

## JOINT LEADERS BOARD

### Enterprise M3 Joint Leaders Board

Notes of a meeting of the Joint Leaders Board held on

23<sup>rd</sup> July 2020 via Zoom

#### Attendees

Ken Rhatigan (KR)	Basingstoke & Deane Borough Council
Ian Ball (IB)	Basingstoke & Deane Borough Council
Cllr Richard Millard (RM)	East Hampshire District Council
Kathy Slack (KS)	Enterprise M3
Debbie Allen (DA)	Enterprise M3
Jordan Tame (JT)	Enterprise M3 (Observing)
Cllr Caroline Reeves (CR)	Guildford Borough Council
James Whiteman (JW)	Guildford Borough Council
Keith Mans (KT)	Hampshire County Council
Stuart Jarvis (SJ)	Hampshire County Council
David Neighbour (DN)	Hart District Council
Cllr Nick Prescott (NP)	Runnymede Borough Council
Paul Turrell (PT)	Runnymede Borough Council
David Clifford (DC)	Rushmoor Borough Council
Tim Mills (TM)	Rushmoor Borough Council
Daniel Mouawad (DM)	Spelthorne Borough Council
Cllr Colin Kemp (CK)	Surrey County Council <b>(Chair)</b>
Hannah Linsell (HL)	Surrey County Council <b>(Minutes)</b>
Flora Holmes (FH)	Surrey County Council (Observing)
Alan McClafferty (AMC)	Surrey Heath Borough Council
Gavin Ramtohal (GR)	Surrey Heath Borough Council
Cllr Phillip North (PN)	Test Valley Borough Council
Andy Ferrier (AF)	Test Valley Borough Council
Tom Horwood (TH)	Waverley Borough Council
John Ward (JW)	Waverley Borough Council
Cllr Lucille Thompson (CllrLT)	Winchester City Council
Laura Taylor (LT)	Winchester City Council
Cllr Ayesha Azad (AA)	Woking Borough Council

#### 1. Welcome

CK welcomed the Board to the meeting and introductions took place. CK reminded Members to remain muted and virtually raise their hand if wanting to speak.

CK also advised Members that the meeting was being recorded for minuting purposes and not for public submission. The meeting will not be recorded during the confidential voting item on the agenda.

KS introduced Deborah Allen to the Members. DA is Group Director of Governance, Conduct & Sustainability at BAE Systems. DA is also Vice Chair of Board of Directors at EM3. DA added that the challenges facing EM3 during the Covid crisis feeds into her main role at BAE. DA is proud to be part of EM3 and added that they have managed fantastically during these difficult and unpredictable times.

DA is substituting for Dave Axam who is recovering well. Dave was due to step down from his role this year but has agreed to remain for another year due to these unprecedented times.

## 2. **Minutes from previous meeting – 21-May-20**

No notifications. All actions complete.

## 3. **Economic Intelligence Update and Recovery and Renewal Plans (Kathy Slack)**

KS shared the Recovery & Renewal slides. KS emphasised the importance of local authorities supporting each other as a critical part of this and working as a group to address the areas which impact us all.

KS shared that 28% of employees' resident in EM3 have been furloughed which equates to 202,900 workers. KS continued to present a regional map which shows the increase in claimant unemployment from June 2019 to June 2020 EM3. KS added that though claimant rates remain below the UK average, there has been a rise in number of claimants within the EM3 localities. However, in comparison with other LEPs, our unemployment rate remains low.

The impact on business has been huge, with many distressing calls from business which fall between the gap with regards to not receiving funding. However, 19,125 EM3 businesses have received Small Business or Retail, Hospitality and Leisure Grants.

As well as looking across the whole place, EM3 are focusing on particular areas, specifically, Heathrow and Aerospace. There have been a high number of people furloughed near Heathrow. KS felt that this and the tourism sector is unlikely to bounce back quickly with some views from the Heathrow Strategic Planning Group that aviation will be changed as a result.

KS added that EM3 have been named as third strongest economic geography in the UK after receiving third lowest resilience index score according to methodology. KS added that although this is fantastic news, EM3 may receive less funding than others as they'll be seen as more resilient.

KS continued to advise that Metro Dynamics is an organisation which works with EM3 to review the current economy. In the past, EM3 have recovered well during previous recessions, however this current situation is different to previous years. EM3 know have strong economic foundations but continuing to improve productivity will be key.

The key findings of Metro Dynamic are that the Hospitality, Education & Construction industries will be most affected with these sectors making up a significant proportion of EM3 employment. The construction industry is the fastest growth value and has seen very high rates of furloughed staff.

KS continued to explain where EM3 are reviewing long term impacts of Covid and identifying the threats and opportunities.

### **Potential Threats**

- Sharp drop in output – KS believes this will continue
- Unemployment Rates
- Deterioration of financial firms

- High streets will require a complete think – Covid has escalated the difficulties the sector was already facing.

### **Potential Opportunities**

- Increased focus on low-carbon economy – Potential for clean growth funds
- Onshoring of supply chains – Potential for supporting local business networking to deepen supply chain links.
- Stronger Government focus on innovation – Potential for innovation policies to become more important.
- Growth in the market for co-working spaces outside of City centres – Lots of enquiries already being received.
- Shift towards domestic tourism due to minimal exposure to international tourism.
- Change in preference for dwellings – More appetite for space and gardens which will potentially lead to continued housebuilding.
- Growth in cybersecurity sector as increased home working create new risks.

KS continued to present which areas are of interest for the recovery and renewal actions. KS highlighted that EM3 are conducting a lot of work with the Further Education sector and in professional technical skills to support apprenticeships as there has been a number of people dropping out or businesses stopping them. KS added that work is required to highlight how these can be incentivised so these schemes can continue.

KS advised that the Gigbit Town and Rural Fibre Spine project which is going to be very critical for the EM3 area to stay ahead of the game.

KS another area of work of focus is the 'Growing our Low Carbon Economy' which includes launching a 'Clean Growth Forum' next week. KS added that a lot of pressure is being put on Heathrow for a renewed and lower carbon aviation industry. Connected to this is the Southern access to Heathrow.

KS continued to share that work is ongoing with supporting businesses with innovation and diversification with lots of funding coming through to businesses from the growth hub which is being used for peer to peer networks which is based around a desire for businesses to learn from each other and experts.

EM3 are working on practical and sustainable transport, including EV charging and Active Travel. There is also a proposal for Winchester for EV Park and Ride. KS continued to advise that a lot of work is still taking place to strengthen town centres and looking at co-working space.

KS advised that they will be developing the aspects of the recovery and renewal plans further and expects the Government to request formal plans in due course. KS advised that the capital aspects will be part of discussions at the next meeting as this will act as a way to secure further funding from Government.

**ACTION: 'Capital Aspects of Recovery and Renewal Plan' to be added to agenda for next JLB meeting. (HL)**

CK thanked KS for the presentation and added that he believed an important factor will be shared intelligence and working together across authorities to avoid duplication.

KM mentioned the Electric Aircraft Group in the West Country which is a new project of a 70-seater hybrid aircraft. KM continued to share that many of suppliers are with the LEPs area and whether we're aware of the companies we'd like to support so engagement can take place early. This would be particularly important to smaller companies to assist them being seen from the beginning. KM believes this will be important for airports in the south region such as Southampton.

KS responded that the whole area of supply chains and procurement is going to be critical in helping companies link in with the opportunities available. KS said that during a Heathrow roundtable meeting, KS had advised they were emphasising the point of how EM3 can actively bring our companies to Heathrow, so they have a good chance of being

selected in the selection process. The electric aircraft and alternative fuels are going to be very important going forward.

KM also asked how the LEPs are we dealing with the digital issues following the discussions regarding Huawei.

KM believes it's easier now that Government have said what their position is going forward. As the University of Surrey is part of the test bed for Huawei and EM3 are currently in discussions with the University as that test bed network will need to be replaced going forward. KM added that presumably, technology that Huawei have needs to be developed by companies out of the UK and believe the LEP can play a role in ensuring companies have funding. KS added that the Huawei situation will not be easy as it's involved on a national scale, but it will create opportunities for others.

NP advised that in terms of technology, a lot of 5G networks routing elements are based on software not hardware. Therefore, this would provide opportunities for Universities and technology companies to build the software better. However, it's the sorting and pricing the hardware which the British economy may find challenging. However, Nokia and Ericson are certainly in place to rebuild this hardware and believes investment software and operation distribution within their 5G network will be very useful.

#### **4. Update from EM3 (Deborah Allen and Kathy Slack)**

##### **New Investment news**

KS advised that a lot of new investment has been received which can be seen on the presentation. KS added that EM3 are delivering well, particularly with the Growth Hub to distribute these funds as they are about how we support the economy and workforce.

DA continued to present the Deliver Plan Targets of EM3 and advised that the £47m 2020 – 2021 would have been spent 100% of this against projects, loans and grants. DA presented a breakdown of this expenditures.

DA advised that during Covid-19 situation, a Risk Assessment was conducting on which projects would continue and which would be impacted during Covid. Difficult conversations have been had but with a pragmatic and robust approach. KS added this is being monitored carefully to ensure funds are recovered and reallocated.

As of 16<sup>th</sup> July 2020, the total unallocated funding available to support new activity prior to PMG was £4.97m. However, during PMG, two new projects were approved which were as follows:

- Whitehill and Bordon New Town Centre - £4.8m
- Blackwater Valley Gold Grid - £1.28m

With these two additions, all funding is now committed.

DA advised there are a number of new projects, including the Getting Building Fund. KS thanked authorities that responded quickly to the 'Jenrick letter' with quality projects. EM3 are continuing to work with number of projects so they are ready as it helped having projects in the pipeline which could be put forward.

KS continued to share the project which are to be funded. This includes the 'Getting Building Fund' which is due to be announce early August 2020. There are five projects attached this which is going to be a real critical piece of work. These include:

- Digital Skill Work
- Fibre Spine (link from Basingstoke & Guildford)
- Creative Tech Booster (Immersive technology)
- Park, Ride & EV Charge (Linked to Green agenda, potential to create over 240 jobs)
- Greener Future Programme (Possible expansion. Stimulate greener activity in commercial premises and domestic homes)

KS continued to present the projects which were left over from the local growth fund. These are:

- Whitehill & Bordon Town Centre
- Blackwater Valley Gold Grid
- Future Towns Mobility Demonstrator
- Remaining Pipeline projects

KS's presentation also highlights the projects which are not included at this stage and the spend profiles of these. KS concluded that EM3 want to do more around green recovery and programme. KS believe this could be some small-scale projects.

### **AGM & Annual Report Update Link to annual report**

CK & KS advised that the AGM went well and reminded Board Members of the link.

<https://indd.adobe.com/view/dadf6789-300e-41a9-b6ff-5fc42fd51269>

### **Board Recruitment - Chair and Non-Executive Director**

KS advised about to go out for another no-executive director who will be a business representative. Keen to be from within the area. KS asked for Board Members to highlight any potential candidates to EM3. The role will be available from November.

## **5. Update from Chair (Cllr Colin Kemp)**

Rather than a traditional update CK conducted an open collaborative & information sharing open discussion to gain feedback from various sectors and the local challenges they've been facing.

DM asked whether there is an appetite for the LEP to be party to and consider what constituent local authority grouping might feel about the prospect for a combined authority for the future. This comes from a White Paper emerging in September 2020 with the Governments intent to restructure local Government in favour of unitary powers. DM believes this is an opportune moment to establish an appetite amongst partners to work collaboratively to unify the LEPs region in favour of mounting a bid to secure more power and resources so we can play to the strengths of the sectors which have been discussed. DM believes that the D&Bs are happy to explore other opportunities also exist and strategically what the prospective is to work collaboratively on a wider region.

CK thanked DM for his input and believes it will be interesting on whether LEP with move with the County or the County will move with the LEP. CK added that we'll have to see what the outcome of the White Paper will be on this.

LT believes one sector which is struggling at the moment and involves a number of jobs is Leisure, in particular leisure centres. LT added that Winchester are paying a large amount of money to ensure theirs open and asked whether the LEP are looking to support this sector and the number of jobs at risk is large.

KS explained that the Leisure sector is important. However, the issue is level of funds. A common misconception is that the LEP are thought of bigger than they actually are, and Leisure would be revenue cost rather than capital. The Growth Hub will be supporting companies and particularly working now with The Chambers and the FSB who are also providing webinars for businesses.

LT also asked what is happening with Brexit with the potential of a 'no deal' Brexit in January.

KS end of the year transition campaign has started, a role in Growth Hubs to advise business in what they want to do. At the moment, it's just reminding Businesses what they need to do, particularly with imports. EM3 will be there to support companies.

CK added that as a Borough Councillor of Woking whom oversees the Leisure and Culture, CK's previous Policy Advisor, Oliver Harrison now works at DCMS and has mentioned support will be coming forward.

CR advised that she is surprised by the strength of feeling across the Borough's of Surrey regarding single unitary and is keen to gain the views of the LEP on this.

KS stressed that this is always tricky area of a LEP to be involved in as they must remain non-political. However, KS continued to explain that their interest is making sure whatever organisational structure is implemented strongly supports economic development. A business voice is represented and the LEPs are part of whatever comes together and is best for the area. Obviously EM3 are really interested and keen to be involved in developments.

CK added that Surrey County Council have only put in a letter of interest so far. Trying to get ahead of the game and get the best deal possible for our residents. White paper expected in September 2020.

KM added that clarity is required from Central Government on what they want to achieve and without it, it would be impossible to plan.

## 6. **Nomination of JLB member to:**

KS confirmed that:

- Two nominations received for the Board
- No nominations for PMG

Only political Members of JLB can vote. Members are asked to virtually raise their hand to confirm their vote for a screen vote to be taken.

Recording paused was paused at this point to conduct the vote.

Vote took place – John Ward successfully nominated.

## 7. **Closing remarks**

CK thanks Board Members for their attendance. The next meeting will be held on Thursday 17<sup>th</sup> September from 10:00 – 11:30. This is likely to be held virtually again due to Covid restrictions.

### **Dates of future meetings:**

17-Sep-20	Virtual
19-Nov-20	TBC
21-Jan-21	TBC
18-Mar-21	TBC