



Delivering prosperity through innovation

Enterprise M3 Programme Management Group

16 September 2021 - 1000-1130

Zoom Video Conference

MINUTES

Members Attending

Deborah Allen - Chair
Cllr Joss Bigmore
Anne Hibbert
Stacey King
Michael Queen
Cllr Lucille Thompson

EM3 Team Attending

Rob Dunford
Stephen Martin
Geoff Wells
Justine Davie

Guests Attending

Karen Hillen – CLGU
Daniel Ruiz – EM3 Board Member

Apologies

Claire Burnett
Mike D'Alton
Cllr Matt Furniss
Cllr Rob Humby
Paul Millin
Paul Shackley
Kathy Slack

1. Welcome and Introductions

- 1.1 Debbie Allen welcomed everyone to the meeting, in particular Michael Queen and Anne Hibbert as this was their first PMG meeting.

2. Minutes of last meeting and matters arising

- 2.1 The minutes of the meetings held on 15 July 2021 were agreed.

3. Declaration of Interest

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

4. LEP Update on Recent Developments

- 4.1 Stephen Martin advised the Group that the LEP Review had been due to conclude by the Summer recess but it was still ongoing. It was thought that the work on the Comprehensive Spending Review (CSR), which was due on 27 October, had delayed the outcome of the LEP Review. The funding position for Enterprise M3 beyond this financial year would remain uncertain until the CSR had taken place. The team was comfortable with the direction of travel of the LEP Review to date, around the future role of LEPs being focused on business support, promoting growth in key sectors and clusters etc.
- 4.2 The Levelling Up White paper was expected shortly, and it was thought it would include the Government's strategy on local institutions. The Prime Minister's keynote speech on Levelling Up had trailed county deals, and conversations were taking place with both Hampshire and Surrey County Councils and with district councils, to share thinking around what a county deal could include. Enterprise M3 LEP was looking to contribute positively with thinking about key ambitions and priorities.
- 4.3 The Government reshuffle saw Michael Gove, Surrey Heath MP, taking over responsibility for the Levelling Up agenda, with the MHCLG being renamed the Department for Levelling Up, Housing and Communities. Kathy Slack and Michael Queen were seeking a meeting with Michael Gove as soon as possible.
- 4.4 The Group discussed some of the implications of county deals and how that could affect local authorities and the LEP. Meetings were being arranged with MPs and local authorities to discuss the future role of LEPs and how the LEP could input into the work on county deals.

5. Review of Programme Management Group Terms of Reference

5.1 The Group received a copy of the revised Programme Management Group Terms of Reference. The key change was the inclusion of a paragraph on PMG being able to act as a Project Board for specific Enterprise M3 projects, to ensure the project was being managed effectively and to provide a forum to discuss and agree recommendations to the Board. The membership of PMG had also been updated. The Group agreed the updated Terms of Reference for the Programme Management Group.

6. Future Funding of Projects

6.1 Stephen Martin presented to the Group draft high-level principles for the use of funding for future projects. Enterprise M3 still had capital funding available for future years; although the funding was less than previously allocated by Government, it was flexible in respect of when it needed to be spent and the types of projects that could be funded.

6.2 When developing the principles the team had considered the future vision for the LEP and how the funding could be used for maximum benefit to the region. The six proposed principles were:

- 1) Make less money go further
- 2) Focus on innovation
- 3) Smaller numbers of larger scale projects
- 4) Flow from strategic priorities
- 5) Working in partnership/collaboration
- 6) Commissioning approach

6.3 The Group discussed and agreed the high-level principles. There was particular support for projects that would provide maximum impact and it was suggested that a requirement could be included, relating to leverage of private funding and overall value added. EM3 would also need to consider carefully its priorities (e.g. the green economy) and its risk appetite. Further work would be carried out on the principles to develop a more detailed proposal on the focus for future funding.

Action to be taken	By Whom	When
Develop detailed principles on the use of future funding.	Stephen Martin / Lee Danson	11 November 2021

7. Capital Programme Update

7.1 Stephen Martin provided an update on the current position with the capital programme. There were currently only five projects still to be contracted, three were in the final stages of the contracting process and two had yet to commence. The Basing View 5G Living Lab was one of the projects yet to commence contracting, but it was hoped that a contract would be awarded by end September which would enable the contract with Enterprise M3 to conclude by March 2022.

7.2 The first phase of the Future Towns Mobility Demonstrator had concluded and, as a result of the feasibility stage, concerns about the project delivering meaningful outputs from the second phase in the allotted time period were highlighted. Therefore the second phase would not go ahead, although it was confirmed that the first phase had provided useful information and insight, and a firm basis for future work. The remaining £510k of funding would be made available for allocation to other projects.

7.3 The change request submitted to CLGU, to move some projects committed to be funded from loan repayments into the Getting Building Fund programme, was being processed but was still awaiting formal confirmation.

7.4 The actual outputs for quarter 1 showed there was good progress on all outputs except apprenticeships and CO2 savings. It was understood that the apprenticeship figures reflected the timing within the academic year. On the CO2 savings, some projects were still putting in

place measurement methodologies and/or were not expected to report until the project was completed. A further update would be provided when the quarter 2 data was available. The mid-year conversation with CLGU had been arranged for the end of September which would pick up on Enterprise M3 performance and the change request submitted.

- 7.5 The Group noted the capital programme risk register and that there were no significant changes since the last meeting. The only risk that had increased was the Simple Working workspace pilot as it had still not reached the contracting stage, the position would be reviewed in November.

8. **European Programme Update**

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

9. **Forward Programme**

- 9.1 The Group noted the current forward programme.

Daniel Ruiz and Rob Dunford joined the meeting for this item.

10. **Gigabit EM3 Town and Rural**

- 10.1 Rob Dunford updated the Group on the progress of the Gigabit EM3 Town and Rural project. The Board had requested at its meeting in July, that the approach adopted: minimised the risk to the LEP and Board members from liabilities; secured investment in, and delivery of, the project by other organisations; optimised the use of LEP funding and examined scope for some return; and, proceeded expeditiously to bring the project to market so that the benefits could be realised as fully as possible.
- 10.2 The framework for procurement was being considered with the Accountable Body to ensure it was compliant with requirements. There would be benefits from simplification of the process, through the use of an existing framework, which would shorten the timetable. To take the project forward agreement was required on a clear client brief, a delivery mechanism, the approach to funding and a procurement process.
- 10.3 It was proposed that there should be an initial investor pack, to attract the interest of potential suppliers. This would enable some soft market testing to be carried out, which would lead to a more detailed set of materials that would be shared under a Non-Disclosure Agreement for the next stage. The final stage would be to move to the formal tender.
- 10.4 Two possible delivery mechanisms had been identified following the conclusions reached by the Board which were a Joint Venture (JV) or Co-Investment. Both offered a viable route to market but the main issue with a JV was the length of time it could take to reach an agreement with a preferred partner, therefore work had been focussed on the co-investment option.
- 10.5 The Group discussed the report and were supportive of the overall approach. The importance of ensuring that the investor pack conveyed the right messages was stressed. There was some concern expressed on whether the LEP had the resource to deliver the project in the proposed timeline. It was acknowledged that there would be some external support required.
- 10.6 Conversations would take place with Board members that had expertise in the area to get their input into the development of the investor pack, which would be shared once complete.
- 10.7 The Group agreed to recommend to the Board to:
- i) **agree** the proposed approach to taking forward the project through a procurement process and the co-investment approach (and therefore not carrying out further work on a JV option);
 - ii) **agree** the proposed approach to the use of LEP funding in the procurement process; and;
 - iii) **agree** that soft market testing should follow immediately after Board agreement on the approach to procurement to maintain momentum.

Action to be taken	By Whom	When
Share the investor pack when complete	Rob Dunford	October 2021

11. **Any Other Business**

11.1 Future Programme Management Group meetings would be held as follows:

- Thursday 11 November 2021 – 10am-1pm
- Thursday 13 January 2022 – 10am-1pm
- Thursday 17 March 2022 – 10am-1pm