

**Enterprise M3 Programme Management Group**

**16 January 2020, 10:00-12:30**

**Ogilvy Room, HG Wells Conference Centre, Woking**

**MINUTES**

**Members Attending**

James Cretney - Chair  
Deborah Allen  
Dave Axam  
Rob Carr  
David Fletcher  
Matt Furniss  
Rob Humby  
Paul Millin  
Kathy Slack

**EM3 Guests Attending**

Rachel Barker  
Chris Quintana  
Jeannie Satchell  
Geoff Wells  
Justine Davie

**Apologies**

Richard Brooks  
Mike D'Alton  
Catherine Turner

**Other Guest**

Ross Gill - SQW

**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 14 November 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	Future Scheme Development Funding	Left the room during the decision making

**4. Capital Programme Update**

4.1 Rachel Barker reported to the Group on the current position with the capital programme. Since the last PMG meeting a number of legal agreements had been signed, from April 2019 to date there had been 20 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.

4.2 There were currently seven projects awaiting completion of the legal agreements. All were expected to be progressed and signed by the end March 2020, with the exception of the Guildford Flood Alleviation project. The Environment Agency had advised that the project had changed in nature since approval in September 2018 and although 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 therefore proposed that the project was removed from the programme. The project could be reconsidered in future if further Government funding for infrastructure projects was secured. The Group agreed

that the Guildford Flood Alleviation project should be removed from the pipeline. It was also agreed that Enterprise M3 set a deadline of 31 March 2020 for the legal agreement to be concluded for the North Downs Line project and EM3 would write to all parties involved with the project to advise them of this.

- 4.3 There were business cases being developed for projects worth £27m with approximately just under £10m available for allocation. Of the £27m it was likely that some of the funding would not be able to be achieved in the timeframe therefore the Group was asked to consider whether further projects should be sought to increase the pipeline. The Group discussed the proposal and agreed that there should not be another call for projects however organisations should be encouraged to enter into dialogue with the team if there were potential projects in development.
- 4.4 Government had requested all LEPs to complete an information document with data as at 13 December to inform the Annual Performance Review, which for Enterprise M3 was taking place on 14 February 2020. The indicative ratings received were discussed.

Action to be taken	By Whom	When
Remove the Guildford Flood Alleviation project from the pipeline and advise the Environment Agency and Surrey County Council of the decision	Kevin Travers	31 January 2020
Write to Network Rail and Great Western Railway to advise of the deadline of 31 March 2020 for the legal agreement for the North Downs Line project to be complete	Kevin Travers	31 January 2020

## 5. Future Scheme Development Funding

- 5.1 The Group received a paper on the Future Scheme Development Fund. In July 2019, £460k had been allocated to Surrey County Council (SCC) from the Future Scheme Development Fund (FSDF) for the development of the A31 Hickleys Corner Improvement (£230k) and A320 North Corridor Housing Infrastructure Fund (£230k). The funding for the A31 Hickleys Corner Improvement was no longer required by Surrey County Council and had been returned to the available balance. SCC requested clarification on the terms of the existing allocation of £230k for the A320 North Corridor and whether the loan was required to be repaid if the Housing Infrastructure Fund (HIF) bid was not successful. The Group discussed the terms of the allocation and agreed that the £230k was subject to 50% match funding being available and confirmed that the loan would be required to be repaid whether or not the HIF bid was successful.
- 5.2 SCC had requested a further conditional loan of £500k from the FSDF to carry out detailed design, land and legal work for highway infrastructure works on the A320 Corridor between Woking and the M25. The loan would be matched by a further £1m from Runnymede Borough Council and SCC. The request was for a conditional loan and for it to only be repayable if the HIF bid was successful. The Group discussed the request and agreed that the terms of the allocation would be as per the previous loan and was subject to 50% match funding being available and that the loan would be required to be repaid whether or not the HIF bid was successful.

Action to be taken	By Whom	When
Write to SCC to offer a £730k loan from the FSDF subject to 50% match funding being made available and stating that the loan would be repayable in full whether or not the HIF bid was successful.	Kevin Travers	31 January 2020

## 6. Capital Projects for Consideration

### a) Basing View Living Lab

- 6.1 The Group received a report on an application from Basingstoke and Deane Borough Council (BDBC) for the Basing View 5G Commercialisation Living Lab project which requested £1.961m grant funding against a total cost of £3.845m. The capital match of £1,922,500 would be provided by industry partners once selected through a rigorous procurement process. A further £100k

revenue contribution would be provided by BDBC to kick start acceleration and incubation support. The project would be led by BDBC in partnership with the University of Winchester Digital Futures Centre, the University of Surrey 5GIC, industry partners providing system integration equipment, technical support, maintenance and spectrum and AR/VR facilities.

- 6.2 The aim of the project was to create a 5G commercialisation cluster on the Basing View Enterprise Zone where start-ups, SMEs and larger businesses could trial products, services and applications across a wide-range of vertical and horizontal use cases and bring them to market faster. The infrastructure would provide 5G connectivity on both the Lower and Upper Basing View areas creating an open access, indoor and outdoor 5G network supported by superfast full fibre, 5G cells, 5G Fixed Wireless Access, radio millimetre wave, and low power network covering the whole park. The project would be centred at Belvedere House on Lower Basing View, the new office space would also house the AR/VR facilities. 5G technical expertise and support would also be available to help businesses accessing the Living Lab to overcome technology challenges with development and deployment of 5G functionality. There would be skills development and training opportunities for schools, colleges and university students to access the network. There would also be incubation, acceleration and commercialisation programmes available to new entrepreneurs, start-ups and scale-ups to help them grow, access investment and provide support in bringing new applications to market.
- 6.3 The project would deliver 10 new jobs, engage 30 companies in a rolling programme of incubation and commercialisation support, 4 commercialisation courses, engage 10 businesses in an acceleration programme and up to 30 students working with the new technology. Further additionality would be brought to the project through the delivery of the Digital Growth Factory ERDF project which would kick start SME engagement through incubation and acceleration programmes. The Digital Growth Factory was a £3.17m ERDF project which required 50% match funding and would complement the 5G Living Lab as it aimed to stimulate the growth of technology businesses and product commercialisation, including preparing businesses for the roll out of 5G across the Enterprise M3 area.
- 6.4 Due diligence had been carried out on the project by AECOM which raised a number of issues to be addressed which AECOM advised Enterprise M3 should carry out further analysis on before any funding decision was awarded. The points related to: evidence of industry support and the desire from industry to part fund the project; confirmation that other sources of funding had been secured; confirmation of project costs once tenders had been returned; confirmation of in-house project personnel; confirmation of the required floorspace for the project; confirmation of the detailed selection criteria; regular updates on the progress of planning and highways consents; and, provision of an updated project programme after the procurement process had been completed. Responses to each of the points had been provided by BDBC which were included in the paper.
- 6.5 The Group discussed the project in detail and raised a number of questions relating to clarification of what the project would provide and how long the project would be operated. It was clarified that the project would provide the 5G network across the Basing View Enterprise Zone available for businesses to access. The business support was highly likely to be supported by ERDF which would be a 3-year project. It was recognised that the roll out of 5G in the south had been slow and the project would provide 5G locally. The project also had a good strategic fit and would further increase the attractiveness of the Enterprise Zone to companies. The main area of concern related to the detail of what the project would look like, how it would be operated and who would be running the project. It was highlighted that the detail of the project was not available until the procurement exercise had been completed but it was important that Enterprise M3 was comfortable what was being requested in the procurement exercise which was one of the points highlighted in the AECOM issues to be addressed. The Group was advised that the legal agreement would include a requirement that the AECOM issues were addressed satisfactorily as a condition of any funding being released.
- 6.6 The Group agreed the project in principle but required additional detail demonstrating that the points raised by AECOM were being addressed. In particular, the Group wanted sight of the procurement specification and confirmation of the detailed selection criteria that tenders would be evaluation against to ensure it fulfilled the requirements that industry partners were suitable. The

Group agreed that Chris Quintana and David Fletcher would look at the issues raised by AECOM with BDBC and obtain additional information to address the issues which would be circulated to the Group for final approval on the funding allocation.

Action to be taken	By Whom	When
Meet with BDBC to gather additional information to ensure the points raised by AECOM were being addressed	Chris Quintana/ David Fletcher	24 January 2020
Circulate an additional paper setting out further detail that the issues raised by AECOM were being addressed, particularly on the procurement specification	Chris Quintana	31 January 2020

#### b) The Care Skills Training Centre

- 6.7 The Group received a report on an application from Guildford College, part of the Activate Learning Group, for the Care Skills Training Centre project which requested £424.4k grant funding against a total cost of £524.4k. Activate Learning would provide £100k capital match and cover the ongoing revenue costs associated with operating the facility. The project would deliver a flexible training area that would create a 6-bed hospital and social care setting with observation area that would enable students to practice in a clinical environment. The project would be the first of its kind for the FE sector in the region and was endorsed by the Royal Surrey NHS Trust who would utilise the resource for staff training. The project would help to develop a local centre of excellence and raise the attainment levels of the College.
- 6.8 AECOM had reviewed the Expression of Interest and raised comments and questions with the scheme promoter which had been responded to both in writing and through meetings. The responses received had been satisfactory and any outstanding issues would be followed up, clauses would also be included in the legal agreement where appropriate.
- 6.9 The Group discussed the report and agreed to approve £424.4k grant funding to Guildford College for the Care Skills Training Centre project.

Action to be taken	By Whom	When
Proceed the Care Skills Training Centre project to contract	Jeannie Satchell	February 2020

### 7. Monitoring and Evaluation

- 7.1 The Group received an update from 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 and produce an emerging findings report for the Board meeting on 30 January. 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. The Group was asked to consider the findings and whether there were any particular issues they would like to be explored through the evaluation.
- 7.2 The Group discussed the information emerging from the evaluation and expected to see some information on what could be done better. The Group was advised that there had been some feedback provided on the length of time the process could take from initial application to legal agreement and allocation of funding. Bottlenecks due to resource capacity in the Enterprise M3, AECOM or legal teams had also been highlighted. An e-survey would be carried out as part of the evaluation to obtain further views from a wider range of stakeholders.

- 7.3 Dave Axam advised the Group on a peer review he was taking part in with Leicester and Leicestershire LEP and was surprised at how different their portfolio of schemes looked to Enterprise M3. They had much larger mainly transport/infrastructure projects. It was proposed that some comparisons against other LEPs as part of the evaluation would be useful.

Action to be taken	By Whom	When
Include information on what could be done better in the emerging findings report	Ross Gill/Christine Doel – SQW	30 January 2020
Carry out some comparison against other LEPs to inform the evaluation work	Ross Gill/Christine Doel – SQW	30 January 2020

## 8. LEP Update on Recent Developments

- 8.1 Kathy Slack advised the Group on current issues. There was still no further information on the UK Shared Prosperity Fund and how it would be distributed so work was just continuing as normal until details were made available. Aldershot town centre had been chosen by Government as a pilot area to receive expert support and funding to help with town centre regeneration. Aldershot was one of only two areas in the south east selected to benefit from bespoke support and guidance from the Government's new High Streets Task Force. Growth Hub funding had been confirmed for 2020/21 but LEP operational funding had yet to be confirmed.
- 8.2 The LIS evidence base had been considered by the Government Panel in November and the feedback received had been extremely useful to develop the LIS further. The evidence base had been really well received by stakeholders.
- 8.3 The next stage of the Enterprise M3 reorganisation was underway and there would be more focus on sectors and working with businesses. A recruitment exercise was also being carried out for new Board members. All LEPs in the southern area, with the exception of the South East LEP, would be advertising for a new Chair. Enterprise M3 and Thames Valley Berkshire had secured joint procurement for the recruitment work. There had been difficulties recruiting a new not for profit Board member, the appointment could be from the voluntary or charity sector. The Group were asked to send any suggestions for the not for profit position to Kathy Slack.
- 8.4 The Careers and Enterprise Company had received an excellent review which reported that it was running one of the best services in the country.

## 9. European Programme Update

- 9.1 The Group received and noted the update on the EU programme.

## 10. Forward Programme

- 10.1 The Group noted the current forward programme.

## 11. Any Other Business

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

- 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