ECONOMIC DEVELOPMENT STRATEGY
PERFORMANCE MANAGEMENT REPORT

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Our vision is to ensure that Milton Keynes, "the can-do city of the 21st Century", becomes the key powerhouse in a thriving South East Midlands economy, with leading edge innovation, a highly skilled workforce, and a growing knowledge-based sector set within an attractive environment in which to live, work and do business.

One thing we can all be certain of is that MK will be very different in twenty years time. We shall see significant growth in housing and a business base increasingly dealing on the national and international stage. We shall develop our key employment sectors of finance and professional services, retail, leisure and culture, high performance engineering (including F1 and other motor sport developments), knowledge and creative based industries and the supporting supply side businesses that enable these all to thrive and grow.

The Economic Development Strategy (EDS) provides a framework to help equip Milton Keynes with the ability to grow in the current economic climate and through the years to come. This Strategy aims to provide stability, sustainability and success for the local economy having gathered its evidence base from the Local Economic Assessment (LEA).

Mar 14

- **Priority 1 Knowledge Based Economy**
  Create an environment that will foster business and employment growth within a diverse, more knowledge based and competitive economy by encouraging innovation, enterprise and skills improvements

This year has seen a kick-start for this priority with the opening of the new University Campus Milton Keynes (UCMK), and a curriculum aligned to the needs of an aspiring knowledge-based economy which includes courses such as electronic engineering, computer systems engineering and embedded systems engineering. In addition, within UCMK, an Enterprise Ecosystem is now developing co-location and collaboration activities with a number of businesses.

The city also had the January launch of MK Smart take place; an initiative partially funded by the Catalyst Fund of the Higher Education Funding Council for England's (HEFCE) and led by The Open University. It brings together a HE and industry collaboration which aims to help to safeguard the future economic growth of Milton Keynes. This will be achieved by putting in place an integrated innovation and support programme, which will pull together large-scale city data to accelerate economic growth. At the heart of this programme is the MK Data Hub, which is a state-of-the-art data management infrastructure, which will host a variety of data sources relevant to the city, including: local and national open data resources; data streams from both key infrastructure networks (energy, transport, water) and other relevant sensor networks (e.g. weather and pollution data).

In Q4 (Jan - Mar 2014) the Knowledge Based Economy priority continues to establish within the city and progress is being made. Over the first three months of this calendar year, UCMK has established a programme of networking events and meetings with the Chambers of Commerce, which have already involved dozens of small businesses. There have been concrete support activities to four businesses, which are likely to lead to longer term partnerships. A further three businesses have been supported, including discussions about future collaborations.

Positive conversations regarding partnership working have also taken place with the Transport Applications Catapult. Meetings have been hosted with Fujitsu and Toyota about electric vehicles. The MK data hub is making steady progress and there has been a successful tender for the data hub hardware, which is expected to be installed in the near future. UCMK ran a seminar with local businesses on opportunities in international trade. In addition the university campus was represented along with University of Bedfordshire at the MK Business Expo 3.0.

The overall RAG (Red, Amber, Green) rating for this priority is Green. KPIs are looking very good from a knowledge economy jobs perspective - KE jobs now exceed the number of non KE jobs. KE business units also demonstrate strong growth (this quarter we have slightly revised our methodology on counting business units to ensure accuracy and consistency but it has had almost no impact on the figures).

Challenges that have been faced are largely organisational around the maintenance of partnership activity across a large group of organisations. However, activity remains on track, and our project management systems are ready to address any delays.

- **Priority 2 Economic Regeneration**
  Improve access to training and job opportunities, especially for those with no skills or low skill levels, to provide greater opportunities for individuals to obtain sustainable employment

The last financial year has seen many successes and expansion of partnerships for Economic Regeneration activities. The Neighbourhood
Overall Summary

Employment Programme (NEP) continues to successfully provide an employability advice and guidance service. Over the last year, 1,140 MK residents have attended the NEP community based job clubs with 284 unemployed people being supported into employment. This is an amazing result with a conversion rate of around 26%.

An evaluation of the NEP took place over the last year by the New Economics Foundation (nef) focusing on social return on investment. The report showed that three had supported the NEP, and were supported into work on average £1,900 better off per year (equating to over £400k across the programme - money that can be spent in the local MK economy). A summary of the report can be found here: [http://investmiltonkeynes.co.uk/assets/files/162/Milton-Keynes-summary.pdf](http://investmiltonkeynes.co.uk/assets/files/162/Milton-Keynes-summary.pdf)

In Q4 (Jan - Mar 2014) headway continues for the Economic Regeneration priority's activities. Within the first three months of delivering an employability support service to Children's Centres for parents with children under the age of 5 (primarily single parents), an astonishing amount of referrals (over 120) have been made, all requiring education, training and employment support. This assists in meeting the governments new approach to unemployed parents with children under the age of 5 in which they are mandated to access a pathway to employment.

A Housing Employment & Skills Advisor has been appointed this quarter, who will target unemployed households who present to the council as homeless to proactively help reduce repeat homelessness as a result of reduced income and employment. A targeted education, training and employment service continues to be offered to those who are identified as part of the Strengthening Families Service working in partnership with the councils Children & Families Practices and Job Centre Plus. Robust targeted support has been provided by both Milton Keynes College and Job Centre Plus under the terms of the Youth Contract and European Social Fund (ESF) funding, this has resulted in increased engagement with 16-24 year olds. The Colleges interventions with the Probation Service has resulted in the service being recognised within the Thames Valley region as the highest performing area in the UK in both delivery and for job outcomes. Ixion has also increased its overall performance and continues to over achieve their engagement and employment targets.

Partnership work and agreed caveats with contractors procured by the council has led to community investment activities by both Lovell Partnerships and FSG Property Services. The new Phase II energy conservation work being completed by FSG on the Lakes Estate has resulted in employment and training opportunities being offered to local people. The partnership work between the council's Economic Development Team and the NEP has continued to identify and provide employment and training opportunities from new and expanding businesses in Milton Keynes.

The overall RAG (Red, Amber, Green) rating for this priority is Amber/Red which can be largely attributed to the KPI's regarding the number of people in work placements or formal training. As a result, work experience and voluntary placements are being removed from the targets as changes in government policy and associated welfare reforms actively encourage people into employment rather than continuously claiming unemployment benefits. Those that are job seekers are penalised and benefits sanctioned by Job Centre Plus if they cannot evidence activities related to job search; this largely prevents people from participating in voluntary work experience placements and the councils targets will be revised to align its delivery as a result.

- **Priority 3 Skills and Learning**
  - Improve the overall skills and qualifications profile of the resident population through education and training provision, to ensure that the skills of the resident population meet the needs of employment

This year Skills and Learning has seen some positive steps forward in a number of key areas for the overall priority. One of the most noteworthy developments was the launch of University Campus Milton Keynes (UCMK) in Milton Keynes which welcomed over one hundred students to courses at both undergraduate and postgraduate level. In 2013/14 this will increase further with over two hundred students expected to be studying at UCMK.

Current courses on offer in 2013/14 include BEng (Hons) degrees in Computer Systems Engineering, Electronic Engineering, Telecommunications and Network Engineering which are aligned with Milton Keynes expertise in Technology and will deliver graduates that can make a real impact to MK's Smart City agenda. In addition, MSc's are also available this year aimed at exploiting MK's strengths as a logistics hub in the UK, and providing students who can add value to the MK work force.

In 2014/15 and 2015/16 this portfolio will be enhanced further as the demand in MK is met, and strengths are further exploited in technology, engineering, health, sport and education. These courses are in demand as MK moves to plug a 'higher skills' shortage and as MK keeps developing its smart provision going forward.

In addition, there are exciting times ahead in relation to the bigger picture and the overall Skills and Learning priority, with the introduction of the South East Midlands Local Enterprise Partnership (SEMLEP) Skills Strategy which is now taking shape. Adult Continuing Education (ACE) have also seen continued progress in their work throughout the year and exceeded targets.

In Q4 (Jan - Mar 2014) the Skills and Learning priority has shown steady progress in most areas. The key highlights are that business and education continue to build ever stronger links. MK College, ACE and UCMK have seen a rise in business confidence and an increased appetite for investing in educational opportunities. The College has attracted record levels of sponsorship this year for its Students of the Year award ceremony, while SMEs and others engaging in buying training, attending events, offering work experience and beginning to take on apprenticeships is healthy.

The College training programme is proving very popular and has engaged several SMEs and voluntary organisations in work placements. Government reforms for apprenticeship funding are causing some concern among SMEs and this should be noted. ACE and College links to the Neighbourhood Employment Programme is a key strength with over 80% of NEP clients receiving employability training including English and maths skills development. As mentioned last time, the annual target for the number of young people and adults attending ACE and MK College accredited programmes has exceeded its target.

SEMLEP have created a high level Skills Framework with the aim of the creation of a supply of usable, accessible, relevant and current information that is regularly analysed, communicated and acted upon. In addition, the development of solutions to resolve the discrepancies between skills demand and supply. The Strategy is driven and monitored by the SEMLEP Skills Forum Steering Group. Development of several new projects has begun and member groups are being set up.

The key deliverables for this area of activity are to ensure participation in learning and skills development at the right level for all citizens is maximised and that education and businesses work more closely together so that businesses’ skills needs are more clearly being met. Progress on both these key targets is encouraging.

The overall RAG (Red, Amber, Green) rating for this priority is Green at quarter 4 and this year has proved to be successful in many key areas. Work remains however, to raise the number of educational attainments in the City at level 4 and to build on the improvements at levels 2 and 3.

- **Priority 4 Business Support**
  - Encourage business growth through focused interventions such as support for innovation, assistance for start-ups and ensuring an appropriate range of commercial space is available

The past year has seen a number of key highlights and work continues to engage with businesses through Business Support in Milton Keynes. The Business Engagement programme has continued throughout 2013/14 with a total of 135 visits made to businesses requiring: growth and start-up support. There has been an increased demand from start-up businesses requesting support during the past year, more than doubling last year’s figures. Key websites have been delivered and business events attended as well as hosted throughout the year. The team were involved in a variety of events throughout the year all with very positive outcomes.
In Q4 (Jan - Mar 2014) the Business Support priority has shown steady progress. Invest Milton Keynes was one of 150 exhibitors at the largest business exhibition in MK - Business B2B expo 3.0 on 6th March 2014, which attracted over 2000 visitors. The event helped to raise our profile and the support and information which we provide to assist businesses from start-ups, to large organisations. The team has engaged with businesses since the exhibition to provide support. As mentioned above the team has continued to visit businesses and provide support to start-up businesses throughout this quarter and has exceeded the targets for visiting MK based businesses for Q4 by 12.5%.

Q4 has been particularly busy for the Community Foundation and the demand for Small Business Units. Due to the demand an area was converted of one of the buildings and created into another 6 units taking the total to 35. Three of these new units have been reserved and one has been taken by an existing tenant. One organisation moved into a larger space due to the expansion of their business and another business expanded to larger space in April. Two organisations that have moved into Acorn House are public sector organisations.

The Milton Keynes College Business support package remains in place and is being utilised by an increasing number of SME’s. Students have engaged with businesses on graphic design, application development, software testing, filming and media production, prototype development and events support for these businesses over recent months. The Launch Pad soft landing place in Silbury Boulevard remains vibrant with only one desk space currently vacant. Destination Milton Keynes has also taken up residency there and the official launch of the IOD hub is currently being planned.

The overall RAG (Red, Amber, Green) rating for this priority is Green however there are challenges with the continued high demand for flexible small office/desk space, it appears the demand is greater than the availability which needs to be addressed. Unlike other areas across the UK, Milton Keynes does not have a Tech Hub offering to start up and small businesses in this industry, there could potentially be missed opportunities resulting in businesses not choosing to locate in MK. In the coming year there will be a taking stock of what we do have and gaps will then be identified.

**Priority 5 Articulating a compelling MK Offer**

*Promote Milton Keynes as a premier location for inward investment and as a visitor destination*

This past year has seen some positive results for the ‘Articulating a compelling MK Offer’ priority. Milton Keynes has achieved a variety of accolades in the past year. For example; Centre for Cities - for the fifth year in a row, gave a glowing report for Milton Keynes for its economic strength in the annual Centre for Cities ‘Cities Outlook’ report 2014. In addition, the Financial Times described Milton Keynes as “an extremely prosperous town”.

Some of these successful accolades are affirmed by the level of inward investment enquiries and the growth in successes that has been seen in the past year. In comparison to 12/13, we have seen 16% growth in overall enquiries for 13/14 which gives assurance that Milton Keynes continues to have an attractive offer. In addition, successful inward investments and companies relocating to Milton Keynes has seen 42% growth for 13/14 in comparison to 12/13, which again shows that MK is a place with a unique selling proposition that meets the needs of businesses.

Close working has taken place with UK trade & Investment (UKTI) to assist with foreign direct investment. The ED team has hosted two successful UKTI sector events which included local businesses and key partners to help showcase MK internationally. The No of UKTI enquiries received by ED team for the SEMLEP area has seen 57% growth in 13/14 in comparison to 12/13 and response rate has been the highest out of all the SEMLEP partners.

Invest Milton Keynes has continued to push forward proactively in marketing through its social media activities and were ranked within the top 10 locations for overall social media activity in 2013, and were also ranked first out of 69 regional teams nationally for effective use of LinkedIn in 2013.

A new Relocation area has been added to the Invest Milton Keynes website to support businesses and employees. A wealth of information can be found on these web pages for example education, leisure and tourism. [http://www.investmiltonkeynes.com/relocate](http://www.investmiltonkeynes.com/relocate).

In relation to the visitor destination offer - In the last 12 months, Destination Milton Keynes (DMK) has been working on developing their corporate strategy to deliver more targeted and economically measurable services to the MK Visitor Economy. Working in line with MK Council and VisitEngland, DMK have made large steps in developing their status and operational capabilities as a Destination Management Organisation.

In Q4 (Jan - Mar 2014) the Articulating a compelling MK offer priority has made headway in a number of areas. The majority of activities and indicators are showing progressive improvement. The KPI 'No of new enquiries received from Invest Milton Keynes' (MKC 1042) which is the overall KPI for Enquiry levels has performed well in comparison to last year’s Q4 figures. From Q4 12/13 the actual was 91, to Q4 13/14 where the actual was 104, we have increased enquiries by 14%. This indicates a positive trend in businesses looking to relocate or expand in Milton Keynes.

The social media presence is increasing, and Twitter followers at the end of March stood at 1983 (a 15% improvement on last quarter) and our LinkedIn connections at 844 (an improvement of 29% from last quarter). We continue to connect and promote Milton Keynes to the ‘right people at the right time’.

For DMK, Q4 represented a strong start. The key highlight was securing agreement in principle on a fixed unit location within the centre:mk for a permanent MK visitor information centre. The aim is to have this online by Summer 2014. Social Media continues to be a strong marketing medium for DMK, with followers on Twitter and Facebook continuing to increase. Memberships remain on track, with member involvement and interaction with DMK buoyant.

A core strength has always been a high level networking with tangible and measurable results. A new forum has recently been set up to facilitate this further. DMK’s partnership with MK Council continues to grow, with DMK taking on the City Dressing piece of the Rugby World Cup 2015 project. Partnerships and cross-working remain at the heart of DMK’s operation.

The overall RAG (Red, Amber, Green) rating for this priority is Green however there is continued work to be done to ensure all opportunities are taken to promote Milton Keynes and its offer.

**Priority 6 Enabling Infrastructure**

*Create, maintain and improve the appropriate infrastructure for growth, especially in relation to transport and digital infrastructure*

Enabling infrastructure has performed well throughout the year against its activities and progress has been made within the priority. Milton Keynes continues to develop new innovative solutions designed to make the city smarter and more competitive to support the delivery of 42,000 new jobs and 28,000 new homes. Highlights have included the formal adoption of the MK Local Investment Plan (LIP) by Milton Keynes Council that outlines the investment requirements and funding mechanisms to support the delivery of growth.

Projects taken forward this year include the proposals for an autonomous pod transport system in CMK; the new wireless charging electric bus service between Wolverton, CMK and Bletchley; and the continued roll-out of superfast broadband infrastructures to around 97% of premises by 2016 supported by a Council funded contract for superfast broadband to be rolled-out in hard to reach areas which
was let to BT in August 2013. In terms of housing construction, the provisional outturn for the year is 1001, 77.8% of target. There is improved confidence that the infrastructure works will commence in the coming months in the Western Expansion Area which will kick-start delivery of the largest housing site in the borough.

In Q4 (Jan - Mar 2014) the Enabling Infrastructure priority is making positive steps ahead. In January, MK:SMART was launched. Led by the Open University, MK:SMART will develop ways of supporting the growth in Milton Keynes through the curation of the data that drives the city’s key transport, water and energy infrastructure.

A contract which includes the design and construction of the western section of the East West Rail scheme to Bedford and Milton Keynes has been awarded by Network Rail. This work will see the railway line reinstated between Bedford and Oxford, with lines to Milton Keynes and Aylesbury. The Council continues to work with local partners and the Department for Transport to identify plans to enhance Bletchley rail station and its links to the town.

Site clearance has commenced ahead of the dualling works to the A421 towards the M1. The main contract, supported by £9m “Pinch Point” funding, is due to begin in July 2014 and complete by Spring 2015. Funding is being sought through SEMLEP to dual the A421 from the Borough boundary to its junction with the M1 at Junction 13. A decision on the availability of funding is expected by July 2014.

The publically funded contract for delivery of superfast broadband infrastructure remains on course to rollout from mid-2014 and to be complete by summer 2016. This work adds to the commercial roll-out which is due to come to an “end” for existing premises in 2014. Combined, these projects will deliver superfast broadband to around 97% of premises in Milton Keynes. Additional efforts are required to achieve 100% of premises and a cross-SEMPEP bid has also been lodged for additional funds to facilitate better delivery of superfast broadband to commercial premises. Further progress will also be achieved with the award of new government funding, which has been matched by the Council, bringing MKC’s total planned investment to nearly £2.7m between now and 2017/18.

The overall RAG (Red, Amber, Green) rating for this priority is Green. The ongoing challenges continue in relation to the net additional cost to supporting continued population growth. The current funding mechanisms that support investment in infrastructure and service delivery will not address this fully. There is a funding gap between the level of investment identified to support infrastructure serving new developments and the strategic needs of the area as a whole. The new funding mechanisms at the SEMLEP level generally use existing resources and result in less flexibility for local authorities. This means we have to be clear on our priorities in Milton Keynes (through the Local Investment Plan) and work with our partners across SEMLEP to address cross border priorities (including through the Strategic Economic Plan). To date, these funds and processes seem to be generally short-term in nature and do not fully address the importance of forward funding a programme of works to facilitate growth and development.