

Enterprise M3 Ltd Board Meeting

7 December 2023 – 10.00am-13.15pm

Training Room, Belvedere House, Basing View, Basingstoke
and online via MS Teams

DRAFT MINUTES

Directors in Attendance

Michael Queen – Chair
Debbie Allen – *via MS Teams*
Julie Baker – *via MS Teams*
Virginia Barrett – *via MS Teams*
Cllr Natalie Bramhall – *via MS Teams*
Cllr Roz Chadd – *via MS Teams*
Sarah Jane Chimbwandira
Stacey King
Daniel Ruiz
Mark Smith
Cllr Martin Tod

EM3 Team in Attendance

Stephen Martin
Martine Baker
Elizabeth Seaman
Justine Davie

Apologies

Barney Ely
Cllr Paul Follows
Ren Kapur
Cllr Julia McShane
Cllr Phil North

Guests in Attendance

Michael Coughlin
Natalie Wigman – *via MS Teams*
Anne Hibbert
Richard Turl – *via MS Teams*

1. Welcome and Introductions

1.1 Michael Queen welcomed everyone to the meeting.

2. Minutes of the previous meeting & matters arising

2.1 The minutes of the meeting held on 10 October 2023 were agreed and the actions noted.

3. Declarations of Interest

3.1 Stacey King declared an interest in item 9 Gigabit EM3 (Fibre Spine) project update, but remained in the room during the discussion. Board Members agreed they would declare any interests in the individual Future Fund projects before the item was discussed. There were no further additional declarations of interest to those previously declared.

4. Managing Director's Report

4.1 Stephen Martin highlighted some of the achievements by the team since the last Board meeting. The Enterprise M3 Joint Leaders Board meeting had been held the previous week, which included the annual scrutiny session. The discussion largely focussed on looking forward to LEP integration and Cllr Rob Humby spoke very positively about how the LEP had been working collaboratively with both County Councils.

4.2 The Growth Hub was working hard to engage with small businesses and a number of workshops had already taken place and would continue until the end of March 2024. The Jet Zero work was now complete and a meeting of the steering group was held the previous week.

4.3 It was confirmed on 1 December that the Local Skills Improvement Fund collaboration of 18 providers and other stakeholders, including the LEP, had been successful in securing £6m of skills funding to respond to the Local Skills Improvement Plan priorities.

4.4 Daniel Ruiz advised the Board that the Enterprise Zone report by Cushman and Wakefield had been finalised and would inform a workshop in the New Year, looking at how the Enterprise Zones would be operated in future following LEP integration. The content for the workshop would be considered by the Enterprise Zone Programme Steering Group the following week.

- 4.5 The Board commended Stephen and the EM3 team on the volume of high quality work being delivered and were impressed by the positive team motivation.
5. **Future of LEP**
- 5.1 Cllr Martin Tod declared an interest in this item as a Hampshire County Councillor, although he was on the Enterprise M3 Board as a district councillor, therefore remained in the room during the discussion.
- 5.2 Michael Queen updated the Board on the current position regarding the transition of LEP functions to upper tier authorities. The Enterprise M3 Team had done an excellent job of reaching out to the County Councils to work on the transition arrangements, and discussions held had been productive and helpful. However, there was some frustration about the length of time some of the work was taking and both Michael and Stephen were pushing colleagues to accelerate the work.
- 5.3 Stephen Martin reported that the Local Authority/LEP Integration Plan template, which had been completed jointly by Hampshire County Council (HCC) and Surrey County Council (SCC), had previously been circulated by email to the Board for comment. The template confirmed that both Councils intended to continue to deliver all LEP activity/programmes, although this was 'subject to future funding'. SCC would continue to operate under its existing structure with the One Surrey Growth Board and Surrey Business Leadership Forum, with a review of terms of reference and membership to reflect LEP integration. HCC would set up a new Economic Growth Board with 60% business membership, supported by a Business Forum, Education Sub-Group and Local Authority Leaders Board.
- 5.4 Meetings had been arranged with Natalie Wigman and some of the LEP Board members to discuss lessons from EM3's experience and how to make future governance arrangements work, and Daniel Ruiz would also be working with Natalie to provide support. Board members were asked to consider participating in a HCC Economic Growth Shadow Board as part of the integration process.
- 5.5 The Integration Plan template identified that one of the key steps in managing the integration was retaining staff where possible.
- 5.6 Stephen Martin highlighted six key issues relating to LEP integration which the Board discussed:
1. Funded plans and what the County Councils would be able to afford once funding was confirmed - it was not yet clear how much funding would be made available.
 2. How would Enterprise M3 assets be allocated and what governance would apply in future to decisions about their use – both County Councils had confirmed that they would continue to be used for economic development purposes, but the detail on this was still being drawn up and it was hoped that this could be discussed at the February Board meeting.
 3. Progressing the HR process at pace and achieving the best outcome – the LEP had been engaging with the HCC HR team, as the Accountable Body and employer of most of the team – Natalie Wigman was working on a draft message to Enterprise M3 staff that could be sent out before Christmas.
 4. New governance arrangements for Hampshire – support was being provided from the Enterprise M3 Board members and in particular Daniel Ruiz.
 5. Hampshire/Surrey collaboration and identifying where joint approaches should continue - discussions were needed on (for example) ongoing monitoring of capital projects, the Enterprise Zone and the Funding Escalator – it was acknowledged that some areas of work, such as Jet Zero, should continue to be delivered in collaboration.
 6. The Future of the Enterprise M3 Board and Enterprise M3 Limited - the next Board meeting was scheduled on 8 February and it was proposed that there would be one final meeting at the end of March.
- 5.7 31 March 2024 was a hard deadline for the transfer of functions and it was agreed that the Enterprise M3 Board should not continue beyond that date. Enterprise M3 as a Limited Company had no assets or liabilities therefore the process for closure of the company could commence

prior to 31 March before hand over to the upper tier authorities. A date for the final meeting in March would be agreed with the Board shortly.

- 5.8 Richard Turl advised the Board that the confirmation of the amount of transition funding was with Government Ministers, and hopefully would be communicated before Christmas. The money for the transition funding sat within the Department for Levelling Up, Housing and Communities (DLUHC) budget. Growth Hub funding sat within the Department for Business Trade (DBT) budget, and was subject to a business planning process and dependent on how many Growth Hubs there would be going forward.
- 5.9 Any key activities taking place before the next Board meeting in February would be communicated with the Board by correspondence.

| Action to be taken | By Whom | When |
|---|---------------|------------------------|
| Agree a date for the final Board meeting at the end of March 2024 | Michael Queen | 31 December 2023 |
| Communicate any key activities that take place before the February Board meeting to Board Members by correspondence | Michael Queen | Before 8 February 2023 |

6. Government Plans

- 6.1 Richard Turl provided an update on the current Government activity and focus. The Local Authority/LEP Integration Plan templates were currently being assessed. Following assessment, letters would be issued to confirm if DLUHC were content with the proposals. It was hoped that the letters would be circulated before Christmas. Further guidance on delivering business representation and local economic planning was due to be issued soon, it was hoped that this would be by January 2024. The transition funding for upper tier authorities had only been confirmed for 2024/25, any funding beyond that was subject to future budget planning; this has been flagged as a risk.

Elizabeth Seaman joined the Board meeting for the remaining items.

7. Future Fund Projects

- 7.1 The Board considered a confidential paper on the Future Fund applications received and the recommendations for funding. There had been 37 applications received from across the Enterprise M3 area and seven projects were shortlisted by an internal panel chaired by Stephen Martin. Each of the seven project applicants delivered presentations to the internal panel in October to provide further details on their projects. Financial due diligence had been undertaken by HCC's Finance Team on the seven shortlisted projects. The Accountable Body had no significant concerns regarding three of the projects. However, a range of questions had not been fully addressed for the other four projects which would be subject to further due diligence work and agreement by the Accountable Body.
- 7.2 The Board had been requested to consider one of the projects by correspondence due to the tight timescales for commencing this project. The Board had unanimously approved £925,000 grant funding from the Future Fund for this project.
- 7.3 The Board discussed the process and shortlisted projects for potential Future Fund investment. The Board were asked to submit their decisions following the meeting and the Executive would collate these responses and circulate the final decisions for funding.

| Action to be taken | By Whom | When |
|--|-------------------|------------------|
| Provide feedback to Michael Queen on decisions whether to fund the six projects included in the report | All Board Members | 11 December 2023 |
| Summarise the feedback received by Board members and circulate with confirmation of those to be approved | Stephen Martin | 15 December 2023 |

8. Gigabit EM3 (Fibre Spine) Project

8.1 Daniel Ruiz updated the Board on the current position with the Gigabit EM3 (Fibre Spine) project. The local authorities had agreed that any decision regarding the procurement of the assurance work should be deferred until after the LEP transition and the local elections, and once new governance arrangements had been agreed between any authorities that would like to take the project forward. Therefore no further development or preparatory work would be undertaken before the transition.

8.2 The Board discussed the position and agreed:

- (i) that since the project would not now enter procurement until, at the earliest, late 2024, the LEP should issue a short update statement to the firms that had previously expressed interest in bidding as per the draft statement circulated with the confidential report;
- (ii) to recommend to the successor local authorities that the allocation of £4.5m which had been made towards the capital costs of the project should be carried over on a ring-fenced basis;
- (iii) to recommend to the successor local authorities that the remaining funds within the Capital to Revenue Budget, expected to be at £300,000 at 31st March 2024, were likewise carried over on a ring-fenced basis to cover the costs of any further preparatory and development work agreed by the successor bodies;
- (iv) that as part of the wider winding up of the LEP a full compendium of the work that had been undertaken to date was prepared which would be made available to the successor local authorities. This would include the costing model, the survey and design work, the full drafts of the contractual material and the draft ITT and associated procurement methodology; and,
- (v) to request that the successor bodies should identify a lead officer well in advance of the transition date and empower that officer to engage with LEP staff in a comprehensive set of handover arrangements.

8.3 The Board expressed the hope that HCC and SCC would agree the need for cross-border collaboration on this project. The Board asked for details on how much had already been spent on this project to date in the February update paper. The Board was invited to comment on the wording to be sent to the potential suppliers which was included in the confidential report.

| Action to be taken | By Whom | When |
|---|-------------------|------------------|
| Include details on how much had already been spent on the Gigabit project to date in the February Board update. | Martine Baker | 8 February 2024 |
| Send comments on the wording to be sent to the potential suppliers to Daniel Ruiz | All Board Members | 11 December 2024 |

9. EM3 Board Appointment Renewals

9.1 The Board considered and agreed the extension of the term of office for Daniel Ruiz, as an Enterprise M3 Board Member, for a further year to the end November 2024, while the process of integrating LEP functions into upper tier authorities was completed. The Board noted that Ross McNally had stepped down from the Board from the end November 2023 due to other commitments. The Chair thanked Ross on behalf of the Board for his valuable contribution to the LEP during his six years served on the Board.

10. EM3 Risk Register

10.1 The Board discussed and approved the current risk register which had been reviewed by the Resources, Finance and Audit Committee on 21 November 2023. There were currently 19 risks on the register, 7 flagged as red, 7 flagged as amber and 5 flagged as green.

11. Any Other Business

11.1 Julie Baker advised the Board that Mark Livesey had presented a session on 'Life after LEPs' at the National Enterprise Conference. Mark thanked all the business people that had given their

time to LEP Boards across the country. He expressed concern about cuts and how that might affect Growth Hubs.

11.2 Michael wished everyone a happy and restful Christmas and New Year break.

12. **Chair's Report**

12.1 The Board noted Michael Queen's report on the activities and events undertaken since the last Board meeting.

13. **Delivery Plan Update Report**

13.1 The Board noted the Delivery Plan update report.

14. **Enterprise M3 Economy, Labour Market and Skills Dashboard**

14.1 The Board noted the Economy, Labour Market and Skills Dashboard.

15. **Board Forward Programme**

15.1 The Board noted the Forward Programme.

16. **Dates of Future Meetings**

16.1 The future scheduled Enterprise M3 Board meetings would be held on:

- Thursday 8 February 2024 – **online only**
- Thursday 4 April 2024 – **to be rearranged for late March**