Economic and Social Research Council

LIPSIT
LOCAL INSTITUTIONS, PRODUCTIVITY, SUSTAINABILITY & INCLUSIVITY TRADE-OFFS

ENTERPRISE M3 LOCAL ENTERPRISE PARTNERSHIP PROFILE

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Introduction

This profile of the Enterprise M3 Local Enterprise Partnership (EM3LEP) provides a detailed account of the region's devolved structure and data relating to key aspects of the economy, including: innovation, business, infrastructure, people, place and the environment.

Enterprise M3 Local Enterprise Partnership

The Enterprise M3 Local Enterprise Partnership (EM3LEP) is one of 38 (previously 39) private sector-led LEPs created to facilitate financial planning, regeneration, transport and labour market interventions at the local level. The EM3LEP covers west Surrey and most of the county of Hampshire and is one of six LEPs in the Greater South East. The EM3LEP is made up of 14 administrative districts: Basingstoke and Deane, East Hampshire, Elmbridge, Guildford, Hart, New Forest, Runnymede, Rushmoor, Spelthorne, Surrey Heath, Test Valley, Waverley, Winchester and Woking[1]. As well as major urban centres, the area also has extensive rural towns and villages, two national parks, education and innovation clusters and corporate HQs, military sites and sites of outstanding natural beauty and heritage. The EM3LEP has a population of 1,704,600.

Figure 1: Geography of the Enterprise M3 LEP

[1] As of April 2019 New Forest is no longer included in the EM3LEP. As this is a recent development the data included in this profile is for the 14 LA geography as listed here.

The EM3LEP Board is made up of 20 members, the details of which can be found in Table 1 below.

Board Members	
Dave Axam (LEP Board Chair)	Managing Director of Ai2EV
Dr Deborah Allen (Deputy Chair)	Managing Director of Operational Governance at BAE Systems PLC
Kathy Slack (Chief Executive)	
Julie Baker	Head of Enterprise and Community Finance at Natwest
Stacey King	
Linda Cheung	Co-founder of Connectegrity
Barney Ely	Director at Hays Human Resources
James Cretney	Chief Executive of Marwell Wildlife
Jim McAllister	CEO of The Rutland Group
Cllr Colin Kemp	Deputy Leader of Surrey County Council and Cabinet Member for Economic Growth
Cllr David Clifford	Leader of Rushmoor Borough Council
Virginia Barrett	Principal CEO of Farnborough College of Technology
Sarah Jane Chimbwandira	CEO Surrey Wildlife Trust
Dr Mike Short	Chief Scientific Advisor, Department for International Trade, and Visiting Professor – University of Surrey
Cllr Rob Humby	Deputy Leader of Hampshire Country Council and Executive Member for Economy, Transport and Environment
Cllr Richard Millard	Leader of East Hampshire District Council
Cllr Caroline Reeves	Leader of Guildford Borough Council
Cllr Ian Harvey	Leader of Spelthorne Borough Council
Brian Woods	Regional Chairman of the South East Region Federation of Small Businesses
Joy Carter	Vice-Chancellor – University of Winchester

Table 1: EM3LEP Board Members

Enterprise M3 operates within an Assurance Framework, which sets out its governance arrangements, policies and protocols, and the relationship with the accountable local authority including management of funding. The Enterprise M3 Board has agreed a high-level governance for Enterprise M3 LEP, which includes the following groups:

- Enterprise M3 Board
- Enterprise M3 Programme Management Group
- Enterprise M3 Joint Leaders Board
- Enterprise M3 Nominations and Remuneration Committee
- Enterprise M3 Resources, Finance and Audit Committee
- Enterprise Zone Programme Steering Group
- Enterprise M3 European Management Group
- Enterprise M3 sub Groups as determined by EM3 Board

For a full overview of the Enterprise M3 LEP governance structure see **Appendix A**.

Following the government's commitment in 2013 to negotiate Growth Deals with every Local Enterprise Partnership (LEP), LEPs were tasked with developing multi-year strategic economic plans (SEPs) to

demonstrate their commitment to the growth agenda and to set out their priorities in return for freedoms, flexibilities and influence over resources from government and a share of the Local Growth Fund.

Through the delivery of their first SEP in 2014 – *'Working for a Smarter Future: The Enterprise M3 Strategic Economic Plan – 2014-2020'* - the EM3LEP set out their growth vision (see **Appendix B** for a full overview of Enterprise M3 LEP's strategy for growth):

1. An economically competitive area driven by innovation in science and technology business
2. A region of complementary Growth Towns combined with a vibrant rural economy – with the collective economic significance of a City Region
3. A region supported by strong infrastructure offering unparalleled accessibility, attractive to national and international businesses
4. An exceptionally attractive place to live and work for all

> *"Our vision is for the Enterprise M3 area to be 'the premier location in the country for enterprise and economic growth, balanced with an excellent environment and quality of life'"*
>
> EM3LEP Vision Statement 2014

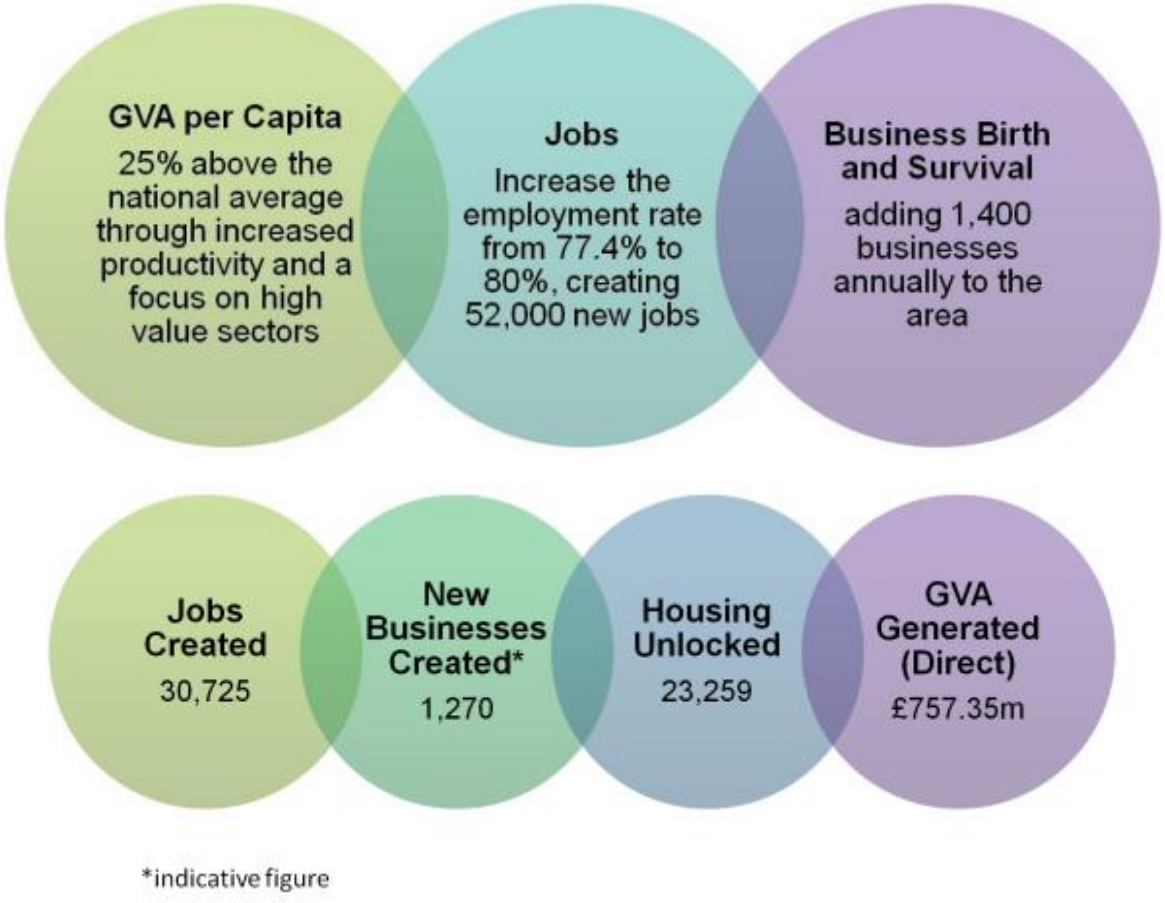


Figure 2: Enterprise M3 LEP Growth Vision by 2020 (Source: The Enterprise M3 Strategic Economic Plan - 2014-2020)

In 2019, Enterprise M3 LEP submitted their Local Industrial Strategy – 'Local Industrial Strategy: Defining our Approach' - to government. This document sets out the following strategic priorities:

- Interventions which strengthen the case for frontier sectors to locate in the area and which support leading edge innovation (the only way to guarantee talent will be drawn in) and provide more capacity for businesses to collaborate and leverage their collective strengths to take part in such innovation but also to secure change on essential bread and butter issues such as premises, access to finance, connectivity and marketing;
- Further diversification from existing strengths including in the low carbon sector and more collaboration between sectors which increasingly see common skills in their workforces as fundamental to a successful future;
- More of the highly skilled resident population being encouraged to work in the area;
- Horizontal interventions on skills, housing, infrastructure including digital connectivity, smart mobility systems, and the viability and vitality of towns to make the area a good one in which to do business;
- Collaboration with local government to identify where and how physical change and infrastructure enhancement could best happen in terms of the spatial pattern of development.
- Addressing in a sustainable way the increasingly serious constraints on energy, water and other utility services and having a far more comprehensive view about the role of natural capital in shaping future economic growth;
- Promoting decarbonisation and innovation in all of these interventions.

A summary of external funding received by the Enterprise M3 LEP to date in shown in Table 2.

	Total (£m)	**Per Head (£)**
Regional Growth Fund 2011-12 to 2016-17	4.0	2.45
Growing Places Funding 2011-12	21.7	13
Growth Deals 2014-2021	219.1	130.8
European Structural and Investment Fund 2014-2020	39.1	23

Table 2: External Funding at EM3LEP level (Source: Smart Specialisation Hub 2019)

Enterprise M3 LEP Key Statistics

In Table 3 below, figures for the EM3LEP are shown for a number of key indicators related to prosperity, inclusivity and sustainability. Figures for the UK are also provided as a baseline to assess regional performance according to latest data and over a 5-year period.

	EM3LEP		**UK**	
	2018	% change 2013-18	2018	% change 2013-18
GVA per/hour	120	**6.4**	100	**2.0**
Median gross weekly pay for full-time workers	622.9	**10.2**	568.3	**9.8**
Employment rate 16-64	81.5	**5.3**	75.0	**5.3**

% of total employees in low pay sectors[2]	32.2	**-1.2**	33.7	**-1.7**
% of workers in high-skilled occupations (SOCs 1, 2, 3)	18.2	**3.8**	14.9	**5.5**
% of working-age population with NVQ Level 2+ quals.	82.4	**3.3**	74.9	**3.7**
% in-work households with and without children receiving child and/or working tax credits	11.6	**-28.6**	22.1	**-29.1**
20:20 ratio of median weekly pay (gross), ft workers	2.6	**3.5**	2.27	**-0.02**
Ratio of lq. house price to lq. earnings[3]	11.7	**26.0**	7.3	**11.1**
Life Expectancy (females)	84.8	**0.5**	82.9	**0.2**
% of total connections receiving superfast broadband (>= 30 Mbits) (years = 2016-18)	58.7	**46.6**	55.3	**36.5**
% of workless households	9.0	**-12.6**	14.5	**-16.2**
CO2 per capita emissions (t) (years = 2017, 2013-17)	5.4	**-20.4**	4.5	**-23.7**
Total residual fuel consumption, tonnes of oil equivalent per capita (years = 2017, 2013-17)	0.55	**-36.6**	0.3	**-9.3**
Total transport energy consumption, tonnes of oil equivalent per capita (years = 2017, 2013-17)	0.83	**-0.1**	0.57	**-0.3**
Motor vehicle traffic per capita, vehicle miles[4]	7204	**3.1**	5083	**4.2**
Municipal waste generation, tonnes per capita[5]	0.34	**-1.7**	0.66	**-4.3**
% of household waste sent for recycling/reuse/composting[6]	42.9	**4.2**	43.0	**-0.5**

Table 3: EM3LEP Key Statistics

This data was used to develop a regional typology to assess the productivity, inclusivity and sustainability of all UK regions in relation to the nature of their economies and their outcomes over time. Table 3 below shows the results of this typology for the EM3LEP, indicating its performance in relation to all other regions in England (LEPs and CAs), Wales and Scotland.

	LEVELS (2018)			CHANGE (2013-2018)		
	PROSPERITY	**INCLUSIVITY**	**SUSTAINABILITY**	**PROSPERITY**	**INCLUSIVITY**	**SUSTAINABILITY**
EM3LEP	HIGH	MEDIUM	MEDIUM	MEDIUM	LOW	HIGH

Table 4: EM3LEP performance on prosperity, inclusivity and sustainability (levels and change)

LOW = Q1; MEDIUM = Q2 and Q3; HIGH = Q4

The results indicate the following for the EM3LEP:

Prosperity - performance high and improving in line with other regions

Inclusivity - performance medium and improving lower than average compared to other regions

Sustainability - performance medium and improving above average compared to other regions

[2] UK = Data for Great Britain
[3] UK = Data for England and Wales
[4] UK = Data for Great Britain
[5] UK = Data for England, 2014-18
[6] UK = Data for England, 2014-18

PROSPERITY	**120** GVA per/hour (index) (UK=100) ⬆ 6.4% 2013-18	**£622.9** Median gross weekly pay for full-time workers ⬆ 10.2% 2013-18	**81.5%** Employment rate 16-64 ⬆ 5.3% 2013-18	**32.2%** of total employees in low pay sectors ⬇ 1.2% 2013-18	**18.2%** of workers in managerial, professional and technical occupations ⬆ 3.8% 2013-18	**82.4%** of working age population with NVQ2+ quals. ⬆ 3.3% 2013-18
INCLUSIVITY	**11.6%** In-work households receiving child and/or working tax credit ⬇ 28.6% 2013-18	**2.6** 20:20 ratio of median weekly pay ⬆ 3.5% 2013-18	**11.7** Ratio of lower quartile house price to lower quartile earnings ⬆ 26.0% 2013-18	**84.8** Female life expectancy ⬆ 0.5% 2013-18	**58.7** of premises with access the superfast broadband ⬆ 46.6% 2016-18	**9.0%** of workless households ⬇ 12.6% 2013-18
SUSTAINABILITY	**5.4** CO2 per capita emissions ⬇ 20.4% 2013-17	**0.55** Total residual fuel consumption (tonnes of oil equivalent per capita) ⬇ 36.6% 2013-17	**0.83** Total transport energy consumption (tonnes of oil equivalent per capita) ⬇ 0.1% 2013-17	**7204** Motor vehicle traffic (vehicle miles per capita) ⬆ 3.1% 2013-18	**0.34** Municipal waste generation (tonnes per capita) ⬇ 1.7% 2013-18	**42.9** of household waste sent for recycling/reuse/composting ⬆ 4.2% 2013-18

Productivity in Enterprise M3 LEP is considerably higher than the national average. Looking at GVA/hour as the best proxy measure of productivity available, Figure 3 shows that GVA/hour worked has been consistently higher than the UK average over a 5 year period (2013-18). In 2018, GVA/hour in the EM3LEP was £42.0 compared to £35.0 for the UK. It should be noted that the data used in Figure 3 should not be used to compare GVA/hour between years but only within years.

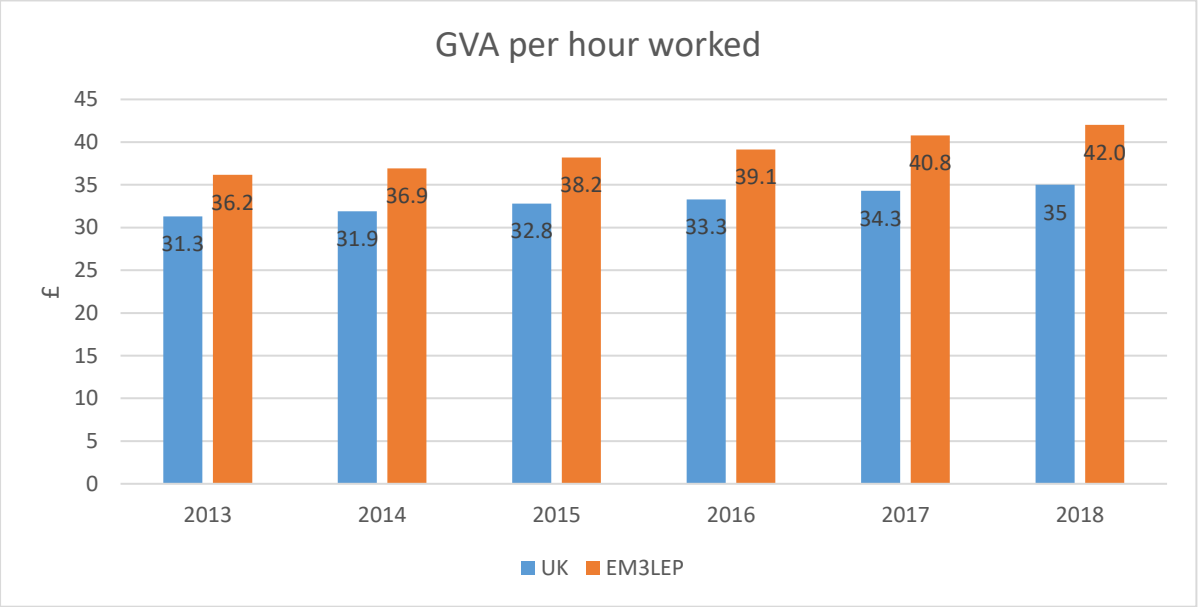


Figure 3: GVA per hour worked (£), nominal (smoothed) (Source: ONS)

Now turning to look at the growth of GVA/hour in EM3LEP over a 5-year period, Figure 4 below provides a positive outlook of performance. Growth in GVA/hour in the EM3LEP was growing at a slightly slower pace than the UK average between 2013 and 2016, but then growth rose above the UK average in real terms in 2017 and rose further still in 2018.

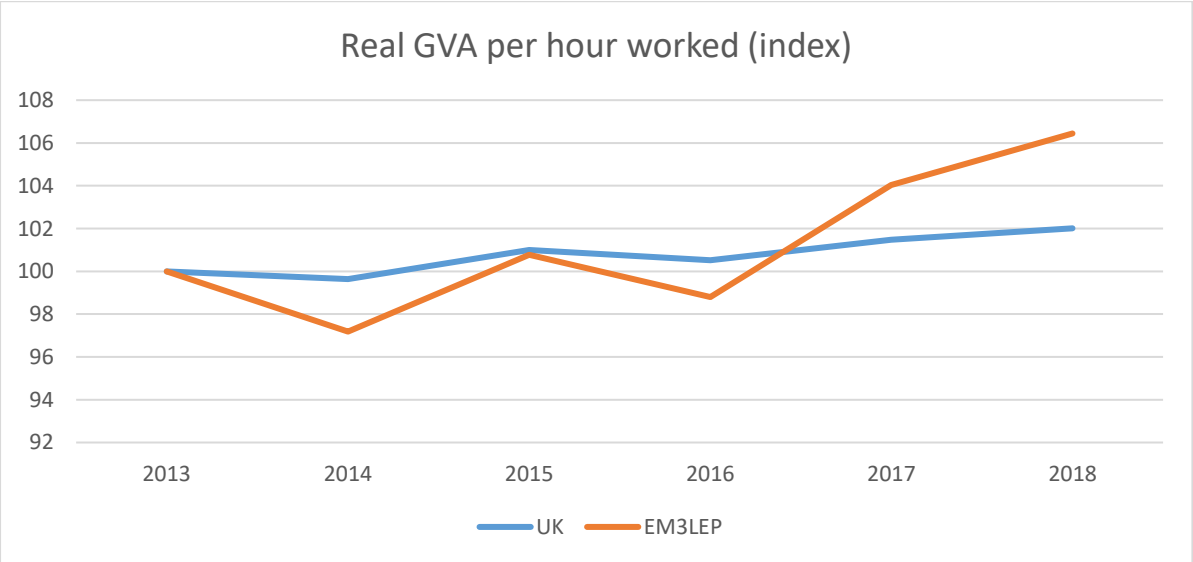


Figure 4: Real GVA per hour worked (index) (Source: ONS)

1. Innovation

Figure 5 and Tables 5-6 below provide an initial indication of the strength of the innovation environment in the EM3LEP. Figure 5 gives an approximation of the extent to which firms are engaged in different types of innovation activity in the EM3LEP area, including the lowest and highest proportions for each metric of all LEP areas as benchmarks. This data shows that the EM3LEP performs strongly in innovations related to 'innovation sales'. The EM3LEP performs particularly less well in innovations related to 'marketing'.

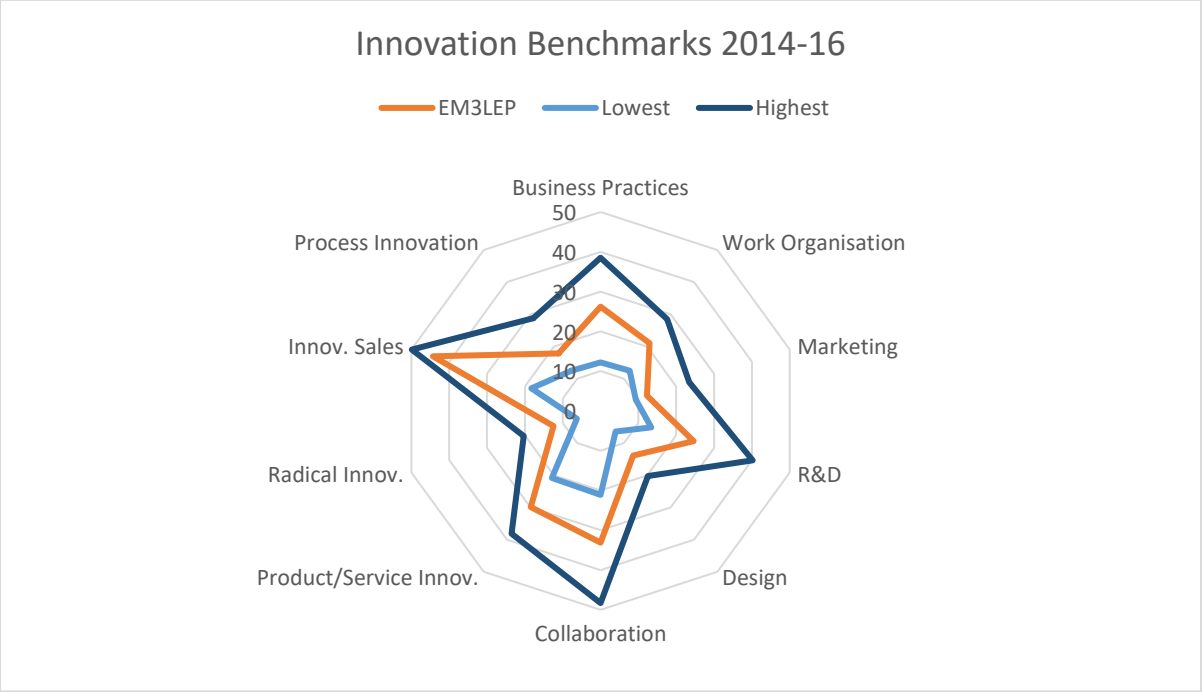


Figure 5: Innovation Benchmarks (Source: Roper and Bonner, 2019)

	Business Enterprise Spending on R&D		Higher Education Spending on R&D	
	£/FTE	Benchmark relative to average LEP value	£/FTE	Benchmark relative to average LEP value
Enterprise M3	905	1.12	140	0.67

Table 5: Spending on R&D, 2014 (Source: Smart Specialisation Hub)

	Interactions between HE Institutions and Business			
	Consultancy	Benchmark relative to average LEP value	Contract Research	Benchmark relative to average LEP value
Enterprise M3	2034	0.42	12507	1.54

Table 6: Interactions between HE Institutions and Business: Income for consultancy and contract research for SME's and large businesses, HEBCI, 2014/15-2015/16 (average over 2 years) (Source: Smart Specialisation Hub)

Table 5 above shows that the EM3LEP performs above average in terms of business enterprise spending on R&D, with £905 spent for each full-time equivalent job and a benchmark relative to the average LEP value of 1.12. Also shown in Table 5 is higher education spending on R&D where the

EM3LEP performs below average with £140 spent for each full-time equivalent job and a benchmark relative to the average LEP value of 0.67. The EM3LEP also performs below the average for all LEPs on the number of interactions between HEIs and business in terms of consultancy (a total of 2034 interactions between 2014 and 2016 and a benchmark of 0.42) but higher than average for contract research (a total of 12507 interactions between 2014 and 2016 and a benchmark of 1.54) as shown in Table 6.

The University of Surrey is a research intensive university with over 17,000 students enrolled in the 2019-20 academic year. Other universities in the region include: University of Winchester, Royal Holloway University and University for the Creative Arts (Farnham).

The EM3LEP has 4 science parks, these are:

- Surrey Space Incubator (University of Surrey) – a world-leading research centre for small, low cost space missions. The Space Centre is linked to the Surrey Space Incubator on Surrey Research Park.
- 5G Innovation Centre (Surrey) – world's first dedicated research centre for 5G telecommunications technology
- Institute for Cyber Security Innovation (Royal Holloway University) – an internationally recognised centre of excellence in cyber security research
- The Pirbright Institute – a world leading centre of excellence in research and surveillance of virus diseases of farm animals and viruses that spread from animals to humans.

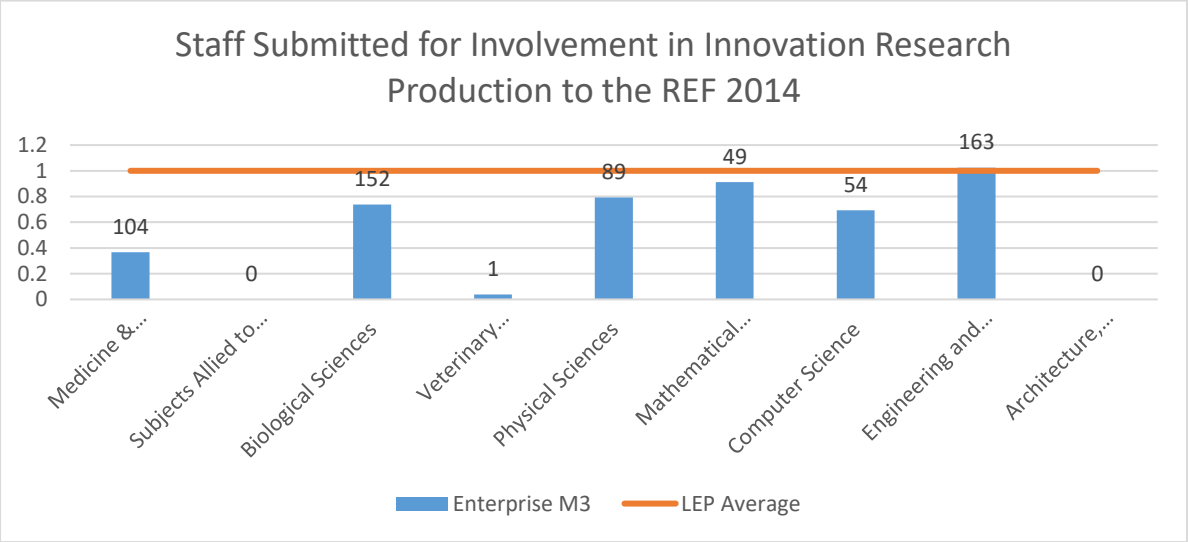


Figure 6: Staff submitted for involvement in innovation research production to the REF 2014 (Source: Smart Specialisation Hub)

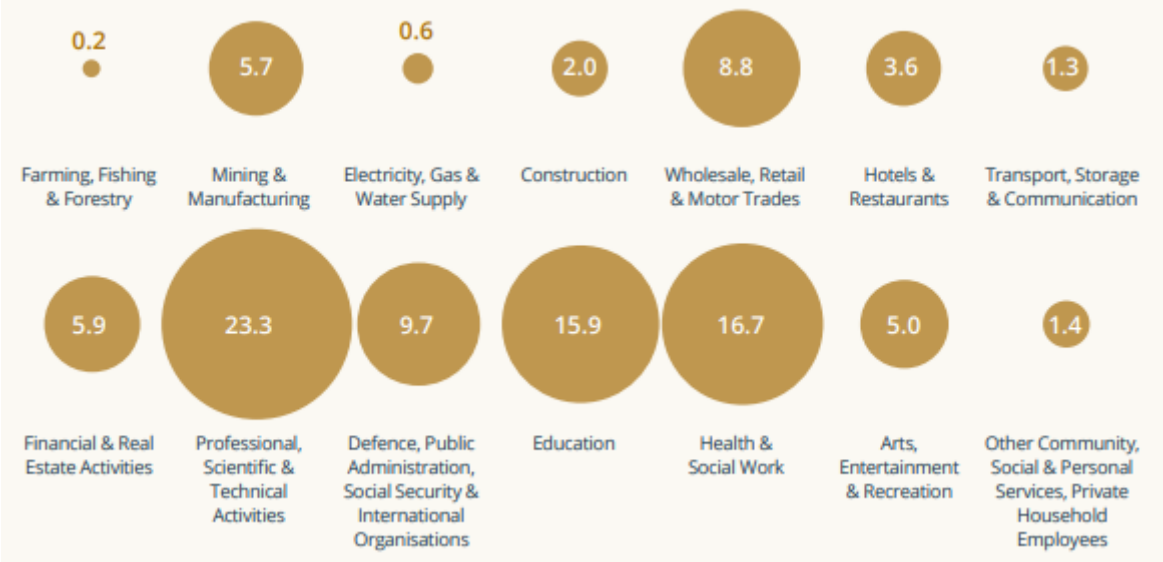


Figure 7: Employment of first degree graduates across industry sectors in the EM3LEP (%) (Source: Smart Specialisation Hub)

Figure 7 provides a breakdown of employment of First Degree Graduates across industry sectors. The largest sector is Professional, Scientific and Technical Activities (23.3%) followed by Health and Social Work (16.7%).

Relative to the LEP average, the EM3LEP has over twice as many jobs as the LEP average in digital technologies as shown in Figure 8.

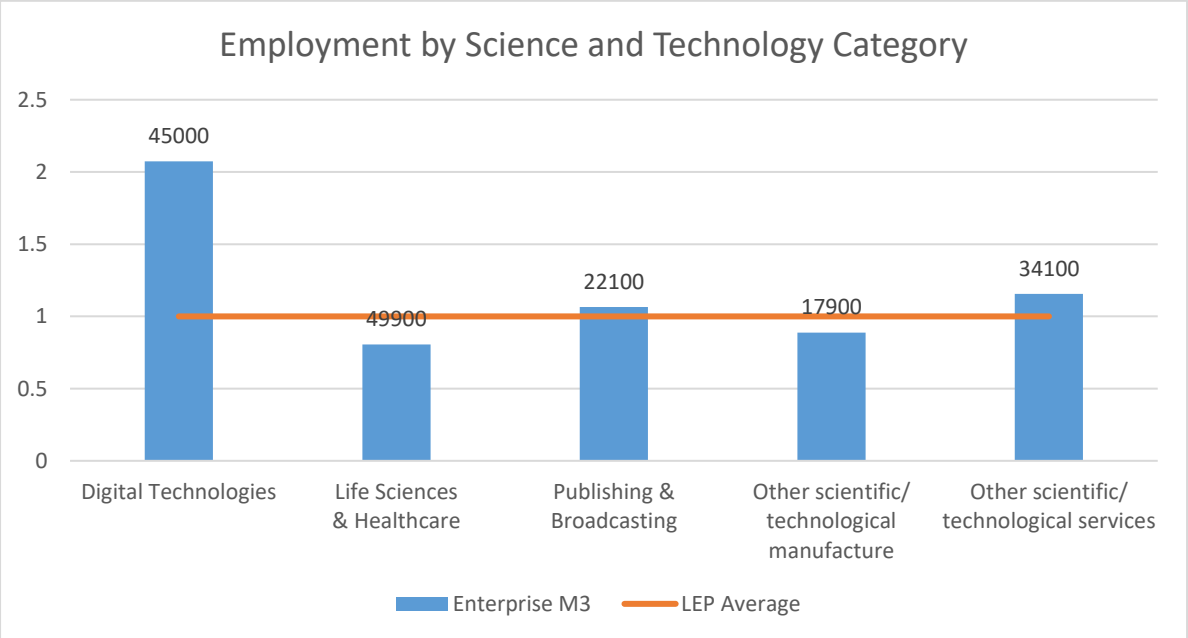


Figure 8: Employment by science and technology category (Source: Smart Specialisation Hub)

Latest analysis of the national space industry puts the space sector in Enterprise M3 in the top 5 areas in the UK for four key measures:

- Total number of space organisations – 105 - an increase of 33% since 2016
- Total employment in space organisations - 3,245
- Total turnover of space organisations headquartered in Enterprise M3 - £1.5 billion
- Total turnover of all space organisations with operations in Enterprise M3 - £9 billion

Space is a priority sector in the LEP's emerging Local Industrial Strategy (LIS). Enterprise M3 highlights the key aspects attracting space businesses to the area, including access to an aerospace, space and defence cluster, top UK universities with first class research facilities and a strong graduate talent pool, six innovation centres with specialities including 5G, and excellent connections by road and rail to London.

2. Business

The EM3LEP's business base currently stands at 95905 (563 per 10,000 population compared to 442 for the UK in 2018). This is well above the national average. Business births per 10,000 population for the EM3LEP is also higher than the national average at 61 compared to 57 in 2018 (see Table 7). Figure 9 shows that business births are exceeding business deaths across all local authorities in the EM3LEP area with the exception of Guildford where births are matching deaths. This shows that the EM3LEP is on an upwards trajectory for growing its business base. Figure 10 shows the proportion of start-ups scaling <£500k to £1m+ in 3 years (2015-18) and survivors scaling £1-2m to £3m+ in 3 years (2015-18). On the growth of start-ups, the data shows that the Em3LEP falls just below the English average at 1.9% compared to 2.0%. On the growth of existing businesses, EM3LEP falls above the average for England at 8.1% compared to 7.6%. Between 2010-13 and 2015-18, EM3LEP consistently had a higher high growth firm incidence rate that the UK average (see Figure 11).

	Business stock (2018)	**Business stock per 10,000 population**	**Start-ups per 10,000 population**
UK	2939520	442	57
Enterprise M3 LEP	95905	563	61

Table 7: Business Stock and Start-ups (Source: ONS Business Demography, 2018)

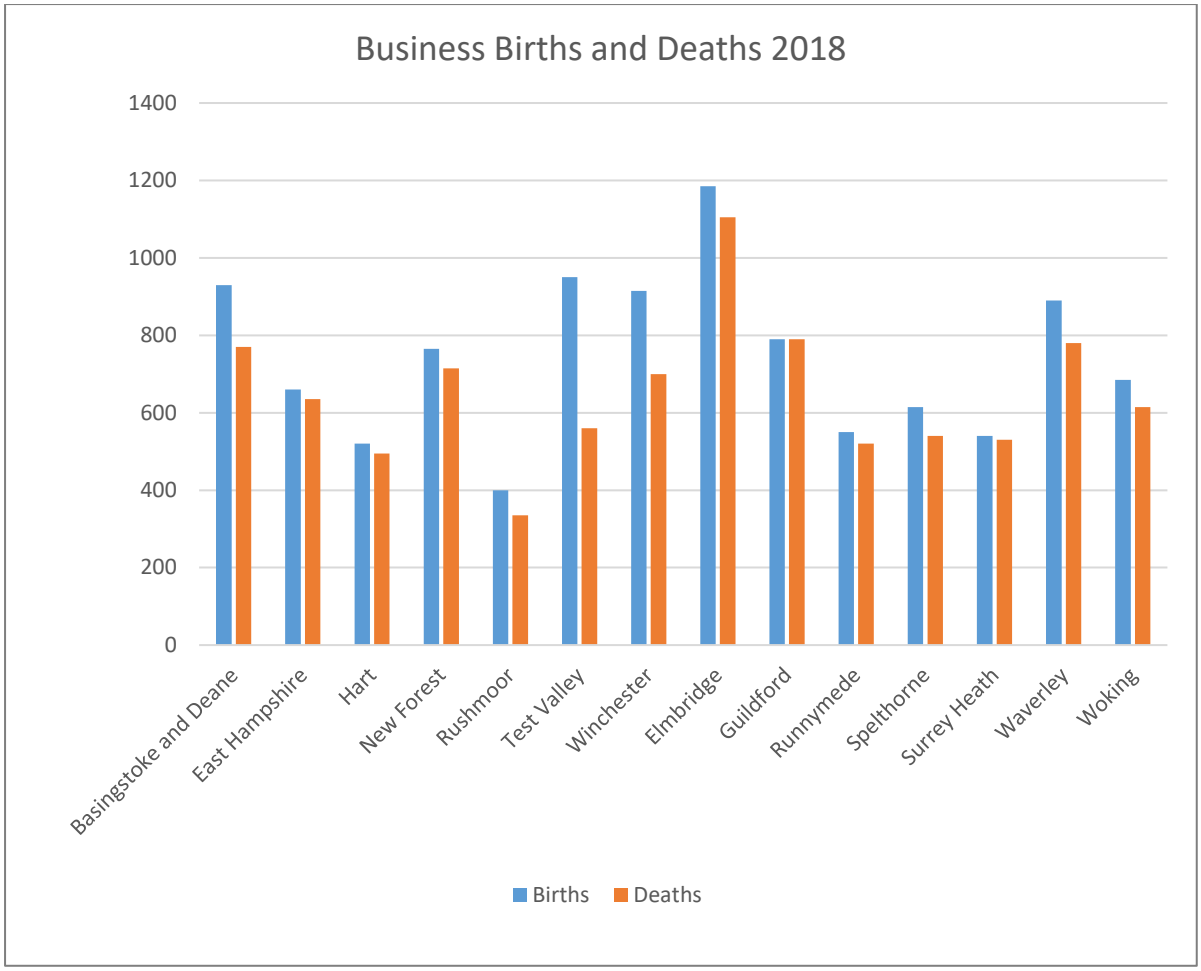


Figure 9: Business Births and Deaths (Source: ONS Business Demography, 2018)

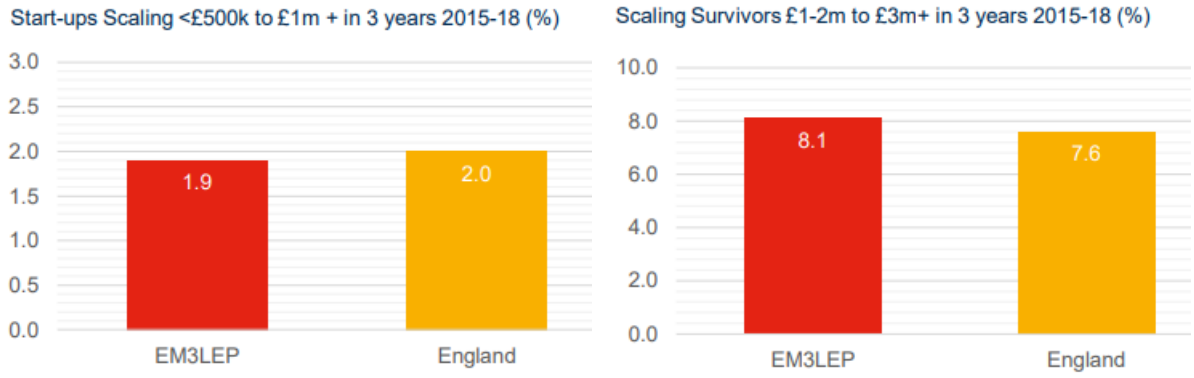


Figure 10: Growth of start-ups scaling <£500k to £1m+ in 3 years 2015-18 (Source: Enterprise Research Centre, 2018)

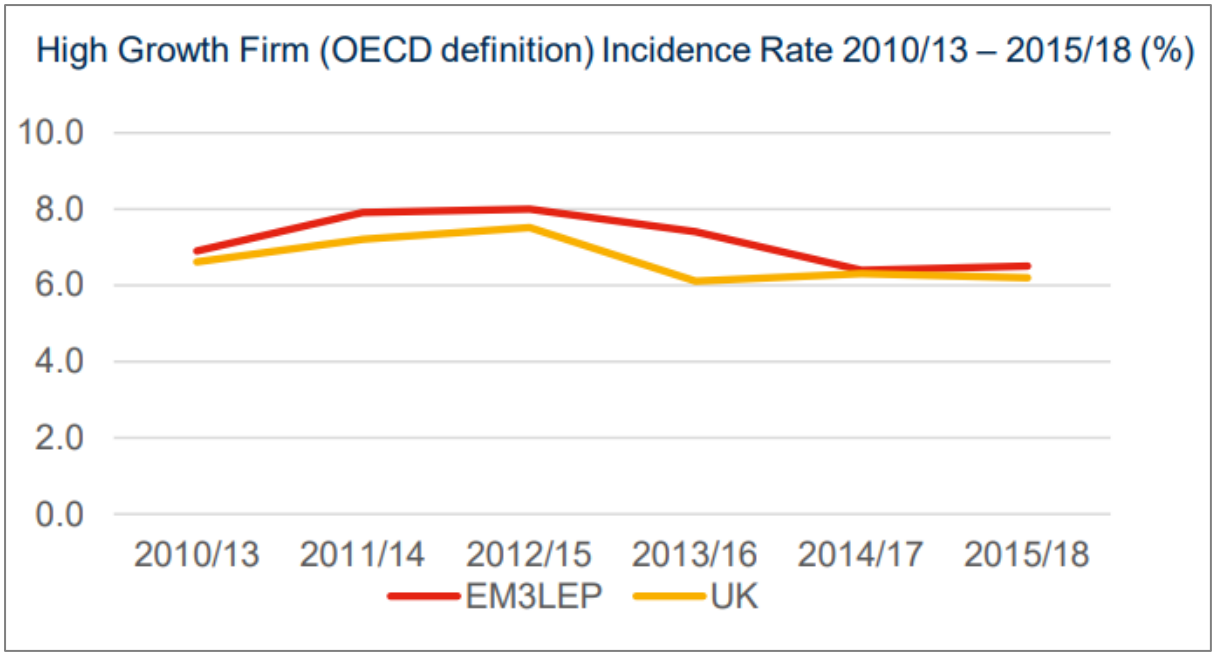


Figure 11: High growth firm incidence rate 2010/13 – 2015/18 (%) (Source: Enterprise Research Centre, 2018)

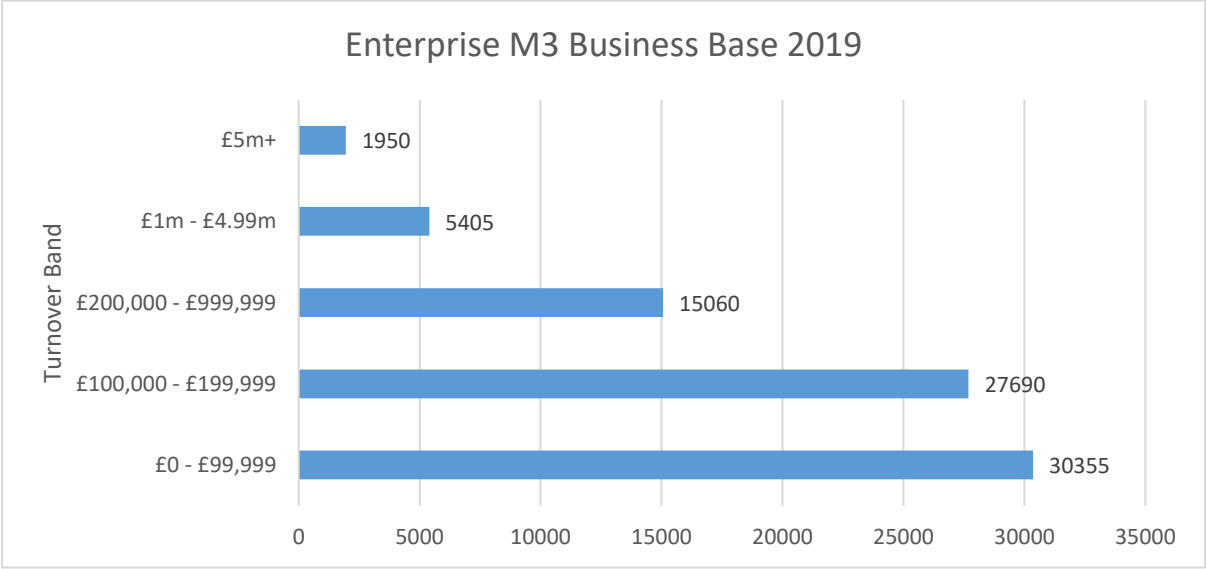


Figure 12: EM3LEP Business Base 2019 (Source: ONS Business Demography 2019)

	Enterprise M3 (number)	Enterprise M3 (%)
Micro (0 to 9)	72890	90.6
Small (10 to 49)	6115	7.6
Medium (50 to 249)	1135	1.4
Large (250+)	325	0.4
Total	**80465**	**-**

Table 8: Employment size band of businesses 2019 (Source: ONS)

Table 7 shows that the vast majority of EM3LEP enterprises (90.6%) are small firms with 0 to 9 employees. Only 0.4% of enterprise firms in the EM3LEP employ more than 250 people.

Figure 13 shows jobs by broad sector for the EM3LEP and Great Britain. The EM3LEP has a strong business base focused on 'professional, scientific and technical' (11.0% of total employment). Other sectors the EM3LEP scores higher than the national average include: 'education' (9.1%), 'accommodation and food services' (7.7%), 'information and communication' (7.1%), 'arts, entertainment, recreation and other services' (6.0%), 'construction' (5.6%), 'wholesale' (5.3%) and motor trades (2.0%).

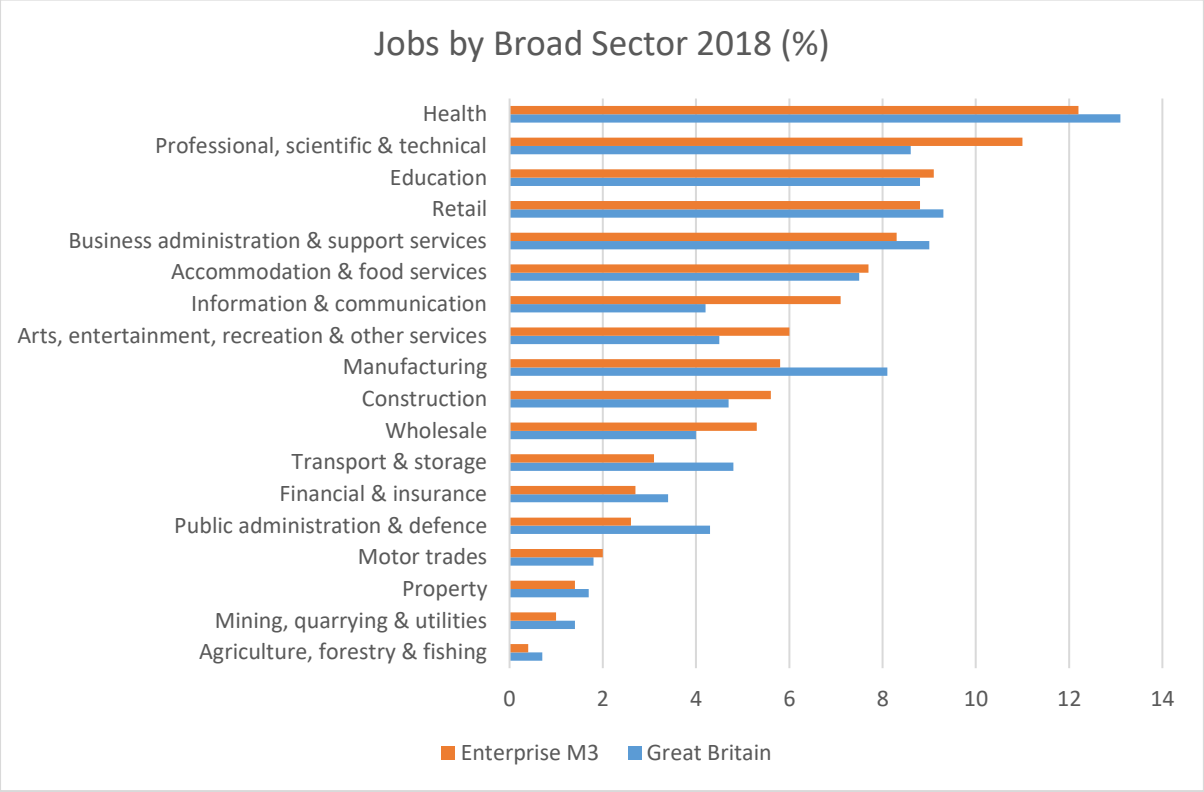


Figure 13: Jobs by broad sector (Source: BRES, 2018)

Data for 2017 shows total goods exports from EM3 of £14.56bn. Of this, £7.47bn was bound for EU destinations (51.3% of total) while £7.09bn (48.7%) went to non-EU destinations (Source: EM3LEP Local Industrial Strategy Evidence Base).

- By countries: the USA is the largest investor in the LEP area (17 projects / 36%) followed by France, the Netherlands and India (all with 3 projects).
- By sectors: companies in software and computer services made the most investments (10) followed by life sciences (5) and then aerospace (4).
- By project location: Guildford, Basingstoke and Farnborough account for 60% of all inward investments.

3. Infrastructure

"We are known for our exceptional connectivity. The Enterprise M3 area is located at the heart of a transportation hub connecting UK businesses to the rest of the world. In addition to its proximity to Heathrow, Gatwick and Southampton airports, within the area lies Farnborough Airport - one of Europe's premier business aviation airports. Road and rail connections include stretches of the M25 and much of the M3 and A3, as well as 75 railway stations." (Source: EM3LEP SEP 2014)

Figure 14: South East Infrastructure Map (Source: Transport for the South East 2019)

Figure 14 shows the key corridors identified from the Transport for the South East Economic Review. The strategic economic corridor for EM3 is the South Western Corridor. This comprises the A3 Portsmouth Direct Line; the M3/M26 South Western Mainline; the A33 Basingstoke-Reading Line; and the A34 South Western Main Line. The A3 and M3 forms the M25 to Solent Corridor. Highways England has identified this corridor as a priority investment for Government. There are constraints on the M3 from Farnborough to the M25 and North of Guildford on the A3. The rail network across the LEP region connects major settlements to London and across the South East. With a number of ports, the nation's busiest airports, Heathrow and Gatwick, and access to the Channel Tunnel, the authorities that make up Enterprise M3 are well placed to benefit from strategic rail investment. However, significant parts of the highway network experience high levels of congestion during peak hours. The highest levels of congestion are on roads closest to major urban centres. Congestion is concentrated to the north east of EM3 in Elmbridge, Woking and Guildford area and in the south west of EM3 to Southampton.

Figure 15 shows the priority transport schemes for the region, Figure 16 shows a select number of infrastructure investments and Figure 17 provides a map of key businesses.

Figure 15: Priority Transport Schemes (Source: [Enterprise M3 Local Industrial Strategy])

Figure 16: A selection of completed infrastructure investments (Source: EM3LEP Annual Report 2016-17)

Figure 17: Enterprise M3 Key Businesses (Source: EM3 Strategic Economic Plan 2014-20)

Enterprise M3 has also invested £1.5m into the world's first 5G Digital Gaming Hub. This will enable an upgrade of the 5G test bed from '4G plus' to full 5G standard, the production of a walk through live virtual reality demonstrator and a live 'tactile internet' demonstration, where a robot manipulator provides real time video and force feedback to operator. The development of virtual reality and augmented reality (AR) in gaming is enabling other sectors such as med tech, defence, transport etc. to explore new products and engage with mobile technologies, e.g. use of VR in medical rehabilitation.

Figure 18 shows that housing stock in the EM3LEP has been rising in recent years, although this was at a slower pace that the average for England between 2013 and 2017. Between 2017 and 2018, the number of dwellings in the EM3LEP rose by 1.1% compared to 0.9% for England.

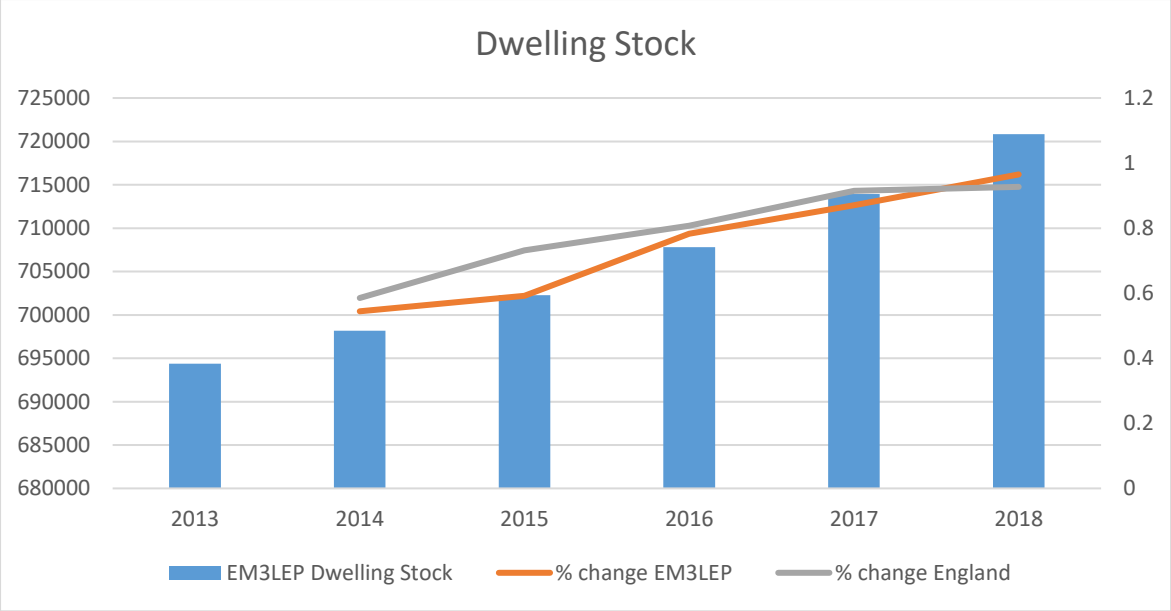


Figure 18: Dwelling Stock (Source: Ministry of Housing, Communities and Local Government, 2018)

The ration of median house prices to median gross annual earnings are particularly high in the EM3LEP. In 2018, the median house price in Surrey was 11.8 times the median wage and in Hampshire it was 9.6 times higher. Between 2013 and 2017 housing costs in the EM3LEP area were increasing faster than local salaries (see Figure 19). This did change, however, between 2018 and 2019 when earnings rose just above the rate for house prices.

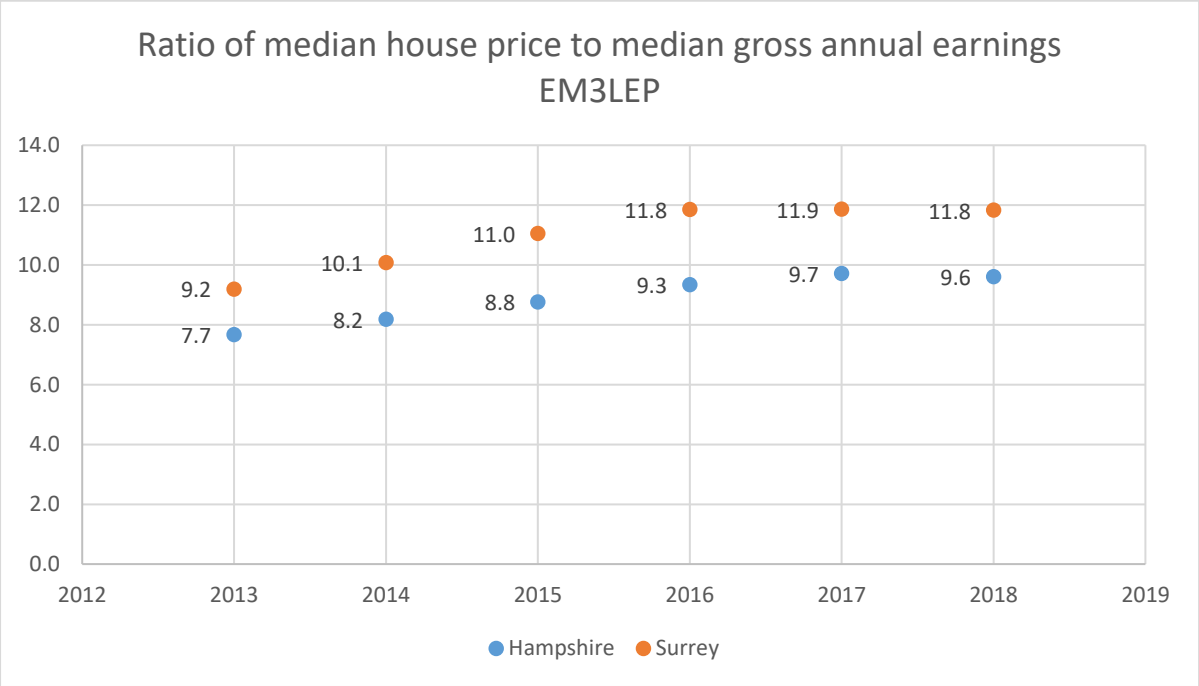


Figure 19: Ratio of median house price to median gross annual earnings in the EM3LEP

Superfast broadband connectivity in the EM3LEP is higher than the average for the UK at 58.7% compared to 55.3% respectively. Broadband speeds tend to improve in proximity to London. The north east of the LEP is best-served by digital infrastructure.

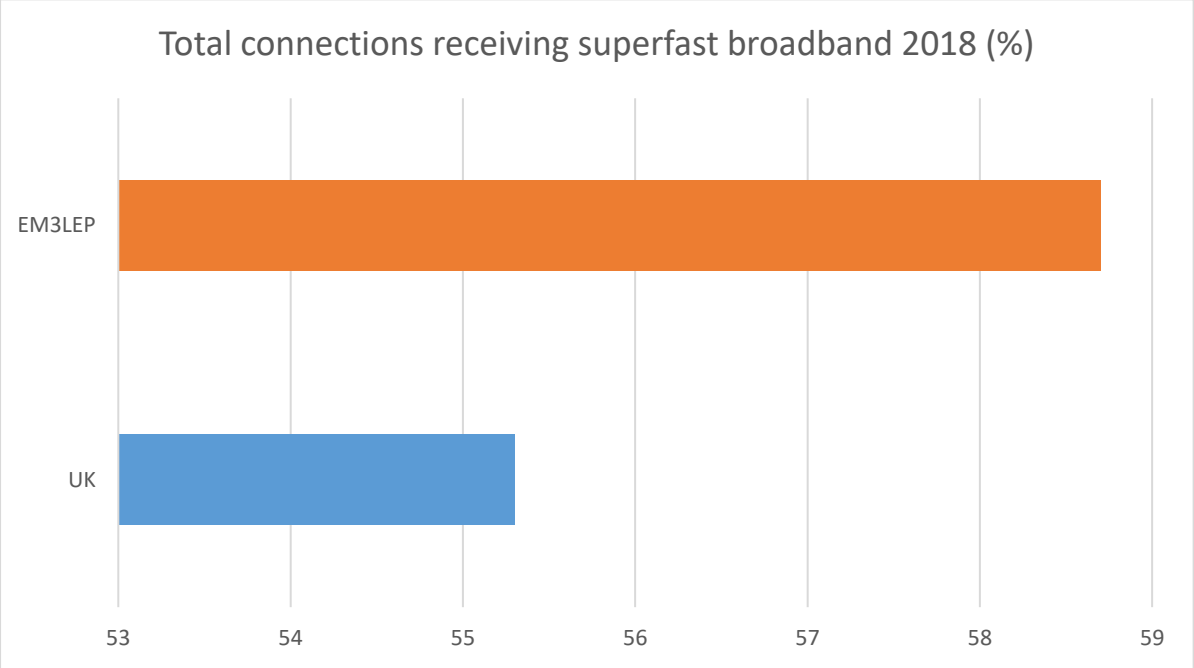


Figure 20: Total connections receiving superfast broadband (Source: OFCOM, Connected Nations 2018)

4. People

	EM3LEP	EM3LEP (%)	Great Britain (%)
All people aged 16-64	1037600	60.9	62.7
Economically Active	815400	83.2	78.9
In Employment	798700	81.4	75.7
Employees	661000	68.9	64.7
Self Employed	132700	12.4	10.8
Unemployed	16600	2.0	3.9

Table 9: Working age population, employment and unemployment 2018 (Source: ONS Annual Population Survey)

	EM3LEP (%)	Great Britain (%)
NVQ4+	49.0	39.3
NVQ3+	66.2	57.8
NVQ2+	82.4	74.9
NVQ1+	90.8	85.4
Other Qualifications	4.9	6.8
No Qualifications	4.3	7.8

Table 10: Qualifications 2018 (Source: ONS Annual Population Survey)

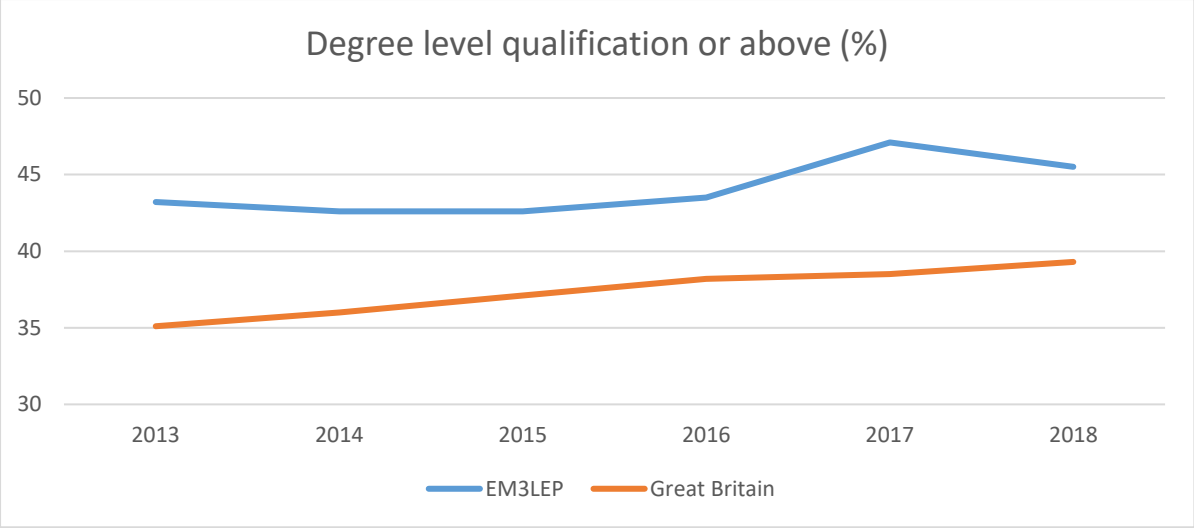


Figure 21: Population aged 16-64 with NVQ4+ qualifications (Source: ONS)

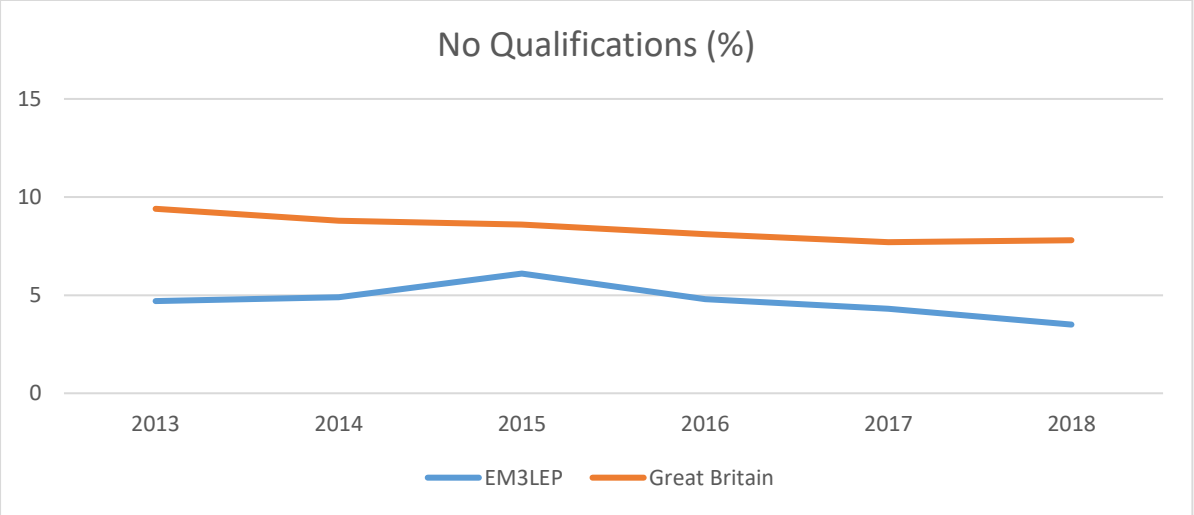


Figure 22: Population aged 16-64 with no qualifications (Source: ONS)

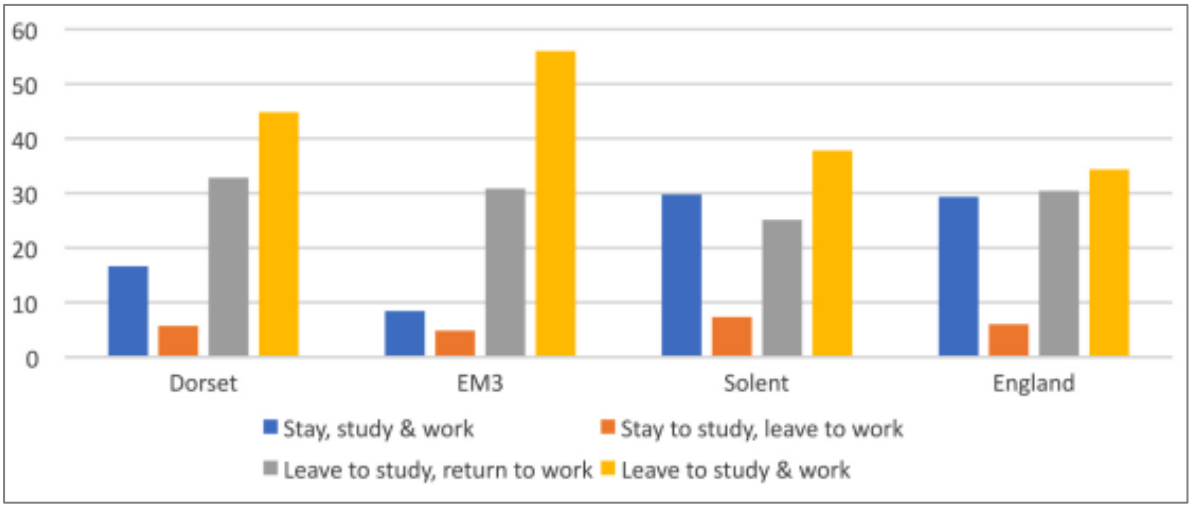


Figure 23: Study/work destination of those living in LEP (% by LEP of domicile) 2010-11 to 2014-15 (Source: Home, here or London? Retaining graduates from the central South's universities)

5. Place

The visitor economy is an important sector in the Enterprise M3 LEP area. This sector has an estimated value of £2.66bn and employs over 61,000 people. Hampshire is one of the most visited counties in the UK having the Surrey Hills Area of Outstanding Natural Beauty (AONB) and two national parks, New Forest National Park and the South Downs National Park. Drawing visitors from London, including international visitors, will help grow the visitor economy in the LEP area. This can be achieved by investing in visitor attractions to improve the visitor offer. Priority will be given to projects that:

- develop new visitor/tourism attractions and facilities
- enhance current visitor attractions and facilities to improve their offering.

Source: Rural Tourism Infrastructure Handbook

The EM3LEP is an area with relatively very low levels of deprivation. According to the 2019 Index of Multiple Deprivation (IMD) for England, only 0.9% of the EM3LEP falls within the 20% more deprived areas nationally. In contrast, 51.9% of the EM3LEP falls within the 20% least deprived areas (see Table 11). The distribution of deprivation in the EM3LEP is shown in Figure 24.

2019 IMD		
	No.	**%**
10% most deprived	0 (out of 912 LSOAs)	0.0%
20% most deprived	8 (out of 912 LSOAs)	0.9%
10% least deprived	303 (out of 912 LSOAs)	33.2%
20% least deprived	473 (out of 912 LSOAs)	51.9%

Table 11: 10% and 20% most and least deprived areas in the EM3LEP (Source: IMD 2019)

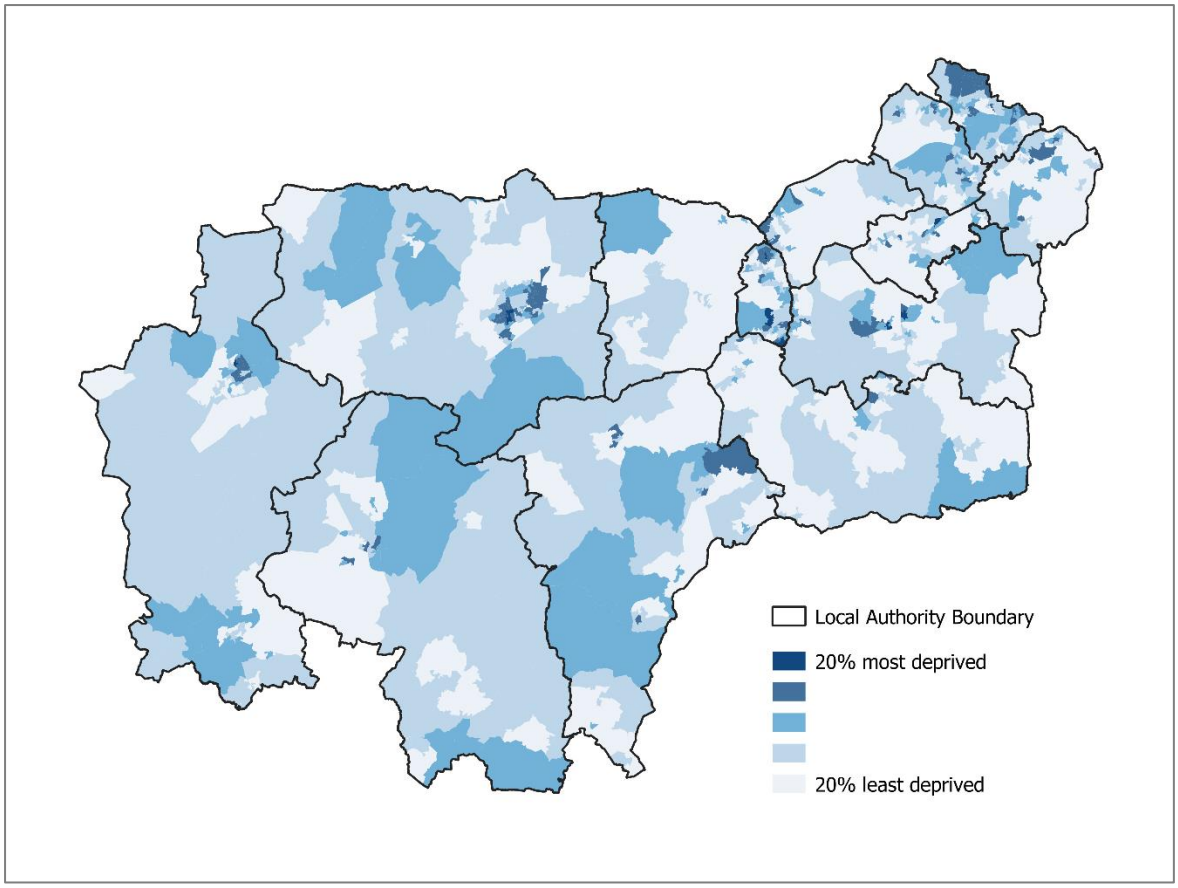


Figure 24: Deprivation in the EM3LEP (Source: IMD 2019)

6. Environment

In 2017, EM3LEP produced 5.4 tonnes of CO2 emissions per capita, above the England average of 5.1 (see Table 12). Compared to 2016, EM3LEP has reduced emissions per capita by 5.3%. England's overall emissions per capita decreased by 5.6%.

	2016 per capita emissions	2017 per capita emissions	2016-17 per capita emissions change (%)
England	5.4	5.1	-5.6%
Enterprise M3	**5.7**	**5.4**	**-5.3%**

Table 12: 2016-17 CO2 Emissions (Source: Department for Business, Energy & Industrial Strategy)

As of November 2019, both Surrey and Hampshire County Councils have declared a Climate Emergency. Councillors in both areas recognise the positive contribution of environmental stewardship to increasing the economic resiliency of their areas. As part of this, both Councils are taking steps to:

- Retrofit council buildings and homes to increase energy efficiency or run on renewable energy
- Embed zero carbon targets into planning applications
- Use LED bulbs in streetlights
- Increase the uptake of renewables such as PV cells
- Replace council owned transport with electric vehicles
- Increase the number of electric vehicle charging ports
- Introduce more cycling lanes and public transport options
- Encourage community involvement to generate ideas and consensus on appropriate solutions

Hampshire is already 7 years ahead of target, having reduced its carbon consumption by over 40% and reducing energy costs by £30 million since 2010.

Surrey County has been investing £13 million a year to increase the energy efficiency of buildings since 2009.

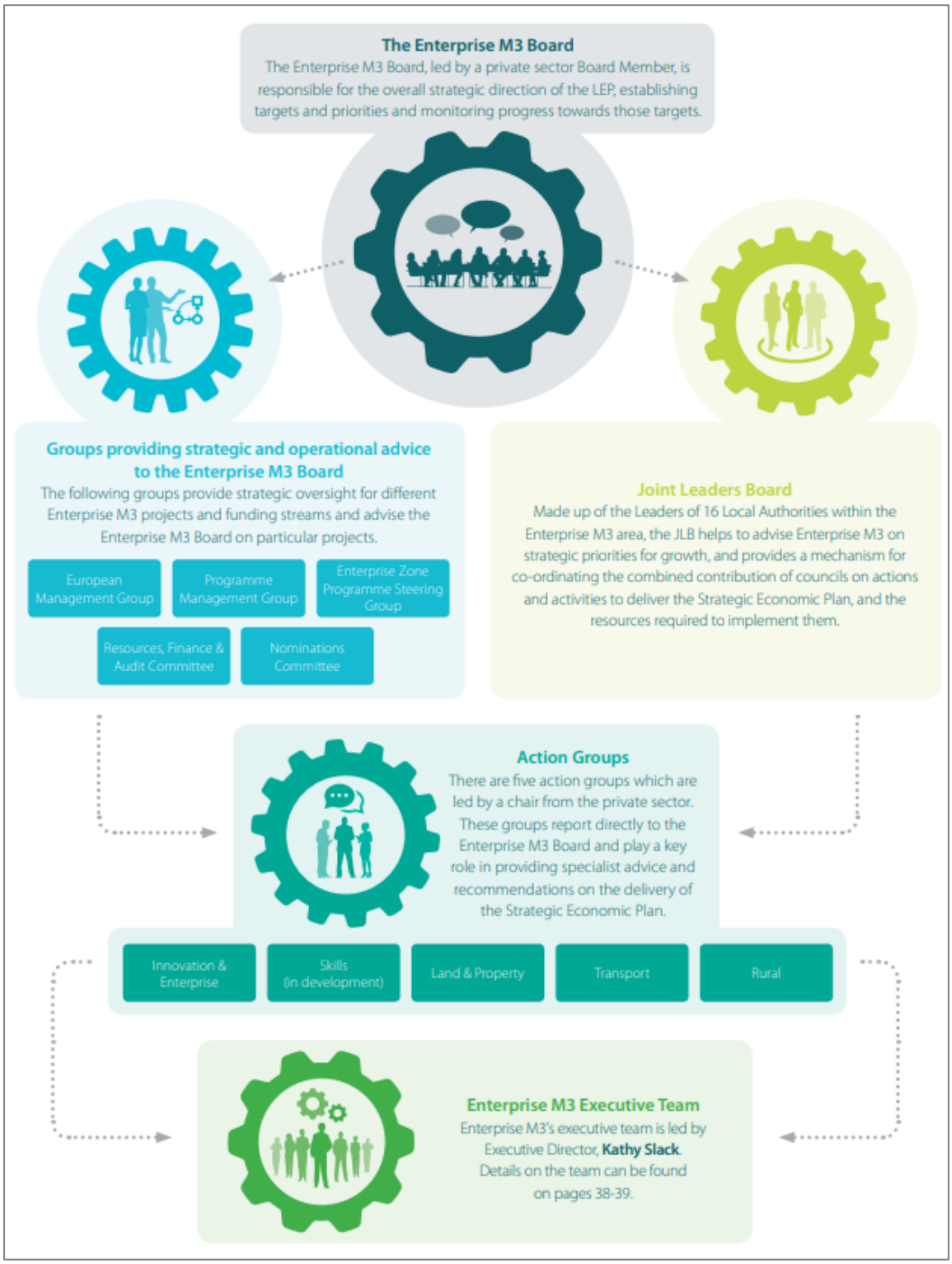
Surrey Nature Partnership published a Natural Capital Investment Plan in 2018 to create a Natural Capital Investment Fund totalling £20 million by 2030. The objective is to set out a transformative approach to mobilise local delivery.

Hampshire has published a Biodiversity Action Plan. Local Authorities such as Hart and Winchester City Council have also produced their own Biodiversity Action Plans

Some Local Authorities such as East Hampshire have published a Green Infrastructure Strategy, identifying assets and gaps in provision. It shows that EM3 has taken a holistic approach to appraising the natural capital assets and maximising its value.

Source: Enterprise M3 Local Industrial Strategy Evidence Base 2019

Appendix A – Governance Structure of the EM3LEP



Appendix B – EM3LEP SEP Vision, Objectives and Priorities