



FOREWORD



I am delighted to present Enterprise M3 Local Enterprise Partnership's 2015/16 Annual Report which sets out the considerable progress we have made in the last year and our ambitions for the future.

The last year saw the start of the delivery of our local growth deal projects right across the Enterprise M3 area. Some of these, such as our Growth Hub, are already having a positive impact on business growth. Others are now under construction and so the benefit will become apparent once they are completed.

In order to ensure good governance we have a clear assurance framework in place that underpins our working practices. The framework ensures that our policies and procedures are transparent and robust, very important considerations in our recognition as a strongly performing LEP.

In addition to initiating projects the LEP is currently engaged in bidding for additional funding for further important projects needed to keep improving our area and its businesses.

It was reassuring to have the positive endorsement of LEPs by the Government following the general election. This is clear recognition of the benefits of partnership working, a strong feature of everything we do.

Over the last year there has been a lot of debate about devolution in both Surrey and Hampshire. We have been fully involved in these discussions while trying to ensure that we aren't distracted from our primary task of promoting enterprise. So far, none of the devolution proposals have reached an advanced stage but, if and when they do, we will be seeking to ensure that business interests are fully recognised.

I am very pleased to report that our area continues to be one of the best in the country for growth, employment and productivity. Between 2008 and 2014 we had the second highest annual economic growth rate, our employment rate is a very strong 79.8%¹ and we are in the top 10 list of LEPs in a number of areas such as research and development, qualifications, inventor population and innovation². I am particularly pleased that we are ranked first in the "quality of life" category. This clearly underlines the importance of the balance we seek to achieve between enterprise and an excellent environment and quality of life.

This Annual Report also gives me the opportunity to thank all of those people who have worked - both paid and unpaid - so hard to help Enterprise M3 in all that we have achieved. Thanks to their continuing support we can look forward to further improvements in the next few years.

Geoff French CBE

Chair, Enterprise M3 Local Enterprise Partnership

¹ Source: ONS (2016)

² BIS (July 2015) 'Mapping Local Comparators in Innovation'

2015/16

BOARD MEMBERS



Geoff French CBE
Chair of
Enterprise M3



David Axam
BT



David Barnes
Farnborough
Aerospace Consortium



Tim Colman*
Federation of Small
Businesses



Cllr Ferris Cowper
East Hampshire
District Council



James Cretney
Marwell Wildlife



Nick Elphick*
Pure World Energy



Zoe Gray*
Learning Links



Cllr Moira Gibson
Surrey Heath
Borough Council



Colonel Andy Barr
Armed Forces



Andrew Lambert*
Electronic Media
Services Ltd



Cllr Keith Mans
Hampshire County
Council



Cllr Paul Spooner
Guildford Borough
Council



Cllr Peter Martin
Surrey County Council



Dr Malcolm Parry
Surrey Research Park



Louise Punter
Surrey Chambers of
Commerce



Cllr Clive Sanders
Basingstoke & Deane
Borough Council



Mike Short
Telefonica



**Christine Slaymaker
CBE**
Farnborough College of
Technology



Chris Tinker
Crest Nicholson

CONTENTS

| | |
|----|--------------------------------|
| 02 | A Foreword from our Chair |
| 03 | Enterprise M3 Board Members |
| 04 | Our Executive Director |
| 05 | What is Enterprise M3? |
| 08 | Performance highlights |
| 09 | Digital case study |
| 10 | Enterprise & Innovation |
| 15 | Skills & Employment |
| 18 | Our investment footprint |
| 20 | Housing & Infrastructure |
| 23 | Transport |
| 27 | The Rural Economy |
| 30 | The Structure of Enterprise M3 |
| 31 | Finance and funding |
| 32 | Financial report for 2015/16 |
| 33 | Looking ahead to 2016/17 |
| 34 | The Enterprise M3 Team |

*Representing SMEs

A YEAR OF MAKING LINKS, FORGING EVER STRONGER PARTNERSHIPS, AND DELIVERING



The Enterprise M3 area is among England's top ten for the incidence of high growth firms³. The chances a business will survive are better here than the UK average. Employment rates exceed the national average; and so does the productivity of that workforce - by an impressive 16 per cent. This success is no accident.

It comes from strong partnerships between private, public and not-for-profit sectors. It is driven by a sharp focus on smart, evidence-based strategies and by demanding real, ambitious results. It is underpinned by recognising and identifying the ecosystems that high growth, highly productive economies need to thrive.

It reflects our team, and especially our partners, that the Enterprise M3 Local Enterprise Partnership has a strong local and national reputation for enabling, creating, and driving these conditions.

This Annual Report sets out the detail and the stories behind our achievements this year, and looks forward to the challenges and our vision for the years to come. The year has been punctuated by many notable successes. It is worth highlighting a few here.

We are investing £5 million into the 5G Innovation Centre at the University of Surrey in Guildford, our initial investment of £1.75 million will kickstart the commercial and competitive impact, by connecting with SMEs, as well as large multi-nationals; with high growth digital sectors areas including gaming and animal health; and to places of high growth, and a pull for inward investment such as Basingstoke.

Our biggest single investment this year has been in "Hampshire's Green Town", Whitehill & Bordon. Surrounded by South Downs National Parkland, Whitehill & Bordon was identified by Enterprise M3 as one of our Step-up Towns, where economic potential waits to be unlocked. A hallmark of the Enterprise M3 strategy for growth and productivity is understanding the importance of pulling more than one lever and so our investment of £16 million into a relief road is one of a suite of measures to deliver housing and jobs, as well as stimulating business enterprise and skills. Also among this year's triumphs is our Enterprise Zone.

Chancellor, George Osborne announced in November 2015 approval for our proposal for an innovative multi-site Enterprise Zone in Basingstoke, Chertsey and Whitehill & Bordon. With a focus on digital technologies, the incentives to business of reduced business rates and the opportunity for the LEP and our partners to accelerate development on the back of retained business rates; there are some thrilling opportunities to be grasped.

This year we have made further strides in engaging with the business community whose views, opinions and ideas continue to help shape our forward plans. And of course the Enterprise M3 Board, our management groups, action groups and my own team continue to work enthusiastically to achieve the very best for our local economy. A thank you to all.

A handwritten signature in black ink that reads "Kathy Slack". The signature is written in a cursive style and is positioned above a horizontal line.

Kathy Slack
Executive Director

³ Source: Enterprise Research Centre (2015)

LOCAL ENTERPRISE PARTNERSHIPS

WHAT IS ENTERPRISE M3?

Enterprise M3 is a Local Enterprise Partnership (LEP), bringing together the private, public and not-for-profit sectors in a joint endeavour to drive prosperity in the towns and other areas adjacent to the M3.

Our role, set out by Government in 2011 for England's 39 LEPs, is to help determine economic priorities and lead economic growth and job creation within local areas.

Our vision is for the Enterprise M3 area to be "the premier location in the country for enterprise and economic growth, balanced with an excellent environment and quality of life."

THE ENTERPRISE M3 AREA

The Enterprise M3 area is a Sci:Tech Corridor stretching from south and west Surrey to the New Forest, taking in much of Hampshire.



Surrey and Hampshire are known for their **rich natural environment**. They are characterised by many rural towns and villages, two national parks and sites of outstanding natural beauty and heritage.

Transport hub:

Enterprise M3 sits at the heart of a transportation hub connecting UK businesses to the rest of the world. It is close to Heathrow, Gatwick and Southampton airports, and its own Farnborough Airport is one of Europe's premier business aviation airports. The ports of Southampton and Portsmouth are linked via extensive road and rail connections, which provide excellent access to Growth and Step-up Towns, and throughout our area.

-  75 stations
-  Heathrow, Gatwick, Southampton, Farnborough
-  Southampton, 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
- 15. Southampton Solent Uni
- 16. University of Portsmouth
- 17. University of Reading

THE ENTERPRISE M3 AREA CONTINUED



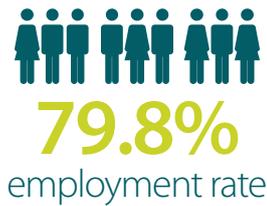
Enterprise M3 covers four Growth Towns, places where the foundations for improving economic performance are strong: **Basingstoke, Farnborough, Guildford** and **Woking**; and five Step-up Towns, places where barriers to realising their economic potential are yet to be fully lifted: **Aldershot, Andover, Camberley, Staines-upon-Thames** and **Whitehill & Bordon**.

It is home to many famous corporate brands e.g. **BP, Shepperton Studios, IBM, BMW, QinetiQ, Lockheed Martin, Surrey Satellite Technology, WWF, AXA Wealth, Twinings**, and others; four universities and several specialist research and development organisations.

The area enjoys its position as both the second largest economy in the South East and a beautiful place to live. Also the 5th largest economy in England.

5th largest economy in England

2nd largest economy in the South East



Enterprise M3 performs in the top ten (out of 39 LEPS) in the following indicator rankings⁴:

| | |
|---|----|
| R & D Expenditure | 7 |
| Innovate UK grants | 9 |
| % of employment in STEM sectors | 5 |
| Residents qualified to NVQ+4 | 5 |
| Inventor population (with patents 5-10 years old) | 3 |
| % of FTE in 9 of 11 industrial strategy sectors | 4 |
| % of FTE in Science & Technology sectors | 5 |
| 16-64 Employment rate | 8 |
| Full time earnings | 3 |
| Net business birth and death rate | 10 |
| Quality of life | 1 |

Key sectors

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

Niche sectors

- 5G Telecommunications
- Satellite technologies
- Cyber security
- Advanced materials and nano-technology
- Photonics
- Advanced aerospace/ automotive manufacturing
- Animal health
- Computer games & entertainment technologies

Data source: ONS (2016)
⁴ BIS (July 2015) 'Mapping Local Comparators in Innovation'

WHAT IS THE ENTERPRISE M3 WAY?

Our road map to economic success is set out in our Strategic Economic Plan⁵ - "Working for a Smarter Future" published in March 2014 with our aspirations to drive innovation, accelerated economic growth and prosperity along the Sci:Tech corridor.

The strength, though, of Enterprise M3 lies as much in how we do things, as in what we do.

Enterprise M3 is a business-led and business-focused partnership that works hand in hand with the public and not-for-profit sector. It is important to us to work hard to keep abreast of changing economic and business interests. Our conversations with business always begin "What do you need?"; not "This is what we offer ..."

Good examples are this year's report and developing strategy into the area's growing digital economy, "Seizing the Opportunities of the Digital Age" and commissioning research to gain insight into the changing commercial property market.



Pictured: Jonathan Lord MP for Woking, James Wharton MP, Kathy Slack, Geoff French James Wharton Minister for Local Growth, spoke at the Enterprise M3 Annual Conference. He highlighted the success of the area and emphasised the importance of being ambitious and innovative for greater economic growth.

Enterprise M3 aims to be a partnership which adds value and avoids duplication. We don't operate an area-wide "one size fits all" policy. We do focus on places and differentiate between the needs of our Growth Towns, Step-up Towns and rural areas. We spot gaps and market failure where we can effectively make a difference. A good example is the Enterprise M3 Growth Hub and its Growth Champions, business-experienced advisers, who focus on accelerating growth in small successful, established enterprises.

We focus on a handful of high growth sectors and on businesses with an aspiration to grow putting in place key ingredients that support a successful economy – skills, transport infrastructure and housing.

Some of our most successful outcomes have been achieved, not by working just towards eye-catching announcements, but by showing constructive, consultative and collaborative leadership behind the scenes. Our ongoing work on devolution plans is a good example. Devolution of freedoms and flexibilities from central Government has the potential to help maximise growth in local economies and Enterprise M3 continues to work with partners to achieve that goal.

We have reached a number of milestones and achievements since the publication of our plan. In light of these achievements we have assessed and completed an initial review of our Strategic Economic Plan this year. Identifying and celebrating the success we have achieved to date. These are identified in last year's annual report and in the following pages.



Enterprise M3 Redesigned website

⁵ The Strategic Economic Plan is available on our website at www.enterprisem3.org.uk

2015/16

PERFORMANCE HIGHLIGHTS

The financial year of 2015/16 has seen Enterprise M3 Local Enterprise Partnership scale up our activity and take on a range of new projects and initiatives, while transitioning into the delivery phase of our Growth Deal and continuing to manage other ongoing programmes. Alongside this, we have reinforced our reputation for working collaboratively and building strong and effective relationships with stakeholders from right across the private, public and not-for-profit sectors and, as a result, we:

Began delivery of the £148 million Growth Deal that we secured for the Enterprise M3 area. This funding has already started to deliver some of the anticipated 7,000 jobs and 4,000 homes that will be unlocked across the Enterprise M3 area, as well as leveraging over £500 million of public and private sector investment, £90 million above our original target.

Launched over £13 million worth of calls for applications to our European Structural and Investment Funds. This represents some 38% of our total figure of £35.5 million for a 7 year programme. This includes three calls under the

£20m

Growing Enterprise Fund

a loan fund to support projects unlocking economic growth by addressing immediate infrastructure and site constraints.

European Regional Development Fund, four calls under the European Social Fund, and three calls under the European Agricultural Fund for Rural Development.

Received loan repayments over £3.5 million back into our Growing Enterprise Fund. The GEF is a loan fund which is focused on unlocking economic growth by addressing immediate infrastructure constraints. The repayments received will allow Enterprise M3 to support even more businesses through a further round of funding towards the end of 2016.

Were successful in our application to designate a new Enterprise Zone for the Enterprise M3 area, covering three sites at Basing View, Basingstoke, Longcross Park near Chertsey, and Whitehill & Bordon in East Hampshire. Enterprise Zone status will support the redevelopment of these sites and attract 200 new businesses into our area.

Launched the Enterprise M3 Growth Hub, which provides expert support to businesses with high innovation and growth potential. Growth Champions inspire, encourage and work with these businesses to develop bespoke growth plans, based on the business's unique circumstances, to help them to access new markets and products, find finance and manage staff.

Supported businesses to engage with the cutting-edge 5G technology through the initial £1.75 million

€50m

European Structural and Investment Funding

Developing an ambitious and forward-thinking strategy

investment in the 5G Innovation Centre at the University of Surrey.

The 5G Innovation Centre is the world's first centre dedicated to the development of the technologies that will underpin future 5G networks, and will make the UK a leader in 5G mobile communications.

Prioritised the delivery of new homes by seeking housing outputs throughout our Local Growth Fund programme. Taking into account not only housing-specific projects but also those with more indirect links to housing, our programme as a whole has the potential to unlock up to 24,000 homes.

Commissioned consultants to work with partners across the private and public sector to update our intelligence on the commercial property market in Enterprise M3. The findings of this study will be used to inform future investment decisions.

Saw works begin onsite for four new Science, Technology, Engineering and Maths (STEM) Skills Centres funded from our Local Growth Fund. In total the centres are due to deliver a further 460 apprenticeships, 145 higher apprenticeships per year.

PERFORMANCE HIGHLIGHTS CONTINUED

Worked in partnership with Coast to Capital, Thames Valley Berkshire and Solent LEAs to commission a Strategic Transport Study. Findings indicate businesses and the national economy could be almost **£20 billion better off** if key transport corridors across the South of England were improved. Powerful fuel to help us make the case nationally for investment in strategic transport corridors across the South East of England.

Began delivery of our Sustainable Transport programme, worth a total of £24.4 million. Projects are improving ways of getting people to and from work, providing a more integrated solution between road, rail and bus, such as our

plans in Whitehill & Bordon. Providing better conditions for travel, such as the provision of free Wi-Fi on Stagecoach buses in Blackwater Valley, Basingstoke, Andover and Winchester areas.

Launched the first round of grants to support SMEs as part of the development of a Woodfuel Hub Network. This project will support wood processing businesses to grow and use more of the timber resources available in our wooded areas, supporting the shift to a low carbon economy.

Continued to build and strengthen our relationships with neighbouring LEAs, adding value through partnership working and collaborating to identify

opportunities to maximise funding for greater impact in our areas. This is achieved through the Greater Thames Valley Group, chaired by our Chair, Geoff French. The Group is made up of Buckinghamshire Thames Valley, Coast to Capital, Enterprise M3, Hertfordshire, Oxfordshire, Solent, South East and Thames Valley Berkshire LEAs.

Launched the redesign of our website at our Annual Conference. Following a review of our communications strategy, stakeholder feedback indicated that our previous website did not reflect the Enterprise M3 personality. Our new website proudly signposts users to success, intelligence and funding.

RESTLESS FOR IMPROVEMENT

We pride ourselves on delivering our plans and demonstrating their impact. We are equally conscientious about spotting areas where we might achieve more. We have been refreshing elements of our Strategic Economic Plan over the past year working with our partners. Over the coming year we also want to:

update the plan to include gaps identified and outline our future key priorities

incorporate recent developments such as devolution and enterprise zones

update economic intelligence and review performance of current activity and impact against KPIs and identify improvements

For example, areas of ambition include:



Business engagement

We have strong relationships with many businesses. We want to expand our business engagement even more



Increase the number of **companies exporting** and **inward investment** in the area



Smarter use of local public and private investment to maximise impact



Supporting the shift to a **low carbon economy**

DIGITAL CASE STUDY

SEIZING THE OPPORTUNITIES OF THE DIGITAL AGE

In 2015, the Enterprise M3 Board identified the digital economy as a key priority for the LEP to focus on in order to support increased productivity and growth. The global technology and digital revolution is being driven by digital businesses, transforming how we work, rest and play. The UK is one of the world's leading digital economies, with digital technology businesses contributing over £105 billion GVA in 2011.

The Enterprise M3 area, in particular the Sci:Tech corridor forms part of a wider South East digital cluster with Thames Valley Berkshire and London, which makes up over 40% of UK digital employment. Investment in and exploitation of digital technologies can enhance the competitiveness of Enterprise M3's growth and niche sectors.

To better understand and identify how we can harness the digital revolution to benefit the Enterprise M3 area, we commissioned a study looking at the digital economy in

Enterprise M3. The Digital Technologies Report, conducted by Regeneris and sponsored by Grant Thornton, was officially launched at the Enterprise M3 "Seizing the opportunities of the digital age" Annual Conference 2015.

The Enterprise M3 Digital Technologies Report identified the Enterprise M3 area as one of the most productive and fastest growing digital economies in the UK, and highlighted the fact that it is home to significant clusters of successful companies, including games, cyber security, aerospace and defence, automotive, digital media and telecommunications. However, the report also warned that there is no room for complacency and the Enterprise M3 digital economy needs ongoing support and investment from both the public and private sector in order to remain internationally competitive.

Heeding this advice, we are building the momentum in a collaborative effort to boost the profile and competitiveness of our digital sector. Taking this opportunity we have

revised our policy focus to reflect the importance of our digital economy and support it by:

- Strengthening the digital community in Enterprise M3
- Optimising the conditions for digital business growth
- Promoting Enterprise M3 as a digital destination

Harnessing the energy from the conference and report, Enterprise M3 has secured dedicated resource to take forward our Digital Action Plan, through a secondment from the Civil Service Fast Stream. Pulling on a wide range of expertise from private and public sector partners we will test, develop and implement the Digital Action Plan. Our recent Local Growth Fund prospectus calling for future projects reflected the integration of digital across all our key themes. The European Funding (ESIF) Strategy refresh raised the profile and opportunity of digital across the funds, and identified future calls to support digital projects.



Zoe Gray, Enterprise M3 Board Member, enters the virtual reality world with the Remarkable Group at our Annual Conference 2015

ENTERPRISE M3 DIGITAL ECONOMY


8,500
 Digital businesses


50,270
 Employed


92% < 10
 Employees


7.4%
 of all Enterprise M3 jobs


£4.17bn
 GVA in 2014


£105,460
 GVA/workers vs national average £83,000

PRIORITY AREA ONE

ENTERPRISE AND INNOVATION

Our strategic approach is to support targeted and integrated investments that capitalise on the area's strengths, particularly within our priority and niche sectors. We are developing a smart specialisation approach, focused on bringing together research excellence with emerging business innovation strengths as well as new technologies to drive up productivity and high-value growth. An adequate supply of incubation space and sustainable business support services, is essential for high growth and innovative companies to succeed. We encourage businesses to shift towards a low carbon economy as part of our innovation led investment.

LOCAL GROWTH FUND PROJECTS



6 projects

approved/provisionally approved for funding



£18m allocated from the Local Growth Fund (2015-2021)
Matched by £92m other investment

Specific projects



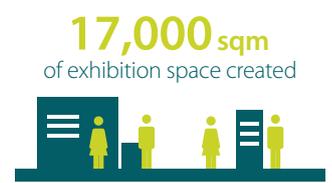
Innovation and Enterprise Centre Animal Health



Exhibition space Farnborough International



Project outputs



2015/16 SUCCESSES

Celebrated the opening of the world’s first dedicated 5G Innovation Centre at the University of Surrey, which is being supported with £5 million from Enterprise M3’s Local Growth Fund. This centre, based at the University of Surrey, focuses on advanced technologies that could go on to underpin the 5G networks of the future and give Britain global leadership in mobile technologies. During 2015/16 Enterprise M3 made an initial investment of £1.75 million, which is aimed at helping SMEs benefit from the opportunities for innovation created by this new technology.

Secured Enterprise Zone status for a multi-zone Enterprise Zone within the Enterprise M3 area. The Enterprise Zone sites will have a focus on digital technologies with three linked locations at Longcross Park near Chertsey, Basing View in Basingstoke and Whitehill & Bordon. Enterprise Zone status enables Enterprise M3 and our partners to borrow against predicted business rates growth in order to invest in high quality infrastructure to attract high-growth, innovative companies. The three sites together have the potential to deliver over 200 new businesses and over 10,000 new jobs.

Identified and showcased the opportunities and challenges for the digital economy in Enterprise M3, and developed an action plan to help businesses to “seize the opportunities of the digital age”. We commissioned a report looking into the digital technology sector in Enterprise M3, which was carried out by Regeneris and sponsored by Grant Thornton. The

study highlighted the importance of the sector to the Enterprise M3 economy, and has informed the development of a digital action plan to help us put digital at the forefront of our work.

Launched the Enterprise M3 Growth Hub, an expert advice and resource network which helps businesses achieve results quickly through a person, tailored service focused on growth. The Enterprise M3 Growth Hub, supported by £1 million from our Local Growth Fund, carries out our vision of connecting businesses with the quality support they need to succeed and grow. The Growth Hub is run by the BE Group, a leading UK supplier of business support services.



Secured £1.2 million from the Local Growth Fund to invest in a state-of-the-art facility at the Pirbright Institute and the University of Surrey. This is an exciting collaborative research centre at the Pirbright Institute and a Digital Innovation Centre for Animal Health, hosted by the University of Surrey’s School of Veterinary Medicine.



Visualising the Enterprise M3 Digital Economy – the annual conference was graphically recorded live to capture the innovation and excitement of the digital age

This forms a significant step towards an internationally-recognised cluster of excellence. It will provide access to cutting edge research findings and big data to commercial companies who can then translate them into practical tools, products and services for improvements in human and animal health.

“The development of 5G presents a significant economic opportunity & this world-leading centre will position the UK at the forefront of research into the next generation of communications technology.”
Jo Johnson, Minister for Universities and Science

Celebrated making the top five list of most innovative LEPs, according to official research from the Enterprise Research Centre (ERC). Out of the country's 39 LEPs, Enterprise M3 was named as a 'key innovation centre' behind only the 'arc of innovation' LEPs of Oxfordshire, Greater Cambridge and Peterborough, South East Midlands and Gloucestershire; all of which outperformed the large cities including London, Manchester and Liverpool.

Brought together universities, businesses and research institutes to identify the unique research and innovation strengths of Enterprise M3 and its neighbouring areas. This collaboration resulted in the universities providing a contribution to Enterprise M3 to support further work. Working together, an application for a Science and Innovation Audit was submitted, which

would highlight the South as a potential world leader in the digital industries and economy. Although our application was unsuccessful this year, we developed a strong and influential partnership and are working towards a second application for the second round of Audits due later in 2016.

Continued to support ambitious and innovative SMEs across our area via the Enterprise M3 Funding Escalator, funded by £5.5 million Growing Enterprise Fund and managed by The FSE Group. The funding escalator, consisting of an expansion loan and equity fund, have supported a further ten business in 15/16, committing over £2 million. Chillistick, one of the 10 beneficiaries, will invest its loan to develop a new product line leading to increased sales and creating 13 new jobs.

Issued calls worth over £7 million for the European Regional Development Fund (ERDF) to support research, development, innovation and growth in digital and technology. A call to support SMEs to access finance to increase growth capability was also issued. These projects support businesses in the Enterprise M3 to grow and increase productivity.

Joined up with our neighbours to promote our area to international investors by hosting a showcase event at MIPIM UK 2015. Enterprise M3, Solent, Buckingham Thames Valley and Thames Valley Berkshire LEPs worked together to highlight business opportunities in our areas, for example the 2014 Farnborough International Airshow attracted orders and commitment over \$204bn, leading to £12bn into the UK SME supply chain.

\$204bn
2014 Farnborough International Airshow orders & commitments over \$204bn

£12bn
£12bn into UK SME supply chain

Penny Mordaunt Parliamentary Under-Secretary of State at the Department for Communities and Local Government, announced Enterprise M3's new Local Growth Fund at Farnborough International

CASE STUDY | ENTERPRISE ZONE

Enterprise M3, in partnership with Basingstoke and Deane Borough Council, East Hampshire District Council and Runnymede Borough Council, secured 'multi-site Enterprise Zone' status, paving the way for millions of pounds of private investment and thousands of new jobs. Chancellor George Osborne announced in November 2015 a new Enterprise Zone for Basing View, in Basingstoke, Longcross Park, in Chertsey, and Whitehill & Bordon which will deliver new businesses, new jobs and new opportunities, stimulating significant economic growth in the area.

Businesses taking up occupancy in an Enterprise Zone before 31 March 2022 will receive 100% business rate discount for 5 years, up to maximum state aid threshold of £275,000.

Business rates generated, estimated to be in the region of £178 million (over 25 years), in the Enterprise Zone will also be retained in the area by the Enterprise Zone Partnership

Group providing an investment fund over the next 25 years that will support future economic growth across the Enterprise Zone and the wider LEP area.

The funding will be used to invest in physical infrastructure and place-making projects, keeping the Enterprise M3 area globally competitive, with strong connectivity and world-class businesses and skills.

The multi-site Enterprise Zone links three key centres within the 'Sci:Tech Corridor', an economic asset of national importance and home to thousands of innovative, high-tech companies capable of leading the world in areas including digital media, 5G communications and cyber security.

Business growth will be achieved in a number of ways which will include accelerating development of 'grade A' office space, establishing business incentive schemes, positioning and marketing the Enterprise Zone as an important digital cluster and attracting foreign direct investment.

It is anticipated that the Enterprise Zone has the potential to deliver:

over **200** new businesses



approximately **10,000** new jobs



around **210,000sqm** of new commercial space



more than **28,000sqm** of refurbished commercial space



As a result of Enterprise Zone status, it is expected that the development of the three sites will give a total land value uplift over the next 25 years of approximately **£825,000/ha** and an estimated business rate retention of **£178 million**.

Basing View Business Park in Basingstoke

13 hectare site



60 new businesses

4,100 new jobs

73,600 sqm of new commercial space

28,000sqm of refurbished commercial space

Longcross Park near Chertsey

22 hectare site

50 new businesses

5,600 new jobs

118,000sqm of new commercial space



Enterprise Zone work will take place alongside the development of **200 homes**

Whitehill & Bordon in East Hampshire

8 hectare site



100 new businesses



20,000sqm of new commercial space



500 new jobs

PRIORITY AREA TWO

SKILLS AND EMPLOYMENT

We are driving the skills provision in our area to be highly attuned to the needs of local businesses and the growth ambitions of our priority sectors. Promoting and inspiring strong engagement between business and education and training providers. Whilst the education and skills profile of the Enterprise M3 area is strong compared to the national average, additional high level technical skills, particularly in STEM (Science, Technology, Engineering and Maths) subjects, are critical to future productivity. We play a vital role in the Government's drive to improve the efficiency and financial sustainability of the Further Education sector, keeping business needs at the heart of the curriculum.

LOCAL GROWTH FUND PROJECTS



6 projects

approved/provisionally approved for funding



£17m allocated from the Local Growth Fund (2015-2021)
Matched by £19m other investment

Specific projects



Andover Technology and Skills Centre



Brockenhurst College STEM Advancement Centre



Whitehill & Bordon Future Skills Centre



Brooklands College Advantage Centre



Hampshire Centre for the Demonstration of Environmental Technologies



University Centre Farnborough

Project outputs



2015/16 SUCCESSES

Celebrated the start of construction at four new skills centres funded through the Local Growth Fund.

Official ground breaking ceremonies were held for Brockenhurst’s new STEM centre, Andover College Future Skills Centre, Brooklands College’s new campus building in Ashford and the University Centre Farnborough. Each of these skills centres will support learners to develop the right skills to become our future workforce and leaders, and are due to open in September 2016. Overall our skills centres will provide a further 600 apprenticeships a year in our area.

Consulted with businesses in order to represent their views in a Government-led review of the Further Education Sector. Post-16 area reviews evaluate the education and training provided by colleges in order to identify opportunities for improving their efficiency and effectiveness. Enterprise M3 has been contributing to both the Hampshire and Surrey reviews by representing the skills requirements of businesses locally and providing an

analysis of the current and future economic priorities of the area. This engagement in the reviews also builds on the excellent collaboration already established between Enterprise M3 and our colleges; and between the colleges themselves.

Promoted business engagement in school careers guidance by launching the Careers & Enterprise Company’s national Enterprise Adviser Network programme in Enterprise M3. The flagship programme’s aim is to motivate, inspire and support young people in making informed choices about their future. It does this by matching schools to a high calibre volunteer from the business community, who helps them to develop stronger links with businesses.

Championed the Apprenticeships agenda by encouraging employers to promote the benefits of apprenticeships via our Apprenticeship Ambassador Network, working with Arqiva, Be Wiser Insurance, Amey, NHS and others. We sponsored

the first Advanced and Higher Apprenticeships Graduation at Guildford Cathedral celebrating apprentice achievements to employers, parents and students. We hosted a joint event with Solent LEP and Learning and Work Institute bringing together businesses and training providers to raise awareness of and showcase the benefits of traineeships and apprenticeships.

Celebrated with two of our Apprenticeship Ambassadors crowned winners at the South East Regional Apprenticeship Awards 2015. The awards highlighted the success of the country’s most exceptional apprentices and apprenticeship employers, with Enterprise M3 Apprenticeship Ambassadors Arqiva and Be Wiser Insurance taking home awards. Be Wiser then fought off stiff competition to win the Rolls-Royce Award for Newcomer Large Employer of the Year at the National Apprenticeship Awards.

Issued calls totalling £4.5 million through the European Social Fund (ESF) to tackle the root causes of poverty, improving employability for the most disadvantaged and driving local jobs and growth. We prepared calls to deliver skills to the workforce for career progression and business growth and to support unemployed individuals to gain successful employment.

Secured a further £5,000 from the Big Lottery Fund, in addition to £10,000 secured in 2014, to support the not-for-profit sector to collaborate, partner and access European Funding. The activities supported by this funding led to the submission of strong applications.



University Centre Farnborough, Farnborough College of Technology will open to students September 2016 and provide degree level qualifications

CASE STUDY | FINDING NEW WAYS TO SUPPORT A WORKFORCE WITH HIGH SKILLS & THE RIGHT SKILLS

People and employers share the same ambition to be able to access the skills and attributes needed for business success. During the year Enterprise M3 has been working on three significant initiatives to help achieve that goal.

Apprenticeship Ambassador Network - proving enthusiasm for apprenticeships can easily catch on

Be Wiser Insurance, a firm based in Andover, was recognised in this year's National Apprenticeship Awards as one of the country's leading employers of apprenticeships after picking up a top accolade, "Newcomer – Large Employer of the Year". Be Wiser beat off stiff competition from some very well established brands, including The Highways Agency and UBS.

It is companies like Be Wiser, real enthusiasts and champions of the value of apprenticeships that Enterprise M3 invited to form and drive our successful Apprenticeship Ambassador Network.

The Network grew out of Enterprise M3's recognition that the business case for employing apprenticeships could be made stronger if communication was intrinsically employer speaking to employer.

The Apprenticeship Ambassador Network is chaired by a leading local employer and involves 17 businesses. They come from different sectors, including aerospace, ICT solutions, data services, manufacturing, infrastructure and professional/business services, but they all share a dedication and commitment to apprenticeships. They use their experience, knowledge and this enthusiasm to promote and introduce other businesses to apprenticeships.



Be Wiser Insurance, National Apprenticeship Award Winners 2015

Be Wiser said, "Apprenticeships have enriched and improved our business in many ways. Introducing apprenticeships to the business has enabled us to invest in our staff and turn 'jobs' into 'careers.' For many of our employees an apprenticeship scheme has given them an opportunity to re-engage in education and has enabled them to become valuable and professionally qualified members of staff."

Enterprise Advisor Network - inspiring the career & professional aspirations of our young people

Enterprise M3 have begun to deliver a step change in the quality of careers advice to young people with the launch of the Enterprise Advisor Network.

The Network is led nationally by the Careers and Enterprise Company, which aims to help schools connect with local employers to deliver inspiring and informative careers advice. Enterprise M3 appointed Basingstoke Consortium and SATRO to recruit and manage a volunteer network of Enterprise Advisers from local private, public and voluntary organisations, to advise school leaders on how to make better connections with local businesses. Initially this project focuses on Rushmoor and Waverley. We intend to roll out to the wider Enterprise M3 area in the coming year.

Supporting Excellence in Our Colleges of Further Education - high skills; the right skills

We recognise the key role our colleges of further education can play in driving productivity and prosperity in our area and across the nation. In support of Government plans to reform further education in each locality, Enterprise M3 are helping colleges align their plans with the needs of business, industry and the economy. By arranging a series of employer engagement workshops, Enterprise M3 provided a forum for businesses to discuss their workforce needs and skills gaps, which will help colleges to develop strategic plans fit for the local economy and fit for delivering an excellent further education which is effective and sustainable.

ENTERPRISE M3

OUR INVESTMENT FOOTPRINT

Enterprise M3 allocates investment in an integrated, joined up approach bringing together our place and sector priorities. Projects are delivered not only on a thematic basis, but also on a geographical basis, creating a strong narrative for unlocking growth within an area, particularly in the Growth and Step-up Towns but also in support of rural locations. The map below shows the coverage and impact of our investment, initiatives and partnerships in the Enterprise M3 area.

● Local Growth Fund ● Growing Enterprise Fund ● Other Projects ● Public Works Loan

LOCAL GROWTH FUND⁶

- 5G Innovation Centre, University of Surrey
- Whitehill & Bordon Business & Enterprise Centre
- Woodfuel Hub Network (Enterprise M3 wide)
- Animal Health Innovation and Enterprise Centre, Pirbright
- Exhibition space Farnborough International
- Enterprise M3 Growth Hub (Enterprise M3 wide)
- Andover Technology and Skills Centre
- Brockenhurst College STEM Advancement
- Whitehill & Bordon Future Skills Centre
- Brooklands College Advantage Project
- Hampshire Centre for the Demonstration of Environmental Technologies, Sparsholt College
- University Centre Farnborough, Farnborough College of Technology
- Suitable Alternative Natural Green Space (SANGS), Surrey Heath
- Suitable Alternative Natural Green Space (SANGS), Rushmoor
- East Hants Invest for Growth Initiative
- Lower Thames Flood Defence
- Aldershot Town Railway Station
- Local Sustainable Transport (Enterprise M3 wide)
- Basingstoke North Corridor A340
- Basingstoke NE Corridor to Growth - A33 (3 projects)
- A30/A331 The Meadows, Camberley
- Runnymede Roundabout
- Whitehill & Bordon Relief Road Phase 2
- Basingstoke SW Corridor to Growth (2 projects)
- Farnborough Growth Package (A325)
- Guildford Town Centre Infrastructure Package
- Woking Town Centre Infrastructure Package
- Camberley Town Centre Highways Improvements
- SARP/Clay Lane Link Road, Guildford

GROWING ENTERPRISE FUND

- Chapel Hill, Basingstoke
- Enterprise M3 Funding Escalator (Enterprise M3 wide)
- Brightwells, Farnham
- Farnborough International Infrastructure Improvements
- Activation Aldershot
- Business Incubator Guildford
- Tannery Studios, Send near Guildford
- Sheerwater Access Road, Woking
- Addlestone One

£148m Local Growth Fund spend by location:

- ↑ 45% Growth Towns
- 📍 15% Enterprise M3 wide
- 📊 33% Step-up Towns
- 📍 3% elsewhere in Enterprise M3



OTHER PROJECTS

- Enterprise M3 Funding Escalator
 - Conversor, Woking
 - ima, Bramley, Basingstoke
 - Measure My Energy, Winchester
 - Green Biofuels, Weybridge
 - Thinking Safe, Egham
 - anywhere.me, Weybridge
 - ems Business Solutions, Liphook
 - Chillistick, Basingstoke
 - Observants Innovation, Winchester
- Enterprise M3 Apprenticeship Ambassador Network
 - Amey, Winchester
 - Arqiva, Winchester
 - Aspire Learning, Portsmouth
 - Baker Tilly, Guildford
 - Be Wiser Insurance, Andover
 - Cherry Childcare, Ash Vale
 - Dimension Data, Fleet
 - Enterprise Rent a Car, Aldershot
 - Hampshire Hospitals NHS FT, Winchester
 - Lockheed Martin, Farnborough
 - Middlesex Group, Basingstoke
 - Picking Software Services, Farnborough
 - Sentinel Housing Association, Basingstoke
 - Pinetree Enterprises, Alton
 - Berkley Group, Chobham
 - SERCO, Hook
- Digital High Street Skills Programme
 - Andover
 - Basingstoke
 - Brockenhurst
 - Camberley
 - Egham
 - Farnborough
 - Fleet
 - Guildford
 - Staines-upon-Thames
 - West Byfleet
 - Whitehill & Bordon
 - Winchester
- Careers & Enterprise Company - Enterprise Advisor Network
 - Rushmoor
 - Waverley

PUBLIC WORKS LOAN

- Addlestone
- Camberley

⁶ Projects approved or provisionally approved by the Enterprise M3 Board

PRIORITY AREA THREE

HOUSING AND INFRASTRUCTURE

Enterprise M3 is backing a determined effort to develop an adequate pipeline of new local housing provision through innovative, accessible and high quality mixed use developments. We aim to directly address some of the constraints to housing development identified in the Enterprise M3 Housing Evidence Study, including land assembly difficulties and infrastructure limitations. Emerging findings from our refreshed Commercial Property Market Study highlight the concurrent need for adequate commercial space to ensure business growth is not hindered through a lack of suitable premises.

LOCAL GROWTH FUND PROJECTS



4 projects

approved/provisionally approved for funding



allocated from the Local Growth Fund (2015-2021)
Matched by £299m other investment⁶

Specific projects

East Hants Invest for Growth Initiative



SANGs pilot Surrey Heath



Ball Hill SANGs



Lower Thames Flood Defence



With potential to unlock



4,000 houses



1,000 jobs



17.5-30 ha of commercial land

Examples of other LGF projects which contribute to the potential of unlocking housing



Basingstoke North East Corridors to Growth Package



A30/A331 The Meadows Camberley



Runnymede Roundabout

20,000 houses⁷



Whitehill & Bordon Relief Road



Woking Town Centre Infrastructure Package



Guildford Town Centre Infrastructure Package

⁶Figure includes the significant other investment into the Lower Thames Flood Defence project (£298m)
⁷This total is for all other LGF projects contributing to unlocking housing

2015/16 SUCCESSES

Worked to ensure that projects across our Local Growth Fund programme are supporting our ambition to accelerate housing delivery. Housing is a key outcome which we use to assess projects before allocating funding, with transport projects showing the greatest potential to enable housing. As a whole, our Local Growth Fund programme has the potential to unlock up to 24,000 new homes.

Progressed two integrated infrastructure packages for Guildford and Woking town centres, with the potential to unlock over 1,000 new homes each. These packages take an integrated approach to the development of both town centres, not only improving the transport network but unlocking new housing and commercial space.

Saw work begin onsite to build the first of 1,300 new homes unlocked by the Suitable Alternative Natural Green Space (SANGS) Pilot in Camberley, funded through our Local Growth Fund. SANGS development is an up-front provision of infrastructure to unlock housing sites by addressing some of the regulatory constraints to housing development.

Continued to work in partnership with Basingstoke and Deane Borough Council and Hampshire County Council on work to identify infrastructure and education and skills needs for Western Basingstoke (Manydown). The adopted

Basingstoke Local Plan has allocated a total of just under 5,500 new homes up to 2029 across several sites in Western Basingstoke.

Celebrated the delivery of 76 new dwellings in East Hampshire as part of the Invest to Grow Initiative. Enterprise M3 was instrumental in coordinating an investment package worth £24.75 million for Whitehill & Bordon. This will enable East Hampshire District Council and partners to deliver a package of development projects to accelerate the regeneration of the town to provide 3,350 new homes and 5,500 new jobs.

Saw works begin on the Addlestone One project in Runnymede, funded with £3 million from our Growing Enterprise Fund. This project will redevelop Addlestone town centre through the provision of new retail, leisure and residential facilities, and is expected to deliver 200 new jobs and over 200 new homes.

Commissioned Regeneris and Aspinall Verdi to refresh and update our intelligence on the commercial property market in Enterprise M3[®]. This research, developed with local partners, will provide us with a robust evidence base on market conditions in different parts of the M3 corridor. Early findings indicate that Enterprise M3 contains wide variations in market conditions for office space. There is also a high demand for the development of new light industrial and distribution

sites and facilities. We are already exploring ways to address these issues, in particular through projects supported by the next round of Growth Deal funding.

Successfully lobbied for major employment sites, including an extension to the Surrey Research Park as part of the Blackwell Farm development noted in the pre-submission local plan in Guildford. This will provide 35,000sqm of new business premises (including offices, research, development and design facilities). The existing companies on the Surrey Research Park make it one of the borough's largest employment areas and a centre of excellence for innovation in technology, science, health and engineering. The Park is critical to supporting the commercial application of the University of Surrey's research, such as 5G communications.

Worked collaboratively with private and public sector partners of the Land and Property Action Group to identify ways in which to support both the residential and commercial property markets. This included putting together Key Performance Indicators to monitor Local Plan development and housing delivery progress across the LEP area, which will help the Land and Property Group and partners to proactively identify opportunities for action.

| | | | | | |
|-----------------------|--|---|---|--|---|
| Integrated investment |  Whitehill & Bordon Step-up Town |  Invest to Grow Initiative Infrastructure |  Whitehill & Bordon Relief Road Transport |  Whitehill & Bordon Business and Enterprise Centre Enterprise & innovation |  Whitehill & Bordon Future Skills Centre Skills |
|-----------------------|--|---|---|--|---|

[®]Commercial Property Study will be published Summer 2016

CASE STUDY | **MANYDOWN, BASINGSTOKE WORKING IN PARTNERSHIP TO PLAN FOR FUTURE HOUSING NEEDS**

Planning ahead and looking at the future needs of our area is a vital role for the LEP. Over this last year Enterprise M3 has worked alongside Basingstoke and Deane Borough Council and Hampshire County Council to take a long term view of the future of Manydown in Western Basingstoke, to ensure that the right infrastructure is planned and in place for future developments based on garden town principles.

The site west of Basingstoke has the potential to accommodate 8,000 homes over the next 30 years, with the initial phase providing 3,400 homes up to 2029. Manydown is one of the key developments in Basingstoke and Deane’s Local Plan (adopted in May 2016), which provides for a total of 15,300 new homes to be built between 2011 and 2029, mostly around Basingstoke.

Together with the two councils we have worked on a series of studies, funded from £850,000 of capacity money from Government. These studies analyse and explore, with a range of other partners, the best options to support the housing and related facilities development over the next 30-50 years.

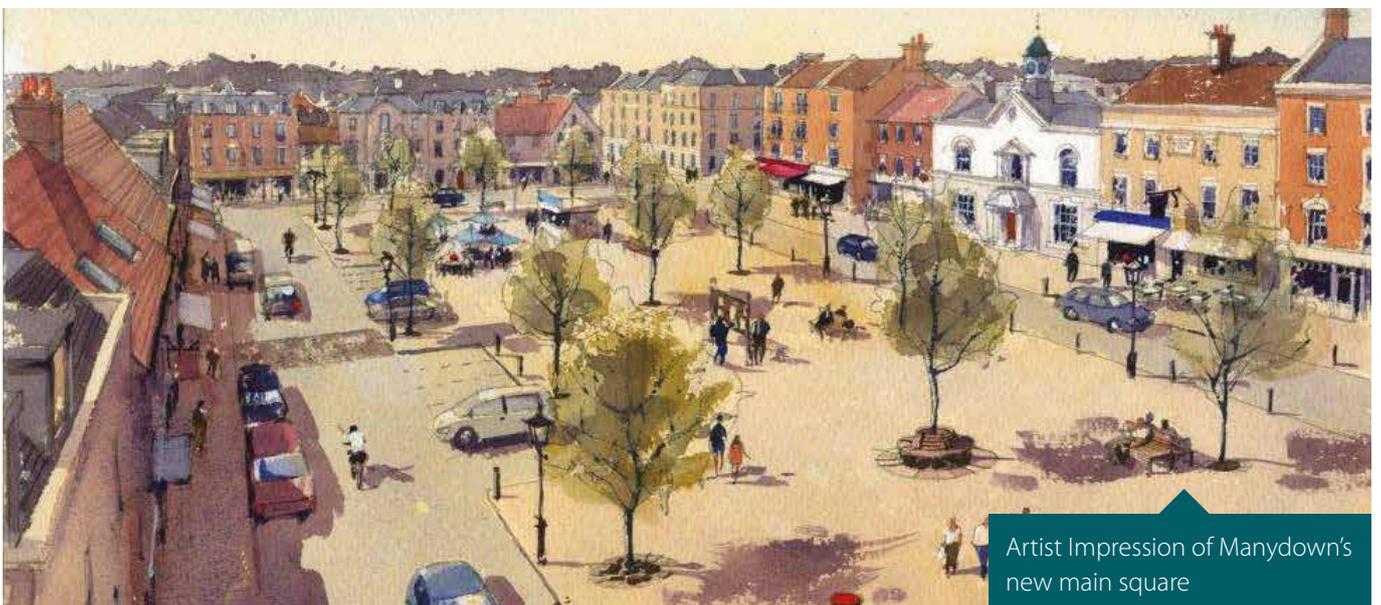
The studies are laying the foundations for the development of enabling infrastructure strategies that cover housing and financing; energy and water; transport and education and skills.

Enterprise M3 has played a key role in taking forward the skills and education elements with Hampshire County Council, with a focus of building in ambition in all that we do. We want the very best for this crucial Growth Town and have brought business together with other partners to consider models that engage key employers that build in flexibility for education provision from the beginning and where common systems are integrated.

Our focus in working in partnership is to lay those building blocks that will shape the way Basingstoke grows over the next 30 to 50 years and deliver opportunities for all our communities.

Western Basingstoke development key stats:

The northern part of the **2,000 acre Manydown site** bordering Basingstoke on its western side is proposed in the draft Local Plan for around:



Artist Impression of Manydown’s new main square

PRIORITY AREA FOUR

TRANSPORT

Enterprise M3's transport network plays a crucial role in supporting economic prosperity and competitiveness, by helping people access jobs, enabling businesses to connect with each other and their customers, and unlocking planned development. Our investment in transport infrastructure is directed at unlocking growth in housing, employment space and innovation. We are also investing in improving the existing network to increase journey reliability and reduce congestion. We balance investment in major strategic transport

schemes to meet future growth needs with local packages to enable new development. The LEP remains committed to investing in sustainable transport and maximising the economic benefits associated with this. To deliver and improve connectivity through transport investment across the Enterprise M3 area – particularly within and around our Growth Towns and Step-up Towns – to increase journey-time reliability, increase the capacity of our transport network and unlock new housing and business sites.

LOCAL GROWTH FUND PROJECTS



14 projects

approved/provisionally approved for funding



allocated from the Local Growth Fund (2015-2021)
Matched by £96m other investment

Specific projects

Aldershot Town Centre Railway Station



Local **Sustainable Transport**



Basingstoke North East Corridor to Growth
Basingstoke North Corridor A340
Basingstoke SW Corridor to Growth (Winchester Rd & Thornycroft Roundabouts)
Basingstoke SW Corridor to Growth (Brighton Hill Roundabout)

A30/A331 The Meadows Camberley



Runnymede Roundabout



Whitehill & Bordon Relief Road Phase 2



Farnborough Growth Package (A325)



Guildford Town Centre Infrastructure Package



Woking Town Centre Infrastructure Package



Camberley Town Centre Highways Improvements



SARP/Clay Lane Link Road



With potential to unlock



22,000 jobs



20,000 houses



56,000 sqm of commercial space

2015/16 SUCCESSES

Successfully delivered the first of the £25.2 million Local Growth Fund package of highways improvement projects in Basingstoke. Basingstoke North and North East Corridors for Growth. These improvements to Basingstoke's essential Northern Corridors will deliver additional capacity and improved junction operations leading to reduced journey times. Enhanced access routes will connect housing developments to the nearby hospital, key business parks and employment sites. The schemes will deliver up to 1,800 homes, an increase of 300 jobs, plus an additional 150 construction jobs, and a combined additional £100 million of GVA within the local economy.

Saw construction begin on the Whitehill & Bordon relief road, a critical piece of infrastructure to facilitate the regeneration of Whitehill & Bordon. The relief road will provide direct access to new housing developments to minimise additional pressures on existing infrastructure. Over the next ten years, the regeneration of Whitehill & Bordon aims to provide approximately 3,350 homes and 5,500 jobs and to ensure that the town adjusts and thrives following the recent departure of the army community.

Commissioned a major study to make the economic case for improving connectivity across South East England, working in partnership with Coast to Capital, Thames Valley Berkshire and Solent LEPs and appointing WSP Parsons Brinckerhoff to undertake the analysis. Connectivity and synergies between strategic corridors would provide even further opportunities

for economic growth and productivity in terms of GVA and jobs, both nationally and locally, and bring a significant return on investment for public funds. The outputs of the study will be used to lobby for investment that benefits growth in the Enterprise M3 area and beyond.

Active member of working group looking at potential solutions to ease congestion on the A3 through Guildford, to enable this important Growth Town to meet its full potential. The Group comprises Enterprise M3, Highways England and the Department for Transport, together with representatives of the local authorities. Enterprise M3 has led on stakeholder engagement to ensure that the solutions that come forward are able to accommodate and capitalise on the aspirations for new housing and employment together with the regeneration of the town centre.

Welcomed the publication of the final report of the Airports Commission, which was unequivocal in its support for a third runway at Heathrow.

We continue to work with partners to encourage Government to accept this recommendation, which would deliver major economic benefit to the Enterprise M3 area. However, we also acknowledge the need for a significant package of measures to maximise these benefits whilst addressing the environmental and community impacts of a new runway. To support the development of these measures the Heathrow Strategic Planning Group was founded by Enterprise M3, Heathrow Airport, neighbouring LEPs and local authorities.

Engaged in early discussions with potential bidders for the South West Trains franchise. The franchise will be retendered next year and will provide us with an opportunity to ensure that our aspirations and expectations for the rail network in our area are included in the base specification for the new franchise, and to work with all potential operators so that they understand and agree to our requirements.

Engaged with Government on a range of key transport matters to get the best outcomes for our area. We were closely involved in the development of Network Rail's 2015 Wessex Route Study, ensuring all the strategic asks from our Strategic Economic Plan were included within the published strategy. This includes electrification of the North Downs Line, Woking Junction Rail Flyover, and the development of Guildford station. We also argued for strong leadership and stakeholder engagement to be a priority for the future of Network Rail, and highlighted how Crossrail 2 could unlock additional capacity for the South West mainline.

Began delivery of our Sustainable Transport programme, worth a total of £24.4m. This programme is improving ways of getting people to and from work sustainably, easing congestion and benefiting the environment. Projects delivered so far include the provision of more integrated solutions between road, rail and bus in Andover, and increasing the appeal of public transport with free Wi-Fi on Stagecoach buses in the Blackwater Valley, Basingstoke, Andover and Winchester areas.

CASE STUDY | SUSTAINABLE TRANSPORT PROGRAMME

Enterprise M3 LEP has secured a total of £24.4 million through the Local Growth Deal to deliver a programme of sustainable transport schemes and measures. Funding for this first year 2015/16 has been awarded to a package of £4.35 million for the development of Sustainable Transport Schemes across Surrey and Hampshire.

The schemes were specifically selected because they met essential criteria with regard to the economic benefits they would bring to the region, along with significant environmental benefits. The investment in 11 sustainable transport schemes by Enterprise M3 unlock a further £9.04 million of matched funding to ensure the successful execution of these projects.

The projects include initiatives to improve connectivity with employment centres, improving accessibility to Growth Towns and expanding Wi-Fi provision on buses to facilitate mobile working for the business community. Schemes also deliver long-term environmental benefits, encouraging greater take up of cycling through the expansion and development of dedicated cycling routes along with improved pedestrian access throughout the Enterprise M3 area.

In 2015 Sustrans completed an evaluation for us through the Transport Delivery Excellence Programme. Due to our

early efforts to prioritise and allocate funding to sustainable transport, we were able to use this opportunity to identify future investment priorities in order to maximise the impact of our funding. This places us in a particularly strong position to reap the benefits of sustainable transport, such as improving the reliability of local transport networks, offering a wider range of travel options for local journeys, and reducing dependence on the private car. We have also encouraged other transport projects that we have funded through the Local Growth Fund to consider including a sustainable transport element, in order to maximise these benefits throughout our area.

Geoff French, Chair of Enterprise M3 Local Enterprise Partnership, commented: "The ability of sustainable and environmental transport schemes to unlock economic growth and development is too often overlooked. Investing in sustainable transport schemes, such as pedestrian walkways and cycle routes that can help reduce the economic cost of congestion is extremely valuable in Surrey and Hampshire. Giving commuters' access to Wi-Fi on public transport provides a significant benefit, enabling them to work and access vital information on the move. Investment in these schemes reinforces our commitment, as a LEP, to further developing the region's vital infrastructure which, in turn, will help support even more economic growth."



Stagecoach bus with free Wi-Fi

Projects delivered in 2015/16:



Andover Accessibility Improvements

SUPPORTING SUSTAINABLE TRANSPORT IN OUR STEP-UP TOWNS

Green Grid & Green Loop, Whitehill and Bordon

This project is for the design of two new cycling and walking routes which will provide a high quality link between existing residential areas, the new town centre, the new secondary school (proposed for delivery by 2018), employment areas and new residential neighbourhoods in the Whitehill & Bordon area.

Andover Accessibility Improvements – Newbury Street, Upper High Street and Chantry Street

The proposal will improve the attractiveness of and accessibility of the rail station in the Step-up Town of Andover. It will provide pedestrian crossing points, wider footways, disabled parking and environmental enhancements and upgrade of existing street furniture to encourage the use of sustainable transport to and from the station to ease congestion.



SUSTAINABLE TRANSPORT FOR THE RURAL ECONOMY

Petersfield to Queen Elizabeth Country Park Cycle Route

The improvement will provide a cycle route linking Petersfield with the Queen Elizabeth Country Park and upgrade the existing cycle facility linking the Country Park to Clanfield and Horndean. The project will improve access to Queen Elizabeth Country Park via sustainable transport, reducing congestion and supporting the visitor economy.

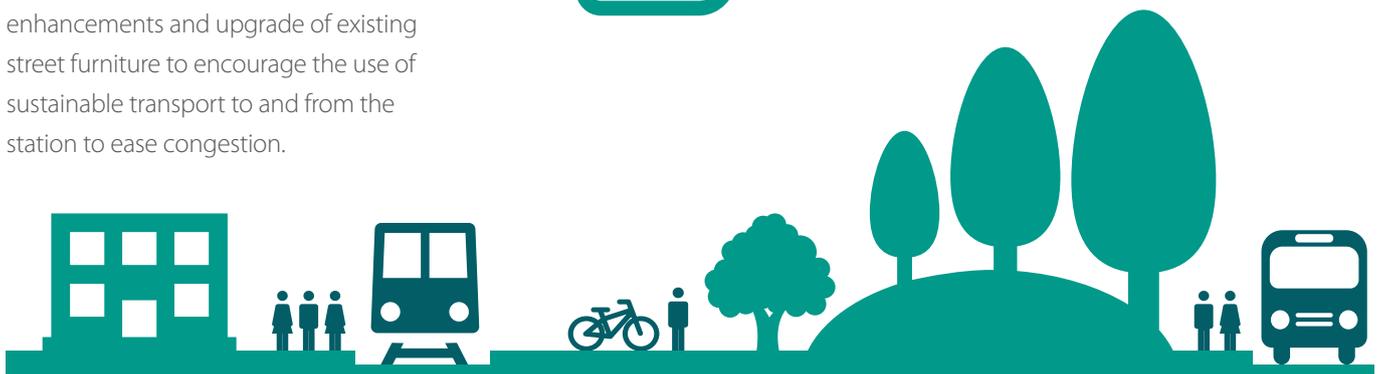


Wi-Fi available on South West Trains

MODERN AND BUSINESS-FRIENDLY PUBLIC TRANSPORT

Wi-Fi improvements and on-bus audio-visual

This improvement will provide free Wi-Fi for passengers at five of the most heavily used rail stations in the LEP area in partnership with train operator South West Trains (Woking, Guildford, Basingstoke and Farnborough Main and Aldershot) and also equip bus routes in the Blackwater Valley, Basingstoke and Winchester areas with on-board free Wi-Fi, to enable bus passengers to make full productive use of travel time and encouraging the use of public transport.



PRIORITY AREA FIVE

THE RURAL ECONOMY

The rural economy is of considerable importance within Enterprise M3, providing 15% of our economic output⁹. The rural economy is diverse and includes a wide range of highly innovative and productive businesses, but also faces a unique set of challenges. In particular, we support rural growth by tackling shortages of affordable rural housing, limited access to high-speed broadband and mobile internet. In our investments, we balance the need for new housing and transport solutions with the need to respect and enhance the high quality natural environment.

LOCAL GROWTH FUND PROJECTS¹⁰

Whitehill and Bordon
Business and Enterprise Centre



Woodfuel Hub Network
(Forestry Supply Chain Development)

Brockenhurst College STEM Advancement Centre



Innovation and Enterprise Centre
Animal Health

Whitehill & Bordon **Future Skills Centre**



Hampshire Centre for the **Demonstration of Environmental Technologies**



East Hants Invest for Growth Initiative



Ball Hill SANGS



Local **Sustainable Transport**



Whitehill & Bordon Relief Road Phase 2



SANGs pilot Surrey Heath



Project outputs



1,600 jobs

with potential for further **6,200**

275

apprenticeships per annum



Unlocking housing potential

6,700

⁹Source: ONS (2012)

¹⁰LGF projects from enterprise & innovation, skills, housing, transport and infrastructure contributing to the rural economy

2015/16 SUCCESSES

Allocated a total of £12.2 million from our Local Growth Fund to projects supporting the rural economy. These include a project to support innovation in animal health, three new skills centres, projects to unlock housing through the provision of Sustainable Alternative Natural Green Space (SANGS), and investment in Whitehill & Bordon Green Town.

Launched the first round of grants for SMEs in the timber industry through our Woodfuel Hub project. We have invested £2 million from our Local Growth Fund to support innovation and growth among smaller suppliers in the timber industry and encourage more efficient use of our local timber resources. This project supports the development of low carbon technologies.

Invested £1.3 million of our Growing Enterprise Fund to support a business

space to become one of the South East’s premier hubs for creative companies between Guildford and Woking. The funding will provide high-speed broadband infrastructure and specialist facilities, including sound and video production studios, at Tannery Studios on the banks of the River Wey.

Produced a Rural briefing paper to identify priorities for the use of the European Agricultural Fund for Rural Development to support the rural economy in the Enterprise M3 area. The strategic priorities identified include supporting the development of low carbon technologies, exploiting broadband technologies, promoting affordable rural housing, and enhancing the rural and visitor economy. These are reflected in our investment priorities, in particular through projects supported by the next round of Growth Deal funding and European Funded projects.

Published three calls for proposals for over £1.5 million of rural development funding from the European Agricultural Fund for Rural Development (EAFRD) in the Enterprise M3 area. The calls support investments to develop new and existing micro and small businesses in rural areas, new or existing visitor attractions, and investments in micro, small and medium-sized food and drink processing businesses.

Worked with our Rural Action Group to develop a Rural Planning Policy Paper. The Group worked closely with local planning authorities in Hampshire and Surrey, including both planning professionals and political leaders, to agree the policy before it was endorsed by the Enterprise M3 Board. The policy paper ensures planning departments carefully consider the rural perspective in local plans and planning policies.

CASE STUDY | DELIVERING THE ENTERPRISE M3 WOODFUEL HUB NETWORK

In March 2016, we launched the first round of the Enterprise M3 Wood Processing Grant Programme for SMEs in the wood processing industry. This is a £2 million initiative over the next 2 years, providing grants to small and medium sized businesses to part-fund the creation and expansion of a network of wood-fuel and timber processing hubs in the area. This programme covers the whole of the Enterprise M3 area and is run by Surrey County Council and the Forestry Commission.

Early workshops held in Summer 2015 indicated a wide mix of potential investors from across Hampshire and Surrey. Applicants for the first round of funding have demonstrated a strong grasp of the needs and opportunities that this funding offers, and we look forward to seeing the hub network develop over the next two years. The next call for

projects will go out this autumn, with further calls in 2017.

In support of Growth Deal investors and the wider biomass heat sector, Enterprise M3 have also secured an ERDF funding option to stimulate the sustainable heating sector, especially district heating networks, by promoting opportunities, facilitating supply chain development and encouraging knowledge transfer between users, suppliers and exemplars of best practice. This 3 year project, led by Surrey County Council, includes other Local Authorities, the Forestry Commission and private sector partners who all have an interest in establishing a strategic biomass heat network for the Enterprise M3 area. Members of the Enterprise M3 Rural Action Group have been keen supporters of the project, and will be working with project partners to develop its impact.



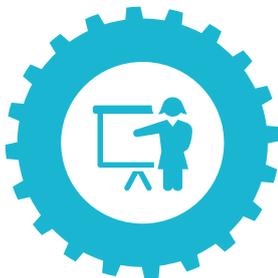
Lino sculpture, Staines-upon-Thames

STRUCTURE OF ENTERPRISE M3



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.



Groups providing strategic advice to the Enterprise M3 Board

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

- European Management Group
- Programme Management Group



Joint Leaders Board

Made up of the 16 Local Authorities within the Enterprise M3 area, the JLB helps to advise Enterprise M3 on strategic priorities for growth, and provides a mechanism for co-ordinating the combined contribution of councils on actions and activities to deliver the Strategic Economic Plan, and the resources required to implement them.



Action Groups

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

- Enterprise & Innovation
- Global Competitiveness through People
- Land & Property
- Transport
- Rural



Enterprise M3 Executive Team

Enterprise M3 has a small executive team led by Executive Director, **Kathy Slack**. This team is responsible for the day-to-day project management, administration and communications of work undertaken by the LEP. This team is made up of employed staff, secondees from local organisations within the Enterprise M3 area and, when required, short-term contracted staff to deliver particular pieces of work. Project Managers include:

- Strategy & Policy
Jude Robinson
- Enterprise & Innovation
Chris Quintana
- Skills & Employment
Sarah Carter
- Infrastructure & Housing
Rachel Barker
- Transport
Kevin Travers
- Projects & Programmes
Tanja Äjjö

ENTERPRISE M3

FINANCE AND FUNDING

Enterprise M3 receives two different kinds of funding: programme and project funding, which is spent directly on our projects, programmes and other initiatives, and capacity funding, which covers the running costs of the LEP.

We receive three primary sources of programme funding:

| | Local Growth Fund | Growing Enterprise Fund | European Structural and Investment Funds ¹¹ | Total |
|-----------------------------------|-------------------|-------------------------|--|---------|
| Total allocation received to date | £148m | £20m | £35.5m | £203.5m |

Local Growth Fund

The Local Growth Fund is a capital fund which to date has been mainly offered as a grant fund but with some loans, such as that for the exhibition and event space at Farnborough International Airport. In 2015/16, we entered our first year of delivery of projects funded through the Local Growth Fund. 21 projects commenced delivery, with a total spend of £28.7 million within 2015/16.

£148m Local Growth Fund by theme %

| | |
|--------------------------|-----|
| Enterprise & Innovation | 12% |
| Skills | 11% |
| Housing & Infrastructure | 6% |
| Transport | 71% |

Growing Enterprise Fund

To maximise investment opportunities, the Growing Enterprise Fund is structured as a revolving fund for capital projects. Loans are awarded to projects supporting economic growth, addressing infrastructure and site constraints that may be impeding development. Through 4 rounds of funding over a 4 year period we have allocated £20 million and received loan repayments of £3.57 million. The repayments will be reinvested¹² to support future projects that meet the strategic aims of the Fund.

2015/16 GEF capital funds:

| | |
|-------------|--------|
| Expenditure | £15.2m |
| Repayments | £3.57m |

9 projects approved:

| | |
|---------------------------|------------|
| To create | 2,700 jobs |
| 500 jobs achieved to date | |
| 450 new homes to be built | |

European Structural and Investment Funds

The Enterprise M3 area received a total allocation of €50 million (£35.5 million¹³) of European Structural and Investment Funding (ESIF) for the 2014-2020 Programme. To date, over £13 million has been allocated to specific initiatives to be delivered in our area, including investment in research and development, skills for the employed and unemployed, and support for SMEs in rural areas.

Total Funds and value of calls from ESIF funds:



Other funds secured

We always think bigger and are never afraid of new ideas, and this is best evidenced by our excellent ability to secure additional funding to support further projects to enhance our area.

- Careers & Enterprise Company Enterprise Adviser Network funding 2015/16 **£63,000**
- DfT's Transport Delivery Excellence & Sustainable Transport Delivery project **£38,000**
- Western Basingstoke Feasibility Funds **£28,000**
- Skills Funding Agency Apprenticeship promotional activity **£4,500**

¹¹LEPS are responsible for the ESIF Strategy, the Managing Authorities manage the funds. ¹³Exchange rate €1 =£0.71 issued by Managing Authority in February 2016

¹²Further rounds of the Growing Enterprise Fund will be opened in 2016/17

2015/16

FINANCIAL REPORT

Enterprise M3 LEP receives funding from central Government and local partners to support the day to day activities of the LEP, ensuring the delivery of the priorities identified in the Strategic Economic Plan.

Enterprise M3 does not solely rely on the programme funding, we continuously work to attract further funds and investment to support our work to enhance the Enterprise M3 area. In 2015/16, we successfully secured additional funds from Higher Education institutes to support a post and activities with our Universities. We won project funding to deliver the Careers & Enterprise Company Enterprise Adviser Network to support the work of connecting businesses and schools for improved careers support. We also received funds to support the feasibility work at Western Basingstoke. We secured funds from the Department for Transport, Transport Delivery Excellence and Sustainable Transport Delivery project, to conduct a major

review of our future sustainable transport programme. The continued direct contributions from the local authorities and Further Education Colleges in the Enterprise M3 area, provide a significant resource to undertake the work and activities to directly impact the area.

The annual conference attracted £13,000 sponsorship and exhibitor funds mainly from private sector. This sponsorship enabled the successful event to be bigger and better than previous years. Sponsors were recognised and we continue to receive feedback about the benefits they have received from their sponsorship e.g. new orders as a direct result of the conference, greater brand recognition in the area.

Hampshire County Council is the Accountable Body for Enterprise M3 Local Enterprise Partnership and prepares and audits our accounts as set out in our assurance framework.

| 2015/16 | Note 1 | £ | £ |
|--|--------|---------|----------------|
| INCOME | | | |
| National Government | | 500,000 | |
| Local Government | | 213,333 | |
| Further Education | | 30,000 | |
| Higher Education | | 50,000 | |
| Project Income for specific in year projects | | 134,021 | |
| Private sector contributions | | 5,000 | |
| | | | 932,354 |
| EXPENDITURE | | | |
| Resource related costs | | 292,088 | |
| Due diligence | | 97,642 | |
| Technical consultancy/Research | | 458,923 | |
| Office and General expenses | Note 2 | 71,676 | |
| Accountable body support | | 35,105 | |
| | | | 955,434 |
| NET INCREASE/(DECREASE) IN FUNDS | Note 3 | | -23,080 |

Note 1: The Financial Statements for the year 2015/16 ended on 31st March 2016, will be audited as part of Hampshire County Council external audit and, subject to satisfactory completion of the audit, will be presented to the Board for sign off in July 2016. End of year accounts will be available on the Enterprise M3 website www.enterprisem3.org.uk.

Note 2: Office and General expenses include IT costs, training, membership of related organisations, such as the LEP Network, and staff expenses.

Note 3: The accounts show a decrease in funds for 2015/16 due to late payment from a previous financial year, this decrease has been covered from our reserves.

2016/17

THE YEAR AHEAD

Enterprise M3 is looking forward to continuing a strong performance in 2016/17. It will see a number of projects funded from the Local Growth Fund completing and impacting on the economy. We are excited by the opportunity to bid for the next round of Growth Deals, which were announced in the Spring statement by the Chancellor.

We will continue to support businesses to grow, develop and increase their productivity by:

- extending and improving the **Growth Hub** service and positioning it as part of Enterprise M3 family;
- preparing an investment plan, governance and marketing programme for launch of our **Enterprise Zone** in 2017.

We will continue to promote and develop the infrastructure in our area to underpin economic growth and quality of life for our communities by:

- lobbying for transport improvements and working with partners to bring forward schemes in line with the **Influencing Strategic Transport in the South East** study;
- taking forward the recommendations of the **Commercial Property Market Study**;

- establishing a **Digital Task Force** to position digital technology at the centre of all we do, supporting businesses in the sector and maximising the contribution of new technology as an enabler of economic growth.

We will provide strong strategic leadership and ensure a collaborative approach to influencing future policy direction by:

- refreshing the **Enterprise M3 Strategic Economic Plan** to reflect economic and policy changes and articulating a clear direction of travel for our future activities and investments, including a portfolio of new Local Growth Fund projects;
- supporting the **devolution** agenda to secure the best deals for our area;
- ensuring business needs are clearly articulated in the **Post-16 Area Reviews** and supporting colleges in taking forward recommendations including new forms of organisation.

We will increase our **business engagement** and involvement across all our activity in 2016/17, ensuring we continue to create the foundations on which our businesses can flourish and improve business productivity.



River Wey, Guildford

The Enterprise M3 Team

Acting as a catalyst for the Enterprise M3 economy, the Enterprise M3 team has a strong track record of delivering results, showcasing success, highlighting opportunities and inspiring thinking for growth to drive prosperity in our area.

At the heart of this success is the small executive team, led by Executive Director Kathy Slack. The team is responsible for the day-to-day project management, administration and communications of work undertaken by the LEP.

However, in order to make big things happen we also pull on a wide range of support and expertise from outside the team. This includes secondees from local and national organisations and, when required, short-term contracted staff to deliver particular pieces of work.



Executive Director

Kathy Slack

01962 846755

kathy.slack@enterprisem3.org.uk

Project Managers

Jude Robinson, Head of Strategy & Policy

01962 832244

jude.robinson@enterprisem3.org.uk

Chris Quintana, Enterprise & Innovation Project Manager

01962 846755

chris.quintana@enterprisem3.org.uk

Sarah Carter, Skills & Employment Project Manager

01962 846755

sarah.carter@enterprisem3.org.uk

Rachel Barker, Infrastructure Project Manager

01962 846310

rachel.barker@enterprisem3.org.uk

Tanja Āijō, Project and Programme Manager

01962 846310

tanja.ajjo@enterprisem3.org.uk

Kevin Travers, Transport Project Manager

01962 846856

kevin.travers@enterprisem3.org.uk

European Team

Pam Jones, Project Officer

01962 845 719

pam.jones@enterprisem3.org.uk

Project Support Team

Lucy Crabtree, Senior Project Officer

lucy.crabtree@enterprisem3.org.uk

Alex Piper, Senior Project Officer (Finance)

alex.piper@enterprisem3.org.uk

Kate Swaby, Project Co-ordinator

kate.swaby@enterprisem3.org.uk

Justine Davie, Project Administrator

justine.davie@enterprisem3.org.uk



Enterprise M3 would like to thank all partners who have contributed to our Annual Report 2015/16
Printed on FSC certified paper, responsibly sourced paper to protect our environment

'Enterprise M3 at the heart of successful collaborative economic growth. Driving economic growth by showcasing success, highlighting opportunities and inspiring thinking.'



enterprise **m3**

Enterprise M3

The Castle, Winchester, Hampshire SO23 8UJ

T. 01962 846755 E. info@enterprisem3.org.uk www.enterprisem3.org.uk

Connect with us

