

## Agenda Item 4

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<b>Title:</b>	<b>Chief Executive's Report</b>
<b>Purpose:</b>	<b>To update board members on operational issues since the last board meeting in December 2022 and to present an update on Capital Investment proposals as well as the draft Delivery Plan 2023 priorities and Operational Budget for 2023/24.</b>
<b>Recommendation(s):</b>	<b>That Board Members note the contents of this report, endorse the draft Delivery Plan priorities and Core Budgets for 2023/24.</b>
<b>Impact on Risk Register:</b>	<b>Continued compliance with the National Assurance Framework will require the completion of an approved Delivery Plan and operational budget before the end of March 2023.</b>

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**1 Delivery Plan 2022/23**

A headline review of the current [Delivery Plan](#) has been undertaken and is attached as **Appendix 1** to this report. This review has assessed progress against the main themes and highlighted projects within the current year and provides an initial assessment of delivery outputs and KPI's. Despite the turbulent political climate the majority of Delivery Plan objectives for the year have been delivered. The review also highlights the main issues that will be prioritised in the Delivery Plan for 2023/2024. It is proposed that the new plan will largely follow the format used in previous years.

As in this current financial year, much of the 2023/2024 Delivery Plan focus will remain on the further development of the 3 Enterprise Zone sites. In particular a primary objective will be in supporting Patrizia in producing a holistic masterplan for development and investment at the Westcott Venture Park and also the continued promotion, third party land acquisition and development of the Aylesbury Woodlands site. Through close engagement with the leading businesses in Buckinghamshire we will support the development of an investment pipeline of projects. We will continue to seek to support innovative businesses with the potential for transformative growth but will also seek to ensure that our Growth Hub services are supporting businesses to navigate the current challenges linked to inflationary price rises and to further support International Trade and Investment.

On the Skills agenda we will be seeking to support the development from the current Skills Advisory Panel into the new structures assisting the implementation of the Local Skills Improvement Plan and access to the Local Skills Improvement Fund whilst also maintaining our position as the leading LEP in the country for careers and the Enterprise Advisor programme. Our strategic support, business insight and research function will be invaluable in building our partnership arrangements both within Buckinghamshire and beyond. We have already provided much of the analysis to support the development of the Opportunities Bucks programme ensuring that opportunities are available for some of our hardest to reach communities and will be looking in more detail at the geographic areas of focus. We will highlight how we may be able to support the local business base in their transition to Net Zero technologies.

Our strategic insight will inform how we are able to interface with pan-regional partnerships as and when they develop.

## 2 Capital Investment Programme Current Status of Live Projects LGF

Although the Capital investment has now been completed on all of our Local Growth and Getting Building Fund projects, many of the wider schemes remain live projects and are being supported through their continued development by the LEP Team. In some instances, such as for the University of Buckingham Centre for AI & Computing, these are later phases of the project being delivered directly by the match-funding commitment of the project sponsor whilst in other cases such as in the Eastern Link Road in Aylesbury or the 5G connectivity on East West Rail this is related to the detailed programme development following the expenditure commitment at point of contract. A summary of the current live projects and their future development status is attached as **Appendix 2** to this report.

I am pleased to report that consultancy Ekosgen have been appointed to undertake the review of the Business Case for the “Westcott DISC” (Disruptive, Innovative, Space Centre) facility by the end of March 2023. Their brief is to consider and evaluate a number of factors that have arisen since the production of the initial Business Case in 2021 including:

- The rapid growth of the Westcott Space Cluster as a national centre for space propulsion testing and satellite applications R&D.
- Patrizia (Westcott Site Owners) commissioning a new Masterplan for the entire Westcott Campus (within which the EZ and Space Cluster is located).
- Emerging propositions for the provision of further new capabilities in the Westcott Space Cluster including the drone R&D, in orbit manufacturing facility development.
- Increased interest from International Space Sector companies for accommodation at Westcott.
- The requirement for building a highly skilled workforce to support the growth of the space sector at Westcott and engineering employment opportunities for the wider Buckinghamshire economy.
- The need for flexible accommodation, including catering facilities, conference/exhibition space.

As part of the re-evaluation of the original business case Ekosgen will work alongside a steering group of stakeholders to ensure that the new proposals contain the most appropriate facilities to support the rapid growth of the Westcott Enterprise Zone, the Space Cluster and wider Westcott Business Park. They will need to demonstrate the commercial viability of the DISC to help support the case for investment including a Value for Money assessment under the ‘Green Book’ appraisal criteria.

I am also delighted to report that UK Sport and the English Institute of Sport have now approved their £2.5m match-funding commitment for the globally unique swimming flume testing facility at the Silverstone Sports Engineering Hub. This means that the £2m commitment made by the Enterprise Zone board in 2021 can now be utilised with £500k being released in the current financial year at the point of contact approval and £1.5m alongside the facility development over the next 2 years.

This project will bring world class swimming science and engineering R&D and innovation facilities to Silverstone and will provide:

- value to the sports science and engineering innovation and entrepreneurship capabilities of the Buckinghamshire Enterprise Zone and the Silverstone Technology Cluster.
- enhance the distinct offer of the Buckinghamshire Enterprise Zone.

- create high value science and engineering jobs and real economic growth in Buckinghamshire.
- encourage more students to become part of this sector, and in so doing support the growth ambitions of high-tech companies.

The swimming flume will be unique in a global context and has already drawn interest from sports bodies, sports related businesses and competitive swimming teams.

### **3 Annual Review & Assurance Framework Update**

Buckinghamshire LEP have been given a clean bill of health from our annual governance compliance check by the Cities and Local Growth Unit. This means that we are considered to be in the lower tier and did not have to undertake a mid-year review and that our end of year review process will be more light touch than others, where compliance concerns had been flagged.

Following approval by the Audit and Finance Sub Group, our summary of the year's activities and Assurance Statement was submitted to the Local Growth and Assurance Team earlier this month and a brief review meeting will be held between the LEP Executive and the Cities and Local Growth Unit before the end of February.

### **4 Strategic Business Engagement**

One of the main priorities presented by the closer alignment of the Economic Development functions in Buckinghamshire is to develop and strengthen the relationship with the key strategic businesses within the county. To support this process the LEP Executive are formulating a list of the top 50-75 businesses within the county based on a range of factors including their size, turnover, growth potential and sector importance. We are working closely with colleagues at Buckinghamshire Council and with BBF to develop this priority engagement list and to ensure a co-ordinated approach to account management.

Our aim is to work more closely with these strategic businesses to understand their current trading position, economic challenges and opportunities for benefitting from co-ordinated local area support. Although many of these relationships are already well developed in other instances it has been a while since any direct engagement has been undertaken. This more consistent approach will also provide the opportunity to amplify messages to Government linked to national objectives and to raise awareness of the support available locally and other opportunities for the businesses such as the "Queen's Award" programme and Buckinghamshire Business Awards which will be launched at an event at Westcott scheduled for May 11<sup>th</sup>.

Engagement will be undertaken by a series of co-ordinated visits to the businesses throughout the year as well as invites to a number of small, themed business lunches and round table discussions complementing those existing events such as the BBF Business Leaders dinners which will continue.

### **5 Proposed Budget & Audit Process for 2023/24**

As reported to the Audit & Finance Sub-Group on January 11<sup>th</sup> net expenditure by the LEP is due to be lower than expected due to a combination of increased income and reduced expenditure on both staffing and non-staffing costs.

A summary of the current financial position of BLEP is listed below and we are recommending that an operational budget of £2.5million is provided for the financial year 2023/24 to support the annual delivery plan. A copy of this budget is attached as **Appendix 3** to this report. It is recommended that the budget is set at this level to support the business plan objectives and existing commitments of the LEP but will also provide the resources to develop the investment opportunities highlighted above. The budget will also provide the LEP Executive with the capacity to support the growth of the retained business rates from the Enterprise Zone programme.

**Funds Available for future investment at end of 3-year budget plan 2022/25**

Operating Costs 2023/24 & 24/25	(£5.0m)
Current Bank Balance (Jan 2023)	£3.4m
LEP Funds to be Transferred from Buckinghamshire Council	£0.7m
Outstanding Loans & Gainshare	£2.79m
Enterprise Zone Funds	£9.01m * (subject to Business Rates Review)
<b>Total available for future investment</b>	<b>£10.90m</b>

It was agreed to re-appoint Richardson’s Accountants to prepare our year end accounts and audit for 2022/23. As part of this process, it has been agreed to arrange a separate briefing for members of the Audit and Finance Sub Group at the outset to help identify the timetable and to share any learning from this year’s process.

**6 Sub-Group Updates**

i. **Growth Hub** – The latest roundtable meeting with MP’s was hosted by Greg Smith at the Real Drinks Company at Waddesdon Manor on January 11<sup>th</sup>. The discussion was focussed on the issues faced by businesses within the Rural Economy. Attendees learned of the rural funding allocation being made in Buckinghamshire as part of the Shared Prosperity Fund and raised a number of issues with the MP in relation to food sustainability, energy production and storage and workforce capacity in particular how small businesses could be assisted in employing international workers through the new points-based system.

In line with the requirements of the LEP funding, the BBF team now have a regular staff presence at both Silverstone and Westcott to provide dedicated support for Enterprise Zone and other cluster businesses. Work is also underway on the 2-year assessment for the Buckinghamshire Recovery and Investment Fund and will be completed by the end of March.

A review has also taken place on how further support can be generated for the Bucks Business Barometer, as a result the barometer will now be undertaken biannually around the time of the budget and autumn statements, this will be supplemented by spot surveys using the Slido app at business engagement events.

ii. **Enterprise Zone** – There has been significant progress in the Enterprise Zone programme. A number of new occupants have taken occupation of their premises including at **Silverstone** two units occupied by Aston Martin and one each by Lotus, High Tech GP and the Diva Group a Buckinghamshire based luxury good company that have grown from their former premises in Long Crendon. Another of the new units completed as part of the latest phase 3

development is under offer to an international investor within the electric vehicle sector. In total over 450,000sq ft of new employment space has been occupied for the first time in the Silverstone Enterprise Zone in the second half of 2022 and only two units in the whole Enterprise Zone site are currently vacant. The contract for the construction of the next phase of development for 190,000sq ft for the final 4 units in the Silverstone Enterprise Zone site is currently out to tender by MEPC.

At **Aylesbury Woodlands** the largest 184,000 sq. ft unit on the Symmetry Park site has been pre-let to Rexel, leaving a final unit of 116,000 sq. ft as the only unoccupied premises currently on the site. David DPlanning has progressed with the submission of the first reserved matters application that we expect to be determined in the Spring meaning that a summer start for the ELR (Woodlands roundabout) is a possibility. Work also continues to secure a development partner for the site to enable commencement of the employment park that will enable the seamless accommodation of new businesses once Symmetry Park lets its remaining vacant unit.

At **Westcott**, construction work is completed on the new 65,000 sq. ft premises being developed for Green Retreats. External construction has now been completed on the new Drone Port facility with internal works being undertaken ahead of a planned March 2023 official opening. Two further units totalling 40,000 sq. ft are currently under development by Patrizia to enable the growth of existing businesses within the Westcott Space Cluster.

The first assessment panel for the new Westcott Accelerator and Incubation Fund met on January 18<sup>th</sup>. 10 initial applications were received for the fund the first two proposals were considered by the assessment panel earlier this month.

- iii. **Audit & Finance Sub-Group** – A brief meeting was held of the LEP Audit and Finance Sub Group on January 11<sup>th</sup>, in addition to the Annual Assessment Appraisal mentioned earlier in this report the sub-group considered the in-year budget position and noted the improved financial outlook due to increased revenue that had been secured.
- iv. **Skills Advisory Panel** - The Skills Advisory Panel met on January 13<sup>th</sup> and considered the progress in the development of the Local Skills Improvement Plan. Throughout January the main business engagement workshops are taking place with successful sessions already held with the Creative Industries and Construction Sector representatives, with further sessions planned for the Health and Social Care Sector, the Engineering and Digital Sectors. A further workshop is planned with education and training providers. The meeting also heard about the plans for the new Bucks College Group Campus Development that is due to be considered by the Buckinghamshire Council Strategic Sites Planning Committee on January 19th and about how the Bucks Skills Show which is due to take place at Stoke Mandeville Stadium on March 8<sup>th</sup> and 9th had now reached full capacity of 120+ businesses signed up.

## **7 Communications Update**

Our latest annual report is now available as an interactive online version on our website ([www.ar.buckslep.co.uk/ar-2022/](http://www.ar.buckslep.co.uk/ar-2022/)) incorporating film clips of our major projects and highlighting the benefit of our investments over the preceding year.

Recent communications highlights include the launch of the Westcott Accelerator and Incubation Programme to support small businesses looking to develop their expertise in the space sector; Skyports announcement as the first drone operator to move into Westcott's new Drone Test and Development Centre; and the issuing of our New Year's message from the Chair, which was widely covered in print and broadcast media.

Future activity includes the visit by Lord David Willetts, Chair of the UK Space Agency to Westcott Enterprise Zone on 30th January, the launch of new drone facility at Westcott in March and commencement of Silverstone Sport Engineering Hub's swimming flume project.

**Board members are asked to:**

- **Note the contents of this report, endorse the draft Delivery Plan priorities and Core Budget for 2023/24.**