

**EM3 LEP European Structural and Investment Fund
Strategy
Update May 2018 - Part 2**

ANNEXES

ANNEX A – SUPPORTING DOCUMENTATION AND RESEARCH

In developing this strategy, we have undertaken a large amount of research. This includes independent research conducted by the team who have developed this document, along with a whole host of additional reports produced by or for Enterprise M3 or for others. The list below outlines the various reports that have been drawn upon to develop the evidence base and activities contained within this document.

Enterprise M3 Reports

'Enterprise M3 Strategy for Growth' – Enterprise M3 Supported by ICF GHK and in association with Warwick Economics & Development **(May 2013)**

Enterprise M3 Innovation Strategy (Draft) – Enterprise M3 **(September 2013)**

Enterprise M3 Skills & Employment Strategy – Enterprise M3 Supported by Shared Intelligence **(September 2013)**

'Enterprise M3 Commercial Property Market Study' – A report for Enterprise M3 by its Land & Property Action Group **(April 2013)**

'Enterprise M3 Visitor Economy & Business Tourism' – Enterprise M3 Business Tourism Action Group and VisitEngland **(August 2013)**

'Enterprise M3 'Barriers to Growth' Business Survey' – Hampshire Economic Partnership for Enterprise M3 **(2011)**

'Low Carbon and Sustainability Study' - James Ruel and Gemma Starr **(January 2014)**

Reports Developed by Other Organisations

'An Inward Investment Guide to Enterprise M3' – Local Futures **(February 2013)**

'Enterprise M3 Key Sectors: Estimate of the GVA and Productivity Measures of the Enterprise M3 Local Enterprise Partnership (draft v2)' – Hampshire County Council **(July 2013)**

'A European Strategy for Growth for Enterprise M3 LEP' – Southern England Local Partners **(March 2013)**

'Business Incubation Hubs Options Report' – Surrey Connects **(July 2013)**

'Surrey SME Digital Readiness Survey' – Surrey Connects and Digital Business Britain **(August 2013)**

ANNEX B – ORGANISATIONS INVOLVED IN ENTERPRISE M3 CONSULTATION

In the development of this strategy and its supporting documentation, we have engaged with a range of organisations from across the private, public and not for profit sectors. As the strategy develops, we will continue with this wide-ranging consultative approach to assist us in refining and developing our activities and outputs. A list of those organisations consulted with so far is included below:

Local Authorities Hampshire

County Council Surrey
County Council
Basingstoke and Deane Borough Council
East Hampshire District Council Elmbridge
Borough Council
Guildford Borough Council
Hart District Council
New Forest District Council
Runnymede Borough Council
Rushmoor Borough Council
Spelthorne Borough Council
Surrey Heath Borough Council
Test Valley Borough Council
Waverley Borough Council
Winchester City Council Woking
Borough Council

Higher Education Institutions and Innovation Bodies

Biotechnology and Biological Sciences Research Council
Business Incubators
EEGO
Higher Education Funding Council for England
Royal Holloway, University of London
The SETsquared Partnership
Surrey Research Park Surrey
Space Incubator Technology
Strategy Bureau
University for the Creative Arts
University of Portsmouth
University of Southampton
University of Southampton Science Park
University of Surrey
University of Winchester
Various Angel Investment Networks and Serial Entrepreneurs
Wessex Academic Health Science Network
Winchester School of Art, University of Southampton

Rural /Environmental Partners

Birtley House Group Ltd Carbon
Limiting Technologies Fieldfare
Local Action Group Forestry
Commission
Grown in Britain

Hampshire and Isle of Wight Nature Partnership
Hampshire and Isle of Wight Wildlife Trust Loddon
and Eversley Local Action Group Natural Catalyst
Natural England
New Forest Local Action Group, New
Forest National Park Authority
North Wessex Downs Local Action Group
Plains Action Local Action Group,
South Downs National Park Authority
Sowing Seeds Local Action Group,
Surrey and Hampshire Local Nature Partnership
Surrey Hills Local Action Group
Surrey Nature Partnership
Surrey Wildlife Trust Surrey
Rural Partnership
Wessex Rural Farming Network

Businesses and Business Groups

Ambassador Theatre Group Babcock
International Group
Baker Tilly
Basing News
Basingstoke Consortium Ltd
Birtley House Group Ltd
Bourne Group
BP
BSK-CIC
BT
The Business Collective Casterbridge
Property Development Citicentric
Property Consultants Charles Freeman
Projects
Cold Fuzion
Collectively Camberley Ltd
Crest Nicholson
Dale Carnegie Training Damarel
Systems International Dolphin
Group
EA Games
Farnborough Aerospace Consortium
Farnborough International Federation of
Small Business Finance South East
Finnbiz Consultants
Federation of Small Businesses
Hampshire Chamber of Commerce
Hays
HCR
Heathrow Airport Ltd
Herriard Park
Hill McManus
Highways Agency
IBM
Imtech
Institute of Directors

Jacobs
JTL
Kendall Cars
Kent Surrey and Sussex Academic Health Science Network
LC Energy Ltd
Mainstream Marketing
Matthews Associates
Menzies LLP
MEPC
Miller Brands
Mustang Oil
NatWest
Network rail
Novartis Pharmaceuticals UK Ltd
Operis Construction
Oxford Innovation Services Ltd
Proctor & Gamble
Parsons Brinckerhoff
Profit from Science
QinetiQ
RAISE
SATRO
SEGRO
Seen 2 Help
SFW
Skanska
Sony Professional Solutions Europe
Southampton Airport
South West Trains
Stagecoach Succinct
Solutions
Surrey Chamber of Commerce
The Hampshire Connection The
Maltings
The Real-Time Data Co Ltd
Theatre Royal Winchester
Torqueleader
Traico Ltd
URS
Vectair Systems
Vision Engineering
Vitacress Salads
VitalSix
Wilky Group
Willmott Dixon
Winchester Business Improvement District
Winchester Bourne Ltd
Winchester Chamber of Commerce
WSP UK Ltd
WSX Enterprise

Further Education Colleges and Skills Providers

77 Army Education Centre Group

ALPS Partnership Ltd
Aspire Learning and Development Ltd
Association of South East Colleges
Association of Learning Providers in Surrey
Basingstoke College of Technology
Brooklands College
Bohunt School
Brockenhurst College
Career Central CIC
Chichester College East
Surrey College Eastleigh
College
Enlightenment Partnership
Farnborough College of Technology
Guildford College
Insynergi JTL
Training
Learning Links
NIACE
North East Surrey College of Technology
Outsource Training and Development Ltd
PDM Training and Consultancy Ltd Smart
Training and Recruitment
Solent Education Business Partnership
Southampton Engineering Training Association (SETA)
South Downs College
Sparsholt College
Surrey Leader Programme
Surrey Lifelong Learning Partnership
SO2 Transition
TeenTech
The Wimbledon Trepisphere
Totton College
Wote St Employment Bureau

Other Local Enterprise Partnerships

Buckinghamshire Thames Valley Coast to
Capital
Dorset
Heart of South West
Hertfordshire London
Oxfordshire
Thames Valley Berkshire
Solent
West of England

Voluntary and Community Sector

Action for Carers Surrey
Community Action Hampshire
Enham Trust
Enterprise First
Headway Portsmouth
National Council of Voluntary Sector Organisations

QEF Mobility Services
RAISE
Rushmoor Healthy Living
The Environment Centre
The Princes Trust
The Shaw Trust
South East Employment Network
Surrey Community Action Voluntary
Support

Other bodies

BIS Local
Communication Workers Union
Department for Transport
Environment Agency
GrowthAccelerator
JobCentre Plus
Kent Surrey and Sussex Academic Health Science Network
Radian Housing Group
SERTUC
South East Local Partners
Surrey Connects
The Big Lottery Fund
The Creative Network
The Department for Work and Pensions
The Ministry of Defence
The Skills Funding Agency
Tourism South East Trades
Union Congress UK Trade &
Investment

ANNEX C – NOTE REGARDING ACCOMPANYING SPREADSHEET

There is a spreadsheet accompanying this document that details the breakdown of funding, match funding, outputs and results against the activities listed within this strategy.

ANNEX D – LOW CARBON AND SUSTAINABILITY STUDY

A copy of this study follows.

LOW CARBON AND SUSTAINABILITY STUDY

JAMES RUEL AND GEMMA STARR

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Introduction

This report makes recommendations for the implementation and application of the European Union Structural Funds within the low carbon economy section of the Enterprise M3 Local Enterprise Partnership's European Structural and Investment Fund Strategy (ESIF). It also seeks to provide suggestions on how to implement the sustainable development cross cutting theme throughout the strategy, making it an integral part of all activities delivered under the strategy.

This report is the culmination of specific consultation both by phone and subsequently two workshops held on 2nd December 2013, the first focusing on the Low Carbon Economy and the second on Sustainable Development. The report is designed to provide the Enterprise M3 LEP with recommendations and recommended options which have fallen out of this consultation process in order to inform the final draft of the ESIF which is to be submitted to Government in January 2014.

The report has been compiled by James Ruel and Gemma Starr, two independent consultants selected by the LEP to conduct this Low Carbon and Sustainability Study.

In March 2013, the Government announced that, for the 2014-2020 funding period, the European Regional Development Fund (ERDF), the European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD), would be combined into the European Structural and Investment Funds Growth Programme for England (the “European Growth Programme”), with the large majority of funding allocated to Local Enterprise Partnership (LEP) areas.

On 27th June 2013, each LEP area was given the level of their allocation of European Structural and Investment Funds for the full seven-year period of the European Growth Programme¹. Allocations for the European Agricultural Fund for Rural Development element were not published at that point and we understand that these are now expected to be provided to LEPs in mid-December 2013 by the Department for Environment, Food and Rural Affairs. Each LEP and its partners were then tasked with setting out how they intend to use this allocation in a European Structural and Investment Funds Strategy, which should be agreed with Government by early 2014.

Enterprise M3 LEP was allocated €45.7m and submitted its first draft European Structural and Investment Fund (ESIF) strategy to government on 7th October 2013. This strategy set out the needs and priorities of the Enterprise M3 area, as well as the broad programme of activity to be undertaken using this funding. The draft strategy was out for consultation until 29th November and the final version of the strategy is due for submission to government by the end of January 2014.

Following the completion of the draft strategy, the LEP identified that the low carbon economy (Strategic Action 4) and the Sustainable Development cross-cutting theme were elements of the strategy that could be enhanced and the LEP engaged James Ruel and Gemma Starr to carry out a Low Carbon and Sustainability Study to conduct additional consultation and desk based research to develop these elements.

The objectives of the Low Carbon and Sustainability Study are as follows:

- To develop the four activities set out in the low carbon economy part of the ESIF Strategic Action “Supporting the shift towards a Low Carbon Economy in all sectors³¹”
- To develop the objectives to reduce emissions and climate change set out in the sustainable development cross cutting theme ensuring that this activity is embedded into the plan and the activities of partners.

This involved a series of telephone conversations with key stakeholders proposed by the LEP and additional contacts suggested in those conversations, this concluded with two workshops held at The Hilton Hotel, Basingstoke, on Monday 2nd December. The workshops aimed to explore and develop eligible approaches and activities to deliver both the low carbon and sustainable development elements of the strategy.

Consultation Activities

In order to compile this report, we have collated, drawn out and developed information given to us from a number of sources as well as carried out significant research. The LEP provided a list of six contacts to contact and with whom to develop thoughts and ideas around the two areas. These included the Local Nature Partnership, Grown in Britain, Natural England and Sparsholt and Basingstoke Colleges and Southampton University. A full list of those consulted is listed in Annex A.

Telephone interviews:

In order to gain the maximum amount of information from all of these contacts and to expand the network, telephone interviews were conducted with each of these contacts. These interviews asked about individual project development ideas as well as the overall bigger picture in terms of the low carbon economy and sustainable development in the Enterprise M3 area. This included using their

³¹ Government set out the allocation of the European Regional Development Fund and the European Social Fund in England on the 27 June at <https://www.gov.uk/government/speeches/european-regional-development-fund-and-european-social-fund-allocations-2014-to-2020>.

knowledge in the sector to find out how they felt the outputs and results within the ESIF could be met as well as exploring possible sources of match funding.

As timescales were short, many contacts found it easier to discuss their ideas and input via telephone rather than attend the workshops. With that in mind, we carried out many phone calls with those that could not attend the workshops as well as all of those who attended.

All contacts were asked the same series of questions including asking them what is currently happening in the Enterprise M3 area to drive the activities under the low carbon economy heading forward. Those we consulted with felt that although the number of jobs in the environmental sector were profiled as growing and the area is continuing to do good work supporting low carbon projects, that there were key areas within the sector that could benefit from funding which would make a great impact. These included funding to support the use of Hampshire timber in house building, the use of wood as fuel, assistance in growing small businesses in the wood chip and wood pellet sector, the start-up and support of a regional centre for the demonstration and learning of Sustainable, Low Carbon and Renewable Technologies.

Many of those spoken to on the telephone spoke of the capital / revenue division of the funds and indicated that this would be crucial for them to know at an early stage. Those who were interested in capital funds felt that the new jobs created in the low carbon and rural economy and the reduction in greenhouse gases could be met within these capital projects by providing jobs at the demonstrator centre itself and ensuring that the building was built in a sustainable manner. This is an area that can be developed, because although the allocation would suggest that one large project is risky to ensure that the outputs under this heading are met, there is the option to fund an aspect of this work. For example, the option for a project to support businesses in learning about these new technologies through advice, and teach in sessions held at the demonstration centre.

It was felt that there were a lot of potential 'quick wins' within the forestry and wood fuel sectors, with a support of woodland enterprises being one of them. There are many opportunities surrounding this sector which would not necessarily require a large proportion of the funds, whereby small amounts would still make a significant difference. This includes a business support project supporting businesses such as a wood pellet manufacturer in Andover and a sawmill, also in Hampshire. The opportunity to use large areas of woodland means there is a huge potential in this area. These ideas are developed further in the Low Carbon Economy section of this report.

Workshops:

Two workshops were held on Monday 2nd December, one focused around the low carbon economy and one focused around sustainable development (Agendas for these events are seen under Annex B).

The workshops were very much focused on trying to draw out key information from the experts in this sector. There was therefore a lot of talk around set questions that we had posed to the groups and then the development around these questions. Due to the time restraints, many of those that were invited and that we had consulted with over the telephone could not attend, however, they were sent the agenda and ask to feed in via email or telephone should they have any additional thoughts to those that we had already discussed with them. Both workshops were extremely fruitful with many ideas of how to implement the low carbon economy element of the work coming through and ideas of how to ensure that it did not become a stand-alone item and was in fact integral to the rest of the programme.

Early in the workshops, the attendees felt that the low carbon economy work could be incorporated into all aspects of the strategy by having the option of using the funds allocated in this area to award to projects funded other the other priorities in order to encourage them to contribute to the low carbon economy. This would ensure that it was not looked at in isolation, but in fact is looked at across all projects. This could take the form of projects that have been funded consequently applying for an additional amount to create new jobs in the low carbon and rural economy and reduce greenhouse gas emissions. This would then assist the sustainable development cross cutting theme, ensuring that all projects are considering these issues early in their planning process with the hope of gaining the additional funds. These projects could then act as exemplar projects with the hope of encouraging all projects to be thinking about how they can achieve these outputs even if their project does not sit under this heading. This would also mean that the low carbon economy objectives could be influencing the larger allocation of funds.

This could also take the form of one project being allocated the funds with the remit of ensuring that all other projects funded under the strategy deliver results against the outputs. This could be a simple training and advice model used. Although this would risk the low carbon economy element of the strategy being stand-alone again and does not quite encourage it being an integral part of all project applications as above.

It was discussed how the allocation given to support the low carbon economy was a small amount over the seven years and although will make a difference, expectations should be managed as to what it can achieve.

The attendees discussed business support projects providing green audits and 12 hours of support to each business in order to help them bring new products to market, to influence supply chains and to assist in the marketing once small scale capital investments were made. There was a concern that as much as this has been a tried and tested, successful model, the match funding available for these types of projects would be difficult to source as they have historically been reliant on public sector funds.

Overall, it was felt that the low carbon economy is an opportunity for the entire programme. If a clean process of assessing whether projects coming forward under other priorities had the

potential to achieve the outputs under the low carbon economy heading should they receive additional funding, then this is a clear opportunity. By embedding this within the delivery model, there is the opportunity to maximise the results.

Many of those attending the low carbon economy workshop actually also participated in the sustainable development workshop. It was discussed how the Strategy for Growth's vision to be "the premier location in the country for enterprise and economic growth, balanced with an excellent environment and quality of life" was a good start to the work need to ensure that sustainable development remains a cross cutting theme across the strategy, however it was felt that there needed to be a golden thread that runs throughout the strategy to ensure that it is entwined into all activities and becomes more prominent than it currently is.

Summary

There were clear recommendations to start thinking about how the delivery models and selection and approvals processes should be developed sooner rather than later. It was seen as a key opportunity to think about how these processes could inform how the strategy would like to present the low carbon economy work as well as vice versa.

Overall, the feedback from both the telephone interviews and the workshops were extremely positive. Enterprise M3 have a number of experts within the low carbon economy and sustainable development fields that are on hand to help and to ensure that projects coming forward are supporting the right areas. Although there is an element of interest in successfully obtaining funds in their individual sectors, there is also a genuine passion from these organisations to see the funds go to the right place to ensure that these objectives are met.

The Local Nature Partnership is extremely supportive of assisting to ensure funds are directed to the right area as are many of the other organisations that we consulted with (listed in Annex A). These organisations have expressed their support in continuing to develop the low carbon economy ideas that are coming forward and also their assistance later down the line informing the ideas around delivery. They also volunteered to continue their one-on-one discussions with Enterprise M3 to assist them in any way possible.

Baseline and targets

The aim of was to develop a discrete series of credible baseline measures to track progress in these two areas which was to be included in the next iteration of the ESIF.

Baseline:

Data from BIS on the South East for 2010-11³² demonstrates that the South East as a whole has a strong low carbon economy base to build upon. In 2010-11 South East had:

- 6,585 low carbon businesses (13% of businesses)
- Worth £14,644.9m of sales (12% of sales)
- Employing 119,858 (13% of the workforce)

However, the report also shows that the rate of growth in the low carbon economy is at the lower end of the range of growth rates from 2009-10 to 2010-11 across the UK, with employment growth of 2.7% p.a. and sales growth of 4.2% p.a.

This data would need to be mined to provide information on the LEP geography, however these three measures provide an indication of the existing business base on which the low carbon economy element of the programme seeks to build.

This evidence coupled with the carbon emissions and energy use data already included within the ESIF provides a measurable baseline against which to measure progress by this strategy.

In addition to this, the embedding of a 'growth ready' assessment for each project supported under the programme, as described in the Sustainable Development cross-cutting theme section below, will enable a low carbon and sustainability baseline to be established in respect of each activity funded under the strategy and progress against the baseline can then be measured as part of ongoing programme management and monitoring and as part of the evaluation process for the projects and strategy.

In order for this to function effectively, the LEP should use the Local Environment and Economic Development (LEED) Toolkit to systematically consider the evidence relating to the local economy/environment relationship in order to reveal opportunities and threats and to consider appropriate responses to them. The output of this process will provide a framework against which the 'growth ready' assessments can be reviewed and monitored.

Targets:

The draft ESIF included targets for Strategic Action 4:

Reduction in Greenhouse Gas emissions

The target on the draft ESIF is expressed as a percentage reduction in GHG emissions to be achieved by 2020. Technical Annex A to the July 2013 Guidance for LEPs notes that the unit of measurement for this output should be tonnes of CO₂ equivalent³³. To develop this target for the ESIF it is therefore necessary to develop a rationale to establish a reasonable tonnage of carbon saved for the available funding.

The National Audit Office suggests a benchmark of £220-£230 per tonne of carbon saved³⁴. This

³² Low Carbon Environmental Goods & Services (LCEGS) Report for 2010/11, BIS (May 2012).

³³ The Development and Delivery of Structural Investment Fund Strategies, Supplementary Guidance to Local Enterprise Partnerships (July 2013), p.23.

³⁴ Cost-Effectiveness Analysis in the 2006 Climate Change Programme Review, A review by the National Audit Office, January 2007. Benchmark taken for 'Carbon Trust, policy expansion – support for investment in energy efficiency in SMEs.'

can be applied to the various elements of the programme to provide the following breakdown:

Funding	Value	Tonnes of carbon at £220/tonne	Tonnes of carbon at £230/tonne
Low carbon economy ERDF	£ 1,927,000.00	8,759	8,378
Low carbon economy ERDF + match	£ 3,854,000.00	17,518	16,757
Full ERDF allocation	£ 19,270,000.00	87,591	83,783
Full ERDF allocation + match	£ 38,540,000.00	175,182	167,565
Full allocation (ESF + ERDF)	£ 38,540,000.00	175,182	167,565
Full allocation (ESF + ERDF) + match	£ 77,080,000.00	350,364	335,130

The higher carbon cost should certainly be used, as the programme may be expected to address novel and innovative carbon savings schemes, as opposed to cheaper existing technologies which are available elsewhere.

These figures suggest that if the LEP adopted a target based on the higher of the two carbon costs for the ERDF and match spent on low carbon economy activities, the GHG reduction target should be 16,757 tonnes. These are equivalent to the annual per capita carbon emissions of 2,373 EM3 residents.

Additional ERDF outputs in relation to the Low Carbon Economy could be considered by the LEP, following on from the consultation, it seems likely that outputs could be delivered against the following outputs:

- Number of enterprises receiving support
- Number of enterprises supported to bring new products to market.

However, as the LEP needs to decide which of the potential options for the Low Carbon Economy element will be adopted, it is not yet reasonable to identify which of these or what numbers should be set to them as targets.

There are however no ERDF results indicated within the draft strategy. As a minimum the strategy should include a result around new jobs or jobs created to support the output of new jobs created and give confidence that longevity and sustainability is encouraged within the projects.

Recommendations:

- Enterprise M3 should establish the number of low carbon businesses, the value of their sales and the number of their employees within the LEP area as an initial baseline against which to measure the impact of the ESIF.
- The LEP should use the Local Environment and Economic Development (LEED) Toolkit to systematically consider the evidence relating to the local economy/environment relationship
- Embedding of a 'growth ready' assessment for each project supported under the programme
- Targets for Strategic Action 4 should be revised as follows:

	Description	Target
Output	Reduction in Greenhouse Gas emissions	16,757 tonnes
Output	New jobs created (in the low carbon and rural economy by developing woodland enterprises, encouraging end-to-end investment in the timber and wood to warmth supply chain).	150
Result	SME jobs	50

Supporting the shift towards a Low Carbon Economy in all sectors (Strategic Action 4)

There are four activities identified within the supporting the shift towards a Low Carbon Economy in all sectors element of Strategic Action 4

- Building the market in low carbon environmental technologies, goods and services.
- Non-domestic low carbon technologies and energy efficiency including retrofit and low carbon housing solutions/technologies.
- Exploring whole place low carbon solutions and smart cities solutions through a town centre pilot.
- Promoting the innovation and adoption of low carbon technologies

The consultation process has identified a series of options for the LEP to deploy the £1.927m of European funding:

Option	Description	Pros/cons
Single overarching project	Procuring a single project receiving the entire £1.927m allocation to provide a specific boost to an identified element of the low carbon economy within the LEP area	<ul style="list-style-type: none"> • Single project is a delivery risk and a monitoring benefit • Potential for significant impact from focused funding • Ability to commit and spend funding early in programme period • Significant risk that all of the areas and sectors identified under the strategy under the Strategic Action 4 cannot all be met.
Single low carbon technologies demonstrator project	Procuring a single project receiving the entire £1.927m allocation to provide support and grants for the development of a small number (5-6) demonstrator sites for low carbon technologies, e.g. district heating system, demand response/STOR solution within a specific locality, waste heat recovery, energy from waste systems	<ul style="list-style-type: none"> • Single project is a delivery risk and a monitoring benefit • Ability to advance selected and relevant new technologies within the LEP area • Outputs tend to be incidental (e.g. job creation depends on multiplier effect from adoption based on viewing the demonstrators) • Some respondents felt that this approach had been tried and was less innovative
Allocation of funding across the programme	Using the allocation to provide a specific additional amount to projects under the other Strategic Actions to ensure that they have an element of activity which is focused on supporting the low carbon economy	<ul style="list-style-type: none"> • Embeds supporting the low carbon economy into Enterprise, Innovation and Skills • Innovative approach to the level of funding available and clear demonstration of sustainable development cross-cutting theme • Would require work for the initial set up to ensure that all applications coming

		<p>forward under other strategic actions are questioned on the opportunity to deliver against the outputs should they receive further funding. However, once this work was embedded into the application process, it should then make the selection process for the allocation of funds very simple.</p> <ul style="list-style-type: none"> Partnerships are already in place and simply need to develop in terms of allocating time to the additional activity, which could help in terms of match.
Series of specific projects	Procuring several specific projects to address specific identified needs, e.g. forestry and woodland management linked to wood products, wood fuel and carbon offsetting	<ul style="list-style-type: none"> Traditional approach to funding in this area Specific needs can be addressed As match funding is scarce, this gives the opportunity for projects to come forward with 'what they have', rather than not being able to be supported at all due to not being able to achieve a certain threshold of match. Challenging to ensure sufficient project pipeline to commit the funding quickly A good opportunity to ensure that it is an open process whereby projects of all values can come forward.

Overarching project to support other projects

- **Summary** - Project providing a range of low carbon economy advice and support, specifically tailored to fit around the other activities funded under the ESIF. This would ensure that support is available to successful projects to enhance their projects to engage with the low carbon economy within the context of the other three strategic priorities.
- **Key sectors** - As per other three strategic priorities
- **Key delivery partners** - Private sector, Local Authorities, public sector agencies such as Environment Agency
- **Match funding** - Unclear

Low Carbon Technologies Demonstrator project

- **Summary** - A single project which identifies and provides grant funding to establish either a series of innovative demonstrator sites or one 'centre of excellence' to showcase low carbon technologies and provide best practice, exemplar reference sites for these technologies. This will help to stimulate demand for and adoption of these

technologies as familiarity and overcoming a lack of early adopters is often a key barrier to the roll out of innovative technologies. Potential technologies which would be trialled include: district heating systems, anaerobic digestion, waste heat recovery, electric vehicles, energy storage/demand response, integrated solar PV and solar thermal, heat pumps, smart meters linked to power line communication technology, distributed energy generation networks.

- **Key sectors** - Various, depending on technologies selected (housing/Local Authority for district heating, LEP key sectors for waste heat recovery, etc.)
- **Key delivery partners** - Private sector, Local Authorities
- **Match funding** - Private sector, public sector

Allocation of the low carbon economy funding across the programme

- **Summary** – Adding a specific Low Carbon Economy allocation to projects supported under all of the strategic priorities, to enable them to address low carbon economy issues within the mainstream of their project delivery and therefore delivering against the low carbon economy outputs.
- **Key sectors** - Various, as specified within the relevant strategic priority within the strategy.
- **Key delivery partners** - Various
- **Match funding** – Various as per rest of the project

Selection of projects

1. Wood fuel supply chain

- **Summary** - Develop woodland enterprises, bringing unmanaged woods into production and creating new woods whilst at the same time enhancing the environment. Wood products, wood fuel and carbon offsetting are all commercial opportunities. A specific need is to develop the wood fuel and wood pellet supply chain. This would combine developing the infrastructure needed to deliver to biomass boilers and also the business support activities needed to develop businesses within the supply chain. It would not fund installation of biomass boilers themselves, and thus avoids any conflict between EU funding and RHI/FIT.
- **Key sectors** - Forestry, renewable energy
- **Key delivery partners** - Private sector, Environment Agency, National Parks, Forestry Commission, LNPs
- **Match funding** - Private sector, public sector (National Parks, Environment Agency)

2. Catchment area water use

- **Summary** - Project building upon and linked to flood alleviation work based on water use and management within a specific catchment area. This would link sustainable fisheries, improved flood risk management and carbon storage through strategic river restoration. The activity could create jobs and the potential for a significant increase in income from new 'wild fishing' tourism markets. This could link with nature-based tourism enterprises and bring together different organisations working across river catchments.
- **Key sectors** - Utility companies, public sector, water intensive elements of LEP priority sectors
- **Key delivery partners** - Private sector, Environment Agency, water companies, LNPs
- **Match funding** - Private sector, public sector (Environment Agency, Local Authorities)

3. Sector focused knowledge transfer and commercialisation

- **Summary** - Project to support the development, transfer and commercialisation of low carbon economy goods and services developed within the Enterprise M3 LEP's priority sectors into low carbon economy products through a mixture of grant and business support activities. E.g. Support an aerospace firm to develop and transfer an innovation from their core aerospace business into the low carbon economy.
- **Key sectors** - Digital media, aerospace/space and advanced manufacturing

- **Key delivery partners** - Private sector, Higher Education
- **Match funding** - Private sector match

4. Low carbon business support – audits, grants and support

- **Summary** - Project providing business support activities in the form of business green audits, support time, workshops and grants to businesses working in the low carbon economy. Suite of potential support to offer multiple opportunities for businesses to engage and have their growth needs addressed. The projects could be similar to the sort of activity which has been funded in the Thames Gateway.
- **Key sectors** - Environmental, low carbon economy
- **Key delivery partners** - Private sector, Local Authorities
- **Match funding** - Private sector match, opt in match (Manufacturing Advisory Service), match from supported SMEs.

5. Transport connectivity solutions focused around a specific place

- **Summary** - Reducing carbon emissions caused by business travel is one element of supporting a low carbon economy. There are several potential elements to this activity, ranging for the larger scale access to rural broadband, mobile phone and data networks through to smaller scale activities to deliver connectivity between different elements of public transport focused around a specific place. This could include engaging with local businesses to offer incentives for low carbon travel or simpler access to advance information about transport options and connections in a specific place.
- **Key sectors** - Transport, Local Authorities
- **Key delivery partners** - Private sector, Local Authorities
- **Match funding** - Local Authority, private sector

6. Embedding Low Carbon Economy support in delivery

- **Summary** – Reserve from the low carbon economy allocation available to be awarded to other projects funded under the ESIF, through an application process where they will look to use additional funding to enable them to address low carbon economy issues within the mainstream of their project delivery.
- **Key sectors** - Various, as specified within the relevant Strategic Priority within the strategy.
- **Key delivery partners** - Various
- **Match funding** – Various as per rest of the project

Amongst the workshop attendees there was significant support for the innovative approach of leveraging the Low Carbon Economy allocation into the other areas of the ESIF in order to embed both low carbon and sustainable development across the entire strategy. There was, however, awareness that this could be seen as an innovative approach for Enterprise M3 to adopt. It was recognised that there would need to be some work around ensuring that the application process was set up to include and manage this at very early stages to ensure the success of it down the line.

In addition to this, there were several key issues which were identified during consultation which the LEP needs to address in the final version of the strategy including

- CAP/REV split in the funding³⁵
- Potential tension between jobs and carbon saving outputs: the LEP should consider to what extent it desires to maximise job creation within the low carbon economy or carbon savings made within the LEP area due to the programme. For example, market development and commercialisation support may increase jobs but if sales are outside of the LEP area and potentially outside of the UK, it is difficult to see how carbon saved as a result of these sales could justifiably be reported by the project as an output.
- Project size: a wide range of project sizes were suggested during consultation. While smaller projects alleviate the issues around identifying match funding, and several worthwhile ideas for very low value projects (<£50k) were put forward, there is a concern about both the level of impact of small projects and the administrative burden of selecting, managing and monitoring these. There could be concerns about accessibility of the funding, if a minimum value for projects is given, however the difficulties of small projects suggest that a minimum total project value of £250k would be advisable.⁶

SWOT analysis for low carbon economy

Strengths	Weaknesses
<ul style="list-style-type: none"> • Low carbon economy appears to be a significant part of the economy of the LEP. • There are a number of organisations with innovative ideas as to how this funding allocation can be used. • Some match is available, especially when matched with public sector time of teams delivering against the same objectives. 	<ul style="list-style-type: none"> • Level of funding under this priority is not high in comparison for what could be achieved in the area. • Evidence suggests growth rate amongst low carbon economy businesses is slower than the national average.
Opportunities	Threats
<ul style="list-style-type: none"> • Various options to maximise the outputs and results that this allocation of funding delivers. • Funding allocation to this area is sufficient to be catalytic when targeted. • Committing low carbon activity at the start of the programme period is an opportunity for ongoing assessment against the option chosen and consequently offers the opportunity to 'change tact' should there be the need. 	<ul style="list-style-type: none"> • Expectations within the LEP must be managed as although the funding can make a difference, there are limitations. • Risk of disengagement amongst key partners within the area, if the intentions with regards to the options for delivery are not clear early on in the project development process.

³⁵ See detailed CAP/REV discussion below.

Recommendations:

As the detail of the implementation processes, in particular how projects will be procured, managed and monitored are not yet fully developed, it is difficult to recommend a specific course of action. However, the fact that these have not yet been finalised provides great opportunities. The issues for the LEP to consider are:

- Enterprise M3 should consider the viability of using the low carbon economy allocation to embed low carbon economy support across the other strategic priorities of the ESIF. This could be done by incorporating key questions into the approvals and selections process which would assess whether projects applying under all priorities have the possibility to 'expand' in order to apply for funding for a specific low carbon element of their project. As the projects would already be established with partnerships, they could all use any additional time spent on this aspect of work as match funding. A proportion of the funds could be allocated for existing projects to apply to achieve results under these outputs and the remainder of the £1.9 million could be used as an open tendering round.
- If this is not adopted, then an approach of fewer, larger projects is administratively simpler for monitoring purposes and research would suggest that there would be match funding available in some of the project ideas coming forward.
- If Enterprise M3 feels that a more traditional approach of several funded projects should be adopted, the LEP should engage with the key partners in the area to develop proposals around those activities have been identified (above). EM3 should also ensure that they retain the flexibility to start to embed the support for the low carbon economy into other areas of activity. However, it is a concern that the amount could be 'spread too thinly' and therefore not make enough of an impact in any of the areas supported and it is therefore recommended that there is a minimum project value given in the application guidance.

Sustainable Development Cross-Cutting Theme

There is a key opportunity to ensure that sustainable development is threaded throughout the strategy. In our consultations, it was felt that although the commitment to this cross cutting theme needed to be more explicit throughout the strategy and not just stated within the overall vision.

There was a suggestion that the correct language needed to be used in order to ensure that the cross cutting theme does not become a tick box exercise, but in fact flows through all activities. The sustainable development cross cutting theme needs to be seen as a key opportunity. There is the opportunity to have a high level statement which is building on the vision to be “the premier location in the country for enterprise and economic growth, balanced with an excellent environment and quality of life”. This statement of a commitment to ensure that sustainable development is embedded within all projects following key principles should be asked of in the application process to stress the importance and be a key consideration in the approvals process.

There is an activity that needs to take place in ensuring that the language shows the extension of the economic notion of capital (manufactured means of production) to goods and services relating to the natural environment. This is an activity that many of those we have consulted with are willing to contribute to. This is an opportunity to deliver large numbers of outputs and should not be pitched as a ‘green tax’ but in fact something that will really assist in making businesses more economically resilient.

The longer term benefits of this work should also be highlighted as it could be that results will continue to flourish beyond the years of the strategy as well as throughout the funding period. There is an opportunity to use exemplar businesses who have great achievements in this area as case studies to encourage how projects and businesses can achieve it, but also to inform the Enterprise M3 area of how this needs to be pitched in order to get the right applications in. It was felt that the importance of the sustainable development cross cutting theme needed to be carried from LEP Board level all the way to the businesses and individuals being supported by the projects. Therefore, the examples of successful, key businesses, being able to harness this to make them more economically viable would be engaging to all levels.

There is an ideal opportunity of embedding the sustainable cross cutting theme throughout the programmes by asking all project applications to complete a ‘growth ready’ risk review. This could be a mandatory template provided to all applicants which needs to be completed, reviewed and assessed as part of the selection process. There would need to be an exercise to identify the key growth restraints and the key areas of concern and it would then be up to projects to assess how they were going to mitigate against the areas that affected them i.e. water supply and rate on a green, amber, red basis. This would then be assessed within the selection process to ensure that these ratings and mitigations are satisfactory and thought through or whether they could be enhanced. This could also be an opportunity for projects to explain on how they plan on enhancing areas. If all project applications were asked to complete this from the offset, the theme would become an integral part of the programmes. This could even benefit future project development coming forward by encouraging all projects to think about these growth restraints. It would be an exercise that would benefit any mid-term and final evaluations of the programmes as responses could be monitored and

tracked throughout the life time of the funding and an overall collation of how each of the successful projects mitigating actions have succeeded could be reviewed.

It was felt that there was a great necessity for the Local Nature Partnership to have a seat on the selection committee for the selection and the approvals of projects. This would ensure that the programme maintains the commitment to the sustainable development cross cutting theme and is monitored against it. The LNP is welcome of this suggestion.

There is an opportunity to use large businesses and SMEs as case studies of what can be achieved and how sustainable development can be economically beneficial to your business. These case studies can then be used in order to encourage project applications on how to consider the cross cutting theme within their proposals. They can also be used to engage with the LEP Board and the selection committees in order to show them what has been achieved in the area and therefore what opportunities the funding could bring.

With the strong network of organisations willing to assist in embedding, supporting and maintaining progress against the sustainable development cross cutting theme, the LEP could appoint 'champions' within the area which can be people and organisations recognised to be both knowledgeable and influential. When this was discussed at the workshops, there was a warm response to it. On the whole, many of the organisations wanted to help as much as they could in order to make sustainable development an integral part of the programme but resources would mean that there may be a limit to the physical support available. However, it was suggested that these 'champions' could be appointed under Technical Assistance in order to be coupled with someone with European funding knowledge in order to provide advice and guidance to businesses wanting to apply under the low carbon economy priority or organisations that have project ideas but are unsure on how to implement the sustainable cross cutting theme throughout. The LEP could hold a number of partnership building events at which time at the end is left for surgery slots whereby applicants can ask for advice on how to apply for European funds, eligibility and match funding guidance and how to ensure that their project is in tune with the sustainable development cross cutting theme.

Overall, it was felt that the commitment to this cross cutting theme needed to be explicit. It needs to be entwined within the strategy and consequently embedded into the selection, approvals and delivery processes in order to ensure that this is not seen as a 'green tax' by potential applicants. By implementing a risk review it gives reassurance that these issues have been thought about at an early stage and continue to be of great importance, but even more so, assists in showing how by embedding this cross cutting theme, there is a real opportunity to build on the outputs achieved throughout the whole of the priorities.

Sustainable Transport

There were many suggestions and indeed a lot of interest in the allocation surrounding sustainable transport. With the money available, it was agreed, that the money needed to be focused in one area to be able to really make an impact. There were many suggestions where it was thought that match funding could be available in forms such as public sector staff time such as connectivity, information systems in order to gain access to better transport systems, better broadband connectivity in rural areas to encourage working from home or better phone coverage to encourage business expansion.

There were many ideas around the uses of electric cars and the funding of charging units or marketing schemes to reassure businesses of the benefits of electric cars. There were a number of car sharing schemes also suggested. Although, on the whole it was thought that with the allocation in this area, there were other aspects of sustainable transport that may benefit more these smaller amounts.

The benefits of sustainable transport need to be more widely publicised particularly to businesses. The New Forest National Park Authority gave the example of how they have funded an open top double decker bus which had the aim of getting people to explore the surroundings out of their cars reducing the emissions. However, in doing this, they have been able to identify key businesses along route and put bus stops outside businesses which has increased their footfall. Therefore, by funding the bus, it has triggered many other benefits which in turn can be invested in and developed.

There is an opportunity to fund ideas surrounding information technology and making transport information accessible therefore encouraging people to use other means of transport. It was discussed how if you were getting off a train to attend a meeting, if you had the option of obtaining the information of when the next bus would arrive, you would be then more likely to use this, rather than necessarily relying on a taxi or simply not taking the train at all, and driving yourself. Information technology linked with connectivity of modes of transport is a great opportunity to make a real impact in terms of reducing emissions.

There was an idea of building wood bike sheds in key areas such as stations to encourage people to ride to the station and have somewhere to leave their bicycles. It was suggested that there could be a link to using local wood sources in order to build the sheds which would also benefit the low carbon economy area of the strategy. There is an opportunity to fund folding bicycle schemes for businesses as extensions of green travel plans or, on a wider scale, to invest in a 'Boris Bikes' type scheme in a large town such as Basingstoke which could then be used as an example within the area. However, something of this scale would then need a significant amount of the allocation.

Although there are many ideas that were discussed that could benefit from small revenue amounts, there really needs to be a decision as to what the focus should be in this area. There is otherwise the significant risk that the allocation is spread to thinly funding projects ranging from broadband support to the small scale capital items and therefore does not make a significant impact in either of the projects funded. This can be a broad focus in terms of information technologies around transport or the support and encouragement of cycling to work schemes, or the uptake of electric vehicles, but once this overall broad focus is decided upon innovative project ideas can come forward under this and collaborate to create a bigger impact.

SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Natural capital of the LEP area is a key factor for the LEP. • Enthusiasm and support within relevant parts of the LEP for the cross cutting theme. • Availability of expertise to act as 	<ul style="list-style-type: none"> • Natural capital is not accepted as readily as traditional economic or social capital. • The examples and recommendations to embed the theme require resource and need to be developed early on to create a sound base for a sustainable development

champions or assessors to support the embedding of the theme.	thread to run through all work funded under the strategy.
Opportunities	Threats
<ul style="list-style-type: none"> • Enthusiasm and support from key partners can help to steer the theme. • Chance to demonstrate the economic value of natural capital – i.e. sustainable development makes doing business less costly rather than being an added expense. • Design of the application process is a real opportunity to ensure that the theme is embedded, such as specific questions about how projects under other strategic actions could enhance their projects to deliver against this theme and carbon savings. • Other models can be adopted, such as a 'growth ready' review as part of the application process. 	<ul style="list-style-type: none"> • Theme is isolated and restricted to Strategic Action 4 of the strategy rather than being applied to all elements, • Theme is not embedded throughout the strategy and consequently the projects, making it feel like an additional 'green tax'. • Missed opportunity to use the theme to recognise the importance of sustainable development, and risk the natural capital of the LEP area. • Risk of stakeholder disengagement early in the programme and therefore the need to maintain momentum.

Recommendations:

- Encompass a 'growth ready' review into the project application process in order to make sustainable development an integral part of all project applications and successful projects funded.
- Enlist the help of key stakeholders and experts in the sector to become 'champions' to assist and guide projects or project applications where necessary.
- Ensure that the Local Nature Partnership has a seat on the Selection Committee for the selection and approval of project applications.
- Select an area within sustainable transport to focus the funds on in order to gain maximum impact. There was considerable interest in supporting projects under information technology, broadband and mobile phone coverage linked to connectivity and availability of modes of transport.
- Incorporate key questions into the approvals and selections process which would assess whether projects applying under all priorities have the possibility to 'expand' in order to apply for funding for a specific low carbon element of their project. As the projects would already be established with partnerships, they could all use any additional time spent on this aspect of work as match funding. A proportion of the funds could be allocated for existing projects to apply to achieve results under these outputs and the remainder of the £1.9 million could be used as an open tendering round.
- Engage with both large businesses and SMEs within the area that have successfully achieved a holistic approach to sustainable development throughout their business and use these as case studies for both project applicants and the LEP Board to show what can be achieved.
- See the cross cutting theme as an opportunity to assist in the delivery of the outputs under the low carbon economy strategic priority.

Match Funding

Match funding remains an issue for many of the stakeholders we engaged with. It is increasingly difficult to ask for innovative projects that are large enough to make an impact to be able to create a solid funding package. It is critical that decisions to fund large projects are not implicitly stated within the strategy as without great assistance in developing the projects and sourcing the match, it could be difficult for projects to be able to bring those large amounts together.

However, there are still some sources of match funding that can be used. Hampshire County Council have stated that as long as the low carbon economy activities are in line with what they are delivering, they would be able to offer staff time to for projects to use as match, which will be of great benefit.

There is the opportunity to bring the match in from the SME's that will be supported through projects but this comes with significant risk and a large amount of evidencing requirements. Each SME supported would need to provide documents for the audit trail including bank statements, payroll records, some of which businesses are reluctant to share. There is also the significant risk that you would not be able to identify those businesses prior to the project being approved and therefore when it comes to the projects attempting to 'sign businesses up' they simply cannot as the evidencing requirements are too heavy on the SME.

Linked to this, there is the opportunity for projects to be run on a grants type scheme, whereby SMEs show that they have spent the 50% and earn the other 50% from the project. Again, this could have the same problems as above with evidencing, but would potentially cause difficulty for the programme spend profiling as it will become very difficult to identify the uptake of the businesses onto these projects and could mean that the majority of their spend is at the end of the project lifecycle which does not assist in hitting N+3 targets.

There is an interest from the private sector in the low carbon economy projects which can be harnessed to use as match funding, but throughout the process, it must be clear to private sector companies that they cannot make a profit through these funds, and can only charge consultancy rates if they have gone through an open tendering round to win the work within a project. It is important that applicants are aware of these issues before applying as to recognise whether to put the private sector in as partners or whether it would in fact benefit them more to have them as consultants of the projects as this will affect how the match funding is profiled.

Overall, it became apparent that this is an area that the people we consulted with really need assistance and guidance on. In order to maximise any opportunities out there, it would be advisable to use an element of the Technical Assistance budget in order to facilitate partnership building events which would not only seek to fine tune the development of some of the project ideas coming forward but would also clarify important eligibility criteria which can help applicants shape their applications and maximise how they profile the match funding. They would also be crucial in bringing people together and growing partnerships which in turn could increase the amount of match funding.

Capital versus Revenue

It became apparent throughout the consultation with stakeholders, that there were differing opinions on what the capital / revenue split of the allocation should be. The majority agreed

that with the funds that were available, there were more opportunities to fund more activities through the use of revenue. However, those consulted felt that in order to support projects coming forward around the low carbon economy, there does have to be an element of capital funds available. Projects that look at supporting new businesses to develop in the wood chip industries would benefit from the opportunity to apply for small scale capital elements as well as the advice service on how to get their product to market.

There was a lot of interest in demonstrator projects whereby new low carbon technology is showcased in order to encourage the uptake and explain the benefits of this technology. As much as there is a strong revenue element to this work in influencing supply chains and providing training and support around how the technology can be used to make businesses more economical, there would need to be a capital element which would assist in funding the demonstrators.

As the funds are primarily revenue, this needs to be widely communicated when the strategy is finalised and delivery is commencing, at an early stage. It became apparent throughout our consultations that although the majority understood that the funds would be primarily revenue, there are still some that believe the funding could fund the building for the demonstrator projects and other large scale capital items. With the amount of money identified under the low carbon economy part of the strategy it would become difficult to achieve all of the four activities funding simply one large scale infrastructure project.

ERDF eligibility criteria are very strict on what is listed as capital spend and it is therefore an important consideration when going out to tender for projects under the low carbon economy activities. It should be communicated to projects at the offset the approximation of the capital / revenue split expected within their applications as this will save time later down the projects approval process and manage expectations early.

Recommendation:

- Provide guidance prior to application rounds as to the capital/ revenue division intended. This will give stakeholders in the area an indication of whether the work they want to do within the low carbon economy can be supported under these funds.

Conclusion

The EM3 ESIF element of Supporting the Low Carbon Economy and the Sustainable Development cross-cutting theme represent opportunities for the LEP to deploy EU Structural Funds in an innovative way to bring national capital and the important low carbon economy into the mainstream of thinking and activity delivery.

There are number of key recommendations for implementation given throughout the report. It has become apparent that many of these will be guided by key decisions early on, which will then inform how the application, selection and approvals process is developed. All of the recommendations require a commitment of staffing resource early on, but the programme will benefit from injecting this early in order to have key principles in place which can then be carried through the lifetime of the programme.

The individuals and organisations consulted with were very enthusiastic to continue to assist and this engagement should be maintained to ensure that the commitment to achieving the objectives around low carbon economy and sustainable development continue to be a collaborative achievement.

Annex A: List of people and organisations consulted

Adam Wallace	Natural England
Alan Scrase	University of Southampton
Anthony Bravo	Basingstoke College
Beverley Gower-Jones	Carbon Limiting Technologies
Bronwen Chinien	Surrey County Council
Chitra Nadarajah	Hampshire County Council
Chris Quintana	Hampshire Chamber of Commerce
David Moir	Basingstoke College
Debbie Tann	Hampshire & IOW Nature Trust / Hampshire and IOW Local Nature Partnership
Dougal Driver	Grown in Britain
Gary Foster	Natural Catalyst
Jacque Middleton	Carbon Limiting Technologies
Matthew Woodcock	Forestry Commission
Paul Wickham	Surrey Local Nature Partnership Sarah
Jane Chimbwandira	Surrey Wildlife Trust
Tim Jackson	Sparsholt College
Tony Spence	New Forest National Park Authority

Annex B: Agenda for the workshops

Enterprise M3 – Low Carbon Economy Workshop

Hilton Hotel, Old Common Rd, Black Dam, Basingstoke RG21 3PR Monday

2nd December 2013 9.30 - 11.30am

Agenda

9.30: Welcome and introductions

9.40: Scene setting – where are we now? 9.50:

Aims for the workshop

10.1 : ROUND THE TABLE DISCUSSIONS

- What are the key priorities for the low carbon economy in the LEP area?
- How would you develop the four activities set out in the low carbon economy part of the strategy “supporting the shift towards low carbon economy in all sectors?”
- What would projects achieving the outputs listed look like?
- How would you see these outputs being measured?

10.45: Feedback and round up

10.50: ROUND THE TABLE DISCUSSIONS

- Where would the match funding come from to support these activities?
- What support do you think would be helpful in developing ideas that will achieve these low carbon objectives?

11.15: Feedback round up and conclusions 11.30:

Close of workshop

Hilton Hotel, Old Common Rd, Black Dam, Basingstoke RG21 3PR Monday

2nd December 2013 1.30-3.30pm

Agenda

9.30: Welcome and introductions

9.40: Scene setting – where are we now? 9.50:

Aims for the workshop

10.1 : ROUND THE TABLE DISCUSSIONS

- What is the sustainable development vision in the strategy?
- How would you suggest that sustainable development can be embedded into the strategy and the future funded activities?
- How do you think an overall holistic view of “the Enterprise M3 area is a beautiful, natural place, let’s look after it” would work and how would you see projects seeking to tap into this?

10.45: Feedback and round up

10.50: ROUND THE TABLE DISCUSSIONS

- Do you think that the strategy would benefit from identifying ‘champions’ in sustainable development who would assist in guiding the future programmes to ensure projects are embedding this cross cutting theme within their activity?
- What activities do you see would obtain the objectives of reducing emissions and climate change?

11.15: Feedback round up and conclusions 11.30:

Close of workshop

Enterprise M3 – Draft European Structural and Investment Fund Strategy – October 2013

ANNEX E – ESIF CONSULTATION TRACKER REPORT

A copy of the ESIF Stakeholder Consultation Tracker Report follows.

1. Background

The draft ESIF consultation document was published by Enterprise M3 Local Enterprise Partnership (Enterprise M3) in October 2013. The Strategy consultation sets out ambitious but realistic proposals for the investment of European funding over the next seven years to 2020 by Enterprise M3. Enterprise M3 wants to “exploit one of the most successful performing economies in England” and wants to target these funds to achieve its vision set out in the Strategy for Growth (published in May 2013). Enterprise M3 LEP aims to work collectively with partners, communities and wider stakeholders to unlock growth, prosperity and quality of life across the economic area. The EM3 LEP economic area stretches broadly 75 miles through across the two counties of Hampshire and Surrey and neighbours the other LEPs such as Solent, Thames Valley Berkshire and Coast to Capital.

Enterprise M3 has received a notional allocation of £38.54m for the period 2014-2020 with an assumption of 50% European Regional Development Fund (ERDF) targeted at the stimulation of business growth and jobs and 50% for European Social Fund (ESF) for skills, investment, workforce training and targeted inclusion activities. Enterprise M3 also intends to use part of the European Agricultural Fund for Rural Development, once this has been allocated.

Enterprise M3 undertook an extensive consultation process in developing its Strategy for Growth. The consultation process identified three headline targets for the LEP around GVA, jobs and business births and survival. The consultation also identified four themes of activity, which would underpin the progress towards these headline targets. The four themes are around enterprise, innovation, skills and employment, infrastructure and place.

To be successful and relevant for stakeholders, EM3 have recognised that its ESIF strategy document needs to encompass their needs, views and actions. In preparing the ESIF draft strategy, the project team and consultants (Warwick Economics & Development) have been engaging with key partners and stakeholders (including local authorities, Further Education, Higher Education, business support organisations, the Not for Profit Sector and other public bodies) on the shape and scope of our investment priorities and on the potential projects that could be included in the Strategy. The draft identified four main areas of focus and these are strongly rooted within the Enterprise M3 Strategy for Growth, which was published in May 2013. The strategy has a strong focus on enterprise and innovation as well as skills and employment and sustainable infrastructure. This document summarises the consultation responses received after the publication of the draft ESIF strategy in October 2013.

2. Stakeholder consultation process

Following the publication of the draft ESIF strategy consultation document, Enterprise M3 received the following responses from: Surrey County Council (Environment and Infrastructure), Surrey County Council (EmployAbility), Surrey Wildlife Trust (on behalf of the Surrey Nature Partnership), Surrey Hills AONB, South Downs National Park Authority, Hampshire County Council, The Environment Agency, Runnymede Borough Council and Matthews Associates, Surrey.

3. Stakeholder consultation response approach

As Enterprise M3 has previously undertaken a wide ranging consultation on the broad themes within the strategy it was particularly interested in receiving comments on the following issues:

- Whether the activities within the strategy are scoped and scaled correctly
- How your business can help with the delivery of this strategy by using some of these funds as match funding for your own projects
- How we can manage and deliver this funding to help business within the area to access and use this funding effectively

4. Stakeholder consultation findings

More detail on the stakeholder responses is contained in Appendix 1 of this report. Individual references and sources have been included in this report to provide context and technical detail.

4.1 Overview – key messages from stakeholders

Overall, there has been very positive feedback from stakeholders in relation to the ESIF strategy consultation and all stakeholders have indicated a willingness to work closer with Enterprise M3 to ensure that the strategy accurately reflects the area's needs and appropriate interventions. Stakeholders highlighted a number of technical and scope/content gaps for Enterprise M3 to evaluate. Stakeholders have also provided detailed references so that Enterprise M3 can review and amend certain aspects of the strategy document. For example, some stakeholders have highlighted that not enough emphasis has been placed on rural issues and others are concerned that climate change, sustainable development and protecting the environment (e.g. flood risk and water management) and transport have not been sufficiently included within the ERDF funding proposal. Stakeholders have also identified a number of ways in which the document could read and flow

better so that the profile of key issues and actions can be raised. A high level summary of the key themes contained in the responses is provided below.

Support and willingness to work and collaborate with Enterprise M3 on the following key issues:

- Match funding – identification, access and availability support and expertise offers
- Opt-ins – implications and costs and 'localness' test application and evaluation ideas
- Community Led Local Development (CLLD) – delivering local projects with local governance structures to drive benefit
- Programme business processes – end to end LEP involvement
- Funding technical assistance – access to budgets and funding sources eg Technical Assistance Fund and match funding on specific needs eg nature based tourism, woodland enterprises, sustainable land management and sustainable fisheries
- Technical advice and expertise on sustainable infrastructure and environment eg Green Infrastructure
- Cross sector working such as protecting and promoting local environments with Local Nature Partnerships and their economic importance to the Enterprise M3 area and sustainable transport and infrastructure projects

The development of funding opportunities for:

- Promotion of a Growth Hub and sustainable business portals to drive economic growth, improve skills and employment (access) opportunities
- Promotion of employment and support for social mobility including social investment funding for vulnerable groups and match funding opportunities – employment, skills, innovation, local community
- Supporting the shift to low carbon economy and stakeholder event development opportunities plus need to drive environmental benefits and associated enterprise opportunities eg energy service companies, cooperatives, CICs
- Enterprise opportunities – to grow visitor economy opportunities that drive economic growth and support rural regeneration
- Visitor and business tourism to drive skills, employment, GVA

Working together across organisations and cross cutting strategic plans and objectives:

- Roles of appointed bodies to strategically review and manage large scale bids and delivering change through appropriate governance e.g. LEADER local action groups and working group membership offers
- Sustainable development – supportive of the commitment to promoting sustainable development and associated objectives

- Social enterprise – promoting the creation and expansion of social enterprises and collaboration with the LEP
- Development of a Growth Hub – collaboration with the LEP to support the strategic themes of innovation, employment and employability, sustainable infrastructure and places
- Sharing best practice, collaboration and brokerage across organisations
- Strategic assistance to support key organisations and businesses (e.g. universities) with sustainable transport and infrastructure plus the identification of funding opportunities for cycling and other sustainable transport modes

4.2 Key actions for Enterprise M3 ESIF

- Review the offers of support, collaboration, brokerage, advice and areas of expertise from stakeholders (e.g. County Councils) and utilise as appropriate - plus review the requests for governance board membership
- Consider ways to simplify the strategy document and incorporate relevant content (and detailed technical) gaps identified by stakeholders e.g. environmental (e.g. water management, flood risk, climate change) and enhance sections as identified by stakeholders (e.g. visitor /tourism economy, sustainable development)
- Review examples of best practice outside of Enterprise M3 and seek to share learning from neighbouring LEPs on funding and projects

Appendix 1

Stakeholder consultation tracker – EM3 Strategy for Growth



1. Scope and scale of activity Whether the activities within the strategy are scoped and scaled correctly

Surrey County Council

- Match-funding: any further refinement of proposed priorities should be done in parallel with a consideration of match funding – access to, and availability of. All ESIF funded activity must be match funded in some way but the subject has not been explored fully. SCC are keen to support Enterprise M3 in a detailed analysis of where both public and private match funding is available from existing local sources and work which might be used to part finance key pieces of work identified in the final investment plan. SCC would like to explore with Enterprise M3, any ways in which it might be possible to develop special purpose vehicles or similar that might be used to gather and harness local match funding in ways that mean that the required sums can be identified and drawn down quickly and in accordance with ESIF regulations.
- Opt-ins: any opt-in proposal needs to be subjected to rigorous scrutiny. SCC offer to contribute to this process as it is vital that the full implications and costs of any opt-in arrangement are fully understood and agreed with by local stakeholders. Opt-ins entail an alignment with existing national programmes but any such provision must be capable of taking full account of local priority needs within the Enterprise area as opposed to conforming to a national level template. It is also important that the same "localness" test be applied to the activity which a CFO is offering as match funding.

Surrey Hills AONB

- The AONB Board would like the LEP to reflect their vision for the Surrey Hills as part of the family of Protected Landscapes along with the South Downs and the New Forest National Parks.
- Working with its DMOs, the Protected Landscapes all support sustainable development and sustainable tourism. Within the Surrey Hills area the AONB Board have recently established a Community Interest Company, Surrey Hills Enterprises, to support communities and businesses to work together to provide high quality and memorable experiences, based on the unique sense of place. The work that the Surrey Hills AONB Board and other protected landscapes are doing through projects such as Our Land is a key mechanism for delivery, providing a way to help rural tourism businesses improve their environmental and economic performance through:
 - Improving business and marketing skills: delivered through the AONB & National Park units working in partnership with e.g. DMOs and other business advice providers
 - Improving the visitor offer – focusing particularly on training in environmental and business performance, landscape awareness and management: delivered through the AONB and National Park units
 - Supporting local retail – developing local networks of producers/supplies and the tourism sector: delivered through the AONB & National Park units working in partnership, e.g. with DMOs.
- Reference is made to the outstanding landscapes being recognised in the New Forest and South Downs National Parks which cover just over a quarter of the LEP area. They suggest that the Surrey Hills Area of outstanding Natural Beauty (AONB) should also be included here as it is a nationally protected landscape with equal status to a National Park (NPPF paragraph 115). Surrey Hills suggest the document needs to be more explicit about both the constraints and opportunities that this large percentage of Protected Landscapes brings. Taken together, the two National Parks and the Surrey Hills AONB are vital in underpinning the economy and communities of the EM3 area. They provide ecosystem services such as freshwater, food, timber products, carbon storage, flood mitigation and pollution control. They are also a very powerful factor in making the Enterprise M3 area an attractive place to live, work or locate a business, supporting the health, wellbeing and quality of life of its residents and visitors. Within this document they suggest that the aim should be to maximise these benefits whilst avoiding the destruction of the "environmental capital" that yields these long-term services. These

Protected Landscapes are a key economic asset in providing an attractive environment to live and work; and the associated inward investment. For example a recent Defra study, by Professor Peter Bibby at the University of Sheffield, has identified the Surrey Hills as an "Elite Residential Enclave" in the country with 43.1% of dwellings in the AONB having a registered company director in residence.

- Funding – Surrey Hills are disappointed that Protecting the Environment and Transport are not included within the ERDF funding proposal

South Downs National Park Authority

- The South Downs National Park Authority (SDNPA) outlined its responsibilities. It highlighted that the National Park Purposes are to: conserve and enhance the natural beauty, wildlife and cultural heritage of the area, and promote opportunities for the understanding and enjoyment of the park's special qualities by the public. They explain that public bodies are required to have regard to these purposes in carrying out their functions. The National Park Authority also has a Duty: To seek to foster the economic and social well-being of the communities within the National Park in delivering the purposes. Fostering a strong, vibrant and – crucially - a sustainable economy is the primary mechanism for achieving conservation and enhancement of the National Park. Conversely, inappropriate forms of enterprise (such as poorly located light industry) could actively damage the special qualities of the National Park. The SDNPA quoted a recent study (Valuing our National Parks-Cumulus Consultants 2013) that demonstrated the contribution which National Parks make to the national economy. **This report shows that England's National Parks provide around 141,000 jobs and generated in 2012 an estimated £4.1m - £6.3m Gross Value Added to the economy, equivalent to a city the size of Plymouth.** A number of surveys in National Parks show that over 50% businesses (and more of those in tourism) felt that their business was directly or indirectly dependent on high quality landscape and environment and that many businesses in towns close to but outside National Parks stated that they were also dependent on and positively impacted by National Parks. Furthermore, there is no evidence to suggest that businesses in National Parks are suffering from undue planning restrictions compared to elsewhere.

- General Comments – the SDNPA thought that the layout of the ESIF Strategy is rather confusing and repetitive in places and it is difficult to pick out actual actions.

- Specific comments:

Page 4: The SDNPA is pleased to see that the EM3 LEP intends to work closely with Local Nature Partnerships. Although the SDNPA is involved in the Hampshire LNP, the SDNPA has a particular interest in sustainable development and in strengthening sustainable tourism. Within the area we already support communities and businesses to work together to provide high quality and memorable experiences, based on the unique sense of place. The work that the SDNPA and other protected landscapes are doing through projects such as Our Land is a key mechanism for delivery, providing a way to help rural tourism businesses improve their environmental and economic performance through:

- Improving business and marketing skills: delivered through the AONB & National Park units working in partnership with e.g. DMOs and other business advice providers
- Improving the visitor offer – focusing particularly on training in environmental and business performance, landscape awareness and management: delivered through the AONB and National Park units
- Supporting local retail – developing local networks of producers/supplies and the tourism sector: delivered through the AONB & National Park units working in partnership with e.g. local county food groups

Para 2.1 Reference is made to the outstanding landscapes being recognised in the New Forest and South Downs National Parks which cover just over a quarter of the LEP area. The Surrey Hills Area of outstanding Natural Beauty (AONB) should also be included here as it too is a nationally protected landscape. With this in mind the document needs to be more explicit about both the constraints and opportunities that this large percentage of Protected Landscapes brings. Taken together, the two National Parks and AONB are vital in underpinning the economy and communities of the EM3area. They provide ecosystem services such as freshwater, food, timber products, carbon storage,

flood mitigation and pollution control. They are also a very powerful factor in making the EM3 area an attractive place to live, work or locate a business, supporting the health, wellbeing and quality of life of its residents and visitors. Within this document the aim should be to maximise these benefits whilst avoiding the destruction of the "environmental capital" that yields these long-term services. These Protected Landscapes, and the wider rural economy of which they are a part, also present many opportunities for the promotion of sustainable forms of business.

Para 2.23 This section is a little confusing it jumps around from the National Parks to the Surrey Hills AONB and then back to the National Parks. It would be more useful to set the scene and then go on to provide a brief description of each of the protected landscapes and the features relevant to the EM3 area.

The Hampshire part of the South Downs National Park covers much of the rural areas of Winchester and East Hampshire Districts. Covering a total area of 1,653km² from Winchester to Eastbourne, the majority of the area includes productive farmland and woodland. There are a wealth of historic monuments such as St Catherine's Hill, just outside Winchester, and key visitor attractions such as Marwell Zoological Park, along with listed buildings, and interesting market towns and villages many of which are Conservation Areas. There are thousands of archaeological features as well as historic houses, parks and gardens. The National Park is also rich in wildlife with nationally and internationally important wildlife sites such as the chalk grasslands such as that found on Old Winchester Hill, National Nature Reserve and ancient hanger woodlands in East Hampshire as well as important lowland heaths around Bordon that contain some of the UK rarest heathland reptiles and birds. It is also a landscape that has inspired artists, writers and musicians. There are an estimated 46m day visits to the South Downs generating some £464m annually. There are in the region of 7000 businesses within the park many of these are small and micro businesses operating within rural areas.

Figure 2.22 It would be useful to provide an urban rural split of commercial and industrial floorspace if this is possible.

Para 2.38 Although start up rates and self-employment rates are low compared to the national levels it would be useful to see how they compare to adjacent LEPs.

Hampshire County Council

- Hampshire County Council welcomes the opportunity to respond to the draft EU funding strategy produced by Enterprise M3. The County Council would also like to offer continued support and expertise to the LEP in developing the content of the strategy further and identifying match-funding opportunities. A list of relevant expert officers has been provided to the LEP and it is hoped that the LEP will endeavour to work with these people. EU funding experts from Hampshire County Council, along with experts from the other Councils in the EM3 area, are involved in the mechanics working group that was instigated by the LEP. This group is able to provide advice on issues such as match-funding, opt-ins, governance arrangements and technical assistance and is working on papers on these issues. The County Council is pleased to offer this support to the LEP to help develop to best effect the final EU funding strategy.
- Are the activities within the strategy scoped and scaled correctly? Hampshire County Council feels that the activities within the strategy are scoped and scaled correctly, and is very pleased to see a number of synergies with the on-going and planned future work of the Council. The Council appreciates the opportunities that the LEP has provided for contributions from stakeholders to shape this strategy and feels confident that with continued cooperation it will be able to support the delivery of the final EM3 LEP strategy and help to achieve the targets set within it. Are there activities missing from the strategy? The Council notes that 0% of funding is proposed to be allocated to Climate Change and Protecting the Environment. This is only viable if it is ensured that cross-cutting themes around sustainability are acted upon.

The Environment Agency (EA)

- The strategy sets out the importance of infrastructure, and in particular the need to remove bottlenecks which constrain growth within the

LEP area. The main area of focus in the strategy is transport infrastructure. EA would suggest that there are also other infrastructure needs in the area, which could hamper business growth if not addressed. EA recommend that the following types of infrastructure are fully considered in the strategy:

Infrastructure

- Flood Risk - parts of the LEP area could be severely impacted in the event of a major flood of the River Thames. Due to the nature of flooding in the Lower Thames, it could potentially take a number of weeks for flood water to recede. This would present a significant disruption to businesses within Runnymede, Spelthorne and Elmbridge - with transport, energy networks and sewage treatment infrastructure likely to be affected. In an attempt to address this risk, the Environment Agency is proposing a flood alleviation scheme (the River Thames Scheme) between Teddington and Datchet, passing through the Enterprise M3 LEP area. EA see this is a key piece of infrastructure to enable growth in the area. We anticipate that 53% of the cost of this scheme would be funded through Grant in Aid. The remainder would require partnership contributions. EA feel this should be referenced in the strategy and the EA have briefed Enterprise M3 separately on this issue. In addition to the above, flood risk generally from all sources should be recognised as a potential constraint to growth.
- Water Resources and Water Quality - the strategy makes brief reference to water scarcity in the area. We recommend that this point is expanded, as it is intrinsically linked to development and economic growth. This area is water stressed (particularly the northwest of the area), and new development could put additional pressure on this limited resource. EA would therefore like to see reference to new technologies and reduction in usage through new development. Water treatment is carbon intensive, and so there are multiple benefits to reducing usage. The catchment abstraction management strategies (CAMS) show how this area of the south east is classed as water stressed: <http://www.environment-agency.gov.uk/business/topics/water/132669.aspx>. EA would also recommend the strategy references the water companies Water Resource Management Plans. There should also be reference to the area's need to comply with the Water Framework Directive (WFD). This links to the essential, multifunctional benefits of green and blue infrastructure (including economic). The health of the water environment within Enterprise M3 is clearly important for economic growth. EA therefore feel there is justification for the strategy to promote water efficiency and other water infrastructure, including waste water treatment infrastructure.
- Green Infrastructure and Natural Capital - EA are pleased that the strategy recognises the importance of the natural assets in the Enterprise M3 area, and how they link to quality of life, tourism growth and ultimately the economy. Watercourses in this area, such as the River Thames and our internationally important chalk streams provide numerous services for people and the economy. These include drinking water, urban sewage discharge, recreation and commercial activities such as boating and fishing. EA recommend that additional emphasis is placed on the importance of green and blue infrastructure. EA believe that it would be useful for the natural environment and its relevance to growth be highlighted explicitly, running through the strategy since it is part of the Enterprise M3 vision.
- HM Government Guidance (Supplementary Guidance to LEPs July 2013) - EA refer to the revised framework of European Growth Programme priorities in the above guidance. EA are disappointed that no funding will be allocated to: Priority 5: Promoting Climate Change Adaptation, Risk Prevention and Management and Priority 6: Protecting the Environment and Promoting Resource Efficiency. EA would like to see The LEP give a clear analysis of why these have been excluded and why other sections are seen as a much greater priority. EA believe that both are relevant within the Enterprise M3 area.

Runnymede Borough Council

- Runnymede Borough Council is generally supportive of the overall aims and objectives of the strategy and the scope and scale of activities detailed within it. Information on possible proposals and areas of activity within the Borough which could assist in achieving the outputs required from the strategy, have been provided through the Economic Development Officers Group. Gap analysis on the LEP ESIF Draft

Strategy is listed below:

Page 7 - map showing overview of Enterprise M3 area:

- Location of some education/innovation sites need adjusting e.g. Royal Holloway, Pirbright Institute.
- List of major businesses seems a bit random with some significant employers omitted e.g. BP, British Gas, Samsung etc.
- P&G Research & Development site at Rusham Park Egham is not shown
- Should CABI (Europe) and Weybridge Veterinary Laboratory be shown under innovation as they are major animal and plant research centres, albeit inter-governmental and governmental institutions.
- The LEP boundary seems to have got slightly distorted on this map in the north-east corner. Page 13/14 –

very little information is provided about RHUL activities:

- The Information Security Group (ISG) at Royal Holloway University of London has been recognized by EPSRC and GCHQ as one of eight Academic Centres of Excellence in Cyber Security Research in the United Kingdom. The group has expertise in cryptanalysis, combinatorial cryptography, provable security and message authentication codes. The Smart Card Centre (SCC) has been part of the ISG since 2002. It began as collaboration between academia and industry, originally attracting funding from Vodafone and Giesecke & Devrient.
- The University has considerable international connections and was ranked 1st in the UK and 4th in the world for international outlook in the 2012/13 Times Higher Education World University Rankings.

Page 15 – **Some of the LEP area's biggest paying** tourist attractions are not mentioned: e.g. Thorpe Park (1.8m visitors in 2012) and RHS Wisley Gardens (just under 1m visitors in 2012). It may also be worth noting the tourism value of the River Thames, Windsor Great Park/Savill Gardens, Runnymede Meadows/Magna Carta and the influence on the LEP area of the neighbouring tourism hotspots of Windsor and Hampton Court. Page 20 – the results of figure 2.27 seem surprising. Are these figures accurate?

Page 22 – the higher dependence on corporate culture in the area is not surprising, due to the high skill levels and proximity to London and Heathrow which make the area a very attractive location for EMEA and UK HQs. These companies employ large numbers of people often in high paying jobs. The benefits provided to **the area's communities through the corporate responsibility initiatives of these companies should also not be underestimated**. The strategy must ensure the area remains attractive to such companies as well as assisting start-ups /entrepreneurship.

Page 29 – redevelopment of obsolete commercial space is also important in providing a stimulus for future growth

Page 31 – although the skills profile of the area is strong in relation to the national average, it needs to be able to compete internationally as well as nationally. Also, the present skills level amongst all ages in the local population varies considerably. This variation in skill levels should be addressed through initiatives to improve basic skills for children and adults.

Page 32 – the provision of safe pedestrian and cycle routes is also a key to addressing congestion and access issues.

Page 39 (and page 62/63) – schemes to provide school transportation should be supported under the smart transport objective. Such schemes have the benefit of cutting peak time congestion, reducing carbon dioxide emissions and help to increase labour market participation as well as improving pupil punctuality and truancy levels.

Page 47 – It may be worth mentioning the P&G R&D facility at Rusham Park in the opportunities column.

Page 48 map 4 – Research in Motion have moved out of the area. A number of large companies in Runnymede are not mentioned on this map including British Gas/Centrica (employing over 2,000 people along the Causeway), Gartner, Future Electronics, Dow Chemicals, BUPA, Intel, Belron, Kerry foods, Cemex, Thales, Cochlear, Chep, HCL Axon, Toshiba Information Systems, VTL Wavenet, ADP, Akamai and OKI.

Page 49 – CABI, Vet Labs and Pirbright Institute provide both animal and plant research facilities.

Page 49 (and TO1 page 53) – RHUL is located just outside Egham Town Centre which itself is situated adjacent to the major employment area along the Causeway which runs to Staines Bridge and Staines-Upon-Thames Town Centre. This sustainable urban area has a considerable population base and is served by two railway stations. It also benefits from direct access to the M25 which quick access to Heathrow. Given the

nature and importance of the businesses in this location and their relevance to the work of RHUL, the LEP should also seek to support the strengthening of relations between the University and businesses in this area.

Page 66 – as road capacity is an issue an additional output of reduction in car journeys may be useful.

Matthews Associates (MA)

- MA welcome the numerous references to both tourism and the visitor economy within the EM3 ESIF strategy, but would have liked to see more specific references to, and integration with, their draft paper "Strategic Action 5. Develop Visitor Economy & Business Tourism" which gave a more focused picture of the emerging Visitor Economy priorities for EM3 focused on business tourism, conference venues, skills within the sector and the rural visitor economy.
- EAFRD within ESIF – MA acknowledge at the time of ESIF submission the EAFRD funding stream was not (and is still not) confirmed by Government. MA also acknowledge that references to this have been made within the EM3 ESIF submission, although wish to emphasize that this strand of ESIF funding will be (depending on fund size) important to both the visitor economy and rural economy potential interventions. MA would have liked to see greater prominence made to the suggested EAFRD interventions outlined in the Government ESIF Guidance to LEP paper, accepting that at the time of submission only ESF and ERDF streams had been confirmed.

EU Thematic Objective 2: Enhancing Access to, and use and quality of, Information and Communications Technologies

MA appreciate that Government advice was to avoid the infrastructure element of this EU Thematic Objective, but in light of the Superfast Surrey rollout to a target of 99.7% coverage of the county, MA felt the omission of this EU Thematic Objective was a lost opportunity:

- Not to directly reference business/selected residential demand stimulation interventions that MA believe are essential post superfast rollout.
- Development of ICT products and services, improving ability to exploit e-commerce opportunities, especially for micro and SME businesses.
- Ensuring key employment locations are fully superfast/ideally ultrafast enabled; supporting locations outside core BDUK supported roll-out.
- Ensuring town centre businesses are fully digitally engaged, able to embrace/exploit rise in on-line commerce and marketing opportunities. With significant SCC investment in Superfast, an element of this MA believe could potentially be used as match-funding against ESIF funding streams. Headline investment figures are £20 million by Surrey County Council, £11.8 million from British Telecom and £1.3 million from the Government's BDUK fund. Digital will form an important strand of the emerging SEP, MA believe this should have been greater reflected within the ESIF strategy. EAFRD references supporting superfast in the final hard to reach rural areas should also have been supported by the ESIF strategy.

EU Thematic Objective 6. Protecting the Environment and Promoting Resource Efficiency

MA note that this objective was designated as a lower priority within the Government guidance, but MA did identify within this objective there is a stated ESF activity relevant to both the SDNP and Surrey Hills AONB under the following: "Educate residents on the importance of habitat and nature improvements for regional and coastal tourism". MA believe that educational activities of both the AONB and SDNP could potentially count towards match funding within the EU Thematic Objective. MA should not lose sight of the importance of our National Park and AONB's, especially with the specific rural EAFRD funding stream as yet unclear.

EU Thematic Objective 8: Promoting Employment and Supporting Social Mobility

- MA concur with the ESIF strategy stated, but also believe that the retail, hospitality and tourism sectors all offer low-barriers to entry in both employment and self-employment models as evidenced by their respective trade groups and representative organisations to government consultation. MA believe that these sectors offer established routes to employment and can also demonstrate social mobility benefits and

2. Working together to deliver the strategy

How your business can help with the delivery of this strategy by using some of these funds as match funding for your own projects

Surrey Nature Partnership (SyNP)

- The SyNP is one of 48 Local Nature Partnerships recommended by the Natural Environment White Paper (2010) and mandated by Government in July 2012. SyNP highlight that Surrey has a rich heritage of wildlife, valued by both residents and visitors; it is a popular place to live and work and is an economic powerhouse that supports the national economy to the tune of £6 billion per year. The SyNP brings together expertise and influential decision makers to ensure that the true costs and benefits of the natural environment are properly taken into account (recognising our natural capital) and embedded within all decision making processes. The SyNP believe this is a major shift in working that will ensure better outcomes for everyone. The SyNP work closely with our neighbouring Local Nature Partnership (Hampshire & Isle of Wight LNP) to cover the EM3 area in a co-ordinated way. The SyNP are delighted that the EM3 Strategy recognises the valuable role that the Local Nature Partnerships will play in further refining, and supporting the delivery of, the objectives outlined in the Vision for Growth within the draft Strategy. In particular recognising the important cross-cutting role the LNPs will play in informing sustainable economic growth. The SyNP confirm that their willingness to play such a role in matters relating to Surrey.
 - o The LNPs are broad strategic partnerships with expertise in engaging stakeholders from wide cross sections of the community and from a range of sectors, and in supporting these stakeholders to inform and shape local initiatives leading to delivery of key objectives. These skills are available to EM3 to assist in delivering key activities and would be particularly beneficial in supporting Community Led Local Development. Project themes previously submitted by the LNPs should be included i.e. developing nature based tourism, woodland enterprises, sustainable land and developing sustainable fisheries, improved flood risk management and carbon storage.

Surrey Hills AONB

EM3 Strategic Actions: Areas of mutual interest

- Enterprise – maintaining and strengthening the competitiveness of the local business base

Land based businesses are of particular importance to rural areas. Surrey Hills Enterprises, a Community Interest Company, purpose is to strengthen the rural economy of rural Surrey by working with the land based sector, developing local supply chains particularly in the tourism, food and drink sectors. The AONB Board supports the aim to promote the creation and expansion of social enterprises

The development of a Growth Hub and business portals to support local businesses is an area that Surrey Hills Enterprises would like to collaborate with the LEP on.

1. Innovation – scaling up capabilities, widening networks and focusing on smart specialisation. The SDNPA welcomes the inclusion of public, voluntary sector or social enterprises under the innovation measures – and suggest Surrey Hills Enterprises could play a major role.
2. Skills, employment and employability. The Surrey Hills AONB Board would like to highlight the importance in relation to the land management sector, and the ability to access Broadband in rural areas.
3. Sustainable Infrastructure and Places. Promoting sustainable access to and within the Surrey Hills AONB and National Parks through infrastructure improvements and information should be highlighted as an opportunity to enhance the LEP area as a tourist destination and as a recreational destination for the urban workforce.

Cycling is a major opportunity and management issue for the National Parks and the Surrey Hills. The Surrey Hills was the destination for the Olympic Cycle Race and the legacy has been a massive increase in road cycling and events, which take place almost every weekend over the

Summer in the Surrey Hills. The Surrey Cycle Strategy identifies this as an opportunity to encourage more people cycling for the benefit of the environment, health and economy. The Surrey Hills is already acknowledged as one of the top locations in the country for Mountain Biking, but investment in infrastructure is required to maximise the benefit.

Supporting the shift to low carbon: The Surrey Hills AONB Board fully supports this being a priority. In one of the most wooded regions in the country there should be a focus on wood fuel. As woodlands are important to our landscapes, the Protected Landscapes have strong support and representation on the growing and processing side and there is the opportunity to work with the LEP to develop the market and the environmental technology sectors.

Surrey Hills Enterprises has established an annual wood fuel conference as the focus for the industry in the country. Next year, it will be form part of the Grown in Britain Week and The Surrey Hills AONB Board would like to work with Enterprise M3 on this event.

Enterprise Opportunities: The Surrey Hills AONB Board agrees that the visitor economy is a strong driver of economic growth that can further support rural regeneration. The Protected Landscapes of the Surrey Hills AONB and the two National Parks are the regions greatest assets in this respect, and the AONB Board is pleased to see recognition of these in 4.35.

South Downs National Park Authority (SDNPA)

4. Enterprise – maintaining and strengthening the competitiveness of the local business base

Land based businesses are of particular importance to rural areas. The strengthening of local supply chains can bring together and support the land-based sector, tourism and food and drink sectors helping them to develop and grow.

Business premises: An adequate supply of incubation units and flexible workspace is an issue that was also identified in the South Downs Management Plan, we therefore support measures to provide 'grow on space' and support services where there is market failure. Many rural businesses are small, employing less than 10 people, often starting as home based. In order to grow there is a need for flexible work space and move on premises. Rental levels are also an issue in some places, there is a need for low cost premises as well. The SDNPA employment land study and work for their Local plan suggest there is a gap in suitable premises between the homemaker and the light industrial estate, which may be a barrier to the incremental growth of these businesses.

Business support services are crucial to ensuring improved start up rates and survival rates along with access to finance for start-ups. The development of a Growth Hub and business support portal to support local businesses is key, along with the development of rural business networks, something that the SDNPA would be keen to look at particularly within the tourism sector through the work that we do with Our Land and the intention to set up a South Downs Sustainable Tourism Network.

Social enterprises: The SDNPA supports the inclusion of incentivising and supporting the creation and expansion of social enterprises

5. Innovation – scaling up capabilities, widening networks and focusing on smart specialisation

The SDNPA welcomes the inclusion of public, voluntary sector or social enterprises under the innovation measures.

6. Skills, employment and employability

Access to training and jobs in rural areas can be a particular issue for young people. Whilst the SDNPA support improving access to HE provision through remote and virtual learning, many of the rural areas are disadvantaged through lack of internet provision or speeds. Whilst the SDNPA appreciate that the ESIF cannot be used to address the gap in provision of superfast broadband, it believes that it can assist in increasing levels of take up and use of digital technology. In addition, a skilled rural workforce will be a critical factor in securing the effective management of land to conserve and enhance the landscape and to maximise the delivery of the ecosystem services mentioned earlier in this response. There may be opportunities for the SDNPA along with Sparsholt College and other partners to develop apprenticeships to help address these skills gaps.

7. Sustainable Infrastructure and Places

Smart Transport: The SDNPA particularly welcomes the inclusion of measures to help tackle the impact of transport within the EM3 area and the promotion of sustainable travel through low carbon modal shift/ smarter choices. The SDNPA would welcome the opportunity to work with the LEP to see how its current LSTF project could be extended after the current round of funding runs out. Much of the work that the SDNPA are currently doing under this scheme revolves around behavioural change, particularly in relation to tourism travel. The SDNPA have been working with key tourism attractions within the South Downs to implement sustainable transport plans.

The SDNPA would be interested to hear what major infrastructure improvements are planned and will of course need to be subject to rigorous cost/benefit analysis and environmental appraisal in terms of potential impacts on the special qualities of the National Park. The SDNPA would like to see more evidence here on the need to grow the economy whilst avoiding where possible growth in carbon emissions and congestion.

Infrastructure improvements should reflect the sustainable transport hierarchy – 1) avoiding the need to travel (eg local supply chains, good broadband), 2) switching to more sustainable modes (eg freight off lorries and onto rail or short sea shipping), 3) managing existing networks better (eg better routing of lorries using satnav), and not just going straight to 4) new infrastructure. Business opportunities and cost savings to business are there to be had in all four elements.

With growth placing additional pressure on existing infrastructure alternative sustainable modes need to be provided - such as walking and cycling links that enable shorter utility journeys to be undertaken using lower carbon modes. The SDNPA's Vision for Cycling shows that at least £6million of investment is needed, and could bring much greater benefits. If a detailed programme of potential infrastructure investment is being prepared the SDNPA can provide the rationale behind the proposed routes in terms of the connectivity and economic benefits provided for communities. The SDNPA has provided a map of suggested routes for funding although this is indicative at this stage.

In addition the provision of green infrastructure improvements will increase the attractiveness of our rural areas, especially the National Park, as a tourist destination and as a recreational destination for the urban workforce.

No mention is made of other infrastructure such as water management. Supply of water, managing flooding, and the ability of the environment to absorb pollution are important ecosystem services but also place important constraints. Water availability will be key to capacity for development, especially housing, particularly for those areas that source water from the chalk aquifers as these are already over abstracted.

Supporting the shift to low carbon: The SDNP Energy Study indicated that a multi-faceted approach will be needed in order to meet Government carbon savings targets. Key to this will be energy efficiency measures in both domestic and non-domestic buildings, along with a shift towards

renewable energies, as indicated under Thematic Objective 4; currently support is only mentioned in relation to non-domestic. The SDNPA would want to ensure that any large scale RE schemes were sensitive to their environment. To support the uptake of energy efficiency and RE schemes improvements are also required in terms of training associated trades to install and maintain renewable energy technologies.

The SDNPA wants to explore innovative ways to get superfast broadband to rural business clusters and communities within the SDNP area of the LEP

Enterprise Opportunities: The SDNPA would agree that the visitor economy is a strong driver of economic growth that can further support rural regeneration. Given the significant proportion of the EM3 area that comprises designated high quality landscapes (see above), there must be potential to encourage overseas visitors to see the area as a destination in its own right. In particular EM3 has two National Parks with good accessibility from most of its surrounding urban areas. This is a unique characteristic which has direct and indirect economic benefits.

Page 41. Reducing planning constraints particularly regarding the re-use of rural buildings, is identified as an opportunity, but does not appear to get picked up in the activities. Whilst it can provide useful space for rural businesses care needs to be taken when redeveloping redundant rural buildings and their settings, especially where these are of historic value. Conversion should follow current planning policy framework, local plan policies and relevant planning guidance.

4.35

The SDNPA is pleased to see recognition of all three of the protected landscapes within this section and their value as assets of national capital. However it does not sit well within the section which is more about infrastructure, nor does it recognise the constraints and opportunities that this may have upon the EM3 area (see 2.1 above)

4.39

The opportunity exists to develop local, low carbon, sustainable and resilient networks of businesses based, for example, on food, wood fuel, tourism and transport. The SDNP is characterised by plenty of large energy-inefficient rural houses which are off-grid, but also an abundant supply of renewable resources – in particular wood fuel from one of the most densely wooded parts of the UK. There is a big opportunity here to create skilled, local jobs, reduce emissions, improve biodiversity and reduce the dependence of the economy on volatile fossil fuel prices. Again, this applies to many of the rural parts of EM3 not just the NP.

The LEP seeks an inclusive and cohesive society. The SDNPA sees affiliation between this aspiration and its own duty to seek social and economic well-being of communities within the Park. There are perhaps synergies to be made with the work that the SDNPA is doing with communities on neighbourhood planning and support for social enterprises through its Sustainable Communities Fund.

5. Funding

It is disappointing to see that Climate change, protecting the environment and Transport are not included within the ERDF funding proposal

Hampshire County Council

What activities are already taking place or are planned that fit with the strategy? Could these be used as match-funding?

- Existing work relevant to the Enterprise and Innovation Priorities - Hampshire welcomes the focus on Enterprise and Innovation. The Council's

own economic development objectives and activity are closely aligned to those in the strategy. Hampshire County Council is currently working with EM3 to identify opportunities for stronger alignment of activities and resources to achieve greater impact in the local economy. The recent workshop with Economic Development Officers from Surrey and Hampshire identified that the Council's Inward Investment, Key Account Management and Enterprise activities, for example, contribute to EM3's Enterprise and Innovation agendas. The business support currently provided by Hampshire including, for example, Meet the Buyer events, handling business and investment enquiries and business support organisations and networks helps existing businesses to succeed and grow as well as attracting new private sector investment to create new jobs and drive skills development. There is scope, as these shared activities are progressed, to use the investment to deliver these activities as match-funding.

- Existing work relevant to the Skills, Employment and Employability programme World Class Skills
 - Hampshire is very supportive of work to promote the take up of Apprenticeships/ Traineeships. This needs to link in with existing work being done with the National Apprenticeship Scheme, the Association of Learning Providers Hampshire & Isle of Wight network and Hampshire's emerging Youth Investment programme.
 - The promotion of STEM subjects (science, technology, engineering and maths) to young people needs to be supported by effective Information, Advice & Guidance and should be guided by local labour market priorities and needs.
 - Hampshire's strong post-16 provider network will be key in supporting the development of higher level vocational pathways and skill development for key sectors. Again, this work needs to be closely aligned to business needs and sector development.
 - Employability and Information, Advice and Guidance (IAG)
 - This is a complex area in which Hampshire is keen to be involved. There has been criticism by Ofsted of the existing policy whereby schools are responsible for independent IAG for young people from year 8 upwards, and with a large free market of providers (including Hampshire Careers and Employability Service) it may be difficult to attain a coordinated approach. The LEP may wish to consider a lobbying role to government on this issue.
 - Hampshire is already undertaking work to increase employer engagement with schools through the development of an 'Investor in Young People' Award and is supporting the raising of the participation age through initiatives such as the Hampshire Youth Investment programme as well as initiatives to support participation and re-engagement of NEET young people.
 - Collaboration and brokerage
 - In order to enable better links between business and education providers, the LEP must consult with Business Development functions already in existence within post-16 providers, which already look at marketing to employers and meeting their needs for training the existing workforce.
 - Social Inclusion
 - It is crucial that European funds link into and add value to the existing work being undertaken by the Troubled Families teams in the EM3 area.
- Projects relevant to the Sustainable Infrastructure and Places strategic programme
- The promotion of sustainable travel through low carbon modal shift/ smarter choices.
 - The County Council has begun a process of rolling out electric vehicle charge points across Hampshire and the surrounding area, and mapping and promoting the use of these. On-going work in this area could be used in support of this objective.
 - Non-domestic low carbon technologies and energy efficiency including retrofit and low carbon housing solutions/technologies.
 - The County Council is developing its own Energy Performance Programme and has identified 25 of its own corporate buildings for energy performance measures, with procurement to follow shortly. The County Council has developed expertise in this area which

could be utilised both in terms of provision of advice or potentially a more hands-on role in providing services to non-domestic building owners. This could ultimately lead to local businesses making savings against their energy bills.

- o The County Council also has experience in developing feasibility studies for the application of District Energy Networks to domestic and non-domestic properties and would be able to contribute expertise in this area.
- o On-going and planned projects in these areas have a definite fit with the Strategy and the potential to be used as match funding.
- o Exploring whole place low carbon solutions and smart cities solutions with a town centre pilot.
- o As per the above, the County Council has experience in assessing the feasibility of District Energy Networks which could potentially form part of a town centre pilot. There is also previous experience of delivering wide ranging domestic energy efficiency programmes (Insulate Hampshire) as well as the aforementioned knowledge of energy performance programmes, and the Council is also carry out on-going work around deployment of technologies such as Solar PV, all of which could be relevant. Furthermore, the Council's experience and on-going work with regard to Electric Vehicle usage could feed into a sustainable transport aspect of any pilot project.
- o Much of the County Council's current and planned work could be utilised in support of this objective.

Are you aware of any examples of best practice happening outside of Hampshire that could be rolled out in our area?

- Below are some potentially relevant examples in the area of energy / low carbon, with benefits for small businesses, community projects and the economy in general:
 - o Cambridgeshire County Council (Cambridgeshire County Council and Cambridge City Council) have developed a network aiming to deliver £1bn worth of retrofits to 40,000 buildings by 2050. The Cambridge Retrofit Project will operate as part-social enterprise, part- professional delivery service with its work overseen by a group of 30 public and private sector organisations. <http://www.cambridgeretrofit.org/default.aspx>
 - o Oxfordshire County Council (Oxfordshire City and County Councils) are setting up the OxFutures Fund as part of the Oxfordshire Total Retrofit programme. They have received EU funding to attract private and public sector funding to support community energy efficiency projects across the county. This has involved setting up a revolving community share offer scheme. Much of the development and drive for this project has come from Low Carbon Hub. <http://oxford.gov.uk/oxfutures>

3. Enterprise M3 role to manage and deliver funding

How we can manage and deliver this funding to help business within the area to access and use this funding effectively

Surrey County Council (Environment and Infrastructure)

- Community Led Local Development (CLLD): If a compelling case can be made for the establishment of one or more CLLD initiative in the Enterprise M3 area this should be included in the investment plan and worked up in further detail during the programming period. This situation will presumably become clearer once full details of the amount of EAFRD to be included in the Growth Programme and Enterprise M3 allocations are announced. SCC are keen to work with Enterprise M3 in developing new ways of delivering local projects with genuine local governance structures where that approach is likely to bring exceptional benefit.
- Programme Business Processes: SCC encourage Enterprise M3 to continue to make appropriate arguments to national Government with regard to how delivery applications are made, selected and subsequently managed and reported on. End-to-end LEP involvement is key here and the processes should be those that best support flexible and innovative delivery. SCC offer to support to Enterprise M3 representations as opportunity arises. In particular we are keen to see that the application process be as open as possible to enable local and innovative delivery to be developed and financially supported.
- Technical Assistance: SCC are keen to lend active support to Enterprise M3 in making an argument for a fair share of the available Technical Assistance budget. SCC are equally keen to be directly involved in the development of a local support model that will use this funding alongside local match funding.

Surrey County Council EmployAbility

- EmployAbility are keen to work with Enterprise M3 to enable the LEP to secure additional funding through appropriate sources to meet social inclusion needs for the economic area. EmployAbility is Surrey County Council's supported employment service with a track record in delivery on European funded projects and already support around 700 disabled people in Surrey to access or sustain employment. Yet this is a fraction of the number of disabled people who would want to work, but need additional support. For example, Surrey has the highest number of people with learning disabilities in Europe, but the majority would not qualify from support from a service such as ours as their disability would not be considered eligible for adult social care services. In Surrey there are over 17,000 people with a learning disability but only around 3, 300 eligible for support from Surrey County Council's social care. The majority of people with learning disabilities express an interest in finding work, but need support to access the vacancies. Interestingly many Surrey employers experience difficulty in filling entry level roles or find staff turnover high, some of these roles would be ideal for **EmployAbility's clients** who often enjoy repetitive tasks. They may take longer to learn a task, but once trained they will generally be a very reliable workforce who are keen to be part of their local community and included. EmployAbility believe that there may be opportunities to look at what existing funding exists for some of the vulnerable client groups and to explore if there are match fund opportunities to enable EmployAbility to reach those who would not otherwise get the support they need. For example, the "place, train and maintain method" (as mentioned in the ESIF strategy document) of supported employment has been shown internationally to be the most successful way to get disabled people and other vulnerable groups (including NEET young people) to become economically active and contribute to their communities.

SyNP

- The SyNP has an Economic and Funding Task Group which will be taking a strategic overview of large scale bids within the SyNP/EM3 area. There is an opportunity to use this group to support the ability of Surrey based businesses to access this funding to develop their business. This

Task Group could be used to develop criteria for, and potentially administer a grant, specifically focussed on supporting a range of business opportunities. In addition support such as guidance and training to utilise the funding could be delivered. Please note this funding would be completely separate from LEADER funding and would not seek to duplicate that work but would provide an additional route to access funding.

South Downs National Park Authority

Delivery Arrangements and Proposed Local Governance - National Park Authorities as the Planning Authority are 'relevant authorities' under the 'duty to cooperate' when developing and agreeing investment priorities and should therefore be represented within the Governance structure. The SDNPA would welcome the opportunity to be involved in the proposed LEIFIG.

Approach to Rural Development: Community Led Local Development & European Agricultural Fund for Rural Development (EAFRD)

7.12 The SDNPA is pleased to see that the LEP intends to work with the LEADER LAGs and to tailoring mainstream funds (ERDF, ESF and EAFRD) to address rural issues.

We would support the initial priorities stated on page 78

- Rural diversification measures – principally around the exploitation of ICT, supply chains in the food and drink business sector, business advice, skills, support for strategically important tourism, recreation and leisure projects; and
- Measures to enhance the competitiveness of our rural areas.

The SDNPA would welcome the opportunity to develop practical ideas that will specifically benefit rural areas within the SDNP.

Hampshire County Council

How can we manage and deliver this funding to help business within the area to access and use this funding effectively?

- There are various possibilities for how funding could be managed effectively so as to help business access and utilise it.
 - o There is potential to create an Energy Services Company (ESCo), broadly a commercial non-profit organisation for delivery of a range of energy projects, around a relevant project or projects in support of funding aspirations. This would create a commercial structure to produce, supply and/ or manage projects such as the local delivery of decentralised energy to a 'whole site' development. An ESCo could seek to secure partnership investment from private equity or community sources, including partnership with major utilities/ energy companies to help meet their own low-carbon aspirations.
 - o There is also potential to enter into various other trading structures for project delivery, including creation of a subsidiary company as per the Norfolk County Council example above and entering-into or setting-up other non-profit organisations such as Co-operatives and Community Interest Companies. Opportunities exist to create structures with can bring together the interests of local authorities, business and enterprise and community groups to deliver projects that are in the interests of all three.

4. Other

SyNP

- Governance Review - the SyNP would like to request that a seat on the Board be made available for the LNPs in order to allow them to fulfil the role outlined in 4.45 to act as a communications conduit with statutory and other key stakeholders on managing the natural capital asset of the area. The SyNP would be pleased to have a seat on the Local European Investment Framework Implementation Group (LEIFIG).
- Sustainable development - the SyNP support the commitment to promoting sustainable development and the objectives outlined in Section 7: 7.1 to 7.6 including the desire outlined in 7.2 to "preserve and protect these habitats and landscapes to maintain local distinctiveness". The LNPs provide a key source of expertise, data and knowledge to lead this work. SyNP is a member of the Local Authority Climate Change Adaptation Group and chairs two Catchment Partnerships within Surrey supporting the catchment based approach advocated by Defra. The SyNP strongly support the stated objective in 7.6 to "ensure a sustainable approach to growth, which protects the natural capital of the EM3 area, while also unlocking smart economic growth for the future". The four project themes submitted by the LNPs of tourism, woodland enterprises, sustainable land management and sustainable fisheries are all cross-cutting in nature and meet the commitments outlined in 7.

Surrey Hills AONB Board

Delivery Arrangements and Proposed Local Governance

- The Surrey Hills AONB Board believes that the LEADER Local Action Groups are an effective means to deliver projects in discreet rural areas. Surrey Hills LEADER programme should be seen as a key partner and delivery agent, through which further resources could be delegated.

Hampshire County Council

How can we ensure sustainability and equality are cross-cutting themes?

- It is recognised within the Strategy Document (para 7.5) that objectives for the cross cutting theme of sustainability build on some of the work led by the Surrey and Hampshire Climate Change Partnerships. Skills and experience exist within Hampshire County Council to specifically help build upon this work, as the Council led on the development of the Hampshire Partnership.
- The Council supports the inclusion of reduction in Greenhouse Gases by 2020 as an output (para 4.48) but suggest that this could be a cross-cutting output across all of the priorities listed. It is felt that it would generally be beneficial to commit to embedding the concept of sustainability into all of the objectives of the Strategy, to ensure that this cross-cutting theme is taken into account across all actions that are taken. The key point is that it should ultimately lead to financial savings across the board, with businesses and organisations able to achieve a combination of savings in energy use and also potentially to make savings against future costs arising from climate events.
- The Council supports the recognition that further work is needed to develop low carbon aspirations and would welcome the opportunity to contribute to discussions around this with LEP and local LNPs (para 4.45).

The Environment Agency

- EA welcome the strategy's emphasis on low carbon activities and whole place low carbon solutions. This shows a clear recognition of the relevance of climate change. EA also support the commitment to promoting sustainable development in the cross cutting themes. EA highlight that sustainable development is rarely mentioned in the rest of the document, despite it being a cross cutting theme.
- EA support the ambition to work with Local Nature Partnerships.
- EA also support the plan to include 'Environmental bodies' on the LEIFIG sub group. EA are keen for this to include either a Natural England or an Environment Agency representative to provide a single voice on behalf of both organisations.

ANNEX F – DETAILS OF ESIF CONSULTATION EVENT – 24 OCTOBER 2013

Enterprise M3 held an EU consultation event on 24 October 2013 in Woking.

The following organisations sent representatives to Enterprise M3's EU Consultation Event:

The Department for Business, Innovation and Skills

NatWest Basing

News

Surrey Community Action

The FSE Group

Waverley Borough Council

Surrey Connects

Aspire Learning and Development Ltd

BIS South Central & West

Bourne Group

Novartis Pharmaceuticals UK Limited

Environment Agency

Big Lottery Fund

Community Action Hampshire

North Wessex Downs Leader Programme

Outsource Training and Development

Brooklands College

Basingstoke and Deane Borough Council

Winchester Business Improvement District

Collectively Camberley Ltd

Oxford Innovation Services Ltd

Hampshire Chamber of Commerce

NIACE

Hampshire County Council Test

Valley Borough Council The

Real-Time Data Co Ltd Action

for Carers Surrey

New Forest National Park Authority

University of Southampton

Royal Holloway University of London

Chichester College

Communication Workers Union

Surrey Research Park

Farnborough International Charles

Freeman Projects

New Forest RDPE LEADER Programme

University of Southampton

WSX Enterprise Limited

Kent Surrey and Sussex Academic Health Science Network

Profit from Science

Thames Valley Berkshire LEP

Elmbridge Borough Council The

Prince's Trust

Forestry Commission - Southeast and London Area

LC Energy Ltd University of
Portsmouth
Communication Workers Union
East Hants/Havant Council RAISE
Department for Works and Pensions
Surrey County Council
Surrey Hills Enterprises CIC Smart
Training and Recruitment Eastleigh
College
PDM Training and Consultancy Ltd
WSP UK Ltd
Spelthorne Borough Council
Enham Trust
South Downs National Park Authority
Learning Links
JTL Training
Solent Education Business Partnership
SERTUC
Guildford Borough Council
QEF Mobility Services
Surrey and Hampshire Local Nature Partnerships
The Wimbledon Trepisphere
Sparsholt College Hampshire
Career Central CIC
ALPS Partnership Ltd
Farnborough College of Technology
Guildford College
Hart District Council Heathrow
Airport Limited The Hampshire
Connection Basingstoke
Consortium Woking Borough
Council
Loddon & Eversley LEADER Programme
Matthews Associates (UK) Limited
Marskman Consulting LLP
BSK-CIC
Citicentric Property Consultants
MEPC
Federation of Small Businesses
Birtley House Group Ltd Insynergi
Rushmoor Borough Council
Surrey Heath Borough Council

Summary of Feedback from EU Consultation Event

For the second half of this event, the room was divided into eleven tables to consider how we take the development of the Enterprise M3 EU Investment Strategy forward. These tables were split across the programmes identified as forming the strategy, namely Enterprise, Innovation, Skills & Employment, and Sustainable Infrastructure.

Delegates were asked to consider the following three questions:

1. **Getting Started:** What measures need to be taken and who should be involved to ensure we get off to a 'flying start'? Can your business or organisation help – could this funding match your own spending?
2. **Experience and alignment:** What's already happening or planned in the area? What's missing and how can build on previous learning? How do we address sustainability and equality?
3. **Delivery:** What needs to happen to take forward the activities we have identified quickly and effectively and get the funds to those who can make a difference?

We collected a large amount of feedback, considering these issues from the viewpoints of a range of organisations. A summary detailing the main points that were raised is below. We will consider the verbatim comments collected as part of the overall consultation exercise underway around the draft strategy.

1. Ensure that we know what is already out there, how this can contribute to what we are trying to achieve, how it is being operated and whether this can contribute to match funding. Important to cost existing activity if possible and to spin out best practice across the area where appropriate. Also applies to activities underway outside Enterprise M3.
2. The LEP's role is one of engagement across barriers. Key to the success of all initiatives is to have organisations working together in new ways. This means that the LEP and its partners need to work together to break down vertical silos. There is also an element of culture change here, particularly around openness and sharing of information. Where organisations are used to being in competition and protecting information, there needs to be a culture of collaboration in order for initiatives to be a success. This particularly applies for SMEs and the HE sector.
3. We need to be giving key partners leadership roles in taking these ideas forward. Ideas such as 'sector champions', were floated along with proposals around giving colleges/HEIs/companies key roles in taking plans forward. This will increase engagement across the area as well as maximising the capacity of the LEP. Equally, the LEP should use the premises and facilities of its partners to increase its physical presence across the area. A number of partners suggested they would be amenable.
4. Businesses value the opportunity to access face –to-face support. It is recognised that this will need to be part of a mix of support solutions, however face to face support and clear signposting to other sources of support available are regarded as important.
5. Space for businesses to grow is key. Appropriate incubation space within the area, which is not prohibitively expensive, is necessary to allow businesses to grow.
6. The LEP needs to effectively communicate its ideas. These need to be presented in a form which is transparent and easily understandable to businesses. Communication of ideas needs to start early and we need to be able to clearly define and articulate what we want.

ANNEX G: ERDF Provisional schedule of calls

Subject of calls: what types of projects are being sought?	2015			2016			2017	2018	Total Budget 2014-2020 In Euros	Total Budget 2014-2020 Ex Rate 0,78
	Call 1 March	Call 2 July	Call 3 Nov	Call 1 March	Call 2 May	Call 3 Autumn	Call 3 Autumn			
EM3 ERDF Notional allocation in euros									25,015,460 EUR	£19,512,0
Priority Axis 1: Research and Innovation									7,545,201 EUR	£5,885,06
Digital Innovation Technologies Innovation Network	£1,2m Issued in 27 March 15, closed 29 May 15, Contracted									
Innovate2Succeed		£500k Issued on 24 th July, closed on 25 th Sept 15 Contracted for £499,977								
Innovation Business Network			£2,7m issued on 9 Dec 15, closed on 29 Jan 16, contracted for £2,7m							
Knowledge to Market accelerator							£600k multi-LEP call, launched on 8th Dec 17. No successful applicant	£600k multi-LEP call, re-issued in March 18, no successful applicant		

Subject of calls: what types of projects are being sought?	2015			2016			2017	2018	Total Budget 2014-2020 In Euros	Total Budget 2014-2020 Ex Rate 0,78	
Quantum Supply Chain							£2.5m multi-LEP call, launched on 8 th Dec, assessment in process				
Life Sciences and advanced engineering								£1,1m ERDF expected in October 18			
TOTAL Notional allocation Priority 1			£5,885,065								
TOTAL EM3 ERDF Priority 1 calls issued cumulative			£5,100,000								
Value of Applications in process under Priority 1			£500,000								
TOTAL Priority 1 projects contracted			£4,399,977								
TOTAL expenditure spent to date Priority 1			£511,162								
ERDF budget left to procure under Priority 1			£1,100,000 (including some over-commitment)								
Priority Axis 2: - ICT									1,676,891 EUR	£1,314,992	
Digital high street							£1,314,992 with, £1,2m issued on 16 Dec 16, rolling call, no successful applicant	£1.3m to be re-issued in Oct 18			
TOTAL Notional allocation Priority 2			£1,314,992								
TOTAL EM3 ERDF Priority 2 calls issued cumulative			£1,300,000								
Value of Applications in process under Priority 2			£0								

Subject of calls: what types of projects are being sought?	2015		2016		2017	2018	Total Budget 2014-2020 In Euros	Total Budget 2014-2020 Ex Rate 0,78		
TOTAL Priority 2 projects contracted		0								
TOTAL expenditures spent to date Priority 2		0								
ERDF budget left to procure under Priority 2		£1,313,992								
Priority Axis 3 - SME competitiveness								9,870,944 EUR	£8,177,80	
Access to Finance for Growth	£0,500m Issued 17 March 15, close 29 May 15, No successful application					£0,500m re-issued on 16 Dec 16 rolling call, no successful application		£0,500m to be re-issued in Oct 18		
Digital Growth	£0,550m Issued 27 March 15, closed 29 May 15, No successful application									
UKTI- International Trade		£0,600m Called issued in July 15, closed on 15, contracted								

Subject of calls: what types of projects are being sought?	2015			2016			2017	2018	Total Budget 2014-2020 In Euros	Total Budget 2014-2020 Ex Rate 0,78
Internationalisation & inward investment						£1m issued on 16 March 16 rolling call, assessment in process		£1m to be re-issued in Oct 18 depending on outcome		
Scale-up business support programme						£1m issued on 30 June closing on 8th Sept 17, assessment in process				
5G technologies applied across niche sectors/ Dev of new products and services						£4m issued on 16 Dec 16 rolling call, assessment in process				
Manufacturing Growth Service national call								£600K issued in March 18, assessment in process		
Export national call								£500K issued in March 18, assessment in process		
TOTAL Notional allocation Priority 3			£8,177,807							

Subject of calls: what types of projects are being sought?	2015			2016			2017	2018	Total Budget 2014-2020 In Euros	Total Budget 2014-2020 Ex Rate 0,78
TOTAL EM3 ERDF Priority 3 calls issued cumulative	£8,150,000									
Value of Applications in process under Priority 3	£7,750,000									
TOTAL Priority 3 projects contracted	£608,000									
TOTAL expenditure spent to date Priority 3	£186,546									
ERDF budget left to procure under Priority 3	£1,569,807									
Priority Axis 4 - Low Carbon Economy									5,922,424 EUR	£4,134,19
Wood fuel			£1m issued on 8 Dec 15, closed on 29 Jan 16, No successful applicant							
Collaborative programme to promote the commercialisation of low carbon research and products					£2m issued on 27 May 16, closed on 10 June, procurement in process for £1,274,646					

Subject of calls: what types of projects are being sought?	2015			2016			2017	2018	Total Budget 2014-2020 In Euros	Total Budget 2014-2020 Ex Rate 0,78
Low Carbon broad call on clean growth economy								£1,5m ERDF issued in March 18, assessment in process		
Low Carbon energy call								£1,4m ERDF expected in Oct 18		
TOTAL Notional allocation Priority 4		£4,134,195								
TOTAL EM3 ERDF Priority 4 calls issued cumulative		£3,00,000								
Value of Applications in process under Priority 4		£1,279,028								
TOTAL Priority 4 projects contracted		0								
TOTAL expenditure spent to date Priority 4		0								
ERDF budget left to procure under Priority 4		£2,900,000 (including some over commitment)								
TOTAL EM3 ERDF Tendered (81,74% cumulative)		£18,550,000								
TOTAL Value of applications in process (34,74)% cumulative)		7,779,028								
TOTAL EM3 ERDF Contracted (25,67% cumulative)		£5,007,977								
TOTAL EM3 ERDF Spent (2,46%)		£697,708								
TOTAL EM3 ERDF left to procure		£672,054								

*remaining budget subject to the fluctuation of the exchange rate over the course of the programme

ANNEX H- ESF Provisional schedule of calls (subject to change)

ESF Priority Axis- Subject of Calls	2015	2016	2017	Indicative Budget allocation £s 2015-2017	2018	2019	2020	Indicative Budget allocation £s 2018-2020	Total Budget £s 2014-2020
EM3 ESF Notional Allocation									20.4m EUR
Revised allocation at 0.78 Exchange rate									£15.96m
Thematic objective 8: Employment and Labour Mobility				£3m				£2.09m	£5.09m
<i>8i: Access to employment for the unemployed</i>									
SFA opt-in Employer centred Employability & Basic Skills		£0.75m issued in May 16, procured							
SFA Opt-in Employer Led Vocational Pathways for the unemployed		£1m issued in May 16, procured							
		<i>SFA Ad Fees= 194,444</i>							
DWP Opt-in Pre-employment training (Heathrow Academy- led by London LEP)	No longer progressing								
CIAG for growth sectors					£0.3m				
Construction Skills					£1m				
Digital Skills for the unemployed			£0,8 issued on 20 April 17, closed on 7 th July 2017, no successful applicant, to be re- issued						

ESF Priority Axis- Subject of Calls	2015	2016	2017	Indicative Budget allocation £s 2015-2017	2018	2019	2020	Indicative Budget allocation £s 2018-2020	Total Budget £s 2014-2020
<i>8/1 Sustainable integration of young people</i>									
NEET prevention & preparation for work to support economy					£1,032,619				
TOTAL ESF Notional allocation under TO8	£5,092,173								
TOTAL ESF calls issued cumulative under TO8	£2,550,000								
Value of Applications in process under TO8	£400,000								
TOTAL projects contracted under TO8	1,750,000								
TOTAL expenditure spent to date under TO8	£505,034								
Commission retain by the Opt-in organisation (SFA)	£194,444								
ESF budget left to procure under TO8	£2,147,729								
Thematic Objective 9 - Social Inclusion and Poverty				£1m				£1.97m	£2.97m
BIG Lottery Opt-in Social Enterprise	£0.75m issued and issued in August 15, £0.727m Contracted								
BIG Lottery Opt-in Social Inclusion		£0.25m re-issued in March 16, £0.243 m contracted							

ESF Priority Axis- Subject of Calls	2015	2016	2017	Indicative Budget allocation £s 2015-2017	2018	2019	2020	Indicative Budget allocation £s 2018-2020	Total Budget £s 2014-2020
Supporting multiple & complex needs					£711,895				
Financial/Digital Inclusion					£761,895				
Barriers to employment in rural areas					£0.5m				
TOTAL ESF Notional allocation under TO9	£2,973,791								
TOTAL ESF calls issued cumulative under TO9	£1,000,000								
Value of Applications in process under TO9	0								
TOTAL projects contracted under TO9	£970,000								
TOTAL expenditure spent to date under TO9	0								
Commission from the Opt-in organisation (BFL)	£60,000								
ESF budget left to procure under TO9	£1,943,791								
Thematic Objective 10 – Education				£3.7m				£4.36m	£8,06m
SFA Opt-in Employer Led Vocational pathways towards Higher Skills		£0.75m issued in June 16, contracted							
SFA Opt-in Employer Led Vocational Pathways for redundancy		£0.5m issued in June 16, contracted							
SFA Opt-in Information Advice and guidance		£0.5m issued in June 16, contracted							
		<i>SFA Ad Fees= 194,444</i>							
Development of higher level skills					£0.45m				

ESF Priority Axis- Subject of Calls	2015	2016	2017	Indicative Budget allocation £s 2015-2017	2018	2019	2020	Indicative Budget allocation £s 2018-2020	Total Budget £s 2014-2020
capacity (apprenticeships)									
Supporting EM3 Digital Skills for employed			£800k issued on 20 April 2017, closed on 7 th July 17, assessment in process						
LMI					£543,736				
Fuller Working Lives					£1m				
Employer owned funds for skills					£1,836, 886				
Growth Hub Brokerage of skills					£825,056				
STEM skills					£0.5m				
TOTAL ESF Notional allocation under TO10	£7,900,122								
TOTAL ESF calls issued cumulative under TO10	£2,550,000								
Value of Applications in process under TO10	£778,000								
TOTAL projects contracted under TO10	£1,750,000								
TOTAL expenditure spent to date under TO10	0								
Commission retain by the Opt-in organisation (SFA)	£194,444								
ESF budget left to procure under TO10	£5,155,678								
TOTAL ESF Notional allocation	£15,966,086								
TOTAL ESF calls issued cumulative (38,21%)	£6,100,000								

ESF Priority Axis- Subject of Calls	2015	2016	2017	Indicative Budget allocation £s 2015-2017	2018	2019	2020	Indicative Budget allocation £s 2018-2020	Total Budget £s 2014-2020
TOTAL ESf Value of applications in process (7,3%) cumulative)	£1,178,000								
TOTAL EM3 ESF Contracted includ Ad Fees (33)% cumulative)	£5,247,776								
TOTAL EM3 ESF spend (3,3%)	£527,342								
TOTAL EM3 ESF left to procure (Including Management fees)**	£9,918,310								

Footnote: some calls have been reissued at various points, following project assessment outcome