

**Enterprise M3 Board**  
**Covid 19 Sub Group - Zoom meeting**  
**13 May 2020 – 10:00-12:00**  
**DRAFT MINUTES**

**Directors in attendance:**

Dave Axam – EM3 Board Chair - **CHAIR**  
Deborah Allen – RFAC Chair  
Linda Cheung – Communications Lead  
James Cretney – PMG Chair  
Cllr Rob Humby – JLB  
Cllr Colin Kemp – JLB Chair  
Stacey King – LIS Group Chair  
Kathy Slack – Enterprise M3 Chief Executive

**Apologies received:**

Mike Short – Nominations Committee Chair

**Guest in attendance:**

Rob Carr – Accountable Body Representative

**EM3 in attendance:**

Rachel Barker – Enterprise M3 Director – Operations  
Justine Davie – Enterprise M3 Programme Administrator

**1. Welcome from the Chair**

1.1. Dave Axam welcomed everyone to the meeting

**2. Apologies for Absence**

2.1. Apologies recorded for Cllr Colin Kemp and Mike Short.

**3. Declaration of Interest**

3.1. No declarations of interest received.

**4. Response to Economic Intelligence**

- 4.1. Kathy Slack provided a brief update on the economic intelligence received to date and how the economy had been affected and the predicted economic impact going forward. Details were provided on sectors most heavily affected and the types of workforce most impacted. Aviation had been hugely impacted in particular Gatwick and Heathrow and the associated hospitality services.
- 4.2. Sectors most affected by shutdown and key worker risks were set out along with statistics on the local risk industries. EM3 had been pulling together work to address business behaviours regarding remote and flexible working and their resilience plans. Other areas where action was required included consumer behaviours, social and equality impacts and public attitudes.

- 4.3. A number of actions were already in place including gathering economic intelligence and sending out daily bulletins. There were further areas for focussing activity in the longer term. Many of the actions flowed directly from the Local Industrial Strategy. Discussions had been held with the CBI on retaining larger employers and a meeting had been set up with some Board members and the CBI to discuss shaping the economic recovery. A particular issue highlighted was the risk of American companies with HQ's in the UK deciding to return to the US, the LEP was aware of the risk and recognise the importance of establishing contact with those potential companies. It was acknowledged that companies needed to be more digitally enabled going forward as it would be important for their future growth.
- 4.4. The Group discussed the likelihood that there were a number of staff in high value jobs that were currently out of work but would not be eligible for unemployment benefit and therefore would not be reflected in the Government figures.
- 4.5. There was also an issue highlighted that a number of companies would have taken on unplanned additional debt to survive the crisis and would need to establish a plan on how the debt would be repaid. The Group acknowledged that companies would not be able to invest in their business in future as they would be focussing on repaying the debt owed. A number of businesses would have still needed to maintain staff during the crisis and therefore so wages would still need to be paid, requiring the business to take on unprofitable debt.
- 4.6. The Group discussed where the LEP should be focussing effort. It was agreed that gathering intelligence and feeding back in a meaningful way had been extremely helpful. The serious issues highlighted in the hospitality sector were recognised and feedback received on the discussions with businesses to provide advice was that they had been helpful. Information and advice would continue to be sent out through the Growth Hub and Chambers of Commerce.
- 4.7. The need to work with technology companies to unblock issues, work with large companies and also work with entrepreneurs and scale up companies was discussed. It was agreed that skills would also need to be picked up to identify how to help businesses move into the recovery phase, both locally and at a national level. It was suggested that EM3 should feed the recovery message to Government through MP's.
- 4.8. A number of smaller issues were discussed which could be addressed quickly such as how to set up a workstation at home or having socially distant spaces available for people to drop in. These were issues which EM3 could lead on and cascade out to others. Signposting others to wellbeing information was also important to support people working from home and this had been recognised as a significant issue when talking to Government. Growth Hubs were looking at running webinars on the issue.

## **5. EM3 Current Position and Areas for Consideration**

- 5.1. Current budget position showed that due to the drop in interest rates the income for 2020/21 had dropped by £673k. Planned activity could be funded from reserves in 2020/21, however additional income or savings would be required in future years. The majority of costs were staffing, location and the communications contract and consideration had been given as to where savings could be made. A review of the EM3 office location was due in just over a year but the EM3 Team was keen to remain in the Desklodge building. New staff appointments had been put on hold for the time being until after the Covid-19 recovery period. The Team was currently unable to take

on new areas of work as there was insufficient capacity but the position would be reviewed next year.

- 5.2. A review was taking place on the work of the Growth Hub and how the service was delivered and a paper would be taken to the full Board. A review on the Careers Enterprise Company service was also taking place. With the recruitment savings and other cost savings identified EM3 LEP should be in a strong position for 2020/21 and 2021/22 but it was difficult to predict any further ahead.
- 5.3. The Group discussed the budget position and proposed that the LEP should think about working in a more joined up way with local authorities to save duplication of effort and also ensuring that companies/partners received a consistent message. The EM3 Team had been collaborating with Business South and Chambers of Commerce as part of the Growth Hub work to combine efforts in some areas of work.
- 5.4. The Group considered an issue relating to Farnborough International and agreed it would be considered in further detail by the Programme Management Group (PMG) and Resources, Finance and Audit Committee.
- 5.5. As EM3 LEP performed so well in 2019/20 with 97% expenditure achieved and the full £219m of Local Growth Fund contracted, there was only approximately £5m available to allocate to new projects. The Sub-Group was informed that Government had also advised that only two-thirds of the LGF allocation would be received with the remaining third received in September 2020 following an analysis of spend and contracting.
- 5.6. The Group discussed potential projects that would help with economic recovery. A proposal was going to be taken to PMG regarding funding schemes in some town centres to address social distancing issues and building customer confidence. Other areas being considered were ensuring resilience, building on digital skill with colleges and linking into the areas highlighted in the Local Industrial Strategy.
- 5.7. The Sub-Group proposed that the focus of activity should be on recovery and the LEP should help businesses look at opportunities on how to adapt business models. Data gathering was also an important role to pick up on issues and opportunities. It was agreed that consistent advice was required for businesses and particularly on opportunities for start-ups. It was important that key skills gaps were identified which could be addressed and where to invest people with knowledge and skills to help businesses recover.
- 5.8. Work would be carried out to start to pull together the key messages on where EM3 LEP should focus which could then be articulated to other Southern LEPs.
- 5.9. Date for next meeting would be set after the next Board meeting on 28 May once there were issues that required discussion.

End - 1200