

Enterprise M3 Board

24 May 2016, 2.00 – 5.00pm

Institute for Communications Systems, University of Surrey, Guildford, Surrey, GU2 7XH

MINUTES

Board in Attendance

Geoff French - Chair
Dave Axam
David Barnes
Tim Colman
Ferris Cowper
Nick Elphick
Tim Jackson
Keith Mans
Malcolm Parry
Louise Punter
Clive Sanders
Mike Short
Paul Spooner
Chris Tinker

Guests in Attendance

Nicki Clark
Roya Croudace
Toni Wootton

EM3 Team

Kathy Slack
Tanja Aijo
Jude Robinson
Kevin Travers
Deborah Wyatt
Justine Davie

Apologies

Andy Barr
James Cretney
Moirra Gibson
Zoe Gray
Andrew Lambert
Peter Martin

Kate Cornford

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 and the actions were noted.

3. Declarations of Interest

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

- Tim Jackson declared an interest in the Local Growth Fund 3 item and in the Hampshire Centre for the Demonstration of Environmental Technologies under item 9 but remained in the room during the discussion.
- Keith Mans declared an interest in the Local Growth Fund 3 item but remained in the room during the discussion.

4. Growth Hub Update

4.1 Nicki Clarke and Roya Croudace from the BE Group attended the meeting to provide an update on the work of the Growth Hub and challenges for the future. The purpose of the Growth Hub was to act as a connector and facilitator for businesses and provide information. The Growth Hub was designed to complement existing provision not duplicate what was already available. The performance of the Growth Hub was expected to reach 75% of the original targets set due to the launch of the Hub being later than expected, however the 75% being delivered was of a high standard.

- 4.2 Areas of work for the future included additional resource on content and knowledge management and increasing meaningful engagement with businesses. There would be some investment in infrastructure and the portal would be improved to be more interactive and dynamic and include more content. Other issues to be considered, whilst ensuring the Hub remained impartial and independent, was whether a joint venture or commercial partnership approach could be adopted and agreeing the policy on intellectual property ownership and data ownership.
- 4.3 The Board was keen to understand how the Growth Hub was delivering growth and asked to be provided with some data to measure the interventions. The Board would be sent some case studies to show the interventions and impacts. The Board was advised it would take longer to measure whether the interventions were reaching international markets. A more detailed report would be discussed at the Enterprise and Innovation Action Group and the information would be cascaded up to the Board.

Action to be taken	By Whom	When
Growth Hub case studies to be sent to Board Members	Roya Croudace	July 2016
Detailed report on Growth Hub discussed by the Enterprise and Innovation Action Group to be circulated to the Board	Chris Quintana	29 September 2016

5. Local Growth Fund 3 – Bid for Funding

Note: Toni Wootton left the room during the discussion on the Local Growth Fund 3 item.

- 5.1 The Board considered the Local Growth Fund 3 bid for funding following on from the discussion held at the strategic workshop earlier in the day. A snapshot document needed to be delivered to Government by 17 June¹ setting out details on the Enterprise M3 delivery record, successes, lessons learned and high-level project detail. It was expected that a high level of leverage and match funding would score well. A challenge session would be held between 23 June and 21 July with a Minister. A template spreadsheet would be provided by BIS to be completed and submitted with the final bid which would focus on outputs and delivery. It was expected that the final bid would need to be submitted to the Government around 21 July², although the exact date was to be confirmed.
- 5.2 The Board recognised that the projects submitted needed to be shaped to articulate the ambition of Enterprise M3 and provide high impact in order for the bid to stand out. The key messages from the strategic workshop were that the links to growth and impact needed to be demonstrated, the bid should build on digital strengths, more ambition was required and linkages needed to be highlighted. There was support for cross LEP and cross county projects.
- 5.3 The Board expressed the view that the bid should also build on the successes achieved in existing projects. There was also concern regarding the low level of housing demonstrated in the projects submitted although the Board recognised that further work was required with project proposers to identify the level of housing supported/enabled through the projects. The Board felt it was important to ensure that all outputs were included in the spreadsheet submitted to Government to put forward the best case for Enterprise M3 and to ensure flexibilities were granted for any future allocations of funding.
- 5.4 The Board was provided with an overview of the expressions of interest by theme for the proposed projects. The total amount for the bid was about £150m. There was general support

¹ Post Meeting Note: this deadline was extended until 24 June

² Post Meeting Note: the deadline for the final submission was confirmed as 28 July

for the projects but the importance of including jobs and housing numbers to ensure the projects stood out was highlighted.

- 5.5 The proposed way forward would be presented to an additional special Joint Leaders Board meeting before 14 July, a special meeting would be set up. An extra Board meeting would be set up after the AGM on 27 June to agree the format for the submission of the final funding bid.
- 5.6 The Board was also asked to consider four projects that could be brought forward for an early start to deliver in 2016/17:

Project	Amount (£m)
Energy for Life, Marwell, Winchester	1.50
Risual Academy, Sparsholt	0.20
Gateway to National parks	1.70
SANGS in Hart	7.00

- 5.7 Marwell Wildlife had submitted an expression of interest for an Energy for Life project to construct a low carbon energy and waste management centre and a tropical house visitor attraction. The project was designed to bring low carbon, rural and tourism economy benefits, with STEM skills and partnership opportunities. The total cost of the project was £6.5m with an LGF grant request of £1.5m.
- 5.8 Sparsholt College had submitted an expression of interest for a Risual Microsoft Academy which would create a centre of learning and training on the Microsoft platform addressing shortages in digital skill. The project would bring together education and employment sectors in a collaborative delivery model to provide a direct route for learners into new apprenticeship frameworks in the local region. The total cost of the project was £400k with an LGF grant request of £200k.
- 5.9 Hampshire County Council had submitted an expression of interest for a project to develop Lepe Country Park and Queen Elizabeth Country Park as major gateways to the New Forest and South Downs National Parks. The project would support increased jobs and spend within the rural economy by providing first class visitor facilities, office and workshop space for staff and volunteers. The total cost of the project was £5.7m with an LGF grant request of £1.7m.
- 5.10 The Homes and Communities Agency had submitted an expression of interest for a Suitable Alternative Natural Green Space (SANGS) in Hart. The project aim was to acquire and develop land in Hart to provide 42ha of SANGS land and mitigation for up to 2,187 new homes in Hart, Rushmoor and Surrey Heath local authority areas. The total cost of the project was £10.4m with a LGF loan request of £7m.
- 5.11 The projects had been considered by the Programme Management Group and the recommendation was that the projects progressed to due diligence. The Board agreed that the Energy for Life, Risual Academy, Gateway to National Parks and SANGS in Hart projects should proceed to due diligence.

Action to be taken	By Whom	When
A Joint Leaders Board to be set up before 14 July.	Jill Shuttleworth	June 16
An extraordinary Enterprise M3 Board meeting to be set up for 27 June after the AGM.	Justine Davie	June 16
Proceed Energy for Life, Risual Academy, Gateway to National Parks and SANGS in Hart projects to due diligence.	Chris Quintana, Deborah Wyatt and Sarah Carter	June 16

6. **Devolution Update**

- 6.1 The Board received an update on the Hampshire and Isle of Wight (HIOW) and Three Southern Counties (3SC) devolution deals. A 3SC meeting had been held involving 26 leaders, 26 Chief Executive's and 6 Local Enterprise Partnership representatives. The 3SC devolution deal was aiming for a decision in the Autumn Statement but there was still a lot of work to be done.
- 6.2 The Heart of Hampshire devolution deal was currently not progressing as Hampshire County Council was not prepared to sign the Heart of Hampshire or Solent deals. The Solent deal could go ahead without Hampshire County Council if the Isle of Wight and the two cities were included without the districts. Hampshire County Council was now progressing an interim piece of work which would include looking at unitary authorities and whether consultation with the public was required.
- 6.3 The Board was advised that the Government had been made aware by business organisations that they had not been consulted on the devolution deals.

7. **Directors Report**

- 7.1 Kathy Slack provided a verbal update to the Board on current activities. The AGM was being held on 27 June and invites would be going out that week. The annual report would be launched at the AGM. The Enterprise M3 LEP would have a presence at the Farnborough International Airshow on either 13 or 15 July to showcase the loan for the new exhibition space and also to liaise with businesses. David Barnes offered space to the Enterprise M3 LEP on the Farnborough Aerospace Consortium exhibit at the Airshow. The Board was provided with an update on the outcomes from the Commercial Property Market Study and the recommendations made by Regeneris. The Commercial Property Market Study and Strategic Transport Study would be launched at the Infrastructure Conference on 19 September. MIPIM London was being held in mid-October where the Greater Thames Valley LEPs would have a presence to showcase the work of LEPs. The annual conference would be held on 16 November.

8. **Local Growth Fund Project for Approval**

Woking Town Centre Transport Infrastructure Package

- 8.1 The Board received a report on the Woking Town Centre Transport Infrastructure Package. Woking was an important commercial and residential centre within the Enterprise M3 area with a high demand for commercial, residential and retail floor space. There were a wide-range of plans in place to meet demand, however there were significant transport and urban realm restrictions which were impeding private sector investment in development. The Woking Town Centre Transport Infrastructure Package proposal had been developed to address the barriers that were preventing and constraining economic growth in Woking.
- 8.2 The proposed package consisted of two stages. Stage 1 contained five phases:
 - Phase 1, Goldsworth Road and junction with Victoria Way - improve pedestrian crossing facilities to the north of the junction together with minor public realm improvements.
 - Phase 2, High Street to Broadway (including Railway Station/Albion Square/Church Path) - a new link road directly from the High Street to connect to Victoria Way, changes to traffic flow and road closures to allow improved routes for buses and taxis, together with the removal of traffic from the town centre.

- Phase 3, Victoria Way (Church Street East to Council Offices) - highway realignment and signalling to allow a right turn from the A320 onto Forge End and new pedestrian footbridge be built over the Basingstoke Canal to the north of the A320 with a new bus lane and bus stop.
- Phase 4, Church Street West junction with A320 - improved pedestrian crossing on A320 and Church Street West, together with an improved signalised junction.
- Phase 5, Victoria Way (southern end) - improvements to signalised junction between A320 and the High Street and the provision of a new coach drop off layby and bus stop on the A320, realignment of Victoria Way to extend the existing two lane section and to ensure that any future widening of the Victoria Arch railway bridge could accommodate two lanes of traffic in both directions.

8.3 Stage 2 was not yet fully developed as the detail was dependent on the proposed expansion of Woking Station. In broad terms it would consist of the provision of new road and footpath surfaces together with significant public realm improvement works.

8.4 The total cost of the full package was £27.6m, this was made up of £13.3m from the Local Growth Fund (LGF), and £13.3m from Woking Borough Council and £1m from Network Rail. The total LGF request for Stage 1 was £11m with £2.3m for Stage 2.

8.5 The project had been considered by the Programme Management Group which had requested regular reports after each phase to show the outputs and to enable the Group to monitor that the project was on track. There was also a request for additional quantitative data to be provided on the benefits of what each phase would deliver and what conditions would be included. The Group was in agreement that Stage 1 should be supported but as there was insufficient detail regarding Stage 2 this should not be funded at the current time.

8.6 The Board agreed that £11m of expenditure from LGF be approved for the Woking Town Centre Transport Infrastructure Package.

Action to be taken	By Whom	When
Progress the Woking Town Centre Transport Infrastructure Package project to contracting	Kevin Travers	June 2016

9. Local Growth Fund Programme Update

9.1 Tanja Aijo, Project and Programme Manager, provided a summary of the current position of the Local Growth Fund (LGF) projects. The actual spend at the end of 2015/16 was £29.4m. The forecast spend for Q1 of 2016/17 was £8.3m. Contracts had been signed for 14 of the 17 projects planned for 2015/16, the remaining 3 were due to be signed shortly. Eleven projects were due to start in 2016/17 of which seven were transport, work was ongoing to ensure the projects progressed to contracting as soon as possible to avoid delays in spend in 2016/17. The current forecast spend for 2016/17 was £42m.

9.2 The University of Winchester had explored the possibility of increasing the match funding for the Juniversity project. They had been unsuccessful to date and had asked if 30% match funding would be sufficient. The Programme Management Group did not endorse the request and the Board agreed that a 50% match would be required in order for the project to be granted LGF. The project would be presented to a future meeting if sufficient match funding was secured and the outputs and impact of the project on investment was demonstrated satisfactorily.

9.3 The planning application for the Hampshire Centre for the Demonstration of Environmental Technologies had been rejected on the grounds of opposition to the increased traffic in the

vicinity of the proposed development. The applicant planned to appeal the decision but in the meantime the £1.2m paid to the applicant had been repaid to Enterprise M3. The £1.2m funding allocation would be ring-fenced until 31 October 2016 to enable time for the appeal to be considered.

- 9.4 There had been an increase in the cost for the Runnymede Roundabout project which meant that there was a shortfall of approximately £1m. The Director agreed that the Surrey County Council match-fund for the Egham Sustainable Transport Package could be transferred to the Runnymede Roundabout project to cover the cost increase, together with £350k of LGF.
- 9.5 An update was provided on the A30/A331 Meadows Gyratory, Camberley and Sustainable Transport projects and a more detailed report would be brought to the Board when further information was available. Details were also provided on the Local Transport Majors Funding and the Board was advised that discussions were being held with neighbouring LEPs to develop a joint bid for funding focussed on the priorities identified in the work carried out looking at strategic corridors. A conference call was being held with neighbouring LEPs on 25 May to agree the response.

10. Enterprise Zone Governance Arrangements

10.1 The Board received a report on the Enterprise Zone Interim Programme Steering Group Governance arrangements. Under the terms of the multi-site Enterprise Zone (EZ) the LEP had agreed to organise and promote a governance group to make strategic and operational decisions. The Steering Group would act as a senior level forum to drive forward economic growth opportunities, however at present, did not have the authority to take decisions on behalf of Enterprise M3. It was noted that Nick Elphick had agreed to Chair the Interim Programme Steering Group.

10.2 The principal role of the Steering Group was to oversee the production and delivery of an implementation plan for the EZ, reporting to the Board and making recommendations regarding the funding of projects. The Board was requested to give delegated authority to the Steering Group to agree cost increases to projects in line with the authority granted to the Programme Management Group, e.g. any increases above 20% (or above £3m) would be referred to the Board.

10.3 The Board agreed

- (i) the membership of the interim Programme Steering Group;
- (ii) to co-fund a consultant to carry out some EZ work;
- (iii) to delegate authority to the interim Programme Steering Group to agree cost increases below 20% or £3m; and,
- (iv) that the LEP could enter into a MoU with Government, once the interim Programme Steering Group had agreed to a set of principles, that would form a secure basis for agreements reached between the LEP and the local authorities, on which the EZ was based.

Action to be taken	By Whom	When
Produce an implementation plan to submit to the Board for sign-off.	EZ Interim Programme Steering Group	29 September 2016

11. Finance Report

11.1 The Board noted the year-end position on both revenue and capital funds for 2015/16. There was a discrepancy in the closing balance figure for the operational fund for 2015/16 which

would be addressed and a revised figure would be presented to the Board. A written procedure would be launched to approve the financial summary to be included in the 2015/16 annual report once the figures had been revised.

Action to be taken	By Whom	When
Send a written procedure to all Board Members to request approval for the financial summary to be included in the Annual Report.	Tanja Aijo	By 10 June 2016

12. **Growing Enterprise Fund**

12.1 The Board received and noted the Growing Enterprise Fund paper.

13. **European Programme**

13.1 The Board received and noted the European Programme paper. The Board was advised that there was some work being undertaken to prepare a response statement if the outcome of the Referendum on 23 June was 'to leave'.

14. **Forward Programme**

14.1 The Board received and noted the Forward Programme.

15. **Any Other Business**

15.1 The future Enterprise M3 Board meetings would be held on

- Tuesday 26 July, 2016 – Carey's Manor, Brockenhurst
- Thursday 29 September, 2016 – Sandown Park Racecourse, Esher
- Tuesday 29 November, 2016 – venue TBC
- Tuesday 31 January, 2017 – venue TBC
- Tuesday 28 March, 2017 – venue TBC