

Enterprise M3 Programme Management Group

13 January 2022 - 1000-1130

Zoom Video Conference

DRAFT MINUTES

Members Attending

Deborah Allen - Chair
Cllr Joss Bigmore
Claire Burnett
Cllr Matt Furniss
Anne Hibbert
Stacey King
Paul Millin
Michael Queen
Paul Shackley
Kathy Slack
Cllr Lucille Thompson

EM3 Team Attending

Lee Danson
Rob Dunford
Stephen Martin
Geoff Wells
Justine Davie

Apologies

Michael Coughlin
Mike D'Alton
Cllr Rob Humby

Guests Attending

Karen Hillen – CLGU
Collette White - CLGU
Daniel Ruiz – EM3 Board Member

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 16 September 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 Kathy Slack advised the Group that the outcome from the LEP Review was expected to be included in the Levelling Up White Paper which had not yet been published. The Government announced before Christmas that LEPs would have a role in future, therefore it was expected that there would be some funding made available for LEPs, however it was recognised this may not be at the same level as in previous years. Information on future funding was critical as LEPs and Growth Hubs were currently only funded until March 2022. Enterprise M3 was in a good financial position therefore was able to do some future planning however the uncertainty on future funding from Government was unsettling for staff and staff retention could become an issue. The Levelling Up White Paper was now expected to be published by the end of January.

4.2 Karen Hillen informed the Group that the impact the uncertainty and delays was having on LEP staff was recognised and the message was being conveyed to Ministers.

4.3 Michael Queen advised the Group that the meeting held with Kwasi Kwarteng MP before Christmas had been a robust discussion and he acknowledged what Enterprise M3 had achieved but highlighted there were issues with less well performing LEPs. The meeting scheduled with Michael Gove was postponed. Kathy Slack had arranged a meeting with the Chief Executives of the local authorities in the Enterprise M3 area to discuss future working and ideas for use of future capital funding.

- 4.4 The Annual Performance Review was scheduled to take place on 9 February and Enterprise M3 had provided an impressive account of what had been achieved over the last year. The Joint Leaders Board had carried out their annual scrutiny in November which had been incredibly positive about the LEP performance and focus. The LEP was working closely with local authorities on county deals and associated partnerships. Discussions had been held with Surrey County Council on working alongside Coast to Capital on future delivery of services, similar discussions were also being held with Hampshire County Council.
- 4.5 Despite the uncertainty around the Levelling Up White Paper and LEP Review, work had continued on planning for the future and delivery of existing projects. There were a number of capital programmes still being supported and due to deliver by March 2022 and some projects would continue into 2022/23. There had also been a significant amount of work delivered on sectors and clusters.
- 4.6 Clare Burnett informed the Group that Homes England were a willing partner to work with the LEP on future plans, they were also experiencing uncertainty from the spending review but were continuing to plan and move forward.

5. Capital Programme Update

- 5.1 Lee Danson provided an update on the current position with the capital programme. The programme was progressing well with most projects completing their spend in 2021/22. Two projects would continue to spend in 2022/23, Brighton Hill Basingstoke and Farnborough Growth Package. Basingstoke and Deane Borough Council had repaid their £2.2m Enterprise Zone loan early which would reduce the interest earned by £44k per year. The £2.2m loan repayment had been added to the EM3 unallocated capital funding figure.
- 5.2 Two of the projects supported as part of the workspace pilot were now up and running in Andover and Camberley. Unfortunately, the third project, SimpleWorking, had not been able to secure additional match funding therefore the £300k funding was withdrawn. The Group supported the decision to withdraw the funding. The pilots would be evaluated by Propernomics, early indications showed that this was an area that was going to grow significantly and one where the LEP could play a vital role. A stakeholder workshop had been held on the workspace pilot which included a presentation from one of the pilot projects, Login Business Lounge, and information was shared on the initial findings from the property market review. It was requested that the results from the evaluation were shared with local authorities.
- 5.3 The actual outputs for Q1 and 2 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. By the end of the delivery of the Getting Building Fund the CO2 savings achieved would have doubled. Cllr Lucille Thompson reported that the Vaultex project was virtually complete and there had not been a second challenge on the application.
- 5.4 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. A report would be made to a future PMG meeting with a more detailed proposition.
- 5.5 The Group discussed the future capital fund and how partners would be engaged on any proposals and whether consideration would be given to further support for existing projects. Lee Danson confirmed that engagement would take place with groups within the Enterprise M3 governance structure, county and district Chief Executive's and other stakeholders. Project leads would be expected to raise any concerns with the LEP if additional support was required to ensure the delivery of existing projects.

Action to be taken	By Whom	When
Results of the evaluation of the workspace pilot to be shared with local authorities and PMG	Lee Danson	April 2022
Provide a detailed proposition for a future capital fund to PMG	Lee Danson/ Stephen Martin	May 2022

6. Enterprise Zone Update

- 6.1 Rob Dunford provided the Group with an update on the current position with the Enterprise Zone and the future focus for the Enterprise Zone Programme Steering Group. The implementation plan was due to be reviewed as there had been five years of development on the three Enterprise Zone sites, and the Business Rates discount was coming to an end. The review would take into consideration the changes to the property market and the impact of Covid such as changing working patterns and the surge in film and TV production. The outcome of the review would inform a new plan for future investment and development.
- 6.2 The Steering Group had considered an update to the Business Rates Income forecast due to the changes in the market. The original forecast was estimated at £250m over 25 years which had been revised to £125m. The Steering Group had direct control over how the funding was reinvested. The outcome of the review and proposed future focus would be reported back to the Group in March.

Action to be taken	By Whom	When
Report on the outcome of the review of the Enterprise Zone Implementation Plan	Rob Dunford	March 2022

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.

Daniel Ruiz joined the meeting for this item.

9. Gigabit EM3 Town and Rural

- 9.1 Rob Dunford updated the Group on the progress of the Gigabit EM3 Town and Rural project. The soft market testing had been very successful, initial contact had been made with 40 suppliers, of which 6 remained actively interested. The project team had been working with Liverpool and Stoke-on-Trent City Councils as they had previously carried out a similar process. In reviewing the documentation that had been shared, and adding Enterprise M3 LEPs own aspects, the project team was very close to having a full suite of Invitation to Tender (ITT) documents.
- 9.2 There has been ongoing engagement with HCC Procurement Team. It was initially hoped that procurement would be ready to be advertised at end Jan/early Feb but it was dependent on HCC resource capacity and this could slip. The full draft of ITT documents should be available in the next 7-10 days and would be shared with relevant people for review and input before the procurement process can progress. It was hoped that if all elements of the tender process proceeded as planned, approval would be sought from the Board in April.
- 9.3 The Group discussed the report and highlighted that it was a tight timescale for a funding request brought to the Board in April. It was agreed that the timeframe set was going to be a challenge however there was a requirement for the project to move at speed as the value of the work carried out to date, in particular the route mapping, would diminish if the delivery timescales slipped. Daniel Ruiz had agreed to be on the tender assessment panel. Additional meetings may need to be set up if decisions were required to be made at pace.

10. Any Other Business

- 10.1 Future Programme Management Group meetings would be held as follows:

- Thursday 17 March 2022 – 10am-1pm

End: 11.30am