

enterprise **m3**

Driving prosperity in the M3 corridor





Scott Wilson Group plc is a global integrated design and engineering consultancy for the built and natural environments. With its Head Office in Basingstoke, the Group has a worldwide network of 80 offices and over 5,500 employees.

We fully support the North Hampshire and M3 Corridor Local Enterprise Partnership (LEP). We believe that the establishment of this LEP is vital if the potential for economic recovery is to be realised. We are committed to be fully involved with the LEP and welcome the way that the different sectors of the economy will be drawn together. Added to all that, its geographic scope recognises modern reality rather than outdated authority boundaries.

We look forward to working with the LEP to support and grow the economy in an environmentally sustainable way.



Geoff French, Group Chairman, Scott Wilson Group plc



Motorola Solutions is pleased to offer its support to the proposed North Hampshire Local Enterprise Partnership. The Company has been based in North Hampshire, specifically Basingstoke for 43 years and has forged close ties with local government, local business and the wider local community. Motorola is committed to continuing to play a leading role in the region and sees a strong business forum as vital for maintaining both the existing business community while also encouraging inward investment, entrepreneurial growth and community development.



Graeme Hobbs, Chairman of Motorola Ltd

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Contents

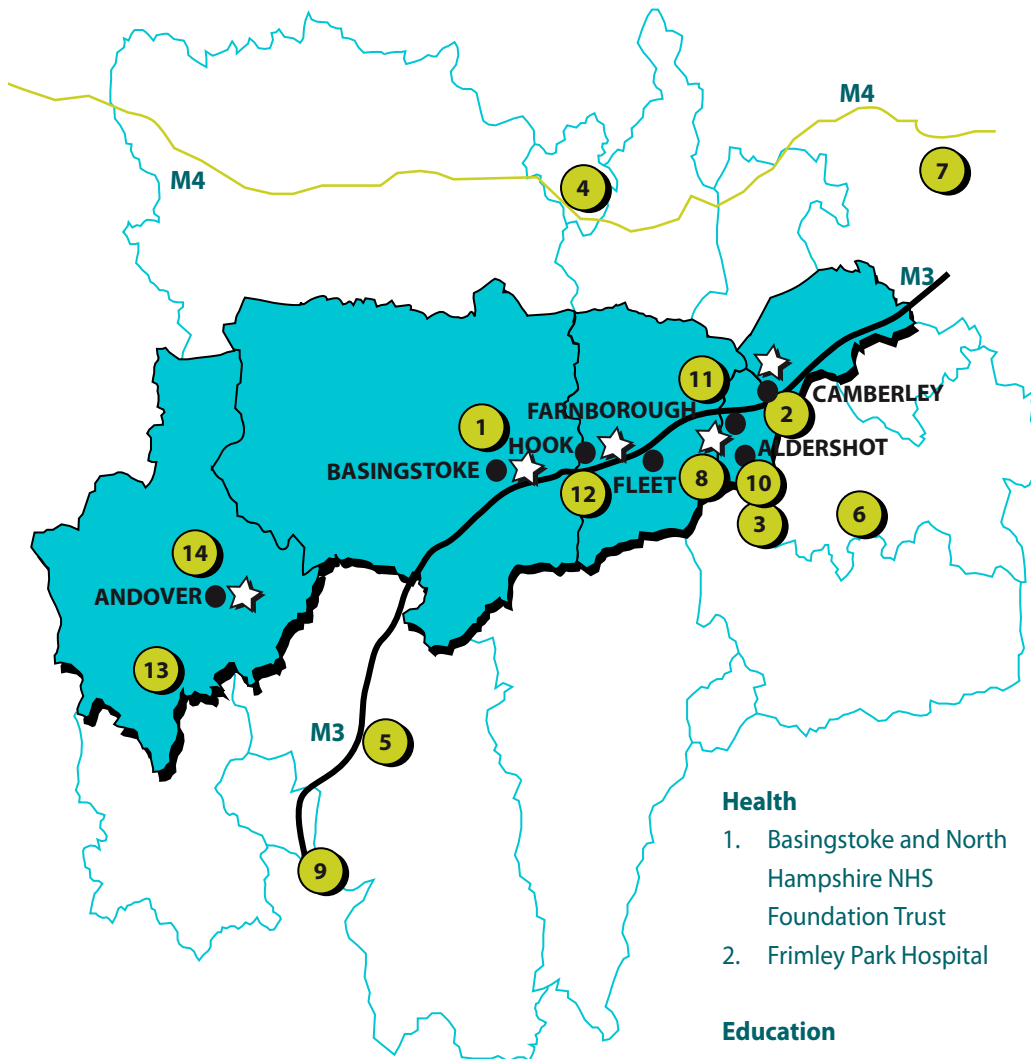
Page

Setting the scene	4
Embracing the challenge	6
Governance	10
Appendix A Profile of business in the area	11
Appendix B List of businesses signed-up to the LEP	17
Appendix C Profile of the area	21

Setting the scene

North Hampshire and the M3 corridor is an established 'functional economic area' (FEA) based around the North Hampshire Diamond for Investment and Growth (the evidence for the functional economic area can be found in 'Appendix C - A Profile of the Area' and is based on business supply chains, travel to work areas, retail and leisure patterns). The area covers parts of Hampshire and Surrey and includes:

- Andover
- Basingstoke
- Aldershot
- Farnborough
- Fleet
- Hook
- Camberley



Health

1. Basingstoke and North Hampshire NHS Foundation Trust
2. Frimley Park Hospital

Education

3. University of Creative Arts - Farnham
4. Reading University
5. Winchester University
6. University of Surrey

Airports

7. Heathrow
8. Farnborough
9. Southampton

Armed Forces

10. Aldershot
11. RMA-Sandhurst
12. RAF Odiham
13. Middle Wallop
14. Malborough Lines HQ UK Land Forces

 Major centres of employment

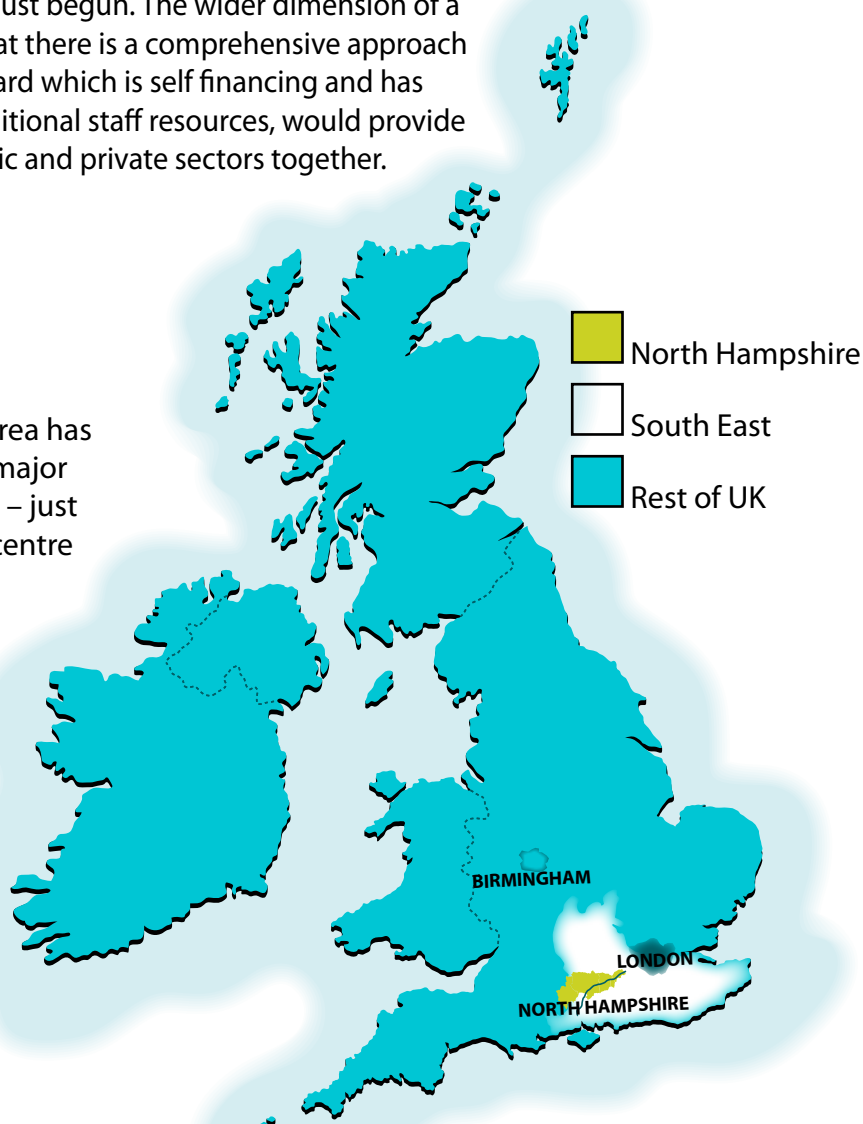
The North Hampshire and the M3 corridor functional economic area generates £15 billion GDP, covers a population of around half a million with 25,000 registered businesses, 300,000 jobs and has a strong, well-balanced and diverse economy covering both major urban centres and rural areas. The area performs well in knowledge based sectors such as ICT, telecommunications, logistics, financial services, has a growing R&D sector in bioscience and healthcare, and has advanced manufacturing around aerospace and defence. It is a location that has established strong partnerships with business, and has shown resilience during recession due to good communications, an excellent quality of life, the continued commitment of major employers and a diverse business base (a profile of the economic make up of the area can be found at Appendix C).

However, without continued attention its potential as a success story in economic recovery is under threat. Many of the global names located in north Hampshire are mobile, drawn initially by good communications and a skilled workforce, home grown business also rely on these essential criteria for success. Research shows that weaknesses in road infrastructure, broadband provision and educational attainment need immediate, focussed attention. An overall positive picture of affluence hides pockets of deprivation and social polarisation.

Authorities covering the north Hampshire and M3 corridor functional economic area are already working together, with partners, as part of the North Hampshire and M3 Corridor Economic Board. The board has been in place for a year now and adds weight and resources to local economic issues, focusing on attracting inward investment, improving infrastructure and increasing skills in the area. However, it is recognised that the board whilst starting to tackle some of the economic issues has only just begun. The wider dimension of a LEP will build on this work ensuring that there is a comprehensive approach to dealing with the challenges. The board which is self financing and has been created without the need for additional staff resources, would provide the basis for the LEP, bringing the public and private sectors together.

Locating North Hampshire

Located to the west of London, the area has the advantage of easy access to the major UK cities of London and Birmingham – just 45 minutes from London. From the centre of north Hampshire journey times to London airports are an hour with Southampton airport just half an hour away. Access to the South Coast of England and its major ports can be reached in less than one hour. The area is also a key bridge between the South Hampshire area, the Thames Valley and the arc of prosperous local economies to the north west of London and along the M40 including Buckinghamshire and Oxfordshire.





Challenges for economic growth

Research and consultation with businesses, through the North Hampshire and M3 Corridor business consultation event 'A Question of Business' and business partnership events, have identified the following priorities for the economy in North Hampshire and the M3 Corridor:

- Continued and sustainable economic growth, attracting, retaining and creating businesses locally
- Regeneration of town centres including shopping, housing and employment areas
- Improved transport links across the area including motorway junctions
- Improved ICT infrastructure and broadband coverage
- Increased workforce skills/Level 3 and 4
- Improved educational attainment of school-leavers
- Support for the rural economy

Embracing the Challenge – 'Enterprise M3'

A Local Enterprise Partnership would add weight and focus to the challenges outlined above through a public/private partnership approach.

Business Involvement

Businesses are at the heart of the LEP proposal, with major employers across the area pledging their support and leadership to this proposed LEP (a list of supporting businesses can be found at Appendix B).

A proven track record of delivery through private sector enterprise and partnerships already exists and we believe this will act as a catalyst for further delivery, directly contributing to economic recovery in the area. Significant joint working includes:

- Improvements to the broadband infrastructure in Basingstoke and Deane funded and delivered by BT and BT Openreach
- Destination Basingstoke - a private sector chair, with a number of private sector board members and a business Ambassador scheme
- Major retail schemes such as the Atrium shopping centre in Camberley and Festival Place in Basingstoke
- Farnborough Aerospace Consortium - major defence companies working with local government to enable smaller companies to access the supply chain and share expertise and knowledge
- Andover Vision – private sector led consortium designed to rejuvenate Andover

Proposed membership of the LEP:

Membership of the LEP Board will have equal representation from both the private and public sector, with a private sector chair.

The Private Sector

- The LEP will be business led with a business chair. It will be supported by business organisations including the Federation of Small Business, the Hampshire Chamber of Commerce, Surrey Chamber of Commerce, North Hampshire Enterprise, Hampshire Economic Partnership, Farnborough Aerospace Consortium (this private sector partnership was formed to enhance the economic return of the aerospace industry and brings with it 300 members), Destination Basingstoke, Andover Vision and Town Centre partnerships in Camberley, Fleet and Odiham.
- Direct business involvement from the businesses signed up at Appendix B including Qinetiq, Stannah, Scott Wilson, Motorola and Siemens.

The Third Sector

- The LEP is supported by local Community Voluntary Services organisations from Basingstoke and Deane, Surrey-Heath, Hart and Rushmoor.

The Public Sector

- The local authorities of Basingstoke and Deane, Hart, Rushmoor, Surrey Heath, Test Valley, Surrey and Hampshire (providing strategic direction and planning and administrative support to the partnership)
- Hampshire Constabulary (addressing crime and the fear of crime, ensuring that the area remains somewhere businesses want to be based)



- Basingstoke and North Hampshire NHS Foundation Trust, Frimley Park Hospital (two of the largest employers in the area and key contributors to the economy through the health of the workforce)
- The Armed Forces (a large employer in the area, with major representation in Test Valley, Hart, Surrey-Heath and Rushmoor, as well as a key procurer)

Academic Sector

- North Hampshire Colleges - including Farnborough College, Basingstoke College of Technology, Andover College, Queen Mary's College
- University of Winchester

The aims of the LEP are to:

1. Support and grow the economy in the North Hampshire and the M3 corridor area in an environmentally sustainable way, working to meet the needs of businesses from large multi-national companies to sole traders to new start ups, focusing on creating jobs, improving infrastructure, increasing the skills of local people, attracting inward investment and tourism to the area, developing strong local supply chains and international exporting from local companies.
2. Be financially sustainable by 2012/13 ensuring that the LEP has financial support from all sectors. Using a diverse funding model including public, private and European funding, building on existing expertise in securing funding.
3. Ensure the area is a good place to live, with a strong and safe community. Where the healthcare providers, education institutions, the police and local authorities work with businesses to develop the area as one cohesive organisation understanding the needs of everyone from the residents, the businesses and those people who are employed locally. Utilising the skills of the voluntary sector to provide services, helping to create the 'big society' at a local level.

Specific targets will be developed to measure these general aims.

The LEP will include:

- A business forum - providing peer support, advice and guidance to small businesses
- High growth and knowledge transfer unit - including the Basingstoke Innovation Centre and 3en Venture Capital Fund to support small businesses with the potential for high growth
- Destination Ambassadors Club for large companies to assist with marketing of the area and as a forum to raise the issues of large businesses
- Inward investment support - through a professional advocacy group using existing businesses to provide support and contacts for new companies
- Destination Marketing - promoting the area to potential businesses, tourists, residents and customers
- Strategic planning and delivery of housing and infrastructure to support growth
- Education and Skills Board - including a Local Training Agency building on the North Hampshire and M3 Corridor Employment and Skills Group
- North Hampshire Sustainable Business Network - supporting businesses across north Hampshire to be more sustainable and reduce their carbon footprint

The work plan for the partnership will cover:

- Outcomes from the Single Conversation Investment Plan including delivering affordable housing to meet local needs
- Improving transport infrastructure
- Investigating the business opportunities of a local low carbon economy and energy efficiency
- Ensuring business can thrive in rural areas
- Rolling out private sector investment in broadband to support SMEs and home-working across the area –using innovative business models
- Improving educational attainment and skills to support our knowledge economy sectors including enhancing the presence of Higher Education in the area
- Regenerating business areas such as Basing View to ensure existing business is retained in the area and new business is attracted
- Supporting enterprise and innovation via the Innovation Centre and work with Innovation and Growth teams, 3en Ventures and local universities



- Generating inward investment to the area
- Promote the area as a great place to live, work and visit

Governance

The North Hampshire and M3 Corridor Local Enterprise Partnership will be set up as a separate legal entity to ensure there is some independence from the public sector.

The proposal is that the LEP will be in the form of a company limited by guarantee or community interest company, thereby providing a legal entity. This will enable the LEP to hold property, employ staff, raise finance and establish a decision making process.



Links to neighbouring LEPs

Research carried out by GHK, reinforced by the Hampshire Economic Assessment, clearly defines the complementary, outer-lying functional economic area around the North Hampshire hub as the Thames Valley, with synergies in economic clusters, travel to work patterns and leisure pursuits (see appendix C).

It is proposed that the separate LEPs around Thames Valley and North Hampshire work together on specific key issues and major infrastructure to drive growth that is truly sustainable.

It is also important to establish links to other LEPs to ensure a joined-up approach. A good working relationship already exists through the Diamonds for investment and growth with Solent, Reading and Oxford. The synergies between these FEAs to the west of London will continue to drive joint working on common issues.



Appendix A

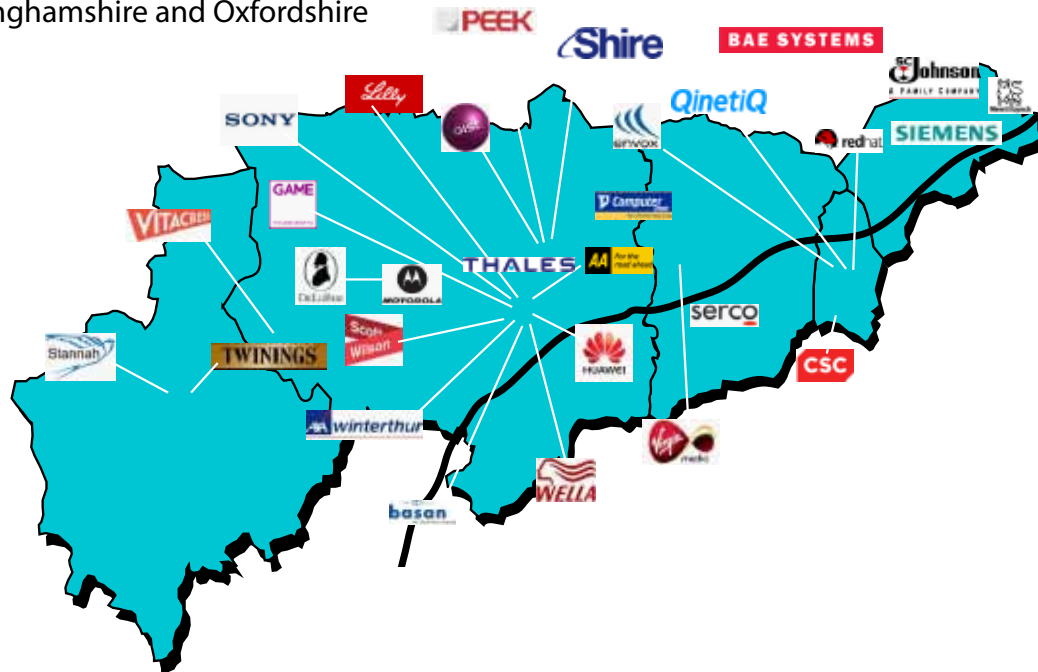
Profile of Business in the Area



Profile of Business in the Area

North Hampshire is located just to the west of London, giving easy access to the major UK cities of London and Birmingham, and to the South Coast of England.

The area is a key bridge between the South Hampshire area and the Thames Valley also linking to the arc of prosperous local economies to the west of London, along the M40 including Buckinghamshire and Oxfordshire



Businesses in North Hampshire

According to Nomis (Official Labour Market Statistics) the number of businesses (measured as VAT stock for 2007) for each local authority area in North Hampshire is as follows:

Local Authority	Number of Businesses
Basingstoke & Deane	6,900
Hart	4,785
Rushmoor	3,250
Test Valley	5,415
Surrey Heath	4,570
Total	24,920

There is a large concentration of companies in the area which is why it is such a strong contributor to the south east economy.

North Hampshire is a prime location for international firms; over 600 internationally owned companies are established in the area, providing a rich pool of customers and expertise.

The strongest economic sectors, divided by sub-sectors with examples of high performing companies in each category are highlighted over the page.

1. Aerospace & Defence

The breadth of the aerospace and defence companies present within the North Hampshire cluster ensure access to an extensive supply chain

Sub-sector	Companies
Aerospace & Defence electronics	Honeywell, Thales, Muirhead Aerospace
Defence Systems	Boeing, QinetiQ, BAE Systems, ITT
Services to Aviation & Defence	Helios, Serco, Sodexo
Maintenance, repair and overhaul	ATC, Vector Aerospace, AmSafe
Corporate Aviation	Flight Safety International, Harrods, Bombardier, TAG Aviation
Aero structures	Farnborough Aircraft
Helicopters	Bristow, Agusta Westland

North Hampshire is home to some of the leading global players in the aerospace industry.

Farnborough Aerospace Consortium (FAC)

A leading trade body with a membership of over 1,200 aerospace and defence companies. It facilitates contacts and business between global prime contractors and firms within the supply chain, helping to secure international reach for its members.

Farnborough Airport

Europe's leading business airport with streamlined immigration and customs ensuring fast transit.

Farnborough International Air Show

An Internationally renowned aviation event held biannually, attracting over 1,500 exhibitors from 39 countries. Over \$88 billion worth of orders were announced during the 2008 show, and 150,000 visitors attended.

2. Information & Communication Technologies

The ICT sector is clustered along the M3 corridor to Heathrow and towards Europe's largest ICT cluster in the Thames Valley ideally positioned readily to access international markets and take advantage of a strong talent pool.

Sub-sector	Companies
Mobile Devices & Applications	Ericsson, Nokia, Motorola , Siemens
IP Solutions	Envox, Global Crossing
Software	CheckPoint, Autodesk, Computer 2000
Telecoms & Wireless	Virgin Media, RFI Global, Huawei, Multitone
Hardware & Software Systems	Peek, QM Systems
Outsourcing & Consultancy	Red Hat, CSC

3. Advanced Manufacturing

Advanced manufacturing firms have a strong presence throughout the area and deliver innovative technology, solutions and products internationally.

From composites, to instrumentation and process equipment, North Hampshire boasts a number of leading advanced manufacturing companies in their fields.

Sub-sector	Companies
Mechanical Engineering	Stannah, Capricorn Automotive
Composites	St Bernard, TISICS, CMT
Tools & Process Equipment	Sondex, Natco, LG Motion
Instrumentation & Telemetry	Sonardyne, Apollotek
Contract Electronics & Precision Machining	STI, R.E Thompson
Plastic Electronics	DeLaRue, PQL

4. Healthcare Technologies

North Hampshire's diverse healthcare technologies sector is supported by an extensive talent pool and strong links to other clusters and business networks within the wider south east.

The global reach and number of specialists in their field makes North Hampshire a leading location for healthcare technologies.

Sub-sector	Companies
Drug Discovery, Development & Manufacture	Sandoz, Lilly, Shire, Novartis Pharmaceuticals
Drug Discovery & Development Support	Pharmasol, CrescentPharma, SAFC
Lab Instrumentation & Supply	Basan, Oxoid
Medical Devices	CareFusion, Mantis, Integra Neurosciences
Telecare	Clinical Solutions, InfoDisp
Orthopaedics & Prosthetics	Acumed, Blatchford



The Stannah Lifts Group of companies, one of the largest employers in Andover, is already working closely with key partners through the Andover Vision. We welcome the opportunity of working with other organisations and businesses in a North Hampshire LEP to shape the economic prosperity of the area and address practical issues such as skills with others.



Jon Stannah, Managing Director Stannah Lift Services Ltd

Appendix B

List of business support



3en/Innvotec	Nick Gurney Sharpe	Chief investment officer
418 Limited	Doug Norman	Director
Absolutely Offices Limited	Beryl Huntingdon	Managing Director
Advanced Engineering Ltd	Barry Lea	Chairman
Alexander Workx	Mrs Imwhannell	Sole trader
Asaripartners	Karrin Nicol	Founding Partner
Audient Ltd	Gareth Davies	Managing Director
Barratt Southern Counties	John Fitzgerald	Managing Director
Basingstoke & Deane Community Leisure Trust Ltd	Hazel Tilbury	Chair
Basingstoke & North Hampshire NHS Foundation Trust	Mary Edwards	Chief Executive
Basingstoke College of Technology	Anthony Bravo	Principal
Basingstoke Consortium Education Business Partnership	Sue Riley	Director
Bizz Radio. Basingstoke's new local radio station	Phil Wickham	Director
Computer 2000	Phil James	Finance Director
Destination Basingstoke	Mike Loftus	Chairman
Education Solutions Direct CIC	Annie Noble	Director
evib.net	Steve Spillane	Managing Partner
Ex CEO C&W/strategy director Mars Europe	Gareth James	Managing Director
Farnborough Aerospace Consortium	John Copley	CEO
FarSite Communications Limited	Dermot Smith	Director
Festival Place	Steven Connolly	Centre Director
Fire Compliance & Safety (Basingstoke) Ltd	Jacqui Mundy	Director
FSB	Tim Colman	Regional Vice Chairman
Goodman	Jason Harris	
Hampshire Chamber of Commerce	Dick Oram	President
Hampshire Economic Partnership	Paul Kinvig	Chief Executive
HealthyWorlds	Clive Pinder	Founding Partner

Herriard Estates	John Jervoise	Director
InBiz Ltd	Claire Rock	Business Manager South East
Infosec Technologies Ltd	Pete Sherwood	Director
iuvare ltd	Graham Knight	Managing Director
John Laing Training Ltd.	Emma Dawoud	Director of Business Development
Juniper Research Limited	Tony Crabtree	Managing Director
Le Creuset	Nick Ryder	MD
Lean 4 Business	Andy Dobson	Interim Manger/Lean Consultant
London Clancy	James Clay	Director
Mark King Virtual Assistant	Mark King	Sole Trader
MEPC Chineham Park	Rupert Batho	Managing Director
Motorola Ltd	Graeme Hobbs	Chairman
NED Solutions	Stephen Wright	Regional CEO
Netociety	Stephen Danelutti	Director
Owl/2 Save Energy	Belinda Gooding	CEO
Pacific Computers Ltd	Richard Donaldson	Director
Penningtons Solicitors LLP	Charles Brooks	Partner
QinetiQ	Dolores Byrne	Managing Director
Queen Mary's College	Stephen Sheedy	Principal
RHL (Rushmoor Healthy Living)	Tony Docker	Chief Executive
Scott Wilson Group plc	Geoff French	Group Chairman
SEGRO	Kate Dean	Director
Sentinel Housing Association	Martin Nurse	Chief Executive
Sherringtons LLP, Chartered Certified Accountants	Paul Sherrington	Managing Partner
Sofi Designs Bridal by Asfour Crystal Ltd	Lance BURNER	CEO
Source Supplies	Ollie Rastall	Director
Southern Enterprise Alliance	Jonathan Morris	Executive Director
Stannah Lift Services Ltd	Jon Stannah	Managing Director
Surrey Chambers of Commerce	Pauline Hedges	Head of Policy & Representation
TAG Farnborough Ltd	Brandon O'Reilly	Chief Executive

Thames Valley Innovation & Growth Ltd	Susan Elliott	CEO
The Escape Design	Rob Jones	Director
The Good News Chronicle	Darren Lynch	Editor
Transform limited	Ian Mills	CEO
Uncertain World Ltd	John Ross	Director
Voluntary Services Surrey Heath	Christine Furneaux	Manager
Wessex Children's Hospice Trust (Naomi House)	Mark Smith	Director of Fundraising
WestEnd Tickets Direct	Debbie Loveridge	Director
Woodford and Company	Brian Pickett	Director
Xcite Digital	Robert Walker	Managing Director
Yorktown & Watchmoor Business Association	Alfa Laval	member
Yorktown & Watchmoor Business Association	Andreas Stihl	member
Yorktown & Watchmoor Business Association	Colourflow Printing	member
Yorktown & Watchmoor Business Association	Dolphin Head Group	member
Yorktown & Watchmoor Business Association	Fox Garage	member
Yorktown & Watchmoor Business Association	Merrill Lynch (Bank of America)	member
Yorktown & Watchmoor Business Association	Sainsbury's	member
Yorktown & Watchmoor Business Association	Sentrum	member
Yorktown & Watchmoor Business Association	Vail Williams	member
Yorktown & Watchmoor Business Association	Vistar	member
Yorktown & Watchmoor Business Association	Wilky Fund Management	member
Zapkut Ltd	Keith Bunker	MD

Appendix C

Profile of the area



The functional economic area

Evidence shows that, within the LEP area, there are strong economic ties that extend a functional economic area across North Hampshire and into Surrey and the Blackwater Valley. The economic linkages also extend to the west and north, along the M4 corridor, and towards London. Commuting, and the industrial sectors that rely on transport and distribution, are enabled due to the location of the LEP area on the strategic transport network. Links have also been demonstrated between Andover, Basingstoke and the Blackwater Valley in respect of their housing markets, associated with the M3/A303 and rail corridors.

These links within the LEP area, and those to and from locations outside the LEP area, are material to Basingstoke and Deane, Hart, Rushmoor, Surrey Heath and Test Valley fulfilling their individual and combined economic potential. Businesses express the importance of labour markets and transport linkages and strong leadership from the local authorities across administrative boundaries rather than such boundaries constraining strategic thinking, planning and implementation of initiatives. The existing economic links between the districts in the LEP area provide a sound foundation for continued collaborative working to deal with strategic issues such as skills development, transport and virtual infrastructure.

In the draft Hampshire Economic Assessment (July 2010), North Hampshire is compared to Central Hampshire/New Forest and South Hampshire. While this assessment makes specific reference to Basingstoke and Deane, Rushmoor and Hart, the strengths are cited are also characteristic of the LEP area overall, including Test Valley/Andover, Surrey and Surrey Heath. These strengths are:

- Good performance in new business start up rates;
- Higher incidence of employment in life sciences, health technology, ICT and digital media, aerospace and defence, and a high incidence of activity linked to the knowledge economy;
- Higher levels of projected growth rate in both GVA and GVA per job as well ahead of the two other sub-areas (Central Hampshire/New Forest and South Hampshire);
- A good skills base;

- Strong links to London;
- A good past performance and strong prospects in relation to economic output.

Key themes

Despite these strengths, there are still a number of challenges facing the LEP area. While the extent of the challenge will vary from district to district, all the following key issues are relevant both currently and in the future.

Demographic and social issues

- Ensuring an adequate supply of housing and affordable housing to meet local needs for all sections of the community. Housing affordability (both market and private rent) can be an issue particularly in the rural areas. Housing development is needed of the right type, tenure and price to reflect changing demographics, and with appropriate levels of supporting infrastructure;
- Reducing pockets of deprivation and exclusion across the area – health, income, crime, education, employment, and barriers to housing and services;
- Particularly in the rural areas, improving access to essential services, eg: health, education, community, retail, leisure and social needs;
- Ensuring that as services are planned, they are located in the right places as the population and housing development distribution changes;
- To meet the challenges presented by a growing older population;
- To boost educational attainment, working age skills, and to encourage vocational qualifications;
- Meeting challenges presented in communities and in housing stock through neighbourhood renewal, and estate regeneration in some key areas.

Economic issues

- Providing support for small businesses and business start-ups;
- Creating the right environment for entrepreneurship and innovation to flourish;
- Ensuring existing and new employment areas are of the right quality and in the right place, and allow for business growth & expansion, minimising vacancy rates and encouraging inward investment;
- To prepare for and stimulate economic recovery;
- To support the economic vitality of the rural areas, market towns and villages;



- Maintain and continue to invest in the area's local centres to ensure they remain strong and vibrant and have a wide range of facilities;
- Planning for economic and job growth so that resulting changes in commuting patterns are sustainable – across the sub-area the extent of self containment varies;
- To build on the existing strengths and the specialities of the area such as military presence and training land in Aldershot and Deepcut, aerospace and defence, financial services, pharmaceuticals advanced technology, R&D and manufacturing;
- The importance of “smart growth”;
- Promoting and sustaining economic diversity and vocational, as well as professional, jobs in the area.

The draft Hampshire Economic Assessment echoes some of these themes, namely the potential risk of labour shortages post recession, infrastructure constraints, managing carbon dioxide emissions and maximising economic performance across the board. Higher levels of economic deprivation and worklessness identified in some parts of the LEP area are directly relevant to the economic future of the area should labour shortages become a real problem.

- Reduction of worklessness is, therefore, a real issue.

Infrastructure issues

- Support for public transport to ensure its continued viability, particularly in areas where car ownership is lower, in places of economic deprivation and where there is poor access to services;
- Develop and support sustainable transport solutions;
- Improve and maintain the transport network and reduce areas of congestion;
- Ensure virtual infrastructure (for example, telecoms and broadband) is in place for communities, individuals and businesses;
- Ensure the rural areas are well connected and that people and businesses can access the services they need;
- Ensure that access is considered when new development is planned.

Environmental issues

- Protect the natural environment, the distinct character areas (heath land, historic parkland, forestry, woodland, farmland, open down land and river valleys), key environmental assets such as the Thames Basin Heath Special Protection Area, the North Wessex Downs AONB;
- Recognise and support the countryside's contribution to the economy through agricultural, military, mineral extraction and forestry uses;
- Achieve the right balance between housing, population and economic growth and environmental protection;
- Provide green infrastructure and open space;
- Manage and mitigate the effects of climate change as the economy grows and support partners and businesses to do likewise;
- Manage and mitigate the effects of climate change in construction, housing and neighbourhood design;
- Reduce, where, possible carbon dioxide emissions, whilst recognising that the surrounding transport network is a positive asset for the area;
- Manage water quality and water/sewerage infrastructure.

Population

The combined population of the proposed LEP area is around 540,000. Potentially this could increase to around 640,000 in the next 20 years with Basingstoke and Deane and Hart showing the greatest proportion of growth. Across the LEP area there is a significant increase in the number of older people or people reaching retirement age. The working age population, across all the associated local authority areas, numbers 353,000 people, equating to 65% of the overall population.

Labour market

The employment rate across the LEP area is above or around the South East average (75.0%) and exceeds the national average (70.7%). Each of the LEP areas records unemployment as lower than the South East average (2.4%) and rates have consistently been lower than the GB average for many years. Unemployment is also measured in terms of the percentage of the working age population actively seeking work – potentially higher than the JSA count which will exclude those not entitled to, or who chose not to claim, Job Seekers Allowance (JSA) . By this measure, around 15,100 economically active working age people in the combined districts are actively seeking work. The data show that the labour market is tight with a ratio of “jobs to working age population” of between 0.80 and 0.95 jobs per person.



Measurement of economic inactivity indicates the number of working age people who are not engaging in the labour market. Across the LEP area there are potentially 12,500 people who are economically inactive but have expressed (through the Annual Population Survey) that they would like a job. In the whole LEP area, working age benefit claimants number just under 30,000.

Two key determinants of the labour market are skills and qualification levels. While each of the local authority districts record skills levels at or around the South East average for both level 2 (GCSE or equivalent) and level 4 (degree or equivalent) skills, there is considerable difference between the districts. For an economy, and for people in society, to flourish it is important to have a workforce and individuals skilled with academic and vocational qualifications as both can contribute positively to entrepreneurship and innovation. Nevertheless, maintaining and increasing skills levels across the LEP area, as a driver for productivity and prosperity, is a commonly shared priority, and reducing the inequalities between the districts a key focus. Doing so will require both up-skilling the existing working age population and ensuring that those pupils coming through the education system have the same life chances by maximising educational attainment.

Industrial structure and economic performance

The LEP area is home to some quarter of a million employee jobs (256,000) rising to 300,000 if self employment, government trainees and HM Forces are included. There are nearly 25,000 businesses in the area, over 1,100 of these with 20 or more employees and 22,500 small businesses. The latest data shows that 2,800 new businesses formed in 2008. Across the whole LEP area business "births" consistently outnumber business "deaths" each year. However, evidence suggests that while 1 and 2 year survival rates are high, survival rates for the longer term (3-5 years from business formation) reduce dramatically and survival rates at 5 years are around 50%.

Support to both new enterprises and more established businesses is vital, not just in terms of recession recovery and access to required finance, but in providing the conditions to ensure that local companies can thrive and expand. Support will involve a range of factors being present or improved:-

- access to new and innovative business techniques;
- the required supply chains in place;
- road and rail networks;
- virtual infrastructure and telecoms such as broadband;
- an appropriately skilled workforce and facilities for them;
- support in adaptation and mitigation of climate change effects;
- appropriate business premises in the right place with room to grow.

Each of the LEP areas place huge importance on the availability of employment land of the right quality in the right place, the need to balance economic growth with environmental impact and that smart growth is a key factor in the economic future. One of the strengths of the LEP and the North Hampshire and M3 Corridor Economic Board is in its potential to facilitate communication and liaison between the different economic communities and wider links with the South East and the universities. The strong strategic road, rail and air links around the sub-region linking the principal towns already provide supporting infrastructure for economic growth. Each of the local authority locations in the LEP area cite the existing transport infrastructure as a significant benefit: however, within this, there are a number of common themes and concerns:

- Reducing congestion, particularly at key points in the road network;
- Support for alternative and sustainable forms of transport (and thereby managing carbon dioxide emissions);
- The effect that population growth and job growth will have on commuting patterns;
- Maintaining and upgrading infrastructure;
- Location of employment sites with regard to their transport and infrastructure needs.

All but one of the LEP areas shows economic growth/performance (GVA per capita) in excess of the South East regional average (21,248) and, in fact, in excess of all the other English regions with the exception of London. One of the drivers of productivity is the extent to which an area provides jobs in the "Knowledge Economy". In this regard, the area performs well: between 24% and 40% of jobs are in the knowledge economy, either in knowledge based services, or knowledge based production. The presence of high value added and international growth centres support continued growth ambition.

Basingstoke and Deane and Test Valley have above average employment in manufacturing; Basingstoke and Deane and Hart above average employment in finance, IT and business support. Hart has a higher proportion of jobs in the transport and communications sector. Almost 50,000 jobs in the LEP area are public sector. The area provides jobs for 65,000 workers in distribution, hotels and restaurants. One of the areas strengths is its industrial diversity and this should be maintained. Due to the tightness of the current labour market, as the population grows the balance between job growth and the population growth could have a large impact on resident based/workplace based self containment and on commuting levels.



Quality of life

Social infrastructure can have a profound effect on the labour market and can be a factor for businesses to consider when relocating or considering expansion or investment. House prices across the LEP area average around £186,225 (lower quartile, Quarter 1, 2010) and £235,000 (median, Quarter 1, 2010). In the wider context of the South East this represents some prosperity, in that house prices are relatively high but also, compared to some areas in the region, greater affordability.



The LEP area contains some of the least deprived neighbourhoods in England. All local authority areas fall within the top quartile (best performing) areas in England according to the Indices of Deprivation 2007 (rank of average score). However, when broken down into individual themes, there is greater variation across the districts and there are pockets of deprivation concealed by the overall local authority picture. The Index of Multiple Deprivation (IMD) shows areas of Rushmoor within the 20% most deprived neighbourhoods in England.



A characteristic of any location with urban centres and surrounding more sparsely populated countryside is a poor Indices of Deprivation score in terms of “barriers to housing and services” and each of the areas have such neighbourhoods. These neighbourhoods do not necessarily experience deprivation but such scores do underline the importance of maintaining the economic viability and vitality of towns and villages and continued investment in community services, such as education and healthcare, protection of services, and the need for affordable housing and good public transport links.

Each area has considerable prosperity and deprivation, both relative deprivation when compared to the rest of the district and LEP area, but also signs of deprivation when viewed in the context for the rest of England. There is evidence of some education, income and employment inequality - this is a barrier to economic growth, as well as individual prosperity. Indices of Deprivation scores for these themes show certain neighbourhoods in the bottom quartile when benchmarked against the England average.

There are a number of major construction and development projects proposed or underway in the LEP area which will have a material effect on quality of life – both social and economic. A selection of these is given below.

Key projects across the LEP area (pipeline, proposed or potential):

Basingstoke and Deane: Basing View, Central Area Vision, Chineham International Business Park, Hampshire International Business Park, Viables Business Park, Park Prewett/Rooksdown

Hart: Hitches Lane, Dilly Lane, Church Crookham, Queen Elizabeth Barracks

Rushmoor: Aldershot Urban Extension Aldershot Garrison Super Garrison, Westgate regeneration Farnborough Business Park, IQ Farnborough, Civil Enclave Aerospace Boulevard, North Queensmead

Surrey Heath: Camberley town centre regeneration projects; Deepcut strategic location for development

Test Valley: Andover Commercial Park and Walworth Business Park, East Anton, Picket Twenty

Local enterprise Partnership: key facts and figures

	Indicator	Basingstoke and Deane	Hart	Rushmoor	Surrey Heath	Test Valley	Total
Population (2009)*1	Population (thousands) 2009						
	All ages	163.3	91.2	91.1	83.9	113.4	542.9
	0-15	32.7	18.5	17.6	17.1	22.1	108.0
	Working age (16-64)	107.8	58.8	61.6	53.5	71.5	353.2
	Older people (65+)	22.7	13.8	11.8	13.3	19.8	81.4

Population growth (to 2033)*2	Population projection (thousands) 2033						
	All ages	195.9	112.5	103.9	96.7	132.0	641.0
	0-15	35.2	21.5	19.3	18.5	23.6	118.1
	Working age (16-64M/59F)	110.7	61.8	60.1	52.8	67.0	352.4
	Older people (65M/60F)	50.0	29.2	24.5	25.3	41.3	170.3
	Additional population 2009-2033	32.6	21.3	12.8	12.8	18.6	98.1
	Overall % growth 2009-2033	20.0%	23.4%	14.0%	15.3%	16.4%	18.0%

Labour market *3	Employment rate	75.40%	82.6%	85.9%	75.2%	77.4%	
	Unemployment rate (JSA count July 2010)	2.2%	1.3%	2.3%	1.8%	1.5%	
	Model based unemployed (%)	5.8%	3.9%	5.6%	4.6%	4.4%	
	Model based unemployed (number)	5,200	2,100	3,100	2,000	2,700	15,100
	Pupils at Key Stage 4 attaining 5+ A*-C including English & maths	51.5%	65.3%	49.8%	64.1%	59.4%	
	Skills & qualifications: working age population with qualifications at level 2	69.2%	80.3%	60.8%	73.3%	72.6%	
	Working age benefit claimants (November 2009)	9,810	3,460	6,280	3,740	6,100	29,390
	Skills & qualifications: working age population with qualifications at level 4	33.5%	38.9%	26.4%	42.2%	35.6%	

	Indicator	Basingstoke and Deane	Hart	Rushmoor	Surrey Heath	Test Valley	Total
Economic growth and industrial structure *4	GVA per head 2007	24,308.80	23,580.02	29,124.90	32,614.71	19,764.89	
	Number of jobs	83,600	35,300	46,000	42,400	48,900	256,200
	Number of jobs including self employed, trainees and HM Forces	92,000	45,000	54,000	48,000	60,000	299,000
	% jobs in the Knowledge Economy	31.40%	39.56%	40.07%	33.09%	23.99%	
	Number of small businesses (up to 10 employees)	6,250	4,410	2,860	4,170	4,860	22,550
	Number of large businesses (more than 20 employees)	315	160	215	200	245	1,135
	Total businesses	6,900	4,785	3,250	4,570	5,415	24,920
	New business formation (business births 2008)	825	510	390	560	510	2,795

Quality of life *5	Housing affordability (lower quartile house prices to lower quartile earnings) 2009	7.1	9.1	6.3	8.6	8.7	
	Least deprived (and most deprived) LSOA score - income domain	32,455 (6,696)	32,351 (12,829)	32,422 (1,571)	32,460 (5,863)	32,431 (4,484)	
	Least deprived (and most deprived LSOA) - employment domain	32,402 (7,753)	32,396 (13,964)	32,374 (4,195)	32,419 (13,849)	32,319 (8,610)	
	Least deprived (and most deprived LSOA) - education domain	31,352 (3,341)	32,330 (8,939)	30,406 (1,748)	32,143 (3,728)	31,570 (1,095)	

*1	Office for National Statistics Mid Year Population Estimates 2009-based. Working age population aged 16-64.
*2	ONS Sub National Population Projections 2008-based. Working age population aged 16-64M/16-59F.
*3	Unemployment, employment rate and working age skills - Annual Population Survey (NOMIS). Job Seekers Allowance Claimant Count (NOMIS). ONS GCSE results at Key Stage 4 by pupil residence. Employment rate and skills levels 2 and 4 expressed as percentage of the working age population aged 16-64 as per ONS release 11/8/10.
*4	GVA per capita, Knowledge Economy (Local Knowledge). Businesses and business start ups (ONS Business Demography). Overall number of jobs (Annual Business Inquiry/NOMIS)
*5	Housing affordability (CLG). Indices of Deprivation 2007 (CLG). All IoD scores out of 32,482 (1 is the most deprived)

