

Enterprise M3 Board

28 March 2019

Enterprise M3 - Delivery Plan 2019-20 - Item 8

Enterprise M3 Board Members are asked to:

NOTE: Progress to complete the Enterprise M3 Delivery Plan 2019-20;

AGREE: Key actions and outputs to be delivered; and,

AGREE: Delegated authority to the Chief Executive and LEP Review Group (Deborah Allen, Ross McNally and Cllr Paul Spooner) to finalise the Delivery Plan and submit to Government by end of April 2019

1 Background

- 1.1 The Ministry of Housing, Communities and Local Government (MHCLG) issued the LEP Review “Strengthening Local Enterprise Partnerships” in September 2018 requiring each LEP submit a Delivery Plan 2019 -20 by end of April 2019 with publication in May 2019.
- 1.2 The Delivery Plan will be used by government to assess annual performance and will form a key plank of the Annual Performance Review assessment, especially in the area of delivery. MHCLG worked with the LEP Network to produce a guidance matrix illustrating the contents to be included. This first year will be “light touch”.
- 1.3 Enterprise M3 have always produced a Business Plan which is used by the EM3 team to keep track of progress against key deliverables and which is used to report progress against our key objectives to this Board. On reviewing the MHCLG matrix for the Delivery Plan it was clear that a Business Plan and a Delivery Plan significantly overlapped and for simplicity it was advisable to have a single combined document with the elements unique to the Business Plan being annexed as an associated document. The attached draft is attached at appendix 1.
- 1.4 Board members should note that the delivery plan is unformatted at the current time and will eventually incorporate EM3 new design and straplines in final version along with use of infographics.
- 1.5 Note that the attached plan is presented as a draft. There are some outstanding areas that we will be resolved in the final designed version. For example, the map needs to be clearer and include some missing elements.

2 The Outline Delivery Plan

- 2.1 The Delivery Plan sets out the key areas of focus over the year ahead – Developing the LIS, Delivery of projects and outputs, collaboration and convening, effective communications and monitoring and evaluation. The plan articulates how we will deliver the five strategic priorities in the Enterprise M3 Strategic Economic Plan and how we will address the priorities in the emerging Local Industrial Strategy. (Section 1) The priorities area as follows:



High Value Sectors for a Globally Facing Economy



Enterprise and Innovation for Scaling Up High Productivity SMEs



Skills for a High Value, High Growth Economy



Connectivity for a 21st Century Advanced Digital & Low Carbon



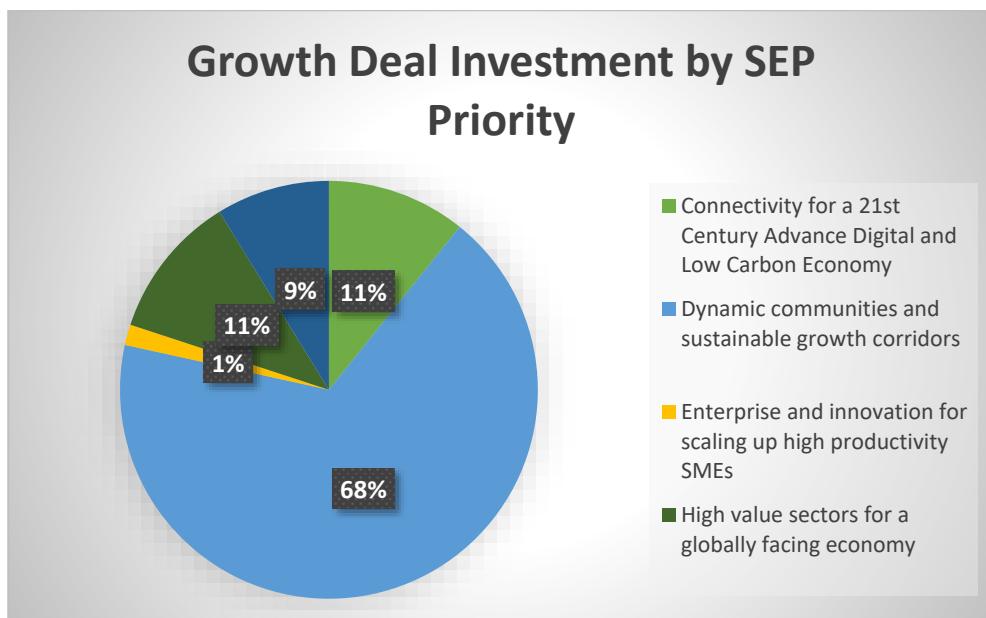
Dynamic Communities and Sustainable Growth Corridors

2.2 The Delivery Plan gives examples of the projects to be delivered under each priority (Section 2) with a summary version of the standard project RAG status list used in Programme Management Group.

2.3 Enterprise M3 has **£55m of capital funding available** in 2019/20 for projects that support our vision. This funding will be used to **support 40 projects across Hampshire and Surrey** and £6.4m will be delivered on a loan basis, thus maximising the funding available to us. Through the entirety of our capital programme and through the activities of our Growth Hub, Careers and Enterprise Company and Enterprise M3 Funding Escalator we expect to:

- Create/safeguard 3300 jobs
- Support the completion of 1200 new homes
- Support the completion of 30,000 square metres of employment floorspace
- Support 300 apprenticeship registrations and create/refurbish over 5000 square metres of learning floorspace

2.4 We plan to invest against our priorities as follows:



- 2.5 The Plan also summarises (Section 3) other funding sources including Enterprise Zone, Growth Hub, Careers Enterprise Company and the EM3 Funding Escalator
- 2.6 Section 4 details the strategic activities that support the delivery. Included here are details of our cross-border working, work with Southern LEPs, Innovation South, Heathrow developments and Transport for the South East.
- 2.7 Section 5 concludes with the resources required to support delivery of the plan in terms of staffing and finance.

3 Monitoring of the Delivery Plan

- 3.1 Performance against the plan will be monitored regularly by EM3 team. There will be a standing item at board meeting reporting progress against the plan.

4 Conclusion

- 4.1 This plan is to cover the period 2019-20 only and is recommended for agreement

Enterprise M3 Board Members are asked to:

NOTE: Progress to achieve the Enterprise M3 Delivery Plan 2019-20

AGREE: Key actions and outputs to be delivered

AGREE: Delegated authority to the Chief Executive and LEP Review group to finalise and submit to Government by end of April 2019

Report prepared by:
Sally Agass - Assistant Director
21 March 2019

**DRAFT FOR ENTERPRISE M3 BOARD
DOCUMENT DELIVERY PLAN INCORPORATING BUSINESS PLAN
to be designed**

FRONT COVER
ADD SIMPLE DESIGN NEW BRANDING

V4 March 2019

TABLE 1 - CONTENTS PAGE

	Content	Page
Section 1 – Executive Summary		
	Pictorial Summary	
	Summary and Strategic Objectives	
Section 2 – Local Growth Fund		
2.1	Overview	
2.2	Capital Resources to Invest 2019-20	
2.3	Geographical spread of investments	
2.4	Delivery of SEP & LIS Priorities	
2.5	LIS Milestones	
2.6	EM3 Pipeline projects	
2.7	Monitoring & Evaluation	
2.8	Value for Money	
2.9	Branding & Communications	
Section 3 – Supporting Programmes		
	Enterprise Zones	
	Growth Hub	
	ESIF	
	Careers Enterprise Service	
	Investment Funds – Growth Accelerator	
Section 4 – Strategic Activities		
	Cross Border Working (SAP, Energy Strategy, Innovation South)	
	Heathrow Project	
	Transport for South East	
Section 5 - Additional Information		
	Staff Resources	
	Operational Budget	
	Supporting our plan	
Appendices		
1	Governance Structure	
2	Staffing Structure	
3	Operational Budget	

PICTORIAL SUMMARY PRIORITIES FOR 2019-20

INSERT WHITE LABEL INFOGRAPHICS

Section 1 SUMMARY and STRATEGIC OBJECTIVES

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

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

Enterprise M3 has **£55m of capital funding available** in 2019/20 for projects that support our vision. This funding will be used **to support 40 projects across Hampshire and Surrey** and £6.4m will be delivered on a loan basis, thus maximising the funding available to us. Through the entirety of our capital programme and through the activities of our Growth Hub, Careers and Enterprise Company and Enterprise M3 Funding Escalator we expect to:

- **Create/safeguard 3300 jobs**
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This 2019-20 Delivery Plan demonstrates our ambitions and sets out the critical actions to achieve our vision. This Delivery Plan will form the high-level document used by both Government and the Enterprise M3 Board to assess and review performance. This delivery plan will also form the business plan for Enterprise M3 and will be underpinned by detailed plans held by the EM3 team for each of the theme areas, including a detailed project schedule that is reviewed at every meeting of Programme Management Group.

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

We will work on four key overarching priorities over the next year and the key actions are highlighted below within the text.

The **development and publication of a Local Industrial Strategy** for the Enterprise M3 area will be a central priority in 2019/20. This document will set out the actions that we need to take to become a globally competitive, digital and design-based economy. **We intend to publish our LIS in early 2020** but as critical as publication is the process by which we develop the strategy. The development of the LIS will further strengthen our track record in bringing together partnerships and collaborating with partners. Over the next 12 months we will bring together new partnerships and deepen our stakeholder engagement so that we truly co-design our LIS and embed innovation in the development of our strategy.

Given our aspirations for our LIS, **collaboration and convening** will be critical to our plans over the next 12 months. To inform our approach, **we will produce a formal stakeholder strategy** and will continue to bring together and convene key groups across our area, including our Joint Leaders Board, Further Education and Higher Education groups, action

groups, sector groups. Additionally, we will want to work with government departments, as well as our local MPs. We will collaborate with others, aligning our activity across LEP boundaries where this adds value to our Strategic Economic Plan and emerging LIS. **The successful implementation of our CRM system across the entire Enterprise M3 team** will be a key enabler to support our convening role.

Our ability to **communicate effectively** is not only critical to us achieving our ambitions to deepen engagement but is also necessary to ensure that we remain transparent and accountable in all that we do. **A new set of strategic messages and branding for Enterprise M3 will be launched in April 2019, coinciding with Enterprise M3 Ltd coming into effect on 1 April 2019. We will hold an AGM in June 2019 which will be open to the public and will launch a new website in June 2019.** This website will be a key tool in articulating our aspirations for the LIS as well as providing detail on what we do and why we do it.

Finally, as we develop our LIS and enter the penultimate year of the Local Growth Fund programme, it is vital that we focus on **monitoring, evaluation and impact assessments** across the full programme of Enterprise M3's activity. This is vital in order to inform our future direction and strengthen the evidence-base informing the Local Industrial Strategy. **We will recruit a dedicated lead for this activity and will undertake at least four independent evaluations of our activity.** This will include an evaluation of at least two infrastructure major programmes for example the Guildford sustainable transport infrastructure package which is recognised as an example of best practice by the Department of Transport for the combination of projects that make up the package.

Strategic Economic Plan: The Foundation

The foundation of all of our work is our Strategic Economic Plan that we revised in September 2018 . 'A Strategic Economic Plan for the Enterprise M3 area 2018 – 2030' sets out our Growth Ambition available at www.enterpriseM3.org.uk/delivery.

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

The five strategic priorities of our SEP are;



High Value Sectors for a Globally Facing Economy



Enterprise and Innovation for Scaling Up High Productivity SMEs



Skills for a High Value, High Growth Economy



Connectivity for a 21st Century Advanced Digital and Low Carbon Economy



Dynamic Communities and Sustainable Growth Corridors

The Local Industrial Strategy will identify actions to deliver productivity gains and will require interventions to address long standing issues including:

- Skills - EM3 residents are relatively highly skilled but there are considerable skills gaps and shortages in the economy
- Connectivity - High quality transport infrastructure connecting markets, people and goods within our area to London and internationally is critical for attracting and retaining businesses and highly skilled residents.

It is key that we make productivity gains by investing in all elements that support economic growth, but it is important that we do not lose sight of the needs of our communities and towns. We have identified nine elements that flow from our SEP that we believe merit further investigation. We have tested this focussed approach with our Board, LAs through our JLB and Government. We are now moving to a phase where we analyse the relevant evidence and probe new ideas and thoughts. We plan to assemble a panel of key influencers to act as challengers of our approach drawing on the good practice of Manchester and the West Midlands. Furthermore, we will utilise existing business groupings and facilitate business roundtable discussions to ensure business is shaping our approach. Finally, we plan to develop a series of major interventions to spearhead our approach.

The nine elements of our LIS are:

5G REGION - achieving a step change in digital connectivity and developing strengths in digital enabling technologies, particularly their commercial application

MOBILITY AND CONNECTIVITY - better and more efficient connections between businesses and their staff, supply chains and markets to enhance productivity

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

CLEAN GROWTH AND ENERGY - Articulating the full potential for the EM3 area to make better use of energy to improve productivity and promote an innovation, skills and

employment dividend from clean growth. Achieving delivery through minimising environmental impact.

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

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

SCIENCE AND INNOVATION – Stimulating more innovation and greater commercialization of knowledge in our leading sectors to increase output from the most productive, high value add businesses.

EXPORTING – Promoting and increasing levels of companies exporting so that they sell beyond local markets – particularly by high value add businesses – significantly increases investment.

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

Section 2 – LOCAL GROWTH FUND

2.1 Overview

In 2019-20 we have £55m to invest, we have 40 projects of which 21 are new projects in 2019-20. We aim for 50/50 public/private leverage.

The total LGF/GEF funding available across the programme 2015-21 is £228.85m. Assuming spend of £55m in 2019-20 we will have a balance of £40m to spend in the final year of the programme.

Will deliver the following outputs

- **Create/safeguard 3300 jobs**
- **Support the completion of 1200 new homes**
- **Support the completion of 30,000 square metres of employment floorspace**
- **Support 300 apprenticeship registrations and create/refurbish over 5000 square metres of learning floorspace**

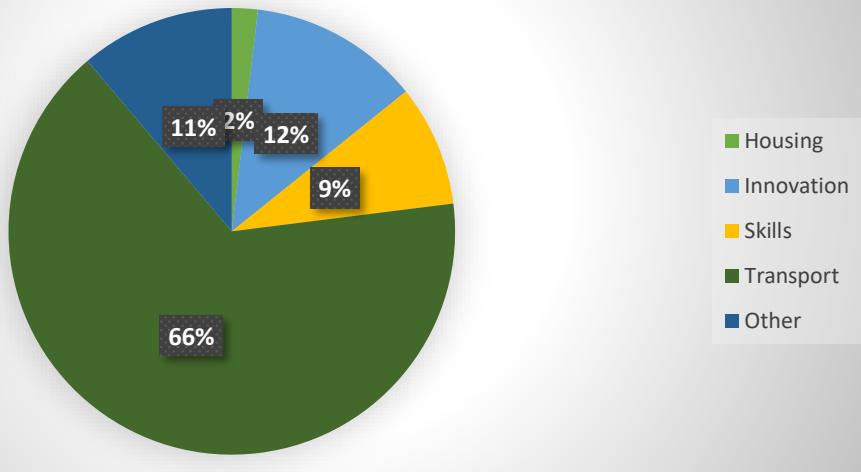
We will be delivering in our new geographical area, which now includes the whole of the districts of Test Valley, Winchester and East Hants. We no longer cover New Forest, responsibility for which is now part of Solent LEP. We continue to honour our existing commitments and New Forest will be able to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

Enterprise M3 was incorporated in March 2019 as a Company Limited by Guarantee and is now known as Enterprise M3 Limited with the Board of the new entity being a decision-making body only. Full details of our governance is available at www.enterpriseM3.org.uk/governance.

2.2 Capital Resources to invest 2019-20

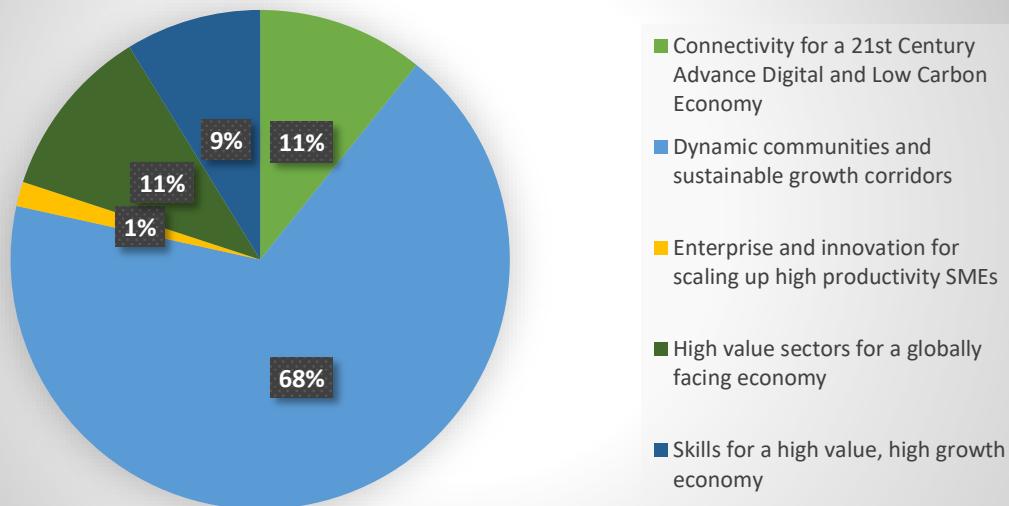
We have £55m to invest broken down by investment value per theme and by our SEP priorities:

Growth Deal investment by theme



(Note Values to be added and colours changed to EM3 colours)

Growth Deal Investment by SEP Priority



2.3 Our projects are geographically spread as per the map below [Note the map will be made bigger in final version so that the project are more easily seen]

(Note map to be improved as part of design)



Map Key	LGF Projects Table 2
1	Basingstoke SW Corridor to Growth (Ph 1 = A30 Winchester Rd roundabout)
2	Tannery Studios Phase 2, Send
3	Runnymede Roundabout
4	Centre for Social Innovation (C4Si)
5	Brook - STEM Engineering and Construction expansion and improved infrastructure
6	Guildford College Technology Tower
7	Growth Hub
8	Condition Works at Sparsholt College
9	Junction 2a Bordon Relief Road
10	Basingstoke NE Corridor to Growth - A33 (Ph 2 = Binfields, Ph 3 = Crockford & Gaiger)
11	Brock - Main Teaching Block Roof Improvement/Replacement Project
12	Basingstoke NE Corridor to Growth - A33 (Ph 4 = Thornhill Way)
13	Centre of Excellence in Horticultural Science and Learning - RHS Wisley
14	EZ3 BV3 Plot J
15	Whitehill and Bordon Relief Road Phase 2
16	Elmbridge Invest in Growth
17	EZ3 BV7 Plot W

18	Pathway to the Virtual Campus - EM3 Digital Technology Centres
19	Farnham Road Bridge, Guildford
20	Phase 2 - Permanent Facility for Farnborough International Airshow
21	5G Project - Phase 2
22	Centre for Digital Creativity
23	Innovation South Virtual Campus
24	Spelthorne Kick-starting Gigabit City
25	Town Mills Andover
26	Aldershot Town Centre Railway Station - Phase I
27	Sparsholt Animal Health & Welfare Research Facility
28	Aldershot Town Centre Regeneration
29	Camberley Login Business Café
30	5G Project - Phase 3
31	Emerging Technologies Hub and Innovation Centre at Farnborough College
32	Camberley London Road Highways Improvements
33	Guildford Town Centre Walnut Tree Bridge
34	Winchester Science Centre - Inspiring Science for All
35	Meadows A30/A331 Camberley
36	EZ3 Longcross Upgrade to Power Supply
37	Aldershot Games Hub
38	Whitehill and Bordon A325 Integration Works
39	Staines STP Phase 1
40	EZ3 Longcross Discovery Building
41	Guildford Town Centre Transport Infrastructure Package
42	EZ3 BV1 Plot K/K1
43	Regional Cyber Security and Big Data Innovation Centre - Royal Holloway
44	Guildford Town Centre and approaches
45	Station Approach – Winchester
46	Woking STP Phase 1
47	A31 Highway Resilience
48	Brooklands Business Park Accessibility
49	Enterprise M3 Transforming Colleges
50	Farnborough Growth Package (A325)
51	Basingstoke SW Corridor to Growth - Brighton Hill Roundabout
52	Guildford Housing Zone
53	Blackwater Valley Hotspots
54	Guildford Sustainable Movement Corridor (West) Phase 1
55	Guildford Quality Bus Corridors
56	Blackwater Valley Gold Grid - Public Transport Corridor
57	Camberley Public Realm
58	Fund Management Service
59	Whitehill and Bordon STP
60	Basingstoke SW Corridor to Growth (Ph 2 = A340/A3010 Thornycroft Roundabout)

2.4 Delivering against our Strategic Economic Plan and emerging LIS

With the available and already committed funds we will be delivering against our **key SEP strategic objectives and** will continue to make loans a priority over grants where the project has a revenue stream to make the repayments NOTE [the examples below include new projects from the recent prospectus round and we will need to decide nearer the time of publication whether to include them or not]



High Value Sectors for a Globally Facing Economy

The Enterprise M3 area has strengths that mark it out nationally and internationally. We have an internationally focused business base, with the highest number of foreign owned firms of any LEP outside of London. For example, our defence and aerospace clusters at Farnborough and Aldershot include some of the world's largest firms such as BAE Systems and QinetiQ. There are also strong digital and createch sectors with a growing international reputation in towns including Guildford, Aldershot and Basingstoke which excel in gaming, software development, electronic equipment and software sales.

Other high value areas include space and satellite technology, life sciences, especially Med Tech and professional services. There are significant opportunities for growth and enhanced productivity where these sectors intersect with digital technologies such as 5G, cyber security, and AI.

We plan to work with DIT and the Innovation South consortium on ways to maximise the efficiency and impact of DiT services working across boundaries to achieve economies of scale in order to increase exports across the whole of the southern area. We are increasing our staff team to enable greater emphasis to be placed inward investment activities maintaining at least the level comparable to last year at 47 investments. We will grow digital employment by 3.5% per year creating 40,000 new jobs by 2030.

Example Project – Health Check Accelerator based in Guildford and led by Surrey and Boarders Partnership NHS Foundation Trust

Investment of grant funding of £2.16m against total project cost of £4.386m

The Health Test Accelerator project will establish a regional centre to health technology companies develop projects, services and processes which will result in a healthier population and more productive and cost-efficient health services.

Outcomes and outputs: 70 Jobs created, 20 higher level apprenticeships, 135 Businesses attending training events and 6 new trading relationships with SME's and the larger corporates



Enterprise and Innovation for Scaling Up High Productivity SMEs

Productivity is high in the Enterprise M3. In 2015, GVA per hour worked was £37.0 here against £31.8 in the UK. (ONS data 2016). However, there is a productivity gap in manufacturing, distribution and ICT when compared to some other LEPs, particularly TV Berkshire. Closing this gap, particularly on ICT, is an important challenge for the Enterprise M3 economy.

We will support digital businesses to start up and grow by providing expert help through our Growth Hub and supply financial support through our £10m investment delivered by FSE.

Work with the 5G scale up programme through our Growth Hub thus enabling faster growth of high productivity SME's.

Enhance our culture of innovation and enterprise by continuing to work with universities and the Innovation Accelerator eg Set Squared, to fund and develop marketable ideas.

Example Project: Basing View Living Lab on the Basing View Enterprise Zone and led by Basingstoke and Deanne Borough Council

Investment Grant funding of £2.448m against total project cost of £4.84m

The Living lab project will establish a 5G commercialisation ecosystem trough the creation of a 5G living lab with an open access network, technical expertise and commercialisation support.

Outcomes and Outputs: 50 high value jobs created; 30 apprenticeships, 6 entrepreneurial courses delivered for 120n businesses; 30 start-ups incubated and 20 businesses involved in scale-up activity



Skills for a High Value, High Growth Economy

Enterprise M3 have a challenge to change the operation of the skills system to better meet the needs of the economy, particularly through the development of capability in science, technology, engineering and maths subjects (STEM) and achieving full participation in the labour market for young people.

We are planning to link our emerging Skills strategy with the requirements of the SAP 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.

Example Project - Centre of Excellence for Horticultural Science and Learning at Wisley Centre

Investment of grant funding of £1.1m, total project value £72.4m

The Centre of Excellence for Horticultural Science & Learning is part of a £72.4 million investment at RHS Garden Wisley incorporates three new major hubs within the garden: - A new Centre of Excellence for Horticultural Science & Learning - a landmark investment in modern scientific laboratories and learning facilities; - A new reimagined Visitor Welcome Building and includes improved car-parking and visitor entrance

Key Outputs: 140.5 new jobs created and 1116 safeguarded

The Centre of Excellence specifically will achieve 20.5 jobs directly with the Royal Horticultural Society and a further 11 jobs within the onsite catering franchise



Connectivity for a 21st Century Advanced Digital and Low Carbon Economy

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.

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. To deliver and improve connectivity through transport investment across the Enterprise M3 area – particularly within and around our Growth Towns and Step-up Towns. Our focus will be on:

- Support South West main line capacity improvements, including introducing digital enhancements to railway, the implementation of the Woking Flyover and Cross Rail 2
- Create new capacity on the A3 around Guildford where congestion affects the economic performance and profile of this growth town
- Develop a new Mobility Strategy focused on where the LEP can help enable the transport revolution.

Example Project

Overall the LEP is investing over £17m in four schemes in the Blackwater Valley area that deliver a wide programme of infrastructure, transport and public realm improvements. These are an integral part of strategy for developing Camberley as a major commercial centre.

- Outputs and Outcomes: 1300 direct, indirect and safeguarded jobs; 52,000m² of new or redeveloped employment floorspace: GVA contribution of over £70m: An uplift in land values in excess of £30m

Many of the elements of this strategy reach fruition in 2019/20. This includes significant improvements to the Meadow Gyratory, which serves as the primary access to the town centre and key employment areas, linking to the strategic road network and providing access to the M3. The improvements address one of the key road infrastructure constraints in Camberley, reducing congestion and unlocking the potential for investment in the local economy and job creation for the town centre and local business and industrial parks located adjacent to the Meadows.



Dynamic Communities and Sustainable Growth Corridors

Our area is made up of a series of small cities and large towns, some surrounded by rural villages and countryside, others bordering London and strong economic areas such as Reading and Southampton. Activities to stimulate growth have focused around the Enterprise M3 “Growth Towns” (Guildford, Woking, Basingstoke and Farnborough) and our “Step Up Towns” (Staines-upon-Thames, Camberley, Whitehill and Bordon and Aldershot).

We do not wish to abandon this approach, which has added value and is supported by partners. We would, however, like to respond to analysis and their feedback suggesting our future focus should extend to sustainable growth corridors.

We will:

Invest in the future of our town centres to create imaginative places that draw in young people, support flourishing communities and address the needs of our ageing population

Invest in approaches that encourage house building in line with local plans and low carbon principle and on the basis of ‘right homes in the right places’

Stimulate an increase in quality Grade A office space and support our Enterprise Zones

Example Project – Future Towns Innovation Hub based on the University of Southampton Science Park and led by University of Southampton on the University

Investment of grant funding of £3m, total project spend of £10m

The project will provide a quality research facility that supports the aerospace sector to innovate and design new manufacturing structures; rethink infrastructure to better provide clean, safe recreational space; act as regional, collaborative technical hub for aircraft research

Sample Projects	SEP 1	SEP 2	SEP 3	SEP 4	SEP 5	S 1	S 2	LIS
Health Check Accelerator	★		★			★	★	★
Basingview 5G Living Lab								★
Wisley Centre			★			★	★	
Camberley Transport Package				★			★	★
Future Towns Innovation Hub					★			★

Table 3 – How sample projects deliver against our SEP and LIS priorities

2.5 LIS Key milestones for delivery of the Enterprise M3 Industrial Strategy

Table 4

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

2.6 Pipeline Projects

We have a pipeline of projects that sit within a development pool. By the end of this year we will have spent 83% of our total allocation of £228,850,000. We are projecting an overprogrammed position of 7.2% of total allocation and will be managing our programme carefully as we near the end of the LGF programme in March 2021.

We published a Capital Prospectus in late 2018 which helped us to create a pipeline of projects, some of which will be kept in reserve should existing approved projects fail to deliver

and some of which we can consider against the unallocated sum of £10m or if additional funding is secured. Our best pipeline projects have been asked to submit business cases following PMG approval.

2.7 Monitoring and Evaluation

In 2018 -19 Enterprise M3 significantly improved our monitoring and evaluation processes in line with the Assurance Framework. We have now placed additional monitoring requirements on our project sponsors. Enterprise M3 will assess the adequacy of a promoter's Evaluation and Monitoring strategy as part of the evaluation of a proposal, considering evaluations that are proportionate to the value and scale of each scheme, whilst being affordable and representing value for money. The Monitoring & Evaluation Policy is published on:

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

Enterprise M3 will specify the metrics project applicants are expected to monitor and report on and the frequency on which these reports are required. Evaluation methodologies and requirements will also be agreed with scheme promoters and will be in accordance with government guidance for reporting and monitoring. Generally, the expectation will be that the scheme promoter funds evaluation activity from the project budget. Report(s) are to be produced and published on the Enterprise M3's website after suitable intervals/ period, following completion of the schemes.

In December 2018 we launched a new Prospectus that sought applications that addressed both our SEP and our emerging LIS. We will apply our revised Value for Money criteria against all new projects and work with existing scheme deliverers to take account of our new monitoring and evaluation requirements including our impact assessments and spot checks on the achievement of outputs and outcomes.

2.8 Value for Money

We reviewed our approach to Value for money considering the due diligence investment that we make in proposals that come forward in response to a prospectus. In December 2018 we launched a new Prospectus that referred to both our SEP and our emerging LIS. We will apply our revised Value for Money criteria against all new projects and work with existing scheme deliverers to take account of our new monitoring and evaluation requirements including our impact assessments and spot checks on the achievement of outputs and outcomes. Enterprise M3 works to achieve a balance of projects across all themes but which deliver against our SEP and LIS. We have committed a large percentage of our budget to transport and mobility projects and have robust and established processes in place to ensure that the modelling and appraisal processes are in line with National Assurance Guidance.

2.9 Communication and Branding

Enterprise M3 will publish all live projects on our website www.enterprisem3.org.uk We will keep all partners informed of our progress via our monthly newsletters' and items on our

website. All literature relating to the programme will be in line with the Enterprise M3 branding guidelines available at www.enterprisem3.org.uk and government branding requirements.

Section 3 0 - Supporting Programmes

Enterprise Zone To further expand development across EZ in Basing View, Basingstoke, Longcross Park, Chertsey and Techforest , Whitehill & Bordon	
Plans	SEP Priorities
<p>EZ3 has ambitious plans to drive business rates growth across the three sites to reinvest into the sites and their surrounding areas.</p> <p>We are committed to making an investment of £41 million from public and private sources over five years (2017-22) to kick-start three areas within the Enterprise Zone.</p> <p>This investment will enable us to drive economic benefit and see a return in additional business rates growth income of roughly £115.8 million over 25 years</p> <p>EZ3 has ambitious plans to drive business rates growth across the three sites to reinvest into the sites and their surrounding areas.</p> <p>We are committed to making an investment of £41 million from public and private sources over five years (2017-22) to kick-start three areas within the Enterprise Zone.</p> <p>This investment will enable us to drive economic benefit and see a return in additional business rates growth income of roughly £115.8 million over 25 years</p> <p>Additional activities are also being considered, including digital connectivity as a proactive response to the emerging 5G technology. Plans are being developed to deliver a new 5G Living Lab External and Internal Network at Basing View, which will allow the “real-life” testing of vertical case applications and network software/hardware with the intention of facilitating a broader roll out across the Enterprise Zone sites.</p> <p>The Marketing Plan is also being reviewed with a view to taking advantage of new</p>	<p>Stimulating growth in our high value sectors</p> <p>Supporting enterprise and innovation for scaling up</p> <p>Improving connectivity, including digital connectivity</p> <p>Securing investment in the future viability of our towns and communities,</p>

investment and implementation activity. This will include a revised and focused presence on the website and increased social media activity building on previous successes.	
Outputs / Outcomes	
	2018/19
Floorspace	60,000 sq ft
Developable land	2.3 acres
New jobs	372
	2019/20
	43,000 sq ft
	4.94 acres
	205
Notes on action to date	
Investment to date: £18.1m offset against future BRIG Investment to date: £18.1m:- [NOTE Check investment figures – offset against future BRIG]	
£7.8million LGF grant for Construction Centre and Innovation Centre at Whitehill & Bordon	
£10.3 million LGF site enabling works across 2 sites to be repaid through loans/BRIG forecast BRIG	

GROWTH HUB		
Plans	SEP Priorities	
The focus on the GH will be on continuing to improve performance again all targets. To Increase contacts with no of scale ups To run Brexit clinics to support business plan for Brexit To review future working of GH. The contract ends in March 2020 and EM3 are reviewing the future focus of the Growth Hub and working with government on how Growth Hubs will be funded post March 2020 To encourage closer working between GH and LEP through common sharing of office base.	Stimulating growth in our high value sectors Supporting enterprise and innovation for scaling up	
Outputs/outcomes		
Growth Service Customers. 237 (Growth plans logged)		
New Businesses engaged . 350		
Unique Businesses accessing Portal 11000		

Jobs created	550		
Jobs safeguarded	180		
Notes on action to date			
Delivery through the Enterprise M3 Growth Hub in 2018/19 has been strong see diagram below. We will take a decision on the future direction of the Growth Hub in September 2019			

ENTERPRISE M3 GROWTH HUB CTD



European Structural and Investment Funds (ESIF)	
Plans <p>In 2019-20 Enterprise M3 will continue to work with the Managing Authorities (MAs) of MHCLG, DWP and DEFRA to fully utilise the European funds held by government.</p> <p>We have worked with the MAs to develop calls that support the delivery of our SEP and LIS and we will use our technical assistance funds to market opportunities and support partners to assess European Regional Development Funds (ERDF) and European Social Funds (ESF),</p>	<p>Stimulating growth in our high value sectors</p> <p>Supporting enterprise and innovation for scaling up high productivity SMEs</p> <p>Promoting the skills needed to support high value growth</p> <p>Improving connectivity, including digital connectivity (a major focus for <u>infrastructure enhancement</u>)</p> <p>Securing investment in the future viability of our towns and communities,</p>

	Stimulants S1 Digital and Data Technologies S2 Clean Growth Economy
Outputs/outcomes	
<ul style="list-style-type: none"> ➤ Committed 30% of EAFRD, 35% ERDF and 45% of ESF funding. [NOTE – this is not our responsibility it is down to the MA] ➤ Minimum of two ERDF dissemination events ➤ 1 ERDF training event as per TA contract. 	
Notes on action to date	We have carried out an evaluation of our ERDF TA contract which has been positive about work to date. All targets have been met.

 <p align="center">Careers Enterprise Company</p>	
Plans	<p>Enterprise M3 has a contract with the Careers and Enterprise Company to improve school careers provision and prepare students for their futures.</p> <p>We will work with business enterprise advisers drawn from business to support schools across the EM3 area.</p>
Outputs/outcomes	<ul style="list-style-type: none"> ➤ By end 2019-20 aim to deliver 75% of target of engaging with 127 schools ➤ Enterprise advisors to match with schools on the same basis ➤ Recruiting 7fte's to our team to engage with schools and businesses

Notes on action to date	
Schools also report their progress through the COMPASS and tracker tool which is online a regularly updated and collected by the CEC and shared with Enterprise co-ordinators in each regions Note: contract ends August 2020	

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

The Chair of the Skills and Talent Action Group (a LEP Board member) is actively working with LEP staff to recruit additional members, strengthen governance arrangements and kickstart the STAG (via a high level workshop) in June 2019	
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Enterprise M3 Accelerator Fund	
Plans	<p>Provide expansion and equity funds to high growth innovative businesses across EM3 working through Growth Hub, Incubators and Accelerators</p> <p>Stimulating growth in our high value sectors</p> <p>Supporting enterprise and innovation for scaling up high productivity SMEs</p> <p>Promoting the skills needed to support high value growth</p>
Outputs/outcomes	<ul style="list-style-type: none"> ➤ make £2.5m available to businesses through loans and equity investment, ➤ support 17 businesses ➤ create/safeguard over 100 jobs.
Notes on action to date	EM3 launched our new £10m fund in June 2018. The Accelerator Fund will operate over a 10 year period and build upon the successes of a £5.5m fund launched by Enterprise M3 in 2014 and managed by The FSE Group. An independent evaluation found this fund had been highly successful, outperforming original forecasts in terms of leverage and jobs created/safeguarded. Current forecasts suggest that the full value of the fund will be returned to Enterprise M3 over the next three financial years, with a repayment of £750,000 forecast in 2019/20.

Section 4 – Strategic Activity

Cross – Border Working	
Plans	Strategic Priorities
<p>To work with Southern LEPs (Herts; TV : Oxfordshire; TV Bucks; TV Berks; Coast to capital; Solent; SE LEP and EM3) to develop a Southern voice. The group will work together to :</p> <ul style="list-style-type: none"> ➤ Maintain and enhance the region's business base, including the large number of International HQ's which choose to locate here ➤ Understand the impact of Brexit on the regional economy and the need to respond effectively, ➤ Recognise that most of the UK's major ports and airports are in our region, and developing a clear strategic response to the trading advantage that this brings ➤ Develop consistent communication of an evidence-based core narrative on the strategic and economic importance of the Southern economy to support the delivery of the Government's objectives ➤ Co-ordinate and collaborate on local industrial strategies through the identification of and joint working on priority issues for the South, specifically through existing strategic regional work on Transport, Innovation and Energy hubs. ➤ Identify major investment priorities for the South under the future UKSPF and other funds, including those from private sector. ➤ To explore how to take forward cross border working on science and innovation using Innovation South as a vehicle for change. ➤ To look to provide a more coordinated approach on exports working with DiT and Chambers. <p>Energy Hubs operational across 11 LEPs to increase the number, quality and scale of local energy projects being delivered across greater South- East</p>	<p>Stimulating growth in our high value sectors</p> <p>Supporting enterprise and innovation for scaling up high productivity SMEs</p> <p>Promoting the skills needed to support high value growth</p> <p>Improving connectivity, including digital connectivity</p> <p>Securing investment in the future viability of our towns and communities,</p> <p>Stimulants</p> <p>S1 Digital and Data Technologies S2 Clean Growth Economy</p>

To launch Energy Strategy developed by EM3, C2C and SE LEP to: <ul style="list-style-type: none"> ➤ play a leading role in decarbonisation efforts; and ➤ to foster clean growth <p>[NOTE ; this section to be further developed following launch event]</p>	
Outputs/outcomes	
<ul style="list-style-type: none"> ➤ commence development and delivery of the actions identified within the Energy Strategy 	

Heathrow	
Work with Heathrow, LA partners and other supporting organisations to maximise opportunities arising from the building and expansion of Heathrow	
Plans	SEP Priorities
<p>The focus for 2019/20 is around 4 key areas of activity:</p> <ul style="list-style-type: none"> ➤ Business & Economy – ensuring economic strategic opportunities from the growth of the airport are identified and shared across the local business communities. ➤ Housing – need and demand ➤ Transport – strategic change and delivery of infrastructure ➤ Environment – the whole range of impacts, mitigation and improvements <p>We will</p> <ul style="list-style-type: none"> ➤ Capitalise on the sub-regional economic opportunities provided through the enhanced role of 	<p>Stimulating growth in our high value sectors</p> <p>Supporting enterprise and innovation for scaling up</p> <p>Promoting the skills needed to support high value growth</p> <p>Improving connectivity, including digital connectivity</p> <p>Securing investment in the future viability of our towns and communities,</p>

<p>Heathrow operating as Britain's Global Gateway;</p> <ul style="list-style-type: none"> ➤ Support the identification and delivery of the Skills Pipeline needed for Heathrow Airport, its partners and its local supply chains; ➤ Ensure that the sub-regional business community is aware of and can compete for and win business contracts associated with the airport expansion; ➤ Exploit new technologies and innovation resulting from the expansion of Heathrow Airport - across the whole sub-region. ➤ Help identify appropriate and sustainable employment land use opportunities resulting from the expansion of Heathrow Airport. ➤ Champion Southern Access to Heathrow 	
<p>Outputs / Outcomes</p> <p>Heathrow Economic Plan – Summer 2019</p> <p>Input into consultation on DCO for expanded Heathrow – June-July 2019</p> <p>Confirm priorities for Southern Rail Access to Heathrow and support for preferred scheme – March 2020</p> <p>Input and influence direction of HSPG policy through active participation in HSPG, events, groups and meetings - ongoing</p> <p>Suggested outcomes:</p> <p>Achieved influence over content of Economic Plan – Autumn 2019</p> <p>Achieved influence over DCO – Autumn 2019</p> <p>Demonstrate that economic influence of Heathrow expansion has been spread across Enterprise M3 LEP area</p> <p>Firm commitment to delivery of Heathrow Southern Rail Access</p>	

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

Transport for SE Support the development of TfSE as a Statutory Body and contribute to the identification of key transport and connectivity economic priorities	
Plans	
Plans	SEP Priorities
<ul style="list-style-type: none"> ➤ Submitting a proposal to government – setting out the case for statutory status and outlining the powers and responsibilities that TfSE will be seeking. There will be a 12 week public consultation period and consent will be sought from all constituent authorities prior to submission to government in November 2019. ➤ Developing a Transport Strategy for the south east – procurement of the transport strategy commenced in summer 2018 and consultants are now in place to lead the development of the strategy and associated thematic studies. The draft strategy will be issued for public consultation in September 2019 and will be finalised early 2020. Subject to funding, further work on the corridor studies and strategic investment plan will be commissioned in summer 2019. ➤ Major road network – TfSE will coordinate and prioritise bids for funding across the network and will develop the regional evidence base 	<p>Stimulating growth in our high value sectors</p> <p>Supporting enterprise and innovation for scaling up</p> <p>Improving connectivity, including digital connectivity</p> <p>Securing investment in the future viability of our towns and communities,</p>

<p>to support a pipeline of strategic infrastructure investment.</p> <ul style="list-style-type: none"> ➤ Promoting TfSE and its priorities – activities will continue to raise the profile of TfSE with key stakeholders. The newly appointed communications and engagement team will develop a programme of events and media activity that will ensure that TfSE and its priorities are recognised with national, regional and local organisations. 	
<p>Outputs / Outcomes</p> <p>Suggested outputs:</p> <p>Input into development of TfSE Transport Strategy – October 2019</p> <p>Demonstrate work with TfSE to develop a proposal which will set out the powers and responsibilities sought with respect to statutory status – March 2020</p> <p>Maintain EM3 LEP position on TfSE Shadow Board – March 2020</p> <p>Utilise outcomes from work on developing technology with Enterprise M3 Smart Mobility strand of LIS – October 2019</p> <p>Input into key consultations and demonstrate we have influences responses to Government – March 2020</p> <p>Suggested outcomes:</p> <p>Achieved influence over content of Transport Strategy, that drives transformational change and supports economic growth – March 2020</p> <p>LEP role is embedded in proposals to Government for Statutory Status – March 2020</p> <p>Demonstrate impact on 5 economic outcomes of transport connectivity as identified in transport strategy – March 2020</p>	
<p>Notes on action to date</p> <p>We are a key and founder member of Transport for the South East. This is a sub-national transport body (STB) established to speak with one voice on the strategic transport priorities for the South East region. Its aim is to support and grow the economy through a programme of integrated transport projects and programmes to unlock growth, boost connectivity and speed up journeys while improving access to opportunities for all and protecting and enhancing our region's unique environment.</p> <p>By operating strategically across the South East on transport infrastructure – a role that no other organisation currently undertakes on this scale – it seeks to directly influence how</p>	

and where money is invested and drive improvements for the travelling public and for businesses in a region which is the UK's major international gateway.

Section 5 – Organisation and Staffing Resources

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

5.2 Operational Budget

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

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

This revenue income, and the expenditure which it funds, is demonstrated in table 5 below. The shortfall is met from our retained reserves, in accordance with our agreed reserves policy.

EM3 - Financial Revenue Resources	2019/20 Budget
	£'000
INCOME	
Government funding	1,062

Partner contributions (LA, FE, HE)	253
Other income	1,888
TOTAL INCOME	3,203
EXPENDITURE	£'000
Staff costs	1,616
Other costs	1,906
TOTAL EXPENDITURE	3,522
ANNUAL USE OF RESERVES	(319)

Table 5

Attached Appendix 3 is the detailed Enterprise M3 Operational Budget 2019- showing that we are a going concern with income of £2,679,000 and expenditure of £2,463,000.

[Our Governance chart showing our investments process is attached Appendix 2](#)

5.4 Supporting our Plan

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

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

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

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

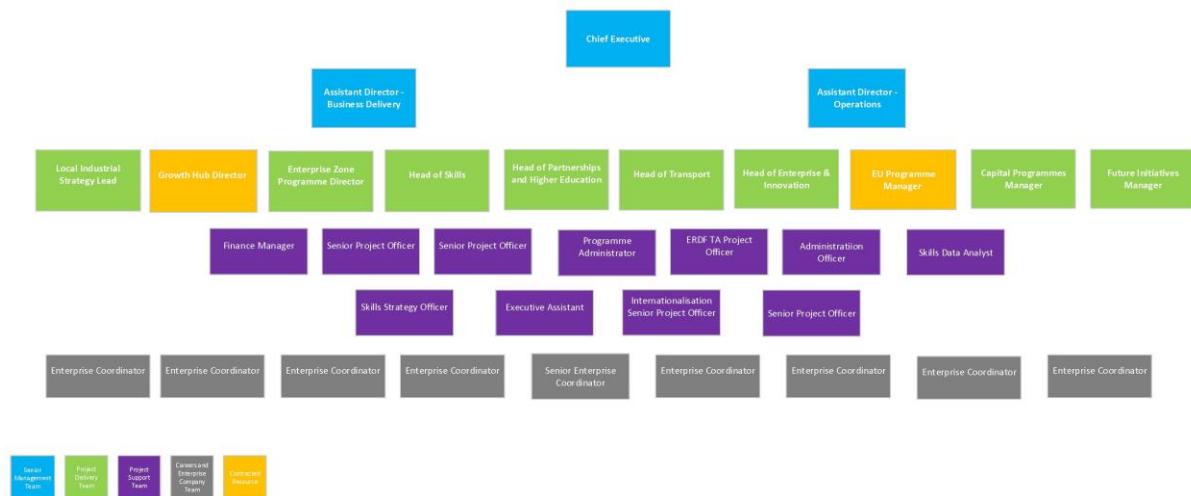
Diversity & Equality

Enterprise M3 has due regard to the requirements for gender and diversity equality. The Enterprise M3 endorsed the appointment of a Diversity Champion, named Tim Jackson, Principle of Sparsholt College, on both the Nominations Committee and the main Board. Our Champion is working with the Board and the executive to achieve 33% female representation on the Board by 2020 and we are on target to achieve this figure.

Enterprise M3 and Hampshire County Council, in undertaking its role as the Accountable Body to Enterprise M3, shall comply with their responsibilities under the Public Sector Equality Duty as set out in section 149 of the Equality Act 2010 and they should have regard to these requirements when apportioning funding. An Equalities and Diversities statement is published on the Enterprise M3 website <https://www.enterpriseM3.org.uk/document/enterprise-m3-equality-and-diversity-statement>

In conclusion this plan is presented to inform our partners of our delivery intentions and to use as a monitoring and evaluation document for our governance bodies as well as our staff

Appendix 1 – Staffing Structure



Appendix 2 The Governance Structure of Enterprise M3 2019

The Enterprise M3 Board

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

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

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

European Management Group

Programme Management Group

Nominations Committee

Resources, Finance and Audit Committee

Joint Leaders Board

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

Action Groups

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

Enterprise & Innovation

Skills & Talent

Transport

Enterprise Zone Programme Steering Group

Enterprise M3 Executive Team

Enterprise M3 has an executive team led by Chief Executive, **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.

Appendix 3 – Operational Budget

TABLE 3: 19-20 Operational Income and Expenditure	
Operational Activity - INCOME	19-20 Budget
	£'000
Government funding	575
Partner contributions (LA, FE, HE)	250
Application Fee	220
Interest receivable on loans and LEP balances	637
Capital/Revenue transfer - Careers and Enterprise activity	118
Growth Hub management	45
GEF funds	442
Interest Reserve funding one off projects	245
Other	147
TOTAL INCOME	2,679
Operational Activity - EXPENDITURE	19-20 Budget
	£'000
Staff costs	1,341
Due Diligence	170
Research/studies/consultancy	587
Accountable Body	70
Running costs	295
TOTAL EXPENDITURE	2,463