

Enterprise M3 Joint Leaders Board

Notes of a meeting of the Joint Leaders Board held on Wednesday 17 May 2018 at Hawk Conservancy

Present:

Councillor Clive Sanders	Basingstoke & Deane Borough Council (Chair)
Colin Rowland	Basingstoke & Deane Borough Council
Andrea Rich	Basingstoke & Deane Borough Council (Minutes)
Cllr Richard Millard	East Hants District Council
Sandy Hopkins	East Hants and Havant Borough Council
Kathy Slack	Enterprise M3
Dave Axam	Enterprise M3 Board Chair
Sally Agass	Enterprise M3
Cllr Paul Spooner	Guildford Borough Council
James Whiteman	Guildford Borough Council
Cllr Roy Perry	Hampshire County Council
David Fletcher	Hampshire County Council
Cllr David Neighbour	Hart District Council
Daryl Phillips	Hart District Council
Paul Turrell	Runnymede Borough Council
Cllr Ken Muschamp	Rushmoor Borough Council
Paul Shackley	Rushmoor Borough Council
Cllr Phillip North	Test Valley Borough Council
Roger Tetstall	Test Valley Borough Council
Cllr Julia Potts	Waverley Borough Council
Tom Horwood	Waverley Borough Council
Cllr Caroline Horrill	Winchester City Council
Laura Taylor	Winchester City Council
Cllr David Bittleston	Woking Borough Council
Douglas Spinks	Woking Borough Council
Bruce Nutman	Time Retail Partners
Rob Wingrave	Time Retail Partners
Matt Cassel	Time Retail Partners

Apologies were submitted from:

Cllr David Clifford	Rushmoor Borough Council
Cllr Nick Prescott	Runnymede Borough Council
Rachel Raynaud	Runnymede Borough Council
Daniel Mouawad	Spelthorne Borough Council
Terry Collier	Spelthorne Borough Council
Ian Harvey	Spelthorne Borough Council
Cllr Moria Gibson	Surrey Heath Borough Council
Karen Whelan	Surrey Heath Borough Council
Doctor Mike Short	Telefonica
Ray Morgan	Woking Borough Council

1 Introductions

- 1.1 Cllr Clive Sanders welcomed all to the meeting and apologies were noted as above.
- 1.2 Kathy Slack welcomed both Dave Axa, new Chair of EM3 Board and Sally Agass (interim Assistant Director of Operations) to the meeting and congratulated them on their appointments. Dave was starting in his new role the following week and was looking forward to driving through economy in the EM3 area. Kathy also provided an update on the new members of the EM3 Team.

2 Apologies for Absence

The above apologies for absence were noted.

3 Elections of EM3 Joint Leaders Board Chair for 2018/19

- 3.1 Cllr Clive Sanders sought confirmation from the EM3 Joint Leaders' Board that it wished him to remain chair for 2018/19. Cllr Roy Perry proposed this nomination and it was seconded by Roger Tetstall. It was therefore agreed that Cllr Clive Sanders remain as EM3 Joint Leaders' Board chair for 2018/19.

4 Welcome from Cllr Phil North, Leader of Test Valley Borough Council

- 4.1 Councillor Phil North welcome the EM3 JLB to Test Valley and explained its part in delivering prosperity in the EM3 area. He provided statistics on:
 - The delivery of homes
 - The delivery of inward investment: the brands which reside in Andover and assist in delivering future skills; Stockbridge, a thriving high street and key visitor destination
 - Ambitions for Andover in developing three major projects

- 4.2 This was all vital in the delivery of prosperity in the EM3 area

5 Minutes of the Previous Meeting

- 5.1 The minutes of the meeting held on 21 March 2018 were approved.
- 5.2 The EM3 JLB discussed Broadband delivery and issues and areas of concern experienced with BT in its commitment to deliver to the rural areas. It was explained that Virgin will be undertaking a pilot which serves and brings staggering speeds to rural villages. Cllr Sanders said that contact has been made with Gigaclear and we are working with West Berkshire to come to our border to provide residents with 1000 gigabyte service relayed into Hampshire. Cllr Sanders said that concern with BT should be taken up across the piece.

5.3 Dave Axam said that the Industrial Strategy states clearly this is an area of investment and requires a governance plan within the Strategy to address this issue. In the meantime we need to be thinking about where we need to be and challenge the companies how we get there and determine what private/public money can be put into it.

5.4 The EM3 JLB agreed to refer this issue to the EM3 Board and that Kathy Slack is to bring a paper back to the EM3 JLB to take forward.

6 Retailing in our Town Centres

6.1 Bruce Nutman and Rob Wingrave from Time Retail Partners provided the EM3 JLB with a presentation on what's happening with retailing in our town centres and what we can do about it.

6.2 Time Retail Partners was set up three years ago and have four areas of core business – leasing; investment; retailer representation; and international businessss. Bruce and Rob provided:

- an overview of its shopping centre leasing mandates and its retailer representation.
- Retail background – Macro/What's happening including an occupational overview of the current winners and losers in retail

6.3 Bruce and Rob gave the following picture of what is happening in retail:

- store taxes area up,
- minimum wages are up by 10%,
- decline in sales – less than 3% per annum growth
- production costs have gone up and consumer confidence/spending is down by 5%.
- Consumer habits are changing, particularly the on-line growth for fashion.
- Consumer is changing – Millennials want a shopping and leisure experience all in one place and are more comfortable with on-line shopping
- On line issues: Google set up page costs are expensive; returns policy is effecting warehouse costs. The main goal is hitting margins and profitability.
- Physical store sales are down, shopping footfall is down
- shop leases have reduced from 25 years to 3-5 years.

6.4 The decline is not because retailers are bad, but because business is taken down by debt. It is not just town players who are feeling the pressure, out of town retailers are also now getting voids.

6.5 The JLB was provided with a list of

- winning retailers – they don't have a huge number of stores about 35-40 which hit 75% of the population.
- Ones to watch – these retailers had serious challenges and need to work really hard to respond – they have not invested in their portfolios

- 6.6 The JLB was referred to a list of active local authority retail buyers. It was a time to buy as the market was bereft at this point in time. If local authorities decide to buy into retail they need a clear strategic plan of why they are buying into it and if it is for regeneration, how this can be achieved, and whether there is the skills set within the area to deliver this.
- 6.7 Trends going forward were highlighted which included:
- Online success retailers
 - Food market saturation
 - “Black kitchens”
 - Box park – container box retailing
 - Social media/Omni channel – change in shopping habits
 - Distribution/good returned
 - Brands marketing showrooms
 - Pop-Ups/Trial Stores
 - Clicks to bricks, click and collect stores
- 6.8 Aldershot was highlighted as a case study where ideas for improvement had addressed some of the issues.
- 6.9 Smaller market areas i.e. East Hampshire have issues on joint working with smaller shops where it is extremely difficult to understand the expectation of costing, these towns are not for shopping but café/artisan/boutique shops who pay extra. These companies needed to invest in the expertise to assist (retail doctors) to increase sales and local authorities can provide assistance to those retailers.
- 6.10 The JLB Board discussed the significant challenges around business rates, which is also a huge issue for international retailers - landlords are lobbying government for the increased rates to be reassessed.
- 6.11 Kathy Slack referred to the Industrial Strategy, the importance of places to attract millennials and the need to get town centres right. There was a need to understand the tenant mix/leisure/entertainment – the main reason why the public wish to come to town centres. She advised the EM3 JLB to think about what it means for all i.e: stores closing and the resultant loss of staff; shortage of distribution centres; transport issues and the importance of local authorities lobbying around business rates. It was agreed that there is not one fit all answer, it will vary dependent upon how people choose to live their lives and how this is effected by geography. Fundamental work at local level needs to be undertaken to ask residents what they want.
- 6.12 Dave Axam reiterated the LEP perspective. Overall it was about place making, and importance of place which was a key part of the Industrial Strategy, within which there will be a part about investing in places. Each area will decide on what place it needs to be and the LEP will be creative in supporting and creating those places.
- 6.13 Cllr Sanders thanked Bruce and Rob for the presentation and the JLB Board for its input. He said that there was a lot more thinking to be done and questions

answered on how we deal with it locally, the wider area and how we present the broader economy of the area.

7 Enterprise M3 Update – Dave Axa

7.1 Dave Axa provided the JLB Board with an update as to where we are with the Local Industrial Strategy. He advised that we are aiming to achieve an additional £39.5 bn GVA by 2030 and this can be done by driving the following key areas to achieve clean growth and digital and data growth:

- Supporting our key growth sectors and promoting FDI
- Updating infrastructure for 21st century connectivity
- Investing in sustainable growth corridors
- Supporting the skills our businesses need to growth
- Supporting our high productivity SME's and investing in our enterprise and innovation

7.2 A Chief Executive workshop on Developing our Local Industrial Strategy: Ambition and Place was held in April to take forward the Strategic Economic Plan. The workshop was a brainstorm of ideas as to what is our plan and what could be in our plans for a macro development to engage with government to give enabling funding to achieve this – all this is to be done in a green way and using digital strengths. This was a successful workshop in providing views on messaging, priorities and influencing others and further session is being arranged.

7.3 A timetable and work to progress Strategic Economic Plan was highlighted and will be important for the preparation of the Local Industrial Strategy. We will work with Government to transition the Strategic Economic Plan (which will be closed down in July 2018) to the Local Industrial Strategy. The language of the Strategic Economic Plan should reflect what our Local Industrial Strategy should be. Government is now consulting with three LEPs on their Local Industrial Strategy so it can understand their aims and come into a wider LEP Forum in the Autumn.

7.4 The JLB discussed what the 4% growth aspiration looked like in terms of housing delivery. It was reiterated that this was an aspiration and as an average would need to deliver 11,000 homes a year over a 12 year period and this is the kind of growth we need to be driving for, and along side of this prosperity and wealth.

7.5 Revisions are taking place to the NPPF which will inevitably provide new figures of required growth in areas which will be another context of meeting housing objectives. Kathy Slack advised that she is undertaking a key piece of work to look and work on trends.

7.6 The JLB discussed some authorities are pushed to take more housing numbers, some have national parks with dispensations, so there are competing principles. David Axa said that the data should be pooled to take

a macro picture. It was agreed that the LEP has its own objectives and can assist local authorities by reciprocating where they are with their own objectives. It will have a collective number which leads to economic growth etc.

7.7 Councillor Sanders said that this was also to do with timing – we have a Local Plan behind our housing numbers and do not want to do a review of the Local Plan until after the all-out elections in 2019.

7.8 Cllr Sanders advised that this was an issue we will have to come back to several times and further dialogue with government is required.

8 EM3 Update – Kathy Slack (Kathy please review the following)

8.1 Kathy Slack updated on the following:

8.1.1 Gary Thompson (Assistant Director - Business Delivery) has been brought in to the team to work on 5G.

8.1.2 Technation is favoured by Government. Critical booklet on Inward Investment, the campaign last year had responses to the survey in the booklet. Gary Thompson will be asking local authorities to provide letters of support in the submission of a bid for 5G urban connected communities fund.

8.1.3 There was a good response to the first round bid of £10M. It has to be deliverable this year and create an impact – there is a set of proposals on the website.

8.1.4 Transport update for the South East – 18 June is the response deadline, Kathy will talk to DCN and SEEC. *Katy please complete*

8.1.5 The LEP is looking at a Sustainability Plan, we have government funding for another 2 years. There is a proposal to the Board to increase occupation fees, exploring partner contribution and will talk to the Board.

8.1.6 Sally Agass and Gary Thompson have identified the volume of bids which are coming out of Government and which were highlighted.

8.1.7 There is a recruitment drive in the EM3 Team and there are some good people coming on board.

9 Venue for Next Meeting

9.1 18 July 2018, Runnymede Borough Council to host.