

Enterprise M3 Board

25th July 2019

Enterprise M3 Chief Executive's Report – Item 15

1. Local Industrial Strategy

- 1.1. The [Local Industrial Strategy - Developing our Approach](#) document launched at our AGM set out the further work that is planned and our approach to further engagement with partners and stakeholders.
- 1.2. This will combine input from a flexible “sounding board” of senior level experts; focused roundtable discussions and larger specialist events to gather evidence and test our hypotheses; bespoke commissioning of research and analysis; and the use of social media and other communications methods via White Label to enhance stakeholder engagement. We have also begun conversations with Chambers of Commerce and Business South as partners in delivery of some of these engagement events (building on and inspired by our successful collaboration over business support for Brexit earlier this year).
- 1.3. Government will be providing an update on their intentions including for co-design at a workshop on 19th July and we will provide verbal feedback at board meeting. It seems likely that there will be a slot for each LEP to publish their LIS.
- 1.4. We are planning to use the proposed Rural Forum to look right across the LIS through a rural lens. The first meeting will be held towards the end of September with a selected group of 20 – 30 people representing various aspects of the rural economy and community.
- 1.5. We are also considering a Clean Growth Expert Panel to help test and develop our understanding of the low carbon sector and how to embed a clean growth approach across all EM3 activities and investment.
- 1.6. A two week social media campaign to identify and stimulate individuals and organisations interested in helping to shape our LIS will be launched on 22nd July.

2. LEP News

- 2.1. The Public Accounts Committee have published their [report into Local Enterprise Partnerships](#). A [response](#) was published from Enterprise M3 LEP on the website.
- 2.2. The report makes six recommendations which the Department will respond to in the coming months. These are:
 - i) In the absence of national evaluation, the Department should use the performance data it receives from LEPs to build a national picture of what is working most effectively in boosting growth and use this to inform the design and plans for evaluation of the UK Shared Prosperity Fund.
 - ii) The Department should set out how it is going to assess local capacity to scrutinise LEPs' activities and how it will facilitate LEPs' accountability to their local areas.
 - iii) The Department should set out a clear timetable showing how it will meet the April 2020 deadline and what action it will take if local authorities fail to agree on overlapping boundaries.
 - iv) Within the next 12 months, the Department should work with LEPs to agree a broader set of diversity targets for LEP boards. This should include targets that reflect the makeup of local businesses in their areas.
 - v) The Department should write to us within three months to set out the results of its analysis of LEP capacity and how it will use this information to improve LEPs' delivery of complex projects
 - vi) The Department should support LEPs to develop robust local industrial strategies based on the economic need of their areas and clearly set out how they will ensure a balance between supporting both high performing areas and areas which are lagging behind.

3. Enterprise Zones

- 3.1. Enterprise Zone activity continues to progress well. At Basing View, the development of the Village Hotel is on programme for completion in Spring 2020 and the EM3 funded enabling works at Plot K for Eli Lilly is underway. BDP (consultants) have also been appointed and are preparing the masterplan for Plot J with a view to marketing the site from August 2019.
- 3.2. EM3, together with Hampshire County Council (HCC), have worked with the partner local authorities for each of the enterprise zone sites to identify the first collection of business rates income. Designated as Business Rates Income Growth (BRIG), and part of the reinvestment into the zones, this has proved lower than the estimates set out in the 2017 implementation plan for the first two years, completing 2018/19 at £350,000 compared to the estimate of £551,000. This is, in part, due to the delay realising the impact of the initial investment into enabling works but there is also uncertainty in the market which is having an impact on the number of pre-let enquiries (reducing investor confidence in speculative construction). 2019/20 has an ambitious target of £2.1m of BRIG, and the Enterprise Zone Programme Steering Group has received a number of draft proposals for future/additional BRIG investment which are being further explored with the respective councils and organisations. The initial BRIG will provide a contribution to the operational costs of the enterprise zone programme in this financial year and the team and HCC are working to build a new BRIG forecast based on a revised estimate of income growth from planned developments which will be reported at the next Board meeting.
- 3.3. The Centre for Cities Policy and Research Institute recently published a report focusing on the performance of the group of enterprise zones created in 2011. This does not include the EM3 multi-site enterprise zone as this was created in the next programme in April 2017. The report does not have many positive outcomes to state indicating limited job creation achievements except for those in city centre locations and that this was mainly as a result of displacement from other localities. The report also clearly demonstrates that EM3 need to work closely with the enterprise zone partners to ensure achievement of the outcomes set out in the programme delivery plan. Unfortunately, the report highlighted that only one quarter of the estimates produced initially by the treasury have been realised. And furthermore, at least a third are as a result of the move of businesses and are not due to the creation of new jobs.
- 3.4. It does, however, recognise that more flexible planning rules and the ability for local authorities to borrow against the future increase in business rates (BRIG) as a considerable asset. This is a specific area of focus for EM3 and is building on the success of the initial £14m investment made from the Local Growth Fund against BRIG, and recommendations are made to Government on extending this to other parts of the country through Local Enterprise Partnerships. Local success has also come from the introduction of the five-year incentive for reduced business rates as a result of being able to demonstrate growth. This has been evident at Basing View where considerable benefit has been realised attracting larger businesses establishing regional hubs at shared office locations.

4. Skills and Careers and Enterprise Company

- 4.1. We have now almost reached our cadre of Enterprise Co-ordinators following a recent recruitment campaign in Surrey. We are now working with 64 schools and expect to be working with all our mainstream schools by August 2020.
- 4.2. EM3 has recruited its first Headteacher to the National Careers and Enterprise Company Education Leadership Advisory Group. Chris Edwards, Head teacher at Brighton Hill Community School in Basingstoke, will be a great ambassador, as a keen advocate of the Gatsby benchmarks, and supporter of careers strategy in raising the aspirations of young people. Chris' school has embraced and developed their careers as a whole school programme, including careers in the schemes of learning, as well as delivering meaningful activities to students, to show an impact and progress against the Gatsby benchmarks.
- 4.3. The Careers and Enterprise Company have published a major survey of Careers Leaders within schools, showing the positive impact on young people & the future of careers. The following link is an article from a career's leader in Surrey Heath in the Enterprise M3 region on their role.
<https://www.careersandenterprise.co.uk/news/celebrating-careers-leader-role>.
- 4.4. The Skills Talent Action Group (STAG) is gaining momentum with increased membership with representatives from Clockwork City (digital company), Invotra (Digital engagement) and Ashford and St Peters NHS Trust joining the group.

- 4.5. Jeannie attended the first Heathrow Skills Implementation Steering Group chaired by Lord Blunkett. Jeannie is the LEP representative for EM3, Buckinghamshire, Thames Valley Berkshire and London. The group will focus and respond to recommendations of the Independent Heathrow Skills Taskforce.

5. Enterprise

- 5.1. The work of the Cyber Security Innovation Centre at Royal Holloway has been highlighted by the Science Minister, Chris Skidmore, as an example of research funding which delivers cutting-edge research that brings real-world benefits. EM3 is contributing £5m LGF to the Centre, which features in our 18/19 Annual Report. The reference was made in a Govt media release, on the 2nd July, announcing “an additional £91 million for university-led research”.
- 5.2. Work continues to promote the Enterprise M3 space industry. A dedicated communications campaign and plan of action is being implemented by Sue Littlemore working with White Label and the space group. This will highlight the large numbers of space companies in our area.
- 5.3. Space/satellite companies from Whitehill and Bordon are considering developing an application to the UKRI Strength in Places fund. Enterprise M3 are supporting several applications to this fund through the E & I Action Group.

6. Growth Hub

- 6.1. The Growth Hub target for 2019/20 is to provide intensive support to 237 high growth SMEs. As at end of Q1, the GH are on track to achieve this with support already provided to 60 SMEs.
- 6.2. The GH have further expanded their associate pool with the recruitment of 5 new associates in priority sectors. These sectors are: Aerospace and Defence, Skills & Recruitment and Technology.
- 6.3. The Growth Hub’s work is supporting the Games sector with activity including the Hub taking an active role at the Guildford Games Festival, running a seminar room and having companies from Rocketdesk talking about the impact and value from Growth Champion support.
- 6.4. The Enterprise M3 Growth Hub have announced the launch of a free new digital platform, the ‘Enterprise M3 Community’. The innovative new Community platform is designed to help facilitate discussion, growth and collaboration for businesses throughout the M3 corridor. The new Community can be found at <https://www.em3growthhub.community/>

7. International: Inward Investment

- 7.1. We have received our final report on inward investment for 2018/19. Pleasingly we achieved 47 investment projects which is the same as the previous year but down on 2016/17 (50). Of the 47, the US is the largest investor (17 projects/ 36%), followed by France, the Netherlands and India all with 3 projects. By sector, companies in software and computer services made the most investments (10) followed by life sciences with 5 and aerospace 4. The report can be seen [HERE](#)
- 7.2. The three Growth Towns, Guildford, Basingstoke and Farnborough, accounted for 60% of all inward investments.
- 7.3. Total jobs, both new and safeguarded, were recorded at 568, significantly lower than the previous 2 years (994 and 986 respectively). Although it is not possible to say with certainty that these jobs are high value, we do know that 416 of the jobs are from high value projects. To be a high value project the average annual salaries for the jobs need to be above certain sector thresholds which vary depending on the sector; other criteria for high value projects include, for example, the project has a strong R&D focus, export potential, or European or Global HQ.

8. Communications

- 8.1. The Enterprise M3 AGM attracted a high turnout of around 150 people. Approximately a third of these were from businesses. The high number of registrations mean we have added at least 150 new people to our newsletter mailing list. Feedback on the event has been very positive.
- 8.2. Our 2018/19 Annual Report was launched at the AGM. This year’s version included a new “Business” section and an “At A Glance” summary leaflet to accompany it and increase dissemination and accessibility of the LEP’s key messages. If board members want copies of the annual report they should contact Justine who will arrange for copies to be delivered.

8.3. Summary of Recent Communications Impact (June):

- **Website** visitor number rose to 4,058 towards the end of June perhaps down to interest in articles following up on the AGM. The most popular news story was the job advertisement for a Sector Specialist (Gaming) and two Enterprise Coordinators Funding and news remained the most popular sections of the website after the home page.
- **E-newsletters** the June news e-newsletter reached 1,767 inboxes. Its open rate was 18.82% with a click rate of 23.78%. The June AGM 'extra' dedicated e-newsletter reached 1,775 inboxes. Its open rate was 19.97% with a click rate of 18.52%. An additional ERDF Specification Launch and Partnering Event email was also sent during the month. An initial send on June 10th was opened by 488 people with a click rate of 19.47%. These figures compare well with the majority of White Label campaigns where anything in the 18-20% range is rated very good, above 25% rated as excellent and 13% or below rated as disappointing.
- **Social Media** Twitter followers have increased to 4,137 with strong performance by the 'Live' tweets from AGM at Farnborough International Exhibition & Conference Centre. Best performing tweets from the day were around Christine Doel's talk on science innovation and productivity and Dame Wendy Hall in conversation on AI and ethics. Both had over 1,000 impressions Other tweets that performed well were around Stacey King's call for individuals and businesses to get involved in the industrial strategy and steps to tackle a climate emergency. Likewise, LinkedIn post about Stacey King speaking on a panel at the LEP Women Leaders conference has had 31 likes and has had over 1,300 impressions.
- **PR reach** June was a busy month for editorial coverage, with more than 20 news stories written and released in addition to the AGM coverage, write-ups and dedicated newsletter. A highlight was the promotion of EM3 at the LEP Women Leaders event where key EM3 board members' blogs were featured on the LEP network news and social media channels.

9. Transport

- 9.1. There are substantive papers elsewhere on the agenda related to our activities working on responding to the impact and opportunities offered by Heathrow expansion and the development of Transport for South East. TfSE are producing a transport strategy, the consultation on which will be launched in our area at the Farnborough International Conference Centre in October. Kathy will be speaking at this event. Any board member wishing to attend should speak to Kevin Travers
- 9.2. The work on Heathrow expansion rightly focusses on long term issues, such as the importance of southern rail access to our economy. However, there are smaller but equally important initiatives taking place now. In early July we attended an event run by Heathrow and First Bus, to highlight the launch of a new RailAir coach route from Guildford to Heathrow Airport. Growing the number of passengers travelling to and from the airport by public transport is at the heart of Heathrow's Surface Access Strategy. Improving the provision of services to Guildford will start to tackle the high percentage of passengers who currently travel by car, reducing congestion on the roads and enabling passengers to make more sustainable journeys to the airport.
- 9.3. The new RailAir service calls at Guildford Train Station, University of Surrey, RHS Garden Wisley and on through to Heathrow terminals and the Central Bus Station. This will also provide better connections through and beyond Guildford, cutting journey times for passengers from a range of locations across the Enterprise M3 area. RailAir is also making passenger journeys easier with the introduction of through ticketing.
- 9.4. We also recently attend the South Western Railway Stakeholder Conference, which provided an excellent opportunity to meet and discuss issues affecting the local rail network and receive updates from SWRs senior management team and external speakers. The event covered a wide range of areas including business update, rolling stock, Transport for London, Partnership with Southampton City Council and the voice of the customer. The next stakeholder conference will be held on November 18th (Woking) with Network Rail Chief Executive Andrew Haines.

10. Business Engagement

- 10.1. We were pleased at the number of businesses who attended our AGM reflecting our activity at ramping up our engagement with business. We are linking up the business activity across the team pooling information from careers staff, Growth Hub and team members. We are hosting a meeting for

BEIS at QinetiQ in July. We are planning a meeting with Arqiva, particularly focused on their apprenticeship ambassador work with businesses across our area.

11. European Funds

- 11.1 We continue to promote our calls for ESF and ERDF funds with our latest event publicizing our ERDF calls in R&D and commercialization activities (£5,1m ERDF), Digital Growth (£1,5m ERDF), SME Growth (£6,8m ERDF), Low Carbon and Energy (£2,7m ERDF). We had great interest with over 60 participants attending the Partnering event. The next rounds of ESF will towards the end of July with a partnering event scheduled on 30th July.
- 11.2 We received confirmation that RDPE is planning to organise a Reserve Fund call for EAFRD towards the end of September. Two out of the three priorities will re-open for '*Business Development*' and '*Tourism Infrastructure*'. Both priorities were the most popular in our area. Our level of over-commitment will allow our area to access more EAFRD money from other underspending regions
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12. Location of Office

- 12.1. Our formal consultation with staff concluded in July. We have taken the decision to move to Desklodge in Basingstoke on 2nd September. The Board will have an opportunity to see our new space at the board meeting and to hear about Desklodge's approach to encourage entrepreneurship.

13. Team and Board Recruitment

- 13.1. Geoff Wells, Capital Project Manager joined the team in June and is developing our approach to evaluation and impact. We have also successfully completed all our careers staff recruitment meaning we now have a team of 8 working with schools and business.

Kathy Slack
Enterprise M3 Chief Executive
July 2019