

Solent Local Enterprise Partnership
Meeting of the Board to be held on Friday 18 March 2016
08:00 - 10:30 at Griffin Hoverwork, Southampton

Item	Title	Time
1.	Welcome and Introduction	08:00 - 08:10
2.	Apologies for absence	
3.	Minutes of meeting held on Friday 22 nd January 2016	
4.	Matters Arising and declarations of interest	
5.	Executive Update	08:10 – 09:10
6.	Local growth deal update to include <ul style="list-style-type: none"> • Solent Growth fund • 2016/17 programme • Fareham and Gosport update • Project pipeline 	09:10 – 09:40
7.	Transport Investment Plan for approval	09:40 - 10:00
8.	Finance report to include; <ul style="list-style-type: none"> • Forecast outturn for 2015/16 • Budget for 2016/17 	10:00 – 10:20
9.	Any Other Business	10:20 – 10:30

18.3.16

Item 3

**Minutes of meeting held on Friday 22nd
January 2016**



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Solent Local Enterprise Partnership Meeting of the Board of Directors

Held on Friday 22nd January 2016
09:00 - 11:00
At Fawley Power Station, Southampton

Present	In Attendance
Gary Jeffries (Chairman)	Stuart Baker
Chris Allington	Crispin Dick
Jonathan Bacon	James Fitzgerald
Donna Jones	Marc Griffin
Dave Lees	Richard Jones
Simon Letts	Nicola Twiddy
Keith Mans	
Anne-Marie Mountifield	
Nick Ridehalgh	Apologies
Sir Christopher Snowden	Stuart Hill
Jan Ward	Brian Johnson
Seán Woodward	Russell Kew
	Guests
	Andy Rumfitt - AECOM
	Bob Miller - AECOM

Item		ACTION
1.	Welcome Gary Jeffries welcomed everyone to the meeting.	
2.	Apologies Apologies were noted from Stuart Hill, Brian Johnson and Russell Kew. Gary Jeffries also advised that Russell Kew has stepped down as Chief Executive of WightLink but is still involved in a business in the Solent area as he is the Executive Chairman of Condor.	
3.	Minutes of meeting held on 20th November 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.	

4. Matters arising

Anne-Marie Mountifield advised that Highways England (HE) were scheduled to present at today's meeting but a meeting has been scheduled for 3rd March 2016 for Anne-Marie Mountifield and Dave Lees to meet with them.

In relation to the Floating bridge component of the Solent gateway scheme, it was advised that the tender process has been completed and applications are currently being reviewed so a contract can be drafted.

Sir Christopher Snowden has agreed to take on the position as Innovation Lead and he will be presenting a keynote speech at the Solent LEP Annual Conference on 28th January.

Declarations of Interests

Seán Woodward

Non pecuniary interest in Fareham/Gosport multiyear programme

Keith Mans

Non pecuniary interest in Fareham/Gosport multiyear programme

Chris Allington

- Interest in Innovation Centres in the area and also in some of the innovation EOI applications to be considered at the Board meeting.

	<p>future Growth Hub funding and it was confirmed that there would be funding available for 2016/17 and 2017/18,. The aim for this funding is to assist Growth Hubs transition towards sustainable models of funding from 2018/19 onwards, at which point, it is not anticipated that further central Government funding will be available.</p> <p>It is proposed to extend the current contract to June 2016 so the service can be maintained. Once funding has been secured, the Executive will look to go out to tender for a 2 year contract.</p> <p>The Board Agreed the proposed interim Solent Growth Hub arrangements and to delegate authority to the Executive and Accountable Body to extend the existing contract to 30 June 2016, and they Agreed the proposed approach to arrangements for 2016/17 and 2017/18 and, subject to final funding guidance and confirmation from Government, to delegate authority to the Executive and Accountable Body to procure a Solent Growth Hub service provider.</p> <p><u>Solent LEP Regional Growth Fund (RGF) legacy programmes</u> The final spend and claim date for RGF funding has been extended by Government to the 31st May 2016, and the board received an update on live projects that are being considered under RGF and requested a further update at the next Board meeting.</p> <p><u>The Hampshire and IOW (HIOW) Devolution update</u> The HIOW devolution partnership has met on two occasions since the last board meeting focusing on housing and the governance structure. The board discussed the governance structure and agreed that they would support a proposal that promoted a simple and agile decision-making framework and also one where the voice of business could be reflected</p> <p>A further update on progress would come to the next board meeting.</p> <p><u>South Western Franchise Stakeholder Consultation</u> The Consultation closes on 9th February 2016 and the Board agreed to delegate authority to the Chief Executive together with the Chair of the Board and the Board lead for Land, property and Infrastructure to submit a response to the South Western Rail Franchise Stakeholder Consultation.</p>	<p>Executive</p> <p>Chair of the LEP with board lead for Land, property and infrastructure and the executive</p>
<p>6a.</p>	<p>Local Growth Deal update The board considered the paper and noted the following:</p> <p>Current Funding Agreement Status of Projects within the 2015/16 Solent Growth Fund Programme as detailed in the report and they noted that that mid-year reviews with scheme leads have taken place.</p> <p>Fareham and Gosport Multi-year programme phase 3 - a business case has been received seeking £348,000 to support the design work linked to the M27 Junction 10 component. and the executive were awaiting an updated implementation plan for the scheme.</p>	

6b.	<p>Keith Mans and Seán Woodward declared an interest in this project and left the meeting room and Sir Christopher Snowden left the meeting.</p> <p>The Board had a discussion regarding the Fareham and Gosport Multi-year programme and Agreed that the Funding, Finance & Performance Management Group should consider this scheme further at their February meeting and that an update should come back to the next board meeting in March</p> <p>The Board also AGREED the following LGD variations :</p> <ul style="list-style-type: none"> - a contract variation for Isle of Wight College Capital Project to support the re-profile of funding and delivery through to the end of 2016/17, and; - contract variations for the following schemes to bring forward further delivery in 2015/16, and: - <ul style="list-style-type: none"> • Eastleigh College Estates renewal • Fareham and Gosport Multi-year Programme: Peel Common component • A27 Station roundabout/Gudge heath lane • Solent Recreation Mitigation Project <p>The Board also to DELEGATE authority to the executive to action this to facilitate additional claims in March 2016, (subject to receiving confirmation from the Cities and local growth Unit that payment of local growth deal funding for 16/17 will be transferred in April 2016) for the following projects:</p> <p>Keith Mans and Seán Woodward returned to the meeting</p> <p>Local Growth Deal Project pipeline 43 Expression of Interests (Eols) received have been assessed and moderated by the Executive and taken to the relevant panels for their consideration.</p> <p>The Board discussed the EOI pipeline and noted that a high number of infrastructure projects have been submitted due to the capital nature and asks of the fund. The Board suggested that moving forward it would be beneficial to see more innovation projects (and other sectors) on the list and the Board asked for the executive to consider this for future Eol calls</p> <p>The Board agreed the following:</p> <ul style="list-style-type: none"> - that those schemes that have scored 60% or above are invited to submit an outline business case or a full business case, for submission to the LEP by the end of April 2016; and - that the two projects that scored between 55% and 60% are invited to come forward with an outline business case if the clarification issues identified through assessment of the Eol are first addressed. - to consider the advice of the Innovation and Business Support Delivery Panel to open a further Expression of Interest round, in 2016, with a particular focus on attracting Innovation proposals, and also to issue a general call for new proposals and to allow those EOIs that displayed potential to re submit at a later date and they agreed to delegate authority to the Executive to take this forward. 	<p>FFPMG</p> <p>Executive</p> <p>Executive</p> <p>Executive to contact applicants</p>
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7.	<p>Transport Investment Plan - Presentation from AECOM AECOM, presented an update to the Board on the Transport Investment Plan (TIP).</p> <p>The report has been discussed at the Solent Strategic Land & Infrastructure Panel and there had been extensive stakeholder consultation. The Executive advised that there will be a full presentation of the work at the Solent Transport meeting on 3rd February 2016 and it was also advised that the Solent MPs would be reviewing the report in February and a final report will come back to the Board in March for consideration.</p> <p>Board members were asked to:</p> <ul style="list-style-type: none"> • consider the draft final Transport Investment Plan and they agreed to delegate authority to the Chief Executive to finalise the report for consideration at the next board meeting; and • Subject to Board approval of the Transport Investment Plan, they agreed to the publication of a supplementary document, inviting further engagement with the LEP as we work through the development of the business case for the Solent Transit programme. 	<p>Executive to arrange for the work to be circulated</p> <p>Executive</p>
8.	<p>AoB The Executive have received a letter from Highways England announcing their Housing Fund and requesting submissions for larger schemes along their network by the end of March 2016.</p> <p>No further business. Meeting closed.</p>	

Meeting closed at 12:00

	<p>Fawley presentation Aldred Drummond (Fawley Waterside Ltd), Russ Morgan (RWE npower) and Mike Adams (Adams Infrastructure Planning Ltd) presented to the Board on the history of the site and the future concepts being evaluated.</p>	<p>Executive to arrange a follow up meeting</p>
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Presentation concluded 12:50

18.3.16

Item 5

Executive Update



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Item: 5
Title: Executive update
Date: 18 March 2016
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.

2. LEP Executive team

At the January meeting the board were advised 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. A report will come to the LEP Board meeting for consideration.

3. Update on Solent Devolution

Since the last Board meeting in late January work has continued in relation to devolution and the proposal for a HIOW combined authority.

HIOW partners then convened as scheduled on 12 February 2016 and considered the locally proposed governance model and the advice provided that a large number of devolution deals agreed centrally had included a proposal for a directly elected Mayor.

Local Authorities in the Solent area have also been exploring whether a devolution deal for the Solent area, with a directly elected Mayor could be secured as part of the Budget in March 2016.

An update on this will be provided at the meeting

4. Skills for growth update

a. Skills Funding Agency (SFA) and Solent Area Review update

The SFA have written to all LEPs to advise that Government is keen to go further in decentralising the operation of the Adult Education Budget (AEB), as the provision it supports is in many ways a local service. For these reasons, the Government have advised that in the right circumstances, it would be better for control of the AEB to reside locally and it is expected that this will feature in devolution deals that are agreed with local areas.

The board should also note that new guidance for area reviews is being published to inform reviews that come forward after the current round. The Solent Area review is due to conclude shortly and at the time of writing there is another meeting scheduled for 14 March 2016. Therefore an update on this will be provided at the meeting.

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 was initially for one year with £75,000 from the Careers and Enterprise Company (CEC) to support one enterprise coordinator (£25,000) and pump priming activity (£50,000). The Solent LEP are providing £25k cash match funding for the Coordinator post..

Further to this we have just received confirmation from the CEC that they are able to continue the funding of the Enterprise Adviser Network for the academic year 2016/17 to run from September 2016 to August 2017. As with the current academic year, funding will be on a 50:50 cash match basis of up to £25,000 per Enterprise Coordinator.

c. Employer Ownership Programme (EOP)

The Solent Employer Ownership of Skills Programme launched in October 2014. A competitive fund of £1.5 million, it is open to private sector employers of all sizes to address skill requirements in their current and future workforce. A part of the City Deal Agreement the fund needs to contribute to the achievement of:

- The delivery of 200 new apprenticeships at level 3 and above
- 200 other higher (at levels 3 & 4 and above) qualifications
- 400 new or safeguarded jobs

The Solent LEP has agreed three contracts to date under the Solent Employer Ownership Programme. Following the most recent deadline of the 19th February 2016, two further applications have been received. The Investment Panel met on the 29th of February 2016 and advised that both applications should be supported, noting that this represents an over commitment on the fund. Details on both proposals are outlined below. The British Marine proposal is to support SMEs to deliver the new apprenticeship standard and the other from BAE is to improve and accelerate apprenticeship provision in marine and maritime engineering.

The proposal from British Marine, which is seeking £51,200 of employer ownership funding, was approved by the Employment and Skills Board on the 2nd March 2016. The application from BAE is for £750,000 and is above the delegated authority of the Employment and Skills Board and therefore requires LEP board approval.

The Board should also note that delivery of this programme will also result in the following outputs.:

- 536 jobs
- 280 Apprenticeships
- 959 higher level qualifications at level 3 or above

Therefore we will over perform against the contracted outputs.

On this basis it is recommended that the board support the recommendation from the investment panel and ESB to support the BAE project

Innovation and business support

a. Science and Innovation Audit Update

Further to the discussion at the January LEP Board meeting, the LEP Executive submitted an Expression of Interest (Eol) to take forward a Science and Innovation Audit (SIA) in the initial wave, on half of the Broader Solent Consortium on 29th January 2016. This reflected advice from the LEP Board to consider an audit over a wider area than the Solent that displays synergies with the smart specialisation landscape within the Solent.

A response from BIS on this Eol is expected in March.

b. Innovation Strategy Update

The opportunity take forward a Science and Innovation Audit has come forward at a time when the LEP is seeking to develop an Innovation Strategy for the Solent. This work is being led by the Innovation and Business Support Delivery Panel, who have advised that the development of the strategy should proceed in two phases, with phase one seeking to identify the area's smart specialisms that have the greatest potential for commercialisation and generating economic value, in the Solent. Should the Broader Solent Consortium's Eol to take forward an SIA be successful, this phase 1 commission will take forward the SIA for the Broader Solent area. The Invitation to Tender for this work has been published, with responses due back by 24th March 2016. The Executive expects a draft final report to be presented to the LEP Board at its next meeting.

c. Spatial Incidence of High Growth Firms

The Enterprise Research Council (ERC) publish an Insight Report in February on the Spatial Incidence of High Growth Firms. This can be accessed at the following link;

<http://www.enterpriseresearch.ac.uk/publications/spatial-incidence-of-high-growth-firms>

Board members should note that this report identifies that the Solent has increased from 27th to 7th in the table of incidence of High Growth Firms, which represents a 64% increase between 2009-12 and 2012-15 - the highest increase of any LEP area

d. Growth SME Fund

Board members will recall that the Solent Growth Deal provides for £2m p.a. for the LEP to take forward its successful business support grant programme. To date this has been channelled into three funds: The BtG SME Growth Fund (which was closed on 2nd February 2015), the £250k BtG Armed Forces Fund, and the £150k Isle of Wight Rural SME Fund, which is being managed on behalf of the LEP by Natural Enterprise.

Board members will know that the focus of government economic policy is on the productivity agenda, recognising that in the context of globalisation, raising productivity is essential to enable companies to

be competitive internationally, to exploit opportunities in emerging markets and to attract foreign direct investment.

In response, and following the publication of our Productivity and Growth Supplement, the board will be asked to consider and approve updated guidance to facilitate a summer launch. It is proposed that new fund is available to support both existing and new SME businesses. SMEs may apply for smaller grants of between £10k and £75k, or larger grants between £75k and £500k. For smaller grants a maximum intervention rate of 40% will be provided, whilst for larger grants this will be 20%. Applicants will need to demonstrate how their proposal will unlock the high growth and / or productivity potential of their business, create sustainable private sector employment and leverage additional funding.

Marine and Maritime SME Growth Fund

The LEP Executive has been working with British Marine to develop a Solent Marine and Maritime SME Growth Fund,. The primary benefit of working with British Marine will be the opportunity to leverage off its network to promote the fund more effectively.

The Fund will be open to established SMEs or start-ups operating within the marine and maritime sector. Applications are invited for grant funding of between £5,000 and £75,000 and needs to demonstrate how it will create new, or protect existing, jobs. For established SMEs, the fund can provide up to 20% of total project costs, whilst for start-ups, the fund can provide up to 40% of total project costs.

The LEP has used the opportunity to use the fund to further promote the Maritime Nation branding and this will be further prompted at the launch event for this new Fund, which is provisionally identified for the 19th April 2016.

e. Regional Growth Fund (RGF) update

Further to updates provided at the January Board meeting, the LEP Executive has been working with RGF funded businesses to ensure the maximum possible defrayal of funds prior to the 31st May 2016 deadline. And an update on projects will be provided at the board meeting.

5. European Structural and Investment Funds

Board Members will recall that they approved an outline application to the European Regional Development Fund (ERDF) Priority Axis 3: Enhancing the Competitiveness of Small and Medium Sized Enterprises call. The application builds on the LEPs successful Bridging the Gap (BtG) funds, and seeks establish a competitive £1.8m million grant fund that will be managed by the LEP, which will provide grants of between £10k and £75k to SMEs and social enterprises with potential for economic growth, leveraging in private sector investment and creating or safeguarding jobs.

The new BtG ERDF revenue fund will complement the capital grant funding opportunities offered to SMEs by the LEP through the Solent Growth Deal funding, as described above, and will therefore add significant value as it is this that will support the development of new business models in SMEs, support SMEs to explore new international markets and increase their exporting capability, as well as supporting the development of new business processes and promoting workforce development.

The fund is predicated on the following outputs:

- support 300 SMEs; and
- provide grants to 60 businesses; of which
- at least 20 will be new SMEs; and
- it will unlock £2 million private sector investment; and
- create 100 new jobs and safeguard 50 existing jobs

Further to the outline application, the LEP received notification on the 15th February 2016 that it has been invited to develop a full application and it is expected that we will submit this by the end of March 2016

Infrastructure

a. One Public Estate

Further to the update at the January LEP Board meeting, the LEP has now received formal notification from Cabinet Office and the Local Government Association of the £350,000 in the 2015/16 financial year under the One Public Estate (OPE) Phase 3 programme to take forward the proposals as set out in the LEPs Services and Assets Delivery Plan submission. This is in addition to the £50,000 the LEP was previously allocated to develop the Services and Assets Delivery Plan.

The OPE Phase three activities included within the Services and Assets Delivery Plan sought funding to:

- Complete the Land and Property Assets Register; and
- Review and assess potential projects within the completed Land and Property Assets Register and consult with relevant local authorities and partners to bring them forward for early release for economic use.

In addition, the Services and Assets Delivery Plan included three projects focused on the service transformation agenda, which came forward through the two Cities of Portsmouth and Southampton.

b. Logistics

The Land Property and Infrastructure Delivery Panel (LPIDP) identified a need to develop the evidence base in relation to the presence and potential for the logistics sector in the Solent. The logistics and distribution network underpins supply chains and access to markets and is fundamental to international trade handled by the three international gateways in the Solent. The industry is changing, brought about by technological innovation, and the impact of this on the sector needs to be understood so that the industry can be supported to grow in a way that is responsive to demand-side drivers.

An Invitation to Tender (ITT) has been developed by a sub-panel of the LPIDP, and is expected to be published by the time of the Board meeting. It is expected that the report will be presented to the October 2016 meeting of the LEP Board.

6. Governance

The board may recall that at the meeting in September 2015 we advised that BIS had notified that they would begin to review how LEP assurance frameworks are working in practice. This work also fed into a review that the National Audit Office (NAO) has undertaken of LEPs and local growth, building on their

2013 report. The purpose of the review has been to address how value for money for the Local Growth Fund is upheld, and accounted for. The review has also looked at the development of Strategic Economic Plans, agreement of Growth Deals, and the systems in place with to ensure that there is effective oversight of how funds are being used, accounted for, and what they will deliver.

This work has now concluded and the report is awaited. Once it is available it will come to a future board meeting for discussion. In addition and as previously discussed and agreed we are reviewing the assurance framework and an updated version will be published at the beginning of April 2016 to ensure that it remains robust and compliant with the national assurance framework.

8. Forward Plan

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

Friday 1 July 2016 - Please note the date and venue for this meeting is currently being rescheduled

- Executive update
- Year end report for 2015/16 and updated budget for 2016/17
- Innovation strategy and operational plan – draft report
- Local growth deal update
- Infrastructure update to include Enterprise Zone update and Solent logistics study
- RGF programme final review

Friday 21 October 2016 - Eastleigh College – board meeting and strategy day timings to be confirmed

- Executive update
- Inward investment update
- Innovation strategy Final draft for approval
- Solent Logistics study final draft for approval
- LGD Update
- Infrastructure update to include report from SLIB and progress on OPE

Board members are asked to;

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

18.3.16

Item 6

Local Growth Deal Update

Item: 6
Title: Local Growth Deal update for Board
Date: 18 March 2016
Purpose: For information and action

1. Local Growth Deal update

This LGD update provides the current status of 2015/16 programme following the detailed analysis undertaken by the LEP Executive and the subsequent recommendations of FFPMG as agreed at their meeting on 26 February 2016. In addition, this update provides the Board with a position update on the LGD capital programme and the schemes which are scheduled to commence for 2016/17.

2. Current status of 2015-16 LGD schemes

The Executive team have continued to work with scheme leads to progress projects in accordance with their signed funding agreements to ensure delivery and completion of schemes in order to maximise the opportunity for full defrayal of the £40,391,667 2015-16 Local Growth Deal allocation.

At the last board meeting a forecast underspend was reported on the 2015-16 LGD capital programme and the Board agreed to approve contract variations to bring forward funding from 2016-17 for multi-year programmes that commenced in 2015-16 and are due to continue in the 2016-17 financial year. On this basis we are seeking to facilitate additional claims where at all possible during March 2016 and table 1 below confirms the current status of the 2015-16 Local Growth Deal programme.

Table 1: Forecast final spend on Projects within the 2015-16 Local Growth Fund Programme

Solent Growth Fund (launched 23 March 2015)	£	525,000
LGD Programme Management Costs	£	300,000
Sub Total	£	825,000
Final Agreement		
Eastleigh College Estates Renewal	£	4,810,000
Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine	£	5,400,000
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	£	4,050,000
A27 Station Roundabout / Gudge Heath Lane	£	565,000
Solent Recreation Mitigation Project	£	590,000
Cancer Immunology Centre (CIC)	£	4,500,000

Sub Total	£ 33,472,000
Acceleration of 2016-17 Schemes	
Eastleigh College - F Block (Phase 2)	£ 2,000,000
Solent Recreation Mitigation Project	£ 765,000
Fareham and Gosport Programme- Next Phase	
- St. Margaret's Roundabout	£ 290,000
A27 Station Roundabout / Gudge Heath Lane	£ 1,500,000
Sub Total	£ 4,555,000
ERDF SME Match funding for business support scheme	
Local Growth Deal ESIF bid match funding	£ 1,000,000
Sub Total	£ 1,000,000
Forecast total expenditure on Solent Growth deal 15-16	£ 39,852,000
Solent Growth Deal Award 15-16	£ 40,391,667
Forecast underspend	£ (539,667)

Therefore it is anticipated that there will be a forecast underspend of £539,667 and defrayal against the 2015-16 allocation is expected to reach 98.6 % which is within tolerance.

3. Solent LGD Programme for 2016-17

The Solent LEP has now received the grant determination letter confirming that the £42,640,334 2016/17 LGD funding allocation will be paid to the Accountable Body no later than 15th April 2016.

The following table therefore summarises the current forecast position in relation to the 2016-17 Solent Growth Deal capital programme

Table 2: Current Funding Status of Projects within the 2016-17 Solent Growth Fund Programme

Solent Growth Fund	£ 2,275,000
LGD Programme Management Costs	£ 300,000
Sub Total	£ 2,575,000
15-16 funding for schemes with deferred delivery to 16-17	
Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine	£ 5,500,000
Solent Gateways	£ 10,315,000
North Whiteley Transport Improvements	£ 4,428,000
Sub Total	£ 20,243,000
16-17 LGD schemes	
Eastleigh College Estate renewals	£ 2,190,000
Fareham and Gosport Programme- Phase 4 (Including A27 dualling, and Newgate Lane South) ¹	£ 4,500,000

¹ business case awaited

A27 Station Roundabout and Gudge Heath Lane	£ 2,893,000
National Maritime Systems Centre	£ 542,503
Sub Total	£ 10,125,503
Total	£ 32,943,503
Solent Growth Deal Award 16-17 (to be confirmed)	£ 42,640,334
Funding available	£ 9,696,831

4. Conclusion

In summary the outturn position for 2015-16 is very positive showing almost a full defrayal of the LGD allocation. The forecast position for 2016-17 shows that there is the potential to bring forward further capital projects to the LGD programme for 2016-17 at this stage. This can include bringing forward 2017-18 schemes or pipeline projects and exploring the development of an Innovation Programme Fund and this will be considered at the board meeting.

18.3.16

Item 7

Transport Investment Plan



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Item: 7
Title: Transport Update
Date: 18 March 2016
Purpose: For information and action

1. Introduction

This report updates Board members on work progressed by the LEP to develop a Transport Investment Plan for the Solent, as well as work the Solent LEP has been developing in partnership with other LEPs in the Greater Thames Valley area, and a specific infrastructure workstream in relation to the Isle of Wight.

2. Transport Investment Plan

Board members will know that the Solent Growth Deal included provision for the establishment of a Solent Strategic Land and Infrastructure Board (SSLIB) that would consider opportunities to bring forward public land and property assets for economic use that no longer form part of strategic requirements, as well as the development of a Solent Transport Investment Plan for the Solent. The two workstreams are intrinsically linked, as the relative commercial attractiveness of a land or property asset will be influenced by its connectivity.

It was envisaged that the work would be developed in two phases, with the first phase expected to deliver the following outputs:

- A baseline assessment of the multi-modal transport network in the Solent and the investment committed for the next 5 years, to include a condition assessment, benchmarked against other LEP areas;
- Identification of the transport investments required to support early growth opportunities
- An assessment of changing patterns and trends that are influencing how the transport network is being used and how it could be used.
- Use the baseline assessment and assessment of changing patterns to identify early opportunities for the Solent that could be delivered in the period 2015-20.
- Set the framework for a wider piece of work within a Transport Investment Plan for the longer term to 2040 to include the key opportunities. This will need to provide clarity on a set of key projects that are critical to supporting growth in the Solent and so inform work of organisations such as Highways England and Network Rail.

There has been extensive stakeholder engagement including with the local business community, local Members of Parliament, Public Transport Operators, Transport Infrastructure providers (including Highways England, Network Rail, Solent Transport and the individual Local Transport Authorities) the Land, Property and Infrastructure Delivery Panel, and the SSLIB, and, of course, this Board. There has

been specific engagement with Solent Transport and the Local Transport Authorities, recognising their important role and responsibility with regard to local transport planning. The interim report was shared with them in November, ahead of its presentation to the SSLIB and LEP Board, and AECOM presented to the Solent Transport Joint Committee on the findings in early February 2016. More recently we have asked AECOM to engage directly with each Local Transport Authorities and this work will be complete by the time of the LEP Board meeting.

Board members have received two presentations from AECOM through the development of the TIP, in November 2015 and January this year and advice has been provided that has been reflected in the final draft report.

The focus of the TIP, in line with the Strategic Economic Plan, is very much at the transformational level. It recognises and evidences a transport deficit in the Solent, when compared with other dual city regions in the UK and beyond, and how this is acting as a constraint on economic growth and advancing productivity levels. The focus for this work is very much market driven, rather than supplier driven.

This initial phase is now complete, and will be sent under separate cover when finalised as annex A and concludes that in the long term the Solent LEP's business-led transport strategy should aim to "increase economic proximity" through the following elements:

- Increase dual city linkages around public transport and business critical movements to integrate labour and consumer markets.
- Support clustering and agglomeration around key local strengths and competitive advantages that other areas cannot replicate (e.g. port functions).
- Develop a corridor of development nodes based around an improved public transport offering between the cities and across the urban network to 2040
- Optimise and integrate the transport network (ticketing, information and operation) using next generation solutions so travel demand load can be spread to improve resilience and peak capacity accommodated especially in more constrained cities with pinch points.
- Secure improved strategic connections to London, the south east (airport passenger market), the UK (especially for port freight) and internationally for airport leisure and business market and "European" inward investment
- A greater focus on Transport Orientated Developments (TODs). Increase residential densities around new and underutilised transport nodes to accommodate additional housing development while protecting natural assets and addressing affordability with the same land take.

The Solent Transport Investment Plan focuses on the more economically transformative and longer term investments necessary to support and unlock the Solent's growth potential over the next 30 to 40 years. This includes consideration of:

- A Solent Transit package which is the main recommendation and a proposed step change in the development of a more extensive and integrated public transport system (including active modes) across the area to preserve the attractiveness of the area for skilled workers and growing firms.
- A roads package to ensure the best performance of the M27, A34 and other strategic roads acknowledging that additional road capacity is rapidly taken up. The focus is on securing the committed or funded schemes while proposing additional schemes for future Highways England investment phases.

- A strategic rail package to improve connections for passengers and freight to London, the south east and nationally working with Network Rail, Train Operating Companies and other partners. Refranchising gives the opportunity to improve local service provision.
- A range of investments to support the airport's growth potential including adjacent development sites.
- A package to improve access to the nationally strategic port services for both freight and passengers.

The Board will be asked to consider the Transport Investment Plan which will be circulated during week commencing 14 March 2016

3. Influencing Strategic Transport in the South East

Board members will recall that the LEP is working alongside Enterprise M3, Thames Valley Berkshire, and Coast 2 Capital LEPs to develop a transport study that seeks to influence and inform strategic transport in the wider South East. This report will be circulated in advance of the board meeting. The work assesses the economic benefits of strategic transport corridors, as well as enhancing connectivity across the four LEP areas within the context of the need for transport investment to enable the area to further contribute to the national economy. The premise is that investment in the south east will provide a greater return for the economy than investment elsewhere.

4. Isle of Wight Transport Infrastructure Plan

The Solent LEP has secured funding through the Department for Transport's (DfT's) Transport Delivery Excellence Programme (TDE) programme to support due diligence on business cases and to contribute to a Transport Infrastructure Plan for the Isle of Wight.

We are currently working with the IOW Council and local MP to support the development of an IOW Transport Infrastructure Plan which will complement the wider work on the Solent Transport Investment Plan and a progress update on this will come forward to the Land Property and Infrastructure Delivery Panel in due course.

18.3.16

Item 8
Finance Report

Finance Summary

Strategic Theme	Expenditure to 2014/15	Budget 2015/16	Future Years to 2020/21	Totals
Infrastructure (Land & Property)	12,033,855	33,020,012	94,365,394	139,419,261
Skills	3,114,273	13,204,500	8,505,040	24,823,813
Enterprise	3,061,823	3,980,784	11,885,000	18,927,607
Strategic Sectors	1,017,687	1,997,256	50,000	3,064,943
Inward Investment	50,000	45,000	180,000	275,000
Innovation	-	20,000	40,000	60,000
Operational Costs	1,446,337	904,877	5,032,568	7,383,782
Totals (as at 11.3.16):	20,723,975	53,172,429	120,058,002	193,954,406

Delivered by

Source of Funding	Provision to 2014/15	Budget 2015/16	Future Years to 2020/21	Totals
Solent Growth Deal	-	39,852,000	106,385,261	146,237,261
Growing Places Fund*	12,000,000	2,017,629	7,198,346	21,215,975
Regional Growth Fund	6,977,878	5,149,183	-	12,127,061
Enterprise Zone Capital Grant	-	4,446,867	2,643,133	7,090,000
Solent Employer Ownership Programme	52,598	853,201	594,201	1,500,000
Solent Growth Hub Funding	-	250,000	410,000	660,000
Digital Capability for SMEs	110,000	-	-	110,000
	19,140,476	52,568,880	117,230,941	188,940,297
Central Government Funding				
Department for Business, Innovation and Skills**	948,384	463,550	763,567	2,175,501
Department for Transport	167,580	-	42,000	209,580
Other Government Departments	-	15,000	385,000	400,000
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				
Careers Enterprise Company	-	70,000	105,000	175,000
SEEDA Legacy Funding	-	30,000	201,396	231,396
Interest/charges on LEP funding	148,633	-	1,330,099	1,478,732
	1,583,497	603,550	2,827,062	5,014,109
Total Committed Funding (as at 11.3.16)	20,723,973	53,172,430	120,058,003	193,954,406
Non Committed GPF from forecast loan Repayments	-	8,183,371	5,104,545	13,287,916
Total Funding to support LEP Activity	20,723,973	61,355,801	125,162,548	207,242,322

Notes

*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.