

Enterprise M3 Board Meeting

6 October 2022

EM3 Collaboration with County Councils & all Local Authorities - Item 8

Enterprise M3 Board is asked to:

- **NOTE** the update on discussions with Surrey County Council
- **NOTE and ENDORSE** EM3 MDs' ongoing dialogue with Hampshire County Council to explore alignment and sharing of economic development strengths
- **CONSIDER AND WELCOME** Hampshire County Council's new economic strategy

1. Introduction & Background

- 1.1. The Levelling Up and Regeneration Bill, currently at the Committee Stage in the House of Commons (as at 14/09/22), includes the Government's proposal to integrate Local Enterprise Partnerships into local democratic institutions as part of plans for local devolution. As the White Paper preceding the Bill put it: *".....the UK government is encouraging the integration of LEPs and their business boards into MCAs [Mayoral Combined Authorities], the GLA and County Deals."*
- 1.2. It also states that, *"Where a devolution deal does not yet exist, LEPs will continue to play their vital role in supporting local businesses and the local economy....."*
- 1.3. This is the situation for Enterprise M3 LEP. Although both Hampshire and Surrey County Councils have ambitions to achieve respective County Deals, to date the Government has not announced a timetable for either of these.
- 1.4. Further, in a letter to LEPs jointly from BEIS and Dept.for Levelling Up Ministers on the 31st of March 2022 it was stated, *"We want to ensure that businesses outside of devolution areas continue to be able to access the support, insights and representation that LEPs provide, and to ensure that an independent business and stakeholder voice continues to play its vital role supporting growth in all parts of England. Until devolved institutions exist in an area, we will support LEPs as they are currently constituted, subject to future funding decisions."*
- 1.5. Enterprise M3 LEP has always prioritised, valued and nurtured a close working partnership with all local authorities in our area and this continues to be the LEP's position.
- 1.6. This paper offers an update on conversations with both Surrey and Hampshire County Council as those partnerships grow and evolve.

2. Surrey County Council

- 2.1. Discussions with Surrey County Council are ongoing led by Stephen Martin, and between one or both EM3 Managing Directors, and Surrey County officers or EM3 Chair, Michael Queen, and the Leader of Surrey County Council or other Cabinet members. The focus has been to consider how business and economic support services for Surrey might be delivered in the future between Surrey County Council, EM3 LEP and Coast to Capital LEP.
- 2.2. Surrey County Council have expressed a desire for the LEPs to deliver services in a consistent and coordinated way across the whole of Surrey. To date, a final proposal has not been reached.

- 2.3. Until any changes are introduced, in line with Government expectations, EM3 remains dedicated to supporting Surrey's businesses, innovation clusters and the economic growth ambitions of Surrey County Council. Examples include our Chair is a member of the Surrey Growth Board and Chairs its Innovation sub group, attended also by Sue Littlemore. Our skills work encompasses the whole of Surrey and our Growth Hub and Careers Hub deliver business and careers support in West Surrey. Our gathering on behalf of Government of business intelligence and economic and labour market data embraces the EM3 area of West Surrey. Progress on advancing the EM3 Enterprise Zone post pandemic includes ambition for a creative industries hub at the Longcross site in Surrey.

3. Hampshire County Council

- 3.1. EM3's Managing Directors are engaged in a series of meetings with senior economic development officers at Hampshire County Council who have invited us to explore how Hampshire County Council and EM3 LEP might collaborate in the delivery of economic development activities and services.
- 3.2. Such an arrangement would aim to maximise the efficiency of both organisation's economic development and business support teams, avoiding duplication and overlaps and enhancing impact on business growth and the prosperity of Hampshire's communities.
- 3.3. Hampshire County Council officers have indicated a willingness to develop this partnership regardless of whether a County Deal for Hampshire or the wider area of "Pan Hampshire" is achieved in the near future. This might ultimately include collaboration with some or all the economic development teams of Hampshire's districts, boroughs, unitary councils, Solent LEP and potentially Dorset LEP.
- 3.4. There is potential for EM3 LEP to be a catalyst in the development of this increased collaboration by offering to convene relevant stakeholders. Stephen Martin's engagement with district/borough chief executives has already been mentioned and both MDs have had initial conversations with the Director of Dorset LEP and the CE, Solent LEP with monthly meetings arranged going forward.

4. Hampshire County Council's New Economic Strategy

- 4.1. The dialogue between EM3 and HCC is underpinned and gains impetus by very good alignment between [EM3's Vision to support a Low Carbon; High Growth](#) economy across the LEP area and [Hampshire's new economic strategy](#).
- 4.2. To summarise the HCC Strategy very briefly:
- 4.3. It acknowledges it has drawn on "*the LEP's substantial work to date producing robust evidence and strategic and action plans on the opportunities and challenges of the economy in Hampshire and the wider region. Especially EM3 & Solent LEPs' development of Local Industrial Strategies.*"
- 4.4. Economic growth is defined more broadly than maximising GDP, GVA and jobs creation. "*Instead, outcomes are linked to a method which recognises multiple sources of value, a "Six Capitals Approach": physical capital, natural capital, human capital, knowledge capital, social capital and institutional capital. This ultimately seeks to embed sustainability and fairness into the way we assess economic progress.*"
- 4.5. In the EM3 response to the formal consultation on this strategy, we have stated that "*EM3 is particularly well positioned to become a trusted delivery partner for many of the proposed interventions for advancing Hampshire's Knowledge Capital; Human Capital; Physical Capital and Natural Capital.*"
- 4.6. The EM3 strengths cited as examples include: our work nurturing high innovation sector clusters and potential to support delivery of a Hampshire innovation equity investment fund to advance the county's Knowledge Capital; EM3 expertise in running employer-focused skills

and careers programmes in Human Capital; the post pandemic relaunch and planned activity of the EM3 Enterprise Zone align well with Hampshire's ambitions for regeneration in some areas and focus on high quality office space in line with market demand; and our Net Zero Business Support Growth Hub service and the gathering of regional strengths to focus on Farnborough's role in supporting Jet Zero match Hampshire's aims on Natural Capital.

5. EM3 Districts and Boroughs

- 5.1. As well as working with our counties, we are keen to engage all our EM3 district and borough council partners in conversations about how the LEP should evolve and can continue to support their economic priorities. Managing Director, Stephen Martin, has embarked on a round of meetings with all our district and borough Chief Executives.

6. Conclusion and Recommendations

- 6.1. In line with Government expectations, EM3 LEP continues to play its vital role supporting local businesses and the local economy. This role includes convening valued partners from across the private, public and not-for-profit sectors and includes nurturing our close working partnerships with all local authorities in the EM3 area.
- 6.2. Mindful of the Government's longer-term proposals for LEPs to be integrated into MCAs and County Deals, EM3 is engaged in conversations with both Surrey and Hampshire County Councils.
- 6.3. There are three specific requests of the Board:
 - To note the update on the course of discussions with both counties
 - To endorse the ongoing dialogue with Hampshire County Council and the invitation to the Managing Directors to explore potential for the alignment and sharing of economic development activities, capabilities and resources.
 - To welcome HCC's new economic strategy especially in areas of alignment with EM3's own economic strategies, vision and delivery plan

Sue Littlemore
16 Sept 2022