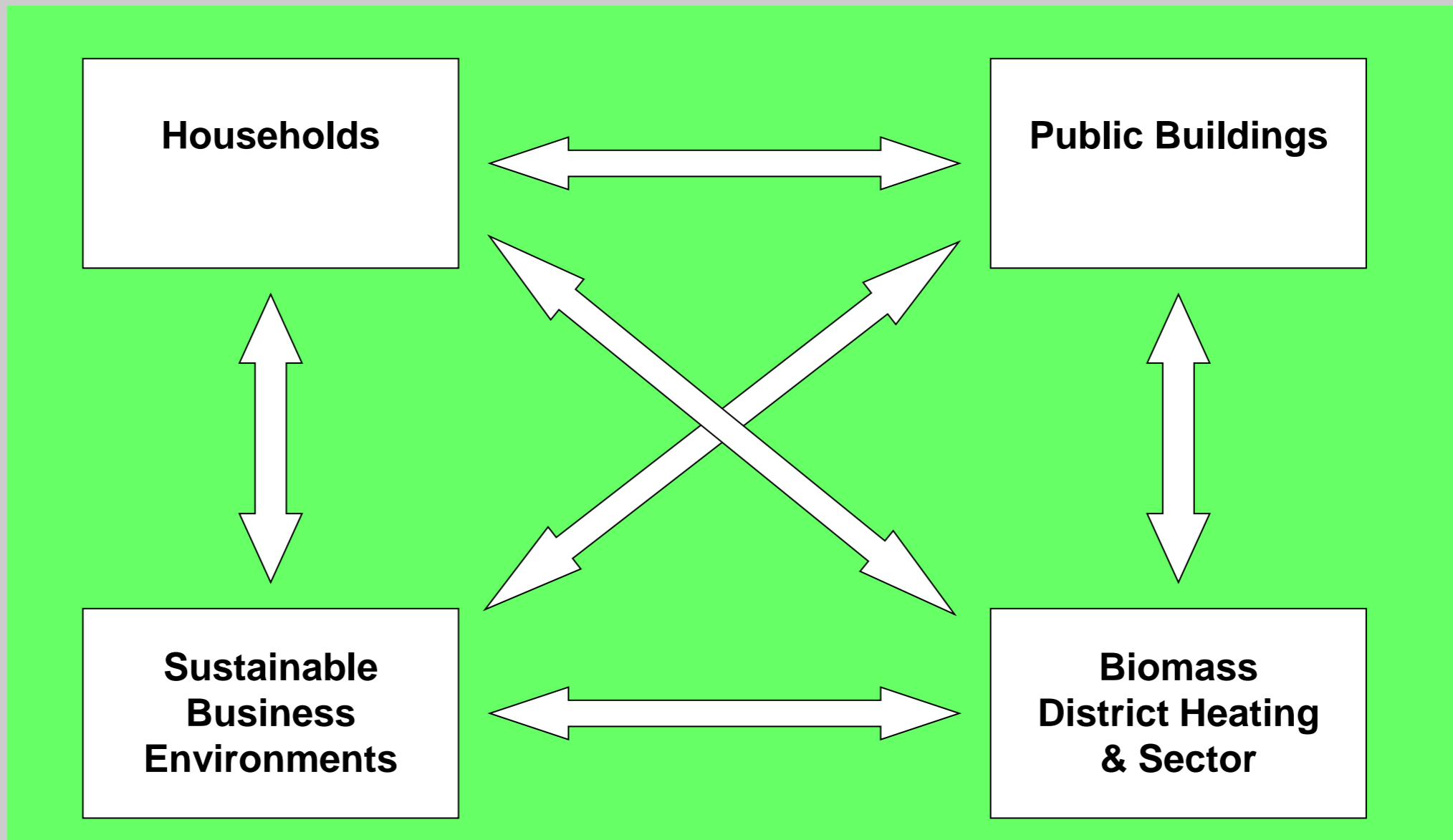
The Green Built Environment Programme

Mission: To create a low-carbon, high quality modern built environment and generate job, training and business opportunities in the construction and EGS sectors

- **Households: retrofit homes with energy-saving, carbon-emissions technologies (whole neighbourhood approach)**
- **Public Buildings:**
- **Sustainable Business Environments: pilot with estate owners/developers**
- **Biomass District Heating & Sector: wood fuel district heating network**

Wider Economic Benefits: 16-24 job/training; boost to construction and allied trades (level 2/3); property and employment land values; through procurement, boost to EGS sector; energy bill savings for residents and businesses

Green Built Environment: Project Cluster





The Natural Capital Programme

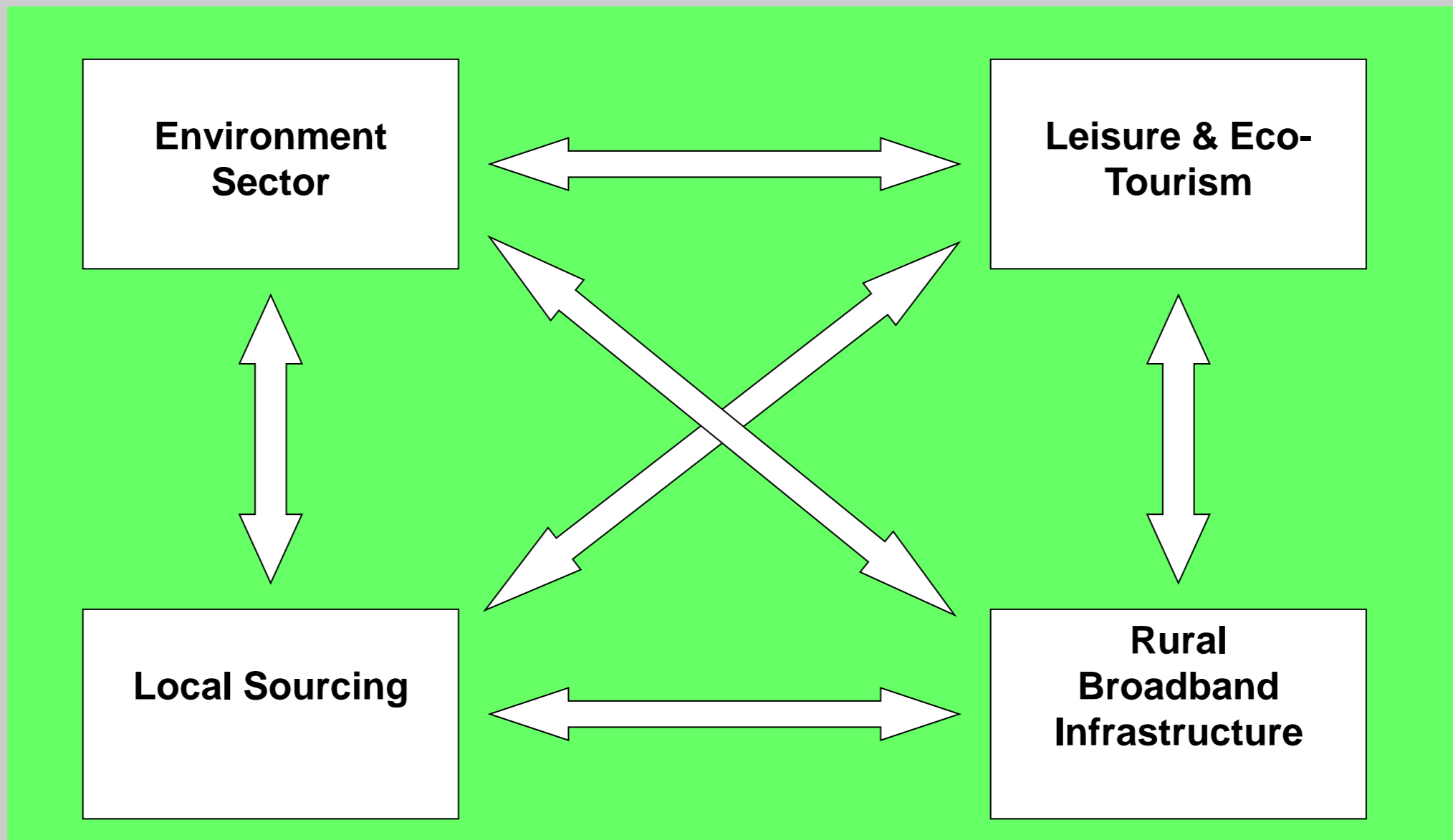
Natural Capital = sub-soil assets; protected areas; crop and pastureland; forest products; water resources; ecosystems services; fisheries

Mission: To increase the use and non-use economic value of the Sub-Region's natural capital assets

- **Local Sourcing: Food for Local Schools (& Wood Fuel for District Heating)**
- **Rural Broadband Infrastructure: Shared Procurement/Framework Agreement**
- **Leisure & Tourism: Stour Valley Park & Poole Harbour Trail**
- **Environmental Sector: local innovation systems exploiting knowledge base at Bournemouth University and public agencies (DEFRA family, CEFAS, etc)**

Wider Economic Benefits: 16-24 job/training; boost for primary industries, (basic/low skill), and food and drink; rural economic diversification; eco-tourism; develop and market the environment sub-sector within EGS cluster

Natural Capital: Project Cluster





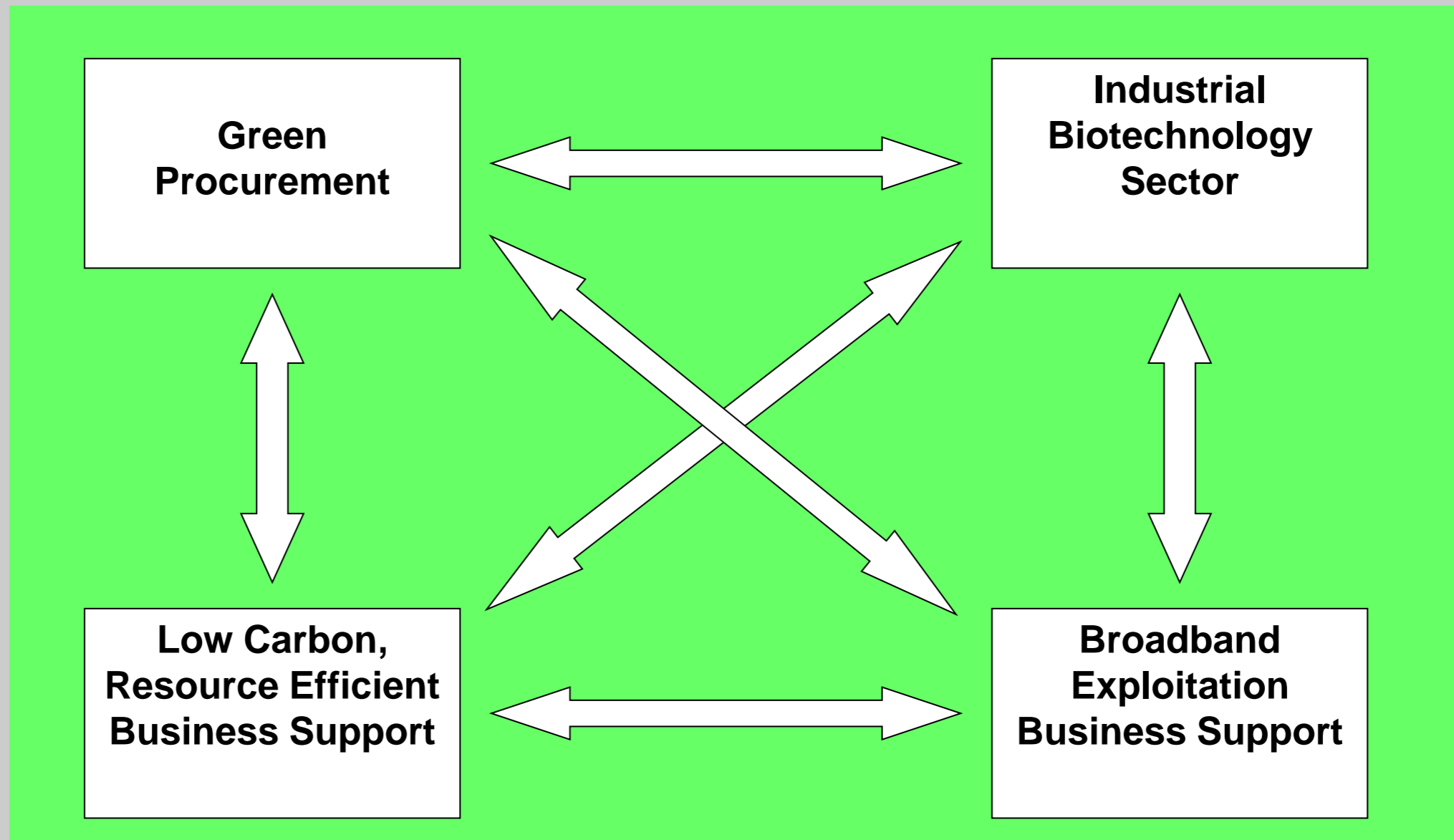
The Green Business Innovation Programme

Mission: To accelerate the diffusion of low-carbon and resource efficiency technologies and practices, while boosting SME productivity and the EGS supply sector

- **Green Procurement: Common standards and tendering systems for promoting the adoption of green technologies and practices**
- **Industrial Biotechnology Sector: New Earth Solutions expansion, and EGS cluster development**
- **Low Carbon Resource Efficient Business Support Services: feasibility study, SME waste management training services**
- **Digital Dorset: Business support services for rural SME broadband adoption**

Wider Economic Benefits: more efficient and innovative SME population; EGS sector market opportunities (through business support referrals) and rural enterprise development

Business Innovation: Project Cluster





The Creativity & Culture Programme

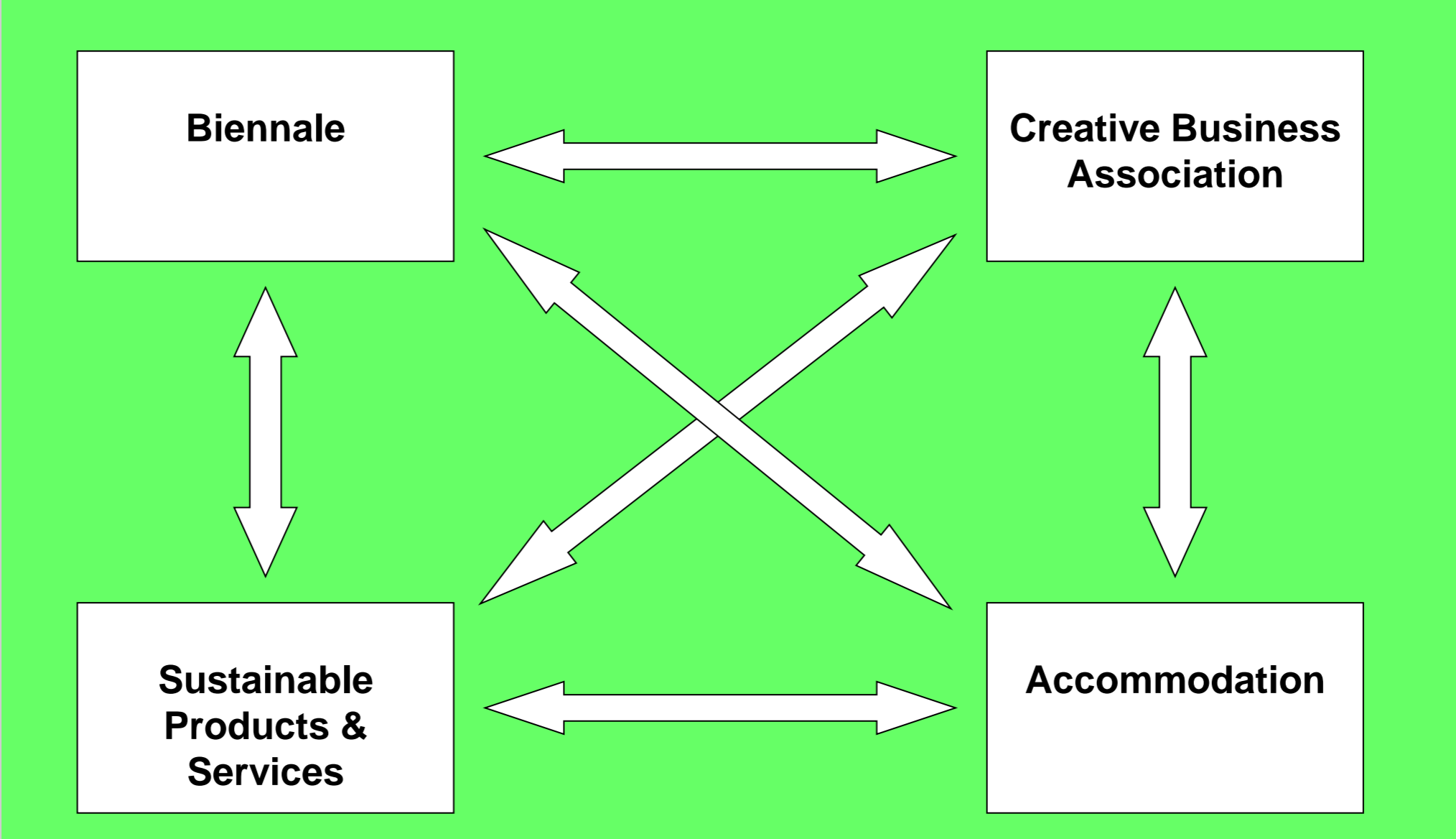
Mission: To improve the growth, competitiveness and employment performance of the creative and cultural sector

- **“Biennale”**: Festival for international student animation and sustainable fashion and design
- **Creative Business Association**: integrated services and forum
- **Sustainable Products and Services**: promote specialisation within the C&C sector (e.g. eco and ethical fashion, re-cycled materials etc)
- **Accommodation**: zero-carbon Incubator – or eco-village for creative quarter?

Wider Economic Benefits: platform for cluster development; (intangible) GKE place marketing to investors and talent; event tourism; downstream linkages with EGS supply chains



Creativity & Culture Project Cluster






REQUIRED ACTIONS





Projects that require MAA to ensure co-operation rather than external finance

- Rural Broadband : framework agreement for shared procurement of broadband services across the public sector
- Sustainable Transport: promote the green transportation credentials of the sub-region to local businesses and investors
- Application of the Environment Limits Model: ensure cross-authority cooperation in planning decisions
- Industrial Biotechnology Sector: New Earth Solutions planning decisions (message to investors)
- Green Procurement: common standards and framework across the public sector



Projects that mainly require MAA to help secure funding for operating and development costs

- Advisory & Support Services for SMEs: low carbon (£50-100k pa) and rural broadband (£50k-100k pa)
- Project preparation budgets: Biomass District Heating feasibility study (£65k), Sustainable Business Environments Pilot (£100k circa), Stour Valley Regional Park (70k), Poole Harbour Trail (30k)
- Mapping the Environment Goods and Services sector (£30k-50k)
- Biennale (bi-annual festival) for Creative and Cultural Sector (£300k pa, most covered by ticket sales, sponsorship etc)
- Creative Business Association: Found, grow and task for Biennale (£100k pa)




Projects with Large-Scale Capital Investment

- **Housing Retrofit:** 100k-270k homes to be retro-fitted with energy-saving technology (basic insulation plus biomass, photovoltaic etc); project design has to set standard (technology/cost per house); social housing/deprived areas; home-owner equity, HCA and local authority; £100m phased (target); 10k jobs (skills/training 3/2) and construction and allied trades, EGS sector
- **Stour Valley Regional Park:** flagship Green Infrastructure project, linked to SE Dorset urban growth (RSS); £5.25 plus £1m operating cost; job creation in recreation and tourism; potential linkages to food sourcing and environmental conservation; 100 jobs plus multiplier; business case pending
- **Biomass District Heating Network:** 3-4 sites where high heat users concentrate (industrial process, leisure centres and hospitals); £45m capital investment for boilers, pipe work, etc; 60 jobs in wood fuel supply chain (link to sustainable woodland management), 20 jobs to run, plus construction & installation jobs



Project prioritization

- ✓ Fits with GKE paradigm – prosperity + sustainability
 - ✓ Raises profile of area as leading Green Knowledge Economy – message to businesses, investors & government
 - ✓ Potential for linkages and spill-over (externalities)
 - ✓ MAA can play an effective and decisive role
 - ✓ Wider economic benefits are shared across sub-region
 - ✓ Public sector has leverage – e.g. procurement, assets, etc
 - ✓ Assists in achieving low-carbon targets
- 



Phasing of projects to 2026

- ✓ Low-hanging fruit – political solutions/public sector innovation?
- ✓ Implementation readiness
- ✓ Where to start – the geo-political and financial implications?
- ✓ Impact within 3-5 years, 5-10 years, run-in to 2026



Suggested 'first wave' projects

- ✓ Establish a framework agreement for shared procurement – priority areas (e.g. broadband, energy, food, construction..)
- ✓ Housing retrofit
- ✓ Biomass district heating and sector development
- ✓ Creative Business Association & Biennale
- ✓ A Green Business Support Service (one-stop-shop)
- ✓ Mapping & developing the EGS cluster (role of universities)



Questions for MAA Board

- Do you agree on the 4 programmes?
- Is the message to business and government clear and strong enough?
- What does the Board think about the suggested first-phase projects?
- How do we reach a negotiated consensus on these programme and project proposals?
- What resources (staff time and money) are needed to take the projects forward?
- Governance arrangements for delivery – overall MAA role and member roles