

REVIVE AND RENEW

EXECUTIVE SUMMARY

AN EVIDENCE AND INTELLIGENCE-BASED ECONOMIC
RECOVERY AND RENEWAL ACTION PLAN FOR THE
ENTERPRISE M3 AREA OF SURREY & HAMPSHIRE



EXECUTIVE SUMMARY

ECONOMIC IMPACT OF COVID19

Relative to many other regions, the Enterprise M3 area is not being hit as hard by the economic impact of Covid19. A diverse business base, a large number of scale-ups in high innovation sectors, a highly qualified resident working population and the area's good connectivity to London and international markets are all factors contributing to the area's fundamental resilience. Performance in previous recessions confirms the point.

Even so, the area's labour market is at the very sharp end of significant disruption. At least a quarter of the area's workforce has been furloughed, and during lockdown, the number of unemployment benefit claimants rose by 131%. The area is likely to face levels of people out of work not seen in recent decades, and many employers do not foresee a fast return to growth.

Analysis suggests groups most vulnerable to long term unemployment are those made redundant from middle skilled occupations, and youngsters entering the jobs market for the first time.

The level of disruption varies between sectors and industries. Businesses in the services sector - a stronger part of the EM3 economy than the national average - have been hit particularly hard. These high-volume employment companies, which are reliant on customer contact, include hospitality, arts and recreation & leisure, tourism, wholesale and retail.

Several of the area's higher innovation industries and companies are also struggling. These include Aviation & Aerospace (less so Defence); Advanced Manufacturing and some aspects of the Digital Sector. Heathrow jobs may not return to 2019 levels until beyond 2023. McClaren, Stannah Stairlifts, BP oil group, Compass and Gartner have all reported job cuts or a downturn in income.

More positively, the area's large resident workforce in professions and occupations suited to home working, has generally avoided job losses and income falls. This group, typically managers and other professionals, includes large numbers previously travelling to work outside of the area. In future many of these may opt longer term to abandon full-time commuting in favour of working close to home.

RECOVERY & RENEWAL

Successful recovery and renewal require an integrated approach to delivery. Desired ambitions will be achieved where partners coordinate and collaborate, and individual interventions are seen as cogs in a bigger machine.

Strategic Priorities for recovery and renewal in the EM3 area should be evidence-based. The following priority areas flow from the evidence and analysis collected for both the emerging Local Industrial Strategy and the impact of Covid19:

- Job Creation and Skills for Employment
- Digitisation and an ultra-fast digital infrastructure for business resilience, innovation and growth
- Growth in our low carbon economy
- Supporting business-led innovation, entrepreneurship, high-tech, scale-up businesses and international trade
- New Transport & Smart Mobility – Covid19-safe, sustainable, delivering good connectivity
- Town centres and Housing Supply – reimagined and fit for the future
- Convening people and organisations in shared projects

The EM3 Board has a clear vision for the appropriate role of the LEP primarily as strategic leader & influencer, collaboration enabler, evidence gatherer and potential funder. EM3 LEP services such as the Growth Hub and Careers & Enterprise Company deliver business support and careers intelligence for young people.

KEY ACTIONS & INTERVENTIONS

Job Creation and Skills for Employment

- **Communicate, promote and encourage uptake of Government schemes** to support employers, job seekers and those wishing to improve skills
- **Support for expanding opportunities for upskilling of people with middle skills** from level 3 to levels 4,5 and beyond. This to include exploring diverse ways of delivering training and education.
- **Skills Advisory Panel to maintain ongoing insight into labour market** changes and opportunities and lead on dissemination of this information to all relevant stakeholders.
- **The LEP and partners should work closely with our 5 partner universities and network of FE Colleges** to help promote their education & employability offer, areas of research & innovation excellence and help enhance business engagement.
- **LEP, through the Skills Advisory Panel and partners should support an increase to supply of skills for Digital & Green Sectors, and all areas where employers report chronic shortages**
- **All recommended actions and interventions to be incorporated into the Skills Action Plan**

Digitisation & an ultra-fast digital infrastructure for business resilience, innovation, and growth

- **The LEP and partners should continue to prioritise implementation of the “Gigabit EM3: Town and Rural” fibre spine project**
- **The LEP team and partners should continue to support digitalisation of the economy especially as a contribution to business resilience, clean growth and innovation.**
- **The Growth Hub business support offer should be redrawn to include support for business digitisation.**

Growth in the low carbon economy

- **EM3 LEP to prioritise decarbonisation of transport, and buildings (homes, commercial and industrial) & support implementation of the Tri-LEP Energy Strategy**
- **Invest in Growth Hub expertise, skills set and capacity to deliver “Clean Growth Business Support Service”** so that businesses can, for eg: decarbonise their own operations and diversify into low carbon / clean growth expanding markets
- **Support development of marketable low carbon innovations to future proof and sustain vulnerable sectors/industries** eg in aviation
- **Run Clean Growth Forum** to raise awareness of appropriate funding opportunities for businesses, HEIs etc in the Clean Growth, Green recovery spheres
- **LEP to introduce “Make every funding decision a clean growth decision” policy**

New Transport & Smart Mobility – Covid19-safe, sustainable, delivering good connectivity

- **Continue work with smart mobility and transport action groups, local and regional transport bodies and TfSE** to advance the low carbon transport agenda and necessary transport infrastructure, as adapted to the requirements for safe travel in the Covid19 era.
- **Reduce the need to travel and long commutes with an integrated approach to recovery and renewal.** As examples: digitalisation and “Gigabit EM3: Town & Rural”; the renewal of town centres with more local “casual” office spaces to blend home and office working present alternatives to commuting
- **Provide funding for physical measures, research and messaging around the importance of still using public transport in the future**
- **Champion collaboration between the diverse organisations and stakeholder who can contribute to smart mobility**

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- **Work with Government to push for more stability in the rail industry and its digitalisation.**

Town centres and Housing Supply – reimagined and fit for the future

- **LEP and partners to respond to potential growth in the market for co-working space outside of city centres.**
- **Respond to growing potential preference for dwellings with gardens (now more popular than inner city flats).**
- **LEP and partners, including central Government, should work together on spatial development plans which support sustainable economic growth.** This will include seizing opportunities that meet that criteria and Government's proposals to overhaul planning system
- **Respond to intensified challenges for high streets with help for retail outlets to move their offer on-line and support high streets to be Covid-friendly** enabling social distancing and active travel and other transport innovations

Supporting business-led innovation, entrepreneurship, high-tech, scale-up businesses and international trade

- **LEP, Growth Hub and partners should facilitate the necessary conditions for attracting scale ups, high innovation companies and entrepreneurs to the area ie “Grow new, attract more & keep what you’ve got.”**
- **Enterprise M3 to explore with partners potential for more business accelerators as part of post-Covid19 renewal of town centres and high streets.** Any such facility should ensure clients reflect gender and other types of diversity
- **The LEP will continue to work closely with DIT to promote high potential opportunities to foreign investors**
- **Consider how businesses are best supported and made ready for the end of the EU transition period.**
- **LEP should lead engagement with stakeholders including MPs and local political leaders in places where anchor companies & international HQs may feel less able to stay in the area**

Convening people and organisations in shared projects

- **Pursue a coordinated response where resources, expertise and capacity are pooled for a more effective recovery and renewal of the area.**

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- **EM3 to continue its role as leader and convener for people and organisations in collaborations.**