

enterprise **M3**
JOINT LEADERS BOARD

Enterprise M3 Joint Leaders Board

Notes of the meeting of the Joint Leaders Board held on 28 June 2023, via Teams.

| Attendees: | |
|------------------------|--|
| Cllr Rob Humby | Chair, Hampshire County Council |
| Jackie Waldron | Hampshire County Council - Minutes |
| Cllr Paul Harvey | Leader, Basingstoke & Deane Borough Council |
| Cllr Phil North | Leader, Test Valley Borough Council |
| Cllr Martin Tod | Leader, Winchester City Council |
| Cllr Joanne Sexton | Leader, Spelthorne Borough Council |
| Tom Horwood | CEO, Guildford & Waverley Borough Councils |
| Daryl Phillips | CEO, Hart District Council |
| Paul Shackley | CEO, Rushmoor Borough Council |
| Andy Ferrier | CEO, Test Valley Borough Council |
| Michael Queen | Chair, Enterprise M3 |
| Stephen Martin | Enterprise M3, Joint Managing Director |
| Sue Littlemore | Enterprise M3, Joint Managing Director |
| Michael Coughlin | Surrey County Council |
| Gary Westbrook | Hampshire County Council |
| Dan Grindey | East Hants District Council |
| Lee O'Neil | Spelthorne Borough Council |
| Apologies: | |
| Cllr Richard Millard | Leader, East Hants District Council |
| Cllr Julia McShane | Leader, Guildford Borough Council |
| Cllr David Neighbour | Leader, Hart District Council |
| Cllr Tom Gracey | Leader, Runnymede Borough Council |
| Cllr David Clifford | Leader, Rushmoor Borough Council |
| Cllr Bruce McDonald | Leader, Elmbridge Borough Council |
| Cllr Anne-Marie Barker | Leader, Woking Borough Council |
| Cllr David Whitcroft | Leader, Surrey Heath Borough Council |
| Cllr Paul Follows | Leader, Waverley Borough Council |
| Cllr Natalie Bramhall | Cabinet Member for Property & Waste, Surrey County Council |
| Joanna Killian | CEO, Surrey County Council |
| Damian Roberts | CEO, Surrey Heath Borough Council |
| Gill Kneller | CEO, East Hants District Council |
| Carolyn Williamson | CEO, Hampshire County Council |
| Paul Turrell | CEO, Runnymede Borough Council |
| Julie Fisher | CEO, Woking Borough Council |
| Russell O'Keefe | CEO, Basingstoke & Deane Borough Council |
| Adam Chalmers | CEO, Elmbridge Borough Council |
| Daniel Mouawad | CEO, Spelthorne Borough Council |
| Laura Taylor | CEO, Winchester City Council |

1. A brief introduction to EM3 LEP for new Leaders

Stephen welcomed the new Leaders, Cllr Paul Harvey and Cllr Sexton to the EM3 JLB. He gave a brief overview and showed some slides explaining the role of Enterprise M3.

2. Welcome, Introductions and Apologies for absence

Apologies were noted.

3. Minutes of the last meeting – 22 February 2022

Minutes of the last meeting accepted as correct.

4. Update from the EM3 Chair

Michael Queen started by saying that EM3 had received growth hub funding of £338,000. The LEP are well funded for the current year.

The fibre spine project has been delayed because EM3 was going to be the commissioning body, but HCC have stated that they do not want to be the owner of the project and it is not part of their core priorities. EM3 have been speaking to districts and boroughs to see if a group of councils would be prepared to step in, or whether a private owner could be sought. Still hopeful that this will be moved forward but not as quickly as had hoped.

In terms of the future of the LEP, the Government announced in March that they were minded to transfer the responsibility of LEPs to upper tier authorities, from 31 March 2024. The government has undertaken a consultation exercise about what services the LEP provides. Lots of discussions with HCC and SCC in the last six months; the direction of travel from HCC and SCC is that the activities of the LEP will be integrated. Waiting for the Government's feedback from this consultation which is due before 21 July and this will let us know how we take this forward.

There was a discussion about how the fibre spine was going to be taken forward. The route of the fibre spine is from Guildford to Basingstoke. There is potential for the route to be extended as a later phase; there has been an interest from some of the other districts and that remains part of the vision. The next three months are crucial for determining how the project moves forward.

5. Joint Managing Directors' report

Stephen Martin explained that the Joint Managing Directors' report is the same report that is shared with the EM3 Board. EM3 is absolutely focused on delivering in 23/24.

In relation to skills, some key milestones have been achieved recently. EM3 supported our colleges to deliver Strategic Development Fund projects relating to green skills. Surrey Chamber of Commerce recently submitted a final version of the Local Skills Improvement Plan for approval by DfE; EM3 provided part of the team for that piece of work. The Careers Hub continue to work with schools and colleges to connect them with employers. This includes a project in partnership with Surrey County Council to provide teachers with workplace experience.

EM3's annual conference is on 3 October, this is a good networking opportunity for everyone to come together. Hope to see as many people there as possible.

Rob said that the Joint Managing Director's report was a good report and Michael, Stephen and Sue are happy to be contacted if required, especially for the new members.

6. Update on new sector development initiatives – jet zero, life sciences, rural economy

Sue Littlemore provided an update on three important sectors. EM3 has a strong track record nurturing high growth, high innovation clusters in our region.

Aerospace is a sector with a great heritage and strengths in Hampshire and into Surrey, but the industry needs to decarbonise and become more environmentally friendly. EM3 has commissioned work to explore how this region can contribute to the global challenge. This work will be finished by autumn at the latest and will show our region's strengths and weaknesses in its contributions to the Jet Zero agenda. Importantly this work will also recommend actions, and a proposition on the region's strengths in Jet Zero which can be used to attract inward investment.

Most of the EM3 area is classified as rural and this mustn't be overlooked. Local authorities in Mid Hampshire have asked the LEP to explore economic activity in their rural areas. We are expecting to report those findings to Cllr Humby and the leaders of Test Valley, Winchester and East Hants next month.

We have also carried out an investigation into our life sciences sector. Oxford, Cambridge and the golden triangle have been allowed to take the lead in this but this region has its own strengths. Our geography for this work extends from the coast including the University of Southampton, up the M3 corridor and into the whole of Surrey. Headline messages include:

- The life sciences sector in our region accounts for almost 5% of the UK share, and 27% of the share in the south east.
- There are 247 businesses in medtech and 130 in pharmaceuticals.
- On employment the sector provides 2,500 jobs – most of those in the EM3 area.
- Most life sciences businesses in this area are micro-businesses, less than 10 employees, and any support should be tailored to that size of company.
- Life sciences are 50% more productive than the average across our economy. Manufacturing of medtech products and digital health products are two areas of specialisation in the region's life science businesses.

For attracting more life science businesses into the region, the Southern Policy Centre has produced a helpful report which sets out how our region makes a compelling offer to life science businesses looking for an ideal location to help them grow.

Cllr Sexton asked Sue and Stephen to let her know how Spelthorne can add value and what are the key elements that can be worked on together. Sue and Stephen to contact Joanne directly.

Cllr Paul Harvey thanked Sue and said that Basingstoke are very interested in the life sciences sector.

7. Economy and labour market update

Enterprise M3 economy was widely expected to be in recession by Christmas 2022. The South East had the third highest positive business sentiment in the country. Consumer confidence remains subdued, and disposable incomes are being quickly eroded by both inflation and rising interest rates. In May Core inflation increased to 7.1%, the highest level since 1992. Business costs in the region remain historically high. At its meeting in June the Bank of England increased rates by 0.5 percentage points to 5% with rates expected to increase to as high as 6% and staying at that level until the third calendar quarter of 2024. Further rises in interest rates and stubbornly high inflation will continue to exert downward pressure on house prices across the country. House prices in Hampshire area fell by 0.4% in April compared to March, whilst prices in Surrey fell by 0.5%. Self employment has been falling since the pandemic and now there is a sharp slowdown in growth in PAYE employees and a slowdown in vacancies. Unemployment is still very low but it takes time for a slowdown in labour demand to be reflected in unemployment data.

8. AOB

Michael Queen expressed that Stephen and Sue make a very good team, but announced that Sue is leaving EM3 to join the University of Southampton. He thanked her for everything that she has done for EM3. Stephen will be taking on Sue's responsibilities, with one of EM3's non-executive directors, Daniel Ruiz, also stepping into a part-time executive role.

Cllr Rob Humby echoed Michael's thanks and said a huge thank you for everything that Sue has done for EM3 and wished her good luck in her new role.

Sue thanked everyone for their kind words. She stressed that her role at the University of Southampton will be to increase the impact in the region.

Rob thanked everyone for joining.

Future Meetings

| | |
|---|-------|
| 27 September 2023 9am- 10.30am | Teams |
| November 2023 - tbc Scrutiny meeting | Teams |
| February 2024 – tbc | Teams |