
SCRUTINY PANEL C
MINUTES OF THE MEETING HELD ON 29 JULY 2010

Present: Councillors Ball, Furnell, Jones and Letts

Apologies: Councillors Fitzhenry, Odgers and Thomas

4. **ELECTION OF CHAIR**

RESOLVED that Councillor Ball be appointed Chair for the Panel for the remainder of the 2010-2011 municipal year.

5. **APOLOGIES AND CHANGES IN PANEL MEMBERSHIP (IF ANY)**

The Panel noted that in accordance with the provisions of Procedure Rules 4.3 Councillor Ball had replaced Councillor Fitzgerald on the Panel for the remainder of the 2010 / 2011 municipal year.

6. **MINUTES OF THE PREVIOUS MEETING (INCLUDING MATTERS ARISING)**

RESOLVED that the Minutes of the meeting held on 1st July 2010 be approved and signed as a correct record.

7. **KNOWLEDGE ECONOMY INQUIRY - MEETING TWO PAPERS**

The Panel considered the report of the Head of Performance and Improvement regarding the second meeting of the inquiry into the local Knowledge Economy focussing on Higher Education with evidence from the two Southampton Universities and the 14-19 and Adult Education perspectives. (Copy of the report circulated with the agenda and appended to the signed minutes).

Councillor Bogle was present and with the consent of the Chair, addressed the meeting.

The Panel received a presentation from Dr Keith Johnson, Pro Vice-Chancellor (External Development), Southampton Solent University, regarding the university's role, relationship and contribution to the Knowledge Economy in the City.

Main themes of the presentation included:

- the university's contribution to the local economy and knowledge economy in particular
- the university's major role in current partnership working in the knowledge economy
- the university's plans for development
- suggestions for working better and more cleverly
- the importance of and ways of encouraging and supporting graduate enterprise and retention
- promoting innovation and skills.

Key points from the presentation included:

- on the contribution to the local economy:

- the main contribution from Solent university was not research as with the University of Southampton but vocational and professional development
- it was very much focused on the local economy and local communities
- niche areas of particular specialisms included:
 - marine engineering - product design, rapid prototyping and AMT
 - maritime operations (Warsash Maritime Academy)
 - media production and technology, broadcasting and creative industries
 - Solent Business School – particularly keen to meet the needs of and develop the social enterprise sector
- the university as an institution had a commitment to greater engagement with employers and addressing the skills gap that existed in the City
- a HEFCE investment of £7.8m had been secured enabling more flexible curriculum design and delivery.

- on partnership working which the university considered fundamental:

- the contribution made by the university with the Southampton Skills Development Zone (SSDZ) which aims to address local skills needs and provide routes into work and education for the “workless” and unemployed
- Graduate Jobs South - working with other universities and employers to find suitable graduates to fill their jobs and help graduates find suitable work in the region – thus promoting economic development and growth while at the same time promoting graduate retention in the City
- community capacity building and economic development through projects such as Thornhill/Outer Shirley/South East Coastal Community project
- economic regeneration e.g. Woolston Marine Employment Zone/Marine Maritime Innovation Centre/ Social Enterprise incubation).
- technology transfer/Innovation and Growth and Future Local Enterprise Partnership(s) – LEP.

- regarding University plans for development included:

- purchase of PCT and Imperial Developments sites on East Park Terrace
- campus co-location with major employer(s)
- Consortium for development of hybrid Marine and Maritime Innovation Centre at Woolston Centenary Quay as part of SEEDA/SCC designated Marine Employment Zone.
- extension of Southampton Skills Development Zone (SSDZ) into other private sector areas, in particular –
 - marine (Solent Marine Skills Development Zone – SMSDZ) offshore surveying and super yacht engineering;
 - construction and
 - retail.

It was explained that setting of timelines by SEEDA had been a major source of frustration in this area

- advanced apprenticeships, in addition to Graduate Placements and graduate retention via the successful GJS to provide a linked programme from low level skills to graduate level and beyond.

- on working better and more cleverly
 - generally it was suggested that there was much room for improvement and that a more unified view was required, particularly regarding environmental awareness and sustainability; avoidance of the ‘not invented here’ syndrome; additionality and complementarity, not competition; business engagement and leadership were required to produce effectiveness not “obscuration”; with vision backed by preparation and capacity for delivery.
- regarding the importance of and ways of encouraging and supporting graduate enterprise and retention:
 - through enterprise and entrepreneurialism within the curriculum (e.g. involving guaranteed student placements– students getting skills, getting into local companies and then staying there)
 - by actively encouraging and supporting under-graduate and graduate ‘spin-out’ e.g. through the government funded Student Placements for Entrepreneurs in Education (SPEED) scheme, which offers entrepreneurial students business start-up training, mentoring and financial support while they are studying – generally enabling students to come up with business ideas they can take forward and benefit the local community
 - by focussing on business skills and social enterprise (including mentoring support for incubation of both business and social enterprise initiatives, especially in a period of public service cuts).
 - consolidating the achievements of Graduate Jobs South.
- on promoting innovation and skills:
 - by moving to Life Long Learning and encouragement of part-time study.
 - ‘Bite-sized’ approaches to accredited/unaccredited learning and personal/professional development.
 - emphasis on greater Continuous Professional Development (CPD) provision.
 - assurance of more flexible design and delivery of skills training and education: flexible, blended and distance learning.
 - raising aspirations and levels of achievement: instilling both motivation and opportunities for progression (14-19 Consortium and Education-Business partnership).

In discussion, the following points/questions were raised and discussed by the Panel:-

- that the City was good at churning out graduates but not at providing local destinations
- that the branding of the City was an important factor in retaining students – presenting Southampton as an attractive city in which to live and work
- creating the aspiration for achievement should start in City schools to help raise low expectations of local population
- areas of the local economy to focus on were
 - marine and maritime including logistics,
 - ICT and media creative industries –
 - Social enterprise and healthcare
- that dealing with the public sector / City Council often proved difficult due to discontinuity, uncertainty of leadership, “silos”,

- the SPEED programme had started with a cohort of 68 start-up businesses of which 43% were still trading
- that there was a need for the local authority to produce a package for such start up businesses e.g. on premises, rates, planning issues; business advice.

The Panel also received a presentation from Professor Philip Nelson, Pro Vice-Chancellor, and Dr Tony Raven, Director of Research and Innovation Services, from the University of Southampton, on the university's agenda and the theme of enterprise in relation to key issues regarding the knowledge economy.

Key points from the presentation included:-

- that the University of Southampton had a complimentary mission to that of Solent University being more research intensive with approximately £135m annual expenditure on research activities
- the university's mission was "Through education, research, innovation and enterprise, we provide opportunities that transform the lives of our students, our community, society and the economy."
- statistics relating to the university and its activities were:
 - among the top 100 universities in the world
 - part of the prestigious Russell Group of research-intensive UK universities
 - ranked fourteenth in the UK for research income
 - has an annual turnover of almost £400m
 - has more than 22,000 students and 5,000 staff
- the invention of the world wide web came from Professor of Computer Science in the School of Electronics and Computer Science, University of Southampton
- that the university is a world-leader in oceanography research - the maritime theme also included maritime law and archaeology
- that the university provided high level policy advice on climate change
- the research advice on life changing energy such as clean technology, bio fuels, was the best in the UK with the potential to turn into local economic activity
- the university was broad based generating highly qualified people – PHD master students across disciplines such as medicine, law
- there was however a firm belief in providing multiple opportunities and producing more rounded individual through pioneering and flexible curriculum changes
- it was investing heavily in supplying skills locally
- the university's facilities were world class including:
 - a £47m Life Science building
 - £100m investment in the new Mountbatten building including groundbreaking nanotechnology and optoelectronics research
 - a new £3m super-computer - the fastest Microsoft Windows-powered computer in Europe used for a range of multidisciplinary research projects.
- around 50 local companies could be traced back to "spin-out" companies from the university - Southampton based PrimerDesign Ltd, was the first company globally to produce a DNA test kit for the Mexican H1N1 swine flu
 - ranked third in the world for creating spin-out companies after Stanford and Cambridge universities
 - nationally spun out twelve successful companies since 2000; four of which have been floated on London's Alternative Investment Market, with a combined market capitalisation value of £180m

- there was wide and varied collaboration with industry including multi-national companies – for example on Rolls Royce aero engines
- Knowledge Transfer Partnerships second in the UK for working with small and medium size enterprises
- the university's was committed to improving the social and economic wellbeing of the Southampton area –
 - with over 5,000 staff is among the top ten employers of the south east of England
 - internship schemes benefit businesses in the region, with over 60 businesses currently taking part
 - many students (around 1500) engage in volunteering activities in the local community - running sports clubs, arts activities, working in local schools, and contributing to a wide range of community projects - using European Social Fund guidelines to value time given, the total value of student volunteers' time to the local community over £1million each year
 - the economic impact statistics locally were:
 - students at the University spend £195 million per year in the City supporting 2,266 FTE jobs
 - annual salary expenditure from the University amounts to £59million in Southampton and £71 million in the wider region; supporting a total of 1,187 jobs in Southampton and a further 1,777 in the South East (principally Hampshire)
 - most of the University's employees reside in Southampton
 - the University is home to three nationally renowned arts venues (Nuffield Theatre, Hansard Gallery, and Turner Sims Concert Hall), all of which are Arts Council RFO Accredited (Regularly Funded Organisations) and all are highly regarded for their local community and outreach work
 - regarding local use of campus facilities:
 - over 120,000 local people each year make use of facilities on the Highfield campus including 85,000 visitors to the three arts venues, and 35,000 people hiring facilities for weddings, conferences and meetings
 - Visitors to the arts venues spend an additional £8 million a year in the local economy
 - the University attracts major companies (e.g. Lloyds Register, Merck, Trumpf) to locate in the region specifically to strengthen links to the University
 - the continuous supply of highly qualified graduates attracts business and feeds the local economy
 - More than 50 companies are based on the University of Southampton Science Park - from fledgling enterprises through to businesses that lead the world in the fields of pharmaceuticals, software design, satellite broadcasting and mobile telecommunications.
- the University of Southampton is also part of the Setsquared Partnership - a collaboration with the universities of Bath, Bristol, and Surrey in enterprise activities and collective support for the growth and success of new business opportunities through spin-outs, licensing and incubation

The Panel discussed issues arising from the presentation including that of how to make the City more attractive to businesses and the need to have a coherent package to offer. Key points of the discussion included:

- the success of locations where business could cluster together was recognised – Bristol and The University’s Science Park being good examples – business tended to be dispersed throughout the City
- social infrastructure – attractive leisure facilities, good schools – was important to attract potential employees
- anticipating needs for the future was an important factor – for example the growth of the internet
- clean / green technology on offer in the City was seen as a strength
- whilst the City had a good transport infrastructure - traffic issues presented a challenge
- the skills gap in the City lead to a shortage of technicians.

The Panel identified the importance of the City growing its own businesses and the value of students being given appropriate advice on practical business skills as part of the core skills curriculum to encourage turning / taking ideas forward. However, the need to balance this with a quality degree course was recognised.

The Panel also received a presentation from the Senior Commissioning Manager, Children’s Services and Learning, together with Angela Wright, Chief Executive, Solent Education Business Partnership, regarding the promotion of innovation, skills and enterprise through 14-19 and adult Learning. The Panel also viewed a DVD recording on inspiring young people about living and working in Southampton.

Key points on how to promote innovation in the City included:

- contributory factors
 - comprehensive market intelligence.
 - Inspirational information, advice and guidance and incentives for individual and employer choice
 - supply of the right skills in the most appropriate and flexible way.
 - development of demand and growth of high skilled jobs, innovation and enterprise.
- a proposed model for knowledge economy development involving:
 - corporate (across SCC directorates) and multi-agency working
 - labour market intelligence and intervention
 - informed choice by individuals, (14 –19 and adults) and employers
 - the right high level skills available and appropriately delivered
- Key drivers for change
 - Demographic, technological and environmental change
 - Regulation and governance
 - Consumer demand
 - Economics and globalisation
 - Values and identities
- Skills needed for future economic growth, including:
 - management and leadership.
 - professional skills.
 - technical and equivalent skills including medical and pharmaceutical
 - intermediate vocational skills
 - care related skills to include ICT to enable client access
 - customer service and employability.
 - enterprise

- construction, marine, retail and hospitality
 - events management e.g. major sporting events
- statistics relating to the fastest growing occupations in England
- the work and membership of the Southampton 14-19 Consortium
- priorities of the Southampton 14-19 Learning, Skills and Employability Strategy 2009 – 2012:
 - improving the effectiveness of the 14-19 Partnership
 - strengthening employer engagement and work related learning
 - improving the curriculum and the range of learning opportunities
 - enabling all young people to make informed choices through information, advice and guidance
 - commissioning of learning and training provision to the City's residents
 - developing a world-class learning infrastructure and environment.
- priorities of the Adult Learning and Skills Plan to ensure opportunity for adult learners to gain the knowledge and skills needed to play an active role in their own life, their community and the City's economic growth
 - Narrow the gap in participation in adult learning and skills to increase quality of life and opportunities for all Southampton residents.
 - Work with employers, developers and contractors to maximise the learning skills and progression opportunities for all.
 - Jointly commission adult learning to maximise resource and outcomes
 - Develop lifelong learning and skills through building on and recognising previous achievement
 - Continuously improve the quality of teaching, training and learning
- opportunities for Developing the knowledge economy
 - unique placing with two universities, strong research and development base, marine technology
 - Strong existing partnerships with employers, training providers and wider agencies
 - Section 106 and procurement processes to maximise skills outcomes from major developments and contracts
 - PUSH and local enterprise partnership initiatives
 - Local authority duty for economic assessment
 - Local authority Strategic role in promoting learning and skills for 14-19 year olds and adults
 - In-house information, advice and guidance delivery
- challenges to this development included:
 - Loss of Post 16 Commissioning Function due to funding
 - Low existing skillsbase
 - Availability of market intelligence / predicting skills needs
 - Reduced funding for learning provision both from Government and employers
 - Low existing skills base and deprivation factors

Key points from subsequent Panel discussion included:

- that previous focus on NEETS and vulnerable groups had been to some degree at the expense of those with possibly higher aspirations
- careers advice in schools was considered inadequate due to insufficient engagement with employers and changing priorities
- need to capitalise on S106 agreements

- need to exploit the City as a Gateway to the cruise industry
- some of the greatest entrepreneurship came from the immigrant population of the City and could be better exploited
- the City Council had a major role to play in improving the quality of life offer
- insufficient opportunities available to graduates in the City
- there needed to be extra training available for low level employers especially with the loss of medium and large companies
- social deprivation in the City impacted on its economic development – for example poor performing schools
- better guidance was required for students on future courses rather than focus on marketing

RESOLVED that the reports and presentations be noted and the information provided be entered into the Inquiry's file of evidence.