



Economic Development Newsletter

February /March 2016

Introduction

Welcome to the February/March edition of the newsletter. In this edition, we round up the latest news from the Milton Keynes Council Economic Development Team. February and March have been busy months, with the first ever National Apprenticeship Show, a celebration of local business at the MK Business Achievement Awards and recognition of MK's inward investment successes. It's also an opportunity to highlight our success across the 2015/16 financial year, where we dealt with 404 enquiries and 112 successes from a diverse range of businesses.

Centre for Cities – Fast Growth Cities

MK leads the way as one of the UK's 'Fast Growth Cities' according to the latest report published by Centre for Cities.

'Fast Growth Cities: the opportunities and challenges ahead' focuses on the contribution made to the economy by five of the UK's most successful cities - Cambridge, Oxford, Milton Keynes, Swindon and Norwich. The report highlights the success of the Milton Keynes economy, particularly in relation to high levels of productivity, strong growth in private sector employment and high levels of business creation.

However, the report acknowledges that the growth of these cities also creates challenges. An ageing population, transport congestion, housing affordability and higher level skills were identified as particular issues. It is encouraging that with the Milton Keynes Skills Strategy, the development of Plan:MK and innovative work around sustainable transport, efforts are already well underway to address these challenges and ensure the continuing economic success of Milton Keynes.

The publication of the report coincides with the launch of the Fast Growth Cities group, consisting of representatives from Milton Keynes Council and the four other Fast Growth Cities.

To read the report in full visit <http://www.centreforcities.org/wp-content/uploads/2016/03/Fast-Growth-Cities.pdf>

The importance of Milton Keynes to the national economy was further recognised by the Chancellor in a letter to the National Infrastructure Commission seeking recommendations for maximizing the contribution of the Cambridge-Milton Keynes-Oxford corridor as a 'single knowledge-intensive cluster'.

To read the letter in full, visit <https://www.gov.uk/government/publications/national-infrastructure-commission-chancellors-letter-to-lord-adonis-and-terms-of-reference>



FDi Magazine ranks MK 6th for Business Friendliness

MK has been ranked 6th in the small cities of the future for business friendliness in the latest publication of fDi European Cities and Regions of the Future 2016/17, produced by the Financial Times' fDi Magazine.

The biennial publication, now in its 10th year, examines a number of criteria to judge business friendliness including the proportion of companies within high-tech manufacturing; proportion of companies within the knowledge economy; jobs created by inward investment and the ease of doing business. To read the report in full visit:

<http://www.fdiintelligence.com/content/download/63795/1808093/file/European%20Cities%20and%20Regions%20of%20the%20Future%202016.pdf>

These findings come hot on the heels of Foreign Direct Investment (FDI) figures from the South East Midlands Local Enterprise Partnership (SEMLEP) that show of 27 FDI successes in the financial year to date, where over half were from businesses locating to, or expanding in, Milton Keynes. Milton Keynes continues to play a key role in supporting the success of the wider SEMLEP area, cementing SEMLEPs position as the third strongest Local Enterprise Partnership, behind Manchester and Birmingham, for foreign direct investment.

National Apprenticeship Show

The first ever National Apprenticeship Show was held in MK in mid-March. Marking the start of National Apprenticeship Week in style, the two day National Apprenticeship Show in Arena:MK saw 93 business exhibitors promoting apprenticeships to young people, their parents/carers and teachers. Over 15,000 students from almost 300 schools attended, with a further 3,000 individuals attending the Monday evening session.

The Show, the first of its kind in the country, was officially opened by Nadhim Zahawi MP – the Prime Minister's Advisor on Apprenticeships. He said:

“The National Apprenticeship Show is an excellent way for young people and their parents to meet with top employers who are offering a range of fantastic apprenticeships, face to face, all in one place. It will also enable employers to meet with young talent and the workforce of the future. I would encourage all businesses to consider how employing an apprentice can help them grow.”

The National Apprenticeship Show is a key element in the MK Skills Strategy, contributing to the objective of boosting apprenticeships locally. The Show (and MK) received significant media and TV coverage and its success is evident in that plans are already underway for the 2017 show, see <http://www.nationalapprenticeshipshow.org/midlands/>



Smarter Travel Live

There was another first for MK with the Smarter Travel Live conference held at Arena:MK. The event, supported by the Department for Transport, and sponsored by the Transport Systems Catapult and others, showcases practical applications of transport innovations and smart city thinking. Across the two days, delegates had the opportunity to hear about a range of issues, from public transport, the use of data in transport planning to urban mobility plans and autonomous vehicles. Geoff Snelson, Director of Strategy at the council, joined Andrew Jones, the Parliamentary Under Secretary of State for Transport, as one of the opening key note speakers.

The two day conference featured 64 exhibitors, over 150 speakers and attracted in excess of 720 delegates. It was great to see Milton Keynes host this national event and is testament to the innovative and exciting work that the council and partners are involved with around sustainable transport.

SEMLEP News

Two European Social Fund (ESF) Open Calls have recently been announced by SEMLEP. More than £1.2 million of ESF is available for projects supporting young people not in education employment or training. And over £6.4 million is available for projects helping the unemployed and the economically inactive into work.

For both calls, outline applications must be submitted by **13 May 2016**. Applications should be for a minimum of £300,000 and 50% of match providing must be provided.

For further details, see <http://www.semlep.com/esif/>

Team News

Waitrose Official Opening

On 14 March I attended the official opening of the 940,000 sq ft Waitrose national distribution centre at Magna Park. The new centre is creating more than 1,000 jobs locally and by working with many local partners including our Neighbourhood Employment Programme, many local unemployed people are being supported to secure these positions.

Creating new commercial space in MK

Grade A office space is on the increase in MK. In early March I attended the launch of Affinity in Central Milton Keynes. Affinity consists of the recently extensively refurbished Norfolk House and Ashton House and offers a range of office suites. The following day I made my way along to Linford Wood to witness progress on the demolition of Oak House. Its demolition paves the way



for the redevelopment of the site and the creation of further grade A office space in Milton Keynes.

Milton Keynes Skills Strategy Approved

On 23 February, the Milton Keynes Skills Strategy was approved by the council. Over the past few weeks, meetings have been held with many partners to support the development of action plans to support the implementation of the Skills Strategy. And already we have seen some direct activity as a result of the Strategy, most notably the successful National Apprenticeship Show. In addition, we have been in discussions with the successful Bedfordshire and Hertfordshire Provider Network to look at widening the network to include Milton Keynes based training providers. This will give local providers an opportunity to network with others, share information and best practice and potentially develop collaborative projects and bidding opportunities. If you are a training provider in MK and would like to share your views on this proposal please visit <https://www.surveymonkey.co.uk/r/YMPN8PL>

Local Economic Assessment available online

Providing the evidence base to inform future economic development priorities, the Local Economic Assessment (LEA) 2016 is now available. The LEA provides a comprehensive overview of the Milton Keynes economy, covering topics such as business, employment, population, land and transport, and future prospects.

To view the LEA, visit:

<http://www.milton-keynes.gov.uk/business/local-economic-assessment-2016>

Entrepreneurial Spark launching MK “Hatchery” to support new and growing businesses

With almost 90% of businesses in MK employing less than ten people and with MK ranked by Centre for Cities as second only to London for the number of business start-ups, running at 67.7 per 10,000 people, encouraging and supporting business start-ups is a priority for the Economic Development team. Increasingly we are working with existing businesses, to enable and facilitate the delivery of business to business support. For example, we have been working closely with InnovateMK, housed by Tech Mahindra, and supported by a consortium of local businesses, which offers targeted support for businesses and entrepreneurs from the tech and digital sectors.

In addition, working with the world’s largest free business accelerator for early stage and growing ventures, Entrepreneurial Spark (ESpark), alongside key partners Natwest and KPMG, we have secured the launch of the Milton Keynes “Hatchery” in August 2016.

The “Hatchery” will be based within the Natwest building in Central Milton Keynes offering around 80 hot desks and a presentation space for around 100 people. Entrepreneurs/businesses with a workable idea with ambitions to start-up as well as established business with plans to grow and/or scale can apply to join the “Hatchery” and are taken in twice a year in February and August. Accepted applicants will sign an occupancy agreement and then move into the “Hatchery” for 6 months. Entrepreneurs/businesses are required to attend a two day “boot camp” working to solve



real world problems and also benefit from workshops, bi-weekly coaching sessions and support from local business mentors. Applications for the MK Hatchery are now open.

For further information or to apply for a place visit http://portal.entrepreneurial-spark.com/ESpark_Registration.aspx?utm_source=EQTR&utm_medium=Social&utm_campaign=EQTR2016

MK Business Achievement Awards

It is important to acknowledge the success of, and contribution made by, existing businesses in MK. As such, the Economic Development team was proud to be involved with the recent Milton Keynes Business Achievement Awards 2016, sponsoring the “New Business” award category. A record number of entries were received, highlighting the continuing success and diversity of local businesses.

In recognition of their innovation, expertise and continued growth of their business, the New Business Award was won by Bletchley based PR and marketing company Jeanius Consulting.

Business Visits

Supporting our businesses is extremely important to the Economic Development team. With, according to the Local Economic Assessment 2016, around 11,950 active enterprises in MK, existing businesses play a fundamental role in the local economy. The Economic Development Team regularly meet with a range of businesses, to understand the opportunities and challenges they face and to highlight and signpost to available support and advice.

Across 2015/16, the team undertook 226 visits to existing MK businesses. This is an increase from the previous year when 211 visits took place. Some of the most recent visits are highlighted below.

- We had the pleasure of meeting with Elixsoft, a digital agency in Milton Keynes. Elixsoft create mobile, desktop and social media applications and it was great to see the portfolio of work they have done for global brands. The visit was useful as we were able to discuss the Skills Strategy and the skills challenges faced by businesses in the IT sector.
- Skills were back on the agenda as we visited the Open University HQ. As Milton Keynes' biggest employer it was great to discuss what workforce development programmes the OU offer for their staff. The meeting also allowed us to discuss the upcoming apprenticeship levy and the new higher apprenticeship courses the OU are currently in the process of developing.
- At the National Apprenticeship Show we met with Knorr Bremse which is based at Wolverton rail works and carry out maintenance, servicing and upgrades to all train types. Knorr Bremse showcased its apprenticeship offer and we discussed the challenges in the



engineering sector, the importance of workforce development and the priorities from the Skills Strategy.

- We met with Ceravision Ltd, a company that has been established for 20 years in the technology sector. Ceravision is a world leader in High Efficiency Plasma (HEP) technology, providing energy efficient lighting. It was exciting to hear about their future growth plans in Milton Keynes and to discuss the Milton Keynes Future Cities programme.

Social Media

Our social media presence goes from strength to strength. Our Twitter followers at the end of March stood at 3,632 (an increase of 3.8% from January) and our LinkedIn connections at 2,446 (an increase of 5.5%). The Economic Development team continues to promote MK through social media channels to ensure that MK possesses the advantage with national and international business stakeholders.

Enquiries

As we have now reached the end of the 2015/16 financial year we can report on the number of enquiries received across the 12 month period. The overall figures show 404 enquiries during 2015/16, with 113 investment successes. During February and March alone, we had 19 investment successes consisting of 4 micro, 8 small, 2 medium and 5 large businesses. The team continues to promote MK through multiple channels and partners.

Local Government Challenge

March saw the second 2016 Local Government Challenge, this time in Derbyshire. The challenge took me out of my comfort zone, with a focus on the provision of activity based projects for individuals with learning disabilities, without council subsidy. As team captain, I was pleased to lead Team Transform's second consecutive win, with our 'Pathways to Independence' concept. Despite the long hours I am thoroughly enjoying this experience and would definitely recommend anyone to enter. It's an interesting and exciting opportunity that offers the chance to grow and develop skills and abilities as well as offering a chance to promote MK. I'm now looking forward to the forthcoming challenge in Bradford at the end of the month.

For more information, visit <http://www.local.gov.uk/lgchallenge>

Help Spread the Word

Follow us at @InvestMK at www.twitter.com/InvestMK and by joining our LinkedIn group at <http://uk.linkedin.com/in/investmk>

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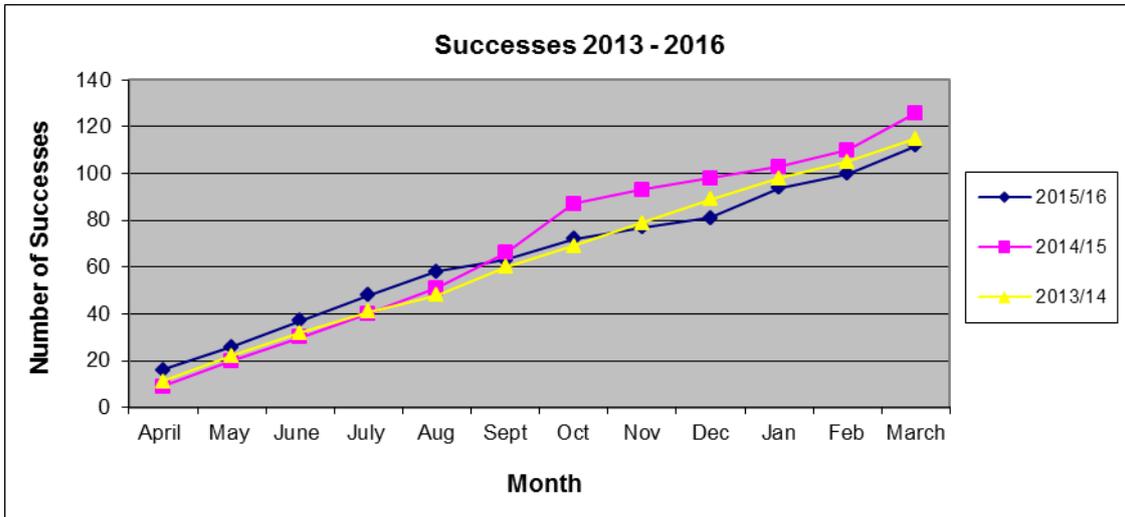
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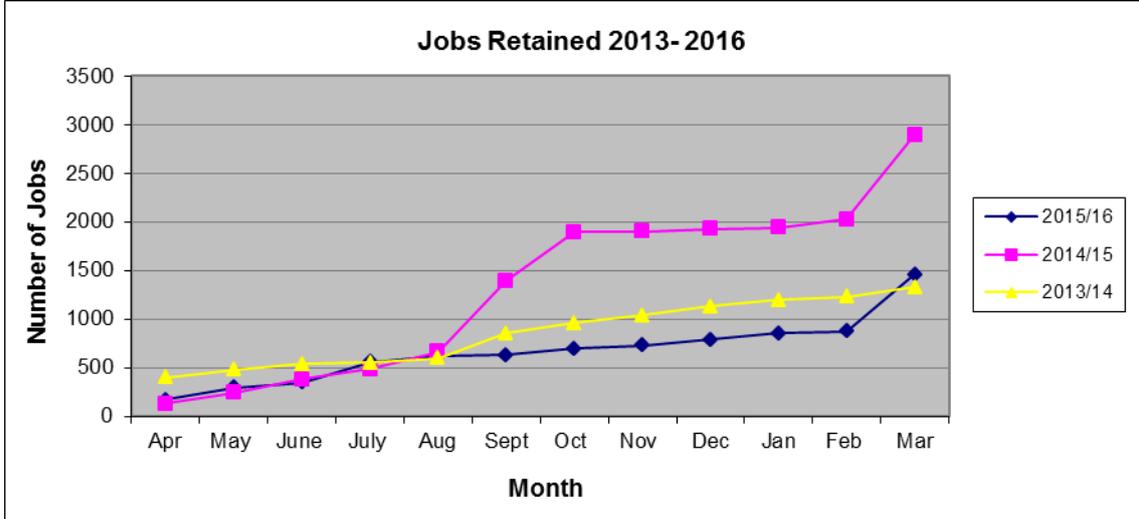
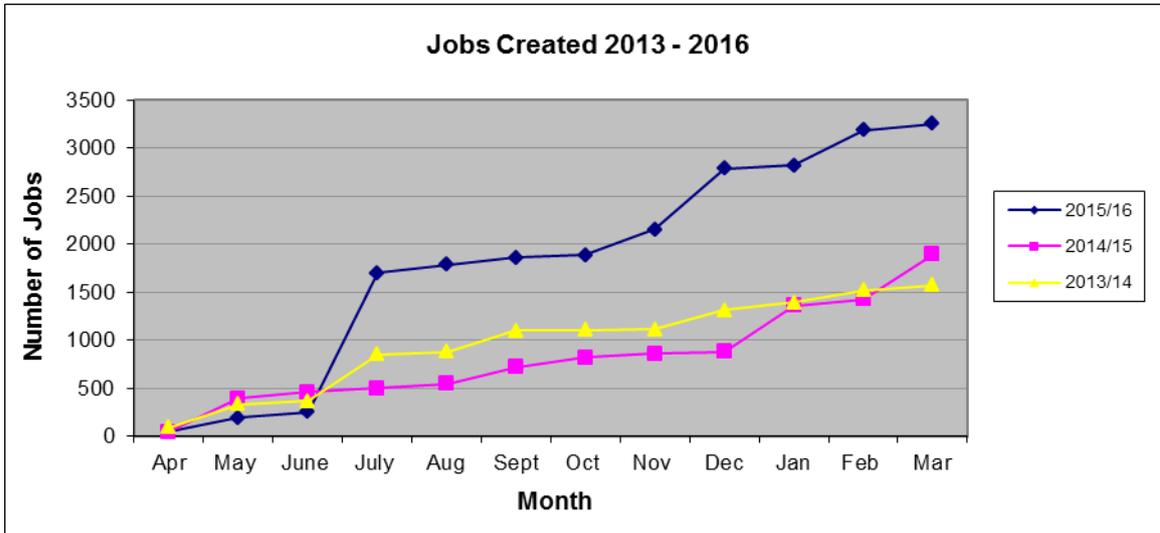


Investment Success Update

	February 2016	Year Total	March 2016	Year Total
Companies arriving in or relocating within MK	6	100	12	112
From Target Group*	3	24	7	31
Total Jobs Created	367	3,186	67	3,253
Total Jobs Retained	18	870	588	1,458

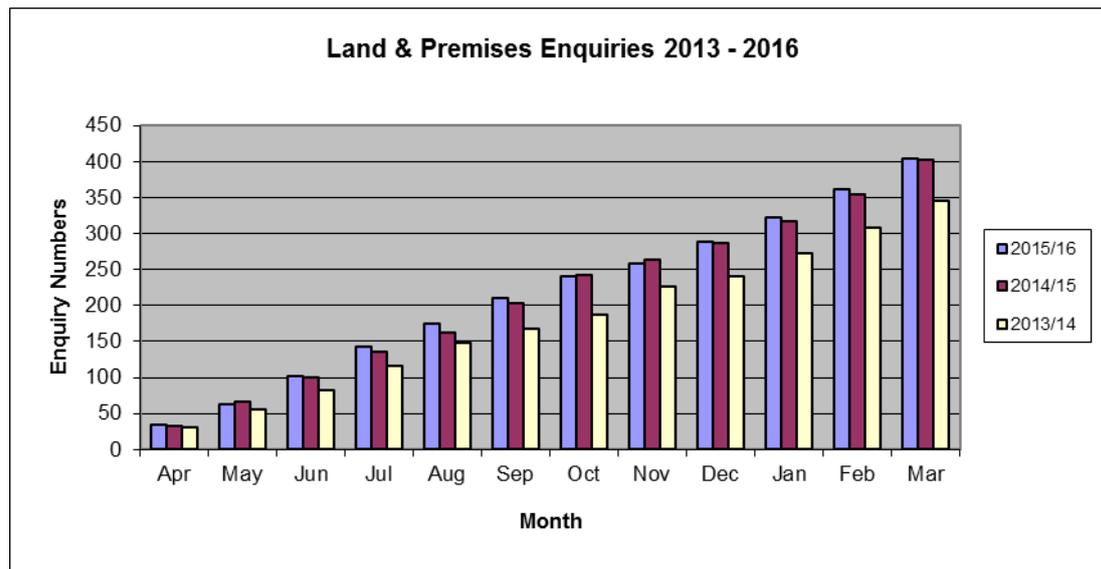
* High growth, high value, knowledge-based businesses





Enquiry Activity Update

The chart below shows the trends for commercial land and premises enquiries from 2013 – 2016:



Enquiries

We received 81 enquiries this February and March compared to 85 last year. The cumulative total for the 2015/16 financial year is 404 against 402 in 2014/15.

Our current caseload is 15 category 'A' and 66 category 'B' enquiries.

(Category 'A' covers enquiries from UKTI and foreign owned businesses; land enquiries; industrial premises over 50k sqft; office premises over 10k sqft. and key business sectors. Category 'B' enquiries cover all other requests for support.)

The figures in the tables and graphs above help to show that MK is open for business and also that there is a very positive outlook on the economy in MK.

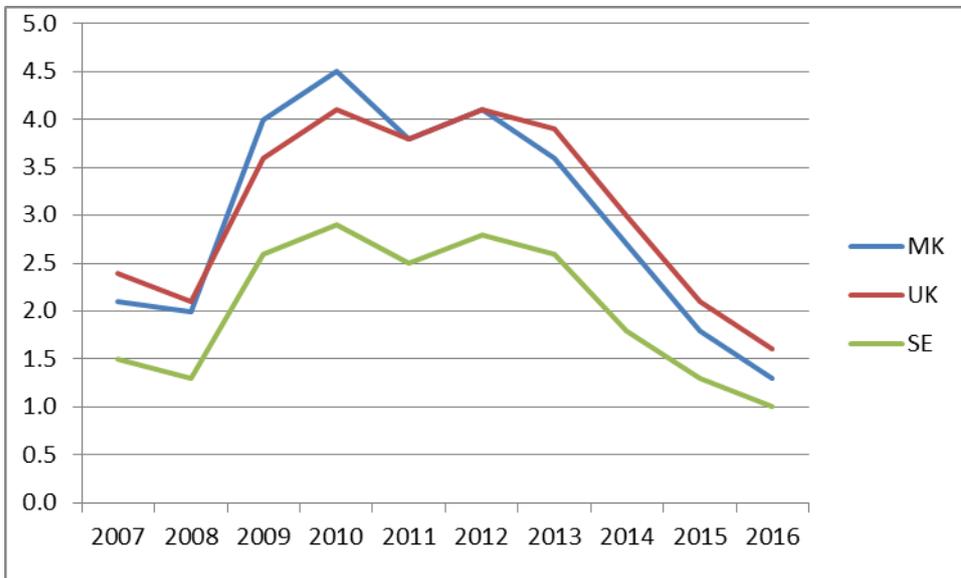
Enquiries by Sector	February 2015	February 2016	March 2015	March 2016
Office	9	7	10	14
Industrial	15	12	16	7
Retail	1	4	2	6
Land	3	5	8	6
Information and Support	9	11	9	9
Total for Year so far	354	362	402	404



The Labour Market in Milton Keynes, February 2016

Unemployment (JSA claimant count) in Milton Keynes was 1.3% in February 2016. The rate has remained unchanged from January 2016 but is significantly below the rate experienced this time last year – the claimant rate stood at 1.8% in February 2015, 0.5% higher than in February 2016. There were 2,267 claimants in Milton Keynes in February 2016. This is an increase of 108 individuals from January 2016, reflecting seasonal variations in the claimant rate.

The Milton Keynes claimant count of 1.3% is lower than the national (UK) rate of 1.6% but higher than the regional (south east) figure of 1.0%. The chart below shows the unemployment (claimant count) rates in MK, the South East and the UK from 2007.



Source: Job Seekers Allowance, Office for National Statistics via NOMIS. NB: figures as of February each year

	Milton Keynes	UK	South East
2007	2.1	2.4	1.5
2008	2.0	2.1	1.3
2009	4.0	3.6	2.6
2010	4.5	4.1	2.9
2011	3.8	3.8	2.5
2012	4.1	4.1	2.8
2013	3.6	3.9	2.6
2014	2.7	3.0	1.8
2015	1.8	2.1	1.3
2016	1.3	1.6	1.0



Getting our residents back into work

Following a successful presence at the Milton Keynes Job Show at the start of the year, in February the Neighbourhood Employment Programme (NEP) produced a 'wrap around' advertisement in MK News and promoted the Job Clubs on the front entrance doors to the Civic Offices. This resulted in a major increase in footfall for those needing additional support to secure employment. The NEP has joined forces with Learn Direct, a new agency which receives referrals from Job Centre Plus for those that require additional training or participation in community work placements to enable them to move nearer the job market. This means that people who are referred to Learn Direct or those that attend the NEP can receive additional support from both agencies.

A new initiative to move the employment support service for service users who have experienced mental health difficulties into the NEP will ensure that from 1st April 2016 three Mental Health Employment Support Advisors will be able to deliver additional employability support to those who are referred by Adult Social Care, GPs or self-referrals with ongoing support. This change of approach should ensure that the employment support service becomes 'joined up' and benefits from the additional experience and support that the wider NEP network provides

The NEP and Job Centre Plus have also made several joint visits to local businesses this month, including ASPER's Casino and Frosts Garden Centre to discuss how they can assist with providing a free recruitment service to enable their employment needs to be met.