

Enterprise M3 Programme Management Group

11 March 2021 - 1115-1300

Zoom Video Conference

MINUTES

Members Attending

Deborah Allen - Chair
Dave Axam
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	Stephen Martin/ Lee Danson	13 May 2021
Report on the status of the short-term pipeline of projects	Stephen Martin/ Lee Danson	13 May 2021

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