Enterprise M3 Ltd Board Meeting

30 January 2020 - 12.00-5.00pm

Headquarters 11 Infantry Brigade, Cavans Road, Aldershot, GU11 2LQ

DRAFT MINUTES

Directors in Attendance
Dave Axam - Chair
Simon Browne
Linda Cheung
David Clifford
James Cretney
Jason Gaskell
Ian Harvey
Paul Hogg
Rob Humby
Tim Jackson
Colin Kemp
Stacey King
Jim McAllister
Ross McNally
Caroline Reeves
Kathy Slack
Brian Woods

Co-opted Members
Julie Baker
Mike Short

EM3 Team in Attendance
Rachel Barker
Rob Dunford
Aleks Bennett
Sue Littlemore
Justine Davie

Guests in Attendance
Virginia Barrett – Farnborough College of Technology
Christine Doel – SQW
Ross Gill - SQW
Blessing Inyang – Cities and Local Growth Unit
Giles Perkins – WSP UK Ltd

Apologies
Debbie Allen
Rob Carr
Barney Ely
Richard Millard

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1. **Welcome from Headquarters 11 Infantry Brigade**

1.1 Col Simon Browne welcomed the Board to Headquarters 11 Infantry Brigade at Aldershot Garrison and gave a brief introduction to some of work carried out by the Brigade. The Brigade was a war fighting brigade with regional responsibility for the South East of England. The principal outputs for the Brigade was preparing for operations, preventing conflict through overseas defence engagement, protecting the UK, Army reserves, supporting the cadet experience and delivering the FIRM BASE. The Brigade would be involved in a number of operations across the world in 2020.

1.2 There was a large army presence in the Enterprise M3 area, 22% of the whole UK presence was in the South East of England. In the area there were approximately 14,000 military personnel with an estimated 15,000 dependents. All soldiers in the Army would start their career in the Enterprise M3 area in either Winchester, Sandhurst or Pirbright. The military was a significant employer in the area and major contributor to the economy. The army was one of the leading training providers in the area and a significant catalyst for social mobility.

2. **Welcome and Introductions from Chair**

2.1 Dave Axam welcomed everyone to the meeting and all those in attendance introduced themselves. Particular welcome was given to Julie Baker from NatWest and Virginia Barrett from Farnborough College of Technology to their first Board meeting.

2.2 The Board was advised that this was the last meeting for Simon Browne, Jason Gaskell and Tim Jackson. The Chair thanked them all on behalf of the Board for the time they had given to Enterprise M3 LEP and the significant contribution they had each made.

3. Minutes of the previous meetings & matters arising

3.1 The minutes of the meeting held on 28 November were agreed and the actions noted.

4. Chairs Report

4.1 The Board received details on the activities and events undertaken by the Chair since the last Board meeting. The Chair highlighted the meeting with Lilly who were relocating to the Enterprise Zone at Basing View. They had advised that the reason for their relocation was to attract younger employees and that being near retail outlets and restaurants was an important factor. This was reflected in other countries not just in the UK. A lot of work had been carried out preparing for the peer review with Leicester and Leicestershire LEP and also ensuring everything was in place for the APR on 14 February. A meeting was scheduled for the following week with the Chairs of all the southern LEPs, all but one would be standing down in 2020, the Chief Executives had also been meeting. There had been some good collaborative work and it was important that it continued.

4.2 Letters had been sent to all MPs in the area to arrange meetings – three meetings had been set up to date. It was suggested that meetings should also be arranged with ministers and chairs of select committees. It was also suggested that it would be useful to have a LEP representative on the All Party Parliamentary Group. It was requested that a briefing was issued to Board members to reinforce the Enterprise M3 LEP messages that should be delivered when in contact with MPs/Ministers.

Action to be taken	By Whom	When
Once ministers announced arrange meetings with the Enterprise M3 Chair and Chief Executive	Sue Littlemore	March 2020
Prepare a brief on key messages to be delivered to MPs/ministers and circulate to Board members	Sue Littlemore	March 2020

5. Declarations of Interest

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

- Virginia Barrett, Julie Baker and David Clifford left the room during the decision making on the Enterprise M3 Board Appointments item.

6. Enterprise M3 Board Appointments and Governance

6.1 The Board received a report on appointments. Mike Short updated the Board on the work of the Nominations Group on Board recruitment. Enterprise M3 and Thames Valley Berkshire LEPs were working jointly with a search agency to assist with recruiting a new Chair and private sector Board Directors. It was expected that vacancies would be advertised in late February 2020 with a view to appointments being made in Summer 2020. All Board members were encouraged to put forward names of suitable candidates to join the Board and all current private sector Board members would be welcome to apply for the Chair position. Board members may be asked to speak to potential applicants to advise them what it was like being a LEP Board member. A blog from the Chair was also suggested as a marketing tool that could accompany the vacancy advert. The Board noted the progress being made on Board recruitment.

6.2 A recruitment exercise had taken place for a new Further Education representative to replace Tim Jackson. Following an application and interview process the Board was asked to agree the appointment of Virginia Barrett as a Board Director for a period of 3 years. The Board agreed the appointment.

6.3 The Board was also asked to agree the appointment of Julie Baker as a public sector Board Director. Enterprise M3 LEP would still meet the requirement for LEPs to be two-thirds private sector as Simon Browne had stepped down from the Board as a public sector representative and Government had confirmed that the Chief Executive position was not viewed as a public sector position. The Board agreed the appointment.

6.4 Following recent changes in the Board membership there had been a number of vacancies on the Resources, Finance and Audit Committee. Virginia Barret had agreed to join the Committee and the Board agreed the appointment. There was a further vacancy for a Local Authority Board Director on the Committee, interested Board members could obtain further details from Rachel Barker.

6.5 The Enterprise Zone Programme Steering Group had met on 24 January and considered the Terms of Reference. The remit and membership of the Group needed to be updated to align with the LEP's Assurance Framework and reflect the next stages of the programme for investment and delivery across the EZ³ sites. The Board agreed the revised Terms of Reference which were circulated.

6.6 The Board noted the appointment of Cllr Lucille Thompson from the Joint Leaders Board to the Programme Management Group, as the Hampshire local authority representative.

7. ERDF South East Sustainability Loan Fund 2007-2013 Legacy Fund

7.1 Rob Dunford advised the Board that Enterprise M3 LEP was due to receive £183,721 from the European Regional Development Fund South East Sustainability Loan Fund. The Fund was a £2m financial Instrument project that operated across the South East of England. There was approximately £1.2m in the legacy account and it was a requirement to ensure that the funds were used in accordance with the terms and conditions set out in the projects original Grant Funding Agreement. The legacy of the South East Sustainability Loan Fund would be divided proportionately amongst the LEPs that now operated across the region and must be used to support SMEs in the LEP area.

7.2 It was proposed that Enterprise M3 used the funds to continue to top up the BEIS funding for the delivery of the Growth Hub service. It was recommended that £108,000 of the £183,271 be used to continue to provide the Growth Hub service and the balance of £75,271 to be either used in the same way beyond 2020/21 or be used to fund one-off small projects that support SME's operating in one of the LEP's priority sectors. The Board agreed to the use of the funds as recommended in the report.

Action to be taken	By Whom	When
Use £108,000 of the ERDF South East Sustainability Loan Legacy Fund to top up the BEIS funding for the Growth Hub service in 2020/21	Rob Dunford	April 2020

8. Resource, Finance and Audit Committee Report – 2020/21 Outline Budget

8.1 The Board received a report on the 2019/20 outturn position at the end of Quarter 3 and the outline revenue budget for the 2020/21 financial year. The 2019/20 forecast outturn showed the year end figure at £2.836m in reserves, with £359k being added to the balance. This was £678k higher than the approved budget when it was expected that £319k would be drawn from the reserves. The additional funds arose due to several staff vacancies.

8.2 The 2020/21 outline budget showed expenditure of £3.239m against income of £3.116m which would require £123k to be drawn from reserves. The balance of reserves would stand at £2.7m. The medium-term forecast demonstrated the plan to use reserves to continue operations over the next three years. It showed that planned activities to support the economy could be funded over the next three-years by using £913k from existing revenue reserves which would reduce the total to £1.9m which was in line with the Reserves Policy. If the current trend continued the Reserves Policy, which required reserves to be maintained at a level which

covered 50% of the annual operational budget, would breach the minimum reserve level in 2023/24.

8.3 The Resources, Finance and Audit Committee would continue to play a key role in overseeing the budget and managing risks and keeping the Board informed. Work would continue to model alternative assumptions, identify pressure/decision points, and explore further ways to secure financial stability.

8.4 The Board discussed the financial position and was advised that there had been no formal notification of operational funding from Government for 2020/21. It was acknowledged that an assumption of £30m LGF had been made for the budget forecast, however if there was no further LGF there would be implications for the operation of the LEP. The Board endorsed the proposed outline budget for 2020/21 financial year, subject to a full detailed budget being brought to the Board in March 2020.

9. **Future Mobility**

9.1 The Board received a presentation from Giles Perkins, Head of Future Mobility at WSP UK Ltd which provided an overview on future mobility. There had been a number of policies and strategies produced by Government relating to future mobility over the last few years. There were a variety of examples of cleaner transport being introduced including UPS investing in 10,000 electric vans, EV taxis in London, EV buses in Birmingham, hydrogen vehicles including buses in Aberdeen and repurposed battery trains. Data and connectivity had increased significantly over the last few years and it was forecast that all new vehicles registered on UK roads would be connected by 2026/27.

9.2 The Board received information on some new business models which included an on-demand bus service which was being piloted in Leicester and was also now running in Liverpool and a potential new app which could link all transport services together. There were new modes of transport being introduced but it was clear not all would be suitable across the board and would need to be applied by the needs and make up of individual locations. There were examples of automated vehicles being piloted across the UK and around the world but it was expected that it would be a long time before all vehicles were fully autonomous, if ever.

9.3 There had been a change in attitudes towards transportation with an increased use in smart phones for transport planning and attitudes towards the benefits of EV and AV. There were examples of business models which had not been successful so it was highlighted that engagement was important to ensure the business model was right for the area. To embed future mobility successfully it was important to actively anticipate change and put the customer at the centre of any scheme. A holistic approach to bring all modes together was proposed would be a successful model.

9.4 The Board thanked Giles for a very informative and thought provoking presentation and asked what role the LEP could take in the process. There were a number of areas including skills, jobs, place and digital which Board members could think about differently in their day jobs and the LEP could support through funding and changing attitudes of businesses. When schemes were submitted for funding the LEP should consider how future mobility could be introduced to add value to the schemes put forward.

10. **Capital Programme Update**

10.1 Rachel Barker reported to the Board on the current position with the capital programme. Since the last meeting a number of legal agreements had been signed, from April 2019 to date there had been 21 legal agreements signed for projects due to commence in 2019/20. Of the £219m total funding allocation all had now been contractually committed. The target spend for 2019/20 was £45m and the current range likely to be achieved was expected between £39-49m. Should the £45m be achieved by 31 March 2020 Enterprise M3 would have spent 102% of the total available LGF allocation. The team was working on ensuring the forecast spend was achieved for 2019/20. The £5m from Winchester Station Approach and £700k from the loan element of Fleet Pond Green Corridor had been returned for reallocation, a further £500k

was expected to be returned from the Basingstoke SW Corridor to Growth Phase 2 A340/A3010 Thornycroft Roundabout.

10.2 At the PMG meeting in January all of the projects which had been approved but where legal agreements had not been signed were reviewed. It was agreed that the Guildford Flood Alleviation project should be removed from the programme as although the design work could be carried out in 2020/21, full delivery of the scheme was not likely to be achieved by March 2021. It was also agreed that Enterprise M3 would write to Network Rail and Great Western Railway to advise them of a deadline of 31 March 2020 for the legal agreement for the North Downs Line to be complete.

10.3 The Board noted the current progress in delivering the capital programme and that there was £7.02m of capital funding currently unallocated.

11. Enterprise M3 Annual Report and Annual General Meeting

11.1 The Enterprise M3 Board received a report on the initial proposals for the Enterprise M3 Annual Report and AGM. Enterprise M3 was now a limited company however this would have little impact on the plans and vision for the Annual Report and AGM. The Annual Report was an opportunity to showcase the strategic direction set by the Board and it was proposed that this year's report should portray Enterprise M3 as a 'Business LEP', an agile operator, focussed on action and delivery. The Annual Report would also showcase what the LEP was doing to support business to seize opportunities. It was proposed that the 'at a glance' infographic setting out the successes of 2019/20 should be included as had been previously well received. It was agreed that Linda Cheung and Debbie Allen would help with the development of the Annual Report.

11.2 The proposed date for the AGM was 24 June 2020 and the location would be in Surrey, although the venue was yet to be agreed. All Board members were invited to attend. The keynote external speaker was always well received by the audience and Board members were asked to put forward suggestions for suitable speakers.

11.3 Government had asked all LEP's to produce a document setting out their unique selling point. The USP for Enterprise M3 was UK's digital innovation region, the paper was circulated for the Board to comment.

11.4 The Board discussed the proposals for the AGM and Annual Report. It was proposed that the AGM could be used to crowd source ideas and views could be sought from young people. The AGM could also be an opportunity to promote creative and immersive technologies, with some technologies available on the day for the audience to participate in. The Annual Report should be used to demonstrate strong partnership working and provide numbers to back up statements regarding the size of industries in the area.

Action to be taken	By Whom	When
Provide suggestions for the AGM and Annual Report and comments on the Enterprise M3 USP to Sue Littlemore	All Board members	February 2020

12. Enterprise M3 Local Industrial Strategy

12.1 The Board received a report on the progress in the development of the Enterprise M3 Local Industrial Strategy. The evidence gathering and further analysis was nearly complete and the formal evidence base had been positively received by the Government. The 'Defining Our Approach' document was circulated which provided a high-level description of the area, a summary of the main messages from the evidence for each of the strategic priorities, the major aspects of an economic vision for the area and a timetable and practical arrangements in response to the analysis. Wider deliberation would be carried out with stakeholders and partners on the Defining Our Approach document which would culminate in a mini-summit in April where it was proposed the Local Industrial Strategy would be agreed with the support of partners and stakeholders.

12.2 The Board discussed the approach and asked when the details from the evidence base could be circulated to partner organisations. The Board was advised that a follow up document was being prepared to look at 'what we do' which would link to the evidence base. The document should be available very soon and would open up the debate on interventions. The Board would be notified once the document was available and the evidence base could be distributed.

Action to be taken	By Whom	When
Advise Board members once evidence base was available to circulate to partners	Kathy Slack	February 2020

13. **Enterprise M3 Delivery Plan Update**

13.1 The Board received a progress review on the Enterprise M3 Delivery Plan. It was highlighted that the Governance element was now green due to the progress on meeting the diversity target of one-third female representation on the Board. Work was now underway on writing the delivery plan and a paper would be provided at the next meeting.

Action to be taken	By Whom	When
Circulate a copy of the draft Delivery Plan at the March Board meeting	Rachel Barker	26 March 2020

14. **Evaluation Activity**

14.1 The Board received a presentation from Christine Doel and Ross Gill from SQW on the initial findings from the mid-term evaluation of the Local Growth Fund and Growing Enterprise Fund. To date SQW had carried out a review of the programme materials and carried out some scoping consultations. The next step was to carry out depth reviews on some projects. From the work carried out to date there was evidence that Enterprise M3 played an active role in project development and was proactive in bringing projects forward. There was also evidence that the process and strategy had become increasingly sophisticated over time with greater clarity provided on application requirements and business case expectations. There had been some data challenges which were reflected in the scale of the programme and its evolution over time. The pressure to spend the allocated funding was identified but it was clear that Enterprise M3 had taken a more business orientated approach where possible. An e-survey had been sent out to stakeholders to gather more information. A further report would be provided to the Board once the depth reviews had been completed and the responses to the e-survey had been received and analysed.

15. **Government Plans**

15.1 Blessing Inyang updated the Board on Government plans and current activity. The risk for LEP's without confirmed core funding and further LGF funding was recognised. The confirmation for core funding for 2020/21 was expected to be announced shortly however the comprehensive spending review was not expected until November when any potential LGF funding would be announced.

15.2 The space sector was a key area of interest for Government and Enterprise M3 should be aware of the UK space offering and opportunities within the area. Aldershot had been announced as one of the towns selected as a pilot for the High Street Task Force. The Task Force would help articulate the vision for the town centre and would therefore be looked on more favourably by Government. It would be important that Enterprise M3 was able to articulate why the South East needed continued investment and highlighting areas that needed focus to secure future funding opportunities.

15.3 The Board discussed the update from Government. The lateness of the comprehensive spending review was raised as an issue and how it would be important for Enterprise M3 to maintain a pipeline of potential projects that would be ready to start in April 2021 so any bids for funding could be developed at short notice.

16. **Chief Executive's Report**

16.1 Kathy Slack highlighted the key issues in the Chief Executive's Report which had been circulated. The work on developing High Potential Opportunities (HPO) was taking shape and the final version of the 'Immersive Visualisation and Gamification' HPO was expected to be delivered by the Department for International Trade in early February. A new wave of HPOs was expected to be launched by DIT relating to the space industry. There was a huge amount of activity in the Enterprise M3 area on gaming and immersive technologies and some of this should be demonstrated at the AGM.

16.2 The business readiness work post EU exit was continuing and was expected to continue until end March 2020. The Village Hotel had been completed on the Basing View Enterprise Zone, Linda Cheung would be carrying out the ribbon cutting to officially open the building. A major investment had been achieved at the Longcross Enterprise Zone with the announcement of the sale of 10 acres to Ark Data Centres which would see the development of a data campus creating 385,000 sq ft of specialist storage facilities.

16.3 A Skills Symposium was planned for 24 March at Farnborough International Exhibition and Conference Centre. The aim of the event was to share the key aspects of the Skills and Labour Market Analysis to an audience of careers leaders, representatives from business and other key stakeholders to help influence curricula and facilitate discussions about addressing some of the key skills challenges.

17. **Joint Leaders Board**

17.1 The Board received feedback from the Joint Leaders Board meeting held on 23 January 2020. Colin Kemp advised the Board that there had been a good presentation from Rushmoor Borough Council on the work in Aldershot which focussed on place shaping, connectivity and people. There had been a lot of partnership working which had produced a great vision for the town. Sam Read from Enterprise M3 LEP provided a presentation on the gaming industry and was of particular interest as demonstrated that the industry related to health and other issues, not just gaming. There had been some good items identified for the forward programme including place shaping and affordable housing.

18. **Programme Management Group Report**

18.1 The Board received and noted the minutes of the Programme Management Group meetings held on 16 January 2020.

19. **EU Programme Update**

19.1 The Board received and noted the progress on the EU Programme.

20. **Forward Programme**

20.1 The Board received and noted the Forward Programme.

21. **Any Other Business**

21.1 The Board again thanked Simon Browne, Jason Gaskell and Tim Jackson for their time served on the Board and wished them well for the future.

21.2 The future Enterprise M3 Board meetings would be held on

- Thursday 26 March 2020 – University of Surrey, Guildford TBC
- Thursday 28 May 2020 – Village Hotel, Basingstoke
- Thursday 30 July 2020 – TBC
- Thursday 24 September 2020 – TBC
- Thursday 26 November 2020 – TBC
- Thursday 28 January 2021 – TBC
- Thursday 25 March 2021 - TBC

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