



SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP



Assurance Framework

Updated March 2018





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Foreword

The Solent LEP Board of Directors are committed to helping this world-class area achieve its full potential. Our plan for achieving this ambition is set out in our Productivity and Growth Strategy (Published February 2017).

The £151.9m Solent Growth Deal agreed with Government has allowed the area to deliver a number of new infrastructure and skills capital projects in 2015/16 and 2016/17 including new investment in our key transport interchanges, the delivery of two new world class skills facilities in the area, improvements in our road system, unlocking new development land for employment and housing and the construction of a new global Centre of Excellence for Cancer Immunology. In addition we continue to support our SME business base directly supporting over 250 local businesses including the creation of over 75 new start-ups.

The announcement of a further £31.02m, investment in the area through the Solent Growth Deal in 2017 also allows us to bring forward critical projects including Stubbington Bypass, a strategic investment which will support the Solent Enterprise Zone and wider Fareham and Gosport peninsula. Additional funding confirmed in 2017, to bring forward the next phase of development at Centenary Quay in Southampton which will unlock over £64 million additional private sector investment and enable delivery of more than 340 new homes is also helping deliver new housing growth.

The transformational investments we are making require significant Government investment and, alongside our commitment to shaping the future of the Solent area, the Solent LEP Board working with our Accountable Body (Portsmouth City Council) also remain fully committed to ensuring that the funding we are entrusted with is properly managed in a transparent and accountable manner that always ensures best value for public money. We will maintain a very close oversight of the work of our LEP to ensure that it is fully meeting all of its governance and transparency responsibilities and we will of course follow up and implement any recommendations from the review into LEP Governance and transparency and the wider review into strengthening the role of LEP's which is underway.

Our Assurance Framework sets out the robust local systems which the LEP Board and its Accountable body (Portsmouth City Council) and central Government have agreed and established to ensure that these resources are spent with regularity and propriety.

In the coming year we look forward to continuing our work with local businesses and stakeholders to develop a renewed economic strategy and vision for the Solent area as well as start the work on the preparation of a Local Industrial Strategy. The Solent LEP Board is resolute in its determination to work with partners to deliver on the ambition to develop a dynamic, vibrant, inclusive and internationally competitive economy, Alongside this we remain committed to continuous improvement through reviewing our Assurance Framework to ensure our investments continue to deliver the high levels of transparency, accountability and value for money our local residents and business deserve.

Gary Jeffries
Chairman
Solent LEP

Anne-Marie Mountifield
Chief Executive
Solent LEP



Introduction

With a population of more than 1.3 million and over 50,000 businesses, the Solent is an internationally-recognised Gateway economy, anchored around the Isle of Wight, the two cities of Portsmouth and Southampton, the M27 corridor and the Solent waterway. It is globally connected and benefits from significant economic assets including its three international gateways and its world-leading research institutions. The Solent is a clearly defined functional economic area, with a distinct coastal geography, tremendous economic assets and great potential.

In recognition of this, the Solent Local Enterprise Partnership (LEP)¹ Limited was formed in 2010, after the Government offered local areas the opportunity to take control of their future economic development. It is a locally-owned partnership between businesses and local authorities and plays a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

The Solent LEP is led by the business community and supported by three university partners, the further education sector, three unitary authorities, eight district councils, one county council and the voluntary and community sector – all working together to secure a more prosperous and sustainable future for the Solent area. It was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP has been registered as a company, limited by guarantee and it was incorporated on 18 March 2011. In keeping with the articles of association² and in accordance with company law, the Board of Solent Local Enterprise Partnership Limited has been democratically elected by its members.

LEPs have assumed a strategic role as the lead bodies for economic development in their areas and in areas without a Combined Authority, lead on the development of Local Industrial Strategies. Accordingly, the Solent LEP is the key interface and lead for economic development in the Solent, and has set out its evidence-based strategy to deliver transformational economic growth within the area in its [Strategic Economic Plan](#) (SEP), published in March, 2014³, [Productivity and Growth Supplement](#), published in January 2016, and [Productivity and Growth Strategy Update](#), published February 2017.

Our strategy sets out that raising productivity is essential to enable companies to be competitive internationally, to exploit opportunities in emerging markets and to attract foreign direct investment. It is the only sustainable way of increasing employee earnings, which in turn links to the Government's objective of raising prosperity for all.

The [Industrial Strategy White Paper](#), published by Government on 27th November 2017, sets out a vision to provide the UK with:

- the world's most innovative economy
- good jobs and greater earning power for all
- a major upgrade to the UK's infrastructure
- the conditions to be the best place to start and grow a business
- prosperous communities across the UK

The aim is that by 2030 we will have transformed productivity and earning power across the UK to become the world's most innovative economy and the best place to start and grow a business, with upgraded infrastructure and prosperous communities across the country.

This vision is to be delivered through five foundations of growth: People, Business, Ideas, Infrastructure and Place.

Following on from this, our ambition is to create a dynamic, vibrant, inclusive and internationally competitive region. Underpinning this is a requirement to improve productivity and competitiveness of the Solent economy. This has shaped the identification of the following key priorities to provide the foundation for the new strategy:

- Support investment in infrastructure to exploit our natural geographic advantage, enhancing our international trading gateways, which are critical to the future economic success of the UK and the region; and

- Transform connectivity to better link people to places and widen access to labour in the area through strategic transport investment, improvements to digital connectivity/capability and enabling delivery of new housing; and
- Invest in high quality jobs to support the industries of the future; and
- Inspire our current and future workforce to ensure continued access to the skills and talent that industry needs; and
- Support the growth of SME's to secure higher levels of growth, export and innovation; and
- Ensure the Solent is the global destination of choice for entrepreneurs and investors in marine and maritime; and
- Supporting our global advantage in marine and maritime to secure higher levels of growth in this key sector and on a broader basis in Advanced Manufacturing, Digital, Autonomy, Defence, Logistics, Professional Services and the Visitor Economy; and
- Supporting and responding to the technology revolution by utilising our knowledge and research assets to exploit commercial opportunities for investment in emerging industry-led research and technology.

We have been able to support local productivity and growth through the existing £182.92m Solent Growth Deal, which commenced delivery in 2015. This will unlock £600m public and private sector investment across the area, creating 6,500 new jobs and enabling 12,000 new homes to be built. The first two years of the Solent Growth Deal (2015/16 and 2016/17) saw the delivery of an over £80m capital programme which has:

- provided 1,100 annual student enrolments at CEMAST;
- 300 new apprenticeships;
- 45 acres of development land unlocked;
- £29m of investment to improve access to Fareham and Gosport;
- £9m invested in city transport hubs;
- 4 new and enhanced strategic spaces;
- 2 new dedicated centres of excellence for skills;

The LEPs strategy aims to focus investment on those parts of the economy that need to develop or change the most to accelerate growth, and identifies the marine and maritime sector (including defence and advanced manufacturing) as a key economic strength around which the strategy is built. The LEP will continue to review this economic strategy for the area in line with local, national and international policy developments (including local devolution proposals, the Government's emerging industrial strategy and any impact for business as a result of the 2016 EU referendum result). In line with this review of economic strategy, the Solent LEP will also continue to review this assurance framework.

To date, the Solent LEP has secured around £200m of funding, and levered in the same again in private sector and local contributions, to create a circa half billion pound investment programme for growth. In recognition of this significant investment programme, the LEP has established robust, transparent and accountable governance arrangements to ensure these investments deliver value for money and tangible economic outputs in terms of new jobs, new housing, new employment space, improved skills, improved infrastructure and increased levels of private sector investment.

The purpose of this LEP assurance framework should be viewed in the context of the Accountability Systems Statements for both Local Government and the Local Growth Fund, which provide assurance to the Public Accounts Committee for how Local Growth Funds and wider funding routed through Local Government are allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety, and value for money. It is one of 4 key related Growth Deal implementation documents, which should be viewed together. The other three documents are:

- (i) the Growth Deal **grant determination confirmation (2015 and 2016)** which sets out the degree of flexibility on offer and any limited conditions around use of that funding; and
- (ii) the **monitoring and evaluation framework**, which establishes a suite of monitoring metrics to support Growth Deal monitoring and reporting; and
- (iii) **Implementation summary report** which will capture all the key implementation milestones, and actions for the Solent Growth Deal.

In addition, the Local Enterprise Partnership Governance and Transparency Best Practice Guidance, was published by Government in January 2018 and establishes a framework to strengthen LEP assurance in relation to publication of meeting papers, confidential reporting procedures, whistleblowing, code of conduct, and register of interests. This document has been updated to reflect this best practice guidance.

¹ For general info on LEPs, visit the [Department for Business, Energy and Industrial Strategy \(BEIS\)](#)

² Solent LEP Limited Articles of Association area available from: <https://solentlep.org.uk/media/1262/articles-of-association.pdf>

³ The SEP is presently being refreshed, and an update will be available in 2018.

In addition, this assurance framework should be read alongside the following documents:

- The [Solent Growth Deal](#), published on 7th July 2014
- The [Expansion of Solent Growth Deal](#), published on 29th January 2015
- The [Solent Growth Deal 3](#), published on 2nd February 2017
- [The Solent Strategic Economic Plan](#);
- [The Solent EUSIF Strategy](#);
- [The Solent Skills Strategy](#) and [Supplement](#)
- [Transforming Solent: Solent Marine and Maritime Supplement](#);
- [Making Waves: Solent's Marine & Maritime Sector](#)
- [The Solent Strategic Transport Investment Plan](#)
- [The Solent LEP Productivity and Growth Supplement](#)
- [Innovation Evidence Base](#)
- [Innovation South Science and Innovation Audit](#)

This document provides the assurance framework covering all Government funding flowing through the Solent LEP and setting out the robust value for money processes that have been put in place. It sets out the overarching governance structure that has been established to both identify and prioritise investment programmes and manage their delivery, along with the decision-making process. This framework provides assurance that the investment programmes of the Solent LEP will be objectively and transparently prioritised to deliver value for money and progression along the identified growth trajectory. Part A, Section 1, provides an overview of the Solent LEP, including its geography, strategic priorities and targets. Part A, Section 2, describes the governance and management of the Solent LEP.

Part B (Strong, Supportive Local Authority Working across the Solent LEP) describes the underpinning local authority partnership arrangements that are in place to facilitate joint-decision-making and collaboration on growth and economic development between all local authorities in the Solent.

Part C (Transparent Decision-Making) provides information on the arrangements that are in place to enable effective and meaningful engagement of local partners and the public, and the practices and procedures that are in place to ensure decisions made are proper, based on evidence, and capable of being independently scrutinised.

Part D (Accountable Decision Making) provides information on the role of the Accountable Body of the Solent LEP and democratic accountability.

Part E (Ensuring Value for Money: Prioritisation, Appraisal and Business Case Development) describes the arrangements the LEP has established for ensuring value for money, the methodology employed to prioritise projects, as well as appraisal through business cases.

It is not the aim of this document to duplicate information that exists in other published material. Accordingly, hyperlinks and references to published material are provided.



Part A: Governance and Decision Making

This section provides information on the geography and governance structure of the Solent LEP. It sets out: who is on the LEP Board; how the LEP Board operates and its relationship with the Local Authorities of the area; the supporting governance architecture that harnesses local and wider expertise to support LEP decision-making, and the roles and responsibilities conferred; schemes of delegation relative to the LEP Board, its supporting governance architecture, the LEP Executive, and the Accountable Body; and a description of the relationship between the LEP Board and the Local Authorities of the Solent, other LEPs, and with delivery bodies.

Part A, Section 1 - Overview of the Solent LEP

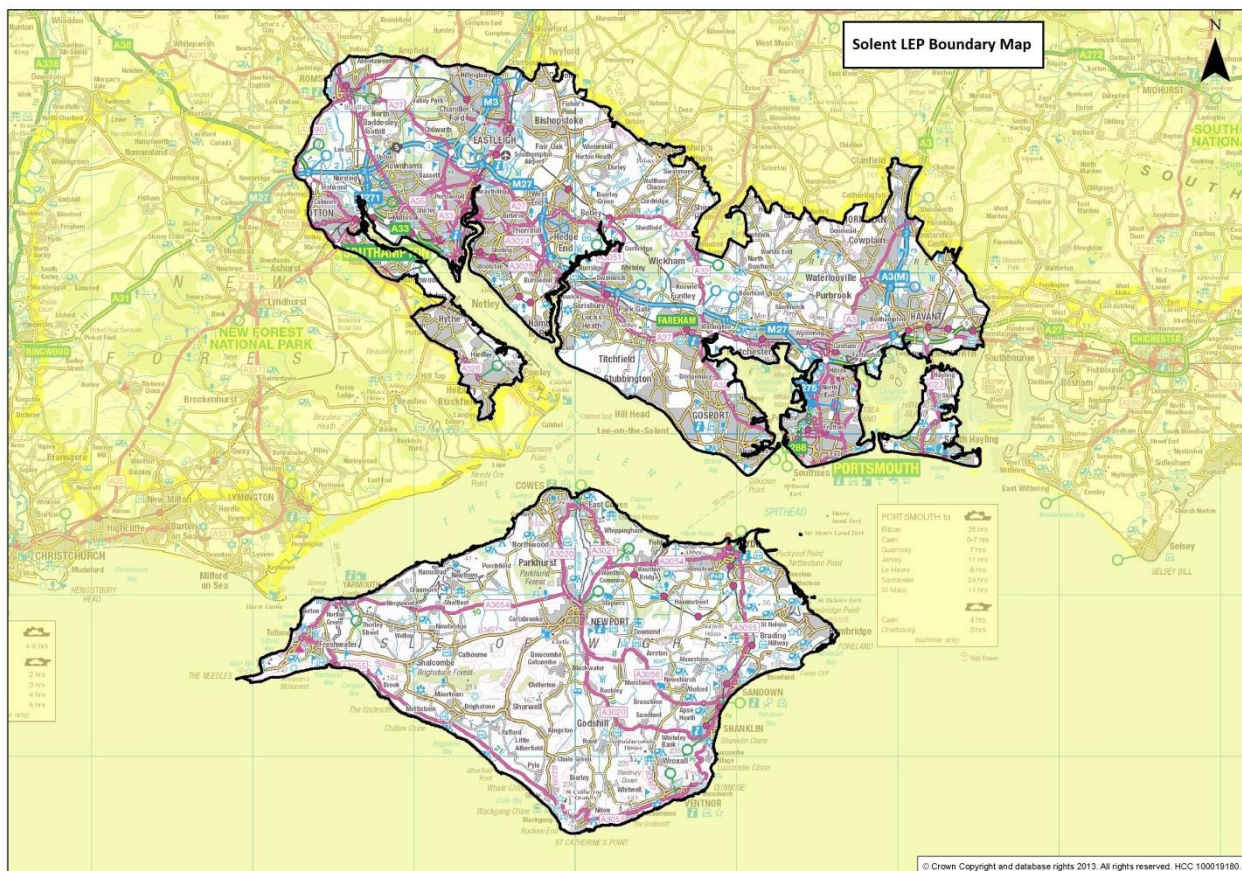
1.1 Name

The name of the Local Enterprise Partnership (LEP) for the Solent area (see section 1.2 of Part A) is the Solent Local Enterprise Partnership Limited.

1.2 Geography

The LEP area includes the whole of the Unitary Authorities of Isle of Wight Council, Portsmouth City Council and Southampton City Council, the whole of the District Councils of Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, and Havant Borough Council, and part of East Hampshire District Council, Hampshire County Council, New Forest District Council, Test Valley Borough Council, and Winchester City Council. The geography of the Solent LEP is shown in Map 1, below.

Map 1 Solent LEP Area



1.3 Strategic Objectives and Purpose

The [Productivity and Growth Strategy Update](#) for 2017 seeks to help frame policy and investment decisions, ahead of a refresh of our Strategic Economic Plan. The Solent is a unique place, with unique challenges and unique opportunities. This update has set out some of the challenges we face and the opportunities we can grasp. The Solent, like most economies, is exposed to global economic turbulence, and it is true that following the decision of the UK to leave the EU there will be a period of uncertainty, as new trading regimes are established. It is, therefore, important that the LEP works with its partners to support businesses and individuals so that the Solent becomes an economy that works for everyone. Above all, there is a pressing need to tackle the productivity challenge in the Solent, and within the context of a tight fiscal environment, this requires focus on the priorities that can support the Solent in bridging the productivity gap with the south east. For the Solent LEP that means that our mission is to work with partners locally, regionally, nationally and internationally so that by 2040 we will have transformed this key global gateway for marine and maritime and the wider Solent economy:

- To become the UK's most innovative economy, where ideas flourish; and
- To be the best place to start and grow a business; and
- Through a major upgrade to infrastructure to support the growth of our key trading gateways and unlock new land for development; and
- Through the delivery of prosperous and sustainable communities across the area by enabling new and affordable housing; and
- By securing good jobs and greater earning power, underpinned by high quality education and training for all.

The successful delivery to date, of the Solent Growth Deal will continue to move the area forward to 2020/21, and it is hoped that future Government funding opportunities will provide further capital investment to build on this success.

1.4 Strategic Priorities

The priorities for the Solent in the coming year are summarised below:

Developing our Economic Infrastructure

- Transform connectivity through a focus on developing the case for phase 1 of Solent Metro;
- Strengthen the pipeline of infrastructure projects, particularly in relation to the Isle of Wight through delivery of an Island Infrastructure Investment Plan;
- Explore opportunities to invest in land and property assets to bring them forward for employment and/or housing;
- Work with partners to optimise the opportunity of the release of public assets, including the three MoD assets in Gosport, and HCA assets on the Island - particularly to accelerate housing delivery;
- Work with partners to identify opportunities to access new funding opportunities, such as through the National Productivity Investment Fund;
- Support improved access to the Port of Southampton to ensure it can optimise its strategic advantage as trade patterns continue to evolve.

Skills

- Working with partners to support the delivery of the recommendations of the Solent Area Review; and
- Ensure successful delivery of the Eastleigh College and Isle of Wight College STEM centres; and
- Refresh the skills strategy; and
- Explore the implications of automation and increasing use of Artificial Intelligence and Autonomy on the future skills requirements.

Science and Innovation

- Build on the Innovation Evidence Base, to develop an Innovation Strategy for the Solent;
- Work with partners through the Innovation South Consortium to undertake a Science and Innovation Audit;
- Explore opportunities for commercialising new ideas generated here in the Solent;
- Build on the opportunities for transferring enabling technologies and emerging technologies (such as high-performance computing and big data; satellite applications; advanced materials and composites; nanotechnology and nanophysics; autonomous systems; high power lasers; and optoelectronics and fibre

optics) across the industry sectors and sub-sectors

Inward Investment and International Trade

- Retain and grow existing Solent businesses through supporting investment in the local area, including support to access new markets.
- Support businesses looking to locate in the Solent area through developing a package of support for new businesses that want to invest in the area.
- Develop, coordinate and deliver a new trade and investment strategy to promote Solent business across the globe.

Enterprise

- Through the Solent Growth Fund, support high growth businesses, that are seeking to innovate and enter new markets, as well as support those business that are experiencing challenging trading conditions;
- Continue to support the development of the Solent Growth Hub, including the agreement of a self-financing investment model from March 2018 ;
- Broaden the reach of the LEP to directly engage with businesses.

Strategic Sectors

- Focus on those sectors that are growing, such as professional, scientific, and technical activities; and human health and social work;
- Refresh the Transforming Solent Marine and Maritime Supplement;
- Provide a renewed focus on tourism and the visitor economy, as part of a broader approach to market the Solent as a destination, as well as a place to do business.

Each of these strategic priorities has a dedicated Delivery Panel (see sections 2.7 - 2.15 of Part A).

1.5 Targets

The UK and Solent economies have experienced a unique period in economic history from the financial crisis in 2008, to a range of economic headwinds through the recovery, slower than expected productivity growth, to the recent outcome of the referendum to leave the EU.

In response to this, the Solent LEP is undertaking a refresh of the Strategic Economic Plan (SEP) for the area and this will involve agreeing a revised vision with key local stakeholders (including local business, academia and the public sector) on what success would look like, providing a clear statement for the future of the economy.

As part of the refresh, a new set of goals will be developed that, if achieved, would deliver the overarching vision and the LEP Board will then agree a series of revised targets, designed to overcome weakness, exploit opportunities, and mitigate against threats. To avoid developing aspirational targets that are not grounded in reality, the LEP Board will also consider how each will be achieved and this will be reflected in the revised targets agreed by the LEP.

1.6 Cross-LEP Working

At the national level the Solent LEP is a member of the LEP Network. At the regional level, the LEP is a member of the informal Greater Thames Valley 6 LEP network, which meets regularly at the Chairman / Chief Executive level, and through specific officer working groups, linked to shared priorities. In addition the LEP is a member of the Shadow Partnership Board of Transport for South East (the emerging Sub-National Transport Body for South East England), and works increasingly closely with the South West England LEPs.

1.7 Support and Administration Arrangements

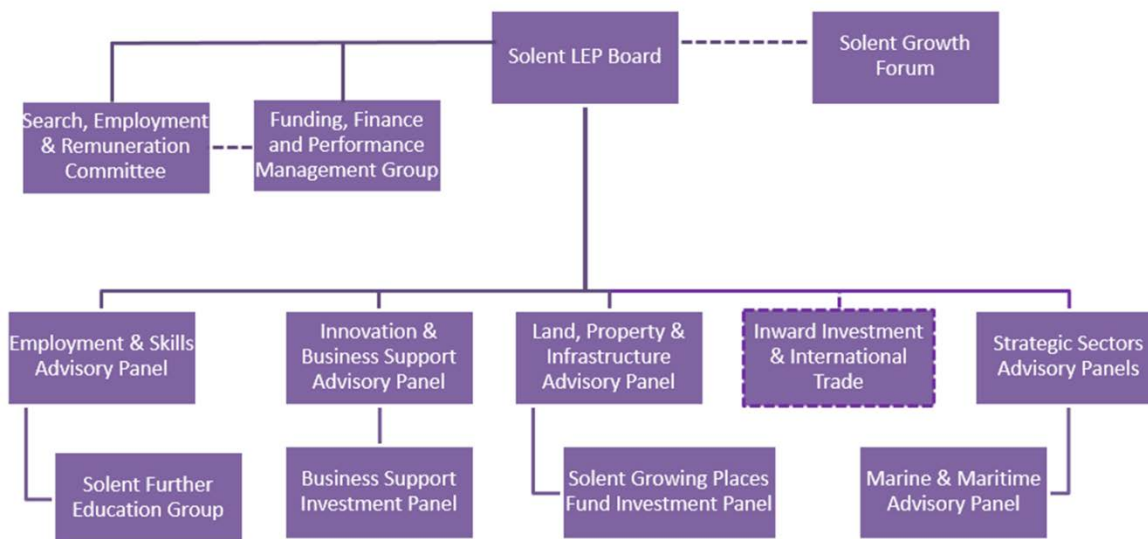
The Solent LEP Board and its governance structure are supported by an executive team, employed by the accountable body, Portsmouth City Council, but working to the Chief Executive of the LEP, whose appointment is approved by the Solent LEP Board. Further information on the Executive team is available [here](#), and the support arrangements are set

out in a working protocol agreement between the Solent LEP and Portsmouth City Council. In addition to the Solent LEP Executive team, support to the LEP governance structure is provided by ex-officio representation from government departments, government agencies, as well as local public and private sector partners. This ensures suitably qualified expertise may be called upon to inform the work and decisions of the Solent LEP.

Part A, Section 2 - Governance and Management of the Solent LEP

2.1 Governance Structure

The chart below shows the overarching governance structure established by the Solent LEP.



Sections 2.7 - 2.16 of Part A provide a summary of each of the components of this governance structure.

2.2 Schemes of Delegation

The scheme of delegation relative to the LEP Board and its sub-groups is provided [here](#). The scheme of delegation relative to the LEP Executive and the accountable body is set out [here](#).

2.3 Solent LEP Board

The Solent LEP is led by the business community and supported by three university partners, the further education sector, three unitary authorities, eight district councils, one county council and the voluntary and community sector – all working together to secure a more prosperous and sustainable future for the Solent area. The Solent LEP has been registered as a company, limited by guarantee, and it was incorporated on 18 March 2011. In keeping with the articles of association² and in accordance with company law, the Board of Solent LEP Limited has been democratically elected by its members. Indeed, it was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP Board is the lead decision-making entity within the LEP governance structure (shown in section 2.1 of Section A). The LEP provides strategic leadership, determines policy direction, and is the ultimate decision-making body within the governance structure. All other components of the governance structure draw their authority from the LEP Board, with the exception of the Solent Growth Forum (see section 2.7). The Section 151 Officer of the Accountable Body, or a nominated deputy, attends LEP Board meetings.

The Solent LEP is committed to having a Board which embraces diversity and promotes equality of opportunity within the Solent economy.

In formulating proposals, the Solent LEP is very mindful of the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics. In accordance with the processes and procedures of our accountable body, Portsmouth City Council, the LEP have adopted the Equality Impact Assessment (EIA) Toolkit.

The EIA toolkit includes a preliminary EIA, which has been undertaken in relation to the Local Growth Deal 3 proposal. This preliminary assessment considers that there is no adverse impact on groups with protected characteristics and that the LGD3 proposal will have a positive impact on all groups within the Solent area. The LGD3 Equality Act document can be found [here](#).

As part of work to develop individual projects in advance of delivery, all scheme leads will be required to undertake an EIA, which will form part of the LEP's assessment prior to awarding funding. The Solent LEP Funding, Finance and Performance Management Group will regularly monitor these EIAs, as well as the diversity of the Solent LEP Board, and will produce an annual Equality and Diversity report.

As an employer, the Solent LEP is committed to equality and valuing diversity within its workforce and operates in-line with the Equality and Diversity Strategy of Portsmouth City Council, our accountable body⁴. Our goal is to ensure that these commitments, reinforced by our values, are embedded in our day-to-day working practices with all our customers, colleagues and partners.

2.4 The LEP Board

The Solent LEP Board consists of 15 Directors. The 15 Directors are drawn from three classes of membership and an Executive Director. The three classes are Business (B) Membership, Higher Education (H) Membership and Public Sector (P) Membership.

The eight B Directors on the Solent LEP Board are⁵:

- Kevin George, Chairman & Chief Executive, Red Funnel Group
- Nick Gross, Chairman, Coffin Mew LLP
- Stuart Hill, Operations Executive, IBM UK and Ireland
- Gary Jeffries, Managing Director, Hughes Ellard
- Brian Johnson, UK Business Development Director, BAE Systems
- Rachael Randall, Chief Executive, HTP Apprenticeship College
- Sandra Sassow, Chief Executive, SEaB Energy
- Vacancy

The H Director on the Solent LEP Board⁵ is Graham Baldwin, Vice-Chancellor, Southampton Solent University.

The five P Directors on the Solent LEP Board⁵ are:

- Cllr. Seán Woodward, Leader Fareham Borough Council
- Cllr. Keith Mans, Deputy Leader, Hampshire County Council
- Cllr. Donna Jones, Leader, Portsmouth City Council
- Cllr. Simon Letts, Leader, Southampton City Council
- Cllr. David Stewart, Leader, Isle of Wight Council

The Executive Director⁵ on the Solent LEP Board is Anne-Marie Mountifield who is also Chief Executive of the Solent LEP.

The terms of reference of the LEP Board are [available here](#). Further detail on the composition of the Solent LEP Board Ltd is set out in the Company's [Articles of Association](#). In addition to meeting the eligibility criteria in the Articles, all Solent LEP Board Directors are expected to follow "[The 7 principles of public life](#)" code of conduct.⁶ Following publication of the Local Enterprise Partnership Governance and Transparency Best Practice Guidance the LEP has adopted a new Code of Conduct ([available here](#)). In addition, in order to ensuring continued best practice, Solent LEP Directors are provided with independent non-executive development on a regular basis.

⁴<https://www.portsmouth.gov.uk/ext/community/equality-and-diversity.aspx>

⁵ As at 14th March 2018. Information on current Solent LEP Board Directors is available at <https://solentlep.org.uk/who-we-are/solent-lep-board/board-biographies>

⁶ See gov.uk guidance on "The 7 principles of public life" - <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

Currently the Solent LEP Board has four SME business representatives appointed from amongst the Business Membership (Gary Jeffries, Nick Gross, Rachael Randall, Sandra Sassow). Whilst appointments to the Board are at the discretion of the business membership of the LEP (in line with our Articles of Association) the Solent LEP Board have agreed to establish bye-laws in relation to the appointment of Business Directors to ensure that there is always at least one direct SME representative. In addition to the direct representation the Solent LEP Board have identified a Board Director to represent and engage with the SME business community. That Board Director is Brian Johnson.

2.5 Chairmanship

The directors of the Solent LEP appoint a director from among the B directors to chair meetings of the directors. The Chairman of the Solent LEP is Gary Jeffries.

Further detail on the chairmanship of the Solent LEP Board Ltd is set out in the Articles of Association².

2.6 Voting Arrangements

Each member of the Solent LEP Board shall have one vote and decisions are made on a majority basis.

Further detail on voting arrangements of the Solent LEP Board is set out in the [Articles of Association](#)².

2.7 Solent Growth Forum

The Solent Growth Forum (SGF) is an advisory group, reporting recommendations and advice directly to the Solent LEP Board. It is established by way of a Voluntary Partnership, formalised within a [Joint Agreement](#).

Government want to be confident that there are strong underpinning local authority partnership arrangements in place to facilitate joint decision making and collaboration on growth and economic development between all local authorities in each LEP area. It's important that local authorities across the LEP area support growth priorities and actively play a part in ensuring their delivery – by aligning strategic plans, through use of their powers and competencies and through pooling and aligning of local resources and efforts.

In order to provide for this, the Solent Growth Forum has been established under a Joint Agreement to enable collective engagement of local authority leaders in decision-making on growth priorities, with the LEP represented, supported by strong collaboration and joint delivery at executive level.

The SGF has the following purposes:

- to provide independent scrutiny of the operation of the Solent Local Enterprise Partnership;
- to review project funding decisions made by the board and Delivery Panels;
- to review projects funded under the Solent Growth Deal;
- to provide recommendations, expert advice, and guidance on any matter relating to Strategic Economic Plan; the work of the Board, and the Delivery Panels;
- to advise on the policies and programmes outlined in the SEP;
- to review the delivery of the SEP;
- to receive updates on the delivery of the European Structural Investment Funds;
- to encourage optimal delivery of the strategic priorities across programmes, and the optimal delivery of strategic priorities;
- to provide a strategic review of the development and delivery of the multi-year strategic economic plan.

The Members shall have regard to these purposes when engaged in the business of the SGF, and the Executive of the Solent LEP and the Chair, shall have regard to them when agreeing the agenda.

The SGF is established by, but independent from, the LEP Board. It is administered by the Solent LEP Executive and advised by the LEP Executive and the accountable body for the Solent LEP. Members include all 12 of the local authorities in the LEP area, who shall have Full Member status. Ex Officio Membership is provided by representatives invited by the

Executive of the Solent LEP, in consultation with the Chair of the SGF on the basis of subject and sector knowledge, and the need for a diverse stakeholder view, from sectors including (but not exclusively):

- Education
- Business
- Trade Unions
- Government Agencies and departments
- National Health Service bodies, and Clinical Commissioning Groups

Meetings of the SGF shall comply with the requirements of Part VA Local Government Act 1972 (access to information) and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) shall be applied accordingly.

Further information on the SGF is available at <https://solentlep.org.uk/solent-growth-forum>

The SGF agenda, including specific projects, may be supported by a group of officers and advisers with specialist expertise in areas relevant to the delivery of those projects.

2.8 Funding, Finance and Performance Management Group

The Funding, Finance and Performance Management Group (FFPMG) is a management group that is appointed by, and reports and provides advice to, the main LEP Board.

The FFPMG sits below the Solent LEP Board and has a focus on delivery. The group helps co-ordinate Solent LEP activity and provides advice, alongside the Solent LEP Executive, to the Board on strategic and operational matters.

This includes; the review of investment funding to support the delivery of the Strategic Economic Plan (SEP) and the EU Structural Investment Strategy (EUSIF), review of the risk management framework to include delivery capacity of Solent LEP and delivery partners in addition to the SEP and the EUSIF, preparation (and ensuring implementation of) the Medium Term Financial Plan approved by the LEP Board, ensure that all terms and conditions attached to funding awards are properly adhered to and are being used to deliver the agreed outcomes, appointment of the Independent Auditor and overseeing the annual audit process (including the certification of final grant claims), preparing the Financial Statements of the Solent LEP Limited for the LEP Board to agree and the review or scrutinising of the management accounts of the LEP which will feature within the financial statements of the Accountable Body.

In this role, the group receive reports from the relevant Delivery Panels in relation to progress against specified priorities and appraises the priorities and actions identified by the Delivery Panels.

The FFPMG has delegated responsibility for the delivery and budget for programmes/activities (up to a value of £500,000).

The Solent LEP will maintain and manage a risk register to cover all areas of LEP activity on a regular basis. This will be reviewed by the FFPMG on a quarterly basis and shared with Portsmouth City Council's Audit and Fraud team to assist in the development of an annual programme of audit activity. The named individuals who are responsible for the identification and management of risk are Marc Griffin, Solent LEP Head of Capital and Infrastructure and Elizabeth Goodwin, Chief Internal Auditor, Portsmouth City Council (Solent LEP accountable body).

Further information on the FFPMG is available at <https://solentlep.org.uk/who-we-are/solent-lep-funding-panels/funding-finance-and-performance-management-group/>

2.9 Search, Employment and Remuneration Committee

In line with the recommendations of the LEP Board, a search, employment and remuneration committee has been established for Solent LEP. The Committee is appointed to lead the process for all employment matters including, but not limited to, organisational structure, appointments and executive remuneration within the overall budget approved by the Board in order that there is a formal and transparent procedure for developing employment policy.

Within this remit, the committee shall:

- Review the ongoing appropriateness and relevance of the employment strategy and remuneration policy; and
- Ensure (through the LEP accountable body) that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; and
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- Obtain reliable, up-to-date information about remuneration in other companies/organisations; and
- have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations.
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any Executive Search consultants who advise the Committee.

In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, and the Accountable body's pay policy and associated guidance.

Further information on the Search, Employment and Remuneration Committee is available at <https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/search-employment-and-remuneration-committee/>

2.10 Strategic Priorities Delivery Panels

As set out in section 1.4 of Part A, the Solent LEP has identified six strategic priorities. For each of these strategic priorities a Delivery Panel has been established. Each Delivery Panel has its own membership and terms of reference, and each is chaired by an independent private sector expert.

Each Delivery Panel will operate under specific Terms of Reference, which will be agreed by the main Solent LEP Board. The full Terms of Reference document, including standard terms, can be found [here](#).

2.11 Skills Strategic Priority

Transforming the Solent economy will require us to build a knowledge-rich and creative economy, one which will require the highest levels of education in our entire workforce. In order to achieve this, the Solent LEP has published a dedicated [Solent Skills Strategy](#), which aims to support the development of a world-class workforce to drive our future economic success. It aims to ensure that Solent's growth ambitions are supported by an employment and skills system which meets the needs of employers and individuals. We are very fortunate to have three universities based in Solent, together with a network of excellent Further Education colleges, private learning providers and schools. They represent a major economic asset, providing a source of highly-skilled employment, generating new businesses, supporting existing businesses and bringing significant revenues to the local economy. They also give us an excellent capacity to deliver skills for the local economy.

Employment and Skills Board

The Employment and Skills Board leads the delivery of the Skills strategic priority for Solent LEP, working with other partners to collaborate on joint strategy and policy development for employment and skills. It provides lead responsibility for the Skills Strategy implementation, monitoring the delivery of the employment and skills outcomes in the Solent LEP EU Structural Investment Framework (EUSIF), Strategic Economic Plan and Solent Growth Deal. This builds on the strong track record the area has already established.

Further information on the Employment and Skills Board is available at <https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/employment-and-skills-board>

2.12 Innovation & Business Support and Engagement Strategic Priority

Innovation and the exploitation of new knowledge by the private sector will be fundamental to future growth. With 70% of long term economic growth coming from innovation, for Solent to thrive and transform its economy, innovation will need to be a major driver. The Government has identified the key role of innovation in its newly published Building Our Industrial Strategy Green Paper (2017) and Science and Innovation Strategy (2014). The Science and Innovation Strategy is pushing forward the boundaries of knowledge and development and the exploitation of new technologies is central. The Science and Innovation Strategy highlights the importance of private, public, university and Government collaboration in driving innovation-led economic growth.

Enterprise is also a key driver of productivity and economic growth. The health of the business base has important implications for the number of jobs that the Solent economy can provide.

Innovation & Business Support Delivery Panel

The Innovation and Business Support Delivery Panel will play an important strategic role with oversight of the range of business support activities underway at the Solent LEP and with partner organisations and will lead the delivery of the business support priority for Solent LEP, working with other partners to collaborate on joint strategy and policy development for enterprise and business. The Panel will also have the lead role in taking forward the Solent LEPs work on business engagement: ensuring a two-way dialogue with local business to ensure they are informed of the work of the LEP and opportunities to get involved, as well as ensuring the LEP can receive strong input from the local business community on issues of strategic importance.

Further information on the Innovation & Business Support Delivery Panel is available at <https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/innovation-and-business-support-delivery-panel/>

Business Support Investment Panel

The Solent LEP operates a range of Business support funding programmes and the Business Support Investment Panel will make decisions on applications for Business Support Funding up to £100k.

Further information on Business Support Investment Panel is available at <https://solentlep.org.uk/who-we-are/solent-lep-funding-panels/business-support-investment-panel/>

2.13 Infrastructure Strategic Priority

Place-based factors – housing, transport, employment space, digital infrastructure, planning and environmental protection – can facilitate or impede the growth of the local economy.

Planning for growth through infrastructure development is a cross-cutting priority that reflects the spatial dimension running across a number of the strategic priorities and programmes set out in the [Solent Strategic Economic Plan](#). Together these have significant impact on the potential for growth and development across the Solent LEP area.

The Solent LEP has been successful in securing Enterprise Zone status for the former military airfield Daedalus on the Gosport peninsular. One of only 21 Enterprise Zones nationally, the prestigious status brings with it:

- A 100% business rate discount worth up to £275,000 over a five year period for businesses locating on the zone by 31st March 2018;
- Simplified planning; and
- Access to Superfast Broadband.

In addition, business rate growth at the zone for a period of 25 years will be retained by the local authority to allow further investment in economic priorities.

The Solent Enterprise Zone is recognised as a leading location for advanced manufacturing and engineering business and, as a strategic site for the Solent, significant investment has been targeted to the Zone. For further information please see

the [Solent EZ](#).

Land, Property and Infrastructure Delivery Panel

The Solent LEP has been given a key role by central Government in coordinating and unlocking land and property assets within the Solent to deliver economic growth. This will be achieved through land assembly, bringing relevant partners together, and overcoming barriers including through developing the necessary enabling infrastructure priorities including transport, digital infrastructure, housing and flood mitigation amongst others. Infrastructure is an important enabler of economic growth, and therefore this Delivery Panel will provide advice to the Solent LEP Board on the identification, evaluation and prioritisation of future infrastructure schemes and their supporting business cases in support of delivery of the Solent Strategic Economic Plan (SEP) on an annual basis, and also providing accountability for the delivery of LEP funded infrastructure schemes, including those focussed on enabling the Solent Enterprise Zone. The Solent Land Property and Infrastructure Delivery Panel will receive regular reports from Enterprise Zones working groups, who are made up of local partners including the LEP, Fareham and Gosport Borough Councils, Hampshire County Council and the Homes and Communities Agency.

Further information on the Land, Property and Infrastructure Delivery Panel is available at <https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/land-property-and-infrastructure-delivery-panel>

2.14 Inward Investment and International Trade Strategic Priority

There is a strong relationship between foreign direct investment (FDI) and economic growth. Larger inflows of both UK and foreign investments will be needed if the Solent is to achieve a sustainable high trajectory of economic growth. There are many conditions that have to be put in place to attract inward investment, not least of which is an attractive investment climate.

In consideration of the Brexit vote Government recognise that the UK's trading relationship with the EU post-Brexit is of huge significance given the scale of UK exports to and imports from the EU. The Solent is a significant sub-regional gateway economy with strengths across a range of industries in the private sector. The two Ports, alongside Southampton International Airport, are our three International Gateways, and represent significant economic assets and ensure that the Solent is globally connected.

In 2014, the Solent LEP published an [Inward Investment Strategy](#) for the area, however, in light of changes this strategy requires review to ensure the area has an appropriate strategy in place for both Inward Investment and International Trade. There remains an ambition to reconfigure this delivery Panel in the context of this work and there is an intention to establish a new delivery panel focused on Inward Investment and International Trade in 2017

2.15 Strategic Sectors Strategic Priority

The development of growth hubs and strategic sector-based clusters which can deliver export-led growth in high value employment remains important to the success of the Solent economy. The area has unique sectoral strengths and there is a need to ensure that it builds on its recognised position as the leading location and growth hub for advanced manufacturing and engineering (marine, aerospace, renewable energy, environmental technologies and composites) together with supporting transport and logistics. Given the importance of our strategic sectors, we are ensuring that our other strategic priorities and their delivery are targeted towards meeting the needs of these sectors.

Marine and Maritime Steering Group

The establishment of a Solent Marine and Maritime Steering Group (SMMSG) to drive the long-term sustainable growth of the Marine and Maritime Sector in the Solent was a key recommendation of the report⁷ by BIS (The Department for Business Innovation and Skills), led by Rear Admiral Rob Stevens CB, published in March 2014, to identify the steps that should be taken to secure the future of the marine and maritime industries across the Solent. The vision of the SMMSG is to drive the long term, sustainable growth of the Solent Marine and Maritime sector to benefit both the Solent and UK plc. Further information on the SMMSG is available at <https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/marine-and-maritime-steering-group>

⁷ Rear Admiral Rob Stevens' Transforming Solent: Marine and Maritime Supplement available from: https://solentlep.org.uk/media/1211/solent_marine_maritime_report.pdf

2.16 Relationship With Delivery Bodies

The Solent LEP will sign a funding agreement with external delivery bodies, which will set out roles and responsibilities and the conditions attached to funding, along with the monitoring and evaluation framework. Further information on the arrangements for supporting the effective delivery and implementation of projects is set out in Part E.



Part B: Strong, Supportive Local Authority Working Across the Solent LEP

This section describes the strong underpinning local authority partnership arrangements that are in place to facilitate joint decision-making and collaboration on growth and economic development between all local authorities in the Solent.

1.1 Collective Engagement of Local Authority Leaders in Decision-Making on Growth Priorities

Section 2.4 of Part A provides information on the composition of the LEP Board. All 12 Local Authorities of the Solent LEP area are P Members of the Solent LEP and democratically elect five representatives to the Solent LEP Board. All 12 Local Authorities are also members of the Partnership for Urban Southampton (PUSH), which operates as a Joint Committee and, therefore, PUSH currently assists the Solent LEP in facilitating this election process. The P Directors on the Board do not represent their 'home' Local Authority, but represent all 12 Local Authorities on the LEP Board.

The Delivery Panel structure set out in sections 2.7 - 2.15 of Part A has Local Authority representation embedded. Local Authority representatives on Delivery Panels are nominated, democratically, through PUSH.

The key role of the Solent Growth Forum within the Solent LEP governance architecture is described in section 2.7 of Part A.

1.2 Local Authority Joint Working Architecture

As set out in section 2.7 of Part A, the Solent Growth Forum (SGF) has been established by the 12 Local Authorities of the LEP area as an advisory group, reporting recommendations and advice directly to the Solent LEP Board. It is established by way of a Voluntary Partnership, formalised within a [Joint Agreement](#). The Solent Growth Forum provides an important mechanism for the area to deliver on the requirements of the Assurance Framework by bringing all local authority leaders across the LEP together and ensure that local authorities across the LEP area don't just 'support' growth priorities but actively play a part in ensuring their delivery.

The Solent benefits from a long history of cross-Local Authority joint working through the PUSH and Solent Transport Joint Committees. PUSH is a partnership of the 12 Local Authorities of the Solent LEP area (see section 1.2 of Part A) and operates as a formal Joint Committee. The Joint Committee was established when PUSH formalised the partnership arrangements between each of the partner Local Authorities through a Joint Agreement under Local Government Acts. This was subject to approval by all the partner Councils and came into force in November 2007. The Joint Committee is the decision making body for PUSH. The membership consists of the Leaders or their nominated representative of the 12 Local Authorities, supported by their Chief Executives and the PUSH Executive Director. The Joint Committee is currently chaired by Councillor Seán Woodward, the Leader of Fareham Borough Council with Councillor Donna Jones, Leader of Portsmouth City Council, as Vice Chairman.

The PUSH Joint Committee meets approximately bi-monthly with the Solent LEP, Environment Agency and the Homes and Communities Agency (HCA) represented on the Committee as observers. Meetings of the Joint Committee are open to members of the public and its agenda, papers and reports are published on the PUSH website seven days in advance of scheduled meetings.

PUSH has no statutory powers or functions but works collaboratively with the Solent Local Enterprise Partnership to deliver its distinct but complementary roles and objectives, recognising the benefits of working together to support the sustainable economic growth of the Solent and to facilitate the strategic planning functions necessary to support that growth.

Solent Transport (formerly Transport for South Hampshire and Isle of Wight) was set up in 2007, to plan transport improvements for the South Hampshire sub-region. More recently, in 2013, the Isle of Wight joined the partnership, such that the area it covered is coterminous with that of the LEP. Like PUSH, the partnership is formalised through a Joint Committee of the four local highway authorities of the area (Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council). The partnership recognises that the transport movements in

this polycentric and interconnected urban area do not respect administrative boundaries and so provides a mechanism through which solutions across boundaries and partners can be developed and funding secured. Partners such as public transport operators, Department for Transport (DfT), Highways Agency, Network Rail, the Solent Local Enterprise Partnership (LEP), and districts, amongst others, play an important role in the work of Solent Transport.

A LEP Board member and the LEP Chief Executive (or nominated deputy) attends the PUSH and Solent Transport Joint Committee meetings. In addition, the LEP Executive team attends relevant sub-groups of each Partnership, including the PUSH Planning Officers Group, and the Solent Transport Senior Management Board and Strategy Working Group.

Both PUSH and Solent Transport have regard for the Strategic Economic Plan and its priority areas and targets within their work. This is reflected in the Transport Delivery Plan, published by Solent Transport in 2013, and in the PUSH Spatial Position Statement, published by PUSH in 2016.

It should be noted that all members of the Solent Local Transport Body Board agreed to close the Board at its meeting on the 8th October 2014. As such, the Solent LTB no longer exists. Transport infrastructure matters will be considered through the Solent LEP Land, Property and Infrastructure Delivery Panel (see section 2.12 of Part A) and through the existing Solent Transport Joint Committee.

1.3 Pooling and Aligning of Local Resources and Efforts

The LEP is keen to realise pooling and aligning of resources across the 12 Local Authorities, and recognises that it has a role to play here in aligning its resources.

The Local Growth Deal (published 7th July 2014), includes projects where Local Authorities have worked together on their development and delivery. The LEP fully supports joint working and is happy to perform a coordinating role where local partners feel this would be beneficial.

Through the LEP Delivery Panel structure, the LEP has drawn on resource from Local Authorities, for example with regard to the Marine and Maritime Steering Group and Inward Investment, Hampshire County Council and the Isle of Wight Council have provided executive support, whilst PUSH has provided resource to programme manage the Solent LEP Growing Places Fund programme. The LEP has also worked with University partners on a range of projects, harnessing their research expertise and executive support on Innovation.

The LEP is keen to continually work with local partners to further explore opportunities for pooling and aligning of resources and efforts.

The LEP has positively engaged in devolution discussions with Local Authorities and will continue to do so.



Part C: Transparent Decision Making

This section describes the arrangements that are in place to enable effective and meaningful engagement of local partners and the public, and the practices and procedures that are in place to ensure decisions made are proper, based on evidence, and capable of being independently scrutinised.

1.1 Transparency

The Solent LEP has a dedicated website (www.solentlep.org.uk), on which all published documents (including the Local Growth Deal) are available, as well as news items relating to the work of the Solent LEP. An important feature of the Solent LEP website is to provide information on the funding opportunities that are available through the LEP. The LEP also uses social media and events to engage with partners and the general public.

As described in the *Introduction*, the Solent LEP is a limited company and so it is not appropriate to apply Local Authority rules and regulations to a private company. However, the Accountable Body of the Solent LEP (see Part 4), will publish financial information relating to public funds flowing through the Solent LEP as part of its statutory financial reporting procedures and adherence to the Local Government Transparency Code.

In addition, the Solent LEP publish financial information covering the Local Growth Fund and other funding sources received from Government on the Solent LEP website as part of the public board packs, which can be found [here](#). The draft end of year financial position is published at the next Board meeting to follow the end of the financial year. The formal annual accounts for each financial year are typically signed off by the Board each Autumn.

The Solent LEP publish an Annual Report each year after the Annual General Meeting (AGM), which can be found [here](#). The Solent LEP also publishes a Growth Hub Annual Review Report, which is available [here](#).

Section 2.7 of Part A describes the Solent Growth Forum, which provides the key public-facing forum within the LEP governance architecture. The SGF will be administered by the Solent LEP, with advisers from Portsmouth City Council. Meetings of the SGF shall comply with the requirements of Part VA Local Government Act 1972 (access to information) and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) shall be applied accordingly.

SGF meetings will be open to the public and be advertised subject to the minimum notice period. The SGF will routinely publish meeting papers and minutes, and associated documentation, in a timely manner. Stakeholders will be provided with meaningful input before decisions are made. This will be achieved through direct engagement, publication and advertising of information, and attendance and opportunity for deputations at SGF meetings.

The SGF will adhere to the Local Government Transparency Code. All Freedom of Information (FOI) and Environment Information Request (EIR) requests will be dealt with in accordance with the relevant legislation. All FOI and EIR requests are considered in accordance with the published process of the LEP's accountable body, Portsmouth City Council. Further information regarding the policy is available [here](#).

1.2 Register of Interests and Conflicts of Interests

The Solent LEP holds a Register of Interests of all LEP Board members, which is available [here](#). A Conflicts of Interests policy for the LEP Board is contained within the [Articles of Association](#) of the Solent LEP Ltd and the Solent LEP is also committed to the requirements of the [Local Enterprise Partnership Governance and Transparency best practice guidance](#) and has adopted the register of interest included in Chapter 4.

In addition, a Register of Interests is held for each of the groups within the LEPs governance architecture, and each group has a Conflicts of Interests policy contained within each Terms of Reference. The Register of Interests is updated ahead of each meeting. Information on what constitutes as a conflict of interest can be found in the National Audit Office's [report](#) into Conflicts of Interest.

1.3 Enquiries, Freedom of Information, Complaints and Whistleblowing Policy

The Solent LEP has established an Enquiries, Freedom of Information, Complaints and Whistleblowing Policy, which is in line with the Local Enterprise Partnership Governance and Transparency Best Practice Guidance which broadly complies with that of Portsmouth City Council who shall make arrangements for the investigation of alleged breaches of law, standards, or public fund management. A copy of this policy is available [here](#).

The LEP Board has also identified an Assurance Champion, to provide direct Board leadership on this important component of our work, and this is the Chairman of the Funding, Finance and Performance Management Group.

1.4 Engagement

The Solent LEP is committed to meaningful and effective engagement with all partners and the general public. This has been central to the development of the initial Strategic Economic Plan and EUSIF Strategy, whereby a range of large scale public consultation events were held, and reinforced through an online survey and dedicated individual meetings with all 12 Local Authority partners and other key stakeholders. The LEP will continue to invest significant resource to engagement with partners as the SEP is updated and new funding programmes are developed. It should be noted that the wider governance architecture of the Solent LEP plays an important ongoing mechanism through which engagement takes place between the Solent LEP and its partners.

The Solent Growth Forum is a public meeting, and provides opportunities for deputations.

The LEP is keen to ensure that its funding proposals are endorsed by those affected by them. Accordingly, the LEP [publishes full business cases online](#) as part of a twelve week consultation period, before the LEP Board makes any final investment decision.

1.5 Arrangements for Developing, Prioritising and Approving Projects

The arrangements for developing, prioritising and approving projects are set out in Part E1 and Part E2.

1.6 Solent LEP Priorities and Mechanisms for Maximising the Social Value of Investment Funding

The Solent LEP priorities are set out in section 1.4 of Part A.

All proposals identified for funding are required to develop a full business case. The Social impact of all bids for investment funding is considered as part of the business case evaluation and is a component part of the scoring of projects in determining their prioritisation.

Upon submission, each business case will be subject to a twelve-week consultation period, through which partners and the general public will have an opportunity to influence the output to help shape outcomes. Through this mechanism, and through the commitment of the LEP to meaningful and effective consultation through a variety of formats, the LEP will maximise the social value of investment funding.

The Solent LEP is very mindful of obligations under the Equality Act 2010 and in particular the impact of any proposal on groups with protected characteristics. These obligations are considered in accordance with the published process of the LEP's accountable body, Portsmouth City Council. Further information regarding the policy is available [here](#).

1.7 Confidential Items

Given the nature of some of the work of the LEP, there are situations when the Board of the LEP or sub-groups do need to consider confidential information to inform decision-making. The LEP has established a Confidential Items Policy, which is [available here](#). This explains how such items will be managed.



Part D: Accountable Decision Making

This section provides information on the role of the Accountable Body of the Solent LEP and democratic accountability.

1.1 Status and Role of the Accountable Body

It is the Government's expectation that accountable bodies cannot use LEP funding for their own purposes, or without any clear mandate from the LEP.

The Accountable Body (through its Responsible Financial Officer - the Section 151 Officer), will be accountable for the proper use and administration of funding, all of which fall under the annual audit of the local authorities accounts, and for ensuring that decisions are made in accordance with this assurance framework.

Portsmouth City Council is the accountable body⁸ for the Solent LEP and will:

- hold funding and make payments to delivery bodies;
- account for these funds in such a way that they are separately identifiable from the accountable body's own funds;
- provide financial statements to the Solent LEP as required;
- ensure that use of resources are subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending, and the proper financial stewardship and safeguarding of public funds, which are overseen and checked by the Responsible Chief Finance Officer – the 151 Officer
- ensure transparency that annual accounts and spend over £500 is published, this can be found [here](#)
- ensure decisions and activities of the LEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.
- ensure (through their Section 151 Officer) that the funds are used appropriately.
- ensure that this LEP assurance framework is adhered to
- maintain the official record of LEP proceedings and holding copies of all relevant LEP documents relating to LGF funding
- be responsible for the decisions of the LEP in approving projects (for example if subjected to legal challenge)
- ensure that there are arrangements for local audit of funding allocated by LEPs at least equivalent to those in place for Local Authority spend

Portsmouth City Council shall ensure that all expenditure decisions are made in accordance with the Council's constitution and associated "Financial Rules". In particular, spending decisions made by the Solent LEP must meet the eligibility criteria prescribed within the terms and conditions of any associated grant funding received and that all expenditure is legal. It will also ensure that all spending decisions can be fully funded to avoid an unbalanced budget position. Spending decisions must adhere to the principles of good governance and public accountability and demonstrate that public funds will not be placed at undue risk and value for money can be demonstrated.

Portsmouth City Council will not implement any decision of the LEP Board or its Committees and Panels where the conditions described above are not met or where it reasonably considers they will not be met. If for any other reason Portsmouth City Council disagrees with a decision of the Board, the Council will seek to resolve the matter by a process of consultation. If the matter cannot be resolved within a reasonable time period then the matter will be escalated to the Council's Chief Executive and the Chief Executive of the Solent LEP who shall decide on the appropriate course of action to take. If the matter can still not be resolved, then the matter will be referred to an independent arbitrator to reach an agreement. The costs of an independent arbitrator shall be borne by the Council and the Solent LEP, respectively.

Portsmouth City Council and the Solent LEP have agreed timescales and operating practices to support the effective implementation of decisions. These are described in the protocol and service support agreement in place between the accountable body and Solent LEP. This is provided [here](#).

⁸ For some Solent LEP programmes of activity a distinct accountable body may be appointed. The only situation where this is presently the case is for the Enterprise Zone Expansion Fund, for which Gosport Borough Council is the accountable body.

1.2 Legal Advice to the Solent LEP Limited

Legal advice to the Solent LEP Limited is provided by Paris Smith LLP and Portsmouth City Council. Legal advice in relation to the projects and work of the Solent LEP Executive is provided by Portsmouth City Council, who are the accountable body for the Solent LEP.

1.3 Democratic Accountability

Section 2.4 of Part A provides information on the composition of the LEP Board. All 12 Local Authorities of the Solent LEP area are P Members of the Solent LEP and democratically elect five representatives to the Solent LEP Board. All 12 Local Authorities are also members of the Partnership for Urban South Hampshire (PUSH), which operates as a Joint Committee, and, therefore, PUSH currently assists the Solent LEP in facilitating this election process. The P Directors on the Board do not represent their 'home' Local Authority, but represent all 12 Local Authorities on the LEP Board.

The Delivery Panel structure set out in sections 2.7 - 2.16 of Part A has Local Authority representation embedded. Local Authority representatives are nominated, democratically, through PUSH.

The key role of the Solent Growth Forum within the Solent LEP governance architecture is provided in section 2.7.



Part E: Ensuring Value for Money: Prioritisation, Appraisal and Business Case Development

This section sets out the arrangements the LEP has established for ensuring value for money from investments it allocates public funds to, the methodology the LEP will employ to prioritise projects, as well as appraisal through business cases. Section E1 describes the approach of the Solent LEP to options appraisal and prioritisation, whilst section E2 sets out the procedures in place to ensure value for money, and the development of business cases.

Part E1: Options Appraisal and Prioritisation

1.1 Statement of Principle

As a starting point, projects proposed for consideration for prioritisation for funding by the Solent LEP Board by any of the LEP Delivery Panels, will be for worthwhile projects that do not have full funding that meet the LEP strategic vision and objectives, fit with its Strategic Priorities, emerge from evidence, and accord with the relevant funding criteria. It should be noted that proposals that represent transformational economic growth opportunities will be prioritised.

1.2 Approach to Prioritisation

The prioritisation process to be followed by the Solent LEP is set out in the four steps, below:

Solent LEP Prioritisation Process⁹

Step 1	An initial step may require each scheme promoter to submit an initial Expression of Interest (EoI). However, the LEP may issue a call for Outline or Full Business Cases, should there be specific time constraints on funding.
Step 2	An initial eligibility check will be undertaken by the Solent LEP.
Step 3	Advice on EoI's or Business Cases will be sought from relevant Delivery Panels and / or the Solent Growth Forum. Advice may also be provided on ranking of projects.
Step 4	For Outline Business Cases and Full Business Cases independent expert due diligence will be undertaken and recommendations made to the LEP. Advice may also be provided on ranking of projects.
Step 5	Solent LEP Board considers the recommendations and advice of the Delivery Panels and / or SGF and (for Outline and Full Business Cases) the independent expert due diligence recommendations.
Step 6	Solent LEP executive contacts all project proposers to advise next steps for short-listed projects: <ul style="list-style-type: none"> • For short-listed EoI's - An invitation to develop an Outline or Full Business Case • For Outline Business Cases - An invitation to develop a Full Business Case • For Full Business Cases - An offer of funding, subject to any pre-conditions. <p>For projects not to be progressed, an offer of feedback on the application will be made.</p>

The prioritisation matrix, which the LEP use to assess projects, is shown in the table below.

Solent LEP Prioritisation Matrix⁹

Core Criteria	
Strategic Fit	The extent to which a project strengthens the role of the Solent as a Gateway economy, supports the growth (including export potential) of our strategic sectors, or one or more the five areas critical to raising productivity levels in the Solent: transport, digital communications, skills, research and development (R&D) and housing.
Deliverability	The ability to demonstrate that the project is deliverable including: the extent to which it has

	planning permissions (and has resolved any planning conditions) and other relevant consents in place; the adequacy of the funding package; the financial standing of the delivery partners; an appreciation of the range of risks to timely delivery and appropriate mitigation strategy; demonstration that the delivery body has put in place the capacity and competence to deliver the project; that appropriate project governance and project management resources are in place.
Start Dates	Applicants should identify when the project is expected to come forward and identify risks to project commencement.
Private Sector / Other Leverage	The ability to lever other funding, in particular, private sector funding and the scale of the Investment.
Jobs	The value (quality i.e. permanent vs. temporary jobs) and number of the direct jobs created (where applicable).
Homes	The number of new houses enabled and / or accelerated by the project (where applicable).
Skills	Delivery of skills outcomes such as education floorspace, apprenticeships, learners, etc (where applicable). Evidence that the proposal is employer-led (priority will be given to applications that come forward with a private sector contribution and partner) and that it addresses an identified skills shortage need in an industry and/or sector in the Solent. Clear evidence how the proposal will respond to the development of new technical routes to meet industry needs in the Solent, including the completion of high quality work placements.
Additionality	The extent to which a site's benefits will be realised without the funding (deadweight); the impact of the funding on the speed of delivery of the economic benefits; and the extent to which the funding will shift economic activity from other areas (displacement).
Supplementary Criteria	
Wider Economic Impacts	The wider impact on the economy of the Solent LEP area (i.e. will it help unlock or bring forward other development sites or economic activity?; will it help grow the priority sectors?; realise spill-over impacts to other companies in a supply-chain?; or provide induced benefits?).
Social Impact	The extent to which the project will have wider social or environmental benefits to the Solent (e.g. providing employment opportunities in deprived city areas, supporting people into work through apprenticeships and other access to employment routes).
Equalities	Projects will need to demonstrate compliance with the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics.

Through prioritisation, the Solent LEP will also seek to maximise value for money from key public sector investments focusing on areas that are economically vulnerable, and linking local people to jobs through effective procurement processes whilst leveraging private sector investment in skills and employment.

1.3 Value for Money at Prioritisation Stage

A detailed assessment of value for money will be undertaken in accordance with HM Green Book (where applicable), once a project has been provisionally allocated funding, and this is set out in Part E2.

At the prioritisation stage, the Solent LEP prioritisation methodology will consider value for money in a number of ways that can be readily monetised including:

- Funding levered in from external sources
- Number and value of jobs created and safeguarded
- Number of houses built

In addition there will be qualitative assessment of value for money that will inform the overall value for money assessment. This will include:

- Skills outputs (apprenticeships, number of learners, etc)

- Additionality
 - Wider Economic Impacts
 - Social Impact
-

Part E2: Value for Money and Business Case Development for Funded Proposals

2.1 Ensuring Value for Money through the Development of a Full Business Case

The process for demonstrating value for money through the development of a full business case is available in the Solent LEP Advice note to scheme promoters on the development of full business cases [here](#).

The LEP has identified Stuart Baker, Solent LEP Head of Local Growth and James Fitzgerald, Corporate Finance Specialist, Portsmouth City Council (Solent LEP accountable body) as the named individuals with overall responsibility for ensuring value for money and those individuals will be responsible for scrutiny and recommendations on each business case. This will be provided for within the LEP Funding, Finance and Performance Management Group. Where appropriate, the LEP will also commission independent expertise to validate value for money assumptions. For transport schemes, this will include a [Value for Money Statement](#) signed-off by the Solent LEP Value for Money Officer.

The Solent LEP has set out a commitment to achieve a 'high' value for money (VfM), which is defined as achieving a VfM ratio of 4:1. This level is to be achieved at the Solent Growth Deal Programme level and will capture both the scheme's wider economic benefits and the leverage of wider investment resulting from the scheme. This is intended as a broader measure than an economic or financial appraisal (i.e. a Benefit to Cost Ratio (BCR) or a ratio of Net Present Value to Project Costs) however the Business Cases are still expected to include a relevant financial and / or economic assessment to demonstrate their compliance with relevant national guidance (e.g. WebTAG for transport projects and SFA for education projects).

For transport schemes, the following will represent minimum requirements:

- The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to the LEP for approval. Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't stop LEPs considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme. The appraisal and modelling will be scrutinised by the LEP and this will be undertaken independent of the promoting authority.
- A value for money statement for each scheme in line with published DfT WebTAG guidance must be presented for consideration to the LEP. The Value for money assessment must be signed off as true and accurate by a named officer with responsibility for value for money assessments within the LEP.
- The LEP must either; only approve schemes that offer at least "high" value for money, as assessed using DfT guidance, or; set out the limited circumstances under which schemes offering lower than "high" value for money would be considered. Schemes must be assessed against the relevant thresholds at each approval stage.
- The LEP must put in place mechanisms to ensure schemes are monitored and evaluated in line with DfT guidance on the evaluation of local major schemes¹⁰. The LEP will put in place processes to ensure that the results of evaluation and monitoring are published and to have these reviewed independently of the promoter. For transport schemes, in line with the latest DfT guidance, evaluation and monitoring (M&E) plans must be in place for schemes by the time that funding is signed off or before any data collection is programmed.

For skills capital schemes the review of business cases will be supported by the Skills Funding Agency. Business cases will be developed in accordance with Skills Funding Agency guidance, as set out in the Solent LEP Advice note to scheme promoters on the development of full business cases [here](#).

The LEP Board may consider funding projects that do not demonstrate high value for money through standard appraisal methodology, where there is a compelling and / or transformational strategic case. In addition, it should be noted that some investments may form components of a wider programme of investment and that some individual schemes, forming part of such programme, may not offer "high" value for money, as set out in national guidance, yet may form an important component of a wider programme, and as part of which, additional benefits may be accrued. In these circumstances the LEP may fund scheme that do not offer "high" value for money.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9154/la-major-schemes-monitoring-evaluation.pdf

2.2 Evidential Need for an Intervention

The evidential basis on which the need for an intervention is based will be considered through the process set out in section E1. Scheme promoters will be asked to evidence how their proposal fits with the Solent Strategic Economic Plan, and will be assessed against the published criteria, as set out in section E1. Assessments against these criteria are undertaken within the Solent LEP executive team, with input and advice from a broad spectrum of expertise as provided within our delivery panel architecture as described in sections 2.7 - 2.16 of Part A. In addition, a broader perspective to inform decision making is provided by the Solent Growth Forum (section 2.7 of Part A).

A full business case is subject to an twelve week public consultation period on the LEP website, and any comments provided are considered alongside the independent due diligence recommendations (described in section 2.3 of Part E2) when the LEP Board makes its decisions in relation to funding for a scheme.

2.3 Due Diligence of Full Business Cases

The LEP will employ independent expertise to undertake objective and independent due diligence of full business cases. This will provide additional rigour to inform decision making. The due diligence report and recommendations will be reported to the Solent Funding, Finance and Performance management Group and/or the Solent LEP Board, who will make a final decision informed by the independent due diligence and feedback from consultation activity. Further information about this process is set out in the Solent LEP Advice note to scheme promoters on the development of business cases [here](#).

Due diligence reports held by the Solent LEP will include all key assumptions in relation to how appraisal estimates were produced, and in the event it is required, these due diligence reports can form part of an evaluation 'handover pack'.

2.4 Monitoring and Evaluation

A monitoring framework has been established with quarterly reporting (progress updates and performance against agreed metrics) and year-end report. This will be considered by the relevant Delivery Panel, FFPMG and the SGF on a wider basis.

In relation to any transport schemes, evaluation and monitoring (M&E) plans must be in place as part of the published business case requirements, in line with DfT guidance.

2.5 Funding Agreement

Approved business cases will be funded subject to satisfactory conclusion of a funding agreement between the lead scheme promoter and Portsmouth City Council (as the accountable body for the Solent LEP).

The Board of the Solent LEP will make the final decision on funding approvals subject to independent scrutiny and due diligence, including assessment against state aid compliance.

As referred to above, there will be a formal agreement between the accountable body for the LEP and the lead scheme promoter when funding is approved for a project and confirmed by central government. This will set out the responsibilities of both parties, including reporting and audit requirements.

All business case development costs are at the risk of the scheme proposer and the LEP will reserve the right to re-direct funding at any point prior to confirmation of funding award.