

**Enterprise M3 Programme Management Group**

**7 February 2019, 13:00-13:40**

**Telephone Conference**

**MINUTES**

**Members Attending**

James Cretney - Chair  
Deborah Allen  
Rob Carr  
David Fletcher  
Matt Furniss  
Paul Millin

**Guests Attending**

Kathy Slack  
Sally Agass  
Rachel Barker  
Helen Caney  
Kevin Travers  
Justine Davie

**Apologies**

Dave Axam  
Mike D'Alton  
Caroline Horrill  
Rob Humby  
Catherine Turner

**1. Welcome and Introductions**

1.1 James Cretney welcomed everyone to the meeting.

**2. Declaration of Interest**

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

<b>Name</b>	<b>Interest</b>	<b>Declared Action</b>
David Fletcher	Junction 2a Bordon Relief Road	Left the call during the decision making
Paul Millin and Matt Furniss	Woking Sustainable Transport Package	Left the call during the decision making

**3. Capital Projects for Consideration**

**a) Woking Sustainable Transport Package**

3.1 The Group received a report on Woking Sustainable Transport which had previously been considered by PMG at their meeting in November 2018 and January 2019. The initial scrutiny of the business case showed the project to be good although there was potential to make the case stronger by carrying out an assessment to identify further benefits. At the January meeting PMG asked to see further evidence regarding the delivery of 2,000m<sup>2</sup> of office space and more detailed justification of the 6.7% increase in commercial space.

3.2 Surrey County Council had engaged the services of an expert in economic growth management, and also provided a copy of a report on market conditions in an around the M25, to demonstrate that the projection of the amount of improved floorspace was realistic. It was suggested that a critical piece in assessing the improved floorspace would be the monitoring and evaluation framework that was put in place for the project. Surrey County Council had proposed that alongside the standard approaches, survey based information be gathered from tenants and agents to understand the role that improved public realm had on investment decisions.

3.3 The Group discussed the project but there were some concerns relating to how the project was initially evaluated and it was agreed that some thought was needed on how public realm type projected were assessed in future. It was proposed that this project was used as a model

to consider monitoring and evaluation in future. Discussions would be carried out with both Hampshire and Surrey County Council's to take forward. The Group agreed to recommend to Board to approve £3m capital grant funding for the Woking Sustainable Transport Package.

Action to be taken	By Whom	When
Recommend to Board to approve £3m capital grant funding for the Woking Sustainable Transport Package.	Kevin Travers	February 2019

#### b) Junction 2a Bordon Relief Road

- 3.4 The Group received a report on the Whitehill and Bordon Relief Road New Junction project which had been approved by PMG to proceed to due diligence at the November meeting. The Whitehill and Bordon Regeneration Co Ltd (WBRC) was seeking a loan of £400k to provide a new junction from the Relief Road which would provide access to the proposed new Esdevium HQ building. The total cost of the link road was £800k with the WBRC providing the balance of the funding.
- 3.5 Due diligence was carried out which provided a high-level assessment on economic growth, and deliverability. The Expression of Interest stated that 180 jobs would be created by the scheme at the start, potentially rising to 250 within 3 years. The scrutiny questioned the displacement of the jobs given that the Esdevium's current headquarters were already located in East Hampshire. It was the view that the provision of the new headquarters would ensure that the company remained in the area therefore the project could be considered to safeguard the jobs. The other issue raised was that the junction had already been substantially completed as there were cost saving for the construction to take place alongside the final works to the wider relief road project. It was indicated that if the loan was approved the displaced funding would be used for other parts of the whole Whitehill & Bordon regeneration project. It was noted that this approach would be taken on an exceptional basis and that Enterprise M3 would not normally seek to fund a project on a retrospective basis. It was recommended that, as the application was for a loan, the financial risk to Enterprise M3 was low and the investment would result in clear measurable economic outputs in terms of jobs and employment space.
- 3.6 The group discussed the project and the key issue raised related to the security of the loan and the potential for the repayment period to be nearer to 3 years rather than 5 years. The Group agreed to approve the loan of £400k capital funding for the Junction 2a Bordon Relief Road, subject to the provision of evidence from WBRC of how the loan would be repaid and that the option to repay the loan over 3 years be explored.

Action to be taken	By Whom	When
Explore the option for the loan for the Junction 2a Bordon Relief Road project to be repaid over a 3 year period.	Kevin Travers	February 2019
Proceed the Junction 2a Bordon Relief Road project to contract, subject to provision of evidence of how the loan would be repaid.	Kevin Travers	February 2019

#### c) Elmbridge Invest for Growth

- 3.7 The Group received a report on the Elmbridge Invest for Growth project which had been considered at the telephone conference in December 2018 and a verbal update had been provided at the January 2019 PMG meeting. The original application from Elmbridge Borough Council had requested a £1.5m grant and the Group had requested that the option of a loan be explored with the applicant. Following further discussion the application was revised for a request for a £750k grant and a £750k loan, with the loan being repaid over a 20-year period. Further details were then requested on the expenditure figures, income generated per year and capital growth generated.

- 3.8 The report confirmed the economic outputs of 1,500sqm commercial office space safeguarded and 1,450sqm commercial retail space safeguarded and 200 jobs safeguarded. There were also indirect outputs supporting the local economy and wider benefits associated the project. The Elmbridge Invest for Growth initiative would build upon the successful East Hampshire model. AECOM had assessed the project and all recommendations had been addressed by Elmbridge Borough Council. Subject to Elmbridge Borough Council convening a Special Council meeting to agree the expenditure the funding would be drawn down in 2018/19.
- 3.9 The Group discussed the project and raised the length of the repayment of the loan and whether that could be reduced. The Board agreed to approve £750k loan and £750k grant for the Elmbridge Invest for Growth project, with the possibility in the reduction in the length of the repayment period for the loan element being explored.

Action to be taken	By Whom	When
Explore the possibility to reduce the length of the repayment period for the £750k loan for the Elmbridge Invest for Growth project	Helen Caney	February 2019
Proceed the Elmbridge Invest for Growth project to contract.	Helen Caney	February 2019

#### 4. Dates of Future Meetings

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

- Thursday 14 March 2019 – 10am-1pm – Rushmoor BC, Farnborough
- Thursday 9 May 2019 – 10am-1pm – Hampshire CC, Winchester
- Thursday 11 July 2019 – 10am-1pm – HG Wells, Woking
- Thursday 12 September 2019 – 10am-1pm – Rushmoor BC, Farnborough
- Thursday 14 November 2019 – 10am-1pm – Hampshire CC, Winchester
- Thursday 16 January 2020 – 10am-1pm – HG Wells, Woking
- Thursday 12 March 2020 – 10am-1pm – Rushmoor BC, Farnborough