



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

ANNUAL REPORT



#solent2050



SOLENT
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PARTNERSHIP

Securing our coastal renaissance

**Gary Jeffries, Chairman,
and Anne-Marie Mountifield,
Chief Executive**

This year has been all about delivering bold changes to transform our economy and improve our quality of life.

With our partners, we are bringing forward aspirations for growth and environmental innovation across our coastal communities including Fareham and Gosport, the New Forest Waterside and the Isle of Wight.

To achieve growth and prosperity, we are addressing productivity challenges, building new global trading relationships, investing in infrastructure and housing, and equipping school leavers with essential skills and career pathways.

On productivity, our region is well placed to champion the transformative power of technology. That is why we are backing great companies developing leading-edge products and services in the fields of artificial intelligence, autonomy, mobility and clean growth.

Business support means strengthening and prioritising major investment in all our key sectors and continuing to put unprecedented levels of investment into SMEs, truly the lifeblood of our economy.

Through the game-changing Solent Growth Deal, we have so far invested £120m into our economy. This includes more than £10.5m in grant funding to over 270 SMEs, helping to create or safeguard more than 1,500 jobs and securing additional investment of over £37.4m directly into our local businesses.

To maintain and expand this activity, we have launched new funding streams this year, such as the Solent Prosperity Fund and Small Business Expansion Fund directly aimed at entrepreneurs and ambitious businesses. We have also launched dedicated support for rural businesses, including on the Isle of Wight.



To help establish new trading partners, we have strengthened our collaboration with Maritime UK, including partnering with them on a trade mission to New York aimed at forging closer ties with the US. This is just one part of a much wider export markets strategy to ensure the Solent stands ever prouder on the world stage.

On infrastructure, work has now started on the M27 'smart' motorway following investment funding we secured. This critical scheme is designed to improve journey times, cut emissions and help to alleviate the overall effects of congestion.

A host of other road improvements have also been completed this year, including at Newgate Lane South which will see travel times quicken between the Gosport peninsula and the M27.

The delivery of new homes features very prominently in our economic strategy. For example, we secured funding to bring forward the next phase of development at Centenary Quay in Southampton. This investment will unlock more than £64m in additional private sector funding and enable the delivery of more than 340 new homes.

Such developments, alongside our multi-year programme of green infrastructure investment, will help us continue to attract and retain talented people able to contribute to our economy and help shape our future.



The Solent is a national leader in the provision of careers advice to young people. Schools in our LEP area have this year achieved the highest average score in England across benchmarks designed to define what good, practical careers guidance should look like. This success reflects the growth of our Enterprise Adviser Network, which matches schools and colleges with volunteer business advisers able to share their knowledge.

More than two thirds of schools in the Solent are engaged with the programme. We have also this year launched the Solent East Careers Hub, one of only 20 such hubs in England, bringing schools and colleges together with universities, training providers, employers and career professionals to improve careers education.

One of the great strengths of LEPs is our ability to provide strategic direction and clear priorities to build prosperity. Working closely with businesses, local authorities, academia and other key stakeholders, we are well advanced in plans following the government's LEP Review. We are also developing the initial stages of our Local Industrial Strategy, in line with the principles and priorities of the national strategy, that will set out an ambitious vision for the Solent economy to 2050.

We hope you enjoy reading our annual report and we welcome any ideas and proposals you have to help enhance innovation and connectivity across our world-class coastal environment. We are keen to work with you over the coming year.

SOLENT LEP 2018 - AT A GLANCE



Solent LEP extends its boundaries westwards

Following the government's review of Local Enterprise Partnerships, we have agreed with the neighbouring Enterprise M3 LEP to realign some of our shared geographic boundaries.

The Solent LEP area will be extended westwards to cover the whole of the New Forest rather than just the New Forest Waterside, as at present. This will enable us to strengthen our support for the renaissance of our coastal economy and world-class maritime hub with its extensive presence along the Solent.

It also paves the way for further collaborative opportunities with Dorset LEP in the future, for example on regional economic strategy.

While Enterprise M3 will incorporate East Hampshire, Test Valley and Winchester, we will remain the lead LEP for the vitally important strategic transport infrastructure of the M27/M271 road network and the Portsmouth-to-Southampton rail connection. We also remain committed to supporting businesses in the southern parts of those areas that make a strong contribution to the Solent economy.

Reviewing LEP boundaries is all about building a simpler, more accountable and practical geography that best reflects the real functional areas of our respective local economies.

At the same time, we are working with Enterprise M3 LEP, local councils and business to develop a forum to strengthen cross-boundary working.



2018 EXECUTIVE SUMMARY

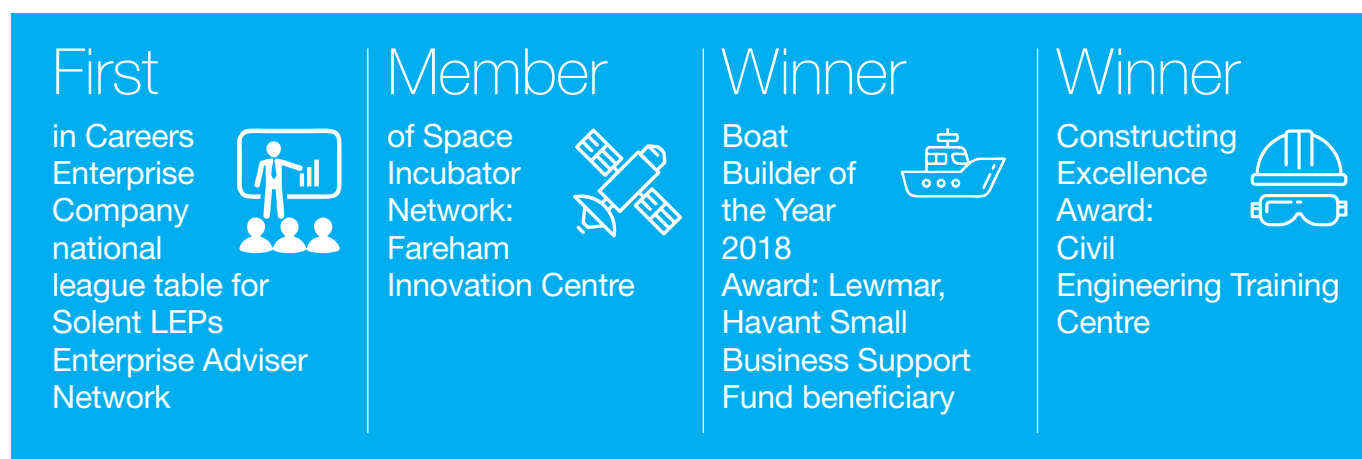
Solent Growth Deal Milestones



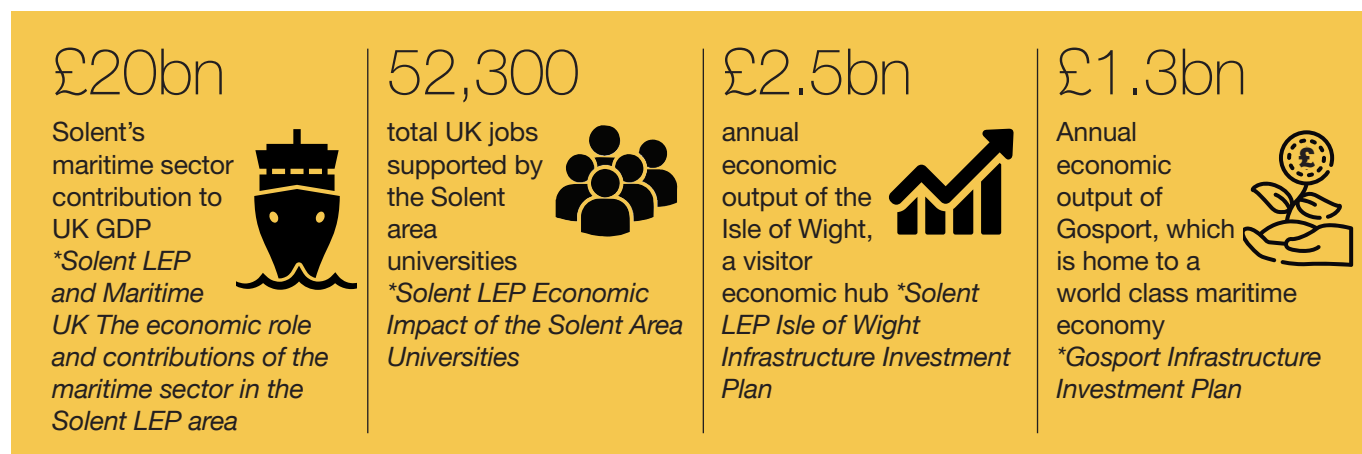
Opened for Business



Awards for LEP Funded Projects



Impact Revealed



SKILLS



7,200 learners assisted



Open Thunderer Workshop for Apprentice Engineers



First

in Careers Enterprise Company national league table



52,300 jobs supported by the Solent area universities

MARITIME

Global training credentials: The world's leading maritime training provider, the Warsash School of Maritime Science and Engineering, part of Solent University, provides training across the maritime industry.

Clients include the Royal Navy, cruise operators such as Cunard and Carnival, and oil giants such as Shell. Among the school's education partners are Rolls-Royce and Lloyds Register.

This year Solent LEP provided nearly £7.5 million in funding to help the school upgrade its estate and training facilities, which include six new bridge training simulators.

HIGH QUALITY LEARNING CENTRES



The UK's first primary school Science, Technology, Engineering and Mathematics (STEM) education centre is opened in Gosport

CAREERS HUB

Talent for tomorrow: The LEP has launched Solent East Careers Hub, one of only 20 'Careers Hubs' secured around England to help transform careers education for young people.

Careers Hubs are a central part of the government's careers strategy, designed to strengthen the help available for preparing young people for the world of work.

Hubs are made up of local schools and colleges working together with universities, training providers, employers and career professionals.

Our Hub builds on the early success of our Enterprise Adviser Network which has engaged two thirds of all secondary schools and colleges in the Solent area.

Forty-one of these have been matched with a dedicated adviser and of those engaged in the programme, 75% say they have already seen an improvement in the number of encounters and experiences within the world of work.

ENGINEERING

Workforce skills: Around 1,700 apprentices are to receive essential skills training over the next five years at the new Civil Engineering Training Centre at Fareham College.

The purpose-built facility is designed to meet the future workforce requirements for all kinds of civil engineering and construction projects in the South.

The centre will be located alongside the college's industry-leading CEMAST (Centre of Excellence in Engineering, Manufacturing and Advanced Skills Training) facility that was likewise backed by Solent LEP investment.

Fareham College this year won the prestigious *Times Educational Supplement* award for Further Education College of the Year.



Skills Minister Anne Milton (third from left) visits staff and students at the new Civil Engineering Training Centre at the Solent Enterprise Zone

CENTRE OF EXCELLENCE



Tech cluster: SMEs on the Fareham and Gosport peninsula, especially those specialising in engineering, marine and aerospace, are set to benefit from the second phase of the Fareham Innovation Centre.

Part of our £12m capital investment in what has rapidly become a thriving centre of excellence, this year's expansion provides more 'move-on' space to enable incubating businesses to remain on site. The result is more jobs and

opportunities for local people and the cementing of a significant technology cluster in our strategic sectors.

The centre won a further vote of confidence in 2018 with a successful bid to join the UK's Space Incubator Network. This nationwide group of innovation hubs is dedicated to accelerating the growth of start-ups and scale-ups leveraging space technology as a critical asset in their businesses.

UNIVERSITY BOOST

Value-add: This year we published a report on the combined economic impact of our three universities.

It showed that the University of Southampton, University of Portsmouth and Solent University, together inject more than £4.2 billion into the UK economy every year, supporting 52,300 jobs. The research, by BIGGAR Economics, also revealed the universities' localised impact on the Solent LEP

region: £2.1 billion of economic value sustaining 33,000 jobs.

Every £1 the universities generate from their own work sustains £6 worth of UK economic activity, with £3 of that retained in the Solent. And for every person they directly employ, the universities support more than five jobs in the UK, including three in the Solent.

CASE STUDY: New Technology

Gemma Lighting: Portsmouth based Gemma Lighting is an award-winning and internationally trusted UK designer, manufacturer and supplier of high quality LED and solar LED lighting solutions. They were established to create an innovative concept for environmentally friendly lighting requirements.

The company received a grant of £31,000 from the Local Growth Deal Small Business Programme. This was to extend the mezzanine floor to accommodate additional stock and increase manufacturing space, creating a new boardroom. They converted the existing boardroom into a modern sales office to accommodate the five new staff members at their premises in Farlington, Portsmouth. The project has meant lead times being reduced and sales increasing.





Future Technology Centre at the University of Portsmouth

Maritime Global Gateway





US TRADE MISSION

The Solent's exceptional global reach was clearly highlighted during a transatlantic trade mission to New York in October 2018. The visit included UK maritime businesses, representatives of promotional body Maritime UK and Solent LEP, and the international trade secretary Liam Fox.

In New York harbour, delegates met US counterparts on board the Royal Navy's flagship aircraft carrier *HMS Queen Elizabeth*, whose home port is Portsmouth.

Also on view was the world's largest ocean liner, the *RMS Queen Mary 2*, famous for its service

between Southampton and New York.

The aim of the trade mission was to help cultivate and develop export markets for business, including new trading relationships beyond the EU.

As well as providing support for such visits, we are the only LEP represented on the board of the Maritime UK Council and so able to help shape national maritime policy directly. Both Anne-Marie Mountifield, our Chief Executive, and Kevin George, Maritime Lead, are members of the Maritime UK Council.

INFRASTRUCTURE



CUTTING CONGESTION

Highway improvements: City-to-city connectivity is essential for growing our economy sustainably and improving our quality of life. This year work began on a 'smart' motorway along 24 km (15 miles) of the M27 following investment funding we secured with Highways England. This critical scheme stretches from Junction 4, the M3 interchange, to Junction 11 for Fareham. It features variable speed limits, better signage, a hard shoulder-to-running lane conversion and emergency refuge areas. Once complete, it will optimise traffic flows, enhance capacity, improve journey times, cut emissions and help alleviate the overall effects of congestion.

Fareham and Gosport: Better access to and from the Fareham and Gosport peninsula is another of our key

strategic priorities. We are working through a multi-year programme to improve connectivity through a package of highway infrastructure improvements. The concluding element is a new carriageway alignment at Newgate Lane South to quicken travel times from the peninsula and the Solent Enterprise Zone to Junction 11 of the M27.

The scheme, involving a £9m investment, follows improvements at other locations such as Gudge Heath Lane and Station Roundabout, designed to alleviate A27 congestion between Segensworth and Titchfield.

The investment programme at Fareham and Gosport has the potential to create 3,000 new jobs before 2021, unlock significant housing opportunities and enable 248,000 square metres of floor space for businesses.



Alver Valley Country Park, Gosport



Manor Farm Country Park, Bursledon

GREEN CREDENTIALS

Quality of life: In order to support a greater quality of place for those living in the region, we invest in a multi-year programme for strategic green infrastructure.

These projects strengthen and enhance the natural environment in many urban areas across the Solent, connecting people from the region with nature.

Our investment is already helping to upgrade and expand country parks at Alver Valley in Gosport, Manor Farm in Hamble, and Shoreburs Greenway in Southampton. It is also helping establish a new country park at Horsea Island in Portsmouth. The next site set for investment is Hayling Island in Havant, where LEP funds will be used to secure the future of the Hayling Billy Trail for years to come.



2,500

new homes
completed



£1.3bn

Annual
economic
output of
Gosport



Open

Newgate Lane
South,
Fareham

ISLAND AND PENINSULA

Infrastructure investment: We are working to take forward the key infrastructure investments needed to sustain economic growth on both the Isle of Wight and the Gosport peninsula.

In line with stakeholder consultation, the main themes on the Island include energy, transport, housing, business premises, telecommunications, water and waste utilities, and flood defence.

As with the Island, Gosport's infrastructure investment plan, supported by the success of the Solent Enterprise Zone, is all about ensuring coastal transformation and prosperity.

The key focus is on regenerating public sector land to unlock or accelerate the delivery of new employment space.

DEVELOPMENT FUNDS

Transformation: Alongside infrastructure delivery on the ground, we have this year provided development funding to local highways authority Hampshire County Council for the Stubbington Bypass, a transformational road project valued at more than £34m. It is aiming to encourage new investment at key strategic sites on the Fareham and Gosport peninsula, including the Solent Enterprise Zone.

Upgrading connections: We have also sourced development funds to help local partners develop detailed plans for key infrastructure improvements which it is hoped will unlock the new Welborne community, being planned for the north of Fareham and involving up to 6,000 homes.



Phase 4 of Centenary Quay in Southampton promises the delivery of more than 340 new homes

SOLENT ENTERPRISE ZONE



Solent Enterprise Zone (bottom left) and Daedalus Airfield, near Lee-on-the-Solent

The Solent Enterprise Zone (EZ) at Daedalus near Lee-on-the-Solent, Gosport, is fast becoming a major employment hub. There are already 715 jobs on site, with around 200 on the way over the coming year as more occupiers move into new developments.

More than 160 jobs are in small or micro businesses working from the Fareham Innovation Centre, which offers serviced office space for 28 start-ups and fledgling companies mainly working in marine, aerospace and engineering. Employment opportunities include highly skilled roles at companies such as UTP and Proptech.

As well as our £2m capital investment in the centre, which saw its second phase open in April 2018, we provide advice and support through our Solent Growth Hub team. This includes hosting a series of on-site clinics enabling centre occupiers and other local SMEs to talk through their expansion plans with our expert business advisers.

2018 has seen 135,000 sq ft of additional commercial

space brought forward at Daedalus Park, mainly for small businesses in 65 units. The space includes eleven new business or aviation hangars. Most units have already been let or sold.

At the same time, the EZ's Centre of Excellence for Advanced Manufacturing Skills Training (CEMAST), part of Fareham College, has been expanded this year to offer further office and workshop space and a new conferencing suite available to local businesses.

As well as providing support and grants for on-site expansion at the EZ since it was first designated in 2012, Solent LEP is investing £13.3m in a comprehensive programme of local road improvements to improve access. It includes better links between the EZ and Fareham town centre, the Gosport waterfront and Junction 11 of the M27.

The success of the EZ is leading directly to the provision of new housing on the Gosport peninsula. More than 300 homes are currently under development nearby.

BUSINESS SUPPORT



270

SMEs funded



£20bn

Solent's maritime sector contribution to UK GDP



3,000 jobs created



Award

Boat Builder of the Year 2018 Winner: Lewmar, Havant

GLOBAL REACH



Backing marine and maritime:

More than £77.5 billion worth of exports and imports are moved through our major ports of Southampton and Portsmouth every year. Export trade through the ports generates an estimated annual contribution of at least £20 billion for the national economy.

Southampton is the UK's largest cruise port, receiving up to two million passengers a year, while Portsmouth is the centre of a world-class maritime defence cluster supporting 20,000 jobs.

Overall, the Solent's maritime sector contributes at least £5.5 billion to

regional economic activity, directly employing nearly 36,000 people. Every job in the maritime sector supports an additional 2.34 jobs through supply chain and employee spending impacts.

We are working in partnership with Maritime UK and other organisations to maximise the benefits of our maritime infrastructure. This year we commissioned further research on the economic value of marine and maritime and supported a strong Solent presence at a UK government-led trade mission to New York targeting US investors aboard the *HMS Queen Elizabeth*.

SUPPORTING SMEs

Supercharging small business support:

We are already a national leader in supporting SMEs through access to alternative finance. To date, we have provided more than £10.5m in grant funding to more than 270 SMEs, helping to create or safeguard more than 1,500 jobs and securing additional investment of over £37.4m directly into our local businesses.

This year we launched an improved business support service for companies seeking to kick-start growth plans and create jobs. The Small Business Expansion fund provides support from £10,000 to £100,000.

As well as small business funding, SMEs with the potential to scale up are able to access a new Small Businesses Acceleration Programme through our one-stop-shop business support service, the Solent Growth Hub. This features up to 12 hours of free business advice, culminating in a bespoke Growth Plan and potential access to up to £500,000.

Altogether, the Solent Growth Hub team have this year undertaken more than 1,500 engagements with local businesses, supporting access to local and national support services

CASE STUDY: Growth and job creation

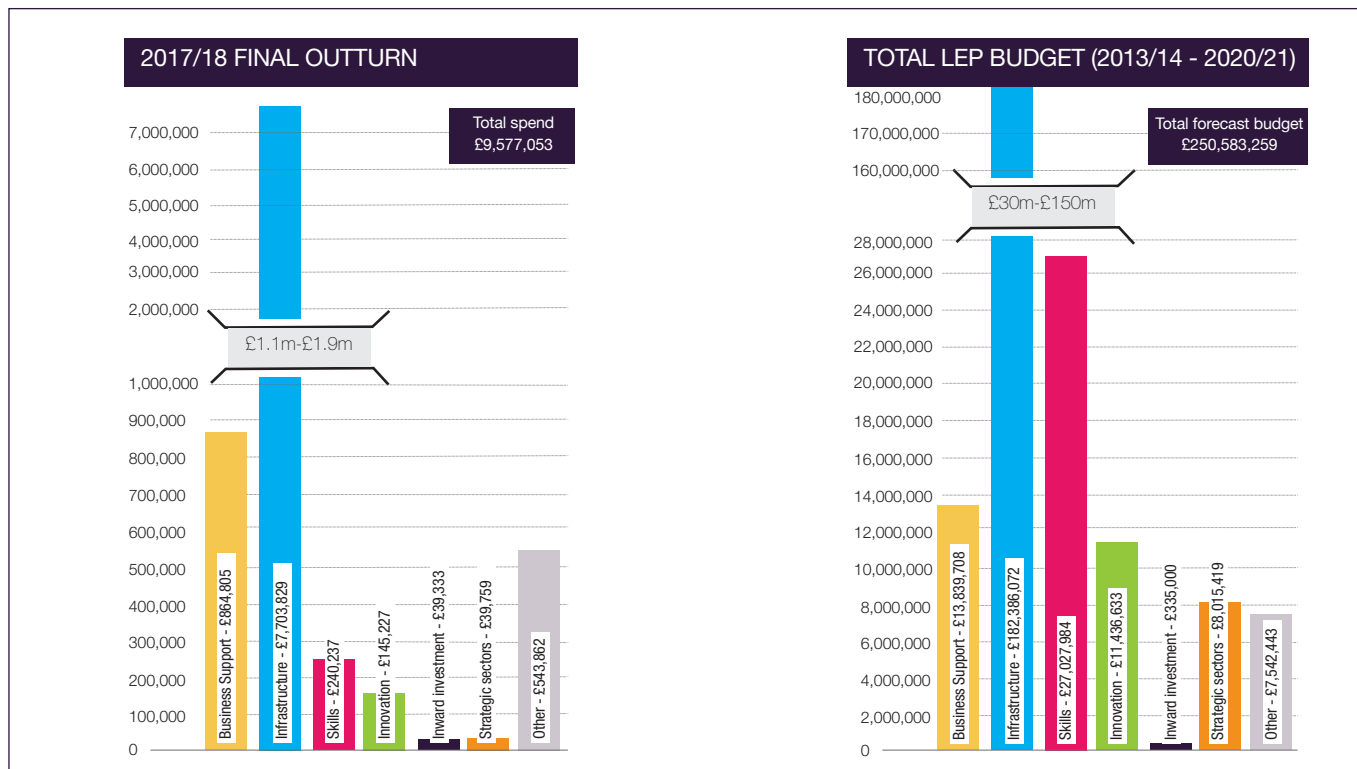


Snowflake Software: Southampton based company Snowflake Software has accelerated innovation in the aviation industry by making the world's aviation data accessible and easy to use. Its vision is to accelerate innovation in the aviation industry by making the world's aviation data accessible and easy to use.

In 2012, Snowflake entered the aviation market and by 2015 the company had grown by 200% to a turnover of £3m.

With a Southampton, UK staff base of 40+ and a wholly-owned subsidiary in Washington DC, USA, the company forecasts that by 2020 more than 95% of its revenue will come from the aviation industry and that revenues will increase to £5m. The Solent LEP grant award of £75,000 leveraged a further £464,378 into the company, and enabled it to scale up more effectively and contribute more to the Solent economy.

Financial Forecasts to 2020/21



Sources of funding

Source of Funding – £	2017/18 Actual Expenditure	2013/14 - 2017/18 Actual Expenditure	Total LEP Budget (2013/14 - 2020/21)
Other Government Funding Programmes	£207,866	£29,237,220	£30,096,445
Solent Growth Deal *	£8,313,000	£85,953,746	£178,257,261
Solent Growing Places Fund	£24,091	£13,944,305	£34,228,890
Central Government Funding	£347,154	£2,319,521	£4,621,330
Other	£600,496	£789,202	£2,035,433
Local Government Funding	£0	£343,900	£343,900
European Funding	£84,446	£84,446	£1,000,000
Totals	£9,577,053	£132,672,340	£250,583,259

Figures from 2017/18 Final Outturn – Solent LEP Finance Report, Appendix B, July 2018

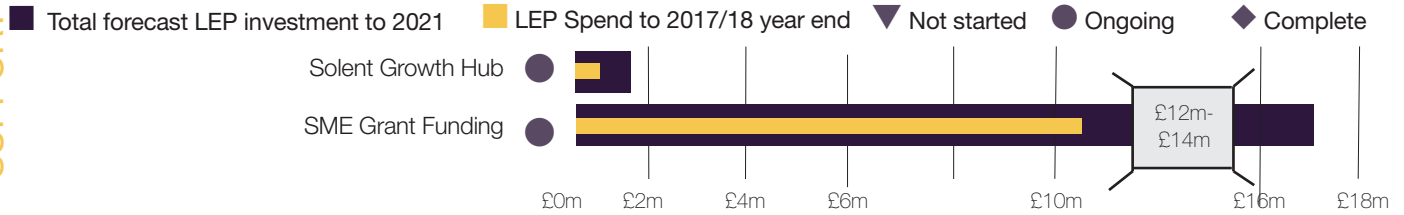
Financial Summary	2017/18	2013/14 - 2020/21
Budget:	£36,798,705	£250,583,259
Total committed to external organisations through grants and loans	£33,935,449	£235,489,426
Total committed to suppliers to purchase goods, works or services	£621,077	£5,676,757
Total running costs	£1,244,987	£9,417,076

*£27,221,652 reallocated to future year budgets to reflect local delivery profiles for a number of Local Growth Deal schemes

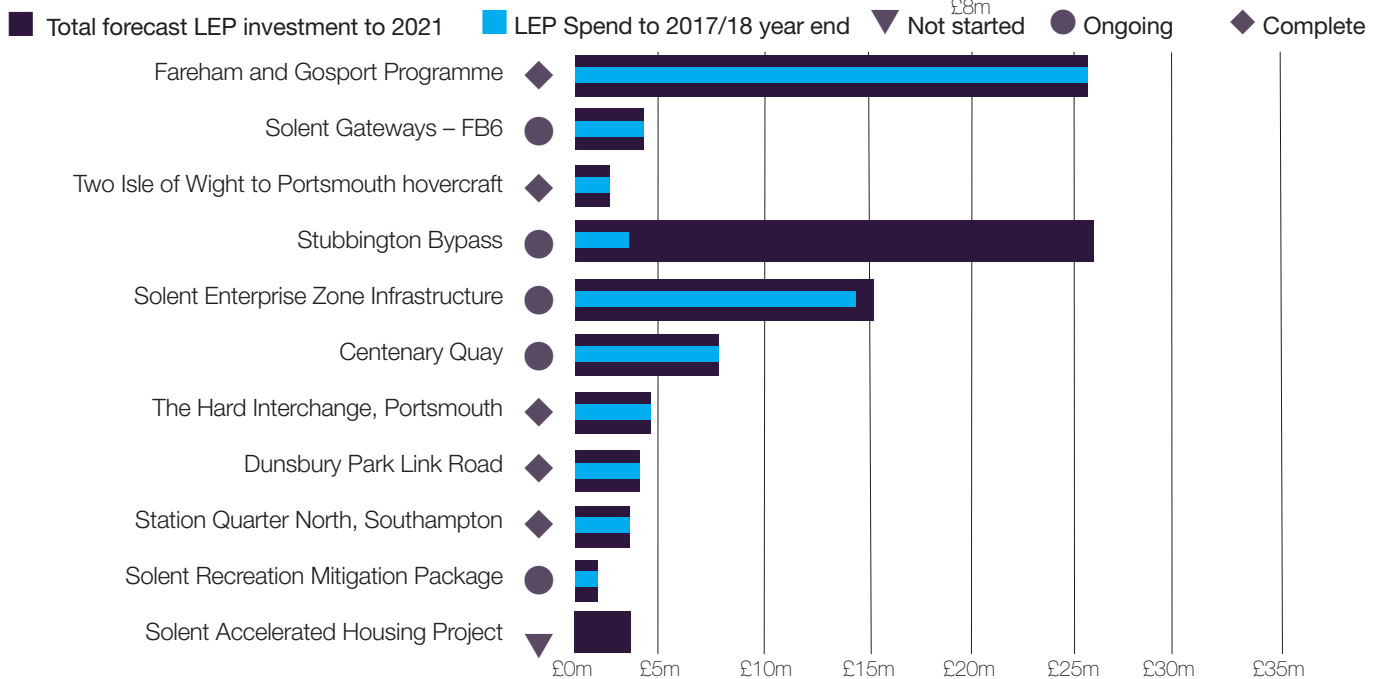
Full financial forecasts are available at solentlep.org.uk

SOLENT LEP - PROJECT DASHBOARD

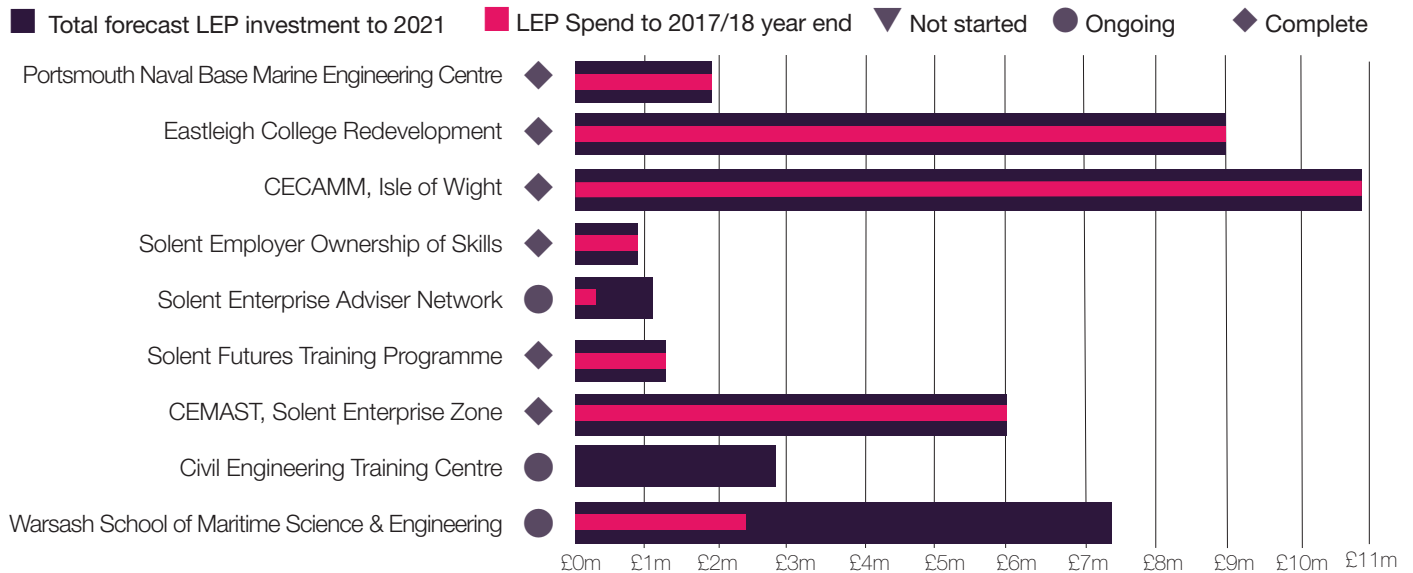
BUSINESS SUPPORT



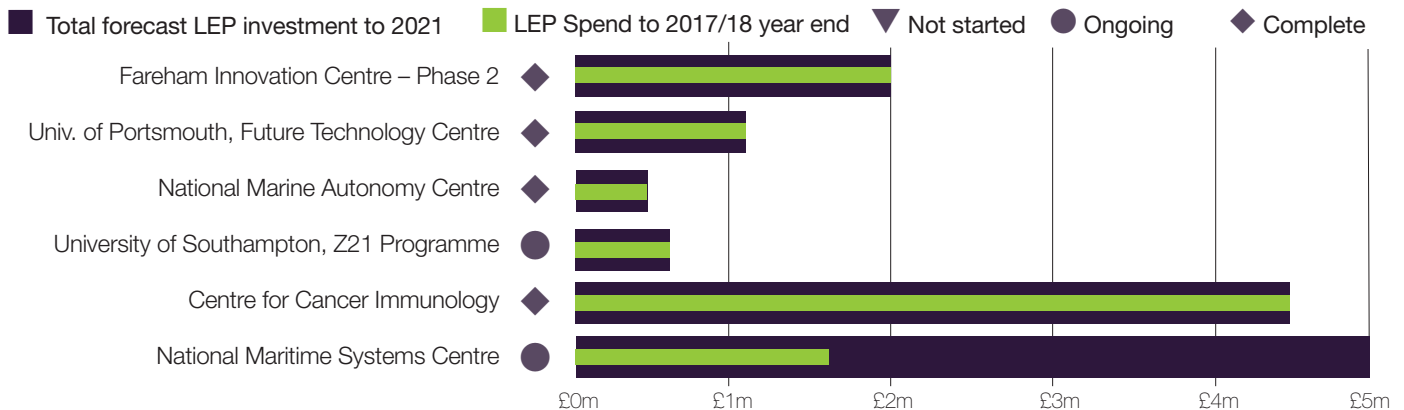
INFRASTRUCTURE



SKILLS



INNOVATION



Figures from 2017/18 Final Outturn – Solent LEP Finance Report, Appendix B, July 2018



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