



Driving prosperity in the M3 corridor

Enterprise M3 Board Meeting

29 September 2016 - 1.30-5.00pm

Sandown Park Racecourse, Portsmouth Rd, Esher KT10 9AJ

MINUTES

Board in Attendance

Geoff French - Chair
Dave Axam
Tim Colman
James Cretney
Nick Elphick
Tim Jackson
Andrew Lambert
Keith Mans
Peter Martin
Malcolm Parry
Louise Punter
Clive Sanders
Mike Short
Paul Spooner
Chris Tinker

Guests in Attendance

Phil White
Rob Moran
Doug Perkins
Mark Pearson
David Fletcher
Toni Wootton

Apologies

David Barnes
Andy Barr
Ferris Cowper
Moirra Gibson
Zoe Gray

EM3 Team

Kathy Slack
Tanja Aijo
Rachel Barker
Chris Quintana
Jude Robinson
Justine Davie

1. Introduction to Sandown Park and Elmbridge

- 1.1 Phil White, Sandown Park General Manager welcomed the Board and provided some details on the current use of the Park and future plans. The Park currently hosted 25 jump and flat race fixtures per year along with providing conference, exhibition and wedding events. The Park employed 110 full-time staff with an additional 280 catering staff per race day and over 4,000 temporary stewarding staff. There was a requirement for the site to be extended with a vision to provide a comprehensive customer offer for sports and leisure facilities, a newly refurbished business and conference centre and hotel accommodation. There was also a requirement for improved integration with the High Street and improved links to Esher Railway Station. Sandown Park would work with the Council to help meet the requirements in the Elmbridge Local Plan.
- 1.2 Rob Moran, Chief Executive and Doug Perkins, Economic Development Officer at Elmbridge Borough Council provided the Board with an overview of the future plans for the area. Elmbridge contained the highest concentration of businesses across the LEP area, with the highest number of new business creation and the most competitive economy. Elmbridge had the highest cluster of digital firms, the second highest number of professional services businesses and most headquarters across the LEP area. Brooklands Business Park was the centre of the Weybridge economic cluster that supported over 17,000 jobs and contained a number of high value companies. Hersham Place Technology Park provided 1,600sqm of flexible office space for start-up companies and had a 95% occupancy.
- 1.3 A Business Leaders Board had been established to engage large employers and strategically important businesses. There was a mix of sectors on the Board which included international and UK owned companies that worked together to identify issues and solutions to barriers to growth. The Local Government Association Economic Growth Advisors

Programme would be used to help to develop a framework for future work with the Business Leaders Board and Enterprise M3 LEP and enable a new wave of knowledge based sector growth.

1.4 There were a number of barriers in Elmbridge that required support from the LEP:

- The Business Leaders Board identified infrastructure and congestion as one of the main issues that needed addressing in the Elmbridge area. The Surrey Infrastructure Study had identified a £161m funding gap to 2030. Elmbridge had identified some sustainable transport options for Brooklands Business Park and Walton-on-Thames and Weybridge rail stations to help address some of the issues identified.
- There had been 9,000 sqm of office space lost to permitted development rights with a forecast demand of 38,000 sqm over the local plan period. Options for additional office space were being developed including intensification of existing sites and re-use of public sector assets.
- Skills shortages for local businesses were being addressed through the development of the Brooklands College space-science-aeronautical STEM centre in Weybridge, rolling out the LEP Enterprise Advisor Network to link businesses to schools and develop apprenticeship levy projects to encourage micro businesses to take on apprentices.
- Affordable housing was a huge barrier with the average house prices and rental price in Elmbridge the highest outside of London. Engagement and support was sought for the Council's affordable housing think tank to develop working models for future delivery of houses.

1.5 The Chair thanked Sandown Park and Elmbridge Borough Council for hosting the Board meeting. Enterprise M3 LEP would be delighted to support Elmbridge on the areas set out to help benefit the local economy. The slides from the presentations would be circulated to the Board members.

Action to be taken	By Whom	When
Circulate the Sandown Park and Elmbridge Borough Council slides to all Board members	Justine Davie	7 October 2016

2. Welcome and Introductions

2.1 Geoff French welcomed everyone to the meeting.

3. Minutes of the previous meetings & matters arising

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

4. Declarations of Interest

4.1 There were no further interests declared in addition to those previously declared.

5. Inward Investment and Exporting

5.1 Mark Pearson, Surrey County Council and David Fletcher, Hampshire County Council reported to the Board on the inward investment work being carried out to develop a collaborative approach across the Enterprise M3 area. A scoping paper had been prepared which set out the principles for an Inward Investment Statement for Enterprise M3 and the development of an action plan. The scoping paper focussed on improving the profile of the area and place building, the retention and expansion of existing companies through Key Account Management, attracting new companies to the area and encouraging companies to export.

- 5.2 The scoping proposed that a Task and Finish Group was established, led by Andrew Lambert, to lead on the development of the Statement and accompanying action plan. The Group would include representatives from Surrey County Council, Hampshire County Council, the Enterprise M3 multi-site Enterprise Zone, a university, district/borough council, Chamber of Commerce and Department for International Trade. A key area of work would be to establish a Customer Relationship Management (CRM) system which would enable information to be shared between the County Councils and the LEP. The CRM would enable contact to be made with companies when renewals of leases were due or if there were break clauses in contracts, to try to retain the companies in the area. The Board agreed the approach for creating an Inward Investment Statement for Enterprise M3 as set out.

Action to be taken	By Whom	When
Circulate the Inward Investment slides and scoping paper to Board members	Justine Davie	7 October 2016

6. Enterprise Zones

- 6.1 Nick Elphick, Chair of the Enterprise Zone Interim Programme Steering Group advised the Board on the key milestones and the current progress. The Memorandum of Understanding would be completed and submitted with the draft implementation plan by 30 September 2016. The relevant data and proposals to inform the setting of the business rates baseline was on track to be submitted to Government by 14 December 2016. The final implementation plan would be submitted to the Board for approval at the March meeting and submitted to Government by 31 March 2017.
- 6.2 To inform the implementation plan a procurement process had been undertaken to commission support to establish an economic vision for the development of the Enterprise M3 multi-site Enterprise Zone and wider LEP area. Subject to the responses received it was aimed that the successful tenderer would be appointed on 20 October, the project period was expected to last until March 2017.
- 6.3 The Programme Steering Group had agreed in principle to co-fund the post of an Enterprise Zone Programme Director to lead on the delivery and coordinate the overall approach to programme management. The closing date for the position was 15 September and interviews were being held in early October. The Director would lead on marketing and promotion of the multi-site Enterprise Zone which would build on the place making work already taking place.

7. Digital Task Force

- 7.1 The Board received details on the current progress with delivering the Digital Taskforce programme. Enterprise M3 commissioned the report 'Seizing the opportunity of the digital age' which provided invaluable information about the scale and scope of Enterprise M3's digital economy. There was currently investment of £13.32m supporting digital activity in LGF 1 and 2, and £14.7m in LGF3 for wholly digital projects with a further £10.5m with a digital key element. There was also a total planned ERDF and ESF investment of £6.9m. The focus of the annual conference in November 2016 was 'unlocking and connecting talent in the digital age'.
- 7.2 The future focus would be to increase the profile of Enterprise M3 as a leading digital economy and provide specific support for digital businesses. The digital infrastructure needed to be addressed to ensure it was effective and future proofed. The digital focus was embedded in the growth deal and would be included in the Strategic Economic Plan refresh. A small group of interested Board members would be established to continue the debate on how to take forward the digital ambitions and shape the scope and direction of work.

Action to be taken	By Whom	When
A meeting of the Digital Taskforce Group to be set up to include Dave Axam, Malcolm Parry, Mike Short and Peter Martin to nominate a Surrey County Council representative and Keith Mans to nominate a Hampshire County Council representative	Jude Robinson	7 October 2016

8. Local Growth Fund 3 – Review

- 8.1 The Board received an update on the LGF3 bid and feedback received to date. The general feedback had been very positive and compared well against other LEP submissions, only minor clarifications had been requested by Government. Enterprise M3 Board members and the Director had held several meetings with local MPs to inform them on the content of the bid and garner their support. The MPs had been complementary about the bid and many had sent letters of support which had been annexed to the bid. More detailed negotiations with Government were expected to start in the coming weeks. It was unclear when the results of the LGF3 bid would be announced, it could be as late as the announcement of the Autumn Statement in November or early December.
- 8.2 The input from the Board to the LGF3 process had been invaluable and thanks was given for all their work during the process. The prospectus and expression of interest form would be revised to better inform future applicants on what was expected in terms of information required and the length of time taken to conclude the process. The Programme Management Group had expressed the view that the process was not in favour of the LEPs and applicants with the tight deadlines set by Government, the view was reiterated by the Board. Further feedback from the Board on the process would be welcomed to understand areas that went well and what could be improved.

Action to be taken	By Whom	When
Provide feedback to Kathy Slack on the LGF3 process on what went well and improvements for the future	All Board Members	October 2016

9. Post Brexit Update

- 9.1 The Board received an update on the current EU programme. The Treasury had provided a statement that all ESIF projects with a Grant Funding Agreement in place prior to the Autumn Statement would be fully funded, even if the delivery period continued beyond the UK's departure from the EU. The Treasury would also be putting arrangements in place for assessing whether to guarantee funding for specific ESIF projects that could be signed after the Autumn Statement but while the UK remained a member of the EU. All LEP's would be required to prioritise future calls and it was expected that calls would be limited to proposals with national or regional significance or links to local growth fund proposals. A list of priority projects that were due to be signed would need to be provided by the following Friday.
- 9.2 Feedback from businesses in the Enterprise M3 area was continuing to be collated and regular conference calls had been held to gather intelligence. Business confidence appeared to be higher than expected however there were some underlying issues. Tim Colman advised the Board that evidence gathered by the FSB was that small business confidence was low, results from the FSB survey would be forwarded to the Enterprise M3 Team.

Action to be taken	By Whom	When
Results from FSB survey to be sent to Jude Robinson	Tim Colman	October 2016

10. Board and Programme Management Group Membership

- 10.1 The Board received a report on the current position with Board membership and the appointments that were due for renewal. Two business member appointments were due for renewal in November 2016, both would be advertised on the Enterprise M3 website during October 2016. Two new representatives were currently being sought, one from the higher education sector and the other from the third sector as those renewals were overdue.
- 10.2 Geoff French was appointed as the Chair of Enterprise M3 in June 2011. Under the current arrangements, in June 2017 he would have served the maximum six-years and therefore be required to stand down from the Board. It would be preferable for a period of overlap of Chair therefore a new Chair would be sought before June 2017. It was proposed that a small nominations group be established to agree the way forward to identify a suitable replacement for the position of Enterprise M3 Chair and develop a job description.
- 10.3 The Board received details on the revised Programme Management Group Terms of Reference which had been updated to reflect the updated Enterprise M3 Governance structure. The next formal review would be carried out in September 2018. The Governance structure would be updated to include the Enterprise Zone Steering Group. The Board approved the revised Terms of Reference and confirmed the reappointment of two private sector representatives, Geoff French and James Cretney, on the Group.

Action to be taken	By Whom	When
Establish a Governance and Nominations Committee and provide a report to the next Board meeting	Rachel Barker	29 November 2016
Update the Governance structure to include the Enterprise Zone Steering Group	Tanja Aijo	October 2016

11. Joint Leaders Board

- 11.1 Clive Sanders advised the Board on the Joint Leaders Board meeting held on 21 September. An update was received on LEP activities including an update on the Local Growth programme, EU funding and Enterprise Zones. The main discussion was on place making for economic growth and presentations were received from Tibbalds Planning and Urban Design Ltd on how different local authorities had taken a proactive approach, and Woking Borough Council on initiatives taking place within Woking.

12. Local Growth Fund Programme Update

- 12.1 Tanja Aijo, Project and Programme Manager provided an update on the Local Growth Fund programme. Enterprise M3 had received a total of £76.1m LGF allocation from Government to date. A total of £28.6m had been spent in 2015/16 leaving a balance of £47.6m for 2016/17. Four early start LGF3 projects had been brought forward to spend in 2016/17 totalling £7.9m. In 2016/17, £4.9m had been paid out in quarter 1 and the forecast for quarter 2 was £8.3m. The total forecast for 2016/17 was £46.8m, £0.8m below the available allocation.
- 12.2 Due to delays in spend there was a significant overprofiling for 2017/18, with £57m expenditure forecast against the £30m funding allocation. The spend profile would be reviewed over the coming months to assess whether future projects should still remain in the programme. The total allocation over the full growth deal period was only 6% over the funding allocation and would be analysed further once the LGF3 allocation had been announced.

12.3 It was highlighted that the spend figures included the £23.4m sustainable transport programme of which £18.7m was still unallocated. Once the sustainable transport funding had been allocated the annual forecast would be updated. The Board expressed concern that there was not a clear enough picture on the current Local Growth fund spend position. The Board was advised that the dashboard for 2016/17 was still under development but it was hoped it would be ready to present to the Board at the next meeting or before if ready earlier.

12.4 The Lepe County Park contract was nearly complete and there would be a range of digital improvements and upgrades that would benefit both staff and visitors including:

- An upgrade to the broadband connection and wifi throughout the new centre
- Installation of a more efficient parking management system using Automatic Number Plate Recognition
- Improved IT and telephony
- Website upgrade
- Interpretation and signage plan to provide options for using digital media for audio trails and apps

13. Local Growth Fund Project for Approval - SANGS in Hart – early LGF3 project

13.1 The Board received a report on the Hart Suitable Alternative Natural Green Space (SANGS) project. The project had been submitted by Hart District Council for £5.3m LGF for the purchase of a 30.5ha site to convert and maintain for SANGS. The funding would be on a loan basis and repaid to Enterprise M3 over a seven-year period.

13.2 The proposed SANGS site was located at the eastern boundary of Hart District Council adjacent to junction 4A of the M3 motorway. The total site area was 33.5ha made up of land from two neighbouring plots. The larger of the two plots was currently owned by the Royal Society for the Protection of Birds (30.5ha) and the smaller was already owned by Hart District Council (3ha). The acquisition of the site would cost £3.2m, the remainder of the funding would be used to convert the site to a SANGS.

13.3 AECOM had carried out independent due diligence work on the project focussing on economic outcomes, project delivery and investment and funding considerations. AECOM concluded that the project directly aligned with Enterprise M3’s SEP growth targets. The SANGS would enable the delivery of 1,475 houses and support the creation of 2,950 direct jobs and 2,961 indirect/induced jobs. It was also highlighted that the SANGS would enable delivery of houses in Hart District Council, Rushmoor Borough Council and Surrey Heath Borough Council areas.

13.4 The Board discussed the project and agreed it was important to enable the delivery of houses in the Enterprise M3 area. The Board agreed that £5.3m of loan expenditure from LGF be approved for the Hart SANGS project.

Action to be taken	By Whom	When
Progress the Hart SANGS project to contracting	Alex Piper	October 2016

14. Growing Enterprise Fund

14.1 The Board received an update on the progress of the Growing Enterprise Fund and the key developments since the last meeting. The current cash flow overview showed an expected 2016/17 year-end balance of £5.7m. It was proposed that a fifth round of funding be launched in October 2016 for approximately £6m and be kept open as a continuous

programme. The fund would remain as a loan fund although valid exceptions for grants could be considered.

14.2 The Programme Management Group had discussed the criteria and suggested increasing the expected minimum amount of the loan from £100k to £250k. The Board was concerned that the minimum amount of £250k would reduce the number of private sector requests received. The Board was advised that the process for loans was more lengthy than grants and capacity in the team was an issue. It was proposed that the criteria should depend on what the projects delivered rather than the amount of the loan requested. It was agreed that the minimum in the criteria would be increased to £250k but worded to make it clear that smaller funding requests would be considered if they delivered considerable outputs.

15. Finance Report

15.1 The Board noted the current financial position for 2016/17. The Board agreed to delegate powers to the Remuneration Sub-Committee to agree expenditure outside of the financial plan above the original agreed budget. The terms of reference of the Remuneration Sub-Committee would be updated to include the financial delegated powers.

Action to be taken	By Whom	When
Update the terms of reference for the Remuneration Sub-Committee to include financial delegated powers and circulate to Board members for approval	Alex Piper	November 2016

16. Enterprise M3 Risk Register

16.1 The Board received the updated Enterprise M3 Risk Register. Additional areas suggested for inclusion in the register were:

- a decrease in funding from the local authorities
- a decrease in support and resource from local authorities
- financial risk
- reputational risk
- membership of Board
- Chair of Board

16.2 The Board was asked to send any further comments on the register to Tanja Aijo. The Board approved the updated Enterprise M3 Risk Register subject to the inclusion of the additional areas proposed.

Action to be taken	By Whom	When
Update the Enterprise M3 Risk Register with the additional areas proposed by the Board	Tanja Aijo	November 2016
Further comments on the Enterprise M3 Risk Register be submitted to Tanja Aijo	All Board Members	November 2016

17. Growth Hub Impact Report

17.1 The Board received and noted the Enterprise M3 Growth Hub progress report and case studies.

18. Directors Report

18.1 The Board received and noted the Directors Report.

19. **Forward Programme**

19.1 The Board received and noted the Forward Programme.

20. **Any Other Business**

20.1 The future Enterprise M3 Board meetings would be held on

- Tuesday 29 November, 2016 – ViaSat, Aldershot
- Tuesday 31 January, 2017 – University for the Creative Arts, Farnham
- Tuesday 28 March, 2017 – BMW Head Office, Farnborough