



Driving prosperity in the M3 corridor

**Enterprise M3 Board  
23 January 2014, 2.00 – 5.00pm  
Qinetiq, Cody Technology Park, Old Ively Road, Farnborough, Hampshire, GU14 0LX**

**MINUTES**

**Attending**

- Geoff French - Chair
- Paul Bright
- Tim Colman
- Peter Cowen
- Kate Dean
- Moira Gibson
- Peter Martin
- Malcolm Parry
- Laura Pelling
- Louise Punter
- Tony Rooth
- Mike Rushworth
- Chris Tinker
- Rowena Robson
- Simon Matthews (items 1 -3 only)
- Kathy Slack
- Jeff Alexander
- Rachel Barker
- Tom Hinchcliffe
- Justine Davie

**Apologies**

- Andrew Finney
- Andrew Hughes
- Keith Mans
- Emma Ward

**1. Welcome & Introductions**

- 1.1 Geoff French welcomed everyone to the meeting. Karl Bowling from QinetiQ gave a presentation on the Cody Technology Park which provided an overview of the companies located there and explained the nature of the work carried out.
- 1.2 The Board was also informed about the 5% Club. Leo Quinn, Chief Executive Officer of QinetiQ was a founding member of the 5% Club which focusses on creating momentum behind the recruitment of apprentices and graduates into the UK workforce, which complements projects identified in the Enterprise M3 Skills Strategy.

Action to be taken	By Whom	When
Contact QinetiQ to discuss the 5% Club and how Enterprise M3 LEP could be involved	Jeff Alexander	February 2014

**2. Minutes of the previous meeting & matters arising**

- 2.1 The minutes of the previous meeting were agreed subject to an amendment to the final bullet point in paragraph 3.3 regarding Worthy Down. The bullet point would be amended to read:-

- Consideration to be given to Worthy Down for inclusion in any relevant work

Action to be taken	By Whom	When
Amend paragraph 3.3 regarding Worthy Down	Justine Davie	24 January 2014

### 3. Visitor Economy

- 3.1 Simon Matthews provided a presentation on Visitor Economy and the requirement for good quality hotels and event space in the Enterprise M3 area. The recent Deloitte Report stated that visitor economy in England was currently worth £127bn and was expected to grow to £257bn by 2025. In-bound tourism was the driving force of growth and was expected to grow from £21bn in 2013 to £57bn by 2025.
- 3.2 The priority areas for the Enterprise M3 area were meetings, conferences and events. The meeting sector in the South East was worth £2.7bn GVA, only 2<sup>nd</sup> behind London. There was a gap in the provision of international conference centres outside London and the main cities. FIVE in Farnborough was identified as a potential international venue but other possibilities in the Enterprise M3 area also needed to be considered. It was important that interventions were included in the Strategic Economic Plan to address the business tourism/visitor economy issues. The Board noted the presentation.

Action to be taken	By Whom	When
Presentation to be circulated to Board Members	Justine Davie	31 January 2014
Consider a bold ambition to include in the Strategic Economic Plan to address business tourism/visitor economy issues	Kathy Slack	February 2014

### 4. Strategic Economic Plan

- 4.1 Kathy Slack reported on the progress of the Strategic Economic Plan (SEP). The draft SEP had been submitted on 19 December, aiming to secure £300-400m Local Growth Fund (LGF) money. A feedback meeting had been held with Minister for Cities – Greg Clark and Michael Heseltine in early January where the key messages included a strong focus on unlocking and increasing the supply of housing, improving schools' performance and drawing in greater levels of private sector investment. Encouragement was given to be bold, ambitious and radical with targets backed up by strong and memorable statements.
- 4.2 It was expected that any funding received would be linked to housing, transport and skills centres. This would need to be an important consideration in the development of the final strategy. The Government had indicated that it was unlikely that funding would be received for innovation type activity through LGF therefore the European Structural and Investment Fund had been revised to support those activities.
- 4.3 The Board discussed the ministerial comments around housing, schools and the need for bold statements of ambition. It was recognised the difficulty with being ambitious and radical while also ensuring that the project was deliverable in the timescale. The competition with City Deals was acknowledged and that the SEP needed to create virtual cities, suggestions included a virtual city region or virtual sci-tech city.

- 4.4 The requirement to increase the supply of housing was recognised as a difficult area to deliver due to the restrictions in place. It was suggested that a relaxation on the use of green belt land could be included in the Government asks to assist with potential aspirational ideas. A meeting would be arranged with Emma Ward and Greg Clark before the SEP was finalised to clarify what the Government was expecting to receive.
- 4.5 A prioritisation process had been developed to build a clear prioritised pipeline of projects that would enable flexibility to respond to the Growth Deal process and allocated funding. The process would be led by a Programme Management Group which would include Enterprise M3 Board Members and 'experts' drawn from the Enterprise M3 Action Groups. The Board approved the proposed membership of the Programme Management Group and the timetable of key activity that had been circulated.
- 4.6 Work would continue to develop the SEP and the Board was asked to send ideas for bold statements to Kathy Slack. A Board workshop would be held on 4 March to work through the proposed interventions.

Action to be taken	By Whom	When
Ideas for bold statements to include in the SEP to be sent to Kathy Slack	Board Members	February 2014

## 5. Skills Strategy

- 5.1 Jeff Alexander report on the Skills and Employment Strategy. The draft Strategy had been published on 10 September. Feedback had been positive particularly in relation to the comprehensive review of evidence and the strong engagement with skills providers and others working in the skills field. Comments received on the draft strategy had been reviewed and the changes required identified, a revised action plan was circulated to the Board. The draft strategy and action plan was fully reflected in the draft SEP and proposed interventions. The delivery of the action plan would also be taken forward through the implementation of the European Structural and Investment Fund. The Board approved sign-off of the Enterprise M3 Skills and Employment Strategy following the completion of the consultation process.
- 5.2 The Board received details of the option of opt-in to the Skills Funding Agency (SFA) to provide match funding. The advantage of the opt-in was that it would enable the programme to get off to a good start, drawing on the SFA's established management capability. However the down-side was whether the opt-in was flexible enough to enable work with local partners. Following advice from the Steering Group the favoured option was for a limited opt-in with the SFA. The Board agreed that a limited opt-in should be pursued as the preferred option.
- 5.3 The Board noted that an Employment and Skills Board (ESB) was being established to advise the Enterprise M3 Board on all matters relating to skills and employment particularly with regard to the further development and delivery of the SEP. Potential ESB members would be invited to a dinner which would be hosted by the Enterprise M3 Chair. The dinner would also serve as a way of engaging with employers at a senior level in the process of taking forward the SEP. It was highlighted that there were other industries that had initiatives underway which could be linked into for match funding. The Board was asked to feed any relevant information directly to Jeff Alexander.

Action to be taken	By Whom	When
Contact details for Jeff Alexander to be circulated to Board Members	Justine Davie	31 January 2014

## **6. European Structural and Investment Fund**

- 6.1 Tom Hinchcliffe reported on the European Structural and Investment Fund (EUSIF). The Government had responded to the draft which had been submitted in October which set out the broad programmes to be tendered. The final draft was due for submission at end January and it was expected that the funding would be on stream by the end of the year.
- 6.2 Feedback on the draft had been positive but highlighted the areas that needed further work. The need for continued development of activities and funding models had been addressed as part of the wider work developing the first draft of the SEP. Further work had also been requested on and around low carbon and social inclusion activities and further studies had now been undertaken. Other feedback related to EU regulations, match funding and State Aid rules. An EU Mechanics Group had been established to draw on expertise within Local Authorities to look at the technical details of EU processes and funding.
- 6.3 Following submission of the draft EUSIF additional guidance had been published detailing the activities EU funds could be used to support. The removal of the New Homes Bonus from the Local Growth Fund had resulted in a change to the activities to be funded under the EUSIF. The activities had been revised to ensure that the revenue funding available to the LEP was utilised effectively.
- 6.4 The Enterprise M3 LEP had been allocated £3.5m from the European Agricultural Fund for Rural Development (EAFRD) for 2014-2020. The Steering Group recommended that the fund should focus on funding new and developing micro, small and medium-sized businesses with other ESF funding used to support skills development in rural areas. A proposal around the funding was being considered by the Rural and Broadband Action Group at the 31 January meeting. The Board approved the approach for the EAFRD.
- 6.5 Additional work had been carried out on low carbon and social inclusion. The first piece of work was around the shift towards a low carbon economy and the promotion of sustainable development. The work included workshops to identify how a programme could be targeted, potential projects and availability of match funding. Recommendations were included in the paper which the Board supported.
- 6.6 The second piece of work on social inclusion involved extensive consultation with the not-for-profit sectors and local authorities to identify the most in need groups across Enterprise M3 and outlined a programme of interventions. The groups identified included older people, those geographically isolated and those in pockets of deprivation within wealthy surrounding areas. The Board supported the recommendation to work with the Big Lottery Fund to co-finance a social enterprise support service and work with Department of Works and Pensions to co-finance skills and employability support for disadvantaged groups.
- 6.7 Negotiations with co-financing organisations around 'opt-in' prospectuses was ongoing. Following advice from the Steering Group best possible offers had been negotiated from the co-financing organisations, agreeing half-term review clauses and the ability to vary arrangements in future. Details of the proposed co-financing organisations, amount of funding and period of commitment were circulated. The Board approved the Steering Group to agree the finalised figures, subject to any changes to those circulated not being substantial.

6.8 The funding allocations for the EUSIF had been revised to take account of the changes and developments. The ERDF:ESF split had moved from 50:50 to 55%ERDF:45% ESF in the final submission. The Board approved the shift in the split of funds and for the Steering Group to sign off the final EUSIF on 29 January.

## 7. Finance Update and 2014/15 Budget

7.1 Kathy Slack provided an update on the progress of the match funding record for 2013/14. The current total to end December was £299k although details were still to be gathered from some Board Members and Action Group Chairs. Board Members that had not responded were asked to provide details to Justine Davie.

7.2 The current financial position was sound with the majority of funding committed for the 2013/14 financial year. The proposed resource requirements and outline budget for 2014/15 were circulated to the Board. The outline budget set out the broad areas for expenditure in 2014/15. The Board agreed the proposed resource requirements and the outline budget for 2014/15.

Action to be taken	By Whom	When
Details of events/meetings attended on behalf of Enterprise M3 outside of the Board meetings to be sent to Justine Davie	All Board Members	February 2014

## 8. Growing Enterprise Fund

8.1 Kate Dean updated the Board on the progress of the Growing Enterprise Fund projects and a table summarising the progress of the projects allocated funding was circulated. A progress report was required to be submitted to the Department for Communities and Local Government (DCLG) by 7 February. The Board agreed for the Chair of the Fund Management Group to sign off the progress update to be submitted to DCLG.

8.2 The Board received an update on the Brightwells Phase 1 project. The Growing Enterprise Fund Project Manager had met with Waverley Borough Council to discuss the reasons for the delays to the project. It was explained that the main delay was due to the failure of SSE to bury the overhead electricity cables. Discussions had been held with SSE and work was now expected to start at the end January and would take 4 weeks to complete, a revised timetable for the project was circulated. The issue of the failure of SSE would be raised in the progress update to DCLG. The Board agreed to the revised timetable for the Brightwells Phase 1 project.

8.3 The Finance South East Enterprise M3 Expansion Fund project had been progressing. Bevan Brittan LLP had been appointed to act on behalf of Enterprise M3 and had provided an advice report addressing the issues of State Aid and procurement. The Board considered this report and confirmed their continued support for this project.

Action to be taken	By Whom	When
Circulate copies of the Bevan Brittan report to Tony Rooth and Tim Colman	Rachel Barker	February 2014

## 9. Communications Update

9.1 Kathy Slack provided an update on the annual conference which would be held at FIVE in Farnborough on 27 February. There were currently 191 delegates signed up for the event and over £8k of sponsorship had been secured. Fluor had signed up to be the headline sponsor and were keen to become more involved in the work of the

LEP. An annual report was being prepared which would be distributed on the day and it was hoped that the Enterprise M3 Expansion Fund would be launched at the event.

9.2 There had been a number of business engagement events arranged including four business forum dinners, a 'Fit to Compete' Transport event on 28 January and a professional business services event at Baker Tilley in February.

9.3 The Board supported a proposal to carry out a short scoping study exploring how communication was used, including the website, to engage with businesses. The Board noted the report.

## **10. Not for Profit Memorandum of Understanding**

10.1 The Board received a copy of the Memorandum of Understanding (MoU) between Community Action Hampshire, Surrey Community Action and Enterprise M3. The purpose of the MoU was to set out the working methodology and operational protocols in relation to driving inclusive economic growth and the promotion and support of social enterprise and social inclusion, within Enterprise M3. The MoU was welcomed by all parties and seen as a step forward.

## **11. Action Groups Update**

11.1 The Board received an update on the work of the Action Groups. A meeting had been held with the Action Group Leads to discuss how the structure would change in the future to meet the requirements of the SEP. It was agreed that standard Terms of Reference would need to be produced to show how the activity of the Action Groups related directly to the SEP.

## **12. Any Other Business**

12.1 It was noted that the format of the LEP Network would change and it was proposed that it would be run through LEP Chairs. Each LEP would be asked to contribute £5k towards the running costs from 2014/15.

12.2 It was noted that Tim Colman had been appointed to the Whitehill and Bordon Strategy Board on behalf of Enterprise M3.

12.3 Kathy Slack reported that a MoU/Service Level Agreement had been signed with Hampshire and Surrey Chambers relating to business engagement work

12.4 It was noted that an Enterprise M3 Board workshop to look at the proposed interventions in the Strategic Economic Plan would be held on 4 March (venue to be confirmed). The next Enterprise M3 Board meeting would take place on 19th March 2014 from 2.00-5.00pm at Royal Holloway, University of London, Egham, Surrey, TW20 0EX.