



Driving prosperity in the M3 corridor

Enterprise M3 Board Meeting

27 September 2018 - 12.00-5.00pm

RMA Sandhurst, Haig Road, Camberley, GU15 4PQ

FINAL MINUTES

Board in Attendance

Dave Axam - Chair
Deborah Allen
Simon Browne
Linda Cheung
James Cretney
Nick Elphick
Barney Ely
John Furey
Paul Hogg
Tim Jackson
Andrew Lambert
Keith Mans
Jim McAllister
Ross McNally
Julia Potts
Clive Sanders
Paul Spooner

Guests in Attendance

Laura Jackson
Ravneet Viridi

Apologies

David Clifford
Jason Gaskell
Stacey King
Ken Moon
Mike Short
Chris Tinker

EM3 Team in Attendance

Kathy Slack
Sally Agass
Rachel Barker
Sarah Carter
Kevin Travers
Justine Davie

1. Welcome from RMA Sandhurst

1.1 Col. Simon Browne welcomed the Board to the Royal Military Academy, Sandhurst. The Board members were invited to observe a leadership training event which provided an opportunity to school students to receive a free day of accredited leadership training. The Board were given the opportunity to speak to some of the participants and the staff leading the training. The Board was advised that the officer cadets trained at the RMA were more representative now of the state sector than they had been in the past and currently 56% of the cadets had been state educated. There were also 80 officer cadets who were international partners and the Board was advised that eight current heads of state were Sandhurst graduates. There was also an interesting session on the work being done to support MOD personnel leaving the service.

2. Welcome and Introductions

2.1 Dave Axam welcomed everyone to the meeting in particular Laura Jackson, Deputy Director for London and the South East at BEIS.

3. Minutes of the previous meetings & matters arising

3.1 The minutes of the meeting held on 26 July 2018 were agreed and the actions noted.

4. Chairs Report

4.1 Dave Axam reported on his activity as Chair of the Enterprise M3 LEP since the last Board meeting. The majority of time had been taken up working on the response to the LEP Review including: discussions with local authority Leaders and Chief Executives, other LEPs and partners, all of which had been extremely time consuming. The Chair thanked Kathy Slack, Sally Agass and the team for all of the hard work that had been carried out to pull all of the information together in response to the LEP Review.

5. **Declarations of Interest**

5.1 In addition to all interests previously declared, the following interests were noted:

- Keith Mans declared an interest in the LEP Review (Item 6) as a member of Solent Board as well as Enterprise M3 but remained in the room during the decision making.
- Deborah Allen, Nick Elphick and Andrew Lambert declared an interest in Governance (Item 7) relating to the appointments and left the room during the decision making.

6. **LEP Review**

a) Geography

- 6.1 The Board discussed the proposed response to the LEP Review regarding the geography of the LEP. The key expectations from Government was to remove splits/overlaps between districts, consider possible wider changes such as mergers and consider geographies that best reflected real functional economic areas. This would require the removal of the districts currently split between Enterprise M3 and Solent which were Winchester, Test Valley, East Hants and New Forest. A Board workshop had been held on 17 August to discuss a number of options and to agree the preferred option to be taken forward.
- 6.2 The preferred option, agreed by those Board members at the workshop, was for the Enterprise M3 boundary to be extended to incorporate all four of the local authority areas currently split between Enterprise M3 and Solent, with a view that should Dorset and Solent wish to merge that New Forest should sit with Solent. Members at the workshop had also discussed mergers but decided at the current time the focus should be on removing split districts. The Board stated that they would not support a merger with Solent but expressed a desire to work more closely with Thames Valley Berkshire. The Chair provided an overview of the process that had been followed to ensure all views were considered and options explored and thanked the Board for their engagement and direction provided at the workshop.
- 6.3 Since the workshop, discussions had been held with the Leaders and Chief Executives of the split districts, as well as the Chairs and Executive Officers of the Solent and Dorset LEPs, to identify their preferences. Board members were informed that East Hampshire, Winchester and Test Valley had all written to the LEP to express a preference for their districts to sit wholly within the Enterprise M3 LEP area. New Forest had not stated a preference. The Joint Leaders Board had met on 19 September and had been informed of the conclusions from the August workshop. At the Joint Leaders Board meeting East Hants, Winchester and Test Valley also advised of their preference. At that stage the most current views of the Solent Board were not known, as they had also met on 19 September, nor the latest position on Dorset LEP.
- 6.4 The Enterprise M3 Chair and Director received the latest position from Solent LEP late on 25 September which had been agreed with the Solent LEP Board and set out the following:
- Dorset LEP had indicated that were unable to commit to merging with the Solent LEP due to the current developments around moving to unitary authorities, however Solent LEP advised that they would continue to seek to strategically grow the coastal LEP focus when the timing was better for Dorset LEP.
 - Solent LEP recognised that both Test Valley and Winchester had a significant economic footprint in the Solent LEP area which included key infrastructure and connections including the location of parts of the M27 and M271 which were of fundamental importance to the Solent economy.
 - Solent LEP recognised that there were strong linkages between parts of East Hants, Winchester and Test Valley with Enterprise M3 which would strengthen the knowledge, digital and design-based economy within Enterprise M3.
 - Solent LEP agreed that the majority of population, business and land mass were in the Enterprise M3 area.

- Solent LEP had presented a compelling case that recognised the strong economic linkages with the marine sector and powerful coastal economy that built on the extensive waterside opportunities along the Solent, including the New Forest waterside.
- 6.5 Following receipt of the information from Solent LEP a supplementary paper had been issued to the Board setting out a proposal to be jointly agreed with Solent LEP that the Enterprise M3 boundary should be extended to incorporate all of Winchester, Test Valley and East Hants local authorities and that the New Forest should be incorporated into the Solent boundary. The supplementary paper replaced the proposal included in the earlier paper which had been circulated prior to the information being received from Solent LEP.
- 6.6 Concern had been expressed by Hampshire County Council to the proposal for New Forest to align with the Solent LEP with their preferred approach being for all four districts to sit within Enterprise M3 and that Enterprise M3 be merged with Solent. It was suggested it would be beneficial for Enterprise M3 and Solent to put forward the same proposal to demonstrate collaborative working and cross LEP agreement to Government.
- 6.7 Board members could not see value in a merger, and Solent Board was of a similar view. Surrey County Council had stated that a merger with Solent LEP was a 'red line' issue for them and Cllr John Furey reaffirmed the position at the Board meeting. Other Board members would not want to merge with other LEPs at this point in time although supported closer working between Dorset and Solent and far close working between Enterprise M3 and Thames Valley Berkshire.
- 6.8 The Board was informed of the preference of Epsom and Ewell to align with Enterprise M3. It was agreed that Kathy Slack would discuss the issue with Epsom and Ewell post September however Board members would not support the proposal as the Epsom and Ewell boundary did not adjoin Enterprise M3.
- 6.9 The Board discussed the proposal and questioned the preference of New Forest District Council. The Chair advised the Board that the New Forest had not publicly stated as to which area it would prefer to be aligned. New Forests stated position was they would seek the best option for their businesses and communities. Cllr Keith Mans highlighted that the majority of the New Forest was currently in Enterprise M3 and only a small part in Solent and therefore the majority should not be moved. Cllr Keith Mans also pointed out the alignment with the areas northwards, the need for the Solent area to work northwards and a desire that Enterprise M3 was involved to make the developments around the waterside successful. Ross McNally proposed that if the New Forest was aligned with Solent then Enterprise M3 and Solent LEPs could still collaborate and work together for the benefit of all of the districts. Cllr Paul Spooner expressed reservations about proceeding without knowing the view of the New Forest. Kathy Slack explained that a view had been sought several times from the New Forest but a view was not forthcoming and the Government expected a proposal from the LEP by 28 September. It was highlighted that the opportunity for growth on the South coast would benefit if the New Forest aligned with Solent LEP, with the potential to merge with Dorset LEP.
- 6.10 The Board was asked to agree to:
- A proposal that aligned the boundaries of East Hampshire, Winchester and Test Valley with Enterprise M3 and New Forest with Solent.
 - A common paragraph to be included in the templates submitted to Government by Enterprise M3 and Solent LEPs.
 - A joint letter signed by the Chairs of Enterprise M3 and Solent LEPs.
- 6.11 The proposal was put to a vote and was agreed with a vote of Yes: 14 to No: 3. Board members agreed that the content of the template and letter would be agreed between the Chair and Director. It was noted that Laura Jackson would ensure that the record of the vote was understood by Government colleagues.

Action to be taken	By Whom	When
Proposal to be submitted to Government on 28 September to align East Hampshire, Winchester and Test Valley within Enterprise M3 boundary and the New Forest within Solent LEP	Kathy Slack/ Sally Agass	28 Sept 2018
Joint letter with Solent to be agreed for submission with the proposal to Government	Dave Axam	28 Sept 2018

b) Implementation Plan

- 6.12 The Board was advised on the progress of the Implementation Plan and the work that had been carried out to date. The Implementation Plan was required to be submitted to Government by 31 October setting out the progress that had been made against the recommendations in the LEP Review. The Plan would provide information on the proposed direction of leadership, organisational capacity, accountability and performance, and provide a clear timeframe and outline any milestones, issues and risks. All areas of action required in the Plan were either completed or well on track to be completed within the required timescales. In many areas Enterprise M3 already met the Government requirements, however improvements in some areas would be sought.
- 6.13 One particular area where there was further work required was on the legal personality which was a key priority. A small LEP Review Group had been established to oversee the delivery of the Implementation Plan including the work towards incorporation, which would report to the Board. The Nominations Committee would oversee the achievement of the gender balance, protected characteristics targets, public/private split as well as the revision of the Assurance Framework. The Resources, Finance and Audit Committee would undertake the work relating to the financial implications and risks associated with incorporation. It was proposed that Hampshire County Council would continue to act as the Accountable Body once Enterprise M3 was incorporated.
- 6.14 The Board noted the progress on the Implementation Plan. There were two main areas of concern relating to incorporation which was whether Hampshire County Council would legally be able to continue to act as the Accountable Body and the effect incorporation would have on existing Board members, with reference to local authority nominees, in relation to other interests. The Resources, Finance and Audit Committee would be working on these areas and a report would come back to the Joint Leaders Board and Enterprise M3 Board setting out the position. The Board was advised that some other LEPs that were incorporated had a local authority accountable body and discussions would be held with them to learn from their experience.
- 6.15 The Board agreed for Hampshire County Council to continue as the Enterprise M3 Accountable Body, subject to legal agreement being received. It was also agreed that the Implementation Plan proforma due for submission on the 31 October would be circulated to all Board members by email for agreement. Laura Jackson thanked the Board for their time and advised that issues that had arisen at the Board meeting during the discussion would be reflected to Government.

Action to be taken	By Whom	When
Legal agreement to be sought on the ability for Hampshire County Council to continue to act as the Accountable Body when Enterprise M3 becomes incorporated	Kathy Slack/ Sally Agass	October 2018
Circulate final Implementation Plan to all Board members for agreement by email	Sally Agass	Before 31 October
Report back to the Board on the impact incorporation would have on Board members other interests	Resources, Finance and Audit Committee	October 2018

7. Enterprise M3 Governance

- 7.1 The Board considered the Governance report which requested a number of agreements and endorsements from the Board in response to the LEP Review. The appointment of a Deputy Chair was discussed which had been considered previously but not established. A copy of the role of Deputy Chair would be circulated to the Board and nominations would be sought. A question was raised whether the Deputy Chair would need to be a private sector representative. Ravneet Viridi advised that Deputy Chair membership was not currently stipulated but would be included in the refreshed National Assurance Framework.
- 7.2 The opportunity to co-opt members to the Board with relevant expertise was discussed and it was proposed that the Assurance Framework be amended to enable no more than five co-optees for a period of up to one year. There was some concern that the size of the Board could become too large with five co-opted members, however it was highlighted that five would be the maximum. The Board agreed that a process be developed to be included in the new Assurance Framework for the appointment of co-optees.
- 7.3 It was proposed that a lead Board member was appointed to the Nominations Committee to act as a Diversity Champion to demonstrate commitment to the requirements for gender balance in the LEP Review. There was some discussion on the issue of gender balance and that public sector representatives were dependent on the appointed local authority leaders or deputy leaders. It had been acknowledged that other than the business board members the remaining members were selected by their constituent groups, therefore the Board relied on women being represented within and selected by those groups. The Board agreed to an appointment of a Diversity Champion although the risk of not achieving the required gender balance by March 2020 was noted.
- 7.4 The Board endorsed the following:
- Nick Elphick to be co-opted to the Board for a period of one-year and to continue as a member of the Resources, Finance and Audit Committee
 - Stacey King to be appointed to be Chair of the Local Industrial Strategy Group
 - Andrew Lambert to continue as an Enterprise M3 Board member for a period of one-year and continue to Chair the Enterprise and Innovation Group
 - The appointment of a Chair of the Enterprise Zone Programme Steering Group to be agreed by email.
 - Deborah Allen to be appointed to the Programme Management Group.
- 7.5 The nomination from the Joint Leaders Board of Cllr Caroline Horrill, Leader of Winchester City Council, to the Programme Management Group was noted. The Board also noted that Tom Horwood from Waverley Borough Council and Laura Taylor from Winchester City Council would be taking work forward from the Joint Leaders Board to improve scrutiny in response to the LEP Review.

Action to be taken	By Whom	When
Circulate a copy of the role profile for the Deputy Chair position to all Board members by email.	Sally Agass	October 2018
Develop a process for co-opting up to five members to the Board and the role of co-opted members	Sally Agass	October 2018
Appoint a Board member to the vacant position on the Nominations Committee to also act as a Diversity Champion	Kathy Slack	October 2018

Circulate the proposed appointment for the Chair of the Enterprise Zone Programme Steering Group to the Board by email for endorsement	Sally Agass	October 2018
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8. Skills

- 8.1 Barney Ely presented the proposed way forward for the Skills Group. It was highlighted that there were skills shortages in the areas of leadership, digital, commercial and change. It was reported that 75% of organisations did not have the skills available to achieve their business objectives and 75% of employees were willing to be reskilled. It was proposed that the role of the LEP should be to enable organisations to achieve their skills needs for the benefit of the region and alert companies to the issues and guide them to solutions to ensure they remained located in the area. It was proposed that going forward the Skills Group needed to be focussed, action orientated and be proactive in certain sector areas.
- 8.2 The title of the relaunched group was proposed as the Skills and Talent Action Group as it was recognised that there were talented young people in the area who had not yet acquired skills and those already in the workforce that needed reskilling. There were a number of external groups that would feed into the work of the Skills and Talent Action Group. The inclusion of further education and higher education in the Action Group was acknowledged. The risk of duplication of work was highlighted particularly the work being carried out by Surrey County Council on apprenticeships. It was requested that behaviour and confidence was also included in the skills shortages.
- 8.3 The Board endorsed the approach set out for the relaunched Skills and Talent Action Group. Board members were also asked to become or recruit an Enterprise Advisor, champion careers support/engagement and recommend a business to join the Apprenticeship Ambassador Network.

9. Enterprise M3 Approach to New Mobility

- 9.1 Kevin Travers reported to the Board on the development of an Enterprise M3 approach to new mobility. It was proposed that the approach and strategy should draw together work on automated vehicles, connected vehicles, electric vehicles and mobility as a service, all underpinned by smart infrastructure. The focus of activity could include evaluation on potential job losses and creations from automated and connected vehicles and investigation on the infrastructure requirements to support the growth in low carbon transport to ensure the LEP reached its carbon emissions target.
- 9.2 It was recognised that there was significant expertise locally and regionally in new mobility and it was proposed that a panel of experts was established to take the work forward. In addition, as the work progressed, it was proposed that opportunities to work across the LEP boundaries on larger projects should be explored. It was suggested that a prospectus was issued inviting bids from local authorities and the private sector for the remaining £2.7m sustainable transport funding and also for new bids for new mobility schemes.
- 9.3 The Board discussed the approach to new mobility and agreed that it was important that Enterprise M3 was seen as a lead in this area of work. It was highlighted that the work should be linked to the Energy Strategy which was in the process of being finalised and would be emailed to Board members for comment by the end of October. The Board agreed to a prospectus being issued to invite bids for new mobility schemes.

Action to be taken	By Whom	When
Issue a prospectus inviting bids for new mobility schemes	Kevin Travers	October/ November 2018

10. Strategic Economic Plan

- 10.1 The Board was advised that the Enterprise M3 Strategic Economic Plan (SEP) 2018-2030 had been published and copies were circulated. The digital version of the main SEP report was accompanied by three appendices covering research and data, opportunities and challenges and partnership working. The appendices would be live documents, held on the Enterprise M3 website, which would be updated and added to as new and relevant evidence emerged. The SEP set out how Enterprise M3 was well positioned to deliver the four Grand Challenges and the five foundations of productivity identified in the Government's Industrial Strategy. The Board noted the publication of the Enterprise M3 SEP and thanked the team, Sue Littlemore and Jennie Pell in particular, for the hard work put in to achieve the final version of the SEP. The Board was asked to help disseminate the SEP to stakeholders and contacts.

Action to be taken	By Whom	When
Advise Justine Davie on the number of copies of the SEP required.	All Board members	October 2018

11. Programme Management Group Report

- 11.1 The Board received and noted the minutes of the Programme Management Group meeting held on 13 September 2018.
- 11.2 The Board received feedback from the 13 September PMG meeting and the decisions made under devolved responsibility were noted. Cllr John Furey raised a question as to why the Watts Gallery Statue project was declined and questioned whether the meeting was quorate when the decision was taken. James Cretney, Chair of the PMG, provided a clear explanation as to why the decision was made and Kathy Slack clarified the Terms of Reference and the quorate requirement confirming that, in this instance, the meeting was quorate. The Chair summarised that the issue was not a question of supporting the artistic merit or not of the proposed statue project but that it just did not meet the economic output measures to warrant a grant of £500k. Cllr Paul Spooner voiced his support for the project highlighting that the project was within his Borough. No further comments were received and the Board was of the view that the decision was not in question and no further debate was required.
- 11.3 The low attendance at the Programme Management Group meeting and the importance for members to attend was highlighted. It was proposed that the quorate requirement should be considered and possibly increased due to the delegated authority to make decisions on behalf of the Board. It was agreed that the terms of reference would be looked at by the Programme Management Group and further updated as required following receipt of the Government guidance, awaited for in the National Assurance Framework.

Action to be taken	By Whom	When
Update the Programme Management Group Terms of Reference following discussion with PMG and to reflect the guidance in the revised National Assurance Framework	Sally Agass	October 2018

12. Capital Programme Update

- 12.1 The Board received a report setting out the 2018/19 capital programme projected position and the overall three-year programme position. Detailed financial work had been completed on the spend position up to the end of 2020/21. The forecast spend was £135.5m against a budget of £135.2m. There had been a significant drive to achieve spend with an increase in the number of projects. Of the current projects, 53 had contracted to date with a further 29 contracts due to complete in 2018/19. Work had been carried out to identify the worst case overall spend forecast for each financial year which showed a 69% spend forecast at the end of 2020/21, a more optimistic forecast showed a 98% spend forecast being achieved.

12.2 Measures had been put in place to increase the spend level to report to Government as part of the Annual Conversation. The Board was asked to consider the option for bringing forward quarter 4 spend into quarter 3 where there was a 75% confidence level of achieving spend. It was proposed that larger projects were sought which linked to the key sectors in the Strategic Economic Plan and Local Industrial Strategy. It was also proposed that the monitoring of delivery was improved to emphasis economic impact as well as spend.

12.3 The Board discussed the capital programme and the measures proposed to achieve spend. The Board supported the proposal to bring forward quarter 4 spend to quarter 3, based on 75% confidence levels, and the measures being taken to achieve spend. There was a concern expressed regarding large projects being sought as it was felt that often it was large projects which suffered delays. The Board was advised that the smaller schemes created significant work for the team, therefore it was proposed that future projects should be larger and more specific reflecting the key sectors in the Strategic Economic Plan and Local Industrial Strategy. It was highlighted that smaller projects which met the necessary criteria would not be precluded. John Furey requested a breakdown of the split between large and small projects in the current pipeline.

Action to be taken	By Whom	When
Provide a breakdown of the split between large and small projects in the current pipeline	Sally Agass	5 October 2018

13. Government Plans

13.1 Ravneet Viridi advised the Board that collaboration and working with neighbouring LEPs was encouraged but also advised that consideration should be given to working with other LEPs across the country with synergies with the Enterprise M3 area. The Local Industrial Strategy prospectus was due to be issued the following week which would provide additional guidance.

14. Director’s Report

14.1 The Board received and noted the report from the Director which provided an update on the current Enterprise M3 work.

15. Joint Leaders Board Update

15.1 Cllr Clive Sanders advised that a general update had been provided to the Joint Leaders Board as well as discussion on the LEP Review geography at the meeting held on 19 September.

16. Enterprise M3 2018/19 Business Plan

16.1 The Board received and noted the update made to the Enterprise M3 2018/19 Business Plan.

17. EU Programme Update

17.1 The Board received and noted the progress on the EU Programme.

18. Forward Programme

18.1 The Board received and noted the Forward Programme.

19. Dates for Board Meetings in 2019/20

19.1 The Board noted the proposed dates for the Board meetings in 2019/20.

- Wednesday 22 May 2019
- Thursday 25 July 2019
- Thursday 26 September 2019
- Thursday 28 November 2019
- Thursday 30 January 2020
- Thursday 26 March 2020

20. **Any Other Business**

20.1 The future Enterprise M3 Board meetings would be held on

- Thursday 29 November, 2018 – Farnborough Exhibition and Conference Centre
- Thursday 31 January, 2019 – Enterprise Holdings, Egham
- Thursday 28 March, 2019 – Dunsfold Park, Cranleigh