

REVIVE AND RENEW

An evidence and intelligence-based economic recovery and renewal action plan for the Enterprise M3 area of Surrey and Hampshire.



“It is important to deliver, growth, jobs and transform to a low-carbon economy. We have a knowledge-based, digital, design led economy here in the EM3 region. We are also a region rich in business-led innovation which will refuel recovery here and across the UK.”

Chair of Enterprise M3 LEP, Dave Axam¹

INTRODUCTION: CHALLENGES AND OPPORTUNITIES

The EM3 area entered lockdown already facing a range of opportunities and challenges, as evidenced by the work on its Local Industrial Strategy which had presented an analysis of the area’s “twin track” economy:

KEY STRENGTHS PRE COVID	KEY STRESSES PRE COVID
<ul style="list-style-type: none">▪ Knowledge-based sector specialisms, in particular technology and design-based businesses▪ A strong service industry▪ Innovation-led: a powerhouse of R&D activity.	<ul style="list-style-type: none">▪ A slowing in job growth▪ Lack of infrastructure investment▪ Out-bound talent: 32% of EM3’s employed population find career satisfaction out of the area in London and other commutable cities.

The Recovery and Renewal Action Plan has refreshed the LIS’ evidence-based insights into the economy in light of COVID-19 , and identified several “**challenges-turned-opportunities**” for recovery and renewal

These are not just for economic recovery, but for the area’s renewal, to “build back better” and emerge from the virus as an even stronger, more competitive and more sustainable area to live, work and run a business.

COVID-19 ECONOMIC IMPACT



A QUARTER OF THE AREA'S WORKFORCE FURLOUGHED OR LOST THEIR JOBS.



HEAVY IMPACT ON EM3'S 'STRONG SERVICE SECTORS': HOSPITALITY, ARTS AND RECREATION & LEISURE, TOURISM, WHOLESALE, ACCOMMODATION AND FOOD, AS WELL AS HIGH STREETS AND RETAIL.



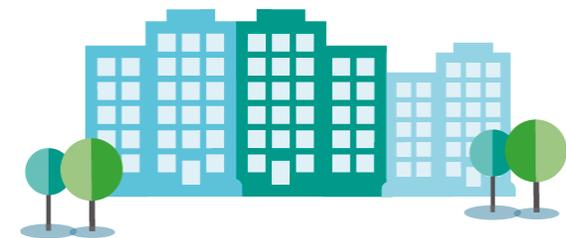
THE NUMBER OF UNEMPLOYMENT BENEFIT CLAIMANTS ROSE BY 131%.



HEAVY IMPACT ON EM3'S HIGHER INNOVATION INDUSTRIES: ADVANCED MANUFACTURING AND AVIATION & AEROSPACE, INCLUDING IMPACT ON HEATHROW.



EM3 UNEMPLOYMENT AT HIGHEST LEVEL IN JUNE 2020 FOR 26 YEARS.



ANCHOR COMPANIES, EG: MCCLAREN, STANNAH STAIRLIFTS, BP OIL GROUP, COMPASS AND GARTNER, EXPERIENCED DOWNTURN AND JOB LOSSES.

COVID-19 ECONOMIC RESILIENCE

“EM3 HAS THE THIRD LOWEST RESILIENCE INDEX SCORE WHICH, ACCORDING TO OUR METHODOLOGY, MAKES IT THE THIRD STRONGEST ECONOMIC GEOGRAPHY IN THE UK” (BEIS)

The Opportunities

- Our resident workforce is faring better than our region’s economy: Our area’s five most common professions are paid better than average and more able to work from home.
- Defence industry relatively protected by existing government spend.
- Games Industry shows resilience as gaming demand has increased.
- Already a leader in low carbon economy with 10% of the sector market, EM3 stands to benefit from the ‘Greta Effect’.
- Entrepreneurial: the area has one of the highest numbers of Scale-Ups outside London, mostly in high innovation sectors.
- Gateway region – strong connections to London and international markets.

RECOVERY AND RENEWAL: A STRATEGIC APPROACH

- Successful recovery and renewal require an integrated approach to delivery where partners coordinate and collaborate, and individual interventions are seen as cogs in a bigger machine.
- The EM3 Board has a clear vision for the role of the LEP primarily as strategic leader and influencer, collaboration enabler, evidence gatherer and potential funder.



KEY ACTIONS AND INTERVENTIONS: Growth in the low carbon economy

- LEP to introduce “Make every funding decision a clean growth decision” policy.
- Support development of marketable low carbon innovations to future proof and sustain vulnerable sectors/industries e.g. in aviation.
- 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.
- Run Clean Growth Forum to raise awareness of appropriate funding opportunities for businesses, HEIs etc in the Clean Growth, Green recovery spheres.



KEY ACTIONS AND 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.
- 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.



KEY ACTIONS AND INTERVENTIONS: Digitisation and 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.



KEY ACTIONS AND INTERVENTIONS:

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 i.e. “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.



KEY ACTIONS AND INTERVENTIONS: New Transport and 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 COVID-19 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.
- Work with Government to push for more stability in the rail industry and its digitalisation.



KEY ACTIONS AND INTERVENTIONS: 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.



KEY ACTIONS AND INTERVENTIONS: Existing case studies

GIGABIT EM3 TOWN & RURAL

- £4.5 million programme to deploy gigabit-capable fibre along an initial route between Guildford and Basingstoke. Led by Enterprise M3 LEP, the work will save or create more than 4,250 jobs in digital and creative sectors, making the region one of the leading “Gigabit Town & Rural” areas in the country.



DIGITAL SKILLS WORK

- More than 7,000 learners across Surrey and Hampshire will benefit from a £2.2 million investment in the digital infrastructure of the six Further Education Colleges in the Enterprise M3 area. This will upgrade colleges’ digital assets, transforming the delivery of courses, effectiveness of teaching, and equip learners for current and future employment.



KEY ACTIONS AND INTERVENTIONS:

Existing case studies

CREATIVE TECH GROWTH BOOSTER

- Businesses in immersive, creative technologies will receive thousands of pounds worth of research and development support, supporting 60 jobs and a fast return to growth. £900,000 will be invested in latest equipment, which will allow more than 30 high growth companies to use immersive technology for diversification and product development.



FUTURE TOWNS INNOVATION HUB

- EM3 is contributing almost £3m of local growth funding to the Future Towns Innovation Hub at the University of Southampton Science Park. Bringing together businesses, local leaders and leading engineers, it aims to find low carbon and sustainable solutions to key challenges such as cutting air pollution, managing waste and preserving scarce water supplies as well as pilot innovations in transport and transport infrastructure.



KEY ACTIONS AND INTERVENTIONS:

Existing case studies

ROCKETDESK

- Rocketdesk is a supported, flexible office for start-ups, independent and freelance creative technology professionals at the Surrey Research Park in Guildford – the so-called ‘Hollywood of Games’.



SUPPORTING TOWN CENTRES FUND

- This half a million-pound fund is designed to rapidly allow high streets to become Covid-secure, instilling confidence in high street users and enabling the safe reopening of town centres. Solutions include encouraging active travel, the use of apps, traditional and digital signage as well as automatic entry and exit points for shopping centres.



NEXT STEPS

- **Prioritise support for new jobs, work placements, training, reskilling and upskilling in response to a likely significant rise in unemployment, targeting:**
 - New entrants to the jobs market (college leavers and graduates) in order to avert long term unemployment among young people;
 - Those made redundant from middle skill occupations.
- **Focus on job creation in high innovation sectors, such as:**
 - Low carbon sectors,
 - Space/satellite
 - Parts of the digital industry
- **Heighten awareness of the strength and potential of an area which can:**
 - Integrate lively towns and extensive green spaces;
 - Celebrate the talent of the resident workforce
 - Promote the culture of innovation and a global outlook embedded in so many of our businesses.

WORKING TOGETHER TO REVIVE AND RENEW

With inspired, bold leadership and strong, ambitious partnerships, now is an opportunity to reimagine town centres, to make a step change in the area's digital infrastructure and advance towards our transport and buildings becoming low carbon exemplars.



enterprise **m3**

Delivering prosperity through innovation