

**Enterprise M3 Board Meeting**

**31 March 2016**

**Director's Report – Item 15**

**Enterprise M3 Board members are asked to NOTE the progress on the following activities:**

**1. Recruitment**

- 1.1. We have now recruited our three additional staff and they are all starting in April along with our fast stream government secondee, Daniel Wilkins. A revised organisation chart is attached at Appendix A. The team is now 11.5 strong and we have started to explore possibilities of drop down space for staff in addition to the space we use at Hampshire and Farnborough.

**2. Enterprise and Innovation**

- 2.1. A recent summary of our enterprise and innovation projects will be circulated at the meeting. This document highlights the range of support for business being implemented. It was prepared for a recent Enterprise and Innovation Action Group and similar summaries are now being produced for all action groups
- 2.2. We will be holding our first strategic meeting for the Enterprise Zone after Easter and Dave Axam and Nick Elphick will be joining this group in its early stages to help shape our approach. A recent visit by Paul Spooner, the Enterprise Zone “guru” from DCLG, was very positive and he was upbeat about the potential of the sites. DCLG are likely to offer some consultancy support to assist with drawing up our investment plans.
- 2.3. We have had several meetings around the theme of cyber security. A recent event at Lockheed Martin identified several areas for joint action and we are holding a business event at Thales in Basingstoke on 6<sup>th</sup> April and sponsored by Grant Thornton and supported by Farnborough Aerospace Consortium.
- 2.4. The Farnborough International Airshow exhibition building will be launched at the Farnborough Airshow in July (11-17th July) and we are exploring holding a reception for key stakeholders. Work will start on site after the Airshow.

**3. Skills**

- 3.1. We are now engaged in the Post 16 Review for Surrey with the Review for North Hampshire starting in May. The Reviews are a structured look at how the post 16 sector – FE colleges and sixth form colleges are delivering services in a sustainable way. There is a particular emphasis on the financial position of colleges, use of sites, as well as delivery of future business requirements. We are feeding in information on business needs with our role on advising on future needs strengthened as funding for adult skills budgets are devolved. We will be undertaking a review of skills needs in readiness for devolution of funds. Additionally LEPs hold the capital element for colleges within our Local Growth Fund and there is an expectation that our funding will be used to support college restructuring following the reviews.

- 3.2. We are already in discussion with all of our FE colleges about establishing an Institute of Technology to deliver higher level skills (levels 4 and 5).

#### **4. Land and Property**

- 4.1. The Board will receive an update from the Land and Property Group on recent work on the commercial property study and the development of KPIs. The commercial property study has been welcomed by private and public sector participants and has identified a need to consider further the future requirements for distribution/logistic centres given the growing demand in this area. The Land and Property Group has engaged a number of private sector agents and developers as well as the HCA and Home Builders Federation. We will be exploring how we can access the new home loan fund from the HCA announced in the budget. The group have also established local groups to work with specific growth towns and a recent meeting was held with Basingstoke which proved very effective. We are hoping to do something similar in Guildford.

#### **5. Transport**

- 5.1. This has been a particularly busy time on the transport front as we finalised the final report for the Strategic Transport Study led by Geoff French and working with four other LEPs, Solent, Coast to Capital and Thames Valley. The study will be launched in April and there will be a presentation to the board at its next meeting. The study in its early form has already been warmly welcomed by DFT and Highways England. We have made provision to share all the data underpinning the work so that our approach can be incorporated into the forthcoming M25 SW Quadrant study that has recently got underway.

#### **6. Local Growth Fund**

- 6.1. There is an update paper on the board agenda. The chancellor has announced a further round of Growth Deals with £1.8b available for LEPs towards the end of the programme. We are expecting further (minimal) guidance from Greg Clark with an emphasis on transport, housing and skills with links to devolution deals. We are expecting the process will be more like the submission we made in 2014 when we first submitted our Growth Deal with Government selecting the final projects. Kate Cornford, our cities and Local Government representative, may be able to elaborate on the process at our Board meeting.

#### **7. Digital Taskforce**

- 7.1. We have identified four streams of further work as highlighted in our digital technologies report. We will be looking in detail at four critical enabling factors for the digital sector – cyber security, gamification/visualisation, digital skills, and connectivity (particularly broadband). We will aim to set up a small Taskforce towards the back end of the year.

#### **8. Assurance Framework and Service Level Agreement**

- 8.1. We have negotiated a SLA with Hampshire which sets out quality expectations and agreed costs for services.
- 8.2. The audit of our assurance framework revealed four small issues that we have already incorporated into a revised assurance framework which has been circulated to board members for approval.

#### **9. European Programme**

- 9.1. A paper providing an update on the European Programme is attached at Appendix B.

## 10. Communications

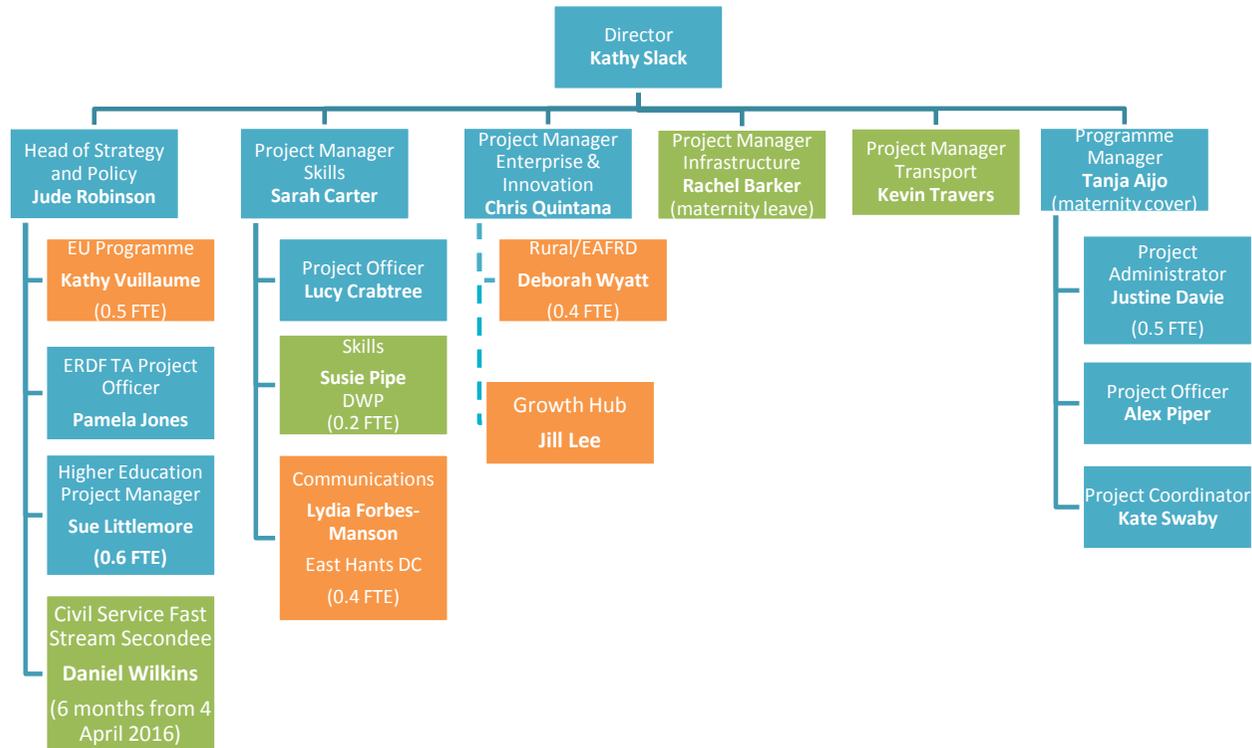
10.1. We have developed a detailed communications strategy and are developing an events calendar. We have agreed a number of dates for key events:

- AGM/Launch of Commercial Property Market Study: 27 June am (Guildford)
- Transport Conference: September (exact date and location tbc)
- Annual Conference: 16 November (Winchester)
- We are also considering joining with other LEPs and partners at MIPIM UK: 19-21 October

Kathy Slack  
Director  
Enterprise M3  
29<sup>th</sup> March 2016

Appendix A – Organisation Chart

# Enterprise M3 Organisation Chart – valid from 11 April



Updated 15/03/2016

**Enterprise M3 Board**  
**31 March 2016**  
**EU Programme Update – Item 15 Appendix B**

**Board members are asked to NOTE** the progress on the EU programme.

**1. ESIF Strategy Refresh**

- 1.1. The ESIF Strategy was refreshed and submitted in February to government including the revised outputs targets for both ESF and ERDF programmes and the updated financial projections. DCLG recalculate the financial projections of the exchange rate every 6 months. The latest revision has resulted in an increase of 0.8% in our allocation since the last exchange rate was issued.
- 1.2. We have now received details of key spend targets we need to hit if we are to qualify for the 2018 6% performance reserve. We remain concerned that the delays from government will impact on our ability to hit spend targets.

**2. ESIF Committee**

- 2.1. The first formal Enterprise M3 Area ESIF Committee met on 8<sup>th</sup> March, some 18 months since the establishment of the shadow body, and rather ironically a key agenda item was a review of the programme to date. The review was conducted by an independent government grouping and resulted in a lively discussion with members on ways to improve the process and delivery of the programme.

**3. Update on European Regional Development Fund (ERDF)**

- 3.1. We have now issued three calls for ERDF First Call ERDF.
- 3.2. The ESIF committee gave strategic advice on the full applications received for the **Digital Business Acceleration Hubs and on the Digital Growth Project**. Both of these projects were a result of the first call in March 2015. Both proposals should now move quickly to contract subject to latest queries being answered by the applicants. The Funding Hub project is likely to take longer because of some issues that the MA is taking up with the lead organisation.
- 3.3. The **Innovate2succeed call for innovation support for business** worth £500k is undergoing full appraisal assessment by the MA and will come to the next meeting of the EMG.
- 3.4. **The UKTI national call for additional support for exporting** (ex-ERDF Opt-in) worth £600k for Enterprise M3 area closed is proceeding to full application.
- 3.5. The ESIF Committee gave strategic advice on the **Woodfuel supply chain specification** worth £1m.
- 3.6. Two applications were received to support a **business sector innovation network**. The ESIF committee gave strategic advice on both outline applications.

3.7. Future Calls - A specification on Low Carbon worth £2m will be issued under the next ERDF call for Enterprise M3 area.

#### 4. **Update on European Social Fund**

4.1. SFA Opt-in - The Skills Funding Agency (SFA) are continuing to develop the final specifications in conjunction with the LEP to allow procurement to start in April 2016. The 5 calls will cover:

- Employer centred employability & basic skills worth £0.75
- Employer led vocational pathways for the unemployed worth £1m
- Employer led vocational pathways towards higher skills worth £0.75m
- Employer led vocational pathways for redundancy worth £0.5m
- Information advice and guidance worth £0.5m

The expecting starting date of the SFA projects implementation is September 16 with an 18-month delivery period.

4.2. Big Lottery Opt-in – The two specifications being procured through BLF on social enterprise and social inclusion are progressing.

#### 5. **Update on European Agriculture Fund for Rural development (EAFRD)**

5.1. The first three EAFRD specifications for Enterprise M3 closed on 8 January 16. 11 applications were received against the 3 following project calls: SME **business development grant** (from £50,000 up to approximately £140,000) for micro and small businesses in rural areas; support investments in new or existing **visitor attractions**. Grant (from £50,000 up to approximately £140,000) and support for micro, small and medium-sized businesses seeking to expand and create jobs in the **food processing sector** (from £50,000 to £250,000).

5.2. Future calls: It is anticipated that the next EAFRD call will be open in summer 2016. It is intended to issue similar specifications as in the first call.

#### 6. **Technical Assistance (TA)**

6.1. We have submitted two Technical Assistance bids for Enterprise M3 LEP area for the period until December 2018. These ESF and ERDF TA bids will provide funding for staff and events to promote and help partners apply for EU funds. The ESIF Committee gave strategic advice on both full applications. Final approval is expected within 3 weeks.

6.2. Recruitment of ERDF Project Officer: Enterprise M3 started the recruitment process for our ERDF Project Officer to be partly funded under ERDF TA. The interviews took place in February and an offer has been made and we are currently checking references. We will recruit for an initial 3 months until the TA contract is in place.

Kathy Vuillaume  
29th March 2016