



SOLENT  
**LOCAL**  
 ENTERPRISE  
 PARTNERSHIP

## Solent Local Enterprise Partnership Funding, Finance Performance Management Group (FFPMG)

Held on Wednesday 20<sup>th</sup> September 2017 at Portsmouth City Council

<b>Present</b>	<b>In Attendance</b>
Nick Gross (deputising as Chairman for Stuart Hill)	Stuart Baker
James Fitzgerald (deputising for Chris Ward)	Jeff Channing
Brian Johnson	Steve Futter
Donna Jones	Marc Griffin
Simon Letts	Vicki Stone
Anne-Marie Mountifield	Nicola Twiddy
Seán Woodward	
	<b>Apologies</b>
<b>Guests</b>	Stuart Hill
Nick Richardson (Mott MacDonald)	Chris Ward
Matthew Charnock (Bovis Homes)	
John Lougher (Bovis Homes)	
Ron Gorman (representing JGP Lakedale)	
John Callcutt (Crest Nicholson)	
Mike Christmas (White Young Green)	

<b>Item</b>	<b>Action</b>
<p><b>1. Introductions and apologies for absence</b>            Apologies were noted from Chris Ward and Stuart Hill.</p>	
<p><b>2. Notes of the meeting held on 22<sup>nd</sup> June 2017</b>            The meeting notes from the meeting on 22<sup>nd</sup> June 2017 were agreed by the FFPMG.</p> <p><b><u>Matters Arising</u></b>            Following the BSIP meeting on 14<sup>th</sup> September 2017, a recommendation from the BSIP will be tabled at the meeting today in relation to Marine Concepts.</p> <p><b><u>Declarations of Interest</u></b></p> <p><u>Seán Woodward</u>            Item 3b - Welborne and Junction 10 progress update            Item 4 - RGF project update – UTP</p> <p><u>Brian Johnson</u>            Item 4 16/17 Local Growth Deal contract variation for the BAE Systems Marine Engineering workshop scheme.</p> <p><u>Simon Letts</u>            Item 4 Local Growth Deal – Solent Development Cost Fund for the Southampton Conference Centre/Cruise Terminal Facility.</p>	

<p>3.</p>	<p><b>Local Growth Deal Retained schemes:</b></p> <p>A. <u>Stubbington Bypass</u></p> <p>FFPMG Members were advised that the paper would be taken as read.</p> <p>The Executive and Accountable Body provided FFPMG members with an update on the financing modelling options for the scheme and advised that the accountable body had modelled a range of scenarios based on the expected cash inflows from the rates, grant funding and the cash outflows in terms of the actual expenditure of the project.</p> <p>The financial implications of a range of options modelled were considered and following discussions, FFPMG members noted the update and detailed financial modelling for the borrowing and provided advice on utilising an option of prudential borrowing and a potential contribution from the LEP Growing Places Fund for the Board to consider at the meeting in October 2017.</p> <p>FFPMG asked for clarification on the process for approval in the context of the risk around cost escalation and value for money. It was confirmed by the executive that as a retained scheme the final business case will be considered by the Board and then DfT prior to final approval. The final business case will be based on final tendered costs so approval will be based on actual costs.</p> <p>B. <u>Welborne Development including M27 Junction 10 retained scheme</u></p> <p>Seán Woodward provided FFPMG members with a short update on the progress of this scheme and then declared his interest in this item and withdrew from the meeting before item 3B was considered.</p> <p>A short update was provided to FFPMG members and Nick Richardson from Mott MacDonald presented to FFPMG members.</p> <p>Following a discussion, FFPMG members considered the progress of the Welborne (retained) LGD scheme and provided comments to inform the report for Board consideration in October 2017. It was also noted that it is expected that local partners involved in the scheme would be seeking to secure central government funding through the Housing Infrastructure Fund (HIF) which is open for bids.</p> <p>FFPMG members <b>agreed</b> that the Executive work with partners, to support bids to the Housing Infrastructure Fund for delivery of Welborne and <b>agreed</b> that the LEP should continue to engage with DCLG in relation to the Housing Infrastructure Fund to support the proposed upgrade to Junction 10 M27.</p> <p>Seán Woodward returned to the meeting.</p>	<p>Executive</p>
<p>4.</p>	<p><b>Local Growth update:</b></p> <p><u>Floating Bridge</u></p> <p>Steve Futter provided an update on the current position with the Floating Bridge. FFPMG members noted that further monitoring would be undertaken and <b>agreed</b> that the LEP would formally write to Isle of Wight Council to seek a further update as well as seek a meeting with the Isle of Wight Council Leadership to see how the LEP can continue to work with them in order to take the project forward.</p> <p><u>BAE Systems Marine Engineering Workshop</u></p> <p>Brian Johnson declared an interest in this item and withdrew from the meeting.</p>	<p>Solent LEP FFPMG</p>

	<p>FFPMG noted the update for this scheme and <b>agreed</b> to recommend to the LEP Board approval for a contract variation for the scheme to take account of the delay in completion of this phase of the project, as well as any changes to the delivery of agreed outputs.</p> <p>Brian Johnson returned to the meeting.</p> <p><u>LGD project monitoring</u> FFPMG members noted the update.</p> <p><u>2017/2018 LGD Delivery update</u> Simon Letts declared an interest in this item and withdrew from the meeting.</p> <p>The Executive provided an update to the Solent Development Fund bid and assessment from Southampton City Council for the Southampton Conference Centre/Cruise Terminal Facility.</p> <p>FFPMG members <b>agreed</b> to award funding to Southampton City Council for the Southampton Conference Centre/Cruise Terminal Facility subject to meeting pre conditions prior to agreement.</p> <p>Simon Letts returned to the meeting.</p> <p><u>North Whiteley</u> A short presentation was provided to FFPMG from the North Whiteley scheme lead, and colleagues from the North Whiteley consortium representing Bovis Homes, JGP Lakedale, Crest Nicholson and PBA were also present.</p> <p>FFPMG members were advised that the LEP grant was being used to part fund a major transport route which was part of the overall project, this route would improve links between Whiteley Way and Botley Road as well as providing necessary infrastructure for the development. The overall scheme provides 3500 homes and the creation of up to 250 jobs, with more on site during the construction phase.</p> <p><u>Solent Growth Fund: Application from Marine Concepts Ltd</u> Steve Futter provided FFPMG with an update on an SME application that had been submitted to the BSIP meeting on 14 September 2017.</p> <p>FFPMG noted the update from BSIP and <b>agreed</b> the recommendations of the BSIP to support the application for funding in principle subject to seeking further clarity from the applicant on the proposal in order to confirm eligibility and State Aid compliance checks.</p> <p><u>RGF Project update</u> FFPMG members noted the general update on RGF legacy projects.</p> <p>Seán Woodward declared an interest in the item on the RGF grant to a business on the EZ and withdrew from the meeting for this element of the discussion.</p> <p>FFPMG members noted the update and; <b>Agreed</b> to recommend to the LEP Board a reprofiled grant for the EZ Scheme.</p> <p>Seán Woodward returned to the meeting.</p>	Executive
5.	<p><b>Finance update</b> FFPMG were provided with an update on the financial position of all the LEP funds up to 31<sup>st</sup> July 2017.</p>	

	<p>FFPMG members recognised that there was a strong business demand on the Enterprise Zone.</p> <p>FFPMG members approved the following:</p> <ul style="list-style-type: none"> <li>(i) The revised budget for 2017/2018 of £36,273,705 is endorsed and recommended for approval by the LEP Board on 6<sup>th</sup> October 2017;</li> <li>(ii) The revised budget for the period 2018/19 to 2020/21 is endorsed and recommended for approval by the LEP Board on 6<sup>th</sup> October 2017;</li> <li>(iii) Note the update on the North Whiteley Scheme and agree to change the profile to reflect this update and recommend this for approval by the LEP Board for on 6<sup>th</sup> October 2017;</li> <li>(iv) Note and agree the release of the £750,000 contingency that is no longer required for the IOW Core Composite College from the Growing Places fund and recommended this for approval by the LEP Board on 6<sup>th</sup> October 2017;</li> <li>(v) Note the latest position of the Growing Places Fund and considered the impact on the fund if further interim funding is required for the Stubbington Bypass scheme;</li> <li>(vi) Note the latest Local Growth Fund Programme summary and the challenges around future delivery;</li> <li>(vii) Note the current position on the Investment Regeneration Fund to unlock sites for growth and consider whether the LEP should explore further direct investment on the EZ or to re-profile the allocation into future years for other projects to bid against.</li> </ul> <p>A number of risks around defrayal and associated mitigating actions were discussed and an update on these will be set out as part of the mid-year review paper at the next meeting.</p>	
<p>6.</p>	<p><b>Governance update and review of Articles of Association for Solent LEP Limited</b></p> <p>FFPMG considered the review of the Articles of Association and some suggested updates for the Board to consider, noting that any proposed changes would need a resolution to go to the members of Solent LEP Limited for consideration at the AGM in early 2018.</p> <p>It was noted that the wording in relation to social enterprises was seeking to clarify their eligibility to join the LEP. FFPMG asked the Executive to ensure that the definition of a social enterprise was correctly reflected in the wording in the articles.</p> <p>FFPMG Members considered and <b>agreed</b> the review of the Articles and <b>agreed</b> to bring forward the final review and recommended changes to the LEP Board in October 2017.</p>	<p><b>Executive</b></p>
<p>7.</p>	<p><b>A.O.B</b></p> <p>There was no other business and it was noted that the next meeting was scheduled for 8 November 2017.</p>	

**Meeting closed at 11.00**