

**MINUTES OF Enterprise M3 BOARD MEETING
10TH OCTOBER 2012**

**2.00 – 5.00 Walton Suite
Winchester City Council, Guildhall**

Board Attendees:-

Brigadier Neil Baverstock
Paul Bright
Tim Colman
Kate Dean
Cllr Andrew Finney
Geoff French
Cllr Moira Gibson
Dr Malcolm Parry
Laura Pelling
Louise Punter
Cllr Tony Rooth
Mike Rushworth
Chris Tinker

Kathy Slack
Kate Swaby

Guests

Simon Eden
David Fletcher
Mark Pearson

Apologies

Peter Cowen
Cllr Peter Martin
Cllr Mel Kendal

Action Group Discussion

Guests:-

Susan Elliott, Keith Willcox, John Jervoise, Malcolm Young, Simon Matthews

Apologies:-

Dick Oram, David Simpson, Andrew Lloyd

1. Action Group discussion

- 1.1 Chairs of Action Groups joined the board for a discussion on progress, challenges and opportunities. A board paper giving an update of activities and issues was discussed.
- 1.2 Action Group chairs highlighted areas where they had secured successes – pinch point funding, rural planning and providing a long term strategic view around employment sites.

Summary of discussion and points raised from this session are as follows:-

- More positive approach to local companies big and small – be more proactive to secure engagement not just when they have an issue.
 - Ensure that messages from Central Government is cascaded to senior personnel in these companies by the LEP.
 - Should we be working more with other networks? Maybe use Rural Farm Networks to drive changes rather than have a separate Enterprise M3 Action Group. John Jervoise to consider.
 - Make sure we consider Inward Investment within Action Groups.
 - Full review of the Business Plan is needed.
 - Take a more strategic approach on communications. Build in a lobbying role. E.g. NI Holidays. Be more issue-led and stimulate debate. Each Action Group to put together a communication plan and also examples of achievements need to be on the website.
 - Visitor Economy is vital to Hampshire. Simon Matthews informed group that he had established a business tourism task and finish group which will meet on 12th Oct.
- 1.3 All Action Group chairs requested further support/funding to ensure actions were followed through.
- 1.4 Geoff French thanked Action Group chairs for their involvement and commitment to date in moving actions forward. Their work was vital to Enterprise M3 and appreciated by the whole board.
- 1.5 Board members agreed the proposed changes to the Action Groups as set out in the board paper. Laura Pelling was asked to scope out the remit of an overarching Communications Group

Action to be taken	By whom	When
Draw up remit of Communications Action Group	Laura Pelling	End Dec 2012
Consideration to be given to how Enterprise M3 works with other rural networks	John Jervoise	ASAP

2. Welcome – Simon Eden

- 2.1 Simon Eden gave an overview of the economy of the Winchester City Council area. Raised issue of significance of rural economy and tourism. Leader and council supportive of the work of Enterprise M3.

3. Previous Minutes & Action Notes

- 3.1 Geoff French welcomed Chris Tinker and Cllr Tony Rooth to their first Enterprise M3 Board meeting.
- 3.2 A progress update on outstanding actions was given to the Board, it was noted that the following actions are still outstanding:-

Actions Outstanding	By whom	When
Further work to be done with retailers and leisure industry in terms of business engagement	Kathy Slack and Louise Punter	Ongoing Work delayed because of lack of capacity. Business Tourism Task and Finish Group established
Work on the role of the LEP in lobbying for faster broadband speeds to be undertaken (across area not just rural areas)	Kathy Slack/Peter Cowen	October 2012 Work delayed because of lack of capacity – to be considered as part of review

- 3.3 Mike D'Alton has agreed to be the Chair of the Transport Action Group and will be attending the Implementation Group Meetings. It is hoped that more private sector people will be secured to support him on this Group. Any names welcomed.
- 3.4 The Land, Property and Housing Sub Group Meeting took place prior to this meeting and a meeting with Planners is scheduled for 11th October at Hart District Council.

Action to be taken	By whom	When
Suggestions for private sector involvement in Transport Action Group to be sent to Mike D'Alton	All	End Dec 2012

4. Declaration of Interest

- 4.1 Cllr Tony Rooth, Chris Tinker, Paul Bright & Laura Pelling filled in declarations of interest forms and returned to Kate Swaby.

5. Chair's Update

- 5.1 An excellent tour of Sheerwater Access took place in September, and thanks made to Ray Morgan at Woking Borough Council for their hospitality. Several board members attended this site visit and the Board would wish to repeat this for future Growing Enterprise Fund Projects.

Action to be taken	By whom	When
Site Visits to be organised.	Rachel Barker	Before January 2013 Board Meeting

- 5.2 Government have provided core funding - £125,000 until the end of 2012/13 which doesn't need matched funding and £250,000 for the next year and the year after which does need to be match funded.
- 5.3 It was also noted that we need to update our priorities i.e. Business Plan etc and decide what we will use the money for. Geoff French advised that this would be covered under agenda item 10.
- 5.4 Lord Heseltine is launching his review on 31st October. Event hosted by the Birmingham Chamber of Commerce and Greater Birmingham and Solihull Local Enterprise Partnership. Any changes he proposes are likely to strengthen the LEPs profile. An invitation has arrived for Geoff French & Kathy Slack.

6. Growing Enterprise Fund

Category 1 Projects (July 2012)

- 6.1 Kate Dean introduced this item, which provided a progress update on the Growing Enterprise Fund following the July 2012 Enterprise M3 Board meeting.
- 6.2 Kate Dean reminded the Board that two projects had been placed in Category 1 at the July 2012 Enterprise M3 Board Meeting. These were Tannery Studios and Sheerwater Access Road. Following a tender process, Montagu Evans were appointed to act as independent due diligence consultants on behalf of Enterprise M3 and they have now completed reports on both projects.
- 6.3 The reports produced by Montagu-Evans support investment from the Growing Enterprise Fund and recommended that the release of funds is subject to the pre-conditions set out in the paper and that legal agreements for both projects are now developed.

Action to be taken	By whom	When
Copies are available for board members for circulation on request	Rachel Barker	ASAP
Site visit to Tannery Studios to be organised	Rachel Barker	ASAP

Contracts and transfer of funding

- 6.4 As the Enterprise M3 Board are the decision-makers for the Growing Enterprise Fund, approval will be required from the Enterprise M3 Board for Hampshire County Council (as Accountable Body for the funding) to enter into contracts and/or for transfers of the Growing Enterprise Fund. The Board agreed that this approval is required and that where this is required outside of a Board Meeting, the approval of the Enterprise M3 Chair (Geoff French), Fund Management Group Chair (Kate Dean) and one other Enterprise M3 Board Member (either Cllr Andrew Finney or Tim Colman) is required. It was

also agreed that all decisions taken would be reported to the next Enterprise M3 Board Meeting.

Category 2 schemes – July 2012

- 6.5 Kate Dean reminded the Board that in July 2012, eight project proposals had been placed into Category 2. These were projects considered by Enterprise M3 to deliver Growing Enterprise Fund objectives and where further information/work may be required.
- 6.6 Using the Board's decisions at the July meeting, letters were sent to each of the Category 2 projects detailing the areas where further information/work was required. The projects were asked to respond to the points raised by 14 September 2012 and six of the eight projects took up the offer to meet with the Project Team to discuss proposals in further detail. Enterprise M3 Board Members were sent copies of the revised proposals in advance of the Meeting.
- 6.7 The Board noted that Hampshire County Council had advised that they wished to withdraw the proposal for funding for the Armed Forces Enterprise Centre at this time but may look to re-submit when the project is more developed. The Board then considered each of the remaining seven proposals in detail.

Activation Aldershot

- 6.8 The Board agreed that this project to support the integration of the town centre to the Wellesey development should be moved to Category 1 and that due diligence work should commence. Rushmoor Borough Council and Grainger had proposed two funding options and the Board decided that the second of these options (with a Growing Enterprise Fund investment of £3.175m should undergo due diligence).

Action to be taken	By whom	When
Due diligence work on Activation Aldershot to be undertaken	Rachel Barker	To report to January 2013 Board Meeting

Brightwells, Farnham

- 6.9 Chris Tinker left the meeting whilst Brightwells, Farnham was under discussion.
- 6.10 Kate Dean introduced this project highlighting that at the last meeting, the Board had sought clarification about how the cabling project fitted into the overall scheme, its links with other aspects and whether investment in related projects would enable the scheme and importantly the jobs and housing to be brought forward. Kate highlighted that the revised Growing Enterprise Fund proposal has been submitted by Waverley Borough Council, Surrey County Council and Crest Nicholson and that a 'menu' of enabling works to support wider development has been presented.

- 6.11 Geoff French drew the Board's attention to an email that had been received from Mr Jerry Hyman on 10 October 2012. This email raised a number of detailed issues about the project and it was agreed that these issues should be considered as part of the due diligence exercise.
- 6.12 The Board also requested that the due diligence exercise closely examine each of the individual aspects of the proposal to ensure that the economic benefits delivered are relative to the size of each aspect. The due diligence report should also explore the different options and should report back on each of the individual options.
- 6.13 The Board agreed that this project should be moved to Category 1 and should undergo due diligence. The Board agreed that four options from the menu, totalling £4,155,000 would be funded from the Growing Enterprise Fund (subject to the outcomes of the due diligence exercise as detailed above). Kathy Slack would email Jerry Hyman to confirm that the Board had been made aware of his email.

Action to be taken	By whom	When
Due diligence work on Brightwells, Farnham to be undertaken	Rachel Barker	To report at the January 2013 Board Meeting
Due diligence work to consider the points raised by Jerry Hyman and to closely examine the individual aspects of each of the proposals	Rachel Barker	January 2013

Ultra and Super Fast Broadband

- 6.14 Kate Dean introduced this revised proposal which had been developed into a 'pilot' approach requiring a Growing Enterprise Fund investment of £500,000 to allow for approximately eight broadband projects to be progress in rural business locations. It was noted by the Board that this project is closely aligned with the priorities of the Enterprise M3 Business Plan.
- 6.15 The project proposers had now identified Enterprise First as their preferred 'lead' organisation, who would enter into a contract for the Growing Enterprise Fund. The Project Team agreed that they would meet Enterprise First to ensure that they understand the requirements of this role.
- 6.16 The Board agreed to move this project to Category 1 and for due diligence work to be undertaken.

Longcross, Chertsey

- 6.17 Chris Tinker left the meeting whilst Longcross, Chertsey was under discussion.
- 6.18 Kate Dean advised the group that the Fund Management Group had reviewed the revised proposal from Crest Nicholson and that it was not felt

appropriate to progress this project to Category 1 at this stage. This is due to the fact that planning on the site remains unresolved, with the developer seeking a new planning application and the fact that demand in the market for the final product is uncertain.

- 6.19 The Board therefore agreed that this project should remain in Category 2 until further progress is made on one or both of these matters. Decisions on whether to move these projects to either Category 1 or Category 3 would be taken in the future. The Board noted that leaving this project in Category 2 would mean that the funding required by these projects would not be allocated to the second round of the Growing Enterprise Fund at this stage.

Action to be taken	By whom	When
Promoters of Longcross project to be informed of status	Rachel Barker	End October 2012
Update on Longcross to be given to future Board Meeting	Rachel Barker	January 2013

Basing View

- 6.20 The Board received an update on the Basing View proposal which was now made up of two elements (one relating to the footbridge across the railway and the second to the demolition of Scott House.) It was noted that there was concern about the fact that Basingstoke and Deane were unable to find a way to underwrite the repayment of funding and had proposed that it remained linked to the individual plots as Basing View (for which demand is uncertain). There also remained questions about what the funding for the railway bridge would unlock in terms of jobs.
- 6.21 As a result, the Board agreed that the project should remain in Category 2 whilst these points are clarified with Basingstoke and Deane. The Board noted that leaving this project in Category 2 would mean that the funding required by these projects would not be allocated to the second round of the Growing Enterprise Fund at this stage.

Action to be taken	By whom	When
Promoters of Basing View project to be informed of status	Rachel Barker	End October 2012
Update on Basing View to be given to future Board Meeting	Rachel Barker	January 2013

Surrey Wood Hubs

- 6.22 Kate Dean updated the Board on the revised Surrey Wood Hubs proposal. The Board noted that this had been submitted after the deadline of the 14 September 2012 and agreed that it did not adequately address the points raised by the Board (in relation to delivery progress, information on demand for the product and strengthening the payback mechanism and timetable).

- 6.23 The Board therefore agreed that this project should be moved to Category 3.

Action to be taken	By whom	When
Promoters of Surrey Wood Hubs project to be informed of status	Rachel Barker	End October 2012

Whitehill and Bordon SANGS

- 6.24 The Board received an update on the Whitehill and Bordon SANGS project proposal. Having considered the additional information provided, the Board agreed that this project was premature and that the delivery of any economic outcomes was too far into the future. The Board therefore agreed that the project should be moved to Category 3.

Action to be taken	By whom	When
Promoters of Whitehill and Bordon SANGS project to be informed of status	Rachel Barker	End October 2012

Growing Enterprise Fund Programme

- 6.24 Finally the Board considered the programme for the fund, noting that (depending on the progress of the Category 2 schemes), that there will be approximately £4.2m - £10m of funding still to be allocated. The Board also noted that the current profile of recycled funding would allow for a further round of the fund to be run in 2015 and this would have a value of circa £5m.
- 6.25 The Board agreed that a second round should be launched as possible, ideally before the Christmas break. The Board agreed that this work should be guided by the Fund Management Group. Building upon feedback from applicants and the Business Advisory Panel meeting on 14 September 2012, the Board agreed that future rounds should be clearer on what the fund could be used for, provide more clarity in terms of how advanced the project should be and give case study examples of schemes. Further information about repayment timescales should also be included.
- 6.26 In discussing future rounds, it was agreed that Enterprise M3 ought to consider an investment type scheme. It was suggested that a meeting be set up with the appropriate lead member of Thames Valley LEP (Emma Gibson) to find out more information. Malcolm Parry volunteered more information and offered help and guidance on this.

Action to be taken	By whom	When
Second round of GEF to be launched	Fund Management Group, working with Kathy Slack and Rachel Barker	Before Christmas 2012
Meeting to be set up	Kathy Slack	ASAP

with Emma Gibson Lead Member of Thames Valley LEP.		
Additional information on the type of investment schemes to be provided	Malcolm Parry	ASAP

7. Future Funding

- 7.1 Kathy Slack presented report on funding spend to date and outlined the main aspects in draft guidance that needed to be considered for the core funding submission. She highlighted that matched funding must be wholly in control of the LEP. Enterprise M3 will also be looking for business contributions/sponsorship..
- 7.2 Need to decide what do we want to do with this money and how we secure match funding. In order to secure funding we need to submit a Strategy for Growth/business plan. More work needed on this with a clear set of actions.

Action to be taken	By whom	When
Strategy for Growth. Revised plan with a clear set of actions	Kathy Slack	Draft ready by end December for publication on website
Form a steering group to put this plan into action.	Board Members	Date for first meeting to be decided by end of October 2012
Additional Board Meeting to be set up to take ideas forwards	Kathy Slack	End October 2012

- 7.3 Board members made the following suggestions for future funding as follows:-
- Export
 - Inward Investment
 - Funding for Action Groups and/or task and finish
 - Business Productivity
 - PR & Marketing
 - Focus on key Sectors
 - Run a series of business events. Co-host with another LEP/UKTI/other organisations
 - Marketing Strategy
 - More work with banks - Support for businesses with business plan
- 7.4 Louise Punter is the lead on Surrey Connects for export and is happy to talk to people who are interested in this topic and who want to join in the discussions and attend any meetings going forward.

Moir Gibson left the meeting at this point

8. Business Engagement

- 8.1 David Fletcher outlined the approach Enterprise M3 is taking on account management. The key issue is to establish and agree the top strategically important companies and identify who has strategic relationship with companies. Some local authorities do not have a relationship with their large companies which is one of the barriers.
- 8.2 We need buy in from all organisations – Chamber, local Universities etc. There was a suggestion to get districts and county councils together to highlight the big players in their areas and discuss how work together to develop relationship with key companies. David Fletcher and Mark Pearson to take forward.

Action to be taken	By whom	When
Presentation to be circulated to the Board	Kate Swaby	ASAP
Update on work to be presented to the Board	David Fletcher, Mark Pearson and Kathy Slack	In advance of January 2013 Board Meeting.

9. Communications

- 9.1 The Board noted the paper on Communications

10. Policies & Procedures

- 10.1 The Board discussed the above paper and agreed the following actions:

Action to be taken	By whom	When
Comments to be submitted on Policies & Procedures	Board Members	End of October 2012
Board members to raise any issues relating to public liability and trustee indemnity	Board Members	End of October 2012

11. Key Performance Indicators

- 11.1 The Board noted the paper on Key Performance Indicators

12. AOB

Action to be taken	By whom	When
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Ideas for additional funding for remainder of 2012 to Board Members	Geoff French	End of December 2012
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13. Date of Next Meeting

9th January 2013 at Watchmoor Park, Camberley, Surrey. Future dates as follows:-

20th March Grainger UK Limited, Aldershot

22nd May Vitacress Salads UK, Andover

Subsequent to the meeting, the following Board meeting dates were identified for the second half of 2013 :-

24th July venue TBC

26th September venue TBC

27th November venue TBC