

Enterprise M3 Ltd Board Meeting

26 November 2020 - 1.00-4.00pm

Zoom Video Conference Call

DRAFT MINUTES

Directors in Attendance

Dave Axam - Chair
Julie Baker
Virginia Barrett
Joy Carter
Sarah Jane Chimbwandira
David Clifford
James Cretney
Barney Ely
Rob Humby
Ren Kapur
Stacey King
Jim McAllister
Ross McNally
Kathy Slack
John Ward

EM3 Team in Attendance

Rob Dunford
Stephen Martin
Sue Littlemore
Sam Read
Justine Davie

Apologies

Debbie Allen
Rob Carr
Linda Cheung
Colin Kemp
Richard Millard

Guests in Attendance

Faz Osborne – Cities and Local Growth Unit
Richard Turl – Cities and Local Growth Unit
Cllr Peter Martin – Surrey County Council representative
Cllr Joss Bigmore – Guildford Borough Council
Daniel Ruiz - Zenzic

Co-opted Members

Mike Short

1. Welcome and Introductions from Chair

- 1.1 Dave Axam welcomed everyone to the meeting in particular Cllr Joss Bigmore, Daniel Ruiz and Stephen Martin who were attending their first Board meeting. Mike Short and James Cretney were attending their last Board meeting and on behalf of the Board the Chair thanked them for their valuable contribution to the Board over their six-year terms. The Board wished Mike and James well for the future.

2. Minutes of the previous meetings & matters arising

- 2.1 The minutes of the meeting held on 24 September were agreed and the actions noted.

3. Chairs Report

- 3.1 The Board received details on the activities and events undertaken by the Chair since the last Board meeting. A number of Catalyst South meetings had been held, the group was gaining good momentum and a meeting was being held with County Council Leaders in the region on 2 December. The annual scrutiny session had been held at the Joint Leaders Board meeting on 19 November, the session went well and all JLB members were thanked for their contribution. The excellent rating for Governance received at the Annual Performance Review was a reflection of the successful joint working with local authority partners.
- 3.2 The Board was advised that Colin Kemp was progressing well and coming to end of his treatment and he was looking forward to returning to the Board in the New Year. The Board wished Colin well in his recovery.

4. Joint Leaders Board

- 4.1 Rob Humby gave a verbal update on the meeting of the Joint Leaders Board held on 19 November which included the annual scrutiny of Enterprise M3 LEP. There had been positive feedback received from JLB members on the discussions held and the scrutiny session. Rob would take over the role of Chair of the Joint Leaders Board until Colin Kemp returned in the New Year.

5. Declarations of Interest

- 5.1 In addition to all interests previously declared, the following interests were noted:
- Cllr Peter Martin declared an interest on the Board recruitment update under item 8 but remained on the conference call as no decision was being made.
 - Cllr Joss Bigmore, Daniel Ruiz, Julie Baker Sarah Jane Chimbwandira and Stacey King left the conference call during the decision making on the Enterprise M3 Board appointments under item 8.
 - Cllr Joss Bigmore declared an interest in the Gigabit EM3 Town and Rural update under item 9c but remained on the conference call as no decision was being made

6. Government Plans

- 6.1 Faz Osborn provided a verbal update on the Comprehensive Spending Review (CSR) and other key areas of Government activity. There was an acknowledgement of all the work Enterprise M3 had carried out during the Covid-19 pandemic, in particular the communication bulletins and economic intelligence returns had been extremely helpful. The funding awarded on the space cluster was recognised as an excellent example of how Enterprise M3 was driving work to make a difference in the area.
- 6.2 A new Levelling Up Fund was included in the CSR worth £4bn to invest in local infrastructure that would have a visible impact on people and communities. The National Infrastructure Strategy had been published which set out plans to transform UK infrastructure in order to level up the country. There was no new information on the UK Shared Prosperity Fund other than it was to prepare for supporting communities on new approaches and would help to level up and create opportunity across the UK, further detail was expected in the Spring. The decision on the establishment of Freeports across the UK was expected shortly.
- 6.3 There was some good news that capacity funding had been confirmed for LEPs and Growth Hubs in 2021/22 but the settlement detail had not yet been agreed. The Devolution White Paper had been delayed and was unlikely to be published before May 2021. There would also be publication of a refreshed Local Industrial Strategy. A meeting of the LEP Network was being held the following week which would cover the CSR.

7. Covid-19 Intelligence and Recovery Plan

- 7.1 The Board received a presentation setting out the current position on the economy and labour market in the Enterprise M3 area. There had been some positive changes in the number of furloughed employees which peaked in July at 29% and dropped to 10% at the end of August, although it was recognised this could have had a negative impact on the number of redundancies. The number of self-employed workers claiming income support had dropped off slightly but broadly remained at the same levels. There had been a huge increase in the unemployment rate in the Enterprise M3 area which had trebled to 4.1%. The figures varied across the districts with Spelthorne the highest at 5.7% and the lowest in Hart at 3.3%. The Enterprise M3 rate was below the South East and UK levels but had increased at the same rate since February 2020. The levels of unemployment in the 16-24 year old category was up to 5%, which was still lower than UK average but high for the Enterprise M3 area.

7.2 The number of job postings was encouraging, with the average daily job postings in October back to levels seen in February and March 2020. However there had been a dip at the end of October/early November anticipating the second lockdown. There had been some positive business news in the Enterprise M3 area: Nanoavionics had moved to Basingstoke; Guildford Games Festival was a huge success; Gordon Murray Automotive were creating their HQ for the T50 supercar in Windlesham; and, pharmaceutical company UCB were taking over a research and laboratory campus in Windlesham. In contrast, Heathrow Airport reported losses of £1.5bn for first 9 months of 2020.

7.3 Enterprise M3 had secured £70k from the UK Space agency as part of its Local Space Cluster Development Initiative. Enterprise M3 was one of just seven parties which had received funding. The news of the funding award had generated interest from other companies that wanted to work with Enterprise M3.

8. Enterprise M3 Board Appointments and Governance

8.1 Mike Short updated the Board on the work of the Nominations Committee which last met on 17 November. The recruitment exercise for the Non-Executive Director had concluded and Daniel Ruiz was selected to join the Board. Four applicants were identified as being of a high quality and it was proposed that the remaining three candidates, that were not successful on this occasion, should form a pool for future board vacancies. They would still be subject to interview. The Board endorsed the appointment of Daniel Ruiz to the Enterprise M3 Board from 26 November for an initial term of three years. The Board agreed to hold a pool of the three applicants to be considered for future vacancies.

8.2 The Joint Leaders Board met on 19 November and received a nomination for Cllr Joss Bigmore to join the Enterprise M3 Board as a Surrey District representative. The Board agreed the appointment of Cllr Joss Bigmore.

8.3 There were a number of other vacancies to fill and the Board agreed the appointment of Julie Baker to Chair the Finance South East Steering Group from December 2020 and Sarah Jane Chimbwandira to Chair the Clean Growth Forum. The Joint Leaders Board had nominated representatives to join the Enterprise M3 Programme Management Group and the Board agreed the appointment of Cllr Joss Bigmore as the Surrey member representative and Paul Shackley as the Hampshire senior officer representative. The Board also agreed the appointment of Stacey King to join the Programme Management Group as a private sector Board representative.

9. Capital Programme Update, Getting Building Fund and projects for consideration

a) Review the Capital Programme

9.1 The Board received a report on the current position with the capital programme. It was highlighted that the programme was at a critical point in the year as the LGF had to be spent by end March. If projects dropped out at this stage, it would be difficult to bring new projects in to meet the spend deadline. There was a requirement to spend £48m this year therefore the focus of the team was to process claims as quickly as possible. The spend to date was £10m, that figure would increase significantly this quarter but there had been an impact on the spend to date due to delays as a result of Covid. The capacity constraints in local authorities was also an issue with staff being pulled into other areas of work during the Covid pandemic.

9.2 There had been work carried out with Hampshire County Council, as the Accountable Body, to look at freedoms and flexibilities to agree the way forward on a number of projects. There was currently £1.1m unallocated but that figure could increase if there was slippage with any projects. A contract review had been carried out and an end to end process review to identify way of streamlining the process. The attention of the team was focussing on ensuring that the remaining legal agreements were signed and that claims continued to be submitted and processed as forecast.

- 9.3 Kathy Slack advised the Board that Barclays had notified the Farnborough International consortium of Rushmoor Borough Council, Hampshire County Council and Enterprise M3 of a change to the treatment of interest payments. The change related to when the loans would be repaid. Discussions with the lending partners were continuing.
- 9.4 The Board discussed the report and noted the update received. The Board thanked James Cretney for his skills chairing the Programme Management Group and enabling effective scrutiny to be carried out, decisions to be made and projects progressed.

b) Getting Building Fund Update

- 9.5 The Board received a report on the current position with the Getting Building Fund programme. Good progress was being made with the development of the five projects and one was contracted with three other contracts being finalised. It was expected that the target for 50% of the allocated funding to be spent by March 2021 would be achieved.

c) Gigabit EM3 Town and Rural

- 9.6 The Board received a verbal update on the progress of the Gigabit EM3 Town and Rural project. The project had been presented to Board in July setting out the aim of the project, an overview of the project was provided for new Board members. At the Board meeting in September the Board agreed to release £250k to carry out detailed design of civil engineering works, detailed options work for the delivery vehicle, legal advice on state aid if required and further examination of alternative route options. Procurement had been initiated on detailed design and survey work, legal and regulatory advice, options work relating to the funding package and project management resource. The work package should be completed by February 2021. The consultants had been working at risk to progress the project and ensure suppliers were lined up ready to submit to tender for the work once published.
- 9.7 The Board noted the update. It was highlighted that the Comprehensive Spending Review had included the rollout of gigabit which could provide an opportunity for additional funding. Contact would be made with the Department for Digital, Culture, Media & Sport (DCMS) to explore any funding opportunities.

Action to be taken	By Whom	When
Contact DCMS to explore digital funding opportunities	Rob Dunford	December 2020

10. Skills Advisory Panel and Action Plan

- 10.1 Barney Ely presented to the Board on the work of the Skills Advisory Panel and the Board received a copy of the Skills Action Plan. The Skills Advisory Panel brought together employers, education and training providers to provide an advisory role to the EM3 Board and to look at how the local skills provision was able to meet labour market needs, now and in the future. A number of skills projects had received investment from the LEP totalling £33m which included the Electric Vehicle Training Centre at Basingstoke College of Technology, Care Skills Training Centre at Guildford College and Whitehill and Bordon Future Skills Centre. The Careers and Enterprise Company (CEC) worked on the future skills gaps identified by businesses to help young people make informed decisions about their career path. The CEC was looking to engage with businesses that were able to become enterprise advisors.
- 10.2 The LIS work identified that one of Enterprise M3’s strengths was that the residents were highly employable, however there were challenges including the lack of new job growth and that around one third of residents were commuting. The Enterprise M3 Revive and Renew economic recovery plan identified that the labour market was at the sharp end of disruption. There was a complex labour market impacted by Covid, Brexit and a stubborn skills shortage. The issues arising as a result of these influences were that young people were bearing the brunt of unemployment, there was a decline in EU workers which exacerbated vacancies in some areas, and the demand for high level digital skills and sustainable construction.

- 10.3 The Skills Action Plan contained four skills and employment priorities to address these issues which were: using economic data to build business resilience and address skills gaps and match skills supply to employer demand; enable residents to identify their skills strengths and needs; stimulate education and training providers to meet skills needs now and as they evolved; and, work with employer and education partners to identify and address skills. The plan identified three transformational ambitions which were to establish a Higher Digital Skills Partnership; a National Centre for Sustainable Construction; and, an Apprenticeship & Skills Hub with specialism in technical skills for emerging and low carbon industries.
- 10.4 The Board were encouraged by the information in the Skills Action Plan and some of the Board members expressed an interest in becoming involved. It was suggested that a separate masterclass was run on the skills agenda.

Action to be taken	By Whom	When
Circulate the skills presentation to Board members	Justine Davie	December 2020
Arrange a skills masterclass for all Board members to learn more about the skills agenda	Sue Littlemore	Early 2021

11. Resources, Finance and Audit Committee Report

- 11.1 The Board received an update report from the Resources, Finance and Audit Committee (RFAC) which set out the current 2020/21 forecast and medium-term financial position. The current forecast showed the finances were in a good position with work being carried out to reduce costs. The reserves were being utilised as it had been agreed they were running too high. However, the forecast showed that without generating additional income or reducing costs further the minimum reserves would be breached at the end of 2022/23. RFAC would continue to monitor the risks and update the Board at future meetings.
- 11.2 The Board was advised that the internal audit carried out by Hampshire County Council concluded that there were no areas for improvement or management action and awarded a “substantial assurance” rating, which was their highest level of audit assurance. The Board noted the financial position.
- 11.3 The Board approved the statutory accounts for Enterprise M3 Ltd for the year ending 31 March 2020. As Enterprise M3 Limited was a decision-making company with no financial transactions, assets or liabilities the company qualified to file dormant accounts.

12. Feedback from Board Workshops

- 12.1 The Board received a report on the feedback from the Board workshops held in September and October. Both workshops were well attended and a number of proposals and actions had been taken forward. A masterclass on ‘Understanding Local Authorities’ had been arranged for 4 December and following the skills discussion a skills masterclass would be arranged. There had been some positive feedback from other LEPs and there was some work being carried out on joint working on induction modules. The Board noted the actions resulting from the workshops.

13. Chief Executive’s Report

- 13.1 The Board received and noted the Chief Executive’s report. Kathy Slack highlighted the summary of the Delivery Plan which was appended to the report which showed Enterprise M3 was well on track to deliver what it set out to deliver at the beginning of 2020/21. Work had been carried out to revamp the website, the front page had changed but there was more to be done.
- 13.2 Business readiness work to support businesses about the end of UK transition was underway. Additional funding had been received to take on advisers and deliver webinars but the implementation work required a lot of capacity. There was joint working with the Chambers of

Commerce as they had been receiving a lot of calls but it was expected there would be more issues in January for those businesses not prepared or dealing with unexpected issues.

- 13.3 Sam Read provided the Board with feedback on the Guildford Games Festival which took place on 13 and 14 November. The Festival was viewed as a resounding success with nine hours of original video content broadcast on the streaming platform Twitch and games marketplace Steam. Metrics provided by Steam showed the content was watched by 1.7m unique viewers for a total of 2.7m views. Media coverage was also provided on BBC South Today and BBC Radio Surrey. Some of the games developers in the Enterprise M3 area that were involved in the Festival reported a significant uplift in sales. The Board noted the excellent work carried out on the Festival and its role in putting Guildford on the map for gaming.

Action to be taken	By Whom	When
Circulate link to the video on the Guildford Games Festival to Board members	Justine Davie	December 2020

14. **Programme Management Group Report**

- 14.1 The Board received and noted the minutes of the Programme Management Group meeting held on 15 October and 12 November 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 Board thanked both James Cretney and Mike Short for their impact on the work of Enterprise M3 during their time on the Board.

- 17.2 The future Enterprise M3 Board meetings would be held on

- Thursday 28 January 2021
- Thursday 25 March 2021
- Thursday 27 May 2021
- Thursday 29 July 2021
- Thursday 30 September 2021
- Thursday 25 November 2021
- Thursday 27 January 2022
- Thursday 31 March 2022