

**Enterprise M3 Programme Management Group**

**5 July 2018, 14:00-17:00**

**Ogilvy Room, HG Wells Centre, Church Street East, Woking, GU21 6HJ**

**DRAFT MINUTES**

**Members Attending**

James Cretney - Chair  
Mike D'Alton  
Dave Axam  
David Fletcher  
John Furey  
Colin Kemp  
Kevin Lloyd

**Guests Attending**

Kathy Slack  
Sally Agass  
Sarah Carter  
Jordan Tame  
Gary Thompson  
Kevin Travers  
Deborah Wyatt  
Justine Davie

**Apologies**

Rob Carr  
David Clifford  
Nick Elphick  
Rob Humby  
Catherine Turner

**1. Welcome and Introductions**

1.1 James Cretney welcomed everyone to the meeting.

**2. Minutes of last meeting and matters arising**

2.1 The minutes of the meetings held on 10 May and 22 June were agreed and the actions noted. There was some discussion regarding the college condition fund and the Group was advised that work would be carried out to identify a pipeline of potential college condition fund applications and the allocations made previously by the Skills Funding Agency, which would be reported to the Group in November. No further applications for college condition funding were expected to come forward before November.

**3. Declaration of Interest**

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

<b>Name</b>	<b>Interest</b>	<b>Declared Action</b>
John Furey, Colin Kemp and Kevin Lloyd	Brooklands Business Park Accessibility	Left the room during the decision making
	Unlocking Guildford	Left the room during the decision making
	Guildford Bike Share	Left the room during the decision making
David Fletcher	Centre for Social Innovation (C4Si)	Left the room during the decision making
	Whitehill and Bordon Sustainable Transport Package	Left the room during the decision making
	A33 Basingstoke – Highway Maintenance and Resilience Measures	Left the room during the decision making

#### 4. Capital Programme Update

- 4.1 The Group was advised that there was currently £69.4m capital funding available for 2018/19 which included the LGF funding allocated from Government, the LGF carry forward from previous years and the balance of funding in the Growing Enterprise Fund. Of the £69.4m capital funding available £4.7m was unallocated and £40.2m was contractually committed or awaiting contract completion. Work would continue with scheme promoters to ensure that funding was drawn down as anticipated and that early warnings were given in the event of any delays.
- 4.2 The Group asked about the likelihood of underachievement in terms of spend in this financial year and were advised that work was in hand to mitigate against this risk. Members requested that a RAG rated system be applied to projects in order that early corrective action could be taken. It was further agreed that the team would consider reprofiling of projects in order to bring spend forward as over half of actual spend in the final quarter did not give any flexibility for reallocation of underspend.
- 4.3 The Group discussed the risk status of the projects and requested that, for future presentation, the overall summary paper be updated to identify any projects at risk of not meeting forecast spend and that projects only be shown as green when there was certainty in the spend profile. It was recognised that there was a need to encourage applications for larger projects to enable some over profiling of spend. The RAG status on the overall summary and dashboard would be updated to reflect the current risks.
- 4.4 The Group was advised that the elements of the Guildford Town Centre Transport Package scheme being delivered by Surrey County Council had been due to deliver over £3m spend in 2018/19. Part of this was due to slippage in 2017/18 being carried forward but overall there was a projected underspend for this financial year of nearly £1m and the Group was asked to consider policy measures to address slippage in spend. The Group was of the view that as the capital programme was not over profiled the slippage should be allowed. The updated RAG status would help to identify all projects that were at risk of not meeting their forecast spend.
- 4.5 The Group was asked to consider the LEP approach to funding highway resilience projects as a full business case and an expression of interest for two schemes were being considered for funding later in the meeting. It was highlighted that a key aim underpinning the local economy was that the transport networks must be resilient, able to withstand effects of adverse weather, traffic incidents and roadworks. Resilient highways helped build business confidence in the area and minimised disruption to the road networks. The Government Transport Resilience Review in 2014 stated that LEPs should consider the need for funding to ensure the resilience of the existing transport network which supported businesses in the area.
- 4.6 The Group discussed the issue of funding highway resilience projects was of the view that the Board should make a policy decision on funding resilience projects.

Action to be taken	By Whom	When
Update RAG status on capital programme overall summary and dashboard to highlight any projects at risk of not achieving current spend profile, reprofile the spread of spend across remaining quarters and update report for Board	Justine Davie/ Sally Agass	26 July 2018
Request the Board to make a policy decision on the LEP funding highway resilience projects	Kevin Travers	26 July 2018

## 5. New Expressions of Interest for 2018/19 Funding

- 5.1 A call for new projects deliverable in 2018/19 had been issued in March 2018 which resulted in 25 Expressions of Interest being submitted totalling £30.36m. The Expressions of Interest were assessed against three specific criteria which was that the project was deliverable in 2018/19, had a strategic fit for Enterprise M3 and provided value for money. The assessment provided an initial ranking of projects as A, B or C which were then discussed by the Enterprise M3 project team. The second closing date of 8 June had resulted in two new Expressions of Interest however one of those had subsequently been withdrawn.
- 5.2 The one remaining project which had been ranked as category A was for Aldershot Games Hub. The project was for the restoration and refurbishment of the Old Town Hall in Aldershot to establish a collaborative workspace for digital businesses. The application requested grant funding of £867k with £1.27m of match funding which would create 130 high value jobs. The Group agreed that the Aldershot Games Hub project should proceed to due diligence.
- 5.3 The Group was advised of a commercially sensitive project which had been submitted and originally categorised as a B project as it had been felt that the project should have been a loan rather than a grant. The Group agreed that a loan or some other offer should be explored however agreed that the project should proceed to due diligence on the understanding that the project would be required to spend in 2018/19.

Action to be taken	By Whom	When
Proceed the Aldershot Games Hub project to due diligence.	Gary Thompson	July 2018
Proceed the commercially sensitive project to due diligence.	Gary Thompson	July 2018

## 6. Capital Projects for Consideration

### a) Centre for Social Innovation

- 6.1 The Group received a paper on the Centre for Social Innovation (C4Si) project which was a project to re-fit and modernise a building in Lymington, Hampshire to provide a fit-for-purpose, business-led, open Innovation Centre in the New Forest. The centre would house affordable, flexible workspace and provide ultra-fast broadband in a rural environment. The funding request was for a £220k capital loan to be repaid over five years. The project would create 100 new jobs over three years of phase 1 and phases 2 and 3 would lead to additional job creation of up to 150 jobs. AECOM had carried out the due diligence and provided a number of recommendations for the applicant to address. The Group agreed that, subject to a positive response from the applicant to the recommendations, to allocate £220k capital loan for the Centre for Social Innovation project.

Action to be taken	By Whom	When
Proceed the Centre for Social Innovation project to contract, subject to a positive response from the applicant on the recommendations from AECOM.	Deborah Wyatt	July 2018

### b) Centre for Digital Creativity – Royal Holloway

- 6.2 The Group received details on the Centre for Digital Creativity project which was to provide incubation and research and development space, including sensory equipment for immersive technologies. The funding would be used to convert the ground floor of Royal Holloway's Computer Centre to create virtual reality labs, motion-capture spaces, test beds and hot desks for SME's. The project was phase 1 of a new initiative by Royal Holloway to make a

major contribution to the regional and national creative economy. The University was seeking a capital grant of £250k which would be matched by £400k from either a bid to the Arts and Humanities Research Council or the Universities own funds if the bid was unsuccessful. The aim of the project was to support the vast number of SME's in the region by increasing the research and development capacity for innovation. The Group asked whether the project was dependent on the other planned phases or standalone.

- 6.3 AECOM had carried out due diligence to consider the ability of the project to produce the expected results and outputs. AECOM had produced an interim report while waiting for some outstanding documents, and subject to the receipt of the outstanding documents, AECOM had recommended approval of the project. The Group agreed that, subject to the receipt of the outstanding information and the final recommendation from AECOM being to proceed, that £250k capital grant be allocated for the Centre for Digital Creativity project.

Action to be taken	By Whom	When
Proceed the Centre for Digital Creativity – Royal Holloway project to contract, subject to the receipt of the outstanding information being received and the final recommendation from AECOM being to proceed.	Sue Littlemore/ Alan Elder	July 2018

**c) Skills Capital Projects**

**(i) Guildford Technology Tower**

- 6.4 The Group received details on the Guildford Technology Tower project at the 22 June meeting and approved it to proceed to due diligence. The proposal was to remodel and refurbish the College's Construction and Technology facilities in an underutilised tower block. The Technology Tower would be the new home of industry standard training and include learning space for carpentry, electronics, electrical testing and gas assessment rooms and electrical workshops. The College was also developing their curriculum to include environmental technologies and sustainable energies which would enable them to offer both gas and environmental pathways to L3 apprentices. The funding request was for a capital grant of £300k which would be match funded with £300k from the College. The project would deliver 5 direct jobs and increase apprenticeships by 50 and learners by 105 per annum.
- 6.5 Regeneris had carried out the due diligence and specifically addressed the issue of the risk associated with the merger with Active Learning which was shown to be a low risk. The Group agreed that subject to the due diligence recommendation being to proceed and any caveats being addressed, that £300k capital grant be allocated for the Guildford Technology Tower project.

Action to be taken	By Whom	When
Proceed the Guildford Technology Tower project to contract, subject to the recommendation from Regeneris being to proceed and any caveats addressed satisfactorily.	Sarah Carter	July 2018

**(ii) Condition Works at Sparsholt College**

- 6.6 The Group received details on the Condition Works at Sparsholt College project which requested funding for essential works including the replacement of outdated boilers and heating systems which were malfunctioning and leading to some buildings being unusable in cold weather. There were also some structural changes required to be made to some other college buildings to maintain day to day delivery. The work at the College would move the estate grade from a C-satisfactory to a B-good category. There were no specific outputs

from the project but would enable the College to maintain and provide a safe and appropriate environment for over 4,500 learners. The funding request was for a capital grant of £350k which would be match funded with £350k from the College reserves. The Group agreed that subject to the due diligence recommendation being to proceed and any caveats being addressed, that £350k capital grant be allocated for the Condition Works at Sparsholt College project.

Action to be taken	By Whom	When
Proceed the Condition Works at Sparsholt College project to contract, subject to the recommendation from Regeneris being to proceed and any caveats addressed satisfactorily.	Sarah Carter	July 2018

**(iii) Pathway to the Virtual Campus - EM3 Digital Technology Centre**

6.7 The Group had approved the Pathway to the Virtual Campus – EM3 Digital Technology Centre project to proceed to due diligence at the meeting on 22 June. The project would enable each of the six further education colleges in the Enterprise M3 area to refurbish an existing area of their building to serve as a model ICT facility for the purposes of enhancing digital skills capabilities of learners. Each of the colleges would specialise in a digital theme: Andover College – 3D Tech/Virtual Reality; Basingstoke College – Artificial Intelligence; Brockenhurst College – Digital Media; Brooklands College – Gaming; Guildford College – Cyber Security; and, Farnborough College of Technology – Tech to Improve Student Experience. The funding request was for £1.7525m capital grant which would be met by £1.7525m match funding from each of the colleges from their IT capital budgets. Outcomes from the project over a five-year period include 106 new apprenticeships, 90 new jobs created and 3 new apprenticeship standards delivered. The Group agreed that subject to the due diligence recommendation being to proceed and any caveats being addressed, that £1.7525m capital grant be allocated for the Pathway to the Virtual Campus - EM3 Digital Technology Centre project.

Action to be taken	By Whom	When
Proceed the Pathway to the Virtual Campus - EM3 Digital Technology Centre project to contract, subject to the recommendation from Regeneris being to proceed and any caveats addressed satisfactorily.	Sarah Carter	July 2018

**d) Brooklands Business Park Accessibility**

6.8 The Group was advised on the Brooklands Business Park Accessibility scheme which aimed to improve accessibility to the Brooklands Business Park to support its future growth and ensure the retention of approximately 250 existing businesses. The scheme would provide a continuous walking/cycling route between the Brooklands Business Park, Weybridge Railway Station and Weybridge town centre, improve pedestrian and road safety and improve bus facilities. The scheme would support the local economic growth objectives in the area. The funding request was for £2.172m capital grant with a match funding of £724k.

6.9 AECOM had carried out the independent due diligence and had received clarification to all the points raised, through the submission of a revised business case. The conclusion of the scrutiny was that the scheme was considered sound. There was a specific issue relating to the provision of infrastructure on an unadopted road and a guarantee would need to be provided that the road would remain open to all users or that the road become adopted. The Group discussed the project and was keen to ensure that the work was carried out and funding spent in 2019/20 and requested a 3-month time limit be included in the legal agreement from the date it was signed for the resolution of the unadopted road issue. The

Group agreed that subject to outstanding due diligence issues being addressed, that £2.172m capital grant be allocated for the Brooklands Business Park Accessibility project.

Action to be taken	By Whom	When
Include a clause in the legal agreement for the Brooklands Business Park Accessibility project for a 3-month time limit for the resolution of the matter relating to the unadopted road	Kevin Travers	September 2018
Proceed the Brooklands Business Park Accessibility project to contract, subject to the outstanding due diligence issues being addressed satisfactorily	Kevin Travers	September 2018

e) **Whitehill and Bordon Sustainable Transport Package**

- 6.10 Kevin Travers reported to the Group on the Whitehill and Bordon Sustainable Transport Package which contained walking, cycling and urban realm improvements along the existing A325 and Budds Lane to remove barriers to sustainable economic growth. The scheme aimed to maximise the town's growth potential by bringing together existing and new areas of the town, making the town an attractive place to relocate and supporting better health by enabling active travel. The funding request was for £3.14m capital grant with match funding of £1.4875m. The project was part of a bigger scheme which had been included in the business case and may be considered for use of unallocated sustainable transport funding when bids for the were sought later in the year. AECOM had reviewed the business case and raised questions which were being addressed by the scheme promoter. The outstanding issues related to the cost and scope of the scheme and Hampshire County Council were in the process of revising the business case to match the funding request.
- 6.11 The Group discussed the project and there was a query regarding the expected outputs and clarification was requested on whether they had been included in the previous Whitehill and Bordon projects supported by the LEP or whether they were additional outputs. The Group agreed to recommend to Board to approve the Whitehill and Bordon Sustainable Transport Package to proceed to contract, subject to the successful completion and scrutiny scaled to meet the level of funding available.

Action to be taken	By Whom	When
Recommend to Board to give approval to proceed the Whitehill and Bordon Sustainable Transport Package project to contract, subject to the outstanding due diligence issues being addressed satisfactorily	Kevin Travers	26 July 2018

f) **Unlocking Guildford Package**

- 6.12 The Group had previously agreed the Strategic Business Case for the whole Unlocking Guildford Package together with the Guildford Sustainable Movement Corridor (Phase 1) scheme. A further four business cases had now been submitted for consideration.

(i) **Quality Bus Corridors**

- 6.13 The Guildford Quality Bus Corridor project contained a set of measure designed to improve journey time reliability, on-street infrastructure and on-board experience to encourage usage of the key bus routes into and around Guildford. The scheme aimed to reduce high levels of congestion, help facilitate forthcoming development, reduce delays to bus services and improve conditions for bus usage. The funding request was for £3.21m capital grant with a private sector match of £1.31m. AECOM raised a number of areas for clarification through the due diligence which had been addressed by Surrey County Council. AECOM's view was that overall the scheme was sound and subject to the remaining outstanding information

being received the project should proceed to contract. The Group requested that the low carbon and digital information was included in the Board paper for all elements of the Unlocking Guildford Package and agreed to recommend that Board to approve the Guildford Quality Bus Corridor to proceed to contract.

Action to be taken	By Whom	When
Update the Board paper for all elements of the Unlocking Guildford Package to include details on the digital and low carbon elements.	Kevin Travers	26 July 2018
Recommend to Board to give approval to proceed the Guildford Quality Bus Corridor project to contract, subject to the outstanding due diligence issues being addressed satisfactorily	Kevin Travers	26 July 2018

(ii) **Guildford Town Centre and Approaches**

- 6.14 The Guildford Town Centre and Approaches Phase 1 project was a suite of proposed Intelligent Transport Systems (ITS) measures aimed to exert far greater control over how the road network responded to the challenges caused by traffic congestion. The economic benefits would be realised through reduced journey times, improved safety, reduced pollution and more accessible travel information. The funding request was for £700k capital grant with a £333k match from Guildford Borough Council. AECOM considered the business case to be sound and concluded that the scheme should be supported, although further clarification had been requested on lessons learnt elsewhere and how the benefits had been calculated. The Group agreed that subject to outstanding due diligence issues being addressed, that £700k capital grant be allocated for the Guildford Town Centre and Approaches project.

Action to be taken	By Whom	When
Proceed the Guildford Town Centre and Approaches project to contract, subject to the outstanding due diligence issues being addressed satisfactorily	Kevin Travers	July 2018

(iii) **Blackwater Valley Hotspots Phase 1 (South) and Phase 2 (North)**

- 6.15 The A331 project consisted of a package of improvements designed to address congestion at three key junctions on the A331 and A323 to the west of Guildford. The scheme would provide quicker and more reliable journey times for vehicles moving between the A31 and A331, for all road users using the A331/A323 interchange and for the section of the A323 east of Ash. The improvements would also provide safety benefits by reducing the incidence of slip road traffic queuing back on the A31 and A331. Due to the cost of the A323/A331 work and the funding available it was decided to remove this element and replace with a lower cost proposal at the A323/A324 junction. The A323/A331 element would be developed in partnership with Hampshire County Council as a potential future bid. Guildford Borough Council had been invited to submit a revised business case based on the proposal focussing on the A31/A331 and A323/A324. The funding request was for a capital grant of £1.965m with match funding from Guildford Borough Council of £1.965m. AECOM had reviewed the revised business case and was of the view that the scheme represented good value for money and should be supported. The Group agreed that that £1.965m capital grant be allocated for the Blackwater Valley Hotspots Phase 1 (South) and Phase 2 (North) project and for it to proceed to contract.

Action to be taken	By Whom	When
Proceed the Blackwater Valley Hotspots project to contract	Kevin Travers	July 2018

(iv) **A31 Highway Resilience Corridor**

6.16 Following discussion under item 4 regarding the LEP funding resilience projects if the policy decision from the Board was that Enterprise M3 should fund resilience projects Surrey County Council would be requested to address the outstanding issues in the business case and the A31 Highway Resilience Corridor would be brought back to the Group for consideration. Councillors John Furey and Colin Kemp advised that they would aim to ensure the outstanding issues were addressed in advance of the Board meeting so that the Board could consider the scheme for approval, dependent on the policy decision. This would help secure spend in 2018/19.

g) **Guildford Bike Share Phases 1 & 2**

6.17 The Guildford Bike Share Phase 1 and Phase 2 project would deliver a fully electric bike share scheme for Guildford which would build on a scheme being introduced by Surrey University utilising their own funding. Feasibility work had identified that a fully electric bike share would prove successful in Guildford due to the town's demographics and the gradients in some areas being a barrier to cycling for those not fully fit regular cyclists. The funding request was for £600k capital grant which would be match funded by £530 from Guildford Borough Council. AECOM had reviewed the Expression of Interest and had expressed a number of concerns based on the information available. AECOM was of the view that a full business case should be requested before funding was committed.

6.18 The Group discussed the scheme but felt that notwithstanding to the lack of information the funding should not be approved. It was considered that loan funding should be reconsidered and that the scheme was too high a risk to be rolled out in full at this stage. Instead it was proposed that discussions should be held with Guildford Borough Council on the potential for funding a small pilot scheme.

Action to be taken	By Whom	When
Discuss potential for a small bike share pilot scheme with Guildford Borough Council	Kevin Travers	26 July 2018

h) **A33 Basingstoke Highway Maintenance & Resilience Measures**

6.19 Following discussion under item 4 regarding the LEP funding resilience projects if the policy decision from the Board was that Enterprise M3 should fund resilience projects Hampshire County Council would be requested to submit a full business case for the A33 Basingstoke Highway Maintenance & Resilience Measures project which would be reported to the Group for consideration. It was considered that a full business case was necessary given the extent of the funding being sought and the fact that a full business case had been required for the A31 Resilience scheme submitted by Surrey County Council, which was similar in terms of scale and scope.

7. **LEP Update on Recent Developments**

7.1 Kathy Slack updated the Group on recent developments and activity. Key meetings were being held with local authority Chief Executive's and the Joint Leaders Board to discuss the Strategic Economic Plan. The direction of the Local Industrial Strategy was still not clear but work was continuing until more clarity was provided from Government. Work had been carried out on a potential 5G bid which had not been successful but there had been a lot of interest from Government. Dave Axam had attending a meeting with the Prime Minister and all LEP Chairs where Enterprise M3 was one of only two LEPs mentioned by the Prime Minister. Isabel Stevens was the new Senior Government Sponsor and was visiting the Enterprise M3 area on 25 July where she would be taken on a tour of key sites. The Growth Hub was performing extremely well and was well ahead of its targets. Internationalisation work with Invest in Hampshire and Invest in Surrey was going well. Meeting were being

arranged with MP's and Damian Hinds and Michael Gove were the first two that had been set up.

- 7.2 Kevin Lloyd advised that Surrey County Council had received information from Homes England relating to the Housing Infrastructure Fund bids and would like to discuss feasibility work. Kevin Travers would meet with Kevin Lloyd to discuss the next steps.

Action to be taken	By Whom	When
Discuss feasibility work for Housing Infrastructure Fund bids with Kevin Lloyd	Kevin Travers	July 2018

## 8. European Programme Update

- 8.1 The Group received and noted the update on the EU programme.

## 9. Forward Programme

- 9.1 The Group noted the current forward programme.

## 10. Any Other Business

- 10.1 The future Programme Management Group meetings would be held as follows:

- Thursday 13 September 2018 – 10am-2pm – Marwell Wildlife, Winchester
- Thursday 15 November 2018 – 10am-1pm – HCC, Winchester
- Thursday 17 January 2019 – 10am-1pm – HG Wells, Woking
- Thursday 14 March 2019 – 10am-1pm – Rushmoor BC, Farnborough