

Enterprise M3 Board

30 November 2017

Growing Enterprise Fund – Item 17

Enterprise M3 Board is asked to:

Note the recent progress of the Growing Enterprise Fund projects.

1. Growing Enterprise Fund – Progress

- 1.1 A table summarising the progress of the projects allocated funding is attached at Annex 1 and the Enterprise M3 Board is asked to note the progress update.
- 1.2 A cash flow overview is shown in Annex 2. All repayments have been received on schedule. The overview shows a 2017/18 forecast year-end balance of £7.54m. These figures do not yet reflect the imminent capital to revenue swap which will be funded from the Growing Enterprise Fund and will leave a year-end balance of £4.54m.
- 1.3 Given the forecast year-end balance, the Growing Enterprise Fund remains open to new applications but enquiry levels are low. As noted by the Enterprise M3 Board in May 2017, it is intended that the Growing Enterprise Fund be merged with the Local Growth Fund at the start of the 2018/19 financial year and a further detailed paper will be brought in due course.
- 1.4 PMG and Board agreed in July 2017 that the Cranleigh Village Hospital proposal should be progressed to due diligence. Since this time the applicant has advised that they have been able to secure private funding for the development and therefore will not be progressing with their Growing Enterprise Fund application.
- 1.5 In addition, Hampshire County Council have confirmed that the 'ring-fenced' £3m to support a major inward investment enquiry is still required. There is considerable positive progress with the company involved and we know that the Enterprise M3 area is now one of two areas being considered. Board members are asked to note that this is not included in the figures presented in this paper as a formal proposal has not yet been submitted for consideration. It is expected that an announcement on this inward investment enquiry will be made in early 2018. Given the increasing number of similar enquiries to support inward investment, the team will be giving consideration to an Internationalisation/Inward Investment fund to support similar activity across the Enterprise M3 area from 2018/19 onwards and will present detailed proposals to PMG and Board for approval in early 2018.

Annex 1 – Summary of approved projects

Annex 2 – Cashflow overview

Rachel Barker
20 November 2017

Annex 1 - Summary of approved projects

Project	Total funding approved	Spend to date	Repayments to date	Repayment timetable	Project Status	Additional information	Anticipated economic outcomes
Brightwells, Farnham	£1,573,000	£1,564,790.82	£1,564,790.82	All funding repaid to GEF on 30 June 2015.	GEF Agreement signed. Work completed in January 2015.	The additional development unlocked by the project remains on hold. In May 2016 Full Council gave approval for the scheme to go unconditional but has been placed on hold while a judicial review brought on by a group of local residents takes place. This was refused in March 2017 and a start on site is expected in 2017.	New homes – 239 Jobs created – 477
Sheerwater Access Road, Woking	£2,000,000	£2,000,000.00	£1,200,000.00	£400,000 on 31 Dec from 2014 – 2018. First repayment made 31 Dec 2014, second repayment made 31 Dec 2015, third repayment made 31 Dec 2016.	Agreement signed April 2013. Works started on site w/c 4 March 2013 new road opened Nov 2013.	Commercial agents fed back increased demand at the Sheerwater Business Park. New supermarket opened Oct 2014. The project was completed and opened on schedule. The scheme is delivering the expected economic, development and housing outcomes at this stage.	Jobs created – 575 (achieved) Jobs safeguarded – 280 (achieved)
Tannery Studios, Send (Ph.1)	£156,000	£156,000.00	£0.00	Lump sum in January 2019 (five years after drawdown)	Agreement signed November 2013.	Works now completed.	Jobs created – 75 (achieved) Jobs safeguarded – 138 (achieved)
Activation Aldershot	£3,000,000	£3,000,000.00	£857,142.86	Seven equal payments starting in March 2016. First Repayment made 7th March 2016. Second repayment made March 2017	Agreement signed Jan 2015. Works commenced in Jan 2015 and completed in July 2015.	Resolution to grant planning permission for Aldershot Urban Extension – July 2013. S106 signed March 2014	Jobs created – 40 Regeneration of Aldershot Town Centre. Acceleration of development.
Tannery Studios, Send (Phase 2)	£1,300,000	£1,100,000.00	£0.00	Over 15 year period.	Agreement signed July 2016, 1st payment made July 2016. Works started in July 2016	15 year legal charge over the lease has been granted to Enterprise M3 as security. Demolition and asbestos removal commenced in January 2017. Rachel Barker visited the site in March 2017.	Jobs created – 650

Farnborough International Infrastructure Development, Farnborough International	£2,500,000	£2,500,000.00	£1,250,000.00	Three payments following airshows in 2014, 2016 and 2018. Second repayment (£1m) was made on 30 June 2016.	Agreements signed in October 2013. Work started on site in October 2013 and completed in April 2014.	Work completed on schedule. All new chalet space was let for 2014 and 2016 show.	Jobs created – 20 Jobs safeguarded – 38
Enterprise M3 Expansion Fund	£5,500,000	£3,936,138.00	£0.00	Repayments to commence in 2019 and complete by 2021.	Agreement signed 2 July 2014 and fund launched on 11 July 2014. First loans made November 2014.	Board agreed in May 2017 to extend the investment period to June 2018. Evaluation of Expansion Fund completed and reported to PMG and Board in May 2017.	Jobs created – 150 (98 achieved) Leverage - £15m
Chapel Hill, Basingstoke	£2,129,000	£2,129,000.00	£532,250.00	First repayment made in July 2017 and repayments will be complete by 2021.	Legal Agreement signed in June 2016, loan paid out in July 2016.	Construction work has started on site and the show home opened in February 2017. Land and Property Group visited site in March 2017	New homes – 580
Addlestone One, Runnymede	£3,000,000	£3,000,000.00	£2,000,000.00	6 equal six-monthly payments from March 2016.	Legal agreement signed September 2015. First £500k repayment made in March 2016, second one in September 2016 and third in March 2017.	Project is slightly ahead of schedule. Multi-storey car park is complete and in use, generating small income stream. Phase 1 complete in April 17 and phase 2 in Dec 17, on target.	Jobs created – 200 New homes - 213
Aldershot Enterprise Centre	£155,000	£115,000.00	£0.00	3 equal annual payments of £15,500 from December 2017.	Agreement signed 29 July 2016. Works completed in November 2016.	Hampshire Day Services have moved on site and are looking at work trials for their clients with resident companies.	Jobs created - 80 (45 achieved to date) New businesses - 25 (14 achieved to date) Apprenticeships - 1
Total	£21,313,000	£19,540,929	£7,404,184				

Annex 2 – Cashflow overview

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Actual Expenditure	£225,900	£4,749,306	£5,920,859	£4,323,281	£3,102,412	£1,219,171.00	£0.00		
Actual Repayments			£650,000	£2,893,362	£2,828,571	£1,032,250.00	£0.00		
Forecast Expenditure					£0	£1,763,862.00	£0.00	£0.00	£0.00
Forecast Repayments					£0	£1,844,071	£3,282,321	£976,321	£1,810,821
Balance at End of Year	£19,875,901	£15,126,595	£9,855,736	£8,425,817	£8,151,977	£7,545,265	£10,827,587	£11,803,908	£13,614,730