



enterprise **m3**

Delivering prosperity through innovation

Enterprise M3 Economy and Labour Market Dashboard

Kathy Slack, Chief Executive

Presentation to EM3 Board January 2021



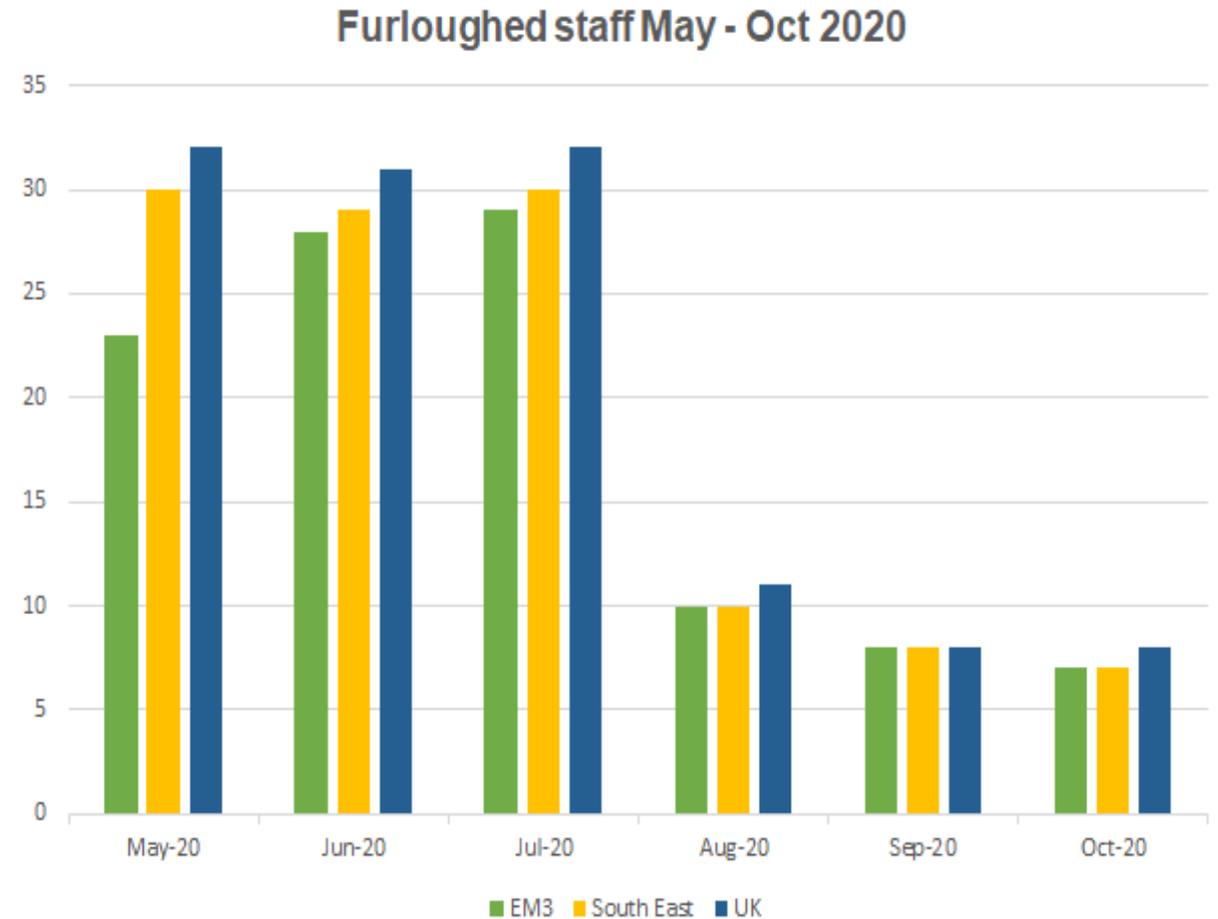
IMPACT ON JOBS

EM3 EMPLOYEES FURLOUGHED

7% of employees resident in EM3 had been furloughed as at end October 2020 (50,000 workers)

On par with levels for the South East and UK

Falling from peak of 29% of employees in July.



UNEMPLOYMENT RATE 4.0 % – MORE THAN DOUBLED

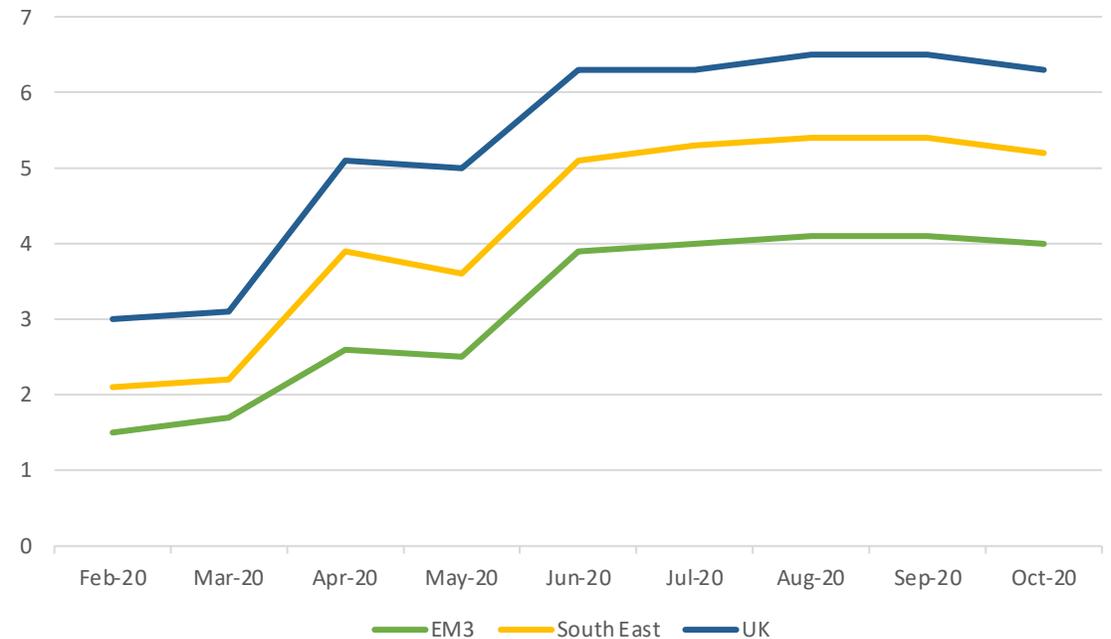
- The EM3 unemployment rate is 4.0% in November 2020
- 37,495 EM3 residents were out of work receiving work-related benefits

- Highest district – Spelthorne (5.7%)
- Lowest district – Waverley (3.3%)

- EM3 claimant rate (4.0%) lower than South East (5.2%) and UK levels (6.3%) but has followed the same upward trend since February 2020 levelling off in Autumn.

- EM3 rate more than doubled since Feb 1.5 - 4.0%

Change in unemployment Feb - Oct 2020
(claimant count measure)



UNEMPLOYMENT ACROSS AGE RANGES – YOUNGER HIT HARDEST

**16 - 24 yr olds: 7,265 out of work
(November 2020)**

Unemployment rate: 4.8%

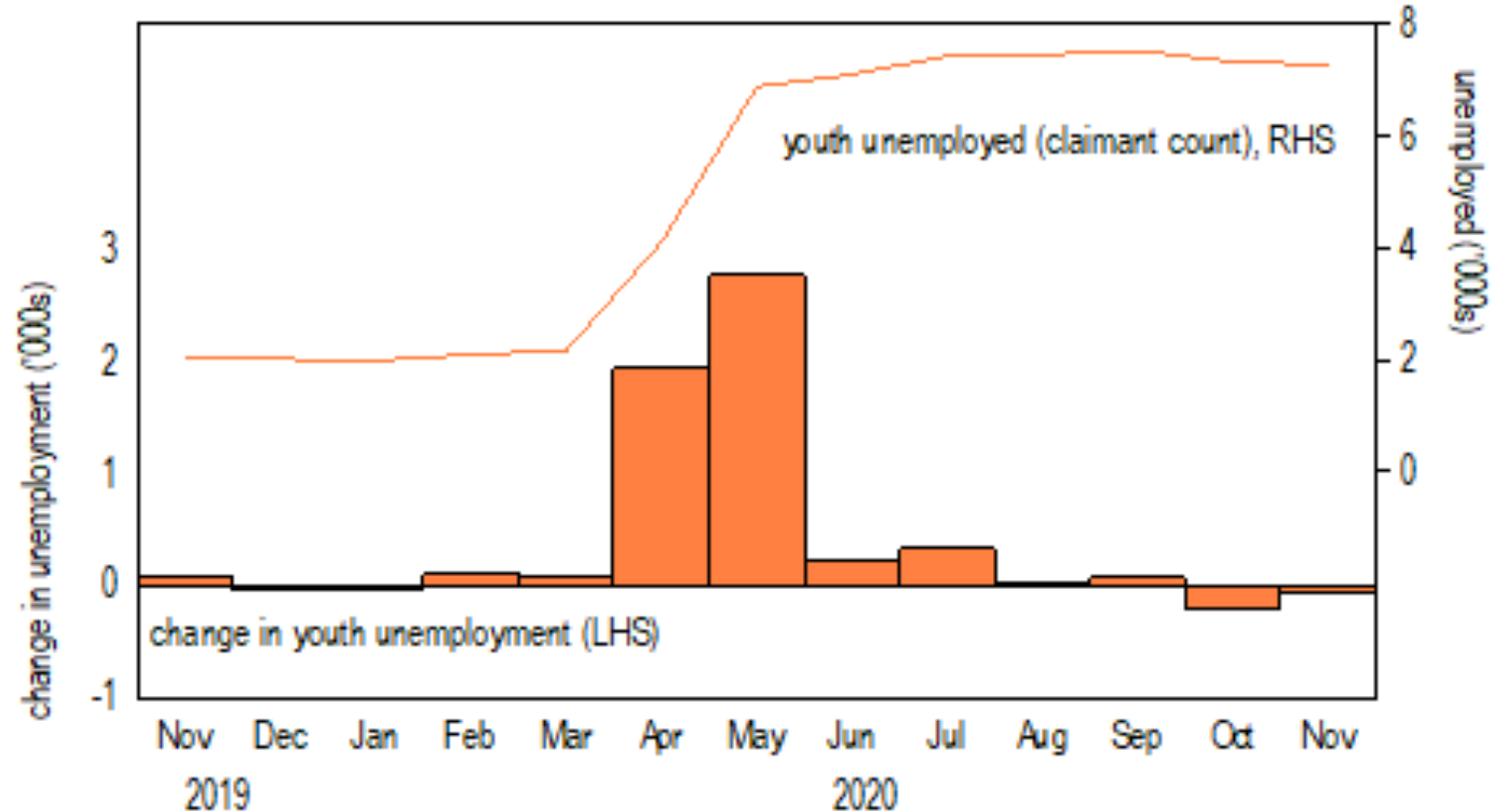
UK – 7.3%

South East - 6.1%

EM3 – 4.0%

Nos. of youth unemployed rose sharply March 2020 to peak in July 2020.

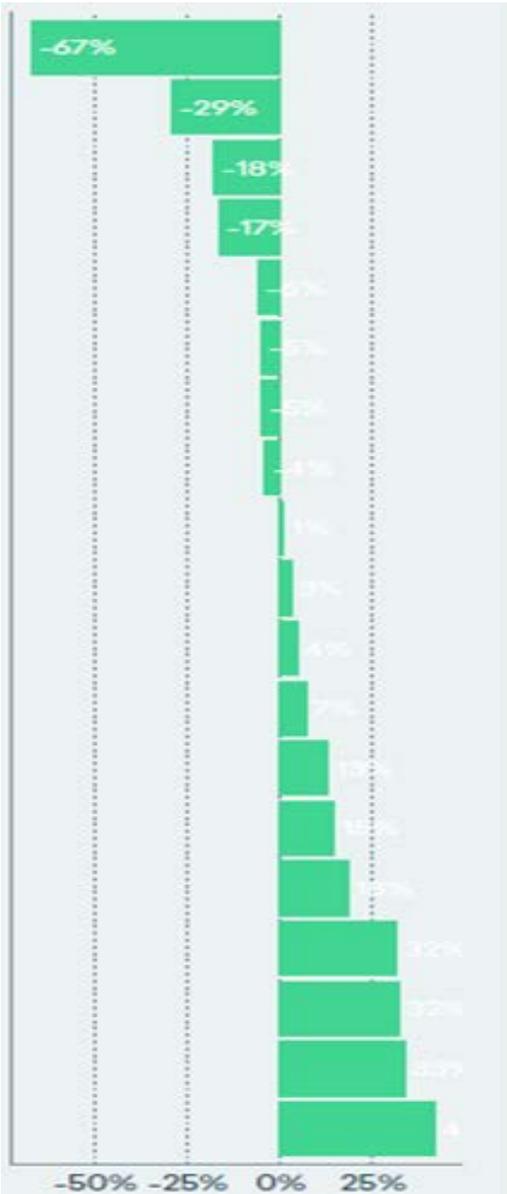
Remaining at this high level now.





BUSINESS

RECRUITMENT IN ENTERPRISE M3 VARIES BY SECTOR (OCT/NOV)



- Accommodation & Food service
- Retail
- Admin. & Support
- Arts/Leisure
- Professional, Scientific, Technical
- IT & Comms sectors
- Electrical & Gas supply
- Manufacturing
- Financial & Insurance activities
- Transport & Storage
- Mining & Quarrying
- Other service activities
- Real Estate
- Human Health & Social care
- Water Supply
- Construction
- Education
- Agriculture
- Public Admin & Defence

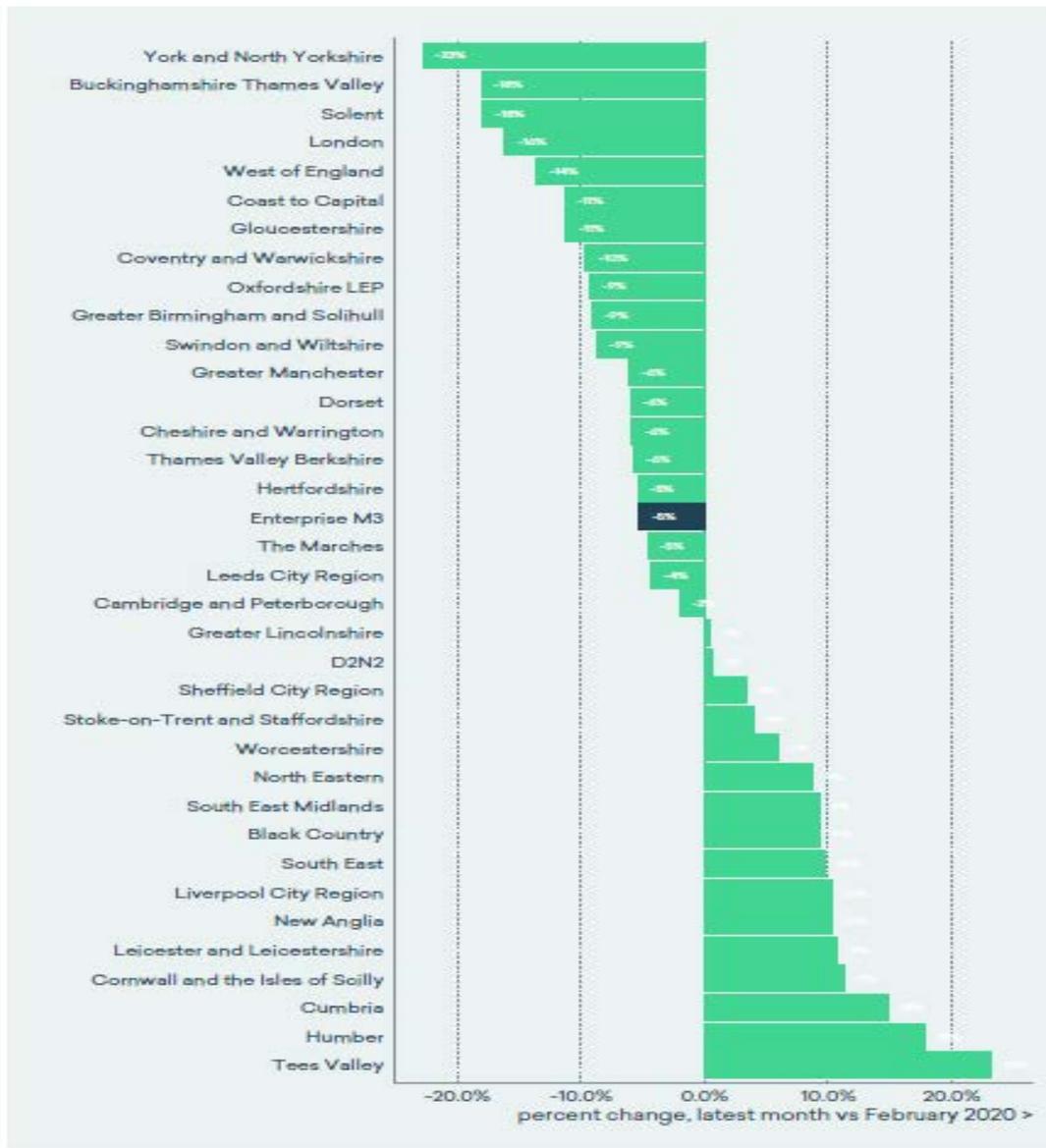
Compared with last month, an increase in no. of sectors (11) back to positive recruitment since February 2020

Top 3 sectors Recruiting
 Public Admin & Defence
 Agriculture
 Education

Bottom 3 Not Recruiting
 Accommodation & Food
 Retail
 Administration & Support Services

Change in sector recruitment since February 2020

EM3 RANKS IN THE MIDDLE OF ALL LEPS FOR RECRUITMENT



This graph demonstrates the **monthly change** in active job postings Feb – Nov 2020.

EM3 is mid-table with monthly change in recruitment down by 5% compared with February.

EM3 still not creating jobs/looking to fill vacancies as quickly as other areas eg SE LEP, New Anglia or Cumbria LEAs. And nearly half of LEAs are now creating jobs.

York & North Yorkshire and Solent LEAs remain at low point with recruitment at nearly one fifth to one quarter below their levels in February.

IMPACT ON AVIATION SECTOR

- **From 11 January 2021 – UK Government requires international passengers to provide evidence of a negative Covid test before flying to UK and has closed travel corridors.**
- Globally, passenger traffic down by 60% & sector indebted by £220 billion. **Heathrow Airport** reported losses of £1.5 bn for first 9 months of 2020
- Lockdown 1.0 saw dramatic loss of passenger numbers at Heathrow – April 2020 figures were down 97% on levels seen in previous year.
- By September 2020 1.2 million passengers travelled through Heathrow – 82% of levels seen in 2019.
- Covid Impact report estimated that there were 16,000 fewer jobs at Heathrow in local authorities closest to the airport, one of which is Spelthorne.
- Cargo operations have generally performed well.
- Heathrow suppliers, such as Balfour Beatty, have halted their involvement in EM3 Careers Enterprise Programme.
- Recovery is not expected until 2024.



The 10 most vulnerable retail locations post-Covid

The 10 most vulnerable retail locations post-Covid

- 1 **Bracknell**
- 2 **Hemel Hempstead**
- 3 **Basingstoke**
- 4 **Warrington**
- 5 **Guildford**
- 6 **Swindon**
- 7 **Watford**
- 8 **Slough**
- 9 **Stockport**
- 10 **Basildon**

Source: KPMG study – Jan 2021

- 109 towns and cities studied by the accountancy firm KPMG for retail vulnerability
- 7 out of 10 most vulnerable within South East 'commuter belt'
- These areas contain more jobs in higher-paying sectors where remote working is easier, such as in IT and Finance
- With remote working likely to continue post-Covid, many towns will lose important 'commuter footfall'
- Core cities with key cultural and leisure assets likely to be more resilient
- The move to online shopping is also having a significant impact

BUSINESS NEWS HEADLINES

KPMG published a report – ***The Future of Towns and Cities*** – of their assessment of the impact Covid-19 will have on England's towns and cities. The study indicates that 7 out of the 10 most affected are in the South East and include Basingstoke & Guildford.

Further decline in the High street retail sector with Debenhams indicating that several stores would not reopen after lockdown, including the store at Staines-Upon-Thames.

Paperchase also indicated it was at risk of entering administration.

Food retail continued to grow, with a Lidl store opening in Basingstoke in December 2020.

Local Authorities supported the Federation of Small Business campaign. Waverley Borough Council launched its ***Click it Local portal*** and Woking Borough Council established an App – ***Woking eats*** – to support businesses offering takeaway food & drinks.

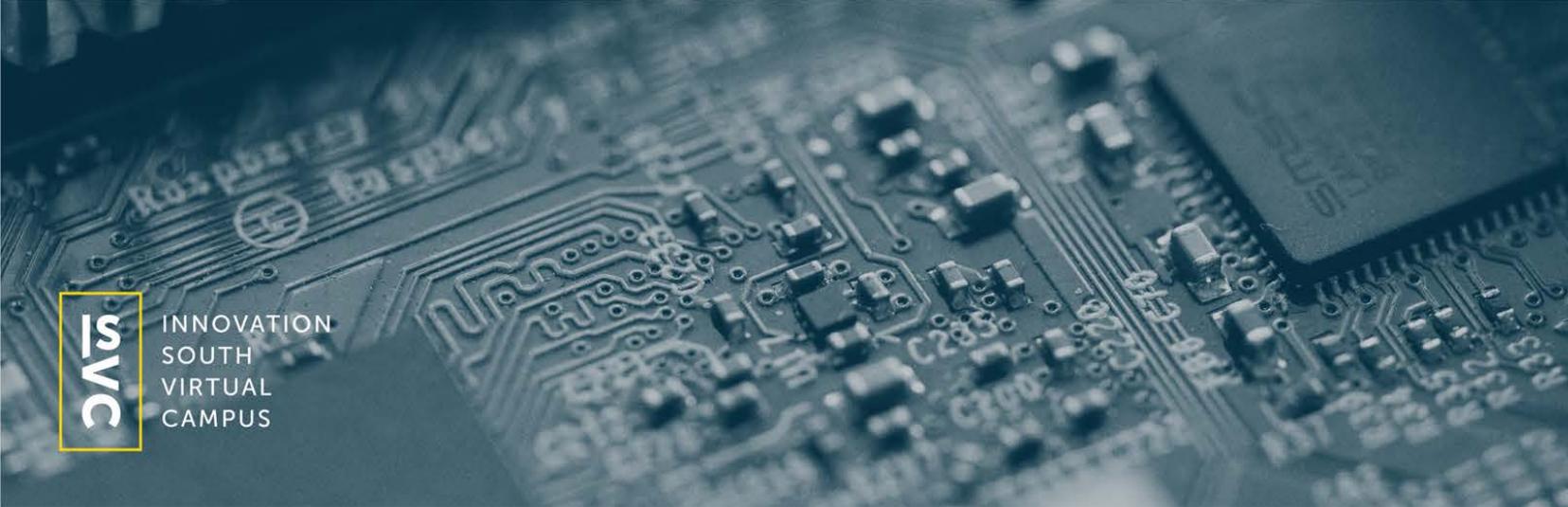
British Airways announced 11 new routes to be operated from Southampton Airport. Although the critical decision on the plan to expand the runway has been delayed by the local authority until 2021.

EM3 LEP has joined Solent LEP's "task & finish" group to contribute to and support the bid for a Free Port



Brexit : Update

- Enquiries not as high as expected but building
- Evidence of significant stockpiling – real peak mid Feb? - Dover at 60% of normal activity
- Evidence of smaller exporters to EU stopping altogether
- Growth Hubs ready with specialist expertise to support
- Most enquiries around documentation – is this just teething problems?
- Country of Origin / Supply chains biggest issue
- Logistics and how load trucks with differing goods and documentation critical



ISVC
INNOVATION
SOUTH
VIRTUAL
CAMPUS

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Innovation South Virtual Campus

Free training for businesses to meet skills gaps

<https://isl.skillset.co.uk>



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BACKGROUND

- The EM3's business innovators and knowledge and design-based economy create high demand for a strong supply of people with **high level digital skills** including for specialist roles in the digital economy.
- Research from EM3 identified a number of specific skills needed by businesses in the LEP area.
- With **£490,000 funding** from EM3, the **Innovation South Virtual Campus** (ISVC) offers a range of 12 skills-focused, bite-sized programmes, designed to address these skills. Employees can access these right now, for free.



THE COURSES

- Digital Marketing
- Competitor Analysis
- Digital Marketing: Social Media
- Collaborative working
- IT Project Portfolio
Management inc Agile
- Cyber Security
- Web Development
- Software Development
Databases
- Software Development: Java
- Software Development: Python
- IPC Circuit Boards
- Software Development: C++

THE PARTNERS



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SPARSHOLT
COLLEGE HAMPSHIRE



<https://isl.skillset.co.uk>

EM3 space industry: a successful combination of top ancillary services and downstream space applications

DOWNSTREAM

The ability to translate space data into a product ready to be commercialised



EARTH OBSERVATION



SATELLITE COMMUNICATIONS

ANCILLARY

The ability to contribute the space industry through targeted support and R&D



SUPPORT ORGANISATIONS



RESEARCH & INNOVATION CENTRES

Support Organisations & Research Centres

Excellent innovation centres and academia to develop and commercialise new ideas

5G Innovation Centre (5GIC), University of Surrey

World's leading independent testbed for trialling 5G ideas. The centre provides research for the telecommunication sector with bespoke facilities.

National Oceanographic Centre (NOC), Southampton

One of the top oceanographic institutions worldwide; it undertakes world-leading research in ocean measurement technology innovation.

Surrey Space Centre, University of Surrey

World-leading centre of excellence in space engineering. A research centre for small and cost-effective space missions, it generates leading research and innovation.

Ordnance Survey HQ, Southampton

The National mapping agency for Great Britain. By relying on remote sensing and GNSS, it works to provide accurate digital views to facilitate decision-making and quality of life.

Digital Space Hub, Guildford

Delivering space services, the centre will be a hub for earth information and a start-up incubation facility. A high-tech hub, it will provide cutting-edge research, training, and a 5G lab.

The Centre for environment and sustainability (CER), University of Surrey

An internationally acclaimed centre of excellence on sustainable development with a WHO-financed EO laboratory. Through an interdisciplinary approach, it promotes industrial ecology and systems analysis for sustainability.

EM3'S ANIMAL MEDTECH SECTOR RECOGNISED AS MAJOR UK STRENGTH



Any Questions ?