

**Enterprise M3 Board**

**28 May 2020**

**Enterprise M3 Chief Executive's Report – Item 15**

**1. General**

- 1.1. Much of recent activity is around the impact of COVID 19 on businesses, our workforce and our communities & economy. 70% of LEP activity is now directly linked to COVID 19 & we have substantially ramped up intelligence gathering, contact with business & looking at how we pivot existing activities to support economic recovery. All of the team are working from home & I anticipate that we will continue to work from home for many months in line with government guidance.

**2. LEP News**

- 2.1. The LEP Network is in daily contact with government officials on how best LEPs can support economic activity. A fortnightly meeting is held with BEIS ministers which Mark Bretton, the chair of the LEP Network, attends. Dave Axam and Kathy Slack are involved in regular meeting with Southern LEP chairs and CEs. There is work ongoing to better position the southern grouping and provide more of a voice for the South especially around business.
- 2.2. Ministerial roundtables with business are being held in May and we have selected five people to attend an event for the South. We will give a verbal update at board meeting.

**3. Local Industrial Strategy /Economic Recovery Plan**

- 3.1. We are working to develop the LIS into an Economic Recovery Action Plan, where the LEP, in line with the Board's view on our strategic direction, focuses on supporting sustainable business and economic recovery rather than short term rescue. This includes building on and refreshing our evidence base in light of Covid19; redoubling our convening role to unite people and organisations in shared ventures ; supporting diversification and innovation amongst our businesses and entrepreneurs ; flexing existing resources to help re-ignite our economy and working with our FE and HE sectors on a new direction for training and skills.
4. We are working closely with the economic sub- groups associated with H10W and Surrey Local Resilience Forums providing intelligence and updates on our future plans. We are starting to look at how we might reposition any remaining funds to support business activity.

**5. Business Readiness/Cluster Activity**

- 5.1. We continue to work as a Cluster with Thames Valley Berkshire, Coast to Capital & Solent LEP. This includes regular meetings to share intelligence about the impact of Covid19 on the region and share best practice regarding support to businesses. We are identifying activities that can be carried out across our cluster, such as a potential redundancy & skills portal and a comprehensive insights survey to support recovery plans.
- 5.2. We are working closely with Business South & Hampshire and Surrey Chambers of Commerce on joint approaches with business. Our monthly meeting with major banks & British Business Bank is proving successful & the Growth Hub are running events to support business apply for bank funds.
- 5.3. The EM3 Growth Hub has adapted quickly to provide covid19 response and support. The team are all working remotely and have moved all the face to face business support online. They have interacted with over 700 businesses providing business support "distress coaching", guidance on the new programmes including CBILS, Grants and furlough. They have responded to several requests from partners to sit on the panel of webinars (over 30 in the last month) and continue to promote others. The portal has become the main point for up to date Covid 19 guidance and links through to gov.uk and the Business Support Helpline.

## **6. Space Sector**

- 6.1. Over the past month, EM3 has been working on identifying the implications of Covid-19 on its space sector. We worked closely with respective local authorities and had regular videocalls with the South Coastal Centre of Excellence at University of Portsmouth, the SPRINT Network, SETSquared, UKspace and the European Enterprise Network. EM3 has also been involved in the Satellite Applications Catapult's Monthly Exchange Call.
- 6.2. On 29th April, EM3 submitted to DIT the proposal towards a High Potential Opportunity (HPO) for EM3 space sector. Our focus is on portraying a forward-looking sector, capable of releasing huge potential for enabling clean growth through satellite applications. HPOs are important as once awarded they significantly enhance the appeal to foreign investors looking to leverage the significant talent base and innovation of the area. DIT expects to make selections by July 2020.

## **7. Games & Immersive Tech**

- 7.1. The Guildford Games Festival delivery group (UKIE, EM3, Liquid Crimson, Etch Play) are meeting virtually to discuss options for the delivery of 2020's Games festival, originally planned to take place in July but thus far 'postponed'.
- 7.2. EM3 are ensuring the successful delivery of a cluster marketing initiative for game developers in the 'GU' postcode area. Following a collaborative lobbying effort from EM3 and Fireblade Software, Valve Corporation have given authorisation for Guildford to have its own regional storefront on their industry-standard digital distribution platform, Steam. Through this all games made in the greater Guildford area will receive front page promotion to the 20 million users of their store for the duration of local events such as Guildford Games Festival. This programme will be the first to provide a direct financial incentive for the development of future cluster activities. The approach is believed to be novel in the UK.

## **8. Animal Health**

- 8.1. We were approached directly by DIT's sector experts for Animal Sciences & Aquaculture in early April to gauge our interest in submitting an application to the High Potential Opportunity (HPO) programme for the animal health sector in EM3. This team have an ambition for an HPO for this sector and have concluded from their own research that the EM3 region, with the Guildford area at the core, has the strongest case for the UK. Our key assets include vHive (Veterinary Health Innovation Engine), Zoetis the Pirbright Institute and an excellent national and international network. We have set out an ambition to generate £50m in the next 5 years of additional investment/income. This was a great team effort between the LEP, Surrey University and DIT, to pull together an application in 3 weeks.

## **9. Trade and Investment**

- 9.1. Enterprise M3 has recently appointed a new trade and investment coordinator, Francesca Caramelle, to support the LEP and key partners in boosting international activity across Hampshire and Surrey. Francesca will be promoting the strengths of the overall region, while attracting inward investment, and accelerating export activity. Partnership activity is going to be key to this role.
- 9.2. Since starting the new role on Monday 11<sup>th</sup> May, Francesca has already been contacted by two general life sciences enquiries and has been approached with a targeted enquiry from a Canadian training provider, aiming to land in EM3 by mid-Summer 2020.

## **10. Clean Growth**

- 10.1. We had our the first of our regular meetings with the NFU and CLA to discuss rural issues. This provided a very useful insight into the issues currently affecting the rural sector, from food supply issues to employment. This will now be a quarterly meeting and will help form part of our rural proofing work. We have made a positive link with the Energy and Climate Change Policy Team at the CBI and will be meeting to understand further how we can embed carbon reduction policies into our COVID19 recovery plans.
- 10.2. We were invited to sit on the EMPHASIZE3 SME R&D grants panel which is one of our Low Carbon ERDF projects managed by the University of Portsmouth. The first Panel was held at the beginning of May and considered 5 SME innovation projects. As part of the Greater South East Energy Hub we were asked to sit on the Rural Community Energy Fund appraisal panel which continues to run virtually through this time approving rural, community run renewable energy projects. We are also part of Surrey's Covid-19 Recovery Place Sub Group.

## **11. Communications**

- 11.1. We have, to date, produced more than 40 daily bulletins targeted at businesses with news of up to date support available from Govt. and others. These continue to be very positively received. We also supply weekly reports to BEIS with key feedback on issues and asks of businesses in our area. These reports are circulated across Whitehall and key issues escalated to Gold Command.
- 11.2. We are working with our partners to promote business successes from our EM3 area. These are included in our daily bulletins and more recently included the approach of FIL for a virtual Airshow.

## **12. Enterprise Zones**

- 12.1. With Covid-19 impacting on construction sites across the country development at our three sites have generally stopped. We have held discussions with partners within the Enterprise Zone Operational Group on what is or is not happening across the sites.

### **Basing View:**

- 12.2. A mix of delay and progress is happening at Basing View sites. The Eli Lilly scheme at Plot K is progressing, while demolition at Plot J is now delayed until the summer. The owners of Plot S, Grosvenor House, have recently gone into liquidation and the site will be sold as part of these proceedings. This may bring the opportunity for demolition and redevelopment of the site which currently acts as a blight on this part of the zone.

### **Longcross:**

- 12.3. Crest Nicholson had stopped building their sites including Longcross Park, and the Discovery building scheme, which was already making slow progress came to a halt. We are awaiting details from the project team on their revised timetable for completion of the scheme during the remainder of 2020/21.

### **Tech Forest:**

- 12.4. The development of the Techforest Phase 1 site has stalled and a discussion with Homes England is planned for early June 2020 to get a better understanding of their thinking on the future for this site and where the LEP may assist. The other part of the Techforest site (Phase 2/Louisburg North) is also experiencing delays, as the joint venture between the Dorchester Group and Tidebank have advised that this will not be progressed until the economic and development situation is clearer.

## **13. Skills and Careers and Enterprise Company**

- 13.1. Closure of schools and colleges, due to COVID, initially impacted engagement. The CEC team have been supporting the Business Intelligence work to help understand the impact on skills for the boroughs and councils that we work in, and the future work landscape for young people. The CEC team are now engaging with schools, and building a robust new engagement programme to support the 'changed' environment.
- 13.2. Schools are looking at careers education to provide opportunities for students to relate their studies to future careers & use that as a means to motivate and engage them. Labour market information will be important in showing the young people the diverse opportunities in our region. Businesses, where possible, are still keen to support, & find ways of helping young people learn about the work of work.
- 13.3. The focus for skills is on the re-drafting of the Skills Advisory Panel (SAP) Skills Strategy in consultation with stakeholders from the SAP and as part of our Economic Recovery Plan, in light of the Covid-19 pandemic and the impacts on the supply and demand of skills.
- 13.4. Alongside this, we are also consulting with Further and Higher Education to better understand the immediate and potential impacts on their estates, the delivery of teaching and learning, learner destinations, projected learner numbers and financial health.

## **14. Transport**

- 14.1. The COVID-19 crisis is forcing us to reassess our lifestyles, change the ways we work, and even shift our values. This provides a unique opportunity to take the learnings from our current challenging situation, and isolation, and turn it into creative, positive, practical action plan.
- 14.2. Areas in transport we are particularly focussing on are:
  - Review funding locally and relax conditions to where it will have the most impact and how we might use our remaining capital and revenue funding.

- Advocacy and messaging to central government as to where we need support and where we need funding legislation or relaxation of their requirements.
  - Research whether people will seek to resume their old travel patterns after the restriction ends, or adopt modified ones based on their experiences of the lockdown.
  - Research on what people need to assist in the new normal to help maximise their time and the efficiency of the transport network
  - Develop a “climate-smart recovery” plan to recognise the benefits that had been achieved by reduced transport impacts, & relate to the Government’s new transport carbon reduction strategy
  - Support how to rebuild the currently collapsed levels of bus and rail use and support their operation combined with social distancing requirements
- 14.3. We have drafted a transport dimension into our Economic Recovery Plan and this has been shared at a virtual meeting of the LEPs Transport Action Group. The LEP is also represented on groups established by Hampshire and Surrey County Councils coordinating recovery and resilience of the transport networks at a local level.
- 14.4. Several places reliant on aviation are likely to be hit hard. The LEP is working with both Heathrow Strategic Planning Group (HSPG) & Strategic Aviation Special Interest Group (SASIG) to understand the full impact of COVID-19 on the aviation industry & how we can support a sustainable recovery.
- 14.5. We also need to consider the impact on local jobs related to Heathrow, estimated at some 114,000. Existing catalytic effects of proximity of the airport could be more significant. Key to this will be an understanding of the supply chains for businesses that are located close to Heathrow and their reliance upon it. If we are looking at a new type of Heathrow, then we need to know why businesses are located where they are and how their decision making may be impacted.

## 15. European Funds

- 15.1. We are hosting an ESIF Practitioners Network on 20 May via videoconference with the project managers of our contracted ERDF and ESF projects to discuss best practice and to collate feedback to the Managing Authorities on how EU reserve funds could be adapted to aid economic recovery.
- 15.2. Following our Rural Funding Workshop in January, we received 39 applications for the reserve fund call for European Agricultural Funding for Rural Development. 31 applications have successfully passed the gateway process and have been invited to submit a full application. This represents £3,771,156 of EAFRD funding to enable rural business development in the EM3 area and unlock a further £4,968,610 of private investment.

## 16. Team and Board Recruitment

- 16.1. We are delighted to inform you of a number of internal appointments for new posts in the EM3 core team as part of the reorganisation process and following a successful round of interviews.
- 16.2. Jennie Pell is our new **Sector Specialist for Clean Growth**, leading on the elements of our LIS/COVID recovery plan that aim to decarbonise our economy. Jordan Tame is now **Governance & Assurance Manager**, taking responsibility for maintaining our exceptional governance rating through tight management of our assurance and procurement activity. Francesca Caramelle moves from a temporary post working on our application for a Space & Satellite High Potential Opportunity with the DIT to **Trade & Investment Coordinator**. The post will work across our partnership with (in particular) the two county councils and DIT to coordinate inward investment activity and support our work on exporting. Justine Davie is the new **Office Manager and Executive Assistant** and will provide support to the Chief Executive, Chair and Senior Management Team. Responsibility will also include looking at the team returning to office once restrictions are lifted and the associated risks.
- 16.3. We also welcome a new external appointment in Ryan Sutton, who joins us as **Communications Manager**, a vital post that has become even more critical during our handling of the COVID-19 pandemic.

Kathy Slack  
Enterprise M3 Chief Executive  
May 2020