

DRAFT MINUTES

Directors in Attendance

Michael Queen – Chair
Debbie Allen
Julie Baker
Virginia Barrett
Cllr Natalie Bramhall
Cllr Roz Chadd
Sarah Jane Chimbwandira
Barney Ely
Ren Kapur
Stacey King
Daniel Ruiz

EM3 Team in Attendance

Stephen Martin
Martine Baker
Sally Thompson
Justine Davie

Apologies

Cllr Paul Follows
Cllr Phil North
Mark Smith
Cllr Martin Tod

Guests in Attendance

Michael Coughlin
Natalie Wigman
Anne Hibbert
Richard Turl

1. Welcome and Introductions

- 1.1 Michael Queen welcomed everyone to the meeting.
- 1.2 The Board were advised that Cllr Julia McShane has resigned from the Board with effect from 31 January 2024. The Chair thanked Julia on behalf of the Board for her contribution during her term of office.

2. Minutes of the previous meeting & matters arising

- 2.1 The minutes of the meeting held on 7 December 2023 were agreed and the actions noted.

3. Declarations of Interest

- 3.1 There were no declarations of interest in addition to those previously declared.

4. Managing Director's Report

- 4.1 Stephen Martin highlighted some of the key points included in the Managing Director's Report. The Government had published further guidance relating to the integration of LEP functions into upper tier authorities in December. The expectations set out in the guidance were that the upper tier authorities would deliver three LEP core functions: ensuring strong business representation; local economic planning; and, Government programmes where directed, which would include the Growth Hub and Careers Hub. Confirmation of the amount of funding for upper tier authorities had not yet been received as there was still some realignment of places to be agreed. The amount of Growth Hub funding for 2024/25 was also still to be confirmed.
- 4.2 The guidance also stated that upper tier authorities would be expected to create or continue to engage with some form of business board. Surrey County Council (SCC) would be using their existing One Surrey Growth Board. Hampshire County Council (HCC) was establishing a new economic growth board and the first meeting of a temporary shadow board was taking place the following day. Michael Queen had been invited to sit on the shadow board and Daniel Ruiz had been working with HCC on the arrangements for setting up the economic growth board.
- 4.3 A staff briefing had taken place on 6 February led by HCC which confirmed that all staff employed by HCC would be transferred across to Hampshire 2050 Directorate on 1 April, there would not

be any TUPE transfers to SCC. There were a couple of exceptions in that the EM3 Head of Finance would transfer to the HCC Finance Team; also a review was being undertaken of the communications function within HCC and it was possible that the EM3 communications team would move to a central communications team as a result. Due to the significant financial challenge faced by HCC there would be a reorganisation of Hampshire 2050 taking place at some point; therefore although the EM3 team now had some short term clarity there was still uncertainty in the longer term. A separate briefing was held for the agency staff.

- 4.4 The team was continuing with business as usual to 31 March, which included running the programme of Growth Hub workshops and events. A meeting of the Jet Zero task force was due to take place later in February and a life sciences event was also scheduled for early March. There would be a communication sent out to partners, stakeholders and customers over the next week to provide information about the arrangements from 1 April.
- 4.5 Discussions had been held with HCC and SCC on the future of the Enterprise Zones and the preference was to put in place a model in which the Longcross site would come under the leadership of SCC and Whitehill and Bordon and Basing View would sit under HCC. Further work would be required to agree how the arrangements would work in practice.

5. Future use of LEP Assets

- 5.1 Natalie Wigman, Assistant Director, Regeneration and Growth at HCC and Michael Coughlin, Executive Director, Customers and Communities at Surrey SCC presented to the Board on the proposed future use of LEP assets.
- 5.2 It was confirmed that funding would be ringfenced for economic development activity. The allocation of funding for HCC would be via agreement of the new economic growth board. The report to SCC Cabinet on 21 Feb set out the principles going forward for Surrey. It was the intention that funding and functions be governed through the One Surrey Growth Board, Surrey Business Leaders Forum and Surrey Skills Leadership Forum. SCC were currently in discussions for a Level 2 County Deal with the Department for Levelling Up, Housing and Communities.
- 5.3 The proposed formula for agreeing the split of the assets between Hampshire and Surrey was on the working age population which showed a fairly even split of 51% in Surrey and 49% in Hampshire. The assets in scope for being split using the working age population were the Future Fund, operational reserves, capital to revenue reserves, long term debtors and the Funding Escalator. It was proposed that Enterprise Zone finances would be split based on the locations of the three Enterprise Zone sites.
- 5.4 Governance arrangements in Hampshire would be centred around the new Hampshire economic growth board, the name of the board was still to be confirmed. A Local Authority Place Board had been established and three members would sit on the economic growth board. Under the main board would be a Hampshire Business Forum and Hampshire Skills Forum. There would be some delegation arrangements in place which would allow the economic growth board to make decisions within the scope of the delegation.
- 5.5 Governance arrangements in Surrey would operate with the One Surrey Growth Board being the main business advisory board bringing together a mix of public and private sector representatives. Working groups under the One Surrey Growth Board which brought together partners to help drive forward the activities identified by the Board included the Surrey Innovation Working Group, Surrey Business Leaders Forum, Surrey Skills Forum, and the Surrey Directors Place Leadership. The membership of the One Surrey Growth Board would be reviewed.
- 5.6 EM3 Board members raised some questions and asked that the counties ensure that the businesses represented on their boards had a voice and influence. The future of the Fibre Spine project was raised, including the recommendation by the EM3 Board that the £4.5m capital funding and £300k revenue funding should continue to be earmarked for that project until such time that the local authorities decided not to proceed with it. Natalie Wigman confirmed that HCC had no plans to make any decision on the Fibre Spine project until the economic growth board was established. Michael Coughlin confirmed the same position, SCC were holding the legacy project documentation and would make decisions about the future of the project with HCC. The

close working relationship established between SCC and HCC would continue following the transition of the LEP.

6. Future of LEP

- 6.1 Martine Baker updated the Board on the current position regarding the transition of LEP functions to upper tier authorities. A detailed transition plan was in place identifying key activities relating to staff, IT, contracts, physical move, communications and governance which was reviewed and updated weekly with the HCC project manager and at the EM3 Management Team meeting.
- 6.2 At the staff briefing on 6 February staff were advised of the consultation taking place on the change of office location from Belvedere House, Basingstoke to HCC offices, Winchester from 1 April 2024. The consultation period would run until 20 February. A meeting with HCC IT was being held on 15 February to finalise the IT requirements, it was expected that staff would be issued with new IT equipment by HCC. There was an ongoing review of each EM3 contract with decision dates, a final decision was required on the FSE contract.
- 6.3 As Chair of the FSE Steering Group, Julie Baker requested that representatives from HCC attend the next meeting at the beginning of March. This would be followed up with HCC.
- 6.4 The Board were asked to formally agree the closure of the LEP. The Board agreed:
- (i) The dissolution of Enterprise M3 Limited;
 - (ii) To disband the Resources, Finance and Audit Committee, following its final meeting on the 19th of March, and the Nominations Committee, effective immediately.
 - (iii) The closure of the EM3 Board at a final meeting on the 25th of March; and
 - (iv) That EM3 would shortly issue external communications about its closure from the end of March.
- 6.5 The Board also noted the ongoing discussions with the two counties about EM3's steering and partnership groups, and how equivalent functions would be performed following LEP integration. It was agreed that any decisions relating to these groups should be made by the Managing Director, with a further update on this work to be provided at the final meeting of the EM3 Board in March.

Action to be taken	By Whom	When
Request representation from HCC at the next FSE Steering Group on 4 March.	Stephen Martin	12 February 2024
Provide an update at the 25 March meeting on any decisions relating to steering and partnership groups and how equivalent functions would be performed following LEP integration.	Stephen Martin	25 March 2024

7. Government Plans

- 7.1 Richard Turl provided an update on the current Government activity and focus. The Government issued letters and guidance on 19 December from ministers on delivering business representation and economic development functions. Ministers thanked LEP Chairs, Boards and staff for all the work carried out since 2010. The guidance stated that once upper tier authorities received their funding they would be expected to publish a refreshed economic development strategy within six months. The LEP Network would continue to be funded for a further year to support the transition process.
- 7.2 The final approval of integration plans submitted by upper tier authorities was still with Government directors. It was expected that there would be 42 new boards although this still needed to be confirmed. It was hoped that the details would be published shortly. The funding had previously been advised as £240k but it was thought that this would reduce to £234k as there were now likely to be 42 boards. There would be some light touch guidance published on how the funding should be spent. The level of Growth Hub funding was still to be agreed, it was expected to be at a similar level as in previous years but geographies were not yet agreed.

8. Future Fund Projects

- 8.1 Stephen Martin provided an update on the progress with the Future Fund agreements. Legal agreements for 2 projects were currently being finalised with HCC Legal and it was expected that the process would be completed by 31 March. A third project which had been approved by the Board, subject to further due diligence, was still awaiting a response from the applicant. For a fourth project that had been subject to further discussions and agreement, it was not feasible for the work to be completed by 31 March. Therefore it was likely that two investments would be made from the EM3 Future Fund.

9. Gigabit EM3 (Fibre Spine) Project

- 9.1 The Board received a confidential report on the Gigabit EM3 (Fibre Spine) resourcing to date as requested at the last Board meeting. Final activities were being undertaken to ensure an effective handover to LEP successor bodies.

10. Resources, Finance and Audit Committee

- 10.1 Debbie Allen provided an update from the Resources, Finance and Audit Committee. The EM3 finances continued to be in a good position. It was expected that £600k would be added to the retained reserves at the end of the financial year. The accounts would be handed over in good order with all risks well documented. The final meeting of the Committee would be on 19 March. Debbie Allen paid special thanks to the EM3 Head of Finance, Aleks Bennett, for maintaining and reporting on the EM3 finances so effectively, and enabling them to be handed over in such a healthy position.

11. Any Other Business

- 11.1 There was no other business.

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. Board Forward Programme

- 14.1 The Board noted the Forward Programme.

15. Dates of Future Meetings

- 15.1 The final Enterprise M3 Board meeting would be held on Monday 25 March 2024, online via Zoom.