

Meeting of the
Solent LEP Business Support Investment Panel
to be held on
Thursday 13 December 2018: 10:00am - 12:00pm

| Item | Title | Time |
|------|--|---------------|
| 1. | Introductions | 10:00 - 10:15 |
| 2. | Apologies for absence | |
| 3. | Minutes of previous meeting - 1 November 2018 | |
| 4. | Matters Arising | |
| 5. | Declarations of Interest | 10:15 - 10:25 |
| 6. | Business Support Programmes Status Update Report | 10:25 - 10:45 |
| 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. | 10:45 - 11:00 |
| 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. | 11:00 - 11:50 |
| 9. | Any Other Business | 11:50 - 12:00 |

Meeting to close at 12:00pm



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

Held on Thursday 1 November at 10.00am
Spindle meeting room, 1000 Lakeside, Portsmouth

| Present | Apologies |
|------------------------|------------------------------|
| Tim Fielder - Chair | SJ Hunt |
| Lyn Davis | |
| Adrian Went | |
| Clr Derek Pretty | |
| Don Spalinger | |
| James Fitzgerald - PCC | |
| Lloyd Clark - PCC | |
| Mark Waldron | |
| Caroline Carter | |
| Don Spalinger | |
| | |
| LEP | Guests |
| Steve Futter | Chris Sturgeon - Red Penguin |
| James Ford | Jan Ward - Red Penguin |
| Vicki Stone | |
| Chris Heath | |
| Kate Cloud | |

| Item | | ACTION |
|-------------|--|--|
| 1. | <p><u>Introductions</u></p> <p>Tim Fielder welcomed panel members to the meeting.</p> <p>Panel members were advised that a letter had been sent from the Chair to the Federation of Small Business representative to encourage more engagement on the panel however no response had been received.</p> <p>Panel members were informed that following SJ applying for the vacant Business Director role, she had been successfully appointed and attended her first Board meeting in October. Due to commitments and capacity SJ is considering stepping down her role on the BSIP panel.</p> <p>The recruitment process to appoint to the vacant positions on the panel would shortly commence.</p> | <p>Executive Team to action</p> |

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| 2. | <p><u>Apologies</u></p> <p>Apologies were received from SJ Hunt.</p> | |
| 3. | <p><u>Notes of previous meeting</u></p> <p>The notes from the meeting on 27 September 2018 were agreed and signed as a correct record of the meeting.</p> | LEP Exec to action accordingly |
| 4. | <p><u>Matters Arising</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> | |
| 5. | <p><u>Declarations of Interest</u></p> <p>There were no declaration of interests recorded.</p> | |
| 6. | <p><u>Business Support Programmes Status Update Report</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 27 September 2018 meeting.</p> <p><u>Current Fund Status</u></p> <p>The status of the funds and job outputs as at August 2018 were reviewed.</p> <p>The Panel were advised that the table format had been simplified and will be further developed in the coming months with a view to providing panel members with both a greater detail on outputs achieved vs targets, and also a better sight of the developing pipeline of potential SME applications.</p> <p>Panel members were informed that the new fund had three strands of funding support targeted at SMEs:</p> <ul style="list-style-type: none"> • Start-up Fund • Small Business Expansion Fund • Small Business Growth Accelerator Programme <p>The funds went live on 10 August 2018, with updated technical guidance and processes available on the Solent LEP website. Round one closed for applications on 28 September 2018 and, whilst no smaller SME applications had been received, one had already been received ahead of the 2 November 2018 deadline for round two. It was hoped that the pipeline of SME projects would continue to develop and based, on feedback from Solent Growth Hub colleagues, levels of interest in the funds were high, with 100 SME enquiries received since the funds were launched.</p> <p><u>IOW Rural SME Fund</u></p> | |

| | | |
|-----|---|--------------------------------|
| | <p>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. Following the independent review of the programme earlier this year, Natural Enterprise submitted the claim for this year's funding. This claim has been paid which will enable two projects approved by the Local Action Group in January 2018 to proceed to contract. Natural Enterprise have announced the re-opening of the fund. The next round closure is the 3 January 2019 with the Local Action Group meeting on the 7 February 2019 to consider those applications.</p> <p>In addition, work is underway to organise a series of visits to funded projects to be undertaken by the LEP SME Ambassador Brian Johnson, in order to further promote the re-launch of the Fund. In addition, a meeting has been scheduled between the LEP Executive and Natural Enterprise in order to review the strength of the project pipeline and consider an in-principle indicative funding allocation for 2019/20 and 2020/21.</p> <p><u>Small Business Programme</u></p> <p>As reported to BSIP previously, there was a planned audit visit for the Small Business Programme (SBP) from the managing authority, the Ministry of Housing and Local Government (MHCLG), in July 2018 and a report was received on 16 August...</p> <p>The LEP Executive and accountable body will be responding to the audit and will focus on re-promoting the fund in the latter part of the year.</p> <p><u>Contracting</u></p> <p>The LEP Executive Team have informed all applicants of the outcomes from the September panel meeting, and are in the contracting phase with both applications.</p> <p>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.</p> <p>The next application deadline for submission to the SME support funds is 2 November 2018. Applications received by this date will be considered by the panel at its meeting on 13 December 2018.</p> <p><u>Projects to be considered by the Panel</u></p> <p>The LEP Executive Team received 3 new applications for funds by the 28 September 2018 submission deadline to be considered by the panel.</p> | |
| 7. | <p><u>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> | |
| 8. | <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> | Executive to notify applicants |
| 10. | <p><u>Any other business</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><u>Assessment Template</u></p> <p>A discussion took place in relation to the revised assessment template which captures the detail of an application and is used by the LEP Executive both to assess the viability of the proposal and provide advice and guidance to BSIP members. It was highlighted that financial forecasts, financial history and the quality of any submitted business plan would be considered as key in the assessment of the project, and the RAG rating of key information submitted would help to further highlight potential risks and issues to BSIP Members.</p> <p>It was agreed that the revised assessment template be circulated to panel members for comment.</p> <p><u>Date of next meeting</u></p> <p>Panel members considered the proposed schedule of dates for 2019. It was agreed that calendar invites be sent to members</p> <p>The next panel meeting would take place on 13 December 2018.</p> <p>No other business, meeting closed.</p> | <p>Executive to circulate Assessment Form to panel members</p> <p>Executive to issue calendar invites for 2019</p> |
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Meeting closed at 12.10

Item: 6
Title: Business Support Programmes Status Update
Date: 13 December 2018
Purpose: To provide the Business Support Investment Panel with an update on Solent LEP 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 programmes since the 1 November 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 December 2018, can be viewed in Tables 1 and 2, below and overleaf. The format of these tables has been simplified and will be further developed in the coming months to with a view to providing panel members with both a greater level of detail on outputs achieved vs targets.

In round one which closed for applications on 28 September 2018, no SME applications were received in respect of the Solent Prosperity Fund. Three applications for the Small Business Programme were received and considered by Panel at its meeting on 1 November. In the second round which closed on 2 November 2018, three SME applications for the Small Business Programme and one Solent Prosperity Fund application were received. These are due to be considered by the panel today.

Table 1- Financial

| | Solent Prosperity Fund ¹ | | |
|--------------------------|--|--------------------|----------------------|
| | Current Fund End Date: 31 March 2021 Jobs created by: 31 March 2021 | | |
| | Project Cost | LEP Funding | Match Funding |
| Solent Prosperity Fund | £0 | £0 | £0 |
| Small Business Programme | £3,072,354 | £635,390 | £2,436,964 |
| Z21 | £371,657 | £137,600 | £234,057 |
| IoW Rural SME Fund | £1,668,492 | £644,821 | £1,023,671 |
| Predecessor Programmes | £11,645,165 | £1,725,194 | £9,919,971 |
| TOTALS | £16,757,668 | £3,143,005 | £13,614,663 |

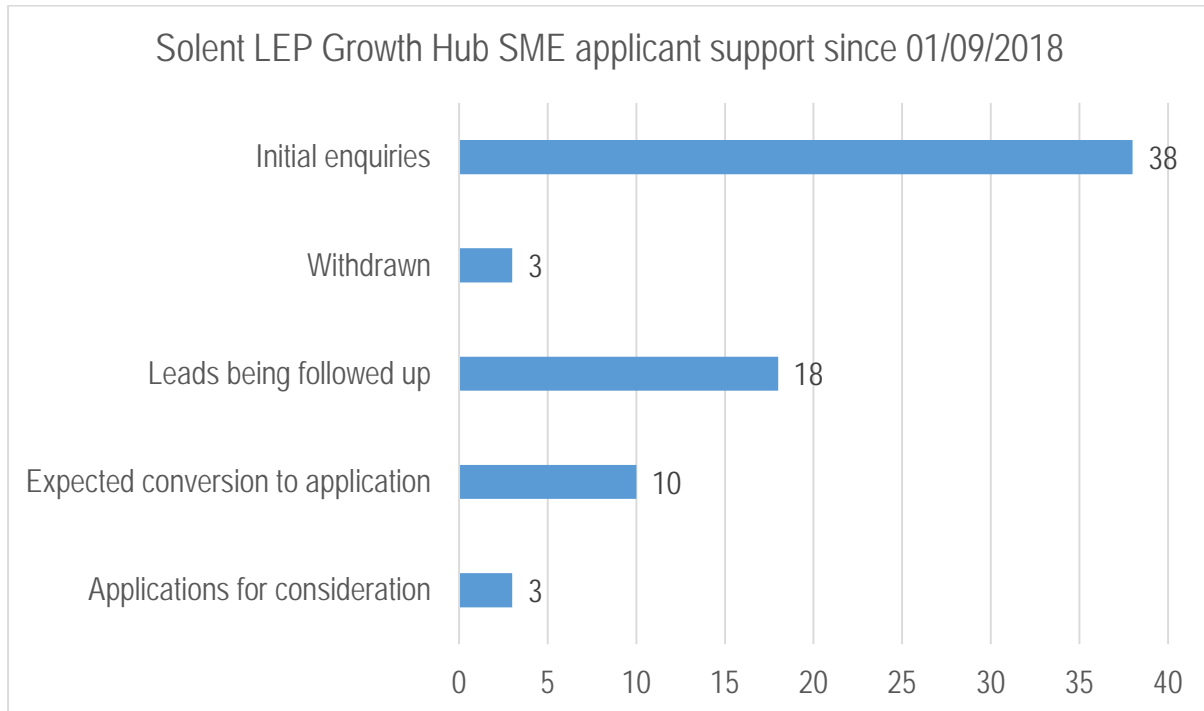
Table 2- Outputs

| | Solent Prosperity Fund ¹ | | | | |
|--------------------------|--|---------------------|-------------------------|---|---|
| | Current Fund End Date: 31 March 2021 Jobs created by: 31 March 2021 | | | | |
| | Projects Supported | Jobs Created | Jobs Safeguarded | New to <u>market</u> products, processes or services | New to <u>firm</u> products, processes or services |
| Solent Prosperity Fund | 0 | 0 | 0 | N/A | N/A |
| Small Business Programme | 14 | 68 | 0 | 2 | 2 |
| Z21 | 7 | 0 | 0 | N/A | N/A |
| IoW Rural SME Fund | 32 | 35 | 23 | N/A | N/A |
| Predecessor Programmes | 33 | 168 | 34 | N/A | N/A |
| TOTALS | 86 | 271 | 57 | 2 | 2 |

Solent LEP Growth Hub

As reported at the previous panel meeting, the Solent LEP Growth Hub is now an established component of the LEP business support offer, and work is ongoing to further integrate the service into the broader LEP business engagement activity. The chart below graphically illustrates the pipeline of enquiries from SMEs since September 2018, and the text overleaf provides some further context for Panel members.

¹ Funded from the Local Growth Deal 2015/16 to 2020/21 including LEP predecessor programmes and investment programmes delivered by LEP partners Natural Enterprise (IoW Rural SME Fund) and University of Southampton (Z21 Innovation Fund)



Initial enquiries - the initial recorded enquiries represent the 'long list' of 38 enquiries into the SME funds.

Withdrawn - of the 38 enquiries three have withdrawn from seeking funding.

Leads being followed up - of the 38 enquiries 18 are live and are being followed up with ongoing advice and discussions between the enquirer and the Growth Hub team.

Expected applications - of the 38 enquiries, 10 applications can reasonably be expected early in the New Year. The next application deadline for submission to the SME support funds is 25 January 2019. Applications received by this date will be considered by the panel at its meeting on 7 March 2019.

Small Business Programme (ERDF Funded)

Further to previous reports of ongoing discussion with the Ministry of Housing and Local Government (MHCLG), the LEP executive team met with an officer from MHCLG on 26 November. Work is underway to clear down the actions from this meeting.

The LEP executive team are preparing a response to the On The Spot Verification visit (OTSV) held in July 2018, and are working on a Project Change Request (PCR) re-profiling the both the expenditure and outputs for the project.

IoW Rural SME Fund

As previously reported, Natural Enterprise have drawn down their funding for 2018/19, and have announced the next round closure for the fund of 3 January 2019 with the Local Action Group meeting on the 7 February 2019 to consider those applications. Anne-Marie Mountfield, Solent LEP CE, and Graham Biss, Managing Director of Natural Enterprise, are due to meet on 12 December in order to

review the strength of the project pipeline and consider an in-principle indicative funding allocation for 2019/20 and 2020/21. A verbal update will be provided at the panel meeting.

Progress Update

Contracting

At the previous panel meeting on 1 November 2018 two awards were agreed, as listed below.

| Fund | Company | Award Value |
|--------------------------|------------------|-------------|
| Small Business Programme | Selden Masts Ltd | £49,100 |
| Small Business Programme | Red Penguin | £75,000 |

The LEP Executive Team have informed all applicants of the outcomes from the November panel meeting, and are in the contracting phase with both successful applicants.

Project Delivery

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. Further to previous recommendations from the BSIP the LEP Executive can confirm Solab Group (t/a Hampshire Cosmetics Ltd) have received their first grant instalment.

Projects to be considered at the Panel Meeting

The LEP Executive Team received four new, eligible applications for funds by the 2 November 2018 submission deadline to be considered by the Panel. One application was subsequently withdrawn by the applicant, leaving the Panel with three eligible applications for consideration at their meeting on 13 December 2018
