

# Innovation Region

Enterprise M3 Local Enterprise Partnership  
Annual Report 2022-2023

enterprise **m3**

Delivering prosperity through innovation



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# Delivering Growth and Prosperity Through Innovation

Over the past year EM3 LEP has driven growth and prosperity in our region, delivered services for and built on our strong partnerships with businesses, local authorities, universities, schools and colleges.



## A message from Michael Queen, Chair EM3

Following the Government's decision to reduce funding to all LEAs we reorganised our operations, emerging as a leaner and even more agile organisation, supported by a strong talented team that delivered another successful year for EM3.

### Some notable achievements during 2022-23 include:

- Nurturing a Jet Zero Cluster
- Supporting our world leading space and satellite industry
- Advancing a thriving animal health sector
- 4,300 businesses benefitted from EM3 Growth Hub services
- The launch of the EM3 Careers Hub
- Reshaping green technical skills in our region

These successes build on over a decade of delivering for our region. Since we were established in 2011 we have invested in economic growth, delivered bespoke business support, driven innovation, attracted international investment, supported low carbon initiatives and boosted employment and skills (read more on page 24).

Since the year end the Government has announced that LEP services will be integrated into County Councils and in the months ahead the EM3 team will continue to ensure that EM3 businesses can thrive and our region's people have the skills needed for future success. We will be pressing ahead with our high impact plans for 2023-24 (read more on page 19) and in the months ahead will be working closely with both Hampshire County Council and Surrey County Council to jointly develop a well-funded plan for the future of LEP services. Together we will ensure that our businesses, district local authorities, universities, schools and colleges in our region continue to benefit from targeted, expert support and the collaborative spirit that has enabled EM3 to achieve so much.

Finally, thanks go to all EM3 staff, both current and past for their incredible commitment to our region. EM3 has shown that small entrepreneurial linking organisations can have a powerful effect in "making things happen" across our region. Thanks also go to all the talented people who have served on the EM3 Board, giving their time freely and bringing energy and enthusiasm as we collectively serve our community.

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# Our Key Achievements 2022-23

EM3 works to enhance growth and prosperity in our region, creating jobs, boosting skills and helping businesses thrive.



**3,000**  
jobs created or safeguarded  
(almost 3 times more than in 21/22)



**4,300**  
businesses benefitted from EM3 Growth Hub services



**90,000**  
learners benefitted because of the EM3 Careers Hub



**1,350 tonnes**  
of CO<sub>2</sub> savings made, equivalent to heating **880** homes for a year



**430**  
apprenticeships supported  
(54% of 21/22 total)



**£35m**  
of additional investment leveraged as a result of EM3 grants/loans



**8,000m<sup>2</sup>**

learning floorspace created or refurbished



(60% more than in 21/22)



**18** direct foreign investments



**1,700**



(85% more than in 21/22)

# A Strong and Highly Skilled Economy

The UK's fourth largest economy, EM3 is a productive, highly skilled region, making a significant contribution towards UK innovation and growth.



## High Value



**£69 billion**  
GDP contributed for the nation

in 2021, 3% of the UK total (ONS 2023)

## Advancing Innovation



**1 in 3**  
businesses are knowledge-intensive

29,000 EM3 businesses in knowledge intensive services, above the national average of 24% (ONS 2022)

## Global Presence



**£24 billion**  
of exports

£12 billion goods in 2021 and £12 billion services in 2020 (ONS and HMRC 2022)

## High Productivity



**26% more**  
productive than the UK average

£48 per hour worked in 2020 (ONS 2022)

## Strong Job Growth



**Annual job growth**  
above national and South East averages

nearly 19,000 more employees over past year (HMRC 2023)

## High Employment



**EM3 has one of the highest LEP employment rates**

at almost 80%, outstripping the national average of 75.5% (HMRC 2023)

## Highly Skilled



**6 in 10**  
of the workforce are in high-skilled occupations

one of the most skilled workforces outside London (ONS 2023)

## Thriving



**88,700**  
businesses in EM3

the third highest for any southern LEP region after London and South East LEP (ONS 2022)



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# Driving Innovation in High Growth Sectors

The EM3 region is made up of a highly skilled workforce and is home to a high concentration of knowledge intensive businesses that are driving innovation and technological advances.

EM3 excels at convening partners to help make things happen and plays a crucial role in nurturing EM3's high potential sectors to maturity.

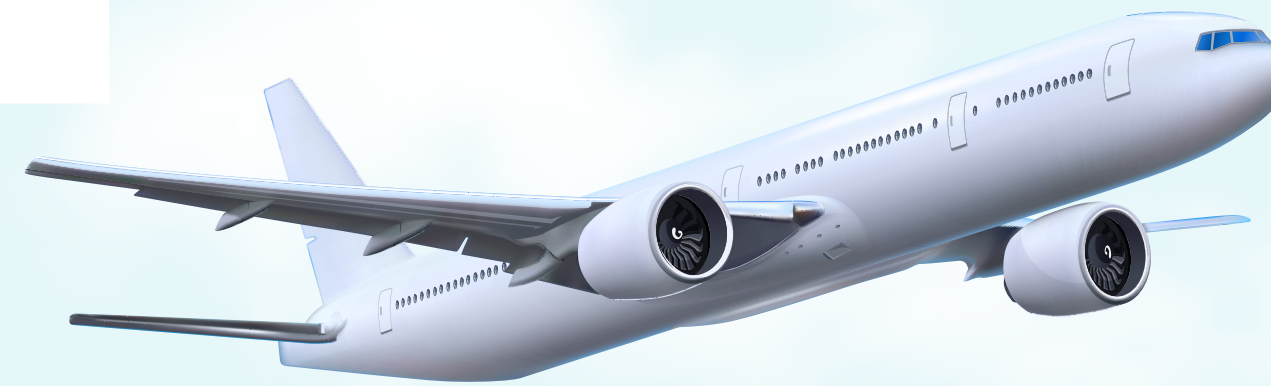


## Nurturing a Jet Zero Cluster for a Decarbonised Aerospace Industry

In Autumn 2022 we convened 25 businesses and other partners to position a Hampshire-based aerospace cluster as an international leader in the development of decarbonised aviation technology, aka Jet Zero. Three important areas - sustainable aviation fuel (SAF), advanced materials and airport operations, including hydrogen fuel storage, were identified as potential areas of opportunity.

**JET ZERO** →

EM3 has now commissioned a detailed analysis of our region's Jet Zero businesses, research strengths and other assets such as testing facilities, with a view to developing an action plan and sector proposition to drive the cluster forward. The goal is to attract investment and propel the innovation in aviation that is so vital to the global challenge and UK plan for achieving net zero emissions by 2050.



“ It was great to see FAC industry members along with government organisations focusing on what is critical for our future sustainability and reinforcing what is the key capability of the Hampshire region in support of Jet Zero and future flight in general. The road is long, but we are definitely on it. ”

**Alan Fisher, Chief Executive, Farnborough Aerospace Consortium (FAC)**

Case Study 🔍

**The new Aerospace Research and Innovation Centre (ARIC) at Farnborough College of Technology, partly funded by EM3, was opened in July 2022 by the then Prime Minister, Rt.Hon. Boris Johnson, MP.**

It offers research space and facilities where businesses can develop new technologies in this field and work with students at the college.

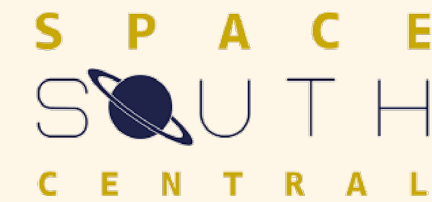


Find out more 🔍



# Driving Innovation in High Growth Sectors

## World Leading Space and Satellite Industry



EM3's space and satellite cluster has now developed into Space South Central, the largest regional space cluster in the UK, made up of more than 120 innovative and entrepreneurial companies.

Launched in July 2022 at Farnborough International Airshow, the cluster has recently won funding from the UK Space Agency for three projects, including the Surrey University Space Craft initiative, which will help reduce barriers and allow SMEs to create their own space-flight equipment with hands on training and skills development.

“ Space South Central is already the leading regional space cluster in the UK. ”

Rt. Hon Rishi Sunak,  
Prime Minister, March 2023

## A Thriving Animal Health Sector

Our region is home to a competitive and vibrant animal health sector identified as a Department for Business and Trade (DBT) High Potential Opportunity (HPO) focused on the application of digital technologies. Following the launch of the Animal Health Innovation Network, a multi partner collaboration including EM3 and the University of Surrey, the sector has continued to thrive in 2022-23.

Recent developments in the region include cutting edge research into antibiotic resistance and the Surrey-based Pirbright Institute, which is taking a leading role in a new consortium to develop vaccinations for monkeypox. As part of the network, EM3 has been working closely with The Veterinary Health Innovation Engine (vHive) at the University of Surrey to manage inward investment enquiries.

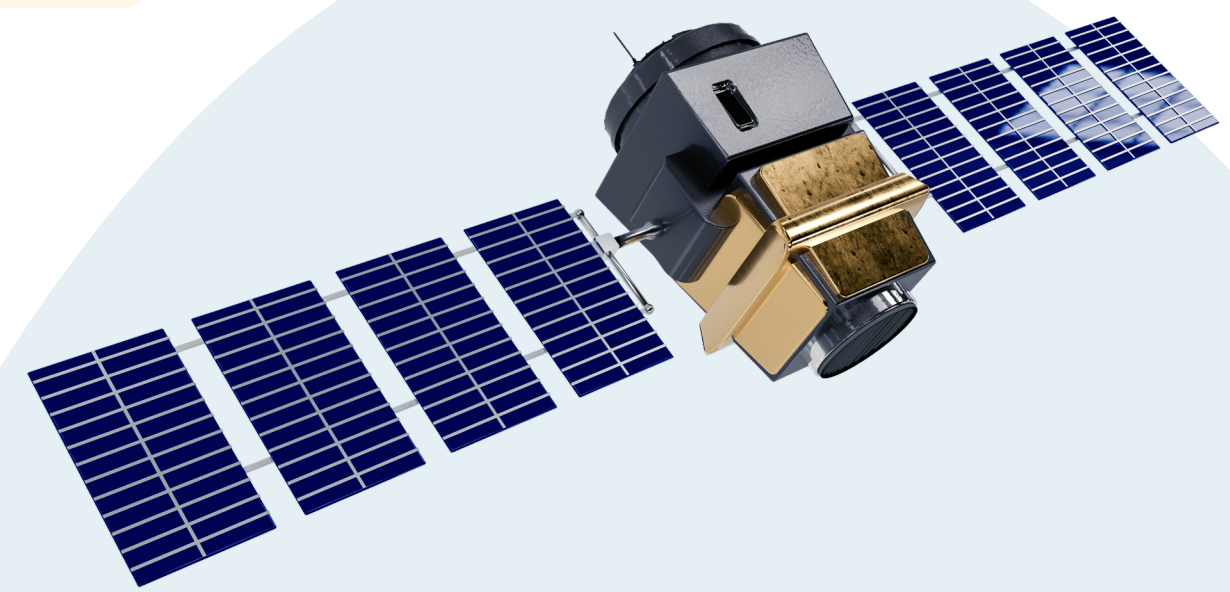
Case Study

## In November 2022, Her Royal Highness The Princess Royal officially opened the Animal Health and Welfare Research Centre (AHWRC) at Sparsholt College near Winchester.

EM3 invested £1.5 million in the project, to modernise and double the size of the centre, which will advance welfare practices and skills within our region.



Find out more



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# Driving Innovation in High Growth Sectors



## Promoting the Next Phase of Video Gaming and Immersive Technology

EM3 supports a world-renowned video games cluster, centred on Guildford, which continues to go from strength to strength. The 2023 Guildford Games Festival, sponsored by EM3, was a sell-out event, with 2,000 industry attendees and more than 30 businesses exhibiting the latest gaming technology and new releases. EM3 continues to play a central role building connections, supporting UKIE, the games industry trade body, with other partners such as the University of Surrey, the University for the Creative Arts, and local authorities.



We have also been exploring future opportunities built around the EM3 Visualisation and Gamification HPO to attract new foreign direct investment, working with colleagues at DBT.

[Find out more](#)



## Understanding Our Life Sciences Sector



We commissioned a report in early 2023 to map businesses and identify clusters in the life sciences sector across Hampshire, Solent and Surrey, which found that the region has 5% of the share of the UK life sciences sector. This includes some notable clusters in Guildford, Basingstoke, Andover and Chertsey. Following the report, the development of a targeted action plan of interventions is underway.

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# Supporting Business Growth

**4,300** businesses benefitted from EM3 Growth Hub services in **2022-23**

Case Study

**Expert in-depth advice from our Growth Champions has transformed 136 businesses this year.**

UK Connect, a leading 5G digital communications provider, worked with the EM3 Growth Hub to restructure and develop a five-year investment plan.

“ When we initially contacted the EM3 Growth Hub, we were looking for expert guidance to help us navigate the challenges of our rapid expansion. The service has clearly delivered and has been instrumental in providing valuable support and resources to help us achieve our goals. ”

**PJ Farr, Managing Director and Founder, UK Connect**



Case Study

**Businesses have benefitted from our expert marketing support.**

Training and consultancy firm, Think Sigma, benefitted from advice on the company’s branding with a view to improving marketing and sales:

“ The EM3 Growth Hub offered me the ability to learn about areas of business that I am not an expert in and I have taken the business further and quicker due to their support. ”

**Richard Ash, Managing Director, Think Sigma**



Case Study

**The Growth Hub’s Net Zero Support Service helps reduce businesses’ carbon footprint, providing tailored advice on sustainability and environmental impact.**

Our Net Zero experts helped put Kebur Garden Materials on track to meet greener more sustainable targets:



“ The support we received gave us confidence to shape our sustainability plans, so we could focus on improvements that would achieve maximum benefit for our business and improve our energy efficiencies. ”

**Jo Holtom, Business Partner, Marketing and Change, Kebur Garden Materials**



# Supporting Business Growth

# 1,500

businesses accessed the Growth Hub Funding Finder tool, which provides information on the latest Government funding opportunities and

# 140

businesses benefitted from our Bid Writing support.

Case Study

Growth Hub Peer Networks offer expert advice, masterclasses and valuable professional growth support and were accessed by 20 business leaders in 2022-23.

“ This really was a wonderful programme to be a participant on. I am quite sure we will all look back on our leadership journeys from the perspective of ‘before’ and ‘after’ this collaborative experience. ”

**Jeni Trice CEO, Founder and Chief Coding Adventurer at Get with the Program and participant in EM3’s Female Business Leaders Development Programme**



“ Turning my idea into a business is a big challenge but I feel reassured following the programme that I am onto something and that there are people I can turn to for support. ”

**Grenville Chaganis, Founder of Outdoor Nation and participant in EM3’s Start Up Peer Network Programme**



## Business Resilience Webinars

In response to the challenging economic climate, we worked in partnership with the South Central Cluster of Growth Hubs to offer a series of Developing Business Resilience Webinars which helped 45 businesses weather the storm.



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**GROWTHHUB**

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# Promoting Green Innovation

## Providing Financial Support for Growth.

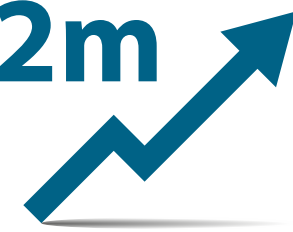


To date, the Enterprise M3 Funding Escalator has supported 106 businesses in our region,

**106** businesses supported



**£15.2m** lent or invested



with £15.2 million lent or invested to support innovation, growth and new jobs.

£3.11 million was lent/invested in 2022-23, benefitting 13 businesses and creating/safeguarding 88 jobs.

**£3.11m** lent or invested in 2022-23



**88 Jobs** created or saved



A wide range of small and medium sized businesses have benefitted from the loans and investment, managed by The FSE Group, supporting innovation across all sectors. There have been notable successes in the development of technologies and products that help address key environmental challenges such as air pollution, plastic waste and carbon emissions.

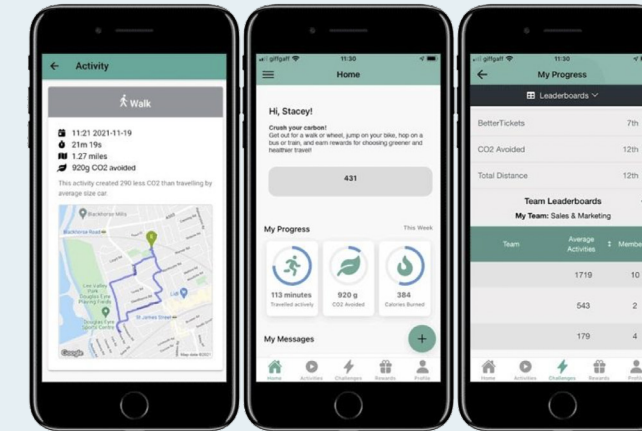


Case Study

**BetterPoints secured £150,000 from the EM3 Funding Escalator to support the launch of its Carbon Crush platform, to help organisations reduce air pollution and improve employees' health and well-being.**

The company, based in Virginia Water, Surrey, uses Artificial intelligence (AI) to engage and motivate users to cut their carbon footprint.

The loan is being used to help fund marketing, product development and create new jobs.



Find out more

Case Study

**Fox Robotics, a company that helps improve efficiency and automation for soft fruit farms across the UK, received funding to extend its research and development function and increase its manufacturing operations.**

Based in Farnham, Surrey, the company is an innovator in robotics technology and the funding is helping them to pivot the company's focus from warehouse automation to developing agricultural technology solutions that address pressing labour market challenges.



Find out more

Case Study

**A company that produces the only gift card in the world to have been accredited with the Plastic Free Trust Mark is using a £150,000 EM3 Expansion Loan to create new jobs and grow.**

Jellyfish Livewire, based in Cadnam, in Hampshire, provides a range of print and digital marketing services in addition to owning and running its environmentally friendly gift card business - Green Gift Card.

Find out more



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# Promoting Green Innovation

## Leveraging Targeted Funding for Low-Carbon Innovation.



**£1.8m** funding to SMEs 

The three-year Emphasis3 CO<sub>2</sub> reductions project concluded in 2023, providing a total of £1.8m in funding to SMEs.

 **45** businesses installed energy saving technology


As a result, 45 businesses installed energy saving technology and 14 benefitted from R&D grants towards developing and commercialising low carbon innovations.

**£12.64** for every £1 

£12.64 was generated in the economy for every £1 invested in delivering the programme.

 **215** SMEs supported

The Low Carbon Across South and East Project LOCASE has supported 215 SMEs in the EM3 region with more than £1.9m in grants for energy efficiency and low-carbon product and service development.

**1,100** tonnes of CO<sub>2</sub> saved per year 

As a result, 1,100 tonnes of CO<sub>2</sub> are saved per year and 10 SMEs were able to bring new low-carbon products to market.

Both projects were funded under the European Regional Development Fund (ERDF) programme.



Case Study 

**The New Ashgate Gallery, based in Farnham, successfully applied for a LoCASE grant to replace the high energy halogen bulbs used across their 25 display cabinets with LED ones.**

This was in line with the gallery's commitment to reduce the amount of energy used within their premises and ensure that they are operating in an energy efficient way.

“ Our electricity use has reduced as expected, which is particularly important now that the cost of electricity is higher. We could not have made this investment without this support. It has made a huge difference in displays, sales and our electricity use.

**Dr Outi Remes,**  
New Ashgate Gallery Director



[Find out more](#) 



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# Driving High Quality Careers Education

Enterprise M3  
CAREERS HUB

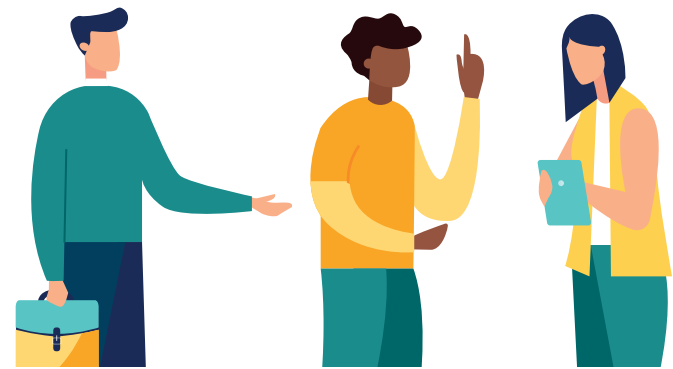
THE CAREERS &  
ENTERPRISE  
COMPANY

In September 2022 the EM3 Careers Hub launched, building on the success of our work with the Careers and Enterprise Company to bridge the gap between employers and education and improve prospects for young people in our region.



## 90 Schools Supported

90 schools and further education (FE) colleges across Hampshire and Surrey are part of our Careers Hub which provides support and guidance to careers leads and teachers on careers education, to the benefit of 90,000 learners.



## 150 Employers Engaged

In 2022-23 we worked with more than 150 national and local employers to support careers education in our region, via a range of different volunteering opportunities.



## 70 Business Volunteers

Our Enterprise Advisers, business volunteers who offer strategic support and the employer perspective to careers leads, come from a wide range of industries and employers, such as Santander, HM Revenue and Customs, Aspire, Ramsac and many more.

## Fostering Green Skills

Working in partnership with Coast to Capital Careers Hub and Surrey County Council we successfully gained funding for the Teacher Encounters project which will provide 100 experiences to 40 science and geography teachers with the aim of linking green skills more closely with the curriculum.

### Highlights from our work with schools and colleges:

Case Study

In November 2022 we hosted a Degree Apprenticeship Fair with Esher Sixth Form College. We worked with 33 employers from a wide range of sectors and attracted 1,700 local students and their parents.



“ We were delighted to welcome so many young people for the inaugural EM3 supported Degree Apprenticeship Fair. An enthusiastic buzz enveloped the Sports Hall as current apprentices described their working lives and the reasons why they chose this progression route after sixth form. ”

**Nicola Wilberforce, Esher Sixth Form College Director of Progression Guidance**

Case Study



Hundreds of students were inspired at an EM3 supported careers day at HSDC Alton College which saw the opening of an immersive operating theatre learning space.

**86%**  
of students expressed that they wanted to work for the NHS.

Case Study

In summer 2022 Sandford Springs Hotel and Golf Club opened its doors to students from Costello School in Basingstoke, who experienced the golf greens and the hotel.

“ What a fantastic experience for the students, a really wide-ranging day. It was surprising to see how diverse the careers paths are at the golf club. ”

**Teacher, Costello School**

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# Developing Talent and Green Skills

The EM3 region has one of the most highly skilled workforces outside of London and enhancing green skills and building a pipeline of talent that our businesses need to succeed has been a key priority for EM3 in 2022-23.



## Reshaping Green Technical Skills

EM3 has worked in collaboration with eight FE colleges across Hampshire and Surrey to deliver the £2.6m Strategic Development Fund (SDF) project, designed to reshape the green technical skills provision in the region. Over 100 hours of green skills learning materials have been developed (some of which are available on the EM3-funded Innovation South Virtual Campus [em3.isvc.co.uk](https://em3.isvc.co.uk)) and over 1,000 hours of continuing professional development (CPD) time to upskill FE staff has been secured. £1.4m of new equipment and technology has also been purchased to enhance learning in our region and the project is now developing strong working relationships with employers across the area to address future technical skills needs.

## Shaping Local Talent

The EM3 Skills Advisory Panel (SAP) brings together employers, skills providers and key local stakeholders to better understand and resolve mismatches in skills.

“The most valuable thing for me is the panel’s strategic focus. We have a great partnership of key employers and experts in their field who share what’s going on out there on the ground in the labour market.”

**Jude Robinson, Skills & Employment Strategy Manager, Hampshire County Council**



Working in partnership with the Local Skills Improvement plan (LSIP) team, based at the Surrey Chambers of Commerce, EM3 has provided extensive labour market information to help identify key sectors and skills activity within the region.

## Supporting Apprenticeships in Our Region



The EM3 Apprenticeship and Skills Hub has supported 202 employers to understand their talent needs and implement apprenticeships to plug skills gaps.



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# Developing Talent and Green Skills

## Providing Targeted Employment and Skills Support

The EM3 Armed Forces Veterans and Families Programme provides skills and employability support to veterans, families and their dependents.

To date 112 individuals have benefitted from the full suite of services with an additional 50 military spouses helped by the team and 229 young people supported in schools.



Alisha was supported back into employment and a career change that would give her more flexibility to manage family responsibilities with a husband serving in the military.



Case Study

“ The help I have received has helped me find confidence in myself again, not just from a work point of view but in everyday life too. I wouldn't be where I am now without the support I received. ”



The Technical Construction Skills for the Unemployed project, supported by EM3, has been operating across our area since 2020.

To date, more than 900 individuals have been supported with employment skills and coaching, with more than 250 successfully gaining jobs in the construction industry.

Seyedsaber, who came to the UK as a refugee following the conflict in Ukraine, undertook construction skills training as part of the programme, leading to employment with The Hill Group, where he is working on the redevelopment of Aldershot town centre and is a valued member of the team.



Case Study

Inspiring Enterprise, which ran from 2017 to 2023, supported individuals who were unemployed and furthest from the labour market back into paid employment or self-employment.

Over 1,000 individuals benefitted, with more than 460 helped into work or to set up their own business.

Susan Fox was helped by Inspiring Enterprise to set up a successful pottery business, Combe Cottage Pottery, which offers pottery classes.

Susan had no experience of the financial and record keeping side of a business and was offered support with this as well as marketing training.



Case Study

These three projects were funded as part of the European Social Fund.



European Union  
European Social Fund  
Investing in jobs and skills

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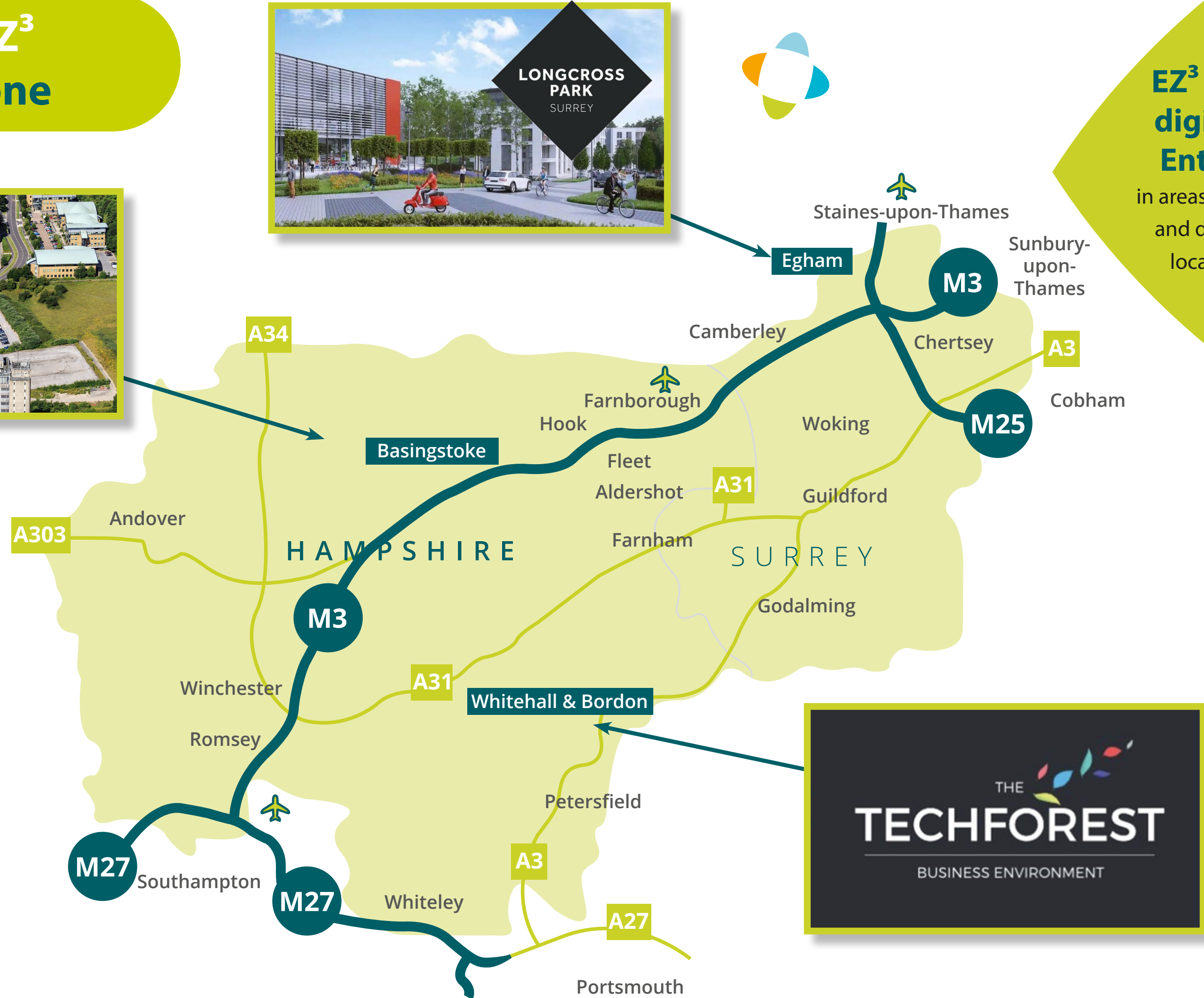
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# Promoting Our Region to the World

EM3 is an attractive region for global investors and home to outstanding research facilities and areas of natural beauty. We work to promote our region's strengths to the world and target support to enhance growth.

## Driving the EZ<sup>3</sup> Enterprise Zone



**EZ<sup>3</sup> is a multi-site, digitally focused, Enterprise Zone,** in areas requiring regeneration and development as prime locations to attract new businesses.

Case Study

### The EM3-funded BASE Bordon Innovation Centre, which offers flexible private offices, co-working and meeting spaces and on-site support, celebrated its fifth anniversary.

Situated in the Techforest part of the Whitehill & Bordon Enterprise Zone in Hampshire, the renovated Victorian building and former army officers' mess, has been home to 74 entrepreneurs, SMEs and start-up businesses.



Find out more

# Promoting Our Region to the World

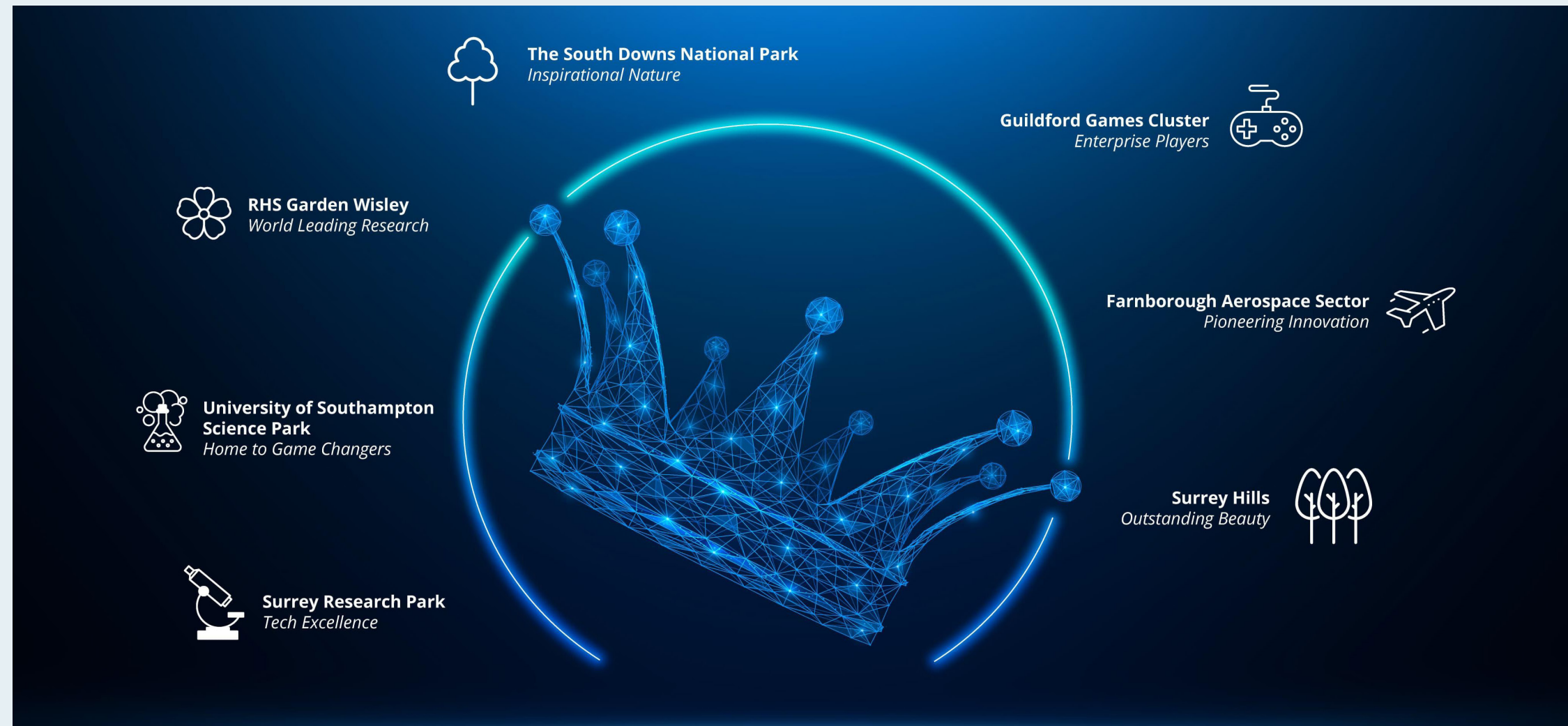
## Attracting International Investment

We collaborate with DBT, local authorities and other partners to attract and support Foreign Direct investment opportunities, which has led to 18 successful supported projects in 2022-23 creating 608 jobs.

**608 jobs**  
created by foreign investment in 2022-23



## Showcasing EM3's Outstanding Assets



In December we launched the EM3 Jewels in the Crown, seven outstanding locations that make our area a bustling hub of innovation, opportunity and natural beauty.

The campaign showcased a mixture of cutting-edge technology, rich wildlife and low carbon innovation that make the area such a vibrant place to live, work, play, visit and invest.

[Find out more](#)

## Understanding Rural Economic Potential in Mid-Hampshire

Recognising the significant contribution and potential of rural-based businesses across mid-Hampshire, EM3 has taken a leading role, working with East Hampshire District Council, Test Valley Borough Council and Winchester City Council, to map and promote its potential as a rural powerhouse.



## Transforming EM3's Digital Communications Capabilities

The Gigabit EM3 (fibre spine) project is being developed to drive a step change in the speed and reliability of digital communications, making EM3 a more attractive place to do business. We have brought together local authorities from Hampshire and Surrey to make it happen, leading the design and specification process for the 94 kms of new infrastructure, initially set to run from Basingstoke to Guildford.

[Find out more](#)

## Enhancing Infrastructure, Commercial and Community Spaces

Several EM3 funded projects have reached significant milestones in 2022-23. The Fleet Pond Corridor opened to the public, a project that has improved connectivity between a new housing development, business areas and the railway station.



A topping out ceremony for the Union Yard development took place in March, a scheme that will transform the heart of Aldershot, providing 100 new homes, alongside a mixture of retail and commercial and community space.

Grant funding from the LEP's Clean Growth Pilot Programme saw the installation of 134 solar panels at the waste management site at Barfield Close in Winchester. The panels will generate renewable energy equivalent to charging a million mobile phones each year.

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# Navigating Economic Challenges

EM3 is a high performing region but, as across the rest of the UK, is not immune to wider economic challenges.



## Latest independent forecasts for EM3\* predict:



### Contracting Economy

The economy to contract over the next year, following further Bank of England interest rate increases, that may push our region into recession at the end of 2023.



### Falling Incomes

Household incomes to fall sharply by more than 2%, driven by high inflation.



### Decreasing Jobs

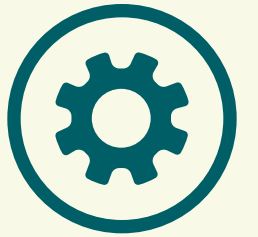
The number of jobs available to decrease by almost 1.5% over the next two years.



### Employment Drop

2,400 fewer people to be employed within EM3 by the end of 2024.

## We are part of a resilient region



EM3 is a resilient region but these predictions point to significant challenges for both our businesses and households. Strong, evidence-based and targeted economic and labour market support must continue to be a priority for our region and it is vital that stakeholders come together to navigate the challenges ahead.

Against this backdrop, EM3 will continue to convene and work alongside key partners to encourage growth, innovation and skills development throughout 2023-24.



The Hampshire Story © Britten Norman\_Credit Steve Thearle

\* Experian Economic Forecast data from March 2023

# Our Plans For 2023-24

EM3 LEP and our Growth Hub are fully funded and geared up to press ahead with our high impact plans this year.

We are looking forward to continuing strong partnerships with our businesses, our local authorities, universities, schools and colleges to ensure our highly valued services continue to drive growth.



This year's plan, which draws on our expertise as a convenor of strategic partnerships between business, the public and third sectors, has six key areas of focus:

## Business Support

The EM3 Growth Hub is fully funded for this year and expects to support more than three thousand businesses in the region.

## Nurturing High Potential Tech

Including developing a Jet Zero cluster for a decarbonised aviation industry and promoting animal health innovation.

## Strategic Economic Planning

Gathering monthly real time business intelligence and diving into key sectors such as life sciences and the rural economy.

## Attracting Inward Investment

Develop the EZ<sup>3</sup> Enterprise Zone in line with commercial market demands.

## Public/Private Investment Fund

Exploring the establishment of a Centre South Fund for Tech Start-Ups.

## Championing Employer-led Skills

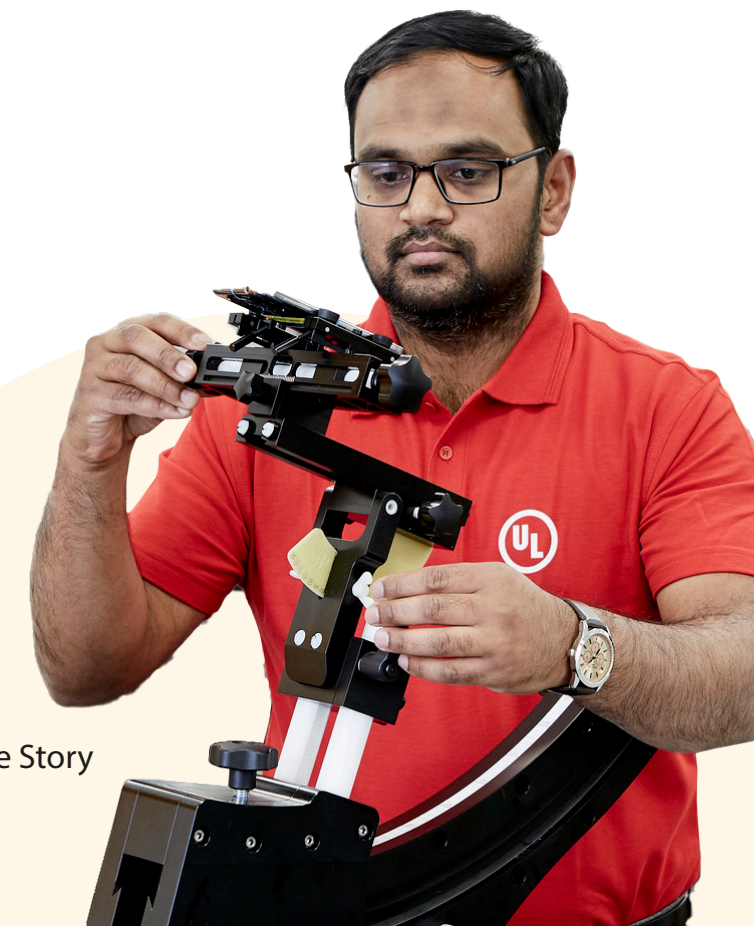
EM3 Skills Advisory Panel is the "go to forum" for employers and skills providers.

EM3 Careers Hub is working with 90 schools and colleges to support high quality careers education.

EM3 evidence and data is supporting the Local Skills Improvement Plan.



The Hampshire Story © BAE Systems



The Hampshire Story © UL

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# Our Governance

**Enterprise M3 LEP remains committed to open and transparent management of public funds in the work we carry out to support our regional economy.**

Enterprise M3 (formed in 2011) conducts its business in line with an Assurance Framework which is reviewed on an annual basis and is published on our website.



The Assurance Framework is based on guidance from central government and is central to the way Enterprise M3 operates. It determines the practices and standards necessary to provide assurance that decisions over funding are transparent and ensures responsible management of public funds.

**We are highly rated for our Governance.**

Our recent Annual Performance Review with central government to review our progress looked specifically at our Governance, Strategic impact and Delivery. Each of the main elements are awarded a score of either “met” or “concerns identified” and Enterprise M3 is proud of its results of “met” in every category.

Enterprise M3 has operated as a company under Enterprise M3 Ltd since 2019 and our Articles of Association explain our purpose, duties and responsibilities when read in conjunction with our Assurance Framework.

We remain committed to publishing on our website the minutes and papers of our decision making Board as well as information on all projects funded through our capital funding.

## Our Board Structure

Our Board, led by the Chair, Michael Queen (appointed in August 2021) oversees our activities and is responsible for setting the strategic direction of the LEP as well as monitoring delivery of our ambitions set out in the Enterprise M3 Delivery Plan.

In order to operate effectively, we utilise a number of sub-groups alongside our Board to provide strategic advice, guidance and decision making.

Our Joint Leaders Board chaired by Cllr Rob Humby, Leader of Hampshire County Council, brings together the 15 partner councils within the Enterprise M3 Local Enterprise Partnership to enable collective discussion, democratic representation and provide scrutiny alongside our Board and our sub-groups to ensure decisions are transparent, accountable and represent value for money.

**Right:**  
Michael Queen, Chair



## Our key sub-groups include:

- **Resources, Finance and Audit Committee, chaired by Deborah Allen**
- **EM3 Skills Advisory Panel, chaired by Barney Ely**
- **Enterprise Zone Programme Steering Group, chaired by Linda Cheung**
- **Nominations Committee, chaired by Linda Cheung**
- **Daniel Ruiz sits as the EM3 Representative on Transport for the South East**



**Board members as of 31 March 2023:**



**Michael Queen**  
Coller Capital



**Dr Deborah Allen**  
BAE Systems



**Julie Baker**  
Natwest/RBS



**Virginia Barrett**  
Farnborough College of Technology



**Cllr Natalie Bramhall**  
Surrey County Council



**Cllr Roz Chadd**  
Hampshire County Council



**Linda Cheung**  
Intrapreneur Nation



**Sarah Jane Chimbwandira**  
Surrey Wildlife Trust



**Barney Ely**  
Hays Specialist Recruitment



**Cllr Paul Follows**  
Waverley Borough Council



**Ren Kapur MBE**  
X-Forces Ltd/ Federation of Small Businesses



**Stacey King**  
CityFibre



**Ross McNally**  
Hampshire Chamber of Commerce



**Cllr Julia McShane**  
Guildford Borough Council



**Cllr Phil North**  
Test Valley Borough Council



**Daniel Ruiz**  
Bold Line Ltd



**Professor Mark Smith**  
University of Southampton



**Cllr Martin Tod**  
Winchester City Council

**Click on** the Board members to view their profiles

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# EM3 2022-23 Financial Report

**Central Government allocates funding to support our activities. Continued direct support from Local Authorities, and Higher and Further Education establishments across the area, also provides a significant resource to support our work and our impact on EM3's economy.**

During 2022-23, we received a reduced level of Government funding for our core, Growth Hub and skills development activity. However, with support from our local partners and stakeholders, we continued to develop and promote a low carbon, high growth economy; continuing to develop and deliver our ongoing capital programme, careers activity and Enterprise Zone.

**The report shows the unaudited figures for 2022-23 activity, and the final audited figures for 2021-22**



All revenue and capital funds relating to the LEP's activities, are held by, and accounted for by our Accountable Body, Hampshire County Council (HCC), on our behalf.

The transactions and balances are separately identified within the Council's accounting records, and audited as part of their accounts. This financial report relates to those operational activities and funds.

The decision-making function of the LEP is incorporated, forming Enterprise M3 Limited. Its directors and members are the LEP Board. This private limited company has no funds, staff, assets, or financial liabilities. It does not trade, and submits dormant accounts to Companies House, by 31 December each year.

The LEP's financial results for the year ended 31 March 2023 were presented to the EM3 Board in August 2023. These will be audited by the end of September 2023, as part of HCC's external audit, and then available on our website [www.enterprisem3.org.uk](http://www.enterprisem3.org.uk). Our results for the year ended 31 March 2022 were successfully reviewed as part of HCC's 2021-22 external audit.

**The Resources, Finance and Audit Committee, a sub-group of the EM3 Board, supports the Board on a range of operational issues. It provides oversight of financial monitoring and reporting, scrutinises the overall financial position, advises on future sustainability, and acts as a sounding board offering internal scrutiny, problem solving and supportive advice.**

**We have a strong collaborative relationship with our Accountable Body. The Section 151 Officer has financial and governance oversight of decisions made by Enterprise M3 Limited, and its related decision-making sub-groups, ensuring effective review of governance over financial decisions.**

# EM3 2022-23 Financial Report

Operating Income and Expenditure	Notes	2022/23 Unaudited	2021/22
<b>Income</b>		<b>£'000</b>	<b>£'000</b>
Central Government	1	738	1,294
Partner contributions	2	400	350
Interest receivable	3	1,026	239
Careers and Enterprise Company	4	140	148
Project income	5	102	253
Enterprise Zone	6	218	83
		<b>2,624</b>	<b>2,367</b>
<b>Expenditure</b>			
Staff costs	7	1,431	1,894
Research, communications and studies	7/8	143	295
Running costs	7	277	247
Growth Hub non-staff costs	7	115	255
Enterprise Zone	6/7	155	83
		<b>2,121</b>	<b>2,774</b>
<b>Net Increase/(Decrease) in funds</b>		<b>503</b>	<b>(407)</b>

## Notes to 2022/23 activity

- Income from Central Government includes core funding for operational activities of Enterprise M3, including Growth Hub activity. In 2022/23 Government reduced LEP core funding by 25%; Growth Hub funding by 50%; and funding for our skills activity by 27%. Further, in 2021/22 we completed our fully funded peer-to-peer network activity to support SMEs to recover from the impacts of COVID-19.
- Partner contributions comprise income received from local authorities and education establishments.
- EM3 accumulates interest on all funds held by HCC on its behalf, at a rate matching the Bank of England's base rate, which increased from 0.75% to 4.25% during 2022/23. EM3 also earns interest at varying rates, from loans issued from our capital funds.
- Our Careers Hub activity is partially funded by the Careers and Enterprise Company.
- Project income includes one-off funding which is announced during the financial year. This includes funding from partners and stakeholders to help develop regional economic strategies. It also includes activity funded from ringfenced reserves for specific purposes e.g. activity to promote economic recovery, or provision of expertise for development of innovative, high-growth, low-carbon projects.
- Expenditure funded from Business Rates Income Growth in our Enterprise Zone areas.
- The 2022/23 staffing and running cost budgets incorporate savings required to achieve medium term financial stability, in light of the reduction in Government funding, outlined in note 1 above.
- Research, communications and studies activity includes costs associated with evidence gathering and analysis; website development; programme evaluation; and communications activity.

# Over a Decade of Delivering for Our Region

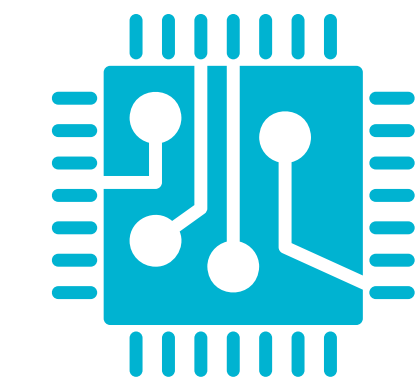
We are extremely proud of our record of supporting the economy, businesses and communities in Surrey and Hampshire.

Since our establishment in 2011 we have invested in economic growth, delivered bespoke business support, driven innovation, attracted international investment, supported low carbon initiatives and boosted skills and employment in the region.

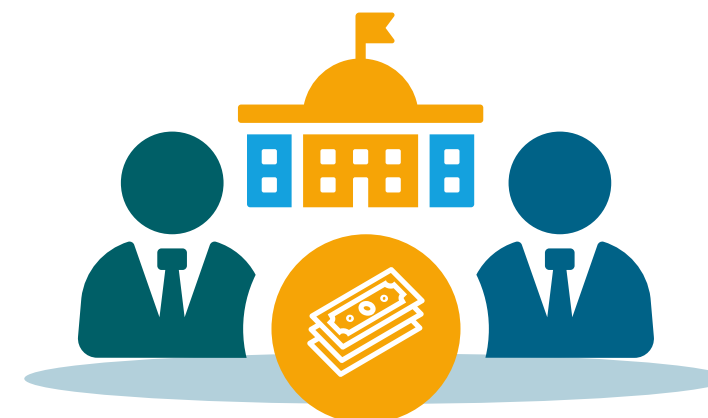
## EM3's Twelve Year Anniversary of Success

**£730m**  
invested  
in the region

**£320m**  
foreign investments  
pulled in



**£54m**  
invested in digital technologies



More than  
**£250m**  
secured in government funding



More than  
**100,000**  
supported learners



**11,000**  
jobs created or safeguarded



**1,200**  
high growth SMEs provided in-depth support



More than  
**£21m**  
invested in low carbon initiatives



Enabled the building of more than  
**23,000**  
houses  
and 32,000 m<sup>2</sup> of commercial office space



**Driven expansion**  
Driven the expansion of world leading sectors, including space and satellite, video games and animal health.

# Contact Us

Convening and collaborating with stakeholders is a fundamental aspect of the work we do to drive innovation and growth. We are keen to make connections and work in partnership with businesses, public bodies, not-for-profit organisations, and schools, colleges and universities across our region.



## EM3 Growth Hub/Business Support

**Sally Thompson**

T: 01483 478 098

E: [admin@enterprisem3growthhub.co.uk](mailto:admin@enterprisem3growthhub.co.uk)

## Skills

**Jamie Mackay**

T: 01256 262 760

E: [jamie.mackay@enterprisem3.org.uk](mailto:jamie.mackay@enterprisem3.org.uk)

## High Growth Sectors and Inward Investment

**Chris Burchell**

T: 01256 262 760

E: [chris.burchell@enterprisem3.org.uk](mailto:chris.burchell@enterprisem3.org.uk)

## Communications and Media Enquiries

**Richard Garfield**

T: 01256 262 760

E: [richard.garfield@enterprisem3.org.uk](mailto:richard.garfield@enterprisem3.org.uk)

## Enterprise Zones

**Fiona McMurray**

T: 01256 262 760

E: [fiona.mcmurray@enterprisem3.org.uk](mailto:fiona.mcmurray@enterprisem3.org.uk)

## General Enquiries

**Justine Davie**

T: 01256 262 767

E: [Justine.davie@enterprisem3.org.uk](mailto:Justine.davie@enterprisem3.org.uk)

## Enterprise M3 Careers Hub

**Suzanne Dixon**

T: 01256 262 760

E: [careershub@enterprisem3.org.uk](mailto:careershub@enterprisem3.org.uk)

Keep up to date with our latest news and progress by subscribing to our newsletter through our website

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