

Open

Title:	Chief Executive's Report
Purpose:	To update board members on key operational activity undertaken since our September Board Meeting.
Recommendation:	That Board Members note the content of this report and comment on any areas of specific interest or concern and That members endorse the recommendations relating to the board representation on the South East Energy Hub (Section 7)

1 Growth Hub Update & National Brexit Readiness

Ahead of the scheduled departure from the European Union on October 31st a national programme of business readiness workshops was organised, in Buckinghamshire our Growth Hub Supported two events in "Getting Ready for Brexit in High Wycombe on October 17th and in together with the Department of International Trade in Aylesbury on October 25th. Growth Hubs have also been given direct additional resources to support a wider programme of business engagement from the end of October until April 2020. The four Growth Hubs in the Arc, together with Greater Anglia LEP have been allocated a total of £260k to support this events programme. Weekly insight reports have been provided to BEIS providing a summary of the "on the ground" insight into business readiness and the potential implications of any process or legislative changes.

Buckinghamshire Business First secured £90k of funding from our local authority partners to deliver a Funding Voucher Scheme to support businesses to mitigate risks and swiftly grasp opportunities from Brexit, helping them to access new markets and supporting on-shoring and essential operational and logistical changes to service delivery. This project is in line with the recommendations of many industry bodies including the Institute of Directors and the Federation of Small Businesses.

BBF launched the vouchers on Friday 27th September and in addition to businesses, information has been shared with partner business representative organisations including the Institute of Directors, Federation of Small Business and Chamber of Commerce. The information has also been cascaded down through our local authority and public sector supply chain including NHS, Fire, Police Transport and Social Care partners.

To date, a total of 62 expressions of interest have been received for this initiative, 25 completed applications are now being processed; 12 for 'Brexit Go' vouchers (£5,000 match funded by SME) and 13 for 'Get Set for Brexit' vouchers (£2,000 match funded by SME's). This funding is awarded on a first come first served basis and it now almost wholly committed. There will be a significant pipeline of further support required if any further funding can be made available.

Activity being funded includes:

- consultancy on customs requirements and supply chain exposure, VAT and financial implications, movement of goods.
- accountancy to audit and assess the financial and accounting implications of Brexit
- Interim Sales Manager resource for 15 weeks to develop new markets to mitigate Brexit impact
- new system to complete customs entries, staff training
- employment of temporary resource to support transition
- reporting on medical device regulation risk and impact on clinical testing and trials.
- assessment of import/export impact, particularly around tariffs and fees for goods.
- advice on documentation/regulation changes for products and distribution contracts.
- consultancy on online sales channel compliance.

This Brexit Resilience funding has been very successful for prompting businesses to take action to ensure their organisations are in the very best position to mitigate any Brexit related issues. It also supports resource (1.4 FTE) within the BBF team who are fully focused on Brexit, we have secured additional funding from BEIS (£31,578) to support an additional 2 FTE team members to be focused on activity to support BREXIT resilience.

The current uncertain political climate has had an effect on our local businesses, with lots of issues arising through the demands of Brexit – stock piling, exchange fluctuations, staffing etc. Buckinghamshire businesses are displaying a more cautious attitude to investing but are “just getting on with business” whilst we are still in the land of the known.

Funding update:

- The BBF Growth Programme has been awarded an additional £2.3m ERDF funding to extend its activities by a further 3 years starting July 2019
- £189,000 has been awarded to support businesses through Brexit with vouchers up to £5,000, 1:1 support and advice, workshops and events and real-time updates on the subject to the [BBF website](#) – awarded at the beginning of September 2019
- An additional £214,000 has been provided for the Leader contract in recognition of Ngage’s ability to deliver where other areas in the country have been unable to distribute their original allocations

Activity update:

During the first 6 months of 2019/20 a record £2.8m has been leveraged from businesses to match the funding they have received from BBF and Ngage. A full summary of the activity of the BBF Growth Hub is attached as **Appendix 1** to this report.

Tourism Update

Visit Buckinghamshire (hosted by BBF) has worked in partnership with Bucks New University in two exciting creative projects to put Buckinghamshire's visitor attractions on the map culminating in a [new film to promote Buckinghamshire](#)

The Visit Bucks/BNU partnership has also worked on the creation of a tourism itinerary in each of the two areas: "TV, film and literary" and "Accessible for all". These tourism [itineraries](#) are available on the [Visit Buckinghamshire & The Chilterns website](#)

2 LEP Network & Cross Arc Collaboration

On October 25th Andrew Smith hosted a call of the Arc Leps and Chief Executives to consider how we would like to collaborate more closely in the development of the Arc Productivity propositions and how we wished to be represented on a revised LEP Network management board. New Anglia LEP have been invited to be part of a LEP Network Cluster alongside the core Arc LEPs, so were also represented on the call. As a result of the discussion it has been agreed that the OXLEP and New Anglia Chairs would be the regional representatives on the LEP Network management board with Andrew retaining his specialist role as lead for the LEP Network Creative Industries Sector.

Elsewhere on pan-Arc collaboration work has continued with the development of the comprehensive spending review productivity business case ensuring closer alignment with the ambitions of the Arc Universities Group. As part of the Internationalisation Plan I shared a platform with DIT colleagues at MIPIM UK and an Arc promotion was co-ordinated by DIT at the recent Advanced Engineering Show at the NEC

On October 29th Mark Bretton the new Chair of the LEP Network met Nadhim Zahawi Parliamentary Under Secretary of State and Minister for Business and Industry and the ministerial lead in BEIS for industrial strategy delivery, sector deals, and local growth. As a result of this meeting it was agreed that he would support the following activities :-

- Endorse LEPs as a trusted UK Shared Prosperity Fund partner and, position LEPs as leaders in this field, with ready 'blueprint' in Local Industrial Strategies. Clarity was given that LEPs retain their individual responsibilities, accountabilities and access channels
- Suggest a joint letter (LEP Network Chair & Minister) promoting the advice and guidance available to SMEs through LEP Growth Hubs.
- Utilise LEP local business acumen and local business reach in the run up to the Comprehensive Spending Review 2020.

At this meeting Nadim Zahawi also reemphasised his desire to see the overlap between LEPs removed. This was followed up by a letter to LEP Chairs on November 5th shared as **Appendix 2** stating that all overlaps will need to be removed by December 12th if LEPs are to retain their core funding for the current financial year. As members are aware, the removal of the overlap with SEMLEP covering the Aylesbury Vale area has been a long held desire of this board, a follow up letter to Mr Zahawi, also dated November 5th together with a copy of an earlier unanswered request to James Brokenshire from July 2019 are attached as **Appendix 3** to this report. Andrew will be speaking to his counterpart at SEMLEP Peter Horrocks to ask if they are now willing to remove this overlap as they had previously done in the Cherwell District of Oxfordshire.

The meeting was followed by a discussion with Stephen Jones from the Cities and Local Growth Unit to consider a clear scorecard approach for the LEP Performance Review meetings in 2020 and a review of the LEP Network Core Funding and existing MOU with the Cities and Local Growth Unit. Our 2020 Performance Review is being scheduled for January/February 2020, a copy of the notes from the positive mid-year assessment held on September 23rd are attached as **Appendix 4** to this report.

3 European Funding Update

Details of the national reserve fund for the EAFRD programme have been announced. Next round of the RDPE Growth Programme will open for applications on Monday 4th November. The Expressions of Interest window will close on 16th February 2020. A minimum of £35m is being made available under this new round. The minimum grant has been reduced from £35k to £20k to allow more micro and small businesses to benefit from this support. As before, there will be three themes – Business Development, Tourism Infrastructure and Food Processing. The maximum grant under the Business Development and Tourism themes will be limited to €200,000, whilst the maximum grant under the Food Processing theme will be limited to £750,000

It is anticipated that the national reserve funds for the European Social Fund and the Regional Development Fund will be open in February 2020.

4 Digital Update

The Connected Counties programme continues to rollout superfast connectivity to our businesses and residents. The contracts aimed to provide 95% of our premises with superfast broadband by December 2019 and we have now exceeded 96%. We are now working with central government and the private sector to discuss further opportunities to improve digital connectivity, including the use of 5G mobile technology and with Mobile Network Operators following the government's support of the Shared Rural Network, which will see collaboration between major cellular network providers to increase rural mobile coverage over the next 5 years.

The procurement process for the Buckinghamshire Rural Business Broadband Project has been delayed by 6 weeks in order to allow a Treasury to consider a funding extension of 12 months. DEFRA have indicated that Treasury will decide over the next month whether the allocated £1,800,000 to connect rural businesses can be used up to December 2022, rather than the current deadline of December 2021, thereby creating a more attractive contract for potential bidders. This contract is expected to be signed off in April 2020.

Appetite for increased digital connectivity can be seen through the take-up of the services provided through the Connected Counties programme, our first contract is now ranked 1st nationally out of 41 national contracts for take-up. At the contract's outset, central government and Openreach forecasted that our take-up would reach 20% by 2023, by June 2019 we had already reached 68.9% compared to the national average of 59.6%. The second contract is currently forecasted to reach similar levels of take-up. We are also working with individual communities to create their own bespoke broadband solutions, making use of the government's subsidising voucher schemes which have brought a further £1,000,000 of funding into Buckinghamshire.

5 Local Growth Fund Update

Good progress has been made with LGF programme delivery during the second quarter of 2019/20 with a number of scheme completions taking place.

The LGF Capital budget position at the end of Q2 2019/20, reports a total of approximately £2.79 million expenditure against a total of £10.6 allocated to programme for this year.

High Wycombe Town Centre Masterplan (£8.48m LGF) – The new town centre road scheme has been completed and is due to be opened to traffic on Monday 11th November. This scheme is a significant achievement creating hundreds of new homes, businesses, employment opportunities and improvements to public realm and transport network.

A355 Beaconsfield (£6.05m LGF) – The construction of the northern section of the new road link was completed at the end of October. Discussions are ongoing with developer Inland Homes regarding construction of the southern section across their site to join the A40 at Pyebush Roundabout. Currently this section is planned to be completed in 2021.

A4 Sustainable Travel Link to Crossrail Taplow Station (£1.53m LGF) – Due to be completed by 19th November.

Innovation Centre Westcott Enterprise Zone (£2m LGF) – The Satellite Applications Catapult has made good progress with the planning application and has recently appointed the main contractor following an open tender process. Works on the new building are planned to start in January 2020 and anticipated completion in July.

Bucks Life Science Innovation Centre (£1.3m LGF) – The innovation hub at the Wycombe University campus has been completed and works have now started on the innovation hub at Stoke Mandeville due to be completed early in the new year

UCAV Digital Innovation Hub (£1.32m LGF) – The refit of the ground floor at the University Campus Aylesbury Vale has been completed. The university is appointing independent specialist management company to oversee promotion, marketing and occupation of the hub space

National Centre for Immersive Storytelling (£288k LGF) – The project was substantially completed and opened in October and the sound editing studio has been certified

Bucks Creates @ Pinewood (£1.645m) - Concerted efforts by Buckinghamshire New University and their partners Creative Media Skills has enabled the completion of the first phase of the new training centre at Pinewood Studios. This has now opened and approximately 50 new students have enrolled on the graduate and post graduate Masters programmes.

School for Computing and Centre for Artificial Intelligence – Design has been agreed and for the prestigious new 'Tessa Keswick' building at the University of Buckingham campus and subject to reserve matters planning being resolved works are planned to start early in the new year.

South East Aylesbury Link Road (DfT Retained Scheme £13.472m LGF) - With the support of England's Economic Heartland, the County Council has made significant progress towards resolving the 'shared value' issue with Network Rail. However, overall scheme costs have increased from estimated £23.4 million to approximately £35 million. These additional costs are planned to be met from future development contributions. The County Council has deferred submission of the planning application for the SEALR scheme pending resolution of Planning Approval for the Aylesbury Woodlands development.

Eastern Link Road South (£10.51m LGF) A meeting was held with the Buckinghamshire County Council Leadership Team on Tuesday 5th November to discuss the increasing concerns about delivery of major road schemes, including Eastern Link Road and South East Aylesbury Link Road,

which currently represent the biggest risk in the LGF programme delivery. It was agreed that the Council's internal reporting process would be improved to highlight the LGF capital underspend and reputational risks this presents to maintain Bucks LEP 'exceptional' performance rating for programme delivery. The County Council provided reassurance that every effort is being made to urgently progress the completion of the Section 106 agreement and Planning Approval for the Woodlands development site.

6 Enterprise Zone Update

I am pleased to advise that in October MEPC confirmed that it is doubling the amount of floorspace to be delivered in the second phase of development at the Silverstone EZ site from 12,000m² to 24,000m². Construction work commenced in October, with completion due in mid 2020.

Completion of the Silverstone development will mark a key milestone for the EZ as it will mean that cumulatively it will have exceeded its March 2017 5 Year Implementation Plan forecast for employment floorspace delivery. The development will also generate c. £0.6m in retained business rates for the EZ.

7 South East Energy Hub

7.1 Background to the GSE Energy Hub

In 2017 the Department for Business, Energy and Industrial Strategy (BEIS) announced funding for the establishment of five 'energy hubs' across the UK. Bucks LEP is located in the Greater South East (GSE) energy hub area. In March 2018, Cambridgeshire and Peterborough Combined Authority (CPCA) was confirmed as the host authority and accountable body for the GSE area with a total budget of £2.021m.

The funding is provided by BEIS to support the development of local energy projects, articulated as four headline aims of the GSE Energy Hub, namely:

- Increase number, quality and scale of local energy projects being delivered
- Raise local awareness of opportunity for and benefits of local energy investment
- Enable local areas to attract private and/or public finance for energy projects
- Identify working model for teams to be financially self-sustaining after first two years

The Hub's funding was intended to provide for two years of operation, however as the recruitment of staff was staggered, the funds are now anticipated to last up to 3 years. GSE Energy Hub, along with the other 4 regional Energy Hubs, is in dialogue with BEIS over future funding models, including how continued grant funding from BEIS could be provided as well as options for the Hubs may generate their own revenue.

7.2 Operations and Activity of the Hub

The Hub board's initial focus was to establish the operational structure. Important first steps included:

- Recruitment of the Hub Staff – the Regional Hub Manager, 4 Energy Project Managers, Hub Support Coordinator and the Data and Information Manager are all now in post.
- Development of governance arrangements, principally the Accountable Body Agreement (ABA) and the Terms of Reference (ToR).

With the Energy Project Managers in post, each focusing on an area within the Hub's region, the Hub is now providing support to the LEPs and Local Authorities in the area. A range of project types are being supported across the region including support for heat networks, addressing grid constraints (for both demand and generation connections), renewable energy projects, energy efficiency projects, EV charging point programmes, energy storage proposals (e.g. batteries) and community energy initiatives.

In Buckinghamshire, support has been received in relation to the heat network feasibility study for the Woodlands development.

7.3 Consultancy Budget

The Hub has allocated £250k to provide additional consultancy support where there is a particular need for specialist advice / knowledge. To date, two proposals have been developed to make use of this fund:

- Knowledge Transfer Network (KTN) Grid Capacity Project: Grid capacity has been identified as an issue across the Hub's LEPs, as well as across the Hub's nationally. The KTN will develop the detail of these issues into a series of challenges which will be offered, via a competitive process, to 'solution providers' who bid in innovative solutions. The process has been effective in developing solutions in other industries
- Smart Grid study for Colchester Northern Gateway: a project specific study in relation to a mixed use development to determine the feasibility of using a smart grid to reduce the connection costs and unlock other local energy opportunities in the area.

Funds have also been allocated within the total grant for two specific projects agreed with BEIS.

- Council Tax / Business Rates Pilot: £200k allocated for local authorities to design a pilot study for a scheme to incentivise energy efficiency measure in property by offering reductions to Council Tax or Business Rates as appropriate. The use of Council Tax to incentivise the uptake of energy efficiency measures was identified by BEIS within the 2018 Building a Market for Energy Efficiency Call for Evidence. This study responds to this activity to identify how such a scheme could be arranged.
- Energy Data Mapping Resource: £30k allocated to undertake initial mapping of energy infrastructure and develop a specification for a national approach for regional energy mapping. If successful, this would provide planners and developers access to live information on energy infrastructure locations and capacity, supporting the delivery of renewable generation schemes and more general development.

7.4 Replacement Accountable Body

In July 2019, the CPCA took the decision step down as the Accountable Body for the GSE Energy Hub. Consequently, the Hub is now undertaking the necessary steps to identify a new Accountable Body as soon as possible. At this time, the Hub is currently seeking applications from potential Accountable Bodies with the intent that a replacement body be agreed by the end of November 2019. The CPCA will remain the Accountable Body for the hub until such a replacement body can be found and in the situation should not suitable replacement be found.

7.5 Rural Community Energy Fund

In March 2019 it was agreed that the Hub would take on the role of administering grants under the Rural Community Energy Fund (RCEF) for applications within its region. This is an existing fund, previously administered by WRAP (Waste and Resources Action Programme) for England as a whole. The RCEF offers grants to rural communities to develop renewable energy projects in two stages – initial feasibility grants of up to £40k and subsequently grants of up to £100k for business development and planning costs. [Rural Community Energy Fund](#)

7.6 Governance of GSE Energy Hub

Agreeing the Terms of Reference (ToR) and Accountable Body Agreement (ABA) for the GSE Energy Hub has been an ongoing matter for the Hub's Board to agree. These documents were circulated on 25 October 2019 to all LEP CEOs in the region for formal agreement. Bucks LEP has been working closely with Buckinghamshire County Council on inputting to the Hub's development, with Ed Barlow the Head of Energy & Resources from the Council's Energy & Resources team attending meetings on behalf of the LEP.

It is recommended that this arrangement be formalised to allow Bucks County Council (and subsequently Buckinghamshire Council) to continue to represent BLEP at the GSE Energy Hub Board.

8 Buckinghamshire Shadow Growth Board

The Shadow Buckinghamshire Growth Board met for the first time on October 8th. The focus of the initial meeting was to consider the outline terms of reference and the indicative work programme and potential issues to consider the first 6 months. I will be one of 10 core members of this initial board which also includes the leaders of all of the 5 Local Authorities, the Chief Executive of the new Buckinghamshire Council, the Joint Chairs of the Housing Growth and Economy Board for the New Council and the Chief Executive of the Clinical Commissioning Group.

9 Aylesbury Garden Town

The Vision for the Aylesbury Garden Town 2050 Programme has now been published with consultation events planned throughout November. The vision document is the first phase of the Masterplan and 50 explains the collective ambitions for Aylesbury Garden Town and the aim to create an Aylesbury that is designed for everyone. Further details of the vision document can be found via the attached link [Aylesbury Garden Town Vision 2050](#)

10 England's Economic Heartland

Following the presentation at the last board meeting, a response was submitted at the end of October to the England's Economic Heartland Transport Strategy Consultation. Our response was based on 5 main points:-

- **Deliver a Priority focus on connectivity within the Oxford to Cambridge Arc** – Whilst we appreciate that the England's Economic Heartland geography does not match that of the Oxford to Cambridge Arc we believe that the Arc should be the primary focus for this strategy. Whilst there are natural opportunities for working closely with neighbouring sub-regional structures and major transport hubs it is important that the main programme of activity for EEH mirrors the Government led ambition for the Arc.

- **Delivering multi-modal transport choice to reduce travel to work times and access to future business hubs.** Travel choice and, real time information and inter-connectivity will be the most important factors for business travellers and commuters across the region and in supporting new business investment. For many at present that choice is limited meaning an over reliance on car, very often for single occupancy vehicles.
- **Using the region as a testbed for innovation for autonomous, connected and low carbon transport, supporting the development of digital infrastructure thus improving productivity whilst on the move.** The transport strategy should also support the ambitions of the region to lead national innovation in autonomous, connected and low carbon transport initiatives at scale.
- **Not losing focus on North South Connectivity** – Whilst it is only natural for the strategy to look at the transformative opportunities that could be delivered by new East-West connectivity but the opportunities presented by the North/South links especially via the M40, M1 and A1 corridors should not be overlooked nor should the links to the global gateway at Heathrow which appears to have been largely overlooked.
- **Transport Skills & enabling stability with contracts to enable long term skills investment** – working with LEPs, Colleges and Universities EEH can help to identify, develop and retain relevant skills for the new transport economy providing direct access to transport professionals and supporting the development of a framework for longer term and sustainable public sector contracts and the commercial investment into bespoke training and career long skills development.

11 Staffing Update

I am pleased to confirm that Caroline Perkins has been appointed as the new Research Manager and will be taking up her post in December. For the past 5 years Caroline has undertaken a similar role at Thames Valley Berkshire LEP.

12 Communications Update

Since its inception Buckinghamshire LEP has been instrumental in supporting and promoting the impressive growth of the business economy across the county, as such the LEP is now a more cohesive and influential organisation drawing in millions of pounds of investment into Buckinghamshire. Following incorporation we are taking the opportunity to reconsider how we project ourselves, in all formats and media, and to create a strong and fresh corporate identity fit for the next exciting stage of the LEP.

A branding workshop will take place on 7th November with key LEP and BBF team members to help clarify our branding proposition and strategy and the new corporate identity, following approval by the Chair to be launched in January 2020.

I was pleased to attend a preview opening of the Silverstone Experience in October. The exciting new visitor experience, which is set to become one of the biggest year round attractions in our area and was supported by a £1m loan investment by this board is now open to the public to will have an official opening in early 2020

Bucks LEP are currently complying with the Purdah restrictions in the pre-election period, a number of scheduled opening events, mainly linked to the Local Growth programme have been deferred and will be rearranged following the election.

Board members are asked to:

- **Note the content of this report and comment on any areas of specific interest or concern and endorse the following recommendations arising from section 7 relating to the Bucks LEP representation on the South East Energy Hub:-**
 - The board agree that Head of Energy & Resources at Buckinghamshire County Council (and subsequently Buckinghamshire Council) (Ed Barlow) is the Delegated Representative of Buckinghamshire LEP on the Greater South East Energy Hub Board.
 - The board agree that the Delegated Representative has delegated authority to vote on decisions with a financial commitment up to a threshold of £100,000 for any single decision that the GSE Energy Hub Board may take, noting that this delegated authority applies only to decision of the GSE Energy Hub Board, within its remit as per the Accountable Body Agreement and its Terms of References.
 - The board agree that the Delegated Representative will refer decisions with a financial commitment exceeding the threshold of £100,000 for any single decision that the GSE Energy Hub Board may take, be referred to the Buckinghamshire LEP CEO or Partnerships Manager, for approval.