

## Enterprise M3 Ltd Board Meeting

22 May 2019 - 12.00-5.00pm

Watts Gallery, Down Lane, Compton, Surrey, GU3 1DQ

### DRAFT MINUTES

#### Directors in Attendance

James Cretney - Chair  
Simon Browne  
Linda Cheung  
David Clifford  
Jason Gaskell  
Paul Hogg  
Tim Jackson  
Colin Kemp  
Keith Mans  
Ross McNally  
Kathy Slack

#### Co-opted Member

Mike Short

#### EM3 Team in Attendance

Rachel Barker  
Rob Dunford  
Kevin Travers  
Justine Davie

#### Guests in Attendance

Toni Wootton

#### Apologies

Deborah Allen  
Dave Axam  
Barney Ely  
Stacey King  
Andrew Lambert  
Jim McAllister  
Ken Moon

## 1. Welcome from Watts Gallery

- 1.1 Alistair Burtenshaw, Director of Watts Gallery welcomed the Board and provided some background history to the Gallery. The Board was informed that as well as being an art gallery they also offered courses and practical workshops and provided an engaging programme of events. Watts Gallery worked closely with the local community and offered opportunities for youth groups to become involved in projects. The Chair thanked Alistair on behalf of the Board for hosting the meeting and providing and interesting insight into the history of Watts Gallery and its current work.

## 2. Welcome and Introductions from Chair

- 2.1 James Cretney welcomed everyone to the meeting. The Board was advised that following the local elections there had been a number of changes to the political make-up of some of the local authorities in the Enterprise M3 area and a list was circulated. The significant impact on the Board was that both Julia Potts and Paul Spooner were no longer Council Leaders therefore had stepped down from the Board. As Clive Sanders had also stepped down there were currently three local authority vacancies on the Board – two for Surrey and one for Hampshire. The Joint Leaders Board would nominate new local authority representatives to the vacant positions following a formal recruitment process. Rachel Barker would work with the Joint Leaders Board on the appointment process.
- 2.2 Keith Mans was congratulated on his appointment as Leader of Hampshire County Council. Keith's term of office on the Board would come to an end in July 2019 and Keith informed the Board that Rob Humby, Deputy Leader of Hampshire County Council, would be nominated for the position.

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

- 3.1 The minutes of the meeting held on 28 March were agreed and the actions noted. In relation to the report on the proposed Annual Performance Review process, Toni Wootton advised that the LEP Network were working with Government on the new process. Arrangements for a Board meeting/dinner to share future strategic ideas and actions was in hand and a date would be confirmed shortly.

#### **4. Chairs Report**

- 4.1 The Board received a paper setting out the Chairs recent activity. The Board was advised that the Chair had been unable to attend the Gulfstream opening ceremony on 8 May but had attended the Joint Leaders Board meeting on 15 May. The Chair had also been working on the content for the Annual Report.

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

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

- Tim Jackson and Linda Cheung left the room during the decision making on the Governance item relating to the extension of their terms of office.
- Colin Kemp left the room during the decision making on the Camberley London Road Highway Improvement item.
- David Clifford and Simon Browne left the room during the decision making on the Farnborough Growth Package item.

#### **6. Enterprise M3 Governance**

- 6.1 Mike Short advised the Board on the current work of the Nominations Committee. The Committee had reviewed the forthcoming vacancies on the Board and agreed an outline process for the recruitment of new private sector Directors. The terms of office of a number of Board Directors would end in 2019. It was recommended that the term of office for Tim Jackson Further Education Board Director, be extended until January 2020 to continue the development of the Diversity Action Plan and continuity on the Resource, Finance and Audit Committee (RFAC). The team were working with the FE Principals Group on a nominee to join the Board when Tim stepped down in January 2020. It was recommended that the term of office for Linda Cheung, private sector Board Director, be extended to a three-year period ending in July 2020. The Board agreed to the extension of the terms of office for both Tim Jackson and Linda Cheung as proposed. It was noted that Keith Mans six-year term of office would end in July 2019 and as previously mentioned Rob Humby, as newly elected Deputy Leader, would be nominated by Hampshire County Council as an EM3 Board Director.
- 6.2 Clive Sanders would be standing down as the Leader of Basingstoke and Deane Borough Council at the end of May 2019. It was proposed that, due to the number of changes within the Board, and as Clive had played such a key role in Enterprise M3, he be appointed as a co-opted Member until September 2019. As a co-opted member Clive would continue to Chair the RFAC and would Chair the Joint Leaders Board in July 2019. The Board agreed for Clive Sanders to be appointed as a co-opted Member of the Enterprise M3 Board until September 2019.
- 6.3 The Nominations Committee considered future Board Director recruitment as a number of private sector Directors would be standing down towards the end of 2020. It was agreed that advertisements would be targeted for Autumn 2019 for new Board Directors which would include high levels of engagement with the private sector, focussing on diversity throughout the process. It was also proposed that successful candidates would join the Board, either in shadow form or through being co-opted, before formally joining the Board as a Director to assist in the induction process.
- 6.4 Board Directors were advised that there were vacancies on the RFAC and Nominations Committee. Directors interested in joining either of those Committees were asked to contact Rachel Barker for further details.
- 6.5 The Board discussed the report. The issue of the not for profit sector not being included in the private sector category was highlighted. It was acknowledged that there were a number of organisations which were classed as public sector, including some banks. The not for profit sector categorisation would be raised with Government.

Action to be taken	By Whom	When
Extend the term of office for Tim Jackson to January 2020 and Linda Cheung to July 2020	Rachel Barker	June 2019
Co-opt Clive Sanders to the Enterprise M3 Board until September 2019	Rachel Barker	June 2019
Contact Rachel Barker if interested in joining the RFAC or Nominations Committee	All Directors	June 2019

## 7. Enterprise M3 Strategic Communications

- 7.1 Linda Cheung reported to the Board on the progress in the development and implementation of a Strategic Communications Plan. The Plan was being developed using a 'story grid' setting out events in the coming year which presented opportunities to promote and raise awareness of Enterprise M3. White Label were planning a series of staff workshops to encourage and develop wider awareness of opportunities for promoting the LEP. The grid would be constantly updated as new opportunities arose. Board members were asked to advise the communications team of events/activity which should be included on the 'story grid'. A workshop would be held to pull the Plan together.
- 7.2 The Annual Report was now drafted and showcased the excellent results and successes achieved throughout the year. An infographic was included which presented the 10 highlights of 2018/19 which demonstrated the impact of investment in projects had delivering jobs, housing and new office space. Other highlights included the business support for Brexit, performance of the Enterprise Zones, launch of the South2East Energy Strategy and success of the Careers and Enterprise Company. A new feature in this year's Annual Report included a 'Working with Business' section which mapped some of the larger companies and contained case studies of some business partners. The strategic messaging identified seven priorities areas for Enterprise M3 including AI & digital, clean growth, innovation, enterprise, exports, places and skills. Those themes would run throughout the Annual Report and across the new website.
- 7.3 The Annual General Meeting (AGM) would be held on 21 June at the Farnborough International Exhibition Centre. Professor Dame Wendy Hall from the University of Southampton and co-author of the influential report for Government on the commercial potential of AI, had agreed to be the guest speaker. A session was being planned on the Local Industrial Strategy as well as an address by the Chair and Chief Executive and a question and answer panel. Thanks were conveyed to Hampshire Chamber of Commerce for their help organising the event. To date over one hundred people had registered to attend.
- 7.4 The Board discussed communications and requested greater clarification between the seven themes in the Annual Report and the Local Industrial Strategy nine elements. The Board was keen to avoid confusion. It was also requested that there was some context to demonstrate that Enterprise M3 was a top performing LEP in relation to other LEPs. It was also proposed there should be something included to highlight partnership working. The comments from the Board would be taken into consideration for the content for the AGM and for the final version of the Annual Report.

Action to be taken	By Whom	When
Advise Sue Littlemore of events/activity to include on the Strategic Communications Plan 'story grid'	All	June 2019
Incorporate comments from the Board for the final version of the Annual Report and for the content for the AGM on 21 June.	Linda Cheung/ White Label/ Sue Littlemore	June 2019

## 8. Local Industrial Strategy

- 8.1 The Board received a report setting out the proposed approach to the work on developing the Local Industrial Strategy and the engagement with partners and stakeholders. Work had been carried out with partners on the interventions for each strategic priority. Fuller engagement was now scheduled

to test out the interventions. A steering group of Board members would be established to steer the overall approach, outside experts could be invited to join specific meetings if required. Action Groups would be used to help steer and develop some of the themes. The Joint Leaders Board would continue to be the forum for senior level political steer and buy-in on the themes and overall approach. A flexible sounding board of wider stakeholders and partners would be formed to provide reactions to document, comment on research and attend workshops and discussion on specific topics. Discussion on language and messaging would be held with Government to ensure the document met expectations. Geoffrey Thornton had been appointed as the BEIS Local Industrial Strategy lead.

8.2 It was proposed that an early beta version of the Local Industrial Strategy would be launched at the AGM to provide a direction of travel to guide the subsequent stages setting out emerging thinking in terms of the overall approach. The document would include some highlights from the evidence being gathered and provide an emerging narrative on each of the nine themes. The Board noted the approach on the development and implementation of the Local Industrial Strategy.

**9. Enterprise M3 2019/20 Delivery Plan**

9.1 The Board received a copy of the near final version of the Enterprise M3 Delivery Plan which set out what was expected to be delivered over the financial year 2019/20. The draft Plan was submitted to Government at end April and the final document needed to be published on the Enterprise M3 website at the end of May. The Plan stated that in 2019/20 Enterprise M3 would deliver £45m capital expenditure, 2,500 jobs created/ safeguarded, 1,000 homes completed, 9,000sqm of new employment floorspace provided, 300 apprenticeships supported and 5,000sqm of learning floorspace created/refurbished. The measures would form the key performance indicators with Government and would be the baseline against which Enterprise M3 would be measured for the Annual Performance Review. The Board would receive regular updates on progress against the targets.

9.2 The Board discussed the Delivery Plan and suggested some areas which should be included. It was proposed that a reference should be made to cross border working, further emphasis on scale-ups and inclusion of towns/communities. The Boards comments would be taken into consideration before finalising the Delivery Plan. The Board agreed to delegate final sign off of the Delivery Plan to Rachel Barker and Rob Dunford so it could be published on the Enterprise M3 website before the end of May.

Action to be taken	By Whom	When
Consider the Board comments and publish the final version of the Enterprise M3 Delivery Plan before end May 2019	Rachel Barker/ Rob Dunford	31 May 2019

**10. Resources, Finance and Audit Committee Report**

10.1 Kathy Slack reported to the Board on the final outturn financial position for 2018/19. The RFAC reviewed and endorsed the end of year position which showed that Enterprise M3 LEP held £2.5m revenue and £42m capital funds. The end of year finished with a surplus of £248k. The financial information would be included in the Annual Report.

10.2 The Board discussed the final outturn financial position for 2018/19. The uncertainty over future funding of LEPs was highlighted and discussions would be held with partners on the potential to increase funding contributions. Recent political changes were acknowledged and it was noted that discussions would be held with local authority leaders on future funding. The Board approved the final outturn 2018/19 position on both revenue and capital funds held by Enterprise M3.

**11. Enterprise M3 Office Location**

11.1 The Board received a confidential report on the proposal for Enterprise M3 to relocate its office to Deskdodge in Basingstoke. There were a number of reasons for Enterprise M3 to consider relocation. Following the LEP Review and subsequent boundary changes it was considered important for Enterprise M3 to be more centrally located within the EM3 geography. Enterprise M3 Ltd was also now operating as a limited company therefore there was an opportunity to alter perception to look and feel more like the private sector. The Enterprise M3 team had also expanded rapidly, with the current number of staff at 34, which had outgrown the current space.

11.2 A property agent was appointed to provide professional advice and guidance. Based on the requirements a short-list was drawn up and reviewed by the Senior Management Team. The preferred location was Deskldodge, Belvedere House, Basingstoke. The office was situated on the Basing View Enterprise Zone and met all of the requirements which had been listed including space for 24 desks, meeting rooms, hotdesking space and breakout space. Deskldodge also provided the best value for money. Relocation costs and rental costs had been included in the 2019/20 budget. All staff had been consulted and it was anticipated that staff would be based from Deskldodge from 1 September 2019. The Board endorsed the proposal for Enterprise M3 to relocate its office to Deskldodge in Basingstoke.

**12. Capital Projects for consideration**

**a) Camberley London Road Highway Improvements**

12.1 The Board 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 (SHBC) and Surrey County Council (SCC). 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 8,000m<sup>2</sup> 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.

12.2 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 SCC and SHBC to clarify the outstanding issues and a revised business case was submitted to address them. 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 SCC 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. SCC 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.

12.3 PMG 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. PMG agreed to recommend for the Board to approve the project once the letter of support was received from Stagecoach. Since PMG there had been a very constructive engagement between Stagecoach and SCC and as a result Stagecoach had written to say they were in support of the scheme, they also were particularly complimentary to SCC in how the issues of concern had been addressed. The Board agreed to approve £3.75m of capital grant funding for the Camberley London Road Highway Improvement scheme.<sup>1</sup>

Action to be taken	By Whom	When
Progress the Camberley London Road Highway Improvement scheme to contract	Kevin Travers	June 2019

**b) Farnborough Growth Package**

12.4 Kevin Travers reported on the business case received from Hampshire County Council (HCC) for the Farnborough Growth Package which requested a capital grant of £6.7m with match funding of £2m from developer’s contributions. The aim of the package was to reduce congestion and improve journey

<sup>1</sup> Keith Mans left the meeting after this item.

time reliability for traffic on the A325/A3011 corridors. The package would support new floorspace provision and job creation at key employment sites in Farnborough and the Wellesley housing development in Aldershot. The business case acknowledged that the nature of the scheme was an enabler to facilitate growth and new developments as well as support existing developments, as opposed to providing direct benefits. It was estimated that there would be 109 temporary jobs associated with the Lynchford Road highway improvements which would unlock 20% of employment sites adjacent to the scheme. The scheme would proportionally unlock 838 housing units by supporting housing growth in Farnborough through congestion and journey time improvements.

- 12.5 AECOM reviewed the business case and raised comments and questions with the scheme promoter. HCC responded to the questions both in writing and through dialogue. Overall AECOM considered that HCC had put together a good full business case which aligned well with the strategic aims of the overall Farnborough Growth Package. There were no critical or amber issues identified through the scrutiny process. However, there were elements to be addressed and HCC had agreed to amend the business case to address the scrutiny issues. AECOM proposed that the scheme be approved providing that HCC addressed the issues identified and that the funding agreement included mitigation measures if the land agreement with the MoD was not concluded successfully. PMG recommended that the Board approve the £6.7m capital grant funding.
- 12.6 The Board discussed the project and was advised that the MoD was keen to ensure that the project progressed. HCC had agreed to mitigation measures if necessary and to underwrite any additional costs if there were issues arising from the relocation of the boundary fence being moved closer to the barracks, therefore risk to the land agreement not being concluded was low. In addition some concerns had been raised by the local community about potential severance issues and whether additional funding could be made available so that HCC could mitigate the community concerns.
- 12.7 The Board Members supported the funding for the Farnborough Growth Package although agreed that further clarity was required on the concerns of the local community and the measures taken by HCC to mitigate those concerns before a final decision could be made. The Board requested an update on the community position and how these were being addressed by HCC. Approval for the capital funding for the Farnborough Growth Package would be sought electronically. The Board agreed to the proposal.

Action to be taken	By Whom	When
Further clarity on the community concerns relating to the Farnborough Growth Package to be sought from Hampshire County Council and sent to the Board electronically.	Kevin Travers	June 2019
Board members to respond electronically as to whether they approve £6.7m capital grant funding for the Farnborough Growth Package once the clarification has been received electronically	All Board Members	June 2019

### 13. Capital Programme Update

- 13.1 The Board received a report on the current position with the capital programme. The final capital expenditure for 2018/19 was £36.9m which was 100% of the allocation received from Government and above the forecast given at the Annual Performance Review. Of that, £10m was given as loans and would allow Enterprise M3 to re-invest the funding at a later date. The outputs delivered in 2018/19 also gave a strong message to Government with 925 homes, 1,603 jobs and 4,252 sqm of commercial floorspace being achieved which all exceeded the targets. There had been 290 apprenticeships delivered which was below the expected target but not as low as had been forecast earlier in the year. The Group thanked the Enterprise M3 team for their hard work in achieving the results.
- 13.2 The Board were reminded that the capital programme was in its penultimate year. The Board had previously agreed that the programme could be over-committed by 10%, therefore it was important to ensure that the contractual commitments were kept under review. There was currently no available funding to be allocated, although changes were anticipated in the programme with projects where funding had not yet been approved by PMG or Board.

13.3 The Board were reminded of some key projects funded and the outputs achieved to date. It was highlighted that some of the projects were early projects and the outputs were now starting to be delivered. The Board noted the final position on expenditure and outputs to end of 2018/19 and the current progress in delivering the capital programme.

#### 14. **The Gaming Sector**

14.1 Rob Dunford, Assistant Director – Business Delivery gave a presentation to the Board on the gaming sector and the opportunities for growth. The gaming sector was growing rapidly and the trend was for continued strong growth. The UK market was set to grow from £5.11bn in 2017 to over £7bn by 2021. The gaming sector covered a number of areas including games development, virtual and augmented reality (immersive tech) and Esports (competitive video gaming), and was the fastest growing entertainment and media industry globally. The fastest growing UK market was 'immersive tech' growing by 34% annually. Esports was the second fastest growing UK market growing by 21% annually and there were plans to hold an esports event in Farnborough.

14.2 The Enterprise M3 region was home to over 70 games studios with over 1500+ digital professionals employed in the sector. Guildford, Aldershot and the surrounding areas had been identified as one of 12 major games hubs in the UK. The LEP was investing in the Aldershot Games Hub and the EM3 Growth Hub was embedded in Rocketdesk, a co-working space for start-ups in the creative and digital sector. The LEP was also supporting the inaugural Guildford Games Festival in June 2019 with £5k funding.

14.3 An opportunity had arisen to engage with a games industry expert to support the continued development of the gaming cluster in the Enterprise M3 area. In addition, the LEP was engaging in the Department of International Trade's High Potential Opportunities Programme set up to identify and strategically promote specific Foreign Direct Investment opportunities for the gaming sector in the Enterprise M3 region.

14.4 The Board discussed the presentation and it was agreed that the figures provided on jobs in the sector in the Enterprise M3 region were likely to be understated as job titles were not always aligned with the Government SIC codes therefore were not likely to have been counted. It was agreed that there needed to be some work with employers and education to ensure qualifications were meeting the industry requirements. It was acknowledged that there needed to be links with the growth hub as many start-ups in the gaming sector may not necessarily have the necessary knowledge to grow and scale up. The Board noted the opportunity for Enterprise M3 to play a role in the further development of a gaming cluster for the region and noted that Enterprise M3 were looking to bring in resource to support a gaming cluster.

#### 15. **Government Plans**

15.1 Toni Wootton provided an update on the current Government focus and priorities. The National Audit (NAO) report to the Public Accounts Committee (PAC) was published in early May and the PAC questioned the Permanent Secretary and other senior officials from the Ministry of Housing, Communities and Local Government (MHCLG) on 13 May. A response from MHCLG to the NAO report would be provided and would feed into the Annual Performance Review requirements. The main focus would be on monitoring and delivery with a particular focus on outputs. Kathy Slack reported that at the LEP Network Chief Executive's meeting the NAO report was discussed and there was some criticism in the report regarding the ways in which MHCLG managed LEPs and the capacity funds that had been made available to LEPs. Other areas raised at the PAC were resolving the remaining overlaps of LEP boundaries and meeting the diversity representation on LEP Boards, not just gender but including small businesses.

15.2 The Board was advised that Ravneet Virdi's position had been filled and the replacement was expected to start in June. Jenny Dibden had joined the team as a second Director working alongside Stephen Jones, her remit was expected to be area teams, LEPs and other regional matters. A replacement for Laura Jackson's position was currently being recruited and an announcement was expected within the next few weeks. The UK Shared Prosperity Fund consultation was expected before the Summer recess, future announcements were likely to be part of the Autumn Statement. The first wave of

expressions of interest for the Future High Street Fund were being considered and an announcement would follow shortly. A prospectus for the Stronger Town Fund was also expected soon. There was nothing to update on the likely outcome of the spending review at this current time.

## **16. Chief Executive's Report**

16.1 Kathy Slack highlighted the key issues in the Chief Executive's Report which had been circulated. The National Audit Office update on LEPs had been published and a link to the update was included on the Report. Work was continuing on the new Connected Places Catapult and a report would be brought to a future Board meeting as the project progressed. Board members were encouraged to participate in the Give an Hour campaign and a link was provided on the Report providing further details. The Joint Leaders Board was planning to undertake a scrutiny review of the LEP at the September meeting, however due to the changes in political make-up this may need to be postponed. A group of Board members would need to be established in advance to attend and respond to the Joint Leaders Board scrutiny.

## **17. Joint Leaders Board Update**

17.1 Colin Kemp reported on the Joint Leaders Board meeting held on 15 May. A presentation was provided on Whitehill and Bordon which gave a positive place shaping message and a presentation was received from the Connected Cities Catapult and the Transport Research Laboratory.

## **18. Programme Management Group Report**

18.1 The Board received and noted the minutes of the Programme Management Group meeting held on 9 May 2019.

## **19. EU Programme Update**

19.1 The Board received and noted the progress on the EU Programme. Tim Jackson highlighted the ESF funding calls opening in July relating to virtual reality and brokerage skills and the opportunities for further education and higher education establishments to bid for funds.

## **20. Forward Programme**

20.1 The Board received and noted the Forward Programme.

## **21. Any Other Business**

21.1 The future Enterprise M3 Board meetings would be held on

- Thursday 25 July 2019 – Desklodge, Basing View
- Thursday 26 September 2019 – Whitehill and Bordon (TBC)
- Thursday 28 November 2019 – Elmbridge (TBC)
- Thursday 30 January 2020
- Thursday 26 March 2020