

**Agenda Item 5**

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<b>Title:</b>	<b>Chief Executive's Report</b>
<b>Purpose:</b>	<b>To update board members on the main operational issues that have developed since our last board meeting in May 2023.</b>
<b>Recommendation(s):</b>	<b>That board members note the contents of this report and approve the updated Risk Register (Item 4)</b>
<b>Response To Risk Register</b>	<b>The Risk Register is included as part of item 4 within this report.</b>

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**1 Government Defunding Position on LEPs**

The Government's LEP core funding announcement has been further delayed but is expected imminently. It is anticipated that the announcement may include further incentives for local authorities to advance integration plans. It is also understood that no changes are planned to the current Enterprise Zone legislation and that future arrangements for the EZ programmes are to be agreed locally.

A meeting between the LEP Chairman and Council Leader has been scheduled for July 25<sup>th</sup>, hopefully following Government's announcement and before the LEP board meeting, to consider the next steps in relation to Buckinghamshire Integration. Given timings a verbal update on the progress with these discussions and the implications of the Government's expected announcement will be made at the Board meeting.

**2 Budget & Audit Preparation**

We have been working to support Richardsons Accountants in the preparation of our year end accounts for 2022/23. A separate audit process has now commenced and will be reported to the Audit and Finance Sub Group in September. As part of this process, further clarity has been sought from Buckinghamshire Council as to the LEP funding currently retained from recycled Growing Places and Local Growth Programmes. For the previous year's accounts this was estimated as £707k but has now been revised to £687k; the difference is linked to a recalculation of the Growing Places funding held on behalf of BLEP due to staffing costs associated with the Connected Counties Broadband programme.

I am pleased to report that the first capital repayments have been made for the two significant loans made by BLEP. The first tranche payment from the Satellite Applications for £621k for the Westcott Accelerator has now been invoiced, and second of 7 payments of £148k for the Silverstone Heritage Experience will also be repaid in August.

A copy of the current in-year expenditure and operational spend profile is attached as **Appendix 1** to this report.

### 3 Local Growth Funds Capital Programme

Buckinghamshire Council have reported that they have been unable to claim the full voucher allocation for the Rural Broadband Programme following national changes to the claims procedure following the transfer of the Gigabit Britain programme from the Department of Culture, Media & Sport (DCMS) to the new Department of Science, Innovation and Technology (DSIT). As a result, £124k of Getting Building Funds will be returned from Buckinghamshire Council to BLEP to be reallocated into alternative digital programmes.

Elsewhere, we continue to work with programme sponsors to ensure that our capital investments from Growth Funds are developed and utilised to support additional investment and growth. Buckinghamshire New University have been reviewing the use of their estate following the acquisition of the Brunel Shed in High Wycombe and in light of their investment in their campus buildings in Aylesbury and High Wycombe. We are looking to support the University in their ambitions, which has seen significant investment from both the Office for Students and from the University's own capital programme, to improve the accessibility and visibility of the business incubation and meeting space they are able to offer.

As part of our innovation programme, we are also working alongside Buckinghamshire Council and the Oxfordshire Tech Hub to support a submission for 5G investment across the two counties. Utilising the 5G infrastructure that we have provided for the East West Rail Route, the bid to the DSIT's 5G Innovation Region funding programme a £40 million to drive take up of innovative 5G-enabled services for businesses and the public sector.

### 4 BLEP Risk Register

The Risk Register for BLEP has been updated to incorporate the latest position regarding integration and Government Funding. We have been particularly focussed on any changes in legislation in relation to Enterprise Zones which could have an impact on investment fund availability while there remain significant delivery targets to meet on the programme. A copy of the Risk Register is attached as **Appendix 2** to this report.

### 5 Place Based Economic Development - Supporting Opportunity Bucks – Economic Ward Profile Summaries

At the last meeting of this board a draft copy of the economic ward profile for the Ryemead and Micklefield ward was shared for discussion and feedback. Profiles have now been completed for all 10 Opportunity Bucks wards. A copy of the final ward profile for Ryemead and Micklefield is now attached as **Appendix 3** to this report as an example, and a summary report including a matrix highlighting the key findings for all 10 wards is attached as **Appendix 4**. Whilst there are many commonalities across the 10 wards, there are also some differences which suggest that policy interventions should be tailored to address specific issues. These issues include:

- Particularly poor health of residents within the Aylesbury Opportunity Bucks wards.
- Particularly low levels of qualifications of residents within the Aylesbury Opportunity Bucks wards.
- A lack of local industry diversity and job opportunities for residents of the Aylesbury Opportunity Bucks wards.

- The (Covid-19 driven) particularly high levels of unemployment / claimants in the Wycombe Opportunity Bucks wards.
- A lack of access to a car or van for residents of the Aylesbury North ward

In addition, the Booker, Cressex and Castlefield ward of Wycombe stands out as being home to residents with by far the most acute labour market participation difficulties. This area therefore requires specific attention.

## **6 Skills Update – LSIF/LSIP**

The Local Skills Improvement Plan was officially launched at a workshop at the Waterside Theatre on June 29th. One of the themes of the Local Skills Improvement Plan is to support improvements into digital training and as part of the event, LEP Research Officer, Saad Ehsan, signed off his stint with the team with a presentation on the rapidly evolving world of Artificial Intelligence. A full seminar on this theme is now being arranged for the autumn.

The LSIP plan and resulting Expressions of Interest in the Local Skills Improvement Fund submissions for up to £2.5m in funding are currently being reviewed by the Department of Education with initial feedback expected at the end of July.

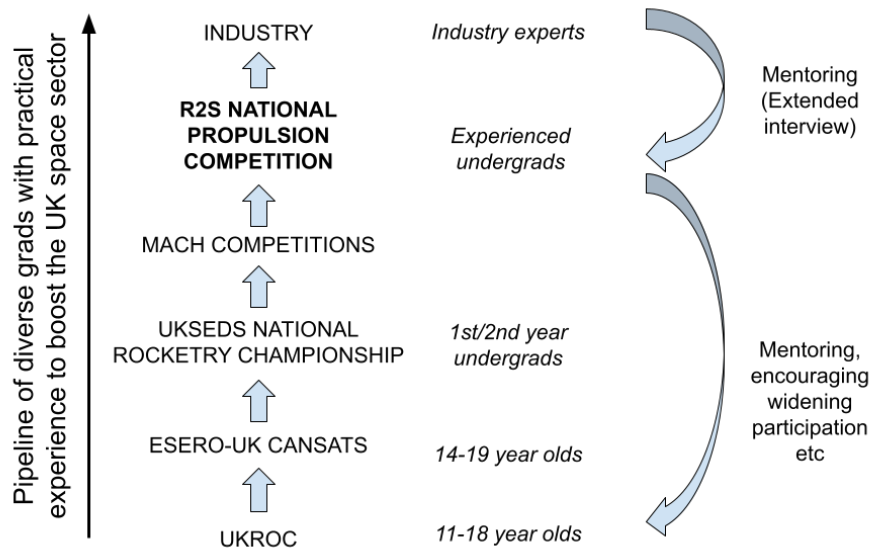
Over 600 young people attended the Confident Futures Skills Show last month. The event, organised by Buckinghamshire Skills Hub, was designed specifically for young people and career seekers with special educational needs and disabilities (SEND), and those facing barriers to entering the workforce. More than 40 employers took the opportunity to exhibit at Stoke Mandeville Stadium. I also had the pleasure of joining Rob Butler MP at the opening of the Aylesbury UTC health and social care provision, funding for which was supported by both the LEP and BBF. A copy of a letter thanking the LEP for our support for the growth of this facility is attached as **Appendix 6**.

## **7 Communications & Events Update**

### **Race to Space – 7 July 2023**

Bucks LEP supported the inaugural Race to Space Competition. Organised by University of Sheffield and supported by the Catapult, Bucks LEP and others, the vision is below.

- Provide students with a practical educational experience solving real-world, complex, open-ended engineering problems through hands-on experience designing, manufacturing, and testing rocket engines.
- Provide the UK space sector with the better trained, better prepared graduates it needs to continue its ambitious growth.
- Link together existing student rocketry activities to generate a pipeline of talent.
- Encourage young people to develop interest and passion for space and pursue STEM degrees.
- Link industry and academia to transfer knowledge and support the ambitious extra-curricular student teams around the UK.
- Increase the diversity of engineering and space talent in the UK.



For Bucks, the aim was to inspire students (our priority audience), companies and stakeholders to see the opportunities Westcott will offer to work, locate, or start a business here. We highlighted the growth projected and cutting-edge technology the cluster is developing, the Masterplan aims and scale, and the hub as the next key investment. The key message for all stakeholders is that we are creating a collaborative community of innovators.

This was the first competition worldwide to specifically focus on the testing of bi-propellant and hybrid rocket engines. Students from 10 UK universities took part the UK Race to Space event, where the rocket engines they had designed and built were fired up on a test stand at Westcott Space Cluster to test how much thrust they produced. It is believed that collectively, the students set an unofficial world record for the number of different hybrid/liquid rocket engines hot-fired for the first time on one site in one week.

The University of Sheffield and wider partners are considering ways the event could be funded to be hosted again at Westcott in 2024, possibly including earlier engagement across the year with student teams. Given the importance of talent development and attraction to the sector, we plan to cement the event into the Westcott programme for 2024 and are discussing options for continued LEP support alongside the UK Space Agency.

### Westcott Showcase – 12 Sept 2023

The event will build on last year's Expo. It will profile Westcott's strengths and opportunities and discuss the future of the UK Space Sector. Topics such as drones, rocket propulsion, and sustainability in space will be discussed. Inspiring professionals who have forged successful careers in the space industry will also be profiled to help attract more of the same, through the diverse pathways available. More than 40 space companies will be present, giving opportunities to talk about future careers and opportunities to be part of the supply chain to these companies. Attendees will have the chance to connect and engage with companies from the Westcott Space Cluster, as well as businesses from various sectors within the park, academia, and the thriving space community. Visitors will also have the opportunity to take a tour of the site to visit some of the Westcott Space Cluster businesses within the Westcott Enterprise Zone, all LEP Board members have been invited and your participation would be most welcome. The Westcott Masterplan will also be profiled as part of the day. The event will be jointly funded by Patrizia, the Catapult and EZ Programme.

We are also supporting Enterprise Zone businesses to enter the first King's Awards this year, a series of in person and online workshops have been facilitated by Bucks Business First to support the application process for the awards that will be for innovation, international trade, sustainable development and promoting opportunities for social mobility.

As this year's Tour De France comes to a close this weekend, we were delighted to see the Silverstone Sports Engineering Hub and wind tunnel feature heavily on the Netflix series Unchained which was produced following last year's event. The unique R&D centre which was established with support from this LEP has earned a global reputation for excellence in the fields of elite sports performance and equipment manufacture.

## 8 Enterprise Zone Update

### Westcott Space Hub

The £50m Space Clusters and Infrastructure Fund (SCIF) will award funding to UK organisations to develop R&D and associated infrastructure needed to make space products mission-ready and sell into commercial markets. The fund is being managed by the UK Space Agency to support commercially led, communal infrastructure to support the growth of the sector globally. The fund is subject to Levelling Up criteria meaning that 55% of funds will be awarded outside the Greater South East.

A bid for £5.86m SCIF Grant was submitted on behalf of the Westcott Space Cluster for the development of new Cluster Hub facilities equipped with specialist R&D equipment for propulsion and testing whilst also providing commercial, academic, communal, and social spaces within the Westcott Enterprise Zone site. The total floorspace of the new development would be 5,760sqm (62,000 sq. ft), incorporating the main hub facilities, a new pre-let HQ building for URA Thrusters, grow-on space for Skyports, as well as speculative commercial development.



The total package of investment would be £20.9m with Patrizia committing £11.5m to the programme and other commercial partners over £1m. The LEP, through the BEZ programme, would be asked to contribute up to £2.5m should the application be successful (subject to Board decision). The grant requested is 28% of the overall costs (well below the maximum 40% contribution) with the funding breakdown shown below.

	Total	Total from SCIF	Total from partners	Percentage request
URA / Skyoports equipment	£1,633,162	£979,897	£653,265	60.0%
Shared Technical Facilities (supported by LEP)	£2,275,000	£500,000	£1,775,000	22.0%
Teaching, workshops, and networking (LEP and Patrizia)	£8,045,000	£2,854,850	£5,190,150	35.5%
Commercial Space (Speculative) (Patrizia)	£5,363,333.00	£1,000,000	£4,363,333.00	18.6%
Commercial Space (Pre-let) (Patrizia)	£2,681,667.00	0	£2,681,667.00	0.0%
Resources (all entities)	£920,531	£528,373	£392,157.85	57.4%
Totals	£20,918,693	£5,863,120	£15,055,572.85	28.0%

The bid has been led by URA Thrusters on behalf of the Westcott Space Cluster. Both Patrizia and the LEP have worked closely with URA (with support from Skyoports and Plastron) to prepare the bid, which has received widespread support. 23 letters of support were received from industry, education, and national cluster partners.

The proposals are well aligned with the objectives set out within the Buckinghamshire Local Industrial Strategy and within our current Enterprise Zone and LEP delivery plans. Successful applicants are expected to be notified in late September, if not sooner. Although the UKSA recommendations will be subject to ministerial sign off from within BDT and Treasury. Project spend must take place by end of March 2025. Engagement has already begun with Buckinghamshire Council in ensuring that planning approval is secured in a timely manner.

If the bid is successful a full report will be produced, based on business case findings to consider the case for Enterprise Zone investment, including the options for grant and loan investment and accounting for the income the new facilities would generate from Business Rates, venue and equipment hire. Options are also being developed with Patrizia and URA that can be delivered without Space Agency funding. Ideally this alternative 'preferred option' will be presented in a business case for our scheduled October board meeting. If necessary, a separate meeting will be convened.

## Silverstone

As things stand, construction of Phase 5 (the last EZ phase) is now more likely to commence midway through 2024-25. This will follow Phase 4 just outside of the Enterprise Zone. Two units remain available at Phase 3 (3,724sqm and 8,405sqm) and we are working with MEPC and Department of Business and Trade to highlight these site opportunities where possible and influence the construction timeline positively. There is interest from two international investors, and BLEP have worked alongside MEPC and DBT to meet with investors and present these opportunities. If these become firm interest, it could either complete occupation at Phase 3 or provide an anchor tenant to accelerate the final EZ Phase

(Phase 5). Discussions are ongoing regarding the need for further investment in advanced skills training provision in engineering led apprenticeships. A more detailed update will follow at a future meeting.

## **Woodlands**

102,000sqm of commercial floorspace remains consented without a clear timeline for delivery pending reserved matter approval and completion of a marketing and disposal exercise. Approximately £3.7m each year in business rate revenue is forgone on this consented floorspace total. The Planning submission of the first reserved matters application Phase 1A comprising the A41/Woodlands Roundabout will be submitted in late July though pre qualifying details have been submitted for consideration since March 2023, meaning a relevant planning permission should soon be in place that will trigger disposal and implementation obligation within year. Failure to meet these obligations may result in the promotion agreement framework unravelling which would put EZ delivery at risk. It is likely that the option to enter the lease on the biodiversity enhancement land will be extended for another year. On the 38Ha site required for Biodiversity enhancement (BES), working closely with Bucks Council. This should allow site disposal with a preferred development partner to be dovetailed. The BES lease can then accompany disposal as a back-to-back commitment.

## **9 Growth Hub Update – LEP Contract and UKSPF Applications**

Contract heads of terms have been agreed with the Bucks Business First Growth Hub for the additional growth hub services to be delivered throughout 2023/24, this will include 6 monthly full report updates for this board in October and March focussing on the programme outputs.

The final ERDF funded projects being delivered by the Growth Hub came to a close at the end of June. All programme targets and deadlines for the Business Growth Programme and the Low Carbon Workspaces Programme were met. In Buckinghamshire the tender process for the replacement UK Shared Prosperity fund programmes that have the potential to maintain these programmes has now been completed. BLEP will be working alongside Buckinghamshire Council over the next 6 weeks to review and assess the 19 applications that have passed the initial gateway checklist with a view to the business support programme.

The long awaited Technopolis Report for Government into Growth Hub delivery and service between 2015-2020 has been released. A copy of the report, which is highly complimentary into the impact of Growth Hub services across the country, is attached as **Appendix 5** to this report.

The effectiveness of Growth Hub business penetration translated into sustained tangible positive impacts for local businesses. Further analysis revealed positive effects on employment growth and sustained turnover growth for Growth Hub beneficiaries in comparison to non-beneficiaries.

The Bucks Growth Hub was highlighted as one of the most impressive in terms of business reach with 26% of Buckinghamshire businesses supported through the Growth Hub, far higher than the 8% national average, and completely obliterating the initial 2.5% ambition set by BEIS.

## **10 International Trade & Investment**

A national focus for LEPs has been to work in partnership with the Department of Business and Trade to support international trade and investment, to support this programme we have submitted a number of proposals for potential investment into Buckinghamshire from the Global Investment Summit including for Aylesbury Woodlands and for the Autonomous Transport testbed in Oakley.

The top 100 Buckinghamshire business network, discussed at the last meeting of this board will also be used to support our account management improve insight into business growth needs to feed into a more coordinated international investment programme. We are currently seeking interest from businesses that may want to participate in International Trade Week showcase events following on from our successful programme from 2022.

## **11 Board Recruitment & Staffing Update**

The latest recruitment drive for board representation is currently taking place and interviews are scheduled for July 26<sup>th</sup> for one prospective candidate from the Space Sector. Andrew Smith in his role of the Chair of the RemNom committee will provide a verbal update on the panel recommendations following the interview.

Following two long-term periods of illness within the Executive Team I am currently working alongside HR to support a phased return to work for the team members involved.

**Board members are asked to:**

**That board members note the contents of this report and approve the updated Risk Register (Item 4)**