

Solent Local Enterprise Partnership
Meeting of the Board to be held on Friday 20 November 2015
08:00 - 10:00 at Land Rover BAR Portsmouth

| Item | Title | Time |
|-------------|---|---------------|
| 1. | Welcome and Introduction | 08:00 - 08:15 |
| 2. | Apologies for absence | |
| 3. | Minutes of meeting held on Friday 25 th September 2015 | |
| 4. | Matters Arising and declarations of interest | |
| 5. | Executive Update - to include <ul style="list-style-type: none"> • Strategic Economic Plan update • Local Growth Deal update • ESIF update • Area Review • Annual Performance Report and Solent LEP AGM and Annual Conference (RJ) | 08:15 – 08:55 |
| 6. | Hampshire and IOW Devolution proposal – update | 08:55 – 09:20 |
| 7. | Finance update | 09:20 – 09:30 |
| 8. | Transport Investment Plan – presentation from AECOM | 09:30 - 09:55 |
| 9. | Any Other Business - to include <ul style="list-style-type: none"> • Date of next meeting and meeting close | 09:55 – 10:00 |

20.11.15

Item 2

Draft Meeting Notes - September 2015



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Solent Local Enterprise Partnership Meeting of the Board of Directors (External meeting note)

Held on Friday 25th September 2015
12:15 - 14:00
At ABP, Southampton

| | |
|--------------------------|---|
| Present | In Attendance |
| Gary Jeffries (Chairman) | Crispin Dick |
| Chris Allington | Marc Griffin |
| Jonathan Bacon | Richard Jones |
| Brian Johnson | Nicola Twiddy |
| Russell Kew | James Strachan |
| Dave Lees | Diarmid Swainson |
| Keith Mans | Chris Ward |
| Anne-Marie Mountifield | Toni Wootton |
| Don Nutbeam | |
| Nick Ridehalgh | Apologies |
| Seán Woodward | Stuart Hill |
| | Donna Jones |
| | Simon Letts |
| | Jan Ward |
| | |
| | Guests |
| | Ray Mills - PWC |
| | Abigail Morris, Head of Public Affairs - Heathrow Airport |
| | |
| | |
| | |
| | |

| Item | | ACTION |
|------|---|--------|
| 1. | Welcome & Apologies Gary Jeffries welcomed everyone to the meeting and on behalf of the Board passed on thanks and best wishes for the future to Don Nutbeam for his work on the Board. | |
| 2. | Apologies Apologies were noted from Stuart Hill, Donna Jones, Simon Letts and Jan Ward. | |

| | | |
|----|--|--|
| 3. | <p>Minutes of meeting held on 10th July 2015 The full set of Minutes and the set for publication on the Solent LEP website were AGREED from the previous meeting and signed by Gary Jeffries.</p> | |
| 4. | <p>Matters arising</p> <ol style="list-style-type: none"> 1. Anne-Marie Mountifield advised that the Inward Investment Manger position was now out to advert. 2. LGD Scheme – a call will go out shortly for new Expressions of Interests. <p>Declarations of Interests</p> <p>Cllr Jonathan Bacon - Non pecuniary interest in Solent Gateways Scheme.</p> <p>Nick Ridehalgh - Non pecuniary interest in Solent Gateways Scheme.</p> <p>Russell Kew</p> <ul style="list-style-type: none"> - Direct Interest in Solent Gateways Scheme. - Direct Interest in Fareham College application to Solent Employer Ownership of Skills Fund <p>Seán Woodward - Non pecuniary interest in Fareham/Gosport multiyear programme</p> <p>Don Nutbeam - Direct interest in The Centre for Cancer Immunology</p> <p>Dave Lees</p> <ul style="list-style-type: none"> - Non pecuniary interest in Solent Airport Gateway Enterprise Zone <p>Brian Johnson</p> <ul style="list-style-type: none"> - Ann Johnson(wife) is Head of STEM at Brockenhurst College | |
| 6. | <p>Presentation form Heathrow Airport Abigail Morris, Head of External Affairs, presented on the following to the Board:</p> <ul style="list-style-type: none"> - Airport overview for passengers & freight - Airports Commission published their final report on 1st July 2015 recognising the benefits that expansion will bring in employment numbers. - Surface access & new rail connections to every part of the UK - Heathrow’s support for SMEs – Business Summit to be held in the North in October 2015 and at Heathrow on 10th November 2015 - Heathrow can increase capacity and reduce overall noise level - The timetable for runway opening - Support from LEPs, Chamber of Commerce, businesses and business representative organisations <p>The Board asked questions on the following areas – length of the new runway, new rail routes from the South via Stains and Reading, effect on M25 and surface water, supply</p> | |

| | | |
|-----------|--|--|
| | <p>chain & apprenticeship strategy, cruise ship discussions and hub model.</p> <p>Heathrow is looking at the skills agenda, SME engagement & their sustainability strategy and hosting of a Heathrow Summit to provide an update on their proposals.</p> | |
| <p>5.</p> | <p>Executive Update</p> <p>Anne-Marie Mountifield took the paper as read and an update was provided on the following areas:</p> <ul style="list-style-type: none"> • Fareham Gosport Multi Year Programme <p>Seán Woodward highlighted his non-pecuniary interest in the programme and left the meeting.</p> <p>The Board considered the progress update on the Fareham and Gosport multiyear programme and agreed for a further update to go to the FFPMG meeting and for a further briefing to be provided at the November Board meeting.</p> <p>Seán Woodward returned to the meeting.</p> <ul style="list-style-type: none"> • North Whiteley Transport Improvements <p>North Whitely Consortium have advised that the main phasing of the infrastructure works will now not commence in 2015/16 and the spend profile will be deferred to commence in 2016/17. In addition the planning application has been deferred by WCC planning committee to allow further consideration to the traffic concerns. It is expected that the scheme will come back to a special planning committee in 2 to 3 weeks' time.</p> <ul style="list-style-type: none"> • Isle of Wight College CoE <p>A progress update was provided and the board agreed a further update would come to the November meeting.</p> <ul style="list-style-type: none"> • Solent Gateways <p>Russell Kew advised of his direct interest and left the meeting Cllr Jonathan Bacon advised of his non-pecuniary interest and left the meeting.</p> <p>The board discussed progress on the project and they agreed that a further update would need to come to the FFPMG meeting on 23 October 2015, before a decision on whether the scheme was ready to progress to contract could be made.</p> <p>Consultation responses on the scheme were also considered. It was noted that a total of 9 responses were received from 2 businesses, 3 individuals, 1 Public Authority and 3 other stakeholder groups. All 9 responses focused on the East Cowes side of the business case. Any responses which referenced the Southampton side of the scheme were supportive of the scheme. The Board agreed the summary of the Solent Gateway consultation and for it to be published on the LEP website.</p> | |

| | | |
|----|---|--|
| | <p><u>Regional Growth Fund (RGF)</u> The Business Support Investment Panel (BSI) convened on 8th September 2015 to consider an application from Vikoma International Ltd to the IOW Expansion Fund. The Board agreed the recommendation for support from the BSI Panel for Vikoma International Ltd from the IOW Expansion Fund.</p> <p>As part of the work under the comprehensive spending review the RGF secretariat has had recent discussions with the Executive with a view to reducing contract values on some programmes given that the pipeline of activity is not strong and the fund is due to close on 31 March 2016. The executive advised that based on current activity and commitments in place, we should seek to agree contract variations on some of the programmes as it is unlikely that the funding could be spent by the end of the 15/16 year. The Board agreed that the unallocated funding should be returned given the upcoming Spending Review.</p> <p><u>Forward Plans</u> The Board agreed the updated forward plan.</p> | |
| 9. | <p>AoB Don Nutbeam provided an update on the Innovation Panel. Steve Barber and David Bream will be working with the Executive and 3 Universities on the Innovation Panel.</p> <p>No further business. Meeting closed.</p> | |

Meeting closed at 14:25

20.11.15

Item 5

Executive Update



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Item: 5
Title: Executive update
Date: 20 November 2015
Purpose: For information and action

1. Introduction

This report provides an opportunity for issues which are significant, to be brought to the attention of the Board for a decision or for information.

Please Note: The board paper will be taken as read at the Board meeting. Therefore should Board members have any questions relating to the content of this paper, please can they contact Anne-Marie Mountifield ahead of the Board meeting to discuss further – anne-marie.mountifield@solentlep.org.uk 02392 688 921.

2. LEP Executive team

At the meeting in May 2015 the board received an update from the executive to advise that recruitment was underway for the Head of Inward Investment role. The role did not attract many applications and a further review was undertaken and the role was re formatted and the board agreed to create a role for an Inward Investment Manager (fixed term for 18 months) working within the Solent LEP executive. The post was advertised in September and again the level of applications was very low. Currently the executive is exploring other options including secondments from either local partners or nationally through BIS/UKTI. In the absence of securing additional capacity in this area work on inward investment will not move forward to implementation as planned but we will ensure that resource is made available to support core activities such as the recent MIPM UK event.

The board were also notified at the March meeting that with the launch of the new delivery panels and wider forums, the introduction of the Local Growth Deal capital programme in 2015/16 and the expected conclusion of the RGF programmes in 2015/16, there would be a requirement to review general support capacity to ensure that going forward we have the capacity to deliver on all LEP commitments. This review will also now need to take account of the emerging working linked to the Hampshire and IOW devolution proposal and the spending review which is expected at the end of November. As a result a further report will come to the Board early in 2016.

Board members are asked to:

Note this update

3. Solent Strategic Economic Plan (SEP) – Proposed growth and productivity supplement

At its Strategy session in September, the Board considered the context for the update of the Strategic Economic Plan and debated the future direction for the plan.

It is acknowledged that the policy and economic landscape have altered considerably since the 2014 Plan was published, not least the changes in the economic fortunes of the country but also, as significantly, the Devolution agenda. A number of significant developments are awaited:

- the response to the Devolution Prospectus, submitted in September 2015
- the outcome of what is anticipated to be a challenging Comprehensive Spending Review process and what that will mean for the wider growth and productivity agenda.
- The outcome of the Growth Deal 3 process

It is therefore proposed that there will be a full update of the SEP in 2016 once the Devolution Deal has been agreed and the outcome of the comprehensive spending review is considered. In the meantime it is proposed to produce a SEP Supplement on Productivity and Growth to reflect:

- The need to be more ambitious in terms of productivity and growth due to better than expected performance – a focus on high end growth and how that is achieved.
- The changing context in terms of the government's productivity agenda and devolution.
- The revised evidence base.
- The updates of the Skills Strategy, Marine Strategy, the development of an Innovation Strategy and the revised economic forecasts.
- New Growth Deal settlements following the CSR.
- A clear emphasis on the role that the LEP will play in driving the productivity and growth agenda.

It is proposed that a final version be published in January 2016, with a draft to be agreed by the Funding, Finance and Performance Management Group in December 2015.

Board members are asked to:

NOTE the update and **AGREE** the proposal to produce a supplement to the current SEP for publication in January 2016.

4. Solent Growth Deal Update

Further to the update at the July LEP Board meeting on the Solent Growth Deal (SGD), the Executive team have continued to work with scheme leads to progress projects to signed funding agreement and commencement of delivery on site to maximise opportunity for defrayal of the £40,391,667 2015/16 SGD allocation. The current SGD programme status is set out in table 1 below:

Table 1: Current Funding Agreement Status of Projects within the 2015/16 Solent Growth Fund Programme

| | | |
|---|----------|---------------------|
| Solent Growth Fund (launched 23 March 2015) | £ | 2,000,000 |
| LGD Programme Management Costs | £ | 300,000 |
| Sub Total | £ | 2,300,000 |
| Final Agreement | | |
| Eastleigh College Estates Renewal | £ | 4,810,000 |
| Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine | £ | 10,900,000 |
| Dunsbury Hill Farm Link Road | £ | 4,540,000 |
| Station Quarter Southampton | £ | 4,185,000 |
| The Hard Interchange | £ | 4,832,000 |
| Fareham and Gosport programme (part 1 and 2) - St. Margaret's Roundabout and Peel Common Roundabout | £ | 4,500,000 |
| A27 Station Roundabout / Gudge Heath Lane | £ | 565,000 |
| Solent Recreation Mitigation Project | £ | 590,000 |
| Sub Total | £ | 34,922,000 |
| Under Negotiation (Amendments to delivery have been advised) | | |
| Solent Gateways | £ | 471,000 |
| Sub Total | £ | 471,000 |
| Delivery not commencing in 15/16 | | |
| North Whiteley Transport Improvements | £ | 0 |
| Fareham and Gosport multi year programme part 3 | £ | 0 |
| Sub Total | £ | 0 |
| Available LGD | | £ 2,698,667 |
| Total | | £ 40,391,667 |
| Solent Growth Deal Award | | £ 40,391,667 |

General LGD Scheme delivery update - The Executive advises the Board that a number of schemes are now progressing well on site and progress is being made in accordance with their implementation plans and funding profiles. A number of sites continue to be visited by the Executive to observe this good progress. Currently £7,700,470 has been claimed by project leads (representing 20% of projects under contract) We will undertake a further analysis of actual vs forecast expenditure with each project lead as part of the mid year review provide a quarter 3 update to the board at their next meeting.

Further updates on projects - the executive had continued to work with project leads on a range of projects that are both in development and delivery stage. They will present specific updates on the following projects at the board meeting:

- Fareham and Gosport multi year programme
- Solent Gateways
- IOW Centre of Excellence

Overall summary we still currently have a programme of £37,222,000 of the £40,391,667 2015/16 allocation under signed funding agreement (92% of the 2015/16 allocation). It is recognised that under table 1 that the Fareham and Gosport planning activity and elements of the Solent gateway programme are not going to commence with delivery in the current year. As a result there is unallocated LGD funding of £2,698,667. It is proposed to utilise this funding to bring forward the Cancer Immunology Centre (CIC) project which the board approved at their meeting in September. This has been allocated £4.5 million, so it is recognised that it would result in us over programming on the main fund by £1,801,333 in 2015/16. This exposure can be covered by ring-fencing Growing Places Funding (GPF) to cover the gap in 2015/16, on the basis that the LGD funding for 2016/17 onwards is confirmed in the spending review in November 2015. It should also be recognised that the scheme is also currently out to consultation and this consultation is due to close on 3 December 2015. Therefore any board decision would be subject to the outcome of the consultation.

Board Members are asked to:

- **NOTE** the update and **AGREE** to allocate the available balance of the LGD fund in 2015/16 of £2,698,667, together with £1,801,333 from the GPF to the Cancer immunology project to facilitate commencement of delivery in 2015/16, subject to the outcome of the consultation which is due to conclude on 3 December 2015; and confirmation of future years LGD funding in the forthcoming spending review.

5. Local growth deal – developing the project pipeline

Further to the board discussion at the September meeting the LEP issued a call for Expressions of Interest (EoI) on the 9th October 2015 to develop and refresh the pipeline of projects. The call closed on the 12th November and seeks to enable a state of readiness should a new Local Growth Fund round be opened for LEPs post the 25th November Comprehensive Spending Review.

A breakfast meeting was held on the 28th October, which provided an opportunity for those with projects to seek 1:1 advice from the Executive.

Submitted EoI's will be assessed for eligibility and scored against the prioritisation matrix by the LEP Executive, and a report will be taken to the Solent Growth Forum at its meeting in December. In addition, where relevant, views will also be sought from the various Delivery Panels. Advice provided through this process will inform a final assessment and prioritisation, which will be presented to the LEP Board at its January meeting.

A verbal update will be provided at the LEP Board meeting.

Board members are asked to:

NOTE this update

6. Skills for growth update

a. Solent area review

The Departments for Education (DfE) and Business, Innovation and Skills (BIS), in July, announced a national programme of area-based reviews for post-16 education and training provision [Reviewing post-](#)

[16 Education and Training Institutions](#). The government has identified the post-16 education sector is critical to its strategy of raising productivity and economic growth and has identified two major planks of reform that will be critical to supporting this:

- Clear, high quality professional and technical routes to employment, alongside robust academic routes, which allow individuals to progress to high level skills valued by employers; and
- Better responsiveness to local employer needs and economic priorities, for instance through local commissioning of adult provision, which will help give the sector the agility to meet changing skills requirements in the years ahead, building on the agreements with Greater Manchester, London and Sheffield.

This policy context means that reform of post-16 education and training institutions is seen as an option, given the need to ensure that provision in the area is responsive to employer, individual and economic needs and also recognising the significant financial pressures on institutions given the funding climate and expected reduction in public funding that will emerge from the spending review.

The guidance identifies an expectation from government that an outcome of this process will be that post-16 provision will need to move towards a model of fewer, often larger, more resilient and efficient providers and that these will provide greater specialisation, creating institutions that are genuine centres of expertise, able to support progression up to a high level in professional and technical disciplines.

The area review provides an opportunity for institutions and localities to restructure their provision to ensure it is tailored to the changing context and designed to achieve maximum impact. The aim of the reviews is to ensure that areas have the right capacity to meet the needs of students and employers, provided by institutions which are financially stable and able to deliver high quality provision.

LEP's along with Local Authorities and the colleges themselves are expected to be critical members of the review and a steering group will be established for each area review. The Solent is in the initial wave of area reviews, and includes all Colleges (with the exception of Totton college) within the Solent area, as well as Brockenhurst College, recognising the role this plays in providing for education of Solent residents.

The first, introductory, area meeting took place 5th November 2015 at South Downs College, and the LEP attended and we provided on the economic context of the area, and what the LEP would expect to see flow from this review. This drew on the executive summary sent to the FE Commissioner on 22nd October 2015, as attached in annex A.

Five meetings are planned to take place between now and March 2016, with the findings expected to be published in early April, with recommendations for implementation. The forward meeting programme is detailed below:

| Meeting Number | Date | Focus |
|----------------|----------|--|
| 2 | 08-12-15 | <ul style="list-style-type: none"> • Curriculum analysis and early findings of site visits • Opportunities for rationalisation and specialisation |
| 3 | 12-01-16 | <ul style="list-style-type: none"> • Discussion on emerging options for potential savings and curriculum rationalisation • Review potential for estates rationalisation or capital |

| | | |
|---|----------|--|
| | | requirements |
| 4 | 03-02-16 | <ul style="list-style-type: none"> • Review potential for delivering back office services more efficiently • Potential savings in back office services • Draft report • Detailed discussion on emerging feasible options and recommendations |
| 5 | 14-03-16 | <ul style="list-style-type: none"> • Feedback from Corporations on the decisions they have made following the recommendations. • Planned changes to provision and structures • The extent to which colleges agree / disagree on options / details • The way forward: Process for implementation and maintaining new arrangements |

Board members are asked to:

NOTE this update

b. Careers and Enterprise Company - Enterprise Ambassadors Project

As reported at the September Board meeting, the LEP has been successful in being placed in the first wave of implementation of the Enterprise Ambassadors Project. Funding is initially for one year with £75k from the Careers and Enterprise Company (CEC) to support one enterprise coordinator and pump priming activity. The Solent LEP will provide £25k cash match funding. The LEP will work in partnership with schools, employers and other relevant local organisations to increase the volume and effectiveness of employer-schools interactions. A key component of the model will be the development of a network of volunteer enterprise advisers from the local business community who will work directly with secondary schools and colleges.

Following a successful recruitment drive, a secondment has been provisionally agreed with the Education Business Partnership to take forward this work for the LEP. Further updates on the project will be provided to the Employment and Skills Board.

Board members are asked to:

NOTE this update

7. European Structural and Investment Funds

The Solent European Union Structural and Investment Fund (EUSIF) Area Committee has continued to meet on a monthly basis to move forward on delivery of the Solent EUISF funding through the national process.

Now that all programme have been approved by Europe governance arrangements for the domestic programme in England are being formalised. The Growth Programme Board (GBP) meeting which took

place on 24 September was the first formal 2014 to 2020 EUSIF Programme Monitoring Committee (PMC) for ERDF and ESF in England, in due course the Solent Area Committee will become the formal sub-committee of the GPB for the Solent area.

With both the European Regional Development Fund (ERDF) and European Social Fund (ESF) operational programmes now formally agreed the managing authorities (Department for Communities and Local Government, Department for Work and Pensions, and Department for Environment, Food and Rural Affairs) have issued revised allocations and associated performance and output targets for LEP areas. In relation to the revised allocations whilst the Euro allocation remains broadly unchanged, the fluctuation in exchange rates and strength of sterling has resulted in a reduction of over £6m in real terms for the Solent and the revised allocation for the Solent is currently £30.5m. Given the volatility in exchange rates this will be monitored on an on going basis by the Managing Authorities and it could be subject to further change.

The changes to performance outputs and funding has meant that all LEP areas have been asked to revise their European Structural and Investment Fund Strategy to ensure they remain current and reflect such changes. As a result we were asked to present a draft revised strategy to the EUISF Solent area committee on the 4th November and this is due to submitted to the Managing authorities nationally for consideration by 27 November 2015. We expect to receive further guidance on the process during the course of next week. Subject to their consideration we would anticipate bringing back the final revised document to the Board in January 2016 and we would expect to publish the revised version on our website in the same period.

Turning to the funds available in the Solent a summary of the calls issued to date are provided in annex B. Across the two principle funding streams, a maximum of nearly £14m has been committed; this divides out to approximately £5.5m ERDF and £8.4m ESF. Once revised strategies are agreed with the Managing Authorities, it is anticipated there will be a rolling programme of call windows for future applications.

The board may also wish to note that under our ESF funds a number of activities are due to be match funded by the Skills Funding Agency under their opt in arrangement. It was expected that the tender process for these programme would be launched during the summer, but this has not proved to be the case. As of this week we have received notification from the SFA that they will be refining their processes to reflect the developments that are coming forward through devolution deals. These deals represent important changes in the way local areas plan and deliver services to help boost productivity. They clearly demonstrate a direction of travel from ministers to give localities much greater control over a number of functions, including skills. Although it is not yet known how quickly the devolution agenda will progress, it is recognised that local areas have all been invited to submit requests for devolution deals. In light of these changes in government policy, the SFA has sought agreement from ministers on how to proceed with the SFA opt-in service. Ministers have agreed that the SFA cannot put in place contractual or match-funding arrangements beyond the point at which the SFA might cease to be accountable for the non-apprenticeship adult skills budget. As a consequence, all ESF contracts (that are part of the opt in arrangements with SFA) will have to come to a close in March 2018.

Board members are asked to:

NOTE this update

8. Governance update

a. Solent LEP Register of Interest Policy – proposed changes

As a company limited by guarantee, Governance of the Solent LEP is governed by Company Law and the Companies own Articles of Association.

In accordance with Article 46 of our Articles of Association a register of interest has been established by the Solent LEP and all Directors have a statutory duty to declare their interests (direct or indirect) in transactions or arrangements involving the Solent Local Enterprise Partnership. This requirement has been extended to all Chairs and Members of dedicated delivery sub-panels of the Solent Local Enterprise Partnership, Section 151 Officers and Chief Executive Officers of any accountable body organisation operating on behalf of the Solent Local Enterprise Partnership and any other persons with significant influence over the activities of the Solent Local Enterprise Partnership (for example, senior Solent LEP employees and senior points of contact at accountable body organisations such as legal and financial contacts). For reference, a copy of the Register of Interest form in use is [available here](#).

The register of completed forms is held by the Solent LEP Executive team and is open to inspection by the directors and senior executive officers of the Solent Local Enterprise Partnership. The contents of the register may also be disclosed by the Solent Local Enterprise Partnership to government or supervisory authorities with a right to audit its activities or records and to its professional advisers. However, currently, the register is not published on the Solent LEP website.

Notwithstanding this, Directors interests in relation to matters that have been discussed by the Solent LEP Board are published as declarations as a standing agenda item at LEP Board meetings and are subsequently published as part of the public notes of LEP Board meetings.

Since the last Board meeting, the Solent LEP has received number of enquiries in relation to the register of interests held by the Solent LEP. Currently, there is no central published register to signpost enquiries to and, as a result, handling enquiries of this nature is resource intensive.

Guidance is also provided by the National Audit Office (NAO) in their 2013 report, "*Funding and Structures for Local Economic Growth*", previously circulated to the LEP Board early in 2015. We have also received informal feedback in relation to our existing processes from the NAO who welcomed the pro-active approach being taken to developing the management of conflicts of interest and clearly this is a strong base on which we can look to develop our processes further and seek to publish the register on line.

In line with this, the Executive have received legal advice from professionals at both Paris Smith LLP and Portsmouth City Council.

As a private company, the Solent LEP is required to maintain the existing detailed register of interest in order to ensure compliance with our corporate governance framework. However, there is no legal requirement to publish this. In addition, it is recognised that the detailed register contains personal and financial information which it may not be appropriate to disclose in full. In addition, the Solent LEP is required to publish requirements when recruiting new Directors and consideration must be given to the implication of requirements to disclose public information on recruiting the highest calibre of Business Directors to the Board.

In line with the Localism Act 2011, Local Authorities do publish a full Register of Interest for elected members and this provides full transparency in relation to decision making. This full publication provides the most transparent system possible in relation to registers of interest, reflecting the nature of the role holding public office.

Recognising the increasing level of activity and remit in relation to management of public funds by the Solent LEP, balanced with the need to maintain appropriate levels of data protection for Directors, it is proposed that a public version of the register of interests is made available, with sensitive personal and financial information removed, and published on the Solent LEP website. Primarily, the nature of information which will be redacted includes the following;

- Financial information in relation to share holdings
- Personal address information
- Copies of Board Director signatures

The intention is to ask board members refresh their full register of interest during December 2015 and agree a publishable version with the executive and we will publish the register with effect from January 2016.

Board members are asked to:

AGREE the implementation of a public Register of Interest for the use of LEP Board Directors in addition to the established detailed register of interest document to be held internally by the company

b. Innovation

The Innovation and Business Support Strategic Priority areas are being taken forward through a single delivery panel - the Innovation and Business Support Delivery Panel. As reported at the last meeting, the chair of the Panel is Steve Barber.

Drawing together the Innovation and Business Support Strategic priorities into the *Innovation and Business Support Delivery Panel* reflects that our focus in terms of business support will increasingly be on those high growth / high value businesses, as we seek to translate the national need to uplift productivity levels within the Solent. In addition, whilst the UK ranks second overall in the Global Innovation Index, it performs poorly on SMEs introducing product or process innovations, and business investment in R&D has stagnated. Whilst this may not be true for innovative businesses, there is a need for the wider business community to fully recognise the benefits of investing in R&D to raise productivity. Furthermore, the Dowling Review identified the need for University / Business collaborations to support the commercialisation of innovation in the UK.

The Panel met for the first time on the 20th October. An initial focus for the Panel is to develop an Innovation Strategy for the Solent, and it is expected that this will be presented to the March 2016 LEP Board for consideration and adoption.

The LEP Board lead for Innovation was Professor Don Nutbeam, and the existing lead for Business Support is Stuart Hill. The LEP Board is asked to consider and agree a new lead for Innovation and business support to reflect the creation of the new delivery panel.

Board Members are asked to:

Note the update on Innovation, and **Consider** and **Agree** a board lead for Innovation and business support.

c. Solent LEP Annual General Meeting

In accordance with Article 13 of the Articles of Association, Solent LEP is required to hold an Annual General Meeting (AGM) each year for its corporate membership. The next AGM is due to be called for January 2015. This will be the fourth AGM of the Company and, as such, there is no requirement for any Directors to retire from their positions on the Board at this meeting.

The AGM is a requirement which relates solely to formal members of the Company, however, in addition to updating Company Members on the activity of the Board over the last year, there is an opportunity to align the formal AGM with a wider "Annual Growth Conference" in order to engage with a wider range of external stakeholder across the Solent.

It is therefore proposed that the Solent LEP make arrangements for a formal AGM and Annual Growth Conference. A suggested format for the AGM and Growth Conference is included below:

Date: 28th January 2016

Venue: Grand Harbour Hotel, Southampton

Company Annual General Meeting: 9:00 - 10:00

- Key Note: Transforming Solent – Solent LEP achievements and successes over the last year - Advanced copy of Performance Report for LEP Members
- Dedicated Q&A opportunity for with LEP Members with Board
- Networking opportunity for LEP Members with Board of Directors

Annual Growth Conference: Innovating Solent 10:30 - 3:30 (proposed speaker list only)

- Arrival and Registrations
- Introductions from event chair - independent chair TBC
- Key Note: Solent LEP achievements and successes over the last year - Launch of Performance Report and Growth Strategy - Gary Jeffries
- Key Note: Innovation in the Solent - Sir Christopher Snowden, University of Southampton
- Key Note: Innovation driving business growth
- Q&A with Conference Speakers
- Networking Lunch
- Key Note: Ministerial Speaker
- Ministerial Q&A
- Closing remarks
- Networking and refreshments

In order to coincide with the Annual Conference, it is recommended that the Solent LEP publishes its first Performance Report, summarising key activities and outputs of the Solent LEP. It is intended that this document is updated annually alongside the Transforming Solent: Growth Strategy, to ensure that the LEP has both a forward looking strategy document and update on previous achievements available on a regular basis. An outline of the proposed content for Performance Report will be provided at the Board meeting. On the basis that the Board are in agreement with the proposed approach following the presentation, it is recommended that the final report is brought to the Funding, Finance and Performance Management Group in December for approval.

Board Members are asked to:

- **AGREE** the proposals for the Solent LEP Annual General Meeting and wider Annual Growth Conference in January 2015 and delegate authority to the Executive to finalise arrangements
- **AGREE** the proposal format for the Annual Performance Report for publication at the Solent LEP Annual Growth Conference in January 2015 and **DELEGATE** authority to the Funding, Finance and Performance Management Group to agree the final report

9. Forward plan

Further to the previous Board meeting the forward plan has been updated as follows:

Friday 22 January 2016: 8.00 am to 10.00am – Fawley Power station

- Executive update
- Presentation from Highways England
- Local Growth deal 2015/16 interim review
- Update on Enterprise Zone
- ESIF review

Friday 18 March 2016: 8.00 am to 10:00am - venue to be confirmed

- Executive update
- Forecast year end report for 2015/16 and draft budget for 2016/17
- Regional growth fund programme review
- Inward investment year end report and strategy update
- Innovation strategy and operational plan
- Draft Strategic Economic Plan 2016 – 2022

Board members are asked to;

- **CONSIDER** and **AGREE** the updated forward plan.

Post-16 Education and Training Institutions Solent Area Review

Solent LEP Executive Summary

1. Transforming the Solent

The Solent economy has a population of over 1.3 million, 50,000 businesses, local GVA of £25 billion, and is part of wider south east economy valued at £190 billion GVA. It has a range of assets that are globally renowned, a strong SME base, and a thriving research community through its Universities and research institutions. The area is strategically positioned in relation to London, mainland Europe, and just 20 nautical miles from the key Shanghai to Rotterdam shipping superhighway.

The mainland Solent LEP area is the most urbanised area in the south of England, outside London. It has a complex geography, which, whilst giving the area its unique character, provides both opportunities and challenges with regard to local economic growth. Overlaid on to this complex economic geography are the three major economic assets; the International Gateways of the area: The Port of Southampton and Port of Portsmouth (including the Commercial Port and Naval Dockyard) provide the anchor points for our globally leading marine and maritime sector (which accounts for over 20% of the total GVA, providing over 48,000 jobs and supporting 3,000 businesses) and defence cluster centred around Portsmouth, whilst Southampton International Airport specialises in provision for business passengers and plays an important complementary role in UK air capacity provision. Together, these International Gateways play a crucial economic role in providing global connectivity to markets for businesses in the Solent and to wider regional and UK economies.

The area is also shaped by the Marine and Maritime sector which is one of the largest and most productive in the Solent economy, contributing 20.5% of our GVA and 5% of our private sector jobs. Our coastal location, business base, traditions, research and skills strengths provide us with immense marine and maritime strengths, strengths on which we can build, taking advantage of global growth in maritime trade, the rapid expansion of the cruise sector, rising demand for leisure marine and specialist vessels, expansion in marine renewables and in technology-led industries. Further information about the area's strengths in marine and maritime is provided in [Transforming Solent: The Marine and Maritime Supplement](#), published by BIS in March 2014. In addition to marine and maritime and defence, the Solent, more broadly, has particular strengths in advanced manufacturing, including

globally significant clusters for marine autonomy and robotics, as well as advanced materials. We also have specialisation in advanced technologies (including computer science and fintech), and these highly technical and professional fields require higher level skills to fuel innovation and growth. We have the assets, we have the strategic location; it is critical that we develop a complementary skills ecosystem to underpin these high growth, high value industries.

Despite these existing strengths and opportunities, the Solent economy has not yet reached its potential and faces challenges similar to those reported nationally. Whilst data suggests that the employment picture in Solent picked up significantly in 2014, growing by almost 18,000 jobs over the year, productivity remains a challenge and the area is lagging behind the south east average by 12% and the UK average by 5%. Over the period 2014 to 2030 our latest evidence indicates that productivity will grow by 2% per annum compared to previous forecasts of 2.4%, and it is expected that the productivity gap with the UK and South East will widen.

In response to this, the LEP is seeking to create a step-change in economic growth and raise productivity levels. Meeting this aspiration requires the area to create the conditions that support growth, and our [Strategic Economic Plan](#) (SEP) sets out how we are seeking to achieve this.

Transformational change lies at the heart of the Solent Growth Strategy. The Solent has the power to inspire, to innovate and to flourish, but to achieve our potential we need to build on our strengths and tackle the barriers to growth. To date the partnership that makes up the Solent LEP has been united on the need for transformational change and arrangements have worked very effectively delivering the Solent Growth Deal, Regional Growth fund programmes and the Enterprise Zone, with strong local buy-in and delivery commitment. It builds on the success in securing the City Deal, our role in directing European Union funding for our area and the recently announced Solent Growth Deal.

Ultimately our aim is to create jobs and growth for the Solent. To achieve this we must make best use of the resources at disposal, to maximise the impact for our local economy and secure the process of rebalancing. We have therefore focused very firmly on those activities that will make the greatest impact and create the best conditions for growth, including;

- Unlocking sites for housing and employment
- Improving our connectivity within the Solent and beyond
- Stimulating and supporting innovation
- Improving the skills and talent of our current and future workforce
- Supporting business growth through access to resources and advice
- Supporting our key strategic sectors.

Our Growth Strategy has been further enhanced by series of new and ground breaking collaborations which seek to improve our connectivity, release land for economic use and maximise the return on public sector investments. New arrangements with Network Rail, the Department of Transport, Highways England and the Cabinet Office will put us at the forefront of developing new and creative solutions to local needs. Similarly devolution of skills funding (capital and revenue) from the SFA and agreement of new funding flexibilities have also paved the way to further asks for more devolved responsibility in this area.

As we move forward we face new challenges around productivity and growth. Unlocking growth and improving productivity is a key challenge for the Solent LEP area. This is best summarised as follows:

- a. **Transport has a vital role to play** in the area by bringing businesses and people closer together and fostering the agglomeration economies that make our two cities of Portsmouth and Southampton work. Transport will connect people to jobs and products to markets and, it underpins the supply chains in key industries (such as marine and maritime, advanced manufacturing and aerospace) and the logistics networks in our area. Given the location of our global gateways it is also fundamental to domestic and international trade that goes through the Port of Southampton. The connectivity, condition and capacity of our transport network is therefore critical for productivity.

- a. **Housing** also has a vital role to play. The UK has been incapable of building enough homes to keep up with growing demand. In the Solent area the market is challenging when viewed from the perspective of new supply, availability and affordability. Steps are being taken to address this with delivery of new housing featuring very prominently in the Solent SEP and the Solent Growth deal and we need to do more.

- b. Traditionally productivity growth in the Solent has gone hand in hand with rising human capital, as more people have become educated, and to a higher level. Further investment in the **skills base** has the potential to deliver productivity gains and we are prioritising the development of intermediate professional and technical skills (particularly in STEM). It is imperative that the Solent addresses these shortfalls if productivity is to improve.

- c. New and innovative ways of working will also be important to delivering our growth ambitions and here **digital infrastructure** is vital. With the roll out of superfast broadband in the area, the super connected cities programme and the LEP digital capability initiatives for business it is improving, but there is still the need to invest in the digital economy.

- d. The Solent is home to **3 world class universities** and this represents an important competitive advantage, as technological change continues to increase demand for higher skilled roles in our area. The creation and application of new ideas is critical for our long-run productivity growth. The Solent benefits links between universities, FE and industry, but there is still more we can do in this regard and also in commercialising discoveries made in the research base and in ensuring the diffusion and adoption of these discoveries.

We therefore particularly support and prioritise activity that seeks to tackle barriers to productivity by;

- Supporting the development of a **highly skilled workforce**, with employers in the driving seat; and
- **Supporting research and development and** new capital investment in this area; and
- Delivering new **housing** by unlocking key sites; and
- Delivering improvements in connectivity by supporting a **modern transport system** that is sustainable and has a secure future; and
- Delivering improved **digital infrastructure** and reliable and high quality fixed and mobile broad band connections.

2. The National Context and the need for a highly skilled workforce

There continues to be a drive within national government to enable local areas to have a greater role in shaping their futures in a way that responds to specific local opportunities and challenges. This builds

on work that has been progressed at the local level by LEPs and their partners through Local Growth Deals and City Deals. However, UK growth in terms of productivity has slowed and the long-standing gap in productivity compared to other countries remains. In response to this, the Government's focus to drive economic growth has shifted to one that target's raising productivity levels.

There is a need to develop a highly skilled workforce, with employers in the driving seat. In the Solent we have identified that our skills weaknesses, and the failure to grow a serious system of respected employer-led professional and technical qualifications are long standing, and of such difficulty, that urgent action is needed to address them.

The LEP is therefore supportive of the post-16 area review process and welcomes the inclusion of the Solent in the initial wave of area reviews, as it provides the area with an early opportunity to address this challenge. We are committed to playing a full and active role in the Solent area review, and this note provides advice from, and the expectations of, the Solent LEP in relation to the Post-16 Education and Training Institutions Solent Area Review.

3. The Solent Economy - Skills for Growth

The Solent Local Enterprise Partnerships (LEP) has identified skills as one of its six strategic priorities for raising productivity and delivering transformational economic growth in the Solent economy. The work we are under taking through our [Solent Skills Strategy](#), led by our Employment and Skills Board to re-shape and simplify local provision to respond to businesses' call to improve skills training will be increasingly important as we move forward. The Strategy is underpinned by the evidence base set out in the [Solent Skills Strategy Evidence Base Report](#).

The Skills Strategy aims to support the development of a world-class workforce to drive future economic success and ensure that Solent's growth ambitions are supported by an employment and skills system which meets the needs of employers and individuals. In reviewing the Solent Labour Market, the Skills Strategy Evidence Base identified that jobs growth in the next decade will exceed the growth in the working age population; **Replacement demand** will require 347,000 people to be recruited by 2020, yet the working age population will remain static. **Demand for higher-level skills will increase** across all occupations and within all sectors. Over half of job openings up to 2020 will require higher-level skills; **Growth sectors will increasingly require STEM skills; There are skills shortages** and recruitment difficulties, suggesting a deficit of managerial and technical skills, most prevalent in the Building and construction, Financial and business services, and Maritime sectors; Solent has higher than average employment in lower-level occupations, reflected in below average earnings in Portsmouth, Southampton and the Isle of Wight; and Solent has higher than average employment in lower-level occupations, reflected in below average earnings in Portsmouth, Southampton and the Isle of Wight.

The Skills Strategy identified four strategic themes:

Developing world-class skills

Solent's growth ambitions require a world-class workforce. Through the combined efforts of employers together with Solent's schools, colleges, universities and other educational institutions, we will drive up GCSE attainment in core and STEM subjects, improve provision and take-up of Apprenticeships, and raise participation in higher-level skills.

| | |
|--|---|
| Transitions to employment | Increase the employability of young people and the unemployed by providing better advice, guidance and opportunities, exposing young people to the world of work and providing support for unemployed people to enter work. |
| Raising business investment in skills | Raising the productivity of Solent's workforce requires a range of interlinked approaches and activities in support of business development, skills utilisation, creativity and innovation. Brought together, these will stimulate employer investment in the skills (including higher-level skills) of their staff, address prominent skills gaps and plan towards future skills requirements. |
| Responsive skills and employment system | Create a skills delivery system which is flexible, co-ordinated and better able to respond to the changing needs of individuals and employers. Realise the full potential of Solent's FE and HE system and improve the alignment between the needs of business and skills delivery. |

The importance attached to raising skills levels in the Solent and securing a sustainable pipeline of the professional and technical skills is evident in our current investments, with new employer led STEM capital builds funded at CEMAST and the Isle of Wight College Centre of Excellence for Composites, Marine and Advanced Manufacturing as well as estates renewal at Eastleigh College. We have also invested in supporting Solent businesses to develop their workforce through our Solent Futures Training Fund and our [Employer Ownership of Skills Fund](#).

The LEP has recently published the [Solent Skills Strategy Interim Evaluation](#) to ensure that progress was being achieved against the key themes and that as the labour market changes in response to new economic conditions, the strategy remains focussed on tackling the critical issues.

The Interim Evaluation identified that overall, the economy is continuing to recover slowly and this is resulting in **a tightening labour market**. Vacancies, including Apprenticeship vacancies, are becoming increasingly difficult to fill and while employers were 'just about managing' to find the skills they need, there is a strong sense from stakeholders that the situation will become increasingly difficult in future.

There is an optimism that local growth is in the right parts of the economy, including advanced engineering, marine & maritime and aerospace sectors within the SME community. However, there is a concern that as the labour market tightens a growing number of young people would be tempted into employment, potentially in poorly skilled work without opportunities for training. Overall, despite the labour market performing well in some areas, **the pipeline of skills remains a cause for concern, with parts of the Solent continuing to show significant gaps in educational attainment. These gaps raise concerns about the area's ability to meet future skills demands.** High level skills remain an issue for the economy with the relative underperformance of the Solent area a continuing cause for concern. At the same time there is a clear success story in terms of the relatively smaller decline in apprenticeship starts in the Solent when compared to the national picture.

The context of [Transforming Solent](#) is one in which we are seeking to raise Solent's productivity and growth performance. To do this the economy needs access to higher level skills and a culture of aspiration which encourages young people and those in the workforce to strive for excellence. The latest evidence shows that not only does the economy continue to lag in respect of higher level skills, but that participation in higher skills development overall has fallen. It has therefore been agreed by the

Board of Solent LEP that the broader framework remains but that **three key issues** are given prominence in the Skill Strategy in terms of LEP activity going forward:

- Driving higher level skills, and building participation in higher education.
- Continuing to place an emphasis on building STEM skills.
- Seeking the devolution of skills budgets for the Solent to maximise the flexibility and effective targeting of resources.

4. Post-16 Education and Training Institutions Solent Area Review

The LEP is working collaboratively with partners and has a detailed and evidenced understanding of the current skills landscape and what is required to support future economic growth and raise productivity levels here in the Solent.

A dynamic economy requires **economic agility**, and to this end the Solent labour market will require STEM skills that enable people to respond to the changing needs of the economy and the job opportunities that will emerge as old industries leave and new, innovative and technologically-led industries emerge. In today's fast-changing world, fuelled by technological advancements, it is difficult to accurately predict the needs of the economy over the longer term, but if we equip the population with the skills needed to adapt, respond and seek support for continuous professional development, the economy will be in a stronger place.

It is clear that productivity levels can be improved by developing a professional and technical education system, which ensures that young people are on a high quality route to employment and that enables adult learners to develop higher level skills or re-train. To support uplifts in productivity it is critical that **the area shifts to a knowledge economy** and that the local economy has the skills to take advantage of the jobs this will bring.

The skills supply provision should put employers in the driving seat, working collaboratively with education and training providers to specify, design and deliver the courses industry needs. The Solent LEP therefore has a very keen interest in establishing a network of Institutes of Technology within the area, that represent centres of excellence, focussing on the delivery of high standard provision at levels 3, 4 and 5, providing straightforward routes for young people to move from school through to high status, specialised training with strong links to business. This should also raise the level of investment from business, including attracting higher levels of investment from employers in skills provision.

Given the challenging public funding climate the area review should also seek to improve **value for money** and increased outputs from education and training providers, deliver **increased specialisation** and remove duplication of provision. It should also establish the appropriate set of institutions to offer high quality provision based on current and future needs of learners and employers within the Solent area. We therefore support the need for more resilient and efficient colleges and the aim to achieve greater specialisation, with concentrated expertise to support progression through professional and technical routes, alongside excellence in core areas such as Maths, English and Science.

Through the Area Review, it will also be important that a long term view is taken, and this includes reflecting demographic trends. Our latest economic forecasting shows that the population in the Solent is increasing at a much faster rate than previously forecast and this trend is expected to continue through to 2030. This translates through to higher levels of young people accessing further education and a higher number of working age people. The agenda must not therefore be driven by short termism and cost-reduction aspirations that undermines our capacity and capability to supply the skills that the

Solent economy requires. Ensuring the economy has a pipeline of the skills it needs requires investment, but it must be deployed within a well-targeted and sustainable framework.

Whilst all qualifications at all levels are supported, it is imperative that the review also recognises that **not all qualifications are of equal value to our local economy**. There should be a clear prioritisation of STEM-related qualification and training, and moving the average attainment up to L4+. This will help young people recognise that STEM-related training will provide them with strong future employment and professional career prospects, and in so doing help re-balance the skills pipeline.

Item 5 Annex B - Summary of the ESIF Calls Issued to Date

| Activity | sub-activity | | Revised Sterling allocation | Max amount committed | Unallocated in sterling | Direct or Opt-in | Issued Calls for proposals | Thematic Objective |
|---------------------------|------------------------------------|------|-----------------------------|----------------------|-------------------------|------------------|----------------------------|-----------------------------------|
| Solent Innovation | | ERDF | £2,911,775 | £1,500,000 | £1,411,775 | Direct | Mar-15 | 1. Research and Innovation |
| Business Support Activity | Solent Business hub | ERDF | £5,344,661 | £1,800,000 | £3,544,661 | Direct | Mar-15 | 3. SME competitiveness |
| | International Trade Performance | ERDF | £200,000 | £200,000 | £0 | National Direct | Jul-15 | 3. SME competitiveness |
| | SME grant scheme | ERDF | £1,859,013 | £1,000,000 | £859,013 | Direct | Jul-15 | 3. SME competitiveness |
| | Graduate Placements | ERDF | £1,653,193 | £1,000,000 | £653,193 | Direct | Jul-15 | 3. SME competitiveness |
| Low Carbon | Building Solent Low Carbon Economy | ERDF | £3,623,511 | £0 | £3,623,511 | Direct | | 4. Low Carbon Economy |
| | Low carbon skills | ESF | £497,362 | £0 | £497,362 | Direct | | 10. Education |
| Employer responsive | | ESF | £4,369,682 | £2,256,699 | £2,112,983 | SFA opt-in | Jun-16 | 10. Education |
| Support for unemployed | | ESF | £2,238,060 | £1,155,870 | £1,082,190 | SFA opt-in | Apr-16 | 8. Employment and Labour Mobility |
| Supporting young people | Apprenticeship grants | ESF | £1,492,039 | £770,580 | £721,459 | SFA opt-in | Feb-16 | 8. Employment and Labour Mobility |
| Supporting young people | IAG | ESF | £746,020 | £385,290 | £360,730 | SFA opt-in | Oct-15 | 8. Employment and Labour Mobility |
| Supporting young people | Traineeships | ESF | £1,492,039 | £770,580 | £721,459 | SFA opt-in | Dec-15 | 8. Employment and Labour Mobility |
| Solent Jobs pilot | | ESF | £2,242,172 | £2,000,000 | £242,172 | Direct | Aug-15 | 9. Social Inclusion and Poverty |

| | | | | | | | | |
|---|-------|--------------|--------------------|--------------------|--------------------|----------------|---|---------------------------------|
| Solent Jobs pilot | | ESF | £600,000 | £600,000 | £0 | BL opt-in | | |
| Community Grants | | ESF | £1,207,843 | £500,000 | £707,843 | Direct | Aug-15 | 9. Social Inclusion and Poverty |
| | | Total | £30,477,370 | £13,939,019 | £16,538,351 | | | |
| | ERDF | | £15,592,152 | £5,500,000 | £10,092,152 | | | |
| | ESF | | £14,885,218 | £8,439,019 | £6,446,199 | | | |
| RURAL Programme | | | | | | | | |
| Support for tourism activities in rural areas | EAFRD | | £257,567 | £0 | £257,567 | | | |
| Funding new and developing micro & small rural businesses | EAFRD | | £429,290 | £150,000 | £279,290 | Rural Payments | fixed call open until 30th October 2015 | |
| Building knowledge and Skills in rural areas / enhanced bus support | EAFRD | | £171,893 | £0 | £171,893 | | | |
| | | Total | £858,751 | £150,000 | £708,751 | | | |

20.11.15

Item 6

Devolution Update



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Item: 6
Title: Hampshire and IOW Devolution update
Date: 20 November 2015
Purpose: For information and action

On Friday 4th September 2015, the Solent Local Enterprise Partnership (LEP) added its support to a Hampshire and Isle of Wight Devolution Prospectus that seeks to devolve additional powers from Whitehall to the local area.

The prospectus, which has been submitted to Government as part of the 2015 Spending Review, focuses around four key themes:

- boosting business and skills for work
- accelerating housing delivery
- investing in infrastructure
- transforming public services.

A copy of the prospectus is available at: http://solentlep.org.uk/uploads/documents/Hampshire_and_Isle_of_Wight_Devolution_Prospectus_September_2015.pdf

To inform our future plans and negotiations on devolution with local partners and central government moving forward, the Solent LEP Board considered the work in detail at the strategy session on 25 September 2015.

An initial response to the prospectus was received from Government on 30 September 2015. At the time of writing this update a meeting with the Secretary of State and a team from the Hampshire and IOW area is expected to take place in November 2015.

In preparation for this session a partnership meeting was convened on 3 November 2015 and this was attended by our Chair Gary Jeffries who will provide the board with an update at our meeting on 20 November 2015. There is another partnership meeting scheduled for 27 November 2015 where we would expect to receive feedback on the meeting with the Secretary of State and it is important that we provide any feedback or comments (either general or specific) at this stage.

Subject to the progress on the proposal, local partners are seeking to agree a deal during December and on this basis it is expected that a deal document will be drafted and circulated in early December for all signatories to the deal to agree.

20.11.15

Item 7
Funding Summary

Finance Summary

| Strategic Theme | Expenditure to 2014/15 | Budget 2015/16 | Future Years to 2020/21 | Totals |
|----------------------------------|------------------------|-------------------|-------------------------|--------------------|
| Infrastructure (Land & Property) | 12,033,855 | 35,087,812 | 91,805,594** | 138,927,261 |
| Skills | 3,114,273 | 17,211,566 | 4,510,000** | 24,835,839 |
| Enterprise | 3,061,823 | 8,030,515 | 10,000,000** | 21,092,338 |
| Strategic Sectors | 1,017,686 | 5,557,314 | - | 6,575,000 |
| Inward Investment | 50,000 | 45,000 | 180,000 | 275,000 |
| Innovation | - | 60,000 | - | 60,000 |
| Operational Costs | 1,446,336 | 1,386,393 | 4,451,051 | 7,283,781 |
| Totals (as at 31.8.15): | 20,723,973 | 67,378,600 | 110,946,645 | 199,049,218 |

Delivered by

| Source of Funding | Provision to 2014/15 | Budget 2015/16 | Future Years to 2020/21 | Totals |
|---|----------------------|-------------------|-------------------------|--------------------|
| Solent Growth Deal** | - | 40,391,667 | 105,845,594** | 146,237,261 |
| Growing Places Fund*** | 12,075,000 | 6,241,003 | 3,165,209 | 21,481,212 |
| Regional Growth Fund | 6,977,878 | 11,354,459 | - | 18,332,337 |
| Enterprise Zone Capital Grant | - | 7,090,000 | - | 7,090,000 |
| Solent Employer Ownership Programme | 26,299 | 1,273,701 | 200,000 | 1,500,000 |
| Solent Growth Hub | - | 250,000 | - | 250,000 |
| Digital Capability for SMEs | 110,000 | - | - | 110,000 |
| | 19,189,177 | 66,600,830 | 109,210,803 | 195,000,810 |
| Central Government Funding | | | | |
| Department for Business, Innovation and Skills**** | 974,683 | 622,770 | 335,743 | 1,933,196 |
| Department for Transport - Local Transport Board | 167,580 | - | - | 167,580 |
| Other Government Departments | - | 90,000 | 35,000 | 125,000 |
| Local Government Funding | | | | |
| Local Authority Funding - PUSH, Hampshire and Isle of Wight | 305,000 | 25,000 | - | 330,000 |
| LEP Network | 13,900 | - | - | 13,900 |
| Other Sources | | | | |
| Interest earned on funding yet to pay out | 73,633 | 40,000 | 1,365,099 | 1,478,732 |
| | 1,534,796 | 777,770 | 1,735,842 | 4,048,408 |
| Total Committed Funding (as at 31.8.15) | 20,723,973 | 67,378,600 | 110,946,645 | 199,049,218 |
| Non Committed GPF from forecast loan Repayments | | 4,358,371 | 8,679,545 | 13,037,916 |
| Total Funding to support LEP Activity | 20,723,973 | 71,736,971 | 119,626,190 | 212,087,134 |

Notes

*to 31st August 2015

** Funding agreed as part of Solent Local Growth Deal announced in 2014/15 - Future year allocations subject to agreement of final funding agreements with Government.

*** The Growing Places Fund is a revolving fund issued with the intention that repaid Loans are recycled to new projects. The number represented includes recycled fund, fees and interest earned on an original grant of £16.739m

**** Funding from Department for Business Innovation and Skills includes funding for core activity, development of EU Structural Investment Fund Strategy and development of the Solent Strategic Economic Plan and SEEDA legacy funding.

20.11.15

Item 8

Transport Investment Plan Update

Item: 8
Title: Transport Investment Plan (TIP) update
Date: 20 November 2015
Purpose: For information

Board members will recall that, linked to the work of the Solent Strategic Land and Infrastructure Board (SSLIB), the Executive has commissioned AECOM to develop a Transport Investment Plan (TIP) for the Solent area. This study will focus on supporting an improved transport network that enhances competitiveness, increases productivity, and encourages labour mobility.

An initial draft of the report has been received, and is being reviewed by the Executive. In addition, a consultation report from PBA, who undertook the initial phase of this work for the LEP, has also been received. The consultation report, as well as the outputs from a business survey and MP conversations, needs to be incorporated into the preparation of the final report as does direct feedback from the LEP Board. AECOM will attend the board meeting on 20 November 2015 to give a more detailed progress update and to invite the board to comment and provide further feedback on the initial work and this will inform and shape the final report.

The initial draft will therefore be refined over the coming weeks and will be presented by AECOM to the next meeting of the SSLIB on the 2nd December, and shared with the Transport Investment Plan sub-group, that was established to support the development of the study, before a final report is prepared for consideration by the LEP Board at its January 2016 meeting.

The board may wish to note that at this stage the work includes some benchmarking against similar dual-city regions, which does provide some interesting emerging results:

- Population growth has been higher in the Solent, between 2011-14, than in all comparator areas (including Manchester & Liverpool, Leeds & Sheffield, Derby & Nottingham, amongst others).
- Housing completions per 1,000 residents in 2014 were higher in the Solent than all comparators
- Employment growth was higher between 2009-14 in the Solent than in the comparators
- The % of employment in the two main cities (38%) is less than in comparator areas, suggesting a more complex employment distribution than is typically found elsewhere, which does therefore have implications for transport movements and provision
- Average speed to London by rail is half the speed that comparator areas enjoy
- The average rail journey time from Solent to London is higher than from Derby & Nottingham to London.
-

The emerging work has also identified a strategy focussed on increasing economic proximity, which recognises that high value businesses derive benefits from being located in close proximity to each other and their workers. This could be achieved through:

- Improving dual city linkages, to integrate labour and consumer markets, remove barriers to trade and reduce business costs
- Support clustering and agglomeration around areas where we have a competitive advantage
- Optimise and integrate the transport network, so travel demand load can be spread to improve resilience and peak capacity
- Improved strategic connections with London, the South East and the wider UK (especially for port traffic).
- A greater focus on Transport Orientated Developments (TODs), though increasing residential densities around new and under-utilised transport nodes (e.g. train stations)

A more detailed briefing on this work will be provided at the board meeting.