

Enterprise M3 Board Meeting

28 September 2017

Director's Report - Item 19

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

1. Strategic Policy Development

- 1.1. We have consulted several groups over the Summer on our refresh of the SEP and hosted a meeting with Joe Manning and team from the Government's Industrial Strategy Unit. We picked up a number of insights into thinking around government's Industrial Strategy. Our overall impression was that we were in an advanced position with our SEP refresh and officials welcomed our input. We had excellent support from our partners - Growth Hub, University of Surrey, Guildford BC, HCC and Rocketdesk. The Leaders Board were updated on progress at their meeting on 21 September. The meeting was very well attended and there was a high level of engagement in discussions. Key points included: the need for us to be ambitious in our pitch to government; ensure the document has a clear relationship to other local plans and priorities alongside a strong private sector emphasis; is focused on specific actions and outcomes but with the flexibility to respond to local areas and their unique contributions to economic growth.
- 1.2. We have started to distill some key priorities relating to: supporting major firms in key growth sectors; driving inward investment; developing key strategic growth propositions; responding to the skills needs of businesses and supporting SMEs with Scale-Up potential. These dovetail well with the emerging themes for the National Industrial Strategy. We have picked up the likelihood that the 10 pillars of the Industrial Strategy will be reduced to five – people, places, infrastructure, ideas and scale ups.
- 1.3. It has been agreed by the Steering Group and EM3 Board to extend the scope of the project to allow for additional consultation work in the Autumn. This will enable us to further test out the emerging findings and ensure that the updated SEP is aligned with Government thinking in relation to the Industrial Strategy and the Autumn Budget.
- 1.4. The consultation will take place from Nov 16 – Jan 17 and will seek to gain wider support particularly from the business community and encourage stakeholders to own the debate and contribute ideas to the process. It will consist of a document that will be circulated to businesses and key stakeholders with a series of specific questions to be addressed.
- 1.5. We are also proposing a number of additional 'think piece' sessions around key themes/questions to provide a wider forum for debate and discussion to shape the content of the final SEP. These will encourage wider thinking across thematic areas – particularly reflecting the digital agenda - and encourage stakeholders to think about 'the future'.
- 1.6. MetroDynamics will continue to provide strategic support throughout the consultation process and will draft the final update SEP for completion in March 2017.
- 1.7. The BEIS industrial strategy minister Lord Prior announced the publication of the Science and Innovation Audit reports on 21st September. Business Minister Lord Prior said:
"The Science and Innovation Audits we are publishing today highlight the innovative strengths in regions across the UK and the significant growth and investment opportunities they present. Together with our record investment of an additional £4.7 billion for research and development to 2020/21, we are working closely with regional businesses and partners to ensure the ambitions set out in these reports are delivered to maintain our status as a science powerhouse."
- 1.8. Innovate UK have confirmed that they will provide 3 days per week of senior resource to help drive this work forward. Colm Watling will work with Sue Littlemore to help drive and seek funds for the ambitious proposals within the document. Three of our four LEP partners have already indicated that they would be interested in a joint ERDF call aimed at Knowledge to Market Accelerators. This is an encouraging start.

2. Local Growth Funds

- 2.1. We have been reviewing the **Local Growth Fund programme** closely and there continues to be a risk of an underspend in 2017/18. We are in discussions with partners to understand the potential scale of this underspend and are considering options to offset this risk, including investigating options to bring forward projects from later years. As agreed by the Board in July 2017, we will not be calling for new projects at this stage as we would like the SEP Refresh to inform this process. We have been making further adjustments to our outputs and expenditure dashboard and these will be circulated with papers for the Board Meeting.
- 2.2. Our **Growing Enterprise Fund** continues to perform as planned and due diligence has commenced on the Cranleigh Village Hospital proposal. The outcome of this work will be reported to the Board in November 2017. We are continuing to promote the fund widely and are in a number of discussions with Hampshire County Council on how the fund can be used to support inward investment enquiries. Should these be further developed, these will be presented to Board in due course.
- 2.3. It was agreed at the Board Meeting in May 2017 that the investment period for the **Enterprise M3 Funding Escalator** (operated by the FSE Group) would be extended until July 2018 and that the team should investigate future options to continue this type of access to finance service. A Steering Group to lead this work has been set up, led by Rachel Barker with a view to going out to procure a supplier in January 2018. We will be working closely with the Board Members who sit on the Funding Escalator Steering Group (Mike Short and Linda Cheung) and will be holding engagement events for stakeholders for them to engage in this process later this year (the first of these is scheduled for 19 October). A full report on this will be presented to the Enterprise M3 Board in November 2017. Deborah Wyatt has been brought in to assist us with this work.

3. Housing and Commercial Property

- 3.1. A key area of work has been supporting proposals in the Enterprise M3 area for the £2.3bn **Housing Infrastructure Fund**. Enterprise M3 was asked by the Joint Leaders Board to play a coordination and support role in the development of bids to the fund and we have been doing this. We are aware of a number of bids in our area and the closing date for these is 28 September 2017. LEP support for bids is encouraged and we will be writing to the Homes and Communities Agency (who are administering this fund on behalf of DCLG) to stress the strategic case for investment and to make them aware of the bids where Enterprise M3 have been engaged. A update will be presented to the Board.
- 3.2. In July 2017, Enterprise M3 submitted responses to the **Guildford and Rushmoor** Local Plans. The next meeting of the Land and Property Group is the 6 October 2017 and a key item will be the SEP Refresh.

4. Transport

- 4.1. There have been several meetings with LA and LEP colleagues on Transport for SE activity. The Partnership Board have met for the first time. Work is ongoing on develop a routemap on all the analysis that we need to put in place to identify strategic priorities. It is good to see the economy both now and in the future at the heart of the proposed work. There is a great willingness to work together on strategic transport needs and a strong desire to work closely with LEP representatives. The Transport Forum is meeting for its first meeting on 21st September. Mike D'Alton Chair of our Transport Action Group is attending for EM3. Tim Colman is attending in his capacity as a representative for FSB.
- 4.2. During August major works took place at London Waterloo, which are the first stage of seeing the potential for a major change in capacity on the South West Main Line. These works allow for the accommodation of 10-car trains at more platforms at Waterloo and will also enable the former Eurostar platforms to be brought back into regular use. These works, coupled with future enhancements such as capacity improvements at Clapham Junction, Woking Flyover and Crossrail 2, will ultimately enable significantly more and faster services to operate in our area. The LEP continues to work hard with partners to ensure that funding for these schemes to be delivered in future years is secured now.
- 4.3. At the end of August the South Western Rail Franchise was taken over by a consortium of First/MTR, with the new franchise known as the South Western Railway. We are already engaging with the new company and pressing both that commitments by the previous franchisee to improve the bus station and public realm area at Aldershot Station and to increase the number of trains stopping at Longcross are honoured and also that we continue the strong partnership working that will enable the major infrastructure schemes identified above to be delivered. Initial indications are that we will be able to build a strong working relationship and have already agreed to attend the Community Rail Partnership

Awards as a guest of South Western Railway, where there will be an opportunity to discuss key issues with their new Managing Director.

- 4.4. We will also be attending Network Rail annual leadership conference, which is holding a special event called 'Open for Business.' The aim is to discuss how we can fund, build and deliver better projects on the railway together, and develop a deeper understanding of the opportunities the LEP is most interested in to support economic growth.

5. Governance and Board Recruitment

- 5.1. Board members, Cllr Clive Sanders and Tim Jackson have agreed to join our newly formed Finance, Resources and Audit Committee and we look to recruit the third private sector member from one of the business support organisations that will be joining the board in the autumn. The first meeting will be in October and one of the areas for discussion will be a light touch look at the organisation and resourcing of the team.
- 5.2. We are talking with business representation organisations to identify suitable candidates for the Board.

6. Enterprise and Innovation

- 6.1. An update on our evaluation of our Growth Hub is on the agenda as it an update on performance. Roya Croudace from The Growth Hub will present the future strategic plan for the Growth Hub.
- 6.2. We have been asked to partner the University of Surrey in a bid for the £1M ERDF Scale Up Support Programme and have offered our in principle support and possible funding to this expression of interest but on the firm understanding that this will be dependent on the outcome of the evaluation of our Growth Hub and Board discussions on agreeing how we take forward and fund future business support activity.
- 6.3. We are working in partnership with the UKSA, SSTL, NPL and SCC to set up an EM3 Space Cluster Steering Group focused on the development of a space sector deal. The initiative will bring in key partners from industry, universities/research institutes and other organizations including HCC, to form delivery groups that can facilitate cooperation between the space sector and other sectors such as Agri-Tech and Med-Tech. Partners have agreed the group should be chaired by EM3; Chris Quintana is currently acting chair until an EM3 Board member has been identified.
- 6.4. The Farnborough Events and Exhibition space is well advanced with Construction and Design work well underway; current progress suggests that the programme will complete as per the contract completion date of 23/2/18. The current project forecast expenditure is £32.3m; the excess of £0.3m above original budget is expected to be funded by the £0.5m cost overrun deposit lodged with Barclays. Sales activity in the April to June quarter has seen a marked upturn which has been focused on attendance at key industry events and using the marketing suite and construction progress to drive site tours which are ahead of target for 2017. The Sales team continue to be focused on building the sales pipeline in the exhibition and non-exhibition sectors for 2018-2020 with the latter expected to contribute the majority of new business in 2018. Chris Quintana is in discussions with partners on our future plans for showcasing activity at the Farnborough Airshow, we will have an update for the November Board.
- 6.5. The internationalization programme continues with three inward investment successes for July recorded by DIT, one up on the previous month. The procurement of the CRM system by HCC is ongoing and is expected to be completed this calendar year. Recruitment of the Internationalization Project Support Officer post is underway; interviews have been carried out.

7. Communications

- 7.1. Over the summer period, external communications have been focussed on the change in Chair, the Hart SANGS project and Cllr Julia Potts joining the Board. The visit to the Enterprise M3 area by Joe Manning from DCLG to discuss the Industrial Strategy was communicated via social media to highlight the success of our partnership with 5GIC and Farnborough International. Social media was also used to communicate our attendance at LCEnergy's 10 years anniversary event, where I delivered a speech on behalf of the LEP.
- 7.2. Strategic Economic Plan Consultation – over the next few months we will engage with stakeholders who took part in the early stages of our SEP consultation to provide some updates and let them know about plans for further consultation.

- 7.3. Innovation South – the Science and Innovation Report will be published by Government this month and we will be driving a regional communications around the SEP findings to complement BEIS' national campaign. This will include driving the key messages and opportunities identified in the report.
- 7.4. Whitehill & Bordon Future Skills Centre – the official launch opening will be happening on 13 October. Board members are welcomed to attend the opening, if you would like to attend please contact Sarah Carter sarah.carter@enterprisem3.org.uk.
- 7.5. EZ³ marketing video – we have commissioned a creative agency - SpinningClock, to develop a marketing video that will highlight the benefits of EZ³ and drive enquiries from potential occupiers, property agents and developers. We are joining GTV group on a stand at MIPIM UK in October for the two days of the exhibition. We will be showcasing the EZ³ and the wider Enterprise M3 area.
- 7.6. We are working with Growth Hub's Communication Manager to develop a talking heads campaign to enhance our digital engagement and connect businesses in our area to the range of information and services offered. A short 30 sec/2 min videos with expert speakers on subjects such as 5G, cyber security, BREXIT etc will be shared on our website and social media, with links to associated articles for more information. Speakers will be sought from Growth Champions, Associate Growth Champions, intermediaries and other stakeholders. We encourage Board members to engage with the campaign and can get further information from Toju Ogbe toju.ogbe@enterprisem3.org.uk.

8. Skills

- 8.1. We have extended the Enterprise Advisor Network contract, which is part funded by the Careers and Enterprise Company, for a further year. The contract currently supports activity in Rushmoor and Waverley, connecting business people to the senior management team in schools and colleges to develop their careers strategy. We have an excellent range of Enterprise Advisors as part of the network, there are a total of 41 Enterprise Advisors in the network including CapGemini, Balfour Beatty, Aspire Defence, nDreams, SSE, The Pirbright Institute and a number of SMEs. We recently met with the Careers and Enterprise Company who are keen to see the network expand across the Enterprise M3 area, and we are working with the teams to enable this to happen.
- 8.2. Sarah Carter met with Richard Else the new Executive Director of Manufacturing, at McLaren Automotive to discuss their strategy on upskilling and training resources at the McLaren Production Centre, and how these will bring an added value in manufacturing in Surrey. The strategy development is at an early stage, but there are opportunities to connect McLaren to other partners in the area with an ambition to develop a centre of excellence to support skills in manufacturing.
- 8.3. The Surrey Employment and Skills Board, which Sarah Carter is a member, met in September. The Board was established in April 2013 to understand, articulate and promote the skills needs of businesses within the Surrey area and opportunities for residents to meet them. The Board will also ensure that a collective Surrey input is presented to the Local Enterprise Partnerships, Enterprise M3 and Coast to Capital, on skills issues. Surrey County Council have pledged £60,000 revenue money to support the activities of the Board and create further links to the work of partners in the area. The Board are looking at options to maximise the use of the money, including a possible match from Hampshire County Council.

9. Resourcing

- 9.1. We have had a successful recruitment drive for staff and have now filled all three vacancies, subject to clearance of references. We are hopeful to have the Joint International, ERDF TA and EZ support posts in the team by the end of October. We will now turn to re-advertising the Land and Property Support post and Digital post.
- 9.2. We met with the senior management team at Coast to Capital to share thoughts on common issues and share good practices on ways of working. It proved to be a valuable meeting. We have identified opportunities to work together on sectors, share ideas for drawing in funding (they are developing an asset base) and common work on stakeholders. We will look to repeat with other LEPs. Members of the team regularly sound out other neighbouring LEPs.

Kathy Slack
Enterprise M3 Director
13/9/2017