

**Enterprise M3 Programme Management Group**

**18 June 2019, 14:00-15:00**

**Telephone Conference**

**DRAFT MINUTES**

**Members Attending**

James Cretney - Chair  
Dave Axam  
Deborah Allen  
Richard Brooks  
David Fletcher  
Matt Furniss  
Rob Humby  
Paul Millin  
Kathy Slack

**Guests Attending**

Rachel Barker  
Jennie Pell  
Kevin Travers  
Geoff Wells  
Justine Davie

**Apologies**

Rob Carr  
Mike D'Alton  
Catherine Turner

**1. Welcome and Introductions**

- 1.1 James Cretney welcomed everyone to the meeting. The Group was advised that it had been agreed that the Board and PMG local authority vacancies would be considered at September Joint Leaders Board meeting, therefore the Group would operate without a Hampshire political representative until September.

**2. Declaration of Interest**

- 2.1 In addition to all interests previously declared, the following interests were noted:

| Name                         | Interest   | Declared Action                            |
|------------------------------|--|--|
| Matt Furniss and Paul Millin | Item 3 - Electric Vehicle On-Street Charge Point Installation Pilot and the LED Conversion and Central Management System | Left the call during the decision making   |
| Matt Furniss                 | Item 3 - Guildford College Care Skills Training Centre   | Remained on the call during the discussion |
| Geoff Wells                  | Item 3 - Electric Vehicle On-Street Charge Point Installation Pilot and the LED Conversion and Central Management System | Left the call during the decision making   |

**3. New Expressions of Interest**

- 3.1 The Group received a report on the new expressions of interest (EOI's) which had been submitted. The deadline for EOI's to be submitted was 18 April and nine had been received. The amount of capital requested for projects ranged in size from £210k to £3.8m, only one project was for a loan. An independent assessment of the projects was carried out against the criteria and the projects were ranked as category A, B or C. The EOI's had also been reviewed by the Enterprise M3 team. Although there was currently no funding available for new projects, past experience of managing the capital programme showed that it was possible

that not all projects would proceed as planned. Work would be carried out with applicants to ensure there were good quality projects in the pipeline which could be taken forward swiftly, should funding become available.

- 3.2 Of the nine projects submitted three projects were categorised as A projects, two as B projects and four as C projects. The Group discussed the category A projects. The Heat Enabled Virtual Power Plant scheme submitted by Clear Blue Energy requested £1.8m capital grant funding as part of a £5.9m project. The project was a clean growth initiative which focused on the delivery of low carbon heating with an aim to deliver 600 low carbon heating systems in homes and businesses in the Enterprise M3 area. The Group discussed the project and questions were raised regarding State Aid and the option to deliver the project on a loan basis. Linkages between the project and the higher and further education institutions was also raised. It was agreed that all of these areas would be investigated as part of the business case development. The Group agreed for the Heat Enabled Virtual Power Plant to progress to full business case.
- 3.3 The Electric Vehicle On-Street Charge Point Installation Pilot application from Surrey County Council requested £325k capital grant funding with a total project cost of £440k. The pilot scheme would install 80-100 rapid electric vehicle charge points on Surrey's highway network in Woking, Staines, Guildford and Farnham. The aim of the pilot was to understand how and if the provision would facilitate economic growth and identify key issues relating to on-street charging. The pilot results would help develop an implementation plan and design guidelines for Surrey, to be used as leverage for funding from the private sector to deliver charging infrastructure needs. The Group discussed the pilot project and agreed that due to the nature of the scheme a business case focussing on the technical and commercial case was required to help understand the specific detail of what was being delivered. Confirmation of the partner contributions and that State Aid in relation to the Enterprise Holdings had been addressed was also requested as part of the business case development. It was also suggested that given the change in the political leadership at Waverley and Guildford, contact should be made to ensure their continued support. The Group agreed for the Electric Vehicle On-Street Charge Point Installation Pilot to progress to business case.
- 3.4 The LED Conversion and Central Management System application from Surrey County Council requested £2.64m capital loan funding as part of a total project cost of £18.4m. The project would convert 89,000 street lights to LED. The current Central Management System would also be upgraded as part of the conversion to LED lighting to enable a wide range of technologies to be incorporated across the area. The Group discusses the project and acknowledged the new technologies being addressed and the links to clean growth. The Group agreed for the LED Conversion and Central Management System to progress to full business case.
- 3.5 The Group also discussed the B category projects and agreed that these should be discussed with the applicant to identify if the issues could be addressed and the project resubmitted by next deadline of 27 June. The reasons provided for the C category projects not progressing were accepted by the Group and noted the potential changes to one of the projects to enable it to be resubmitted in the next round of submissions of expressions of interest.

| Action to be taken  | By Whom                  | When      |
|---|--------------------------|-----------|
| Invite the category A projects to produce a full business case.                                   | Relevant Project Manager | June 2019 |
| Discuss issues with B projects with applicants with potential for the projects to be resubmitted. | Relevant Project Manager | June 2019 |

#### 4. Capital Project for Consideration

##### a) Guildford Bike Share

- 4.1 The Group received a report on Guildford Bike Share scheme submitted by Guildford Borough Council which requested a £300k capital grant funding against a total cost of £890k. The scheme would deliver Phase A of the Guildford Bike Share scheme which covered the town centre, University, Royal Surrey Hospital, Surrey Research Park and Guildford Business Park. The scheme would provide between 25-30 bike docking hubs and a fleet of approximately 150-175 electric bikes. A bike share operator would be awarded a concession to operate the scheme for a period of 5-years with a potential 2-year extension for good performance. The Phase A scheme would be compatible with the existing University of Surrey scheme. The scheme would be the largest public bike share scheme in the Enterprise M3 LEP area and the largest fully electric bike share scheme in southern England. The scheme would be supported by a suite of complementary measures to improve key cycling routes in the town of Guildford and would maximise the benefits of investment already made by the LEP towards sustainable infrastructure in Guildford.
- 4.2 Due diligence had been carried out on the scheme by AECOM and Guildford Borough Council had addressed the issues raised. Steps had been taken to minimise the risks related to the scheme and it was highlighted that the cost of operation was to be met through sponsorship and hire income to give the operator a strong incentive to manage the scheme effectively. There was also the opportunity for the LEP to secure some income in proportion to the investment made should profits exceed an agreed level.
- 4.3 The Group discussed the scheme and the jobs outputs were questioned as it was thought that 83 jobs created seemed ambitious. The Group was advised the same model had been used as the Unlocking Guildford package and the information could be made available. The Group agreed to approve £300k capital grant funding to the Guildford Bike Share scheme

| Action to be taken                                   | By Whom       | When      |
|--|---------------|-----------|
| Proceed the Guildford Bike Share scheme to contract. | Kevin Travers | July 2019 |

## 5. Any Other Business

- 5.1 The Group was advised that Surrey County Council had received confirmation that they had been successful in securing £95m from the Housing Infrastructure Fund bid for Woking. Enterprise M3 LEP had provided revenue funding to enable Surrey County Council to obtain the resources to prepare high quality bids to be submitted for the Housing Infrastructure Fund. The Board had agreed a £3m capital to revenue swap to enable scheme development funding to be made available. The Group congratulated the Enterprise M3 Team, Woking Borough Council Surrey County Council in securing the funding and agreed the principle of supporting similar projects in the future.

## 6. Dates of Future Meetings

- 6.1 The future Programme Management Group meetings would be held as follows:
- Thursday 11 July 2019 – 10am-1pm – HG Wells, Woking
  - Thursday 12 September 2019 – 10am-1pm – Rushmoor BC, Farnborough
  - Thursday 14 November 2019 – 10am-1pm – Hampshire CC, Winchester
  - Thursday 16 January 2020 – 10am-1pm – HG Wells, Woking
  - Thursday 12 March 2020 – 10am-1pm – Rushmoor BC, Farnborough