

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

Thursday 27 September 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 - 14 th June 2018	
4.	Matters Arising	
5.	Governance Update & Declarations of Interest	10:15 - 10:25
6.	Business Support Programmes Status Update Report	10:25 - 10:35
7.	Contract Updates Confidential information 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.	10:35 - 10:45
8.	Consideration of Solent Growth Fund Applications Confidential information 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.	10:45 - 11:30
9.	Solent Prosperity Fund - Briefing on new fund, support to SMEs and process	11:30 - 11:50
10.	Any other business - Changes to Panel dates for the remainder of 2018 - Proposed Panel meeting dates 2019	11:50 - 12:00

Meeting to close at 12:00 noon



Solent Local Enterprise Partnership Business Support Investment Panel Meeting Notes

Held on Thursday 14th June 2018 at 10.00am
Spindle Room, 1000 Lakeside, Portsmouth

Present	Apologies
Tim Fielder - Chair	Denise Barlow
Lyn Davis	Ken Moon
SJ Davis	Sarah Duckering
Adrian Went	Cllr Derek Pretty
Caroline Carter	Chris Brammall (ex-officio)
Mark Waldron	Sarah Dhanda (ex-officio)
James Fitzgerald - PCC	Jeff Walters (ex-officio)
Lloyd Clark - PCC	Don Spalinger
LEP	
Steve Futter	
Fiona McMurray	
Vicki Stone	

Item		ACTION
1.	<p><u>Introductions</u></p> <p>Tim Fielder welcomed panel members to the meeting and advised that following a successful application process, he had been appointed as Chair of the Business Support Investment Panel (BSIP).</p> <p>A further update was provided in relation to recent panel membership changes and it was advised that Cllr Derek Pretty had been nominated as the Partnership for South Hampshire (PUSH) representative.</p> <p>Steve Futter had also been appointed to the role of Head of Capital & Infrastructure and would be attending BSIP meetings from now on in line with the scheme of delegation.</p> <p>In addition, following a review by the Higher Education (H) Members of Solent LEP Limited in relation to Higher Education (HE) representatives across all LEP panels, it had been agreed that Sarah Duckering (University of Portsmouth) would stand down as the HE representative on the</p>	

	<p>BSIP and would be replaced by Don Spalinger (University of Southampton). This would ensure a more balanced representation of all HE establishments across the range of LEP panels.</p> <p>Panel members wished to formally record their thanks to Sarah for her contribution on the Business Support Investment Panel.</p>	
2.	<p><u>Apologies</u></p> <p>Apologies were received from Denise Barlow, Ken Moon, Sarah Duckering, Cllr Derek Pretty, Chris Brammall, Sarah Dhanda and Jeff Walters</p>	
3.	<p><u>Notes of previous meeting</u></p> <p>The notes from the meeting on 15th March 2018 were agreed. The Chair agreed to sign the minutes as a correct record of the meeting.</p>	LEP Exec to action accordingly
4.	<p><u>Matters Arising</u></p> <p>Panel members were reminded to complete and return their Register of Interest and Code of Conduct forms as a matter of urgency. A further chaser email would be circulated to members.</p> <p>The panel were provided with an update on GDPR and the changes that the Solent LEP had made to ensure compliance. A privacy notice had been published to the Solent LEP website and application forms had been updated to take into account the new regulations.</p> <p>It was reiterated that papers printed or downloaded should be confidentially disposed of and Panel members were reminded that documents within the secure shared online workspace would be deleted after each meeting. In addition, it was noted that the code of conduct form that members had signed covered the disclosure of confidential information.</p> <p>A panel member asked for how long an applicant's information could be retained and it was confirmed that Government dictates that the LEP retain information for up to 10 years for audit purposes.</p> <p>A short discussion took place regarding re-submission of applications and the Panel felt that a summary of any changes to the previous application would be useful for the Panel.</p> <p>The panel noted that following the LEP decision to bring the Solent Growth Hub service in-house, the Panel membership representative from the Solent Growth Hub would need to be reviewed.</p> <p>In addition, panel members were advised that the new external facing LEP capital funding call was progressing and that the new single portal for all funding would be considered at the 22nd June FPPMG meeting and the July 2018 Board meeting. It was advised that, subject to agreement, the new format was proposed to be launched in the Autumn.</p>	
5.	<p><u>Declarations of Interest</u></p> <p>Caroline Carter declared an interest in Item 8 of the Agenda and advised that she would take no part in the discussion when the project was considered.</p>	
6.	<p><u>Business Support Programmes Status Update Report</u></p> <p><u>Current Fund Status</u></p> <p>The status of the funds and job outputs as at May 2018 were reviewed.</p>	

	<p>Panel members were advised that the Solent LEP had consulted with local businesses and business representative organisations and were currently reviewing how it can more effectively engage with and support the Solent business community. The review process will conclude in the Summer of 2018, at which point a new, streamlined, more business-focussed funding call will be published on the Solent LEP website. As a result, the Armed Forces Fund, Capital Investment Fund and Marine & Maritime Fund were closed to new applications on 11th May 2018.</p> <p>The Panel were provided with an update on the Z21 fund managed by the University of Southampton to get businesses up and running. Panel members were advised that this initial investment fund was focused on web-based technology start-ups.</p> <p><u>Contracting</u></p> <p>The LEP Executive team have informed all applicants of the outcomes from the March panel meeting, and have completed contracting arrangements with both Actesso Medical Supports Limited and Renovos Biologics Ltd. First claims for grant will be undertaken in the near future.</p> <p>In line with the published Solent LEP Assurance Framework, the application above the £100,000 delegated decision level of the Panel was recommended by the Investment Panel for support, subject to further independent due diligence. The LEP Funding, Finance and Performance Management Group will consider the funding application and recommendation from BSIP in order to make a final decision.</p> <p>The next application deadline for submission to the SME support funds is 20th July 2018. Applications received by this date will be considered by the panel at its meeting in September 2018.</p> <p><u>Projects to be considered by the Panel</u></p> <p>The LEP Executive Team received 10 new applications for funds by the 4th May 2018 submission deadline to be considered by the panel. A further application was received on 11th May 2018, and as per the Current Fund Status update, the fund applied under was closed shortly after the application was received. Therefore, the application has been considered in this round.</p>	
<p>7.</p>	<p><u>Project Contract Updates</u></p> <p>Confidential report has not been published as it includes information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</p> <p>Panel members were provided with an update in relation to progress and changes to LEP Business Support grant programmes since the 15 March 2018 meeting.</p>	
<p>8.</p>	<p><u>Consideration of Solent Growth Fund Applications (Commercial in Confidence)</u></p> <p>Confidential report has not been published as it includes information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</p> <p>Panel members were advised that there was an update since the circulation of the papers.</p> <p>The Panel considered the 11 applications received for the LEP SME Funding programmes:</p> <ul style="list-style-type: none"> Two applicants withdrew their application from the round; 	<p>Executive to notify applicants</p>

	<ul style="list-style-type: none"> • Four applications were agreed to be ineligible for consideration of funding and not supported or recommended for support; • Five applications were agreed to be eligible for consideration of funding, subject to contract and due diligence. • The Panel agreed to offer a funding award to one applicant and recommend two further applicants for support, subject to contract and due diligence. The three applications supported by the Panel requested a total of £292,244 in funding, leveraging £1,191,119 in wider funding and will create 113 new jobs. All three supported projects were from existing businesses demonstrating growth. <p>The Business Support Investment Panel agreed to make an offer of funding to the following business, subject to contract and due diligence:</p> <table border="1" data-bbox="256 633 1366 775"> <thead> <tr> <th data-bbox="256 633 660 703">Fund</th> <th data-bbox="660 633 1102 703">Company</th> <th data-bbox="1102 633 1366 703">Award Value</th> </tr> </thead> <tbody> <tr> <td data-bbox="256 703 660 775">Small Business Programme</td> <td data-bbox="660 703 1102 775">Frictec Ltd</td> <td data-bbox="1102 703 1366 775">£31,000</td> </tr> </tbody> </table> <p>Two further projects were recommended for support. In accordance with the published LEP Assurance Framework, Technical Guidance for the Fund and Scheme of Delegation, as the value of the grants requested were each in excess of £100,000, the projects were recommended for consideration by the Funding Finance and Performance Management Group.</p>	Fund	Company	Award Value	Small Business Programme	Frictec Ltd	£31,000	
Fund	Company	Award Value						
Small Business Programme	Frictec Ltd	£31,000						
10.	<p><u>Any other business</u></p> <p><u>Date of next meeting</u></p> <p>It was agreed that the next meeting be rescheduled to take place on 27th September 2018.</p> <p>No other business, meeting closed.</p>	Executive to update LEP website						

Meeting closed at 11:40

Post-Meeting Note

In consultation with the Chairman and Members of the Business Support Investment Panel (BSIP), this post-meeting note has been drafted and appended to the notes of the BSIP meeting held on 14 June 2018.

The purpose of this note is to clarify that, in accordance with the published LEP Assurance Framework, Technical Guidance for the Fund, Terms of Reference for the BSIP and Scheme of Delegation, the applications seeking funding in excess of £100,000 considered by the BSIP at its meetings on 14 December 2017, 22 February 2018 and 15 March 2018 will be recommended to the LEP Funding, Finance and Performance Management Group for consideration at its meeting on 22 June 2018.

This is to clarify previous notes from BSIP meetings on 14 December 2017, 22 February 2018 and 15 March 2018 which stated that applications seeking funding in excess of £100,000 were either supported, not supported, or recommended to the LEP Board for support.



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Item: 6
Title: Business Support Programmes Status Update
Date: 27 September 2018
Purpose: To provide the Business Support Investment Panel with an update on the SME Grant programmes

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.

Introduction

This report provides Panel members with an update in relation to progress and changes to LEP Business Support grant programmes since the 14 June 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 August 2018, can be seen in Table 1 toward the end of this report.

As reported at the previous meeting, the Armed Forces Fund, Capital Investment Fund and the Marine & Maritime Fund were closed to new applications in May 2018. Therefore, these numbers reflect agreed projects only.

The new funding package was agreed by the LEP Board at its meeting in July 2018, creating the Solent Prosperity Fund. This has three strands of support targeted at SMEs:

- Start-up Fund
- Small Business Expansion Fund
- Small Business Growth Accelerator Programme

The funds went live on 10 August 2018, with updated technical guidance and processes available on the Solent LEP website. Details of the support offer and process will be provided in Item 9 of the meeting.

IoW Rural SME Fund

Natural Enterprise (NE) have been managing a successful SME grant programme on behalf of the LEP since 2015/16, which seeks to invest in rural businesses based on the Isle of Wight. NE have to date received in excess of £0.5m of LGD funding to distribute as grants and, with this in mind, the LEP commissioned an independent review of the programme earlier this year. The assurance review was completed of 29 June 2018, and the LEP's Funding, Finance and Performance Management Group considered the audit report at its meeting on 13 September 2018 and agreed that the funding for the 2018/19 financial year can be released as well as recommending the LEP consider an indicative allocation for 2019/20. Natural Enterprise can now progress the claim for this year's funding which will enable two projects approved by the Local Action Group in January 2018 to proceed to contract.

Small Business Programme

The ERDF part-funded programme continues to generate interest and applications from Solent based SMEs. In July 2018 the programme underwent its first audit by the ERDF programme auditor. This is described as an *On the Spot Visit* and was conducted over two days. The report provided by the auditor in August 2108 was discussed at FFPMG on 13th September 2018, and will be further considered by the LEP Executive Team and Accountable Body at its Operational Case Conference meeting this month. A verbal update will be provided at the Investment Panel meeting.

Progress update

Contracting

At the previous panel meeting on 14 June 2018 one award was agreed, as listed below.

Fund	Company	Award Value
Small Business Programme	Frictec Ltd	£31,000

The LEP Executive Team have informed all applicants of the outcomes from the June panel meeting, and have completed contracting arrangements with Frictec Ltd. The first claim for grant is currently being progressed.

In line with the published Solent LEP Assurance Framework, applications above the £100,000 delegated decision level of the Panel can be recommended by the Investment Panel for support. Two proposals were agreed by the Panel for further consideration.

The LEP's Funding, Finance, and Performance Management Group (FFPMG) were informed of the recommendation for support at its meeting on 22 June 2018, and agreed that further independent due diligence be undertaken prior to a decision being made.

The next application deadline for submission to the SME support funds is 28 September 2018. Applications received by this date will be considered by the panel at its meeting on **1 November 2018**.

Projects to be considered at the Panel Meeting

The LEP Executive Team received 7 new applications for funds by the 20 July 2018 submission deadline to be considered by the panel.

Table 1

Solent Growth Fund (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)									
Current Fund End Date: 31.03.2019 Jobs created by: 31.03.2019									
FUNDS					JOBS				
Target	Live Projects: Approved	Pipeline Projects: At Panel	Remaining (Target less live & pipeline projects)	Target	Live Projects: Approved Jobs	Live Projects : Actual to date	At Panel	Remaining (Target less approved jobs)	
Totals	£12,800,000 ¹	£3,843,549	£345,093	£8,611, 358	2,000 ²	724	138.8	57	1,276
BTG Growth ^x	£588,333	£588,333	£0	£0 ^a	83	83	54.5	0	0
Armed Forces ^x	£250,000	£35,100	£0	£0 ^a	45	8	6.5	0	0
Marine and Maritime Growth Fund ^x	£250,000	£184,015	£0	£0 ^a	45	35	17	0	0
IoW Rural SME Fund (managed by Natural Enterprise)	£750,000	£530,469	£0	£219,531	96	135	30	0	0
Solent Growth Fund ^x	£78,000	£78,000	£0	£0 ^a	19	19	15	0	0

^x Fund closed - replaced by successor funds - now Solent Prosperity Fund as of August 2018

¹ £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

² 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

Solent Growth Fund (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)									
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Target	Live Projects: Approved	Pipeline Projects: At Panel	Remaining (Target less live & pipeline projects)	Target	Live Projects: Approved Jobs	Live Projects : Actual to date	At Panel	Remaining (Target less approved jobs)	
Havant SME Fund ^x	£250,000	£117,248	£0	£0 ^a	45	25	4.8	0	0
SGF - Capital Investment Fund ^x	£3,200,000	£1,846,959	£0	£0 ^a	480	349	0	0	0
SGF - Small Business Programme	£1,800,000	£413,880	£345,093	£1,041,027	200	70	11	57	130
Z21 (managed by University of Southampton)	£500,000	£49,545	£0	£465,000	40	0	0	0	40

^x Fund closed - replaced by successor funds - now Solent Prosperity Fund as of August 2018