



Driving prosperity in the M3 corridor

**Enterprise M3 Board Meeting**

**29 March 2018 - 1.30-5.00pm**

**University Centre Farnborough, Boundary Road, Farnborough GU14 6SB**

**DRAFT MINUTES**

**Board in Attendance**

Mike Short - Chair  
Dave Axam  
Simon Browne  
David Clifford  
Linda Cheung  
James Cretney  
John Furey  
Jason Gaskell  
Tim Jackson  
Andrew Lambert  
Ross McNally  
Ken Moon  
Clive Sanders  
Paul Spooner  
Chris Tinker

**Guests in Attendance**

Ravneet Viridi

**EM3 Team in Attendance**

Kathy Slack  
Rachel Barker  
Sarah Carter  
Mark Pearson  
Chris Quintana  
Jude Robinson  
Kevin Travers  
Justine Davie

**Apologies**

Nick Elphick  
Paul Hogg  
Keith Mans  
Julia Potts

**1. Welcome from University Centre Farnborough**

- 1.1 Virginia Barratt, Principal, welcomed the Board to the University Centre, Farnborough. Board members were taken on a tour around the University Centre which had been part funded through the Local Growth Fund. The Centre was part of Farnborough College of Technology which had been judged to be outstanding by Ofsted across all areas of work. The future ambition was to invest in more employer centric learning spaces and the College was continuing to look at opportunities for growth. A bid had been submitted to provide advanced engineering learning and the Aerospace Automotive Academy had been earmarked to become an Institute of Technology. Mike thanked Virginia for hosting the Board Meeting.

**2. Welcome and Introductions**

- 2.1 Mike Short welcomed everyone to the meeting.

**3. Minutes of the previous meetings & matters arising**

- 3.1 The minutes of the meeting held on 25 January 2018 were agreed and the update on the actions agreed were noted. The Board congratulated Rachel Barker on her appointment as Assistant Director – Operations. It was agreed to build in a break into future meetings as they were being extended to four hours.

**4. Declarations of Interest**

- 4.1 In addition to all interests previously declared, the following interests were noted:
- John Furey, Ross McNally and Mark Pearson declared an interest in the Growth Hub item and left the room during the decision making.

- John Furey, Mark Pearson and Paul Spooner declared an interest in the Unlocking Guildford Package item and left the room during the decision making.
- John Furey, Mark Pearson and Chris Tinker declared an interest in the EZ<sup>3</sup> Longcross Projects and left the room during the decision making.
- John Furey, Mark Pearson and Paul Spooner declared an interest in the Growing Enterprise Fund – Farnham Road Bridge, Guildford and left the room during the decision making.
- John Furey declared an interest in the LGF Programme Update – A30/A331 The Meadows and Housing Infrastructure Fund and Future Scheme Development Fund elements and left the room during the decision making.
- Kathy Slack left the room during the decision making on the EU Programme Update.

## 5. Enterprise M3 Growth Hub – Future Focus

5.1 The Board received a report setting out the options for the future delivery of business support activity through a Growth Hub. An independent evaluation of the Growth Hub had been carried out which was reported to the Board in January 2018. The Board had requested a proposal for the delivery of business support and details on other growth hubs to enable quantitative benchmarking. EM3 team members had met with other LEPs to understand different models and also met with BEIS officials to discuss Government's future focus. Government had clearly indicated that they expect LEPs to have a Growth Hub with an emphasis on activities that would have the most impact on business growth. Government was also looking for more consistency across Growth Hubs nationally in data collection and KPIs but as yet no national comparative KPIs had been agreed.

5.2 The options for the Board to consider were:

- Do nothing and carry on with the Growth Hub in its current form – this was not the preferred option as the current Growth Hub focus was no longer entirely fit for purpose.
- Not have a Growth Hub – Government policy was that LEPs should have a Growth Hub therefore this was not a viable option.
- Retender the Growth Hub via an OJEU procurement process – due to the significant improvement in the Growth Hub performance presented to the Board and the time and cost of an OJEU procurement process this was not the preferred option.
- Bring the Growth Hub in house – some LEPs had brought Growth Hubs in-house although due to Government funding only being secured for the next two financial years it was suggested this option should not be pursued.
- Refocus the Growth Hub and extend the contract until 31 March 2020 – due to the improvements in the Growth Hub's performance over the last year and the benefits of working alongside the Growth Hub being highlighted by business partners this was the preferred option.

5.3 The Board discussed the options for taking the Growth Hub forward and was of the view that there needed to be a clear set of KPI's on which the Growth Hub performance could be measured. The KPI's would also make it clear to the Growth Hub what the expectations were and where effort needed to be focussed. National KPIs would be incorporated into contract once known.–The Board requested regular updates on the Growth Hub performance. The Board also requested that growth hub funding proposals were considered through PMG.

- 5.4 The Board agreed to renew the Growth Hub contract for a further 18 months from 1 October to 31 March 2020 and agreed that the LEP would provide an additional £63k per year in addition to the £287k funding from Government.

Action to be taken	By Whom	When
A set of KPI's be developed for the Growth Hub.	Chris Quintana	10 May 2018
Future funding mechanisms for the Growth Hub to be considered by PMG.	Chris Quintana	10 May 2018
Report back to the Board on performance against KPIs and the performance of the Growth Hub	Chris Quintana	September 2018

## 6. Enterprise Adviser Network – Capital to Revenue Transfer

- 6.1 The Board received a report on a proposal to expand the Enterprise Adviser Network (EAN) from supporting 18 schools and colleges in Rushmoor and Waverley to supporting all 127 schools and colleges in the Enterprise M3 area. The total project cost was £688k which would be met through £344k from the Enterprise M3 capital to revenue fund and a 50% match from the Careers and Enterprise Company.
- 6.2 The expansion of the EAN would enable recruitment of up to six Enterprise Coordinators to work with 127 schools and colleges to engage on a one to one basis with a local business person. The schools included special educational needs schools and pupil referral units. Outputs would include at least four employer and workplace encounters for each young person at each school and college, improved investment in both resources and time from schools and colleges in careers activity and improved % of A-levels entered that were STEM from the bottom third to middle/top third. The funding would be mainly used to employ staff and run the service, the Enterprise Advisers would be volunteers from business. The proposal had been considered by PMG and was recommended for approval.
- 6.3 The Board discussed the proposal and there was some concern that the service would duplicate work already being carried out by both Hampshire and Surrey County Council's. The Board was assured that discussions had been held with the co-ordinators in both areas and the Enterprise Advisor Network would complement and support the work already being carried out. The Board was supportive of the work and requested that a representative from the Careers and Enterprise Company and a student that had benefited from the Enterprise Advisor Network be invited to come and talk to the Board at a future meeting.
- 6.4 The Board approved the expenditure of £344k grant from the Capital to Revenue transfer fund for the Enterprise Adviser Network.

Action to be taken	By Whom	When
Invite a representative from the Careers and Enterprise Company and a student to present to a future meeting	Sarah Carter	May 2018
Progress the Enterprise Adviser Network scheme to contract	Sarah Carter	April 2018

## 7. Local Growth Fund Projects for approval

### a) Centre of Excellence in Horticultural Science and Learning - RHS Wisley

- 7.1 Kathy Slack reported on the LGF request from RHS Wisley for £1.01m to invest in the new National Centre of Excellence for Horticultural Science. The Centre formed part of a wider five-

year £72.4m programme at RHS Wisley which included a new visitor welcome building, transformation of the existing Grade II listed laboratory building, landscaping at the garden entrance and much improved car parking facilities. The programme also included investment in Wisley Village to provide housing resource for key workers in the gardens and for students and apprentices learning at Wisley.

- 7.2 The LGF grant of £1.01m would part fund a £25.6m project to develop a new national Centre of Excellence for Horticultural Science and Learning. The 5,243 sqm centre would be a landmark building located at RHS Garden, Wisley. The full cost would be funded through £6.2m from a variety of pledges of financial support, £13.4m from the RHS and £1.01m from LGF. The LGF funds along with other pledges of support would bring the percentage of funds secured to 80.4% which exceeded the 80% threshold set by RHS to be reached before 1 October 2018 to trigger the 'commitment to build'. Planning permission for the centre had been granted on 30 September 2016.
- 7.3 The development of the centre would deliver 37.5 new FTE jobs, 81 indirect new jobs, 200 volunteer opportunities and up to 300 construction jobs. The centre would also increase STEM related learning provision for local schools from 2,000 to 10,000 students. It would also facilitate the delivery of eight graduate work placements, 23 collaborative PhDs and 10 MSc programmes. The Economic Impact Study concluded that the impact of the project was £349m nationally, £328m in the EM3 area, the combined economic impact was over a billion pounds.
- 7.4 AECOM had undertaken due diligence on the project and some areas of risk had been highlighted which had been considered and addressed by RHS Wisley. The PMG considered the proposal and recommended that the funding to be approved subject to there being satisfactory digital and low carbon elements included in the proposal. These had now been included in the Board paper. RHS Wisley accepted that the LGF funding was limited to £1.01m and that any offer would be withdrawn should construction not start before the planning permission deadline of 29 September 2019.
- 7.5 The Board discussed the proposal and although there was reference to digital and low carbon in the paper there was a view that there should be more detail. James Cretney was asked to share experiences of Marwell with Wisley in particular on how sustainability issues could be included in build activity. It was suggested that the requirements for digital and low carbon should be included on the original prospectus so applicants were aware in future of what was required. Further work would be carried out with RHS Wisley to provide them with detail on the digital and low carbon requirements.
- 7.6 The Board approved the expenditure of £1.01m of LGF grant for the National Centre of Excellence for Horticultural Science and learning at RHS Wisley.

**b) Unlocking Guildford Package – Sustainable Movement Corridor (West) Phase 1**

- 7.7 The Board received a report setting out the Unlocking Guildford Package strategic business case together with the full business case for the Sustainable Movement Corridor (West) Phase 1 scheme. The scheme was part of a package of improvements for a vital transport corridor between the Surrey Research Park/Royal Surrey County Hospital and Guildford mainline train station. The total cost of the Unlocking Guildford Package was estimated to be £23.575m, towards which the LEP had provisionally allocated £12.5m (53%). Match funding of £11.075m would come from a number of different sources including Guildford Borough Council (GBC), Surrey County Council (SCC), the Environment Agency and Section 106 contributions from bus operators.
- 7.8 The Sustainable Movement Corridor (West) Phase 1 element of the package would cost in total £3.85m with a Local Growth Fund request of £2.725m (71%) being sought, £1.14m in 2018/19, £600k in 2019/20 and £985k in 2020/21. The remaining £1.125m would be contributed from GBC.

7.9 The Unlocking Guildford Package represented the first phase of a longer-term “Guildford Transformation” package which would transform the borough and in particular the town centre. There were six schemes which made up the Unlocking Guildford Package which included:

- **Guildford West Transformation - Sustainable Movement Corridor (West) Phase 1** - Implementation of a transport corridor linking Guildford Station and the Town Centre to the Surrey Research Park, Royal Surrey County Hospital and University of Surrey campus in Guildford West.
- **Guildford Transport Corridors - Guildford Quality Bus Corridors** – Improvements to the reliability of bus services whilst also ensuring that key routes which served Guildford and its surrounding towns had attractive, clean and well-lit passenger waiting areas, and easily accessible and conveniently located bus stops.
- **Guildford Transport Corridors - Town Centre Approaches** - Enhancing the ability to monitor, inform and control traffic through expanding and upgrading SCC’s network management equipment/Intelligent Transport Systems (ITS) and capability, based at its existing Network Management and Information Centre (NMIC).
- **Guildford Approaches - A331 Hotspots (Blackwater Valley South)** - Providing a quicker and more reliable journey time for vehicles exiting the A31 westbound to join the A331 and for all road users using the A331/A323 interchange.
- **Guildford Approaches - A31 Guildford – Resilience Corridor** - Substantial highway reconstruction and improvement to the flood resilience of the Surrey sections of the A31 close to Guildford to allow free flowing traffic to continue following heavy rainfall and to reduce the disruption to traffic during major flood events.
- **Guildford Town Centre - Surrey Flood Alleviation Schemes** - Flood alleviation works to enable the redevelopment to go forward and free up land currently at risk of flooding for development of residential, commercial and open green spaces.

7.10 The Sustainable Movement Corridor (West) Phase 1 was an integral part of a strategy for developing Guildford as a major commercial centre and would help the LEP achieve the ambition of Guildford as a growth town. The project would make improvements to a vital transport corridor between the Surrey Research Park/Royal Surrey County Hospital and Guildford mainline train station. The area the corridor served had a very high potential for further economic growth and had a strategically important economic footprint. Traffic currently dominated the area which caused significant peak period congestion which detrimentally affected bus journey times and reliability and created significant barriers for pedestrian and cycle movements. The proposal consisted of a number of elements designed to improve walking, cycling and bus links, to reduce congestion and improve road safety between the Research Park and Guildford train station.

7.11 AECOM had reviewed both the strategic business case for the Unlocking Guildford Package and the full business case for the Guildford Sustainable Movement Corridor (West) Phase 1. The concerns and questions raised by AECOM on the strategic case had been clarified and amended in the latest strategic case revision. AECOM concluded that overall GBC had put together a good case for the overarching strategic business case which was considered sound.

7.12 With regard to the Guildford Sustainable Movement Corridor (West), AECOM concluded that GBC had put together a good full business case which aligned well with the strategic aims of the overall package. There had been a number of outstanding issues, the majority of which had now been clarified or additional information provided. However, one key issue outstanding was in relation to the scheme costs and AECOM recommended that the LEP should consider funding the Guildford Sustainable Movement Corridor (West) subject to further information being provided on costs, contingencies and quantified risks. GBC had not been able to provide further data on costs as the design work had not progressed to a stage where the level of detail

sought was available. A 44% optimism bias had been applied which AECOM identified as a high allowance which could be reduced once the additional detail on the costs had been provided. It was proposed that the funding was approved with the provision that any underspend of LGF be returned to the LEP to consider how to reinvest. The recommended proposal had been supported by PMG.

7.13 The Board discussed the proposals and were advised that the proposal was a small part of a much bigger picture and needed to be funded to unlock subsequent elements. It was commented that it had been good to see a large package of proposals and in the case of Guildford that there were plans for growth beyond 2021. There was a question raised regarding how the LEP could help accelerate some of the projects planned for beyond 2021.

7.14 The Board approved the strategic business case for the Unlocking Guildford Package and expenditure of £2.725m of LGF grant for the Sustainable Movement Corridor (West).

7.15 The Board highlighted the importance of transport infrastructure to the future development of Guildford. Board members were particularly keen to see improvements in the A3 which they rated to be one of the top priorities for the LEP in terms of addressing blockages to the development of the EM3 economy.

### **c) EZ3 Longcross Projects**

7.16 The Board was advised on the progress of the EZ<sup>3</sup> programme. The contracts for two of the Basing View projects (Plot K and K1) had now been signed and it was expected that Plot W would be signed shortly. A final independent valuation figure was required in order to contract the final site (Plot J) which it was hoped would also be finalised in April 2018.

7.17 Significant progress had been made on the two Longcross projects. The upgrade to the electricity sub-station had a total value of £6.7m, made up of £3.35m LGF loan, and 50% match funding of £2.4m from SSE (the infrastructure provider) and £950k from Crest Nicholson/Aviva Investors. A revised business plan had been received which EZ<sup>3</sup> PSG had considered and were supportive in principle, subject to the conditions outlined by AECOM being addressed to accelerate the development at Longcross and maximise market conditions. Without the provision of adequate power supply to Longcross Park, the development of the additional 75,000 sqm could not proceed which would restrict any business rates income growth from the site.

7.18 The revised business case had been considered by AECOM and they had confirmed a recommendation of potential to proceed. There were some remaining issues to be addressed by Crest Nicholson which would be agreed before contracting was to proceed. Specific milestones and conditions would be included in any funding agreement.

7.19 A key area of concern raised by AECOM in the first due diligence process was the commercial case indicating the extent of any viability gap of the overall Longcross project. Montagu Evans had been engaged to provide a professional view on the figures and based on their scenario modelling it was concluded that viability was marginal. Based on the viability information and the assessment of it Montagu Evans was of the view that it was justifiable for Enterprise M3 to provide a grant of £3.35m for the additional power supply. The Accountable Body had received a copy of the viability report from Montagu Evans and had provided a written statement to show that they were satisfied for the contract to proceed.

7.20 The provision of the Discovery Building had a total value of £6.216m, made up of £1.9m of LGF to support the external works/public realm. The Discovery Building was a development of a three-storey building of approximately 13,500 sqft which would deliver office/co-working space for smaller enterprises, early amenities and provide a quality environment as a focal

point for the start of further development on the site. Planning permission had also been granted from Runnymede Borough Council for a further 150,000 sqft of commercial space on Longcross Park and there were already a number of significant inward investment enquiries that were being progressed. The quality of the public realm and surrounding area was a critical factor in securing any deal.

- 7.21 AECOM had carried out the due diligence and recommended potential to proceed on the Discovery Building. There were some remaining issues to be addressed by Crest Nicholson/Aviva Investors including clarifications of some points within the business case and providing detail on some data gaps and management processes. However the EM3 team felt that there were no specific concerns that could not be addressed through the contracting process.
- 7.22 PMG recommended to approve the funding for both the power supply upgrade and the provision of the Discovery Building subject to the inclusion of a clause in the contract to provide a timeframe for delivery. PMG also requested closer alignment with the emerging Local Industrial Strategy with an increased emphasis on digital technology and low carbon approaches. The EM3 team was working with the applicants on 5G proposals and the technology focus of the Discovery Building as well as building in low carbon technologies.
- 7.23 The Board discussed both the power supply upgrade and the provision of the Discovery Building. The need for scrutiny on the digital and low carbon elements was highlighted and it was proposed that a 2-year time frame should be set in the contract for development to commence. The Board thanked the members of the EM3 team for their hard work in getting these projects to this stage.
- 7.24 The Board approved the expenditure of £3.35m of LGF grant for the Upgrade to the Electricity substation at Longcross Park and £1.9m of LGF grant for the public realm works for the Discovery Building at Longcross Park, subject to the inclusion of a clause in the contract for development to commence within 2-years.

<b>Action to be taken</b>	<b>By Whom</b>	<b>When</b>
Include details on the digital and low carbon requirement in future calls for projects	Rachel Barker	April 2018
James Cretney was asked to share experiences of Marwell with Wisley in particular on how sustainability issues could be included in build activity.	James Cretney	May 2018
Progress the Centre of Excellence in Horticultural Science and learning – RHS Wisley scheme to contract	Chris Quintana	April 2018
Progress the Unlocking Guildford Package – Sustainable Movement Corridor (West) Phase 1 scheme to contract	Kevin Travers	April 2018
Progress the Upgrade of electricity substation Longcross Park to contract	Ganesh Selvarajah	April 2018
Progress the public realm works for the Discovery Building at Longcross Park to contract	Ganesh Selvarajah	April 2018

## 8. Growing Enterprise Fund Update

- 8.1 The Board was updated on the progress of the allocated funding for the Growing Enterprise Fund (GEF) projects. The cash flow overview showed that all repayments had been received on schedule and the forecast year-end balance was £9.3m. From May 2018 the GEF would be merged with the LGF and reported in a single paper detailing progress across both funds.
- 8.2 The Board received details on the Farnham Road Bridge, Guildford expression of interest which had been approved to proceed to due diligence in January 2018. The proposal was seeking a contribution of £2.85m from Enterprise M3 towards bridge strengthening work for Farnham Road Bridge which was a key access point to the town. The funding would be matched by £961k from Network Rail and £650k from Surrey County Council (SCC). The Bridge had been identified as critically deficient for unrestricted traffic loading therefore if the works were not carried out a weight limit of 7.5 tonnes would be placed on the Bridge. The restriction would mean heavy goods vehicles and buses would be prohibited from using the Bridge which would have a major impact on access to Guildford and wider implications due to the restricted traffic finding alternative routes.
- 8.3 The works were being led by Network Rail and were programmed to take place between Christmas and New Year 2018. SCC held responsibility for the highway over the bridge and for contributing to the bridge strengthening works over and above those which Network Rail would meet. SCC had advised that they would bid for Department for Transport Highway Challenge funding to repay the GEF loan and the Department for Transport had confirmed that approval of a loan by the LEP would not affect SCC's ability to bid for the Challenge Fund. SCC had committed to repay the loan if they were unsuccessful with the bid.
- 8.4 AECOM had been asked to carry out the due diligence on economic growth, deliverability and revolving fund and investment appraisal. AECOM concluded that a strong case had been put forward for the Farnham Road Bridge, Guildford scheme given the implications to the economy and the negative transport impact if the bridge was not strengthened. It was recommended that the loan was approved which was supported by PMG subject to any conditions being addressed in the due diligence report.
- 8.5 The Board discussed the proposal and approved the £2.85m GEF loan for the Farnham Road Bridge, Guildford scheme.

Action to be taken	By Whom	When
Progress the Farnham Road Bridge, Guildford scheme to contract	Kevin Travers	By August 2018

## 9. Local Industrial Strategy and Proposed Interventions

- 9.1 Dave Axam presented the high-level goals of the Local Industrial Strategy (LIS) and proposed interventions for consideration. The presentation set out a number of key messages to be incorporated into the development of the LIS which provided an opportunity to show the ambition of the EM3 LEP and build the case for investment. The ambition proposed was to grow the EM3 economy by 4% on average over the period to 2030 generating an additional £39.4bn of GVA. There were a number of proposed areas to focus the ambition on including transforming the skills base, focussing on key sectors and attracting direct foreign investment. All of the actions were underpinned by the overwhelming strength in digital and the desire to excel in the 21<sup>st</sup> century low carbon economy. All of the work required was focussed on making a case for investment and convincing the Government to listen and be prepared to cut a future focussed deal that the EM3 ambition deserved.

- 9.2 The Board discussed the proposal for the development of the EM3 LIS and agreed that it was a good start and requested for an Implementation Plan to be brought to the May Board meeting. Ken Moon offered to share knowledge on the Industrial Strategy to help to develop the Implementation Plan. It was agreed to share the outline slides.

Action to be taken	By Whom	When
Develop an Implementation Plan for the EM3 LIS for the May Board meeting	Jude Robinson	24 May 2018
Slides presented at the meeting to be circulated by email	Justine Davie	April 2018

## 10. Enterprise M3 Business Plan

- 10.1 Rachel Barker presented the 2018/19 Enterprise M3 Business Plan. The previous business plan had been more of an activity plan. It was proposed that the new Plan would set targets to be achieved around delivery, securing future funding, engaging meaningfully with stakeholders, providing relevant and focussed business support and ensuring internal processes supported the delivery of the business plan. The Board supported the work to date and noted that the detail of the 2018/19 business plan would be presented to the May Board meeting. It was proposed there would be a dashboard approach to show progress. Board members requested that next year's business plan be considered before the agreement of the annual operational budget.

Action to be taken	By Whom	When
Detailed Enterprise M3 Business Plan to be reported to the May Board meeting.	Rachel Barker	24 May 2018

## 11. Enterprise M3 Governance

- 11.1 The Board was advised that the Board/Chair recruitment process had been progressing well with over 60 applications received. Perrett Laver reported that the quality of the applications was very good with a high calibre of candidates which it was felt was in part down to the reputation of Enterprise M3 LEP and the quality of the current Board. Perrett Laver reported that even with the introduction of remuneration for the role of Chair, potential candidates were stating that they would find the level of time commitment too difficult. The longlists for both roles had been finalised and Perrett Laver would be interviewing approximately 20 candidates for shortlisting over the coming weeks. Final interviews were scheduled for the week commencing 23 April and the interview panel would include Mike Short, Clive Sanders, James Cretney and Kathy Slack with recommendations due in early May. The Board would be kept updated on progress.
- 11.2 Following the Mary Ney Review the Government had published guidance to LEPs on Governance and Transparency which had been addressed by Enterprise M3 to ensure any changes required were in place by the deadline of 28 February. The papers from the PMG would be required to be published on our website from May 2018 once the delegation of decision making powers have been implemented. All PMG members would also be required to sign the Code of Conduct and complete the standard Register of Interests which would be published on the website. The Board was requested to advise of any changes to their details recorded on the Register of Interests.
- 11.3 The Board agreed to the principle of delegated authority to the PMG to approve projects seeking Enterprise M3 funding of less than £3m in January 2018. Strong communication would be ensured between PMG and the Board on performance of current projects and future pipeline. The communication would be through the LGF/GEF update paper which would

include details of business cases expected and PMG minutes would also be circulated to Board members. It was recognised that there may be circumstances where referral of projects to the Board could be appropriate and this would be incorporated into the proposals. The Board would also have the ability to call in any projects being considered by PMG, this would need to be agreed by three Board members and made at least five working days in advance of a Board meeting. The approach was set out in the revised Assurance Framework.

11.4 Revisions had been made to the Assurance Framework as a result of the Government guidance and the changes to the PMG. The revised Assurance Framework was circulated to the Board and all changes were highlighted. Work would be carried out with the Accountable Body to update the associated Memorandum of Agreement between Enterprise M3 and Hampshire County Council.

11.5 The Board noted the progress made on the recruitment of a new Chair and private sector Board Members. The Board agreed the changes to the Enterprise M3 Assurance Framework and approved the detail of delegation to PMG for projects seeking a contribution of less than £3m.

Action to be taken	By Whom	When
Advise Rachel Barker or Justine Davie of any changes to details recorded on the Register of Interests	All Board members	Ongoing
Finalise the changes to the Assurance Framework on publish on the Enterprise M3 website	Rachel Barker	April 2018
Implement the delegation of decisions to PMG for projects of less than £3m	Rachel Barker	April 2018

## 12. Enterprise M3 Annual Report

12.1 The Board was advised that the development of the 2017/18 Annual Report had commenced for publication and would be distributed at the AGM on 8 June 2018 at the Village Hotel, Farnborough. The proposed structure would emphasise the packages of investment and delivery and focus and highlight the impact metrics of Enterprise M3's investments. A photographer would be procured to produce high quality photographs of projects and all Board members. The views of Board members were sought on the future shape and key successes to be included within the document.

12.2 The Board discussed the Annual Report and views were put forward for the inclusion such as more infographics and animations and an outline of the strategy going forward. It was acknowledged that the Annual Report needed to look interesting and make readers want to become involved. Linda Cheung was working with the EM3 team and exploring ways of using social media more to communicate messages and to make contact with board and team members easier. Board members were asked to feed any further comments to Sarah Carter.

Action to be taken	By Whom	When
Advise Sarah Carter of any additional comments on the Annual Report content	All Board members	13 April 2018

## 13. Government Plans

13.1 Ravneet Viridi thanked the Enterprise M3 team for achieving the requirements in the Government guidance by the 28 February deadline following the Mary Ney review. The LEP review was ongoing and a further report was expected in Summer 2018. The Local Industrial Strategy work was ongoing and further information was awaited from ministers. The Grand

Challenge Fund was still in the development stage and the LEP would be kept updated however it was important for all LEPs to have a clear view on the strengths of their areas. Following on from the Annual Conversation there had been some intensive scrutiny with LEP's needing improvements in some areas and lessons learnt from better performing LEP's had been shared. A discussion was requested with a representative from Government regarding what was possible with the Local Industrial Strategy and the Shared Prosperity Fund.

Action to be taken	By Whom	When
Set up a discussion with Government regarding the development of the Local Industrial Strategy and the Shared Prosperity Fund	Jude Robinson	April 2018

Note: Paul Spooner left the meeting at this point.

#### 14. Local Growth Fund Programme Update

- 14.1 The Board was advised that the total spend for 2015-18 was forecast at £98.9m which was £22.9m under the available allocation over the three years. The current forecast showed a significant underspend against the 2017/18 allocation and this was expected to be approximately £16m. There had been some changes to the forecast figures since the January meeting which included: Phase 2 of the 5G Project securing overall outcomes from the project under the original cost forecast; Plot J, EZ<sup>3</sup> Basing View being delayed due to the need for a third party valuation on the head lease, it was expected imminently but the forecast spend for 2017/18 had been removed; and, a number of the transport projects had identified some slippage which totalled approximately £1.5m across all of the project.
- 14.2 Detailed work was underway to review the proposed 2018/19 programme. Currently one third of the 2018/19 funding was already contractually committed and work would continue with scheme promoters to ensure funding was drawn down as anticipated. There were some projects that had been approved but not yet contractually committed although it was hoped that the contracts for those projects would be signed by the end of May 2018. Nearly 40% of 2018/19 funding forecast was allocated to projects that were not yet approved by PMG or Board. Regular updating and monitoring of business case development would be presented to PMG and Board and early intervention would be taken when business case development/submission slipped from the timetable. Any decision to remove a project from the overall programme would be brought to PMG and Board for discussion and agreement.
- 14.3 The team had considered the overall pipeline for 2018/19 and it was decided that the Digital Connectivity project should be removed from the pipeline as it was unlikely to be delivered in its current form. There was currently unallocated funding of approximately £10m and a call for new projects deliverable in 2018/19 had been issued. It was also proposed that a call go out for proposals to meet the high level ambitions set out within the Industrial Strategy. The feedback from the annual conversation rated Enterprise M3 as 'exceptional' on governance and performance and delivery as 'good', the assessment of the team was that all funds would need to be spent at year end to achieve an 'exceptional' rating for delivery.
- 14.4 PMG had considered the proposals and was of the view that the reasons for projects missing key milestones needed to be understood and consideration should be given to interventions to assist with accelerating projects that were important to meet objectives in the Local Industrial Strategy. Consideration should be given to allocate funding for some additional resource to help accelerate projects. It was noted that a new call for projects deliverable in 2018/19 had been launched and there had already been an encouraging response.
- 14.5 The Board was advised that cost increases had arisen in the development of the A30/A331 The Meadows scheme which had been approved by Board in March 2015 and there was now an additional £768k required for the scheme. The cost increases were due to the additional

costs for night-time working and the need for significantly more traffic management than was originally envisaged. The original estimate has also been based on the scheme starting in 2015/16 but due to the need to wait until the M3 Smart Motorway had been completed and design changes to minimise impacts on statutory undertakers and traffic management there had been a significant delay. There was potential for SCC to provide some additional funding of approximately £200k and it was requested that the remainder was reallocated from another scheme. SCC required some certainty of funding by the end of March therefore it was recommended that in order to reduce further delays the LEP should temporarily underwrite £768k of LGF to enable the contract to be let. SCC would then be requested to confirm the allocation of £200k s106 funding and carry out a more thorough assessment of the impact of the options for reallocation of funding from other schemes. It was recommended that the Director of the LEP be given delegated powers to authorise the most appropriate approach once it had been concluded which was the optimal option.

- 14.6 The Board agreed that the Director of the LEP be given delegated authority to agree the most effective way to achieve the additional funding following further discussion with SCC, this recommendation had also been supported by PMG.
- 14.7 The Government announced on 21 March that four major Housing Infrastructure Fund bids in the Enterprise M3 area were being progressed to the next stage of the process. The successful projects were Slyfield Area Regeneration Project, Guildford, A320 North of Woking, A320 Woking Town Centre and Manydown, Basingstoke. The Board agreed to allocate £523k from the Future Scheme Development Fund (FSDF) to the A320 Woking Town Centre scheme at the November Board meeting to develop the business case. It was agreed that the funding would be repaid should the project be successful in securing funding to deliver the final project.
- 14.8 The Board was requested to agree in principle to commit further FSDF to progress the projects which would send a strong message to central government about the readiness and appetite to develop detail of business cases and deliver the projects. It was proposed that a further £500k of the capital to revenue transfer fund was committed. Repayment mechanisms for the funding would be explored where possible. The Board agreed the principle of committing a further £500k of the capital to revenue transfer fund to develop the detail of business cases.

Action to be taken	By Whom	When
Develop a details proposal for the development of the detailed business cases for the successful Housing Infrastructure Fund projects	Kevin Travers	24 May 2018

## 15. Director's Report

- 15.1 The Board received a report from the Director which provided an update on the current Enterprise M3 work. A key highlight was the success of the VentureFest held on 1 March which attracted 500 delegates. Carrying out more engagement with ministers and businesses which has also been highlighted in the business plan presentation was a key area of work. There was a Transport for the South East event taking place on 8 May. Details for the Farnborough Airshow reception were being finalised with a provisional date of 20 July. Unfortunately, there would not be sufficient places for all Board members to attend but further details would be provided at the May Board meeting.

Action to be taken	By Whom	When
Provide details on the Farnborough Airshow 2018 reception at the May Board meeting	Sarah Carter	24 May 2018

## 16. **Joint Leaders Board Update**

16.1 Cllr Clive Sanders advised the Board on discussions held at the Joint Leaders Board meeting on 21 March. The meeting had been held the day after the Housing Infrastructure bids had been announced and bids totalling £245m in the Enterprise M3 area had moved to the second stage. Work would be carried out with the local authority Chief Executives to move those bids on to the next stage and hopefully secure the potential funding. The Local Industrial Strategy presentation had been well received and the JLB agreed with the proposed areas of focus.

## 17. **EU Programme Update**

17.1 The Board noted the progress on the EU Programme and were advised that due to work commitments Zoe Gray, the current Chair of the ESIF Committee, had decided to step down. It was proposed that Kathy Slack was appointed as the Chair to ensure consistency as she had been on the Committee since the start. The Board agreed that Kathy Slack be appointed as the Chair of the ESIF Committee which had also been supported by PMG.

## 18. **Forward Programme**

18.1 The Board received and noted the Forward Programme.

## 19. **Any Other Business**

19.1 Dave Axam advised the Board that he was leaving BT at the end of March and a new Director was due to be appointed. The Board wished Dave Axam good luck for the future.

19.2 Ken Moon was thanked for joining the ESIF Committee.

19.3 The Board was advised that it was Mark Pearson's last Board meeting as his secondment from Surrey County Council would come to an end on 31 March. The Group thanked Mark Pearson for all of his hard work on EZ<sup>3</sup> and getting it to its current position.

19.4 The future Enterprise M3 Board meetings would be held on

- Thursday 24 May, 2018 – Pirbright Institute, Woking
- Thursday 26 July, 2018 – Marwell Wildlife, Winchester
- Thursday 27 September, 2018 – RMA Sandhurst, Camberley
- Thursday 29 November, 2018 – Farnborough Exhibition and Conference Centre
- Thursday 31 January, 2019 – Venue TBC
- Thursday 28 March, 2019 – Venue TBC