



Annual Report

2013/14

The Structure of Enterprise M3 2013/14

During the period covered by this annual report, the structure of the Enterprise M3 was as follows:

The Enterprise M3 Board

The Enterprise M3 board, led by Geoff French, is responsible for the overall strategic direction of the LEP, establishing targets and priorities and monitoring progress towards those targets.

It is a business-led board made up of 16 members, split between the private, public and not-for-profit sector.

Enterprise M3 Implementation Group

The implementation group sits below the board and has a focus on delivery. The group helps co-ordinate Enterprise M3 activity and provides advice, alongside the Enterprise M3 Director, to the board on operational matters.

In this role, the group appraises the priorities and actions identified by the five action groups.

This group is chaired by Andrew Lloyd, Chief Executive of Rushmoor Borough Council and is made up of five chairs of the action groups, plus other key partners from the private and public sector.

Funding Management Group

This group is chaired by Kate Dean of SEGRO, one of our private sector board members. The group was set up to provide strategic oversight on the Growing Enterprise Fund. It has responsibility for appraising GEF bids and advising the board on the selection of successful projects. It is also responsible for monitoring the progress of individual projects as well as the overall fund.

Local Transport Body

Enterprise M3, along with the two Highways Authorities (Hampshire and Surrey), sits on the local transport body. Its primary role is to agree, manage and oversee the delivery of a prioritised programme of transport schemes from 2015 onwards.

Action Groups

There are five action groups which mirror Enterprise M3's key strategic themes. The action groups are each led by a chair from the private sector. The groups work alongside the Enterprise M3 executive team to deliver planned programmes of activity on behalf of the Local Enterprise Partnership.

Enterprise Support

Skills and Employability

Land and Property
(inc. housing sub-group)

Transport

Rural and Broadband

Enterprise M3 Executive Team

Enterprise M3 has a small executive team of six led by Executive Director, Kathy Slack. This team is responsible for the day-to-day project management, administration and communication of work undertaken by the Local Enterprise Partnership.

This team is made up of employed staff, secondees from local authorities within the Enterprise M3 area and, when required, short-term contracted staff to deliver particular pieces of work.

Note: Enterprise M3 is carrying out a governance review and the make up of board, actions groups and team structure will change in 2014/15.



'This is a high performing area; one of a handful of LEPs making a positive return to the Exchequer.'

This first formal annual report of the Enterprise M3 Local Enterprise Partnership (LEP) is being prepared before the end of 2013/14 to coincide with our annual conference in February. The report provides a commentary on achievements in support of our Strategic Economic Plan (SEP).

This year's expectations of LEPs increased significantly following a series of government announcements on our future role and funding following the budget and comprehensive spending review. The budget heralded the formation of a single competitive pot for LEPs of £2b for 2015/16, with the potential for at least a further £2b a year for the following five years.

We have carried out numerous consultations with partners on our plans and strategies over the year and have been delighted with the consensus of opinion: this is a high performing area; one of a handful of LEPs making a positive return to the Exchequer. We have world-class sectors, talented people and high performing businesses, but this success is being eroded by problems with traffic congestion, insufficient housing and labour and skills shortages that threaten to stall growth.

We have set out some ambitious plans for investment through our SEP and our EU Strategy has highlighted how our £42m allocation can support these plans. We have already started work on implementation, pushing ahead with plans for a growth hub that will support business, running events for business, including a Meet the Buyer event at Farnborough, and sponsoring two TeenTech events as part of our drive to champion science, technology, engineering and maths subjects (STEM). Our Growing Enterprise Fund of £21.7m is delivering important upfront investment through loans such as a project to support the world renowned Farnborough Airshow, accelerate housing developments in Basingstoke, create jobs in Woking and a business equity and expansion fund of £5.5m.

This year has seen us join forces with neighbouring LEPs to lobby for strategic transport investments, push the Airports Commission for sufficient aviation capacity and access to Heathrow and to work together on far reaching innovation developments such as the 5G centre at the University of Surrey which will place us at the forefront and create opportunities for business.

I would like to thank everyone who has helped us to achieve success in so many areas and to put in place the building blocks to secure investment. I applaud the incredible efforts of our small but effective executive team, led by Executive Director, Kathy Slack.

We enter 2014/15 in a strong position, seeking to secure significant investment from government and partners to support not only the economic success of our area, but also the ongoing success of the country as a whole.

Geoff French

Chair, Enterprise M3 Local Enterprise Partnership

An introduction to Enterprise M3

Enterprise M3 is a business-led Local Enterprise Partnership that is working to secure economic growth at sub-national level. We bring together leaders from the business, public and not-for-profit sectors and provide the vision, knowledge and strategic leadership needed to drive sustainable private sector growth. Our aim is to create the foundations on which our businesses can flourish. We strive to improve business productivity, increase jobs and maximise the number of businesses operating across Enterprise M3.

Our vision is to make the Enterprise M3 area

‘the premier location in the country for enterprise and economic growth, balanced with an excellent environment and quality of life.’

A snapshot of the area

The Enterprise M3 area stretches from the hinterland of London to the New Forest. It covers four major interconnected urban centres – Woking, Guildford, Farnborough and Basingstoke, the city of Winchester, significant centres such as Camberley and Staines-upon-Thames and areas with growth potential such as Whitehill and Bordon, as well as many smaller towns and villages. Around 77% of the area is classified as rural. The region is home to 86,500 businesses, including global companies such as AXA Wealth,

Motorola and BP. Key sectors within the area include ICT and digital media, pharmaceuticals, aerospace and defence, as well as professional and business services.

Enterprise M3 has highlighted an area of interlinked clusters in science and technology – the Sci:Tech Corridor - which is characterised by thriving innovation, research and development, technological breakthroughs, commercialisation of ideas and high value added economic activities. The area includes the growth

centres of Guildford, Woking, Basingstoke and Farnborough which are the locations of over one-third of the area’s jobs and display many of the characteristics of a city region.

The area also includes towns which show step-up potential. We have termed these Step-up Towns. These towns include Andover, Aldershot, Whitehill and Bordon, Camberley and Staines-upon-Thames. These towns have particular needs that, if addressed, could unlock significant growth potential.

Geography

Enterprise M3 covers
443,700 hectares
 and stretches
75 miles
 through Hampshire and Surrey

Demographics

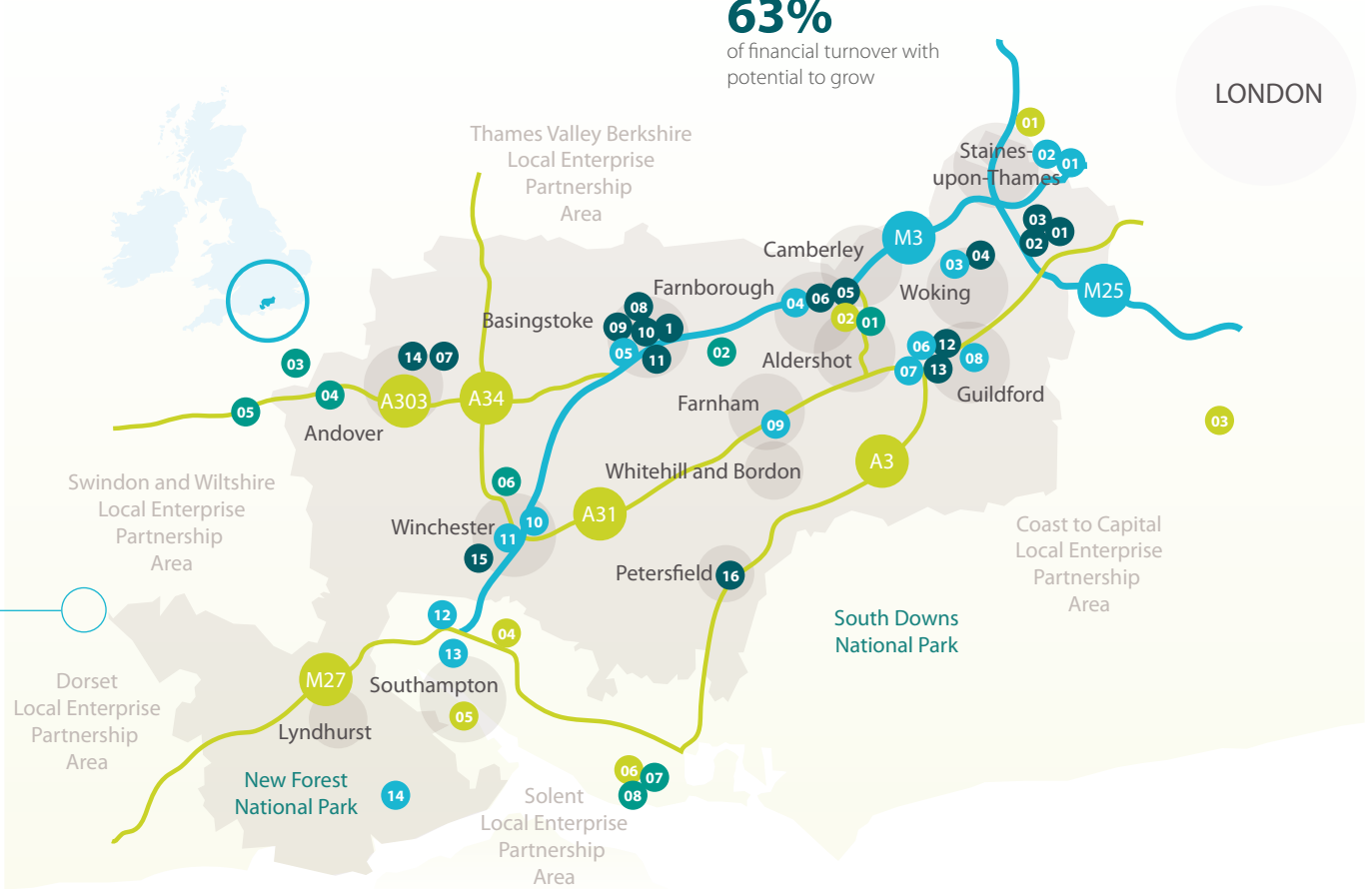
1,644,100
 people live here
429,700 (42.4%)
 qualified to graduate/NVQ level 4 (UK average 34.2%)
 the highest % for all LEPs

Job Market

86,500
 businesses in the Enterprise M3 area
22%
 of all businesses in SE England
 Businesses employing
100+
 people account for
63%
 of financial turnover with potential to grow

Key Sectors

- ICT and digital media
- Pharmaceuticals
- Aerospace and defence
- Professional and business services



Business*

- 01. Thales
- 02. Proctor and Gamble
- 03. BP
- 04. McLaren
- 05. QinetiQ
- 06. Fluor
- 07. Vitacress
- 08. Eli Lilly
- 09. AXA Wealth
- 10. Motorola
- 11. Baker Tilly
- 12. Surrey Satellite Technology
- 13. Philips Electronics
- 14. Stannah
- 15. IBM
- 16. Estee Lauder

Transport

- Air**
- 01. Heathrow
- 02. TAG Farnborough
- 03. Gatwick
- 04. Southampton
- Sea**
- 05. Southampton
- 06. Portsmouth

Education / Innovation

- 01. Royal Holloway - Uni. of London
- 02. Brooklands College
- 03. Pirbright Institute
- 04. Farnborough College of Tech.
- 05. Basingstoke College of Tech.
- 06. University of Surrey
- 07. Surrey Research Park
- 08. Guildford College
- 09. Uni. for the Creative Arts Farnham
- 10. Sparsholt College
- 11. University of Winchester
- 12. Southampton Science Park
- 13. University of Southampton
- 14. Brockenhurst College

Defence

- 01. Aldershot Garrison
- 02. RAF Odiham
- 03. Tidworth Garrison
- 04. Amport House (RAF)
- 05. Bulford Garrison
- 06. Worthy Down Barracks
- 07. The Defence Science and Technology Laboratory
- 08. HMNB Portsmouth

* Small selection of the area's key businesses.



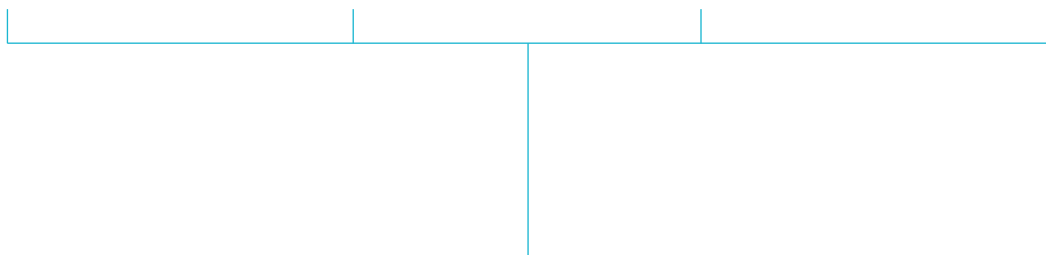
'Creating a business-friendly environment in which organisations can succeed.'

An enabler for growth

Enterprise M3 is an enabling body which seeks to create a business-friendly environment in which organisations can succeed. We have worked with partners to identify an approach for directing and prioritising our activity and achieving improved business productivity that is based around the four themes of:



And which is also directed at particular places such as the Sci:Tech Corridor and Step-up Towns.



During 2013/14, Enterprise M3 has concentrated on three main types of activity within these four themes:

01

Identifying and championing business community needs to enable economic growth.

02

Lobbying central government on behalf of the Enterprise M3 area to secure investment and growth that will help realise key aims and protect and grow our competitive position as one of the country's top-performing economies.

03

Working with private, public and not-for-profit sector partners to create a shared and co-ordinated approach to economic development in the area.

Identifying and championing business community needs to enable economic growth

Enterprise M3 has engaged business through debates and events around the issues facing the Enterprise M3 area and we have championed and reflected their views within our strategies. Priorities and investment plans have been developed by a range of partners, including business, and set out how the private, public and not-for-profit sectors in the area will work together and draw in resources to foster economic growth in the area. The four key strategies are;

01

- Our Strategy For Growth was developed at the beginning of this financial year and sets out the LEP's vision for the Enterprise M3 area, as well as the actions needed to achieve it. The Strategy for Growth has remained at the heart of the strategic work that has followed during 2013/14 and has formed the foundation for the Strategic Economic Plan.

02

- Our Strategic Economic Plan for the Enterprise M3 area with an investment plan and growth deal for government. The plan sets out our 'asks' of government, including a proposal for joint funding of projects to support economic growth.

03

- Our Skills and Employment Strategy sets out what the Enterprise M3 area must do in order to develop a world-class workforce for the future. Putting future business needs at the centre of our strategy is key.

04

- The European Union Structural and Investment Fund Strategy sets out how we will use the £42 million of EU funding allocated to the Enterprise M3 area to help realise our vision for the area as set out in the Strategic Economic Plan.

- Enterprise M3 is also currently developing an Innovation Strategy.

We have fully allocated Enterprise M3's Growing Enterprise Fund of £21.7m to support ten projects across the area. The Growing Enterprise Fund is a loan fund which was created in 2012 using £21.7m of Growing Places Funding. The fund is aimed at unlocking economic growth by addressing immediate infrastructure constraints and, in particular, helping to create housing and jobs.

Lobbying central government on behalf of the Enterprise M3 area to secure investment and growth

- The LEP, in conjunction with the transport authorities in Hampshire and Surrey, has lobbied and been successful in securing government funding for £24m of local transport funding for six key transport schemes across the Enterprise M3 area.
- Throughout 2013/2014, we continued to raise with government the importance of providing superfast broadband to rural areas. Our activity included the joint sponsorship, with the CLA, of a Rural Broadband Conference at which Maria Miller, Secretary of State for Culture, Media and Sport, delivered the keynote address.
- We have stressed in our response to the Witty Review how universities can support local growth. We have highlighted the vital role higher education institutions and other local research establishments play in enabling the Enterprise M3 area to maintain and enhance its 'comparative economic advantage' and urging government to adopt greater funding and flexibilities.
- We have continued to support the transport authorities in Hampshire and Surrey in their applications for funding from the local pinch point fund. In November 2013, Hampshire County Council secured £4m from the local pinch point fund for improvements to the Queens Road roundabout in Farnborough and £1.4m for improvements to junctions on the A30 at Blackbushe.
- Throughout 2013/14, Enterprise M3 continued to lobby government through our responses to the Airports Commission for sufficient aviation capacity for business travel and access to Heathrow for businesses. In July 2013 Enterprise M3, along with four other LEPs in close proximity to Heathrow, commissioned a study to investigate the economic impact of Heathrow airport on the area. The study's findings highlighted the fact that at present the activity at Heathrow Airport supports 120,000 jobs and £6b in economic output in the towns and districts to the west of London and, if it was expanded, an extra 35,000 jobs could be created by 2040. These findings were submitted to the Airports Commission in September 2013 and we welcomed the commission's interim report, published in December 2013. The report included two Heathrow expansion options in its shortlist of three options for expanding aviation capacity in the UK.

Heathrow airport



Working with private, public and not-for-profit sector partners to create a co-ordinated approach to economic development in the area

- Enterprise M3 works with both county councils and the 14 districts through a variety of forums. The local authorities across the area have established a joint leaders board that will strengthen local authority governance and oversight, commitment and participation in support of Enterprise M3's Strategic Economic Plan and wider economic development issues. The board will also select the district council representatives on the Enterprise M3 board and advise local authority members on key board decisions.
- Enterprise M3 developed and launched a planning and development charter for the local area. The charter is aimed at businesses making planning applications and other stakeholders and outlines what can be expected from the local authorities' planning services.
- The LEP published a commercial property market study. This study is a major analysis of employment land (sites and premises) across the Enterprise M3 area and has been used by the LEP and its partners to inform commercial property decisions and comments on local plans.
- Enterprise M3 has forged strategic alliances with key organisations to ensure a co-ordinated approach, including:
 - A memorandum of understanding with UK Trade and Investment (UKTI) which sets out how these organisations will collaborate and what the priority work programmes and activity areas will be in support of business.
 - A memorandum of understanding with Community Action Hampshire (CAH) and Surrey Community Action (SCA), two key players in the not-for-profit sector. This MOU is designed to encourage the sharing of ideas and improve mutual understanding and accountability between parties.
 - A service level agreement with Hampshire and Surrey Chambers of Commerce. The SLA sets out a formal working partnership between the three organisations to improve business engagement activities.
- Throughout 2013/14, Enterprise M3 has organised or sponsored 18 events across the area, from a Meet the Buyer event to a series of Access to Finance events and business forums, as well as our popular annual conference held in February. These events have allowed us to engage with businesses as well as the public and not-for-profit sector on issues faced and solutions we need to put in place.



'We have forged strategic alliances with key organisations to ensure a co-ordinated approach.'

Enterprise

Enterprise M3 is working to maintain and expand the business base within the area by removing constraints on growth, supporting the development of start-ups and developing a culture of enterprise. New inward investment projects in high growth sectors such as digital media, aerospace, advanced manufacturing and pharmaceuticals, together with new business ventures are also a key part of our strategy.

Opportunities

<p>86,500</p> <p>businesses in the Enterprise M3 area</p>	<p>Businesses employing</p> <p>100+</p> <p>people include household names demonstrating high levels of exports and innovation such as QinetiQ, Thales, Sony, Electronic Arts and BP</p>	<p>High</p> <p>business survival rates relative to other LEPs</p>	<p>Strong</p> <p>and resilient visitor economy</p>
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Challenges

<p>85%</p> <p>85% of businesses are either micro or small and medium sized enterprises</p>	<p>Getting smaller businesses ready to export</p>	<p>Rate of start-ups and self-employment is lower than national average</p>
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CASE STUDY MEET THE BUYER



Enterprise M3 sponsored a Meet the Buyer day in Farnborough in October 2013. The event, which was organised by Hampshire Chambers of Commerce, aimed to unite local businesses with major local and regional purchasers. The event was attended by 75 suppliers from Hampshire and Surrey and 30 major buyers of business services. Over 700 prearranged meetings were held, giving suppliers the opportunity to bid for deals worth millions of pounds. Attendees included buyers from the public and private sector, most notably representatives from BAE Systems, Skanska and commercial banknote printer De La Rue.



Our aims

Establish a **growth hub** which will offer organisations a focused and co-ordinated business and skills support offer. The hub will include a number of specific but integrated activities, including: a web-based business portal, business

intelligence unit, access to national business support, access to national skills support and access to local business and skills support. The hub will work across the area and will include support to rural areas.

Develop **closer working relationships with key businesses** within the area to understand their needs and signpost them to help from individuals or networks.

Increase the number of firms in the area **exporting**.

Attract **greater inward investment** in the Enterprise M3 area, especially in key sectors.

Develop our visitor economy with a focus on business tourism.



Our successes

Re-development of the Farnborough Airshow site was allocated funding from the Growing Enterprise Fund. This project is funding the construction of approximately 41 permanent chalet structures to be used for hospitality and exhibition space at the site. The construction of these chalets will create 20 new jobs in the area and safeguard the future of the Farnborough Airshow. The Airshow is estimated to have an economic impact of £30m per show, of which more than half impacts within a 25 mile radius.

Development of **two new investment funds for growing businesses**, using funding from the Growing Enterprise Fund – a £1.5m Growth Fund and a £4m Expansion Fund. Estimated economic outcomes as a result of the take-up of these

funds is the creation of 126 new jobs and additional turnover (from the businesses supported) of £21m.

Enterprise M3 **Meet the Buyer event** was held in Farnborough (see case study).

Memorandum of understanding with UKTI signed. Export activity and an engagement plan for inward investment were agreed.

Three **Access to Finance events** were held across the Enterprise M3 area. These information-sharing seminars were aimed at SMEs that are looking for new ways to finance their businesses. The seminars advised over 150 businesses on a range of new and existing sources of business finance.

By end March, two **Exporting for Growth**

events held in partnership with UK Trade and Investment will have been held. In Basingstoke, representatives from 70 businesses attended this information sharing event, at which Maria Miller, MP for Basingstoke, delivered the keynote address. The events allow businesses to learn how they can boost their exports and win new business overseas.

A series of **Enterprise M3 business forums** were held across the Enterprise M3 area in late 2013 and early 2014. This partnership activity is bringing together CEOs from large employers across the Enterprise M3 area to discuss opportunities and challenges facing their businesses and how Enterprise M3, together with business and the public sector, can support their growth ambitions.

A professional and business services workshop was held in conjunction with BIS to highlight the importance of this sector to the UK and Enterprise M3 economy.





Phase one of the Enterprise M3 **business support portal** (www.em3supportforbusiness.org.uk) launched. The business-friendly information guides and other content were sourced from government services website, gov.uk.

A service level agreement with Hampshire and Surrey Chambers of Commerce signed. The agreement sets out a formal working partnership between the three organisations in order to improve business engagement.

Innovation

Enterprise M3 believes our area will achieve accelerated economic expansion through active support of innovation and growth in high value industries. The Enterprise M3 area has a strong base in our world-class academic and research institutions and a rich diversity of top level and niche sub-sectors that will allow us to develop innovation and the advancement of new technologies. Our aim is to support the impact of investment in these specialist areas by helping better connect research to the local business community and unlocking opportunities that would not otherwise be developed.

Opportunities

 <p>A strong track record in innovation and invention</p>	 <p>Businesses in the area include world-renowned leaders in innovation such as Electronic Arts, BP, Procter and Gamble, Fluor, QinetiQ and Genus</p>	 <p>High demand for science park and incubator facilities</p>	 <p>High levels of innovation from universities and businesses</p>
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Challenges

 <p>Limitations on facilities (many approaching full occupancy)</p>	 <p>Must secure local benefits in the commercialisation of research</p>	 <p>Need to better identify and communicate with businesses that could benefit from opportunities</p>	 <p>No clear understanding of who does what in our innovation ecosystem</p>
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Our aims

Drive and support **innovation**.

Foster a **culture of entrepreneurship**.

Support business growth in key sectors such as aerospace/space, cyber security, digital economy and pharmaceuticals.

Secure investment in our world-class universities and research base where advances in knowledge can be nurtured and innovation can be transferred to the business base.

Facilitate interaction between the research base and industry, so knowledge can quickly be converted into economic benefits.



Our successes

Working in partnership with the University of Surrey to secure £60m of funding for the 5G Innovation Centre (see case study).

Royal Holloway University of London, industry and Enterprise M3 are working to **develop an innovation centre** that will advance the university's cyber security research and help support the creation of a new generation of UK businesses that will take this world-leading research into global markets.

Working with universities to develop models of good practice around incubation in our key centres, such as in Basingstoke where the local authority and developers are already working with the Surrey Research Park.

A project to create a new purpose-built **Innovation Centre at the Tannery Studios** in Send (near Woking) was allocated £1.3m from the Growing Enterprise Fund. It is anticipated that the new centre will create 350 new jobs in the area.

CASE STUDY 5G INNOVATION CENTRE

Enterprise M3 Local Enterprise Partnership has joined forces with the University of Surrey to support the development of the world's first dedicated 5G Innovation Centre. The centre, based at the University of Surrey's main campus in Guildford, will focus on advanced technologies that could go on to underpin the 5G networks of the future and give Britain global leadership in mobile technologies.

The Innovation Centre is supported by a consortium of organisations including AIRCOM International, Aeroflex, BBC, BT, EE, Fujitsu Laboratories of Europe, Huawei, Ofcom, Rohde & Schwarz, Samsung, Telefonica and Vodafone who have pledged time, expertise and other contributions totalling more than £50million. On its completion in January 2015, the centre will be home to 150 researchers and around 100 PhD students, all working hand-in-hand with industry partners.

Using the latest 4G technologies as the starting point, the aim is to give the UK leadership in mobile broadband technologies in 5G and drive forward a connected society

and digital economy. Part of the work at the 5G Innovation Centre will be the development of a 5G "test bed" that will give the University and its industry partners the facilities to test advanced emerging technologies in a real-world environment.

Enterprise M3, and its partners, will be supporting the Innovation Centre through a targeted campaign with existing and inward investments that is aimed at building on the commitments in 5G research already made by business.



Skills and Employment

Enterprise M3 is working to ensure investment in skills and employment support meets employer needs. We are supporting the promotion of high level science, technology, engineering and maths (STEM) qualifications, employability information, advice and guidance and improvements to labour market intelligence throughout the area.

Opportunities



77.4%
of our working age population is in employment.



42.4%
of our workforce has an NVQ level 4 qualification or above.



Strong network of colleges and universities,
many high performing.

Challenges



Relatively slow growth of labour force



High incidence of hard-to-fill vacancies



Significant gaps in high level science, technology, engineering and maths qualifications

Our aims

Develop the **best performing, most adaptive and responsive employment and skills system** in the UK.

Promote **higher levels of STEM qualifications** across the current and future workforce.

Increase learner understanding of employer needs and opportunities through greater employer engagement with schools and colleges and improved information, advice and guidance.

Achieve **more effective communication between businesses and learning providers** to encourage greater take-up of training opportunities.

Our successes

Sponsored two TeenTech events in Surrey and Hampshire (see case study).

Published our **Skills and Employment Strategy and action plan**. The strategy, which was developed in consultation with businesses, learning providers, local authorities and other agencies working in the skills field, sets out what the Enterprise M3 area needs to do in order to develop a world-class workforce for the future.

Made an early start on **identifying potential capital investments in 'centres of excellence' in vocational skills education and training** that play strongly to the skills priorities set out in our Strategic Economic Plan.

Have agreed, in principle, to the Skills Funding Agency (SFA) and the Department for Work and Pensions (DWP) **co-financing some of our European Social Fund projects** on skills development and social inclusion. This will ensure we get off to a flying start and will bring in matched funding from the SFA and the DWP.

CASE STUDY TEENTECH



TEENTECH
inspiring tomorrow's innovators

TeenTech is a highly interactive event designed to educate year 8 and 9 students and their teachers about the contemporary world of science, engineering and technology. Participants take part in experiments, handle cutting edge technology and spend time with leading engineers, technologists and scientists. The events, which are aimed at promoting science, technology, engineering and maths to school students, help inform students in the selection of GCSE choices.





Research done by TeenTech shows this event helps teenagers to refocus their thinking about school subject choices and to consider career paths they never knew existed.

Enterprise M3 sponsored the TeenTech events in Hampshire and Surrey during 2013 which attracted 600 students, 60 STEM employers and over 100 volunteer scientists and engineers. We have committed our support to TeenTech and the promotion of STEM subjects in 2014.







Infrastructure and Place

Enterprise M3 is working to secure investment to alleviate local infrastructure issues which constrain business growth. These issues include road and rail bottlenecks, the rail network's capacity limitations, housing shortages for local workers and differential supply of reliable high speed broadband, as well as Heathrow and Gatwick airports' access and capacity issues.

Opportunities

 <p>Close proximity to major airports and ports</p>	 <p>Good motorway network throughout the area</p>	 <p>High quality commercial floorspace opportunities</p>	 <p>Good quality of life with benefits including excellent schools and close proximity to two national parks</p>
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Challenges

 <p>Increasing levels of road and rail congestion</p>	 <p>Limitations on the capacity of the current rail network</p>	 <p>Accessibility to London's airports and uncertainties over Heathrow's future</p>
 <p>Limited land opportunities for major inward investors</p>	 <p>Issues with the supply of reliable, high speed broadband in some areas</p>	 <p>Shortage of housing for local workforce</p>



Our aims

Lobby for sufficient aviation capacity for business travel and access to Heathrow and Gatwick for businesses across Enterprise M3.

Establish an **effective housing development strategy** which will channel investment and drive delivery.

Address congestion, along with road, rail and air transport bottlenecks.

Explore issues around **enhanced internet speeds and capacity**.



Our successes

Full allocation of the Growing Enterprise Fund.

Investment was distributed among ten projects in the Enterprise M3 area which will support new homes and businesses and create over 2,000 new jobs. Projects financed include the Sheerwater access road in Woking and the planned 2014 opening of permanent exhibition chalets at the Farnborough International Airshow site.

£24m government investment secured for six transport schemes: Aldershot urban extension access works, Basingstoke north eastern corridor to growth, Guildford gyratory, Runnymede roundabout, A30/A3331 corridor improvements, Whitehill and Bordon inner relief road.

Our support of the Highways Agency bid to the government has **helped secure investment to fund improvements to the M3 junctions 9 (Winchester) and 6 (Basingstoke)**.

Collaboration with two Highways Authorities has secured investment of over **£4m for improvements to the Queens Road roundabout in Farnborough and £1.4m to improve the A30** at Blackbushe.

CASE STUDY SHEERWATER ACCESS ROAD

In July 2012 the Growing Enterprise Fund awarded £2m to Woking Borough Council for construction of a new link road in a busy and congested part of Woking town centre. The link road, which opened in December 2013, has improved accessibility to key areas of employment, enabled the creation of around 400 new local jobs and safeguarded around 230 jobs.

'We are delighted that works to the much needed Sheerwater link road have now been completed. With the support of Enterprise M3 through their Growing Enterprise Fund, and Surrey County Council through its Local Sustainable Transport Fund, the council was able to bring forward its delivery, putting into place the infrastructure and investment that will underpin the long-term regeneration of Sheerwater, creating a desirable place to live, work and do business.'

Cllr John Kingsbury, Leader of Woking Borough Council

The link road is putting Sheerwater on the map as a focal point for a supplier driven advanced engineering cluster, promoted in conjunction with the McLaren Group. The link road has also provided a launch pad for increased occupancy rates and reinvestment opportunities within Woking.

How is Enterprise M3 funded?

Enterprise M3 receives funding from government and draws additional funding from local partners in the public and private sector.

In 2013/14, Enterprise M3 received the following funding:



In addition, Enterprise M3 strongly relies on in-kind support. This has taken the form of seconded staff from local authorities and central government, as well as considerable input from Enterprise M3 board members and chairs of our action groups. We estimate that in 2013/14 this in-kind support amounted to in excess of £300k.

How did Enterprise M3 spend this funding in 2013/14?

At this stage of the year, we estimate that Enterprise M3’s expenditure for this financial year will be circa £600k.



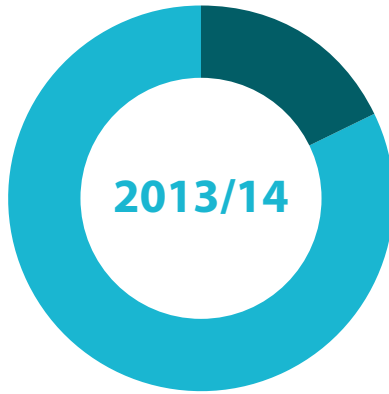
At the end of the 2013/14 financial year, Enterprise M3 will publish its end of year accounts on the Enterprise M3 website.

The Growing Enterprise Fund

In 2012, Enterprise M3 was awarded £21.7m of funding from the government's Growing Places Fund. This funding supports economic growth by addressing the infrastructure and site constraints that may be impeding development. The fund is currently allocated, but operates on a recycling loan basis. It will re-open as the first projects repay funding.



100%
of funding allocated.



18%
of funding spent (as at 8/2/2014).



The first repayments to the Growing Enterprise Fund are due later in 2014 and will enable Enterprise M3 to re-open the fund.

In addition, Enterprise M3 has used £49,000 of GEF revenue funding to support due diligence work during 2013/14.

M3 motorway



What's next for Enterprise M3 in 2014/15?

2014/15 promises to be a busy and exciting year for the Enterprise M3 Local Enterprise Partnership as work starts on the delivery of key initiatives and projects highlighted in our Strategic Economic Plan.

The Enterprise M3 Strategic Economic Plan and Growth Deal

We will be submitting our final Strategic Economic Plan and Local Growth Deal (our bid to government for funds from the Local Growth Fund) on 31 March. We expect to enter into negotiation on future investments with ministers and government departments in June. Our plan and growth deal will be assessed alongside the plans and deals of other Local Enterprise Partnerships. This work will likely be completed in late 2014 when we will be notified of our Local Growth Deal offer.

Launch of the EU Structural and Investment Funds for 2014-2020

EU Structural and Investment Funds for the 2014-2020 period will come on stream in late 2014. This allocation amounts to £42m. To secure funding, Enterprise M3 submitted the final draft of the European Structural and Investment Fund Strategy to government on 31 January. The document outlined how funds will be put towards activities and projects that will stimulate business growth and jobs, improve skills and workforce training and promote social inclusion in the Enterprise M3 area. We are expecting strategies to be signed off by government in February, subject to any outstanding issues being addressed.

We are now establishing project appraisal and selection structures and pulling together an investment committee to review proposals. We expect to have this in place by late spring. A prospectus inviting organisations to bid for the projects will be issued in the autumn.

Rural Opportunities

Funding from the European Agricultural Fund for Rural Development (EAFRD) will be available in 2014. We will be working with our rural action group to identify how we utilise these rural funds of £3.5m to support rural businesses across the area.

The Enterprise M3 Growth Hub

We are currently in the process of developing the Enterprise M3 growth hub - a focused and co-ordinated business and skills support offer for businesses within the Enterprise M3 area. The hub will include a number of specific but integrated activities, including a business portal, business intelligence unit, access to national business support, access to national skills support and access to local business and skills support. Enterprise M3 will seek provisional expressions of interest from organisations and consortiums that would like to develop and manage the growth hub during summer 2014.

Sector Networks

We will set up an aerospace network in conjunction with Hampshire County Council, Farnborough Aerospace Consortium, University of Southampton and Solent LEP. This will sit alongside our satellite technology application action group (STAAG) run by the University of Surrey. STAGG will run an event in May/June for companies about the downstream opportunities emanating from satellites technology. We anticipate these opportunities will create significant numbers of jobs and new business for companies in the local area.

Transport "Big Map"

Our transport action group will be unveiling its "big map" in spring 2014 which will show all future investments in road, rail and aviation over the next 15 years. The map will be produced as a brochure and as an interactive map on our website.

New Round of Growing Enterprise Fund

The Growing Enterprise Fund is currently fully committed, but as our first investments start to make repayments later this year, we will be opening a further round of the fund later in 2014.

Six New Transport Schemes

We will undertake the necessary design and consultation work for six new transport schemes in the Enterprise M3 area. Work will be financed by £24m of government investment secured by Enterprise M3. The schemes will help reduce road congestion which constrains business growth due to slow and unreliable journey times. The schemes are: Aldershot urban extension access works, Basingstoke north eastern corridor to growth, Guildford gyratory, Runnymede roundabout, A30/A3331 corridor improvements, Whitehill and Bordon inner relief road. Building work is expected to begin in April 2015.

Enterprise M3 Housing Study

Enterprise M3 has commissioned Regeneris and Warwick Economics to conduct a study of housing demand, supply and affordability in the Enterprise M3 area. The study will review projected

housing needs using government forecasts, assess housing affordability, identify key barriers to growth, identify potential locations for housing growth and evaluate the benefits of new build housing on the LEP economy. Findings will be published in early 2014 and will help define how Enterprise M3 should support and facilitate housing growth in the LEP area.

Governance Changes to Enterprise M3

Enterprise M3 has reviewed its structure and delivery mechanisms and will be introducing a number of changes from March 2014. We will be expanding our board and recruiting further business representatives, as well as a representative from the further education sector. All adverts will be posted onto our website for those who may be interested.

We are also reviewing our action group structure and will be establishing smaller

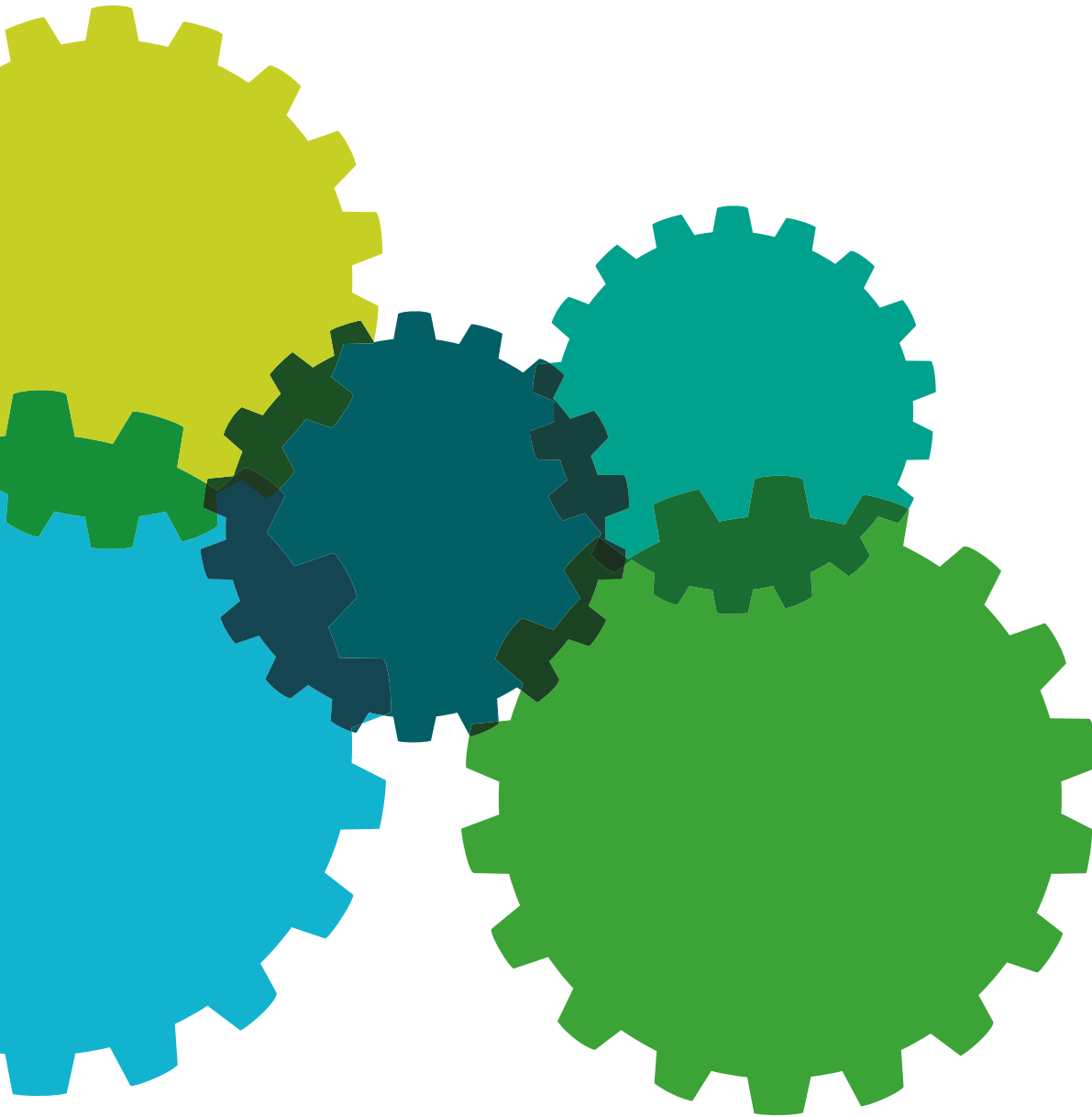
policy and action groups who will report directly to the board and be responsible for advising on policy and investments. The employment and skills board will be the first of the new style groups to be established.

Establishment of the Employment and Skills Board

Enterprise M3 is in the process of establishing an employment and skills board as a key element of our high-level governance structure. The new body will advise the Enterprise M3 board on matters relating to skills and employment, particularly the further development and delivery of the Strategic Economic Plan and European Funding Strategy, both of which will take forward the Skills and Employment Strategy. The ESB will be chaired by a senior employer representative with over half the members drawn from employers within the Enterprise M3 area.

McLaren Production and Technology Centre





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Enterprise M3

Hampshire County Council, The Castle, Winchester, Hampshire SO23 8UJ
T. 01962 846755 E. info@enterprisem3.org.uk www.enterprisem3.org.uk

Connect with us

