

**Enterprise M3 Programme Management Group**

**9 May 2019**

**Capital Programme Update – Item 5**

Enterprise M3 Board Members are asked to:

**NOTE:** the final position on expenditure to end of 2018/9

**NOTE:** the update on outputs to the end of 2018/19

**NOTE:** the current progress in delivering Enterprise M3's capital programme, including the draft Delivery Plan 2019/20 which sets out the key deliverables for the year ahead.

**ENDORSE:** the proposed approach in relation to the Guildford Bike Share project.

**ADVISE:** on potential next steps for the Guildford Housing Zone project

**1. Background - Enterprise M3 Capital Funding**

1.1. Since PMG last met in March 2019, we have seen a number of key achievements within our capital programme, including:

- Expenditure of £36.9m of Local Growth Fund in 2018/19. This was above the forecast given at the Annual Performance Review with Government in January 2019. £10m of this funding was given as loans and will allow Enterprise M3 to re-invest the funding at a later date. This achievement represents a huge effort by the whole team and our delivery partners to accelerate the delivery of projects in 2018/19, with 28 new contracts signed over the course of the year. A key aim for 2019/20 is to maintain this momentum into the new financial year.
- A further strengthening of our forecast year end position for 2018/19 in terms of outputs with both the jobs created/forecasted and new homes completed target having been exceeded. We are currently working through the final project reports and an updated near-final position will be given verbally at the meeting.
- The second closing date following the launch of our new Prospectus in December 2019. We received nine bids, seeking over £11m of funding from Enterprise M3. These proposals are currently being reviewed and we will report these to PMG at a telephone conference meeting in June 2019.
- The submission of our draft Delivery Plan to Government, this will be finalised by the end of May 2019 and published on the Enterprise M3 website. A draft of the Delivery Plan is attached to this paper (see Appendix 1) and a summary of the key deliverables relevant to our capital programme is given in section 3.

**2. 2018/19 Year End Position**

2.1 Enterprise M3 was allocated a further £36.81m for the 2018/19 financial year from its agreed £219m six year Growth Deal with Government. To date, we have received £158.6m of Local Growth Fund from Government, of which £136.3m has been distributed to projects. The table below shows this information by year.

	<b>LGF Funding Allocated (£m)</b>	<b>Actual Funding Distributed to date (£m)</b>	<b>% of Allocation Distributed</b>
2015/16	35.3	28.7	81%
2016/17	40.8	40.2	99%
2017/18	45.7	30.5	67%
2018/19	36.8	36.9	100%
<b>Total</b>	<b>158.6</b>	<b>136.3</b>	<b>86%</b>

- 2.2 The table reflects the final expenditure figures for 2018/19 for our Local Growth Fund. In 2018/19, Enterprise M3 distributed £36.9m of funding to projects across Hampshire and Surrey and this represented just over 100% of funding available in that year. All remaining funding from 2017/18 will be carried forward to Enterprise M3's 2019/20 capital programme and it is anticipated that it will be fully utilised by the end of the financial year. Overall, Enterprise M3 has distributed just over £136m of funding since the Local Growth Fund programme began in 2015 and this represents 86% of our available allocation. A final expenditure dashboard for 2018/19 is attached at Appendix 2.
- 2.3 In terms of project outputs, the majority of information on the year end position has now been received from our projects, although we are awaiting some information from a small number of projects. The figures available at the time of writing show that Enterprise M3 exceeded the in year target for jobs created/safeguarded and also exceeded our new homes completed target by a significant margin. The latest information shows that our apprenticeships figure is significantly lower than had been forecast at the start of the year and our commercial floorspace target may also not be achieved. Work is currently underway to finalise the position in terms of outputs and a verbal update on the near-final position will be given at the Board Meeting.
- 2.4 Our Annual Report will report fully on the figures above, as well as performance across a range of our activity using a number of measures.

### **3. 2019/20 Capital Programme and the Delivery Plan**

- 3.1 LEPs must now produce a Delivery Plan which sets out what is expected to be delivered over the financial year 2019/20. This is a new requirement from Government and focused largely on the capital funding for which LEPs are responsible. A draft of the plan was submitted to Government at the end of April and a final document must be published on the Enterprise M3 website at the end of May 2019.
- 3.2 The Enterprise M3 Board at the end of May 2019 will sign off the final version of the plan and the latest draft is attached at Appendix 1. This plan sets out that over the course of 2019/20, Enterprise M3 will deliver the following through its capital programme:
- Local Growth Fund expenditure of £45m
  - 2500 jobs created/safeguarded
  - 1000 new homes completed
  - 9,000sqm of new employment floorspace
  - Support 300 apprenticeships
  - Create/refurbish 5,000sqm of learning floorspace
- 3.3 The measures above will form our key performance indicators with Government and will be the baseline against which we will report our progress across 2019/20 and will form the basis of our Annual Performance Review. Our usual expenditure and output dashboards will be updated to reflect this information and will be available from the June 2019 PMG meeting.
- 3.4 We will also continue to report to PMG and Board on the following detail in order to provide a regular update on the progress against our targets:

## Key Performance Indicators – May 2019

Key Performance Indicator	Current forecast	Actual (as at 1 May 2019)	Change since last report
Expenditure			
• Expenditure of £45m of LGF in 2019/20	£45m	£0m	N/A
• Total LGF expenditure across programme to date of £181m (103% of the total allocation to date)	£181m	£136m	N/A
Income from loan repayments - £2.42m in 2019/20	£2.42m	£0m	N/A
Outputs			
• 2500 jobs created/safeguarded	2500	0	N/A
	1000	0	N/A
• 1000 new homes completed	9000	0	N/A
• 9000 sqm commercial floorspace completed			
• 300 apprenticeships supported	300	0	N/A
	5000	0	N/A
• 5000sqm learning floorspace completed/refurbished			

3.5 As we are now in the penultimate year of the Local Growth Fund programme, it is also important to keep our contractual commitments under review. The Enterprise M3 Board have agreed an approach by which we can over-programme by 10% and our loan repayments and the combined management of the LGF and GEF allow us some flexibility about how we manage the individual projects over the course of the next two years. We are also continuing to strengthen our pipeline of projects and the detail below provides PMG members with the latest information on contractual commitments, allocated funding and available unallocated funding as at the 1 May 2019.

- LGF/GEF funding available (including 10% over-programming) 2019/20 – 2020/21 – £112m
- Contractual commitments – £35.6m (32%)
- Approved projects still subject to contract – £29.6m (26%)
- Allocated funding not yet approved by PMG/Board –£47.6m (43%)
- Available funding to allocate to new projects – £0m

3.6 As the figures above show, there is no available funding to allocate at this current time although we anticipate some change within the programme over the coming weeks. The Project Team will be meeting in mid-May to review the current programme in advance of a

future PMG meeting to consider new Expressions of Interest. PMG are being asked to consider approving/recommending approval for £9.66m of projects at the May meeting. Should these papers at item 6 on the agenda be agreed, this would impact the figures in the following way:

- Approved projects still subject to contract - £39.3m (35%)
- Allocated funding not yet approved by PMG/Board - £37.9m (34%)

#### 4. Projects awaiting approval

- 4.1 As over 40% of the capital programme is still subject to either PMG/Board approval, it is proposed that the presentation of full business cases to these groups is closely monitored. We will look closely at projects that are slipping from their expected Business Case submission date and may take action to replace them with projects from the emerging 'Development Pool' where appropriate. The advice of PMG will be sought before any action is taken to remove projects from the programme.

Project	Amount	Expected date for business case to be presented to Board/PMG	Change since last PMG meeting
Camberley London Road Highway Improvements	£3.75m	May 2019	
Sparsholt Animal Health & Welfare Research Facility	£1.15m	May 2019	
Innovation South Virtual Campus	£0.49m	May 2019	
Guildford Housing Zone	£7.5m	May 2019	Delayed - see section 5 of this paper
Basingstoke SW Corridor to Growth – Brighton Hill	£13m	May 2019	Will go to July PMG and Board Meeting.
Farnborough Growth Package	£6.7m	July 2019	Brought forward and will be presented to May PMG and Board.
Aldershot Town Centre Regeneration	£1.2m	July 2019	
Blackwater Valley Gold Grid Public Transport Corridor – Hampshire Elements	£1.5m	July 2019	
Basing View 5G Living Lab	£2.4m	July 2019	
Health Tech Accelerator	£2.16m	July 2019	
Performance Materials Innovation Centre	£2m		
Aerospace Research and Innovation Centre	£2.56m	July 2019	
Fleet Pond Green Corridor	£2.1m	July 2019	
Guildford Bike Share Scheme	£0.3m	July 2019	
North Downs Line	£0.95m	July 2019	

#### 5. Project updates

- 5.1 The capital programmes paper is also used in order to draw PMG members attention to significant changes in projects and to seek advice and guidance on key issues as business cases are developed and due diligence work is undertaken. It was also agreed in March 2019 that a regular progress update on Station Approach, Winchester would be provided as this project makes up a significant proportion of the capital programme in the final year.

## **Login Business Café, Camberley**

- 5.2 Since the PMG last met in March, the Login Business Café, Camberley project has been removed from the capital programme at the request of Surrey Heath Borough Council who were leading the project. As a result of this request, the £1.5m allocated to this project has been released back into unallocated capital funding and this is reflected in the figures presented in this paper.

## **Guildford Bike share scheme**

- 5.3 Guildford Borough Council submitted a revised Expression of Interest for the Guildford Bike Share scheme in February 2019. The revised cost of the scheme was £830,000 with Local Growth Funding of £300,000 (36%) sought. Key changes to the revised Expression of Interest compared to the submission in July 2018 in response to previous comments from PMG include a reduction in the funding request (from £600,000 to £300,000), with an associated reduction in infrastructure requirements, such as number of electric bikes and docks required. The scheme now proposed is for a bike share scheme providing between 25-30 bike docking hubs with a fleet of approximately 150-175 electric bikes. The infrastructure provided would be compatible with, or replace and encompass the existing Nextbike scheme at the University of Surrey. This network currently comprises 8 docking hubs and 50 bikes. In addition, the bike share scheme will be supported by a number of measures such as signing and lining around docking hubs, and will also complement other schemes already supported by the EM3 LEP through the Local Growth Fund, including Guildford Town Centre Transport Package and Unlocking Guildford Package. The bike share scheme will help achieve modal shift towards active travel along with health and air quality improvements, increased visibility of cycling in the borough and improved access to jobs, education and amenities with 'first mile / last mile' connectivity issues addressed.
- 5.4 AECOM have carried out a further high level assessment of this but not provided a firm recommendation. They did however highlight a number of issues. In particular they have highlighted there are risks around the current changes in the bike hire market. They suggest that we could conduct further research about the success of other schemes and particularly the robustness of the existing University of Surrey scheme that the Guildford proposal will link into and/or encompass. There have certainly been a number of high profile failures of bike hire scheme recently, particularly with dockless schemes; which is one of the reasons why a docked scheme is proposed. It has also been highlighted that the economic impacts have not yet been assessed for the scheme, but this is in line with our expectations when only an Expression of Interest is considered. We could consider the submission of a full business case, but given the low level of funding being sought this considered to be disproportionate. As the scrutiny therefore doesn't address these issues in any depth and the request is only for a small amount of grant, with the potential to be a high profile intervention which is in line with the priorities contained in the prospectus, it may be that PMG wish to accept that whilst there are risks associated with the scheme it is nevertheless something that they might wish to support. It is therefore suggested that we meet with Guildford Borough Council to discuss the issues raised through the scrutiny and then bring a firm recommendation back to the next meeting of PMG, based on these discussions. PMG members are asked to endorse this proposed approach.

## **Station Approach, Winchester**

- 5.5 The LEP Board approved an allocation of £5m to the Station Approach, Winchester subject to meeting key milestones with respect to outline planning permission, scope and securing a development partner. The application for outline planning permission was submitted at the end of March following approval by Winchester City Council's Overview & Scrutiny Committee and Cabinet. LEP officers are meeting regularly with the City Council to ensure the key milestones are met and they are happy to take up the offer from Board Member, Jim McAllistair, to support them through the sale and procurement process.

## **Guildford Housing Zone**

- 5.6 Guildford Borough Council (GBC) are seeking £7.5million of LGF grant funding towards the Slyfield Area Regeneration Programme (SARP) on an existing 41ha brownfield site currently utilised for a GBC depot, Thames Water (TW) Sewage Treatment Works and Surrey County Council (SCC) waste management facilities. SARP is designated as a Housing Zone by Homes England and seeks to support the development of 1,500 homes (40% affordable) as well as 17,500sqm of light industrial and retail space. The LEP funding of £7.5m would be used to cover the costs of remediating the site as well as enabling works including the relocation of the current uses. Other proposed sources of public funding for the scheme include a large Housing Infrastructure Fund (HIF) application, a Public Works Loan Board (PWLB) loan and direct contribution from the local authority. None of these funding sources have been secured yet. At this stage, the housing delivery is expected to be privately financed.
- 5.7 GBC submitted a full business case for scheme in February 2019 and AECOM have conducted due diligence on this. The due diligence highlighted a number of areas where further evidence is required before they consider that the LEP is able to make a firm commitment to funding. They also suggest that an updated Business Case should be submitted when the scheme reaches a level of maturity that is compliant with the requirements of our Full Business Case. The key issue we need to consider at this stage is around funding.
- 5.8 With such a large and complex scheme there are a number of interdependencies and there are inevitably risks associated with confirming funding support until they are all in place. Potentially the LEP has the opportunity to commit funding to help to bring forward a major housing site, much more quickly than would otherwise be the case. By demonstrating a firm commitment to the scheme we will enable GBC to go to the market much more forcefully and show that funding is in place to make the site attractive to potential developers. However, the LEP funding on its own is unlikely to be sufficient to achieve this and if HIF and PWLB funding can also be secured this will help to make a compelling case. At this stage a PWLB application, which would be the main source of funding has not been made and GBC's capital investment is not due to be confirmed until October 2019. Furthermore, Homes England are currently considering the HIF submission with a decision expected shortly and we are engaging informally with Homes England to discuss the application with them. PMG are therefore asked for a view on how much risk they are willing to take on a scheme of this nature. There is clearly the potential to secure significant long-term outputs by investing in this scheme but with no guarantee of the full scheme being delivered.

**Appendix 1** – Draft Enterprise M3 Delivery Plan

**Appendix 2** – Expenditure dashboard

**Appendix 3** - Project summaries (projects shown as green are contractually committed; those in amber are approved but not yet contracted and those in red are not yet approved by PMG/Board).

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1 May 2019

# DELIVERY PLAN

2019-2020



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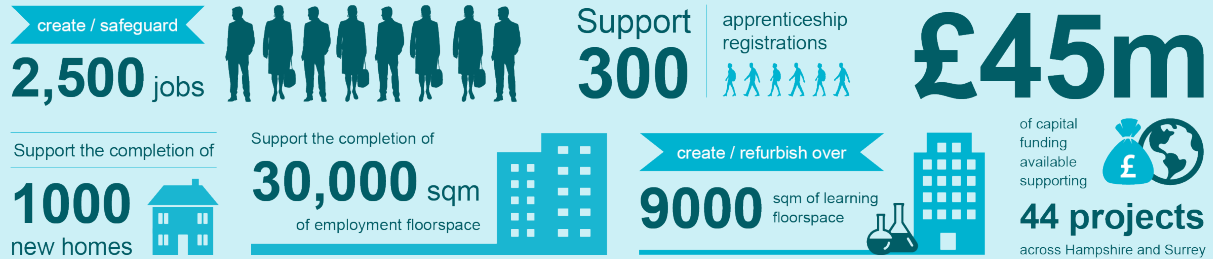
#### 3 OPERATIONAL BUDGET



## THE DELIVERY PLAN FOR 2019-20 SETS OUT OUR VISION:

“An Enterprise economy that is recognised as a globally competitive region, unique for its knowledge, digital and design-based economy”.

### 2019-20 OUTPUT SUMMARY



### OUR STRATEGIC PRIORITIES (SEP PUBLISHED 2018)



High Value Sectors for a Globally Facing Economy



Enterprise and innovation for scaling up high productivity SMES



Skills for a high value, high growth economy



Connectivity for a 21<sup>st</sup> century advanced digital and low carbon economy



Dynamic communities and sustainable growth corridors

### OUR LIS KEY THEMES (DUE TO BE PUBLISHED IN 2020)

5G Region	Towns
Mobility and Connectivity	Science and Innovation
A Gateway Region	Exporting
Clean Growth and Energy	People
Housing	

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## SECTION 1.1 - SUMMARY

This Delivery Plan for 2019-20 sets out our clear vision to achieve:

**“AN ENTERPRISE ECONOMY THAT IS RECOGNISED AS A GLOBALLY COMPETITIVE REGION, UNIQUE FOR ITS KNOWLEDGE, DIGITAL AND DESIGN-BASED ECONOMY”.**

Enterprise M3 has **£45m of capital funding available** in 2019/20 for projects that support our vision. This funding will be used **to over 45 projects across Hampshire and Surrey** and £4.9m will be delivered on a loan basis, thus maximising the funding available to us. Through the entirety of our capital programme and through the activities of our Growth Hub, Careers and Enterprise Company and Enterprise M3 Funding Escalator in 2019/20 we expect to:

- Create/safeguard 2500 jobs
- Support the completion of 1000 new homes
- Support the completion of 9,000 square metres of employment floorspace
- Support 300 apprenticeship registrations and create/refurbish over 5000 square metres of learning floorspace

This 2019-20 Delivery Plan demonstrates our ambitions and sets out the critical actions to achieve our vision. This Delivery Plan will form the high-level document used by both Government and the Enterprise M3 Board to assess and review performance. This document will also form the business plan for Enterprise M3 and will be underpinned by detailed plans held by the team for each of the theme areas, including a detailed project schedule that is reviewed at every meeting of Programme Management Group.

Enterprise M3 seeks to spearhead our region's advancement into a globally competitive, digital and design-based economy which is inclusive of all residents. We will achieve this by bringing together partnerships, collaborating with others and by using the funding available to us from government and others. Government has set expectations for all LEPs, this document summarises how Enterprise M3 will respond to these and maximise its available resources in 2019/20.

We will work on four key overarching priorities over the next year and the key actions are as follows:

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The **development and publication of a Local Industrial Strategy (LIS)** for the Enterprise M3 area will be a central priority in 2019/20. The LIS will set out the actions that we need to take to become a globally competitive, digital and design-based economy. **We**



We intend to publish

**our LIS in  
early 2020**

**intend to publish our LIS in early 2020** but as critical as publication is the process by which we develop the strategy.

The development of the LIS will further strengthen our track record in bringing together partnerships and collaborating with partners. Over the next 12 months we will bring together new partnerships and deepen our stakeholder engagement so that we truly co-design our LIS and embed innovation in the development of our strategy.

Given our aspirations for our LIS, **collaboration and convening** will be critical to our plans over the next 12 months. To inform our approach, **we will produce a stakeholder strategy** and will continue to bring together and convene key groups across our area, including our Joint Leaders Board, Further Education and Higher Education groups, action groups and sector groups. Additionally, we will want to work with government departments, as well as our local MPs. We will collaborate with others, aligning our activity across LEP boundaries where this adds value to our Strategic Economic Plan and emerging LIS. **The successful implementation of our CRM system across the entire Enterprise M3 team** will be a key enabler to support our convening role.

Our ability to **communicate effectively** is not only critical to us achieving our ambitions to deepen engagement but is also necessary to ensure that we remain transparent and accountable in all that we do. **A new set of strategic messages and branding for Enterprise M3 will be launched in April 2019, coinciding with Enterprise M3 Ltd coming into effect in March 2019. We will hold an AGM in June 2019 which will be open to the public and will launch a new website in June 2019.** This website will be a key tool in articulating our aspirations for the LIS as well as providing detail on what we do and why we do it.

Finally, as we develop our LIS and enter the penultimate year of the Local Growth Fund programme, it is vital that we focus on **monitoring, evaluation and impact assessments** across the full programme of Enterprise M3's activity. This is vital in order to inform our future direction and strengthen the evidence-base informing the Local Industrial Strategy. **We will recruit a dedicated lead for this activity and will undertake at least four independent evaluations of our activity.**

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## SECTION 1.2 – STRATEGIC ECONOMIC PLAN: THE FOUNDATION

The foundation of all of our work is our Strategic Economic Plan which was revised in September 2018. 'A *Strategic Economic Plan for the Enterprise M3 area 2018 – 2030*' sets out our Growth Ambition and is available at <https://www.enterprisem3.org.uk/strategic-economic-plan>

Our SEP has five priorities which incorporate the foundations of productivity set out in government's National Industrial Strategy. Further we have identified two underpinning activities that are major stimulants for growth for the area (digital and data technologies and clean growth). These will be taken forward through the programme of action and investment for the LEP and through the development of the LIS.

The five strategic priorities of our SEP are;



HIGH VALUE SECTORS FOR A GLOBALLY FACING ECONOMY



ENTERPRISE AND INNOVATION FOR SCALING UP HIGH PRODUCTIVITY SMES



SKILLS FOR A HIGH VALUE, HIGH GROWTH ECONOMY



CONNECTIVITY FOR A 21ST CENTURY ADVANCED DIGITAL AND LOW CARBON ECONOMY



DYNAMIC COMMUNITIES AND SUSTAINABLE GROWTH CORRIDORS

The Local Industrial Strategy will focus on improving productivity in a way that will benefit people and places across the EM3 area through interventions that address long standing issues including:

- Skills - EM3 residents are relatively highly skilled but there are considerable skills gaps and shortages in the economy

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- Connectivity - high quality transport and digital infrastructure connecting markets, people and goods within our area to London and internationally is critical for attracting and retaining businesses and highly skilled residents.

The Local Industrial Strategy will promote the productive capacity of the area much of which is in our towns and settlements. Work is focused on the nine strategic priorities described below that flow from our SEP. We have tested this focussed approach with our Board, Local Authorities and Government and it will proceed through a series of stages set out in the timetable below which will analyse relevant evidence and test it including through external challenge by critical friends drawing on the good practice of Manchester and the West Midlands and using existing action groups, business groupings and roundtables. We aim to have a series of propositions which for each of the nine elements set out below which are evidenced, well developed, supported by stakeholders and capable of being implemented with the necessary investment.

### **The nine elements of our LIS are:**

**DIGITAL CONNECTIVITY** - achieving a step change in digital connectivity and developing strengths in digital enabling technologies, particularly their commercial application

**SMART MOBILITY** – Better and more efficient connections between businesses and their staff, supply chains and markets to enhance productivity

**A GATEWAY REGION** – Growing our sub region through maximising our gateway opportunities, including the gateway to global markets through our ports and airports. The expansion of Heathrow is a unique opportunity to grow the sub-regional economy and our exports.

**CLEAN GROWTH AND ENERGY** – Articulating the full potential for the EM3 area to make better use of energy to improve productivity and promote an innovation, skills and employment dividend from clean growth.

**HOUSING** – Increasing supply and securing greater diversity of housing to improve recruitment and retention of the people that business needs.

**TOWNS** – Supporting the productive capacity of the networks of relatively small but successful places which make up the EM3 area and generate much of its economic growth.

**SCIENCE AND INNOVATION** – Stimulating more innovation and greater commercialisation of knowledge in our leading sectors to increase output from the most productive businesses.

**EXPORTING** – Promoting and increasing levels of companies exporting so that they sell beyond local markets.

**PEOPLE** – Transforming the workforce to respond to new business models, particularly increased digitization, and enhancing participation and inclusive growth through a better skilled, supported and healthier workforce.

We plan to develop our LIS according to the timetable below and target publication in early 2020.

STAGE	FOCUS	ACTION
<b>Set Up</b> <b>Nov – Jan 2019</b>	Agree the approach with LEP Board and test with Government.	Identify theory of change and 9 strategic priorities
<b>Develop</b> <b>Winter/Spring</b>	Detailed work on interventions for each strategic priority worked up with partners (councils, HEIs, businesses et al).	Project briefs; lines of enquiry; evidence and analysis; external support and challenge; co-design.
<b>Engage</b> <b>Spring/Summer</b>	Testing the interventions through participation and engagement with wider set of stakeholders.	Complete a set of compelling, supported, evidence based, practical interventions.
<b>Assemble</b> <b>Summer/Autumn</b>	Write the front end of the strategy reflecting the detailed interventions for the 9 priorities.	Developing a compelling narrative for the future of the EM3 area.
<b>Agree</b> <b>Nov - Dec</b>	Negotiate with Government.	Agreeing the narrative and the interventions.
<b>Publish</b> <b>Early 2020</b>	Issue and promote the Strategy.	Fully designed communications.

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## SECTION 2 – LOCAL GROWTH FUND & GROWING ENTERPRISE FUND

### 2.1 OVERVIEW

In 2019-20 we have £45m to invest, delivering 44 projects of which nearly two-thirds are new projects in 2019-20 and shown in the map on page 10. Including those projects that have now completed and are in the monitoring phase, we now have 108 projects in our capital programme.

In March 2017, the Enterprise M3 Board agreed that our Local Growth Fund and Growing Enterprise Fund will be managed as a single capital programme. A key reason for this decision was to ensure that our messages to external partners, particularly businesses, were as simple as possible. We report bi-monthly on the progress of our capital programmes (LGF and GEF combined) but retain the ability to report on these separately, as required by Government. Examples of our programme management documents, including our expenditure and output dashboards for 2019/20 can be found in the Technical Appendix. We have also chosen to support projects on a loan basis where appropriate and have delivered 16 projects to date on this basis across both funds and have received repayments of £10.46m to date, with a further £2.416m expected to be repaid to Enterprise M3 in 2019/20.

To date (2015/16 – 2018/19), we have delivered the following outputs

- 1981 jobs created/safeguarded
- 954 new homes completed
- 24,732 sqm of commercial floorspace completed
- 931 apprenticeship registrations supported and created/refurbished 17,085 sqm of learning floorspace.

We expect over the course of 2019/20 and as more projects enter the monitoring phase we will significantly build on these figures and deliver the following outputs:

- Create/safeguard 2500 jobs (a 126% increase on the figures delivered to date)
- Support the completion of 1000 new homes (a 105% increase on the figures delivered to date)
- Support the completion of 9,000 square metres of employment floorspace (a 36% increase on the figures delivered to date)
- Support 300 apprenticeship registrations and create/refurbish over 5000 square metres of learning floorspace (an increase of one-third on the figures delivered to date) \*

*\* All figures to be updated once final 2018/19 output figures are confirmed.*

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We will be delivering in our new geographical area, which now includes the whole of the districts of Test Valley, Winchester and East Hants. We no longer cover New Forest, responsibility for which is now part of Solent LEP. We continue to honour our existing commitments and New Forest will be able to bid for funding through our prospectus until the GEF/LGF funding is finished by end of 2021 or fully spent. We will continue to work closely with Solent LEP during this period.



## 2.2 ENTERPRISE M3 PROJECTS

	Project
1	5G project – Phase 3
2	Guildford Town Centre Walnut Tree Bridge
3	Winchester Science Centre – Inspiring Science for All
4	Meadows A30/A331 Camberley
5	Enterprise Zone – Longcross upgrade to power supply
6	Whitehill and Bordon A325 integration works
7	Staines Sustainable Transport Package
8	Guildford Town Centre Infrastructure Package
9	Enterprise Zone – Plot K/K1 Basing View
10	Regional Cyber Security and Big Data Innovation Centre – Royal Holloway
11	Guildford Town Centre and Approaches
12	Guildford Sustainable Movement Corridor (West) Phase 1
13	Guildford Quality Bus Corridors
14	Blackwater Valley Gold Grid – Public Transport Corridor
15	Camberley Public Realm
16	Fund Management Service – <i>Across the Enterprise M3 area</i>
17	Whitehill and Bordon Sustainable Transport Package
18	Basingstoke SW Corridor to Growth Phase 2

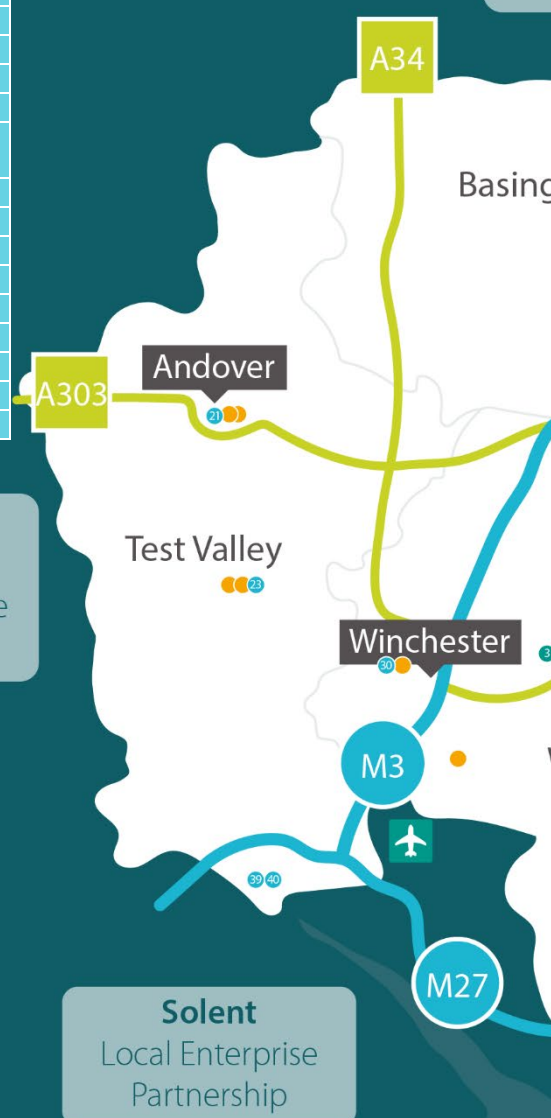
	Project
19	Innovation South Virtual Campus – <i>Across the colleges in the Enterprise M3 area</i>
20	Spelthorne Kick-starting gigabit city
21	Town Mills Andover
22	Aldershot Town Centre Railway Station
23	Sparsholt Animal Health and Welfare Research Facility
24	Aldershot Town Centre Regeneration
25	5G project – phase 3
26	Emerging Technologies Hub and Innovation Centre at Farnborough College
27	Camberley London Road Highways Improvements
28	Aldershot Games Hub
29	Enterprise Zone – Longcross Discovery Building
30	Station Approach Winchester
31	Woking Sustainable Transport Package
32	A31 Highway Resilience
33	Brooklands Business Park Accessibility
34	Farnborough Growth Package
35	Basingstoke SW Corridor to Growth – Brighton Hill Roundabout
36	Guildford Housing Zone
37	Basing View 5G Living Lab
38	Health Tech Accelerator
39	Performance Materials Innovation Centre
40	The Future Towns Innovation Hub
41	Aerospace Research and Innovation Centre
42	Fleet Pond Green Corridor
43	Guildford Community Bike Share
44	North Downs Line Improvements

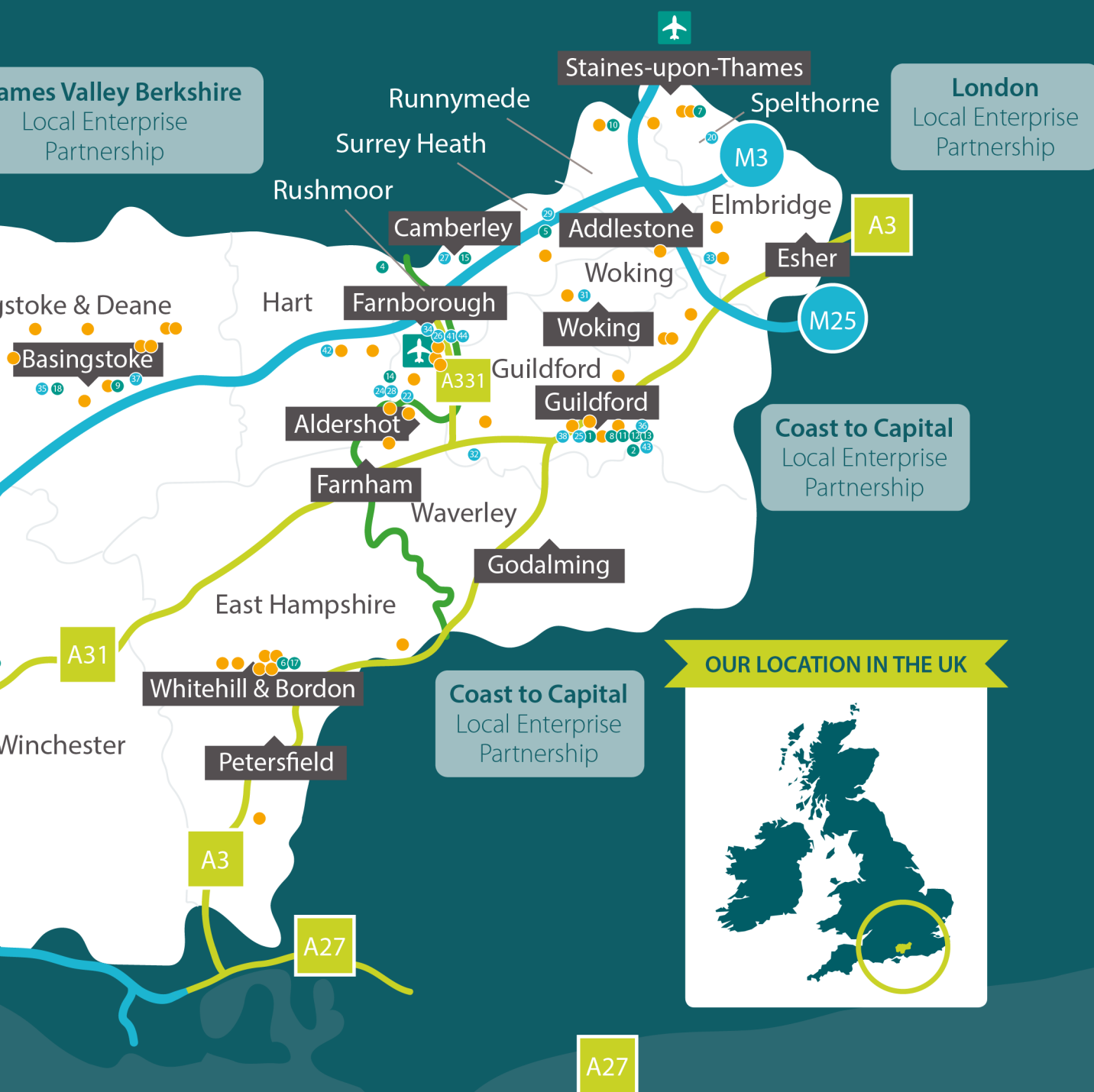
### Key

- Completed projects
- Ongoing projects 2019/20
- New projects in 2019/20

**Wiltshire and Swindon**  
Local Enterprise Partnership

**Solent**  
Local Enterprise Partnership





With the available and already committed funds we will be delivering against our **key SEP strategic objectives and** will continue to make loans a priority over grants where the project has a revenue stream to make the repayments.

Our expected key project milestones in 2019/20 include:

Project Milestone	Date expected
Aldershot Games Hub start on site	September 2019
Aldershot Games Hub completion and official opening	January 2020
Regional Cyber Security & Big Data Innovation Centre start on site	September 2019
Tannery Studios, Send completion and official opening	January 2020
Completion of The Village hotel at Basing View Plot W (part of the multi-site Enterprise Zone)	March 2020
Emerging Technologies Hub and Innovation Centre at Farnborough College start on site	July 2019
Sparsholt Animal Health and Welfare Research Facility start on site	July 2019
Farnborough Growth Package start on site	September 2019
Farnham Road Bridge, Guildford completion of works	January 2020
Meadows A30/A331 Camberley completion of works	May 2019
Woking Sustainable Transport Package start on site	July 2019
Approval of pipeline projects in line with refreshed SEP/emerging LIS	July 2019 – December 2019

## 2.3 PIPELINE PROJECTS

By the end of 2019/20 we anticipate that we will have spent the full amount of Local Growth Fund that has been made available to us between 2015 and 2020, totalling £176.1m. In addition, we will utilise our available Growing Enterprise Fund balance to take forward other projects and help smooth the profile of our LGF allocation which will increase from £17m to £43m in the final year of the programme.

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In order to help us manage our capital programme, the Enterprise M3 Board has agreed that our capital programme can be over-programmed by 10% and we intend to utilise this over the next two years in order to drive and accelerate delivery of our projects. The levels of our committed expenditure will be monitored closely by Enterprise M3 and will be reported at each Programme Management Group and Board meeting.

We published a Capital Prospectus in late 2018 which has helped us to create a pipeline of projects, some of which will be kept in reserve should existing approved projects fail to deliver or deliver under budget and some of which we can support using repayments from our projects that we have taken forward on a loan basis. The response to the Capital Prospectus has been very encouraging and we have a number of exciting projects which we can start to deliver in 2019/20 which align very strongly to our emerging LIS. The strongest projects from this recent call have been asked to submit business cases and we expect to approve the first projects in July 2019 and to see them start on site towards the end of 2019/20.

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## 2.4 MONITORING AND EVALUATION

In 2018 -19 Enterprise M3 improved our monitoring and evaluation processes in line with the Assurance Framework. The revised Monitoring & Evaluation Policy is published at:

<https://www.enterprisem3.org.uk/document/monitoring-evaluation-policy-2018>

Enterprise M3 requires that all projects submit quarterly monitoring reports to the team and these are reviewed to ensure that the project is proceeding according to agreed timescales and delivering the outputs that we have forecast. Over the course of 2019, we will perform spot checks to verify this information on 8 projects in our capital programme. This approach, and the appointment of a dedicated member of staff with overall responsibility for Monitoring and Evaluation, will further improve the quality of the information that we receive from our projects.

In addition to this, we will commission at least four independent evaluations of the major projects in our capital programme. One of these will incorporate our sustainable transport packages which have been recognised as best practice by the Department for Transport. This will include publication of our Local Growth Fund mid-term evaluation in the autumn of 2019.

## 2.5 COMMUNICATION AND BRANDING

Enterprise M3 will continue to publish and update information about all our projects and will launch an updated Enterprise M3 website in June 2019. The information shown in the technical appendix, including our expenditure and output/outcome dashboards will be published quarterly alongside publication of our bi-monthly Programme Management Group and Board papers which give up to date information on programme performance. Our monthly newsletter which goes to over 2,000 stakeholders is a key communication tool and we will continue to build on this over the course of 2019/20 as well as continue to communicate strongly through social media.

We have received the updated Government branding guidance and will implement this across our projects, alongside our own updated branding. Key communication milestones and events for Enterprise M3 in 2019 include:

Milestone/event	Expected date
Enterprise M3 Annual General Meeting, including launch of Annual Report and new website	21 June 2019 at Farnborough International Exhibition and Conference Centre (LGF project)
Careers and Enterprise Company 'Give an Hour' campaign	Running through May 2019

## SECTION 3.0 – SUPPORTING PROGRAMMES

### Enterprise Zone

To further expand development across the EZ in Basing View, Basingstoke, Longcross Park, Chertsey and Techforest, Whitehill & Bordon

### Plans

EZ3 has ambitious plans to drive business rates growth across the three sites to reinvest into the sites and their surrounding areas.

We are committed to making an investment of £41 million from public and private sources over five years (2017-22) to kick-start three areas within the Enterprise Zone.

This investment will enable us to drive economic benefit and see a return in additional business rates growth income of roughly £115.8 million over 25 years.

Additional activities are also being considered, including digital connectivity as a proactive response to the emerging 5G technology. Plans are being developed to deliver a new 5G Living Lab External and Internal Network at Basing View, which will allow the “real-life” testing of vertical case applications and network software/hardware with the intention of facilitating a broader roll out across the Enterprise Zone sites.

The Marketing Plan is also being reviewed with a view to taking advantage of new investment and implementation activity.

This will include a revised and focused presence on the website and increased social media activity building on previous successes.

### SEP Priorities

High value sectors for a globally facing economy

Enterprise and innovation for scaling up high productivity SMEs

Skills for a high value, high growth economy

Connectivity for a 21<sup>st</sup> century advanced digital and low carbon economy

Dynamic communities and sustainable growth corridors.

Outputs / Outcomes	
	<b>2019/20</b>
Floorspace	4000 sqm
Developable land	4.94 acres
New jobs	205
<i>Figures above relate to the investment from our Local Growth Fund.</i>	
Notes on action to date	
Investment to date: £18.1m offset against future Business Rates Income Growth	

Growth Hub
Plans
<p>The focus on the Growth Hub in 2019/20 will be to continue to deliver against targets.</p> <p>Working with our Growth Hub, we will:</p> <ul style="list-style-type: none"> <li>▪ Increase contacts with number of scale ups</li> <li>▪ Continue to Brexit clinics to support businesses to plan for Brexit.</li> <li>▪ Review future working of the Growth Hub. The contract ends in March 2020 and EM3 are reviewing the future focus of the Growth Hub and working with government on how Growth Hubs will be funded post March 2020.</li> <li>▪ Encourage closer working between Growth Hub and LEP through further joint working and potential co-location of staff.</li> </ul>
SEP Priorities
<p>High value sectors for a globally facing economy</p> <p>Enterprise and innovation for scaling up high productivity SMEs.</p>
Outputs/outcomes
<p>Growth Service Customers: 237 (Growth plans logged)</p> <p>New Businesses engaged: 350</p> <p>Unique Businesses accessing Portal 11000</p> <p>Jobs created/safeguarded: 180</p>
Notes on action to date
<p>Delivery through the Enterprise M3 Growth Hub in 2018/19 has been strong. We will take a decision on the future direction of the Growth Hub in September 2019.</p>

European Structural and Investment Funds (ESIF)
Plans
<p>In 2019-20 Enterprise M3 will continue to work with the Managing Authorities (MAs) of MHCLG, DWP and DEFRA to fully utilise the European funds held by government.</p> <p>We have worked with the MAs to develop calls that support the delivery of our SEP and LIS and we will use our technical assistance funds to market opportunities and support partners to assess European Regional Development Funds (ERDF) and European Social Funds (ESF),</p>
SEP Priorities
<p>High value sectors for a globally facing economy</p> <p>Enterprise and innovation for scaling up high productivity SMEs</p> <p>Skills for a high value, high growth economy</p> <p>Connectivity for a 21<sup>st</sup> century advanced digital and low carbon economy</p> <p>Dynamic communities and sustainable growth corridors.</p>
Outputs/outcomes
<p>Work alongside the Managing Authority to ensure that 30% of EAFRD, 20% ERDF and 45% of ESF funding is committed.</p> <p>Minimum of two ERDF dissemination events</p> <p>1 ERDF training event as per TA contract.</p>
Notes on action to date
<p>We have carried out an evaluation of our ERDF Technical Assistance contract which has been positive about work to date. All targets under our contract have been met.</p>



## Plans

Enterprise M3 has a contract with the Careers and Enterprise Company to improve school careers provision and prepare students for their futures.

We will work with business enterprise advisers drawn from business to support schools across the EM3 area.

## SEP Priorities

High value sectors for a globally facing economy

Skills for a high value, high growth economy

## Outputs/outcomes

By end 2019-20 aim to deliver 75% of target of engaging with 134 schools.

Enterprise advisors to match with schools on the same basis.

Recruiting 7FTEs to our team to engage with schools and businesses.

## Notes on action to date

Schools also report their progress through the COMPASS and tracker tool which is on-line a regularly updated and collected by the CEC and shared with Enterprise co-ordinators in each region.

*(Note: Contract ends August 2020)*

Skills Advisory Panel
Plans
<p>Developing our Skills and Talent Action Group which will take on the responsibility of the Skills Advisory Panel function. STAG will share knowledge on the immediate needs and challenges that business and education face and identify how we can work collaboratively to help industry adapt to future market changes and how providers can assist by delivering the skills required both now and in the future.</p> <p>Generate high quality analysis to support our Local Industrial Strategy and delivery of a robust skills strategy and delivery plan. Evidence will be used to direct future provision. In addition to our STAG priorities we are also funding several key projects through our Local Growth Fund that will enable our Further Education providers to enhance both their learning facilities and their curriculum to support their planning for future skills delivery and further develop the T Level and Apprenticeship agenda with a strong collaborative approach with local business.</p>
SEP Priorities
<p>High value sectors for a globally facing economy</p> <p>Skills for a high value, high growth economy</p>
Outputs/outcomes
<p>Appointment of Analyst to support LIS</p> <p>Skills and Talent Action Group – full membership and operational by October 2019</p> <p>Area of work to be reviewed by government summer 2019</p>
Notes on action to date
<p>We are in the process of recruiting an analyst to support the skills agenda and we expect them to be in post by July 2019.</p> <p>The Chair of the Skills and Talent Action Group (a LEP Board member) is actively working with LEP staff to recruit additional members, strengthen governance arrangements and kickstart the STAG (via a high-level workshop) in June 2019.</p>

## Enterprise M3 Funding Escalator



### Plans

The Enterprise M3 will continue to provide expansion and equity funds to high growth innovative businesses across EM3 working through Growth Hub, Incubators and Accelerators.

### SEP Priorities

High value sectors for a globally facing economy

Enterprise and innovation for scaling up high productivity SMEs

### Outputs/outcomes

Make £2.5m available to businesses through loans and equity investment, supporting 17 businesses, and create/safeguard over 100 jobs.

### Notes on action to date

EM3 launched our new £10m fund in June 2018. The Expansion Fund will operate over a 10-year period and builds upon the successes of a £5.5m fund launched by Enterprise M3 in 2014 and managed by The FSE Group. An independent evaluation in 2017 found this fund had been highly successful, outperforming original forecasts in terms of leverage and jobs created/safeguarded. Current forecasts suggest that the full value of the fund will be returned to Enterprise M3 over the next three financial years, with a repayment of £750,000 forecast in 2019/20.

## SECTION 4.0 – STRATEGIC ACTIVITY

Cross Border Working
Plans
<p>To work with <u>Southern LEPs</u> (Herts; TV: Oxfordshire; TV Bucks; TV Berks; Coast to Capital; Solent; SE LEP and EM3) to develop a Southern voice. The group will work together to:</p> <ul style="list-style-type: none"><li>▪ Maintain and enhance the region's business base, including the large number of International HQ's which choose to locate here</li><li>▪ Understand the impact of Brexit on the regional economy and the need to respond effectively,</li><li>▪ Recognise that most of the UK's major ports and airports are in our region, and developing a clear strategic response to the trading advantage that this brings</li><li>▪ Develop consistent communication of an evidence-based core narrative on the strategic and economic importance of the Southern economy to support the delivery of the Government's objectives</li><li>▪ Co-ordinate and collaborate on local industrial strategies through the identification of and joint working on priority issues for the South, specifically through existing strategic regional work on Transport, Innovation and Energy hubs.</li><li>▪ Identify major investment priorities for the South under the future UKSPF and other funds, including those from private sector.</li><li>▪ To explore how to take forward cross border working on science and innovation using Innovation South as a vehicle for change.</li><li>▪ To look to provide a more coordinated approach on exports working with DiT and Chambers.</li></ul> <p><u>Energy Hubs</u> operational across 11 LEPs to increase the number, quality and scale of local energy projects being delivered across greater South- East.</p> <p>To launch Energy Strategy developed by EM3, C2C and SE LEP to: Play a leading role in decarbonisation efforts; and to foster clean growth [NOTE; this section to be further developed following launch event]</p>
Strategic Priorities
High value sectors for a globally facing economy

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Enterprise and innovation for scaling up high productivity SMEs

Skills for a high value, high growth economy

Connectivity for a 21<sup>st</sup> century advanced digital and low carbon economy

Dynamic communities and sustainable growth corridors.

#### **Outputs/outcomes**

Commence development and delivery of the actions identified within the Energy Strategy

#### **Notes on action to date**

EM3 have been worked with C2C and SE LEP on an Energy Strategy that was launched on 25<sup>th</sup> March 2019. The Strategy has been approved by all three LEP boards and has highlighted action in low carbon heating, energy saving and efficiency, renewable generation, smart energy systems and enabling a transport revolution. There are opportunities to work across boundaries on through the Project Models outlined in the Action Plan of the Strategy.

## Heathrow Project

**Work with Heathrow, LA partners and other supporting organisations to maximise opportunities arising from the building and expansion of Heathrow**

### Plans

The focus for 2019/20 is around 4 key areas of activity:

- Business & Economy – ensuring economic strategic opportunities from the growth of the airport are identified and shared across the local business communities.
- Housing – need and demand
- Transport – strategic change and delivery of infrastructure
- Environment – the whole range of impacts, mitigation and improvements

We will

- Capitalise on the sub-regional economic opportunities provided through the enhanced role of Heathrow operating as Britain's Global Gateway;
- Support the identification and delivery of the Skills Pipeline needed for Heathrow Airport, its partners and its local supply chains;
- Ensure that the sub-regional business community is aware of and can compete for and win business contracts associated with the airport expansion;
- Exploit new technologies and innovation resulting from the expansion of Heathrow Airport - across the whole sub-region.

Help identify appropriate and sustainable employment land use opportunities resulting from the expansion of Heathrow Airport.

Champion Southern Access to Heathrow.

### SEP Priorities

High value sectors for a globally facing economy

Enterprise and innovation for scaling up high productivity SMEs

Skills for a high value, high growth economy

Connectivity for a 21<sup>st</sup> century advanced digital and low carbon economy

Dynamic communities and sustainable growth corridors.

## Outputs / Outcomes

### Heathrow Economic Plan – Summer 2019

Input into consultation on the Development Control Order for expanded Heathrow – June-July 2019

Confirm priorities for Southern Rail Access to Heathrow and support for preferred scheme – March 2020

Input and influence direction of HSPG policy through active participation in HSPG, events, groups and meetings – ongoing

### Notes on action to date

Enterprise M3 is also a member of the Heathrow Strategic Planning Group (HSPG) which represents local authorities, LEPs and other public organisations responsible for the land use planning, transport, environment, economic development and sustainable development in the wider area surrounding Heathrow Airport. The Group are independent of Heathrow Airport Limited but work constructively with them to achieve the best possible future planning of the area, particularly in relation to the proposed third runway and changes to aircraft flight-paths and operations

## Transport for South East (TfSE)

**Support the development of TfSE as a Statutory Body and contribute to the identification of key transport and connectivity economic priorities**



### Plans

TfSE will:

Submit a proposal to government – setting out the case for statutory status and outlining the powers and responsibilities that TfSE will be seeking. There will be a 12-week public consultation period and consent will be sought from all constituent authorities prior to submission to government in November 2019.

Developing a Transport Strategy for the south east – procurement of the transport strategy commenced in summer 2018 and consultants are now in place to lead the development of the strategy and associated thematic studies. The draft strategy will be issued for public consultation in September 2019 and will be finalised early 2020. Subject

to funding, further work on the corridor studies and strategic investment plan will be commissioned in summer 2019.

Major road network – TfSE will coordinate and prioritise bids for funding across the network and will develop the regional evidence base to support a pipeline of strategic infrastructure investment.

Promoting TfSE and its priorities – activities will continue to raise the profile of TfSE with key stakeholders. The newly appointed communications and engagement team will develop a programme of events and media activity that will ensure that TfSE and its priorities are recognised with national, regional and local organisations.

### **SEP Priorities**

Stimulating growth in our high value sectors.

Supporting enterprise and innovation for scaling up.

Improving connectivity, including digital connectivity.

Securing investment in the future viability of our towns and communities.

### **Outputs / Outcomes**

#### **Suggested outputs:**

Input into development of TfSE Transport Strategy – October 2019

Demonstrate work with TfSE to develop a proposal which will set out the powers and responsibilities sought with respect to statutory status – March 2020

Maintain EM3 LEP position on TfSE Shadow Board – March 2020

Utilise outcomes from work on developing technology with Enterprise M3 Smart Mobility strand of LIS – October 2019

Input into key consultations and demonstrate we have influences responses to Government – March 2020

### **Notes on action to date**

We are a key and founder member of Transport for the South East. This is a sub-national transport body (STB) established to speak with one voice on the strategic transport priorities for the South East region. Its aim is to support and grow the economy through a programme of integrated transport, projects and programmes to unlock growth, boost



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connectivity and speed up journeys while improving access to opportunities for all and protecting and enhancing our region's unique environment.

By operating strategically across the South East on transport infrastructure – a role that no other organisation currently undertakes on this scale – it seeks to directly influence how and where money is invested and drive improvements for the travelling public and for businesses in a region which is the UK's major international gateway.

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## SECTION 5.0 – ORGANISATION AND STAFFING RESOURCES

### 5.1 STAFFING RESOURCES TO DELIVER OR PLAN

The Enterprise M3 executive team grew significantly in 2018/19 to meet the challenges of delivering a wider portfolio of activity. We are now a team of 29 full time employees led by Kathy Slack, Chief Executive, supported by two Assistant Directors for Business Delivery and Operations. Our Structure Chart is attached Appendix 1. It is the intention to continue to examine our delivery capability over the year ahead to ensure that we are organised to better deliver against our SEP and LIS. In addition, we are exploring how we enhance our established and well-regarded governance structure, illustrated in Appendix 2.

### 5.2 OPERATIONAL BUDGET

Enterprise M3 employ a Finance Manager who works closely with our Accountable Body. In 2019/20 we will receive £775k from Government to support our executive team. This includes £275k one off capacity funding provided to aid implementation of the LEP review requirements, to develop our LIS, and to support Skills Advisory Panel activity.

We also receive £287k from Government to support our Growth Hub service. In addition to Government and partner income, approximately 60% of our income comes from independent sources.

This revenue income, and the expenditure which it funds, is demonstrated in Appendix 3. The shortfall is met from our retained reserves, in accordance with our agreed reserves policy.

### 5.3 SUPPORTING OUR PLAN

EM3 put in place a new organisation in 2018 and will be further reviewing its delivery capability in 2019 to ensure we can deliver against our SEP and developing LIS. We plan to expand our capability in business sectors and international activity working in a coordinating way with our local authorities and business support organisations and especially our Growth Hub.

Our Board agreed the outline budget for the next three years at their board in March 2019 agreeing to invest funding to underpin our work in developing our evidence base for our LIS and our engagement with stakeholders.

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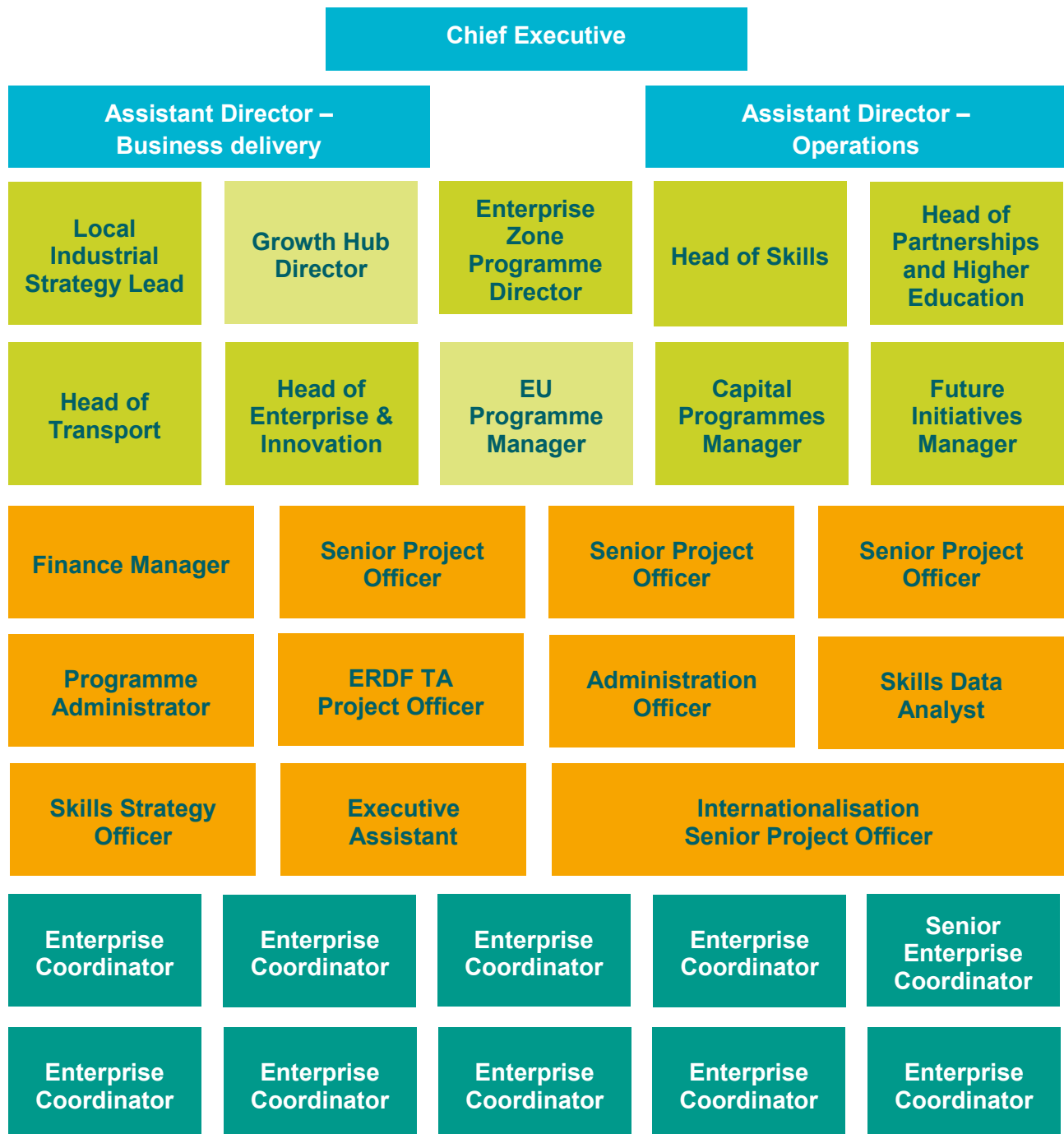
We have put in a place a long-term sustainability plan and will be working with our partners to secure additional investment in 2020.

The EM3 team has grown by 18 staff over the last year partially because we have brought our careers and enterprise team in house and the expansion of our operational team to support delivery of projects. We are exploring future options for office location based on maintaining hot desks in key locations across Hampshire and Surrey and sharing space with key partners such as Growth Hub. We plan to have established our new office base by the end of the calendar year.

### **Enterprise M3 Board**

Over the course of 2018/19, the Enterprise M3 Board welcomed a new Chair and XX new Board Members. In advance of a number of our high-profile business Board Members (including the current Chair) seeing their maximum term of office expire at the end of 2020, we expect to start a new round of Board Member recruitment in autumn 2019. Further increasing the diversity of the Board and its sub-groups will be a key priority to ensure that we remain on course to reach the targets set out in the LEP Review. To support us in this work, the executive team will work with the Board appointed Diversity Champion to publish a Diversity Strategy and Action Plan by the end of 2019. The Enterprise M3 will also work with our Local Authorities, Further and Higher Education establishments to ensure that diversity is considered when they are selecting candidates for the Enterprise M3 Board.

## APPENDIX 1 – STRUCTURE CHART



### Key

- Senior Management Team
- Business Delivery Team
- Operations Team
- Careers and Enterprise Company Team
- Contracted resource

## APPENDIX 2 - THE GOVERNANCE STRUCTURE OF ENTERPRISE M3 2019

### The Enterprise M3 Board

The Enterprise M3 Board is responsible for the overall strategic direction of the LEP, establishing targets and priorities and monitoring progress towards those targets.

It is a business-led board made up of 20 members, split between the private, public and not-for-profit sector.

### Groups providing strategic advice to the Enterprise M3 Board

The following groups provide strategic oversight for different Enterprise M3 projects and funding streams and advise the Enterprise M3 Board on particular projects.



### JOINT LEADERS BOARD

Made up of the 15 Local Authorities within the Enterprise M3 area, the JLB helps to advise Enterprise M3 on strategic priorities for growth and provides a mechanism for co-ordinating the combined contribution of councils on actions and activities to deliver the Strategic Economic Plan, and the resources required to implement them.

### Action Groups

There are three action groups which are led by a chair from the private sector. These groups report directly to the Enterprise M3 Board and play a key role in providing specialist advice and recommendations on the delivery of the Strategic Economic Plan.



### Enterprise Zone Programme Steering Group

## APPENDIX 3 – OPERATIONAL BUDGET

<b>TABLE 3: 19-20 Operational Income and Expenditure</b>	
<b>Operational Activity - INCOME</b>	<b>19-20 Budget</b>
Government funding	575
Partner contributions (LA, FE, HE)	250
Application Fee	220
Interest receivable on loans and LEP balances	637
Capital/Revenue transfer - Careers and Enterprise activity	118
Growth Hub management	45
GEF funds	442
Interest Reserve funding one off projects	245
Other	147
<b>TOTAL INCOME</b>	<b>2,679</b>
<b>Operational Activity - EXPENDITURE</b>	<b>19-20 Budget</b>
Staff costs	1,341
Due Diligence	170
Research/studies/consultancy	587
Accountable Body	70
Running costs	295
<b>TOTAL EXPENDITURE</b>	<b>2,463</b>

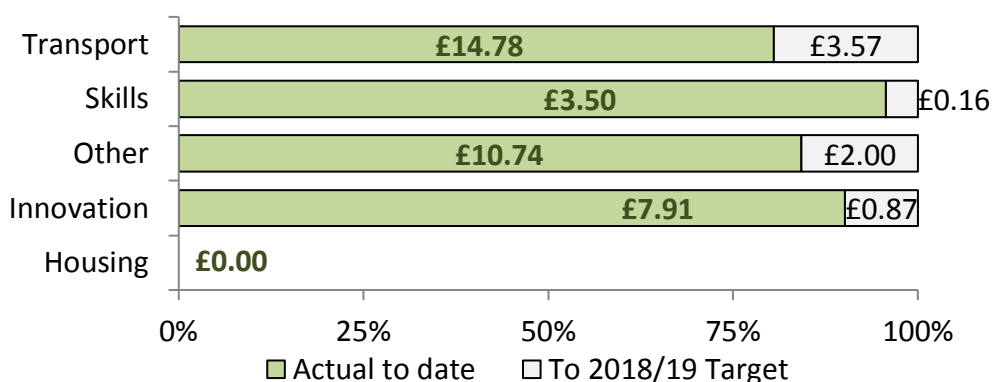
## Latest Summary of Live Projects

### Annual Funding Distributed (2018 - 2019)

**£36,920,000**

2018/19 Total Spend (distributed) to Date

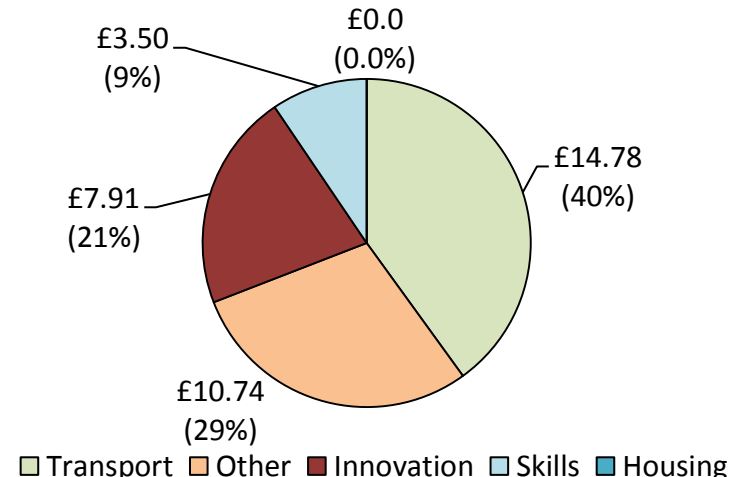
Proportion of funding distributed to date in 2018/19 (£,000s)



### 2018/19 Total Annual Expenditure Target by Theme (£,000)

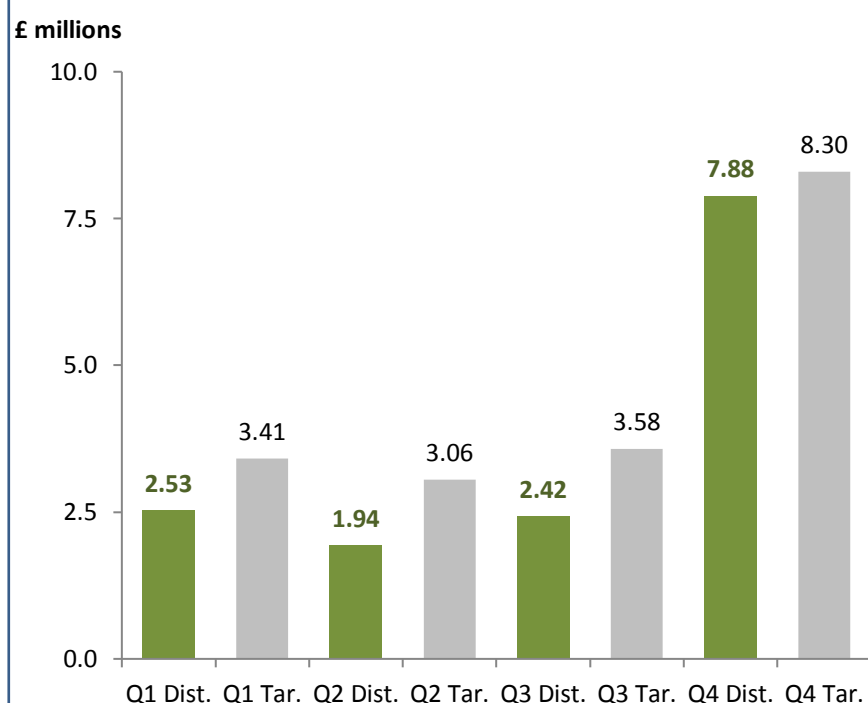
**£43,519,000**

Expenditure 2018/19



## Time Series Annual Funding Distributed (2015 - 2019)

### Quarterly Transport Distributed & Target (2018/19)



### Transport

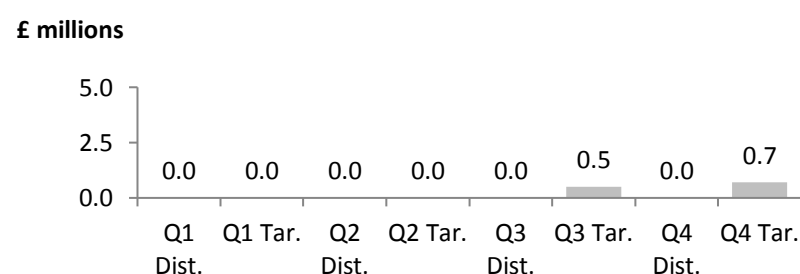
### Quarterly Transport Distributed & Target (2015/19)



Total spending to date on transport is £14.78 million across the four quarters. Transport expenditure in Q1 was £2.53 million across nine projects, the largest of which is the £1.33 million funding for the Whitehill and Bordon Relief Road Phase 2. Q2, expenditure is £1.94 million across nine projects, the largest amount was £683K on Guildford Town Centre Transport Infrastructure Project.

In Q3 there was £2.42 million across five projects with largest amounts (£774K) on the Guildford Town Centre Transport Infrastructure Project. Q4 has seen £7.88 million to date across 14 projects. The Farnham Road Bridge has seen the largest expenditure (£2.85 million).

### Quarterly Housing Distributed & Target (2018/19)



### Housing

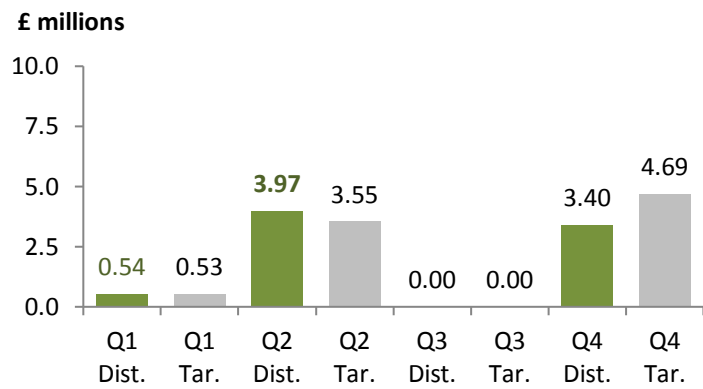
### Quarterly Housing Distributed & Target (2015/19)



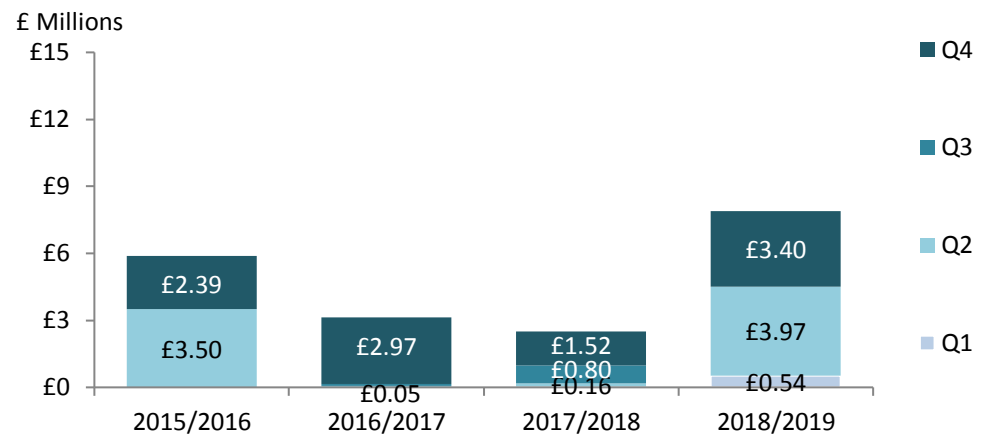
There was no housing expenditure reported at the time of publication.

## Innovation

Quarterly Innovation Distributed & Target (2018/19)



Quarterly Innovation Distributed & Target (2015/19)

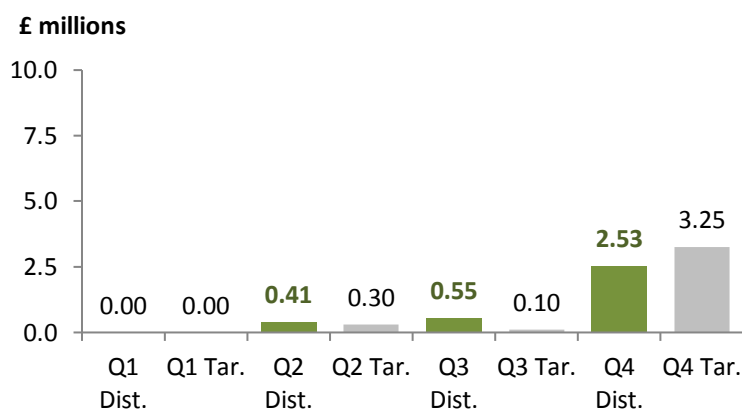


Total expenditure to date is £7.91 million. Innovation expenditure in Q1 to date is £535K across two projects. £334 was distributed to the Growth Hub, and £200K to the Tannery Studios Phase 2, Send. Expenditure in Q2 to date is the £3.97 million. Phase 2 - Permanent Facility for Farnborough International Air show accounts for £3.75 million.

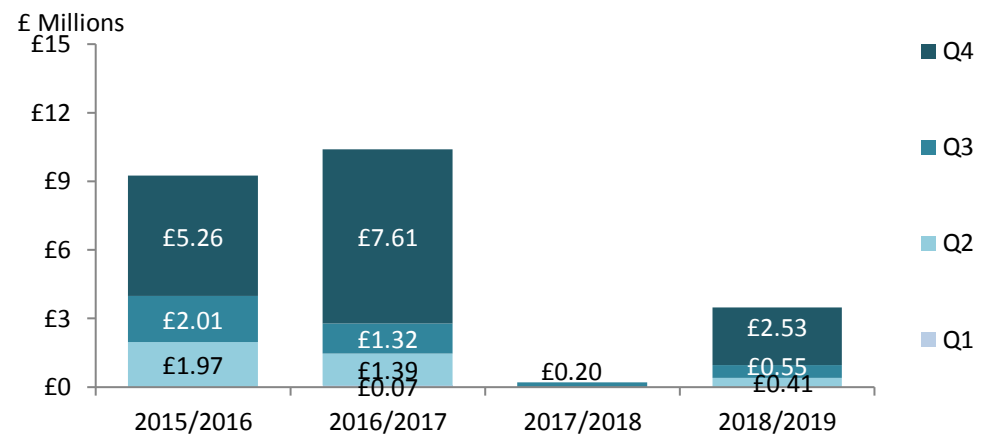
There has been no reported expenditure to date in Q3. In Q4 £3.40 million was expended to date across four projects. Centre of Excellence in Horticultural Science and Learning (RHS Wisley) with £1.01 million and Elmbridge Invest for Growth at £1.5 million saw the largest expenditures.

## Skills

Quarterly Skills Distributed & Target (2018/19)



Quarterly Skills Distributed & Target (2015/19)



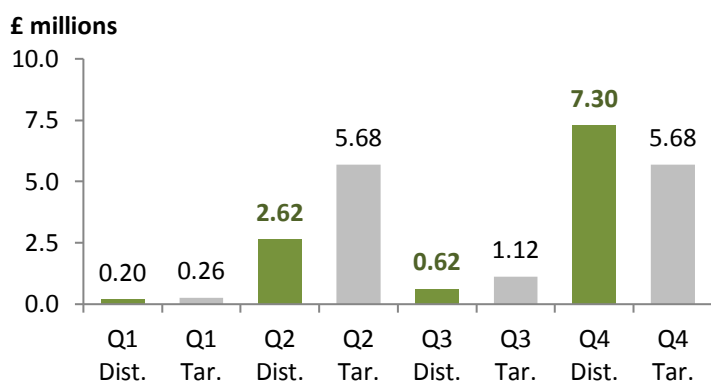
Skills expenditure to date across Q2-Q4 is £3.50million.

In Q2 there was £410K across four of the six live projects. In Q3 there was £548K of expenditure across three of the six projects and finally £2.53 million was expended in Q4 across all six projects.

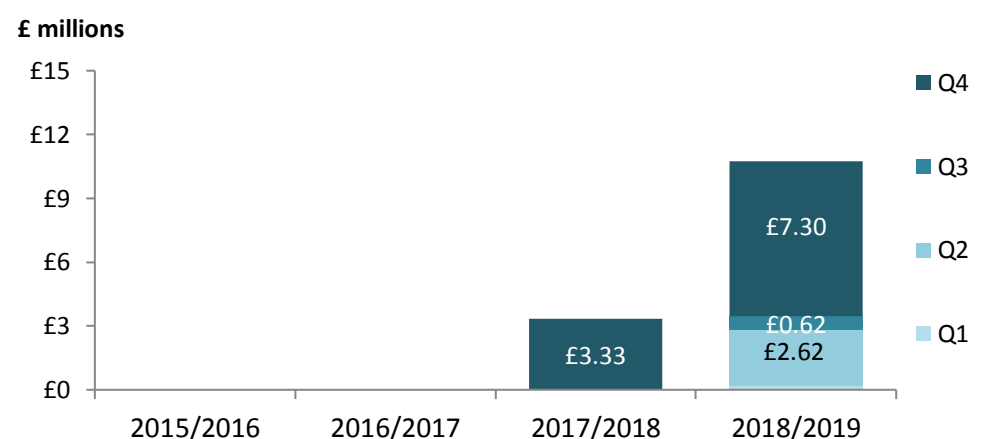
The Pathway to the Virtual Campus - EM3 Digital Technology Centres saw the largest expenditure in Q4 with £1.53 million.

## Other Projects

Quarterly Other Projects Distributed & Target (2018/19)



Quarterly Other Distributed & Target (2015/19)



Other expenditure to date for Q1 is £200K covering two Enterprise Zone projects. EZ3 BV7 Plot W received £176K and EZ3 BV3 Plot J £24K.

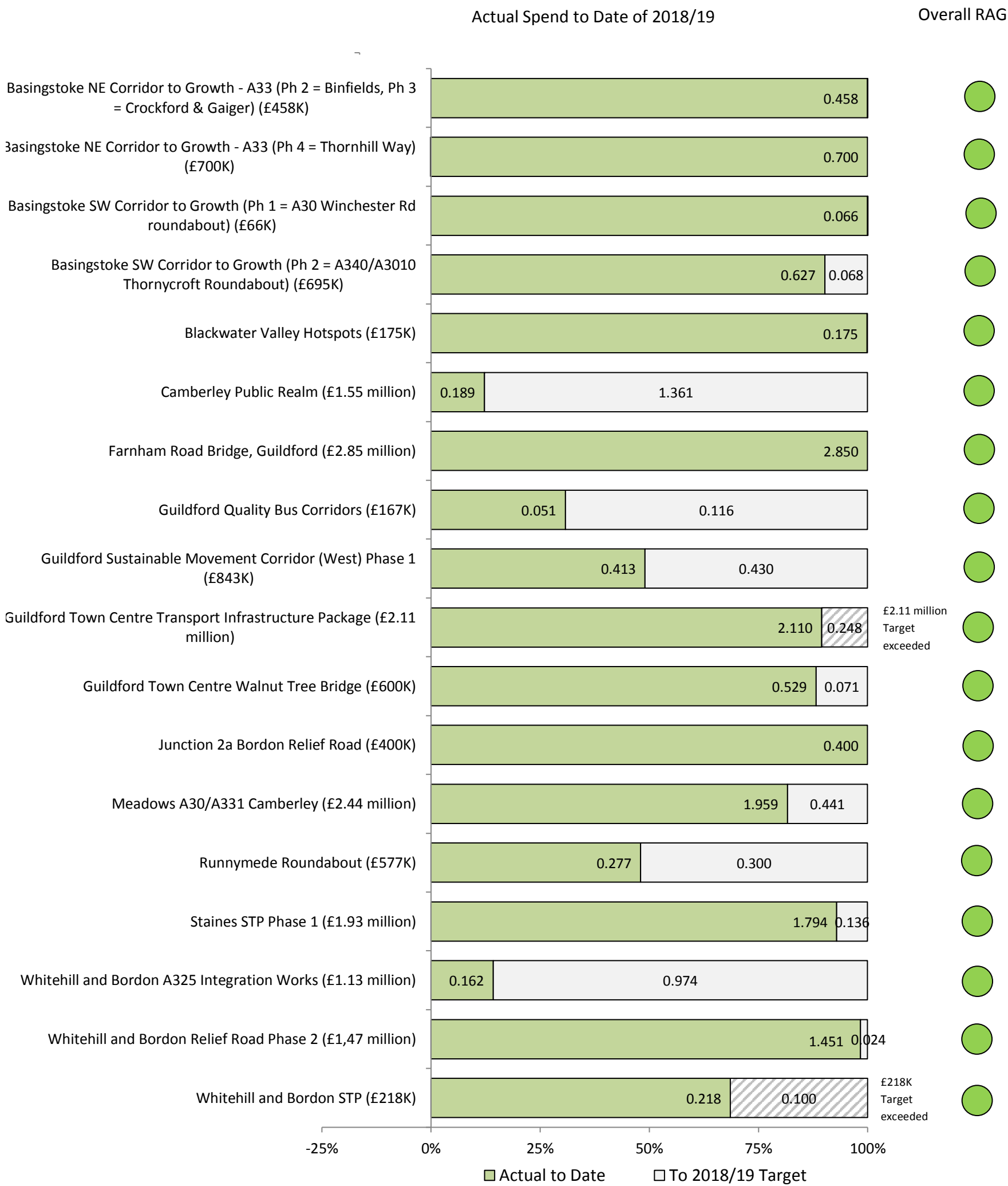
Current expenditure to date for Q2 is £2.62 million. This includes £1.6 million to the Fund Management Service. This also includes just over £1 million in total to EZ3 BV1 Plot K/K1, EZ3 BV3 Plot J and EZ3 BV7 Plot W.

In Q3 there was £620K of expenditure across two projects (Fund Management Service and EZ3 BV7 Plot W). In Q4 to date there has been £7.30 million of expenditure across all projects. EZ3 BV1 Plot K/K1 (£2.39 million) and EZ3 Longcross Upgrade to Power Supply (£3.15 million) accounted for most Q4 expenditure. This brings total expenditure to date to £10.74 million.



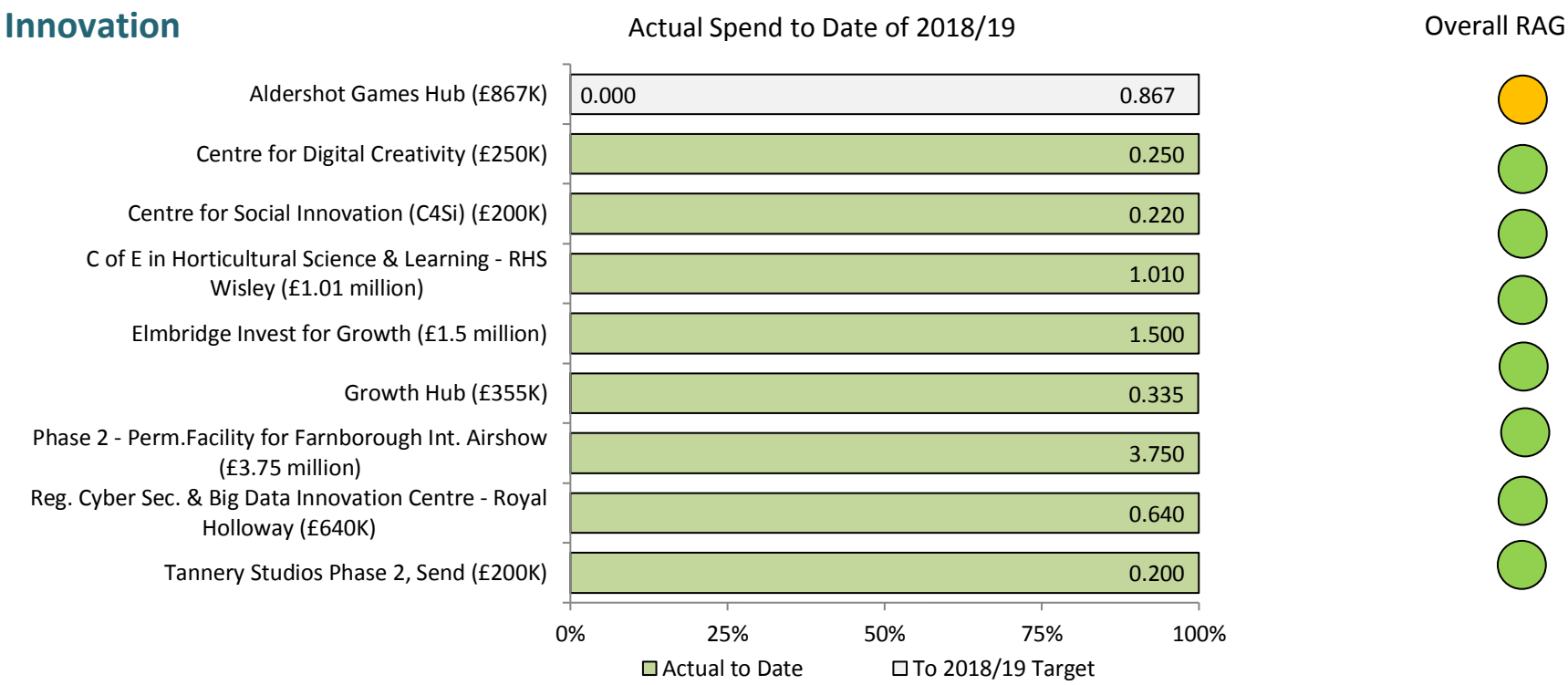
Appendix: Individual Live Projects

Transport

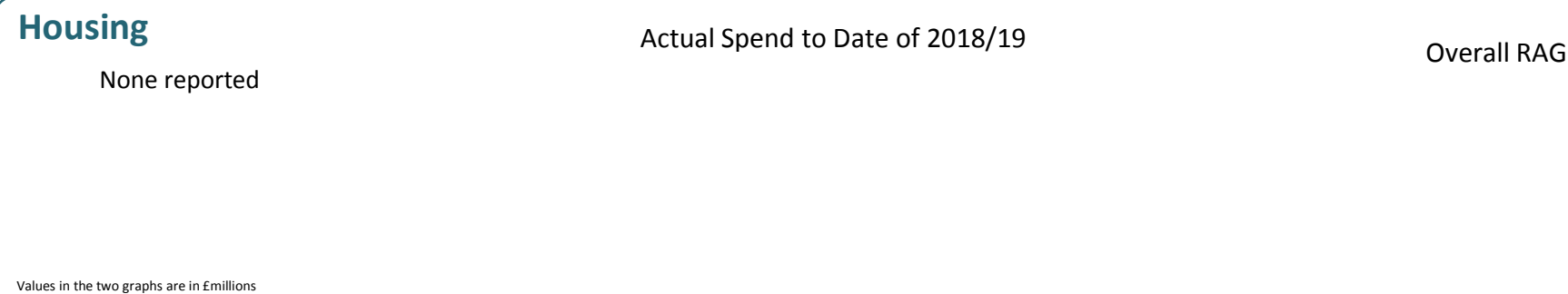


Values in the two graphs are in Emillions

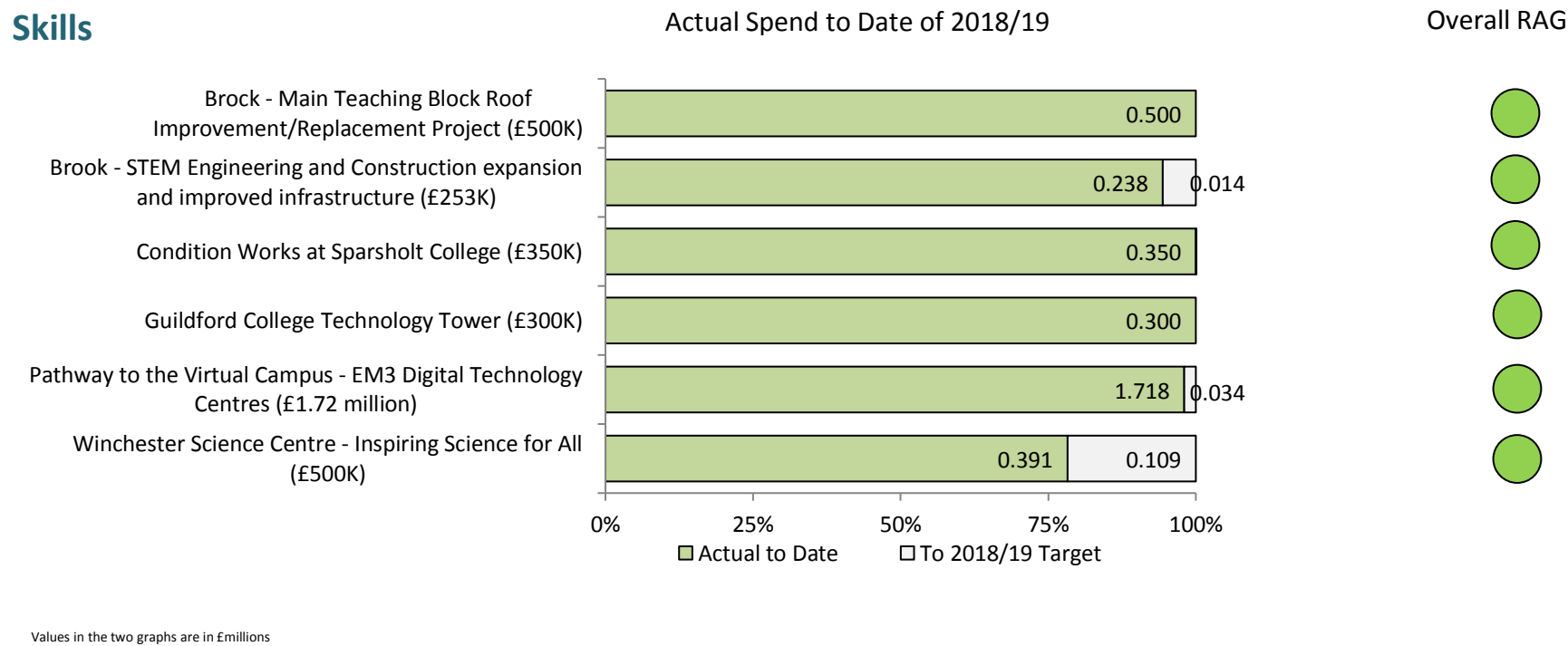
Innovation



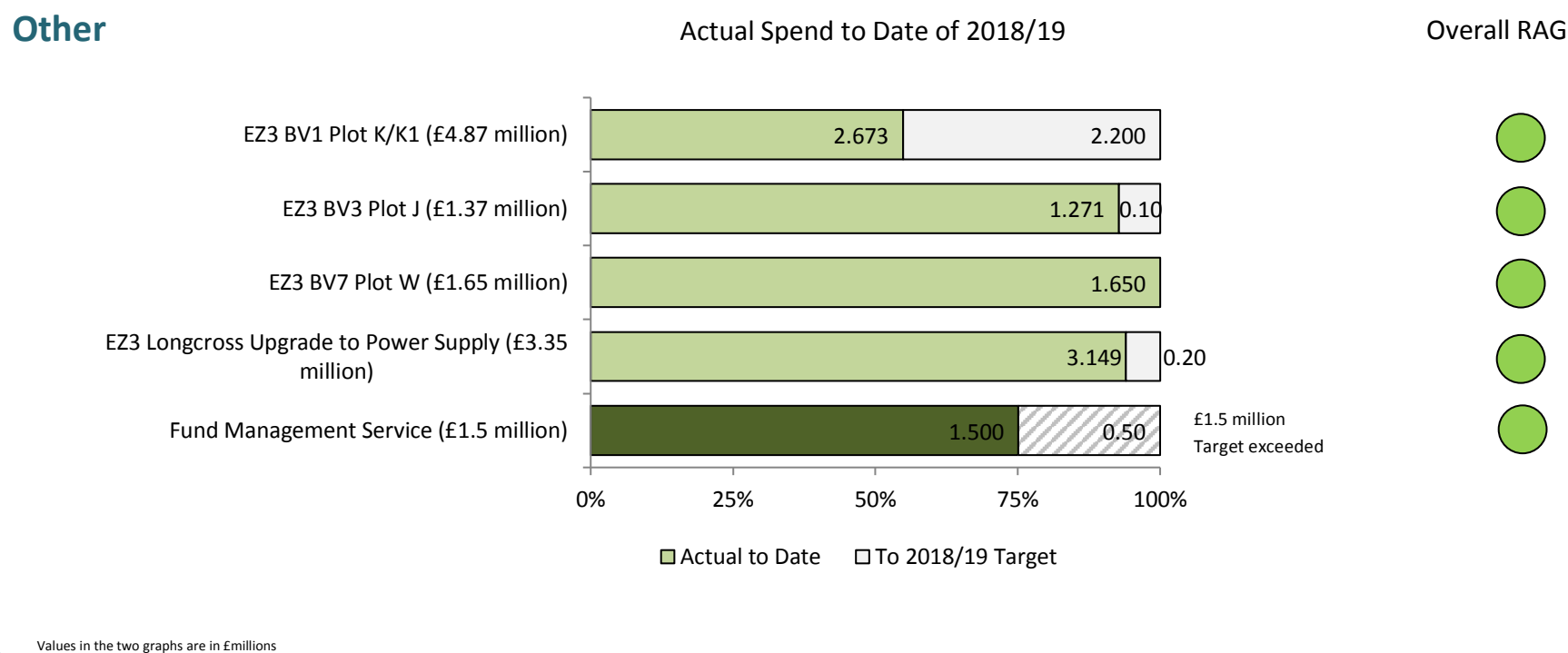
Housing



Skills



Other



RAG Key ● >80% ● 50% to 80% ● 50% < (Confidence project will be delivered)

Source: EM3 database extract 30/04/2019, Produced 01/05/2019