







	<p><u>Matters arising</u></p> <p><u>Solent Metro Phase 2 Project</u> The executive updated the Board on the tender process. It was <b>noted</b> that due to the General Election being called for the 8<sup>th</sup> June 2017 that this may result in changes to current funding programmes such as the Department for Transport Large Local Major Transport Scheme Fund and whoever is appointed to do the work will be asked to phase the work on this project.</p> <p><u>Declarations of Interest</u> The following declarations of interests were recorded:</p> <p><b>Cllr David Stewart</b> Infrastructure Investment Plan LDG 2016/17 Capital Programme/Floating Bridge Solent Development Fund - Kingston Marine Park Application</p> <p><b>Cllr Seán Woodward</b> RGF EZ Expansion Fund - Fareham Borough Council as one of the land owners LDG 2017/18 Capital Programme Stubbington Bypass Solent Enterprise Zone retained rates report</p> <p><b>Cllr Keith Mans</b> LDG 2017/18 Capital Programme Stubbington Bypass</p> <p><b>Cllr Simon Letts</b> LDG 2017/18 Solent Accelerated Housing Fund</p> <p><b>Brian Johnson</b> Energy Strategy</p>	
5.a	<p><b>Executive Update</b> The paper as taken as read and the following areas and decisions in the paper were considered</p> <p><u>Strategy Update</u> Work continues on developing on the evidence base ahead of producing the economic strategy plan for the Solent and it was expected that work on the production of the plan would experience some delay due to awaiting new policy guidance from the new Government.</p> <p><u>Maritime Strategy</u> CEBR had met with the Solent Marine and Maritime Steering Group and were currently interpreting the evidence gathered. A series of draft reports at national level will be emerging with a draft of the Solent specific report expected mid June which will be considered by SMMSG and it was expected that it would come to the Board for consideration in July 2017.</p> <p><u>Solent Growth Hub</u> A review of the Growth Hub is currently being finalised. In relation to future years, there is no change to the update position reported in March and the Solent LEP is awaiting feedback from the Managing Authority on the Outline Application for ERDF funding. Concerns have been raised about the time it is taking the Managing Authority to consider applications to their calls for funding. The Executive have also met with BEIS to input to the work nationally looking at</p>	

	<p>the overall sustainability of Growth Hubs going forward although clearly policy in this regard will be considered further once the outcome of the general Election is known. In the interim and subject to receiving feedback on the ERDF application the Executive will continue to deliver the service as planned in 2017/18.</p> <p>Portsmouth City Councils Internal Audit Team had undertaken a review of the Growth Hub and no issues had been raised. The audit report 16/17 will be published shortly.</p> <p>The board received an update on SME projects that have received LEP funding and provide advice to the executive in terms of ongoing monitoring of key outputs including job creation.</p> <p><u>Assurance Framework</u></p> <p>The Executive provided the Board with an update on work nationally to review the assurance framework and it is expected that this will inform future updates of it.</p> <p><u>Aerospace</u></p> <p>Following a question by a Board Member of the Board, AMM advised that two meetings had been held with representatives from both the ATI (Aerospace Technology Institute) as well as the Farnborough Aerospace Consortium (FAC) regarding collaborative working.</p> <p>Cllr David Stewart arrived for the meeting.</p> <p><u>ERDF Funding</u></p> <p>The Solent ESIF committee has sent a letter to the DCLG regarding applications submitted that were awaiting funding agreement. It was advised that the turn around time to consider applications was very long. Members of the Board felt this was an unacceptable timescale and suggested that the LEP write to DCLG as well..</p> <p><u>Solent Gateways Floating Bridge Scheme</u></p> <p><b>5 b</b> Cllr David Stewart declared an interest in this item. He left the meeting room and took no part in the discussion of this item.</p> <p>The Board considered and discussed the update on the Solent Gateways Floating Bridge Scheme and noted the ongoing delay to the start date of the operation of the service</p> <p>It was <b>agreed</b> that the LEP would continue monitor the project and a further update would come forward to the next board meeting. It was noted that there was a deadline of 30<sup>th</sup> June 2017 for the service to commence..</p> <p>Cllr David Stewart returned to the meeting room.</p>	<p><b>Executive to draft a letter to DCLG</b></p>
<p><b>6.</b></p>	<p><b>Infrastructure Update</b></p> <p><u>Presentation from First Group/MTR</u></p> <p>Joost Noordewier and Mark Wilkins provided a presentation on the services run by First Group/MTR and the changes proposed in August 2017. It was advised that the programme of works was expected to run for a period of 3 years.</p> <p>A Member queried what engagement had taken place regarding the IOW train line and bringing the same train standards as the mainland. It was advised that discussions were ongoing in</p>	

	<p>this regard.</p> <p><u>Presentation from Highways England on SMART Motorway Programme for M27</u> John Henderson and Elio Rapa provided a presentation on the proposed SMART Motoway scheme for the M3, (J9-J14) and the M27 (J4-J11).</p> <p>The board raised issues re the timing of works and the length of time that works appear to take citing the current M3 works</p> <p>Stuart Hill left the meeting.</p>	
	<p><u>Stubbington Bypass</u></p> <p>Cllr Mans declared an interest in this item. He left the meeting room and took no part in the discussion of this item.</p> <p>The Board were advised that financial modelling work was being undertaken and will be considered by the FPPMG in June 2017.</p> <p><u>Local Growth Deal Capital Programme 2017/18</u> The Board were provided with an update on the Local Growth Capital Programme 2017/18 and the out-turn for 2016/17.</p> <p>Members of the Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the final outturn position on the 2016/17 LGD Capital programme as set out in table 1 and the status update on the LGD 3 funding; and</li> <li>• <b>Agreed</b> the 2017/18 LGD Capital Programme as set out in table 2</li> </ul> <p><u>Innovation Programme Fund 2017/18 and 2018/19</u> It was proposed that activity be brought forward and that Board Members support the creation of a new £5 million Innovation Fund to cover the period to March 2019.</p> <p>The Board <b>approved</b> the creation of a new £5 million Innovation Programme to cover the period 2017/18 and 2018/19 and to delegate authority to the Executive to take this forward.</p> <p>Cllr Simon Letts left the meeting.</p> <p><u>Careers Enterprise Company Enterprise Advisor Newtork</u> The Board were advised that the Grant was subject to The Careers &amp; Enterprise Company Grant terms and conditions.</p> <p>Members of the Board considered the Grant offer and supporting conditions from the CEC and <b>agreed</b> the £390,000 cash match from Solent LEP to secure this provision through to August 2020 and <b>delegated</b> authority to the Executive to accept the grant offer (subject to any changes that may occur to the funding as a result of the general election) and make the necessary arrangements to continue the activity through to August 2020.</p> <p>Sandra Sassow and Hannah Rignell left the meeting.</p>	

	<p><u>Solent Development Fund</u></p> <p>Cllr Dave Stewart declared an interest in this item. He left the meeting room and took no part in the discussion of this item.</p> <p>The Board <b>agreed</b> and <b>noted</b> the applications submitted under round 1 of the Solent Development Fund and <b>agreed</b> to <b>delegate</b> authority to FFPMG to consider all eligible applications from this round and round 2 for approval at their meeting on 22 June 2017.</p> <p>Cllr David Stewart returned to the meeting room.</p> <p><u>Forward Plan</u></p> <p>The Board considered and <b>approved</b> the forward plan for Board meetings through to December 2017.</p>	
7.	<p><b>Finance Update</b></p> <p>Chris Ward provided the Board with an update on the final outturn position of all the Solent LEP funds to the end of the 2016/17 financial year (31 March 2017) against the final revised budget. The Board were also advised that the final position on the outturn expenditure had been reviewed by the Council's External Auditors. Chris Ward highlighted to the Board of the recommended changes relating to the Growing Places fund as detailed in the report and provided a summary of the following recommendations:</p> <p><b>Recommendations</b></p> <ul style="list-style-type: none"> <li>(i) The final outturn for 2016/17 of £51,769,081 and the sources of funding called upon was <b>approved</b> by the LEP Board.</li> <li>(ii) The revised budget for 2017/18 was <b>approved</b> by the LEP Board.</li> <li>(iii) The revised budget for the period 2018/19 to 2020/21 was <b>approved</b> by the LEP Board.</li> <li>(iv) The Board <b>noted</b> the current position of the Growing Places Fund and <b>agreed</b> the proposed actions.</li> <li>(v) The latest position of the Local Growth Deal Fund was <b>approved</b> by the LEP Board, noting the challenges around future delivery.</li> <li>(vi) The Board <b>noted</b> the potential for the expansion of the Enterprise Advisor Network and agreed to <b>delegate</b> authority to the Chief Executive and the Chief Financial Officers of the Accountable Body to agree the best way forward and accept the grant offer.</li> <li>(vii) The Board <b>noted</b> the Cushman and Wakefield report detailing the range of rates that the Daedalus Enterprise Zone is expected to generate and <b>noted</b> that it will be considered in detail at the FFPMG in June 2017 as part of the revised budget for the period to 2020/21 and beyond.</li> </ul>	
8.	<b>AoB</b>	

The Board were advised that following the recent resignations of two Business Directors, that there were vacancies on the Solent LEP Board that needed to be filled.

Members of the Board:

- **Agreed** the draft recruitment pack and the approach to the process and to **delegate** authority to the Executive and Company Secretary to administer the recruitment; and

The Board discussed the Board membership and panel composition and the possibility of encouraging younger reps to be engaged on the LEP Board. It was **agreed** that the over 25 restriction would be reviewed in line with all of the Articles of Association criteria be brought back to the next meeting of the Board for consideration.

Cllr Dave Stewart and Keith Mans left the meeting.

- **Agreed** the updated Register of Interest form and to **delegate** authority to the Executive and Company Secretary to implement this moving forward; and
- **Agreed** to update the governance arrangements for the Business Support Investment Panel in line with those of other Panels and **agreed** that the Board leads for Innovation and Business Support, as well as the SME Board Ambassador, form the basis for establishing Board Director representation at future Panel Meetings, and;
- **Agreed** the proposal to hold a LEP Board Director Development session and to **delegate** authority to the Executive to canvass for dates and arrange the session,

There was no other business.

**Meeting closed at 11am**



**14.07.2017**

**Item 5**

**Local Growth Deal Retained Schemes**

**Item:** 5  
**Title:** LGD Retained scheme updates  
**Date:** 14 July 2017  
**Purpose:** For information and action

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### Executive summary

This paper provides the following updates to be brought to the attention of the board for information.

- 1) An update on the Welborne Development
- 2) An update on the Stubbington Bypass

### Overview

A small number of the most complex and expensive transport projects in the Growth Deals are being treated as part of a national portfolio of schemes, as well as being significant projects within the Local Enterprise Partnership (LEP) areas concerned.

Schemes are generally included in the portfolio where they:

- a) are classed by DfT as a transport scheme;
- b) are a single discrete scheme as opposed to a package of smaller schemes
- c) require competitive Growth Deal funding of over £10m; and
- d) have a total cost of over £20m.

For the Solent LEP there are two projects that are being treated as part of the national portfolio of transport schemes as well as being significant projects within our Local Growth Deal and they are as follows:

- **M27 Junction 10** – Approved as part of the first Local Growth Deal with a previously anticipated project cost of over £42 million<sup>1</sup> seeking a contribution of £14.9 million of retained DfT funding as well as funding from the Solent LEP general LGD funding allocation, this scheme has retained status as it classed by DfT as a transport scheme, is a single discrete project (albeit it performs an enabling role for Welborne), requires LGD retained funding of over £10 million and has a total project cost of over £20 million.
- **Stubbington Bypass** - Approved as part of the third Local Growth Deal with a previously anticipated project cost of over £34 million<sup>2</sup> seeking a contribution of £25.7 million of retained DfT funding as well as funding from the Solent LEP retained rates, this scheme has retained status as it classed by DfT as a transport scheme, is a single discrete project (albeit it performs an enabling role for the Enterprise Zone and is assumed

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<sup>1</sup> Source Fareham and Gosport Business Case submitted by scheme promoters and HCC

<sup>2</sup> Source Business Case submitted by scheme promoters HCC

as essential to unlock further housing growth on the Fareham and Gosport peninsula), requires LGD retained funding of over £10 million and has a total project cost of over £20 million.

The main difference for retained schemes is that final approval of each project will be for Ministers, rather than the LEP. DfT advise that this is to ensure that Ministers' initial decision to award funding for specific large projects – based on limited evidence and when many schemes were at an early stage in development – leads to an affordable, deliverable and value for money solution in each case. DfT also advise that this should not delay the scheme in any way. The level of detail that should be included in the schemes' business case and which we will need to see before decisions can be made should be no different to that which would have been required by the LEP under the terms of the LEP assurance framework. DfT will also need to receive a complete final business case (including final tendered costs for construction) before final approval can be provided but would be happy to consider drafts of the business case in advance.

The funding for these schemes will be on DfT's budget unlike the rest of the LGF funding which will be on DCLG's budget. The main construction funding will start to be provided once Ministerial approval has been obtained. After the initial payment it will then be provided annually on the same basis as other funding for Growth Deals to the Solent LEP. DfT will provide the funding to our accountable body rather than the scheme promoter, unless other arrangements are requested (for example if Highways England is promoting a scheme and the LEP wishes them to be paid direct by DfT, or if the LEP is content for payment to go to the promoting authority where different from the accountable body).

There will be a presentation and status update on the Welborne development and the associated M27 Junction 10 retained scheme at the meeting and a status update on the Stubbington Bypass at the meeting.

**14.07.2017**

**Item 6**

**Local Growth Deal Update**

Item: 6  
Title: LGD Update  
Date: 14 July 2017

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### **Executive summary**

This paper provides the following updates to be brought to the attention of board members for information and decision.

1. An update on the 2016/17 LGD programme and project monitoring for the Floating Bridge; and
2. Status update on the 2017/18 LGD programme; and
3. An update on RGF programmes
4. Finance update report for the Local Growth Deal programme through to 2021.

#### **1. 2016/17 Local Growth Deal monitoring**

**Floating Bridge** - Board members will recall from the last meeting that the new floating bridge has been subject to a number of operational issues which included a full Maritime and Coastguard Agency (MCA) inspection on Thursday 11 May 2017 where a number of issues were identified which needed to be rectified.

As agreed by the Board at their last meeting the LEP Executive has continued to engage with the Isle of Wight Council (IWC) in order to monitor progress in accordance with the funding agreement for this scheme, which stipulates that the vessel must enter service no later than 30 June 2017. At the time of writing, the vessel is in service. We have also written to the IWC as part of the monitoring process, requesting an update by 31 July 2017 on the outputs defined in the business case and funding agreement which will be delivered as a result of the project.

The LEP continue to monitor the status of the project and will be meeting with the Isle of Wight Council during July 2017 to discuss progress and management of the project going forward.

Therefore, Board members are asked to;  
**Note** this update.

#### **2. 2017/18 LGD Delivery**

The Local Growth Deal programme continues in 2017/18 and Board members will recall that they considered and agreed the 2017/18 programme at their last meeting. Table 1 below sets out the current 2017/18 programme agreed by the Board.

**Table 1: Current LGD Capital programme for 2017/18**

Solent Growth Fund Programme Management Costs	£150,000
Solent Growth Fund (2017)	£3,888,196
Solent Growth Deal Programme Management	£366,044
Innovation programme Fund carry forward (2016/17)	£543,367
Innovation programme Fund (2017) - Programme Management Costs	£125,000
Local Large Major transport schemes (Solent Metro)	£1,000,000
Potential Investment Regeneration to unlock sites for growth	£1,500,000
Solent Development Fund	£500,000
<b>Sub Total</b>	<b>£8,072,607</b>
<b>Under negotiation with scheme promoters</b>	
Fareham and Gosport multiyear programme (Newgate Lane South)	£2,627,429
North Whiteley	£2,500,000
Solent Accelerated Housing Fund	£3,000,000
National Maritime Systems Centre	£1,140,705
<b>Sub Total</b>	<b>£9,268,134</b>
<b>Proposed New call for projects</b>	
<i>Innovation Fund 3 (2017/18)</i>	<i>£2,000,000</i>
<b>Sub Total</b>	<b>£2,000,000</b>
<b>Total Forecast Expenditure (a)</b>	<b>£19,340,741</b>
<b>Solent Growth Deal Award 2017/18 (b)</b>	<b>£24,302,028</b>
<b>Carry Forward from LGD 2016/17 (c)</b>	<b>£6,391,255</b>
<b>Total LGD Capital Programme Funding 2017/18 (d) = (b) + (c)</b>	<b>£30,693,283</b>
<b>Un allocated LGD programme funding 17/18 (e) = (d) - (a)</b>	<b>£11,352,542</b>

The Board should note for information the following updates related to this year programme as follows.

- **Solent Growth Fund** - The Solent Growth Fund (SGF) was relaunched by LEP Board Director and SME Ambassador Brian Johnson at the Solent LEP Annual Conference on 2 February 2017. The repurposed fund now has two strands, with the Capital Investment Fund offering capital finance of between £80,000 to £0.5m, and the ERDF Small Business Programme offering a mix of capital and revenue grant funds of between £5,000 and £75,000. The new SGF is running alongside the more established funds that have either a sectoral, geographical or demographic focus - the Marine & Maritime SME Fun, the Havant SME Support Fund, the Isle of Wight Rural SME Fund (managed by Natural Enterprise) and the Armed Forces Fund. Collectively, the LEP has agreed funding in excess of £1.5m to 54 SMEs, which will unlock over £7.8m of private sector investment, and create or safeguard over 250 jobs. The Business Support Investment Panel convened on 15 June 2017 to consider the latest round of applications. A summary of the decisions taken at this meeting and subsequently at FPPMG on 22 June 2017 (for projects seeking in excess of £100,000), together with an overall status summary for the fund will be provided at the board meeting.
- **Solent Development Fund** – Board members will recall that two rounds of the Solent Development Fund (SDF) had been established; the first closed on 21st April and the second closed on the 19th May 2017. At the May meeting the board agreed that all applications would be considered by FPPMG at their meeting in June 2017. An update on this will be provided at the meeting.
- **Innovation Fund Round 3 2017/18 and 2018/19** - FPPMG members will recall that the Board approved the creation of a new £5 million Innovation Programme to cover the period 2017/18 and 2018/19 and delegated

authority to the Executive to take this forward. It was agreed by the Board to bring another Innovation fund programme forward on the same basis as previous rounds and to profile this over two years with £2 million available in the current year and £3 million in 2018/19. The launch of the fund is scheduled for 17 July 2017.

- **Local Large Major Transport schemes (Solent Metro)** - A contract for this work has been awarded to Steer Davies Gleave, following an open and competitive OJEU tendering process. Work is progressing at pace to meet the December 2017 deadline for submission of an application to any Department for Transport Local Large Major Transport Scheme Fund. The steering group met on 3 July and there will be a stakeholder workshop on 12 July 2017 and we will be providing an interim report to the board at the meeting in October 2017.
- **Fareham and Gosport Multi Year Programme (Including Welborne and Stubbington Bypass)** - This multi-year programme continues to delivery against programme. Work continues to progress on the A27 dualling and the Newgate Lane South (NGLS) schemes. Board members will recall that further funding is allocated to the NGLS scheme as part of the 2017/18 programme. As agreed at the Board meeting the executive will closely monitor progress on this scheme and will advise the Board if further funding should be advanced from this scheme at a future Board meeting. A further update on the wider work linked to the delivery of Welborne and Stubbington Bypass can be found under item 5.
- **North Whiteley** - the scheme promoter is scheduled to attend the next FFPMG meeting in September 2017 in order to provide a full and detailed update on the scheme as a whole.
- **National Maritime Systems Centre** - The public consultation for this scheme has been extended to 17<sup>th</sup> August 2017 and following consideration of the due diligence report at the LEP Board meeting in March 2017 the Executive are working with the scheme promoter to discharge all due diligence preliminary conditions and are in the process of drafting the funding agreement for the project.
- **Solent Accelerated Housing Fund** - in line with discussions at the March 2017 Board meeting the Executive has written to Southampton City Council to confirm approval in principle of up to £3m of funding to the Solent Accelerated Housing Delivery Scheme. This provides for Solent LEP to partner with local authorities and the private sector to bring forward a new and innovative housing delivery programme exploiting modular build techniques. We have received an update from Southampton City Council advising that substantive progress has been delayed as a result of the need for Southampton City Council to prioritise work required on their existing housing stock in response to national advice and work in relation to adopting additional fire safety measures for high rise blocks.

On this basis there is an approved capital programme of £19,340,741 which is 63% of the total funding available. It should be noted that £3,700,000 is contractually committed with a large balance under negotiation and subject to final contract. In addition, it should be noted that (due to programme slippage on North Whiteley which remains high risk) £11,352,542 (37%) remains unallocated.

The Executive are therefore continuing to work on the development of new projects and the board are asked to consider a number of options, including accelerating and bringing forward work scheduled for future years to the current year and over-programming on the Local Growth Deal Programme for the period to 2020/21.

### **3. Regional Growth Fund Legacy programme**

Board members will recall that an update was provided at the last board meeting in relation to RGF projects where delivery is ongoing and an update will be provided at the board.

### **4. Finance Update for the LGD programme through to 2021**

The latest position of the total Local Growth Deal Programme as approved by the Board can be found in Annex A. The LEP Executive and the Accountable Body will continue to work closely monitoring the programme and the status of the fund will continue to be reported to future FFPMG and Board meetings highlighting any areas of concern with recommendations for mitigating action.

**14.07.2017**

**Item 6: Annex A**

**Local Growth Deal Summary**



SOLENT LOCAL ENTERPRISE PARTNERSHIP - LOCAL GROWTH DEAL FUNDING BY SCHEME (NET OF DfT RETAINED SCHEME FUNDING)							
SCHEME NAME	Actual 2015/16	Actual 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget
Solent Growth Fund (Growth deal - 2015/16 to 2021)	355,932	1,405,872	3,888,196	1,600,000	2,000,000	1,850,000	11,100,000
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	150,500	149,500	150,000	150,000	150,000	150,000	900,000
The Hard Interchange (PCC)	4,832,000	-	-	-	-	-	4,832,000
Dunsbury Hill Farm Link Road (PCC)	4,540,000	-	-	-	-	-	4,540,000
Station Quarter North (SCC)	4,185,000	-	-	-	-	-	4,185,000
Station Roundabout / Gudge Heath Lane (HCC)	2,065,000	2,888,893	-	-	-	-	4,953,893
Cancer Immunology Centre	4,500,000	-	-	-	-	-	4,500,000
Environmental Mitigation - Solent Mitigation Disturbance project	1,355,000	-	-	-	-	-	1,355,000
Eastleigh College Estates Renewal	6,810,000	2,190,000	-	-	-	-	9,000,000
IOW College Composites Centre	5,400,000	5,500,000	-	-	-	-	10,900,000
Capitalisation Costs for Solent Growth Deal Programme Management and Capacity funding	300,000	344,997	366,044	375,000	250,000	242,261	1,878,302
Peel Common Roundabout and St Margarets Roundabout	4,340,000	-	-	-	-	-	4,340,000
Newgate Lane South	-	6,072,571	2,627,429	300,000	-	-	9,000,000
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	-	3,198,000	-	-	-	-	3,198,000
Fareham and Gosport multiyear programme (A27 Dualling)	-	4,127,000	-	-	-	-	4,127,000
Solent Gateways (Isle of Wight Floating Bridge)	-	3,776,782	-	-	-	-	3,776,782
Innovation Fund - Fareham Innovation Centre - Phase 2	-	2,000,000	-	-	-	-	2,000,000
Innovation Fund - Programme Management Costs	-	75,000	125,000	50,000	-	-	250,000
Innovation Fund - BAE Maritime and Test Bed	-	456,633	-	-	-	-	456,633
Innovation Fund - New Call	-	-	2,543,367	3,000,000	-	-	5,543,367
Innovation Fund - Future Technology Centre (University of Portsmouth)	-	1,050,000	-	-	-	-	1,050,000
Contribution to BAE Employer Ownership Programme Scheme	-	129,000	-	-	-	-	129,000
North Whiteley	-	-	2,500,000	8,810,000	2,690,000	-	14,000,000
National Maritime Systems Centre	-	-	1,140,705	699,630	1,578,960	1,580,705	5,000,000
Local Large majors (Solent Metro and SAEG)	-	-	1,000,000	-	-	-	1,000,000
BAE Marine Workshops and Marine Support Centre	-	943,066	-	-	-	-	943,066
Design and Construction of Junction 10	-	-	-	-	7,075,000	7,075,000	14,150,000
Regeneration Investment to unlock sites for growth	-	-	1,500,000	-	-	-	1,500,000
Solent Growth Deal Programme Development Fund	-	-	500,000	-	-	-	500,000
Stubbington Bypass (note 1)	-	3,500,000	-	(1,500,000)	(2,000,000)	-	0
Solent Accelerated Housing Delivery Project (transferred to GPL Fund in 2018/19)	-	-	3,000,000	(3,000,000)	-	-	0
Solent Productivity and Investment Fund	-	-	-	4,000,000	4,000,000	4,549,218	12,549,218
<b>SUB-TOTALS:</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>19,340,741</b>	<b>14,484,630</b>	<b>15,743,960</b>	<b>15,447,184</b>	<b>141,657,261</b>
(Over) / Under programming	-	-	11,352,542	(3,666,770)	(6,491,274)	(6,194,498)	(5,000,000)
<b>TOTAL EXPENDITURE ON APPROVED LOCAL GROWTH DEAL SCHEMES</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>30,693,283</b>	<b>10,817,860</b>	<b>9,252,686</b>	<b>9,252,686</b>	<b>136,657,261</b>
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000	-	-	-	-	-	1,000,000
<b>TOTAL UTILISATION OF LOCAL GROWTH DEAL</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>30,693,283</b>	<b>10,817,860</b>	<b>9,252,686</b>	<b>9,252,686</b>	<b>137,657,261</b>
<b>FUNDING AGREED / INDICATIVE ALLOCATIONS</b>							
Solent Growth Deal Funding	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	9,252,686	136,657,261
Capital Funding from Accountable Body (Returned)	-	1,000,000	-	-	-	-	1,000,000
Funding Slippage / Acceleration	(558,235)	(5,833,020)	6,391,255	-	-	-	-
<b>TOTALS:</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>30,693,283</b>	<b>10,817,860</b>	<b>9,252,686</b>	<b>9,252,686</b>	<b>137,657,261</b>
	Variance:	0	0	0	0	0	0
				63%			

**Notes:**

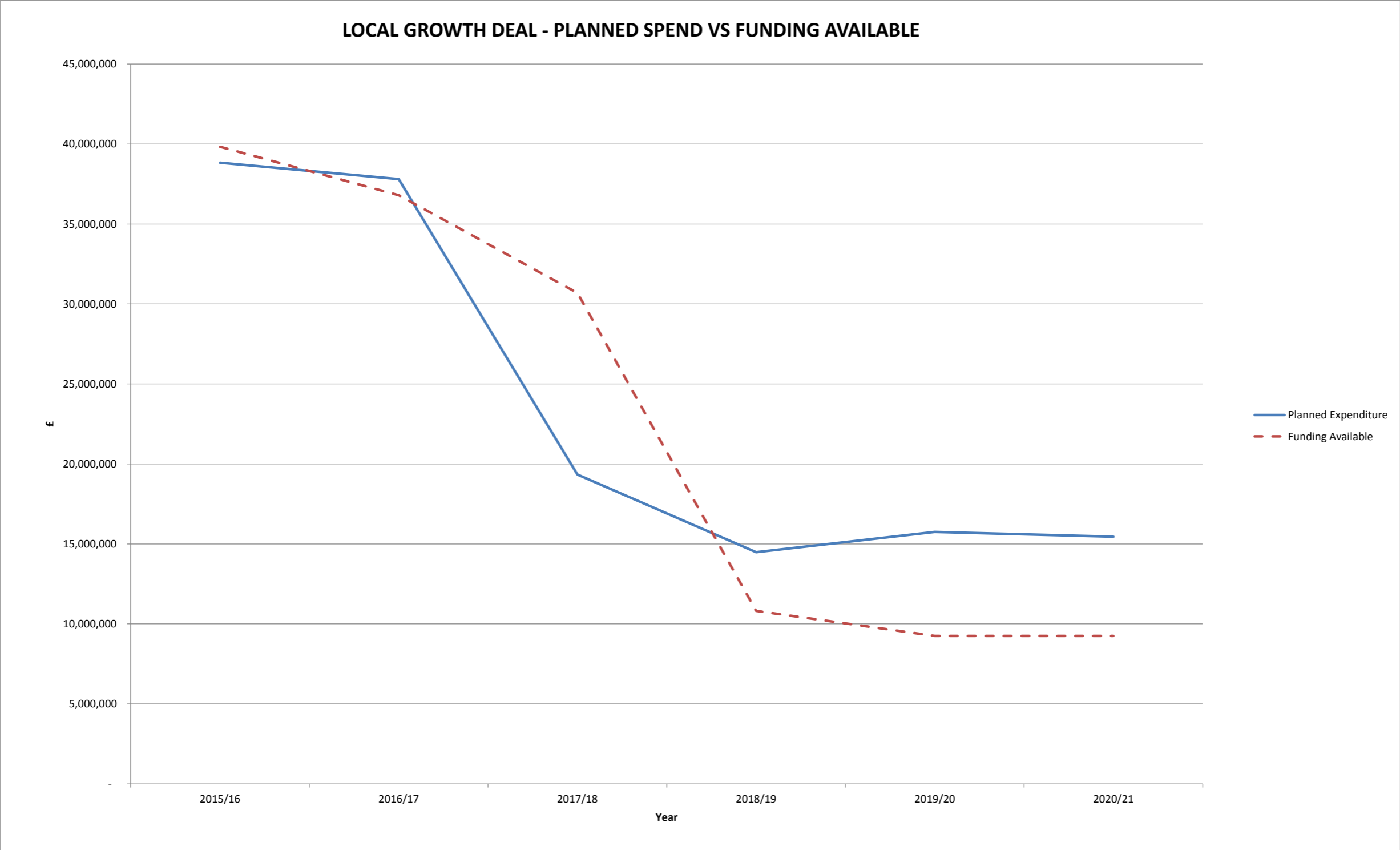
1. The £3.5m allocation for Stubbington Bypass is at present an advance at risk from the LGD due to DfT not agreeing to release any retained scheme funding over £2m until final tendered costs are received in February 2019. The repayments to the LGD are assumed to be £1.5m from the GPL Fund and the £2m advanced by DfT. Further detail regarding this scheme is in paragraph 6.3 of the main report

A separate table showing the full Stubbington Bypass Funding Profile is attached at appendix E1

STUBBINGTON BYPASS DfT RETAINED SCHEME - EXPENDITURE AND FUNDING PROFILES						
STUBBINGTON BYPASS	Actual 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget
Expenditure profile	4,500,000	2,000,000	1,500,000	5,000,000	21,000,000	34,000,000
Funding profile	(3,500,000)	(2,000,000)	1,500,000	(16,000,000)	(14,000,000)	(34,000,000)
<b>(Under) / Over Expenditure vs Profile</b>	<b>1,000,000</b>	<b>-</b>	<b>3,000,000</b>	<b>(11,000,000)</b>	<b>7,000,000</b>	<b>-</b>

Detailed funding sources are shown in appendix E1

M27 JUNCTION 10 DfT RETAINED SCHEME - EXPENDITURE AND FUNDING PROFILES						
M27 Junction 10	Actual 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Total Budget
Expenditure profile	3,500,000	5,500,000	4,000,000	11,075,000	17,975,000	42,050,000
Funding profile	0	0	0	(11,075,000)	(17,975,000)	(29,050,000)
<b>(Under) / Over Expenditure vs Profile</b>	<b>3,500,000</b>	<b>5,500,000</b>	<b>4,000,000</b>	<b>-</b>	<b>-</b>	<b>13,000,000</b>



**14.07.2017**

**Item 7**

**Solent Universities Economic Impact Report**



**Item:** 7  
**Title:** Final Draft Study on the Economic Impact of the Solent Universities  
**Date:** 14<sup>th</sup> July 2017

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## 1. Background

Further to the publication of the Oxford Economics Solent LEP Baseline Economic Forecasts in January 2017, Board Members may recall that the Solent LEP, in partnership with all 3 Universities based in the Solent area, commissioned BiGGAR Economics to develop an economic impact study on the Solent universities which would enable a deeper understanding of the sector which, in our general modelling work with Oxford Economics, was split across a range of areas.

As part of the commission, a high-level phase interim report was secured in order to help inform the LEP response to the Government's Industrial Strategy Green Paper. The Board received a copy of this report at the meeting on 19<sup>th</sup> May. In broad terms it shows that together the universities directly employ around 9,850 FTE's with a combined full-time student population of 56,100 and a combined turnover of more than £0.9 billion.

Since this time, BiGGAR have been able to undertake significantly more work in relation to the commission and a final draft report is now complete and the board will receive a presentation from BiGGAR Economics on the study at the board meeting.

The report will provide a key element to underpin the Solent LEPs forthcoming work to update its economic strategy.

When considering the initial report at the May 2017 meeting, Board Members were keen to ensure a greater understanding of the methodology used to identify economic output within the final report and this is now included within the final report.

**14.07.2017**

**Item 8**

**Executive Update**

**Item 8:**

**Title review: Executive Update**

**Date: 14<sup>th</sup> July 2017**

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## **Executive Summary**

This paper provides

1. Governance update
2. A review of business support activity; and
3. A strategy update to include work in progress on the following:
  - Isle of Wight Taskforce
  - Isle of Wight Infrastructure Investment Plan
  - A verbal update on the emerging South East SNTB will be provided at the meeting
4. The forward plan for Board meetings through to January 2018.

### **1. Governance Update**

- a. FPPMG and the Employment and Remuneration Committee - As part of the Solent LEP Assurance Framework, the Solent LEP is committed to regular review of its governance structures to ensure best practice is in place that will continue to ensure that the funding we are entrusted with is properly managed in a transparent and accountable manner that always ensures best value for public money. Further to the Governance update presented at the last board meeting a review of the arrangements for both FPPMG and the Employment and Remuneration Committee have been undertaken and considered by both in advance of the work coming before the Board. A review of the Funding Finance and Performance Management Group and a revised terms of reference will be considered at the board and a review of the Employment and Remuneration Committee and a revised terms of reference for the committee will also be considered by the board
- b. Employment and Remuneration Committee Annual Review - The Board will receive an annual report from the employment and remuneration committee outlining key items of work considered in 2016/17.

### **2. Business Support Review**

Further to the board strategy day in October 2016 the Solent LEP Executive have undertaken a review of Business Support and Engagement activity during the first 6 months of 2017 following feedback from a number of Board Members and wider stakeholders on performance to date and aspirations for future activity. The review will be considered by the Board at the meeting.

### **3. Strategy Update**

#### **a. Isle of Wight Task Force**

An Island Infrastructure Task Force was established in July 2016 by the Isle of Wight Council, with Christopher Garnett OBE appointed as its Chairman. The purpose of the Task Force is to "assist the Isle of Wight Council in preparing an integrated Island wide transport infrastructure and services development plan ensuring that transport services to/from and on the Island are safe, secure, accessible and affordable". The establishment of the Task Force responded to a request by the Rt. Hon. John Hayes MP (Minister of State for Transport) who, in October 2014, invited local partners to establish a Task Force to undertake a holistic review of transport infrastructure.

The Chairman of the Task Force has conducted a series of hearings with stakeholders (including transport operators) to understand the transport dynamics on the Island. External consultancy support has been procured by the IoW Council to provide an evidenced based assessment of cross Solent ferry operations.

The work is now largely complete, however a date for publication of the report is not yet confirmed, and therefore in accordance with the March 2017 update to the Board, on publication, the Executive will seek a view on the report from the Solent LEP Land, Property and infrastructure Delivery Panel, to provide advice to the LEP Board at its October meeting.

It should also be noted that the Chairman of the Task Force is a member of the Isle of Wight Infrastructure Investment Plan Steering Group and this should provide an opportunity for the work to be considered within the wider Isle of Wight Infrastructure Investment Plan that is due to be completed in Autumn 2017

#### **b. Isle of Wight Infrastructure Investment Plan**

Lichfield's has been procured through an open and competitive tendering process to develop an Island Infrastructure Investment Plan, which will identify the key deliverable economic infrastructure investments to support and stimulate sustainable economic growth on the Isle of Wight through improved competitiveness and productivity, and enable it to contribute further to the broader Solent and UK economies and mitigate some of the place-based challenges associated with an Island economy. The output of this Infrastructure Plan should:

- Provide an Isle of Wight Infrastructure Investment Plan for the period to 2040 to support and stimulate sustainable economic growth on the Isle of Wight, within the context of the emerging National Industrial Strategy as set out in the Building Our Industrial Strategy Green Paper; and
- Identify and prioritise infrastructure investment projects in the short term (to 2021) for delivery and the medium term (to 2026) based on their ability to stimulate economic growth; and
- Identify options for funding as appropriate, including through the provisions set out as part of the National Productivity Investment Fund, and opportunities that may come forward through any future devolution deal involving the Isle of Wight; and
- Identify infrastructure investment priorities and potential funding sources for the longer term period 2026 – 2040 based on their ability to stimulate economic growth.

A steering group has been established to provide advice to the consultant on the study. To date the Steering Group, which is Chaired by Dave Lees has met twice (on the 7<sup>th</sup> April and the 26<sup>th</sup> June). A further meeting is expected in September 2017.

Phase 1 (Baseline and Future Growth Potential) is yet to complete, and the draft interim report covering Phase 1 is therefore not available for this board meeting. A key component of the baseline analysis has been stakeholder engagement. This has included one-to-one interviews, and a business survey. In relation to the latter, this was delayed due to the calling of the General Election, and has impacted on the

delivery of the Interim Report. The business survey was supported by the Isle of Wight Chamber, Isle of Wight Council, Visit Isle of Wight, the IoW FSB, and Natural Enterprise, who kindly distributed the survey through their membership / networks.

The Executive would therefore recommend that it is reviewed by the Land Property and Investment Panel at their meeting on 20 July 2017 and that it is circulated electronically to the Board following this inviting any comments.

Phase two will identify and prioritise infrastructure projects. This work will be supported by a workshop that will take place in Cowes on 17<sup>th</sup> July 2017.

The draft final report will be completed by the end of August. A steering group will be held in early September to consider the draft final report, ahead of further consideration by the Land, Property and Infrastructure delivery panel, and will be presented to the LEP board at the October 2017 meeting

#### **4. Forward Plan**

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

##### **6 October 2017**

- Executive update including Quarterly update on business support programmes, LGD Update for 2017/18 programme (including Accelerated Housing Scheme) and future years
- Strategy Update - Skills for Growth
- Draft report on the Solent Maritime Economic Impact Study
- Mid-year Financial Review 2017/18 and financial forecasts for 2018/19 onwards
- Final Report on the Isle of Wight Infrastructure Investment Plan
- Interim report on the Solent Metro proposal

##### **Board strategy development day – date to be agreed**

##### **December 2017**

- Executive update including LGD Update for 2017/18 programme, the LGD Retained schemes and future years
- Draft Skills Strategy 2017 – 2020
- Consideration of Solent Metro Large Majors Application (*subject to confirmation of national closing date for funding applications*)