

Enterprise M3 Board

22nd May 2019

Enterprise M3 Chief Executive's Report – Item 16

1. End of Year Success

1.1. The team delivered a stunning result of just over 100% achievement on in year spend with £36.9m against a target of £36.8m. Output results were equally impressive with the number of new homes exceeding our target by 70% (925 against a target of 546), 1603 jobs against figure of 694 (130%) and commercial space exceeded our target by 17% delivering 4252 sqm of commercial space against a target of 3360. We did not hit our apprenticeship target of 406 mirroring national success achieving 290. Work is underway to enhance support to business.

2. Local Industrial Strategy

- 2.1. Further commissioning of **external support for several of the themes** has been undertaken including a longitudinal assessment of the performance of towns across the EM3 area. Other pieces of work including the assessment of underlying productivity issues and on sector strengths are due. There has been further engagement with relevant experts and local and national organisations to help refine our understanding and approach. This will be brought together in a proposed document outlining key issues to be launched at the AGM on 21 June which will signal the start of a more intensive phase of engagement and consultation. There will an update at our board meeting
- 2.2. The **Technopolis report on the Outcomes Framework** for assessing at headline level the economic performance of each LEP area should be available shortly.

3. LEP News

- 3.1. Dave Axam and Kathy attended the recent LEP Network event which brought together all LEP Chairs and CEs. Stephen Jones from the Local Cities and Growth Unit gave an update on up and coming events. There is still no news on the consultation on the UK Shared Prosperity Fund nor when the Comprehensive Spending Review will get underway although there was a general call for evaluations to underpin activity.
- 3.2. The NAO published its recent update on LEPs this week. They recognised the huge improvements that had been made but were critical of the lack of evaluation of the programme by MHCLG. The Public Accounts Committee will be meeting before the board meeting and a verbal update will be given at the meeting. <https://www.nao.org.uk/report/local-enterprise-partnerships-an-update/>

4. Enterprise Zones

- 4.1. Enterprise M3 investment has now been made at all three sites in the EZ3 Multi-Site Enterprise Zone. Most recently a £3.35m contribution to the total £6.7m electricity infrastructure upgrade at Longcross Park at Chertsey, increasing the development capacity from 100,000sqft to 850,000sqft of office space and accelerating the pace at which the masterplan can be progressed. Progress is also continuing to be made at Basing View, a £3m Enterprise M3 investment has kickstarted work on the Plot K/K1 development in preparation for construction of the new Eli Lily offices, new shared multi-level car park and 5-storey, 40,000sqft Benchmark office development. The K/K1 development will deliver circa. 85,000sqft of Cat A office space and is one of a number of new development opportunities at Basing View.
- 4.2. Digital connectivity across the Enterprise Zone sites continues to be a priority, emerging 5G technology being a distinct area being explored with partners including the 5G Innovation Centre at University of Surrey. Opportunities include dynamic traffic management (see Transport below) and a 5G Commercial Living Lab at Basing View. The latter potentially creating a live 5G commercial network at the Enterprise Zone and could have significant advantages for businesses at Basing View, creating both a “magnet” for office space and a focal point for a technology led eco-system.

5. Digital/5G - Connected Places Catapult

- 5.1. Excellent progress is being made with the new **Connected Places Catapult** on participation by EM3 local authorities and the LEP in a new national learning network on developing market ready 5G proposals which the Catapult is intending to launch in June 2019. Participating EM3 local authorities will form part of the national network, consisting of up to 12 local authorities, who will share and develop learning over a nine month programme to assist with 5G implementation. The intention is that two local authorities should

represent the EM3 area with the learning then being shared in a local EM3 network which will be supported by the LEP.

- 5.2. Phase one of the learning network will focus on five key areas which will include consideration of physical asset identification and commercial valuations for 5G connectivity, future demand evaluations, business and operational models for organisations like local authorities and potential capacity to engage with telecom providers and the commissioning of an investment prospectus. Additionally, it will consider a communication package to help address public health concerns and environmental and local impact. The financial contribution, totalling £50,000 for the EM3 area, will be matched by the Connected Places Catapult to help support the phase one programme. Enterprise M3 are trailblazing this approach which has been well received by our LA colleagues.
- 5.3. Additionally, a handful of EM3 team members will be visiting Bournemouth, Christchurch and Poole Council on 15th May to learn from their experiences in progressing a digital place and smart city consortium, linked to the deployment of 5G infrastructure.

6. Skills and Careers and Enterprise Company

- 6.1. This month we welcomed 3 new Enterprise Co-Ordinator's to our skills team. Shirley Ducker who will be covering Basingstoke, Anstey Brierley who will be covering Guildford and Victoria Leese who will be supporting our SEN/PRU schools across Hampshire.
- 6.2. Kathy and Jeannie met with Claudia Harris, Chief Executive and Richard Dorney-Savage, Regional Lead for the Careers & Enterprise Company to undertake a contract review. The meeting was extremely supportive with Claudia acknowledging the importance of the EM3 both in size of contract – we have more than 50% more schools than some of our neighbouring LEPs, the economic diversity and importance of our region as well as our Political prominence with the number of key Members of Parliament that serve here.
- 6.3. The meeting focused on celebrating the team's success – we were recently congratulated for making up more than half of the referrals to the South Central network and also the enormous amount of work that has gone into raising our profile, designing and developing data collection tools and increasing the number of schools, colleges and businesses engaged with.
- 6.4. The team are also engaged with **The Give an Hour campaign** which was initiated within the EM3 LEP area, at the beginning of May. It has already generated 27 expressions of interest to include 6 members of the EM3 Management team and continues to grow daily. Our target is 50 Volunteers. **We would be delighted if our board members would like to participate in this high-profile programme - In an hour, you could make a difference to the choices a young person makes about their future. Find out more and register today at <https://giveanhour.co.uk/> to give an hour and change a life.**
- 6.5. This week we also celebrate that Tracey Tatum who was appointed Senior Enterprise Co-Ordinator in February has become our first EM3 Adult Apprentice. Tracey will be completing an ILM Level 5 in operational and departmental management.

7. Enterprise

- 7.1. The Growth Hub has completed a very strong 2018/19 contract year. 220 high value, scale-up enterprises received Growth Hub support, resulting in the creation or safeguarding of 254 jobs with an average salary of £34,000. 19% of businesses supported by the Growth Hub had over 10 employees, up by 5% from last year, with 71% being in the LEP's strategic priority sectors. 26,000 referrals were made to business support activity and 10,632 visitors received information through the portal.
- 7.2. The current two year funding allocation from Government for the Growth Hub concludes in March 2020. Rob Dunford and Chris Quintana are working with the Growth Hub on a range of plans to continue the service into 2020/21. These will be presented to the Board in July.

8. International: Inward Investment/Exports

- 8.1. Export of goods across the South East region increased by 3.2% in 2018 which, outside of London, has the highest level of exports in the UK (Currently £48.8bn). The USA and Germany remain the biggest export destination markets, China however increased by 53.9% to move from 7th to 3rd position. The primary markets for goods are still machinery/transport equipment and chemicals/related products, whilst real estate, professional, scientific and technical services, together with information and communications services lead the services export market. The services sector accounted for £39.3bn of exports in 2016, an increase on 2015.
- 8.2. Enterprise M3 convened the first of a short programme of facilitated workshops with partners in order to develop a joined-up approach to our export support offer across the region. The workshop was very well

received and welcomed from partners. There is a fundamental task in getting everyone understanding what services and role they have to play in the export business support arena and this workshop was particularly helpful today. We are mapping this out as part of the LIS work and the workshop helped kickstarted an approach with everyone starting to “look in the same direction” in terms of what needs to be done and where we can progress to as a team.

- 8.3. On 8th May, Andrew Lambert and Rob Dunford represented EM3 at the official ground-breaking ceremony of Gulfstream’s new maintenance, repair and overhaul facility at TAG Farnborough Airport. This is a significant investment (over £40m) in our region and a real vote of confidence in the strength of our aerospace sector.
- 8.4. Following on from Paulina Piotrowski’s departure last year from Enterprise M3 we are now looking to further strengthen the LEPs promotion of inward investment and export activities by appointing a more senior Trade and Inward Investment Lead who will work with the LEP and key partners to boost international activity across Hampshire and Surrey. The post will act as the first point of contact with enquiries from businesses and the Department for International Trade, will promote the strengths of the wider area for inward investment, and provide a focus to accelerate export activity. We expect to begin recruitment activity later this month.

9. Communications

- 9.1. Work on our strategic messages and new branding has moved on a pace with our central themes of Enterprise, AI & digital, innovation, Clean Growth, Exports, Place and Skills flowing through our annual report and website. Linda Cheung will give an update at our meeting.
- 9.2. Since the last board meeting, we have focused on publicising our AGM (over 100 have registered within first couple of days). Other news items have included senior sponsor visit to Whitehill & Bordon, our Give an hour Campaign which is encouraging business people to come in and work with young people and the Launch of our Tri LEP Energy Strategy in early April.
- 9.3. We are working closely with other key players on major events such as the **Guildford Games Festival** on 27-29th June and the **Women in Business Expo** at Farnborough International on 16-17 October where Karren Brady and Lady Michelle More are the headliners. We hope to use the event to showcase the LEPs and encourage women from private sector to get involved with LEPs.
- 9.4. Project announcements include the **Riverside development at Andover** which is due to receive £500k in; funds; and the **Winchester Science Centre launch**

10. Annual General Meeting

- 10.1. I am delighted to say Professor Dame Wendy Hall, co-founder & Director of the Web Institute at the University of Southampton, is joining us as our key note speaker on the 21st June at Farnborough. Wendy is joint author of the major report for government on "Growing the artificial intelligence industry in the UK ". Wendy tweets at @DameWendyDBE and those of you who tweet may wish to follow her and share relevant messages. The invitation with registration details has been sent out via our general mailing list. Board members who have signaled they will be attending are being automatically registered. If you would like us to invite someone from your own personal network, please email their details to me or to Sue Littlemore.

11. Heathrow

- 11.1. Members of the EM3 team continue to be fully engaged with the various themes related to Heathrow. The proposed expansion reaches an important milestone in June/July with the application for a Development Consent Order. Rob Dunford is representing EM3 on the Business and Economy group, Kevin Travers on the Transport group and Jeannie Satchell on the Skills Implementation Steering Group (chaired by former Labour Minister David Blunkett).

12. Transport

- 12.1. As part of our focus on smart mobility and new technology we are working to develop potential schemes and actively seeking partners whom we can work with to add value is a fast-moving area. We recently joined the Project Beyond Consortium, which includes local authorities, bus operators, bus developers and the University of Surrey looking to develop and deliver innovative transport solutions. We are initially looking to be involved in a workstream to investigate the feasibility of time-sliced, multi-purpose vehicle (MPV) services for the Demand Responsive Transport (DRT) of people and Last Mile Deliveries of goods in our area.
- 12.2. We have also started discussions with Hampshire County Council and the 5GIC on the potential for 5G to transform or deliver dynamic traffic management arrangements in Basing View. This could also link to

Smart Cities and the 5G Living Lab proposal, with Basing View potentially offering a real life test bed for this technology

- 12.3. As part of our capital programme we are currently assessing a proposal by Surrey County Council for electric vehicle charging. Linked to this is a potential partnership with Enterprise Holdings and the County Council to develop a phone application for smart mobility, that would provide information on the location of the EV charge points and allow the booking of car club cars, electric bike and collect payment on behalf of the transport companies
- 12.4. In term of our wider approach to transport we continue to be fully engaged in shaping the Transport for the South East Transport Strategy. One of the outputs of this piece of work will be the identification of a series of priority corridors for further study. However, in recognition of the importance of developing comprehensive multi-modal solutions on the corridors we have already commissioned a study in partnership with Thames Valley LEP, Hampshire County Council and several of the Berkshire unitary authorities to look at the A33 corridor between Reading and Basingstoke. Work is currently in the early evidence gathering stage and should be complete next year. The approach will be fully consistent with the methodology for these corridor studies being developed by Transport for the South East.

13. European Regional Development Fund (ERDF)

- 13.1. We are organising an ERDF Specification Launch and Partnering Event on Tuesday 2nd July to promote our next round of ERDF calls that will open on Friday 28th June and close on Monday 30th September 2019. These funds are guaranteed by the Treasury and can run up to mid-2023 whatever the outcome of Brexit. We have £15.6m ERDF funding to launch in 4 specifications to focus on:
- 13.2. R&D and Commercialisation Activities worth £4.6m ERDF; Digital Growth worth £1.5m ERDF; SME Growth worth £6.8m ERDF and Low Carbon and Energy worth £2.7m

14. European Social Fund (ESF)

- 14.1. We are also organising an ESF Specification Launch event in late July to promote the next round of ESF calls with £9m of ESF funding for specifications to focus on:
- 14.2. Digital skills for the unemployed: £400k ESF; Access to higher level STEM skills: £500k ESF; DWP Opt-in for the unemployed and inactive: £1.2m ESF; Social Inclusion, 3 lots: £1.37m ESF; Employer owned funds for skills: £2m ESF ; Virtual reality and online support learning: £2.1m ESF ;Brokerage of skills/Apprenticeship Hub: £825k ESF; LMI : £543k ESF.
- 14.3. We will be running social media campaigns and Eventbrite invites to maximise our promotion of these funds over the next few weeks and will provide links to these to share with your networks soon.

15. Scrutiny

- 15.1. The JLB are planning to undertake a scrutiny review of the LEP at their September meeting on 18th September. I am working with LAs on the proposed approach and will be drawing together a group of board members to represent the LEP at this key meeting.

16. Location of Office

- 16.1. We have been reviewing the location of our office base and discussing with our team possible options. HCC have confirmed that they will continue to offer valuable hot desking space alongside the economic development team and we are hopeful of a similar arrangement with Surrey once their new location is announced.

17. Team and Board Recruitment

- 17.1. We have recruited a Capital Programme Manager and filled several of our career's posts.
- 17.2. We have started preparations on "warming "people up for future board member positions even those we are unlikely to have vacancies until next year.
- 17.3. The outcome of the latest local authority elections has resulted in Cllr Paul Spooner standing down as leader of Guildford and from our board. We are awaiting the outcome of political discussions to understand the full impact on our board and other committees. There will be an update at our meeting. We are planning a series of visits to local authorities to set out the role and activity of the LEP and how we engage alongside these key partners.

Kathy Slack
Enterprise M3 Chief Executive
May 2019