

BY EMAIL

3rd February 2022

NIA2.CfE_Responses@nic.gov.uk

Second National Infrastructure Assessment: Baseline Report – Call for Evidence – Response from Enterprise M3 Local Enterprise Partnership

Enterprise M3 (EM3) Local Enterprise Partnership (LEP) welcomes the opportunity to respond to your call for evidence with respect to the Second National Infrastructure Assessment: Baseline Report. The LEP is pleased to see that it covers a range of our priority areas, set out in our Recovery Plan, Revive & Renew, particularly around digital, low carbon and smart technology, all of which link directly to a sustainable economy.

Given our particular role rather than responding to each of the specific questions outlined in the questionnaire, we thought it would be more helpful to summarise our aspirations for infrastructure within the context of our interest in delivering a strong and vibrant economy within our area.

The Enterprise M3 Local Enterprise Partnership covers north and east Hampshire and West Surrey. EM3 LEP is an alliance between business and the public sector, drives strategic economic thinking that shapes its area, pitches for government funds, generates private sector investment, and helps local businesses to start, grow, export and access skilled talent. Our Recovery Plan, Revive & Renew, is clear in its commitment to growth in our area.

Overall, we consider that the nine challenges identified by the Commission do seek to address many of the most important issues that economic infrastructure will face over the next 30 years. In particular it is pleasing to see a strong emphasis on low carbon and digital technologies, that the LEP considers absolutely key to the delivery of a sustainable economy. Investment in infrastructure needs to be focussed on facilitating a low carbon and smart mobility economy, supporting business-led innovation, entrepreneurship, high-tech, scale-up businesses and international trade. This includes development of marketable low carbon innovations to future proof and sustain vulnerable sectors/industries.

Much of the evidence collected by Enterprise M3 LEP is contained in Evidence Base we developed in 2019, to help inform our Local Industrial Strategy. The key findings are summarised in Annex A with the full document linked in the references below.

Within the Enterprise M3 LEP area infrastructure has not kept pace with economic growth. Recovery from the Covid pandemic will be in danger of being held back by congestion returning to previous levels on our major roads and digital infrastructure which has not kept up with the ambitions of EM3's companies. Strategic rail links require improvement to link priority industrial regions together more effectively, and to connect the South East (of which EM3 is a central part) with the rest of the

country. Energy systems, particularly electricity, are at or close to capacity and now limit development.

Physical space to grow is required – both for housing and commercial purposes – and land must be carefully managed. Much can be achieved through intensification but that in turn has implications for the focus and scale of investment required particularly in infrastructure and in planning for the future of settlements to retain viability and vitality.

To accompany or facilitate such development, many towns need investment in roads and transport infrastructure, ranging from walking/cycling paths to new motorway junctions. Other key infrastructure requirements include new or upgraded rail infrastructure; digital connectivity; public transport; flood defences; and town centre regeneration projects. This infrastructure is needed to support an increasingly multi-functional mix of flexible workspaces, housing, leisure, culture, public services and local services which allow more people to live and work locally reducing their need to commute whilst maintaining access to wider economic opportunities

Whilst addressing all the challenges are important, we consider that the absolute priority needs to be around investment the UK meeting its Net Zero and climate change targets and must be embedded into decision making and throughout sectors.

In terms of priority supporting heat transition and energy efficiency is the one challenge that will reduce emissions and create jobs. The Tri-LEPs Energy Strategy showed that domestic emissions are only second to transport in the EM3 area. We also have a significant number of off grid properties who rely on oil to heat their homes. Therefore, this should be a priority area, and is reflected in the actions in our Covid Recovery strategy which has a priority around retrofitting buildings. This will significantly reduce emissions and also create new jobs in the supply chain. Our recovery plan also outlines the need for a Centre for Sustainable Construction in order to provide the skilled people needed to deliver this transition.

Decarbonising electricity generation will be achieved through national scale investment in renewables, large offshore wind farms for example, but also through local renewable energy generation. A whole systems approach is needed, and our Energy Strategy outlined the impact local energy generation schemes and networks could have. Actions such as solar car parks linked to EV charging and battery storage will achieve both the decarbonisation of the electricity supply and transport.

Technology such as hydrogen and carbon capture storage will play a role in meeting Net Zero. However, technology does not hold all the answers and different technologies are advancing at different paces. There is a need to focus on finding the right technology. Our Low Carbon market assessment highlighted that EM3 has a strength in alternative fuels. We are aware of hydrogen companies within the geography developing innovative solutions to the Net Zero challenge and these businesses should be supported to develop their product and reach new markets.

Building climate change resilience into our infrastructure is key to business resilience. This will minimise business interruption and mitigate repair cost following weather events such as flooding. We also have a role to play in how we support our businesses. For example, businesses in the EM3 area can access a Net Zero

Business Service which can help a business examine their own processes and waste and how they can adopt a more circular approach to minimise waste.

Investment in digital infrastructure needs to match aspirations for clean economic growth and productivity. Fast, reliable digital connectivity is now fundamental to the everyday economy and society as well as facilitating the rapid and efficient transmission of huge volumes of data which is essential for some frontier sectors; and for the introduction of smart, intelligent systems (such as aspects of smart mobility). Modern digital infrastructure is required for frontier sectors to be able to operate at full capacity and for the introduction of smart systems such as those associated with the full range of smart mobility opportunities.

Whilst we understand that the focus of this consultation is on the gathering of evidence, in conclusion, we would also like to stress the importance of a robust mechanism being in place that can assess major infrastructure decisions and in particular puts the need to address net zero carbon as well as fully encapsulating wider economic and societal benefits. Major Infrastructure interventions take many years to develop and deliver and if infrastructure provision is to make the contribution to decarbonisation clearly advocated in the Transport Decarbonisation Plan in the period up to 2050, then focussed infrastructure investment is going to be essential in the medium term. There needs to be a clear pathway and recognising the importance of strategic schemes and ensure there is a process for schemes of this nature to come forward, maximising private sector support and investment.

Thank you for the opportunity to contribute towards this call for evidence. If you require any further clarification on any of the points raised, please don't hesitate to contact me.

Yours sincerely,



Kevin Travers
Head of Infrastructure, Transport and Place Enterprise M3 LEP

Useful References:

Energy Strategy <https://www.enterprisem3.org.uk/sites/default/files/2020-03/Local-Energy-Strategy-FINAL.pdf>

Revive and Renew https://www.enterprisem3.org.uk/sites/default/files/2020-10/Revive_and_Renew_EM3_Executive%20Summary_0.pdf

Low Carbon Report https://www.enterprisem3.org.uk/sites/default/files/2020-02/Hampshire-LCEGS-Market-Report-2015-16-to-2017-18-2nd-Draft_0.pdf

Net Zero Business Service <https://enterprisem3.org.uk/gonetzzero>

Local Industrial Strategy Defining Our Approach
https://www.enterprisem3.org.uk/sites/default/files/2020-02/EM3_LIS_Defining%20Our%20Approach_0.pdf

Local Industrial Strategy Evidence Base
<https://www.enterprisem3.org.uk/sites/default/files/2020-02/EM3-Evidence-Base.pdf>

Enterprise M3 Local Industrial Strategy Evidence Base

Infrastructure: Summary of Findings

Transport / Congestion :

- The strategic roads are the M3, M25 and A3. They link EM3's major urban centres to London, the South East and serve as international gateways. Congestion does currently and will continue to affect these roads.
- Strategic transport infrastructure priorities are:
 - **Better connectivity** between major economic hubs, international gateways (ports, airports and rail terminals) and their markets.
 - **More reliable** journeys for people and goods travelling between the South East's major economic hubs and to and from international gateways.
 - A **more resilient** transport network to incidents, extreme weather and the impacts of a changing climate.
 - More **integrated land use and transport planning** that helps partners across the South East meet future housing, employment and regeneration needs sustainably.
 - A **'smart' transport network** that uses digital technology to manage transport demand, encourage shared transport and make more efficient use of roads and railways.

Air Quality Management Areas:

- In EM3, there are currently 17 AQMAs. In the last 10 years, EM3 has revoked 3 AQMAs.

Commercial Property:

- Market rent per square foot declined across the LEP area after 2009 in the wake of the financial crisis; at the same time, vacancy rates have generally increased.
- Since the end of 2018, the commercial property stock has grown along with uptake. Growing rental values have been accompanied by declining vacancy rates, reflecting the upturn in demand.

Digital Infrastructure:

- Broadband speeds tend to improve in proximity to London. The north east of the LEP is best served by digital infrastructure.

Energy:

- In Enterprise M3, there are 7.5% of households that are considered to be fuel poor, compared to the England average of 10.9%.
- Reliance on fossil fuels has fallen significantly in EM3 with a 38% reduction in CO2 emissions since 1990.