

Enterprise M3 Board

30 January 2020

Enterprise M3 Chief Executive's Report – Item 16

1. Local Industrial Strategy

- 1.1. The Government Analytical Panel gave some very positive feedback on the local industrial strategy evidence base considered by the Board at the last meeting. There is no need to revise the evidence base and we have responded to the Panel to say that we will be using their comments to inform the next stages of work (covered in the separate Board paper on this agenda). The evidence gathering and analytical work is now complete save for some further stakeholder engagement. Our understanding is that three more LIS documents will be published shortly. We await a definitive statement from Government on their intentions, but the publication of more strategies suggests that LIS are still on their agenda.

2. LEP News

- 2.1. The Management Board of the LEP Network has been reformed with Mark Brittain Chair of Herts LEP now chairing the LEP Network. Southern LEPs will be represented by Christian Brodie, chair SE LEP. All Southern LEP Chairs will be meeting regularly to ensure Christian is apprised of key issues.
- 2.2. Alison Webster has been appointed CEO for Thames Valley Berkshire LEP and brings over 30 years' experience to the role. As the LEP's CEO Alison will lead a small team supporting the LEP's board to promote economic growth in the Berkshire area.

3. Enterprise

- 3.1. **Gaming Sector:** Our work on developing our High Potential Opportunities (HPOs) is taking shape with the final version of our 'Immersive Visualisation and Gamification' HPO expected to be delivered by Department of International Trade (DIT) in early February. HPOs are awarded by DIT to regions with significant potential to attract inward investment in a specific sector. A webinar presentation with DIT international posts will then be arranged for the end of February.
- 3.2. We are already making many successful linkages and are working with a couple of overseas companies on inward investment opportunities. Additionally, the DiT are developing a public facing website to host the information contained within the HPO for any interested parties. This will be part of the drive to showcase sector opportunities post leaving the EU.
- 3.3. Work continues towards the delivery of the Guildford Games Festival in 2020 building and expanding on the success of the 2019 festival. The process of securing the sponsorship required for event delivery costs is now in process.
- 3.4. **Space Sector:** In the past few months we have been working towards the development of a proposition for the EM3 space industry, in readiness for an expected DIT launch of a new wave of High Potential Opportunities (HPOs) early this year. HPOs are awarded by DIT to regions with significant potential to attract inward investment in a specific sector. An HPO for the Enterprise M3's space sector would lead to tangible benefits to the industry and local communities.
- 3.5. Research by EM3's space sector specialist has identified a regional strength. Our area has a considerable number of space companies (60+) focused on downstream applications, with earth observation cos. representing 83% of this total. A strength is the linkages to related sectors such as clean growth, automation & energy consumption. We are looking at how earth observations from satellites can help address challenges of climate change & drive clean growth solutions.

4. Growth Hub

- 4.1. The Growth Hub continues to perform well and in line with contracted key performance indicators, with the number of completed Growth Plans standing at 103% of target as at end of Q3 (December). A highlight is the job creation figure, which now stands at 483 for the year to date.
- 4.2. The Expert in Residence programme, funded by NatWest and resulting from the Alison Rose Review of Female Entrepreneurship (<https://natwestbusinesshub.com/content/rosereview>) has been adopted by the LEP and Growth Hub. This involves embedding a day per week of expert financial advice into existing services, with a focus on supporting female entrepreneurs. The role for EM3 is being shared between Amanda Shovelton and Liana Brien.
- 4.3. Facebook have recently launched a “She Means Business” campaign, which EM3 Growth Hub has been invited to support. Growth Hubs will help promote regional activity to their channels and, help to run a national 'pay it forward' event in September where 10 Growth Hubs across the country, on the same day, run a training session and bring together local women in business.
<https://shemeansbusiness.fb.com/uk/>

5. Business Readiness

- 5.1. Smaller businesses across the South will be able to access a series of specialist exporting masterclasses as part of the continuing investment of the EnterpriseM3-led Southern Central Cluster into business readiness post EU exit. The masterclasses will be targeted at businesses with existing exporting experience to ensure companies are well prepared to grasp opportunities in a changing international trading environment.
- 5.2. The EM3-led Cluster is also commissioning an extensive survey with 4,000 businesses across the South to identify the type of business support (eg funding; peer to peer networking; one to one growth advice) they would most value from Growth Hubs. The results of this survey will shape Growth Hub services to ensure they meet business needs effectively.
- 5.3. BEIS has advised LEPs and Growth Hubs engaged in the Brexit Readiness work that the Govt. messaging has moved away from preparations for a No Deal Brexit and a refreshed focus on business resilience and identifying opportunities in a changing economic environment. The Em3-led Cluster was ahead of the game and has been adopting this approach since just before Xmas.
- 5.4. EM3 hosted a meeting with banks on 23rd Jan. as part of our south central engagement plans. A verbal update will be provided at board meeting.

6. Inward Investment

- 6.1. FDI successes and opportunities set out in DIT's latest report show 15 new inward investments from 1 April 2019 to end of December 2019 (an increase of 8 over the last 2 months) providing 56 new jobs, and a pipeline of 47 'active ongoing projects' (managed by DIT and/or local partners). Of this pipeline there are 24 projects which are estimated to land within this financial year giving an estimated total of 39 successes compared to 47 secured in 2018/19, reflecting the uncertainty of the previous year.

7. Clean Growth

- 7.1. We signed the Partnership Agreement to Greater South East Energy Hub Board in December. The Energy Hub is funded by BEIS to increase the number, scale and quality of local energy projects. The Board decision-making body for the Hub is responsible for setting strategic direction as well as approving grants under the Rural Community Energy Fund and allocation of financial resources by the Cambridge & Peterborough Combined Authority (as the Accountable Body) for project technical consultancy and the Hub Operational Team. The Energy Hub is tasked with helping LEPs a key resource in delivering our Energy Strategy by identifying potential projects and delivery partners and providing technical expertise. It also helps us strengthen our relationship with the Local Energy Team at BEIS as well as building up a strong network and capacity within LEPs across the Greater South East.

7.2. We recently worked with a company called KMatrix to analyse the Low Carbon and Environmental Goods and Services (LCEGS) sector within Enterprise M3. The key findings show that the LCEGS sector in the EM3 area had total sales in 2017/18 of £18.2bn. However, the core activities, e.g. the manufacture of a wind turbine blade within the sector made up only 25% (£4.6bn) whilst non-core, midstream activities, e.g. manufacture of the bearings for the turbine, made up 75% (£13.7bn). We are currently planning a workshop with KMatrix and key stakeholders to develop potential interventions to support and develop this sector. The Low Carbon sector is due to grow faster than the wider economy. This work will help us understand the strengths we have in the area and how we can develop interventions to support this sector, plus assist other sectors to diversify, to take advantage of these opportunities.

8. Enterprise Zones

8.1. The role of Programme Director is being supported temporarily by Emma Meredith from Hampshire County Council's Economic Development team. It has been agreed that she will provide two days per week for the next few months before we undertake recruitment to seek a more permanent replacement for the role this spring.

Basing View:

8.2. The Village hotel has been completed and is now taking bookings for rooms and events starting from mid-February 2020, as well as membership for the gym and leisure facilities. Enterprise M3 will be holding their Board Meeting at the hotel in May and this will be an opportunity to hear more about how the hotel is supporting Basing View.

8.3. Other sites are about to be occupied, with the MoD taking the Southern Cross building. A speculative development proposal has come forward for Plot I, the Glasshouse site. This is by developers Fishron Ltd with a scheme to build 63,000 sq ft of commercial headquarter space and parking on this gateway location at Basing View.

Longcross:

8.4. In December, a major investment was achieved for the site with the announcement of the sale of 10 acres to Ark Data Centres. This will see the development of a data campus creating 385,000 sq ft of specialist storage facilities. Ark Data Centres are one of the best in class providers of data centre developments and services with several other facilities across the area including one at Cody Park, Farnborough. They will be submitting a detailed planning application to Runnymede Borough Council early this year with a view to the first stage of development being completed in 2021. The creation of this area of the site will deliver 45% of the total commercial space planned for this location of the Enterprise Zone.

9. Skills and Careers and Enterprise Company

9.1. The Skills and Talent Action Group (STAG) continues to grow to become a vibrant action group. The membership now comprises of 24 with representatives from our key sectors, the education sector, the business community, the two County Councils, the Careers and Enterprise Company and the EM3 LEP.

9.2. The Skills and Labour Market analysis has been received and was presented to the STAG in December 2019 and the FE Principals' Group on 22nd January. It highlighted three key 'problems' that need to be considered as the group addresses the development of a future skills strategy.

1. A decline of jobs – particularly in frontier industries – during the last three years.
2. A growing valuable highly qualified, highly skilled workforce attached to jobs out of the area.
3. Education and training responsiveness to area skills needs.

The STAG will be leading on identifying and designing solutions to address these problems through the LIS and Skills Strategy & Plan.

9.3. A Skills Symposium is planned for Tuesday 24th March 2020 at Farnborough International Exhibition and Conference Centre. The aim is to share the key aspects of the Skills and Labour Market Analysis to an audience of careers leaders, representatives from business and other key stakeholders to help

influence curricula and facilitate discussions about addressing some of the key skills challenges we face.

- 9.4. The CEC team are continuing to network with businesses in order to engage them with education, bridging the gap and supporting encounters and experience of workplace activities to prepare young people for the world of work. Enterprise Advisers come from a variety of industries across the EM3 region, with the gender split currently being 35% female and 27% male. Their business knowledge and networks are opening opportunities for education to better understand the future of their students, as well as businesses having a view of their future talent workforce.
- 9.5. Over the past year we have increased the capacity of this contract and have Enterprise Co-ordinator coverage for 74 mainstream schools, the majority of colleges, and 4 SEND schools in the EM3 area. 76% of mainstream schools who have signed up to the network have been matched with a business ambassador, otherwise known as an Enterprise Adviser, to help them with business knowledge and access to their network of professionals. This has supported a positive impact on two key performance indicators; encounters with employers and employees and experience of workplaces which are 2 of 8 Gatsby Benchmarks which are part of the governments careers strategy, to ensure young people are able to make more informed choices about their future, and CEC contract deliverable measures. Our current position for Gatsby Benchmark 5 – Encounters with Employers and Employees is 60% against a target of 70%, and Gatsby Benchmark 6 – Experience of workplaces is 59% against a target of 55%.
- 9.6. This work will continue to be funded until August 2020. We are currently waiting to hear whether the Careers and Enterprise contract will be extended by Government on order to continue the excellent work that this project undertakes with our education sector and business community.

10. Transport

- 10.1. The Board were advised in the previous update that we wrote to the new aviation minister, Paul Maynard, who is responsible for both Heathrow Airport expansion and southern access to the airport. Unfortunately the reply received from Government officials, during the purdah period, was unsatisfactory so we are taking this up again with officers and pushing for a meeting with the Minister, so that we can highlight directly the importance of the airport, and southern rail access in particular, to the LEP.
- 10.2. We have also submitted a full response to the consultation by Transport for the South East on their draft Transport Strategy. The response focused on three key areas:
- 10.3. Ensuring that the strategy is predicated on the most up to date economic data available and in particular that there are strong and clear linkages between the TfSE Strategy and the Evidence Bases for the Local Industrial Strategy that have been developed by each of the 5 LEPs in the TfSE Area.
- 10.4. That the opportunity is taken to strongly differentiate the South East and this transport strategy relative to other area transport strategies by seizing, leading and being bold on innovation and the future changes in mobility. This was emphasised by the youth parliament speakers at the kick-off event. This is their future transport strategy and they expect to live in a very different world of mobility than we have now. To fail to strongly recognise this would be remiss in our view.
- 10.5. We must recognise the climate emergency and fully embrace clean growth and with it the overwhelming need to invest in sustainable and clean transport solutions for our future.

11. European Funds

- 11.1. An excellent range of rural businesses representing farmers, vineyards, tourism, horticulture, and artisan specialist foods attended our EAFRD Rural Funding Event at Test Valley Borough Council Offices in Andover on 14 January with about 25 rural businesses in attendance. The combination of presentations from us, networking and 1.2.1 session with DEFRA worked well. We are hopeful that we should get some good quality applications out of it for the three Reserve Funding calls. Tim Jackson opened the event and has provided a quote for a press release to be issued by Test Valley Council. Potential projects might include a cluster of vineyards investing in agri-tech in the area and a

hostel looking to add further accommodation to cyclists and walkers in the South Downs National Park. All the projects will grow the number of jobs and benefit the wider rural economy.

- 11.2. Our ESF Digital Skills Launch and Networking Workshop in Basingstoke on 16 January attracted 11 attendees from organisations interested in either leading or delivering ESF digital skills projects. We received very positive feedback about the networking and sharing of ideas on how to support digital skills provision for the unemployed.

12. Capital Programme

- 12.1. Progress remains strong on our Local Growth Fund programme and a detailed paper for the Board gives the latest information across the programme. We were able to report to Government that our full Local Growth Fund allocation (£219m in total) has now been fully contractually committed. The targets set in our published Delivery Plan still look to be achievable (and in the case of homes unlocked, apprenticeships and learning floorspace created already exceeded) and we are looking forward to updating Government on the latest progress at our Annual Performance Review meeting on 14 February 2020.
- 12.2. We are also ramping up our communications activity on our projects and programmes following the 'pre-election period' and have several press releases in the pipeline awaiting quotes from Government ministers. Following an event in January 2020 to mark the start on site of the Camberley Public Realm project, we have secured a quote from Jake Berry and published a press release on our website: <https://www.enterprisem3.org.uk/news/ground-breaking-ceremony-camberley-high-street-improvements>
- 12.3. Work on the independent evaluation of Enterprise M3's Local Growth Fund and Growing Enterprise Fund continues and I would like to thank all those who have contributed to this process to date. An update on the emerging conclusions will be presented to the Enterprise M3 Board at the January meeting and the final report will be published on our website once completed.

13. Team and Board Recruitment

- 13.1. Sarah Carter returned from maternity leave in January 2020 as Head of Skills and Jeannie Satchell has moved into the role of Interim Head of Careers and Enterprise. Jeannie will continue to lead on the Careers and Enterprise Company contract until June 2020.
- 13.2. Work on Board recruitment continues with several new Board Directors set to join the Enterprise M3 Board in 2020. The Nominations Committee will be meeting on 30 January 2020 (in advance of the Board Meeting) and will provide a verbal update at the meeting. This will include an update on the joint procurement exercise that we are conducting with Thames Valley Berkshire LEP to assist us with Chair and private sector Board Director recruitment and we hope to go out to advertisement for these vacancies in late February 2020.
- 13.3. Both Simon Browne and Tim Jackson will be attending their last Board Meeting in January 2020 and we thank them both for the huge contributions that they have made whilst on the Enterprise M3 Board.
- 13.4. I am leading work across Southern LEPs on a campaign to draw in business people to LEP boards with a particular push on diversity. A joint communications campaign pulled together by Coast to Capital LEP working with the other Southern LEPs will start next month

Kathy Slack
Enterprise M3 Chief Executive
January 2020