



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

SOLENT LEP ANNUAL REPORT

January 2016

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FOREWORD

Since the publication of our Growth Strategy in January 2015 we have been working hard to help this world-class area to achieve its full potential.

The year to December 2015 was a great year for Solent LEP and I am delighted to report that it has heralded a new approach to local growth with the government putting money under the direct control of business-led Local Enterprise Partnerships.

We were able to agree a £151.9 million Solent Growth Deal with government, funding a number of new infrastructure and skills capital projects starting in 2015 and the government has worked with Solent LEP and local partners to create the Solent Strategic Land and Infrastructure Board to take a more strategic view of public land and property in the area, and to support the joint planning and delivery of transport.

I am pleased to see some early results from this work with the announcement by Highways England in September 2015 of major upgrades over the next 5 years, including enhancing capacity on the M3 between Winchester and Southampton, enhancing capacity on the M27 between Southampton and Fareham, improving junctions on the M3 near Winchester and improving the M27 and M271 near Southampton.

We intend to build on this by opening up further dialogue with government with a view to securing further funding and a greater level of commitment to the joint planning and delivery of strategic transport investment across all modes. This is also the third consecutive year that Solent LEP has been able to bring in additional investment to support the growth ambitions of the Solent economy and we now have a £1 billion investment plan in place to support the delivery of the Solent Growth Strategy over the next 10 years.

As a business-led organisation it is also very positive to see that during 2015 we have furthered our engagement with the marine and maritime sector through the Solent Marine and Maritime Steering Group and established new partnerships and strengthened existing links with key organisations such as the Hampshire and Isle of Wight Business Alliance, British Marine, Natural Enterprise, X-Forces and PUSH.

It should also be highlighted that over 15,000 businesses in the Solent have been supported through the Solent Growth Hub 'one stop shop' service and we have been able to engage with 500 SMEs, providing funding to 240 of them, and through our grant programme funding we have supported the creation of 70 new businesses in the Solent.

Progress on the Enterprise Zone has also been significant with the opening of the new Innovation Centre and the continued success of CEMAST, providing skills support for over 1000 individuals last year and a number of key employers in the advanced manufacturing sector in the Solent. We are particularly pleased to see further progress on skills with our new investment in skills facilities at Eastleigh College and the new Centre of Excellence for Composites on the Isle of Wight.

This performance gives us a very solid platform for 2016, but there is still more to do and looking forward the future for the Solent economy is both exciting and challenging. Whilst we may have a more positive economic outlook and climate for growth we know that challenges remain, including enhancing our productivity by unlocking new innovation, enhancing the skills of our workforce, securing further improvements to connectivity across the Solent region and unlocking new development opportunities for new employment land and housing.

With a Hampshire and Isle of Wight Devolution Deal under negotiation there is a unique opportunity to secure a new deal with government for the local area that supports the aspirations and ambitions of the residents and businesses in the Solent and we are committed to ensuring that any deal agreed represents a good deal for business.

The business-led Solent LEP, as the key economic development partner in the Solent area, also has a leading role to play in driving the productivity agenda and the area has substantial and credible assets on which to build. Our strategy remains the same, focusing on securing high growth opportunities for the Solent area, working with the business community, individual businesses and key partners and we anticipate another year of growth for the Solent.

We look forward to working with you all to secure an even brighter future for the region.



Gary Jeffries
Solent LEP Chairman

THE SOLENT



A population of around **1.3m**



50,000 businesses



Local GVA of **£25.8bn**



Part of a wider South East
economy valued at **£190bn** GVA



A **global** gateway

YOUR LOCAL ENTERPRISE PARTNERSHIP

*A locally-owned partnership between businesses,
local authorities and academia - working to secure a more prosperous
and sustainable future for the Solent area*



**Business
Support**



Infrastructure



Skills



Innovation



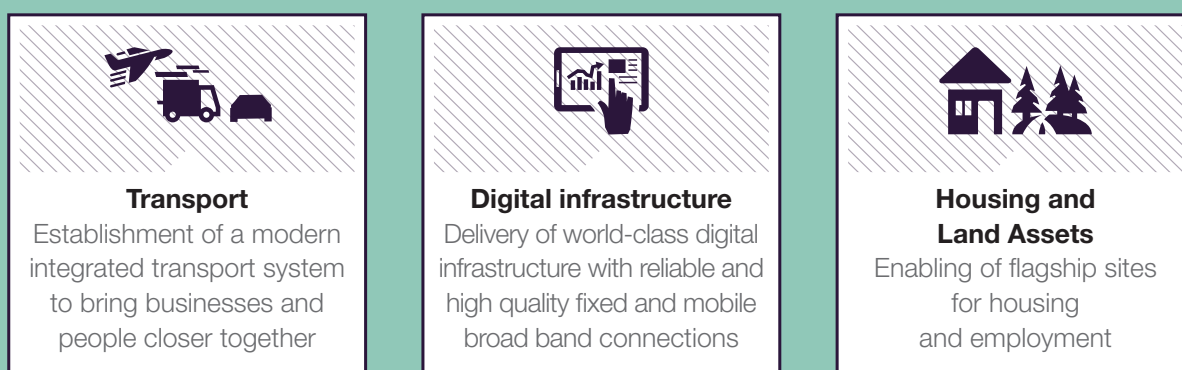
**Inward
Investment**



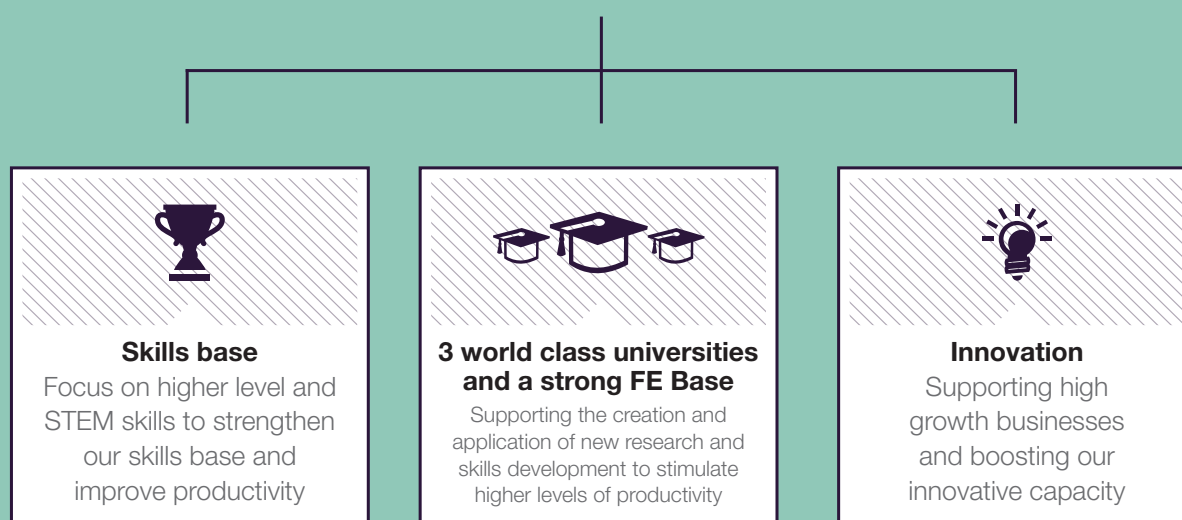
**Strategic
Sectors**

STRIVING TO MEET BUSINESS NEEDS

INFRASTRUCTURE



GROWING THE SKILLS BASE AND SUPPORTING BUSINESS GROWTH



ENGAGING WITH CENTRAL GOVERNMENT TO SECURE INVESTMENT AND GROWTH

£1bn investment plan that will unlock
£800m private sector investment and create **20,000** jobs

During 2015 Solent LEP...

Agreed
£151.9m*
Local Growth
Deal funding with
government

Has overseen a **£24m** Regional Growth Fund programme which included Business Support schemes to provide grant funding to local businesses and a Solent Futures programme which resulted in the creation of CEMAST, the establishment of a Defence Growth Partnership and support for defence sector companies in the Solent

Established a
Solent Business Support Hub
(overseen by the Solent Growth Hub)
- a 'one stop shop' that provides businesses with free help, expert advice and signposting to funding opportunities

Developed and delivered a
£16.7m
Growing Places
revolving loan fund

Secured
an Enterprise
Zone capital
grant worth
£7m

Secured
€42,925,603
of European
Funding

Secured and ran a
£110,000
Digital Capability Fund programme
in partnership with Hampshire Chamber of
Commerce to help unlock growth potential

Secured
2
Assisted Areas
in the Solent

* This includes £5.5m for the Watermark WestQuay development from the Southampton - Portsmouth City Deal

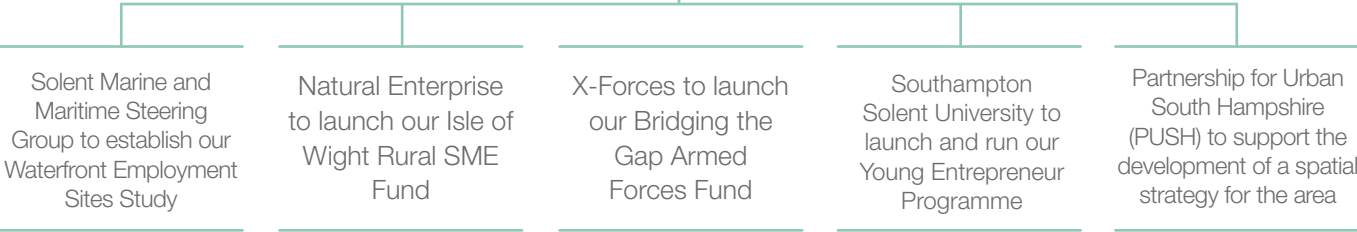
COLLABORATION WITH PRIVATE, PUBLIC AND NOT-FOR-PROFIT SECTOR PARTNERS



Signed a memorandum of understanding with



Worked with



UK Marine Industries Alliance, BAE Systems, Society of Maritime Industries, ABP, Dorset LEP and Heart of the South West LEP to launch Maritime Nation



First meeting convened





BUSINESS SUPPORT

*Supporting new businesses,
enterprise and ensuring SME survival and growth*

OUR SUCCESSES

Over £7m grant funding allocated
to over 130 businesses

Engagement with over

500

businesses who attended
12 Solent LEP Business
Support Sessions

70 new
businesses
created

Over **1,200** jobs created
and/or safeguarded

Bridging the Gap: Armed
Forces Fund launched in
partnership with X-Forces

110

businesses supported
through our **£110,000**
Digital Capability Fund in
partnership with Hampshire
Chamber of Commerce

Isle of Wight Rural SME Fund
launched in partnership with
Natural Enterprise

Over **15,000** businesses supported through the Solent
Growth Hub's "one stop shop" service

OUR AIMS

- Broaden the business base
- Foster start-ups
- Support SME growth

MOVING FORWARD

- Delivery of the Isle of Wight Rural SME Fund
- Additional events with X-Forces to support the armed forces community
- Further business support events
- Further funding opportunities under Solent Growth Fund

CASE STUDY

Marine Data Systems Limited

(MDSL) develop and manufacture marine navigation and control systems from their base on the Isle of Wight. Their equipment is fitted in the military naval ships of NATO, the Gulf States and the Far East, and is also in use on the liners of the world's leading leisure shipping lines - including P&O™ and Disney®.



MDSL's challenge was a lack of space in which to expand to meet the demands of their growth program. Bridging the Gap funds were secured to contribute to the extension and renovation of their current facility, resulting in a high quality reception area with improved access and increased purpose built space for housing environmental test equipment. This enabled MDSL to safeguard eight jobs and create three brand new engineering roles.

"This project is a key part of our continuing company development plan and we are very pleased to have been selected as a recipient of the Solent LEP grant funding".

Tim Ingram, CEO,
Marine Data Systems Limited.



INFRASTRUCTURE

*Planning for growth by focusing on infrastructure priorities
including land assets, transport and housing
- reducing flood risk and improving access to super-fast broadband*

OUR SUCCESSES

£151.9m

secured through the Local Growth Deal to enable
around **11,000** new homes to be built

Solent Enterprise Zone:

Solent LEP have invested **£21m*** to unlock a further
£67m which enabled the opening of a **£12m** CEMAST
Centre in September 2014 and a **£5.3m** Fareham Innovation
Centre which opened in March 2015 and is now
80% occupied

*Through the Solent Growing Places Fund, Solent Regional
Growth Fund and the Enterprise Zone Capital Fund

OUR AIMS

- Provide homes for the people of the Solent
- Provide new employment sites
- Invest in better connectivity
- Establish a modern integrated transport system
- Invest in green infrastructure

MOVING FORWARD

- £7m committed for Enterprise Zone infrastructure at Daedalus West to support advanced manufacturing, marine and aviation businesses

Local Growth Deal:

- Station Quarter North project in Southampton
- Dunsbury Hill Farm project in Havant
- The Hard Interchange project in Portsmouth
- Fareham/Gosport package
- Whiteley project
- Solent recreation and mitigation project
- World class innovation and skills facilities

City Deal:

- Watermark West Quay project
- Tipner-Horsea Island site

CASE STUDY



The Solent LEP has utilised £8m from the Solent Growing Places Fund to bring forward an infrastructure package valued at over £25m, with additional investment secured from Hampshire County Council and the Government's Regional Growth Fund. The funding is being used to unlock 21.6 acres of land for the development of new commercial space and 90 new homes.

The investment also supports the development of 25,000 sq ft of new advanced manufacturing business space beside the airfield through installation of on-site business critical infrastructure, as well as off-site upgrades to improve access to the site. The package will create around 220 construction jobs and nearly 680 jobs when work is complete.

"This investment package is excellent news for future jobs and growth in our area. This will secure the Solent Enterprise Zone's place as a leading centre for advanced manufacturing in the long-term and enhance the prospects of young people in our local area".

Caroline Dinenage,
MP for Gosport



SKILLS

Investing in skills to develop a world-class workforce

OUR SUCCESSES

£25.9m

invested to support the creation of 3 World Class skills facilities

£6m

invested for CEMAST

£10.9m

invested for a Centre of Excellence for Composites on the Isle of Wight

£9m

invested for an upgrade to facilities at Eastleigh College, including a new Advanced Technology block

2015 Skills Summit - **140** school and college learners inspired through Bloodhound Supersonic Car STEM workshops

Solent Careers Enterprise Advisor Network launched to promote school to business engagement

Supported

26

Young Entrepreneurs to start their own businesses

£1.5m

Solent Employer Skills Programme launched

OUR AIMS

- Create world class industry standard facilities in which businesses can develop and train their workforces
- Ensure local residents are equipped to take up the new jobs that are created
- Increase the proportion of people with higher level skills

MOVING FORWARD

- Driving higher level skills and building participation in higher education
- Continuing to place an emphasis on building STEM skills
- Develop a pipeline of skills projects in the marine and maritime sector

CASE STUDY



A new £12m centre at the Solent Enterprise Zone, opened September 2014. Specialising in STEM skills, the college trains more than 900 full and part-time learners, apprentices, and employees per year to support local companies in the development of new engineering and manufacturing solutions, and has helped create and safeguard over 400 jobs in the Solent area. From September 2014, CEMAST has been the main learning centre for students in apprenticeship programmes with BAE Systems, GE Aviation, Virgin Atlantic, Burgess Marine and Jensen Motorsport to mention but a few.

“Our new centre will play a vital role in creating a sustainable future for the advanced engineering and manufacturing sector both on the site and across the region. It will benefit both businesses and young people as we aim to support at least 200 apprenticeships and teach 600 learners every year. We are actively encouraging businesses on site to take advantage of the state-of-the-art equipment and research and development facilities housed in the centre”.

Nigel Duncan,
Principal, Fareham College



INNOVATION

Building on our substantial knowledge assets to support innovation and build innovative capacity in the Solent area to stimulate growth in Solent businesses and in new high growth sectors

OUR SUCCESSES

Invested
£4.5m

to support the
development of a

£25m

Global Centre
of Excellence for
Cancer Immunology

Worked with
Ben Ainslie Racing
and Portsmouth City
Council to secure

£7m

government funding
for a Land Rover
Ben Ainslie Racing
headquarters in
Portsmouth

Defence Growth Partnership SME Fund

established to support SMEs developing
unmanned marine systems

OUR AIMS

- Ensure that innovative practices are embedded throughout the workforce and business community to drive productivity and economic growth
- Encourage the universities to work together to pool resources, and to reach out and support a greater number of enterprises.

MOVING FORWARD

- Work with the Universities in the Solent to develop an innovation strategy to shape our approach to and capacity for innovation STEM skills
- Solent LEP have secured £4m to establish a National Maritime Systems Centre of Excellence

CASE STUDY

Pic credit: Land Rover BAR / Mark Lloyd



The Solent LEP supported the successful £7m Ben Ainslie Racing Team government funding bid which has brought the £100m Land Rover Ben Ainslie Racing Head Quarters to the Solent.

Based on The Camber in Portsmouth, the centre provides a showcase of sport, innovation, technology and sustainability that demonstrates the region's reputation as a centre of global excellence for the marine & maritime industries. The centre is at the heart of an innovation cluster pioneering the use of advanced materials and composites in the Marine and Maritime sector. The centre will also play an important role in enthusing young people to develop higher level skills to enter into a career in the sector and the LEP worked with the team at BAR to support the 2015 Solent Skills Summit.

We hope through our journey to bring the Cup home to Britain, we will inspire more young people to get involved in the sport, along with supporting the growth of the marine sector in the Solent area to match the country's F1 innovation hub.

Sir Ben Ainslie



INWARD INVESTMENT

Establishing a single inward investment model, to encourage companies to open new sites in the region supported by effective marketing

OUR SUCCESSES



**Land Rover
Ben Ainslie Racing
HQ opened**

Pic credit: Land Rover BAR / Mark Lloyd

Launched Maritime Nation - a brand to position the UK as the international home for the Marine and Maritime sector

Established a Solent presence at **MIPIM UK 2014 and 2015**

Signed a **Memorandum of Understanding** with **UKTI**

Launched our **Inward Investment strategy**

OUR AIMS

- Increase the number of new enquiries received
- Increase the number of new projects secured
- Increase the number and scale of resultant business expansion

MOVING FORWARD

- Further develop an inward investment service to progress our work in this area
- Strengthen our partnership working with UKTI to secure new investment in the area
- Further promotion of the Maritime Nation initiative
- Developing a campaign for MIPIM 2016

CASE STUDY



Maritime Nation is an initiative intended to increase awareness of the UK's marine and maritime sector and to provide a strong platform to enable industry, Local Enterprise Partnerships and other stakeholder groups to increase their contribution to productivity and growth.

The initiative will provide a coherent brand and stronger voice for the sector, allowing the UK to compete more effectively with international competitors for investment. At the heart of the UK Marine and Maritime Sector, the Solent LEP worked closely with industry to launch Maritime Nation at the 2015 London International Shipping Week, with partners including;

- ABP
- BAE Systems
- Dorset LEP
- Heart of the South West LEP
- National Oceanography Centre
- Society of Maritime Industries
- UK Marine Industries Alliance.



STRATEGIC SECTORS

MARINE & MARITIME



Establishing the area as a business gateway, both at local and international levels, and further reinforcing the Solent as the global heart of Marine and Maritime



OUR SUCCESSES

Maritime Futures:

Solent Waterfront
Sites published

Maritime Nation

launched

Defence Growth Partnership SME Fund
established to support SMEs
developing unmanned marine systems

Secured
£4m

to establish a National
Maritime Systems
Centre of Excellence

Funding secured
for **investment to
improve port access**

OUR AIMS

- Further build on our recognised position as the leading location for advanced manufacturing and engineering
- Support transport and logistics, the visitor economy, the low carbon sector and the creative sector

MOVING FORWARD

- Develop the National Maritime Systems Centre of Excellence

CASE STUDY



£2m loan funding has been provided to **Griffon Hoverwork** to enable the research, design and build of two new passenger ferry hovercraft which will replace the current vessels serving the Isle of Wight after 25 years of service. The new vessels will safeguard a key connectivity route to the Isle of Wight, provide significant environmental improvements as well as creating 40 new and safeguarding over 400 jobs.

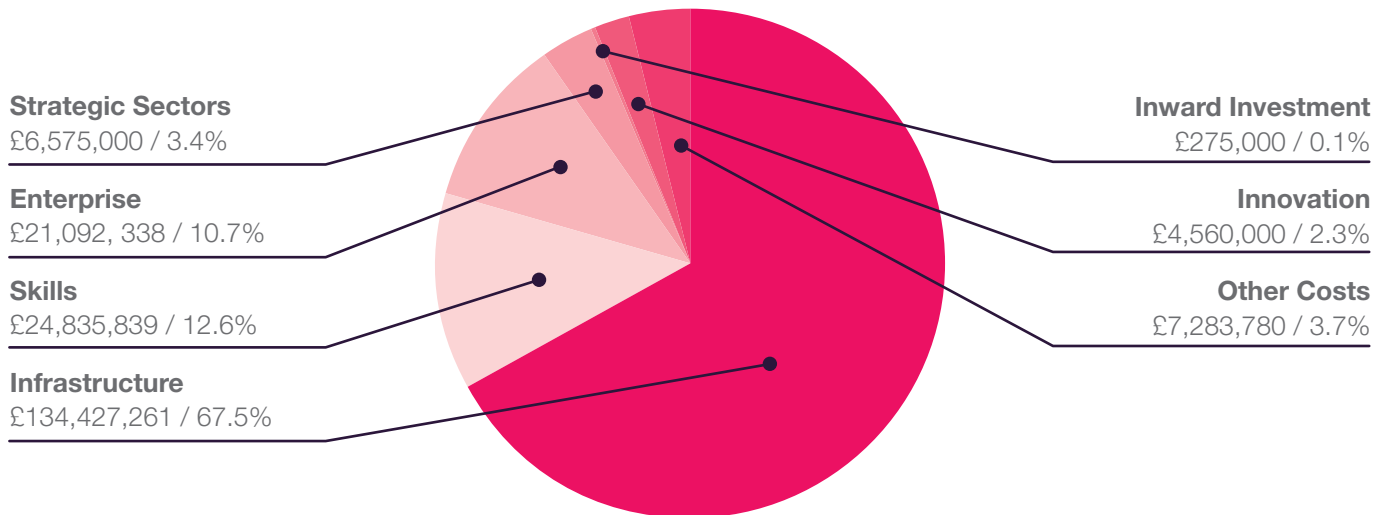
“Griffon are the world leader in the design and manufacture of hovercraft, exporting to commercial and defence clients across the globe; but the support we have received from the Solent LEP has allowed us to undertake the high-end design and manufacture of new craft for use right here in the Solent. It’s great news for the area that the new craft taking passengers to and from the Island in the coming years have been designed and built by the highly skilled engineers and apprentices based in our local community”.

Adrian Went,
Managing Director, Griffon Hoverwork

HOW THE SOLENT LEP IS FUNDED

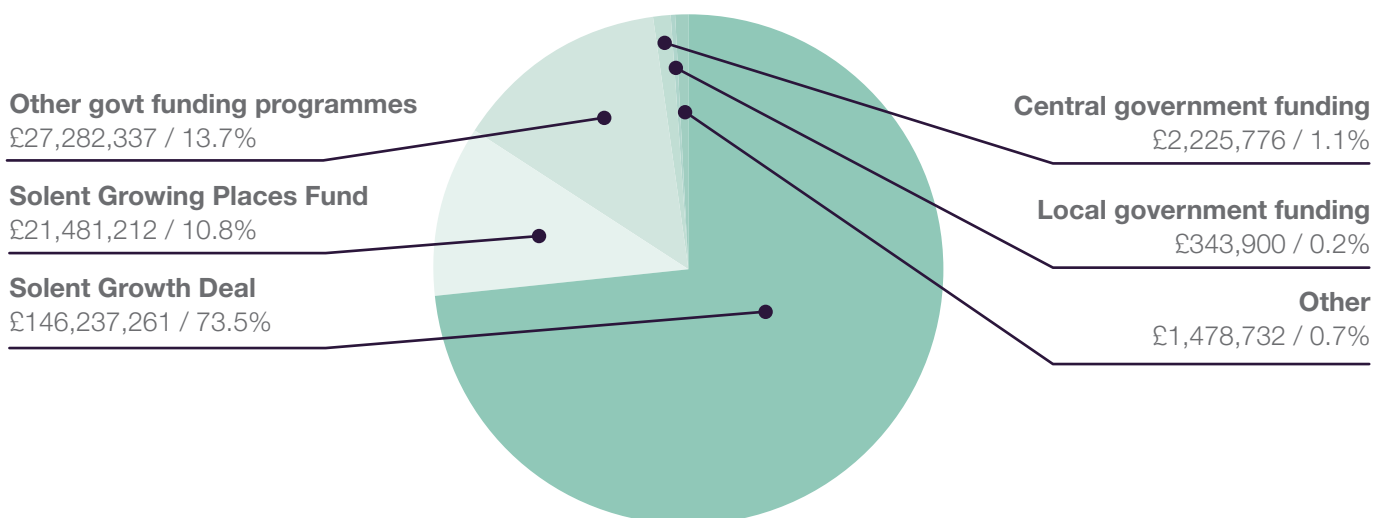
EXPENDITURE TO DATE AND BUDGET TO 2020/21

Where we allocate the funding



Total: **£199,049,218**

Where the funding comes from



Total: **£199,049,218**



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1000, Lakeside North Harbour,
Western Road, Portsmouth,
PO6 3EN.

Get Involved

We rely on volunteers from across the Solent business community to provide the strategic direction and leadership which drives forward the work of the Solent LEP.

Help us transform the Solent economy by joining the Solent LEP as a Business Member, volunteering on one of our Delivery Panels or standing for election as a Business Director on the Board of the LEP.

Visit solentlep.org.uk or get in touch with us to find out more.