



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

Solent LEP Office  
Second Floor  
1000 Lakeside  
Western Road  
Portsmouth  
PO6 3EN

Dawn Baxendale, Chief Executive, Southampton City Council  
John Metcalfe, Chief Executive, Isle of Wight Council  
David Williams, Chief Executive, Portsmouth City Council

16th September 2016

Dear colleagues,

**Re: Solent Deal Consultation**

Thank you for the opportunity to respond to the Draft Governance Scheme as part of the Phase 2 consultation on the recommendation to establish a Mayoral Combined Authority (MCA). This letter sets out the formal position of the Solent Local Enterprise Partnership (LEP).

The position has been considered and agreed by the Solent LEP Board of Directors. However, in formulating our response, the Solent LEP has undertaken considerable engagement with the wider business community and key stakeholders in the area and the feedback received during the course of this work has informed the position. For your reference, we are pleased to enclose with our response a report summarising the engagement undertaken by the LEP and feedback received at each stage. We hope that this is helpful in informing your response to the consultation and wider feedback that you receive through the public consultation.

Following consideration of the Draft Scheme and feedback received from the business community, the Solent LEP are pleased to confirm our support in principle for the establishment of a Mayoral Combined Authority with a Directly Elected Mayor.

Businesses recognised the potential opportunity that a Directly Elected Mayor for the area could bring; both as an ambassador for growth with key links to central Government to build momentum moving forward, similar to the impact which has been seen in other parts of the UK, and also as a focal point locally for key decision makers in the area to take forward growth plans which will benefit business. The benefits in relation to incentivising investment in growth are also clearly recognised and it is hoped that the proposed new structures will enable a transformational shift in attitude across all stakeholders to prioritise investment in infrastructure which enables business growth.

Regarding infrastructure, the Solent LEP has consistently stressed the importance of Transport, digital infrastructure, availability of land assets, housing, skills, maximising the benefit of our world class Universities, business support and innovation. Feedback received throughout the process has reinforced these assertions. In relation to infrastructure funding which it may be possible to secure through a Solent Deal we would encourage partners to adopt a flexible approach to this in order to ensure local creativity is not hampered in designing projects and programmes which will benefit business.

In addition to the above priorities, the feedback received suggests we need to increase our emphasis on international trade as we move forward; both in terms of assistance we can provide to support exporting to international markets, and also in attracting Inward Investment to the area.

Alongside the positive comments received and support for the proposals, there are areas which businesses are understandably concerned with which we want to flag for the consideration of all partners moving forward.

Businesses were clear that support for the proposal to establish an MCA is provided on the basis that the entity will operate in a simple, cost efficient manner and that additional layers of bureaucracy for business will not be put in place. We understand from our engagement with Local Authority Partners that this is the intention and we welcome this approach, however, the ongoing importance of monitoring this will be essential in ensuring the continued support of the business community.

Business rates were also raised and detailed consideration regarding the impact that any levy may have on the Solent business base highlighted as critical. The impact of proposals should not be considered in isolation and businesses are mindful that impacts must be considered in a cumulative manner (alongside cost increases coming as a result of the apprenticeship levy, for example). Cost increases will have an impact on our SME bases ability to remain competitive; however, long-term certainty around cost bases is also an important consideration for the larger multi-national employers based in the area.

In response to this, business engagement is seen as absolutely critical regarding any proposals on business rates. Support will only be achieved if proposals relate to truly transformational projects which have a tangible benefit to businesses. Smaller projects and / or addressing issues of short term funding gaps are unlikely to secure business support and should be funded from other sources.

Communications and business engagement with the new body has been one of the most regularly raised points of concern by the business community and, in relation to this, we have also taken the opportunity to consider the Solent LEPs position within the proposed new structure and how we interface with the MCA.

There is widespread support from the business community to support the recommendation within the review that the Solent LEP should work closely with the MCA, balanced with the need to maintain an independent voice for business.

On this basis, the Solent LEP can confirm its willingness to further explore the proposal regarding joining the MCA as a non-constituent member with voting rights on matters relating to economic development, infrastructure and transport.

We have also seen widespread support for the LEP to maintain its lead role for economic development in the Solent area, continue ownership of the economic strategy for the MCA and there was support for the Solent LEP to form the Growth Board to continue to ensure private sector influence over strategic growth matters as is proposed.

The close involvement of the Solent LEP within the MCA will ensure a strong business voice within the new entity, however, we remain mindful that wider business engagement will be absolutely essential to the success of the MCA moving forward. Building on the engagement the Solent LEP has undertaken during the course of this consultation, it is important that we continue to engage the business community in the proposals moving forward.

We look forward to working with you in the coming months to negotiate the best possible deal with Government for the Solent area.

Yours sincerely,



Gary Jeffries  
Chairman  
Solent Local Enterprise Partnership

**TOGETHER.STRONGER**