

Enterprise M3 Programme Management Group

12 September 2019, 10:00-11:10

Concorde Room, Rushmoor BC, Farnborough

DRAFT MINUTES

Members Attending

James Cretney - Chair
 Richard Brooks
 Matt Furniss
 Rob Humby
 Paul Millin
 Kathy Slack

Guests Attending

Rachel Barker
 Jeannie Satchell
 Geoff Wells
 Justine Davie

Apologies

Deborah Allen
 Dave Axam
 Rob Carr
 Mike D'Alton
 David Fletcher
 Catherine Turner

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 11 July and 16 August 2019 were agreed and the actions noted. With regard to Local Growth Funding, Government advice was that it should be spent by 31 March 2021. It was not clear whether there would be any penalties if any funding was remaining, however it was expected that Enterprise M3 LEP Local Growth Fund would be fully spent by 31 March 2021.

2.2 Discussions had been held with Network Rail and Great Western Railway regarding the contract details for the North Downs Line project. The franchise position with Great Western Railway would be confirmed and any potential impact on the delivery of the project.

Action to be taken	By Whom	When
Clarify the Great Western Railway franchise position and any potential impact on project delivery	Rachel Barker/ Kevin Travers	September 2019

3. Declaration of Interest

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

Name	Interest	Declared Action
James Cretney	Continuation of appointment in the PMG Terms of Reference item	Left the room during the decision making
Matt Furniss, Paul Millin and Geoff Wells	Weyside Urban Village section in the Capital Programme Update	Left the room during the decision making

4. **PMG Terms of Reference**

- 4.1 The Group received a revised copy of the Programme Management Group (PMG) Terms of Reference. At an earlier meeting the Group had requested clarification on the procedure for Board to 'call in' any decisions made by PMG, which were included in the Terms of Reference at para 4.3. There had been some further minor changes to the Terms of Reference to bring them in line with the Assurance Framework. It was highlighted that membership of the PMG would be reviewed every two years with the exception of the Local Authority Transport Lead Members, Transport Action Group Chair and LEP Chief Executive who would attend for as long as they remained in the role. There were some further minor amendments put forward by the Group to provide clarity which would be incorporated into the final version submitted to Board for approval.
- 4.2 The Group agreed that both James Cretney and Dave Axam should remain on the PMG until the end of their Board term of office in November 2020.

Action to be taken	By Whom	When
Submit final version of PMG Terms of Reference to Board for approval	Rachel Barker	26 September 2019

5. **Capital Programme Update**

- 5.1 Rachel Barker reported to the Group on the current position with the capital programme. Following the final closing date for the submission of new projects, seven new Expressions of Interest and one resubmission was received seeking over £40m in funding. The applications were in the process of being reviewed and would be brought to the 23 October PMG telephone conference for consideration.
- 5.2 The level of confidence of spend had increased by £4m since the last PMG meeting currently setting a high degree of confidence that £36m would be achieved and a reasonable level of confidence that a further £19m could be achieved. Progress on spend was as expected to date as the majority of claims would be received in Q3 and Q4 of the financial year. There were currently £5.5m of claims being processed which would be completed by the end of Q2. Government had requested the contracted figures to be provided and it was the aim that all approved projects would be contracted by Christmas 2019. The Group acknowledged that some projects being considered for the development pool may not be able to proceed immediately if all the available funding was contractually committed. Applicants were being advised on the current situation, but it was felt important for the LEP to have a number of projects ready to deliver in the event of Government making more funding available. The Group discussed the current development pool of projects and requested a prioritised list taking into account loans over grants, achieving spend and delivering the project.
- 5.3 The outputs were highlighted to the Group, the homes target was already exceeding the target figure for the year and the jobs target was well on track to be met. The commercial floorspace output was reliant on the delivery of one project. Further detail would be included on the Board paper identifying the confidence of achieving the target figures.
- 5.4 There were some projects within the programme with deadlines required to be met in order for the funding to be drawn down. Station Approach Winchester was due for review before the next PMG meeting to ensure the key milestones had been achieved. The project would be subject to a full review in advance of the review deadline of October 2019.
- 5.5 The Group was advised that the Board had requested further detail on the relocation of the waste management facility and agreement between Guildford Borough Council and Surrey County Council on the scope of the scheme before funding could be approved. Both authorities had confirmed they were supportive of the benefits gained from the relocation of

the Waste Facility and Community Recycling Centre and would work together to develop a funding strategy involving Section 106 contributions and a grant application to appropriate funding sources in 2020. Guildford Borough Council had confirmed that the LEP funding allocation would be repaid if the Housing Infrastructure Fund (HIF) bid was unsuccessful. It was still unclear when a decision would be made on the allocation of the HIF. Kathy Slack agreed to raise the matter with Homes England the following week to try to establish where the project was in the process. The Group agreed to recommend to Board to approve £7.5m capital grant funding for the Weyside Urban Village scheme.

Action to be taken	By Whom	When
Report a prioritised list of projects in the development pool to the November PMG meeting	Rachel Barker	28 November 2019
Carry out a full review of the Station Approach Winchester project in advance of the October deadline	Rachel Barker/ Kevin Travers	October 2019
Recommend to Board to approve £7.5m capital grant funding for the Weyside Urban Village scheme	Kevin Travers	26 September 2019

6. Capital Projects for Consideration

a) Aerospace Research and Innovation Centre

- 6.1 The Group received a report on the business case from Farnborough College of Technology (FCoT) to deliver an Aerospace Research and Innovation Centre. The request was for £2.517m capital grant funding with match funding of £3.017m from FCoT and private sector industry partners. The Centre would deliver dedicated aerospace education space providing up to date educational opportunities for both apprentices and current employees within local businesses. The funding would support the physical development of the Centre delivering approximately 1,980sqm of dedicated aerospace education, training and innovation space. The Centre would comprise of the refurbishment of existing college estate and 800sqm of new build space.
- 6.2 AECOM reviewed the business case and all comments and questions had been responded to by FCoT in writing and through meetings. AECOM concluded that the build programme and associated costs were viable and recommended that the scheme be supported. It was recommended that EM3 be provided with copies of the letters of support from the partners prior to releasing the funding, the Group was advised that copies of the letters had been requested. The risk that the apprenticeships may not be achieved was highlighted and in order to closely monitor the project and its progress once the building was opened, Enterprise M3 would sit on the strategic partnership group for the project.
- 6.3 The Group discussed the project and was of the view that given the work to secure Gulfstream in relocating to Farnborough that the Strategic Fit should be assessed as Excellent. The Group was also advised that FCoT was aiming for global ranking. The Group fully supported the project and agreed to approve the allocation of £2.517m capital grant funding for the FCoT Aerospace Research and Innovation Centre.

Action to be taken	By Whom	When
Proceed the FCoT Aerospace Research and Innovation Centre project to contracting	Jeannie Satchell	October 2019

b) Innovation South Virtual Campus

- 6.4 The Group received an update report at the August PMG meeting which set out some changes to the Innovation South Virtual Campus (ISVC) project which had been approved to proceed to due diligence in January 2019. The scheme promoter had changed from Brooklands College to Sparsholt College following staff changes at Brooklands. Brooklands

had also advised that they were no longer able to be part of the ISVC project as there were a number of changes taking place at Brooklands. The Group agreed that the due diligence should continue on the project and that it be submitted to the September PMG for consideration.

- 6.5 The project request was for £490k capital grant to design an online learning platform for modular online training, initially with modular units on cyber security and digital and communications skills at levels 3 and 4. The target student was employees in need of reskilling or upskilling their knowledge base. Offers in other areas of need would be developed once the platform was established. All organisations involved in the project were providing time and resources in kind and following proof of concept it was planned that the further development of the platform and material would be supported by business investment.
- 6.6 Due diligence had been undertaken and AECOM recommended that the project be supported subject to some recommendations which had all been addressed satisfactorily. The Group was advised that the project was being developed as a pilot project and it was planned that the project would be rolled out in future by getting more partners on board. The Group discussed the project and agreed to approve the allocation of £490k capital grant funding for the Innovation South Virtual Campus.

Action to be taken	By Whom	When
Proceed the Innovation South Virtual Campus project to contracting	Jeannie Satchell	October 2019

7. LEP Update on Recent Developments

- 7.1 Kathy Slack advised the Group that the mid-year review with Government was taking place on 13 September and would be attended by Kathy Slack, Rachel Barker and Geoff Wells from Enterprise M3 and Rob Carr from the Accountable Body. The delivery plan and capital programme would be covered during the review.
- 7.2 There was some interesting evidence coming through from the Local Industrial Strategy work which would fit with the work being done by the local authorities which would be shared at the local authority Chief Executive's meeting and Joint Leaders Board.
- 7.3 Work was being carried out on Board membership and new local authority representatives would be considered by the Joint Leaders Board on 19 September. Discussions were being held with the FSB to try to find a representative to replace Ken Moon. Andrew Lambert would be stepping down from the Board at the end of November 2019 at the end of his term of office bringing the Board down to 20. There would be two private sector vacancies on the Board in November 2020 and work was starting to encourage applications from interested individuals.
- 7.4 It was expected that LEP core funding and Growth Hub funding would be made available for a further year but the confirmation letter had not yet been received. The allocation of the Stronger Towns Fund had been announced and there had not been any allocated in the Enterprise M3 area, with only six out of 100 allocations being in the South East area. There was likely to be further delays to the UK Shared Prosperity Fund, it was expected that a large chunk of the funding would go to the devolved authorities.
- 7.5 Enterprise M3 had been allocated funding to lead the Brexit Business Readiness campaign covering Enterprise M3, Solent, Coast to Capital and Thames Valley Berkshire area. A number of events were being held nationally and locally and business engagement work would be carried out to encourage businesses to attend the events. The events would enable businesses to get free expert advice on what actions to take to get ready for Brexit from

Government specialists across departments. The Group was advised that Surrey and Hampshire county council's and borough/districts were also working on Brexit readiness. The Enterprise M3 team would look at what already in place, what other organisations were doing and identify where there were gaps.

8. **European Programme Update**

8.1 The Group received and noted the update on the EU programme.

9. **Forward Programme**

9.1 The Group noted the current forward programme.

10. **Any Other Business**

10.1 The future Programme Management Group meetings would be held as follows:

- Wednesday 23 October – 4pm-5pm – Telephone Conference
- 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