

**Enterprise M3 Board**

**26 July 2018**

**Enterprise M3 Directors Report – Item 15**

**1. Strategic Economic Plan/Industrial Strategy**

- 1.1. We are finalising the **Refresh of the Strategic Economic Plan** and will discuss priorities and plans for publication with board members, following sign off from our SEP Steering Group on 23rd July. We have met with government officials about the plans for local industrial strategies and the planning phasing of working with LEPs. The team were impressed with our work to date which was in line with their thinking. They emphasised the need to provide evidence to support activities although stated they were not looking for anything too complex nor development of any models. They need transparency to be able to assess our analysis. The next wave of LIS areas will be announced soon.
- 1.2. The July meeting of the meeting of the LA Authority CEOs was the second such meeting and is proving a valuable arena for information sharing and support. At this meeting we took comments back on the SEP and had a robust discussion on housing. We also shared our first thoughts on the large-scale interventions we are thinking about as part of the work towards the Industrial Strategy. The three interventions were:
  1. Establishing our Clean Growth credentials in line with the Siemens report
  2. 5G publicly owned fibre spine with international connection
  3. New Mobility - test bed for integrated travelCEOs warmly welcomed the presentation and the opportunities to be involved
- 1.3. We are starting to think about how we align our action groups to the emerging priorities within our SEP and are meeting with action group chairs on 18<sup>th</sup> July and this debate will feed into the discussion to be held at the board meeting.
- 1.4. We have seen yet another sector deal announced around construction that sets out an ambitious partnership with industry that aims to transform the sector's productivity through innovative technologies and a more highly skilled workforce. A £343m Aerospace sector deal was announced at the Farnborough Airshow. We are working with other LEPs around an aerospace/space sector deal with a particular focus on skills.
- 1.5. Andrew Lambert chaired another meeting of our successful space group. At the meeting held on the 11 July 2018 the development of a digital campus at Guildford that will link in work with the rest of the UK was considered and it was proposed that a business case for investment be prepared that would demonstrate the benefits on providing new services like upstreaming and how that would contribute to the EM3 economy.
- 1.6. We submitted a proposal to the Connected Urban Communities Fund for the development of the country's first 5G region. 18 bids were received and 4 are being taken forward. We were not successful on this attempt, but feedback has been positive, and we are now developing the proposal further. We have held a series of fruitful meetings with the public sector and are discussing broadband and fibre networks with Joint Leader board members on 18<sup>th</sup> July. This received strong support for further development. A verbal update will be given at meeting.

**2. Senior Sponsor**

- 2.1. We informed you at our last meeting that our new LEP Senior Sponsor, Isobel Stephen, had been appointed and we are planning a whole day visit to Woking and Basingstoke for her on 25<sup>th</sup> July. Dave Axam will provide an update on key messages from meeting to board.

### 3. LEP Review

- 3.1. Dave Axam and Kathy Slack attended the LEP network meeting on 17<sup>th</sup> July and had an update on the latest position on the LEP Review from Simon Ridley and Stephen Jones. The Review is still being considered by ministers it is hoped to be released soon. Dave Axam will provide members with a verbal update.

### 4. Resourcing

- 4.1. I have spent much of my time recruiting new members to the team and drawing in support to cover gaps. We have put out an advert for AD Business Delivery and have launched a microsite and an advert in the Sunday Times. Closing date 7<sup>th</sup> September.  
<https://appointments.thetimes.co.uk/job/498271/assistant-director-business-delivery/>

### 5. Other Activities

- 5.1. **Innovation South** are bidding for funds from the Strengthening Places Fund. The Innovation South Consortium is making a bid in the region of £35m to UKRI's Strength in Places Fund. The bid will make the case for deploying the region's excellence in digital enabling technologies in the health and care sectors in the South's coastal communities, to drive a significant and demonstrable uplift in productivity and economic growth.
- 5.2. The rules and scope of this fund mean it must focus on geographical areas and supply chains of very low productivity, determining the bid's focus on the region's coastal communities. The technologies and interventions, which we hope will be funded, are however based in the wider Innovation South region and whatever the outcome of this bid, led by the University of Surrey, there is substantial scope for developing digital technology innovations for the health & care sectors across the South including in Enterprise M3.

### 6. Transport

- 6.1. We continue to work on a range **of key transport areas**.
- 6.2. Given the importance of proximity to **Heathrow Airport** is to businesses in our area, we continue to place a strong focus on the future development of Heathrow and access to it. It is important that the benefits of airport expansion are maximised in our area and not solely experienced by London.
- 6.3. To this end we have been working with local authorities and LEPs around Heathrow in identifying a joint evidence base which can be used to put forward the best locations for airport-related development in our area. In advance of consulting on a preferred masterplan for Heathrow, Heathrow Airport Limited have shared potential development assembly options with us, to enable us to influence how a new airport and associated development may be configured. Key to this will be securing the much-needed improvements to transport infrastructure. The provision of a southern rail access for example, in whatever form, has the potential to open up significant new employment markets and opportunities, increasing the attractiveness of our major centres, such as Staines-upon-Thames, Woking, Guildford and Basingstoke both as employment locations and also realistic places for workers at the airport to live.
- 6.4. At the previous Board meeting a statement of principles was agreed in response to the Government's recent call for ideas on market-led proposals to deliver a new southern rail link to Heathrow Airport. This has now been sent to all promoters of potential schemes, combined with an offer to work with them and support the development of their proposals whilst at the same time not supporting any one scheme over another at this stage. Whilst southern rail access is probably the single most important piece of transport infrastructure accessing Heathrow for the LEP, we are also a strong advocate of improved western rail access to, which offers an alternative to access Basingstoke and providing improved connectivity by rail from Basingstoke, Winchester and southern Hampshire, the Blackwater Valley, and Guildford.
- 6.5. We have therefore responded positively to final round of consultations by Network Rail on this scheme. Whilst not having a view on the detailed alignment choices proposed we took the opportunity highlight that we believe there is a strong case for the scheme regardless of whether Heathrow is expanded. Stating that the delivery of a western rail access should not become dependent on the development of a third runway, whilst however noting that a third runway is

dependent on the delivery of western rail access as without it an expanded Heathrow would not be able to meet the surface access requirements specified in the Government's Airports National Policy Statement. Our view is therefore that it is essential that the scheme is delivered and operational prior to the opening of a third runway.

- 6.6. We continue to aim maintain a high profile on a national stage, so that Enterprise M3 LEP is viewed as an exemplar and leader. On recent example is an invitation to Kevin Travers, our Head of Transport, to attend a Ministerial Roundtable, held by the Parliamentary Under Secretary for Transport, Jesse Norman, at the Cycle City, Active City Conference in Manchester. The Roundtable was to discuss the Government's Cycling and Walking Investment Strategy as they begin the process of shaping and developing the next phase of the strategy.
- 6.7. Joined by leading advocates such as Chris Boardman – Cycling and Walking Commissioner, Greater Manchester Combined Authority and Sir Peter Soulsby, Mayor of Leicester, Kevin was invited to represent all LEP as a recognised expert on sustainable transport and its impact on the economy and during the discussions was able to emphasise the importance of investing in this area in helping to achieve economic growth and demonstrate to the Minister where Enterprise M3 LEP has been successful in doing this.
- 6.8. At a local level we have been working closely with our local authority partners to identify a potential future pipeline of transport infrastructure schemes, so that we are able to respond quickly to funding opportunities as they arise. This is being carried out on a number of fronts, such as through the Housing Infrastructure Fund process.
- 6.9. Ross McNally attended the Shadow Transport for SE Partnership representing the LEPs covering TfSE. Feedback on progress was positive. The additional £1m funds from Government is allowing TfSE to put a dedicated team in place and to start to pull together a comprehensive evidence base. Priorities agreed will support our economy.

## 7. Work with Business

- 7.1. The Growth Hub has performed well in the first quarter of 2018/19. As of May 2018 the Growth Hub have exceeded targets for Growth Plans and New Business Engagements with results of 109% and 110% respectively. However, engagement with the online portal is below target although an improved portal will be launched imminently and will help to address this.
- 7.2. We have now received our end of year performance figures on **foreign direct investment** In 2017/18 There were **37 successful FDI projects** of which 26 had DIT involvement and 11 are DIT non-involved. Through these investments 732 new jobs have been created and 262 jobs safeguarded. In addition, the LEP secured 10 'multi-region' FDI projects. In comparison, in 2016/17 the EM3 LEP area achieved a total of **41 successes** where 30 are DIT involved and 11 are DIT non-involved.
- 7.3. The EM3 LEP in partnership with Hampshire and Surrey County Councils were invited to submit a nomination for development of a High Potential Opportunity (HPO). Shortlisted HPOs will be further developed by the DIT team and promoted internationally. We have nominated our Gaming cluster focusing on 5G and its investment opportunities. This work is part of our wider efforts to expose and promote the EM3 region to investors. DIT's FDI panel will announce successful regions in early August.
- 7.4. The University of Surrey, Enterprise M3 LEP, EM3 Growth Hub, as well as the Invest in Surrey and Hampshire teams joined forces to **host a group of technology businesses from India and South Korea on 14<sup>th</sup> June 2018**. The visit was organised by the Department for International Trade as part of London Tech Week to explore the strong gaming and virtual reality cluster in the EM3 region. Over 30 companies from the gaming, VR, animation and AI industries attended the one-day event that included the Guildford and Aldershot gaming/VR cluster, a presentation by holographic business Double Me, and soft-landing support for companies into the area.
- 7.5. Just two weeks after the Indian and South Korean visit, the EM3 LEP hosted another delegation from Department for International Trade. **A group of 20 International Posts from various countries visited the area to find out more about gaming and VR cluster in Guildford and Aldershot**. The visit was hosted at the 5GIC, University of Surrey and played a strategic role not

just in forging relationship with British Embassies but to inform DIT international staff about the strengths and investment opportunities that the region can offer.

- 7.6. We have met with Surrey & Hampshire Chambers of Commerce to renew our membership and agree a service level agreement for the next 3 years. Together the Chambers can reach twelve and a half thousand businesses – including non-members. This partnership agreement will create many good opportunities to raise the profile of the LEP and engage the support of the business community as we embark on implementation of our new strategic plan, the development of our local industrial strategy with its focus on the UK's four grand challenges.
- 7.7. Dave Axam and Kathy Slack saw the Prime Minister open the Farnborough Airshow in Hall 1 the new structure that EM3 have made happen through a loan to FIL alongside other partners. We are hosting an event for business on the 19<sup>th</sup> July at the Airshow.

## **8. Skills**

- 8.1. The Innovation South Virtual Campus Steering Group, which includes Enterprise M3, Brooklands College, Royal Holloway University, University of Chichester, Sparsholt & Andover College, Basingstoke College of Technology and East Surrey College, invited businesses to a roundtable breakfast meeting, 15 June, to present the Innovation South Virtual Campus (ISVC) proposal as a solution to the digital skills 'problem'. A range of businesses including, McLaren, Arqiva, Creative Engine and Invotra attended the meeting. Businesses endorsed the ISVC idea as worth pursuing and provided valuable input into the development of the idea. The ISVC Steering Group are looking for opportunities to further develop the ISVC and submitted in July a bid to Ufi Charitable Trust for their VocTech Impact 2018 fund to help start to develop the ISVC.
- 8.2. The Enterprise Adviser Network, the network that connects businesses to schools to improve careers education, held an event to showcase the successes already seen between Samuel Cody Sports Specialist College and their Enterprise Adviser from Aspire Defence Services Ltd. Samuel Cody and Aspire have been working together for about 2 years now and have developed encounters with employers and experience of workplace visits for the students at Samuel Cody. Activities have included a job carousel, visit to the garrison, employees attending classroom activities, and employees supporting students to cook and serve their own Christmas lunch. The event was attended by other businesses, schools, local authorities and parents of students attending the school. We heard from two students, both with special needs, who have recently left the school and are engaging with further education and full time employment. Following approval by the Board in March 2018, we have been recruiting Enterprise Coordinators to support the expansion of this programme across the Enterprise M3 area. Chloe Giles has started with us and we are expecting two further Enterprise Coordinators starting soon.

## **9. Annual General Meeting**

- 9.1. The third Enterprise M3 AGM was held on Friday 8 June 2018 at the Village Hotel in Farnborough. The AGM was a great success building on the successes of our previous AGM. The AGM was attended by over 120 people with 50% from private sector. The 17/18 Annual Report highlighting our 17/18 successes and the impact of our work was published and distributed at the AGM and was well received by all. The AGM was our chance to show off our new diverse board and new chair, and Dave set out messages to businesses and other partners our key aims for Enterprise M3 to inject more pace and energy than ever before into supporting our local and national economy, particularly through digital and clean growth.

Kathy Slack

17<sup>th</sup> July 2018