

Enterprise M3 Programme Management Group

17 January 2019, 10:00-13:00

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

DRAFT MINUTES

Members Attending

James Cretney - Chair
Deborah Allen
Dave Axam
Matt Furniss
Caroline Horrill
Rob Humby
Paul Millin
Catherine Turner

Guests Attending

Kathy Slack
Sally Agass
Rachel Barker
Jeannie Satchell
Kevin Travers
Deborah Wyatt
Justine Davie

Apologies

Rob Carr
Mike D'Alton
David Fletcher

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 15 November and 21 December 2018 were agreed and the actions noted. The Group discussed para 4.3 on the minutes from 21 December and agreed that the additional £700k funding requested for Basing View plot K/K1 did not need to be recommended to Board for approval as PMG had the delegated authority to approve the additional funding. It was confirmed that the additional £700k funding was approved by the Group and the minutes would be amended to reflect the decision.

3. Declaration of Interest

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

Name	Interest	Declared Action
Rob Humby and Caroline Horrill	Sparsholt Animal Health & Welfare Research Facility	Left the room during the decision making
Paul Millin and Matt Furniss	London Road Highways Improvements, Camberley and Woking Sustainable Transport Package	Left the room during the decision making
Rob Humby	Town Mills, Andover	Left the room during the decision making

4. Annual Performance Review Update

4.1 Kathy Slack updated the Group on the Annual Performance Review (APR) which had been held on 9 January. The APR was attended by Kathy Slack, Sally Agass, Dave Axam, Deborah Allen, Clive Sanders and Rob Carr from Enterprise M3. There had been a lot of work carried out prior to the APR and those in attendance were well prepared and put forward evidence to Government that Enterprise M3 LEP believe demonstrated exceptional performance in all areas. The overall view was that the APR went well although Government were not prepared to comment on the likely outcome.

5. Capital Programme Update

- 5.1 The Group received a report on the current projected expenditure at the end of Q3 and the progress with delivering the capital programme on both expenditure and outputs. There had been some delays in spend on some projects which were being addressed and measures were being put in place to ensure the predicted spend at the end of 2018/19 of 99%, which was reported at the APR, was achieved. The new prospectus was issued in December 2018 which sought projects which would closely align to the Strategic Economic Plan and emerging Local Industrial Strategy. The Group requested that future expenditure reports included an in-year RAG rating as well as showing the project status for the overall programme.
- 5.2 It was recognised that further work was required on the outputs and impact of projects. It was proposed that spot checks would be carried out on projects and AECOM would be commissioned to complete impact assessments on selected transport schemes. The Group agreed that it was essential to strengthen the outputs information to demonstrate what was being achieved.
- 5.3 At the PMG telephone conference meeting on 21 December the Elmbridge Invest for Growth project had been considered for approval and it had been requested that discussions were held with Elmbridge Borough Council to see if a £1.5m loan could be agreed rather than a grant for the project. Discussions had taken place and a 50% loan and 50% grant had been proposed by Elmbridge Borough Council. They had also agreed that Enterprise M3 could be represented on the committee to agree how the £300k per annum from the Council should be reinvested in the area.
- 5.4 The Group discussed the project and requested that a further paper be provided for consideration setting out the expenditure figures, income generated per year and the capital growth generated. It was also requested that the information on the outputs generated be provided. As the purchase of the property was dependent on the PMG decision timescales were tight therefore it was suggested that a telephone conference was arranged once the information was available.

Action to be taken	By Whom	When
Prepare a PMG report for future meetings to show an in-year RAG rating for capital spend	Rachel Barker	March 2019
Arrange a telephone conference to consider the Elmbridge Invest for Growth project with a paper setting out the expenditure figures, income generated, capital growth and outputs	Sally Agass	February 2019

6. New Expressions of Interest

- 6.1 The Group received a report on two new expressions of interest which had been submitted and ranked as category A projects. The Innovation South Virtual Campus project requested £490k of grant funding to enable an online platform to be developed which would provide skills development rather than just qualifications. The project had been developed by universities, further education colleges and had received endorsement from businesses. The project would be delivered across all of the colleges in the Enterprise M3 area using their facilities. There was also some collaboration with colleges in a neighbouring LEP area. There was no match funding but all organisations involved would provide time in kind.
- 6.2 The Group discussed the project and although agreed that the project was on message it was unusual for Enterprise M3 to wholly fund a project. It was agreed that schemes would only be wholly funded in exceptional circumstances.
- 6.3 The Sparsholt Animal Health & Welfare Research Facility project requested £1.15m grant funding for the refurbishment of existing and building new college facilities to provide facilities

to allow teaching, learning through research and optimal conditions to disseminate best practice across the animal welfare, nursing and animal welfare care sector. Sparsholt would contribute £809k match funding.

- 6.4 The Group agreed that both projects should proceed to due diligence but asked that Sparsholt be requested to provide further details on the number of apprentices forecast to be achieved and make clear the project's strategic fit.

Action to be taken	By Whom	When
Proceed Innovation South Virtual Campus project to due diligence	Jeannie Satchell	February 2019
Ask Sparsholt College to provide further details on apprenticeship figures and set out the strategic fit of the Animal Health and Welfare Research Facility project and proceed to due diligence	Jeannie Satchell	February 2019

7. EZ³ Programme Update

- 7.1 The Group received a report providing an update on the EZ³ projects at Basing View and Longcross which were receiving Enterprise M3 capital funding. Following the report received at the meeting on 21 December PMG had approved an increase of the loan for Plot K/K1 up to £700k. Some final negotiations were still taking place however Basingstoke and Deane Borough Council would be commencing some works from mid-January. The current delay in commencement of the enabling works would impact on the timetable for the receipt of business rates income growth. A design team was being appointed to develop the Innovation Centre on Plot J which it was anticipated would allow for the marketing of a new building to potentially secure adequate pre-let contracts. A review would be carried out in 2019/20 to establish the risk of exceeding the total cost of the project. Enabling works on Plot W were nearing completion and site handover to Village Hotels was completed in November 2018 with construction completion date expected in 2020.
- 7.2 The upgrade to the existing power supply at Longcross Park was progressing and an initial contract had been signed to commence the detailed design work. A further contract was being reviewed by lawyers and expected to be ready for signing at the end January. The Discovery Building construction was due to commence but as the public realm work was not expected to be carried out until after the building construction it was unlikely that the project would achieve any spend in 2018/19. Contracts were expected to be signed at end January for the Discovery Building project. The focus for the Enterprise M3 team was to ensure contracts were signed by end January. It was proposed that a visit be arranged to the EZ sites for the Group/Board.

Action to be taken	By Whom	When
Arrange for a visit to Basing View for PMG/Board	Justine Davie	March 2019

8. LEP Update on Recent Developments

- 8.1 Kathy Slack advised the Group that details will be provided at a future meeting on possible spend required to support businesses following the outcome of Brexit.

9. Capital Projects for Consideration

a) Camberley London Road Highways Improvements

- 9.1 The Group received a report on London Road Highway Improvements, Camberley project which sought £3.75m grant funding to be matched by £1.25m jointly from Surrey Heath Borough Council and Surrey County Council. The project aimed to bring about significant

transport improvements along the A30 London Road through Camberley to improve access to Camberley Town Centre and reduce traffic congestion and create the conditions for unlocking the development of the London Road Block. The project would also enhance and sustain the benefits of the improvements to The Meadows Gyratory and enhance the quality and use of public transport. The scheme would generate 15 direct jobs and 160 indirect jobs, provide approximately 8,000m² of new or redeveloped employment floorspace and bring forward 350 homes. It was also anticipated that the scheme would have a GVA contribution of £10.5m and an uplift in land values of £26.8m.

- 9.2 AECOM reviewed the business case and put forward three critical issues which needed to be addressed. Following the initial evaluation AECOM and the LEP met with Surrey County Council and Surrey Heath Borough Council to clarify the outstanding issues and a revised business case was submitted to address the issues. The revised business case demonstrated more clearly that the development opportunities offered by the London Road Block and other improvements to the town centre were being held back because of poor accessibility. Final observations from AECOM were that Surrey County Council had provided a qualitative clarification on the journey time impacts for buses. However, although there was some evidence to support the bus reliability and accessibility benefits of the scheme it was limited due to the lack of quantitative analysis. Further discussions had taken place with Stagecoach who had requested further reassurance that the scheme would not have a detrimental impact on bus service reliability. Surrey County Council had proposed to seek to maximise the time at the signals available for buses through the design process using ANPR and monitor and amend signals once the scheme was introduced. It was hoped that as a result of the suggested approach Stagecoach would provide a letter supporting the overall scheme.
- 9.3 The Group discussed the scheme and agreed that support from Stagecoach was key particularly with the match fund from Stagecoach on the Blackwater Valley Gold Grid scheme. Surrey County Council had evidenced the overall benefits to all traffic along the full stretch of the A30. It was difficult to model detailed impacts on buses accurately at this stage, without delaying the programme and increasing costs, so Surrey County Council had offered to make amendments to the scheme when operational to ensure buses were not adversely affected overall. Nevertheless, Surrey County Council would continue to work with Stagecoach to demonstrate the benefits. The Group asked that the report be revised to show what would be achieved rather than what could be achieved and data on air quality already available should be added to the report before being submitted to Board. The Group agreed to recommend to Board to approve the project but only if a letter of support was received from Stagecoach before the Board papers were distributed. The Chair would be consulted if a letter was received before the item was included on the Board agenda.

Action to be taken	By Whom	When
Recommend to Board to approve the London Road Highway Improvements Camberley scheme, subject to a letter of support being received from Stagecoach, and agreement from the Chair.	Kevin Travers	24 January 2019

b) Woking - Sustainable Transport Package – Phase 1

- 9.4 The Group received a report on the Woking Sustainable Transport Package – Phase 1 which requested a capital grant of £3m to deliver enhancements to walking, cycling and bus infrastructure to promote clean growth in Woking Borough. The initial business case for the scheme had been considered by the Group on 15 November 2018 and further detail had been requested to demonstrate the benefits of the scheme. Surrey County Council had advised that a paired down methodology had been used to assess the STP in Woking focussing on physical activity and journey quality. The improved cycle facilities and improved walking access to areas of Woking town centre would lead to an increase in physical activity, especially amongst commuters. However, it had not been possible to quantify the benefits further due to the nature of the scheme infilling missing links which would not lend itself to an accurate assessment by the suggested methodology. The Group accepted that the approach was reasonable. The refurbishment and re-use of 2,000m² of office space in Woking Town

Centre had been evidenced by Surrey County Council following surveys of local businesses, the extent of vacant office space in Woking and Council policies for the town centre. If there was no improvement to accessibility or the shortage of good quality business accommodation, existing businesses could move out of Woking and inward investment would become difficult to attract. The introduction of the measures would send an important message to businesses and the property sector and raise investor confidence. The 2,000m² claimed as an output for the project represented 6.7% of the vacant office space currently available.

- 9.5 The Group discussed the project and in particular queried whether the 2,000m² of office space could be attributed to the project. The Group was advised, as detailed in the report, that there was further evidence available from Surrey County Council on request to demonstrate the 2,000m². It was requested that a further paper was brought to PMG setting out the benefits more clearly prior to submission to Board. It was suggested the revised paper could be considered at the telephone conference with the Elmbridge Invest for Growth project.

Action to be taken	By Whom	When
Submit a revised paper to PMG clearly demonstrating the benefits of the Woking STP project	Kevin Travers	February 2019

c) Town Mills, Andover

- 9.6 The Group received details on the Town Mills, Andover project which sought grant funding of £513k with 50% match funding being provided by Test Valley Borough Council and Section 106 contributions from Hampshire County Council. The project would create a new urban park with close links to the High Street, incorporating a cycleway and footpath, remove traffic from the town centre and provide direct access to Town Mills car park from the ring road via a new junction. The scheme would not provide jobs, housing or employment space but was part of an overall package of work to deliver the Masterplan for the town centre which would result in new jobs through a growth in employment floorspace. There were some elements of the project still to be confirmed but could be addressed by the applicant prior to the final legal agreement being put in place.
- 9.7 The Group discussed the project and raised questions relating to air quality issues and the potential for digital to be included in the heritage trail as a requirement, it was confirmed that both issues would be addressed. The Group agreed to approve £513,212 grant funding for the Town Mills, Andover project.

Action to be taken	By Whom	When
Proceed the Town Mills, Andover project to contract.	Kevin Traver	February 2019

10. Draft Monitoring and Evaluation Policy

- 10.1 The Group noted the draft Monitoring and Evaluation Policy which had been developed following requirements set out in the Assurance Framework.

11. European Programme Update

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

12. Forward Programme

- 12.1 The Group noted the current forward programme.

13. Any Other Business

- 13.1 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

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