

**Enterprise M3 Ltd Board Meeting**

**30 July 2020 - 1.00-4.00pm**

**Zoom Video Conference Call**

**DRAFT MINUTES**

**Directors in Attendance**

Dave Axam - Chair  
Debbie Allen – Deputy Chair  
Julie Baker  
Virginia Barrett  
Joy Carter  
Linda Cheung  
Sarah Jane Chimbwandira  
David Clifford  
James Cretney  
Barney Ely  
Rob Humby  
Ren Kapur  
Colin Kemp  
Stacey King  
Ross McNally  
Richard Millard  
Caroline Reeves  
Kathy Slack

**EM3 Team in Attendance**

Rachel Barker  
Rob Dunford  
Kevin Lloyd  
Kevin Travers  
Lee Danson  
Jordan Tame  
Justine Davie

**Apologies**

Rob Carr  
Jim McAllister

**Guests in Attendance**

Rob Leenderts – NGIS Ltd  
Richard Turl – Cities and Local Growth Unit  
Cllr John Ward – Waverley Borough Council

**Co-opted Members**

Mike Short

**1. Welcome and Introductions from Chair**

- 1.1 Dave Axam welcomed everyone to the meeting and all attendees introduced themselves. Ren Kapur was welcomed to her first meeting as a Board Director and Cllr John Ward who was attending as a guest. Dave thanked everyone for their messages of support following his recent hospital admittance and subsequent recovery and he advised the Board that he was feeling much better.

**2. Minutes of the previous meetings & matters arising**

- 2.1 The minutes of the meeting held on 28 May were agreed and the actions noted. The Board was advised that the updated Assurance Framework and Articles of Association would be brought to the September Board meeting. The responses to the AGM Panel questions which were not answered by the Panel at the event would be circulated to Board members.
- 2.2 James Cretney advised the Board that the Clean Growth Forum had been held on 28 July and was extremely well attended. The participation at the meeting was very encouraging and it was a good opportunity for those in attendance to network, learn from each other what activity was happening in the area and work collaboratively. It was proposed that the Forum would meet twice a year. Joy Carter asked to be invited to join future meetings of the Clean Growth Forum.

| Action to be taken  | By Whom       | When        |
|---|---------------|-------------|
| Circulate responses to AGM Panel questions to Board members | Justine Davie | August 2020 |
| Add Joy Carter to Clean Growth Forum invitation             | Jennie Pell   | August 2020 |

### 3. Chairs Report

- 3.1 The Board received details on the activities and events undertaken by the Chair since the last Board meeting. The Chair had attended a number of meetings with the Southern LEP Chairs and CEO's, now working together under the name Catalyst South, with the aim to set out the clear strategic position of the South in relation to economic recovery. A new round of meetings had started with Enterprise M3 MPs and further meetings would be held in the coming months.
- 3.2 There had also been a number of meetings preparing for the Annual General Meeting which had taken place on 24 June. The feedback received from the AGM had been extremely positive with attendees finding the format helpful and a suggestion that the format of future AGM's should include digital segments. There were an impressive number of business representatives in attendance and most stayed for the full 90-minutes session. Board members were asked to continue to send out the link to the Enterprise M3 Annual Report to their contacts.

### 4. Catalyst South

- 4.1 Dave Axam updated the Board on the activity being undertaken by Catalyst South, the group of six southern LEPs (Enterprise M3, South East, Coast to Capital, Hertfordshire, Solent and Thames Valley Berkshire), working jointly to give a greater profile to the area and ensuring the southern voice was heard. The Group would also work closely with local authorities and partner organisations.
- 4.2 Two ministerial roundtables had been held for businesses in the Catalyst South area which worked extremely well giving businesses the opportunity to speak to ministers and get their message to Government. The roundtable provided an opportunity to: demonstrate value and return on investment in the area; propose partnering with Government on recovery; and, lead conversations for meaningful investment. It was agreed that there needed to be some thought on areas where Catalyst South could work together which would provide the most added value. There was currently no funding being sought for the activity of Catalyst South but that could change following the publication of the Devolution White Paper.
- 4.3 Barney Ely reported on a meeting that had been held with the Catalyst South Skills Advisory Panels Chairs. There had been a lot of discussion on guidance available and there was support for working together as a grouping. Joy Carter suggested universities in the Catalyst South area could be mobilised but there would need to be a clear plan potentially on the clean growth agenda.
- 4.4 Richard Turl advised the Board that the Devolution White Paper was still in the process of being drafted. It was envisaged the White Paper would contain some encouraging news in support of pan regional bodies.

### 5. Declarations of Interest

- 5.1 In addition to all interests previously declared, the following interests were noted:
- Linda Cheung, Julie Baker and Cllr John Ward left the conference call during the decision making on the Enterprise M3 Board Appointments item.
  - Dave Axam, Stacey King, Caroline Reeves, David Clifford, John Ward, Rob Humby and Colin Kemp declared an interest in the Digital Fibre Spine item but remained on the conference call as no decision was being made.

- Dave Axam, Rob Humby and Colin Kemp declared an interest in the Capital Programme Update Getting Building Fund submission item but remained on the conference call as no decision was being made.
- Dave Axam and Richard Millard left the conference call during the decision making on the Whitehill and Bordon Town Centre item.
- Ross McNally declared an interest in the Growth Hub item but remained on the conference call as no decision was being made.

## 6. Covid-19 Intelligence and Recovery Plan

- 6.1 The Board received a presentation on the current economic impact intelligence gathered to date. Covid-19 had caused a huge impact on jobs with 28% (202,900) employees resident in the Enterprise M3 area furloughed, 73% (56,800) of self employed residents supported through the Self-Employed Income Support Scheme and 36,555 residents receiving work-related benefits. The unemployment claim rates remained below the UK average but the rise in the number of claimants had been high in Enterprise M3 localities. It was anticipated that there would be a large number of people made redundant. Although Enterprise M3 had a strong resilience it was anticipated that there would be a number of people unemployed, particularly low skilled, women and young people.
- 6.2 The analysis from Metrodynamics identified that the main areas hit were accommodation and food, education and construction which made up a significant proportion of employment in EM3 area. A number of economic areas which had been affected by Covid-19 had been assessed and identified whether they had been accelerated or interrupted and if they were a threat or an opportunity with proposed responses. Issues identified as interruptions which were a threat to the economy included a sharp drop in output, damage to financial health of firms and mass unemployment. Issues that had been accelerated and identified as opportunities including increased focus on low-carbon, Government activity on innovation, co-working space outside city centres and growth in cyber security.
- 6.3 New investment from Government included £13.3m for the Getting Building Fund, £500k for the Supporting Town Centre Fund, £400k EU funding for small grants for the visitor sector and wider economy and up to £150k to support Peer to Peer Networks for business recovery. There were a number of areas of work in place to be taken forward on recovery and renewal to address jobs and skills, digitisation for new ways of working and growing the low carbon economy.
- 6.4 The Board discussed the information provided in the presentation and recognised there were a number of issues to be considered around the tourism and high streets and what could be offered to help recovery in the future. It was acknowledged that rents on the high street were an issue and that change of use was not always a viable solution for vacant units.
- 6.5 The Board was advised that a recovery and renewal strategic workshop would be arranged in September/October.

| Action to be taken                                      | By Whom       | When                       |
|---|---------------|----------------------------|
| Circulate the economic impact slides to Board members   | Justine Davie | July 2020                  |
| Arrange a Board recovery and renewal strategic workshop | Justine Davie | September/<br>October 2020 |

## 7. Enterprise M3 Board Appointments and Governance

- 7.1 Mike Short updated the Board on the work of the Nominations Committee. The Non-Executive Director and Chair recruitment microsite went live on 22 July. It was intended that the interviews would take place in late September with the appointment ratified at the November Board meeting. The individual appointed to take over as Chair would be co-opted to the Board until November 2021 when they would take up the Chair position.

- 7.2 There were a number of vacancies to be filled on the sub-groups and the Nominations Committee would be working towards identifying appropriate Board members to fill those vacancies which would be recommended at a future Board meeting.
- 7.3 Cllr Ian Harvey had stepped down as Leader of Spelthorne Borough Council in June 2020 which left a vacancy on the Board for a Surrey local authority leader. The Joint Leaders Board (JLB) sought nominations at the meeting on 23 July and nominated Cllr John Ward to join the Board from 30 July 2020. The Board Directors agreed to the appointment of Cllr John Ward as an Enterprise M3 Director.
- 7.4 The Board agreed the reappointment of Linda Cheung as a Board Director for a second term to July 2023.
- 7.5 The Board agreed that Julie Baker be appointed as the Enterprise M3 Equality and Diversity Lead.
- 7.6 The Board was advised that Government had formally acknowledged that Natwest/RBS was a private sector body therefore Julie Baker would be now be recorded as a private sector Board member.
- 7.7 The Board noted that there was an existing vacancy for a Surrey district Programme Management Group member and that no nominations were brought forward. JLB agreed that the Surrey districts would be asked to put forward nominations and the appointment would be considered again at the September JLB meeting.

## **8. Digital Fibre Spine Project**

- 8.1 Rob Dunford introduced the Digital Fibre Spine project which was a bold intervention on the part of the LEP to support a step change in digital connectivity in the Enterprise M3 area. The work undertaken for the Local Industrial Strategy identified the poor mobile and broadband connectivity in many parts of the area. The need for greatly enhanced digital infrastructure had been further highlighted during the current Covid-19 pandemic. The Digital Fibre Spine project had the potential to achieve a significant benefit for a relatively small amount of funding.
- 8.2 Rob Leenderts from NGIS and Kevin Lloyd provided a presentation on the Digital Fibre Spine Project which would provide Gigabit connectivity, exponentially faster than the basic or superfast provision currently available and helping to close the digital divide so that the whole area had fast, reliable connections. This was particularly important for many frontier businesses which required high speeds and the ability to transfer huge volumes of data.
- 8.3 The proposed route for the initial fibre spine was between Basingstoke and Guildford running through Hart, Surrey Heath, Rushmoor and Waverley local authority areas. Detailed mapping of the route was being carried out to maximise the benefit to councils, businesses and potential operators. The detailed business plan setting out the scale of the opportunity for the area and the full funding package was scheduled for August which would be submitted to the Board for consideration. A partnership would be established across the relevant local authorities involved to move the project forward. Subject to procurement and planning, it was expected that the civil engineering expertise to lay the fibre and associated kit could begin in 2020 with the Network in place by end 2021.
- 8.4 The Programme Management Group had agreed for the Digital Fibre Spine project to be included in the submission for the Getting Building Fund to the value of £4.5m. Other funding sources would be sought including other Government funding and contributions from partner organisations. Meetings were being held with local authorities to identify the businesses that would benefit from the fibre spine. A local authority steering board would be established to enable the local authorities to take ownership of the project and manage the revenue scheme.
- 8.5 The Board discussed the project and it was highlighted that the civil engineering capacity would be critical to meeting the ambitious timetable for project delivery. The Board supported the vision for developing a fibre spine project to support a step change in digital connectivity in the Enterprise M3 area but suggested some sharpening of the messages for wider use and the

need to test the assumptions being made in the detailed calculations underpinning the business plan.

| Action to be taken  | By Whom                     | When           |
|---|-----------------------------|----------------|
| Develop the business case for the Digital Fibre Spine project | Rob Dunford/<br>Kevin Lloyd | September 2020 |

## 9. Capital Programme Update and project for consideration

### a) Review the Capital Programme

- 9.1 Lee Danson reported to the Board on the current position with the capital programme. Government's formal review of the 2020/21 programme had taken place, informal feedback had been positive and it was expected that the final third of funding would be received in August. Government guidance remained that the full LGF funding spend was required by 31 March 2021. The current forecast shows that the target spend was achievable.
- 9.2 There were some projects at risk of not being able to draw down their full LGF allocation in 2020/21 which were being closely monitored by the team. Guildford Borough Council (GBC) had previously advised the LEP that they were unlikely to be able to deliver the Blackwater Valley Hotspots project. However, since initial discussions GBC had been working with Surrey County Council (SCC) and GBC confirmed they were now jointly able to deliver the project. The Programme Management Group (PMG) agreed to continue to support the project, with the caveat that a maximum of £500k would be available to support the project in 2021/22.
- 9.3 The Regional Cyber Security Centre had been allocated £5m LGF but Royal Holloway advised they were not able to take the project forward at the current time as they were unable to provide match-funding due to the impact of the Covid-19 pandemic. A new proposal had been submitted which was a new project rather than a change to the existing project. PMG had discussed the proposal and although recognised the merits in the project for the university, due to the delivery concerns, it was agreed that the project should be removed from the capital fund and the remaining £4.17m funding be made available to pipeline projects.
- 9.4 There had been a delay with the Basing View Living Lab project but it had been considered at the Basingstoke and Deane Council meeting on 16 July and received full Council approval. Procurement work was ongoing and it was anticipated that the full funding allocation would be drawn down in 2020/21. This development had meant that the project was no longer considered to be high risk, although its progress would be monitored closely.
- 9.5 The North Downs Line project which would enable additional services to run on the North Downs Line was also at risk of not proceeding. Network Rail had been requested to provide an update by 30 July or would be advised that the project would be removed from the funding pipeline. No update had been received therefore it was recommended that the project be removed from the pipeline and funding offer of £955k withdrawn.
- 9.6 The Getting Building Fund (GBF) had been launched and Enterprise M3 had been allocated £13.3m. The funding had to be spent by Jan 2022 and Government could potentially clawback funding if it was not spent. Government advised that LGF and GBF were to be treated as separate funds and the GBF was not an extension of funding for current projects. There was no additional revenue funding available to support the £13.3m capital funding. The list of projects submitted for the GBF had to be signed off by the Chair and Accountable body by 17 July. At its meeting on 16 July, PMG agreed that the projects to be submitted would be Digital Skills work, Gigabit EM3 Town and Rural (Digital Fibre Spine), Creative Tech Growth Booster, Park, Ride and EV Charge and Clean Growth Pilot (Building Greener Futures programme).
- 9.7 The Board noted the capital programme update.

### b) Whitehill and Bordon New Town Centre Project

- 9.8 The Board received a report on an application from Whitehill and Bordon Regeneration Company (WBRC) for £4.8m capital grant funding against a total cost of £20.9m for the

Whitehill and Bordon Town Centre scheme. Funding was available to be allocated using unallocated LGF, the project was ready to start delivery and would be complete by March 2021. There would be a condition included in the legal agreement for the spend to be achieved by 31 March 2021.

- 9.9 The capital grant would go towards funding the new public realm of the town centre including town squares, a town park and a car park. Some 1,193 sqm of business floorspace in the form of the Makers Market, an indoor and outdoor market, would be provided which would support local businesses, host events and bolster the activities of local community groups. The project also included the provision of fibre broadband in the town centre. The public realm project was part of Phase 1a of a £20.9m project for the overall redevelopment and regeneration of Whitehill and Bordon town centre project. There were three phases in the regeneration scheme.
- 9.10 AECOM reviewed the business case and all comments and questions raised had been addressed both in writing and through dialogue. The overall assessment was that WBRC had put together an excellent and robust business case. The applicant had been asked to ensure the scheme was Covid compliant and this would continue as a requirement in projects going forward. AECOM confirmed that the case remained strong and robust taking into account the Covid-19 assessment.
- 9.11 The Board discussed the project and asked how WBRC would guarantee that the spend would be achieved in 2020/21. The Board was advised the legal agreement would state that WBRC would be required to meet any cost not achieved by 31 March 2021. The Board approved the allocation of £4.8m capital grant funding for the Whitehill and Bordon Town Centre scheme, with the requirement that the funding was spent in full in 2020/21 financial year.

| Action to be taken  | By Whom       | When        |
|---|---------------|-------------|
| Proceed the Whitehill and Bordon Town Centre scheme to contract                             | Kevin Travers | August 2020 |
| Advise Network Rail that funding offer was being withdrawn for the North Downs Line project | Rachel Barker | August 2020 |

## 10. Growth Hub Update

- 10.1 The Board received a paper on the review of the Growth Hub service and the proposal to bring the service in-house from April 2021. The Board was advised that for 2020/21 there had been an increase in the Growth Hub funding therefore there had been no requirement for Enterprise M3 to provide a top up. The supplementary funding would enable the provision of additional coaching by growth associates, additional growth plans, an enhanced online presence and the development of Growth Hub Live to provide webinars.
- 10.2 The current contract was due to end in March 2021. A number of issues would need to be considered for bringing the service in-house including TUPE of staff, future location for the Growth Hub and transfer of CRM and data. The model for an integrated Growth Hub had been considered in the review carried out which identified a spectrum of activity from the existing focus on general advice and growth services and supporting scale ups to a 'Business Hub' offering a wider range of business development support including sector cluster development and trade and investment activity.
- 10.3 The Board noted the paper and that the full proposal for the costings and organisational implications of the model would be reported to the September Board meeting. Issues identified by the Board included the need to ensure the CRM and data was able to be transferred and that key staff were retained. It was recognised that bringing the service in-house would enable activity to be brought together which would benefit the business community.

| Action to be taken  | By Whom     | When              |
|---|-------------|-------------------|
| Submit Enterprise M3 Growth Hub proposal to September Board meeting | Rob Dunford | 24 September 2020 |

## 11. Government Plans

- 11.1 Richard Turl updated the Board on Government plans and current activity. The team was thanked for turning round the Getting Building Fund submission so quickly. Government was keen to ensure the funding was spent and it was positive to see that the submission aligned with the Local Industrial Strategy evidence. The Getting Building Fund was due to be launched the following Tuesday and Government would be issuing press releases.
- 11.2 Civil Servants were starting to pivot back from Covid-19 work to the Devolution and Recovery White Paper. Government needed to engage with MPs on the ground before any big announcements were made. The White Paper was due to be published in May but had been delayed due to Covid-19. Discussion were taking place on local government reorganisation and Ministers ambition to push funding and power down to a more local level. The Treasury was keen to engage with pan regional areas. The Comprehensive Spending Review (CSR) had been announced and would be published in the Autumn, it would be logical for the Devolution and Recovery White Paper would come before the CSR. The spending included in the CSR would be from 2021-25

## 12. Chief Executive's Report

- 12.1 The Board received and noted the Chief Executive's Report. The report showed how much work was happening. A lot of work carried out last year developing the Local Industrial Strategy was now proving invaluable. The Independent Industrial Strategy Council report was highlighted which showed that LEP capacity funding had remained at the same level and there was now a need for further capacity funding and a commitment to longer term funding. It was hoped there would be a better idea on funding allocation in the Autumn.
- 12.2 The second round of town centre support funding had been completed. There had been £500k allocated and five town centres identified (Spelthorne, Winchester, Fleet, Runnymede and Alton). Work was taking place to look at how some of the common themes could be brought together such as apps and work would be carried out to look at town centres in the longer term.
- 12.3 There had been two announcements for ERDF grant funding for kickstarting tourism and for the wider community of SMEs. It was expected that the demand could be high, both were small grants but with no requirement for match funding. Government had announced the funds but the system for application and allocation was unlikely to be available until October.
- 12.4 The planning application for the extension of Southampton Airport was currently out for consultation. Enterprise M3 had not responded to the planning application but had responded to Southampton and expected them to take strides forward on low carbon. It was recognised that if Southampton Airport was not approved for expansion of its runway it could potentially close which would increase travel to Gatwick. Enterprise M3 would send in a response to the planning application which would be circulated to the Board before submission.

| Action to be taken   | By Whom       | When          |
|--|---------------|---------------|
| Circulate response to Southampton Airport expansion planning application prior to submission | Kevin Travers | 6 August 2020 |

## 13. Joint Leaders Board

- 13.1 The Board received an update on the meeting of the Joint Leaders Board held on 23 July. An update had been received on recovery post Covid-19 which had been really well received and it was helpful to gather intelligence from the different local authority areas. There had been a discussion whether Deputy Leaders could become more involved with the LEP and there would be further discussion at a future meeting.

## 14. Programme Management Group Report

- 14.1 The Board received and noted the minutes of the Programme Management Group meeting held on 30 June and 16 July 2020.

**15. EU Programme Update**

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

**16. Forward Programme**

16.1 The Board received and noted the Forward Programme.

**17. Any Other Business**

17.1 The future Enterprise M3 Board meetings would be held on

- Thursday 24 September 2020 – TBC
- Thursday 26 November 2020 – TBC
- Thursday 28 January 2021 – TBC
- Thursday 25 March 2021 – TBC

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