

**Enterprise M3 Board Meeting**

**31 January 2019 - 12.00-5.00pm**

**Clayton Room, Enterprise Holdings, Enterprise House, Melburne Park, Vicarage Road, Egham, Surrey, TW20 9FB**

**DRAFT MINUTES**

**Board in Attendance**

Dave Axam - Chair  
Deborah Allen  
Simon Browne  
Linda Cheung  
David Clifford  
James Cretney  
Paul Hogg  
Tim Jackson  
Colin Kemp  
Stacey King  
Andrew Lambert  
Keith Mans  
Jim McAllister  
Ross McNally  
Ken Moon  
Julia Potts  
Clive Sanders  
Mike Short – Co-opted

**EM3 Team in Attendance**

Kathy Slack  
Rachel Barker  
Rob Dunford  
Sally Agass  
Kevin Travers  
Aleks Bennett  
Justine Davie

**Apologies**

Barney Ely  
Jason Gaskell  
Paul Spooner  
Nick Elphick – Co-opted

**Guests in Attendance**

Rupert Clubb  
Toni Wootton

**1. Welcome from Enterprise Holdings**

- 1.1 Ben Lawson, Vice President of Strategy and Mobility welcomed the Board to Enterprise Holdings. The Enterprise company was established in 1957 and was currently run by the third generation Taylor family. Enterprise was a global company with £24bn global revenue, 100,000 employees and 2 million vehicles. The UK Enterprise business generated £663m revenue, 5,000 employees and 100,000 vehicles. The European contract centre was based in Aldershot and a third of their UK employees were based in the Enterprise M3 area. Enterprise operated with a diverse workforce and the applicants and workforce reflected the areas they were located. Enterprise had won several awards relating to their approach on diversity.
- 1.2 The Board was advised that Enterprise had invested \$2.4bn in different businesses leading on mobility and autonomous vehicles. Enterprise was also helping organisations shift from business transport to business mobility. A pilot was being launched in Manchester to provide mobility as a service and enable multiple users to use one asset.
- 1.3 The Board thanked Ben for hosting the Board meeting and a number of Board members requested an opportunity to discuss some of the issues highlighted in the presentation further.

**2. Welcome and Introductions from Chair**

- 2.1 James Cretney welcomed everyone to the meeting and chaired the start of the meeting until Dave Axam took the Chair on his arrival.

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

- 3.1 The minutes of the meeting held on 29 November 2018 were agreed and the actions noted. Kathy Slack advised the Board that due to sickness the branding work had not been completed but a session would be included at the Board Strategic Board workshop on 14 February.

### **4. Chairs Report**

- 4.1 Dave Axam reported on his activity as Chair of the Enterprise M3 LEP since the last Board meeting. The main activity had revolved around preparing for the Annual Performance Review (APR) with Government. The APR had been attended by Dave Axam, Deborah Allen, Clive Sanders, Rob Carr, Sally Agass and Kathy Slack. The group was well prepared and focussed the meeting on delivery and produced evidence to show Government that Enterprise M3 had exceptional performance in all areas. The process in preparing for the APR had been a good exercise to look at current systems and make improvements where required.
- 4.2 Dave had attended the LEP Network meeting with the Prime Minister on the morning of the Board meeting. At the meeting Dave spoke on the Brexit work carried out by Enterprise M3 and the engagement with businesses, organisations and other LEPs, which was very well received. The summary from the Prime Minister was that she saw the value of LEPs and asked that they continued their work. LEPs requested that the Prime Minister put LEPs higher on the Government agenda and that they feature in the forthcoming Autumn Statement.

### **5. Declarations of Interest**

- 5.1 No additional declarations of interest to those previously declared.

### **6. Transport for the South East**

- 6.1 Rupert Clubb, Director of Communities, Transport and Environment from East Sussex County Council attended the meeting to provide an update on the development and progress of Transport for the South East (TfSE). TfSE continued to receive a strong endorsement by Government however currently only existed in shadow form. In December 2018 TfSE Shadow Board approved a draft proposal to Government to establish TfSE as a formal body within statute. The draft proposal for informal engagement was circulated to the Board.
- 6.2 The Board was advised that currently the South East had the greatest percentage share of GVA outside of London however the South East was quite low on the planned transport infrastructure spending per head. The establishment of TfSE with statutory status would create a regional organisation with the ability to make the case for investment in infrastructure. The South East covered a large area and was crucial to the UK economy as it was the nations major international gateway for people and businesses. TfSE vision was to grow the South East's economy by facilitating the development of a high quality, integrated transport systems that would make the region more productive and competitive, improve the quality of life for all and protect the environment.
- 6.3 TfSE would develop a long term and ambitions Transport Strategy which would identify the strategic transport priorities for the region and would develop an investment plan to support the delivery of the identified schemes. It was proposed that the draft Strategy would be published in September 2019 with the final Strategy published in March 2020. The next steps for the proposal to establish TfSE as a formal body was to continue with informal engagement with stakeholders and then carry out formal consultation from May to July 2019 with the final proposal being agreed by September 2019.
- 6.4 The Board discussed the proposal and suggested there should be more emphasis on data access and innovation. It was suggested that the South East should be ambitious and set the mould for the rest of the UK. It was felt that the Strategy should look ahead to future mobility requirements. The views expressed by the Board would be taken into account when developing the Transport Strategy.

## 7. LEP Review Update

- 7.1 The Board was advised that the new boundaries proposed as part of the LEP Review had been approved by Government. The new boundary changes to remove the split districts would be formally adopted once the Memorandum and Articles of Association had been approved. Discussions were already taking place with those local authorities that were wholly coming into the Enterprise M3 area and businesses in those new areas. Enterprise M3 were working with the Solent LEP to ensure services continued and the Growth Hub was continuing to work in the New Forest area.
- 7.2 Work on the Implementation Plan was continuing and Enterprise M3 was on track to be compliant with the requirements in the National Assurance Framework. One issue of concern was meeting the diversity requirements which was raised with Government at the Annual Performance Review who recognised the issues faced by LEPs. The diversity requirements had been discussed by the Joint Leaders Board and the local authorities across both Hampshire and Surrey had agreed to discuss together to try to help address the issue. Other groups represented on the Board would also be included in discussions regarding achieving the diversity requirement.
- 7.3 The Board received a paper setting out the legal clarifications relating to Enterprise M3 becoming a legal entity. The Resources, Finance and Audit Committee had discussed the options in detail and proposed that Enterprise M3 becomes incorporated as a Company Limited by Guarantee with the company acting in the role of a decision making company only with all delivery and operational functions undertaken by the Accountable Body, Hampshire County Council.
- 7.4 The draft Memorandum and Articles were circulated and required agreement relating to the object of the new company, appointment and termination of Directors, conflict of interest clauses and quorate requirement at meetings. A meeting of the Resources, Finance and Audit Committee (RFAC) had been arranged to discuss the detail contained in the revised Memorandum and Articles. It was proposed that the final version was brought to the Board Strategic Workshop on 14 February for final agreement once RFAC had gone through the detail and they had been confirmed with the Accountable Body. It was suggested that the Memorandum and Articles should not reflect the wording in the Assurance Framework but refer to the Assurance Framework so that only one document would need to be amended when changes were made.

Action to be taken	By Whom	When
Submit final version of the Memorandum and Articles at Strategic Board Workshop on 14 February	Sally Agass	14 February 2019

## 8. Enterprise M3 Governance

- 8.1 The Board received the draft Enterprise M3 Local Assurance Framework which had been revised to meet the requirements set out in the National Local Growth Assurance Framework and the LEP Review. Of the 118 points that Government wished to see included, Enterprise M3 had 98 covered with the remaining 10 requiring clarification. The Local Assurance Framework provided the policies, rules and processes in one document to give Government the necessary assurances around the use of public money.
- 8.2 The Board discussed the draft Local Assurance Framework and suggested some issues to be considered for the final version. The Board noted the key changes and agreed the broad approach on the development of the draft Local Assurance Framework. The Board approved for delegated authority to the LEP Review Group to agree the final changes which would be submitted to the March Board meeting for final sign-off.

Action to be taken	By Whom	When
Submit final version of the Local Assurance Framework to the March Board meeting	Sally Agass	20 March 2019

## 9. Enterprise M3 2018/19 Business Plan

- 9.1 Rachel Barker reported to the Board on the proposed focus for the Enterprise M3 2019/20 Business Plan. The plan would provide clarity for the team, Board, Government and stakeholders on the Enterprise M3 priorities and planned activity to achieve the priorities. For 2019/20 there were five proposed high level aims which related to strategy, delivery and governance. The Enterprise M3 management team would carry out further work on the business plan during February/March and the final business plan would be presented to the Board meeting at the end of March.

Action to be taken	By Whom	When
Circulate Business Plan slides to Board members	Justine Davie	February 2019
Submit final version of the Enterprise M3 2019/20 Business Plan to the March Board meeting	Rachel Barker	20 March 2019

## 10. Resource, Finance and Audit Committee Report

- 10.1 The Board received a report setting out the forecast budget position at the end of 2018/19 and the outline budget for the 2019/20 financial year which had been reviewed by the Resources, Finance and Audit Committee (RFAC). The 2018/19 year end forecast showed an almost balanced budget with a £49k surplus, although there had been some changes in the forecast income and expenditure. The forecast income exceeded the budget mainly due to additional one-off government funding of £200k and additional interest arising from the unforeseen increase in the Bank of England base rate and from loans negotiated since the budget was set. Expenditure was in line with the forecast reported to the Board in July 2018.
- 10.2 The three-year reserves forecast was set out and it was proposed that reserves be reduced to a prudent level of £1.3m (as set out in the Enterprise M3 reserves policy) by investing in activities that supported the economy. Due to the level of existing reserves, there were no plans to increase partner contributions in 2019/20. However as reserves started to drop from 2019/20, this would be reviewed for 2020/21. Other measures being put in place to secure financial sustainability included an increase in application fees, building up interest from LGF/GEF loans and maintaining overall reserves at a prudent level.
- 10.3 The report highlighted that the Growth Hub was currently funded per year from a combination of Government funding, capital converted to revenue and the balance from revenue reserves. Government funding had only been confirmed until March 2020 therefore a review was being carried out on future Growth Hub activity which would be informed by Government policy and funding. Further funding would need to be secured in the longer term to enable delivery of Enterprise M3 aspirations.
- 10.4 RFAC would continue to oversee the budget, manage risks and keep the Board informed. The final budget figures would be discussed by RFAC and presented to the March Board meeting. The Board endorsed the proposed outline budget for 2019/20 financial year and noted the expected 2018/19 out-turn position.

Action to be taken	By Whom	When
Report the final budget figures to the March Board meeting	Aleks Bennett	March 2019

## 11. Capital Programme Update

- 11.1 The Board received a report on the current position with the capital programme. At the Annual Performance Review the forecast spend for 2018/19 was reported as 99% being achieved. The Q3 monitoring reports from scheme promoters had flagged projected slippage against some projects which could result in that figure being reduced. The team were working with scheme promoters to understand the reasons for the changes and to identify potential mitigating action. There were fifteen priority projects being focussed on to ensure the 99% spend was achieved by the end of March 2019.
- 11.2 At the next Programme Management Group and Board meetings possible new projects would be brought forward for consideration to be added to the pipeline for delivery in 2019/20. The decision to take forward new projects from the prospectus launched in December 2018 would need to be taken in the context of approvals and expenditure already committed across the capital programme. There was currently around £11m of funding not yet allocated which included funding identified for Transforming Colleges and Sustainable Transport Programmes. It was expected that the first round of projects received from the prospectus would be competitive and may be the only funding round operated.
- 11.3 The Programme Management Group had discussed some larger projects at the January meeting which would also require Board approval but further information had been requested before the reports be submitted to Board for consideration. Three new projects had been approved by PMG to progress to due diligence which had been received as part of the 2018/19 call for projects. Nearly 40% of the capital programme was still subject to receiving PMG/Board approval, several business cases were expected to be presented to PMG/Board in March and May.
- 11.4 The output figures showed that 80% of the target jobs figure had been achieved and 85% of the housing target. Further evaluation work was planned for early 2019/20 to capture the impact of projects through spot checks on projects in delivery and independent work would be commissioned to complete impact assessments on selected transport schemes.
- 11.5 The Board discussed the capital programme and the projects expected in response to the prospectus. It was agreed that it was important to have a pipeline of projects ready to respond to any future funding rounds, particularly projects which aligned with the Strategic Economic Plan and Local Industrial Strategy. The Board noted the capital programme current position.

## 12. Planning for Brexit

- 12.1 Ross McNally advised the Board on the work carried out by the Brexit Intelligence Group since Summer 2018. Membership of the Group included the Hampshire and Surrey Chambers of Commerce, Federation of Small Businesses, County Council's, local authorities, the Enterprise M3 Growth Hub, Business South and representatives from the Department of International Trade. The support provided by the Group was impartial, delivered in partnership and practical.
- 12.2 A programme of business support had been developed which included intelligence gathering through fortnightly conference calls to share with partners, an online Brexit toolkit to be used by business and employers as a source of information and Brexit clinics where businesses engaged with professionals in areas of relevant experience. The clinics were being organised by the Growth Hub and would be as accessible as possible for businesses. It was intended that one event would be held in each Enterprise M3 local authority area. Each partner was making a financial contribution or in-kind contribution to ensure the success of the projects.
- 12.3 The early impact of the programme of support was shown to be positive. The Brexit toolkit had attracted hundreds of businesses to the Growth Hub site and was being promoted by partners on their websites, through newsletters and on social media. The Brexit bulletins provided by the Growth Hub highlighted the strength of the on-the-ground business connections which had been noted by Government.

12.4 Assessment on the impact of Brexit on the Enterprise M3 economy had been carried out and a number of actions agreed. Enterprise M3 would continue to invest time and resources to work with local partners, Government, business and employers to ensure the economy was as prepared as possible for the UK to leave the EU. Board members were asked to use their business networks to communicate the Brexit toolkit and clinics as they were arranged. Board members were also invited to open and chair the expert panel at any of the clinics, the details would be circulated to the Board once available.

12.5 The Board discussed the report and congratulated the Group on the work carried out to date.

Circulate details of the Brexit clinics to Board members	Sue Littlemore	February 2019
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**13. Government Plans**

13.1 Following the Annual Performance Review the Government was now working through the moderation process. A formal minute of agreement would be issued to the LEP followed by a letter confirming the rating which was expected to be sent towards the end of February. The ratio of Board members was a priority for ministers although the issues of achieving the required ratio was recognised. Government was looking at additional reporting being carried out by LEPs and wanted to see greater cross-boundary working, not just with neighbouring LEPs. The Board was advised that London LEP was keen to engage on cross boundary issues.

13.2 Government was looking at the intelligence coming in relating to Brexit and valued the input received from Enterprise M3. Intelligence from the media was providing difficult for Government to monitor therefore Board members and the Enterprise M3 team were requested to pass on any relevant information.

13.3 Expressions of interest were being sought for the Transformation of High Street funding. There was £673m available to local authorities to bid for projects to support the transformation of high streets.

**14. Directors Report**

14.1 The Board received the Directors Report which highlighted the key areas of work for Enterprise M3. The development of the Local Industrial Strategy was a priority area of work and a session would be included at the Strategic Workshop on 14 February. The communications activity was highlighted and a session on communications would also be included at the workshop. The Board noted the Directors Report.

**15. Joint Leaders Board Update**

15.1 Cllr Clive Sanders advised the Board that the structure of the Joint Leaders Board (JLB), in particular the new scrutiny role, had been discussed at the meeting held on 24 January. A presentation had been received on the Local Industrial Strategy (LIS) and the JLB would look at how they would wish to be involved to feed into what was included in the LIS. JLB endorsed renewal of Paul Spooner’s appointment to the Board for a second term.

**16. Programme Management Group Report**

16.1 The Board received and noted the minutes of the Programme Management Group meeting held on 17 January.

**17. EU Programme Update**

17.1 The Board received and noted the progress on the EU Programme.

**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

- Thursday 28 March, 2019 – Dunsfold Park, Cranleigh
- Wednesday 22 May 2019 – Watts Gallery, Compton
- Thursday 25 July 2019
- Thursday 26 September 2019
- Thursday 28 November 2019
- Thursday 30 January 2020
- Thursday 26 March 2020

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