

Meeting of the Solent LEP Business Support Investment Panel to be held on:

Thursday 15<sup>th</sup> March 2018: 10:00 AM - 12:00 PM

Item	Title	Time
1.	Introductions	10:00 - 10:15
2.	Apologies for absence	
3.	Minutes of previous meeting – 22 <sup>nd</sup> February 2018	
4.	Matters Arising	
5.	Declarations of Interest	
6.	Business Support Programmes Status Update Report	10:15 - 10:30
7.	Consideration of Solent Growth Fund Applications <ul style="list-style-type: none"> <li>- Eligible Applications <ul style="list-style-type: none"> <li>o Capital Investment Fund</li> <li>o Small Business Programme</li> </ul> </li> </ul> <p>Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has not been published, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</p>	10:30 - 11:45
8.	Any other business	11:45 - 12.00

**Meeting to close at 12:00 noon**



## **Solent Local Enterprise Partnership Business Support Investment Panel Meeting Notes**

Held on Thursday 22<sup>nd</sup> February at 10.00am  
Fareham College, Bishopsfield Road, Fareham

<b>Present</b>	<b>Apologies</b>
Lyn Davis	Caroline Carter
Denise Barlow	Sarah Dhanda (ex-officio)
Tim Fielder - Chair	SJ Davis
James Fitzgerald, PCC	Sarah Duckering
Lloyd Clark, PCC	Ken Moon
Adrian Went	Brian Johnson
<b>LEP</b>	
Marc Griffin	
Fiona McMurray	
Richard Jones	
Vicki Stone	
Paris Brown	

<b>Item</b>		<b>ACTION</b>
<b>1.</b>	<b><u>Introductions</u></b> Tim Fielder welcomed the Panel Members to the meeting.	
<b>2.</b>	<b><u>Apologies</u></b> Apologies were received from Caroline Carter, Sarah Dhanda, SJ Davis, Ken Moon, and Brian Johnson.	
<b>3.</b>	<b><u>Notes of previous meeting</u></b> The notes from the meeting on 14 <sup>th</sup> December 2017 were agreed. The Chair agreed to sign the minutes as a correct record of the meeting.	<b>LEP Exec to action accordingly</b>
<b>4.</b>	<b><u>Matters Arising</u></b> Panel members were provided with a brief update on the recruitment of the panel chair and thanks was given to those members that had offered to chair the panel meetings to date.	

	<p>It was advised that the Search &amp; Remuneration Committee (REMCOM) were looking at executive and non-executive roles including panel chair roles and were scheduled to meet on 23rd February 2018. Following this meeting, it was hoped that an open call would then be launched for a period of 3 weeks. The LEP welcomed support of panel members to promote and advertise the role to key business contacts.</p> <p>In addition, following Cllr Edward Rees stepping down as the PUSH representative on the Panel, the Solent LEP Executive is working to seek a replacement. The next PUSH meeting was scheduled for 5th March 2018 and an update would be provided at the next meeting.</p>	
<p>5.</p>	<p><b><u>Declarations of Interest</u></b></p> <p>There were no declarations of interest.</p>	
<p>6.</p>	<p><b><u>Solent LEP Assurance Framework Changes</u></b></p> <p>Richard Jones, Head of Policy, Communications &amp; Partner Engagement at the LEP provided an update to panel members on the Solent LEP Assurance Framework, published by the Solent LEP on 16th February 2018 following the LEPs annual review of the framework.</p> <p>Panel Members received an overview of wider background / context to the February 2018 publication, including; Daily Mail LEP investigation, National Audit Office / Public Accounts Committee: Cities and Local Growth inquiry, Public Accounts Committee enquiry into Greater Cambridge Greater Peterborough LEP, Review of LEP governance and transparency conducted by Mary Ney, a MHCLG non-executive director.</p> <p>Panel Members were advised that Government had accepted all recommendations in the LEP governance and transparency review and were provided with an overview of the current process underway, including:</p> <ul style="list-style-type: none"> <li>• Strengthened Annual Conversation Process - completed December 2017;</li> <li>• LEP governance &amp; transparency: best practice guidance - Published January 2018;</li> <li>• Ministerial Review of LEPs - further guidance awaited;</li> <li>• Dedicated S151 Officer Role Guidance - further guidance awaited.</li> </ul> <p>An overview of the updates made to the Solent LEP Assurance Framework was provided and areas of particular relevance to Panel Members highlighted, including:</p> <ul style="list-style-type: none"> <li>• Formalised policy regarding treatment of confidential information in published Board Papers / meeting notes;</li> <li>• New, prescribed pro-forma for recording Registers of Interest and new approach to completion / review in advance of meetings;</li> <li>• Published whistleblowing policy and availability of this policy to any Panel Members that may wish to raise concerns confidentially;</li> <li>• Code of Conduct for Panel Members to sign;</li> <li>• New standard draft Terms of Reference for all Panels.</li> </ul> <p>Panel Members were notified that the secure collaboration portal used to share applications with Panel Members on a confidential basis had been updated with further guidance including advice in relation to management and use of personal and commercially confidential data shared with them in their Panel roles.</p>	<p>LEP Executive to circulate links to all key documents referenced in the briefing.</p> <p>Panel members to complete new Register of Interest &amp; Code of Conduct forms.</p>
<p>7.</p>	<p><b><u>Business Support Programmes Update Report</u></b></p> <p><u>Current Fund Status</u></p>	

	<p>The status of the funds and job outputs as at January 2018 was reviewed.</p> <p><u>Z21</u></p> <p>The Z21 Innovation Fund Panel considered its first full round of applications at its meeting on 12<sup>th</sup> December 2018. Of the 14 applications received, six were invited to interview, of which three were awarded support to undertake their initial development stage to Minimum Viable Product level. Of the earlier Beta Round projects, to date one has achieved external investor support for further development. The next call is in April 2018.</p> <p><u>Contracting</u></p> <p>The LEP Executive Team have informed both applicants of the outcomes from the December panel meeting, and have begun contracting arrangements with the two beneficiaries.</p> <p>The second deadline of the year for submission of applications to the SME support funds was 2<sup>nd</sup> February 2018. Four applications were received by this date will be considered by the panel at its meeting on 15<sup>th</sup> March 2018.</p> <p><u>Small Business Programme Funding</u></p> <p>The LEP Executive and Accountable Body have submitted the second claim for ERDF funds from the Managing Authority (MA) on 29<sup>th</sup> January 2018.</p> <p><u>Projects to be considered by the Panel</u></p> <p>The LEP Executive Team received 6 new applications for funds by the 5<sup>th</sup> January 2018 to be considered by the panel together with a further application received on 31<sup>st</sup> January 2018.</p>	
<p>8.</p>	<p><b><u>Project Contract Updates (Confidential)</u></b></p> <p><b>Confidential report not published including information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has not been published, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</b></p> <p>The Executive Team updated Panel members on developments or changes that had been notified by applicants and beneficiaries since the previous Business Support Investment Panel on 14<sup>th</sup> December 2017.</p>	
<p>9.</p>	<p><b><u>Consideration of Solent Growth Fund Applications (Commercial in Confidence)</u></b></p> <p><b>Confidential report not published including information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has not been published, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</b></p> <p>The Panel considered the 7 applications received for its SME funding programmes:</p> <ul style="list-style-type: none"> <li>• One applicant withdrew their application from the round.</li> <li>• Two applications were agreed to be ineligible for funding and not supported.</li> <li>• Four applications were agreed to be eligible for funding subject to contract and due diligence.</li> </ul> <p>Of the four eligible applications, the Panel agreed to offer funding awards to three applicants, subject to contract and due diligence, to a value of £468,455 in funding, leveraging £2,080,000 in wider funding which will create 36 new jobs.</p>	<p><b>Executive to notify applicants</b></p>

	<p><b>Capital Investment Fund    KCC Ltd    £100,000</b></p> <p>In line with the published Solent LEP Assurance Framework, two applications (above the £100,000 delegated decision level of the Panel) were recommended by the Investment Panel for support. In line with the terms of reference, these will be considered by the LEP Board at its meeting on 7<sup>th</sup> March 2018 for a final decision.</p> <p>The supported projects were all from existing businesses demonstrating growth.</p>	
<p><b>10.</b></p>	<p><b><u>Any other business</u></b></p> <p>The Panel requested an update in relation to securing additional / specialist advice to support the business of the Panel.</p> <p>The Panel also discussed risk and formalising the risk appetite and tolerance acceptable to both the LEP and Accountable body was welcomed.</p> <p>The Panel also discussed innovation and emphasised the need to ensure a step-change to the current approach, which seeks to present funding in a way that is responsive to demand, rather than supply-side.</p> <p><b><u>CEO Sleepout</u></b></p> <p>Panel members were advised that the Chairman, Gary Jeffries and Chief Executive, Anne-Marie Mountifield were taking part in the CEO Sleepout at Fratton Park on 16<sup>th</sup> April 2018. Support would be welcomed (<a href="http://www.justgiving.com/owner-email/pleasesponsor/Solent-LEP">http://www.justgiving.com/owner-email/pleasesponsor/Solent-LEP</a>)</p> <p><b><u>Venturefest</u></b></p> <p>Scheduled to take place on 1<sup>st</sup> March 2018, at Winchester Guildhall, to support innovative businesses based in the area.</p> <p><b><u>Date of next meeting</u></b></p> <p>The next meeting is scheduled to take place on <b>Thursday 15<sup>th</sup> March 2018.</b></p> <p>No other business, meeting closed.</p>	

**Meeting closed at 11.45pm**

Item: 7  
Title: Business Support Programmes Status Update  
Date: 15<sup>th</sup> March 2018  
Purpose: To provide the Business Support Investment Panel with an update on the SME Grant programmes

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**Confidential information has been removed from this report.**

**Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including information relating to an individual and/or relating to the financial or business affairs of a particular person.**

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## **Introduction**

This report provides Panel members with an update in relation to progress and changes to LEP Business Support grant programmes since the 22<sup>nd</sup> February 2018 meeting. It includes high level information on job outcomes and awards made.

## **Current Fund Status**

The status of the funds and job outputs, as at February 2018, can be seen in Table 1 overleaf.

The programmes that are open to applications are currently rated Green in terms of defrayal and job creation dates.

**Table 1**

<b>Solent Growth Fund</b> (consisting of BTG Growth, Armed Forces Fund, Marine & Maritime Fund, IoW Rural SME Fund, Solent Growth Fund, Havant SME Fund, Capital Investment Fund, Small Business Programme, Capital Investment Fund, Z21 Innovation Fund)									
<b>Current Fund End Date: 31.03.2019</b> <b>Jobs created by: 31.03.2019</b>									
<b>FUNDS</b>					<b>JOBS</b>				
<b>Target</b>	<b>Live Projects: Approved</b>	<b>Pipeline Projects: At Panel</b>	<b>Remaining</b> (Target less live & pipeline projects)		<b>Target</b>	<b>Live Projects: Approved Jobs</b>	<b>Live Projects: Actual to date</b>	<b>At Panel</b>	<b>Remaining</b> (Target less approved jobs)
<b>Totals</b>	<b>£12,800,000 <sup>1</sup></b>	<b>£3,352,464</b>	<b>£274,450</b>	<b>£9,173,086</b>	<b>2,000 <sup>2</sup></b>	<b>506</b>	<b>88</b>	<b>17</b>	<b>1,494</b>
BTG Growth (Fund Closed - replaced by successor funds)	£588,333	£588,333	£0	£0 (Fund closed: replaced by successor funds)	83	83	45	0	0 (Fund closed: replaced by successor funds)
Armed Forces	£250,000	£35,100	£0	£214,900	45	8	1	0	37
Marine and Maritime Growth Fund	£250,000	£184,015	£0	£65,985	45	35	12	0	10
IoW Rural SME Fund (managed by Natural Enterprise)	£750,000	£530,469	£0	£219,531	96	135	30	0	10
Solent Growth Fund (Fund Closed - replaced by successor funds)	£78,000	£78,000	£0	£0 (Fund closed: replaced by successor funds)	19	19	0	0	0 (Fund closed: replaced by successor funds)

<sup>1</sup> £12.8m consisting of £2m per annum from Local Growth Deal 2015/16 to 2020/21 and £0.8m ERDF from November 2016 to December 2019

<sup>2</sup> 2000 jobs consisting of 1,800 jobs in total from Local Growth Deal 2015/16 to 2020/21 and 200 jobs in total from ERDF from November 2016 to December 2019

**Table 1**

<b>Solent Growth Fund</b>									
(consisting of BTG Growth, Armed Forces Fund, Marine & Maritime Fund, IoW Rural SME Fund, Solent Growth Fund, Havant SME Fund, Capital Investment Fund, Small Business Programme, Capital Investment Fund, Z21 Innovation Fund)									
<b>Current Fund End Date: 31.03.2019</b>									
<b>Jobs created by: 31.03.2019</b>									
<b>FUNDS</b>					<b>JOBS</b>				
<b>Target</b>	<b>Live Projects: Approved</b>	<b>Pipeline Projects: At Panel</b>	<b>Remaining (Target less live &amp; pipeline projects)</b>	<b>Target</b>	<b>Live Projects: Approved Jobs</b>	<b>Live Projects: Actual to date</b>	<b>At Panel</b>	<b>Remaining (Target less approved jobs)</b>	
Havant SME Fund	£250,000	£117,248	£35,000	£97,752	45	25	0	0	12
SGF - Capital Investment Fund	£3,200,000	£1,455,869	£160,000	£1,584,131	480	139	0	6	341
SGF - Small Business Programme	£1,800,000	£328,430	£114,450	£1,357,120	200	62	0	11	138
Z21 (managed by University of Southampton)	£500,000	£35,000	£0	£465,000	40	0	0	0	40
Residual Funds <sup>3</sup>	£5,133,667	-	-	-	947	-	-	-	-

<sup>3</sup> Given that LGD settlements are received annually, the LEP currently has LGD funds of £6m available until the end of 2017/18. The residual balance here consists of the total £12.8m for SME support to 2020/21, less the live funds as detailed in the rows above.

## Progress update

### Contracting

At the previous panel meeting on 22<sup>nd</sup> February 2018 three awards were agreed, as listed below.

Fund	Company	Award Value
Capital Investment Fund	Grapefruit Graphics Ltd	£248,455
Capital Investment Fund	KCC Ltd	£100,000
Capital Investment Fund	UKDentech Ltd	£120,000

The LEP Executive Team have informed all applicants of the outcomes from the February panel meeting, and have begun contracting arrangements with KCC Ltd.

In line with the published Solent LEP Assurance Framework, the two applications above the £100,000 delegated decision level of the Panel were recommended by the Investment Panel for support. Further independent due diligence will now be undertaken and in the event this is completed in March the Solent LEP will seek to convene FFPMG to consider the funding applications.

An update will be provided at the Panel meeting.

The next application deadline for submission to the SME support funds is 4<sup>th</sup> May 2018. Applications received by this date will be considered by the panel at its meeting on **14<sup>th</sup> June 2018**.

### Projects to be considered at the Panel Meeting

The LEP Executive Team received 4 new applications for funds by the 2<sup>nd</sup> February 2018 to be considered by the panel.