

Enterprise M3 Board
25 September 2014, 2.00 – 5.00pm
Skanska Offices, Hollywood House, Church Street East, Woking, Surrey, GU21 6HJ

MINUTES

Attending

Geoff French - Chair
 Tim Colman
 Peter Cowen
 Ken Crookes
 Moira Gibson
 Keith Mans
 Stephen Mansbridge
 Peter Martin
 Malcolm Parry
 Louise Punter
 Clive Sanders
 Christine Slaymaker
 Amanda Brooks
 Rowena Robson
 Mike D'Alton
 Kathy Slack
 Rachel Barker
 Tom Hinchcliffe
 Kevin Travers
 Justine Davie

Apologies

Kate Dean
 Zoe Gray
 Andrew Hughes
 Laura Pelling
 Chris Tinker

1. Welcome and Introductions

1.1 Geoff French welcomed everyone to the meeting.

2. Minutes of the previous meeting & matters arising

2.1 The minutes of the previous meeting were agreed, subject to an amendment to the amount in paragraph 4.5 to read £6.6bn not £66bn. The actions were noted.

Action to be taken	By Whom	When
Amend amount in paragraph 4.5 to £6.6bn and publish on website.	Justine Davie	30 September 2014

3. Transport Action Group Update

3.1 Mike D'Alton, Chair of the Transport Action Group and Director of Highways and Transportation at Parsons Brinckerhoff, and Kevin Travers Enterprise M3 Project Manager Transport, attended the meeting to provide an update on the work of the Transport Action Group (TAG). The TAG brought together senior representatives from local transport authorities, district councils, the Highways Agency and transport operators. The objectives of the Group were to provide a forum for business to influence and steer strategic transport issues, provide strategic transport advice to the Enterprise

M3 LEP Board, oversee delivery of transport projects and develop an action plan including outcomes, timescales and costs.

- 3.2 The TAG had been involved in lobbying as transport had been highlighted as an issue for businesses. There were a number of access issues to be addressed including M3 congestion, rail access to London from Camberley/Frimley, poor Alton/Farnham transport network linkages between bus and train timetables. There were a number of transport schemes in the Local Growth Deal including Whitehill and Bordon Relief Road, Guildford Gyratory, A30/A331 Corridor, Basingstoke North East Corridor and Runnymede Roundabout. Profiling for all of the schemes was being compiled and monitored to ensure the money allocated was fully spent.
- 3.3 The TAG was being recognised as ‘the place to go’ in the area regarding transport issues. The TAG had fed information into a number of consultations and had brought the transport operators, local authorities and Highways Agency together. Future plans included improving engagement with neighbouring LEPs and the private sector, becoming fully engaged with Crossrail 2 and pursuing the prospect of a big idea similar to the Reading Rail Station major enhancements campaign. It was also recognised that there was a need to interrogate plans of all groups to make sure they complemented each other. Any changes to local plans would also need to be fed to the TAG through the local authorities.
- 3.4 The Board noted the presentation and thanked Mike D’Alton and Kevin Travers for their attendance. There was some discussion on the schemes in the Local Growth Deal and the management of risk. It was explained that there was a pipeline of projects and contingencies in place in case any schemes were delayed. The risk of construction skills shortages was also raised and BIS Local informed the Board that work had been carried out to identify gaps on some skills and money was being made available for training.
- 3.5 Geoff French raised concerns with BIS Local over funding used to fund Local Partnerships (a LGA/Treasury company) to support LEPs on programme management. Enterprise M3 had already invested in programme management and would be disadvantaged because there was no additional funding to support this activity. Kathy Slack would supply further details to BIS Local.

Action to be taken	By Whom	When
A request to be made to local authorities to inform the TAG through Kevin Travers of any changes to local plans	Kevin Travers	October 2014
Send details on funding for programme management to BIS Local	Kathy Slack	October 2014
Circulate copy of presentation to Board members	Justine Davie	October 2014

4. Local Growth Deal

- 4.1 Kathy Slack updated the Board on the Growth Deal Round 2. The Board was reminded that from the initial Growth Deal, Enterprise M3 has been awarded £35m Local Growth Fund (LGF) in 2015/16, with a further £83.1m from 2016 onwards. Of the projects that were submitted for 2015/16, 25 were unsuccessful which totalled £134m LGF. BIS assessor feedback indicated that the main reasons for projects being unsuccessful concerned insufficient information on value for money, additionality, economic outcomes and risk/project management being included within bids.

- 4.2 The Board were informed that there could be an additional ‘top-up’ sum of up to £500m available nationally for Round 2 of the Growth Deal, the quantum of which would be confirmed in the Chancellor’s Autumn Statement in December 2014. An initial prioritised list was required for submission to Government by 6 October, with intervention templates developed for these projects by end November, in order to allow successful projects to be announced in January 2015. The Government had given a strong steer towards unsuccessful projects from the initial LGF submission and acceleration of projects funded within the initial growth deal that could be brought forward forming the bid.
- 4.3 The Board asked whether there were any penalties if the funding within the initial Growth Deal was not fully spent. It was explained that the funding was flexible and would not have to be returned if not spent in 2015/16, however this would likely result in less funding allocated in future funding rounds. The Board asked if it would be beneficial to gain MP support for the initial priorities submitted. BIS Local advised that between the Autumn Statement and the announcement of successful bids would be an appropriate time to gather MP support.

Note: Amanda Brooks and Rowena Robson left the room at the end of the Board meeting while the Board continued the discussion on the Growth Deal Round 2.

- 4.4 The Board was advised of projects in the draft list which had been compiled by the project managers which included the strongest projects it was thought should be included in the initial list for submission on 6 October. The total of the projects in the draft list was approximately £20m. The Board was asked to consider the proposed projects.
- 4.5 The Board voiced concerns over the process for allocation of the funds and was of the view that more projects should be included to maximise the list submitted on 6 October. It was recognised that the projects would need to be credible to enable a strong template to be submitted by end November and for the project to be delivered in 2016/17. The list would be revised and circulated to the Board for comment before being submitted on 6 October.

Action to be taken	By Whom	When
Revise the draft priority list as per the Board discussion and circulate to Board for comment	Tom Hinchcliffe/ Kathy Slack	2 October 2014

5. Housing Work Programme

- 5.1 The Board received a copy of the final research study into housing produced by Regeneris and was asked to agree the approach to the recommendations of the study and the associated work programme. The study had been carried out following a strong message from stakeholders on the importance of housing. The Strategic Economic Plan included outline measures about how Enterprise M3 would work with partners to accelerate the delivery of housing by up to 25% above the baseline.
- 5.2 The study had been commissioned in December 2013 and the key aims included reviewing projected housing need scenarios, developing a clear picture of affordability, providing information on barriers to delivery, creating maps to illustrate the location of key developments and illustrating the economic benefits. The study had been developed with partners and local authorities contributed to the data and case studies
- 5.3 The study contained eight key recommendations which were set out in the paper. Of the eight recommendations it was proposed that focus be given on maintaining an understanding of infrastructure requirements for key sites to help identify investment

priorities, plan for long-term strategic housing delivery, assess the feasibility of establishing a Suitable Alternative Natural Green Space bank and provide project management and brokerage support. Work was already ongoing on these recommendations and would continue to increase once the Land and Property Board had been introduced.

- 5.4 Ken Crookes advised the Board that the Joint Leaders Board had discussed the Housing Study and were concerned that the information would be used to support individual planning applications or an expectation that the figures should be used to compile local plans. Local authorities had their own method of calculation for the figures included in local plans, through the development of detailed Strategic Housing Market Assessments (SMHAs). The Leaders Board suggested that a foreword should be included in the study setting out what the document was and its purpose and that local authorities would use their own methods appropriate for their local area to produce their local plans. Ken Crookes, Rachel Barker and Kathy Slack would work on the wording for the foreword in the study. The Board agreed that a foreword should be included prior to the publication of the study.
- 5.5 The Board agreed the prioritisation of the recommendations, the work programme and next steps.

Action to be taken	By Whom	When
Produce a foreword to be included in the Housing Study to set out the purpose of the document	Rachel Barker/ Kathy Slack/ Ken Crookes	October 2014

6. Joint Leaders Board Update

- 6.1 Ken Crookes advised the Board that much of the Joint Leaders Board discussion had been on the Regeneris Housing Study. It was highlighted that a number of the Surrey districts were not represented at the meeting. Peter Martin would raise the issue of attendance with the relevant Leaders/Chief Executives to encourage attendance at future meetings.

Action to be taken	By Whom	When
Contact Surrey district Leaders/Chief Executives to encourage attendance at Joint Leaders Board	Peter Martin	October 2014

7. Growing Enterprise Fund

Note: Peter Martin declared an interest in the item on Brightwells but remained in the room during the discussion as the item was to inform the Board of a decision by Crest Nicholson.

- 7.1 Rachel Barker reported on the recent progress of the Growing Enterprise Fund projects. At the last Board meeting in July it was agreed that further due diligence work would be undertaken for Brightwells Phase 2 due to the previous delays to the project. In the course of the due diligence work, Crest Nicholson had advised that they no longer required the Growing Enterprise Fund to take forward the overall project. The Board therefore agreed to the withdrawal of the Brightwells Phase 2 project and that the funds should be released and included in the next round of the Growing Enterprise Fund.
- 7.2 It was proposed that the launch of the next round of the Growing Enterprise Fund would be on 30 September. With the inclusion of the newly released funds from the withdrawal of the Brightwells Phase 2 project there would be £3m available for the next round. New

projects would be considered from November onwards. The Board approved the launch of the new round of the Growing Enterprise Fund.

Action to be taken	By Whom	When
Launch the next round of the Growing Enterprise Fund	Rachel Barker	30 September

8. Governance

- 8.1 Kathy Slack explained to the Board the work that had been carried out on the Enterprise M3 Governance structure and set out the next steps. Effective governance arrangements were needed to ensure that appropriate and transparent decisions were made on the use of the Local Growth Fund (LGF) and European Structural and Investment Funds (EU Funds). Significant progress had been made with the establishment of the Leaders' Board and the recruitment of new private sector Board Members due to join the Board in November.
- 8.2 The high-level governance structure had previously been agreed which included the creation of the Programme Management Group (PMG), a European Management Group (EMG) and the Executive Steering Group as well as a review of the action groups. The EMG would be formally constituted as a sub-group to the national Programme Monitoring Committee for EU funds. The terms of reference and membership for the EMG was dictated by EU regulations which was why two separate management groups had been established. The Board received a summary diagram setting out the groups and the reporting structure.
- 8.3 The Board received draft terms of reference for the PMG. The terms of reference proposed that the PMG would review potential bids, review due diligence, make decisions on individual schemes and take funding decisions around the distribution of funds to LGF projects up to a maximum value of £5m. The proposed membership was also set out which included 2 private sector Board members, the Chair of the EMG and local authority representatives. The first meeting of the PMG would be at the end October and then monthly up until April 2015.
- 8.4 The Board discussed the draft terms of reference and expressed some concern over the role for the Board if the PMG was given delegation up to £5m. It was suggested that the PMG should assess the projects, then pass to the Board with recommendations to approve, the Board would then give delegated authority to the PMG to implement with some flexibility, which would be set out within a certain criteria. The terms of reference would be amended to reflect the changes suggested by the Board.
- 8.5 In light of the timescales for the first meeting of the PMG an interim appointment for the Board representatives would need to be made until the new private sector Board Members had been appointed.
- 8.6 The Board discussed the reporting structure and the role of each of the groups. The view was that as transport was the largest element of the LGF the Local Transport Body (LTB) should feed into the PMG. The Transport Action Group was currently considering future options for the LTB. The governance structure would be revised to reflect the change proposed.
- 8.7 The Board received and agreed the terms of reference for the Rural Action Group (RAG). The Board was informed that Hampshire Chief Executive's had appointed Dave Yates from New Forest District to the Group. The Board was informed that the Surrey Chief Executive's would be asked to provide a nomination to the RAG.

Action to be taken	By Whom	When
Terms of reference for the PMG be revised to reflect the changes suggested by the Board	Rachel Barker/Tom Hinchcliffe	October 2014
Interim Board representatives be appointed to the PMG to attend the first meeting	Tom Hinchcliffe	October 2014
The governance structure be revised to reflect the changes suggested by the Board	Rachel Barker	October 2014
Surrey Chief Executive's to be asked to appoint a representative to the Rural Action Group	Rachel Barker/Deborah Wyatt	October 2014

9. Directors Report

9.1 The Board received and noted the Directors Report.

10. Communications Update

10.1 The Board received and noted the Communications Update.

11. Business Plan

11.1 The Board received and noted the Business Plan.

12. Forward Programme

12.1 The Board received and noted the Forward Programme.

13. Any Other Business

13.1 The next Enterprise M3 Board meeting would take place from 2.00-5.00pm on Thursday 27 November, 2014 at University of Surrey, Guildford, GU2 7XH.