

Enterprise M3 Board

24 May 2016

Enterprise Zone Interim Programme Steering Group Governance Arrangements – Item 10

Enterprise M3 Board Members are asked to:

NOTE the proposed role of the Enterprise Zone interim Programme Steering Group in the oversight and governance of the Enterprise Zone.

AGREE the delegation of authority to the Enterprise Zone interim Programme Steering Group within the parameters set out in paragraph 2.2 and the draft Terms of Reference found at Annex A.

AGREE that the LEP may enter into a MoU with Government once the interim Programme Steering Group have agreed to a set of principles that will form a secure basis for agreements reached between the LEP and the local authorities on which EZ is based.

NOTE that Nick Elphick, Chair of Interim Programme Steering Group, will provide a verbal update at the meeting following the PSG meeting on 18th May.

1. Overview

- 1.1. Under the terms of the Enterprise M3 multi-site Enterprise Zone (EZ) proposal accepted by Government in November 2015, the Local Enterprise Partnership has agreed to organise and promote a governance group for the EZ which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority.
- 1.2. The LEP Board will maintain responsibility for the overall strategic direction of EZ developments, establishing targets and priorities and monitoring progress towards those targets. It will take decisions on the usage of EZ funding streams and approve borrowing against projected business rates growth. In this respect the ultimate 'governing body' for the EZ is the Enterprise M3 Board.
- 1.3. Following on from the feedback received at the Board meeting on 28 January where a proposal for governance of the EZ was presented, and following consultation with local authorities and with Paul Spooner (Government Advisor), agreement has been reached to set up an interim Programme Steering Group (PSG).
- 1.4. The PSG will act as a senior level forum to drive forward economic growth opportunities within the EZ, however, at present this group does not have authority to take decisions on behalf of Enterprise M3.
- 1.5. PSG will meet for the first time on 18 May in order to begin preparing for delivery of the EZ. At this meeting the group will be asked to agree to a set of principles determining local arrangements that will form a secure basis for agreements reached between the LEP and the local authorities on which EZ is based. Once agreement has been reached the LEP and the accountable body will need to enter into a MoU with Government. A copy of the outline MoU along with a letter from Tom Walker (Director, Cities and Local Growth Unit) can be found at Annex B.

2. Delegation of authority to the interim Programme Steering Group

2.1. The proposed role of the PSG is set out in detail at Annex A.

2.2. The principal role of the PSG will be to oversee the production and delivery of an Implementation Plan for the Enterprise Zone, reporting to the Enterprise M3 Board and making recommendations to the Board regarding the funding of projects within the Enterprise Zone. However, it is proposed that the PSG also be given delegated authority to agree cost increases to projects in line with the authority granted to the Enterprise M3 Programme Management Group, i.e., to agree project cost increases up to 20% (subject to a cap of £3m). Any increases above this must be referred to the Enterprise M3 Board.

2.3. The interim Programme Steering Group has the following membership:

ORGANISATION	NAME	POSITION
Pure World Energy	Nick Elphick	Enterprise M3 Board Member and PSG Chair
BT	Dave Axam	Enterprise M3 Board Member
Enterprise M3	Kathy Slack	Enterprise M3 Director and Senior Responsible Owner
Hampshire County Council	Rob Carr	Head of Finance , Accountable Body
Basingstoke and Deane BC	Kate Dean	Project Director, Basing View and Commercial
East Hampshire DC	Steve Pearce	Project Director, Whitehill and Bordon Regeneration Project
Runnymede BC	Sarah Walsh	Head of Strategy
Homes and Communities Agency	Kevin Bourner	Head of Area – Hampshire, Dorset and Isle of Wight
Crest Nicholson Regeneration	Tim Jones	Development Director
Department for Business, Innovation and Skills	Kate Cornford	Assistant Director and lead for Enterprise M3
Enterprise M3	Chris Quintana	Enterprise M3 Project Manager and Transitional EZ Manager

Chris Quintana
Enterprise and Innovation Project Manager

16 May 2016

Draft Enterprise Zone interim Programme Steering Group Terms of Reference

- 1.1 Oversee the development of the EZ Implementation Plan for approval by the LEP Board and monitor its effective implementation as well as the allocation of funding generated by the uplift in business rates receipts through EZ business rates retention scheme;
- 1.2 Advise on the strategic direction and implementation of the programme, including investment strategies, policies, communications and processes across all areas impacted by the programme;
- 1.3 Represent the interests of all stakeholders in the project and help to facilitate and enable collaboration between the local authorities, landowners and developers on economic development, strategic planning and growth of the Enterprise Zone;
- 1.4 Support the EZ Programme Manager through effective communications with all impacted stakeholders and providing unified and consistent direction for the programme;
- 1.5 Receive and review progress reports from the Programme Manager and provide input and insight to project documents and plans;
- 1.6 Provide input and make reports to relevant Boards;
- 1.7 Review funding proposals and provide recommendations around this to the Enterprise M3 Board for approval, including on the relative priority of proposals;
- 1.8 Review due diligence and other assessments of EZ projects, based on advice from the Programme Manager and Local Delivery Groups, and provide a recommendation to the Board for projects to proceed to contracting phase;
- 1.9 Make recommendations to the Board around the distribution of funds to EZ projects, taking account of significant risks and issues, as well as opportunities for more effective use of funds;
- 1.10 Play a role in overseeing the impact evaluation of the EZ programme, and consider which new schemes should be recognised as of particular strategic importance;
- 1.11 Assess scheme cost increases, taking decisions on cost increases of more than ['n%'] and less than ['n%'] of a scheme's total EZ budget, and to make recommendations to the Board around any increases greater than this or where the increase exceeds [£'n'];
- 1.12 Ensure the EZ Fund is effectively aligned with other sources of funding, including LGF funds, and are used to derive effective value for public funds;
- 1.13 Monitor the key outputs of the programme against government specified management information requirement;
- 1.14 Review and make recommendations to the Enterprise M3 Board on the relative priority of Enterprise Zone investment plans and borrowing requirements;
- 1.15 Oversee the development of the marketing plan for submission to the LEP Board;
- 1.16 Resolve, mitigate or escalate high level risks and conflicts that cannot be addressed by the local delivery groups;
- 1.17 Work closely with the LEP Action Groups to ensure the delivery of LEP priorities;
- 1.18 Ensure all decisions relating to spending and funding is subject to all HCC internal approval processes, as accountable body to the LEP.

Draft Letter

To: LEP Chief Executives
LA Chief Executives (with Enterprise Zones)

Please find enclosed a copy of an outline Memorandum of Understanding (MoU) discussion and agreement between Local Enterprise Zone partners. This has been designed to form a secure basis for agreements reached between the Local Enterprise Partnerships and the local authorities on which EZs are based.

Once completed your MoU will set out exactly what business incentives are being offered by Government for what sites as well as the support for the new zone that will be offered by Government Departments. It will also confirm the arrangements that are, or will be, in place for the operation and development of the new Enterprise Zone. The Enterprise Zones which developed quickly in the first round were those that had clear governance structures and agreements with local authorities on, for example, how planning permissions should be fast-tracked or business rates used for investment. I hope the MoUs will also be useful to you in firming up the 'ground rules' for your new Enterprise Zone's operation as well as providing confidence to Ministers that the Enterprise Zones are proceeding to plan.

Each MoU will last in the first instance to 2020. The MoU will be signed by local authorities, which act as an accountable body for the Local Enterprise Partnership. The MoU will be then signed by the Secretary of State for Communities and Local Government.

My officials will already have discussed the benefits of these MoUs with you during their visits to new EZ areas. Please do not hesitate to raise any further questions or concerns with them. We would like to agree the content of each area agreement with you in advance of the legislation underpinning the zones coming into affect (in April 2016 for most areas by April 2017 for others) or as soon as possible afterwards.

At the Senior Leaders meeting on 13th January, a number of you asked about the value of Enterprise Zones in the light of the planned devolution of business rates to local areas from 2020. I thought it would be useful to set out the current situation given that this will be one of the issues that you will need to reach agreement on locally.

The Department will be working with local government on the detail of the new scheme. Under the new scheme, Enterprise Zones will continue to enjoy their current benefits. These include Enterprise Zone branding, business rates discounts or tax relief on capital investments for business moving onto the zone and dedicated support from Government officials. Enterprise Zones will also continue to benefit from 100% growth of business rates retention for 25 years with 100% protection from any future reset or redistribution.

Some LAs will be concerned that if they commit to using EZ business rates to develop a zone now it will reduce the income they have to invest in local services when the rest of their business rate income can be retained locally in the future. This is not the case. Monies generated by EZs have legislative protection for 25 years against any future reset or distribution and as such will sit outside the devolution process. They will not count towards an authority's business rate baseline income and, as a result, will not be used in the calculation for local authority top ups or tariff payments. Furthermore EZ's business rate discounts and capital allowances that are fully funded by the Government will generate business rates income that would not otherwise have arisen

How these monies are allocated is the subject of agreements between the Local Enterprise Partnership and the local authorities on which Enterprise Zone is situated. These arrangements can be kept under review and altered or renegotiated as the local situation changes. An agreement reached now could, for example, therefore be revised in full or part in 2020 when the arrangements for wider business rates devolution are expected to come into force.

I hope that this note is both clear and helpful but please don't hesitate to contact me or the Cities and Local Growth team member assigned to your area if you have any questions.

TOM WALKER

Director, Cities and Local Growth Unit

Agreement

THIS AGREEMENT is dated [] 2016

PARTIES

1. **THE SECRETARY OF STATE FOR COMMUNITIES AND LOCAL GOVERNMENT** whose principal address is 2 Marsham Street, London, SW1P 4DF (**Secretary of State**); and
2. **Hampshire County Council** who acts as the representative and the accountable body for Enterprise M3 Local Enterprise Partnership and whose principal address is at The Castle, Winchester, Hampshire, SO23 8UJ (**Accountable body on behalf of the Local Enterprise Partnership**)

1. BACKGROUND

- A. The Secretary of State has the power to declare an area to be an Enterprise Zone.
- B. Enterprise Zones are single or multiple sites designated for business development which may offer business rate discounts or enhanced capital allowance for new businesses locating on the sites. The local authority on which an Enterprise Zone is situated is entitled to use any increase in business rates they collect from each Enterprise Zone site to support the further development of the Enterprise Zone and any other neighboring areas in agreement with the Local Enterprise Partnership.
- C. Enterprise Zones are designated as such by the Secretary of State with the agreement of the Chancellor of the Exchequer and operated by an accountable body in agreement with the Local Enterprise Partnership.
- D. A Local Enterprise Partnership is a voluntary partnership between local authorities and businesses to help determine local economic priorities and lead economic growth within their local area. As Local Enterprise Partnerships are not corporate bodies, they enter into agreements through an accountable local authority on their behalf.
- E. Taking account of the application included within the attached schedule and other representations made by the Local Enterprise Partnership, the Secretary of State offers the Local Enterprise Partnership the right to set up and operate the Enterprise Zone subject to the terms and conditions set out within the other paragraphs of this agreement.

2. IT IS AGREED THAT:

a) DEFINITIONS

- 2.1 In this Agreement the following words and phrases shall have the following meanings:
- 2.2 "Accountable Body" means the local authority(ies) responsible for the organisation and operation of the Enterprise Zone in line with plans agreed with the Local Enterprise Partnership.
- 2.3 "Application" means the application for Enterprise Zone status submitted to the Secretary of State by the Local Enterprise Partnership by 18th September 2015 (as may be amended from time to time after the date of this agreement) and includes each of the representations at Schedule 1 of this Agreement (which shall be considered to have primacy in the event of conflicting statements).
- 2.4 "Enterprise Zone" means one or more sites which under the Regulations (as amended from time to time) are able to offer specific business incentives and permitted by the Secretary of State to market themselves as such.
- 2.5 "Regulations" means 'Capital Allowances (Designated Assisted Areas) Order 2016', 'Non-Domestic Rating (Designated Areas) Regulations 2016', and 'Non-Domestic Rating (Rates Retention) Regulations 2013'.
- 2.6 "Term" means the earlier of 31 March 2020 or either party giving written notice to the Local Enterprise Partnership to terminate the Enterprise Zone status under clause 5

excepting the dates for the termination of the right to benefit from business incentives which will be as set out in paragraph 2.

b) **AGREEMENT TO SET-UP AND OPERATE AN ENTERPRISE ZONE**

2.7 Having relied upon the representations made by the Local Enterprise Partnership in the Application, the Secretary of State offers the Local Enterprise Partnership the right to set up and operate the Enterprise Zone for the Term, subject to the terms of this agreement, including the right to benefit from the following business incentives:

- Permitting the relevant local authorities to retain 100% of any business rate increase which accrues for a period of 25 years from the commencement date (this being 1 April 2017), of the Enterprise Zone, providing such sums are directed towards the development of the Enterprise Zones and thereafter towards the Local Enterprise Partnership's identified growth priorities;
- Central government will reimburse to the relevant local authorities the cost of providing each business occupying an Enterprise Zone site a 100% discount on business rates for five years up to the maximum state aid de minimis threshold, for businesses that enter the zone before 31 March 2022, e.g. if a business enters the zone on 31 March 2022, it can receive the discount (subject to de minimis) until 30 March 2027;
- The accountable body in agreement with their Local Enterprise Partnership can agree to other local authorities benefitting from the zone during the Term provided they have entered into an inter-party agreement as set out in 3.2 (a) and meet the relevant requirements in the regulations.

3. TERMS AND CONDITIONS

3.1 The accountable body on behalf of the Local Enterprise Partnership agrees, having undertaken due investigation, that at the date of this Agreement:

- (a) The statements within the Application are accurate;
- (b) It is not aware of any information which is likely to materially undermine the ability of the Local Enterprise Partnership to deliver the Enterprise Zone in accordance with the Application and achieve the Outputs; and
- (c) It is not aware of any information, which is likely to significantly delay the Local Enterprise Partnership in delivering the Enterprise Zone in accordance with the Application or achieving the Outputs.

3.2 The accountable body on behalf of the Local Enterprise Partnership confirms, having undertaken this investigation, that:

- (a) It has obtained or shall use all reasonable actions to promptly obtain necessary approvals, authorisations, consents, exemptions, licences, permits, permissions (including planning permission) or registrations necessary to deliver the Enterprise Zone in accordance with the Application;

- (b) It has or will secure the expertise and capacity to set up and operate the Enterprise Zone in accordance with the Application;
- (c) It will undertake all the steps to set up and operate the Enterprise Zone and confirm that each of these shall be achieved compliantly (including but not limited to achieving compliance with applicable procurement, state aid and planning law); and
- (d) It will deliver the relevant incentives at Schedule 2 for the period set out in the Application and this Agreement.

3.3 The Local Enterprise Partnership has agreed to:

- (a) organise and promote a governance group for the Enterprise Zone which is able to make strategic and operational decisions. This shall include representatives of each relevant local authority and shall meet at least quarterly ("**Governance Group**"); and
- (b) enter into agreements with each local authority on which an Enterprise Zone site is situated and any other Local Enterprise Partnerships involved in the delivery of the Enterprise Zone. Such agreements should include the objectives and priorities for the Enterprise Zone as well as terms necessary to give effect to this Agreement. This should include, but not be limited to, the use of business rates retained by the local authority(ies), how the local authority(ies) will use their general power of competence to support the Enterprise Zone, including but not limited to Compulsory Purchase Orders, simplified planning regimes, development orders, Joint Ventures and borrowing to support investment and arrangements for the provision of monitoring data). Where during the Term, new local authorities become involved in the Enterprise Zone or the legal status of Local Enterprise Partnerships involved in the Enterprise Zone changes, the Secretary of State may direct that the Local Enterprise Partnership enters into new agreements under this clause, or assists in getting such organisations to become party to this Agreement.
- (c) Use any government grant vested in the accountable body for the purposes of supporting the delivery of the Enterprise Zone and which shall be spent on the Enterprise Zone as agreed with the Local Enterprise Partnership and in compliance with the relevant laws.

3.4 Implementation Plan

The accountable body on behalf of the Local Enterprise Partnership shall design and submit to the secretary of state a 5 year implementation plan (which sets out the major steps and the individual(s) and organisation(s) who will be responsible to set up, operate and deliver the objectives and priorities which have been agreed for the Enterprise Zone) no later than 31 March 2017.

3.5 DCLG Enterprise Zone team shall support:

- (a) the set up and delivery of the Enterprise Zone (in particular through the contact for the Enterprise Zone, which is [] (E-mail: Telephone:)) who shall advise on the procedures for establishing the zones and resolving issues, which may arise in relation to government funding or legal arrangements. The Local Enterprise Partnership shall be informed if there is a change in the DCLG Enterprise Zone team contact.

- (b) Enterprise Zones by providing information on the Enterprise Zone to the market via press releases, its national Enterprise Zone website, twitter account and other media.
- (c) Collaboration by inviting senior leaders from all England's Enterprise Zones to meet to discuss progress, challenges and good practice with senior government officials and Ministers

this support shall be provided up until 31 March 2020 and may be renewed / subject to alteration following that date.

3.6 The accountable body on behalf of the Local Enterprise Partnership shall:

- (a) send DCLG Enterprise Zone team contact the details of the primary point of contact ("**Local Enterprise Contact**") for the Enterprise Zone within 20 Working Days of entering into this Agreement. The DCLG Enterprise Zone team contact shall be informed if there is a change in the Local Enterprise contact.
- (b) discuss progress of the Enterprise Zone with the DCLG Enterprise Zone team contact either in face-to-face or telephone meetings at least once a quarter. Such meetings shall be two-way enabling both parties to understand progress of the Enterprise Zone. Share information about the wider Enterprise Zone network and any issues which might adversely affect the planned progress of the Enterprise Zone.
- (c) take all reasonable steps to allow the DCLG Enterprise Zone team contact (or another team member in their place) to attend the Governance Group meetings (as mentioned at clause 3.5(a) including providing information on the date and location of meetings and sending papers which will be discussed. The DCLG Enterprise Zone team contact shall be entitled to decide whether they attend in an observer capacity or as a participant at the Governance Group meeting.

3.7 Marketing

The Local Enterprise Partnership has agreed to use all reasonable endeavours to

- (a) promote the Enterprise Zone.
- (b) share with the Secretary of State a marketing plan for the Enterprise Zone within six months of entering into this Agreement.
- (c) use DCLG and Enterprise Zone logos within marketing communications and signage.

3.8 Monitoring

The accountable body on behalf of the Local Enterprise Partnership agree to use all reasonable endeavours to complete the management information at Schedule 3 within 21 Working Days of the commission from DCLG, which will be quarterly at the end of January, April, July and October.

4. CHANGES

All changes to the text of the application or this agreement must be approved by the Secretary of State in writing prior to the relevant change being deemed to be effective. Until such time as a change is made in accordance with this clause, the parties shall, continue to perform this Agreement in compliance with its terms before such change.

5. TERMINATION

- (a) The Secretary of State shall be entitled to suspend or withdraw the right of the Local Enterprise Partnership to market an Enterprise Zone if it acts in a way which significantly damages the reputation of the Enterprise Zone Programme or if there has been a material breach of this agreement.
- (b) The Local Enterprise Partnership with the agreement of all local authorities and any other Local Enterprise Partnerships involved in delivering the Enterprise Zone is entitled to ask for the Enterprise Zone status to be rescinded by submitting notice in writing.

6. GOOD FAITH AND COOPERATION

Each party covenants with the other that they shall act with the utmost good faith towards the other, shall comply with reasonable requests for information in relation to the Enterprise Zone submitted from time to time and will not do anything which would deliberately put the other in breach of its obligations under this Agreement.

7. MISCELLANEOUS

Nothing in this Agreement shall constitute a partnership or joint venture between the parties.

ACCEPTANCE

This Agreement has been entered into on the date stated at the beginning of it.

Signed for and behalf of

SECRETARY OF STATE FOR)
COMMUNITIES)
AND LOCAL GOVERNMENT)

Authorised Signatory: _____

Print Name: _____

Signed for and on behalf of

LOCAL ENTERPRISE PARTNERSHIP

[Insert *AUTHORISED BODY DETAILS*]

Authorised Signatory: _____

Print Name: _____

The following parties are aware of the requirements of this agreement (including the Application) and shall support and assist development and delivery of the Enterprise Zone throughout the Term.

LOCAL ENTERPRISE PARTNERSHIP]

Authorised Signatory:

Print Name:

LOCAL AUTHORITY]

Authorised Signatory:

Print Name:

SCHEDULE 1 - KEY INFORMATION ON [INSERT NAME] ENTERPRISE ZONE / EXTENSION [FROM NAME OF LOCAL ENTERPRISE PARTNERSHIP APPLICATION]

General	
Name of Enterprise Zone	Enterprise M3 multi-site Enterprise Zone
Name of Local Enterprise Partnership	Enterprise M3
Relevant local authorities	Basingstoke and Deane BC, East Hampshire DC, Runnymede BC

Fill out information from the application form Q C.8 What is the Local Enterprise Partnership's agreed approach, with the relevant local authorities, about how the retained rates will be used to support development on the Enterprise Zone?

Briefly explain your financial or investment plan for how (for example, through borrowing or development of a recycling fund) and when the retained rates will be used.

Enterprise M3 Local Enterprise Partnership has agreed to work closely with the three Local Authorities (LA) who make up this multi-site Enterprise Zone to determine how the retained rates are best invested to support the development of the sites. We will work in partnership with the LAs, developers and other stakeholders to invest the retained rates in ways that will create further development opportunities. These will include investment in physical infrastructure and place making that ensures we remain a globally competitive area, with strong connectivity and world-class businesses and skills to match. Investments will include:

- Creating opportunities for further development on sites to create Grade A office space;
- Funding improvements to the highway network to improve site access;
- Improving pedestrian routes or sustainable transport links;
- Investing in adjacent sites to develop new office space or refurbish existing property;
- Provide investment that will support the development of early stage incubation and innovation facilities e.g. at Royal Holloway where start-up companies are operating in cyber security, big data and the internet of things.
- Promotion of sites to developers using our Land and Property Action Group, property events and publications
- Facilitating networking between interested partners

Although superfast broadband is readily available in some of the sites such as Basing View, there are areas that suffer from low speed or poor mobile phone signal. For these areas, we will invest to pilot new approaches to bring superfast broadband to these sites to complement the existing arrangements between Surrey County Council, Hampshire County Council and BT. Investing in technology will enable business on these sites to be connected digitally that will enhance growth and the competitiveness of our Enterprise Zone area. Through our Growth Hub we will work to support businesses in making better use of broadband as a marketing, sales and product development tool.

Enterprise M3 will work with local authorities and other key stakeholders to support the development of a simplified planning process, for example:

- Through the establishment of Planning Performance Agreements that set out an efficient and transparent process for determining large and/or complex planning applications;
- By bringing forward Local Development Orders that will allow development to be undertaken without the need for planning permission to be obtained from the local planning authority.

Utilising retained rates to provide funding to support the delivery of improvements to the planning approach can make it easier for business to access the sites and deliver new development and growth. Further, changes to the planning regime for the Enterprise Zone will provide investors with confidence to commit to the Enterprise M3 area and also secure savings in terms of time and costs.

Business rate growth will provide additional revenue to enhance the current marketing of each of the sites so we will work with the Local Authorities, developers and other stakeholders to ensure our business development and marketing plans target the business growth that is genuinely additional to the area, minimizing the impact of displacement. Other steps to minimize displacement could include using retained rates to establish incentives such as providing financial assistance to businesses located in adjacent areas needing to implement growth and modernisation plans.

We will intelligently target businesses operating across the digital sector, both outside of the Enterprise M3 area and through links with UKTI to promote foreign inward investment. The LEP will work with the Local Authorities and UKTI to explore possible incentive schemes that will attract foreign direct investment into the enterprise zone. We will use the retained rates to develop an effective economic narrative and place marketing strategy for the Enterprise M3 Enterprise Zone.

We will use the retained rates to support the funding of an Enterprise Zone delivery team that will ensure projects progress quickly to enable the associated development of Enterprise Zone sites. This will ensure that we maintain sight of ownership, planning status and any barriers to delivery providing us with detailed and unique understanding of the opportunities to accelerate delivery in the short,

medium and longer term. In terms of financial planning, the facility to retain all business rates growth within the Enterprise Zone is for a period of 25 years and this will provide an investment fund that will clearly support future economic growth across the Enterprise Zone and the wider LEP area.

In the short term (1 to 5 years) expected rate growth will provide a guarantee against borrowing to the local authority providing additional capacity to invest in speculative development, refurbishment or redevelopment. Borrowing will also be used in this period to develop a robust marketing and business plan, and to fund the Enterprise Zone delivery team and potential improvements to the planning process. However, due to the uncertainty of future net income levels, the following principles will be developed which are by no means exhaustive:

- Income safety margin allowing for only a proportion of future income revenues to be borrowed against;
- Enterprise Zone revenue will be used to cover the costs of the borrowing;
- The borrowing strategy will ensure that all borrowing is repaid within the Enterprise Zone period.

A detailed investment plan and financial model is being developed to identify both development costs and the expected rate growth. As this plan is developed, further principles, governance and risk measures will also be developed in partnership with the local authorities.

Fill out information from the application form Q E 1. Please describe the governance arrangements for the proposed Enterprise Zone, clearly setting out the name and job title of the Senior Responsible Officer for delivery of the Zone, the governance structure and explain how progress will be owned by the Local Economic Partnership Board.

Name of Senior Responsible Owner: Kathy Slack

Job title: Director Enterprise M3

Governance structure:

Enterprise M3 has robust governance procedures in place and these can be used in order to manage and 'add-value' to the Enterprise Zone. In developing this proposal, Enterprise M3 has engaged senior level influencers from the public and private sector, including representatives from our Action Groups, Leaders Board and Enterprise M3 Programme Management Group and Board.

Our approach builds upon the successful management of both of our current funding streams (including the Local Growth Fund and Growing Places Fund) and will ensure strong and effective working relationships between the Enterprise M3 Board, the wider business community, Government, our partner local authorities and our Accountable Body.

It is proposed that the Director of Enterprise M3 acts as the Senior Responsible Owner for the Enterprise Zone, guided by a Steering Group which will include Enterprise M3 Board Members from the private sector and representatives from each of the three Local Authorities. A number of individuals from our Board have been involved in the development of this proposal and the members of any future Steering Group will be decided at the Board Meeting on 24 September 2015. The Enterprise Zone will be managed on a day to day basis by Chris Quintana, Enterprise and Innovation Project Manager.

Over the Enterprise Zone period the following key roles will deliver a co-ordinated governance approach and help to drive progress and ensure linkages are made with other growth programmes operating across the Enterprise M3 area:

Accountable Body: Hampshire County Council (HCC) will act as the Accountable Body for the Enterprise Zone on behalf of the LEP. Its role will be to:

- Liaise with local authorities responsible for the collection of business rates and put in place the required agreement and mechanisms for the redistribution of business rates above the baseline.
- Provide treasury management function for ring-fenced Enterprise Zone funds;
- Provide legal resource to support the LEP in the development of legal agreements in respect of grants, loans or other funding agreements to safeguard HCC and the LEP

Hampshire County Council act as Enterprise M3's accountable body for all other LEP funding streams and have considerable expertise in this role.

Senior Responsible Owner (SRO):

- Kathy Slack, Director Enterprise M3, will work with Enterprise M3 Board to ensure that the LEP Board is kept informed of Enterprise Zone progress and escalate any key risks.

LEP Board:

- Responsible for the overall strategic direction of Enterprise Zone developments, establishing targets and priorities and monitoring progress towards those targets;
- Take decisions on the usage of Enterprise Zone funding streams;
- Approve borrowing against projected business rates growth.

LEP Programme Management Group (PMG):

- Will have a key role in the ongoing management of Enterprise M3's Enterprise Zone funding programmes;
- Review and making recommendations to the Enterprise M3 Board on the relative priority of Enterprise Zone investment plans and borrowing requirements.

LEP Programme Management Office (PMO):

- Will evaluate and prioritise Enterprise Zone investment opportunities;
- Provide advice and recommendations to PMG.

Enterprise M3 Leaders Group:

- Brings together the Leaders and Chief Executives from across the Enterprise M3 area to discuss issues associated with economic development and local growth. This group will be a key communications channel with our partner Local Authorities.

Enterprise and Innovation Action Group:

- Brings together public and private sector partners to identify cross organisational activity in support of visions and KPIs;
- Identify policy levers and linkages to other initiatives to support enterprise zone.

Enterprise M3 Land and Property Action Group:

- Brings together public and private sector representatives from across the Enterprise M3 area and will be a key group in advising on Land and Property related matters.

Enterprise M3 Rural Action Group:

- Brings together public, private and not for profit stakeholders to develop and recommend policies and action plans to achieve this and to provide information into the Local Enterprise Partnership Board to support their decision making and policies.

How will the LEP Board own and drive progress:

The Enterprise M3 Board has a strong and demonstrable track record in owning and driving progress with projects, evidenced by progress on both the Local Growth Fund and Growing Places Fund. As set out above, it is proposed that investments in the Enterprise Zone will adhere to Enterprise M3's governance processes and agreed Assurance Framework. Enterprise M3 Board members have a strong track record in ownership of projects and programmes, with lead Board Members from the private sector leading programmes. A number of Enterprise M3's private sector Board Members have been involved in the development of this proposal and this will be formalised through an Enterprise Zone Steering Group which will report progress to each meeting of the Enterprise M3 Board. Day to day progress monitoring will take place through Enterprise M3's Programme Management Office, working with the project delivery team identified in section E2.

Fill out information from the Application form from Q E.2 capacity and skills you will make available to deliver the Enterprise Zone on a day to day basis, including the job titles and names of each of the staff members in the Local Enterprise Partnership and the relevant local authorities and the total costs of this staff team.

Enterprise M3 and the partner local authorities will be able to draw upon wide-ranging capacity and skills in order to manage and deliver the Enterprise Zone. This includes resource from local authorities' economic development, property and regeneration teams, inward investment support from both Invest in Hampshire and Invest in Surrey, as well as the ability to draw upon the commercial expertise from the private sector developers involved in each site in addition to Enterprise M3's action groups.

Key personnel for the delivery of the project are as follows:

LEP lead for the Enterprise Zone: Chris Quintana, Enterprise and Innovation Project Manager will:

- Work with Senior Responsible Owner;
- Oversee the project delivery team.

Project Delivery Team:

- Rachel Raynaud, Economic Development Officer, Runnymede Borough Council, will lead on the delivery of the Longcross North site;
- Daniel Garnier, Economic Development Manager, Basingstoke and Deane Borough Council will lead on the delivery of the Basing View site;
- Sue Robbins, Economic Development Theme Lead, East Hampshire District Council will lead on the delivery of the Louisburg Barracks Enterprise Zone site in Whitehill & Bordon.
- The project delivery team responsibilities will include:
 - Conducting project health checks and post-project reviews;
 - Monitoring and reviewing project performance and its effect on project delivery.
 - Oversee marketing and promotion
 - Identifying funding streams and making linkages to other

It is estimated that in the initial set up stage of the Enterprise Zone, approximately 20% of FTE will be required. Approximate current cost £84,000/annum (LEP lead and project delivery team) and reflects the fact that the majority of work in these first stages will be absorbed within each organisations staffing structure. This can be achieved as much of the preliminary and set up work underpinning this Enterprise Zone proposal has already been completed. However, it is considered that following this time an Enterprise Zone Project Manager (working across all three sites to promote the Enterprise Zone) is likely to be appointed in due course and this appointment is currently under discussion with all partners.

Q E3 will you gather data that will allow the Local Enterprise Partnership and local authorities to monitor progress of the Enterprise Zone, for example this could include on delivering new jobs, business, investment?

Longcross: The main method for gathering data on progress within the zone will be via:

- The use of business surveys of the companies locating in the zone.
- Consultation with the landowners, university and other major stakeholders.

Basing View:

The following key performance indicators will be set to monitor progress of the EZ:

- Number of jobs created and number of new business moving in the EZ: as landowner, the council will establish close relationships with landlords and head lessees to gather information on any new business moving into the zone
- Number of businesses expanding in the EZ: through effective account management, the council will build positive relationships with existing occupiers and regularly engage to gather data or discuss issues/challenges
- Amount of private sector investment: as landowner and planning authority, the council will be able to monitor development and liaise with private investors/developers to gather data of private sector leverage

Whitehill and Bordon:

East Hampshire District Council will monitor the Whitehill & Bordon Enterprise Zone site by carrying out an annual business survey to see how many employees each business has on site and how many additional jobs have been created each year. Throughout the year they will work closely with all the businesses on site so that they will always have an accurate picture of business activity on site. They will work closely with planning development so that they are alerted to all planning applications on site which would indicate new investment in the site. They will also collate business rates data for the site. All information will be reported back to the Local Enterprise Partnership on a regular basis.

Q E5 Briefly set out your plan for marketing the sites to occupiers and/or investors, in the case of multiple site zones being clear if they will be marketed in clusters or in stages.

The site will marketed through a central coordination point under the direct of the Enterprise Zone Manager as well as by the individual locations. A joint communications plan will be developed and the communication leads in all

locations will be brought together alongside the LEP to maximise the scale of marketing.

We will engage with other interested parties using our Enterprise M3 Land and Property Group and LA property groupings to reach out to developers and property agents and will also work with our business groupings and extensive business contacts lists to reach out to businesses both within the area and outside of the patch.

Invest in Hampshire, Invest in Surrey and UKTI will also play a key role in promoting the site to potential occupiers.

We will develop a dedicated website for the Enterprise Zone that will be linked to LA and the Enterprise M3 websites as well as partner organisations such as our Growth Hub. We all use social media effectively and will ensure that messages are relayed to promote opportunities that are available.

We will hold regular sessions with interested parties to showcase the Enterprise Zone and will use events such as MIPIM UK to promote the Enterprise Zone.

At the individual locations;

Responsibility for marketing of the site for Longcross Park will remain with the developer. Colliers and CBRE are already appointed to undertake marketing and a website for the site already exists:

<http://www.discoverlongcross.co.uk/longcross-park/>

Basing View is being jointly marketed by MUSE, the developer and Basingstoke and Deane Borough Council. A site already exists:

<http://www.basingview.co.uk/>

The Basing View Enterprise Zone will be marketed through two routes Basing View marketing campaign and Basingstoke inward investment campaign.

East Hants DC, DIO and developers will market the site. Whitehill and Bordon attend MIPIM UK with the Business South to promote the town regeneration, investment and development potential. Marketing strategies will be developed by the individual land owners and the agents they have appointed.

East Hampshire council has retained an industry specialist to undertake and market target sector development through direct engagement with national and international academic and R&D institutions, leading technology and manufacturing businesses, and cutting edge organisations and thought leaders. A site already exists: <http://whitehillbordon.com>

2 – SITES AND INCENTIVES

Proposed EZ Sites	District / Local authority Ward	ECA	BRD	BRR

SCHEDULE 3 – MANAGEMENT INFORMATION

- Q1*** What was the value of the retained rates that were reinvested in the Enterprise Zone in the last financial year?
- Q2*** What was the value of the retained rates that were reinvested in the LEP area in which the Enterprise Zone is situated, including the amount in Q1, in the last financial year?
- Q3*** What was the value of the borrowing against retained rates undertaken by the LEP accountable body or the EZ local authority in the last financial year?
- Q4** What was the change in the number of newly created jobs, excluding construction jobs, on the Enterprise Zone in this quarter?
- Q5** What was the change in the number of newly created construction jobs on the Enterprise Zone in this quarter?
- Q6** What was the change in the number of jobs that were safeguarded on the Enterprise Zone in this quarter?
- Q7** Was a Local Development Order introduced on the zone or a part of the zone this quarter?
- Q8** What was the change in the number of businesses that started trading on the zone this quarter?
- Q9** What was the value of any new public sector capital investment on the zone this quarter? Do not include borrowing against retained rates.
- Q10** What was the value of any new public sector revenue investment on the zone this quarter?
- Q11** What was the value of any new private sector investment on the zone this quarter (excluding non-monetary investment)?
- Q12** What was the value of any new private sector non-monetary investment on the zone this quarter, e.g. use of facilities, staff?
- Q13** What area of land was reclaimed and made ready for development on the zone this Q16* quarter?
- Q14** What commercial floorspace was constructed on the zone in this quarter?
- Q15** What commercial floorspace was refurbished on the zone this quarter?
- Q16*** "What was the market rate for leasing commercial floorspace on the Enterprise Zone as of the current date?"
- Q17** What land sales were there on the zone this quarter?