

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.
Impact on Risk Register:	It is important to assess the recent government announcements regarding the spending review and the Green Industrial Strategy in relation to the current LEP work programme and strategic direction.

1 National Picture – Green Industrial Strategy & Office for Investment Establishment

On November 18th the Prime Minister set out his framework for a 10 point plan for a Green Industrial Strategy outlining an ambition to make the UK a global leader in green technologies.

The plan focuses on increasing ambition in the following areas:

- advancing offshore wind
- driving the growth of low carbon hydrogen
- delivering new and advanced nuclear power
- accelerating the shift to zero emission vehicles
- green public transport, cycling and walking
- 'jet zero' and green ships
- greener buildings
- investing in carbon capture, usage and storage
- protecting our natural environment
- green finance and innovation

The ten point plan will mobilise £12 billion of government investment, and potentially 3 times as much from the private sector, to create and support up to 250,000 green jobs. We anticipated this renewed focus in national policy and our recently produced Economic Recovery Plan identifies a number of areas that we would want to pursue including low carbon hydrogen applications, working with Heathrow Airport on technologies to support a "jet-zero" sustainable airport and in advancing Silverstone as an R&D hub for zero emission vehicles.

In other significant announcements, a New Office for Investment has recently been established. This provides a welcome opportunity for Buckinghamshire to strengthen its links with the Department of International Trade's export and inward investment programmes. I attended a recent meeting with the DIT Southern Regional Team to review the new Investment Strategy and to identify how Buckinghamshire's assets could most effectively be showcased to a global market. The new Office will support the landing of high value investment opportunities into the UK which align with key government priorities, such as reaching net zero, investment in infrastructure and advancing research and development.

2 Enterprise Zone Update

Our Enterprise Zone Director Anthony Sowden will be attending the board meeting and will give a presentation on the development of the Enterprise Zone sites as they approach the end of their first five operational years (31st March 2021).

From a standing start, of zero planned pipeline floorspace prior to EZ designation, by the end of March 2021 the three Enterprise Zone sites will have delivered the following key outputs in its first 5 years of operation: -

- 70,000m² new employment floorspace
- Over 450 new jobs
- 43 new businesses locating within the EZ sites
- £120m private sector investment
- £3.2m business rates retained from new development for investment in the EZ sites
- Over £1.1m business rates relief provided to 20 businesses locating in the EZ sites

The EZ programme, using a combination of BLEP funding and loan finance, supported by collected and future business rates has directly funded the following key projects: -

- Silverstone Multi Utilities infrastructure - £5m
- Westcott / A41 Access Improvements - £1.7m
- Westcott Innovation Centre - £1.2m (alongside £2m LGF funding from BLEP)

Development progress across the three EZ sites at Silverstone, Westcott and Woodlands is summarised on the following "Dashboard" slides (to be tabled at the BLEP Board meeting).

In the next three months we are commissioning consultants to work with us and our stakeholders to review the first 5 years against the original EZ Implementation Plan (March 2017) and to create a new Five-Year Implementation Plan (2021 – 26). The new Implementation Plan will provide the focus for investment in Buckinghamshire to support each EZ site and more widely the LEPs Local Industrial Strategy and Economic Recovery Plan alongside the Buckinghamshire Growth Board's emerging Recovery and Growth Deal proposition.

It is clear that each of the EZ sites has an important future role in assisting Buckinghamshire's recovery and growth in the next 5 – 10 years. Exciting plans are emerging for each site including: -

- For the Westcott DISC and Space Innovation Business Park to play an important role in growing the UK space sector, with capacity for 56,000m² floorspace, over 2,000 jobs and 1,000 apprenticeship / training places in the next 10 years.
- Silverstone to accommodate a further 64,000m² floorspace supporting the high-performance technology and automotive sectors within its existing footprint

- Woodlands delivering a total of over 150,000m² employment floorspace, 1,100 homes and key highways infrastructure for Aylesbury Garden Town.

Over the next 20 years increasing amounts of retained business rates will accrue from the development already built. Estimated gross income to 2041 of over £48m is forecast and future development could boost this by a further c.£100m gross. With an envisaged budget approaching £150m the EZ programme will play an important role in funding priority projects and initiatives within the EZ sites and subsequently across Buckinghamshire.

Delivery of EZ programme is the direct responsibility of the BLEP Board, that is delegated to the Enterprise Zone Board for its strategic management and operation. A Memorandum of Understanding was entered into in 2016 between the original EZ partners (BLEP, AVDC and BCC) with MHCLG. The MoU has now expired, and we are working with Buckinghamshire Council to create a new MoU for the next 5 years operation. Now that we have moved through the first five year start up phase our focus and approach may be more expansive and I would welcome BLEP Board member input to help shape the new MoU and remit and membership of the Enterprise Zone Board.

As part of the work to refresh the EZ MoU it will be important to reconfirm the role of EZ and the prioritisation of its projects and funding. For example, recently we have worked with local partners to consider the possibility of expanding development at Silverstone beyond the existing EZ boundary. One question to be considered is whether this should be a wider BLEP supported initiative, or whether the EZ should continue to work on this, and potentially on other initiatives outside its current physical boundaries. The BLEP Board's views on key issues will be incorporated into the work on the new Implementation Plan and MoU to guide activity post March 2021.

3 Annual Performance Review Update

The Mid Year Review was held on the 29th September and a note of the meeting is appended **Appendix 1**. The framework for the 2021 annual performance review is expected to be released over the next week and normally the written submissions are required to be completed before the end of December. This year the LEP Network has asked for a light procedure to which officials appear receptive. Notwithstanding this development a detailed review of the LEP website and Assurance Framework has been undertaken. It is anticipated that the review meetings will take place in either February or March 2021.

The Peer Review process co-ordinated by the LEP Network will take place once again in 2021, this will be looking to complement the annual review process. To ensure that we obtain greater value from this process this year we have approached Hertfordshire LEP as a potential review partner with the scope for closer future collaboration given our similar economic profiles.

4 National & Regional Liaison including Heathrow Recovery Programme & Freeports Submission

The LEP Network have been active in lobbying Government for more sustainable funding for LEPs and Growth Hubs and also for an active involvement in both the Freeport and Enterprise Zone expansion programme. As outlined in the spending review announcement their efforts in relation to revenue funding appear to have been well received and an initial commitment has been confirmed. Further details on this funding is not known at this point, but a verbal update will be provided at the meeting following a briefing being held on December 1st by Stephen Jones from the Cities and Local Growth Unit for LEP CEO's.

Along with the Chairman I continue to meet with the CEO's and Chairs of the Arc LEPs to ensure that areas of mutual collaboration can be developed outside of the formal Arc Governance Structures. We both participated in the recent Business Roundtable, organised by the LEP Network for the OX-CAM, Bucks and East Anglia area with BEIS Minister Nadim Zahawi, where we were able to highlight the zero carbon potential through investment at Westcott and also the important skills and retraining initiatives being piloted by Pinewood and Bucks LEP a follow up invite for the minister to visit Pinewood has been accepted.

I have also been working with Enterprise M3 LEP and Berkshire Thames Valley LEP to consider how we can operate more effectively in collaboration in particular in relation to Heathrow but also in relation to potential freeport and innovation zone promotion. Collectively we have supported the development of the Heathrow Recovery Plan a copy of which is attached as **Appendix 2** to this report.

5 Digital Strategy Update

Following feedback from partner engagement, further work has been undertaken to broaden the scope of the Digital Strategy particularly in the fields of community cohesion, social isolation and health and wellbeing, with particular emphasis on the advances in MedTech and the importance of digital inclusion, alongside other core themes such as cyber security and digital safety. A presentation on the Digital Strategy will be taken to the Buckinghamshire Growth Board on December 1st and further developments will take place with assistance from the partners in that group in the highlighted areas.

The Digital Strategy will continue development with support from key partners, such as Buckinghamshire Council, NHS and BBF, over the next two months, with a renewed draft to be submitted to LEP Board in January 2021 for approval.

Furthermore, the Digital Strategy will be brought up to date with further details on the government's Outside-In Programme. This is a £5bn programme to rollout gigabit-capable digital infrastructure to the majority of homes and businesses in the country by 2025. Currently, timeframes on when this will impact Buckinghamshire are unclear, although it is anticipated that UK rollout will start by late 2021, with early indications that Buckinghamshire will begin to benefit by late 2022. Discussions are taking place with central government to clarify this timeline, and to understand how Buckinghamshire can be prioritised in the rollout.

6 Spending Review Implications

The Chancellor made his Spending Review Announcement on November 25th. Spending Review focuses tackling Covid-19, protecting public service and investing in infrastructure. Alongside the headline statements relating to the financial borrowing required to deliver the Covid emergency package, there were a number of other notable announcements relevant to LEPs and regional economic development including a commitment for the revenue funding for both LEPs and Growth Hubs. Caroline Perkins will be providing an analysis of the potential impact of the announcements for Buckinghamshire at the start of the meeting agenda.

Other headline announcements included:-

Levelling Up Fund - the government is launching a new Levelling Up Fund worth £4 billion for England. This will invest in local infrastructure that has a visible impact on people and their communities and will support economic recovery. This new cross-departmental Fund for England will invest in a broad range of high value local projects up to £20 million, or more by exception with

a total of £600 million available in 2021-22. The government will publish a prospectus for the Fund and launch the first round of competitions in the New Year.

UK Shared Prosperity Fund (UKSPF) - £220 million additional funding to help local areas prepare (pilots) over 2021-22 for the introduction of the UKSPF.

Towns Fund - Investment from the Towns Fund to regenerate high streets, town centres and communities, providing £621 million in 2021-22. Board members should note that no Buckinghamshire towns were included within the first phase of the towns fund investment and the National Audit Office were highly critical of the criteria used to select the initial 101 towns in 2019.

Freeports - Up to £10 million of resource funding, and the first tranche of a total of £175 million of capital funding, in England – partly funded from the Towns Fund – to establish Freeports as national hubs for global trade and investment, promoters of regeneration and job creation, and hotbeds of innovation. Freeport sites need to be within 45km of a major port or airport meaning that much Buckinghamshire could be eligible particularly through Heathrow's status as a hub airport.

R&D - Up to £17 million in 2021-22 to establish a new unit and fund that will focus on the last mile of innovation to help ensure that public sector knowledge assets (R&D, intellectual property and other intangible assets) translate into new high-tech jobs, businesses and economic growth

Also £450 million in 2021-22 to support government priorities, drive the development of innovative ways to build new science capability and support the whole research and innovation ecosystem. SR20 allocates £350 million of this investment to UK Research and Innovation. This includes the first £50 million towards an £800 million investment by 2024- 25 in high-risk, high-payoff research.

Skills -Investing £375 million from the National Skills Fund in 2021-22, which will provide:

- £138 million for the government's commitment to fund in-demand technical courses for adults, equivalent to A level, and to expand the employer-led boot camp training model
- £127 million to continue support for people to build the skills they need to get into work, building on the summer Plan for Jobs, including funding for traineeships, sector-based work academy placements and the National Careers Service
- £110 million, including £50 million of capital investment, to drive up higher technical provision in support of the future rollout of a Flexible Loan Entitlement to test and develop innovative models for local collaboration between skills providers and employers
- making available £2.5 billion of funding for apprenticeships and further improvements for employers:
- from August 2021, employers who pay the Apprenticeship Levy will be able to transfer unspent levy funds in bulk to small and medium-sized enterprises (SMEs) with a new pledge function. Unspent levy funds will still expire after 24 months. The government will also introduce, from August 2021, a new online service to match levy payers with SMEs that share their business priorities.

Digital - £1.2 billion from 2021-22 to 2024-25 to support the rollout of gigabit-capable broadband across the UK, essential in an increasingly digital age for supporting the UK economy. This is part of the government's £5 billion commitment to support gigabit-capable broadband rollout to the hardest to reach areas of the UK

- £50 million next year, as part of a £250 million commitment to building a secure and resilient 5G network
- Over £200 million UK-wide to continue flagship digital infrastructure programmes, including the Shared Rural Network for 4G coverage, Local Full Fibre Networks, and the 5G Testbeds and Trials Programme

As part of the Spending Review The National Infrastructure Strategy was also launched, it includes the following statement in relation to the Oxford to Cambridge Arc

“In 2017, the National Infrastructure Commission outlined the transformational economic potential of the Oxford-Cambridge Arc in its report ‘Partnering for Prosperity’. At Spending Review 2020 the government has reaffirmed its commitment to the area, including additional funding to support the Budget 2020 commitments to develop a Spatial Framework to plan for long-term economic and housing growth and to explore the case for up to four Development Corporations along the route of East West Rail.”

The review also provided the following updates on national economic evidence:

- Economic outlook - GDP for 2020 projected to be down 11.3%, unemployment set to peak in 2021 at 7.5%, return to pre-Covid economic output estimated to be Q4 of 2022.
- Furloughing data – end of Sept, 9% of Bucks employees on furlough compared to 8% nationally.
- Take-up of Self-employment Income Support – end of Oct, 67% of those eligible in Bucks claimed, 69% nationally.

7 Growth Hub Update

Performance headlines



	Annual Target 2020-21	YTD Target as at 31 Oct 2020	Actual performance To 31 Oct 2020	Last Years actual performance <u>yr</u> to 31 Mar 2020
Business Assists	20,000	11,667	48,820	34,401 (incl BREXIT effect)
Jobs Created	400	233	543	543
SMEs supported to intro new Prod / serv	150	87	297	109
Grants Awarded			£6,257,096	£2,145,840
Intensive assists (12hrs+)	300	175	807	411 (incl Brexit effect).

The sheer scale of activity that the Growth Hub has undertaken during the first 6 months of 2020/21 has been quite extraordinary and the projected outputs of this activity given the circumstances the world now find itself in, is exceptional. It has managed £6,257,096 in grant funding. This funding

alongside business support programmes delivered by the Growth Hub is projected to create 445 new jobs and 284 new products or services, and despite the pandemic, businesses have themselves invested in their own businesses by providing match funding for their grants of £1,130,676.

EU Transition

As a result of funding secured from BEIS two new business advisors have been appointed to the Growth Hub team with specific responsibility for advising on the changing international trading arrangements, their work being supplemented by a series of webinars and workshops on this subject over the coming months; details of which are attached on the following link:
<https://bbf.uk.com/uk-and-eu-transition>

It is worth highlighting that considerable preparatory work has been undertaken on this issue over the past 3 years. Buckinghamshire Business First, working alongside the LEP and Buckinghamshire Council, organised two capacity Brexit seminars in 2018 and 2019 and also supported a series of workshops from the Department of International Trade.

Visit Buckinghamshire – DMO update

During the period from 1st April 2020 the Visit Buckinghamshire team has secured funding of just over £33,000 from the DMO Resilience fund set up by Visit England

With Tourism and hospitality businesses particularly badly hit by Covid this funding has ensured that the team (1.1 full time equivalents) were able to continue supporting the sector with almost 2000 calls received from businesses in trouble. Other activity undertaken in the period has included:

- a series of on-line Tourism power hours for the sector. These were informal on-line events and consisted of 2-3 speakers with the rest of the session open for networking and Q&A's. The first event was titled 'Taking your business online', the second was about [marketing and PR support](#), and the third in September about the importance of content. There were over 20 businesses attending each session. These sessions are to be continued for the foreseeable future.
- There were 6 Mastermind cohorts brought together where between 6-8 people have met for 6 x 3 hour sessions with a facilitator (Elizabeth Adlington). These sessions have been invaluable for the groups to share best practice, challenges, support and opportunities in this 'new normal'. There has been some great collaborations to the mutual benefit of several businesses off the back of these sessions which draw to a close 7th October.
- One2One 30 minute surgery calls with a sector specialist. 12 businesses took up this offer of extra support. These have proved invaluable and have delivered results, by giving the business owners a much-needed boost and the confidence to diversify their business in these challenging times.

From the 6th October there has also been an additional series of **Masterclass events** held [on-line](#), weekly.

To complement the face to face support available from the team Visit Buckinghamshire **has** commissioned website development to expand the ['Work with Us'](#) page on the Visit Bucks website to include information about sector specific advice from Visit Bucks, BBF and Visit Britain. This

facilitates the addition of information about grants available and events hosted by Visit Bucks. In addition a page has been created for Visit Bucks on [the BBF website](#)

8 EEH Transport Strategy Submission

Ahead of the submission for the England's Economic Heartland Transport Strategy, a working session with Naomi Green was hosted to consider the priorities for Buckinghamshire. This session was attended by board members Steven Broadbent (the LEP representative on the EEH Transport Forum) as well as Philippa Batting and Eman Martin-Vignerte. The session highlighted a number of important points that we wanted to emphasise in our strategic response including:-

Minimise unnecessary journeys

- The strategy should support the collection of data to support real-time modelling to provide insight for LA's and other regulators,
- Welcome the area being a testbed for the collection of new types of data which should be made openly accessible,
- Development of transport and freight hubs in new and existing centres.

Maximise choice for necessary journeys for work or leisure

- Moving away from the private car as the default mode of transport – inter connectivity and sustainable transport options should be prioritised.

Support the decarbonisation agenda but this must be for the whole journey lifecycle

- Support planning process to enable new technologies or changes in lifestyle i.e. EV charging or Autonomous Vehicle Sensors – pool vehicles etc,
- Alternative fuel development - Green Hydrogen – Bosch/Westcott/Silverstone collaboration,
- Silverstone Tech Cluster – not just production of electric vehicle technology but also looking at disposal and reuse of batteries etc,
- Encourage authorities to be bold where they have choice – major contacts (public transport, school vehicles) and in licensing decisions – favour low carbon.

Ensuring that all journeys are economically productive

- Digital and 5G connectivity,
- Quality of interchanges – incorporating quality working environments – could be linked to recovery plan of resetting relationship with London,

We also wanted to ensure that the potential links with the Thames Valley were supported so encouraged closer alignment with the South East Transport Board and wanted to ensure continued focus on East West Rail and particular its potential for inter-connectivity to Silverstone & Westcott and to press for full electrification to support the modal shift in transport.

Board members are asked to:

Note the content of this report and comment on any areas of specific interest or concern.