

Solent Local Enterprise Partnership
Meeting of the Board to be held on Friday 11 May 2018
9.00am to 11.30am

Item	Title	Time
1.	Welcome and Introduction - Captain Bill Oliphant	09:00 - 09:10
2.	Apologies for absence	09:10 - 09:25
3.	Minutes of meeting held on Wednesday 7 March 2018	
4.	Matters Arising and declarations of interest	
5.	Strategy update for discussion <ul style="list-style-type: none"> • SEP refresh and Local Industrial Strategy 	09:25 – 10:10
6.	Executive update to include <ul style="list-style-type: none"> • Solent Energy Strategy final draft report • Land, Property and Infrastructure Delivery Panel update 	10:10 – 10:50
7.	Local Growth Deal Update to include: <ul style="list-style-type: none"> • Retained schemes update • Consideration of local growth programme 2015/16 to 2018/19 	10:50 – 11:20
8.	Any Other Business	11:20 - 11:30

11.05.2018

Item 3

**Minutes of meeting held on Wednesday 7 March
2018**



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

Solent Local Enterprise Partnership Meeting of the Board of Directors

Held on Wednesday 7th March 2018

08:00 - 10:30

Solent Hotel & Spa, Whiteley

Present	In Attendance
Gary Jeffries (Chairman)	Stuart Baker
Anne-Marie Mountifield	Marc Griffin
Brian Johnson	Vicki Stone
Keith Mans	Ravneet Viridi - BEIS
Seán Woodward	James Fitzgerald (deputising for Chris Ward)
Stuart Hill	Richard Jones (Item 6 - Governance update)
Donna Jones	
Rachael Randall	
Nick Gross	
Sandra Sassow	
Simon Letts	
Graham Baldwin	
Apologies	Guests
Kevin George	Matthew Charnock (Bovis Homes)
Dave Lees	Ron Gorman (representing JGP Lakedale)
Dave Stewart	Jon Callcutt (Crest Nicholson)
Chris Ward	

Item	ACTION
<p>1. Welcome and Introductions The Chairman welcomed everyone to the meeting.</p> <p>Board members were advised that Graham Baldwin had been nominated as the Higher Education Director to the board following Sir Christopher stepping down.</p> <p>The Board recorded their thanks to Nick Gross and Dave Lees, who will be stepping down from the Board following this meeting, for their contribution to FFPMG and LPIDP respectively and it was noted that an update would be covered in the agenda on recruitment to the vacancies and on a broader basis on the work of the Search, Employment and Remuneration Committee.</p>	

	<p>A discussion took place in relation to the publication of the recent assessment carried out by the Cities and Local Growth Unit on LEPs' performance. The feedback received has been very positive and government has recognised the following;</p> <ul style="list-style-type: none"> • The majority of projects are on or ahead of schedule. • The LEP has met or surpassed its Growth Deal outputs for the year for housing, jobs and skills. • The LEP maintains a strong pipeline of projects. • We have an effective Strategic Economic Plan” • Government welcome the planning the LEP has undertaken around transport investment, to help focus our vision • The Increase in our partnership working, and engagement with LEPs in the wider South West is commended 	
2.	<p>Apologies for Absence Apologies were received from Kevin George, Dave Lees, Dave Stewart and Chris Ward. It was noted that James Fitzgerald would be deputising for Chris Ward as the nominated representative from the LEP Accountable Body</p>	
3.	<p>Notes of the meeting held on Friday 8th December 2018 The notes of the previous meeting on Friday 8th December 2017 were agreed and signed by the Chairman.</p>	
4.	<p>Matters Arising and declarations of interest</p> <p><u>Declarations of Interest</u> The following declarations of interests were recorded:</p> <p><u>Anne-Marie Mountifield</u> Item 6 - Re-appointment of E Director</p> <p><u>Cllr Seán Woodward</u> Item 7 - Retained LGD Scheme update for Stubbington Bypass and Proposed upgrade to Junction 10 M27 Item 8 - LGD Programme update- North Whiteley Item 9 - Enterprise Zone Business rates Item 9 - Fareham College Civil Engineering Training Centre</p> <p><u>Cllr Simon Letts</u> Item 8, Solent Recreation Mitigation Project (SRMP) 2015/16</p> <p><u>Cllr Keith Mans</u> Item 7 - Retained LGD Scheme update - Stubbington Bypass and Proposed upgrade to Junction 10 M27 Item 9 - Stubbington Bypass</p> <p><u>Cllr Dave Stewart</u> Item 8 - LGD Programme update - Floating Bridge</p> <p><u>Kevin George</u> Item 8 - LGD Programme update - Floating Bridge</p>	

	<p><u>Graham Baldwin</u> Item 8 - LGD Programme update - Solent Skills, Productivity and Investment Fund (SSPIF) and Innovation Fund call outcomes</p> <p><u>Matters arising</u></p> <p><u>Notes of the meeting 8th December 2017 - Matters arising (page 2 item 4)</u> Board members were advised that the Council's external audit had concluded.</p> <p><u>Business Support Review (page 3 item 4)</u> An update was provided to Board Members and it was advised that the Search Employment and Remuneration (SER) Committee had reviewed the process to appoint to the two vacant Business Directors and vacant panel chair roles. Board members were advised that the recommendation was to undertake the recruitment process on a phased basis commencing with the vacancy created by the retirement of Nick Gross. It was agreed to re position the recruitment to consider up to two new board positions. . A short discussion took place relating to targeting particular expertise and the Board were advised that the SER Committee would take forward the work in this regard</p>	<p>PCC – Accountable Body</p> <p>SER Committee and Executive</p>
<p>5</p>	<p>Strategy update for discussion.</p> <p>Board members considered the update on the new Solent Strategic Economic Plan (SEP), the Local Industrial Strategy (LIS) and the Economic Contribution of the Maritime Sector in the Solent LEP area, and were provided with a summary of a report by the Centre for Economics and Business Research (Cebr).</p> <p>The board discussed how the emerging vision could be refined to make it more succinct and the Board agreed to establish a visioning group to assist with this task. The Board also considered synergies with the Dorset LEP area and were updated on an approach from the Dorset LEP to work collaboratively across the two LEP areas. The Board agreed that there was strong merit in exploring collaboration with Dorset LEP in this regard.</p> <p>Board members:</p> <ul style="list-style-type: none"> • Agreed the strategic framework for the development of the updated Strategic Economic Plan (SEP) and Local Industrial Strategy (LIS); and Agreed the recommendation from the Solent Marine & Maritime Steering Group (SMMSG) to publish the CEBR analysis of the Economic Contribution of the Maritime sector in the Solent LEP area. 	<p>Board Executive</p>
<p>6</p>	<p>Executive update – for information</p> <p><u>Solent LEP Investment Funding - Draft funding call principles and proposed new approach</u></p> <p>Board members considered a range of options for managing future LEP funding calls and agreed option 3 to be progressed by the Executive.</p> <p><u>Powering Solent - A Heat and Power Strategy for the Solent</u></p> <p>Board members agreed the framework for the plan.</p>	<p>Executive</p>

	<p><u>Governance</u></p> <p>Anne-Marie Mountifield declared an interest in this item and left the meeting.</p> <p>Board members agreed to re-appoint Anne-Marie Mountifield as an E director of the company following her resignation, with such resolution to take effect from the end of the AGM.</p> <p><u>B and H Director Vacancies</u></p> <p>Board members noted the update.</p> <p>The Chair in agreement with the board agreed to re order the agenda items and consider item 9 before the Local Growth deal items for item 7 and 8</p>	
<p>9.</p>	<p>Finance update</p> <p>Keith Mans and Seán Woodward declared an interest in the re-profiling of the funding for Stubbington Bypass and it was agreed to consider this element of the finance report under item 7.</p> <p>Anne-Marie Mountifield returned to the meeting.</p> <p>The Board considered the finance report to 31st December 2017.</p> <p>Board members:</p> <ul style="list-style-type: none"> • Approved the revised budget for 2017/18 of £32,803,795; • Approved the budget for 2018/19 and the revised budget for the period 2019/20 to 2020/21; which included: <ul style="list-style-type: none"> - funding in 2018/19 for the Solent Test Tank and Engineering Centre for the Development of Marine Robotics - Saab Seaeye Ltd; - bringing forward the SSPIF funding of £2,832,989 for the Fareham College - Civil Engineering Training Centre; - bringing forward the SSPIF funding of £2,300,000 for the Warsash School of Maritime Science and Engineering; - re-profiling £125,000 of the Solent Metro costs into 2018/19; - bringing forward £538,629 for the National Maritime Systems Centre project; - re-profiling £2,313,196 of the 2017/18 Solent Growth Fund allocation into 2018/19; - re-profiling the balance of the EZ Capital Grant into 2018/19 - the LEP's Core Funding and Capacity Funding of £250,000 each for the 2018/19 and 2019/20 and allocations - reducing the LGD over-programming by £2m' - re-allocation of the uncalled on contingency; - re-profiling of the SEEDA Legacy and Solent Economic Plan funding allocation; <p>Board members also:</p> <ul style="list-style-type: none"> • Noted the current position on the Local Growth Deal Programme ; • Noted the high level LGD Risk Matrix for the Local Growth Deal Programme; • Approved the application for 2018/19 Core Funding; 	

	<ul style="list-style-type: none"> • Agreed to give authority to the LEP Chief Executive and the Accountable Body's Head of Finance to submit the 2018/19 Growth Hub Funding documents; • Agreed the 2018/19 Growth Hub principles of funding submission and the claim form 	Executive and LEP Accountable Body
8.	<p>Consideration of Local growth programmes including update on LDG 2016/17, 2017/18 and provisional 2018/19</p> <p><u>North Whiteley</u></p> <p>Seán Woodward advised the Board that whilst he is currently a member of the North Whiteley Forum, it is not a formal body and has no decision making role in relation to the scheme and therefore he remained in the meeting for the consideration of the North Whiteley scheme.</p> <p>A short presentation was provided to Board members from the North Whiteley scheme lead, and colleagues from the North Whiteley consortium representing Bovis Homes, JGP Lakedale, and Crest Nicholson.</p> <p>Board members noted the update and requested an updated on 7th March 2018 from the consortium with regard to the signing of the S106 by DEFRA.</p> <p>Board Members were advised that the item 8 LGD update paper would be taken as read.</p> <p><u>Solent Recreation Mitigation Project (SRMP) - 2015/16</u></p> <p>Cllr Simon Letts and Seán Woodward declared an interest in this item</p> <p>Board members agreed to invite the scheme lead for SRMP to the next FFPMG meeting to provide a programme update before any contract variation is considered and agreed.</p> <p><u>Floating Bridge - 2016/17</u></p> <p>Board members noted the update.</p> <p><u>Solent Skills, Productivity and Investment Fund (SSPIF) and Innovation Fund call outcomes</u></p> <p>Graham Baldwin declared an interest in this item and left the meeting before this item was considered. Board members agreed the final due diligence reports for Fareham College - Civil Engineering Training Centre (CETC) and Warsash School of Maritime Science and Engineering.</p> <p>Board members approved the due diligence report and prioritisation for the Innovation Fund projects and agreed to allocate £2.5 million to the Saab SeaEye Solent Test Tank project in 2018/19, subject to the actions as set out in the due diligence report and the outcome of the public consultation on the business case due to conclude on 12 March 2018.</p> <p><u>Forecast LGD Capital Programme for 2017/18 following mid-year review</u></p> <p>Board members approved the allocated LGD Capital Programme for 2017/18 and the proposed LDG Capital programme for 2018/19</p>	

10.	<p>Any Other Business Oyster Marine update</p> <p>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.</p>	Executive
7.	<p>Local Growth Deal Retained Schemes update</p> <p>Board Members were advised that the paper would be taken as read.</p> <p><u>Welborne and M27 Junction 10</u></p> <p>Seán Woodward and Keith Mans declared an interest in this item and withdrew from the meeting before the item was considered.</p> <p>Board members considered the update and considered and agreed a draft letter to be sent by the LEP and the proposed scheme promoter Hampshire County Council to the Department for Transport requesting release of £1.5 million development funding to support the preparation of a business case for further funding.</p> <p><u>Stubbington Bypass</u></p> <p>Keith Mans (as deputy Leader of Hampshire County Council) and Seán Woodward (as Leader of Fareham Borough Council) declared an interest in this item and were not in the room when the update was provided.</p> <p>The Board</p> <ul style="list-style-type: none"> • noted the update; and • further to the item 9 finance updated agreed a further LGD advance of £3,500,000 to the Stubbington Bypass scheme, subject to consideration of spend to date on the scheme; and • agreed the re-profiling the £2,000,000 development funding for the Stubbington Bypass DfT retained schemes into 2018/19 	<p>Executive to</p> <p>Executive and LEP Accountable Body</p>

Meeting closed at 10:25

11.05.2018

Item 5

Strategy Update

Item Number: 5
Item Title: Strategy update
Meeting Date: 11th May 2018
Purpose: For Discussion and Decision

1. Overview

This paper updates the Board on the following:

- The development of new Strategic Economic Plan and Local Industrial Strategy; and
- An update on discussions the LEP is progressing with the Dorset LEP.

2. Recommendations for decision

It is recommended that the Board:

- **Note** the update on the SEP ; and
- **Agree** the Island Infrastructure Investment plan report for publication (Executive summary attached in Annex A); and
- **Consider** the Solent Economic profile at the meeting; and
- **NOTE** the update on Local Industrial Strategies (LIS); and
- **AGREE** to move forward with the initial work on the preparation of the LIS; and
- **NOTE** the update on collaborative working with Dorset LEP

3. Strategic Economic Plan (SEP) update

a. Evidence Base (completed)

To support work on the development of a new Strategic Economic Plan and Local Industrial Strategy, work has been completed to strengthen the underpinning evidence base as follows:

- Solent LEP Baseline Forecasts and the implication of Brexit (2017 – 2036)
- Solent Strategic Transport Investment Plan 2016 – 2040
- Innovation Strategy (Phase 1)
- Economic Impact Analysis of the Solent Area Universities (published 2018)
- Economic Impact Analysis of the Solent Marine and Maritime sector (approved by the board in March 2018 and due for publication May 2018)
- Island Infrastructure Investment Plan (considered by the Board in October 2017 and now due to be approved by the Board for publication)

In relation to the Island Infrastructure Plan the board should recall that following consideration in October 2017 there has been engagement with both the IOW Council and the Island MP and this has resulted in the inclusion of

evidence from work commissioned by the Isle of Wight Council on the impact (on the economy) of physical separation. It should be noted that the conclusions and recommendations, including priorities for infrastructure investment remain. The updated report is now complete and ready for publication and in advance of the meeting the updated Executive summary is attached in Annex A.

b. Evidence base (under development)

Alongside this and in recognition of the particular infrastructure needs of the Solent some more dedicated work has been commissioned in the following areas:

- Solent Energy Strategy entitled '*Solent LEP Heat and Power Strategy and Action Plan to 2050*'. The interim report was considered by the Board at the meeting in March 2018 and final draft strategy is now complete and an update is included in item 6 of this agenda.
- Gosport Infrastructure Investment Plan (to consider the proposed disposal of a number of key sites in public ownership in the Gosport area, alongside the Waterfront development site at the Solent Enterprise Zone. An interim report will come to the Board in July 2018 and a final report in October 2018)
- It should also be noted that there is a requirement to commission a new skills strategy and phase one of this work (stakeholder engagement) was completed at the end of 2017. The wider strategy work will be completed alongside the SEP in order that it can reflect the vision and ambition for the LEP area as well as respond to emerging trends.

c. Development of a new SEP – Economic Profile

Alongside the work on the underpinning evidence base it is recognised that there have been significant changes in the economic environment (at a local, national and international level) since the last SEP was published. This has impacted on the Solent Economy and therefore there is a need to develop an up to date economic profile of the Solent.

This work will analyse and present a range of demographic, employment, business and labour market characteristics for the Solent-wide area, and, in doing so, identify strengths, weaknesses, opportunities and challenges to future economic growth. Specific analysis will be undertaken to define functional economic market areas operating across the study area. A new Solent Economic Profile and supporting paper will be considered by the Board at the meeting.

d. The new SEP – Vision and Ambition

Further to the previous board discussion the board requested that a sub group be created to take forward further work on the development of a new 30-year vision for the Solent area and to oversee the development of the SEP. Work is underway to bring together a visioning group drawn from the board and the wider Solent area.

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**

The group will initially be looking at the development of the vision, mission and values which will be critical in underpinning the new strategy for the Solent LEP area in the period to 2050. This is intended to capture and promote the long-term direction and ambition for the area. They will meet for the first time on 17 May 2018 and it is expected that the initial work will be completed for board consideration in July 2018 and subject to board approval this will be used as the basis for consultation and stakeholder engagement on the new SEP in early Autumn.

e. The new Solent SEP – key milestones

As previously advised the structure of the new SEP will need to include the following elements

- Foreword and Executive summary (Autumn 2018)
- Introduction and updated Economic profile (draft for consideration May 2018 and as attached in Annex A)
- SWOT Analysis for Solent LEP area (draft for consideration May 2018)
- Future Vision and Ambition (draft for consideration July 2018 and consultation early Autumn 2018)
- Key priorities and objectives (Autumn 2018)
- Development of an implementation plan to support the delivery of the strategy (Draft for board consideration end of 2018)
- Launch of new strategy (January 2019)

It is intended that the document will be high level, supported by a more detailed implementation plan and evidence base. Work is also underway to explore the development of a young person's strategy for the area to complement the SEP.

It should be noted that the Updated profile, SWOT analysis and Visioning work will also be used to inform the development of the new skills strategy which will be brought forward alongside the SEP.

The board are asked to:

- **Note** this update; and
- **Agree** the Island Infrastructure Investment plan report for publication (Executive summary attached in Annex A); and
- **Consider** the Solent Economic profile at the meeting .

4. Local Industrial Strategy

Following the publication of HM Governments Industrial Strategy, which includes a commitment to work with local areas to develop a Local Industrial Strategy (LIS), there is an opportunity to connect and integrate growth policies at a local level and identify the economic strengths, weaknesses opportunities and threats of a place, as well as how each can contribute to and connect with the national economy.

It is recognised that Local Industrial Strategies will operate at different spatial levels and need to be developed in partnership with HM Government, led by Mayoral Combined Authorities (in areas where these exist) and Local Enterprise Partnerships.

Three pilot areas¹ are working with HM Government to develop, and ultimately agree, a Local Industrial Strategy and they are either be brought forward by the Mayoral Combined Authority (MCA) for the area and in places where there is no MCA then it is been developed on the basis of the LEP area. Further informal advice from HM Government suggests that we will need to therefore look at a LIS for the Solent area.

The pilot areas are adopting different approaches to their LIS, thereby reflecting the local circumstances and uniqueness of their place. In broad terms approaches being developed are as follows:

- In one area their LIS will focus on the four grand challenges around artificial intelligence and the data driven economy, clean growth, the future mobility and the ageing society; and
- Another area is looking at a sector based approach focusing on the unique specialism and competitive advantage that they have in their local area; and
- The final area is focusing on the development of an innovation ecosystem reflecting on the depth of innovation based assets they have in their area.

It is anticipated that they will complete their LIS by early 2019.

¹ Greater Manchester, West Midland and Cambridgeshire, Milton Keynes, Oxfordshire Arc

HM Government have advised that we should shortly expect updated guidance to inform the preparation of the LIS and in the interim there is a continued emphasis on ensuring that the LIS does have a very specific focus, does look at areas of specialisms and does look at bringing forward a strategy that can deliver a productivity uplift as well as strengthen competitive advantage in global markets.

The board were previously advised that the LIS should:

- Focus on **specialisation linking sectoral elements** and **international trade dimension**
- Be underpinned by an **asset base** that supports assertions around **key strengths**
- Establish **new ways of working** between national and local leaders – an approach that is responsive to **local and global market conditions**

Given the wider advice that this needs to be developed in partnership with HM Government led by the LEP (as there is no MCA in the Solent) we will now need to move this forward alongside the SEP. It is recommended that this work is brought forward in tandem with the new SEP and that it is overseen by the Visioning group as set out in section 2 of this report.

The board are asked to:

- **NOTE** this update; and
- **AGREE** to move forward with the initial work on the preparation of the LIS

5. Collaboration with Dorset LEP

Solent and Dorset LEP have recently been working in collaboration on a range of shared agendas and in the first instance expressed a desire to potentially explore, in partnership with Government, the development of a Local Industrial Strategy covering the two LEP areas.

In order to take this initial exploratory work forward, both LEP Boards agreed to establish an advisory forum, drawing on expertise of both LEP Boards and executive teams. The first meeting was on 23 April at Southampton City Council. The board was represented by Gary Jeffries, Brian Johnson, Simon Letts and Anne-Marie Mountifield, with Executive support provided by Stuart Baker. HM Government was also in attendance and provided an informal update on the emerging policy on the development of a LIS. It was recognised that the direction of travel on this suggests that they will be completed at LEP level or at MCA level where they are in existence. On this basis both LEPs will proceed to develop a LIS for their own areas.

Outside of the LIS it was however recognised that there are a number of areas where collaboration and the adoption of a joint working should be explored and HM Government advised that the LEP review (due to conclude June 2018) will be proactively promoting this form of collaboration. On this basis the group agreed to convene again in June 2018 at a meeting venue in the Dorset LEP area.

The board are asked to:

- **NOTE** this update

Annex A: Island Infrastructure Investment Plan Executive Summary

A confidential draft report will be considered at the meeting

11.05.2018

Item 6

Executive Update

Item Number: 6
Item Title: Executive Update
Meeting Date: 11th May 2018
Purpose: For Information and Decision

1. Overview

This paper updates the Board on the following:

- Work to develop a Solent Heat and Power Strategy and Action Plan;
- A new single Solent Investment Fund;
- Work of the Land, Property and Infrastructure Delivery Panel on Logistics;
- HM Government Funding calls (Transforming Cities Fund and Careers Hub Pilot);
- Governance update.

2. Recommendations for decision

It is recommended that the Board:

- **Consider** the '*Solent LEP Heat and Power Strategy*' (Executive summary attached in Annex A) and to delegate authority to the executive to take it forward as a basis for preparing the supporting action plan; and
- **Note** the publication of the CEC Implementation plan and Careers hub prospectus; and
- **Agree** to support an application from Solent LEP to become part of the Careers Hub trial; and
- **Delegate** authority to the LEP Board skills lead working with the Executive and the Accountable body to finalise the application for submission by the deadline; and
- **Note** the Governance updates.

3. Powering Solent - A Heat and Power Strategy for the Solent

As previously advised the LEP has been awarded funding by BEIS to develop a Heat and Power Strategy and Action Plan for the Solent. This work will feed into the cross-LEP work on Energy that is being coordinated through regional energy hubs, which have been established by BEIS. Solent has been included in the South West Energy Hub area.

The Carbon Trust has been commissioned to develop the Strategy and Action Plan. The draft strategic priorities were agreed by the Board at the last meeting and the final draft strategy is now complete. It is being considered by the steering group during week commencing 30 April 2018 and their advice and final comments will be provided as part of an update at the meeting. The board are asked to consider the final draft strategy and in advance of the meeting the executive summary is attached in Annex A.

Alongside the work on the strategy development, an action plan is being developed, which will be considered by the Board at its July meeting.

The board are asked to:

- Consider the '*Solent LEP Heat and Power Strategy*' (Executive summary attached in Annex A) and to delegate authority to the executive to take forward as a basis for preparing the supporting action plan.

4. A new Single Solent Investment Fund

Following the Board decision at the last meeting to support a new approach to LEP funding based on a single Solent Investment Fund, the Executive has been engaging with the Solent Growth Hub and the Innovation and Business Support Delivery Panel, to ensure that the new fund is pitched and targeted appropriately. The work will come forward to FPPMG for consideration and advice at their meeting in June and then to the Board at their next meeting in July 2018.

5. Land, Property and Infrastructure Delivery Panel Update

An initial study to explore logistics and distribution in the Solent area was commissioned in 2016 on behalf of the Land, Property and Infrastructure Delivery Panel (LDIDP). The output from the work was considered by the panel and they have produced a review which will be presented by the LPIDP Chair at the Board meeting. The Board will receive a short update on the key findings from this work.

6. HM Government funding Calls

a. Careers Hub Pilot

Since late 2015, the LEP has been working in partnership with the Careers and Enterprise Company (CEC) to deliver an Enterprise Adviser Network (EAN) in the Solent, which aims to bridge the gap between education and employers by pairing individual Enterprise Advisers (EAs) with a school or college to help build a strategic employer engagement plan to improve careers and enterprise activities. The CEC published their Implementation Plan and Careers Hub Prospectus on 9th April 2018. The Prospectus sets out plans to strengthen local community involvement through allocating £5 million of government backed investment to trial and evaluate 20 Careers Hubs over two years to test whether being part of a Careers Hub helps schools and colleges to meet the Gatsby Benchmarks and ultimately improves a range of outcomes for young people. Mayoral Combined Authorities and LEPs have been invited to apply for this funding and there is a requirement to respond to the Careers Hub Pilot opportunity by 25th May 2018. There is a meeting with key stakeholders in the Solent during week commencing 6 May 2018 to explore this opportunity and an update on this will be provided at the meeting.

The board are asked to:

- **Note** the publication of the CEC Implementation plan and Careers hub prospectus; and
- **Agree** to support an application from Solent LEP to become part of the Careers Hub trial; and
- **Delegate** authority to the LEP Board skills lead working with the Executive and the Accountable body to finalise the application for submission by the deadline.

b. Transforming Cities Fund

A call for proposals to the Department for Transport's (DfT's) £1.7bn Transforming Cities Fund has been launched. The Fund aims to drive up productivity and spread prosperity through investment in public and sustainable transport in some of the largest English city regions. The Fund will be focused on intra-city connectivity and is open to bids from Local Transport Authorities.

For Mayoral Combined Authorities, half of the Fund has been allocated on a devolved, per capita basis with the freedom to invest on strategic transport priorities. The remainder of the Fund (£840m) will be allocated by a competitive process aimed at identifying the city regions with the strongest case for investment. It is understood that the government expects to select between 10-12 city regions with whom they will co-develop packages of

schemes. These will then be competitively assessed against each other with funding awarded to the proposals that demonstrate the greatest improvements to productivity and offer the best value for money.

The Chairman and Chief Executive, along with P Director Donna Jones met with the Secretary of State (SoS) for Transport, The Rt. Hon. Chris Grayling MP, on 19th April 2018, which provided an opportunity to set out the role of transport in supporting economic growth in the Solent. In addition, initial discussions with Southampton City Council have identified an opportunity through this Fund to further develop ambitions for Solent Metro, a scheme the SoS directly referenced. The Board will receive an update at the meeting on the areas' response to this Fund.

7. Governance update

a. Board Recruitment

In line with previous updates, the Solent LEP launched an application process for new Business Members and Business Directors on 16th March 2018. The application process closed on Friday 20th April 2018 with 15 applications for Business Membership and a number of applications for Business Director roles received by the LEP. The Search, Employment and Remuneration Committee (the Committee) met on Wednesday 25th April 2018 to review all applications and, subject to confirmation of new Business Members (which in line with the published guidance, will be taking place in the period Monday 23rd April 2018 - Friday 4th May 2018), it is anticipated that the LEP will have candidates to go forward to the B Membership for election (scheduled to launch week commencing Monday 7th May 2018). A further update in relation to the current recruitment process will be provided at the meeting and the Committee will consider an approach to future B Director recruitment for any subsequent vacancies at their next meeting with further updates to be provided to the Board in due course.

In addition to the Business Director and Member recruitment, the LEPs recruitment process for a new Business Support Investment Panel Chairman also closed on Friday 20th April 2018. One eligible application for the role was received. An interview has been scheduled to take place with the Solent LEP Director lead for Business Support / SME Ambassador and Head of Capital and Infrastructure on Friday 4th May 2018. A further update in relation to this recruitment process will be provided at the Board meeting.

b. Local Government Devolution

Further to the recent updates on Local government devolution the board will be considering the updated Economic profile for the Solent area under item 5 of the meeting agenda and this will include considering the functional economic area of the Solent. In addition, further to the letter from the group of 15 LEP Chairs to Jake Berry MP Minister for Northern Powerhouse and Local Growth seeking clarification on the government policy in relation to devolution going forward. The Minister has responded and the letter has been circulated to the Board.

c. LEP Review

The board will recall from previous reports that In October 2017 the Mary Ney Review of Local Enterprise Partnership (LEP) Governance and Transparency included amongst its recommendations the need for further clarity on the role of Chief Financial Officers (CFOs). It is against this background that CIPFA is consulting on the principles set out in this consultation. These are intended to deal with the role that CFOs play within LEP and improve the understanding and awareness of that role.

Their draft guidance is now out for consultation: <http://www.cipfa.org/policy-and-guidance/consultations/consultation-on-the-role-of-cfos-in-leps>. and the deadline for responses is 30 May 2018. The LEP Executive will be considering this with the LEP Accountable Body Portsmouth City Council and an update will be provided at the meeting.

The board are asked to:

- **Note the Governance update**

8. Forward Plan

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

13 July 2018 – Venue to be advised

- Executive Update to include update on Final report and Implementation Plan for the Solent Energy Strategy LEP Review and Strategic Economic Plan
- LGD Update for 2017/18 programme and LGD 2018/19, the LGD Retained schemes and future years
- Final Out turn for 2017/18 and financial forecasts for 2018/19 onwards
- Solent Investment Fund proposals
- Annual report from Search, Remuneration and Employment Committee for 2017/18

19 October 2018 – Venue to be advised

- Executive Update to include interim draft report Solent LEP Strategy and emerging Skills Strategy
- Final Draft Gosport Infrastructure Investment Plan
- LGD Update for 2018/19 programme and LGD 2019/20, the LGD Retained schemes and future years
- Annual report from Funding, Finance and Performance Management Group for 2017/18
- Forecast Out turn for 2018/19 and financial forecasts for 2019/20 onwards

14 December 2018 – Venue to be advised (please note this is a board meeting and Strategy session)

- LGD Update for 2018/19 programme and LGD 2019/20, the LGD Retained schemes and future years
- Update on Welborne Scheme to include presentation from scheme lead for proposed M27 Junction 10 upgrade
- Draft Skills Strategy for Solent LEP area

Strategy session (to follow board meeting)

- Consideration of new Solent Strategic Economic Plan
- A Local Industrial Strategy for the Solent Area

Board members are asked to:

- **Consider and Agree** the updated Forward Plan

Annex A: Draft Heat and Power Strategy for the Solent Executive Summary

A confidential draft report will be considered at the meeting

11.05.2018

Item 7

Local Growth Deal Update

Item Number: 7
Item Title: Local Growth Deal Update including Retained Schemes Update
Meeting Date: 11th May 2018
Purpose: For Information and action

1. Overview

This paper provides updates to the Solent LEP Board on the following matters:

- Local Growth Deal Programme update - 2016/17 legacy project - Floating Bridge (exception)
- Local Growth Deal 2017/18 provisional financial outturn
- LEP 2018/19 funding letter from the Ministry of Housing, Communities and Local Government (MHCLG); and
- Local Growth Deal capital programme update - 2018/19 (exceptions)
- Local Growth Deal 2018/19 forecast programme
- Local Growth Deal retained schemes

2. Recommendations for decision

It is recommended that the Board:

- **Note** the update on the 2016/17 legacy project Floating Bridge; and
- **Note** the Local Growth Deal 2017/18 provisional financial outturn; and
- **Consider** the updated due diligence report and recommendations for CETC in annex B; and **Delegate** authority to the Executive and Accountable body to finalise a funding agreement for the project; and
- **Agree** the Local Growth Deal 2018/19 capital programme as set out in table 1 b of this report.
- **Note** the update on both Local Growth Deal retained schemes.

3. Local Growth Deal Programme update - 2016/17 legacy project - Floating Bridge

The floating bridge continues to experience significant operational challenges which are delaying the introduction of a full service, and Isle of Wight Council (IWC) are aware that this is impacting on the delivery requirements under the LGD funding agreement. An updated business case was requested in November 2017, for submission no later than 20 April 2018, which, in accordance with the Solent LEP Assurance Framework, would be published for the 12-week consultation period and undergo external due diligence. This would enable the LEP Board to reappraise their investment in relation to the scheme.

An updated business case was not received by 20 April 2018 but further information was submitted on 1 May 2018. This will be reviewed and any initial reflections will be provided to the board as part of a verbal update at the meeting. The information will be considered in more detail by FFPMG at their meeting in June 2018, along with any due diligence of the information that has been submitted. Alongside this FFPMG will be considering a deputation from the Mayor of East Cowes. Following this, FFPMG will be in a position to provide further advice to the LEP Board at the July meeting.

The board are asked to:

Note this update.

4. Local Growth Deal 2017/18 Forecast Financial Outturn

The outturn for 2017/18 is still being finalised and the anticipated final position is set out in table 1a below. The forecast final expenditure for 2017/18 is £8m lower than reported to the Board in March 2018. This is mainly due to:

- £3.5m not being advanced to Hampshire County Council for Stubbington Bypass as the LGD funding is not yet required by the scheme promoter;
- £2.8m not being paid to Fareham College for the Civil Engineering Training Centre (see paragraph 6 below); and
- £1.3m less than expected Solent Growth Fund grants paid out by 31 March 2018

Solent Growth Fund Programme Management Costs	£179,150
Solent Growth Fund (2017/18)	£343,378
Local Growth Deal Programme Management	£372,762
Newgate Lane South	£2,927,429
Innovation programme Fund (2017/18) - Programme Management Costs	£134,544
Local Large Major transport schemes (Solent Metro)	£339,497
National Maritime Systems Centre	£1,679,334
Southampton Solent University - Warsash School of Maritime Science and Engineering	£2,300,000
Total Forecast Outturn for 2017/18 (a)	£8,276,094
Solent Growth Deal Award 2017/18 (b)	£24,302,028
Carry Forward from LGD 2016/17 (c)	£6,391,255
Total LGD Capital Programme Funding 2017/18 (d) = (b) + (c)	£30,693,283
LGD funding carried forward into 2018/19 (e) = (d) - (a)	£22,417,189

As at 31 March 2018 there is a forecast total of £16,760,760¹ funds committed which equates to 68.9% of the total Solent Growth Deal Funding Award for 2017/18 or 54.6% of the total LGD Capital Programme fund available in 2017/18. Expenditure defrayed is forecast to be lower at £8,276,094 or 34% of the total Solent Growth Deal Funding Award for 2017/18 or 27% of the total LGD Capital Programme fund available in 2017/18. Some of this variance is slippage of funds into 2018/19 as shown in table 1 b. The board are however advised that there is an ongoing requirement to strengthen the programme pipeline for the LGD given the ongoing complexity and challenges associated with the multi-year housing schemes that are scheduled to come forward from 2018/19 through to 2020/21.

5. LEP 2018/19 funding letter from MHCLG

Correspondence was received from MHCLG on 11 April 2018 which confirmed that the LEP will receive its previously indicative 2018/19 LGD allocation of £10,817,860 in full, and this was actually received on 20 April 2018. The letter also confirmed that the LEP will receive allocations of £205,000 for 2018/19 Growth Hub funding, £250,000 for 2018/19 LEP core funding and £250,000 for 2018/19 LEP capacity funding.

¹ Forecast outturn for 2017/18 plus funding agreements in place for the multi-year schemes with National Maritime Systems Centre (a further £3,320,666) and Southampton Solent University (a further £5,164,000)

The table below, reproduced from the MHCLG correspondence makes it clear that for the future years of the LGD to 2020/21, the funding allocations are as previously reported and remain indicative:

Payment Received	Future indicative Payments	
2018-19	2019-20	2020-21
£10,817,860	£9,252,686	£9,252,686

6. Local Growth Deal capital programme update - 2018/19

Work is ongoing to deliver the LGD 2018/19 capital programme and Table 1b below illustrates the current forecast programme for 2018/19. The LGD 2018/19 project status matrix attached in annex A provides further detail on the profile of individual schemes within the 2018/19 programme, and other LGD legacy projects by exception.

Other updates by exception for the Board to be aware of are as follows:

North Whiteley

Further to the update from the North Whiteley Consortium at the March Board meeting, the Executive has continued to seek progress updates from the scheme promoter. The LEP Executive are expecting submission of an updated full business case, no later than 31 May 2018. This will undergo independent due diligence, in line with the LEP Assurance Framework, and the outcome of this activity will be reported to FFPMG on 22 June 2018.

Fareham College - Civil Engineering Training Centre (CETC)

The Fareham College CETC project was awarded £2,833,000 funding, in principle, by the LEP Board, under the Solent Skills and Productivity Investment Fund (SSPIF), at the December 2017 Board meeting. Due to issues in relation to confirming land availability and a short delay in securing planning consent, it has not been possible to proceed to a signed funding agreement and subsequent defrayal of LGD funds prior to the end of 2017/18. Given the deviation from the original project plan, the LEP Board are asked to consider the report from AECOM attached in annex B providing advice on the status of the project.

The project is now programmed to complete in Winter 2019.

Updated Local Growth Deal 2018/19 Financial Profile

The revised forecast expenditure for 2018/19 is set out in table 1b overleaf and overall it has increased by £7.2m from the position reported to the Board in March 18. This change is due in the main to the schemes that ultimately didn't receive their funding in 2017/18 as identified at paragraph 4 above.

Solent Growth Fund Programme Management Costs	£120,850
Solent Growth Fund (2018/19)	£5,294,818
Local Growth Deal Programme Management	£368,282
Innovation programme Fund (2018/19) - Programme Management Costs	£40,456
Local Large Major transport schemes (Solent Metro)	£660,503
Solent Development Fund	£223,500
National Maritime Systems Centre	£3,320,666
Southampton Solent University - Warsash School of Maritime Science and Engineering	£5,164,000
Sub Total	£15,193,075

Under negotiation / due diligence with scheme promoters	
Innovation Programme Fund - Saab SeaEye	£2,500,000
Fareham College - Civil Engineering Training Centre	£2,833,000
Stubbington Bypass (further advance)	£3,500,000
North Whiteley	£8,857,577
Sub Total	£17,690,577
Total Programme Allocation (a)	£32,883,652
Solent Growth Deal Award 2018/19 (b)	£10,817,860
Carry Forward from LGD 2017/18 (c)	£22,417,189
Total LGD Capital Programme Funding 2018/19 (d) = (b) + (c)	£33,235,049
Under allocated LGD programme funding 18/19 (e) = (d) - (a)	£351,397

The current approved capital programme for 2018/19 either under negotiation or at funding agreement stage is £32,883,652, which is 98.9% of the total funding available for allocation in 2018/19.

The Board will be aware that previously the overall programme has been pro-actively over allocated by £3m which has been underwritten by the Growing Places Loan Fund. However, as the Board are aware there is residual funding of £3,043,367 unallocated from the Innovation Programme Fund call issued in 2017/18. The board are now in a position, whereby this can be used to remove the over-programming in its entirety or alternatively and in line with the current Board strategy of securing a strong pipeline of LGD Projects going forward, the Board could decide to retain this over programming approach and continue to use the Growing Places Loan Fund to enable this.

The overall LGD programme to 31 March 2021 includes in year over and under allocations which reflect the position where schemes have been re-profiled and a summary of the current position is set out in table 2 below.

If the Board decide to remove the £3m over-programming as set out in the summary table below there would be a balance of £9.3m remaining in the Growing Places Loan Fund which could be used to underwrite further over-programming of the LGD programme or support other growth activity. This, and the other aspects of the final financial forecasts to the period to 2021, will be considered in detail at the next FFPMG meeting in June 2018 and they will provide advice to the Board to inform consideration and approval of the updated financial forecasts at their meeting in July.

Table 2 - Local Growth Deal Programme to 31 March 2021	Actual 2015/16	Actual 2016/17	Forecast Actual 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Totals
Actual / Forecast Expenditure	38,833,432	37,807,314	8,276,094	32,883,652	8,142,423	10,670,979	136,613,894
Budget	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	9,252,686	136,657,261
Capital Funding Switch from Accountable Body (Returned)	1,000,000	(1,000,000)					0
Over / (Under) Allocation - In Year	(558,235)	(5,833,020)	(16,025,934)	22,065,792	(1,110,263)	1,418,293	(43,367)
Over / (Under) Allocation - Cumulative	(558,235)	(6,391,255)	(22,417,189)	(351,397)	(1,461,660)	(43,367)	

The board are asked to:

- **Note** this update; and
- **Consider** the updated due diligence report and recommendations for CETC in annex B; and **Delegate** authority to the Executive and Accountable body to finalise a funding agreement for the project; and
- **Agree** the Local Growth Deal 2018/19 capital programme as set out in table 1 b of this report.

7. Local Growth Deal DfT Retained Schemes update

M27 Junction 10

Following the Board meeting on 7th March 2018, DfT have confirmed that they will provide an advance of £1.5m from the DfT allocation of £14.9m retained funding for the scheme, to be paid directly to the accountable body and scheme promoter Hampshire County Council (HCC), to enable HCC to commence work on the development of the Full Business Case for the junction improvement.

In addition, since the last Board meeting the first meeting of the M27 Junction 10 Project Steering Group took place on 4th April 2018. This was convened and chaired by HCC as scheme promoter, and was attended by representatives of DfT, Solent LEP, MHCLG, Highways England, Homes England, Fareham Borough Council, Buckland Development Ltd (the developers) and their supporting consultants. The meeting discussed terms of reference, the governance structure and preparation of the business case.

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;
- information relating to the financial or business affairs of any particular person (including the authority holding that information)

The DfT Retained Scheme 2018/19 status matrix attached at annex C .

Stubbington Bypass

The Accountable Body is progressing the funding agreements to be shared with Hampshire County Council (HCC) for the Growing Places loan and with HCC and Fareham Borough Council (FBC) in respect of the Enterprise Zone retained rates. In addition to this, as there is LGD funding set-aside in the short term until other approved schemes need their allocations, and as it is proposed to provide a further advance of £3.5m to HCC when they require it to allow them to delay further the need to borrow to finance the scheme.

The board are asked to:

Note this update

Annex A: Local Growth Deal Status Matrix

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;
- information relating to the financial or business affairs of any particular person (including the authority holding that information)

Annex B: AECOM CTEC Update report

A confidential report will be considered at the meeting

Annex C: Local Growth Deal Retained Scheme Status Matrix

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;
- information relating to the financial or business affairs of any particular person (including the authority holding that information)