



# Economic Development Newsletter

April /May 2016

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## Introduction

Welcome to the April/May edition of the newsletter. In this edition, we round up the latest news from the Milton Keynes Councils Economic Development Team. There have been some interesting enquiries received during April and May including a visit from a Turkish Inward Investor looking at Milton Keynes as a potential location for their business, we pulled out all the stops as always, working together with local partners to showcase our area – hopefully they will decide to make MK their new home – keep you posted!

### **Made in MK**

Over a 10 year period Milton Keynes has remained within the top 6 cities in the UK for attracting startup businesses, this data has been recorded and highlighted by independent think tank, Centre for Cities. Responding to demand, the Economic Development Team supports these new businesses, providing them with information and guidance to assist with their growth. Milton Keynes is home to some fantastic startup businesses, they play a vital role in our local economy, and to show recognition of for their achievements, OneMK will be hosting a one-of-a-kind awards ceremony specifically for these independent businesses, individuals and community organisations in Milton Keynes. There are 10 categories featured, if you wish to be involved contact Louisa King at [louisa.king@onemk.co.uk](mailto:louisa.king@onemk.co.uk) or call 07816 170330 before July 15.

You can find out about any updates using #madeinMK on Twitter.

### **Smart Cities Index**

Milton Keynes has been named as a 'contender' in the first UK Smart Cities Index reported by Huawei, placing Milton Keynes in the top ten cities in the Country for developing and implementing some significant projects and programs. One of the stand out programs included the MK:Smart collaboration on the IoT projects with the Open University and other partners. Milton Keynes Council's Director of Strategy spoke at the launch of the Huawei Smart Cities Index in May reflecting on policy challenges involved in delivering smarter cities.

For information on the various projects relating to MK:Smart visit <http://www.mksmart.org/>

### **Student of the Year Awards 2016**

Milton Keynes College hosted their annual student of the year awards in May and we were privileged to have been a part of this event. The evening provided an insight into these inspirational students who have shown great initiative and dedication during their time at the college. Eager to learn and achieve, they have gone above and beyond to produce exceptional standards of work recognised by their tutors and classmates. The entertainment was fantastic and so was the food as always. A great evening was had by all.



## SEMLEP News

### European Social Fund (ESF)

'Social Inclusion for Growth' - call for projects is now open.

This call invites project applications which support the delivery of the ESF Investment Priority 1.4 – “Active Inclusion”. Activity must demonstrate highly innovative, holistic and effective approaches to tackling local social inclusion issues. Additionality and ultimately promote and stimulate growth across the South East Midlands. Providers are required to demonstrate experience of working with the hardest to reach groups, and provide face-to-face support in accessible locations within the SEMLEP area. The ESF value of the call is £406,416. Providers will need to identify an equal amount of match funding. Deadline for applications is 12 July 2016.

For further information on the call and how to apply, please contact Sandra.Turner@semlep.com or Angela.Rowney@semlep.com or visit <http://www.semlep.com/esif>

## Team News

### The Midlands Engine

We attended the launch of the Midlands Financial Centre of Excellence in Birmingham during May, it was a great event which included speakers from the Head of Deutsche Bank in Birmingham and Secretary of State for Business, Innovation and Skills, Sajid Javid MP. The event highlighted the importance of this sector and showcased the strength of the offer across the Midlands area - one of the fastest growing and economically important areas within the UK, benefiting from one of the youngest populations in Europe, 60% lower cost than London for office space, and employing 940,000 people within the Business, Professional and Financial Services Sector. Milton Keynes is one of the 7 key locations making up the Midlands Engine, and it is easy to see why, with Global names including Mercedes Benz Financial Services, Santander and VW Financial Services headquartered here. The Midlands Engine brand will help to strengthen the Milton Keynes offer and to attract further investment into the area.

### Commercial rental growth

According to the Bidwells Space Data Book (spring 2016) prime office rents are up, with record highs in Milton Keynes reaching £23.50 per sqft in 2015. Milton Keynes office space offers great value compared with neighboring areas, and with demand for prime office space increasing this should further drive rental growth in the area.

For more information visit the link <http://www.bidwells.co.uk/files/5114/5943/6669/research-business-space-spring-2016.pdf>

### New developments coming to MK

With speculative developments on the up across the UK, and demand increasing for grade A office space, Milton Keynes is joining the trend and enhancing its commercial property offer in the town centre with two major new office developments. These new additions to the Milton Keynes skyline have been long awaited with over 8 years since the last office development The Pinnacle, which is home to big names such as Denton's, Mazars, Transport Systems Catapult and Baker Tilly. Work is underway on Victoria house a 40,000 Sq Ft five storey office block of which half will be occupied



by Grant Thornton one of our long standing businesses! This development is due for completion in 2017, and the team are currently working on attracting some potential occupiers.

<http://www.mkdevelopmentpartnership.co.uk/news/2015/dec/mkdp-aiming-high-163-12m-landmark-office-development/>

Milton Keynes Development Partnership (MKDP) has selected its preferred development partner for a major new scheme in Central Milton Keynes. The scheme hopes to attract large inward investors and retain local growing businesses to the area. In addition to Grade A office space, the development will boast a skyline restaurant, apartments for rent and ground level public realm and amenities. <http://www.mkdevelopmentpartnership.co.uk/news/2016/may/mkdp-chooses-stering-landmark-building/>

### **Business Visits**

The Economic Development team prides itself on the support given to local businesses, we understand how important these businesses are to the Milton Keynes economy and its residents. With close to 12,000 active enterprises in MK, it is crucial that the Economic Development team regularly meets with local businesses, to understand the opportunities and challenges they may be facing and support them where possible, to assist with their growth and retention to the area.

2015/16 was a busy year for the team, completing 226 visits to existing MK businesses. This was an increase from the previous year and we hope that this trend continues throughout 2016/17. Below are some of the business visits which have taken place during April and May.

- In April we met with commercial property agents Brown and Lee, and Bidwells to discuss the commercial property market in Milton Keynes, which is a hot topic at the moment with commercial rents at an all-time high. We also wanted to discuss any challenges that landlords and potential buyers are facing. Meeting with the agents also gave us the opportunity to update our vacant commercial property database which is a useful tool when supporting businesses relocating and expanding.
- Milton Keynes is the only UK city designed for business growth, we have some impressive names that have chosen to set up their headquarters here, one of which is VMware AirWatch. We were delighted to attend the opening of the VMware AirWatch office expansion in Central Milton Keynes to celebrate their phenomenal growth since starting operations here, growing from 5 to over 300 in just 5 years with plans to grow by a further 100 by the end of 2016. The HQ houses its Europe, Middle East and Africa operations. We were given a tour of their new offices fitted out with a fun, quirky but contemporary theme.
- We met with the Open University in Milton Keynes which is our largest employer here, to discuss the key objectives of the Skills Strategy. We also wanted to find out more about how the OU is working with businesses to develop courses and qualifications that can be offered to help develop staff, this led to a lively discussion around the challenges businesses report when trying to grow their workforce.



### **Inward Investment Workshop**

The Economic Development team attended a 'Principles of Inward Investment Marketing' workshop at the beginning of May. The day covered various areas of Inward Investment from, the factors driving a business expansion and relocation, to creating the best value proposition for the client. Other local authorities from the SEMLEP area also attended, which provided an insight into how they deal with enquiries. Overall the workshop has encouraged the team to re-visit how we react to Inward Investment enquiries and use the knowledge we have gained to make improvements to our current system.

### **Local Government Challenge**

The Local Government Challenge is almost over with the final leg of the competition taking place in June. What an experience it has been so far! I hope to do Milton Keynes proud – follow our twitter page to find out how I got on and to show your support.

April saw the third 2016 Local Government Challenge take place in Bradford, the challenge was to create a cleaner and greener campaign. As part of the challenge we spoke to young people who were overwhelmingly passionate and energetic about enhancing and caring for their environment. We wanted to go the extra mile on this task by engaging with some other social groups not mentioned, and utilise technology and the great skills of two of our colleagues by creating a video campaign. Unfortunately on this occasion the result was a 'no win' for this challenge however, there were many positives and lessons learned that came out of it. Overall, it's an amazing place that I will definitely revisit.

For the fourth challenge in May I was taken out of team Transform and put into team Pioneer in West Suffolk, I am pleased to say we won! Our challenge was to produce a set of new principles for the Mildenhall Hub project, linked to the Government's One Public Estate Programme, to rationalise and improve the public estate in Mildenhall for the benefit of local people through a unique new building, opening in 2019. The teams were expected to research the 'hub host' and support their findings by identifying issues and opportunities.

In total I have been involved in teams which have won 3 challenges and lost 1 so there is everything to play for in the last challenge in June.

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

### **Social Media**

Our social media presence goes from strength to strength. Our Twitter followers at the end of May stood at 3,761 (an increase of 3.5% from March) and our LinkedIn connections are at 2539 (an increase of 3.8%). The Economic Development team continues to utilise social media as a channel to promote Milton Keynes, it is vital that we remain competitive and do not become complacent in our inward investment activities, constantly and consistently engaging with our national and international stakeholders.



**Help Spread the Word**

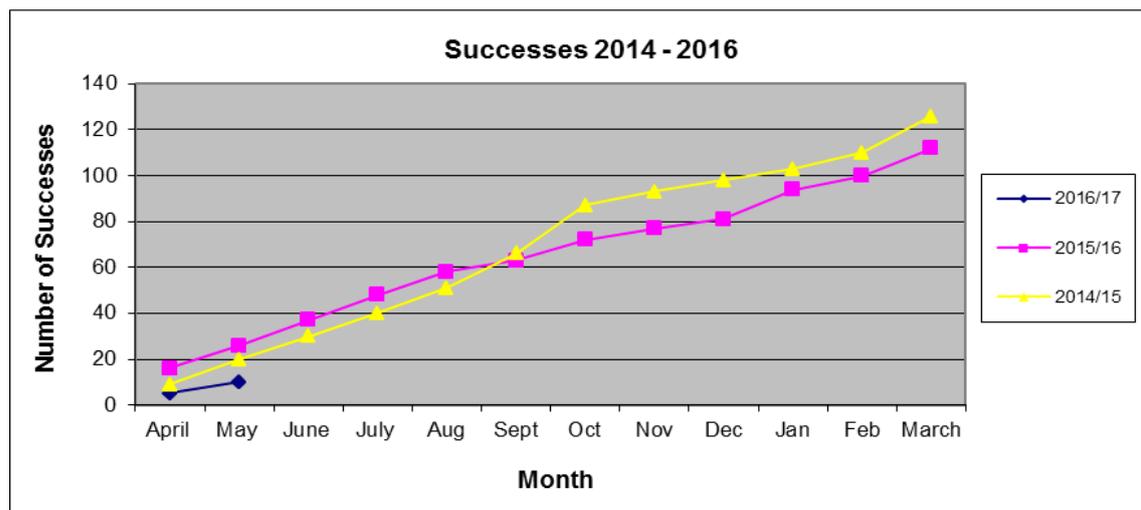
Follow us at @InvestMK at [www.twitter.com/InvestMK](http://www.twitter.com/InvestMK) and by joining our LinkedIn group at <http://uk.linkedin.com/in/investmk>

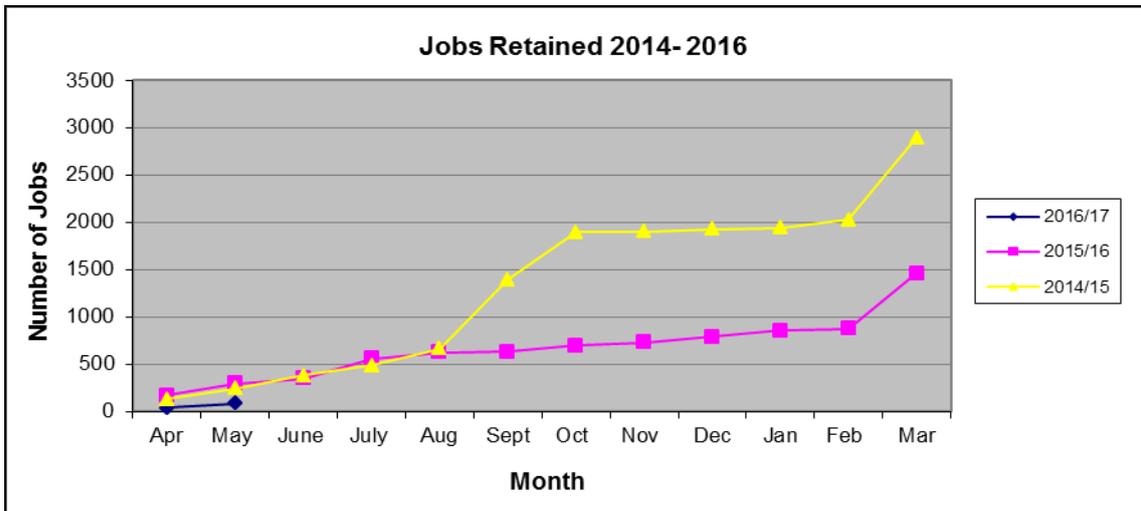
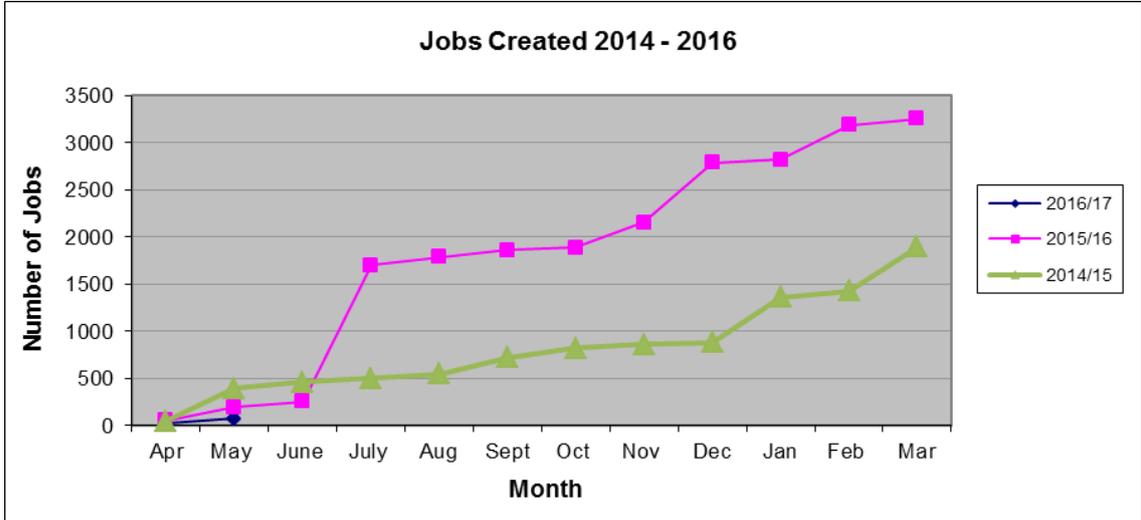
Pam Gosal  
**Head of Corporate Economic Development & Inward Investment**  
**Economic Development: Invest MK contact: 01908 200800**  
[enquiries@investmiltonkeynes.com](mailto:enquiries@investmiltonkeynes.com)

**Investment Success Update**

	April 2016	Year Total	May 2016	Year to date
Companies arriving in or relocating within MK	5	5	5	10
From Target Group*	1	1	2	3
Total Jobs Created	24	24	47	71
Total Jobs Retained	35	35	50	85

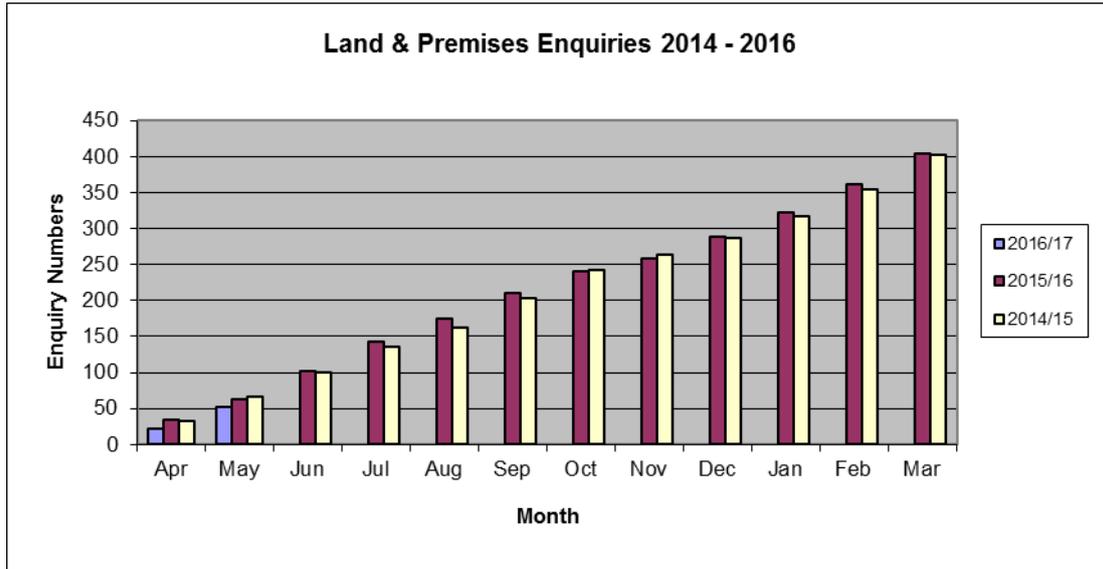
\* High growth, high value, knowledge-based businesses





### Enquiry Activity Update

The chart below shows the trends for commercial land & premises enquiries between 2014–2016:



### Enquiries

We have started 2016/17 well with a total of 53 enquiries for April and May, and 10 investment successes consisting of 5 micro, 4 small and 1 medium sized business. The team continues to promote MK through multiple channels and partners.

Our current enquiry caseload is 20 category 'A' and 50 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.)

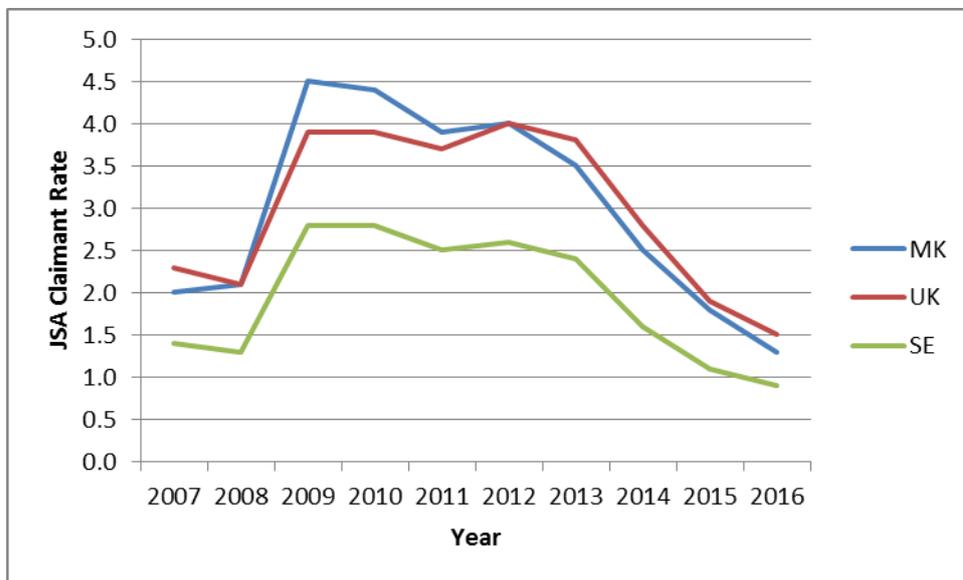
<b>Enquiries by Sector</b>	<b>April 2015</b>	<b>April 2016</b>	<b>May 2015</b>	<b>May 2016</b>
Office	6	7	9	9
Industrial	20	8	8	8
Retail	1	0	2	1
Land	2	0	3	4
Information and Support	5	7	7	9
<b>Total</b>	<b>34</b>	<b>22</b>	<b>29</b>	<b>31</b>



**The Labour Market in Milton Keynes, April 2016**

Unemployment (JSA claimant count) in Milton Keynes was 1.3% in April 2016. This is a fall of 0.1% from March 2016 and a fall of 0.5% from this time last year (the claimant count stood at 1.8% in April 2015). There were 2,231 claimants in Milton Keynes in April 2016. This is a decrease of 114 individuals from March 2016.

The Milton Keynes claimant count of 1.3% is lower than the national (UK) rate of 1.5% but higher than the regional (south east) figure of 0.9%. 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	2.0	2.3	1.4
2008	2.1	2.1	1.3
2009	4.5	3.9	2.8
2010	4.4	3.9	2.8
2011	3.9	3.7	2.5
2012	4.0	4.0	2.6
2013	3.5	3.8	2.4
2014	2.5	2.8	1.6
2015	1.8	1.9	1.1
2016	1.3	1.5	0.9

Source: Jobseekers Allowance, Office for National Statistics via NOMIS. NB: Claimant count data is taken from April of each year.



### **Getting our residents back into work**

We have had another successful period with increasing employment opportunities for local people. Economic Regeneration stakeholders providing employability support to job seekers continue to contribute to the reduction in unemployment levels in MK. The councils Neighbourhood Employment Programme (NEP) job start performance for March and April saw 65 people supported into work. This service continues to evidence its effectiveness with its positive interventions in supporting vulnerable people into work. The Troubled Families (Strengthening Families programme), has also continued to successfully engage with 24 families during the period January to March '16. As a result, another post has been seconded across from the DWP to assist and support this client group to enable it to expand its delivery.

A change over this period was the closure of the Richmond Fellowship employment support service who, despite the move and change of venue, still managed to engage with 72 clients and another 16 new people registering for support. This service, along with its three existing staff transferred into the NEP team and will continue to offer employability support for clients with mental health problems. The move will enable the service and its clients to gain from the wider support offered from the network of stakeholders who are part of the NEP partnership.

The Equality Works service with its focus on supporting unemployed people with special support needs has had a very successful period; supporting 4 clients into paid employment along with supporting 2 new clients at interviews and placing 5 clients into work experience placements. This service continues to remain active in securing training and employment opportunities for its client group.

Job Centre Plus (JCP) have also been successful in setting up training for unemployed people with the opportunity for interview via Sector Based Work Academies with several local business, including Pizza Express delivery (a new venture for this company) along with a variety of work experience opportunities and traineeships with the Hilton Hotel and Giraffe. The partnership between JCP and the NEP continues to strengthen with the agreement to set up a formal referral route into the NEP to ensure that all unemployed benefit claimants receive tailored employment support.

The Economic Development (ED) team continue to work closely with Economic Regeneration and enquiries from businesses interested in employing staff via the NEP, are passed through to the Regeneration team. The ED team work hard to promote the work of the NEP partnership wherever possible.

A strong network of providers in MK and the joint approach to supporting people into employment will continue to contribute to the ongoing reduction in unemployment levels in MK.