

**Enterprise M3 Board**  
**13 May 2014, 2.00 – 5.00pm**  
**Rupee Room, Marketing Suite, AXA Wealth, Basingstoke, RG21 6SZ**

**MINUTES**

**Attending**

Geoff French - Chair  
Tim Colman  
Ken Crookes  
Kate Dean  
Moirra Gibson  
Zoe Gray  
Andrew Hughes  
Keith Mans  
Peter Martin  
Malcolm Parry  
Louise Punter  
Clive Sanders  
Christine Slaymaker  
Chris Tinker  
Amanda Brooks  
Rowena Robson  
Paul Riddell  
Di Hayward  
Kathy Slack  
Rachel Barker  
Tom Hinchcliffe  
Justine Davie

**Apologies**

Peter Cowen  
Stephen Mansbridge  
Laura Pelling

**1. Welcome and Introductions**

- 1.1 Geoff French welcomed everyone to the meeting, in particular the new Board members Zoe Gray from Learning Links representing the Third Sector and Christine Slaymaker from Farnborough College of Technology representing Further Education.

**2. Welcome from AXA Wealth**

- 2.1 Paul Riddell, Head of Strategic Communications at AXA Wealth welcomed the Board to the Basingstoke offices. The Board was provided with an overview of how the current AXA Wealth business had been formed and its current position in the market. The products provided by AXA Wealth included investment bonds, self-invested personal pensions and corporate investment services. The Board thanked Paul Riddell for the continued support provided by AXA Wealth to Enterprise M3.

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

- 3.1 The minutes of the previous meeting were agreed and the actions noted.

Action to be taken	By Whom	When
Chase up the 5G presentation slides and circulate to the Board members	Justine Davie	May 2014

#### 4. Basingstoke Growth Town –

- 4.1 Cllr Clive Sanders, Leader of Basingstoke and Deane Borough Council gave a presentation to the Board on Basingstoke and unlocking economic growth. Basingstoke had a population of 170,000 which was the 4<sup>th</sup> largest district in the South East. Basingstoke currently contained 7,190 businesses with 90,200 people employed locally. Recent investments in the town included £4.3m on junction 6 of the M3, £6m on Airkix, £50m from Network Rail, £100m on a Sainsbury's distribution centre and £280m on the acquisition of Festival Place.
- 4.2 The priority for Basingstoke and Deane Borough Council was to improve economic vitality by increasing skills and employment while maintaining the quality of life and the environment. There were a number of challenges in achieving results which included tired out of date commercial stock and lack of available housing. Basingstoke and Deane Borough Council have developed a co-ordinated economic plan to maximise investment opportunities and aid company inward investment.
- 4.3 The local plan period to 2029 identified a need for 13,400 homes, there was potential for 8,000 homes on Manydown which was a Council owned site. The Council also owned 70% of the commercial property footprint and had developed a property investment strategy to aid future development and generate income beyond £15.4m. Areas identified for redevelopment included Basing View, the town centre and the leisure park. Work had already been undertaken on these sites but further opportunities were being developed.
- 4.4 In order to assist development it was important that there was investment in the key road junctions in the town. There were a number of sites available for development which would not be viable without the necessary road infrastructure to support the increase in traffic flow. The transport projects that had been put forward in the Enterprise M3 Strategic Economic Plan to support housing development would enable 7,590 new homes to be built, provide 361 temporary construction jobs and 3,882 permanent jobs.
- 4.5 It was highlighted that the key to achieving the necessary economic improvements was through working with partners. Enterprise M3, businesses and Hampshire County Council would work with Basingstoke and Deane Borough Council to provide expertise and funding to assist in improving infrastructure and the skills base. The Board noted the presentation and the need for partnership working to achieve economic improvements.

#### 5. Strategic Economic Plan

- 5.1 The Strategic Economic Plan (SEP) and Growth Deal was submitted to Government on 31 March. The document set out a £730m programme of investment from 2015-2021 aimed at promoting economic growth, leveraging in £3bn of private sector funding and drawing on £340m from the Local Growth Fund (LGF). The Government was considering the projects in detail and negotiation around funding and freedoms and flexibilities would be completed by July 2014.
- 5.2 The Government had advised that the LGF was oversubscribed by 3-4 times and had therefore requested further information around the benefit cost ratio of schemes and the priority of projects for 2015/16. The Enterprise M3 response to Government

indicated that the total amount of LGF being requested was reasonable given the size and significance of the economy and the total ask would remain at £340m, however the spend profile had been re-examined to ensure projects to be funded in 2015/16 were able to spend and deliver in year. The exercise had reduced the 2015/16 ask from c£72m to c£55m.

- 5.3 Amanda Brooks and Rowena Robson reported to the Board on the SEP and Growth Deal from the Government perspective. The Enterprise M3 SEP was a good piece of work. All Local Enterprise Partnerships (LEPs) had been asked for more information, although it was highlighted that Enterprise M3 had been asked for much less than some. It had been a challenge for Government working through the bids and one area of concern was that large employers were being treated differently across LEPs. The Board was advised that work should be carried out with other LEPs to ensure consistency. The Board was also advised that LEPs would be granted greater freedom and discretion around the use of the Local Growth Fund where they could demonstrate a high level of capability and capacity within the partnership. The projects should all be investable and the Government would want to see investment in some flagship projects.
- 5.4 The Board expressed concern that there was no sense of the quantum of LGF the LEP was likely to receive, the process by which the figure was to be arrived at and the relationship between the strength of the LEP's Strategic Economic Plan and the size of the figure. The feedback received had been that Enterprise M3 had submitted a strong SEP, and the Board was keen to ensure that this was translated into a more substantial LGF allocation than would otherwise have been the case. The Government would need to be transparent in their decisions on the amount of funding allocated. The Board was also keen to ensure that plans were being assessed in an integrated and strategic manner across Government departments, as well as at a project level, as this was a key part of the Growth Deal process.
- 5.5 Amanda Brooks and Rowena Robson were asked to leave the meeting once the main Board meeting had concluded so the Board could discuss the SEP further.

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

- 6.1 The Board received a paper on the European Structural and Investment Fund (ESIF) Strategy. The ESIF had been conditionally endorsed by the National Growth Board. Further work was required around match funding and outputs, and more detailed specification work would be carried out over the summer.
- 6.2 The proposed 55:45 European Regional Development Fund (ERDF):European Social Fund (ESF) split was raised as an issue and it was unclear whether it would be approved. The LEP notional allocation had been revised and there was also an error with the exchange rate calculation, both of which combined resulted in the overall notional allocation increasing from £38.54m to £38.96m. It was proposed that the funding was allocated to the most appropriate thematic objective following the completion of LGF negotiations in July. There would be additional funding available for Technical Assistance to support functions necessary for the administration of the funds, although further guidance was awaited around this matter.
- 6.3 Further work was being undertaken on European Agricultural Fund for Rural Development (EAFRD) and discussions had been held with DEFRA on how the funds could be used. Local Action Groups were producing Local Development Strategies to indicate how they would use LEADER funding which should align with relevant ESIFs.

- 6.4 Work was continuing around output and results and match funding which would be refined as more detailed plans were developed. The EU Mechanics Group were providing support with the match funding and would also pick up specific issues around indicative private match for ERDF projects. Discussion would also take place with Hampshire County Council and Surrey County Council regarding match funding.
- 6.5 The Board agreed the outline approach and to the submission of a covering note to Government setting out the changes. The next step would be towards the development of the Annual Implementation Plan which would set out the activities. Work would also continue with opt-in organisations over the summer to agree Memorandums of Understanding and work plans for the beginning of the programme. The timescales for the ESIF was set out in the paper, it was not expected that spending would start until 2015. A paper with further detail would be brought to the July Board meeting.

Action to be taken	By Whom	When
Report to the Board on the progress of ESIF with further detail.	Tom Hinchcliffe	23 July 2014

## 7. Joint Leaders Board Update

- 7.1 Ken Crookes provided an update to the Board on the recent Joint Leaders Board (JLB) meeting. A presentation had been provided by Regeneris/Wessex Economics which the JLB welcomed as a sound evidence base. The JLB had commented on the recommendations of the report, emphasising the need for any accepted recommendations to avoid duplication of activity already taking place. It was important that the data in the Regeneris report was accurate and up to date as many authorities were currently updating their local plans. The JLB were keen to see the Regeneris report finalised so they could then work through it and obtain political buy-in from all local authority members.
- 7.2 It was proposed that Enterprise M3 would be able to assist with addressing the duty to co-operate. Hart, Surrey Heath and Rushmoor were already working together and it was hoped that other local authorities would do the same. Enterprise M3 could also assist with unblocking barriers to delivery including working on the provision of suitable alternative natural green space.

Action to be taken	By Whom	When
The finalised Regeneris report to be shared with the Joint Leaders Board	Rachel Barker	Before Enterprise M3 Board considers the final report

## 8. Housing

- 8.1 The Board received a paper on the housing work programme and the next steps for the housing evidence base study. It was proposed that Enterprise M3 should commit additional resource to the housing agenda. The Infrastructure Project Manager would spend more time focussing on housing and further provision was required for some additional expert resource to support responses to local plans. Enterprise M3 would have the opportunity to speak at consultation sessions on local plans. The Board agreed the additional resource and that any Enterprise M3 responses to consultation documents should be approved by the Chair, if timescale would not allow for the response to be brought to the Board. It was also agreed that other stakeholders would be involved if appropriate.

- 8.2 The Strategic Economic Plan set out eight areas of possible activity for Enterprise M3 on housing – supporting Enterprise M3’s major development sites; adopting an account management approach across our strategic sites; facilitating planning for long-term housing delivery; addressing constraints to development; Public Land Board; conversion of redundant commercial space into new homes; working with neighbouring LEPs on housing issues; and, innovation and quality in house building. The detail of the work programme would be incorporated into the Enterprise M3 Business Plan.
- 8.3 The Board expressed concern about the impact on the area of the overflow from developments in London. The Chair advised that London was developing a new development plan and the Chairs from adjacent LEPs had been invited to attend.
- 8.4 The Regeneris report was being checked for factual accuracy and would be amended where required. A briefing session had been arranged for local authority planning officers and economic development officers for 4 June and then a wider session would be held for the Housing Action Group, Land and Property Group and others from the industry to discuss the recommendations. The discussion would inform a more detailed report to be brought to the Board later in the year. The Board agreed the approach set out in the paper.

Action to be taken	By Whom	When
A more detailed housing report to be brought to the Board.	Rachel Barker	September 2014

## 9. Communications

- 9.1 Kathy Slack circulated a press release to the Board regarding the expansion proposals for Heathrow to which Enterprise M3 had produced a supportive statement. The Farnborough announcement and launch for the Airshow was scheduled to take place the following day and Kate Dean would be attending on behalf of the Enterprise M3 Board. There was a discussion about preparing press releases and it was proposed that the media teams at Hampshire and Surrey County Council’s could be available to provide support.
- 9.2 The Chair had written to all 16 MPs in the Enterprise M3 area setting out the priorities within the SEP and Growth Deal. Subsequent meetings had been held with some of the MPs who had also provided letters of support for the SEP. Further meetings would be arranged with remaining MPs. It was also suggested that meetings should be arranged with prospective candidates for the General Election. It was also suggested that if meetings with MPs were proving difficult to arrange they could be set up as part of the scheduled MP surgeries.
- 9.3 Other forms of communication included requests from businesses, partners and other stakeholder for letters of support. There had also been communications relating to the SEP and Growth Deal through the website, e-marketing, social media and ongoing meetings.
- 9.4 Work was underway to develop the communications plan which would include setting up an Enterprise M3 MPs Group; development of a standard presentation pack, a draft of which was circulated; reviewing Enterprise M3’s online communications; and, reviewing the Communications Group. A brief overview of the communications activity undertaken during 2013/14 was attached to the paper.
- 9.5 A programme of events planned for 2014-15 was being compiled as part of the business planning work. A business conference was being planned for the autumn to

inform businesses about the outcome of the Growth Deal negotiations. The format for this event was yet to be decided. It was proposed that the timing of the annual conference in 2015 be moved until after the General Election in May. The Board agreed to next annual conference being held in Autumn 2015.

## **10. Enterprise M3 Governance**

- 10.1 The Board received a paper setting out the progress and next steps on the governance work stream. The number of Board members had increased to 20 members following the Board meeting in December. The local authority members had been appointed by the Joint Leaders Board and the third sector and FE sector representatives and been appointed with agreement from the relevant sector. Business representation organisation in Hampshire had confirmed the continuation of their representation but a response from Surrey had not yet been received. The University of Surrey had confirmed the continuation of the HE representative for a further year although other HE institutions in the area needed to be contacted to discuss future HE representation.
- 10.2 The terms of office would expire in June 2014 for four business Board Members and Mike Rushworth had already indicated that he would be standing down. The Chair had contacted the other members due to retire in June. Members wishing to renew their terms of office would be required to complete a standard application form and provide a short statement. The detail of the reapplication process was currently being developed. There would be a need to advertise for at least 3 business Board members, it was proposed that the posts be advertised and shortlisted applicants would be interviewed along with existing Board Members. It was also proposed that recruitment should begin in July with new Board members being in post for the September Board meeting. The Board agreed the timetable and outline approach to the appointment of business Board members.
- 10.3 The Board agreed the appointment of Clive Sanders as having delegated responsibility for the final approval of Growing Enterprise Fund contracts and approval of expenditure of £7,500 and not in the agreed budget.
- 10.4 It was proposed that an Executive Steering Group was set up to work alongside the Director, coordinate activity and assist with the operational management of Enterprise M3. It would not be a decision making body but could be given delegated powers. The Terms of Reference and proposed membership of the Group would be brought to the Board meeting in July. The Board agreed the establishment of the Executive Group and agreed the draft Terms of Reference with the suggestion that more private sector representatives be added to the membership.
- 10.5 It was proposed that an European Management Group was established to develop Annual Implementation Plans, agree types and timings for calls for projects, agree local promotion and publicity, assess projects against the ESIF for strategic fit and make recommendations around project selection, the Group would also have a formal role feeding into the national Programme Monitoring Committee. The Group would be aligned closely to the Programme Management Group for the Local Growth Fund. The Board requested some clarification on the membership and the decision making capability of the Group. Further clarification would be brought to the Board meeting in July with a proposal for the setting up of the Group in shadow form in late summer.
- 10.6 Work had been undertaken to review the Enterprise M3 Action Groups to bring them in line with the SEP. It was also proposed that the Action Groups should report directly to the Board with a lead Board Member for each Group. The Groups would cover

Transport, Skills, Enterprise, Rural and Broadband, Land and Property and Housing. A more detailed paper would be brought to the Board meeting in July.

Action to be taken	By Whom	When
Terms of reference for the Executive Steering Group be brought to the July Board meeting.	Tom Hinchcliffe	23 July 2014
Proposal for setting up the European Management Group and further clarification on membership and decision making	Tom Hinchcliffe	23 July 2014
More detailed paper on Enterprise M3 Action Groups be brought to the July Board meeting	Rachel Barker	25 September 2014

## 11. Business Plan

- 11.1 Kathy Slack advised the Board that an Enterprise M3 Business Plan was being compiled to identify the high level tasks, events and deadlines over the next 12 months. The Plan was being arranged by theme with a lead identified for each. There was still some work to be carried out and once it was finalised it would be circulated to the Board.
- 11.2 There were a number of issues identified while the Plan was being compiled including the number of deadlines to be met and projects to be undertaken. The capacity of the team was raised as an issue and work was being carried out to restructure the team to ensure the tasks could be achieved. It was recognised that expertise was required on legal, finance, EU and procurement and Hampshire County Council had offered some support which was being explored.

Action to be taken	By Whom	When
Finalised Business Plan to be circulated to the Board	Kathy Slack	25 September 2014

## 12. Finance Summary

- 12.1 The Board received a summary of the closing balance for 2013/14. The majority of the funding had been spent and any remaining balances had been carried forward to 2014/15. The accounts for 2013/14 would be audited by Hampshire County Council and published on the Enterprise M3 website. The Board requested that the accounts published on the website were set out in a more readable format.
- 12.2 The final match funding figure had been secured at £364,235. It was highlighted that this figure did not include the provision of office space and equipment for staff, provision of meeting rooms, refreshments at meetings and support from Hampshire County Council HR, Legal and Finance services. As the role of Enterprise M3 LEP expanded it was anticipated that a more permanent base would need to be established, options were being explored.
- 12.3 The funding available for 2014/15 was set out which totalled £17.604m, the bulk of the funding was the Growing Enterprise Fund capital which was £15.235m. The Government funding, further education and local authority operational funding totalled £726k. The budget for the operational funding included £335k for the core team and £165k for contracted staff. Other areas of expenditure identified in the budget included the annual conference and other events £45k, research and development £40k,

Conference Space Study £30k and communications/website £15k. The total operational budget was £707k. The Board approved the outline budget for 2014/15.

- 12.4 It was proposed that the Executive Steering Group would play a key role in monitoring progress against the outline budget. Quarterly reports on finance including comments and recommendations from the Steering Group would be presented to the Board from July 2014.

Action to be taken	By Whom	When
Quarterly reports on finance to be presented to the Board	Tom Hinchcliffe	25 September 2014

### 13. Growing Enterprise Fund

Note: Peter Martin and Chris Tinker left the room during the discussion on Brightwells.

- 13.1 The Board received a paper providing an update on the Growing Enterprise Fund. Work continued to progress well on a number of projects and the Farnborough International Limited project was completed in April 2014 with the final funding claim submitted on 6 May. The Project Team had focussed on the conclusion of the legal agreement for the Finance South East project. It was expected that this would be finalised in May 2014, with the formal launch following shortly after.
- 13.2 The Board had agreed to extend the funding period and works longstop dates for Brightwells – Phase 1 until 31 August 2014. The works associated with the car park would not be completed by this date and Waverley Borough Council had requested for a further extension to 31 December 2014. The National Planning Casework Unit (NPCU) had advised in January that an Environmental Impact Assessment was required which had impacted on the overall timetable. The Fund Management Group recommended that the revised timetable was agreed. It was recognised that although the programme was now delayed further delays could jeopardise the realisation of the economic outcomes from the project. The Project Manager would closely monitor the delivery of the project. The Board approved the extension of the timetable to 31 December 2014.
- 13.3 In light of the delay to Brightwells – Phase 1, the Fund Management Group Chair met with the Project Team and Crest Nicholson to discuss Brightwells Phase 2. Information was still being awaited from Crest Nicholson which will provide further clarity on the need for Growing Enterprise Fund for Phase 2. Therefore it was agreed that a decision should be taken on this project in light of this information. It was proposed that the Fund Management Group allowed until end June before making a decision. The Board agreed that if the necessary information was not provided by the end of June the funding should be made available to be used in the next phase of funding allocation.
- 13.4 The Project Team had met with Enterprise First, the project sponsor of the Broadband Project. At the meeting it was suggested that the project was withdrawn from the GEF and the funding incorporated into a future round. The Rural and Broadband Action Group had been made aware of the decision informally. It was proposed that some independent, expert resource was brought on board to work with Enterprise M3 to identify how the Growing Enterprise Fund could be used to support high speed broadband in future. The Board agreed to the withdrawal of the Broadband project from the GEF and for this further work to be undertaken.
- 13.5 The repayments back to the Growing Enterprise Fund would commence in June 2014 with £250k from Farnborough International, and £400k due from Woking Borough Council in December 2014. With the withdrawal of the Broadband Project and these



repayments the Fund Management Group proposed that a new round of GEF was launched in July 2014 following confirmation of the Growth Deal. The GEF prospectus could then be more closely aligned with the SEP. The timetable would be reviewed should any other projects be withdrawn from the current GEF programme. The Board agreed for a new round of the GEF to be launched in July 2014 and requested the Project Team to develop a revised prospectus.

<b>Action to be taken</b>	<b>By Whom</b>	<b>When</b>
A revised prospectus for the next round of GEF to be developed.	Rachel Barker	25 September 2014

#### **14. Forward Programme**

14.1 The Board noted the forward programme for 2014.

#### **15. Any Other Business**

15.1 The next Enterprise M3 Board meeting would take place from 2.00-5.00pm on 23 July 2014 at TAG, Farnborough Airport, Farnborough, GU14 6XA.