



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

Solent Local Enterprise Partnership

Meeting of the Board to be held on Friday 23rd January 2015

08.00am – 10.00am

Solent Hotel, Rookery Avenue, Whiteley, Fareham, Hampshire, PO15 7AJ

<b>Item</b>	<b>Title</b>	<b>Time</b>
1.	Apologies for absence	
2.	Minutes of meeting and Board strategy session held on Friday 21 <sup>st</sup> November 2014	08:00 - 08:15
3.	Matters Arising	
4.	Verbal update from board leads (10 mins each) a. Dave Lees – Strategic Land and Infrastructure board b. Jan Ward - Communications and Website development c. Russell Kew - FFPMG d. Donna Jones - Solent Marine and Maritime Steering Group	08:15 - 08.55
5.	Executive Update (to include Local Growth deal and SEP) - Anne-Marie Mountifield	08:55 - 09:25
6.	Solent Energy Strategy presentation and Q and A - PUSH/Future Solent	09:25 - 09:50
7.	Any other business	09:50– 10.00

Meeting close: 10:00am

**TOGETHER.STRONGER**

**23.1.15**

**Item 5**

**Local Growth Deal Factsheet**

## **£27.1M EXPANSION OF GROWTH DEAL BOOSTS LOCAL PLAN FOR THE SOLENT ECONOMY**

The Solent Local Enterprise Partnership has agreed an expansion to its Growth Deal with the Government which will see an extra £27.1m invested in the Solent area between 2016 and 2021. This is in addition to the £124.8m of funding committed by the Government on 7 July 2014. Over the lifetime of its £151.9m Deal (2015-2021) the Local Enterprise Partnership estimates that up to 6,000 new jobs could be created, 11,000 new homes built and that it has the potential to generate £400m public and private investment.

The additional proposed projects include:

- The next phase of work to improve transport and infrastructure in the Fareham and Gosport Peninsula, which will cut journey times, attract new businesses to the area and support the Solent Enterprise Zone and new housing delivery at Welborne.
- Bringing forward a National Maritime Systems Centre of Excellence in Portsmouth, creating up to 95 jobs and developing skills in a key sector for the area.
- Improving access to Southampton Western Docks, one of England's largest trade ports.
- A flexible programme of skills and innovation projects, to improve skills and promote innovation in the Solent area.

The Solent Growth Deal is part of a long term plan to devolve at least £12 billion from central government to local economies. The plan aims for every part of the country to be a motor of growth for the national economy – building on the strength of the Solent area.

### **Quotes**

The Prime Minister said:

Giving local communities the power and the money to unlock growth and development and make the spending decisions that work for them is a key part of our long-term economic plan to secure a brighter future for Britain and ensure a recovery for all.

“And this is happening right here in the South, with more money announced today for key projects to boost the local economy as part of the multi-million pound expansion of the Government's Growth Deals.

“And because the money will be in the control of a partnership of local community, business and civic leaders it means it will go on the things that really matter to people and businesses here.”

“That is what Growth Deals are all about, backing local people and investing in the infrastructure, housing and skills that will drive forward local economies, create more jobs and opportunities for hardworking people and supercharge all parts of our country.”

The Deputy Prime Minister said:

“A quiet revolution is underway on the Solent and across the country, as Growth Deals signal the death of the culture where Whitehall calls the shots. I’ve seen for myself the difference it makes to give Southampton, Portsmouth and the rest of the region more power over skills, over business support, over infrastructure spending.

"I am delighted to announce the expansion of the Solent Growth Deal today.

“The Coalition Government has been relentless in our efforts to sort out the public finances and set firm foundations for growth. Growth Deals help create a stronger economy and a fairer society by boosting local economies, and providing more jobs, better transport and affordable homes.”

Gary Jeffries, Chair of the Solent LEP, said:

“We are delighted that the Government has backed our ability to deliver transformational growth locally by devolving funds to the area. The funding announced brings the total secured through our Growth Deal to over £150m and this additional money will allow us to build on our initial deal with a further 1000 jobs and 1000 homes. That's on top of the 5,000 jobs and 10,000 homes already announced and is another milestone for us in helping the Solent realise its true potential.”

Cllr Simon Letts, Solent LEP Director and Leader of Southampton City Council said:

"The Port of Southampton is a major strategic asset for the Southampton, Solent and wider UK economy and the funds announced today will build on the recent good news the city has seen in the Autumn Statement for major road improvements at Redbridge and on the M3 by ensuring that that we can also enhance the access routes to the western docks. Together, this package of upgrades will have a big impact by allowing us to facilitate the projected growth at the Port and keep the City infrastructure running for Southampton businesses and residents alike."

Cllr Donna Jones, Solent LEP Director and Leader of Portsmouth City Council said:

"The additional funding announced today is the latest in a series of wins for Portsmouth and our world class defence cluster. It builds on Portsmouth Minister, Matthew Hancock's opening of the UK Centre for Maritime Intelligent Systems at Portsmouth Technology Park and Defence Secretary, Michael Fallon's announcement

of a new programme to upgrade the Spearfish Torpedo at the BAE UK Centre for Torpedoes. All of these are great successes in their own right, but together, they are making our ambition to establish Portsmouth as the global centre of excellence for the Defence industry of the future a reality."

## FACTSHEET

### 1. How much is the Government investing in the Solent area as part of the Growth Deal?

	Initial Growth Deal (July 2014)	Expansion – additional funding awarded (Jan 2015)	Total Expanded Growth Deal
<b>Local Growth Fund</b>	£124.8m	£27.1m	<b>£151.9m</b>

### 2. What proposed projects will this new tranche of funding deliver?

The additional funding will deliver the following projects:

- Structural work to repair and stabilise the carriageway at Millbrook roundabout, a key junction to access Southampton Western Docks, allowing the growth and upgrade of the dock to take the new generation of container vessels.
- Enabling infrastructure and strategic transport interventions in Fareham and Gosport to facilitate further development of the Solent Enterprise Zone and support new housing delivery at Welborne.
- The development of a National Maritime Systems Centre of Excellence in Portsmouth, creating up to 95 new jobs and developing hi-tech skills.
- A flexible programme of skills and innovation projects, to promote innovation and improve skills, particularly in Science, Technology, Engineering and Maths.

This adds to the projects that were announced in July 2014, including:

- A package of enabling works in Fareham and Gosport to support strategic sites at Welborne (a new housing development) and the Solent Enterprise Zone (1) Preliminary works associated with the Stubbington Bypass; and (2) A Local Road network improvement package (including Peel Common Roundabout); and (3) initial site preparation work/land remediation at Welborne) and in addition a provisional allocation to M27 Junction 10 upgrade to “all moves” starting beyond 2016.
- Whiteley Way - route to join the existing community of Whiteley and the planned new development to the north of Whiteley to the existing highway network
- Cross-Solent connectivity – to modernise and relocate the ferry terminals in East Cowes and Southampton
- Isle of Wight College – building a centre of excellence for composites, advanced manufacturing and marine technology

- Eastleigh College – upgrading existing college facilities, including a new Advanced Technology block
- Solent Growth Fund – extending an existing programme to provide further business start-up grants, support for young entrepreneurs and expansion funds for existing businesses.
- Solent Mitigation and Itchen Package – a package of measures working with Defra and its agencies to take a more strategic approach to environmental disturbance mitigation across the Solent area and to specifically address flooding risk in Itchen Riverside, releasing land for housing and business.
- Better use will be made of public land, which will be either reused or sold where appropriate. Government will work with the LEP and local partners to create a Strategic Land and Infrastructure Board to take a more strategic view of public land and property in the area, and to support the joint planning and delivery of transport. The Cabinet Office Government Property Unit will chair the Board, which will prepare a joint asset strategy and a programme for the disposal and re-use or redevelopment of surplus land and property. The Homes and Communities Agency, Ministry of Defence, Department for Transport, Highways Agency and Network Rail will be members of the Solent Land and Infrastructure Board and the Defra agencies. Membership will be extended to other key public and private sector bodies.

### **3. How does this benefit the people of the Solent area?**

The Growth Deal will promote growth in the Solent area through: improving transport and enabling a strategic site for housing with the Fareham/Gosport multi-year project; supporting the growth potential in Southampton port; enhancing the skills base in the area (including delivering 300 new Apprenticeships); and investing in innovation with the National Maritime Systems Centre of Excellence.

According to estimates by the LEP, the Growth Deal could bring to the Solent area:

- Up to 6,000 Jobs
- Up to 11,000 Homes
- Up to £400m public and private sector investment

### **4. What is the benefit for local businesses?**

As well as much needed infrastructure improvements, the Growth Deal confirms additional funding to ensure that the skills capacity in the future matches the needs of local employers. The Deal also invests in innovation to build on existing knowledge assets and stimulate growth in high growth sectors.

### **5. Facts and figures**

The Growth Deal builds on significant recent investment in growth opportunities in the Solent area including:

Growing Places Fund total allocation: £18m, which is being invested in projects that unlock new jobs and homes in the Solent.

Enterprise Zone funding: The Solent LEP was awarded £7m for Daedalus Enterprise Zone on the Gosport Peninsula from the Department for Communities and Local Government's Building Foundations for Growth fund.

Portsmouth and Southampton City Deal: £953 million of public and private sector funding was committed in the City Deal signed in November 2013, to facilitate the growth and diversification of the maritime sector in the Solent and enable two key sites around the Southampton/ Portsmouth waterfronts.

RGF: Solent LEP area has to date received £53.7m investment from the Regional Growth Fund. The Solent LEP secured £24m for Solent Futures, The Solent Enterprise Zone, the Isle of Wight Business support fund and Bridging the Gap from the Regional Growth Fund.

**23.1.15**

**Item 5**

**Draft Consultation Response to  
Proposal to Use a Legislative  
Reform Order to Give Local  
authorities Great Flexibility in  
Forming a Combine Authority or  
Economic prosperity board**



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Sent via email only: [collaborate@communities.gsi.gov.uk](mailto:collaborate@communities.gsi.gov.uk)

Monday 26<sup>th</sup> January 2015

Dear Helen,

**Re: Proposal to Use a Legislative Reform Order to Give Local authorities Great Flexibility in Forming a Combine Authority or Economic prosperity board**

The Solent Local Enterprise Partnership (LEP) welcomes the opportunity to respond to the consultation on Proposal to Use a Legislative Reform Order to Give Local authorities Great Flexibility in Forming a Combine Authority or Economic prosperity board.

We have noted that in the White Paper response to the Heseltine review, the Government set out a “view of a future where local authorities put economic development at the heart of all they do; collaborating, including with private sector partners across a functional economic area.” In addition the guidance around Growth Deals, recognises that Local authorities establishing Combined authorities or Economic prosperity boards under the Local Democracy, Economic Development, and Construction Act 2009 (“the Act”) can be an effective way of collaborating over a functional economic area and therefore proposals to amend legislation relating to Combined authorities and Economic prosperity boards to provide an opportunity for all local authorities to explore this option (where they wish to) is one that the Solent LEP would support.

The geography of the Solent LEP is predicated on a functional economic area and we already have well established and strong Local authority partnerships in existence with the Partnership for Urban South Hampshire and Isle of Wight (PUSH) and Solent Transport<sup>1</sup> who have both prioritised economic development in their work. Both these bodies have worked with the private sector and the Solent LEP on the development of the Strategic Economic Plan and also collaborated to form the Solent Local Transport Body. Both partnerships have been very effective in collaborating over the Solent and this

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<sup>1</sup> Formerly Transport for South Hampshire (TFSH)

has undoubtedly been a strength that the area has benefited from both in terms of both Local Growth Deal rounds and the Southampton – Portsmouth City Deal.

It is, however, recognised that the existing legislation does not enable the Government White paper response as described above to be brought fully into effect and that there are circumstances where councils in a functional economic area might wish to further strengthen collaboration through the mechanism of a Combined authority or Economic prosperity board, which would meet the statutory tests, but where the legislation would not allow this to happen. As such, we therefore welcome the changes to legislation proposed in the Draft Reform Order (provided for by The Legislative and Regulatory Reform Act, 2006), although we do feel, strongly, that amendments to legislation should go further than set out in the consultation, to enable a District or Borough Council to become a member of Combined authority, with respect to a defined part of its area.

Within this context, the Solent LEP has provided a response to each of the five consultation questions as set out below:

**Question 1: Do you agree with that the proposal to enable Local authorities that do not have contiguous boundaries to form combined authorities and economic prosperity boards will reduce a burden to collaborate? Why?**

The Solent LEP was established in 2010 and formally incorporated in March 2011 and is based upon a carefully considered natural economic geography, taking into account wider functional economic linkages at a sufficiently strategic level.

It is noted that much of the legislation governing Local authorities was conceived before LEPs were established, and before functional economic market areas became the dominant paradigm in local growth policy. The Solent LEP agrees that the result of this is that some legislation could now actually place a burden on wider collaboration in functional economic areas, where councils are seeking to form or join a Combined authority or Economic prosperity board.

All authorities should have the option of coming together within a LEP area to form a Combined authority or Economic prosperity board where there is a willingness or strong desire to do so amongst local partners and amending the legislative framework, and supporting process to enable this to happen is supported. The Solent LEP therefore agrees with the proposal to enable Local authorities that do not have contiguous boundaries to form a Combined authority or Economic prosperity board. The LEP agrees that by excluding local authorities that are geographically separate from their functional economic partners from participating in these collaborative arrangements, the current legislation prevents some areas from realising the efficiency, productivity and profitability benefits that can come from collaborating in a combined authority or economic prosperity board.

**Question 2: Do you agree that the proposed safeguards are necessary and sufficient, Why?**

Places are complex and individual, and it is appropriate that safeguards are in place to ensure that no perverse impact of legislative provisions are realised. The LEP recognises the logic that combined authorities and economic prosperity boards could be more challenging to establish across a geography which does not make the operation of the functions more effective, and that by establishing such a body it could have a materially detrimental impact on areas outside the combined authority or economic prosperity board. In determining the impacts of the creation of a combined authority or economic prosperity board, the local area should evidence that they have balanced the positive and negative

impacts, and make a decision that will secure the greatest level of economic prosperity across the wider area.

**Question 3: Do you agree that the proposal to use a Legislative Reform Order to enable a County Council to delegate or share its transport function with a combined authority for part of the County Council's area will reduce a burden to collaboration? Why?**

It is acknowledged that due to the scale and geographic size of some county councils, current administrative boundaries do not always reflect functional economic market areas and, as a result, many county councils in England cover multiple LEP areas. Current legislation may be perceived as inhibiting county councils becoming a member of a combined authority or economic prosperity board within a defined part of its geography which is recognised by all partners through membership of a Local Enterprise Partnership.

By enabling a county council to delegate or share its transport function with a combined authority for part of the County Council's area would provide flexibility in the county council's functions in situations where some, but not all, district councils within a county council wished to be within a combined authority.

The LEP would also recommend that the legislative reform takes this a stage further to enable a county council to delegate or share its transport functions with a combined authority for part of Districts within the County Council's area, to ensure that functions can be delegated on the basis of a recognised functional economic area such as the Solent which does include parts of some district areas. To prohibit this could have a detrimental impact on the area and its ability to secure the greatest level of economic prosperity.

**Question 4: Do you agree that the proposal to remove the review and scheme requirements for changes to a combined authority's or economic prosperity board's constitution, functions or funding will reduce a burden to collaboration?**

In its response to the earlier consultation on proposals to amend legislation relating to combined authorities and economic prosperity boards (April, 2014), the Solent LEP agreed with the proposal to simplify the administrative processes involved in making changes to an existing combined authority or economic prosperity board and clearly such simplification could and should deliver cost savings and greater efficiency, as the current legislative requirements on local authorities are resource-intensive and as such, are a burden. As such the LEP welcomes the proposal in the current consultation to simplify arrangements when making less significant changes to existing combined authorities or economic prosperity boards but we do think this simplification could be extended to encourage simplification and a reduced burden wherever possible.

**Question 5: Do you agree that the three proposed changes meet the preconditions for use of a Legislative Reform Order as set out above, in particular:**

- **Do you have views regarding the expected benefits of the proposals as identified in Chapter 3 of this consultation?**
- **Is there any empirical evidence that you are aware of that supports the need for these reforms?, please provide details**
- **Are there any non-legislative means that would satisfactorily remedy the difficulty, which the proposals intend to address?**

- **Are the proposals put proportionate to the policy objective?**
- **Do the proposals taken as a whole strike a fair balance between the public interest and any person adversely affected by it?**
- **Do the proposals remove any necessary protection?**
- **Do the proposals prevent any person from continuing to exercise any right or freedom which he might reasonably expect to continue to exercise? If so, please provide details.**

The Solent LEP considers that the three proposed changes to the 2009 Act outlined in the consultation document broadly meet the preconditions for use of a Legislative Reform Order. However, in relation to whether the proposals are proportionate to the policy objective, with the policy objective being to enable local authorities to collaborate across locally agreed functional economic areas, it is the view of the Solent LEP that a further amendment to legislation to provide for a District or Borough Council to become a member of Combined authority, with respect to a defined part of its area is needed.

Should you wish to discuss the detail of any element of the Solent LEP response further, please do not hesitate to contact us.

Yours sincerely,

Gary Jeffries  
Chairman  
Solent Local Enterprise Partnership

**23.1.15**

**Item 6**

**Solent Energy Strategy Presentation  
to LEP Board - Future Solent / PUSH**

# Energy Opportunities for the Solent Region

- A shared challenge for us all



**Gill Kneller** – Executive Director for East Hampshire/Havant & PUSH

**Charles Burt** – Director & Principal Env Scientist, GEP Environmental

**Ben Earl** – Water Efficiency Manager, Southern Water

# Our Objectives for Today

- Update on the Solent Energy Strategy
- Highlight Economic risks & opportunities
- Seek your views
- Discuss next Steps & the role of the LEP

## PUSH Context

- Commissioned Arup study in 2008
- 96% of the energy used in sub-region is generated outside sub-region
- Relatively very high carbon footprint per person
- Sustainable South Hampshire – A vision for 2026
- Energy Strategy Commissioned 2013

# The Energy Challenge

- Energy security and resilience
- Business critical Infrastructure
- Energy costs
- Working together effectively
- Conflicting objectives
- Short term priorities – ‘affordability’
- The low carbon agenda

# Solent Energy Strategy

**Objective 1: Improving energy efficiency and conservation**

**Objective 2: Increasing the use of renewable energy resources**

**Objective 3: Maximising the Uptake of Business Opportunities Locally**

**Objective 4: Ensuring Focused and Integrated Delivery and Implementation**

## “Mini Stern” Report

- **What is it?** – a business case for the Solent, based on 4 other UK regions
- **The findings** – the RoI exceeds 20% + jobs + GVA
- **What it means for the Solent economy** – the projects already exist. We have to find the will and the funds to progress them.

## The business case:

Energy bill in 2011 (£M)	Investment required over 5 years (£M)	Potential cut in annual energy bill (£M)	Jobs created annually	Annual carbon saving by 2022 (1990 baseline)
3,250	2,389	508	2,178	34%

## What we stand to lose

- A growing % of GVA leaving the region in energy bills
- Energy resilience is weak
- Competitive advantage is eroded
- Innovation and manufacturing lost to other regions
- Local jobs and skills not delivered
- Carbon emissions targets are missed
- Other regions increasingly outcompete us

And we have to spend a fortune to catch up....

## Key challenges

- Moving to the delivery phase – getting the Pipeline flowing
- Securing funding for delivery
- Raising awareness & securing buy-in
- Leadership
- Expertise
- A pan regional approach
- Working with the LEP
- Maintaining momentum & commitment

## Next Steps

- The need for action is beyond doubt
- PUSH approval
- Leadership & Governance framework
- What are we asking of the LEP?
  - Acknowledge the benefits
  - Sign up to the principles
  - Land, Property & Infrastructure to consider in more detail
  - Funding

# Comments & Questions

[www.futuresolent.org.uk](http://www.futuresolent.org.uk)

