

**Solent Local Enterprise Partnership**

**Funding, Finance Performance Management Group (FFPMG)**

Held on Thursday 13<sup>th</sup> September 2018 in the Spitfire meeting room, Southampton Airport– 8:30 am to 11:25 am

<b>Present</b>	<b>In Attendance</b>
Stuart Hill - Chair	Richard Jones
Anne-Marie Mountifield	Stuart Baker
Brian Johnson	Steve Futter
James Fitzgerald (deputising for Chris Ward)	Vicki Soris
Keith Mans	Jeff Channing
Seán Woodward	Sophie Mallon
Lizzi Goodwin	
<b>Guests</b>	<b>Apologies</b>
<b><u>Item 5 - EZ retained rates</u></b>	Chris Ward
Victoria Hogg - Cushman & Wakefield	Gerald Vernon-Jackson
Andrew Smith - Cushman & Wakefield	Kevin George

Item		Action
1.	<p><b>Introductions and apologies for absence</b> The Chairman welcomed everyone to the meeting and asked FFPMG</p> <p>Apologies for absence received from Gerald Vernon-Jackson, Kevin George and Chris Ward.</p>	
2.	<p><b>Notes of the meeting held on 22<sup>nd</sup> June 2018</b> The meeting notes from the meeting on 22<sup>nd</sup> June 2018 were agreed by the FFPMG and signed by the Chair.</p> <p><b><u>Matters Arising</u></b></p> <p><b><u>Item 1 (page 2)</u></b> At the July Board meeting, the board agreed the appointment of Kevin George and Gerald Vernon-Jackson to FFPMG</p> <p><b><u>Item 6 Solent LEP Investment Funding (page 3 &amp; 4)</u></b> FFPMG were advised that the Solent Shared Prosperity funding call had been issued. A workshop had taken place on the 5<sup>th</sup> September 2018 for interested bidders.</p>	

	<p>A pilot commission is currently being finalised with a provider to offer a Growth Accelerator Programme to eligible SME businesses to develop their Growth Action Plans. It was noted that this was a pilot programme and a review would be undertaken by FFPMG following an initial wave of supported businesses.</p> <p><b><u>Declarations of Interest</u></b></p> <p><u>Seán Woodward</u>  Item 3 - Stubbington Bypass update (for noting only)  Item 3 - Welborne and M27 Junction 10 update (for noting only)  Item 4 - North Whiteley (for noting only)  Item 4 – CETC (for noting only)  Item 5 - Enterprise Zone</p> <p><u>Keith Mans</u>  Item 3 - Stubbington Bypass update (for noting only)  Item 3 - Welborne and M27 Junction 10 update (for noting only)  Item 5 - Enterprise Zone</p> <p><u>Stuart Baker</u>  Item 3 - Stubbington Bypass and M27 Junction 10 update (for noting only)</p> <p><u>Kevin George</u>  Item 4 - Floating Bridge (for noting only)</p> <p><u>Lizzi Goodwin</u>  Item 4 - Floating Bridge (for noting only)</p> <p><u>Steve Futter</u>  Item 8 - RGF Project Legacy update (for noting only)</p> <p><u>Chris Ward</u>  Item 4 - Floating Bridge (It was noted that James Fitzgerald was representing Portsmouth City Council as the Accountable Body for Solent LEP)</p>	Executive
3.	<p><b>Local Growth Deal Retained Schemes Update</b></p> <p>FFPMG took the update on the legacy programmes as read.</p> <p><u>M27 Junction 10 (Welborne)</u>  Seán Woodward declared his interest in this item.  It was <b>noted</b> that the second meeting of the M27 Junction 10 Steering Group had taken place on 7<sup>th</sup> August 2018.</p> <p>FFPMG <b>noted</b> the update.</p> <p>Following discussions on the development of the LGD Capital programme and DfT LGD Retained scheme funding, FFPMG <b>agreed</b> that a letter be sent to Government seeking flexibility on the LGD Retained Fund to support this scheme going forward.</p>	Executive

	<p>In addition it was agreed that an update on funding to support the development phase of the scheme should be provided at the next board meeting</p> <p><u>Stubbington Bypass</u> FFPMG members were provided with an update on the scheme.</p> <p>It was agreed that DfT be invited to attend the next Board meeting along with Hampshire County Council to provide an update on the scheme.</p>	<p>HCC and Solent LEP Executive</p>
<p>4.</p>	<p><b>Local Growth Deal Update</b></p> <p>The paper was taken as read.</p> <p><u>Floating Bridge</u> FFPMG asked that it be recorded that the initial business case had been submitted on the 10<sup>th</sup> September 2018 and it was noted that a further update was expected and that due diligence would be undertaken ahead of the Board meeting in October</p> <p>FFPMG <b>noted</b> the update in relation to the Floating Bridge project.</p> <p><u>North Whiteley</u></p> <p>FFPMG <b>noted</b> the update in relation to the North Whiteley Transport Improvements Project.</p> <p><u>Natural Enterprise (Solent Growth Fund delivery partner)</u></p> <p>FFPMG members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update in relation to the Natural Enterprise Project,</li> <li>• Considered the assurance review and subsequent release of the agreed £250,000 LGD funding for 2018/19: and</li> <li>• Considered an indicative funding allocation for 2019/20 commencing on 1 April 2019.</li> </ul> <p><u>Solent Growth Fund - Capital Investment Fund</u></p> <p>FFPMG members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update in relation to the seven SME projects within the Solent Growth Fund - Capital Investment Fund; and</li> <li>• Considered the officer assessment, due diligence report and completed due diligence activities summary for Solab seeking funding support of £111,090 and <b>agreed</b> a final funding decision; and</li> <li>• Considered the update on an SME business application seeking funding support of £150,514 and agreed that it should proceed to due diligence; and</li> <li>• Considered and <b>agreed</b> the recommendation that the CIF projects from the remaining five SMEs are taken forward under the guidelines for the new funding call.</li> </ul>	<p>Executive and LEP Accountable Body</p>

	<p><u>Local Growth Deal Capital Programme Update 2018/19</u></p> <p>FFPMG <b>noted</b> the update in relation to the Local Growth Deal 2018/19 capital programme.</p>	
5.	<p><b>Update on Enterprise Zone</b></p> <p>Sean Woodward declared an interest in this item and withdrew from the meeting completely .</p> <p>Keith Mans declared an interest in this item and withdrew from the meeting for this item.</p> <p>Cushman &amp; Wakefield provided a short presentation to FFPMG.</p> <p>FFPMG members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the progress in delivering the Solent Enterprise Zone (EZ);</li> <li>• <b>Noted</b> the draft Cushman and Wakefield Report;</li> <li>• <b>Noted</b> the updated forecast estimates of business rate income generated by the EZ which accrues to Solent LEP;</li> <li>• <b>Noted</b> the cost and benefit (and likelihood of presenting a case to HMT) of extending the business rate relief for a further period to 31 March 2021;</li> <li>• <b>Noted</b> what other incentives might be available that would have a similar or greater effect in encouraging regeneration of the Solent Enterprise Zone;</li> <li>• <b>Considered</b> the option of utilizing retained rates on the EZ to support wider investment priorities in the Solent area; and</li> <li>• <b>Agreed</b> the proposal to share the report with both rating authorities for comment, with a view to bringing the final report to the LEP Board at the October 2018 meeting.</li> <li>• <b>Agreed</b> to seek a standard MoU document from Cushman &amp; Wakefield based on examples at other Enterprise Zones in order to inform discussions with Solent EZ rating authorities.</li> </ul>	Executive
6a.	<p><b>Finance Update</b></p> <p>Keith Mans returned to the meeting.</p> <p>FFPMG were provided with an update on the financial position of all LEP funds to 31 July 2018.</p> <p>FFPMG members <b>Endorsed</b> the revised budget for 2018/19 of £43,872,240 and the revised budget for the period 2019/20 to 2021/22 and recommended it for approval by the LEP Board on 19th October 2018 which included the following:</p> <ul style="list-style-type: none"> <li>- The latest position of the Local Growth Deal Fund for the current financial year noting the challenges around future delivery;</li> <li>- The re-profiling and budget movements</li> </ul> <p>FFPMG also <b>noted</b> the following -</p> <ul style="list-style-type: none"> <li>- the Corporate and Strategic Risk Register;</li> <li>- the current position of the Growing Places Fund;</li> <li>- the latest forecast position on the Local Growth Deal programme particularly in light of the key risks identified; and</li> <li>- the high level LGD Risk Matrix for the Local Growth Programme</li> </ul>	

6b.	<p><b>Risk Management</b> FFPMG considered the current risk management processes undertaken by the Solent LEP and were advised of the current position which the LEP Executive and Accountable Body were proposing to adopt in order to further strengthen the management of risk. It was agreed that it would be further updated prior to coming to the LEP Board in October.</p> <p>FFPMG members noted the proposal to improve the risk management process and <b>agreed</b> to development a framework for intervention and self assessment narrative to manage projects.</p> <p>FFPMG further <b>agreed</b> to develop a self assessment of the LEP's performance against Governance criteria for consideration at the next FFPMG meeting.</p>	<p><b>Executive</b></p> <p><b>Executive</b></p>
7.	<p><b>Annual Audit</b> Lizzi Goodwin, Internal Audit, PCC, provided FFPMG with a schedule of proposed audit activity. It was advised that the audit was due to be completed by the end of March 2019.</p> <p>FFPMG <b>approved</b> the proposed 2018-19 annual audit plan, subject to the addition of including a review of purchasing card use by LEP staff (in line with best practice in place in the private sector).</p>	
8.	<p><b>Any other Business</b> CIPFA Guidance: FFPMG members were advised that the S151 Officer Guidance had been circulated and would be enshrined into the LEP Assurance Framework where it would be sign posted where the LEP were meeting the key principles.</p>	
8b.	<p>James Fitzgerald, Vicki Soris, Jeff Channing, Sophie Mallon, Steve Futter and Stuart Baker left the meeting.</p> <p>FFPMG Members considered a confidential update in relation to a Regional Growth Fund Legacy Project.</p>	

**Meeting closed at 11:25**