



Driving prosperity in the M3 corridor

Enterprise M3 Board

31 March 2016, 2.00 – 5.00pm

Marketing Suite, Matrix House, Basing View, Basingstoke, RG21 4DZ

MINUTES

Board in Attendance

Geoff French - Chair
Dave Axam
David Barnes
Tim Colman
Ferris Cowper
James Cretney
Andrew Lambert
Keith Mans
Peter Martin
Malcolm Parry
Louise Punter
Clive Sanders
Paul Spooner
Chris Tinker

Guests in Attendance

Kate Cornford
Chris Paddock
Malcolm Young

Kathy Slack
Tanja Aijo
Rachel Barker
Fay Eames
Justine Davie

Apologies

Andy Barr
Nick Elphick
Moirra Gibson
Zoe Gray
Mike Short
Christine Slaymaker

1. Welcome from Basing View

- 1.1 Clive Sanders, Leader of Basingstoke and Deane Council welcomed the Board to Basing View and provided some details on the Basingstoke economy and future opportunities. The GVA in Basingstoke was currently £5.6bn. The town provided 78,000 jobs with key sectors in digital, engineering and pharmaceuticals. There were also a number of gaming businesses in Basingstoke and the incubation centre provided space for small start-up businesses. There was a Masterplan being prepared for the Basing View business park and future development was likely to include a mix of refurbishment and new build. There was a requirement for new grade A office space which was being established as part of the Masterplan.
- 1.2 The Basingstoke and Deane Local Plan had been completed and was awaiting approval from the Inspector. The plan proposed 15,300 new homes to be built between 2011 and 2029, mostly around Basingstoke, this was the highest number in Hampshire. The proposals in the plan included the regeneration of Basing View and the Leisure Park. Manydown was one of the areas to be developed and the first phase would provide 3,400 homes and was forecast to start on site in 2018. The other phases of Manydown would provide around 10,000 homes over the next 10-12 years. The Leisure Park regeneration plan was for a comprehensive redevelopment to provide new leisure space, including the replacement of the Council owned Aquadrome, and provision of 300,000 sq ft of designer outlet centres and hotels. There was also further regeneration of the town centre planned and Basingstoke now had a Business Improvement District.

2. Welcome and Introductions

- 2.1 Geoff French welcomed everyone to the meeting.

3. Minutes of the previous meeting & matters arising

3.1 The minutes of the previous meeting were agreed and the actions were noted.

4. Declarations of Interest

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

- Peter Martin and Paul Spooner declared an interest in the Guildford Town Centre Transport Infrastructure Package project and left the room during the decision making.

5. Land and Property Action Group

5.1 Malcolm Young, Chair of the Land and Property Action Group provided an update on the key areas of work being addressed by the Action Group. The purpose of the Action Group was to bring together private sector property experts and public sector representatives from the Enterprise M3 LEP area to evaluate the nature of space for both residential and commercial uses. The aims and objectives were to inform the LEP on supply, demand and take-up in the commercial property market, provide an effective forum for wider discussion on land and property related issues and align those issues with the Enterprise M3 Strategic Economic Plan (SEP).

5.2 The Action Group was developing a set of Key Performance Indicators (KPIs) to monitor progress towards achieving the aims and objectives. There were five KPIs being developed for monitoring: the status of the local authorities local plans; the number of residential units consented by each local authority per annum; the number of housing starts and completions against the planned housing delivery rate; the status of CIL adoption and the rate for housing development set by each local authority; and, the average house price, to buy and rent, against the average wage earning within each local authority.

Commercial Property Market Study

5.3 Chris Paddock, Project Director from Regeneris, reported on the early findings from the Commercial Property Market Study. The study looked at the employment change and business change in the Enterprise M3 area to ensure that the business offer met the current demand. The study showed there was a strong growth in demand for office space since the 2013 study although there was evidence of some change in the market demand. There were different challenges being experienced in different market areas but overall the vast amount of availability was in Grade B space. The recommendations for the office market was that a framework was developed to prioritise where investment was needed and what interventions were required.

5.4 The study also looked at the industrial market which showed there was a strong growth in demand since the 2013 study but it was constrained by a lack of supply. Agents had reported that there was a significant undersupply of industrial space in most market areas, in particular a shortage of large warehouses and small industrial units. The recommendations from the study was for local authorities to include suitable sites in local plans, resist pressure to convert the few existing sites for other uses and carrying out cross-LEP work to understand the regional shortage of distribution land and implications for economic growth.

5.5 The development opportunities and constraints in each of the Enterprise Zone sites were set out. Information on the issues resulting from the permitted development rights in each of the market areas in Enterprise M3 was also provided. In particular Guildford, Winchester and New Forest were highlighted as areas where there was pressure on an already limited supply

5.6 The recommendations from the study acknowledged the benefits of permitted development rights but supported reform to the policy to provide local areas with more control. There was a need for improved monitoring and information sharing and a consistent set of indicators to inform future investment decisions. A clear joint inward investment offer in the Enterprise M3 area was required to capitalise on a growing demand from investors relocating out of London. It was also recommended that the LEP could provide expertise to advise local authorities on the use of assets to support economic growth. It was concluded that the roles of the LEP should be to help local authorities deliver their local plans, champion those authorities focussed on growth, provide a link to the private sector and the needs of business and facilitate area based forums.

Housing Policy

5.7 Chris Tinker advised the Board on the evolving Government housing policy. By the end of 2020 the Government target was to deliver 1 million new homes, realise 200,000 starter home sales and see an increase in home ownership in the under 35's. The Government also wanted to see meaningful progress on local plans by March 2017. The statistics showed that the majority of households in England and Wales owned their own homes either outright or with a mortgage. However the private rental market had increased by one million in the last decade and was forecast to increase by one million more in the next five years. The Government had introduced a 'Help to Buy' scheme to help first time buyers get onto the property market by providing a loan of up to 20% of the purchase price. The types of property that would be affordable using the scheme would vary across the country depending on house prices.

5.8 The Board received information on the local authorities in the Enterprise M3 area that had adopted local plans and had up to date strategic housing needs assessments. Statistics on how local authorities were meeting housing need was also set out. A website was being developed to show real-time information on housing delivery in the local authority areas. The figures showed that although there had been an increase of 10% in housing delivery in the Enterprise M3 area only 51% of housing need was being delivered.

5.9 The Board discussed the information provided from both the commercial property market study and the housing presentations. It was suggested that there was potential to make use of underused and redundant out of town shopping sites. The Board agreed that the LEP should look at policy and strategy and work with local authorities to identify blockers and help with interventions. The issues identified would be picked up and included in the review of the SEP. The Board thanked Malcolm Young and Chris Tinker for their valuable contributions to the work of the Land and Property Action Group.

Action to be taken	By Whom	When
Regeneris presentation and housing policy presentation to be shared with Board Members	Tanja Aijo	8 April 2016

6. Influencing Strategic Transport in the South East

6.1 Geoff French informed the Board on the Influencing Transport in the South East Study which had recently been completed. The study had been commissioned by Enterprise M3 in partnership with Thames Valley Berkshire, Solent and Coast to Capital LEPs and in close collaboration with the local highway authorities. The key aim of the work was to test the hypothesis that investment in major strategic transport corridors would generate high levels of economic growth and provide evidence to substantiate and quantify the theory. The key conclusion from the study was that better road and rail services would generate thousands of jobs and stimulate huge economic growth in one of the country's key economic areas. The report estimated that the total benefit to the economy would exceed £19.5bn per annum, with more than 100,000 additional jobs created.

- 6.2 The study looked at a variety of schemes in selected corridors where current transport was poor. The schemes were ranked on their GVA contribution, deliverability and benefit cost ratio. The results will be discussed within each LEP and shared with the highway and rail authorities and a common approach would need to be agreed. Some of the schemes may be suitable to be bid for as part of the Local Transport Majors funding announced by Government. The full study report would be shared with Board members as soon as it was available.

Action to be taken	By Whom	When
Strategic transport presentation to be shared with Board Members	Tanja Aijo	8 April 2016

7. Devolution Update

- 7.1 The Board received an update on the Hampshire and Isle of Wight (HIOW) and Three Southern Counties (3SC) devolution deals. The HIOW Leaders had ruled out adopting an elected mayor at the partnership meeting in February but since that meeting the Solent area had been in discussion with Government over a proposed deal with an elected mayor. The North Hampshire and New Forest districts were currently working with Enterprise M3 on a devolution proposal based around priorities within the HIOW proposal. Discussions were at an early stage but the plan was for a proposal to be developed by July 2016.
- 7.2 A challenge session for the 3SC had been held in January and a follow up session with senior civil servant was planned. A major meeting of all leaders, Chief Executives and LEPs was being held on 8 April. 3SC was working towards a possible announcement in September 2016.
- 7.3 There were a number of issues identified with split districts in the Hampshire area as well as split county areas and the stated intention of East Hants to join the Solent Combined Authority. The development of the Combined Authority (CA) could mean the CA would have more say on economic matters and would take forward the economic plans set out in the SEP. Existing LGF projects that fall within the Solent CA would probably continue to be funded by Enterprise M3, the current funding amounted to £27m. The multi-site Enterprise Zone was made up of three sites, one of which was in East Hants, which would need to be taken into account by the CA. Enterprise M3 would continue to work closely with Solent LEP as the Solent CA bid was developed and with Coast to Capital on the 3SC proposal.
- 7.4 The Board noted the update and confirmed that the sub group of the Board comprising Geoff French, Mike Short, James Cretney, Louise Punter, Cllr Peter Martin and Cllr Clive Sanders be given delegated responsibility to sign off a deal document.

8. Joint Leaders Board Update

- 8.1 Clive Sanders advised the Board that the Joint Leaders Board meeting had been held on 24 March where discussions had been held on devolution and information had been provided on the Strategic Transport Study along with the results of the Commercial Property Market Study.

9. Local Growth Fund Project for Approval

Guildford Town Centre Transport Infrastructure Package

- 9.1 The Board received a report on the Guildford Town Centre Transport Infrastructure Package. The key problems which had been identified in Guildford were the congested highway network, inadequate facilities for pedestrians and cyclists and the town centre gyratory, which all had an adverse effect on economic activity. The schemes proposed in the package

would incrementally contribute towards achieving the aspirations set out within the draft Masterplan and support the emerging Guildford Local Plan.

9.2 There were seven schemes contained within the package:

Scheme 1, Walnut Tree Close - experimental closure of Walnut Tree Close for up to 18 months to the north of Guildford Station to help reduce circulating traffic on the one-way system.

Scheme 2, Walnut Bridge – provide a new, wider bridge designed for all non-motorised users to line up with development proposals for both the Bedford Wharf and station areas.

Scheme 3, Guildford College Link+ - link Walnut Bridge to Guildford College with a new pedestrian and cycle route, to provide a route from Guildford rail station to the college and connect the existing walking and cycling network.

Scheme 4, Millbrook car park - provide traffic lights at the car park junction to the south of the town centre, to allow cars to turn right out of Millbrook Car Park to help reduce the volume of traffic entering the gyratory system.

Scheme 5, A25 cycle corridor - provide a continuous route along the A25 through the nearby business areas.

Scheme 6, A25/A320 Stoke cross roads - improve bus journey times, and provide cyclists and pedestrians with a continuous off road route including a safe route through the junction.

Scheme 7, A3100 London Road – provide bus stop facilities and real time passenger information along the London Road and an off-road shared path.

9.3 The schemes were all ‘minor’ improvements with the exception of scheme 2, Walnut Bridge. Guildford Borough Council and Surrey County Council had worked in partnership and the schemes were supported by businesses, the rail operator and Guildford College.

9.4 Due diligence had been undertaken and AECOM concluded that Guildford Borough Council and Surrey County Council had put together a good case for the improvement package and its linkages to specific parts of Guildford. The initial review had resulted in a number of clarifications and questions to which Surrey County Council had responded in full. The business case was considered to be well presented and strong with key economic benefits of the scheme being identified.

9.5 The total cost of the schemes was £9.26m, the Local Growth Fund request was for £6.55m with match funding of £2.71m from Guildford Borough Council, Surrey County Council and funding secured from S106 and the Community Infrastructure Levy. The Programme Management Group had considered the project and agreed to recommend to the Board that the LGF expenditure was approved.

9.6 The Board agreed that £6.55m of expenditure from LGF be approved for the Guildford Town Centre Transport Infrastructure Package.

Action to be taken	By Whom	When
Progress the Guildford Town Centre Transport Infrastructure Package project to contracting	Kevin Travers	April 2016

10. Local Growth Fund Programme Update

- 10.1 Tanja Aijo, Project and Programme Manager, provided a summary of the current position of the Local Growth Fund (LGF) projects. The Woking Town Centre Transport Infrastructure Package was due to be presented to the Board in March. However following due diligence by AECOM Woking Borough Council had been asked to carry out additional work to demonstrate more clearly the specific relationship between the proposed investment and each element of the proposed scheme. It was expected that the work would be completed in time for the full business case to be considered by the Board at the meeting in May.
- 10.2 The Juniversity project was currently not progressing, however further work was being carried out by the University of Winchester to try and identify more match funding. The project would come back to the Group once sufficient match funding had been secured.
- 10.3 The current LGF spend forecast for 2015/16 was £29.4m and the team was working hard to ensure payments were made before the end of the financial year. The profiles for 2016/17 and future years had been revised and a number of projects were due to spend later than previously planned. This had resulted in a reduction in the over allocation in 2016/17. The profiling of projects would be reviewed and an update would be brought to the May Board meeting.
- 10.4 The Government had confirmed that the balance of £4.3bn within the original £12bn Local Growth Fund envelope would be made available with a significant emphasis on supporting housing, transport and skills. Specifically, £475m would be provided for large major local transport projects, £2bn would be provided through the HCA as a home building fund and the remaining £1.8bn would be for the Local Growth Fund. A letter was expected from Greg Clark to clarify the process for the funds but it was expected that it would be a competitive bidding process with a deadline of July 2016. An initial review of the expressions of interest received would be carried out at the beginning of April and viable projects reported to action groups in April/early May and then onto PMG and the Board. The pipeline of projects would need to be considered to identify any projects not likely to deliver and to bring forward projects that could be implemented quickly as part of the Local Growth Fund 3 submission.

Action to be taken	By Whom	When
Woking Town Centre Infrastructure Package to be submitted to the Board on 24 May	Kevin Travers	24 May 2016
Profiling for 2016/17 and beyond to be updated and reported to the Board	Tanja Aijo	24 May 2016
Review pipeline of projects and consider new projects to bring forward	Kathy Slack/ Tanja Aijo	24 May 2016

11. Growing Enterprise Fund

- 11.1 Tanja Aijo reported on the progress of the Growing Enterprise Fund (GEF). A cashflow overview was circulated which showed the forecast income and expenditure for the next two years, the balance at the end of 2015/16 was forecast to be £5.2m. Since the previous meeting invoices had been received for Activation Aldershot and Addlestone One totalling £930k, Tannery Studios funding agreement was due to be signed shortly and Chapel Hill was being negotiated by Sentinel's solicitors and HCC legal department.
- 11.2 The application received for Grenville Copse Treehouse project reported at the previous meeting had been withdrawn, the application may be resubmitted at a later date if they were able to secure additional funding.

11.3 The Aldershot Enterprise Centre project had undergone due diligence which largely confirmed the proposed outputs therefore negotiation on a legal agreement was proceeding for funding of £155k.

11.4 The PMG had reviewed an application for Forest Gate Business Centre and although acknowledging the need for such office space in the New Forest had agreed that it should not proceed at this point due to lack of match funding, unconfirmed land values and an unrealistic financial model.

12. Assurance Framework

12.1 Tanja Aijo advised the Board that the Assurance Framework was required to be updated annually and changes had been made to reflect the update of the website and pick up some minor points identified in a recent Government audit. The changes had been reviewed by Hampshire County Council who had confirmed they were compliant with the LEP Assurance Framework. The Board agreed the changes made to the Assurance Framework.

13. Business Plan

13.1 The Board was provided with a copy of the Draft Enterprise M3 Business Plan which provided an overview of the main projects Enterprise M3 would be working on in 2016/17. The final version of the Business Plan would be presented to the strategic workshop on 24 May where the top 10 topics would be discussed to set clear targets and agree ratings for performance. The Board approved the content of the Business Plan but it was suggested it should also include information on how Enterprise M3 worked with partners.

Action to be taken	By Whom	When
Information on how Enterprise M3 worked with partners to be included in the Business Plan	Tanja Aijo	24 May 2016

14. Finance Report

14.1 The Board considered the revenue budgets for 2016/17. The income for 2016/17 was budgeted at £945k which was slightly lower than in 2015/16, this was due to a number of one-off successful bids received to administer specific projects in 2015/16. The forecast expenditure for the operational fund in 2016/17 was £834k and for the GEF revenue fund was £336k. It was requested that an additional column was included to show the variance in the budgets in pounds and as a percentage.

14.2 The Board agreed the proposed budget and delegated authority to the LEP Director to manage day to day spending on the revenue budgets within the headline income and expenditure parameters. Authority would be sought from the Board if there was a deviation of more than +/- 10% on the headline figures.

14.3 Enterprise M3 had received confirmation that grant funding was available to LEPs in 2016/17 and 2017/18 to further develop growth hubs. The funding was equivalent to £287k in each year, which left a shortfall of £108k in 2016/17. It was proposed that £108k was transferred from the SEEDA Legacy Fund into the Growth Hub account to allow continued delivery of the Growth Hub.

Action to be taken	By Whom	When
An additional column be included in the finance report to show the £ and % variance in the budgets	Alex Piper	24 May 2016

15. **Directors Report**

15.1 The Board received and noted the Directors Report. In addition the Board was advised that the Science and Innovation Audit had been unsuccessful but feedback had been received from BIS on areas to improve for a future bid. The Remuneration Committee had approved the extension of staff contracts to June 2017.

16. **Forward Programme**

16.1 The Board received and noted the Forward Programme.

17. **Any Other Business**

17.1 Christine Slaymaker had stepped down as the Further Education representative on the Enterprise M3 Board and Tim Jackson, Principal at Sparsholt and Andover College had been appointed as her replacement. The Board thanked Christine Slaymaker for her valuable contribution to the Board and wished her well for the future.

17.2 David Hodge had asked for a representative to be nominated to stand on a Funding Strategy Group for the River Thames Flood Defence work. Board Members were asked to advise Geoff French if they would be willing to be appointed to the Group.

17.3 The future Enterprise M3 Board meetings would be held on

- Tuesday 24 May, 2016 – 5G Innovation Centre, University of Surrey, Guildford
- Tuesday 26 July, 2016 – venue TBC
- Thursday 29 September, 2016 – Sandown Park Racecourse, Esher
- Tuesday 29 November, 2016 – venue TBC
- Tuesday 31 January, 2017 – venue TBC
- Tuesday 28 March, 2017 – venue TBC