SCRUTINY INQUIRY PANEL - FUTURE OF WORK IN SOUTHAMPTON

MINUTES OF THE MEETING HELD ON 17 JANUARY 2019

Present: Councillors McEwing (Chair), Fitzhenry (Vice-Chair), Bogle, Coombs, Guthrie and Laurent

Apologies: Councillor Furnell

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

The apologies of Councillor Furnell were noted.

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

RESOLVED that the minutes of the meeting held on 20 December, 2018 be approved and signed as a correct record.

11.   **THE FUTURE OF WORK IN SOUTHAMPTON – WHAT IS REQUIRED FOR SOUTHAMPTON TO BECOME A CENTRE FOR AI, ROBOTICS, SMART AUTOMATION AND THE DIGITAL ECONOMY?**

The Panel received the report of the Director, Legal and Governance, which in accordance with the inquiry plan, requested that the Panel considered how Southampton could benefit from the rapidly expanding technology sector and become a centre for Artificial Intelligence (AI), robotics, smart automation and the digital economy.

Following discussions with invited representatives the following information was received:

1. Catalysts for UK Digital Tech Growth and Innovation – Harnessing the power of universities, nurturing and developing

Catherine Lee - Director of Research, Innovation & Enterprise, Southampton Solent University

- Solent University are ranked 8th in the country for student start-ups. These are primarily tech business, some of which have gone on to be very successful.
- Starting up a business is easier than growing the business. We find that students either lack the technical or business skills required.
- Students get support from Solent, including funding, but many need more support than can be provided by the University alone.
- Students would value an informal, dynamic venue that could act as a one-stop shop for tech support, business advice and funding bringing together business, university and skills.

David Bream - Director, Southampton SETsquared, University of Southampton

- The SETsquared Partnership is the global no. 1 business incubator and enterprise partnership comprising five research-intensive universities: Bath, Bristol, Exeter, Southampton and Surrey.

- Southampton SETsquared site is centred on the University of Southampton Science Park – 17 buildings, 100 companies, 1,000+ jobs, £500m economic value per annum.
- Innovation happens in clusters or themes. Clusters can be supported to develop. At the Science Park a cluster is developing around orthopaedic medicine.
- The Science Park is open to people that are not graduates of the University of Southampton but most are recruited from the University.
- Low failure rate of businesses supported through SETsquared (only 20-30 businesses a year) due to high level of support provided (business planning, management support, financing) and the selection process. SETsquared is a successful specialist and niche business incubator. However, they are being tasked by the Government to increase the number of companies that they work with and to deliver programmes with a wider capture.
- Companies that outgrow the Science Park are encouraged to remain part of the Science Park community and engage in the networks and support new start-ups.
- Businesses tend to stay in Southampton if they become established here. Southampton has a lower cost base than London and is a pleasant place to live.
- The University of Southampton has a number of programmes, aside from SETsquared, to support business start-ups. These include Future Worlds, a campus initiative to grow businesses and accelerate start-ups which has a network of mentors, investors and experts, and Z21, an initiative to accelerate University of Southampton web stat-ups towards investment and rapid growth.
- The Science Park has ultra-fast broadband but there is a general need to invest in the broadband infrastructure in the city.
- Catherine Lee and David Bream sit on the Solent LEP Innovation Panel

Denise Edghill - Interim Director for Growth, Southampton City Council

- A number of organisations are available in Southampton to provide support to business start-ups. Creative Growth Southampton is a new business support initiative established to help grow and develop small creative industry businesses in Southampton. It provides business advice, networking, mentoring and training - www.creativegrowthsouthampton.co.uk
- The Solent LEP Growth Hub also provides business support www.solentgrowthhub.co.uk
- The Council's role is to access available funds and to support local organisations take advantage of the funding streams and raise awareness of the opportunities.
- A new role has been established (Economic Development Operations Manager) within the Council's Growth service to make people aware of what is on offer and what the gaps are to support economic development in Southampton.

2. **Catalysts for UK Digital Tech Growth and Innovation – Boosting digital connectivity**

   Sue Daley - Associate Director, Technology & Innovation, TechUK - the representative body for the UK tech sector

- Key ingredients for growing the tech sector in a city are:

- o Leadership and vision
- o Connectivity – Superfast broadband, 5G
- o Collaboration between business and academia
- o Data – Data is the fuel for AI companies. Companies need open data. Open data is happening in Milton Keynes, London and Leeds (working with the Open Data Institute)
- o Computer Power – Small organisations need to access high performance computing technology
- o Cyber Security
- o People – Access to skills and talent
- Tech UK are happy to help Southampton develop the tech sector, particularly to support open data initiatives.

Denise Edghill - Interim Director for Growth, Southampton City Council

- Two applications to Government for full fibre network funding have been unsuccessful. We are exploring alternative mechanisms to deliver 5G.
- Southampton Connect is working on establishing a data trust.
- Connected Southampton, the project between Southampton Connect and the Web Science Institute of the University of Southampton, has commenced a Virtual Infrastructure project to provide organisations, particularly smaller ones that cannot afford to build their own physical infrastructure, access to enterprise-grade technology such as servers and applications.
- Dr Deborah Smart, Service Lead for Digital and Strategic IT will be in attendance at the 7 February meeting of the Inquiry Panel to provide additional detail on the Council's Digital Strategy and proposed actions.

3. Catalysts for UK Digital Tech Growth and Innovation – Physical spaces for company formation and growth

Denise Edghill - Interim Director for Growth, Southampton City Council

- The Network co-working space is due to open shortly. The Council's £1.3m development will provide a new and cutting edge space, offering an environment that will support creative, digital and knowledge based entrepreneurs by providing a collaborative working environment. The Council will be curating the space at Network and support will be provided to businesses using the facility. It is a skilled job to run Network and work effectively to support the businesses.
- Coffee Lab is also opening a co-working facility in Southampton.
- Plans are being developed for a new Central Business District in Southampton from the train station across to the waterfront. Looking to create the business environment of the future in Southampton with a mixture of business and residential opportunities.
- Proposals for a new creative hub in the city utilising shipping containers to add to the diversity of creative spaces in the city.

A perspective from a Director of a creative industry business in Southampton

Dan Thomas – Founder and Director, MOOV2, a company recently acquired by EtchUK (also based in Southampton)

- There are lots of capable people in Southampton but awareness of the tech sector and celebration of the sectors achievements are limited.
- Feeling that neighbouring cities such as Bristol, Brighton and Bournemouth are more dynamic than Southampton and are perceived as being more vibrant and cooler.
- Limited support for events that are happening to promote the sector in Southampton – MOOV2 have been running HackSoton (www.hacksoton.com) for 6 years to raise profile of opportunities within the sector. Help with awareness and communications would be appreciated.
- More collaboration, networking, co-ordination and events would help to raise profile, awareness and vitality of the sector. Need the city to shout about what we have.
- Bournemouth, Guildford and Portsmouth have digital weeks to bring people from the sector together, to network and to celebrate. This would be a valued initiative in Southampton and could help to change the perception of Southampton.
- MOOV2 applied for and received 'Bridge the Gap' funding from the Solent LEP. Whilst the funding was welcome the process was time consuming and risk averse.

Denise Edghill - Interim Director for Growth, SCC
Jeff Walters – Service Manager, Economic Development, SCC
Matthew Hill – Economic Development Operations Manager, SCC
Sajid Butt – Strategic Skills Manager, SCC

- The City Council is working collaboratively with partners to develop a narrative to celebrate and promote the city.
- Recognition that there are a number of examples of innovative and vibrant businesses operating within the tech sector in Southampton. Great stuff is operating in pockets across the city.
- There is a need to showcase the tech sector in the city through a series of events to generate a critical mass of ideas.
- Potential to use, as suggested by Cllr Bogle, the City of Culture bid as a catalyst to harness the strengths of the sector and to develop the USP of the city.
- Opportunity to build on the strengths of the city in maritime and marine and geo-spatial with Ordnance Survey based in Southampton.

Suggested initiatives to grow the tech sector in Southampton – Good practice

- Sheffield's iForge makerspace (www.iforgesheffield.org)
- Bristol's strategic approach and ability to talk up the city
- Bristol's Engine Shed (www.engine-shed.co.uk) - Housed in Brunel's original station, dating back to 1841 Engine Shed houses a number of 'Components' that together make a hub for activity where entrepreneurs, business leaders,

academics, students, and corporates can collaborate, inspire, and be inspired, enable and be enabled. It showcases the strengths and innovations of the Bristol and Bath city region in an informative and inspiring way.

- Whilst recognising the contribution Southampton Science Park makes to Southampton there is the potential to create a digital shipyard (mirroring some of the Engine Shed principles) in Southampton as part of the CBD development to bring together businesses and incubators.
- Look to develop alternative spaces (shipping container proposal is interesting) as young creative people are drawn to different locations. Southampton has amazing locations for new tech companies such as the Mill in the docks and Itchen Riverside.
- A way to bring the sector together, raise profile, encourage clusters to develop, and encourage innovation is to coalesce around a problem that needs to be solved in the city. The use of AI and innovation to solve public sector problems could benefit the economy and the city.
- Improve branding, packaging and make it happen.

RESOLVED that the comments made by Catherine Lee – Director of Research, innovation & Enterprise, Solet University; David Bream – Director, Southampton SETsquared, University of Southampton; Sue Daley – Head of Programme Cloud, Data, Analytics and AI for Tech UK; Dan Thomas – Founder and Director of MOOV2, digital specialists based in Southampton that was recently acquired by EtchUK; Denise Edgehill – Interim Director for Growth, Southampton City Council; Jeff Wlaters – Economic Development Manager, Southampton City Council; Matthew Hill – Economic Development Operations Manager, Southampton City Council; Sajid Butt – Strategic Skills Manager, Southampton City Council be noted and used as evidence in the review.