

## Enterprise M3 Board Meeting

3 August 2023

### Managing Directors' Report – Item 4

#### 1. LEP News

- 1.1. At the time of writing, we are still waiting for an announcement from central government, following the 'minded to' decisions about the future of LEPs in the March Budget. The ongoing uncertainty is of course frustrating for the whole of the EM3 team. Despite this, we remain very much focused on delivering our 2023/24 Delivery Plan and making a difference for businesses and communities across Hampshire and Surrey, as this report illustrates.
- 1.2. The wellbeing of our people is also a crucial concern for me and for the rest of the Senior Management Team. We are doing everything that we can to keep staff informed and engaged, and on the 14 July, brought everyone together for a facilitated workshop on "Retaining Control During Uncertainty".
- 1.3. Friday 21 July was Sue's last day in the office. Because the whole team was together on the 14 July, we took the opportunity to thank Sue for everything that she has contributed to EM3 over the past seven years, wish her the very best for her new role at the University of Southampton, and present her with a card, gift and flowers. Before departing, Sue met with various partners to introduce EM3 Senior Management Team colleagues to them and ensure that partnership working continues.
- 1.4. On 20 July, Sue presented findings and recommendations of our analysis of economic activity in rural Mid Hampshire to the leaders of Hampshire County Council and the Mid Hampshire districts. The presentation was well received and there was a positive discussion about next steps. The work is valued by the Mid Hampshire districts as a foundation for an investment and development proposition for the area. Chris Burchell and Fiona McMurray will take this work forward, working with the Test Valley Chief Executive and Leader and the other local authorities.

#### 2. Growth Hub Activity

- 2.1. EM3 facilitates the South Central Cluster of Growth Hubs comprising EM3, Berkshire, Coast to Capital and Solent. At a recent meeting, the Partnership Manager from the Department for Business and Trade (DBT) provided the cluster with an update on the services provided to help businesses to export. DBT are keen to better align the service provided by the Trade Team and the Growth Hubs.
- 2.2. EM3 chairs a monthly meeting with business representative organisations as part of an ongoing business intelligence gathering exercise. The findings from these meetings are included in a monthly business intelligence report submitted to the DBT. Membership organisations are reporting that, overall, there is positive feedback from businesses. Hampshire Chamber of Commerce is seeing an increase in export documentation and clearances. Businesses are pegging prices and looking at ways to improve productivity to remain as competitive on prices as possible. There are some underlying, ongoing conditions and concerns that have been raised including the increased costs of loan and mortgage repayments, employee retention and the cost of energy. Many businesses are facing large rent increases as property owners seek to cover their increased costs.
- 2.3. The Insolvency Service (TIS) presented to the National Growth Hub Cluster Call and provided an overview of the new [Director Information Hub](#) that has been launched to make it easier for Directors to understand their responsibilities. TIS appreciated that very often individuals are overwhelmed by the amount of information and its complexity.
- 2.4. The Growth Hubs external evaluation has now been published on gov.uk, the link to the evaluation can be found [here](#). There will be no DBT publicity around this, however the LEP Network has put out some communications - [here](#).
- 2.5. The Growth Hub has been able to run at capacity this month with the new team of Growth Champions. The focus of the new team has been to quickly understand the present offering and targets, where we are against those, learn internal and external processes and current data collection. Working closely with UMI and the LEP team this has been an opportunity to review key areas to maximise reporting, impact and business engagement. Working has been carried out on the CRM system, Hubspot, to ensure relevant data is being collected to inform Government reporting requirements and internal reports.

- 2.6. Work has been taking place to develop a workshop programme to complement the 121 support, identifying key challenges for scale up businesses. Themes will include building resilience, funding and finance and leadership and management. The majority will be delivered by the in house team or professional services partners. We are also developing a Regenerative Business Support Programme covering the core facets of the sustainability agenda.
- 2.7. There has been a concentrated effort from the team on business engagement which includes: a telemarketing campaign to launch in September; increasing activity with local authorities to encourage referrals and raise the presence of the Growth Hub; and, developing blogs and a marketing leaflet to be used for SMEs and stakeholders.
- 2.8. A Growth Hub Workshop is being held on 27 July to identify further integration with LEP teams to increase benefits for business. We will also explore potential opportunities for additional future services that could be delivered on a commercial basis to support the sustainability of economic impact delivery.

### **3. Trade and Investment**

- 3.1. We are reviewing how effectively our referrals are working with colleagues in the international trade teams at DBT. There is an opportunity to showcase the benefits of exporting during International Trade Week in November where we plan to enhanced communications and explore a joint event with DBT.
- 3.2. The inward investment numbers are now finalised and the EM3 area had 18 successful projects, down from 25 in 2021/22. The reduction in numbers does to some extent reflect a shift in resources to bid CAPEX and job creating projects within DBT. Despite the fall there were still some good new projects in sectors including pharmaceuticals, IT and telecoms.

### **4. Sector Cluster Development**

#### ***Jet Zero***

- 4.1. EM3 held a workshop with its local stakeholder group in July at which the SQW Ltd team shared the progress they had made in understanding the make-up and nature of the Jet Zero cluster across the EM3 area. This included the outcomes of the data-scraping search by partner consultants, Glass.AI, which identified 290 businesses operating in the aviation / Jet Zero field in our geography. They also tested out four suggested sector propositions for the group as follows:
  - Use Farnborough Airport/Airshow as a platform for businesses with an interest in jet zero;
  - Put in place accelerator/incubator provision – perhaps structured around specific technological challenges and we have been in discussion with Farnborough Aerospace Consortium on a possible focus on hydrogen enabling infrastructure at airports;
  - Work with and through the universities / Farnborough College of Technology to strengthen their roles as anchor institutions to deliver the right skills required; and,
  - Work with the emerging Solent hydrogen cluster – to create synergies and scale across the net zero journey.
- 4.2. SQW will continue to develop this proposition and action plan and will discuss it with stakeholders at another workshop in September before finalising their report which will be presented to the Board at its meeting in October.

#### ***Animal Health Innovation Network***

- 4.3. We continue to have a regular dialogue with the AHIN and are continuing to support the HPO with the DBT. On the 2<sup>nd</sup> August we are presenting the EM3 animal health proposition to a 'meet the Chinese investor' event being run by the embassy in Shanghai.
- 4.4. To help businesses understand the benefits of engaging with the animal health network and EM3, we are preparing a digital brochure that will help articulate our offer including the Growth Hub.

#### ***Life Sciences***

- 4.5. We are putting together a short action plan on how we can take the findings of the life sciences study forward. We have been regularly engaging with the two Academic Health Science Networks to explore opportunities including Net Zero in the NHS and strengthening the research ecosystem with Wessex Health Partners

#### ***Rural Economy***

- 4.6. See LEP news in para 1.4.

## 5. Skills

- 5.1. The **EM3 Skills Advisory Panel** met on Friday 9<sup>th</sup> June, with a focus on demand for green skills across the area and some updates on Skills Bootcamps, the Local Skills Improvement Plan (LSIP) and the Local Skills Improvement Fund (LSIF) funding application. The next meeting will be taking place on 4<sup>th</sup> October.
- 5.2. With support from the LEP, Sparsholt College were successful in securing mobilisation funding from the Department for Education (DfE) for Stage 1 of the **LSIF** for the EM3 (including all of Surrey) LSIP area. This will be used to put together a team, led by Jamie Mackay from the LEP, who will work with partners in applying for Stage 2 funding – up to £6m of capital and revenue funding to respond to the priorities in the LSIP report, for delivery between October 2023 and March 2025. The deadline for the application is Friday 15<sup>th</sup> September.
- 5.3. The final version of the **LSIP report** is due to be published on the Surrey Chambers of Commerce website - <https://www.surrey-chambers.co.uk/future-skills-hub> - by 31st July, following sign-off from the Department for Education. The report has been created with input and support from the LEP who will continue to work with the Chambers to support delivery of key actions from the report.
- 5.4. Following collaboration with the LEP and Surrey County Council, Hampshire County Council has put forward a funding bid to the DfE for some **Skills Bootcamps**. If successful, these would be delivered between September 2023 and March 2024 with the potential for further Bootcamps between 2024-25.

## 6. Careers Hub

- 6.1. The Enterprise M3 Careers Hub launched a Gatsby Benchmark 1 project to increase school participation. More than 20 schools took part, holding careers fairs, events and securing membership to careers support companies with these funds. EnterpriseM3's communications team has compiled news articles with images for the Careers Hub website.
- 6.2. Careers handbooks have been gifted to career leads in the Enterprise M3 Careers Hub region. This has also been publicised on the website.
- 6.3. The Enterprise M3 Careers Hub held a pilot project for parents at the Vyne School in Basingstoke to **improve parental engagement**. The aim of this was to address one of the Careers and Enterprise Company's priorities; increasing awareness of apprenticeship and technical education routes. The Talking Futures Project is based on research by the Gatsby Foundation. The Vyne School in Basingstoke was selected to support their work in improving parental engagement. They have a high percentage of Free School Meal students.
- 6.4. A successful awards evening to celebrate the work of careers leaders across Hampshire and Surrey was held in Basingstoke on July 13. 50 colleagues attended the event, where awards were presented across a range of categories, from the most innovative careers project to the strongest website.
- 6.5. SEND schools have been supported by the creation of a food preparation manual. It includes processes to be followed, and has been adopted by students working in a community café. The manual will be shared with all SEND schools within the Careers Hub.
- 6.6. Other Careers Hub activities undertaken include:
  - Virtual cluster meetings to bring schools together so they can collaborate on projects and share best practice - feedback has been positive.
  - Teacher Encounters project in Surrey Schools with teachers taking up work placements to discover the world of work.
  - The Careers Hub and Growth Hub are working to exploit synergies between the two services and increase employer engagement with the Careers Hub.
  - The Careers Hub is working with the SUN team at Southampton University and the Widening Participation team at Winchester University to design and deliver a project to support disadvantaged pupils.
  - The team have continued to provide material for the Careers Hub's [new web pages](#), which have now gone live.

## 7. Latest evidence on the economy and labour market

- 7.1. The Dashboard report for July 2023 highlights some key issues for the EM3 economy and can be read in full as Item 15. A snapshot into the region's creative and cultural sector has been sought to facilitate further

work with local authority partners in this policy area as well as boost EM3's story in the run up to the annual conference. Headline points from this Dashboard are:

- The productivity gap between EM3, Thames Valley Berkshire (TVB) and London is narrowing:
  - ONS figures identify North Hants as the most productive sub area outside London with West Surrey not far behind.
  - With labour productivity remaining a challenge in the EM3 region, other productivity inputs need greater attention to close with and eventually surpass TVB.
- Job vacancies continue to rise:
  - Labour shortages in tourism & hospitality show strong seasonal demand in the EM3 region – 48% higher postings in the past 3-months compared to 34% for the average across all occupations.
  - BUT high-and-upper intermediate-skilled equate to over two-thirds of all vacancies
  - Continued mismatch between skills supply and demand.
  - Higher interest rates and prolonged inflation may affect labour demand, which could lead to a period of higher unemployment.
- The creative and cultural sector in the EM3 region is one of the largest outside London:
  - Business and employee concentrations above the national average, notably in upper M3/M25 corridor (which mirror patterns of productivity across the region).
  - 1-in-7 businesses in EM3 region are from the creative and cultural sector, with 95% micro-businesses, and 1-in-4 workers across the region are employed in this sector also.
  - BUT pre-pandemic growth was slower compared to national and SE region average. To remain competitive, further investment and focused, tactical sector support is needed.

7.2. Policy recommendations arising from the previous Dashboard are being explored, notably exploring new models for economic growth to improve regional productivity, and rapid, high-impact business support solutions to help SMEs respond to increased automation/digitization and technological advances.

7.3. Further work is being scoped with HCC's data and insights team to explore export capability, innovation, and the green economic transition; all of which will add value/complement the bi-monthly dashboards.

## **8. Enterprise Zones**

8.1. Cushman & Wakefield are continuing their work on the development of the Delivery and Implementation Plan. They have produced a proposed projected BRIG forecast based on development scenarios for the three sites which gives a figure of net business rates additionality of £122.32m, the majority of which is from Basing View.

8.2. We are now testing intervention scenarios (such as marketing, capital investment and development partnerships) with key partners and dependent on feedback this will then provide a revised BRIG projection. Following this, an Investment Plan and Marketing Plan will be formulated.

8.3. We are projecting that the plan will be completed by the end of September at the latest and will be presented to the Board in October.

## **9. Communications & Stakeholder Engagement**

9.1. The communications team have supported EM3's recent public affairs engagements, producing constituency targeted one-pagers and briefing notes for Michael Queen's recent meetings with Caroline Nokes MP and Michael Gove MP. The team have also produced a one-pager for Spelthorne Borough Council.

9.2. Arrangements for EM3's Annual Conference 'Celebrating Our Innovation Region' are well underway. The official invitation and agenda was shared with stakeholders in mid-June and has had a fantastic response, to the extent that we have now introduced a 'waiting list' (those registered will be asked to confirm their attendance closer to the time and we will go to this list should a place become available). The agenda has also been finalised and the team have held briefing calls with the key-note panelist, Bernard Donoghue OBE, Director at the Association of Leading Visitor Attractions (ALVA) and the business panelists. Venue and on the day logistics (including AV arrangements and catering) are also in-hand, supported by Carswell Gould.

- 9.3. The communications team have also written the Annual Report and worked with Carswell Gould on the designed pages for the Board to review (Michael Queen's message will be inputted before the planned Autumn launch).
- 9.4. The new EM3 website pages for the [Careers Hub are now live](#) and Carswell Gould are also supporting us with a review of the wider website, with a view to an Autumn re-vamp that better highlights and directs people to our range of business services.
- 9.5. The communications team also researched and set up [business directory](#) pages for the three EZ3 Enterprise Zone sites.
- 9.6. The communications team is working closely with the Growth Hub team and UMi on a marketing and communications strategy. In July we produced a one-pager for stakeholders on Growth Hub services and published the first '[Lets Talk About Growth](#)' blog article, part of a series that our Growth Hub Champions will be contributing to.
- 9.7. Communications support has also been provided to the Careers Hub team, including producing a flyer for schools on INSET training and a flyer and social media communications to encourage businesses to support schools and careers events in their area.
- 9.8. The following events were attended by the communications team, where we also shared highlights on social media and provided photography support:
- Enterprise M3 Careers Hub Steering Group meeting and apprenticeship workshop, 24 May
  - Enterprise M3 Careers Hub The Vyne School careers evening, 27 June
  - EM3 Jet Zero mapping workshop, 12 July
  - Enterprise M3 Careers Hub Awards, 13 July
- 9.9. The communications team also produced and shared the following news articles and case studies:
- [Join the charge on Net Zero with the EM3-backed Innovation South Virtual Campus](#)
  - [Join us at the EM3 business conference](#)
  - [Apprenticeship barriers put under the spotlight](#)
  - [New plans to maximise the potential of UK creative industries](#)
  - [TISICS propelling the aviation sector towards Jet Zero](#)
  - [Moving on Day at Sixth Form College in Farnborough](#)

## 10. European Funding

- 10.1. Latest performance data collected from our portfolio of ESF projects show that 67.4% of budget has been spent by Q1 2023 and that 7,390 participants (57% male, 43% female) have benefitted from upskilling in our EM3 LEP area.
- 10.2. Similarly, our portfolio of ERDF projects has spent 58% of budget by the end of Q1 2023 and 1,254 companies have been supported, with 3,347 tons of CO2 safeguarded across our Low Carbon projects (Low case, Emphasis 3 and e-Taxis).

## 11. Gigabit EM3

- 11.1. An update on the Fibre Spine project is provided under item 9 on the agenda.

## 12. Staffing Matters

- 12.1. Daniel Ruiz has joined the team in an executive role, providing the LEP with support for 2 days per week.
- 12.2. Rubens King, Tracey Haigh and Jo Lane from the Careers Hub Team will be leaving EM3 at the end of August. I would like to thank them all for their valuable contribution to the Careers Hub and wish them all the best for the future.

Stephen Martin - EM3 Managing Director  
24 July 2023