



Driving prosperity in the M3 corridor

Enterprise M3 Board Meeting

29 November 2016 - 2.00-5.00pm

Room LG 01&02, ViaSat, Royal Pavilion, Wellesley Road, Aldershot, GU11 1PZ

MINUTES

Board in Attendance

Geoff French - Chair
David Barnes
Andy Barr
Ferris Cowper
James Cretney
Nick Elphick
Tim Jackson
Andrew Lambert
Keith Mans
Louise Punter
Clive Sanders
Mike Short
Paul Spooner
Chris Tinker

Guests in Attendance

Neil Fraser
Stuart Jarvis
Trevor Pugh
Mike Rushworth
Nicki Clark
Roya Croudace
Hannah Rignell
Toni Wootton

Apologies

Dave Aham
Tim Colman
Maira Gibson
Peter Martin
Malcolm Parry

EM3 Team

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

1. Welcome from ViaSat

- 1.1 Neil Fraser, ViaSat UK Manager welcomed the Board and provided a brief overview on the work of ViaSat. The ViaSat UK team provided a focus for efforts in the UK and Europe in space and communications and information assurance. The space and communications team was engaged in applications, system and services for defence, government, enterprise and consumer satellite communications. The team was also working with the UK Space Agency and European Space Agency to support the growth of the space industry in Europe. The Information Assurance team involved the development of high assurance security solutions for platforms.
- 1.2 ViaSat had located to Aldershot to take advantage of the talent in the Enterprise M3 area and the proximity to London and Heathrow. ViaSat had been in discussion with the University of Surrey to explore the possibility of employing interns. The UK was a positive area for the space industry as it was on the national growth agenda and space companies were interested in the UK. The Chair thanked ViaSat for their hospitality and for hosting the Board meeting.

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

- Keith Mans declared an interest in the Growth Hub item and left the room during the decision making.

5. **Sub National Transport Bodies**

5.1 Stuart Jarvis, Director of Economy, Transport and Environment at Hampshire County Council and Trevor Pugh, Strategic Director of Environment and Infrastructure at Surrey County Council attended the meeting to seek support from the Board for the development of a Sub National Transport Body (SNTB). The Government had introduced the idea of SNTBs as part of the approach for the devolution of strategic transport responsibilities. SNTBs would provide a coordinated view of the needs for their area and support more effective economic development. They would work at a strategic level and cover a wide geography involving local authorities and LEPs.

5.2 The progress in the South East had been driven by the South East Seven (SE7) which included Hampshire, East Sussex, West Sussex, Kent and Surrey county council's, Brighton and Hove City Council and Medway Council. There had been officer led discussions about the establishment of an SNTB for the South East to be called Transport for the South East (TfSE). LEPs in the area had not been formally involved in discussions to date although there was a common consensus amongst the local authorities that if the proposal to establish a SNTB was agreed it was important to take full account of the voice of business in developing a draft transport strategy through the LEPs. The SE7 Group had agreed to open dialogues with the Berkshire and Solent authorities with regard to them joining a shadow SNTB.

5.3 The proposal was for a TfSE partnership involving the Government, South East Transport authorities or combined authorities and LEPs working together with Highways England, Network Rail, port, airport and bus operators. TfSE would provide a mechanism for the area to speak with one voice on transport infrastructure and provide a single platform for strategic transport and infrastructure issues.

5.4 The Board discussed the proposal and agreed that Enterprise M3 should be actively involved in the SNTB and there was general agreement that Berkshire and the Solent should be included as part of the SE SNTB. It was acknowledged that Government funding was more likely to go to large national projects rather than local growth funds and therefore the Board supported the establishment of TfSE.

6. **Enterprise M3 Enterprise Zone**

6.1 Nick Elphick, updated the Board on the current position of the Enterprise Zone work. The Memorandum of Understanding had been signed and work was progressing to get the baseline of Enterprise Zones areas and existing business rates signed off. Cushman and Wakefield in partnership with Regeneris had been appointed to work on the operation plan which would include the economic vision and investment plan to build the business case. Cushman and Wakefield would be invited to attend the next Board meeting to talk through the plans. Mark Pearson from Surrey County Council had been seconded for 2-days per week to work on the Enterprise Zone until a Director had been recruited.

| Action to be taken | By Whom | When |
|---|----------------|---------------|
| Cushman and Wakefield to be invited to 31 January Board meeting to present the operation plan for the Enterprise Zone | Chris Quintana | December 2016 |

7. Enterprise M3 Growth Hub Update

- 7.1 The Board received an update on the Enterprise and Innovation projects which were all progressing well. The first meeting of the Internationalisation Task and Finish Group had taken place to discuss import, export and inward investment, targeting opportunities and receiving requests. The Task and Finish Group had compiled a comprehensive list of actions.
- 7.2 Nicki Clark, Chief Executive of the BE Group and Roya Croudace, Growth Hub Manager provided an update to the Board on the work of the Growth Hub. The Enterprise M3 Growth Hub offered a universal service to all businesses through the online portal and a one to one strategic advice service to businesses that had the potential to be highly innovative or grow rapidly. The Board received details on the performance of the Growth Hub and impact to date.
- 7.3 The Board was asked to consider the way forward for the Enterprise M3 Growth Hub which was currently contracted until March 2017 with an option to extend for a further period. Funding had been confirmed by the Government for revenue and capital funding for 2017/18 but a decision had not been made for future years which made it difficult for the contract to be re-tendered. It was proposed that the current level of investment of £450k pa was maintained for a further year to continue the momentum and enable various alternative revenue models to be tested.
- 7.4 The Board agreed that the Growth Hub contract be extended for a further year with a request for clear evidence on what was being achieved to be reported to the Board in September 2017. The Growth Hub would be requested to complete new growth plans and form a clear strategy for subsequent years. Mike Rushworth confirmed that, as Chair of the Enterprise and Innovation Group, he would play an active role in this work with Chris Quintana taking the lead with the Growth Hub.

| Action to be taken | By Whom | When |
|---|----------------|---------------|
| The Enterprise M3 Growth Hub contract be extended for a further 12 months with a requirement to report to the Board on what was being achieved by September 2017. | Chris Quintana | December 2016 |

8. Enterprise M3 Digital Task Force

- 8.1 Mike Short advised the Board that the Digital Sub-Group had held its first meeting on 31 October. It was agreed that a business survey would be designed to identify needs and opportunities to add to the evidence base to inform the Digital Strategy. Synergies with the digital agenda had also been identified with the Science and Innovation Audit work, skills talent and demand for digital skills, promotion of digital strategy requirements in future LGF projects and exploring the potential to influence developers to build in digital connectivity. Work would be carried out within the Enterprise M3 team and action groups to address these issues. A Digital Manager would be appointed for 6 months to provide some additional resource and expertise to co-ordinate the work. The next meeting of the Sub-Group would be held on 10 January.

9. Enterprise M3 Impact and Performance

- 9.1 Rachel Barker updated the Board on the approach being taken to better understand Enterprise M3's impact. Work had already been carried out to understand the reporting that Enterprise M3 was doing both internally and externally. The work illustrated that the majority of the internal reporting was focussed around gathering and presenting information for PMG and the Board and were mainly about financial reporting. The external reporting requirement

had also been mapped and there was a strong general understanding of the information required by Government.

- 9.2 Although the Annual Report included some of the information gathered it was felt that more could be done to highlight the key outcomes and highlights from the internal and external reports. A mechanism was required to capture and measure key successes outside of projects and programmes.
- 9.3 It was proposed that initial activity to understand and measure impact should focus on four key areas of work: macro-economic indicators; measuring performance against the Strategic Economic Plan objectives; understanding the outputs and outcomes from funded programmes; and, evaluating projects and programmes.
- 9.4 The Board discussed the type of information that it would be useful to have and what was readily available. The Board was advised that Surrey County Council also produced monthly reports on economic data which Hampshire County Council currently provided for the Enterprise M3 area, it was suggested both sets of data should be reviewed to avoid duplication. The Board was asked to contact Rachel Barker with any further suggestions.

10. Local Growth Fund Programme Update

- 10.1 Tanja Aijo, Project and Programme Manager provided an update on the Local Growth Fund programme. The forecast spend for 2016/17 was currently at £40.6m, the total spend for 2015/16 and forecast for 2016/17 was £69.1m which was £7 below the funding allocation. The actual 2016/17 funding distributed to date was fairly low at £6.7m although there were still some Q2 claims to be processed. Rushmoor Borough Council had been asked to pay back the £1.7m for Ball Hill SANGS as the land purchase negotiations for the site had not progressed. The money would be ring fenced until the end of January and would be re-allocated if no progress was made.
- 10.2 The spend profile for 2017/18 was considerably higher than the funding allocation with £53m forecast against £36m available funding, which included the underspend from 2016/17. However, the total spend forecast over the growth deal period was only 5% above the funding allocation. Further work would be carried out on the 2017/18 spend profile once the LGF3 allocation had been confirmed.
- 10.3 The main reason for the reduction in spend for 2016/17 since the last meeting was the unallocated sustainable transport forecast spend being moved into 2017/18. There was further risk of delays with two transport projects, Aldershot Railway Station and SARP/Clay Lane Link Road. Work was being carried out with the scheme promoters to try to bring spend forward into 2016/17 where possible. A meeting was being held with Surrey County Council to understand the reasons behind the persistent delays with their transport projects.

11. Local Growth Fund 3

- 11.1 The Board received an update on the Local Growth Fund 3 process. BEIS had provided an indicative figure of £35-40m for Enterprise M3 LEP which was considerably lower than expected. Areas with devolution deals had received a much higher indicative figure compared to those whose devolution negotiations were not progressing well. A response had been sent to Government to reiterate the original deal request of £164m but identifying £70m as a minimum requirement. At the time of the Autumn Statement it was announced that £392m had been allocated to the South East area, although it was not clear what proportion of this would be allocated to Enterprise M3.

- 11.2 Work was being progressed to identify which projects could proceed depending on the allocation received to enable a response to be sent to Government at short notice. The Programme Management Group (PMG) had considered some scenarios and recommended that the priority list as agreed in July 2017 should remain, taking into account the geographical balance between growth/step-up towns and the rest of the Enterprise M3 area. PMG also suggested looking at whether some projects could be scaled back and whether external funding could be increased.
- 11.3 It was proposed that the four early start projects should not be included in the final growth deal as they had already been approved by the Board and would continue within the funding allocation from LGF 1 & 2. Once the LGF3 allocation had been confirmed the LGF1 & 2 projects would be revisited to see if they should remain in the programme or whether funding should be reallocated to LGF3 projects. It was expected that the LGF3 allocation would start from 2018/19.
- 11.4 The Board discussed the current position and conveyed disappointment at the process and how information requests from Government had such short timescales yet there had been constant delays with details from Government on the LGF3 allocation. Diarmid Swainson would be invited to attend the Board meeting on 31 January to address some of the concerns of the Board.

| Action to be taken | By Whom | When |
|---|-------------|---------------|
| Diarmid Swainson to be invited to attend 31 January Board meeting | Kathy Slack | December 2016 |

12. Governance and the Nominations Committee

- 12.1 Mike Short presented a report on the progress to date of the Nominations Committee. The Board agreed at the 29 September meeting that due to the number of changes to the Board in the coming 12 months a Nominations Committee should be established to oversee the recruitment of new Board Members along with other areas of governance activity. Work was already underway to appoint a new Higher Education representative with interviews scheduled for early January 2017. The Not for Profit sector had selected Jason Gaskell, Chief Executive of Surrey Community Action who would attend the 31 January Board meeting and had been appointed for a two-year term. The Joint Leaders Board had been advised that local authority representation would need to be considered in early 2017. Work was being carried out to identify the process for nominations for future business support representatives. There would also be a requirement for six business Board Member vacancies to be advertised over the next 12 months including the Enterprise M3 Chair, who would have served the maximum six years in June 2017.
- 12.2 The Board agreed that the Nominations Committee should have delegated authority to take forward activity in line with the Assurance Framework. The Committee would produce an annual work plan setting out key areas of focus for the year ahead. It was agreed that Mike Short, James Cretney, Dave Axam, Clive Sanders and Louise Punter be appointed to the Nomination Committee.
- 12.3 The Nominations Committee would set up a nominations database to develop a pipeline of candidates for when Board members were due to retire. The Board was asked to send details of potential members to Rachel Barker.

| Action to be taken | By Whom | When |
|--|-------------------|---------|
| Details of potential Enterprise M3 Board members to be sent to Rachel Barker | All Board Members | Ongoing |

13. Growing Enterprise Fund

13.1 The Board noted the recent progress of the Growing Enterprise Fund. Round 5 would remain open until the end of 2018 or until all available funds had been allocated. The Board agreed to delegate authority to ring fence available GEF funding for a limited time period to the Chair with consultation with two Board members that had knowledge of the sector.

14. Strategic Economic Plan

14.1 The Board noted the work that was underway to update the Strategic Economic Plan.

15. Finance Report

15.1 The Board noted the current financial position for 2016/17, the actual expenditure and income as at 31 October 2016 and the 3-year budget forecast.

16. EU Programme Update

16.1 The Board noted the progress on the EU Programme.

17. Directors Report

17.1 The Board received and noted the Directors Report. Copies of the Growing Enterprise Fund leaflet were circulated to the Board along with the general Enterprise M3 booklet.

18. Forward Programme

18.1 The Board received and noted the Forward Programme.

19. Any Other Business

19.1 The future Enterprise M3 Board meetings would be held on

- Tuesday 31 January, 2017 – University for the Creative Arts, Farnham
- Tuesday 28 March, 2017 – BMW Head Office, Farnborough