

**Enterprise M3 Programme Management Group**

**14 November 2019, 10:00-11:45**

**Denning Room, Hampshire CC, Eil Court, Winchester, SO23 8UJ**

**DRAFT MINUTES**

**Members Attending**

Dave Axam - Chair  
Richard Brooks  
Rob Carr  
Matt Furniss  
Rob Humby  
Paul Millin  
Kathy Slack

**Guests Attending**

Rachel Barker  
Jennie Pell  
Jeannie Satchell  
Kevin Travers  
Geoff Wells  
Justine Davie

**Apologies**

Deborah Allen  
James Cretney  
Mike D'Alton  
David Fletcher  
Catherine Turner

**1. Welcome and Introductions**

1.1 Dave Axam welcomed everyone to the meeting.

**2. Minutes of last meeting and matters arising**

2.1 The minutes of the meetings held on 12 September and 23 October 2019 were agreed and the actions noted.

**3. Declaration of Interest**

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

<b>Name</b>	<b>Interest</b>	<b>Declared Action</b>
Matt Furniss, Paul Millin and Geoff Wells	Surrey LED Conversion and Central Management System and Surrey Electric Vehicle Charging Pilot	Left the room during the decision making
Rob Humby	Capital Programme Update item - Station Approach Winchester project	Remained in the room as no decision made

**4. Capital Programme Update**

4.1 Rachel Barker reported to the Group on the current position with the capital programme. There had been further progress with signing of contracts with 13 legal agreements now signed for projects due to commence in 2019/20. The Housing Infrastructure Fund bid from Surrey County Council for the Weyside Urban Village project had been successful and the legal agreement for Local Growth Funding was being finalised. The legal agreement for the Basingstoke South West Corridor – Brighton Hill project had also been finalised and signed.

4.2 Forecast expenditure for 2019/20 was currently between £37m and £57m, it was thought that the target of £45m by 31 March 2020 was achievable. Actual expenditure was relatively low however a number of claims were expected in the coming weeks and the target for end Q3 was expected to be reached. If the Q3 target was achieved it would mean that 85% of the total available LGF allocation would have been spent. If the £45m target was achieved for 2019/20 it would show Enterprise M3 spending 102% of its LGF allocation. Outputs were looking strong with the target for the number of new homes already being achieved.

- 4.3 The funding available to allocate to new projects was currently £4.3m. The Group was advised that the projects for consideration for approval on the agenda totalled £3.4m. If all projects on the agenda were approved there would be just under £1m remaining to allocate to new projects. However, there were some changes expected within the 'approved projects still subject to contract which would release funding. The current value of the projects in the pipeline was £29m which would enable Enterprise M3 to accelerate projects swiftly should there be an opportunity to secure additional funding.
- 4.4 The Group was advised on the position with the progress of those projects approved but not yet contracted. The majority of them were progressing and were expected to be signed before the end of 2019. A meeting had been arranged with Guildford Borough Council to discuss the Guildford Flood Alleviation project (£1.5m) and Guildford Bike Share (£300k) to confirm timescales and the status of the projects. The North Downs Line project (£960k) was awaiting confirmation on whether Great Western Railway or Network Rail would agree to pay back the funding if the service was not operated. The Blackwater Valley Gold Grid – Hampshire Public Transport Corridor project (£1.5m) was currently under review and if the business case was not felt to be progressing satisfactorily the project may be removed from the pipeline.
- 4.5 Kathy Slack circulated a statement that the Leader of Winchester City Council had made in the previous week about the current position at the Station Approach project.
- “Members are aware of the recent coverage in the Hampshire Chronicle of the legal action against the award of outline planning permission for Station Approach. It is for Cllr Porter as Cabinet Member to lead on this matter.
- However, I believe it is only fair that members are aware of the impact this action has on the economic prosperity of our City. Cllr Weir as Cabinet Member for Local Economy has had to pause marketing of the site until the legal position is clear.
- We are all so very proud of our heritage and history – this is what makes Winchester special - and we had been awarded £1million of LEP funding to undertake archaeological works and a further £4million to create a public realm gateway for our city.
- As council is aware this money has to be spent by March 2021 and our officer team has been in close dialogue with the EM3 LEP over the past week. The action means that we can no longer guarantee to meet this spending deadline and we will advise the LEP accordingly. We remain committed to supporting the economy of our beautiful city but will have to do this without the benefit of £5million of external funding.”
- 4.6 Enterprise M3 had been in close dialogue with Winchester City Council and would continue to work with them but formal notification was expected shortly to advise that they were unable to deliver the Station Approach project by 31 March 2021. The Board would be asked to endorse the removal of the project from the pipeline at the November meeting.
- 4.7 The Group discussed the approved but not yet contracted projects and it was agreed that a report on those projects at risk would be brought to the January 2020 meeting.
- 4.8 The minutes of the mid-year review with Government were circulated. The Annual Performance Review was expected in January/February 2020 which would enable the full Q3 spend to be reported. Due to the Purdah period in the run up to the General Election there had been a cease in publicity around funding and meetings with MP's had been cancelled, this would resume after the Election.

Action to be taken	By Whom	When
Report to the Board on Station Approach, Winchester project and request their endorsement for the removal of the project from the pipeline if the 31 March 2020 deadline was unable to be met	Rachel Barker	28 November 2019
Report on the projects in the pipeline at risk at the January PMG meeting	Rachel Barker	16 January 2020

## 5. Capital Projects for Consideration

### a) SCC LED Conversion and Central Management System

- 5.1 The Group received a report on an application from Surrey County Council (SCC) for the LED conversion and Central Management System (CMS) Upgrade project. The request was for £2.639m capital loan with match funding of £16.081m through a Salix loan and the Public Loans Work Board. The funding would support SCC's conversion of the street lamps within the EM3 area to new LED lanterns via retrofitting or replacing the lanterns alongside upgrading SCC's CMS to 'Smart City / Internet of Things (IoT)' capability. The project would integrate digital technologies, reduce energy usage and subsequently reduce Carbon Dioxide emissions.
- 5.2 AECOM had carried out due diligence on the business case and made a number of recommendations to ensure that the delivery of the programme remained robust and achievable. All of the recommendations had either been addressed by SCC and responded to satisfactorily or would be included as a pre-condition in the legal agreement. The repayment schedule would start from September 2021 with six monthly repayments up until March 2026.
- 5.3 The Group discussed the report and questioned whether the technology could be used by others and whether there was any tie down by Skanska within the PFI contract. It was confirmed that the CMS and equipment was owned by SCC and therefore they were able to use the technology to gather information. The Group agreed to approve £2.639m capital loan funding to Surrey County Council for the LED Conversion and Central Management System Upgrade project.

Action to be taken	By Whom	When
Proceed the SCC LED Conversion and CMS Upgrade project to contract	Jennie Pell	December 2019

### b) Launch Space – Basingstoke College of Technology

- 5.4 The Group received a report on an application received from Basingstoke College of Technology (BCoT) for the Launch Space project which requested £300k grant funding against a total cost of £612k. The project would deliver 420sqm of dedicated EdTech education and employment space which would focus on developing skills in digital capacity. Launch Space would prepare the future workforce in digital capability and would enhance digital pathways to L4+ qualifications. The space would break away from the standard classroom and provide a flexible space. BCoT would engage with employers to ensure that courses were 'fit for industry purpose'. The College were also exploring initiative that would integrate education and students into industry through a proposed collaboration with Desklodge.
- 5.5 Due diligence had been carried out on the project and all questions raised had been responded to satisfactorily. The project would integrate with the Innovation South Virtual Campus project and would be integrated in cross curricular work across the region and would impact the learning for up to 2,000 students and apprentices per year.
- 5.6 The Group discussed the project and agreed that Launch Space was a good project which linked education and industry and could be rolled out in other areas as a demonstration of good practice. The Group was advised that any cost overruns would be included in the legal agreement which was a standard clause. The Group agreed to approve £300k capital grant funding to Basingstoke College of Technology for the Launch Space project.

Action to be taken	By Whom	When
Proceed the Launch Space project to contract	Jeannie Satchell	December 2019

### c) Surrey Electric Vehicle Charging Pilot

- 5.7 The Group received a report on the Surrey County Council (SCC) Electric Vehicle Charging Pilot application which requested £470,911 grant funding against a total project cost of £655,911. The pilot project would roll out charging infrastructure to promote electric vehicles and enhance the county's sustainable transport offer. As part of the pilot SCC would install 80 7-22 kWh fast chargers at on-street locations in Woking, Staines, Guildford and Farnham. The

charge points would primarily serve residential streets with limited off-street parking and busy town centre streets. SCC would also be working with Enterprise to develop a phone application that would complement the objectives of the pilot as well as promote active and sustainable travel in the county. The project had a strong fit with the LEP objectives of clean growth and smart mobility. The chargers would benefit from parking sensor technology which would help enable robust monitoring and evaluation of the pilot.

- 5.8 AECOM had carried out due diligence on the business case and raised questions which had been responded to by SCC. There were a number of areas where further evidence and information was required addressing the scheme benefits, mobile application and monitoring. It was proposed that the business case should highlight the positive benefits the scheme could have on the environment which SCC had provided. There was a concern that the EV functionality of the app could be overshadowed by the other Mobility as a Service functionality and that there was a risk of supplier lock-in by using a bespoke app for EV revenue collection. SCC had responded to all of the areas of concern. Overall it was considered that the objectives of the scheme were sound and met the Government and LEP priorities around smart mobility and clean growth.
- 5.9 The Group discussed the project and requested whether there would be opportunities for the data to be shared. There was some concern with the low level of match fund although it was recognised that SCC would be putting in time and resource. It was highlighted that any future similar applications would be expected to show some match funding contribution from the applicant. The Group agreed it was a good pilot and approved the principle but due to the low match funding as part of the legal agreement Enterprise M3 would require ownership of the data gathered and SCC would be required to gather the cost of officer time in managing the project. There would also be a clause included in the legal agreement that any income generated as a result of the LEP investment would be paid to the LEP in proportion to the investment made. The Group agreed to approve £470,911 grant funding to Surrey County Council for the Electric Vehicle Charging Pilot.

Action to be taken	By Whom	When
Proceed the SCC Electric Vehicle Charging Pilot to contract	Kevin Travers	December 2019

## 6. Monitoring and Evaluation

- 6.1 The Group was advised that SQW had been commissioned to carry out a mid-term evaluation of the Local Growth Fund and Growing Places Fund, to understand the progress that had been made, the outcomes/impacts that had been achieved and the lessons learned. SQW had provided a scoping note and some questions they would like to pose to the Group. As SQW had been unable to attend the meeting it was proposed that a telephone conference was set up within the next couple of weeks to enable the Group to respond to the questions and feed comments into the evaluation. It was the aim that the results of the evaluation would be ready for the Annual Performance Review with Government in January/February 2020.
- 6.2 Dates would be circulated to the Group to find a suitable date for a telephone conference.

Action to be taken	By Whom	When
Circulate possible dates to PMG members for a telephone conference and book most suitable date into e-diaries	Justine Davie	22 November 2019

## 7. LEP Update on Recent Developments

- 7.1 Kathy Slack advised the Group that work on the Local Industrial Strategy was at a critical stage, the evidence base had been concluded and was now being put before the analytical panel. The messages from the evidence base backed up work on the Strategic Economic Plan. The work would also build on the Hampshire and Surrey County Council work and the work carried out by the southern LEPs.

- 7.2 There were a number of communication messages being lined up including the award of funding from the Department of Trade and Industry for the gaming sector. An application for another award for Trade and Investment was being worked on. A huge amount of work had been carried out on business readiness and business intelligence. The LEP was required to report to BEIS every week with other members of the cluster on the information gathered. It was expected that the LEP would need to visit some businesses to communicate the business readiness message.
- 7.3 Brooklands College was experiencing some difficulties and the LEP was supporting and working with them. However, a letter had been sent to the College regarding non delivery of contract regarding the LGF funding provided. Although the building had been delivered there was an issue on the outputs being achieved.
- 7.4 A new representative had been nominated from the Federation of Small Businesses to fill the Hampshire business support vacancy which would be taken to the Board for approval at the end of November. The Board would also consider a proposal in November for a new co-optee to join the Board.
- 7.5 Hampshire County Council had carried out an audit to ensure the LEP was compliant with the procedures and verbal confirmation had been received that EM3 would be receiving a clean report.

## 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:

- Thursday 16 January 2020 – 10am-1pm – HG Wells, Woking
- Thursday 12 March 2020 – 10am-1pm – Rushmoor BC, Farnborough
- Thursday 14 May 2020 – 10am-1pm – Hampshire CC, Winchester
- Thursday 16 July 2020 – 10am-1pm – HG Wells, Woking
- Thursday 10 September 2020 – 10am-1pm – Rushmoor BC, Farnborough
- Thursday 12 November 2020 – 10am-1pm – Hampshire CC, Winchester
- Thursday 14 January 2021 – 10am-1pm – HG Wells, Woking
- Thursday 11 March 2021 – 10am-1pm – Rushmoor BC, Farnborough