

## **Joint Leaders Board Annual Scrutiny Meeting**

### **Local Authority Leaders**

Cllr Phil North, Leader, Test Valley Borough Council

Cllr Keith Mans, Leader, Hampshire County Council

Cllr Lucille Thompson, Leader, Winchester City Council

Cllr Ken Rhatigan, Leader, Basingstoke Borough Council

Cllr David Bittleston, Leader, Woking Borough Council

Cllr John Ward, Leader, Waverley Borough Council

Cllr Richard Brooks, Leader, Surrey Heath Borough Council

### **Enterprise M3 Board Members and staff**

Cllr Colin Kemp, Deputy Leader, Surrey County Council

Cllr Caroline Reeves, Leader, Guildford Borough Council

Cllr Ian Harvey, Leader, Spelthorne Borough Council

Cllr Richard Millard, Leader, East Hampshire District Council

Cllr David Clifford, Leader, Rushmoor Borough Council

Dave Axam, Chair, Enterprise M3

James Cretney, Enterprise M3 Board Member

Kathy Slack, Chief Executive, Enterprise M3

Rachel Barker, Assistant Director – Operations, Enterprise M3

### **Apologies**

Cllr Rob Humby, Deputy Leader, Hampshire County Council and Enterprise M3 Board Member

### **Alternate Members**

Cllr Julie Butler, Deputy Leader East Hants District Council, for Cllr Richard Millard (Board Member)

Cllr Ken Muschamp, Deputy Leader Rushmoor Borough Council, for Cllr David Clifford (Board Member)

### **Declarations of interest**

None

### **Minutes of the last meeting**

None

### **Chair's Announcements**

Cllr North welcomed Leaders and representatives of the LEP to this first Scrutiny meeting and set out the arrangements for the meeting

### **Presentation by EM3**

Dave Axam, Chair EM3 LEP, outlined the importance the LEP placed on this scrutiny session and set out that he and all representatives of the LEP welcomed the opportunity for challenge by local authority Leaders. He set out that the LEP were due to meet with Government in February 2020 and the outcomes from this meeting would be highlighted at that session.

In his opening presentation Dave Axam made the following opening remarks

EM3 LEP was committed to work in partnership and had a strong focus on strategy, delivery through active intervention, convening and advocacy. The EM3 LEP believed in being transparent and accountable.

The LEP was bound by a national and local assurance framework and this scrutiny work was part of the requirements of the 2018 LEP Review. The LEP had completed actions required by the Annual Performance Review. Dave paid credit to the EM3 LEP Board and indicated that more work was to be done in increasing the diversity of Board Members.

Turning to the Local Industrial Strategy (LIS), Dave Axam provided an overview of the development of the LIS as a data driven, evidence based document. The LIS is developed in negotiation with Government and the Committee was advised that EM3 LEP had been accelerated to a discussion with HMG analysts in December 2019.

Dave Axam set out an overview of some LEP funding streams and explained that Performance Management Group and the Board receive bi-monthly update reports on delivery of the £240million Local Growth Fund money. Dave stated that as a result of supporting loans where appropriate, Enterprise M3 have been able to support £260m of projects in the period up to 2021.

Dave highlighted the 5.5 million Funding Escalator which was aimed to support high growth, scale up businesses. Reference to the Brexit lead role taken on by EM3LEP through the Growth Hub was also detailed.

In conclusion, Dave set out that all minutes, meetings and annual reports are published and over the last year, in the spirit of continuous improvement, Enterprise M3 has launched a new website to ensure that information about the LEPs activity can be easily accessed. The team are reviewing this new website as it is recognised that more could be put on the website.

Cllr North thanked the LEP for their presentation and set out the overall aim for the meeting was to consider that on the basis of the economic background whether any strategic narrative was lacking,

based on that whether the LEP were investing in the right activities and importantly what were the priorities for the coming year.

Cllr North invited comments and questions from members of the Scrutiny Committee.

In response to a question regarding how much input the local authorities had in the development of the LIS, Dave Axam and Kathy Slack set out that the foundations of the LIS were in the SEP 2018, which was developed following an 18 month consultation. That included Chief Executives and JLB. However, the views of business stakeholders had been sought and themed events had been held through the Transport Action Group, the Skills and Talent Group and the Rural Forum.

A question was asked on the money spent on digital connectivity and the LEP acknowledged they needed to make more progress in this area. Kathy Slack set out that the LEP had produced a funding bid for a digital spine supported by Surrey University, but it had not been successful. Kathy Slack also set support for niche LEPs activity such as gaming, and space and satellite sector and the potential support for internationalisation of business activity through an EDRF £2million project.

Questioning turned to the consideration of funding bids and in particular the rigour to ensure the most up to date technology was being incorporated particularly in relation to Low Carbon and Digital.

James Cretney (Chair PMG) gave assurance that the PMG rigorously reviewed bids received and were looking for a holistic approach. James Cretney set out that expert advice was sought or commissioned and that bids were routinely returned for further work if they fell short of requirements.

Clarification was sought as to the priority given to geographic area when bids were received. The LEP replied that the allocation of funding had developed over the years and the important consideration was that maximum value was achieved.

A question was asked how learning was captured and shared with respect to projects and the LEP responded that the Enterprise M3 team aim to work alongside those developing projects in order to share this knowledge directly. Enterprise M3 have also commissioned an independent evaluation of its capital programmes and this will report in early 2020 and will be shared with the JLB.

Clarification was sought on the advocacy role undertaken by the LEP and it was confirmed that this took place at a national level.

A question was asked about engagement with free ports and the LEP explained that they had recently met with Southampton Airport and ABP Southampton. In making comments about Heathrow, the LEP said its position was to support increased capacity and actively supported aeronautical R&D to improve design and reduce carbon usage. However, the LEPs support is not unconditional and the LEP believes that environmental safeguards such as measures to address air quality and noise impacts on the airport's neighbours and sustainable transport to and from the airport are required.

A specific question was asked with respect to spend of the EU funding stream. The LEP explained this fund was focused on R&D in business, skill development in rural areas and disadvantaged

groups. This work was contracted out and performance managed by HMG and the LEP had employed one member of staff to administer the fund through an EU funded Technical Assistance programme.

Dave Axam and Kathy Slack were invited to offer the emerging priorities for the LEP and indicated that more work on skills development could be beneficial and would build on the six STEM centres already in place and the priority of clean growth was essential. Ensuring a future funding stream to support this activity in the area beyond 2021 was highlighted by Dave as a key priority for the year ahead.

Following questions and debate, Cllr North summarised the meeting

- The Scrutiny Committee recognised and endorsed the evidence based approach to development of strategic aims for the EM3 LEP areas and that to date the aims and prioritisation of investment had served the EM3 LEP area well.
- That the LEP was a partnership and local authorities had to take an active role in bringing forward development opportunities to meet these strategic aims and that as a partnership we should not be complacent and look to bring forward innovative and area based proposals
- That the importance of clean growth and use of cutting edge technology in development opportunities was critical to future success
- That the economic success of rural business was largely dependent on broadband provision and the LEP should continue to work with county councils to establish opportunities in this area