

DRAFT MINUTES

Directors in Attendance

Michael Queen - Chair
Debbie Allen
Virginia Barrett – *via Zoom*
Cllr Joss Bigmore – *via Zoom*
Linda Cheung – *via Zoom*
Sarah Jane Chimbwandira– *via Zoom*
Barney Ely
Ren Kapur – *via Zoom*
Ross McNally – *via Zoom*
Cllr Phil North
Cllr Tim Oliver – *via Zoom*
Daniel Ruiz
Kathy Slack
Mark Smith

EM3 Team in Attendance

Rob Dunford
Sue Littlemore
Stephen Martin
Justine Davie

Apologies

Julie Baker
Cllr Rob Humby
Stacey King
Cllr Richard Millard
Cllr Nick Prescott

Guests in Attendance

Anne Hibbert – HCC Accountable Body – *via Zoom*
Richard Turl – CLGU – *via Zoom*
Julie Silvester – The FSE Group
Cheryl Weeks – The FSE Group

1. Welcome and Introductions

- 1.1 Michael Queen welcomed everyone to the meeting.

2. Minutes of the previous meetings & matters arising

- 2.1 The minutes of the meeting held on 2 December were agreed and the actions noted. The Board were advised that a meeting had been held with RHS Wisley and collaborative working was discussed.

3. Declarations of Interest

- 3.1 Daniel Ruiz advised that he had taken on a new Non-Executive Director role for the Office of Rail and Road which had been added to the Register of Interests. There were no further additional declarations of interest to those previously declared.

4. Chairs Report

- 4.1 Michael Queen reported on the activities and events undertaken since the last Board meeting. Meetings had been held with Kwasi Kwarteng MP and Kit Malthouse MP. Both MPs were well informed on the work of Enterprise M3. The Board was advised that the Catalyst South Group Chair role had moved to Julie Kapsalis, the Coast to Capital LEP Chair.

5. Chief Executive's Report

- 5.1 Kathy Slack highlighted some of the current key areas of work being undertaken by the team. Rob Dunford and Jennie Pell had found new roles and would be leaving Enterprise M3 in March. A short-term reorganisation was going to be put in place to enable the organisation to move forward and focus on areas of work that were important. Work had already started on the AGM and Annual Report, the AGM was due to be held in May at the Farnborough Exhibition Centre.

- 5.2 The Growth Hub had been targeting activity in certain groups. A bid writing support service had been launched to help SMEs apply for funding from Innovate UK. The Peer Networks, which were focussed on Tech Start Up, Female Business Leaders and New Business Leaders, had been extremely successful with all six cohorts filled.
- 5.3 The work on trade and investment had been positive with some good connections made with organisations overseas. The Guildford Games Festival held in December had been another huge success with 2.2m unique viewers of the festival content.
- 5.4 Barney Ely reported on the Skills Advisory Panel held in January where attendees heard from employers who had skills needs related to business-to-business sales. The presentations were well received with several significant actions for colleges and universities. The Board discussed the importance of skills engagement with business and were advised that the CEC team had achieved a good success rate reaching out to businesses.
- 5.5 The Gigabit EM3 Town and Rural project was progressing well and was close to the procurement stage. Hampshire County Council Accountable Body had provided excellent support in progressing the legal and procurement requirements.
- 5.6 There was a renewed focus on the Enterprise Zone and recruitment was underway for the Head of Enterprise Zones post which would be funded from the business rates income generated.
- 5.7 There had been some good commentary provided from JLL at the Joint Leaders Board (JLB) on the increased demand for office space. Steve Coburn from the Login Business Lounge spoke to JLB about incubator space. The LEP was carrying out some evaluation work on the workspace pilot to explore the case for further investment in this area. Cllr Phil North reported that Incuhive in Andover had seen a high demand for shared office space but lower demand for individual workspaces.

Action to be taken	By Whom	When
Provide an update on the amber and red areas in the delivery plan at the next Board meeting	Lee Danson	7 April 2022

6. Government Plans

- 6.1 Richard Turl reported to the Board on the current focus for Government as part of Levelling Up White Paper at item 7.

7. Levelling Up White Paper – Future Role of LEPs

- 7.1 Michael Queen advised the Board on implications of the Levelling Up White Paper which had been published the previous day. The White Paper confirmed the important role LEPs played in bringing together stakeholders from local authorities and businesses and set out 12 clear ambitious medium-term missions with timed target objectives through to 2030. The Government encouraged the integration of LEPs and their business boards into Mayoral Combined Authorities, the Greater London Authority and where County Deals existed. Where a devolution deal was not yet in existence, LEPs would continue to play a vital role in supporting local businesses and the local economy. The Governments new devolution framework would provide greater clarity on the devolution offer across England. There was no news on the financial settlement for LEPs, a letter was expected in the coming weeks.
- 7.2 The £2.6bn Shared Prosperity Fund would be devolved to district authorities, it was expected the amount allocated to the South East would be relatively small. The LEP could help local authorities work together to make the most of the funding available. The key role for LEPs was ensuring a strong local business voice, carrying out strategic planning and delivering priority functions. Due to the expected low share of funding received in the South East it was agreed that the LEP should develop its own strategy and way forward that benefits business and the economy.

- 7.3 The Board discussed the White Paper and implications for the LEP and local authorities. It was agreed that partnership working was key for the Enterprise M3 area to make the most of the resources available. The LEP would continue to work with Hampshire and Surrey County Council's and the Chambers of Commerce on the business support provision for the area.
- 7.4 Richard Turl advised the Board that the Government focus was on rebalancing the economy and to ensure funding was provided at the right level. The UK Shared Prosperity Fund was looking to move away from a competitive model and the indication was it would be allocated on a needs basis. The documents were expected to come out in next couple of months. Business planning was going ahead on funding for LEPs and Growth Hubs and would be sent out in the next few weeks.
- 7.5 The Board discussed the allocation of funding and that local authorities in the South East were unlikely to secure funding. The Board was advised that the details of the process for the Levelling Up Fund were currently being worked through but it was expected that the category rankings would remain and those ranked in category 3 would require a strong bid to secure funding.

8. Resources, Finance and Audit Committee Update

- 8.1 Debbie Allen provided an update from the Resources, Finance and Audit Committee on the 2021/22 outturn position, the outline revenue budget forecast for 2022/23, and the medium-term financial plan.
- 8.2 The 2021/22 outturn position had slightly improved. Based on current assumptions, the outline 2022/23 Enterprise M3 budget showed that there are sufficient funds to operate up to the end of 2023/24. Once there is more certainty on future Government funding, further work will be carried out and the budget updated. It is expected that a final budget will be prepared for Board approval in April 2022. Further work will continue on identifying savings and efficiencies and increasing income.
- 8.3 The Board endorsed the Outline Revenue Budget for the 2022/23 financial year, and noted the forecast 2021/22 outturn position at the end of December 2021. The key financial risks associated with the 2022/23 Outline Revenue Budget, and the 2022-2025 Medium Term Financial Plan were also noted.

Action to be taken	By Whom	When
Present a full detailed budget to the Board in April 2022	Aleks Bennett	7 April 2022

9. Enterprise M3 Economic Position

- 9.1 Sue Littlemore provided a summary of the latest economic position in the Enterprise M3 area. The Enterprise M3 LEP area had been very resilient to date but had not previously faced Brexit or coming out of a pandemic. Business activity and new orders had been very volatile and there had been a significant slump in last two months. Inflation had increased to 5.4% in December and interest rates were expected to raise further. The majority of Enterprise M3 residents that sought employment had found a job so there was a tight labour market which could face even greater shortages in the near future. The number of job adverts posted in December 2021 had increased by 55.8% on the same period in the previous year. The jobs with the highest proportional rise in demand was nurses, care workers, chefs and cleaners. Nationally, regionally and locally people were voluntarily dropping out of the labour market either retiring or going to further education. There had been around 120% increase in demand for 'green jobs' since January 2019.
- 9.2 The Board discussed the economic data and what opportunities there could be to attract people back into the workforce. Other opportunities proposed were the offer of shorter more flexible apprenticeship routes. The points raised would be picked up by the Skills Advisory Panel.

10. Revisiting Revive and Renew

- 10.1 Sue Littlemore's presentation on the emerging areas for focus by Enterprise M3 LEP in the revive and renew action plan was deferred to the next meeting.

11. The FSE Group – Equity and Expansion Fund

- 11.1 Julie Silvester, The FSE Group Head of Commercial, and Cheryl Weeks, Head of Funds South East, gave a presentation to the Board on the EM3 Equity and Expansion Fund. The Enterprise M3 funding escalator was established to address the funding gap by investing in high growth businesses, enabling sustainable economic growth across the area. The funding escalator had been supporting growth since 2014, £11.6m had been loaned/invested in 95 SME's, 876 jobs had been created/safeguarded with £33m private investment leveraged. The LEP had committed £15.5m funding, of which £12.6m had been drawn down. The FSE Group had repaid £2.25m to date and was forecast to repay the full committed amount.
- 11.2 The companies supported had been located across the Enterprise M3 area with the highest percentages in Basingstoke and Deane (19%), Guildford (16%), Rushmoor (11%) and Woking (10%). The Board received details on some case studies of companies that had received support. The FSE Group worked closely with the Growth Hub and held monthly meetings to discuss deals and introductions which had been working really well, resources were also shared on stands at events.
- 11.3 The fund had been making good progress and it was likely that the LEP would receive a return higher than the original investment. There were options for further investment by the LEP. A report would be brought back to the Board with options for consideration. The Board had the option to increase the fund for up to another 5 years maximum. Other areas put forward for consideration for investment were the green finance arena, transition to clean growth and nature tech start-ups/agritech.

Action to be taken	By Whom	When
Send a copy of the FSE investment report to Michael Queen	Rob Dunford	7 April 2022

Jordan Tame joined the meeting for item 12 via Zoom.

12. Enterprise M3 Board Appointments and Governance

- 12.1 The Board received an update on the work of the Nominations Committee. Jim McAllister had stepped down as a Board Director from 31 December 2021 and there was a vacancy on the Enterprise & Innovation Action Group. The filling of the vacancies would be considered now the Levelling Up White Paper had been published.
- 12.2 An assessment of the Board was due to be carried out during March 2021 and the draft questionnaire was shared with the Board. The final questionnaire would be circulated to Board members at the end of February with responses required by end March 2022. An informal Board meeting would be arranged for Board members to consider the results of the evaluation.

Action to be taken	By Whom	When
Arrange an informal Board meeting to consider the results of the Board evaluation	Jordan Tame	June 2022

13. Capital Programme Update

- 13.1 Stephen Martin provided an update on the current position with the capital programme. The actual outputs for Q1 and Q2 showed that targets for 2021/22 were largely as forecast and expected. The CO2 savings appeared low as a quarter of the target was attributed to the Vaultex project which was not due to complete until Q4, and CO2 savings were expected to build up over time. There was currently £4.9m capital funding available to allocate to new

projects. Work was being carried out to establish what a future capital fund should look like and how it could be delivered. The Board noted the report.

14. **Joint Leaders Board**

14.1 Cllr Phil North provided a verbal update on the meeting of the Joint Leaders Board (JLB) held on 24 January. An update was provided on the key projects in the LEP from Kathy Slack and the Leaders considered a presentation from Steve Coburn on shared office space and agreed there was a demand for this in the Enterprise M3 area. At the next meeting JLB would have a more in-depth conversation on the Levelling Up White Paper.

15. **Programme Management Group Report**

15.1 The Board received and noted the minutes of the Programme Management Group held on 13 January.

16. **EU Programme Update**

16.1 The Board received and noted the progress on the EU Programme. As the project was coming to a close the team were pulling together a reflection on what had worked well and not so well which would be useful when considering the UK Shared Prosperity Fund bids.

17. **Forward Programme**

17.1 The Board received and noted the Forward Programme.

18. **Any Other Business**

18.1 The Chair thanked Kathy Slack and Executive Team on behalf of the Board for their fantastic leadership which had resulted in some incredible work over the last year.

18.2 The future Enterprise M3 Board meetings would be held on:

- Thursday 7 April 2022
- Tuesday 24 May 2022
- Thursday 4 August 2022
- Thursday 6 October 2022
- Thursday 1 December 2022
- Thursday 2 February 2023
- Thursday 6 April 2023