

**Enterprise M3 Programme Management Group**

**11 February 2021 - 1600-1700**

**Zoom Video Conference**

**MINUTES**

**Members Attending**

Deborah Allen - Chair  
Dave Axam  
Cllr Joss Bigmore  
Claire Burnett  
Cllr Matt Furniss  
Stacey King  
Cllr Rob Humby  
Paul Millin  
Paul Shackley  
Kathy Slack  
Cllr Lucille Thompson

**EM3 Guests Attending**

Stephen Martin  
Geoff Wells  
Justine Davie

**Apologies**

Rob Carr  
Mike D'Alton

**1. Welcome and Introductions**

1.1 Debbie Allen welcomed everyone to the meeting.

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

2.1 The minutes of the meetings held on 12 November and 16 December 2020 were agreed.

**3. Declaration of Interest**

3.1 There were no further interests in addition to those declared previously.

**4. Capital Programme and Getting Building Fund Update**

4.1 The Group received an update on progress with delivering the capital programme. The current focus for the team was to ensure as much delivery as possible was achieved, with the associated expenditure, by 31 March 2021. To date, spend of £25m had been achieved for 2020/21, which was a higher proportion of the annual allocation than had been achieved this time last year. The current year end spend forecast ranged between £38.8m and £42.1m. A number of projects had been affected by the pandemic which had resulted in delays. Following the steer from central government, however, an approach to the use of freedoms and flexibilities had been developed together with the Accountable Body; this would enable projects to complete after the end of the current year, and enable EM3 to spend the whole of this year's LGF allocation.

4.2 At the last meeting it was reported that it was uncertain whether phase 3 of the Guildford Sustainable Movement Corridor scheme would be able to proceed, since this required design sign-off by Surrey County Council (SCC). SCC had now agreed to give technical approval for phase 3 which meant that Guildford Borough Council (GBC) were able to deliver all three phases which the LEP had agreed to fund. SCC and GBC had also given a firm commitment to work together to deliver the subsequent phase at Gill Avenue over the next 18-24 months.

4.3 The Future Workspace Pilot projects were progressing well and all were expected to be completed by May 2021.

4.4 The Getting Building Fund projects were all progressing well, with only the Gigabit EM3 Town and Rural project still to be approved by the Board. Work was currently underway to develop the proposed delivery mechanism, detailed costs and funding options for the detailed business case. The work should be completed in April with a view to a decision by the Board in May. Cllr Rob

Humby advised that a Steering Group meeting had been held with the districts and boroughs to ensure that everyone was fully engaged and aware of the timescale for decision-making.

- 4.5 The team was currently looking at a future pipeline of potential projects, in dialogue with partners. This would ensure that Enterprise M3 was ready to respond to any new funding opportunities, which could include the Levelling Up Fund and the UK Shared Prosperity Fund. In due course, the pipeline would also feed into decisions about how to use funding available to in future years as a result of loan repayments.
- 4.6 Stephen Martin presented the capital programme risk register which showed those projects where there were particular concerns. The Group were updated on the projects on the risk register and the mitigations put in place. For all the projects on the register, the risk had either reduced or not changed at the last update. As stated in 4.4, detailed business case work was underway for the Gigabit EM3 Town and Rural project; however, work on a contingency plan would also be carried out, in case the Board was unable to approve the project in May. The importance of the Gigabit EM3 project was acknowledged and it was suggested that Board members would need to be engaged in the work on the business case, in advance of the May Board meeting.
- 4.7 The Group discussed the risk register, and also asked for further detail on how the pipeline of projects would be developed. It was explained that the pipeline would include project proposals from previous calls that had not been funded, but would also include other ideas that had emerged from discussions with partner organisations. A report on the approach would be brought to the Group for consideration.

Action to be taken	By Whom	When
Report to PMG on the approach for the development of the pipeline of projects	Stephen Martin	11 March 2021

## 5. **European Programme Update**

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

## 6. **Forward Programme**

- 6.1 The Group noted the current forward programme.

## 7. **Any Other Business**

8. Kathy Slack reported that the Budget on 3 March was expected to be significant regarding potential future funding. It would be important for all partners to work together to maximise the funding coming into the Enterprise M3 area.
9. Enterprise M3's Annual Performance Review (APR) meeting with central government had taken place earlier in the week. BEIS representatives had provided very positive feedback about many aspects of Enterprise M3's work. This year, the APR process would provide ratings of either "met" or "action needed". EM3 had been given an indicative rating of "met" in all areas; the formal outcome of the APR was expected in April.
10. At the last Board meeting there had been an initial discussion about how the focus and shape of Enterprise M3 might change, without such a large capital funding pot in future, and with the Growth Hub service being brought in house in April. Board members were really engaged and there would be a strategic workshop held in March to take forward the discussion, with a view to develop a vision for the future by May.
- 10.1 The future Programme Management Group meetings would be held as follows:
  - Thursday 11 March 2021 – 10am-1pm
  - Thursday 13 May 2021 – 10am-1pm
  - Thursday 15 July 2021 – 10am-1pm
  - Thursday 16 September 2021 – 10am-1pm
  - Thursday 11 November 2021 – 10am-1pm
  - Thursday 13 January 2022 – 10am-1pm
  - Thursday 17 March 2022 – 10am-1pm

## Enterprise M3 Programme Management Group

11 March 2021 - 1115-1300

### Zoom Video Conference

#### DRAFT MINUTES

##### Members Attending

Deborah Allen - Chair  
Dave Axaam  
Rob Carr  
Cllr Joss Bigmore  
Claire Burnett  
Cllr Matt Furniss  
Stacey King  
Cllr Rob Humby  
Paul Millin  
Kathy Slack  
Cllr Lucille Thompson

##### EM3 Team Attending

Rob Dunford  
Stephen Martin  
Geoff Wells  
Justine Davie

##### Apologies

Mike D'Alton  
Paul Shackley

##### Guests Attending

Karen Hillen - CLGU

#### 1. Welcome and Introductions

- 1.1 Debbie Allen welcomed everyone to the meeting, in particular Karen Hillen from the Cities and Local Growth Unit, who would be invited to attend all future PMG meetings as a guest.

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

- 2.1 The minutes of the meetings held on 11 February 2021 were agreed.

#### 3. Declaration of Interest

- 3.1 There were no further interests in addition to those declared previously.

#### 4. Annual Performance Review

- 4.1 A short update had been provided at the last meeting on the Annual Performance Review which had been held on 9 February. The written notes from the APR had now been received from Government and there were no specific actions to be taken forward. The notification of the formal outcome was expected in early April; it was expected that this would confirm that Enterprise M3 had met expectations on governance, delivery and strategic impact.
- 4.2 Kathy Slack updated the Group on the Government Budget announcements on supporting businesses and grant funding. There was £4.8bn available from the Levelling Up Fund which would be held centrally and the deadline for bids was 18 June. Local authorities would be able to bid for funding for one project and MP support was required. Areas had been categorised into 3 priority areas with 1 being areas most in need of levelling up. Enterprise M3 only had one local authority (East Hants) in category 2 and the rest of the area was category 3. Detailed guidance was still to be published. The LEP would work with the county and district local authorities in the Enterprise M3 area to try to help bring as much funding to the South as possible.
- 4.3 Government had announced a review of LEPs, the details of the review were not yet clear as the final terms of reference were still to be issued. Once the terms of reference were available there would be some consultation with local authorities and other business support

organisations to help plan for the future. A Board workshop had been held on 11 March to discuss the future role of the LEP and it was clear the Board Directors were ready for change. It was expected that the review would be complete before the Summer recess.

- 4.4 The Group discussed the Levelling Up Fund and the LEP Review and recognised the need to work collaboratively with local authorities and business support organisations and other key stakeholders. The importance of all 'speaking with one voice' was highlighted.

## 5. Capital Programme Update

- 5.1 The Group received an update on progress with delivering the capital programme. Five contracts were still awaiting completion; two should be completed by end March, with a further two relating to the 2021/22 financial year likely to be concluded in April. The Basingstoke 5G Living Lab project was still subject to a procurement exercise so was not yet in a position to contract.
- 5.2 The latest forecast for 2020/21 expenditure was £45m which included bringing forward payment for a small number of local authority projects on a milestone by 31 March, which totalled £6.1m. The remaining funding of £3.7m was expected to be used through the advanced funding mechanism agreed with Hampshire County Council. The figures could be subject to slight change and the amount to be used through freedoms and flexibilities would be confirmed once the final figures were received.
- 5.3 The forecast for output targets as set out in delivery plan showed that the learning floor space output had exceeded the target and the commercial floorspace target should be met or close to met. It was expected that the reported outputs for new homes and jobs would fall below the target level. Covid had impacted on site visits used to monitor progress against housing targets. There had also been delays to a number of projects due to Covid which was why the use of freedoms and flexibilities and loan repayments had been implemented to ensure delivery. It was expected that all of the outputs would be achieved but would be recorded or delivered later than planned.
- 5.4 All of the Getting Building Fund projects had been contracted apart from the Gigabit EM3 Town and Rural project. A report would be provided at the May meeting on the progress of the implementation of the contracted projects.
- 5.5 The future funding profile showed nearly £30m income being received over 10 years from loan and Enterprise Zone repayments which would be available to use on projects. Of the £30m there was £7m already allocated to projects in the portfolio. From 2023/24 there would be funding available to allocate to new projects and decisions would need to be made on how to use the funding. LGF and GBF projects still needed to be completed next year and would require monitoring and evaluation.
- 5.6 The Group discussed the update on the capital programme and thanked the team and delivery partners for all their hard work in reaching the forecast spend and delivery.
- 5.7 Over recent months the team had pulled together an initial pipeline of ideas/proposals which they were currently reviewing and refreshing. The approach to the pipeline was to look at both short term shovel ready projects which could proceed should any funding be made available from projects that reduced in scope or were unable to contract, and also the development of longer-term projects utilising future loan repayments or other future funding. Work would be carried out with partners to look at securing potential new funding sources. An update on the status of the short-term pipeline would be provided at the next meeting.
- 5.8 The Group discussed the current capital programme risk register. The biggest risk remained around the approval of the Gigabit EM3 Town and Rural project which was due to be considered by the Board in May. There were three new risks relating to issues around delays and concerns on achieving expenditure required for 2020/21. Mitigation actions were in place to understand the delay and determine what could be brought forward into 2020/21, there were also discussions taking place with CLGU which had resulted in a reduction in the level of risk.

Action to be taken	By Whom	When
Report on the progress of the implementation of the Getting Building Fund contracted projects	13 May 2021	Stephen Martin/ Lee Danson
Report on the status of the short-term pipeline of projects	13 May 2021	Stephan Martin/ Lee Danson

## 6. Gigabit EM3 Town and Rural Project

- 6.1 The Group received a presentation from Rob Dunford on the progress with the Gigabit EM3 Town and Rural project. The Group was reminded that the purpose of the fibre spine was to enable access to fibre and gigabit capable services for many more business and domestic customers and connecting public services. The key driver was to provide wholesale open access services. The project was moving quickly and work was being carried out concurrently. The financial and detailed design and survey work was well advanced and due to complete in April 2021. This would include a simplified LEP funded option and management case, with expert legal advice being provided from Hill Dickinson on the delivery option. The full business case would be brought to the Programme Management Group and Board in May.
- 6.2 Regular updates on the project were being brought to the Programme Management Group and the Board, and the Steering Group of local authority members were fully sighted on the progress of the project. It was suggested that a sounding board be set up to: oversee the next steps; provide advice to the project team and Programme Management Group; understand the process of establishing a new company; engage the Programme Management Group and Board in practical aspects; and, finalise the full business case.
- 6.3 The Group discussed the establishment of a sub group and questioned the intent and purpose. It was confirmed that the sub group would not detract from the governance and decision making that was already in place but would look at the detail of the project as it was a complicated project which needed to proceed at pace. The sub group would act as a critical friend and ask difficult questions, it would not be a decision making group. The Group agreed to the proposal to set up a sub group and for the Chief Executive to approach individuals to join the sub group.

Action to be taken	By Whom	When
Form a sub group for the Gigabit EM3 Town and Rural project to act as a sounding board and critical friend	Kathy Slack	26 March 2021

## 7. European Programme Update

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

## 8. Forward Programme

- 8.1 The Group noted the current forward programme.

## 9. Any Other Business

- 9.1 Kathy Slack advised the Group that part of the Enterprise Zone at Tech Forest in Whitehill and Bordon was owned by Homes England, who had confirmed they planned to take the site to market in early April. Homes England had asked the LEP to help input into the marketing prospectus. The site is important for the EZ partnership as additional employment space is required and once developed the site would start to generate Business Rates Income Growth which would come back to the LEP and EZ partners.
- 9.2 Lucille Thompson asked whether the Solent LEP Freeport status would have any impact on the Enterprise M3 area. It had been acknowledged that there would be areas that would benefit from the supply chain but it was recognised that there would also be displacement from other areas.

9.3 Joss Bigmore raised the question on future meetings of the Group and whether they would be virtual or physical. Kathy Slack suggested that it was likely that there would be a mixture of some in person and the rest virtual. The Group agreed that a mixture was a good idea but that all members should attend the physical meetings in person. The arrangements would be agreed once the Covid restrictions were lifted.

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

- Thursday 13 May 2021 – 10am-1pm
- Thursday 15 July 2021 – 10am-1pm
- Thursday 16 September 2021 – 10am-1pm
- Thursday 11 November 2021 – 10am-1pm
- Thursday 13 January 2022 – 10am-1pm
- Thursday 17 March 2022 – 10am-1pm

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