

Enterprise M3 Ltd Board Meeting

28 January 2021 - 1.00-4.00pm

Zoom Video Conference Call

DRAFT MINUTES

Directors in Attendance

Dave Axam - Chair
Debbie Allen
Virginia Barrett
Rob Carr
Joy Carter
Linda Cheung
Sarah Jane Chimbwandira
Cllr David Clifford
Barney Ely
Cllr Rob Humby
Ren Kapur
Stacey King
Ross McNally
Daniel Ruiz
Kathy Slack
Cllr John Ward

EM3 Team in Attendance

Rob Dunford
Stephen Martin
Sue Littlemore
Justine Davie

Apologies

Julie Baker
Cllr Joss Bigmore
Cllr Colin Kemp
Jim McAllister
Cllr Richard Millard

Guests in Attendance

Richard Turl – Cities and Local Growth Unit
Cllr Peter Martin – Surrey County Council representative

1. Welcome and Introductions from Chair

1.1 Dave Axam welcomed everyone to the meeting.

2. Minutes of the previous meetings & matters arising

2.1 The minutes of the meeting held on 26 November 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. There had been a significant amount of Catalyst South activity and all six LEPs had contributed £20k towards joint activity which enabled a Project Manager to be appointed to take forward some key work. The Chair and Chief Executive attended the Leaders Forum on 2 December, a meeting of local authority Leaders from the counties surrounding London and South East, Phillip Hammond attended to discuss setting the agenda for the South. Catalyst South would be talking to the London Economic Action Partnership about shared interests and potential areas to align messages.

4. Declarations of Interest

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

- Peter Martin declared an interest on the Chair recruitment under item 7 but remained on the conference call as no decision was being made.
- Dave Axam, Debbie Allen, Linda Cheung, Rob Humby, Kathy Slack, left the conference call during the decision making on the interview panel appointment under item 7.

- Ross McNally left the conference call during the decision making on the term extension under item 7.

5. Covid-19 Intelligence and Recovery Plan

- 5.1 The Board received a presentation setting out the current position on the economy and labour market. The unemployment and furlough figures were still a concern for the Enterprise M3 area. The number of redundancies was increasing with particular impact on the retail sector. A KPMG report had been published on retail centres and the impact on those towns reliant on commuters coming into the area for work. A report had also been published by the Centre for Cities which looked at those places that had been significantly impacted which included London, Slough and Crawley. The report also included a list of cities that had performed reasonably well which included Reading, Oxford and Aldershot (which also included Farnborough and Camberley). Heathrow passenger travel was down by 73% with cargo less impacted down by 28% as freight had been continuing. The LEP was continuing to work with Heathrow.
- 5.2 The number of enquiries on UK Transition between Christmas and New Year had been lower than expected although enquiries were now starting to pick up as issues with implementation were arising. A business survey was being carried out jointly with South Central Growth Hub cluster colleagues which had been welcomed by those businesses that had been contacted. Most of the issues from the business survey were around the impact of Covid.
- 5.3 The Board discussed the information received and the impact being experienced in the Enterprise M3 area. The intelligence slides and KPMG and Centre for Cities reports would be circulated to the Board.

Action to be taken	By Whom	When
Circulate intelligence slides to Board members	Justine Davie	February 2021
Circulate link to the KPMG and Centre for Cities reports to the Board	Justine Davie	February 2021

6. Annual Performance Review

- 6.1 Kathy Slack advised the Board on the forthcoming Annual Performance Review (APR) with Government which was being held on 9 February. The marking process for the APR had changed this year so LEPs would be rated as either met or not met on Delivery, Governance and Strategy. The evidence had already been submitted to Government and an early indication of results was that Enterprise M3 had met the criteria on all categories.
- 6.2 Kathy Slack gave a presentation to the Board looking at the past, present and future of Enterprise M3 LEP. Acknowledgement was given to Hertfordshire LEP for sharing their thoughts and insights. The future funding changes were highlighted in relation to Further Education (FE) capital funds, the Levelling Up Fund and UK Shared Prosperity Fund and the possibility of some capital funding not being administered by LEPs in future. Core funding had been confirmed for LEPs and Growth Hubs for one year. It was recognised that there was a need for a local interface with business and that this work was valued. Future Government expectations of LEPs was unclear, The Board discussed the future role of the LEP taking into account the information in the Skills for Jobs White Paper and the possibility of LEP reform. The FE White paper required Local Skills Improvement Plans (SIP) to be developed by FE colleges working with employers and local stakeholders. Barney Ely advised the Board that the SIP did not include anything different to what the Skills Advisory Panel were doing for the Skills Action Plan. It was acknowledged that even if LEPs were not leading the process they could be part of the partnership.
- 6.3 The Board view was that any changes to the role of the LEP could provide an opportunity for the LEP to become more entrepreneurial and be a change maker. The LEP would need to consider its intent and objectives and how that could be delivered. It was agreed that a full

Board workshop should be arranged to focus on the role of LEPs and where Enterprise M3 LEP wanted to be in the future.

Action to be taken	By Whom	When
Set a date for a full Board strategic workshop on future role of the LEP	Justine Davie	March 2021

7. Enterprise M3 Board Appointments and Governance

- 7.1 Linda Cheung updated the Board on the work of the Nominations Committee which last met on 19 January. The process for the start of the recruitment of a new Chair was being launched at the end of January with indicative dates for preliminary interviews at the end March, panel interviews mid to end April and Board approval sought at the end of May. The panel for the final interview was recommended by the Nominations Committee. The Board approved the interview panel as Kathy Slack, Linda Cheung, Deborah Allen and Cllr Rob Humby.
- 7.2 The Board approved the recommendation for Ross McNally's appointment as a Board Director to be extended for a second term of 3 years to January 2024. The Board noted that Daniel Ruiz had joined the Transport Action Group. The Board was advised that there were still a number of outstanding vacancies, these were on the Resources, Finance and Audit Committee, Enterprise and Innovation Action Group Chair and Nominations Committee. Any Board members interested in filling these vacancies were invited to contact Kathy Slack.
- 7.3 The Board was advised that Joy Carter was retiring from the University of Winchester so would be stepping down from Board from 1 April. The Nominations Committee would lead a recruitment process to find a replacement from the Higher Education sector.
- 7.4 Stacey King chaired the meeting during the decision making on the Chair interview panel and the extension of Ross McNally's term as a Board Director.

Action to be taken	By Whom	When
Board members interested in the vacancies on the Resources, Finance and Audit Committee, Nominations Committee or Chair of the Enterprise and Innovation Action Group to contact Kathy Slack	All Board members	February/March 2021

8. Finance South East Contract

- 8.1 The Board received a report requesting the extension of the contract with Finance South East (FSE) to continue to manage the EM3 Funding Escalator for a further two years. The original EM3 Funding Escalator launched in 2014 had been a £5.5m fund. A second Funding Escalator was launched in 2018 for £10m for an initial term of three years with the option to extend for up to a maximum of 10 years. To date £9.1m had been invested into the funding escalator of which £1.5m had been repaid to the LEP.
- 8.2 It was proposed that due to the good performance of the fund and the strong relationship with the FSE that the contract be extended for two years. An independent review would then be carried out in late 2022 before a decision was taken on the remaining five years. The Board agreed to the extension of the FSE contract for a further two years to July 2023.

Action to be taken	By Whom	When
Progress a legal agreement to extend the FSE contract	Rob Dunford	February 2021

9. Capital Programme Update and Getting Building Fund

a) Review the Capital Programme

- 9.1 The Board received a report on the current position with the capital programme. The team had been particularly focussed on driving forward as much delivery and expenditure in 2020/21

as possible and were currently further ahead on the proportion of allocated spend achieved than this time last year. The jobs target been affected by Covid-19 and the reduced capacity of delivery partners had also caused some delays. Work had been carried out on freedoms and flexibilities with the Accountable Body to ensure that the LEP could maximise investment during a challenging period.

- 9.2 The report showed that the available capital funding for new projects was £600k, the figures could change if any projects were not able to spend their full allocation. The Board was advised that Fleet Town Centre Recovery Scheme was not able to proceed therefore the majority of that funding would not be claimed and had been included in the available capital funding amount.
- 9.3 The Programme Management Group (PMG) had considered the Guildford Sustainable Movement Corridor scheme at its meeting in December as it was unclear whether phase 3 was able to proceed. Guildford Borough Council and Surrey County Council had now confirmed that an agreement was in place to enable phase 3 to go ahead.
- 9.4 PMG had approved an additional £235k of funding for the Future Workspace Pilot programme. They considered three projects and agreed funding for the Simple Working proposal and delegated authority to the Chief Executive for the others which were below £250k. The process of approving the projects was expected to conclude in the next couple of weeks through executive approval under PMG delegated authority.

b) Getting Building Fund Update

- 9.5 The Board received a report on the current position with the Getting Building Fund programme. All projects were progressing well and all contracts were either signed or very close to being signed apart from Gigabit EM3 Town and Rural project for which there was a separate update on the agenda. The team expected to meet the Government spend requirement of 50% of spend delivered by 31 March 2021.

c) Gigabit EM3 Town and Rural

- 9.6 Rob Dunford provided a verbal update on the progress of the Gigabit EM3 Town and Rural project. At the end of September, the Board approved the project in principle with an allocation of £250k to finalise the financial and management case, address the key risks of the delivery vehicle and agree the detail of the funding package. A provider for the work had now been secured and work commenced on 22 January and was due to complete in 6-10 weeks. The funding options would be informed by the outcomes from the detailed work. The Steering Group had discussed the funding options and there was a strong steer for the LEP to fully explored the option to fund the main spine and then local authorities to fund any bolt on in their own areas. Specialist advise had been commissioned from Hill Dickinson on the legal and regulatory environment, any options considered would need to be consistent with advice from the Accountable Body. The next steps were to await the final outcome of the detailed work, assess the funding options and then report back to the Board.

Action to be taken	By Whom	When
Report back to the Board on the options for the Gigabit EM3 Town and Rural project once the detailed work had concluded	Rob Dunford	March 2021

10. Resources, Finance and Audit Committee Report

- 10.1 The Board received a report from the Resources, Finance and Audit Committee (RFAC) which set out the forecast 2020/21 outturn position and sought approval for the 2021/22 revenue budget. The outturn for 2020/21 was better than had been originally forecast as additional income had been received and staff costs were lower than anticipated therefore £136k would be added to reserves at the year end. Expenditure for 2021/22 was forecast at £2.888m, which would exceed income by £660k, this would be drawn from reserves as planned. The budget forecast for the next three years showed reserves being drawn on by approximately £600k

year on year. This was part of an agreed policy by the board to reduce reserves. Enterprise M3 had sufficient reserves to operate until 2023/24 but the balance would fall below the minimum reserve level by 31 March 2024 on the current forecast. RFAC would continue to explore options to ensure the LEP remained financially stable over the longer term.

10.2 The Board agreed the 2021/22 revenue budget as set out in the report.

11. Growth Hub Service Delivery

11.1 The Board received a report which provided an update on the latest position on the transfer of Growth Hub staff and assets from UMi and service planning for 2021/22. The transition of the Growth Hub staff and service was on track to move inhouse from 1 April. The formal TUPE process had started through Hampshire County Council and UMI. Individual meetings were being held with the Growth Hub staff and there was an enthusiasm from the staff in anticipation of working for Enterprise M3 LEP. The Customer Relationship Management system had been identified and was due to be in place by 1 March which would be used by the whole LEP team not just the Growth Hub staff. The Board noted the update on the progress.

12. Government Plans

13. Richard Turl provided a verbal update and advised the Board that work was taking place on the UK Shared Prosperity Fund and Levelling Up Fund and an announcement was expected on 3 March, which would include some indication on the direction of travel. There was confirmation that there would be a Government devolution white paper although timing was unclear. There was a new Secretary of State in BEIS, Kwasi Kwarteng, who was MP for Spelthorne in Enterprise M3 area.

14. Chief Executive's Report

14.1 The Board received and noted the Chief Executive's report. The appointment of Kwasi Kwarteng as the Secretary of State for BEIS was significant for Enterprise M3 as he was the Spelthorne MP. Kathy Slack and Dave Axam were trying to get an appointment in his diary. There was vast amount of work being carried out on skills and working with the Growth Hubs on UK Transition and Covid support. Enterprise M3 was supporting Solent to be a Freeport with a particular push on the green agenda, there were a number of bids going forward from the South and it was likely that only one would be successful.

14.2 Daniel Ruiz advised that the Transport Action Group had not met over last year but a positive meeting had been held to plan how to reframe the mandate and purpose. The discussion had been on how to make a difference and add value by providing a facilitator and convening role. A fact-finding meeting was to be held with stakeholders to understand issues and how things would change in the coming years. The Group would work on understanding company and local authority strategies and try to bring together to ensure coherence.

14.3 Sarah Jane Chimbwandira advised that the Clean Growth Forum was meeting shortly. A review would be carried out on the membership to ensure the Forum had the right input. A forward plan would be compiled to ensure there was a link between the Board and the Forum. The Forum would look to understand where there were opportunities in the clean growth agenda and what interventions were required.

14.4 Barney Ely advised that there had been an increase in the number of people starting permanent jobs in last two week of December which was unusual. In January the number of permanent job registrations was higher than in January 2020.

15. Joint Leaders Board

15.1 Rob Humby gave a verbal update on the meeting of the Joint Leaders Board held on 21 January. Rob Humby had chaired the meeting in Colin Kemp's absence. There had been a good attendance from the local authorities and the main discussion was on the LEPs current focus and joined up working. Freeports were discussed and the need to act as one voice. There was lots of support from JLB and all were happy with what the LEP was doing.

16. Programme Management Group Report

16.1 The Board received and noted the minutes of the Programme Management Group meeting held on 16 December 2020.

17. EU Programme Update

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

18. Forward Programme

18.1 The Board received and noted the Forward Programme.

19. Any Other Business

19.1 The future Enterprise M3 Board meetings would be held on

- 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

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