



Cities & Local Growth Unit

Cities and Local Growth Unit
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4 March 2016

Anne Marie Mountifield
Solent LEP
Ground Floor, Building 1000
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By email: anne-marie.mountifield@solentlep.org.uk

Dear Anne Marie,

Local Growth Fund 2016/17 payment

I am writing to confirm the arrangements for Local Growth Fund (LGF) grant payments to be made in 2016/17 by the Department for Communities and Local Government ('DCLG') to Portsmouth City Council ('the Council') as the accountable body for Solent LEP.

The Council will receive a LGF capital grant payment of **£42,640,334 no later than 15 April 2016**. This letter confirms that, following the successful conclusion of the annual conversation process, the LEP will receive its previously indicative allocation for 2016/17 in full. Payments will be made under section 31 of the Local Government Act 2003.

Indicative funding profiles for 2017/18 and beyond remain as set out in my letter dated 24 March 2015.

The Annual Conversation

Thank you for your participation in the annual conversation which took place in December last year. This is an important process for assuring all concerned that Growth Deal delivery is progressing well and that the LGF is securing value for money. I hope you found it useful and constructive. It was designed to be a two way conversation, and we certainly gathered useful feedback through each of the meetings.

This Spring we will be reviewing how these first annual conversations have gone so that we can make improvements ahead of the next round. Please send any feedback you would like to be considered to your Relationship Manager, or alternatively to Douglas Leckie on douglas.leckie@bis.gsi.gov.uk.

We have been satisfied as a result of your annual conversation that you are making good progress with delivering your Growth Deal. At the same time I must remind you that future

allocations will remain subject to the outcome of future annual conversations, which will focus on progress with Growth Deal delivery over the duration of the programme.

Local Growth Funding paid by the Department for Transport

Please note that this grant not cover the funding for any Tail or Portfolio transport schemes. Grant arrangements for those schemes are dealt with directly by the Department for Transport.

Funding Requirements

We expect that all funding paid pursuant to the Growth Deal, irrespective of whether paid by DCLG or DfT, will fulfil the following requirements:

1. It will be used to support the Growth Deal agreed between the Government and the LEP and will be used to secure the outcomes set out in the Growth Deal.
2. It will be deployed solely in accordance with decisions made through the local assurance framework agreed between the LEP and the accountable body. This must be compliant with the standards outlined in the national LEP assurance framework. The recent audit reviews of LEPs by the National Audit Office and Government Internal Audit Agency have identified a number of gaps in assurance framework compliance. Where that is the case we will ask LEPs to address areas of non-compliance promptly.
3. That you will track progress against agreed core metrics and outcomes, in line with the national monitoring and evaluation framework.

Councils and Combined Authorities are reminded that, as accountable bodies for their LEPs, they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, state aid and public procurement law. Councils and Combined Authorities are reminded that any development decisions for specific proposals must go through the normal planning process and be guided by local plans, taking into account all material considerations. Councils and Combined Authorities will be subject to their normal internal and external audit controls.

The LEP and accountable body are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning LGF funding.

Finally, as set out in your Growth Deal, we expect that the LEP and accountable body will comply with the publicity requirements (including branding guidelines) for Growth Deals. The LEP should also continue to discuss publicity opportunities for Growth Deal projects with their relationship manager and through the LEP Communications Leads Group.

Growth Hubs Funding

In addition to the LGF grant detailed above, your LEP will also receive an allocation for your Growth Hub of £410,000 payable over the next two years (£205,000 in 2016-17 and £205,000 in 2017-18). As now, it will be managed via local authority accountable bodies (in line with Growth Deal process) under Section 11 of the Industrial Development Act, payable quarterly in advance. Funding will be subject to the terms and conditions of the grant determination. This

will be issued in due course by the Department for Business, Innovation and Skills, with the first quarterly payment issuing in April 2016.

I am copying this letter to the Section 151 officer for your accountable body and to your Relationship Manager.

Yours,

A handwritten signature in black ink, appearing to read 'Tom Walker', written in a cursive style.

Tom Walker
Director, Cities and Local Growth Unit

