

DELIVERY PLAN

2019-2020



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THE DELIVERY PLAN FOR 2019-20 SETS OUT OUR VISION:

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

2019-20 OUTPUT SUMMARY



OUR STRATEGIC PRIORITIES (STRATEGIC ECONOMIC PLAN PUBLISHED 2018)



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

OUR LOCAL INDUSTRIAL STRATEGY KEY THEMES (DUE TO BE PUBLISHED IN 2020)

5G Region	Towns
Mobility and Connectivity	Science and Innovation
A Gateway Region	Exporting
Clean Growth and Energy	People
Housing	

SECTION 1.1 - SUMMARY

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

“AN AREA THAT IS RECOGNISED AS A GLOBALLY COMPETITIVE REGION, UNIQUE FOR ITS KNOWLEDGE, DIGITAL AND DESIGN-BASED ECONOMY”.

Enterprise M3 has **£45m of capital funding available** in 2019/20 for projects that support our vision. This funding will be used **to support 44 projects across Hampshire and Surrey** and £4.9m 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 in 2019/20 we expect to:

- Create/safeguard 2,500 jobs
- Support the completion of 1,000 new homes
- Support the completion of 9,000 square metres of employment floorspace
- Support 300 apprenticeship registrations
- Create/refurbish over 5,000 square metres of learning floorspace

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 document will also form the business plan for Enterprise M3 and will be underpinned by detailed plans held by the team for each of the theme areas, including a detailed project schedule that is reviewed at every meeting of the 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 as follows:

The **development and publication of a Local Industrial Strategy (LIS)** for the Enterprise M3 area will be a central priority in 2019/20. The LIS will set out the actions that we need to take to become a globally competitive, digital and design-based economy. **We**



We intend to publish

**our LIS in
early 2020**

intend to publish our LIS in early 2020 but just 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 with Government 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 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 and 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 in March 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, including a **mid-term evaluation** of our Local Growth Fund programme.

SECTION 1.2 – STRATEGIC ECONOMIC PLAN: THE FOUNDATION

The foundation of all of our work is our Strategic Economic Plan which was revised in September 2018. 'A Strategic Economic Plan for the Enterprise M3 area 2018 – 2030' sets out our Growth Ambition and is available at <https://www.enterprisem3.org.uk/strategic-economic-plan>

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 focus on improving productivity in a way that will benefit people and places across the Enterprise M3 area through interventions that address long standing issues including:

- Skills – Enterprise M3 residents are relatively highly skilled but there are considerable skills gaps and shortages in the economy

-
- Connectivity – the need for high quality transport and digital infrastructure connecting markets, people and goods within our area to London and internationally is critical for attracting and retaining businesses and highly skilled residents.

The Local Industrial Strategy will promote the productive capacity of the area much of which is in our towns and settlements. Work is focused on the nine strategic priorities described below that flow from our SEP. We have tested this focused approach with our Board, Local Authorities and Government and it will proceed through a series of stages set out in the timetable below. We will analyse relevant evidence and test it including through external challenge by critical friends drawing on the good practice of Manchester and the West Midlands and using existing action groups, business groupings and roundtables. We aim to have a series of propositions for each of the nine elements set out below which are evidenced, well developed, supported by stakeholders and capable of being implemented with the necessary investment.

The nine elements of our LIS are:

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

DIGITAL CONNECTIVITY - achieving a step change in digital connectivity and developing strengths in digital enabling technologies, particularly their commercial application

SMART MOBILITY – 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 Enterprise M3 area to make better use of energy to improve productivity and promote an innovation, skills and employment dividend from clean growth.

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 Enterprise M3 area and generate much of its economic growth.

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

EXPORTING – Promoting and increasing levels of companies exporting so that they sell beyond local markets.

We plan to develop our LIS according to the timetable below and target publication in early 2020.

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).	Project briefs; lines of enquiry; evidence and analysis; external support and challenge; 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.
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 Enterprise M3 area.
Agree Nov - Dec	Co-design with Government.	Agreeing the narrative and the interventions.
Publish Early 2020	Issue and promote the Strategy.	Fully designed communications.

SECTION 2 – LOCAL GROWTH FUND & GROWING ENTERPRISE FUND

2.1 OVERVIEW

In 2019/20 we have £45m to invest, delivering 44 projects of which nearly two-thirds are new projects starting in 2019/20 and shown in the map on page 10. Including those projects that have now completed and are in the monitoring phase, we have 108 projects in our capital programme.

In March 2017, the Enterprise M3 Board agreed that our Local Growth Fund and Growing Enterprise Fund will be managed as a single capital programme. A key reason for this decision was to ensure that our messages to external partners, particularly businesses, were as simple as possible. We report bi-monthly on the progress of our capital programmes (LGF and GEF combined) but retain the ability to report on these separately, as required by Government. Examples of our programme management documents, including our expenditure and output dashboards can be found in the Technical Appendix (Appendix 4). We have also chosen to support projects on a loan basis where appropriate and have delivered 16 projects to date on this basis across both funds. We have received repayments of £10.46m, with a further £2.42m expected to be repaid to Enterprise M3 in 2019/20.

To date (2015/16 – 2018/19), we have delivered the following outputs

- 2,880 jobs created/safeguarded
- 1,457 new homes completed
- 26,732 sqm of commercial floorspace completed
- 1,134 apprenticeship registrations supported and created/refurbished 17,387 sqm of learning floorspace.

We expect over the course of 2019/20 and as more projects enter the monitoring phase that we will significantly build on these figures and deliver the following outputs:

- Create/safeguard 2,500 jobs (an 87% increase on the figures delivered to date)
- Support the completion of 1,000 new homes (a 69% increase on the figures delivered to date)
- Support the completion of 9,000 square metres of employment floorspace (a 34% increase on the figures delivered to date)
- Support 300 apprenticeship registrations
- Create/refurbish over 5,000 square metres of learning floorspace (an increase of 30% on the figures delivered to date)

We will be delivering in our new geographical area, which now includes the whole of the districts of Test Valley, Winchester and East Hampshire. 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 GEF/LGF funding is finished by end of 2021 or fully spent. We will continue to work closely with Solent LEP during this period.

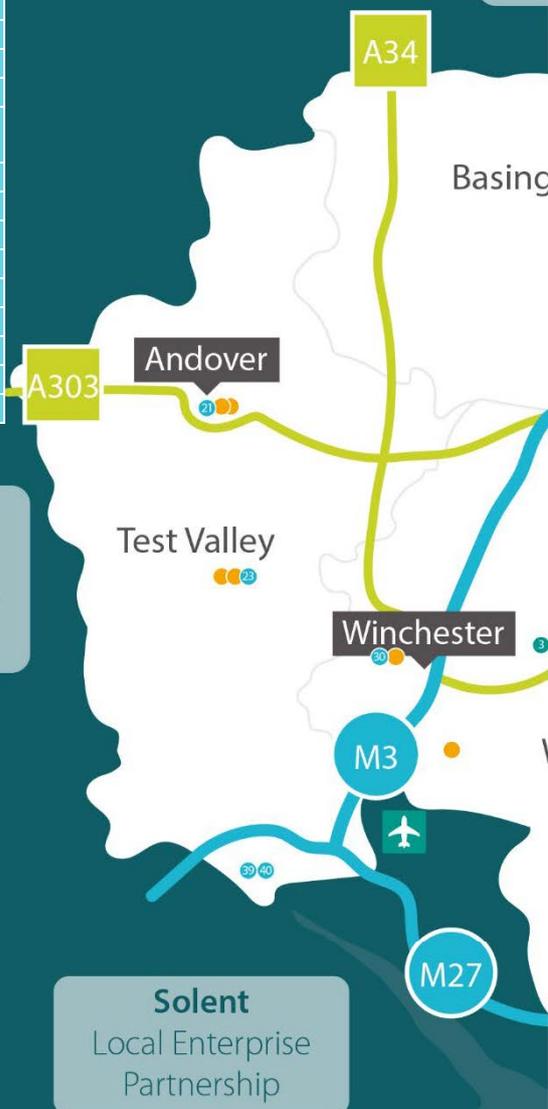
2.2 ENTERPRISE M3 PROJECTS

Ongoing Projects 2019/20	
1	5G project – Phase 2
2	Guildford Town Centre Walnut Tree Bridge
3	Winchester Science Centre – Inspiring Science for All
4	Meadows A30/A331 Camberley
5	Enterprise Zone – Longcross upgrade to power supply
6	Whitehill and Bordon A325 integration works
7	Staines Sustainable Transport Package
8	Guildford Town Centre Infrastructure Package
9	Enterprise Zone – Plot K/K1 Basing View
10	Regional Cyber Security and Big Data Innovation Centre – Royal Holloway
11	Guildford Town Centre and Approaches
12	Guildford Sustainable Movement Corridor (West) Phase 1
13	Guildford Quality Bus Corridors
14	Blackwater Valley Gold Grid – Public Transport Corridor
15	Camberley Public Realm
16	Fund Management Service – <i>Across the Enterprise M3 area</i>
17	Whitehill and Bordon Sustainable Transport Package
18	Basingstoke SW Corridor to Growth Phase 2

New Projects 2019/20	
19	Innovation South Virtual Campus – <i>Across the colleges in the Enterprise M3 area</i>
20	Spelthorne Kick-starting gigabit city
21	Town Mills Andover
22	Aldershot Town Centre Railway Station
23	Sparsholt Animal Health and Welfare Research Facility
24	Aldershot Town Centre Regeneration
25	5G project – phase 3
26	Emerging Technologies Hub and Innovation Centre at Farnborough College
27	Camberley London Road Highways Improvements
28	Aldershot Games Hub
29	Enterprise Zone – Longcross Discovery Building
30	Station Approach Winchester
31	Woking Sustainable Transport Package
32	A31 Highway Resilience
33	Brooklands Business Park Accessibility
34	Farnborough Growth Package
35	Basingstoke SW Corridor to Growth – Brighton Hill Roundabout
36	Guildford Housing Zone
37	Basing View 5G Living Lab
38	Health Tech Accelerator
39	Performance Materials Innovation Centre
40	The Future Towns Innovation Hub
41	Aerospace Research and Innovation Centre
42	Fleet Pond Green Corridor
43	Guildford Community Bike Share
44	North Downs Line Improvements

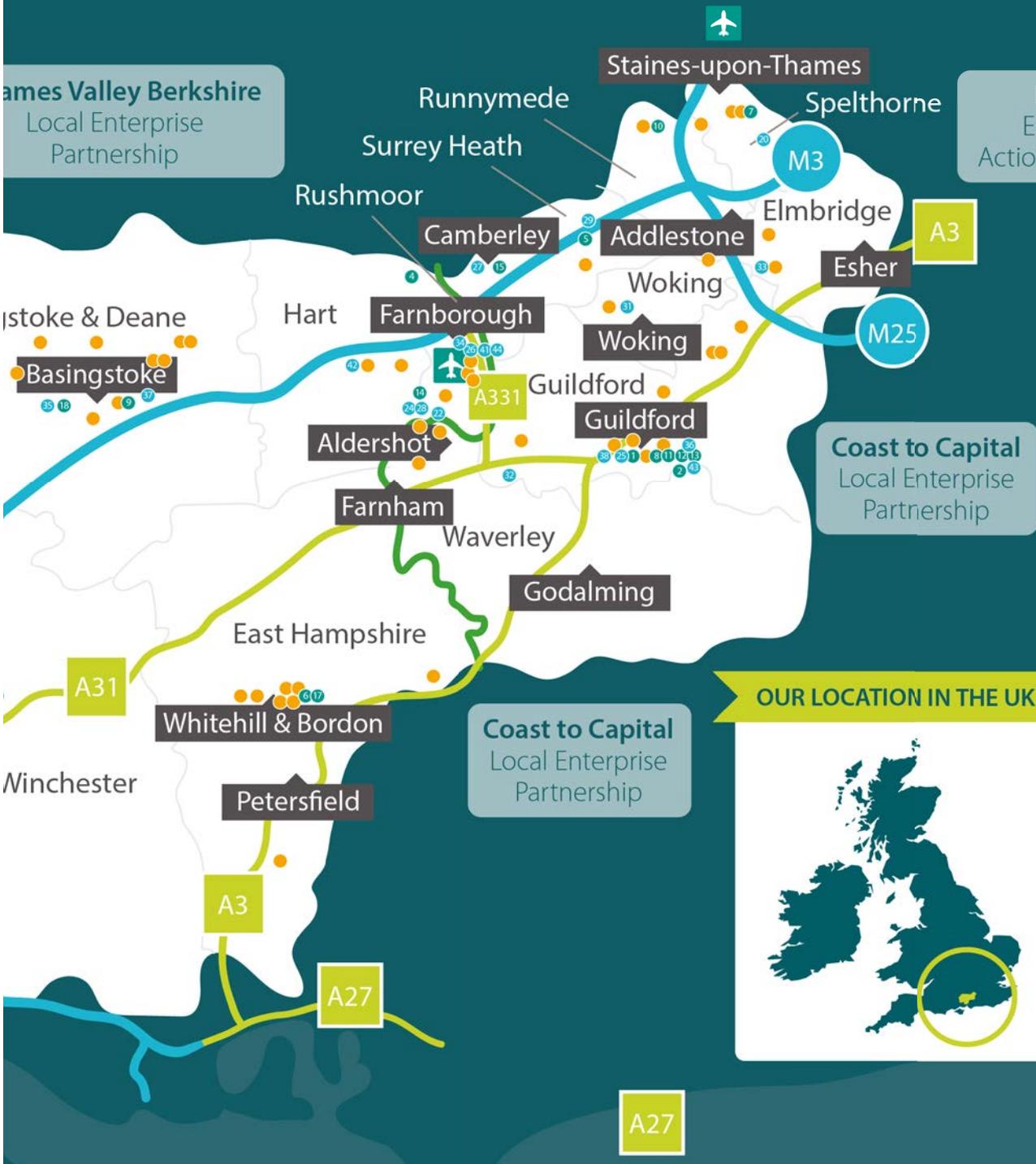
Key

- Completed projects
- Ongoing projects 2019/20
- New projects in 2019/20



James Valley Berkshire
Local Enterprise Partnership

London
Economic Action Partnership



Coast to Capital
Local Enterprise Partnership

Coast to Capital
Local Enterprise Partnership

OUR LOCATION IN THE UK



A27

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.

Our expected key project milestones in 2019/20 include:

Project Milestone	Date expected
Meadows A30/A331 Camberley completion of works	May 2019
Emerging Technologies Hub and Innovation Centre at Farnborough College start on site	July 2019
Sparsholt Animal Health and Welfare Research Facility start on site	July 2019
Woking Sustainable Transport Package start on site	July 2019
Aldershot Games Hub start on site	September 2019
Farnborough Growth Package start on site	September 2019
Regional Cyber Security & Big Data Innovation Centre start on site	September 2019
Tannery Studios completion and official opening	January 2020
Aldershot Games Hub completion and official opening	January 2020
Farnham Road Bridge, Guildford completion of works	January 2020
Completion of The Village hotel at Basing View Plot W (part of the multi-site Enterprise Zone)	March 2020
Approval of pipeline projects in line with refreshed SEP/emerging LIS	July 2019 – December 2019

2.3 PIPELINE PROJECTS

By the end of 2019/20 we anticipate that we will have spent the full amount of Local Growth Fund that has been made available to us between 2015 and 2020, totalling £176.1m. In addition, we will utilise our available Growing Enterprise Fund balance to take forward other projects and help smooth the profile of our LGF allocation which will increase from £17m to £43m in the final year of the programme.

In order to help us manage our capital programme, the Enterprise M3 Board has agreed that our capital programme can be over-programmed by 10% and we intend to utilise this over the next two years in order to drive and accelerate delivery of our projects. The levels of our committed expenditure will be monitored closely by Enterprise M3 and will be reported at each Programme Management Group and Board meeting.

We published a Capital Prospectus in late 2018 which has helped us to create a pipeline of projects, some of which will be kept in reserve should existing approved projects not progress to delivery or deliver under budget and some of which we can support using repayments from our projects that we have taken forward on a loan basis. The response to the Capital Prospectus has been positive and we have a number of exciting projects which we can start to deliver in 2019/20 which align very strongly to our emerging LIS. The strongest projects from this recent call have been asked to submit business cases and we expect to approve the first projects in July 2019 and to see them start on site towards the end of 2019/20.

2.4 MONITORING AND EVALUATION

In 2018/19 Enterprise M3 improved our monitoring and evaluation processes in line with the Assurance Framework. The revised Monitoring & Evaluation Policy is published at:

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

Enterprise M3 requires that all projects submit quarterly monitoring reports to the team and these are reviewed to ensure that the project is proceeding according to agreed timescales and delivering the outputs that we have forecast. Over the course of 2019, we will perform spot checks to verify this information on eight projects in our capital programme. This approach, and the appointment of a dedicated member of staff with overall responsibility for Monitoring and Evaluation, will further improve the quality of the information that we receive from our projects.

In addition to this, we will commission at least four independent evaluations of the major projects in our capital programme. One of these will incorporate our sustainable transport packages which have been recognised as best practice by the Department for Transport. This will include publication of our Local Growth Fund mid-term evaluation in the autumn of 2019.

2.5 COMMUNICATION AND BRANDING

Enterprise M3 will continue to publish and update information about all our projects and will launch an updated Enterprise M3 website in June 2019. The information shown in the Technical Appendix (Appendix 4), including our expenditure and output/outcome dashboards will be published quarterly

alongside publication of our bi-monthly Programme Management Group and Board papers which give up to date information on programme performance. Our monthly newsletter which goes to over 2,000 stakeholders is a key communication tool and we will continue to build on this over the course of 2019/20 as well as continue to communicate strongly through social media.

We have received the updated Government branding guidance and will implement this across our projects, alongside our own updated branding. Key communication milestones and events for Enterprise M3 in 2019 include:

Milestone/event	Expected date
Careers and Enterprise Company 'Give an Hour' campaign	Running through May 2019
Short animation launched, targeted at businesses and promoting the benefits of supporting T Levels	May 2019
Enterprise M3 Annual General Meeting, including launch of Annual Report and new website	21 June 2019 at Farnborough International Exhibition and Conference Centre (LGF project)
Guildford Games Festival – supporting this national event championing regional strengths in the digital creative economy.	June 2019
Recruitment of new Enterprise M3 Board Members & Chair	September 2019.

SECTION 3.0 – SUPPORTING PROGRAMMES

Enterprise Zone

To further expand development across the Enterprise Zone in Basing View, Basingstoke, Longcross Park, Chertsey and Techforest, Whitehill & Bordon

Plans

Our Enterprise Zone has ambitious plans to drive business rates growth across the three sites to reinvest into the sites and their surrounding areas.

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.

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.

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.

The Marketing Plan is also being reviewed with a view to taking advantage of new investment and implementation activity.

This will include a revised and focused presence on the website and increased social media activity building on previous successes.

SEP Priorities

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.

Outputs / Outcomes

2019/20

Floorspace	4000 sqm
Developable land	4.94 acres
New jobs	205

Figures above relate to the investment from our Local Growth Fund.

Notes on action to date

Investment to date: £18.1m offset against future Business Rates Income Growth

Growth Hub

Plans

The focus of the Growth Hub in 2019/20 will be to continue to deliver against targets to support exciting scale up businesses in our strategic priority sectors.

Working with our Growth Hub, we will:

- Increase engagement with scale ups
- Continue to support the development of clusters in important sectors such as Gaming, Space and Satellite, AI and MedTech.
- Continue to deliver Brexit clinics to support businesses to plan for Brexit and manage any impacts and opportunities following it.
- Review future working of the Growth Hub. The current contract ends in March 2020 and Enterprise M3 are reviewing the future focus of the Growth Hub, working with government on how Growth Hubs will be funded post March 2020.
- Encourage closer working between Growth Hub and LEP through further joint working and potential co-location of staff.
- Collaborate in the development of full business case to secure ERDF funding to support the Enterprise M3 Internationalisation Programme.

SEP Priorities

High value sectors for a globally facing economy

Enterprise and innovation for scaling up high productivity SMEs.

Outputs/outcomes

Growth Service Customers: 237 (Growth plans logged)

New Businesses engaged: 350

Unique Businesses accessing Portal 11000

Jobs created/safeguarded: 180

Notes on action to date

Delivery through the Enterprise M3 Growth Hub in 2018/19 has been strong. We will take a decision on the future direction of the Growth Hub in September 2019.

European Structural and Investment Funds (ESIF)

Plans

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.

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).

SEP Priorities

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Outputs/outcomes

Work alongside the Managing Authorities to ensure that 30% of EAFRD, 20% ERDF and 45% of ESF funding is committed.

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 Technical Assistance contract which has been positive about work to date. We will build in improvements in targeting of individuals to attend events identified in the evaluation. All targets under our contract have been met.



Plans

Enterprise M3 has a contract with the Careers and Enterprise Company to improve school careers provision and prepare students for their futures.

We will work with business enterprise advisers drawn from business to support schools across the Enterprise M3 area.

SEP Priorities

High value sectors for a globally facing economy

Skills for a high value, high growth economy

Outputs/outcomes

By end 2019-20 aim to deliver 75% of target of engaging with 134 schools. Enterprise advisors to match with schools on the same basis.

Recruiting 7FTEs to our team to engage with schools and businesses.

Embed Benchmark 5 across the network with 50% of matched institutions fully achieving the benchmark by August 2019 (34.8% as at Jan 2019).

Embed Benchmark 6 across the network with 45% of matched institutions fully achieving the benchmark by August 2019 (40.2% as at May 2019)

Notes on action to date

Schools also report their progress through the COMPASS and tracker tool which is on-line and regularly updated and collected by the CEC and shared with Enterprise co-ordinators in each region.

(Note: Contract ends August 2020)

Skills Advisory Panel

Plans

Developing our Skills and Talent Action Group (STAG) which will take on the responsibility of the Skills Advisory Panel function. The STAG will share knowledge on the immediate needs and challenges that business and education face. It will also 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.

The group will 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.

In addition to our STAG priorities we are also funding several key projects through our Local Growth Fund that will enable our Further Education providers to enhance both their learning facilities and their curriculum. This will support their planning for future skills delivery and further develop the T Level and Apprenticeship agenda with a strong collaborative approach with local business.

SEP Priorities

High value sectors for a globally facing economy

Skills for a high value, high growth economy

Outputs/outcomes

Appointment of Analyst to support LIS

Skills and Talent Action Group – full membership and operational by October 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.

Enterprise M3 Funding Escalator



Plans

Enterprise M3 will continue to provide expansion and equity funds to high growth innovative businesses across the area working through Growth Hub, Incubators and Accelerators.

SEP Priorities

High value sectors for a globally facing economy

Enterprise and innovation for scaling up high productivity SMEs

Outputs/outcomes

Make £2.5m available to businesses through loans and equity investment, supporting 17 businesses, and create/safeguard over 100 jobs.

Notes on action to date

Enterprise M3 launched our new £10m fund in June 2018. The Expansion Fund will operate over a 10-year period and builds upon the successes of a £5.5m fund launched by Enterprise M3 in 2014 and managed by The FSE Group. An independent evaluation in 2017 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 4.0 – STRATEGIC ACTIVITY

Cross Border Working

Plans

To work with Southern LEPs to develop a Southern voice. Given this, the group will focus on the following priorities:

Identifying and promoting the South's role in driving economic growth, and to do this by:

- Developing an evidence-based core narrative
- Promoting coordination and collaboration on strategic regional initiatives within Local Industrial Strategies

Maintaining our leading role in making Britain a global trading nation, and to do this by:

- Promoting inward investment, supporting the large number of international businesses which choose to locate in the South
- Supporting the growth of the UK's major ports and airports, which are in the South
- Understanding the impact of Brexit on the regional economy and responding effectively to that

Identifying priorities for future investment in our area, and to do this by:

- Engaging effectively on the future UKSPF
- Collaborating to leverage further private investment into the region

Energy Hubs operational across 11 LEPs to increase the number, quality and scale of local energy projects being delivered across greater South- East.

To start delivery of the Energy Strategy developed by Enterprise M3, Coast to Capital and South East LEP which aims to play a leading role in decarbonisation efforts; and to foster clean growth.

Strategic Priorities

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.

Outputs/outcomes

Commence development and delivery of the actions identified within the Energy Strategy

Notes on action to date

Enterprise M3 have been working with Coast to Capital and South East LEP on an Energy Strategy that was launched on 25th March 2019. The Strategy has been approved by all three LEP boards and has highlighted action in low carbon heating, energy saving and efficiency, renewable generation, smart energy systems and enabling a transport revolution. There are opportunities to work across boundaries through the Project Models outlined in the Action Plan of the Strategy.

Heathrow

Work with Heathrow, Local Authority partners and other supporting organisations to maximise opportunities arising from the building and expansion of Heathrow

Plans

The focus for 2019/20 is around 4 key areas of activity:

- 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

We will

- Capitalise on the sub-regional economic opportunities provided through the enhanced role of Heathrow operating as Britain's Global Gateway;
- 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 Rail Access to Heathrow.

SEP Priorities

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Outputs / Outcomes

Heathrow Economic Plan – Summer 2019

Input into consultation on the Development Control Order for expanded Heathrow – June-July 2019

Confirm priorities for Southern Rail Access to Heathrow and support for preferred scheme – March 2020

Input and influence direction of Heathrow Strategic Planning Group policy through active participation in HSPG, events, groups and meetings – ongoing

Notes on action to date

Enterprise M3 is a member of the 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 flight-paths and operations

Transport for the South East (TfSE)

Support the development of TfSE as a Statutory Body and contribute to the identification of key transport and connectivity economic priorities



Plans

TfSE will:

- Submit 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 to support a pipeline of strategic infrastructure investment.
- 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.

SEP Priorities

Stimulating growth in our high value sectors.

Supporting enterprise and innovation for scaling up.

Improving connectivity, including digital connectivity.

Securing investment in the future viability of our towns and communities.

Outputs / Outcomes

Suggested outputs:

Input into development of TfSE Transport Strategy – October 2019

Demonstrate work with TfSE to develop a proposal which will set out the powers and responsibilities sought with to achieve statutory status – March 2020

Maintain Enterprise M3 position on TfSE Shadow Board – March 2020

Utilise outcomes from work on developing technology with Enterprise M3 Smart Mobility strand of LIS – October 2019

Input into key consultations and demonstrate we have influenced responses to Government – March 2020

Notes on action to date

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.

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 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 5.0 – ORGANISATION AND STAFFING RESOURCES

5.1 STAFFING RESOURCES TO DELIVER OUR 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 29 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 best organised to 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 Manager who works closely with our Accountable Body, Hampshire County Council. 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 to support 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 Appendix 3. The shortfall is met from our retained reserves, in accordance with our agreed reserves policy.

5.3 SUPPORTING OUR PLAN

Enterprise M3 put in place a new organisational structure in 2018 and will be further reviewing its delivery capability in 2019 to ensure we can best 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 outline budget for the next three years at their meeting in March 2019 agreeing to invest funding to underpin our work in developing our evidence base for our LIS and our engagement with stakeholders.

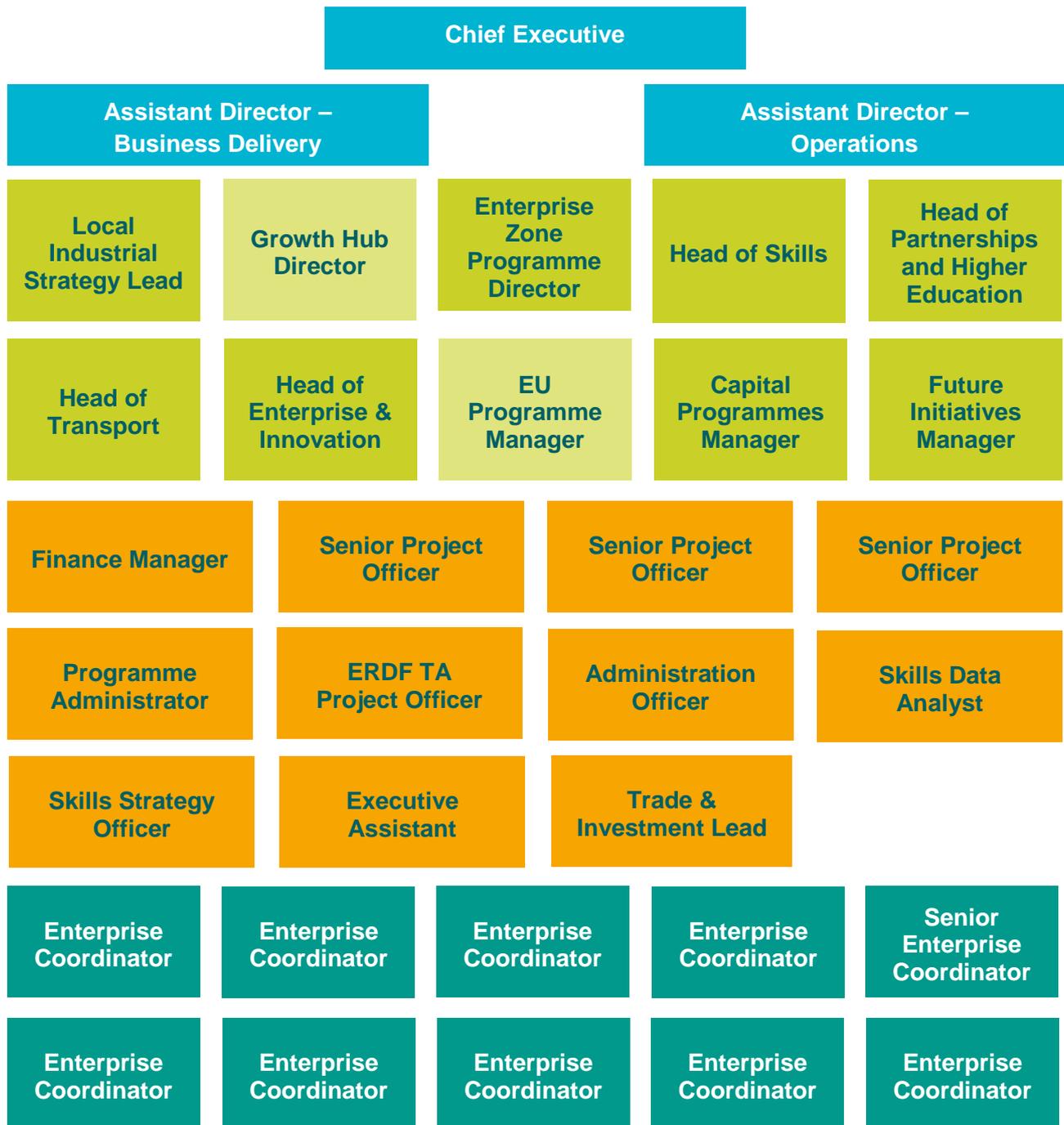
We have put in a place a long-term sustainability plan and will be working with our partners to secure additional investment in 2020.

The Enterprise M3 team has grown by 18 staff over the last year, because we have brought our Careers and Enterprise team in house and have expanded our operational team to support the effective 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 our Growth Hub. We plan to have established our new office base by the end of the calendar year.

Enterprise M3 Board

Over the course of 2018/19, the Enterprise M3 Board welcomed a new Chair and four new Board Members. In advance of a number of our high-profile business Board Members (including the current Chair) seeing their maximum term of office expire at the end of 2020, we expect to start a new round of Board Member recruitment in autumn 2019. Further increasing the diversity of the Board and its sub-groups will be a key priority to ensure that we remain on course to reach the targets set out in the LEP Review. To support us in this work, the executive team will work with the Board appointed Diversity Champion to publish a Diversity Strategy and Action Plan by the end of 2019. The Enterprise M3 will also work with our Local Authorities, Further and Higher Education establishments to ensure that diversity is considered when they are selecting candidates for the Enterprise M3 Board.

APPENDIX 1 – STRUCTURE CHART



Key

- Senior Management Team
- Business Delivery Team
- Operations Team
- Careers and Enterprise Company Team
- Contracted resource

APPENDIX 2 - THE GOVERNANCE STRUCTURE OF ENTERPRISE M3 2019

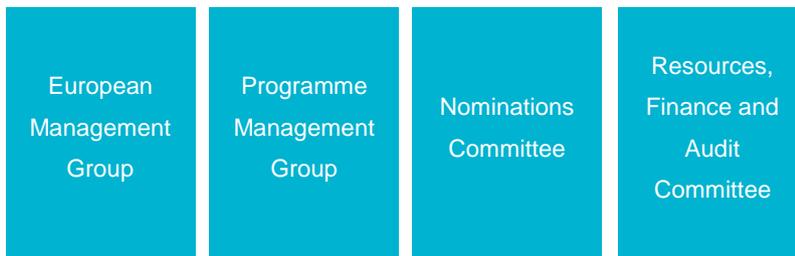
The Enterprise M3 Board

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.



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 Zone Programme Steering Group

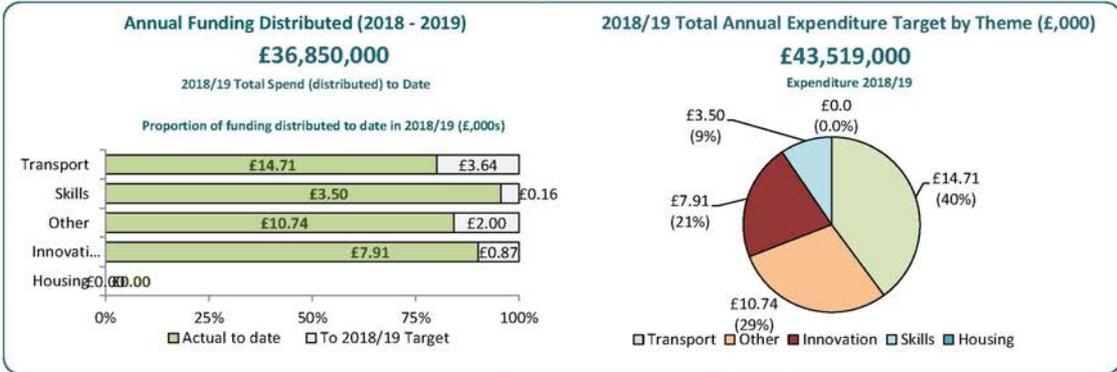
APPENDIX 3 – OPERATIONAL BUDGET

TABLE 3: 19-20 Operational Income and Expenditure	
Operational Activity - INCOME	19-20 Budget
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
Staff costs	1,341
Due Diligence	170
Research/studies/consultancy	587
Accountable Body	70
Running costs	295
TOTAL EXPENDITURE	2,463

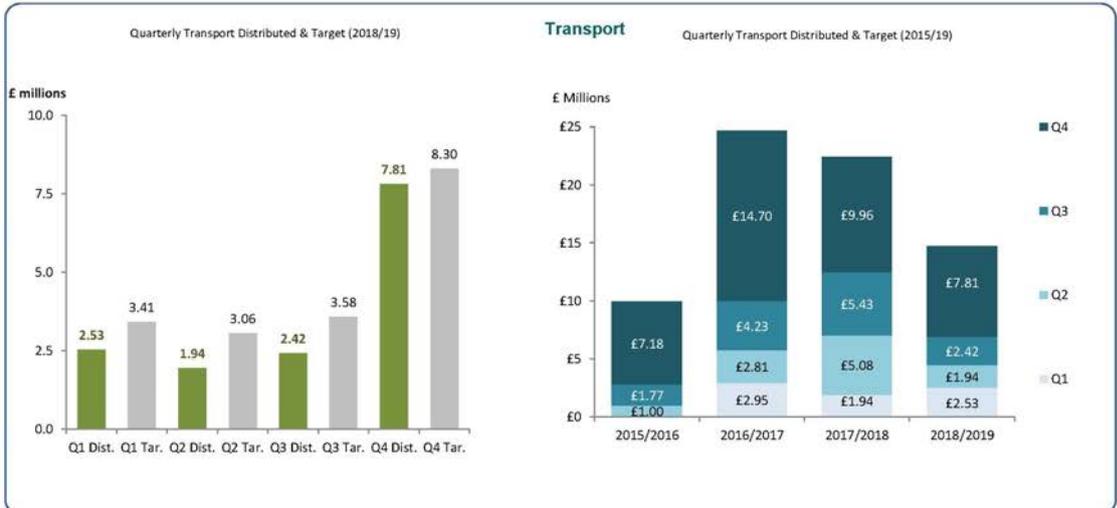
APPENDIX 4 – TECHNICAL APPENDIX

enterprise **m3** GF & LGF 2018-2019 – Expenditure Dashboard

Latest Summary of Live Projects

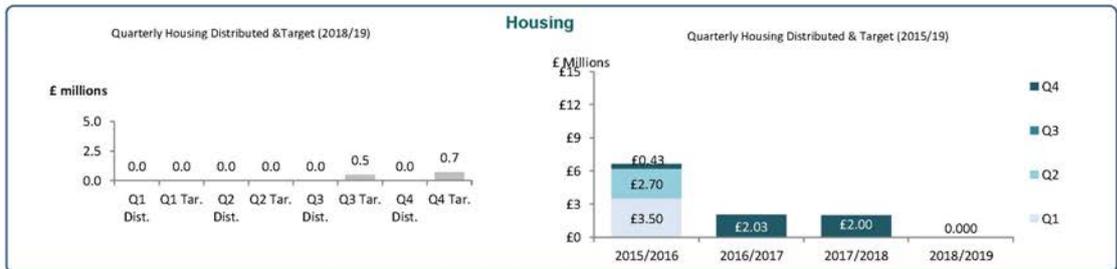


Time Series Annual Funding Distributed (2015 - 2019)

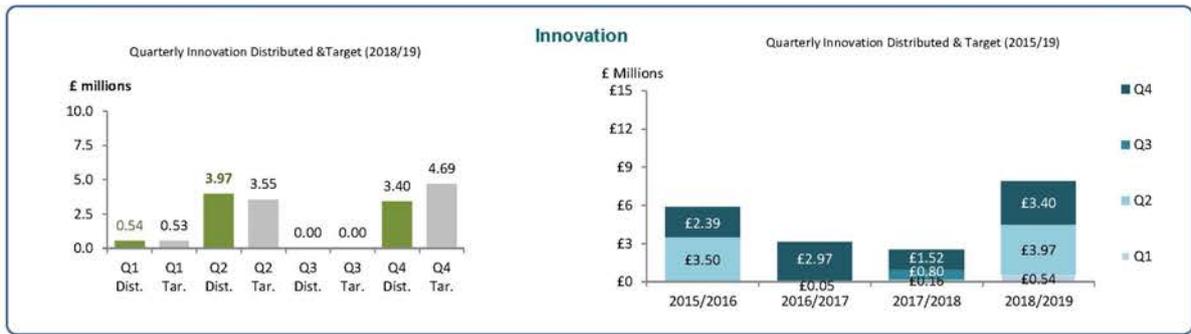


Total spending to date on transport is £14.71 million across the four quarters. Transport expenditure in Q1 was £2.53 million across nine projects, the largest of which is the £1.33 million funding for the Whitehill and Bordon Relief Road Phase 2. Q2, expenditure is £1.94 million across nine projects, the largest amount was £683K on Guildford Town Centre Transport Infrastructure Project.

In Q3 there was £2.42 million across five projects with largest amounts (£774K) on the Guildford Town Centre Transport Infrastructure Project. Q4 has seen £7.81 million to date across 14 projects. The Farnham Road Bridge has seen the largest expenditure (£2.85 million).

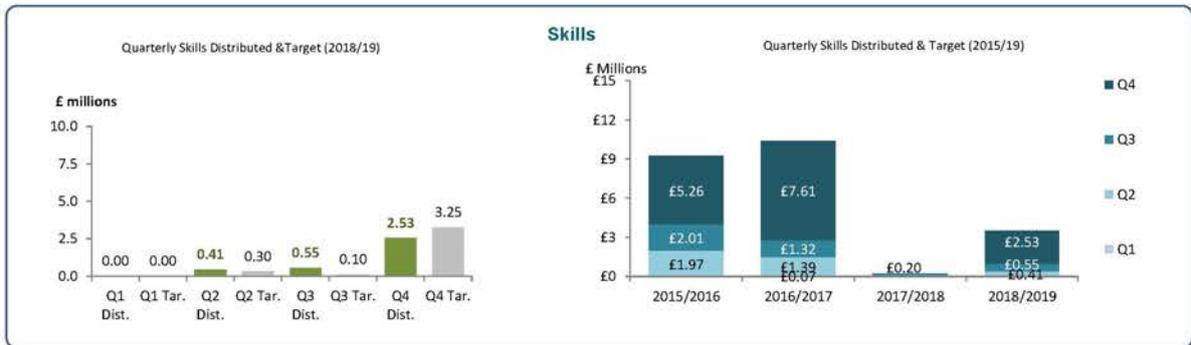


There was no housing expenditure reported at the time of publication.



Total expenditure to date is £7.91 million. Innovation expenditure in Q1 to date is £535K across two projects. £334 was distributed to the Growth Hub, and £200K to the Tannery Studios Phase 2, Send. Expenditure in Q2 to date is the £3.97 million. Phase 2 - Permanent Facility for Farnborough International Air show accounts for £3.75 million.

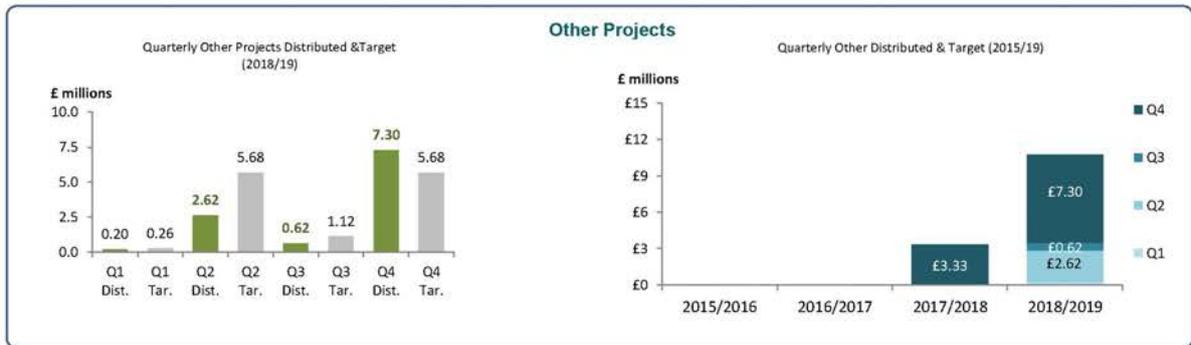
There has been no reported expenditure to date in Q3. In Q4 £3.40 million was expended to date across four projects. Centre of Excellence in Horticultural Science and Learning (RHS Wisley) with £1.01 million and Elmbridge Invest for Growth at £1.5 million saw the largest expenditures.



Skills expenditure to date across Q2-Q4 is £3.50million.

In Q2 there was £410K across four of the six live projects. In Q3 there was £548K of expenditure across three of the six projects and finally £2.53 million was expended in Q4 across all six projects.

The Pathway to the Virtual Campus - EM3 Digital Technology Centres saw the largest expenditure in Q4 with £1.53 million.



Other expenditure to date for Q1 is £200K covering two Enterprise Zone projects. EZ3 BV7 Plot W received £176K and EZ3 BV3 Plot J £24K.

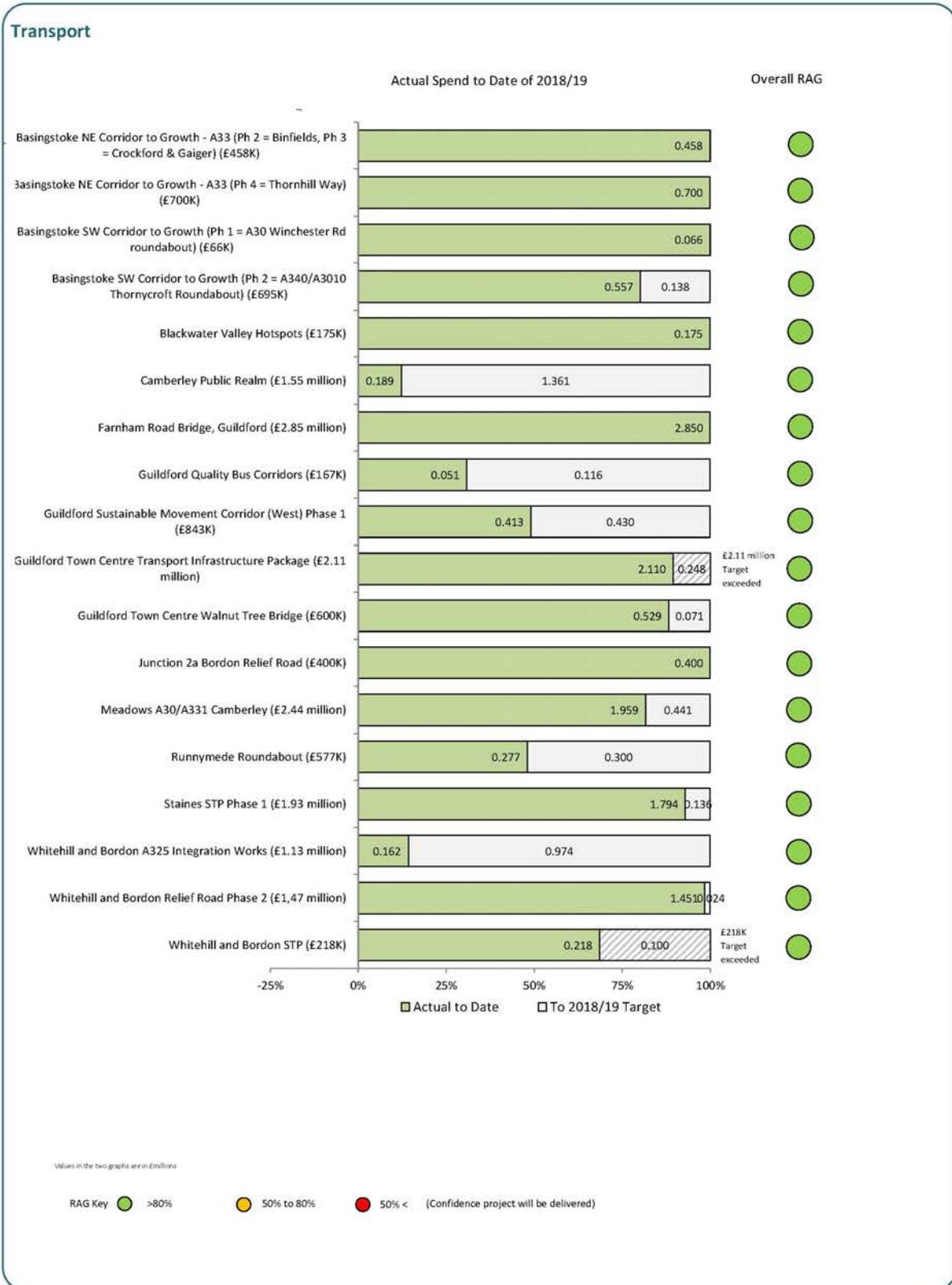
Current expenditure to date for Q2 is £2.62 million. This includes £1.6 million to the Fund Management Service. This also includes just over £1 million in total to EZ3 BV1 Plot K/K1, EZ3 BV3 Plot J and EZ3 BV7 Plot W.

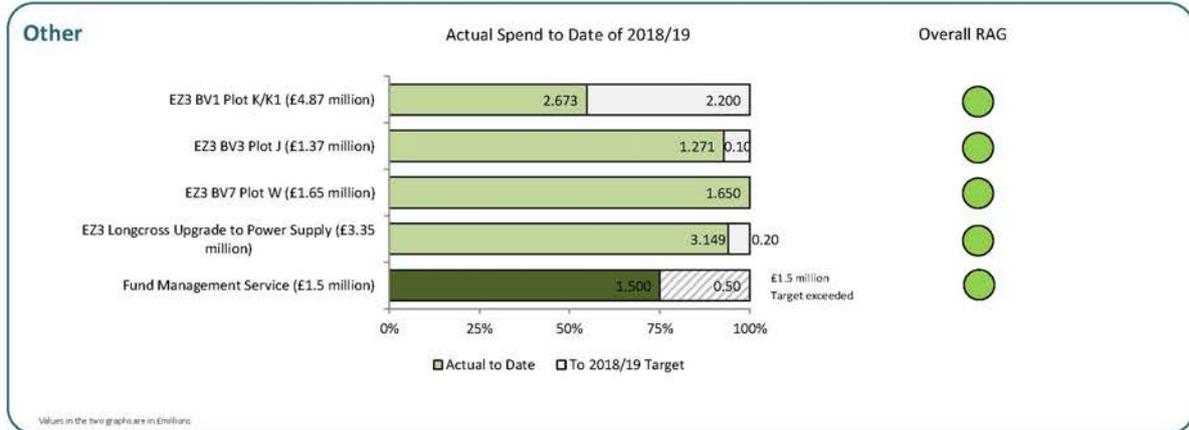
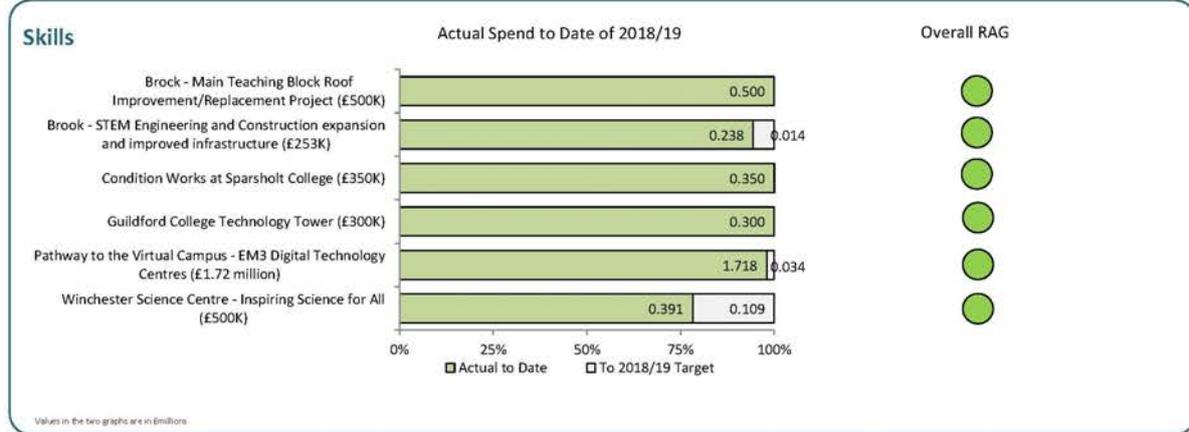
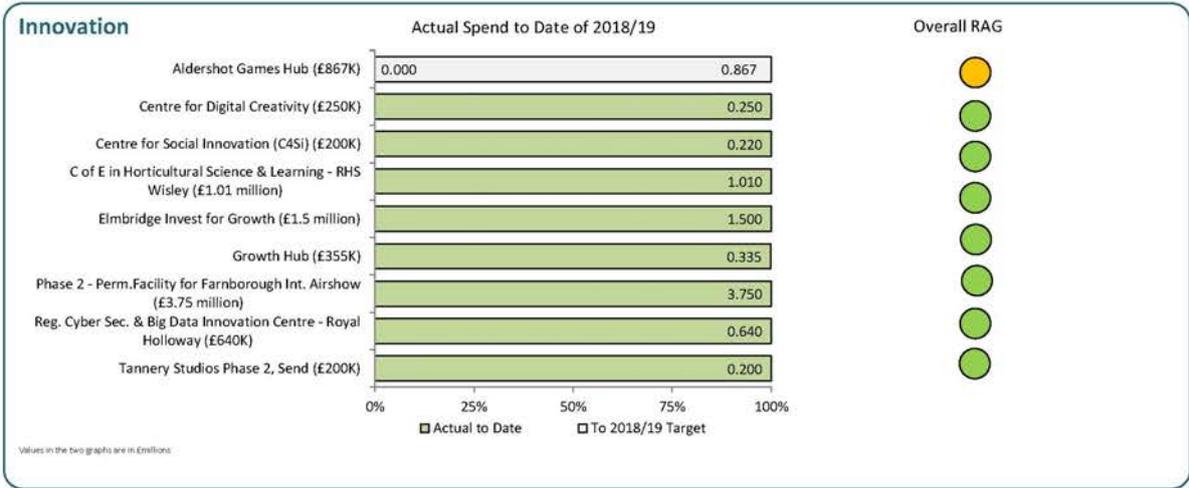
In Q3 there was £620K of expenditure across two projects (Fund Management Service and EZ3 BV7 Plot W). In Q4 to date there has been £7.30 million of expenditure across all projects. EZ3 BV1 Plot K/K1 (£2.39 million) and EZ3 Longcross Upgrade to Power Supply (£3.15 million) accounted for most Q4 expenditure. This brings total expenditure to date to £10.74 million.

Source: EM3 database extract 30/04/2019, Produced 10/05/2019

Produced by the Economic & Business Intelligence Service (EBIS),
Economic Development, Hampshire County Council

Appendix: Individual Live Projects





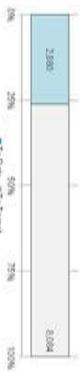
RAG Key ● >80% ● 50% to 80% ● 50% < (Confidence project will be delivered)

Source: EM3 database extract 30/04/2019, Produced 10/05/2019

Produced by the Economic & Business Intelligence Service (EBIS),
Economic Development, Hampshire County Council

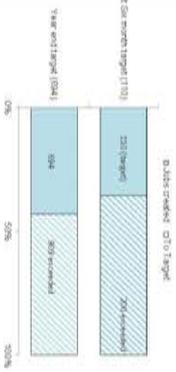


Jobs Created*
 Target: 10,964 jobs
 Created to date: **2,880 (26.3%)**
 To meet Target: 8,084 (73.7%)
 (*Including safeguarded jobs)

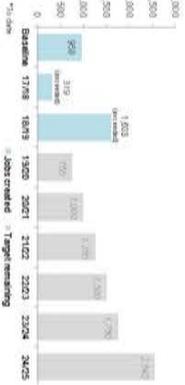


Status to date (cumulative – 2015-2025)

In year to date (2018-2019)



Annual Time series (2015 – 2025)



Measure: Permanent paid FTE jobs newly created or safeguarded as a direct result of the intervention.
 Comments: To date 26.3% (2,880) of the overall long-term target has been achieved, with 958 jobs created or safeguarded in the baseline period, 319 created in 2017/18 and 1,603 so far in 2018/19, exceeding the original 2018/19 target by 909.

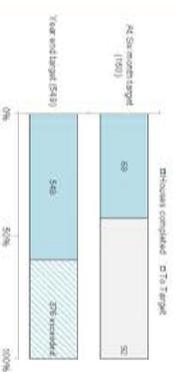


Housing Units
 Target: 15,103 units
 Completed to date: **1,457 (9.6%)**
 To meet target: 13,646 (90.4%)

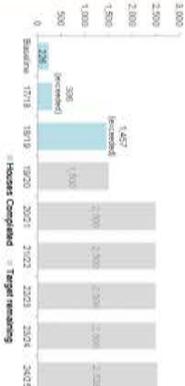


Status to date (cumulative – 2015-2025)

In year to date (2018-2019)



Annual Time series (2015 – 2025)



Measure: number of housing units completed as a direct result of the intervention
 Comments: To date 9.6% (1,457) of the target has been achieved with 226 housing units completed in the baseline period, 306 completed in 2017/18 and 925 completed so far in 2018/19, exceeding the original 2018/19 target by 376 housing units.

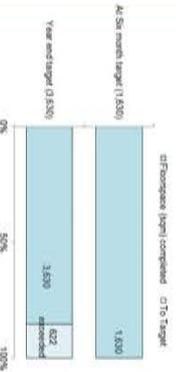


Commercial Floor Space
 Target: 166,190 sqm
 Created to date: **26,732 sqm (16.1%)**
 To meet target: 139,458 sqm (85.1%)

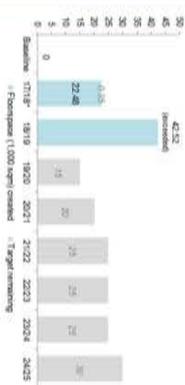


Status to date (cumulative – 2015-2025)

In year to date (2018-2019)



Annual Time series (2015 – 2025)



Measure: commercial area created in square metres of floor space.
 Comments: To date 16.1% (26,732 sqm) of the target has been achieved with 22,460 sqm completed in 2017/18, and 4,252 sqm so far in 2018/19, exceeding the original 2018/19 target by 622 sqm.

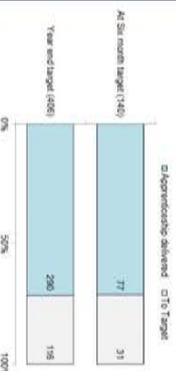


Skills (Apprenticeships)
 Target: 3,260 delivered
 Delivered to date: **1,134 (34.8%)**
 To meet target: 2,126 (65.2%)

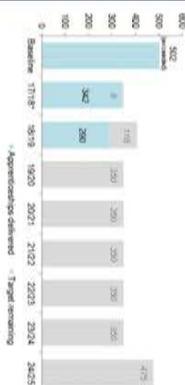


Status to date (cumulative – 2015-2025)

In year to date (2018-2019)



Annual Time series (2015 – 2025)



Measure: number of apprenticeships delivered as a direct result of the intervention.
 Comments: To date 34.8% (1,134) of the overall target has been achieved with 502 apprenticeships delivered in the baseline, 342 in 2017/18 and 290 so far in 2018/19.