

Enterprise M3 Board Meeting

27 July 2017

Director's Report - Item 17

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

1 Strategic Policy Development

- 1.1 We have held a number of consultations on the **SEP refresh** over the last few weeks and the analysis is stimulating much debate with partners enjoying the involvement. There is an update paper on the agenda and importantly Board members will be involved in the next stage of shaping ideas at the Strategic Workshop planned for mid August.
- 1.2 The CE LEP Network met this month and heard policy reports from government official on the **Industrial Strategy** with an expectation that something will be announced alongside the Autumn Statement. There was mention of possible local industrial strategies led by LEPs. As you might imagine this caused some debate about the difference between a SEP and a local industrial strategy. Fortunately we are at a stage that if need be we can shape our SEP refresh to reflect emerging thinking.
- 1.3 An emerging key priority is the development of the **Shared Prosperity Fund** which some across the country are seeing as a replacement for the priorities funded through EU programmes with others wanting to see the funding combined in a single pot. We have started to feed in thoughts but will want to involve board members in a wider debate.

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 September 2017. We have reviewed the current LGF programme closely in recent weeks and are highlighting the risk of a potential underspend in 2017/18, we will continue to monitor this closely but it is not yet the view of the team that we should be calling for any new LGF projects at this time. Our new outcomes and expenditure dashboard will be shared with Board members at the Board meeting and will be available at each future PMG and Board meeting as well as being published on our website.
- 2.2 Our **Growing Enterprise Fund** continues to perform as planned and a new Expression of Interest has been submitted and a report on this is in the Board's papers. We continue to promote the fund widely but are finding that interest is not as high as it has been in previous years and following the conclusion of the SEP Refresh will be looking to create a 'single pot' using both our GEF and LGF funds. A proposal on this will be brought to PMG and Board later in the year.

3 Housing and Commercial Property

- 3.1 The **Land & Property Group** met on 20 June 2017 to give detailed consideration to the SEP Refresh and provided Metrodynamics and the Enterprise M3 team with a wide range of high quality feedback on current opportunities in the Enterprise M3 area. The next meeting of the group will be in September 2017. Over the summer the Land and Property Action Group will be working with the Transport Action Group to identify and progress shared priorities, particularly in relation to long term infrastructure planning.
- 3.2 Later this month, Enterprise M3 will be submitting responses to the consultations underway on both the **Guildford and Rushmoor Local Plans**.

- 3.3 Members at the recent Joint Leader's Board have asked Enterprise M3 to take a coordinating role in the submission of proposals to the **Housing Infrastructure Fund**. LAs will continue to front up proposals but will be helped in development of strategic cases and in the identification of priority schemes by the LEP.
- 3.4 We haven't been successful in securing a part-time **Housing Manager post** and will be looking at alternative options to provide the support that we need on these issues, including potentially drawing in some long-term consultancy support.

4 Transport

- 4.1 The inaugural meeting of **Transport for South East (TfSE)**, the Sub-National Transport Body covering our area, took place in shadow form on 26th June. TfSE brings together local authorities and LEPs from across the South East with the aim of promoting and encouraging investment in major transport infrastructure in our area. The first meeting focused on agreeing the constitution, governance and structure of the new organisation and appointing a Chairman. LEPs will have two seats on the Board, with business leaders from Coast to Capital and Solent LEPs, representing the five LEPs encompassed by TfSE.
- 4.2 The Board also agreed to establish a **Transport Forum**, as an advisory body to the Shadow Partnership Board, comprising a wider group of representatives from key transport stakeholders as well as Government and National Agency representatives. It was agreed that the Interim Chairman of this Forum will be Geoff French. As well as procedural issues TfSE also agreed an emerging vision, strategic priorities and methodology for developing a Transport Strategy for the area. A series of topic papers were also considered, which have been prepared to highlight a number of issues that will need to be addressed in the Transport Strategy. These will also direct lobbying and engagement activity conducted while the Strategy is being developed. The Shadow Body has already been approached by the Department for Transport and asked for a view on our collective priorities for Highways England's Road Investment Strategy 2, covering the period 2020-25. Notwithstanding the lack of a transport strategy the Board were able to agree a long list of prioritised schemes. Within the Enterprise M3 Area, this includes improvements to the A3 around Guildford, M25 South West Quadrant (J10-16) including a new or improved link between M3 and M4 and upgrading the A34 to motorway standard.
- 4.3 In early July the Department for Transport published its **Transport Investment Strategy**. The Strategy is important as it shows the direction of government thinking in relation to transport and the areas we should focus on to secure investment in our area. It identifies 4 key priorities for transport investment, which are well aligned to the priorities emerging from our SEP review and encouragingly demonstrate a strong emphasis on the economy. The priorities are:
- To create a more reliable, less congested and better connected transport network that works for the users that rely on it
 - To build a stronger, more balanced economy by enhancing productivity and responding to local growth priorities
 - To enhance our global competitiveness by making Britain a more attractive place to trade and invest
 - To support the creation of new housing
- 4.4 In addition, the Strategy announced an intention to **consult on a Major Road Network (MRN)**, a network of 'middle tier' local authority A roads that sit between the Strategic Road Network and other local roads. This is something we have been pushing for some time. It is also proposed to allocate a proportion of the National Roads Fund to the MRN, this presents a real opportunity to secure funding for schemes that are beyond the scope of the Local Growth Fund and have no obvious source of funding.
- 4.5 **The Mayor of London has published his draft Transport Strategy** for consultation which closes on 2 October. It is an ambitious document seeking to promote health, improving facilities for public transport and active travel. It should particularly be welcomed for its focus on using transport investment to support new homes and new jobs. Whilst much of the detail is not relevant to

Enterprise M3 there are two specific areas which we will look to comment on. These are, in respect to the future of Heathrow Airport, and the concerns of what the documents calls the “Wider South East.” The Mayor opposes Heathrow expansion unless suitable mitigation of the adverse impacts can be secured, but there is some acknowledgment that should expansion go ahead there will be a need for significant investment in infrastructure. However, in respect of Western Rail Link and Southern Rail Access to Heathrow, the Mayor does not include either scheme in its list of enhanced surface access projects initiated to meet current demand; instead it mentions them solely in connection with the expansion proposals. Our position remains that both schemes are fully justified on the basis of the existing two-runway airport. The draft Strategy refers to the need to work with other public bodies in order to coordinate transport proposals in the “Wider South East”. However, this could be much stronger throughout, with the need to actually develop a partnership and cooperation with transport authorities and LEP outside London for example on the development of Crossrail 2.

5 Governance and Board Recruitment

- 5.1 Board Members will all be aware that Geoff French sadly stands down as Chair of the Enterprise M3 Board in July 2017 and Dr. Mike Short will be replacing him. We will be issuing a range of communications, including digital, over the coming weeks and months both to celebrate Geoff’s outstanding record as Enterprise M3 Chair and to introduce Mike to our wider stakeholders. A letter updating people on the arrangements has been sent to stakeholders (including all MPs in the Enterprise M3 area) on 14 July 2017.
- 5.2 A discussion paper on governance issues will be presented to the Enterprise M3 Board in July 2017 to seek all Board members input on proposed future arrangements, particularly the introduction of deputy Chairs, before being presented to the Board in September for approval.

6 Enterprise and Innovation

- 6.1 We have now submitted the **Innovation South Science & Innovation Audit** and are expecting announcements from government in September. We have been asked to lead the debate for those areas looking to developing their S and I Audit in wave 3. We are now working with Innovation South Strategic Steering Group on taking forward phase 2 and we are exploring future funding with the LEPs and others involved. Mike Short will be providing an update at the meeting.
- 6.2 The **Smart Specialisation Hub** recently released their report *Mapping England’s Innovation Activity*. The Hub has responded to the renewed focus on place (following SIAs and the *Industrial Strategy Green Paper*) and has analysed innovation within England. It answers the need for comparative representation of innovation strengths in local areas – in the case of this report at LEP level. If you would like a copy of the report please email: jordan.tame@enterprisem3.org.uk . We will have some copies available at the Board meeting.
- 6.3 We have extended the current **Growth Hub** contract to September 2018 following approval at the last Board meeting. In addition to this we have commissioned activity for an independent evaluation of the Growth Hub upon its progress against its Strategic Plan. A Business Plan for the Growth Hub is in the process of being prepared and it will be presented at the EM3 Board in September 2017. Government may be saying something more on future business support focus in the Autumn. There is expected to be renewed focus on high growth potential SMEs and scale ups continue to be a clear focus although funding for this activity is unclear. All LEPs have been asked to submit an initial Scale Up Plan to Government by the end of July 2017. We have developed this with partners.
- 6.4 **EZ³ – The London & South Innovation Valley** was successfully launched on the 7 July in Basingstoke, with 70 attendees. The launch had a focus on the business benefits of 5G technology. In addition a number of project interventions have come forward for Basing View, and schemes are being worked up for both of the other parts of the EZ, these are progressing through PSG and PMG processes. Discussions have taken place with HCC as accountable body regarding State Aid to ensure compliance. Mark Pearson has met with the cross LEP GTV team that are pulling together our approach for MIPIIM UK. We are procuring a short “fly-through” video to highlight the benefits of the sites.

7 Communications

- 7.1 We have actively communicated over 14 news items, including, a stakeholder reception for Farnborough International Exhibition and Conference Centre; launch of EZ³ (Enterprise Zone); launch of the world's first 5G Digital Gaming Hub, which is the second phase of our £5 million LGF investment into 5GIC; and a case study on StaffConnect - an employee engagement technology company supported through our Funding Escalator initiative.
- 7.2 Our **social media** presence continues to grow with more than 43,400 views for our twitter posts over the last 2 months and 46 new followers over the last 30 days. Our LinkedIn connections have also increased to 256 - from less than 20 connections, when we revived our account a few months ago. We have revised our website to include details of all of our LGF projects on the website and can be found [here](#). Our Annual General Meeting in June saw 120 delegates join us to hear about our success, delivery and impact highlighted in our newly published 2016/2017 Annual Report. The AGM provided us with an opportunity to engage with a wider audience to consult on our Strategic Economic Plan refresh.
- 7.3 A letter from Geoff has been sent to MPs, Leaders, Chief Execs and other key stakeholders which highlighted the successes of the 2016/17 Annual Report. The letter also announced that Geoff will step down as Chair at the end of this month and Mike Short's appointment as the new Chair of Enterprise M3.
- 7.4 On 7 July we hosted the launch of EZ³ (Enterprise Zone) in Belvedere House, courtesy of DeskLodge. News release on the Enterprise Zone launch, has so far generated coverage from nine media outlets, with more expected from monthly magazines.

8 Resourcing

- 8.1 A key priority over the coming months will be to recruit a Digital Taskforce Manager to support our ongoing work on digital, particularly as the SEP Refresh process draws to a close. We hope to place an advertisement by the end of July and would welcome the input of Board members in promoting this role.

Kathy Slack
Enterprise M3 Director
20th July 2017