

## ENTERPRISE M3 JOINT LEADERS BOARD

Notes of a meeting of the Board held on Thursday, 21st January 2016 in the Council Chamber, Guildford Borough Council, Millmead House, Guildford, Surrey at 2.00 p.m.

### Present:

Cllr Clive Sanders	Leader, Basingstoke & Deane Borough Council (in the Chair)
Mel Barrett	Chief Executive, Basingstoke & Deane Borough Council
Tom Horwood	Director, East Hampshire District Council
Cllr Paul Spooner	Leader, Guildford Borough Council
Sue Sturgeon	Managing Director, Guildford Borough Council
Cllr Stephen Reid	Executive Member, Hampshire County Council
Cllr Stephen Parker	Leader, Hart District Council
Karen Edwards	Head of Strategy, Rushmoor Borough Council
Cllr Moira Gibson	Leader, Surrey Heath Borough Council
Karen Whelan	Chief Executive, Surrey Heath Borough Council
Cllr Ian Carr	Leader, Test Valley Borough Council
Roger Tetstall	Chief Executive, Test Valley Borough Council
Julia Potts	Deputy Leader, Waverley Borough Council
John Kingsbury	Leader, Woking Borough Council
Ray Morgan	Chief Executive, Woking Borough Council

### Guests:

Geoff French	Chair of Enterprise M3
Chris Quintana	Enterprise M3
Kevin Travers	Enterprise M3
Tanja Aijo	Enterprise M3

Apologies for absence were submitted by councillors Ferris Cowper (East Hampshire District Council), Peter Martin (Surrey County Council), Roy Perry (Hampshire County Council), Pat Roberts (Runnymede Borough Council), Peter Moyle (Rushmoor Borough Council) and Stephen Godfrey (Winchester).

### 1. MINUTES OF THE LAST MEETING –

- 1.1 The Board agreed the minutes of the meeting held on 19th November, 2015.

### 2. ENTERPRISE M3 UPDATE –

- 2.1 Kevin Travers and Tanja Aijo gave a presentation to the Board with a general update on recent Enterprise M3 activities (copy available on the website).
- 2.2 On the Local Growth Fund (LGF), it was reported that Enterprise M3 was on course to spend 95% of LGF allocated for the 2015/16 financial year. This amounted to spending of £34M on a wide range of projects such as the Andover

Accessibility Improvements, which had been completed in September 2015. The LGF allocation for 2016/17 was £40.8M with an over projection of £49.9M to allow for project cancellations and delays.

- 2.3 On the Growing Enterprise Fund (GEF), £11.7M had been allocated to nine projects which included the Funding Escalator, run by Finance South East. The Funding Escalator project had recently assisted a company from outside of the area, to expand with a new sales and marketing base in Guildford through equity investment. The company, iAbra, was working on driverless car technology, and the new office would create a number of new jobs.
- 2.4 On Local Growth Fund 3, it was reported that 107 Expressions of Interest had been received with 70 projects for Surrey, 35 for Hampshire, 1 LEP wide and 1 cross-LEP. The projects supported economic growth related to transport (55), infrastructure and housing (30), enterprise and innovation (18) and skills (4). Projects Managers were now carrying out high level assessments and providing initial feedback to applicants. It was anticipated that the final Growth Deal 3 Prospectus would be published in mid-February, following consideration by the EM3 Board, with an expected deadline for Expressions of Interests towards the end of March. Enterprise M3 had asked the Government for maximum flexibility in deciding which projects were included in LGF 3.
- 2.5 Further to a question about the proposed 1% application fee for grants, it was confirmed that application fees for projects which were based on a part grant, part loan basis would be apportioned as appropriate.
- 2.6 In response to a request from the Board, it was **AGREED** that Enterprise M3 would provide an up-to-date list and details of LGF and GEF schemes and projects, showing funding allocations.
- 2.7 On European Funding, it was reported that all LEPs were required to refresh their ESIF strategies by 5th February 2016. Three EAFRD calls closed on 8th January, and by the end of January, three calls for ERDF would be closed, with further details expected shortly. There was evidence that applicants for European Funding were, in general, confused about the Government's instructions on the website, and that for future funding calls, EM3 might need to help provide simplified information. Potentially, there was also a role for Enterprise M3 to identify and bring together a series of bids which would collectively form a project, which delivered on the LEP's economic strategy and priorities and which would deliver maximum geographic spread and impact. A Member of the Board asked about the potential for funding a project around water management/flood risk.
- 2.8 The point was raised that the role of EM3's European Management Group was to advise on the funding bids as they related to the EM3 Strategy for Economic Growth. However, before the bids reached the Group, an initial sift had already been carried out by the Managing Agents.
- 2.9 On core funding, DCLG had confirmed that it would continue to pay £250,000 of core funding to each LEP in 2016/17 to be matched locally.

- 2.10 On staffing it was noted that three vacancies to join the Enterprise M3 team had been published with an application deadline of 3 February. The LEP was seeking to appoint a Head of Strategy and Policy, a Project Officer for European Regional Development Fund Technical Assistance and a Joint Project Manager for Higher Education. It was **AGREED** that an email with information about the vacancies would be provided to the Leaders Board to enable circulation within local authorities.
- 2.11 The Board also wished Kathy Slack, Executive Director EM3, a speedy recovery following her recent operation.
3. **ENTERPRISE ZONES –**
- 3.1 The Board welcomed Chris Quintana, Enterprise and Innovation Project Manager, who introduced his report and gave a presentation on the successful bid for the multi-site Enterprise Zone which would be a critical part of Enterprise M3's plans for supporting growth in the digital sector.
- 3.2 The Board noted that as part of the Government's Comprehensive Spending Review in November 2015, Enterprise M3 had secured one of 18 new Enterprise Zones in England. This was a multi-site Enterprise Zone which linked three major regeneration sites: Basing View in Basingstoke, Longcross Park in Chertsey, and Whitehill & Bordon's Louisburg Barracks. It was explained that the three sites would link directly with the next generation of digital connections working with the national 5G Innovation Centre at the University of Surrey. The new multi-site Zone had the potential to deliver 214 new businesses and 10,228 new jobs. Businesses in the new Zone would receive 100% business rate discount for five years up to the maximum state aid threshold, and 100% of the business rates growth generated over 25 years would be retained by the LEP for further investment in development which supported economic growth.
- 3.3 It was confirmed that the Enterprise Zone status would commence in April 2017 and that the next steps would be to develop and agree a Memorandum of Understanding with DCLG, which would include a 5-year delivery plan, arrangements for a governance structure and plans for publicity to market the Zone sites to potential businesses – domestic and overseas.
- 3.4 During discussion, the Leaders Board agreed that it was currently unclear how the scheme to waive business rates in the new Enterprise Zone would impact on, and operate in the context of, any devolution deal based on business rates retention. The Board also emphasised the need to develop promotional and marketing information as soon as possible to attract businesses and inward investment into the site from April 2017.
- 3.5 It was **AGREED** that an update on progress on the Enterprise Zone be reported to a future meeting of the Leaders Board.
4. **CROSS-LEP TRANSPORT STUDY –**
- 4.1 Geoff French confirmed that WSP Parsons Brinckerhoff had been appointed by Enterprise M3, Solent, Coast to Capital and Thames Valley Berkshire LEPs, to carry out a study of strategic movement routes (road and rail) across the sub-

regional area, and that the final report was due at the end of January 2016. This would seek to quantify the economic benefits of investment in transport routes and strengthen influence on other agencies including Network Rail and Highways England. It was noted that a stakeholder event 'Influencing Strategic Transport in the South East' had been held on 3rd November and the Board asked for information about participants at this event.

4.2 Geoff French anticipated that a key challenge for the partners in the sub-region would be to achieve a joint agreement on the priorities for collective backing as there would be many competing interests. In this way, the initial work on the outcome of the study could be to agree principles, if not priorities. During discussion, it was reflected that the region's transport infrastructure was based on a legacy of historic development, which the region was 'stuck' with, but that there was a strong case for looking at things afresh based on current needs and plans.

4.3 It was **AGREED** that the conclusions of the Transport Study would be presented at the next meeting of the Leaders Board.

## 5. **DEVOLUTION –**

5.1 The Chairman updated the Board on progress with the Hampshire and Isle of Wight devolution negotiations with the government and reported that partners had been working to provide further details on a number of topics including housing delivery and governance arrangements. It was noted that a meeting with the Minister with responsibility for devolution, James Wharton MP, was scheduled for 29th January, and that a further meeting of the Hampshire and Isle of Wight Leaders would follow on 12th February. During discussion, it was agreed that there would be a need for easily understandable answers to questions from residents and communities about the benefits of any devolution deal for the area.

5.2 Cllr Moira Gibson and Karen Whelan updated on the current position with the Three Southern Counties bid and confirmed that proposals were now being developed. This could include an offer for more and accelerated housing delivery in return for supporting infrastructure and a relaxation of stamp duty and VAT. It was emphasised that the Bid was looking at achieving clear benefits for local communities, which couldn't already be achieved through existing arrangements. There also remained many questions around the structures and governance for delivery of projects through a Combined Authority.

## 6. **FUTURE MEETING ITEMS AND DATE OF NEXT MEETING –**

6.1 The Board agreed the following items for future meetings:-

- Commercial Property Market Study Report
- Place-Making – how it can help the area achieve economic growth
- Update on Cross-LEP Transport Study
- EM3 Annual Report

6.2 The next meeting would be held at 2.00 p.m. on Thursday 24th March 2016 at Woking Civic Offices.