

Enterprise M3 Board Meeting

25 May 2017

Director's Report - Item 16

Enterprise M3 Board members are asked to NOTE the progress on the following activities:

1. Strategic Policy Development

- 1.1. We have held had a series of consultations on our **Strategic Economic Plan (SEP) Refresh** which has already stimulated a lot of debate. The strategic workshop before the board will give board members, action group chairs and members of the team a chance to consider the key issues we need to be considering in the future.

2 Local Growth Funds

- 2.1 Having been successful in **spending 99% of our Local Growth Fund in 2016/17**, the attention of the team is now focused on delivering our 2017/18 programme. This includes the £10m Enterprise Zone programme and it is expected that the first new 2017/18 projects will be brought to the Board for consideration in July 2017. We are also working on developing our new outcomes dashboard and hope that this work will progress swiftly now that new team members are in place.
- 2.2 Our **Growing Enterprise Fund** continues to perform as planned and we have two other projects within the pipeline. We continue to promote the fund widely but are finding that interest is not as high as it has been in previous years. At Programme Management Group (PMG), it was proposed that we move to consider both the Local Growth Fund and Growing Enterprise Fund as a 'single pot' as there is now a close alignment between these two funds, with both being offered as loans. It was agreed that it would be helpful to consider this once the emerging conclusions of the SEP refresh are known and a proposal will be brought to the Board in due course.

3 Housing and Commercial Property

- 3.1 The **Land & Property Group** met on 4 May 2017 at Longcross and the meeting focused on providing initial input into the SEP refresh. It was also agreed that Enterprise M3 would focus resources on responding to future Local Plan consultations including Guildford, Rushmoor and Runnymede.

4 Transport

- 4.1 It was recently announced that the **new franchise for the South Western Railway**, which operates the majority of trains in the Enterprise M3 Area, has been awarded to First Group, in a joint venture with MTR. The new operator should take over responsibility for the services in August and will operate the franchise until at least 2024. Whilst we will be sorry to see Stagecoach go, as we have developed a strong working partnership with them over the years, the new operator also presents an exciting opportunity for the LEP. We also already have a good relationship with First Group as they operate the Great Western Railway, which includes some key services in our area, such as the Basingstoke to Reading and Reading to Gatwick Airport routes. We have arranged a high level meeting with the new operator shortly. Their proposals highlight £1.2bn of investment and include 52,000 more rush hour seats each day at Waterloo compared with today by December 2020, faster journey times across the network from December 2018, doubling off-peak Southampton and Portsmouth services and a new service linking Farnham and Guildford. There is also a commitment to improved Wi-fi provision and mobile and smart ticketing.
- 4.2 We continue to work closely with the local authorities around **Heathrow Airport**, through the Heathrow Strategic Planning Group. This recently included contributing to a joint evidence to the Transport Select Committee Inquiry on the Airports National Policy Statement (NPS). In particular we considered there is a danger that the NPS is too focused on Heathrow and its immediate environs. We therefore emphasised that it is essential that the NPS should clearly set out that a strategic approach is required to properly consider and plan for the wider areas of impact as the airport is developed to reach its optimal capacity. This should look to embrace the functional economic area around Heathrow Airport in which

the impact on employment land and housing land demand will need to fully and objectively assessed. We also believe that the draft NPS does not properly address surface access issues. In particular it fails to make it clear that the Southern and Western rail access schemes are essential for the operation of the airport both now and going forward and should therefore be included within the draft Airports NPS as essential and their development and implementation should not be delayed.

5 Governance and Board Recruitment

- 5.1 There have been a number of changes to our Board and this is documented in full in the governance paper. We have appointed Andrew Lambert for a second term and Linda Cheung. Both will be joining the Board following the last board recruitment exercise. Cllr Julia Potts, Leader Waverley, will be joining the Board from July and Cllr John Furey will be replacing Cllr Peter Martin.
- 5.2 The closing date for board chair applications was 15 May 2017 and six applications were received. Hays are currently reviewing these applications and a verbal update on the latest position will be given by Mike Short, Chair of the Nominations Committee at the Board meeting.

6 Enterprise and Innovation

- 6.1 The **Innovation South Science & Innovation Audit** continues to make excellent progress. From the start, Enterprise M3 has been and continues to be the lead organisation in this ambitious and high profile project. It has invested substantial resources in its delivery to date both in terms of staff, Mel Redding, Growth Hub Champion and Mike Short as Chair of the Innovation South Strategic Steering Group. As lead organisation of the Innovation South Audit, Enterprise M3 has certainly confirmed its existing reputation as a LEP which is ambitious, pro- active and strong on delivery. This is the tone of feedback from Innovate UK and BEIS.
- 6.2 Over the past 6 months, a significant amount of work has been done to set up and run the Audit, including setting up a Strategic Steering Group made up of influential figures from business and HE across the region; running a call for evidence which generated around 140 responses; and holding 5 themed workshops to gather sector experts and “dive deeper” into the Audit themes. The evidence collected through this process confirms the outstanding strengths in digital enabling technologies across the region, and has enabled us to collect a lot of evidence from business that showcases the exceptional innovative business base in the South, from major corporates such as Huawei, Airbus and IBM, to SMEs, start-ups and spinouts.
- 6.3 Our draft report has now been developed and submitted to Government contractors Technopolis, who are overseeing the Science & Innovation Audit process nationally. A final version must be submitted to BEIS by 26 May, and will then be considered by Ministers before publication later in 2017 (the date for this has not yet been confirmed). Local consortia are not permitted to publish their reports prior to national publication by BEIS.
- 6.4 As we near the submission of our Audit it is critical that Enterprise M3 looks ahead to consider how we take forward the opportunities and ambitious projects identified during the Audit process to. All are focused on maximising the region’s science and innovation assets and increasing and building on collaborations and partnerships that will add value to the region’s digital enterprise, innovation and business growth and help promote the region to external investors. The Innovation South Strategic Steering Group has a meeting scheduled on 6 June to discuss next steps and how the opportunity areas identified during the Audit can be taken forward. This will include discussion of plans and resourcing for the Innovation South partnership going forward to oversee delivery of the identified opportunities, and Sue Littlemore and Lucy Crabtree will develop a proposal for this to be considered by the Steering Group. This meeting will be attended by Paul Drabwell, Head of Innovation and Place at BEIS, who will be participating in the discussion about how we can continue to build on the outcome of the Audits. An update on the outcomes of the Audit, and plans for taking these forward, will be brought to the next Board meeting in July.
- 6.5 In view of recent events around **Cyber Security** we have put up advice for business on the EM3 and Growth Hub websites. Additionally our Growth Hub has organised a Growth Hub Cyber security workshop on the 14th June from 8 to 10am at the Surrey Technology Centre.

7 Communications

- 7.1 The **Enterprise Zone (EZ³)** was successfully soft launched at the beginning of April. Our news release generated media coverage from BBC Surrey, as well as regional business magazines and local news publications. In addition the associated social media campaign for the Enterprise Zone generated 1,705 views on Enterprise M3 Twitter account alone, while LinkedIn posts attracted over 2000 views. A launch event for EZ³ is being planned for after the election.

- 7.2 We have actively communicated over 10 news items, including a case study on Utonomy (a pioneering gas management technology company, funded through our Growth Fund), recruitment for Chair and Board and our response to the Industrial Strategy Green Paper - a summary of which was well received by our MPs.
- 7.3 Our social media presence has continued to increase; our Twitter posts attracted 21,000 views and we gained 44 new followers. We gained over 100 new LinkedIn connections over the last one month. We will continue to grow social media as a means to communicate and engage directly with businesses and other key stakeholders.
- 7.4 In response to the revised assurance framework and improved transparency, we are refreshing how our Local Growth Funded and Growing Enterprise Funded projects are displayed on our website. We are working with our web developers to get the initial content displayed by 25th May 2017 with all current and completed projects to be on the website by 30 May 2017.
- 7.5 Our **Annual General Meeting** is scheduled for 30 June 2017, 9.30am to 1.30pm, at the Double Tree Hilton Woking. The objective of the event will be to launch the 2016-2017 Annual Report, looking at our successes and highlights over the last year, looking forward to the next year and an opportunity for further consultation on our SEP refresh. We have circulated the invitation widely. **We encourage as many Board Members to attend and a full briefing and agenda will be provided in due course. To be held at the Double Tree Hilton Hotel in Woking from 9.30-13.30. Please register.**

8 Resourcing

- 8.1 We have been successful in appointing a **Finance Manager** on an interim basis for a period of six months. Aleks Bennett joined the Enterprise M3 team at the beginning of May and is already making a huge difference to the team and brings a wealth of experience from across the public and private sector. She will be leading on a number of critical issues including exploring the possibility of capital/revenue swaps, investigating future funding for our Growth Hub and providing financial support to our Enterprise Zone. Over the six months that she is with us, Aleks will also be advising the team on future finance staffing needs for Enterprise M3. Aleks will be attending the Board Meeting on 25 May 2017 to present a paper on the 2016/17 finances and a proposed budget for 2017/18.
- 8.2 We have also been successful in appointing a **Senior Project Officer** who will be starting with the team later in May 2017. Jordan Tame joins Enterprise M3 from Southampton Solent University where is working within their Business and Innovation Team which focuses on commercial business opportunities for the business school. Jordan is a law graduate and his time will be focused on supporting our project activity, particularly our Local Growth Fund and Growing Enterprise Fund projects.
- 8.3 We also advertised for a **Digital Taskforce Manager and a part-time Housing Policy Manager** in April 2017. Both advertisements have generated minimal interest reflecting the tightness of the labour market at the moment.
- 8.4 Lucy Crabtree (Senior Project Officer) will be leaving Enterprise M3 in June 2017 to take up a promotion in the civil service (BEIS), Lucy will be greatly missed by the entire team, particularly supporting recent work on the Enterprise Zone, SEP Refresh and the Science and Innovation Audit. Jennie Pell who is currently our ERDF TA lead will take over the post but that will leave our ERDF TA post vacant and we go out and advertise this post shortly. To support our work on the SEP refresh, Surrey County Council have offered us 11 hours of Nikki Nicholson's time per week with immediate effect. Last year, Nikki led our work on the Commercial Property Market Study last year and we are delighted to be working with her again.
- 8.5 Surrey County Council have agreed to extend Mark Pearson's secondment for a further 6 months allowing us to have 3 days per week of his time for **directing the work of the Enterprise Zone**. Additionally we will be advertising for a Project and Programme Support Officer to support the Enterprise Zone. These posts will be offset by business rate growth monies as set out in the board paper.

Kathy Slack
Enterprise M3 Director
18 May 2017