

Enterprise M3 Programme Management Group

17 March 2022

Covid 19 Fund Update and discussion paper – Item 6

PMG Members are asked to:

AGREE to put remaining funding of £600k from our two revenue funds into a new revenue fund for 2022/23; and,

AGREE the revised focus of the fund as set out below.

1. Background

- 1.1. In 2017/18 Enterprise M3 transferred £3m from the Local Growth Fund into a “Capital to Revenue Fund” (C2R Fund), which could be used to support scheme development, design advancement, skills and career improvement and business support. This fund is overseen by the Programme Management Group (PMG), with operational management delegated to the Chief Executive. This fund allowed us to top up our Growth Hub by £100k pa until 2019 when BEIS awarded additional funding to the Growth Hub and to provide some of the match funding, £57k pa, needed to maintain our Careers and Enterprise Service.
- 1.2. In May 2020, PMG agreed the remaining funding of £77,450 should be allocated to directly support the impact of covid and the subsequent recovery. Funding was given to business intelligence activity, economic analysis activity and additional programme support.
- 1.3. At the October 2020 PMG approved a suite of projects valued at £680k aimed at addressing the impact of COVID 19. The proposals were also geared towards areas where there was a current gap (no other agency/organisation is delivering this currently), and delivery within 12-18 months. The fund was renamed “Covid 19 Fund” and the CEO was given authority to approve further projects up to £250,000. We have used the fund to support the development of our Getting Building Fund gigabit project. The Getting Building Fund has supported projects that support the economy to emerge from the pandemic.

2. Progress update for 2021-22

- 2.1. We review the fund on a quarterly basis internally to determine the level of spend against what was planned. We now have several projects that may no longer require the funding allocated to them, and also new projects that have been approved under the Chief Executive’s delegated authority. Therefore it is timely to bring this Update Paper to PMG.
- 2.2. In April 2021 the Covid 19 Fund programme included a number of projects that were underway and spending against the allocation, also throughout the year there have been further projects that have been allocated to this fund. These have been approved by the Chief Executive, and we now need to inform PMG as part of this update. Projects underway or completed during 2021/22 (totalling £360k) are outlined in appendix 1.
- 2.3. There are also a small number of projects that had initially been allocated funding however had not yet commenced for various reasons (these total £240k) see appendix 2.

2.4. It is proposed that we bring the remaining funding from our original C2R pot (£360k) and the COVID fund (£240k) together to form a new revenue fund of £600k for new projects. This can be carried forward to 2022-23.

3. Looking Forward

3.1. There are options available to us regarding the focus of the fund and also how the fund is managed. Regarding the focus of the fund the use can be either revenue or capital.

3.2. It is proposed that the remaining revenue fund of £600k should be used to support the development of projects, with partners, that are aligned to the future vision of the LEP and emerging county deals. This would include projects that might be part-funded from EM3's Future Capital Fund, and also projects that might involve bidding for funding from other sources. This would therefore enable the LEP to work with partners to commission and develop new projects, including pilot/proof of concept/demonstrator projects, and key strategic capital projects.

3.3. In practice this could include the following projects:

(a) Alignment to the Future Capital Fund – providing additional capacity (funded posts and/or consultancy) for project development, and/or enabling some revenue expenditure on projects (e.g. skills, innovation, pilots). This could be developed with partners as part of the Future Capital Fund engagement. This could also include working with partners to develop UK Shared Prosperity Fund projects for example.

(b) Additional revenue support for business support to pilot programmes or increase reach of support to businesses. This could include extension of activity to engage businesses in adoption of low carbon activities.

(c) Support any possible transitional period as the LEP moves forward from current state to a new future model for EM3.

3.4. The oversight of the fund should remain with PMG, however we can seek approval from PMG to delegate authority to the Chief Executive for any amount up to the total amount of the fund.

3.5. The following decisions are required of PMG:

- AGREE to put remaining funding of £600k from our two revenue funds into a new revenue fund for 2022/23
- AGREE the revised focus of the fund as set out in the report.

Lee Danson
Head of Planning, Programmes and Performance
10 March 2022

Appendix 1

Agreed projects that are underway.

These projects have all received approval and have commenced or concluded and are drawing down against the agreed amount.

Project	Status	21/22 £,000
Careers and Enterprise Co-ordinators	PMG approval 2018	57
Electric vehicle charging	PMG approval 15/10/2020	171
Gigabit EM3 Refinement of Business case	PMG approval 15/10/2020	102
Exemplar - ERDF grant bank-roll cover	PMG approval 15/10/2020	5
Future Workspace Project (research)	PMG approval 15/10/2020	23
BLOOM: Gigabit EM3 Refinement of Business case Additional funding to extend the contract with NGIS to support the development of the business case to end August 2021	CEx approved	70
BLOOM: Gigabit EM3 Soft Market Testing Additional funding required to support the soft market testing process to end December 2021	CEx approved	80
Consultancy – KL Funding to support internal project management – KL post to the end of March 2022	CEx approved	54
Surrey Hills - Surrey Rural Grant to Surrey Hills to support the “Champions” programme	CEx approved	5
Expenditure in year		567

Appendix 2

Agreed projects, but no current plans to proceed.

These are projects that have previously been agreed but there are no plans to draw down the funds at this stage and are no longer required.

Project	Summary	AGREED	21/22 £,000
Income Generation strategy and Action Planning	Consultancy estimate to support the team to develop the strategy and action plan further (where capacity and capability are not available within the team) <i>This work was conducted through the consultancy support provided by KL (see table 1).</i>	15/10/2020	-30
Pipeline of active travel schemes	This work will be carried out in conjunction with LAs as we build together a pipeline of capital infrastructure schemes. Match funding would be sought from the local authorities <i>Work taken place without need for these funds.</i>	15/10/2020	-200
Stakeholder engagement activity	Initial intention of this allocation of funding was around Recovery and Renewal <i>A more limited exercise has been undertaken within the team using existing CRM platforms and events.</i>	15/10/2020	-10
Expenditure in year			-240