

Solent Local Enterprise Partnership  
Meeting of the Board to be held on Friday 10 May 2019  
9.00am to 12.30pm

Item	Title	Time
1.	Welcome and Introduction	09:00 - 09:05
2.	Apologies for absence	09:05 - 09:15
3.	Minutes of meeting held on Friday 15 February 2019	
4.	Matters Arising and declarations of interest	
	<b><u>Item for information</u></b>	
5.	Skills for Growth to include <ul style="list-style-type: none"> <li>• Enterprise Advisor Network update</li> <li>• Briefing on Careers Hub</li> <li>• Skills Advisory Panel progress update</li> </ul>	09:15 - 09:20
	<b><u>Item for discussion</u></b>	
6.	Update on Solent Local Industrial Strategy and agreement of progress statement for publication	09:20 - 09:50
	<b><u>Items for decision</u></b>	
7.	Finance and Funding Report from FFPMG to include: <ul style="list-style-type: none"> <li>• Consideration of Local Growth programme 2015/16 to 2019/20</li> <li>• Final out-turn for 2018/19 and financial forecasts for 2019/20 – 2021/22</li> <li>• Review of Corporate Risk Register</li> <li>• Retained schemes update</li> <li>• Local Growth Legacy schemes – Enterprise Zone update</li> </ul>	09:50 - 10:50
8.	Update on Solent Prosperity Fund	10:50 - 11:10
9.	Governance update to include: <ul style="list-style-type: none"> <li>• Board succession planning and recruitment</li> <li>• Update on Maritime UK activity</li> </ul>	11:10 - 11:55
10.	Any other business <ul style="list-style-type: none"> <li>• Forward Plan for agreement</li> </ul>	11:55 - 12:00

**10.05.2019**

**Item 3**

**Draft Meeting Notes**



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

**Solent Local Enterprise Partnership Meeting of the Board of Directors**

Held on Friday 15<sup>th</sup> February 2019 at 09:00 am at Fareham Innovation Centre, Solent Enterprise Zone

<b>Present</b>	<b>In Attendance</b>
Gary Jeffries (Chairman)	Stuart Baker
Anne-Marie Mountifield	Steve Futter
Christopher Hammond	Richard Jones
Dave Stewart	Vicki Soris
David Youngs	Nicola Twiddy
Graham Baldwin	James Fitzgerald - Portsmouth City Council (as the Accountable Body)
Keith Mans	Iwona Defer - Portsmouth City Council (as the Accountable Body)
Kevin George	Toni Wootton - BEIS
Paula Swain	
Rachael Randall	
Seán Woodward	
SJ Hunt	
Brian Johnson	
Stuart Hill	
<b>Apologies</b>	<b>Guests</b>
Chris Ward – Portsmouth City Council (as the Accountable Body)	Heather Walmsley - HCC
Gerald Vernon-Jackson	John Beresford - Buckland
Graham Baldwin	Richard Jolley - Fareham Borough Council

<b>Item</b>	<b>ACTION</b>
<b>1. Welcome and Introductions</b> The Chairman welcomed everyone to the meeting.	
<b>2. Apologies for Absence</b> Apologies were received from Chris Ward, Gerald Vernon-Jackson and Graham Baldwin	
<b>3. Notes of the meeting held on Friday 14 December 2018</b> The minutes of the 14 December 2018 board meeting were <b>agreed</b> and signed by the Chairman.	

#### **4. Matters Arising and declarations of interest**

##### **Declarations of Interest**

The following declarations of interests were recorded:

##### **Anne-Marie Mountfield**

Item 5 - Terms of Reference for Maritime UK Solent as currently a member of the Maritime UK Council

Item 6 - Z21 update

##### **Cllr Keith Mans**

Item 6 - Retained LGD Scheme update - Stubbington Bypass (for noting only) and Proposed upgrade to Junction 10 M27

Item 7 - Solent Prosperity Fund update

##### **Cllr Seán Woodward**

Item 6 - LGD Programme update - CETC (for noting only)

Item 6 - LGD Programme update - North Whiteley (for noting only)

Item 6 - Retained LGD Scheme update - M27 J10 and Stubbington Bypass

Item 7 - Solent Prosperity Fund update

##### **Cllr Gerald Vernon-Jackson**

Item 7 - Solent Prosperity Fund update

##### **Cllr Dave Stewart**

Item 6 - LGD Programme update - Floating Bridge

Item 7 - Solent Prosperity Fund update

##### **Kevin George**

Item 5 - Terms of Reference for Maritime UK Solent as currently a member of the Maritime UK Council

Item 6 - LGD Programme update - Floating Bridge

Item 7 Solent Prosperity Fund update

##### **Chris Ward**

Item 6 - LGD Programme update - Floating Bridge (for noting only)

Item 7 - Solent Prosperity Fund update

##### **James Fitzgerald**

Item 7 - Solent Prosperity Fund update

##### **Iwona Defer**

Item 7 - Solent Prosperity Fund update

##### **Graham Baldwin**

Item 6 - LGD Programme update - Warsash School (for noting only)

Item 7 - Solent Prosperity Fund update

##### **Rachael Randall**

Item 6 - LGD Programme update - Floating Bridge (location of business in East Cowes - for noting only)

##### **Paula Swain**

Item 6 - LGD Programme update - North Whiteley (location of business on the Solent Business Park - for noting only)

##### **Cllr Hammond**

Item 7 - Solent Prosperity Fund update

##### **Brian Johnson**

Item 7 - Solent Prosperity Fund update

<p><b>Matters Arising</b></p> <p><u>Gosport Infrastructure Investment Plan (page 3 item 6)</u> The Board was informed that following engagement with the Gosport Task Force the Gosport Infrastructure Investment Plan was due to be published.</p> <p><u>Enterprise Zone update</u> The LEP had written to Fareham Borough Council and Gosport Borough Council to convene a meeting.</p> <p><u>Items of correspondence</u> The Board were provided with an update in relation to correspondence received from an SME and advised that engagement had been made and that the individual had been signposted to the Business Support Programme.</p> <p><u>Management of Interests</u> At the December 2018 Board meeting, Board Members were provided with an update from the Solent LEP Executive and Company Secretary in relation to the management of interests in the context of the new HM Government Local Growth Assurance Framework, Company law and the Solent LEP Articles of Association.</p> <p>Board members:</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> the extent that any interests on the Register of Interests forms submitted by Directors give rise to situations, in which those Directors have, or could have, a direct or indirect interest that conflicts with, or might possibly conflict with, the interests of the company (for the purposes of section 175 of the Companies Act 2006); and</li> <li>• Having considered whether authorisation of such possible conflicts is in the best interests of the company, the Board <b>agreed</b> to authorise those potential conflict situations subject to the proviso that if any such possible conflict materialises as an actual conflict: <ul style="list-style-type: none"> <li>a) The conflicted Director is absent from the part of the meeting at which there is discussion of any arrangement or transaction give rise to the conflict;</li> <li>b) The conflicted Director does not vote on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting.</li> </ul> </li> </ul>	<p><b>Executive</b></p>
<p><b>5. Governance Update</b></p> <p>Board members were provided with a summary of the key milestones as set out in the implementation plan submitted to HM Government which included:</p> <ul style="list-style-type: none"> <li>• A review and update to the Solent LEP Local Assurance Framework</li> <li>• A review and update to the Solent LEP Articles of Association</li> </ul> <p>Board members <b>Noted</b> the update in relation to the LEP review and progress on the Solent LEP Implementation Plan.</p> <p>The Executive provided the Board with an overview of the draft LEP Assurance Framework and the Board considered an updated organisational structure diagram and received an update from Kevin George from SMMSG and a proposed terms of reference for Maritime UK Solent.</p> <p>David Stewart and Christopher Hammond arrived for the meeting.</p> <p>Further to discussions the Board considered and agreed:</p> <ul style="list-style-type: none"> <li>• The new Solent LEP Local Assurance Framework 2019 for publication in February 2019</li> <li>• The terms of reference for the Maritime UK Solent and <b>agreed</b> to make contact with Hampshire County Council to engage before the launch.</li> </ul> <p>The Executive and Company Secretary provided the Board with an update on the LEP Articles of Association and proposed amendment as set out in Annex A.</p>	

	<p>The Board Considered and <b>agreed</b> the proposed amends to the Solent LEP Articles of Association and <b>delegated authority</b> to the LEP Company Secretary to prepare the resolution to amend the Articles for the LEP Membership to consider at the Solent LEP AGM in the Spring.</p> <p>Following the recent strategy day, further work has been undertaken on the development of the proposed Company's vision and values and the Board were asked to consider an initial draft. Further proposed amendments were discussed and it was agreed that an updated version would be recirculated for further consideration.</p> <p>The Board were also provided with an update on changes to FFPMG membership and the Chairing of SERCOM.</p> <p>The Board <b>agreed</b> the appointment of SJ Hunt to FFPMG.</p> <p>The Board <b>agreed</b> the appointment of Rachael Randall as Chair of the Search, Employment and Remuneration Committee (SERCOM)</p> <p>The Board also discussed the role of the deputy chair as set out in the recent LEP review and <b>agreed</b> to review this at the May Board meeting with a view to in the first instance considering the appointment of an interim deputy chair.</p> <p>Crispin and Paula Swain left the meeting.</p>	<b>Executive</b>
6.	<p><b>Retained Schemes update M27 Junction 10 (Welborne)</b></p> <p>Seán Woodward declared an interest in this item and left the meeting room.</p> <p>Keith Mans declared and interest in this item and left the meeting room.</p> <p>The Chair of the Board provided an update on a recent conference call with DfT and the Board reflected on the recent update provided by HM Government on the Local Growth Deal (LGD) and the requirement in relation to the funding being defrayed by 31<sup>st</sup> March 2021.</p> <p>The Chair asked the Executive to provide a summary of the history of the Scheme since 2014 and the Board received an update on the key risks within the LGD and Retained Schemes capital Programme.</p> <p>The Chair had issued an invitation to scheme partners to attend the meeting to provide an update on the development of the Welborne programme in general and the proposed upgrade to the proposed M27 Junction 10.</p> <p>Seán Woodward and Keith Mans returned to the meeting for the presentation.</p> <p>The Board received a 20 minute presentation from representatives of Local partners including Fareham Borough Council, Sean Woodward and Richard Jolley; Hampshire County Council, Heather Walmsley and Buckland, John Beresford.</p> <p>As part of the presentation Councillor Woodward introduced the item and made a short representation to the Board in relation to the M27 Junction 10 project and Welborne scheme.</p> <p>The Chairman thanked local partners for their update.</p> <p>Board members then considered the update in relation to the Floating Bridge and David Stewart declared an interest in the item and provided a short representation before withdrawing from the meeting.</p> <p>The Board received an update from the Executive on the outcomes of the recent consultation on the updated floating bridge business case and they reviewed the due diligence.</p>	

	<p>The Board considered the consultation and due diligence and agreed to <b>delegate authority</b> to the Executive and LEP accountable body to engage with the Isle of Wight Council scheme lead with a view to agreeing a variation to the funding agreement subject to it incorporating the advice and recommendations from the due diligence report.</p> <p>Dave Stewart returned to the meeting.</p> <p>The Board received an update on the status of the overall LEP budget.</p> <p>Board members:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the revised budget for 2018/19 of £15,955,682; and</li> <li>• <b>Approved</b> the revised budget for 2019/20; and</li> <li>• <b>Approved</b> the revised budget for the remaining period 2020/21 to 2021/22 which included the following: <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> <li>○ Advice in respect of the projects that are deemed as the highest risk in the current approved budget and;</li> <li>○ The addition of the new funding for the implementation of the LEP review and Skills Advisory Panel</li> </ul> </li> </ul> <p>Board members also:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the Corporate and Strategic Risk Register; and</li> <li>• <b>Noted</b> the current position of the Growing Places Fund; and</li> <li>• <b>Noted</b> the latest forecast position on the Local Growth Deal programme, particularly in light of the key risks identified; and</li> <li>• <b>Noted</b> the high level LGD Risk Matrix for the Local Growth Programme and Retained Schemes; and</li> <li>• <b>Noted</b> the updates in relation to the Local Growth Deal capital programme, the Retained Schemes and the actions from the most recent FFPMG meeting; and</li> <li>• <b>Delegated</b> authority to FFPMG to approve the quarterly LGD Delta reports and retained scheme QMRs in line with the HM Government reporting schedule;</li> </ul>	
<p><b>7. Solent Prosperity Fund Large Project Update</b></p>	<p>The Board were provided with a short update on the Solent Prosperity Fund and in accordance with the paper they</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update on the Large Project component of the Solent Prosperity Fund, following rounds one, two and three; and</li> <li>• <b>Agreed to delegate authority</b> to FFPMG to decide which projects (from Round 2, 3 and 4 of the Solent Prosperity Fund) should and should not be invited to co-develop a Full Business Case in partnership with the Solent LEP.</li> </ul>	
<p><b>8. Solent LEP Delivery Plan 2019/20</b></p>	<p>Board members:</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> and provided <b>advice</b> to the Executive on the draft Annual Delivery Plan for 2019/20, and</li> <li>• <b>Delegated</b> authority to the Chairman and Chief Executive to finalise the Delivery Plan for publication by the end of March 2019.</li> </ul>	
<p><b>9. Local Industrial Strategy Update</b></p>	<p>Board Members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update; and</li> <li>• <b>Considered</b> and the updated economic profile and <b>requested</b> further evidence on the economic value of armed forces activity be included in the profile and, subject to this, <b>delegated</b> authority to the executive to finalise for publication</li> </ul>	

<b>10.</b>	<p><b>Any other Business</b></p> <p><u>Forward Plan</u> Board members considered and <b>agreed</b> the forward plan</p> <p><u>Annual Conference and AGM</u> The Annual Conference is scheduled to take place on 12<sup>th</sup> March 2019 at the Hilton Ageas Bowl. The AGM is scheduled to take place on 5<sup>th</sup> April 2019 and the Solent Hotel. Board Members noted that draft agendas for both meetings were available as part of the reference material for the meeting.</p> <p><u>Brexit implications</u></p> <p>An update was provided on contingency plans that are currently being established to support the operation of the LEP in advance of the EU withdrawal date on the 29<sup>th</sup> March.</p> <p>On a broader basis, as part of its business support offer, the LEP is running business support masterclasses and a toolkit is being made available to businesses via the LEP website. In addition, a survey had been issued to SME's to identify key challenges faced by local businesses. An update on the outcome of this work will be provided at a future Board meeting.</p> <p><u>Annual Review</u> A brief update was provided to the Board on the recent Annual Performance Review meeting and the Board noted that a feedback letter should be available at the end of February.</p>	
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**Meeting closed at 12.23pm**

DRAFT

**10.05.2019**

**Item 5**

**Skills for Growth update**

Item Number: 5  
Title: Skills for Growth Update  
Date: 10 May 2019  
Purpose: For information and note

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Confidential information has been removed from this report.

Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

- information relating to an individual, and/or;
- relating to the financial or business affairs of a particular person.

#### 1. Draft Resolution:

Board members are asked to:

- **Note** the update provided in this report.

#### 2. Overview

This report updates the Board on the work the LEP is delivering in partnership with the Careers and Enterprise Company (CEC) to deliver the Enterprise Adviser (EA) programme and the Solent East Careers Hub pilot; the LEP's application to secure a second Careers Hub pilot covering Solent West and the Isle of Wight; work to establish a Solent Skills Advisory Panel (SAP); and a Department for Education commissioned Southampton Further Education Travel to Learn Review.

#### 3. Careers and Enterprise Company Activity

As part of the work to improve the pipeline of young people into the Solent economy, and in response to [Government's Career Strategy](#), the LEP executive is working in partnership with the [Careers and Enterprise Company](#) (CEC) to deliver an [Enterprise Adviser Network \(EAN\) programme](#).

The Solent EAN programme has been running since 2015. In 2018 The CEC opened a call to establish 20 pilot Careers Hubs across England. The LEP was successful in its application to establish a Careers Hub covering the Solent east area (Portsmouth, Havant, Fareham and Gosport). In late 2018, the CEC opened another call for applications to establish a further wave of Careers Hubs across England. The LEP applied and an update on the status of the application will be provided at the meeting.

The LEP has increased its resource to deliver this work, and now has a team of one Careers Hub Lead, one Local Growth Project Manager (Employment and Skills) and two Enterprise Coordinators (ECs). The Careers Hub Lead is fully funded by the CEC, whilst the EC's are 50% funded by the CEC, with the LEP contributing the other 50%. This will be reviewed in the event the second Careers Hub application is successful and a further update on staffing will be provided to SERCOM at its meeting in June 2019.

The Solent has 100 institutions<sup>1</sup> that can access the support provided through the EAN programme. Across the Solent, 72 mainstream schools and colleges have committed to the EAN and Careers Hub activity. Additionally, three Special Educational Needs (SEN) schools and one Pupil Referral Unit (PRU)

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<sup>1</sup> Mainstream schools and colleges, special schools (SEN) and pupil referral units (PRUs) across the new Solent geography.

are also committed to the activity. Therefore, 72% of mainstream schools and colleges are actively engaged with the programme, and 76% of all schools and colleges are actively engaged with the programme. The LEPs contractual target for the 2018/19 academic year is for 60 schools and colleges to be engaged, so the target was exceeded. The 2019/20 target is for full coverage of mainstream schools and colleges to be offered access to the EAN, and strong progress toward this target is being achieved.

The target for 2019/20 is for at least 75 schools and colleges (of any type) to be matched with a similar number of EAs. There is a need for the LEP to utilise all opportunities to promote the EAN and the opportunity to become an EA and this work is in train following the briefing at the recent AGM.

In wider, related work, the EC team has delivered three Careers Summits, with the most recent held at the Ageas Bowl on 22 March 2019, with 60 attendees. These are providing a helpful mechanism through which to engage schools and colleges in the work of the LEP. The next Careers Summit will take place on 12 July 2019 at the Solent Hotel and the ambition is to hold these on a termly basis.

The most recent CEC [State of the Nation](#) report indicates that schools in the Solent are performing strongly, (ranked as number one in the country) in achieving quality careers information.

#### **4. Skills Advisory Panels**

The Department for Education published guidance for Local Skills Advisory Panels in December 2018. Skills Advisory Panels (SAP) are intended to help Local Enterprise Partnerships fulfil their local leadership role in the skills system by helping them understand their current and future skills needs and labour market challenges; agree local priorities in the short-term and more longer-term; and consider how these will be met through local provision over time.

SAPs will be local partnerships aiming to strengthen the link between public and private sector employers, local authorities, colleges and universities, and will reflect the geography of Local Industrial Strategies. The robust analysis conducted by the SAP will underpin the local skills narrative and priorities. Panels will build on existing structures and in this regard the existing Solent Employment and Skills Advisory Panel agreed that a SAP for the Solent would be established to replace it. The [published guidance](#) sets out, the role of the SAP, expectations around the structure and governance, including board membership and responsibilities. The SAPs represent an opportunity to renew and strengthen the employer voice within this space. A draft terms of reference (ToR) for the Solent SAP was presented for advice at the final Employment and Skills Advisory Panel in February, and a revised version to take account of changes to the LEP assurance framework is attached under the Governance Update (under Item 9) for consideration by the Board. Following agreement by the Board of the ToR the LEP Executive will commence an open recruitment process.

To develop and sustain the analytical capability of the SAP and support the creation of the underpinning evidence base, the DfE have made available a grant of £75,000, for the period up to 31 March 2020.

#### **5. Southampton Further Education Travel to Learn Review**

Following the unsuccessful merger between Southampton City College and Eastleigh College, the Further Education Commissioner, Richard Atkins, has initiated a review of further education provision in the Southampton travel to learn area, with a view to securing further education provision in the Southampton travel to learn area.

The Southampton Review would be the third of its kind to have taken place since Area Reviews were concluded. The Review will run from March 2019 to May 2019, and will include an assessment of the supply and demand for post-16 provision.

A Steering Group has been established consisting of all colleges in the Southampton Travel to Learn Area, chaired by the Further Education Commissioner, to support this work. The LEP is a member of this Steering Group and the first meeting took place on 13 March 2019. The Chief Executive of the LEP also met with the team on 2 April 2019. An update on work in progress will be provided at the board meeting and it should be noted that the Further Education Commissioner will publish a report when the review has

concluded in June. The next meeting of the Steering Group is on 13 May, with the final meeting in early June.

#### **6. Equality Impact Assessment**

Paper for information only - Equality Impact Assessment not required.

#### **7. Legal Implications**

There are no legal implications arising from this update report to the Board. Any legal considerations arising out of the various work streams going forward will be reviewed separately as and when required.

#### **8. S151 Officer of Finance Comments**

The Enterprise Adviser programme is fully funded within the approved LEP budget. Should the LEP be successful with their bid for funding to establish a further Careers Hub then the additional funding will be added to the LEP budget and reported to future meetings of the FFPMG and Board.

**10.05.2019**

**Item 6**

**Update on Solent Local Industrial Strategy and  
agreement of progress statement for publication**

Item Number: 6  
Title: Developing a Solent Local Industrial Strategy Update  
Date: 10 May 2019  
Purpose: For Decision

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Confidential information has been removed from this report.

Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

- information relating to an individual, and/or;
- relating to the financial or business affairs of a particular person.

### 1. Draft Resolution

Board members are asked to:

- Note the update provided in this report on work underway to develop a Solent Local Industrial Strategy; and
- Consider and provide Advice on the draft Local Industrial Strategy Progress Statement.

### 2. Overview

This report updates the Board on work that is underway to develop a Local Industrial Strategy (LIS) for the Solent and including a draft Progress Statement for consideration by the Board.

PricewaterhouseCoopers (PwC) will attend the Board meeting to facilitate a discussion on the draft Progress Statement.

### 3. Developing a Local Industrial Strategy for the Solent

LISs aim to enable areas to increase productivity and realise their potential: building on well-evidenced and distinctive strengths aligned with the national Industrial Strategy; and set out the spatial impacts of national and local policy across cities, towns and rural areas; informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity.

The LIS offers an exciting opportunity to set an ambitious long-term strategy for the Solent to 2050 - a period over which we will see significant change - and re-set the Solent on a pathway to strengthen its role as a globally-facing, prosperous and confident economy and bring forward a coastal renaissance.

PwC have been commissioned by the LEP to support the development of the Solent LIS. Work to develop the LIS was launched at the Solent Annual Conference on 12 March 2019 and a [key issues document](#), which sets out some initial thoughts that aim to encourage people to join the conversation, was published on 21 March.

LEPs are required to agree a LIS with Government by the end of March 2020. However, the LEP is looking to agree a LIS with Government by the end of 2019, to facilitate an earlier dialogue with Government. This means that

an intensive period of activity is underway and additional resource has been seconded in from Solent University to provide support.

The initial phase of the work programme is focussed on engagement and a review of the evidence base. This includes a range of work that the LEP has published in recent months, including the Isle of Wight Infrastructure Investment Plan, the Gosport Infrastructure Investment Plan, as well as work that will be published in coming weeks and months including: Solent Energy Strategy; Update to Solent Maritime Economic Footprint; and the Solent Economic Profile. In addition, and following feedback received at both the Leaders Forum and the Annual Conference, the LEP is in the process of commissioning a study to consider the role of the Creative Sector in the Solent economy.

Following the approach taken by the Trailblazer LIS areas, the LEP is convening a Prosperity Review Panel (PRP), which will provide an external lens and advice in relation to the evidence base, and an update on this will be provided at the meeting.

The first meeting of the PRP is planned for May 2019.

A comprehensive engagement programme is underway, and this is summarised in Table 1, below.

**Table 1 - High Level Summary of LIS Engagement Activity**

<b>Engagement Activity</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>
Leaders Forum				
Solent Regeneration Leads Meeting				
IoW Council Cabinet Meeting				
Solent LEP Annual Conference and Round Tables				
Solent LEP AGM				
Online Survey				
PUSH Chief Executives Meeting				
Business South - Transport & Infrastructure Champion Briefing				
4 x Area Based workshops (IoW, New Forest, Southampton, Portsmouth)				
Coastal Renaissance Workshop				
Transport Workshop				
FE and Sixth Form Workshop				
University Students Workshop				
HEI Institutions Briefing				
Community and Voluntary Sector Workshop				
Disruption Workshop				
3 x Schools and 1 x College Disruption Workshops led by Enterprise Advisers				
Solent MP Meetings				
Busienss South - Regeneration South				
Solent Leaders Forum				
Solent LA Cabinet Briefings				
Dedicated Dialogues (Creative Network South; Key Economic and Environmental Assets)				

The Disruption Workshop will take place later in May 2019 and is an invitation only session, which aims to encourage key thought leaders and organisations to think differently about the future Solent economy. It is intended that this session will be replicated by Enterprise Advisers with students at three schools and one college in the area.

The four area-based workshops are open for registration [here](#). These will seek to focus in on the shaping of the Solent as a place, and consider challenges and opportunities that exist now and may present themselves in the future. A series of more targeted, thematic workshops is also planned, as captured in Table 1. These include a Transport workshop and a Coastal Renaissance workshop, with the former being attended by Transport for South East, to ensure that the work they are progressing on developing a Transport Strategy for the South East is considered as part of the Solent LIS evidence base.

A letter has been sent to all 14 Solent MPs inviting them to attend a dedicated 1-to-1 session with the LEP during June 2019. The LEP Executive has already met with the Isle of Wight Council Cabinet, and is keen to do likewise with each Cabinet of the other eight Solent Councils in June.

The Executive is leveraging off external events, opportunistically, to further strengthen the engagement. Examples include the two Business South events and the PUSH Chief Executives meeting, listed in Table 1.

In addition, an [online survey](#) was published in April 2019. At the time of writing 146 responses have been received. The LEP Board are encouraged to distribute this survey and the opportunity to attend the workshops through their networks.

Communications activity to promote the survey and the workshops is underway, including through direct emails, newsletters, leveraging off partner networks, and through social media channels.

#### **4. Draft Progress Statement**

Again, following the approach of the Trailblazer LIS's the LEP has requested that PwC produce a Progress Statement for agreement with LEP Board and for subsequent sharing with HM Government. The draft Progress Statement will be provided ahead of the board meeting, and PwC will attend the Board meeting to facilitate a discussion on the draft document to inform its completion.

#### **5. Equality Impact Assessment**

Paper for information only - Equality Impact Assessment not required at this stage.

#### **6. Legal Implications**

There are no legal implications arising from the work underway to develop a Solent Local Industrial Strategy. Any legal considerations arising out of the various work streams pursuant and/or required by the strategy going forward will be reviewed separately as and when required.

#### **7. S151 Officer of Finance Comments**

All of the costs to develop the LIS to date are contained within the approved LEP budget and should there be a requirement in the future to identify additional funding arising from this work a subsequent report will be presented to the FFPMG or LEP Board.

**10.05.2019**

**Item 7**

**Finance and Funding update**

**Item Number:** 7  
**Item Title:** Solent LEP Financial Outturn 2017/18 and budget for future years and Local Growth Deal and Retained Schemes update  
**Meeting Date:** 10 May 2019  
**Purpose:** For Information and Approval

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## 1. Introduction

- 1.1 This report provides the Board with the final outturn position of all the LEP funds to the end of the 2018/19 financial year (31 March 2019) against the final revised budget, the revised budget for 2019/20 and forecast budget for the period 2020/21 to 2021/22.
- 1.2 The report identifies the variances at the end of the financial year and whether any underspends can be carried forward into the following financial year or if there is a requirement to return any funding to Government. The budget for future years also takes into account any known re-phasing of expenditure as individual schemes and programmes become more certain.
- 1.3 It also contains updates by exception on the Local Growth Deal (LGD) programme, including the schemes assigned retained funding via the Department for Transport (DfT).

It highlights the main areas of risk and advises as to the action that is required to mitigate those risks identified.

## 2. Recommendations

- 2.1 It is recommended that:
- (i) The final outturn for 2018/19 of £9,218,086 and the sources of funding called upon as set out in appendices A and B is **approved** by the LEP Board.
- (ii) The revised budget for 2019/20 of £66,366,673 and the forecast budget for the period 2020/21 to 2021/22 as set out in appendix B is **approved** by the LEP Board which includes the following:
- The latest position of the Local Growth Deal Fund as set out in appendix E noting the challenges around future delivery as set out in paragraphs 4.2 and 6 of this report.
  - The re-profiling and budget movements as set out in the table in paragraph 5 below.
  - The current position of the Growing Places Fund as summarised in appendix D.

The Board are also asked to:

- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Note** and **Agree** the high level LGD Risk Matrix for the Local Growth Programme attached at appendix F.

- **Note** the updates in relation to the Local Growth Deal capital programme and the Retained Schemes update.
- **Note** the other project updates reported by exception in paragraph 7 of this report.
- **Note** the update in relation to the Solent Enterprise Zone retained rates attached at appendix I.
- **Note** the update provided on the M27 J10 scheme in appendix G.
- **Note** the update on the two Retained Local Growth Deal Schemes.
- **Consider** the updated guidance and proposed approach for the repositioning of the Large Project Component of the Solent Prosperity Fund to build a pipeline for any future local growth funding and **Agree** for this update to the existing Technical Guidance following closure of Round 5 on the 31 May 2019.
- **Note** the update from FFPMG in relation to provision of SME Support; and
- **Provide advice** to the LEP Executive in order that the proposals can be further refined; and
- **Delegate authority** to the LEP Executive and Accountable Body in order that the technical guidance for the funds can be finalised and launched in June 2019.
- **Consider** the request from Fareham College for a variation to the funding agreement (attached at appendix H) in respect of the Civil Engineering Training Centre; and **Delegate authority** to the LEP Executive and AB to take this work forward.

### 3. Forecast Outturn 2018/19:

	<b>£000's</b>
<b>Budget agreed at the LEP Board on 15<sup>th</sup> February 2019</b>	<b>15,956</b>
Local Growth Deal - slippage / re-profiling	(4,907)
DfT retained funding - slippage / re-profiling	(1,500)
ERDF Funding slippage	(109)
Other miscellaneous variances	(222)
<b>Final Outturn for 2018/19</b>	<b>9,218</b>

- 3.1 The final outturn for 2018/19 shows an underspend of £6,737,596 against the revised budget.

The majority of the underspend relates to the LGD schemes and includes a net re-profiling of £1,500,000 of DfT retained funding into future years for the Stubbington Bypass and M27 J10 schemes. A further update setting out the position of each scheme is set out in paragraph 6 and specifically at appendix G for the M27 J10 scheme.

A detailed analysis of the final position for the 2018/19 financial year is attached at appendix A.

### 4. Analysis of the Key Issues and Variances against the Approved Budget for 2018/19

#### 4.1 Solent Growth Fund (SGF) - SME Support

The final outturn was higher than expected, due to a number of payments made to SMEs that weren't originally expected in 2018/19, therefore the budget profile has been adjusted to reflect this.

It was also hoped to make a further advance of £250,000 to Natural Enterprise before the end of the 2018/19 financial year, however, the grant agreement was not executed prior to the end of the financial year, so this will be paid early in 2019/20.

#### 4.2 Local Growth Deal 2018/19

The latest status of the overall LGD programme is set out in appendix E including the final outturn position as at 31 March 2019.

This reflects the agreement of the LEP Board at their meeting on 15 February 2019 to carry forward £22.7m of the cumulative funding received to date but not forecast to be spent in the current financial year, and the final re-profiling of expenditure from and into future years in line with the final outturn for the LGD programme in 2018/19. All of this funding has either been approved for specific projects, indicatively earmarked to projects or allocated for programmes that are open for funding calls. The Board are reminded that the entirety of the LGD funding is fully allocated under a mix of these categories to 31 March 2021.

Table 1 below illustrates that the actual year-end position of the 2018/19 capital programme, in respect of open funding calls and projects under negotiation or at funding agreement stage, is £31,287,410 which is 94.2% of the total LGD Capital Funding allocated to 31 March 2019. It should be noted that there remains £1,910,734 of funding received which is earmarked for projects due to commence in later years which will be carried forward.

**Table 1: Approved LGD Capital projects continuing / commencing expenditure in 2018/19**

Solent Growth Fund Programme - SME support (2018/19)	£701,154
Solent Growth Fund Programme Management Costs	£141,198
LGD matched funding towards the ERDF grants programme	£282,871
Local Growth Deal Programme Management	£431,543
Innovation programme Fund (2018/19) - Programme Management Costs	£28,975
<i>Local Large Major transport schemes (Solent Metro)</i>	£660,503
<i>Solent Development Fund</i>	£223,500
<i>Fareham College - Civil Engineering Training Centre</i>	£2,833,000
<i>National Maritime Systems Centre</i>	£3,320,666
<i>Southampton Solent University - Warsash School of Maritime Science and Engineering</i>	£5,164,000
<b>Sub Total</b>	<b>£13,787,410</b>
<b>Under negotiation / due diligence with scheme promoters</b>	
Stubbington Bypass (further advance)	£3,500,000
North Whiteley	£14,000,000
<b>Sub Total</b>	<b>£17,500,000</b>
<b>Total Programme Allocation (a)</b>	<b>£31,287,410</b>
<b>Solent Growth Deal Award 2018/19 (b)</b>	<b>£10,817,860</b>
<b>Carry Forward from LGD 2017/18 (c)</b>	<b>£22,380,284</b>
<b>Total LGD Capital Programme Funding 2018/19 (d) = (b) + (c)</b>	<b>£33,198,144</b>
<b>Balance of LGD programme funding earmarked to projects starting in future years (f) = (e) - (a)</b>	<b>£1,910,734</b>

Board members should note, however, that the latest position in table 2 below shows that the forecast defrayal of funding approved in the current year will be significantly lower, with a final outturn of £5,654,531. This is 52.3% of the funding allocation of £10,817,860 for 2018/19. The remaining 47.7% (£5.1m) relates mainly to the grant claims received at the end of 2018/19 but not paid before the end of the financial year as set out in paragraph 3.1 above.

**Table 2: Actual LGD Capital programme expenditure against the 2018/19 allocation**

Solent Growth Fund Programme - SME support (2018/19)	£701,154
Solent Growth Fund Programme Management Costs	£141,198
LGD matched funding towards the ERDF grants programme	£282,871
Local Growth Deal Programme Management	£431,543
Innovation programme Fund (2018/19) - Programme Management Costs	£28,975
Local Large Major transport schemes (Solent Metro)	£24,220
Southampton Solent University - Warsash School of Maritime Science and Engineering	£4,044,570
<b>Total Programme Allocation (a)</b>	<b>£5,654,531</b>
<b>Solent Growth Deal Award 2018/19 (b)</b>	<b>£10,817,860</b>
<b>Carry Forward from LGD 2017/18 (c)</b>	<b>£22,380,284</b>
<b>Carry Forward to LGD 2019/20 (d)</b>	<b>(£27,543,613)</b>
<b>Total LGD Capital Programme Funding 2018/19 (e) = (b) + (c) + (d)</b>	<b>£5,654,531</b>
<b>In year over allocation of LGD programme funding for approved and indicatively earmarked schemes (f) = (e) - (a)</b>	<b>£0</b>

Based on the figures in table 3 below, the cumulative LGD expenditure up to and including 31 March 2019 is forecast to be £90.6m (76.7%) against a cumulative budget of £118m. The main reason that the cumulative expenditure to

date is less than the cumulative grant received to date is due to a delay in some scheme start dates (as referenced above), and it should also be noted that some of the schemes in the capital programme for 2018/19 will continue into 2019/20 and 2020/21.

**Table 3: Local Growth Deal Summary of Expenditure vs Allocation in Year to 31 March 2019**

	Actual 2015/16 £	Actual 2016/17 £	Actual 2017/18 £	Forecast 2018/19 £	Total Cumulative Forecast to 31 March 2019 £	Cumulative Spend vs Allocation to 31 March 2019
LGD Expenditure	38,833,432	37,807,314	8,312,999	5,654,531	90,608,276	<b>76.7%</b>
LGD Allocation	40,391,667	42,640,334	24,302,028	10,817,860	118,151,889	
<b>Over / (Under) Spend against Allocation</b>	<b>(1,558,235)</b>	<b>(4,833,020)</b>	<b>(15,989,029)</b>	<b>(5,163,329)</b>	<b>(27,543,613)</b>	

## 5. Budget movements

An analysis of the LEP's final outturn for 2018/19 and total forecast expenditure for the period 2019/20 to 2021/22 together with how this is funded is attached at appendix B. The details of the re-profiling of budgets that have taken place since the Board last approved the budget are shown in the table below:

	Previous Years to 2017/18	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	Total £000's
<b>Budget Agreed at LEP Board 15<sup>th</sup> February 2019</b>	<b>132,672</b>	<b>15,956</b>	<b>59,171</b>	<b>29,915</b>	<b>10,144</b>	<b>247,858</b>
SME Support - Solent Prosperity Fund		242	(242)			
SME Support - ERDF Fund		(109)	109			
Solent Growth Hub		(118)	118			
National Maritime Systems Centre		(2,565)	2,565			
Programme Development Fund (Gosport Infrastructure Feasibility)		(174)	174			
Fareham College - Civil Engineering Training Centre		(2,410)	2,410			
Stubbington Bypass - DfT Retained Funding		(2,000)	2,000			
M27 J10 - DfT Retained Funding		500		(500)		
Capacity Funding		(51)	51			
Enterprise Adviser Network		(17)	17			
Operational Costs		(42)			42	
Other Miscellaneous Variances		6	(6)			
<b>Revised Budget</b>	<b>132,672</b>	<b>9,218</b>	<b>66,367</b>	<b>29,415</b>	<b>10,186</b>	<b>247,858</b>
<b>Cumulative Net GPL Fund Reserve Balance (see appendix D for details)</b>		<b>12,711</b>	<b>6,530</b>	<b>9,304</b>	<b>0</b>	

## 6. Local Growth Deal (including Retained Schemes) - 2019/20 onwards

The LGD continues to be the area of the highest financial risk in relation to defrayal of funding by 31 March 2021 for the LEP. Appendix E sets out the latest LGD position, showing the latest re-profiling between financial years and highlights for Board members where the differences in funding available and schemes readiness to incur expenditure occur.

The Board are asked to note that of the total £177.3m LGD and DfT Retained Funding allocated to the LEP to 31 March 2021, £90.6m has been spent in the first four years to 31 March 2019 leaving a further £86.7m (48.9%) to be

spent in the remaining two years, and the majority of this relates to funding earmarked for complex, multi-year transport schemes.

A High Level Delivery Risk Matrix is attached at appendix F, highlighting the current risk status of each LGD project.

**a. M27 Junction 10**

Further to the update at The LEP Board meeting on 15 February 2019, which included a presentation from local project promoting / delivery partners, and the extraordinary FPPMG meeting on the same date, the LEP Executive has continued to work with local partners and central Government on this project. A further update on this will be provided at the meeting and a briefing note is provided to Board members at appendix G.

**b. Stubbington Bypass**

FFPMG received a presentation from the scheme promoter Hampshire County Council at its meeting on 3 April 2019. A further update will be provided at the meeting.

The latest Quarterly Monitoring Report for Stubbington Bypass was submitted to DfT on the 18 April 2019 and is available to the board as reference material.

**c. North Whiteley**

Following the LEP Board consideration of the due diligence report in December 2018, the LEP Executive and Accountable Body (AB) have been liaising with the North Whiteley Consortium on the drafting of the funding agreement.

A verbal update will be provided at the Board meeting on 10 May 2019.

**7. Other Project Updates reported by exception**

**a. Fareham College - Civil Engineering Training Centre**

Fareham College are requesting approval for a variation to their funding agreement the details of which are attached in appendix H.

Accordingly, the LEP Board are asked to:

- **Consider** the variation request from Fareham College and **Delegate authority** to the LEP Executive and AB to take this work forward.

**b. Enterprise Zone Retained Rates**

The FPPMG were updated on the latest position in relation to the retained rates. This is set out in appendix I with a recommendation for the Board to consider.

**c. Local Growth Deal 2016/17 legacy project - Floating Bridge**

Following the FPPMG consideration and agreement of the consultation response summary document at their meeting on 3 April 2019, the consultation response summary document was [published on the LEP website](#) on 10 April 2019. A meeting between the LEP Executive and Isle of Wight Council (IWC) has been scheduled for 16 May 2019 to review the recommendations within the independent due diligence which will form the basis of a contract variation to the funding agreement for the project.

#### **d. SME Support - Small Business Programme (ERDF)**

Following a meeting between the LEP, AB and representatives from the managing authority (MA), the Ministry for Housing, Communities and Local Government (MHCLG), the board agreed to conclude the ERDF component of the Small Business Programme, recognising that there are still significant business support funds available under the LEP Solent Prosperity Fund for SME's. This is now being taken forward and an update will be provided at the meeting.

#### **e. SME Support - Solent Prosperity Fund**

As reported recently to the Board and FPPMG on a number of occasions, SME application rates for LEP funds remain persistently low.

The LEP Executive and AB have been working together with the LEP's Business Support Investment Panel (BSIP) to develop proposals for recalibrating the current Solent Prosperity Fund. These proposals were considered by FPPMG at their meeting on 3 April 2019 and on this basis the Board are asked to:

- **Note** the update and advice from FPPMG in relation to provision of SME Support; and
- **Provide advice** to the LEP Executive in order that the proposals can be further refined; and
- **Delegate authority** to the LEP Executive and AB in order that the technical guidance for the funds can be finalised and launched in June 2019.

#### **f. Large Project Component of the Solent Prosperity Fund**

The Board have an update on the overall performance of the large project component of the Solent Prosperity Fund (SPF) under Item 8 of this agenda.

#### **g. Regional Growth Fund - Programme Closure**

Following a meeting with our HMG monitoring officer in relation to the LEP's Regional Growth Fund (RGF) programme the LEP Executive and AB are working toward submission of final closure reports and final accountants' reports for all RGF programmes. Whilst exit reports for all programmes were submitted in 2017, it is understood that final closure reports and accountants' reports are now required as part of the closure process for each programme nationally.

The LEP Executive and AB will continue to liaise with the HMG monitoring officer, and further updates will be provided at future meetings.

### **8. Operational Costs and Capacity Funding**

Since the last Board meeting the LEP Executive and the AB have submitted the application for the Core Funding for £500,000 for 2019/20 and also for an additional £200,000 to continue to support the implementation of the LEP review.

The £500,000 had been previously advised and is already included in the budget; however, the additional £200,000 will be added to the financial forecasts when this has been confirmed by Government.

The Grant determination letter for 2019/20 has been received confirming the Local Growth Funding and Core Funding and this is available for the board to review in the reference material folder.

The AB has also undertaken a final review of staff recharges as part of the closing of the accounts which is reflected in the final outturn position.

The 2019/20 operational budgets have been set at a level to reflect the changing resource requirements emerging from the LEP review, the new National Assurance framework, the publication of new CIPFA guidelines and also by taking into account the final outturn position for 2018/19.

The result of this is that there is a net underspend (including contingency) which has been added to the operational costs budgets in 2021/22 to ensure there is further provision to fund the core budgets of the LEP Executive prior to the announcement of any core funding post the current funding period to 31 March 2021.

Finally the interested earned on LEP funding held but not paid out to date is currently being recalculated and this will result in some additional funding available for the Board to allocate. This will be reported to the next meeting of the FFPMG on 26 June 2019 and a recommendation as to how this could be allocated will be brought to the Board meeting on 19 July 2019.

## 9. Financial Summary

The latest forecast outturn for the LGD programme for 2018/19 is set out in appendix A.

The main financial risks are set out above (particularly in respect of the LGD projects as set out in paragraph 6 and appendix E) and the Board are asked to consider the latest information available in order to ensure that mitigating actions can be taken to help maximise the defrayal of expenditure within the timelines set by Government particularly in light of the significant amount of funding that still needs to be defrayed by 31 March 2021.

## 10. Summary of Recommendations

10.1 It is recommended that the LEP Board:

- (i) The final outturn for 2018/19 of £9,218,086 and the sources of funding called upon as set out in appendices A and B is **approved** by the LEP Board.
- (ii) The revised budget for 2019/20 of £66,366,673 and the forecast budget for the period 2020/21 to 2021/22 as set out in appendix B is **approved** by the LEP Board which includes the following:
  - The latest position of the Local Growth Deal Fund as set out in appendix E noting the challenges around future delivery as set out in paragraphs 4.2 and 6 of this report.
  - The re-profiling and budget movements as set out in the table in paragraph 5 below.
  - The current position of the Growing Places Fund as summarised in appendix D.

The Board are also asked to:

- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Note** and **Agree** the high level LGD Risk Matrix for the Local Growth Programme attached at appendix F.
- **Note** the updates in relation to the Local Growth Deal capital programme and the Retained Schemes update.
- **Note** the other project updates reported by exception in paragraph 7 of this report.
- **Note** the update in relation to the Solent Enterprise Zone retained rates attached at appendix I.
- **Note** the update provided on the M27 J10 scheme in appendix G.
- **Note** the update on the two Retained Local Growth Deal Schemes.
- **Consider** the updated guidance and proposed approach for the repositioning of the Large Project Component of the Solent Prosperity Fund to build a pipeline for any future local growth funding and **Agree** for this update to the existing Technical Guidance following closure of Round 5 on the 31 May 2019.
- **Note** the update from FFPMG in relation to provision of SME Support; and
- **Provide advice** to the LEP Executive in order that the proposals can be further refined; and
- **Delegate authority** to the LEP Executive and AB in order that the technical guidance for the funds can be finalised and launched in June 2019.
- **Consider** the request from Fareham College for a variation to the funding agreement (attached at appendix H) in respect of the Civil Engineering Training Centre; and **Delegate authority** to the LEP Executive and AB to take this work forward.

## 11. Equality impact assessment

EIA not required for note items. In relation to LEP funding for projects, an EIA has been prepared in relation to the Solent Prosperity Fund and this is provided at appendix B under Item 8 (which relates specifically to this funding programme), and it is considered that there are no negative impacts on groups identified in the EIA.

## 12. Legal implications

With reference to:

- i.* the requested Board approval for the final outturn for 2018/19 and the revised budget for 2019/20 and the forecast budget for the period 2020/21 to 2021/22 as set out in appendix B. PCC's (acting as accountable body for the LEP) s.151 officer acts as the Chief Finance officer (by the relevant delegation powers) for the LEP and is in receipt of a general delegation from the Council in order to manage such matters in line.
- ii.* The Board approval for delegated authority to the LEP Executive and AB to take forward the variation request from Fareham College. The Local Growth Deal - Solent Skills and Prosperity Fund - CETEC Grant Letter provides for variations to the Grant Letter and/or the Business Case and/or the Implementation Plan and/or arrangements for financing if agreed in writing by the LEP.
- iii.* The board approval to agree the high level LGD Risk Matrix for the Local Growth Programme attached at appendix F. Any legal consideration arising out of enforcement or monitoring provisions as a result of the risk review will be reviewed by legal in line with the relevant Grant Letters as and when required.

## 13. Finance comments from S151 Officer of the Accountable Body

All of the financial information and associated implications are reflected in the body of the report and the Appendices.

SOLENT LOCAL ENTERPRISE PARTNERSHIP - FINAL OUTTURN POSITION FOR 2018/19

Enterprise (Business Support)	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£
<b>Local Growth Deal Funding:</b>						
SME Support - Solent Prosperity Fund	350,000	592,352	242,352	242,352	0	0
ERDF BTG - Awards (ERDF Funded)	100,000	7,412	(92,588)	(92,588)	0	0
ERDF BTG - Awards (LGD Match Funded)	300,000	282,871	(17,129)	(17,129)	0	0
Natural Enterprise Grant Programme	250,000	250,000	0	0	0	0
<b>Other Enterprise Initiatives:</b>						
Solent Growth Hub	361,507	243,418	(118,089)	(118,089)	0	0
<b>Enterprise Total</b>	<b>1,361,507</b>	<b>1,376,052</b>	<b>14,545</b>	<b>14,545</b>	<b>0</b>	<b>0</b>

Infrastructure (Land & Property)	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£
<b>Growing Places Fund Loans:</b>						
Stubbington Bypass	0	0	0	0	0	0
<b>Growing Places Loan Fund: Capital Loans Advanced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GPL Contingency Provisions and Programme Management costs</b>						
Growing Places Loan Fund Programme Management Costs	18,450	18,341	(109)	(109)	0	0
<b>Sub-total: GPL Contingency Provisions and Programme Management costs</b>	<b>18,450</b>	<b>18,341</b>	<b>(109)</b>	<b>(109)</b>	<b>0</b>	<b>0</b>
<b>Solent Growth Deal:</b>						
North Whiteley Transport Improvements	0	0	0	0	0	0
Local Large Majors (Solent Metro and SAEG)	25,000	24,220	(780)	(780)	0	0
Programme Development Fund (feasibilities)	173,500	0	(173,500)	(173,500)	0	0
Solent Growth Deal - Programme Management Costs	366,564	431,543	64,979	64,979	0	0
Stubbington Bypass - LGD forward funding	0	0	0	0	0	0
Solent Prosperity Fund	0	0	0	0	0	0
(Over) / Under Programming	0	0	0	0	0	0
<b>Sub-total - Local Growth Deal</b>	<b>565,064</b>	<b>455,763</b>	<b>(109,301)</b>	<b>(109,301)</b>	<b>0</b>	<b>0</b>
<b>DfT Retained Schemes</b>						
Stubbington Bypass	2,000,000	0	(2,000,000)	(2,000,000)	0	0
Growth deal provisional allocation for M27 Junction 10 (post 2016)	1,650,000	2,150,000	500,000	500,000	0	0
<b>Sub-total - DfT Retained Schemes</b>	<b>3,650,000</b>	<b>2,150,000</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>	<b>0</b>	<b>0</b>
<b>Other Capital Funding Programmes:</b>						
Building Foundations for Growth Capital Grant for EZ	0	0	0	0	0	0
<b>Other Infrastructure Funding:</b>						
Capacity funding	83,184	86,698	3,514	3,514	0	0
One Public Estate	5,000	5,000	0	0	0	0
Transport Delivery Excellence Funding	0	0	0	0	0	0
Energy strategy	25,000	38,741	13,741	13,741	0	0
<b>Infrastructure (Land &amp; Property) Total</b>	<b>4,346,698</b>	<b>2,754,544</b>	<b>(1,592,154)</b>	<b>(1,592,154)</b>	<b>0</b>	<b>0</b>

Place	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
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	£	£	£
Capacity Funding	42,429	45,365	2,936
<b>Place Total</b>	<b>42,429</b>	<b>45,365</b>	<b>2,936</b>

£	£	£
2,936	0	0
<b>2,936</b>	<b>0</b>	<b>0</b>

Skills	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)
	£	£	£
<b>City Deal Wave 2:</b>			
Fareham College - Civil Engineering Training Centre	2,410,000	0	(2,410,000)
Capacity funding	84,043	78,616	(5,427)
Solent Employer Ownership Programme	46	0	(46)
Enterprise Adviser Network	146,760	87,923	(58,837)
Enterprise Adviser Network - Programme Management	25,000	66,642	41,642
<b>Skills Total</b>	<b>2,665,849</b>	<b>233,181</b>	<b>(2,432,668)</b>

Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
£	£	£
(2,410,000)	0	0
(5,427)	0	0
(46)	0	0
(58,837)	0	0
41,642	0	0
<b>(2,432,668)</b>	<b>0</b>	<b>0</b>

Strategic Sectors	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)
	£	£	£
National Maritime Systems Centre	2,564,664	0	(2,564,664)
Southampton Solent University - Warsash School of Maritime Science and Engineering	4,044,570	4,044,570	0
Maritime Supplement: Capacity Funding	59,558	57,841	(1,717)
<b>Strategic Sectors Total</b>	<b>6,668,792</b>	<b>4,102,411</b>	<b>(2,566,381)</b>

Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
£	£	£
(2,564,664)	0	0
0	0	0
(1,717)	0	0
<b>(2,566,381)</b>	<b>0</b>	<b>0</b>

Innovation	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)
	£	£	£
Innovation Fund - Programme Management	34,870	28,975	(5,895)
Capacity Funding	79,320	15,813	(63,507)
<b>Innovation Total</b>	<b>114,190</b>	<b>44,788</b>	<b>(69,402)</b>

Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
£	£	£
(5,895)	0	0
(63,507)	0	0
<b>(69,402)</b>	<b>0</b>	<b>0</b>

Operational Central Costs	Full Year Budget 2018/19*	Final Outturn Position up to 31 March 2019	Full Year Variance as at 31 March 19 Over / (Underspend)
	£	£	£
Staffing costs	290,000	303,746	13,746
Office costs	80,000	92,274	12,274
Finance costs including forecast costs for Democratic Services for future years	60,000	68,722	8,722
Legal support	25,000	34,579	9,579
Marketing & Communication costs	80,000	93,944	13,944
Contingency	100,000	0	(100,000)
Solent Economic Plan and Local Industrial Strategy	81,565	62,479	(19,086)
SEEDA legacy funding for business engagement	31,396	0	(31,396)
LEP Network	8,256	6,000	(2,256)
<b>Operational Central Costs Total</b>	<b>756,217</b>	<b>661,745</b>	<b>(94,472)</b>

Acceleration or Programme Slippage to be carried forward to 2019/20	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
£	£	£
0	13,746	0
0	12,274	0
0	8,722	0
0	9,579	0
0	13,944	0
(100,000)	0	0
(19,086)	0	0
(31,396)	0	0
(2,256)	0	0
<b>(152,738)</b>	<b>58,266</b>	<b>0</b>

<b>Total LEP Budget</b>	<b>15,955,682</b>	<b>9,218,086</b>	<b>(6,737,596)</b>
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<b>(6,795,862)</b>	<b>58,266</b>	<b>0</b>
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\* As agreed at LEP Board 15th February 2019

SOLENT LOCAL ENTERPRISE PARTNERSHIP - BUDGET FORECAST TO 2021/22

ENTERPRISE (BUSINESS SUPPORT)		Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
Solent RGF - Bridging the Gap:									
Awards		4,950,716	-	-	-	-	4,950,716	4,950,716	-
Due Diligence		381,906	-	-	-	-	381,906	381,906	-
RGF Solent EZ expansion Fund - Gosport Borough Council - Fund		800,000	-	-	-	-	800,000	800,000	-
RGF Solent EZ expansion Fund - Gosport Borough Council - Due Diligence		82,105	-	-	-	-	82,105	82,105	-
RGF 3 IOW Private Sector Support - Fund		475,000	-	-	-	-	475,000	475,000	-
RGF 3 IOW Private Sector Support - Due Diligence		110,202	-	-	-	-	110,202	110,202	-
Solent Growth Fund (Growth deal - 2015/16 to 2021) / - SME Support from Solent Prosperity Fund (2018/19 to 2020/21)		988,277	451,154	1,848,846	1,050,000	-	4,338,277	4,338,277	-
ERDF BTG - Awards (ERDF Funded)		84,446	7,412	908,142	-	-	1,000,000	1,000,000	-
ERDF BTG - Awards (LGD Match Funded)		73,810	282,871	643,319	-	-	1,000,000	1,000,000	-
Natural Enterprise Grant Programme		580,000	250,000	250,000	250,000	-	1,330,000	1,330,000	-
Matched funding for ERDF Growth Accelerator Fund		-	-	-	-	-	0	0	-
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management		479,151	141,198	129,651	150,000	-	900,000	900,000	-
Solent Growth Hub (Growth deal - 2015/16 to 2021)		673,059	243,418	336,089	250,000	-	1,502,566	1,502,566	-
Improving Digital Capability for SME's (LGD funded 2019/20 onwards via Solent Prosperity Fund)		112,502	-	200,000	200,000	-	512,502	512,502	-
<b>Enterprise Total</b>		<b>9,791,175</b>	<b>1,376,052</b>	<b>4,316,047</b>	<b>1,900,000</b>	<b>0</b>	<b>17,383,274</b>	<b>17,383,274</b>	<b>-</b>
INFRASTRUCTURE (Land & Property)		Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
<b>Growing Places Fund: Original Capital Allocation</b>									
CEMAST		3,000,000	-	-	-	-	3,000,000	3,000,000	-
Solent EZ Infrastructure package		8,000,000	-	-	-	-	8,000,000	8,000,000	-
Griffon Hoverwork		2,000,000	-	-	-	-	2,000,000	2,000,000	-
Stubbington Bypass		-	-	3,500,000	-	-	3,500,000	3,500,000	-
Solent Shared Prosperity Fund (loan element)		-	-	-	-	9,262,916	9,262,916	9,262,916	-
<b>Growing Places Loan Fund:</b>									
Funding set aside to underwrite LGD over programming if required		-	-	-	-	-	-	-	-
Growing Places Loan Fund: Capital Loans Advanced / Available		13,000,000		3,500,000		9,262,916	25,762,916	25,762,916	-
<b>Grants allocated (not repayable)</b>									
Stubbington Bypass indemnity		-	-	1,500,000	-	-	1,500,000	1,500,000	-
Funding set aside to underwrite LGD overprogramming if required		-	-	-	-	-	0	0	-
<b>Use of Fund for other Purposes (not repayable):</b>									
- Growing Places Loan Fund Programme Management Costs		150,516	18,341	131,143	-	-	300,000	300,000	-
<b>Growing Places Loan Fund: Fund used and not repayable</b>		<b>150,516</b>	<b>18,341</b>	<b>1,631,143</b>	<b>-</b>	<b>-</b>	<b>1,800,000</b>	<b>1,800,000</b>	<b>-</b>

<b>Solent Growth Deal confirmed funding:</b>								
The Hard Interchange (PCC)	4,832,000	-	-	-	-	4,832,000	4,832,000	-
Dunsbury Hill Farm Link Road (PCC)	4,540,000	-	-	-	-	4,540,000	4,540,000	-
Station Quarter North (SCC)	4,185,000	-	-	-	-	4,185,000	4,185,000	-
Station Roundabout / Gudge Heath Lane (HCC)	4,953,893	-	-	-	-	4,953,893	4,953,893	-
Environmental Mitigation - Solent Mitigation Disturbance project	1,355,000	-	-	-	-	1,355,000	1,355,000	-
Peel Common Roundabout and St Margarets Roundabout	4,340,000	-	-	-	-	4,340,000	4,340,000	-
Newgate Lane South	9,000,000	-	-	-	-	9,000,000	9,000,000	-
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	3,198,000	-	-	-	-	3,198,000	3,198,000	-
Fareham and Gosport multiyear programme (A27 Dualling)	4,127,000	-	-	-	-	4,127,000	4,127,000	-
Solent Gateways (Isle of Wight Floating Bridge)	3,776,782	-	-	-	-	3,776,782	3,776,782	-
<i>North Whiteley Transport improvements</i>	-	-	3,243,970	10,756,030	-	14,000,000	14,000,000	-
Local Large Majors (Solent Metro and SAEG)	339,497	24,220	636,283	-	-	1,000,000	1,000,000	-
Programme Development Fund (feasibilities)	-	-	223,500	-	-	223,500	223,500	-
Fareham and Gosport Multi Year Programme - Design and Construction of Junction 10	-	-	-	14,150,000	-	14,150,000	14,150,000	-
Stubbington Bypass - LGD forward funding	3,500,000	-	(3,500,000)	-	-	0	0	-
Solent Growth Deal - Programme Management Costs	1,017,760	431,543	186,739	242,260	-	1,878,302	1,878,302	-
Solent Prosperity Fund	-	-	6,450,000	1,653,808	-	8,103,808	8,103,808	-
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000	-	-	-	-	1,000,000	1,000,000	-
LGD funding approved for projects / programmes in future years	-	-	5,049,413	(5,049,413)	-	0	0	-
LGD funding indicatively earmarked for projects in future years	-	-	14,150,000	(14,150,000)	-	0	0	-
<b>SUB TOTAL: Solent Growth Deal:</b>	<b>50,164,932</b>	<b>455,763</b>	<b>26,439,905</b>	<b>7,602,685</b>	<b>-</b>	<b>84,663,285</b>	<b>84,663,285</b>	<b>-</b>
<b>DfT Retained Schemes</b>								
Stubbington Bypass	-	-	20,000,000	5,700,000	-	25,700,000	25,700,000	-
<i>Growth deal provisional allocation for M27 Junction 10 (post 2016)</i>	-	2,150,000	-	12,750,000	-	14,900,000	14,900,000	-
<b>SUB TOTAL: DfT Retained Schemes:</b>	<b>-</b>	<b>2,150,000</b>	<b>20,000,000</b>	<b>18,450,000</b>	<b>-</b>	<b>40,600,000</b>	<b>40,600,000</b>	<b>-</b>
Building Foundations for Growth Capital Grant for EZ	6,672,217	-	417,783	-	-	7,090,000	7,090,000	-
Centenary Quay (DCLG Infrastructure House Building Capital Fund)	7,675,921	-	-	-	-	7,675,921	7,675,921	-
Capacity Funding	200,486	86,698	187,816	-	-	475,000	475,000	-
One Public Estate	14,950	5,000	-	-	-	19,950	19,950	-
Transport Delivery Excellence Funding	-	-	52,000	-	-	52,000	52,000	-
Energy Strategy	10,230	38,741	1,029	-	-	50,000	50,000	-
<b>Infrastructure (Land &amp; Property) Total</b>	<b>77,889,252</b>	<b>2,754,544</b>	<b>52,229,676</b>	<b>26,052,685</b>	<b>9,262,916</b>	<b>168,189,073</b>	<b>168,189,073</b>	<b>-</b>

PLACE	Actual Expenditure to end 2017/18
Capacity funding	204,333
<b>Place Total</b>	<b>204,333</b>

Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22
45,365	85,303	-	-
<b>45,365</b>	<b>85,303</b>	<b>0</b>	<b>0</b>

Total Budget	Total Forecast Expenditure	Variance
335,000	335,000	-
<b>335,000</b>	<b>335,000</b>	<b>-</b>

SKILLS	Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
CEMAST - Fareham College	3,000,000	-	-	-	-	3,000,000	3,000,000	-
CEMAST - Due Diligence	63,780	-	-	-	-	63,780	63,780	-
<u>Solent Growth deal FE Capital (2015/16 - 2021)</u>								
Eastleigh College Estates Renewal	9,000,000	-	-	-	-	9,000,000	9,000,000	-
IOW College Composites Centre	10,900,000	-	-	-	-	10,900,000	10,900,000	-
BAE Marine Workshops and Maritime Support Centre	943,066	-	-	-	-	943,066	943,066	-
Fareham College - Civil Engineering Training Centre	-	-	2,833,000	-	-	2,833,000	2,833,000	-
Capacity funding	227,415	78,616	206,107	-	-	512,138	512,138	-
Solent Employer Ownership Programme	1,499,954	-	46	-	-	1,500,000	1,500,000	-
Solent Employer Ownership Programme - Local Growth Deal contribution	129,000	-	-	-	-	129,000	129,000	-
Enterprise Adviser Network	350,321	154,565	464,114	86,000	-	1,055,000	1,055,000	-
<b>Skills Total</b>	<b>26,113,536</b>	<b>233,181</b>	<b>3,503,267</b>	<b>86,000</b>	<b>0</b>	<b>29,935,984</b>	<b>29,935,984</b>	<b>-</b>

STRATEGIC SECTORS	Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
<u>Solent Futures RGF Round 3:</u>								
Training Scheme - Awards	1,300,000	-	-	-	-	1,300,000	1,300,000	-
Training Scheme - Due Diligence	159,000	-	-	-	-	159,000	159,000	-
Supply Chain - Awards	1,179,419	-	-	-	-	1,179,419	1,179,419	-
Supply Chain - Due Diligence	117,000	-	-	-	-	117,000	117,000	-
National Maritime Systems Centre	1,679,334	-	3,320,666	-	-	5,000,000	5,000,000	-
Southampton Solent University - Warsash School of Maritime Science and Engineering	2,300,000	4,044,570	1,119,430	-	-	7,464,000	7,464,000	-
<u>MARITIME SUPPLEMENT</u>								
Capacity funding	142,602	57,841	59,557	-	-	260,000	260,000	-
<b>Strategic Sectors Total</b>	<b>6,877,355</b>	<b>4,102,411</b>	<b>4,499,653</b>	<b>0</b>	<b>0</b>	<b>15,479,419</b>	<b>15,479,419</b>	<b>-</b>

INNOVATION	Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
Fareham Innovation Centre - Phase 2	2,000,000	-	-	-	-	2,000,000	2,000,000	-
Cancer Immunology Centre	4,500,000	-	-	-	-	4,500,000	4,500,000	-
Innovation Fund - Programme Management Costs	209,543	28,975	11,482	-	-	250,000	250,000	-
Local Growth Deal Fund - Innovation Projects	-	-	-	-	-	-	-	-
University of Portsmouth Future Technology Centre (LGD contribution)	1,050,000	-	-	-	-	1,050,000	1,050,000	-
BAE Maritime and Test Bed	456,633	-	-	-	-	456,633	456,633	-
UoS - Web Science (Z21)	500,000	-	-	-	-	500,000	500,000	-
Capacity Funding	70,680	15,813	93,507	-	-	180,000	180,000	-
<b>Innovation</b>	<b>8,786,856</b>	<b>44,788</b>	<b>104,989</b>	<b>0</b>	<b>0</b>	<b>8,936,633</b>	<b>8,936,633</b>	<b>0</b>

OPERATIONAL CENTRAL COSTS	Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
Staffing costs	1,254,244	303,746	500,000	500,000	450,000	3,007,990	3,007,990	-
Office costs	427,809	92,274	95,000	95,000	80,000	790,083	790,083	-
Finance costs incl forecast costs for Democratic Services for future years	298,968	68,722	80,000	80,000	60,000	587,691	587,691	-
Legal support	154,905	34,579	50,000	50,000	40,000	329,484	329,484	-
Marketing & Communication costs	242,483	93,944	100,000	100,000	100,000	636,427	636,427	-
Contingency	-	-	300,000	300,000	193,533	793,533	793,533	-
Solent Economic Plan and Local Industrial Strategy	607,425	62,479	469,086	251,027	-	1,390,017	1,390,017	-
SEEDA legacy funding for business engagement	-	-	31,396	-	-	31,396	31,396	-
LEP Network	24,000	6,000	2,256	-	-	32,256	32,256	-
<b>Operational Central Costs Total</b>	<b>3,009,834</b>	<b>661,745</b>	<b>1,627,738</b>	<b>1,376,027</b>	<b>923,533</b>	<b>7,598,877</b>	<b>7,598,877</b>	<b>-</b>

LEP BUDGET GRAND TOTAL		Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
		132,672,340	9,218,086	66,366,673	29,414,712	10,186,449	247,858,260	247,858,260	-

FUNDING SUMMARY		Actual Expenditure to end 2017/18	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget
Bridging the Gap Phase 1	1,969,678	-	-	-	-	-	1,969,678
Bridging the Gap ERGF (Solent Wide)	1,387,307	-	-	-	-	-	1,387,307
Bridging the Gap Phase 2	1,881,981	-	-	-	-	-	1,881,981
RGF Solent EZ expansion Fund - Gosport Borough Council	882,105	-	-	-	-	-	882,105
RGF 3 IOW SME Support Fund	585,202	-	-	-	-	-	585,202
Solent Growth Deal	84,953,746	5,654,531	36,796,298	9,252,686	-	-	136,657,261
Temporary Local Growth Deal Switch with PCC Capital Resources	1,000,000	-	-	-	-	-	1,000,000
DfT Funding for Retained Schemes	-	2,150,000	20,000,000	18,450,000	-	-	40,600,000
DCLG Infrastructure House Building Capital Fund (CQ)	7,675,921	-	-	-	-	-	7,675,921
Solent Growth Hub	660,000	-	-	410,000	-	-	1,070,000
Solent Futures RGF Round 3	2,912,855	-	-	-	-	-	2,912,855
Growing Places Fund - Revenue	445,949	225,000	383,258	130,473	230,000	-	1,414,680
Growing Places Fund - Capital	13,000,000	-	3,500,000	-	9,262,916	-	25,762,916
Growing Places Fund - Contingency Provisions and Programme Management Costs	423,356	404,994	2,681,210	425,000	41,734	-	3,976,294
Solent Futures	3,000,000	-	-	-	-	-	3,000,000
Solent Employer Ownership Programme (Wave 2 City Deal)	1,499,954	-	46	-	-	-	1,500,000
The Careers & Enterprise Co. - Enterprise Adviser Network	237,000	30,000	230,000	43,000	-	-	540,000
Enterprise Advice Network - Matched Funding (Interest Earned)	138,321	99,565	234,114	43,000	-	-	515,000
Cabinet Office - One Public Estate	14,950	5,000	-	-	-	-	19,950
Enterprise Zone Capital Grant	6,672,217	-	417,783	-	-	-	7,090,000
DfT - LTB Funding	131,580	-	-	-	-	-	131,580
SEP	627,698	18,921	222,420	30,961	-	-	900,000
Transport Excellence	36,000	-	-	-	-	-	36,000
BIS - Capacity Fund	387,063	40,169	399,568	-	-	-	826,800
BIS - Core Funding	875,000	76,208	418,520	505,272	-	-	1,875,000
LEP Review - Core Funding	-	200,000	-	-	-	-	200,000
PUSH	30,000	-	-	-	-	-	30,000
Growing Places Capital - CEMAST admin fee	75,000	-	-	-	-	-	75,000
LEP Network	13,900	-	-	-	-	-	13,900
Interest earned on funding yet to pay out	650,881	67,545	25,888	124,320	651,799	-	1,520,433
Local Authority Funding - PUSH, Hampshire & IOW	300,000	-	-	-	-	-	300,000
BIS - Digital Capability for SME's	110,000	31,396	-	-	-	-	141,396
Transport Delivery Excellence Funding	-	-	42,000	-	-	-	42,000
Energy Strategy Funding (BEIS)	10,230	38,741	1,029	-	-	-	50,000
Skills Advisory Panel	-	-	75,000	-	-	-	75,000
ERDF Funding - Bridging the Gap (matched funding SGF)	84,446	7,412	908,142	-	-	-	1,000,000
<b>Grant Total - Funding</b>	<b>132,672,340</b>	<b>9,218,086</b>	<b>66,366,673</b>	<b>29,414,712</b>	<b>10,186,449</b>		<b>247,858,260</b>

Growing Places Fund - Forecast Reserve for Future Projects	Outturn 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget
Net Cumulative Growing Places Reserve Forecast - see appendix D for details	12,710,861	6,529,651	9,304,651	(0)	(0)

TOTAL FUNDING TO SUPPORT LEP ACTIVITY	Total Budget
	247,858,260

## **APPENDIX C**

### **Risk Register**

**A confidential report will be considered at the meeting**

## GROWING PLACES LOAN FUND POSITION

Fund Activity	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Total £
<b>Opening Balance</b>	0	(10,064,210)	(5,889,210)	(9,108,371)	(10,214,945)	(12,315,855)	(12,710,861)	(6,529,651)	(9,304,651)	
Capital Injection	(16,739,210)									(16,739,210)
<u>Loans Out (Round 1 - tranches 1 to 4):</u>										
CEMAST	2,175,000	825,000								3,000,000
Solent EZ Infrastructure package	4,500,000	3,500,000								8,000,000
Griffon Hoverwork		1,000,000	1,000,000							2,000,000
<u>Subsequent Allocations:</u>										0
Stubbington Bypass (Note 1)							3,500,000			3,500,000
<u>New Solent Shared Prosperity Fund (loan element)</u>									9,262,916	9,262,916
<b>Sub-total: Loans Advanced</b>	<b>6,675,000</b>	<b>5,325,000</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,500,000</b>	<b>0</b>	<b>9,262,916</b>	<b>25,762,916</b>
<b>Contingency Provisions</b>										
Local Growth Deal:										
Stubbington Bypass indemnity							1,500,000			1,500,000
Operational Costs			230,839	42,000	0	386,653	1,050,067	425,000	41,735	2,176,294
<b>Sub-total: Contingency Provisions</b>	<b>0</b>	<b>0</b>	<b>230,839</b>	<b>42,000</b>	<b>0</b>	<b>386,653</b>	<b>2,550,067</b>	<b>425,000</b>	<b>41,735</b>	<b>3,676,294</b>
Growing Places Loan Fund Programme Management Costs			75,000	51,426	24,090	18,341	131,143			300,000
<b>Total: Contingency Provisions and Growing Places Loan Programme Management Costs</b>	<b>0</b>	<b>0</b>	<b>305,839</b>	<b>93,426</b>	<b>24,090</b>	<b>404,994</b>	<b>2,681,210</b>	<b>425,000</b>	<b>41,735</b>	<b>3,976,294</b>
<u>Loans repaid (Capital Receipts)</u>										
<u>Round 1</u>										
CEMAST		(300,000)	(575,000)	(800,000)	(1,325,000)					(3,000,000)
Solent EZ Infrastructure package		(850,000)	(3,950,000)					(3,200,000)		(8,000,000)
Griffon Hoverwork				(400,000)	(800,000)	(800,000)	0			(2,000,000)
	0	(1,150,000)	(4,525,000)	(1,200,000)	(2,125,000)	(800,000)	0	(3,200,000)	0	(13,000,000)
<b>Sub-total: Total Planned Fund Repayments</b>	<b>0</b>	<b>(1,150,000)</b>	<b>(4,525,000)</b>	<b>(1,200,000)</b>	<b>(2,125,000)</b>	<b>(800,000)</b>	<b>0</b>	<b>(3,200,000)</b>	<b>0</b>	<b>(13,000,000)</b>
<b>TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE (Note 2)</b>						<b>(12,710,861)</b>	<b>(6,529,651)</b>	<b>(9,304,651)</b>	<b>0</b>	<b>**</b>

## Notes:

1. The loan for the Stubbington Bypass project will be repaid but repayments do not start until until 2023/24

SOLENT LOCAL ENTERPRISE PARTNERSHIP - LOCAL GROWTH DEAL FUNDING BY SCHEME (NET OF DfT RETAINED SCHEME FUNDING)							
SCHEME NAME	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Budget 2019/20	Budget 2020/21	Total Budget
Solent Growth Fund (Growth deal - 2015/16 to 2021) / - SME Support from Solent Prosperity Fund (2018/19 to 2020/21)	355,932	1,405,872	306,473	701,154	2,298,846	1,500,000	6,568,277
LGD matched funding towards the ERDF grants programme			73,810	282,871	643,319		1,000,000
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	150,500	149,500	179,150	141,198	129,652	150,000	900,000
The Hard Interchange (PCC)	4,832,000	-	-	-	-	-	4,832,000
Dunsbury Hill Farm Link Road (PCC)	4,540,000	-	-	-	-	-	4,540,000
Station Quarter North (SCC)	4,185,000	-	-	-	-	-	4,185,000
Station Roundabout / Gudge Heath Lane (HCC)	2,065,000	2,888,893	-	-	-	-	4,953,893
Cancer Immunology Centre	4,500,000	-	-	-	-	-	4,500,000
Environmental Mitigation - Solent Mitigation Disturbance project	1,355,000	-	-	-	-	-	1,355,000
Eastleigh College Estates Renewal	6,810,000	2,190,000	-	-	-	-	9,000,000
IOW College Composites Centre	5,400,000	5,500,000	-	-	-	-	10,900,000
Capitalisation Costs for Solent Growth Deal Programme Management and Capacity funding	300,000	344,997	372,762	431,543	186,739	242,261	1,878,302
Peel Common Roundabout and St Margarets Roundabout	4,340,000	-	-	-	-	-	4,340,000
Newgate Lane South	-	6,072,571	2,927,429	-	-	-	9,000,000
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	-	3,198,000	-	-	-	-	3,198,000
Fareham and Gosport multiyear programme (A27 Dualling)	-	4,127,000	-	-	-	-	4,127,000
Solent Gateways (Isle of Wight Floating Bridge)	-	3,776,782	-	-	-	-	3,776,782
Innovation Fund - Fareham Innovation Centre - Phase 2		2,000,000					2,000,000
Innovation Fund - Programme Management Costs		75,000	134,544	28,975	11,481		250,000
Innovation Fund - BAE Maritime and Test Bed		456,633					456,633
Innovation Fund - Future Technology Centre (University of Portsmouth)		1,050,000					1,050,000
Contribution to BAE Employer Ownership Programme Scheme		129,000					129,000
National Maritime Systems Centre		-	1,679,334		3,320,666		5,000,000
Local Large majors (Solent Metro and SAEG)		-	339,497	24,220	636,283		1,000,000
BAE Marine Workshops and Marine Support Centre		943,066					943,066
Solent Growth Deal Programme Development Fund		-			223,500		223,500
Stubbington Bypass - advance (note 1)		3,500,000			3,500,000		7,000,000
Stubbington Bypass - repayment (note 1)					(7,000,000)		(7,000,000)
Fareham College - Civil Engineering Training Centre					2,833,000		2,833,000
Southampton Solent University - Warsash School of Maritime Science and Engineering			2,300,000	4,044,570	1,119,430		7,464,000
North Whiteley		-	-	-	3,243,970	10,756,030	14,000,000
Design and Construction of M27 Junction 10 (note 2)	-	-	-	-	-	14,150,000	14,150,000
Solent Prosperity Fund					6,450,000	1,653,808	8,103,808
<b>SUB-TOTALS:</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>17,596,886</b>	<b>28,452,099</b>	<b>136,657,261</b>
LGD funding committed / approved or indicatively earmarked across future years					19,199,413	(19,199,413)	0
<b>TOTAL EXPENDITURE ON APPROVED LOCAL GROWTH DEAL SCHEMES</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>36,796,299</b>	<b>9,252,686</b>	<b>136,657,261</b>
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000		-	-	-	-	1,000,000
<b>TOTAL UTILISATION OF LOCAL GROWTH DEAL</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>36,796,299</b>	<b>9,252,686</b>	<b>137,657,261</b>
<b>FUNDING AGREED / INDICATIVE ALLOCATIONS</b>							
Solent Growth Deal Funding - received	40,391,667	42,640,334	24,302,028	10,817,860			118,151,889
Solent Growth Deal Funding - indicative					9,252,686	9,252,686	18,505,372
Capital Funding from Accountable Body (Returned)	-	1,000,000	-	-	-	-	1,000,000
Funding Slippage / Acceleration	(558,235)	(5,833,020)	(15,989,029)	(5,163,329)	27,543,613	-	-
<b>TOTALS:</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>36,796,299</b>	<b>9,252,686</b>	<b>137,657,261</b>
Variance:	0	0	0	0	0	0	0

**Notes:**

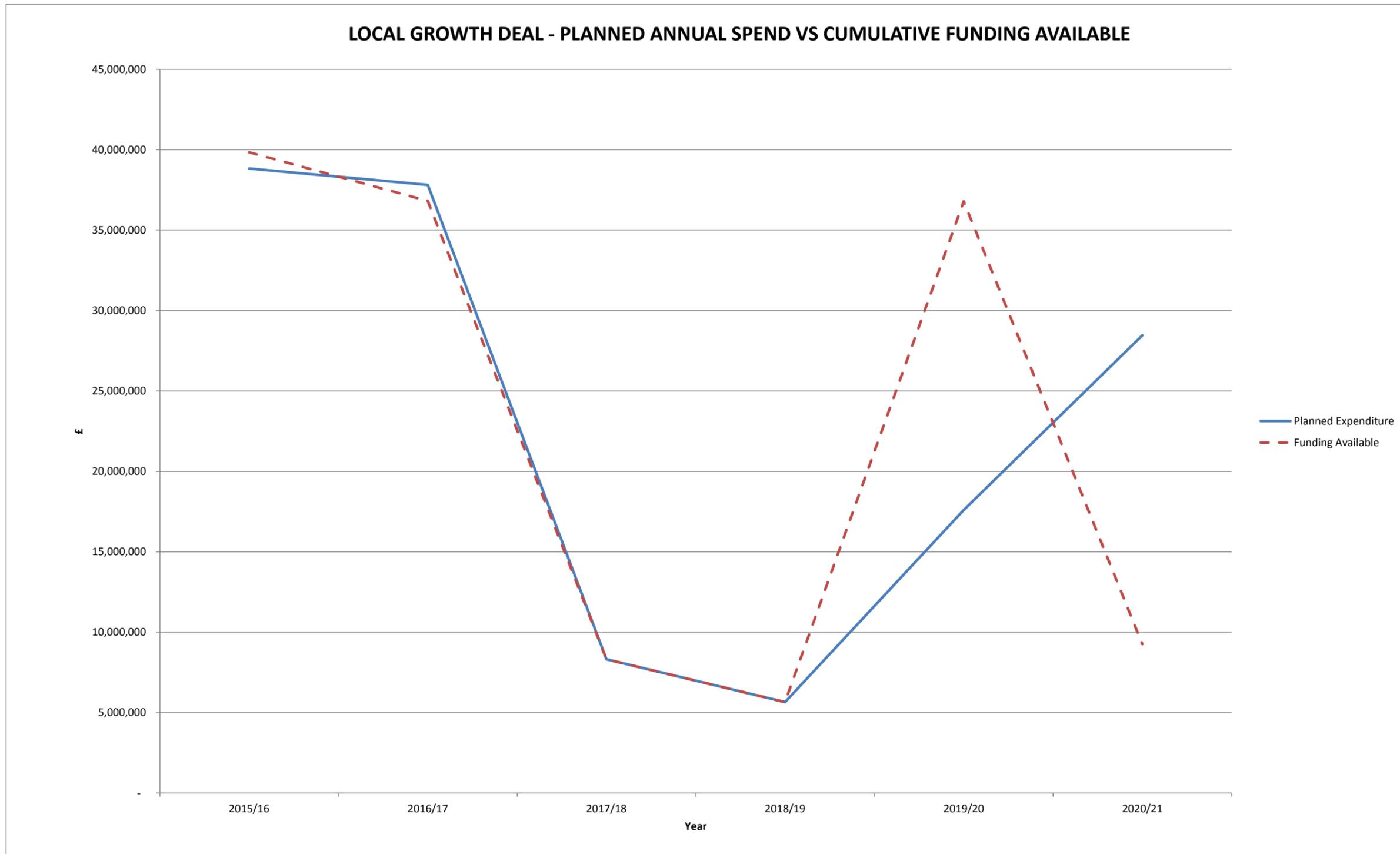
- The initial £3.5m allocation for Stubbington Bypass is at present an advance at risk from the LGD due to DfT not agreeing to release any retained scheme funding over £2m until final tendered costs are received. The repayments to the LGD are assumed to be £1.5m from the GPL Fund and the £2m advanced by DfT. The further £3.5m advance programmed for 2019/20 is to reduce the borrowing costs that HCC would incur if they had to start financing the scheme early themselves. This will be replaced by the approved GPL allocation when it is required for other LGD projects
- The funding to enable this scheme to proceed is indicatively earmarked and is subject to:
  - timely receipt and approval of a full business case by DfT and Solent LEP;
  - The scheme being able to fully defray the funding available by 31 March 2021;
  - Receipt of the full LGD allocations in future years.

DfT RETAINED SCHEMES - FUNDING PROFILES

SCHEME NAME	Actual 2016/17	Actual 2017/18	Actual 2018/19	Budget 2019/20	Budget 2020/21	Total Budget
Stubbington Bypass	0	0	0	20,000,000	5,700,000	25,700,000
M27 Junction 10 (note a)	0	0	2,150,000		12,750,000	14,900,000
<b>Totals:</b>	-	-	2,150,000	20,000,000	18,450,000	40,600,000

**Notes:**

(a) The £2.15m in 2018/19 for the M27 Junction 10 scheme has been paid directly to HCC who are the accountable body for the development phase of the project.



## **APPENDIX F**

### **Local Growth Deal High Level Deliverability Matrix**

**A confidential report will be considered at the meeting**

## **APPENDIX G**

### **M27 Junction 10**

**A confidential report will be considered at the meeting**

## **APPENDIX H**

### **Request from Fareham College for a funding agreement variation**

**A confidential report will be considered at the meeting**

# **APPENDIX I**

## **Solent Enterprise Zone retained rates**

**A confidential report will be considered at the meeting**

**10.05.2019**

**Item 8**

**Update on Solent Prosperity Fund**

Item Number: 8  
 Title: Solent Prosperity Fund Update  
 Date: 10 May 2019  
 Purpose: For information and note

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.

### 1. Draft Resolution:

Board members are asked to:

- **Note** the update provided in this report.

### 2. Overview

This paper provides an update on the status of the Large Project component of the Solent Prosperity Fund (SPF), following the closure of rounds one to four.

### 3. Rounds One - Three

Across rounds one to three of the large project component of the SPF, the LEP received 11 applications. Table 1 below provides a high level summary of the SPF projects received across rounds one to three.

Table 1 - High Level Summary of SPF Large Projects applications received in Rounds One to Three

Funding Round Number	Project Type	Total Projects Cost (£m)	LEP Funding Request (£m)				3 <sup>rd</sup> Party Contribution (£)
			Grant	Loan	Equity	Total Request	
1	3 x Infrastructure 1 x Innovation 1 x Skills	£61.62	£24.4	£7.4	£1.0	£32.8	£28.65
2	2 x Skills 1 x Business Support	£25.57	£10.27	-	-	£10.27	£15.30
3	2 x Infrastructure 1 x Business Support	£150.71	£7.98	-	-	£7.98	£142.74

A further update on the progress of projects is provided in the report attached in annexe A.

#### 4. Round Four

Round 4 closed on the 15 March 2019. Table 2 provides a high level summary of the applications received.

Table 2 - High Level Summary of SPF Large Project applications received in Round Four

Number of Projects	Project Type	Total Project Cost (£m)	LEP Funding Request (£m)				3 <sup>rd</sup> Party Contribution (£m)
			Grant	Loan	Equity	Total Request	
7	1 x Infrastructure 1 x Innovation 4 x Skills 1 x Business Support	£109.08	£34.27	£7.40	-	£41.67	£67.41

In accordance with the published process, the seven round four applications were considered by the Large Project Advisory Panel on the 9 April 2019 and, at the time of drafting, are being independently assessed by consultants.

A review of projects received through round 4 is provided in annexe A.

#### 5. Future rounds

The programme has seen 18 applications across four rounds (including three re-submissions and one withdrawal). The next round (round 5) closes on 31 May 2019 with any applications expected to be considered at the July 2019 Board meeting.

Board members will be aware that we are operating a two stage process for applications, whereby an initial application is by submission of an Outline Business Case. Eligible schemes that are supported by the LEP Board are invited to then develop a Full Business Case in partnership with the Solent LEP. Presently two projects are progressing through this second phase.

The Technical Guidance for this fund requires that projects commence works by the end March 2020, with the rationale being that this provides 12 months for spend of Local Growth Funding ahead of the Government set spend deadline of 31 March 2021. Therefore, it is considered that round 5, which closes on 31 May 2019, is the last opportunity for projects to be considered that can realistically commence works on site by the end of March 2020, recognising that post a decision by the Board on 19 July 2019, a Full Business Case would need to be developed, reviewed by independent consultants, undergo a 12 week consultation, secure a positive decision from the LEP Board on 20 September 2019 or 13 December 2019, agree a funding agreement, and clear down any pre-conditions.

In consideration of this, it is recommended that the Technical Guidance for the large project component of the SPF is updated to re-position the Fund as building a pipeline of projects for the anticipated UK Shared Prosperity Fund, or any other successor fund to the Local Growth Fund, and inform a Local Industrial Strategy Delivery Plan.

In addition the Board are asked to consider whether they also wish to update the guidance to provide an opportunity for smaller scale projects to come forward, whereby we could open up future rounds to include an opportunity for smaller scale projects (of less than £5 million in total) to progress to completion of the Full Business Case no later than December 2019 with a view to commencing delivery by April 2020 at the latest.

Further to the discussion at the board meeting an updated Technical Guidance document can be drafted to reflect such proposals, and it is recommended that any updated guidance replaces the existing technical guidance following the closure of round 5 on the 31 May 2019.

## **6. Equality Impact Assessment**

This is provided at annexe B, and it is considered that there are no negative impacts on groups identified in the EIA.

## **7. Legal Implications**

There are no legal implications arising from the recommendations in this report given that this is largely an update on progress regarding rounds one to four of the Fund programme and the matters referred to in paragraph 5 relating to future rounds are within the Board's discretion to approve.

## **8. S151 Officer of Finance Comments**

All the financial information and associated implications are reflected in the body of the report and annexes. Taking into account the project updates set out above there is still a risk that the some of the funding allocated may not be defrayed within the required timescales. It therefore remains important that the LEP board continue to ensure that there is a strong pipeline in place including the consideration of lower value projects.

## **ANNEXE A**

### **Independent Assessment of Solent Prosperity Fund projects – Round 4**

**A confidential report will be considered at the meeting**

# **ANNEXE B**

## **Equality Impact Assessment**

# Equality Impact Assessment

## Preliminary assessment form 2018

The preliminary impact assessment is a quick and easy screening process. It should:

- identify those policies, projects, services, functions or strategies which require a full EIA by looking at:
  - negative, positive or no impact on any of the equality groups
  - How are going to mitigate or remove any potential negative impacts
  - opportunity to promote equality for the equality groups
  - data / feedback
- prioritise if and when a full EIA should be completed
- justify reasons for why a full EIA is not going to be completed

**Directorate:**

Solent LEP

**Service, function:**

Solent LEP

**Title of policy, service, function, project or strategy (new or old) :**

Solent Prosperity Fund - Large Project Component

**Type of policy, service, function, project or strategy:**

- Existing
- New / proposed
- Changed

### Q1 - What is the aim of your policy, service, function, project or strategy?

The Solent area is an internationally recognised key economic hub comprising the Isle of Wight, the two cities of Portsmouth and Southampton, the New Forest and a constellation of large towns along the M27 corridor and the Solent waterway. Improving productivity and competitiveness in the Solent delivers wider benefits for the UK and requires targeted and sustained investment in both our businesses and our infrastructure. In response, the Solent LEP has established the Solent Prosperity Fund (SPF), with capital funding available between 2018/19 to 2021/22 for capital projects that support the Solent economy being fit for the future by helping businesses create better, higher-paying for all and investing in the skills, industries and infrastructure of the future and helping shape a prosperous Solent.

### Q2 - Who is this policy, service, function, project or strategy going to benefit or have a detrimental effect on and how?

The programme fund aims to spread prosperity for all. It aims to encourage new public infrastructure and skills infrastructure projects which will have a public benefit for all, and also support commercial initiatives, which will support economic prosperity for all in the Solent and beyond.

### Q3 - Thinking about each group below, does, or could the policy, service, function, project or strategy have a negative impact on members of the equality groups below?

Group	Negative	Positive / no impact	Unclear
Age	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disability	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sex	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gender reassignment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual orientation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Religion or belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy and maternity	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marriage & civil partnership	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other excluded groups	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**Note:**Other excluded groups examples includes,Homeless, rough sleeper and unpaid carers. Many forms of exclusion are linked to financial disadvantage. How will this change affect people on low incomes, in financial crisis or living in areas of greater deprivation?

**If the answer is "negative" or "unclear" consider doing a full EIA**

**If there are any potential negative impacts on any of the protected characteristics, What have you put in place to mitigate or remove the negative impacts/barriers?**

N/A

**Q4 - Does, or could the policy, service, function, project or strategy help to promote equality for members of the equality groups? e.g. A new service has been created for people with a disability to help them gain employment this would mean that this helps promote equality for the protected characteristic of disability only.**

Group	Yes	No	Unclear
Age	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Disability	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Race	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sex	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender reassignment	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sexual orientation	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Religion or belief	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pregnancy or maternity	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marriage & civil partnership	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other excluded groups	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

**If the answer is "no" or "unclear" consider doing a full EIA**

**Q5 - Do you have any feedback data from the equality groups that influences, affects or shapes this policy, service, function, project or strategy?**

Please add in the text boxes below what feedback / meetings you have attended for each specific protected characteristic

Group	Positive or negative feedback
Age	N/A
Disability	N/A
Race	N/A
Sex	N/A
Gender reassignment	N/A
Sexual orientation	N/A
Religion or belief	N/A
Pregnancy and maternity	N/A
Marriage & civil partnership	N/A
Other excluded groups	N/A

**Q6 - Using the assessments in questions 3, 4 and 5 should a full assessment be carried out on this policy, service, function or strategy?**

yes  No

**PCC staff**-If you have to complete a full EIA please contact the Equalities and diversity team if you require help [REDACTED]

**CCG staff**-If you have to complete a full EIA please email: [REDACTED] if you require help

**Q7 - How have you come to this decision? Summarise your findings and conclusion below**

The Solent Prosperity Fund is a competitive fund open to all groups and organisations.

**Q8 - Who was involved in the EIA?**

Stuart Baker

**This EIA has been approved by:** Richard Jones

**Contact number:**

[REDACTED]

**Date:**

25th April 2019

**PCC staff**-Please email a copy of your completed EIA to the Equality and diversity team. We will contact you with any comments or queries about your preliminary EIA.

[REDACTED]

**CCG staff**-Please email a copy of your completed EIA to the Equality lead who will contact you with any comments or queries about your preliminary . [REDACTED]

**10.05.2019**

**Item 9**

**Governance update**

Item Number: 9  
Title: Governance Update  
Date: 10 May 2019  
Purpose: For Decision

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Confidential information has been removed from this report.

Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

- information relating to an individual, and/or;
- relating to the financial or business affairs of a particular person

#### 1. Draft Resolution:

Local Authority (P) Board Directors are asked to:

- Agree to remove the three ineligible Local Authority (P) Members from membership.

All Board Directors are asked to:

- Agree to invite East Hampshire District Council, Test Valley Borough Council, Winchester City Council, Bournemouth, Poole and Christchurch Council, Chichester District Council, Dorset Council, Wiltshire Council, West Sussex County Council, Enterprise M3 LEP, Dorset LEP, Swindon and Wiltshire LEP and Coast 2 Capital LEP to join the Solent LEP as Associate Members
- Agree to invite the New Forest National Park to join the Solent LEP as a P Member
- Consider and Agree the Equality and Diversity policy for adoption and publication
- Agree that the Chair of SERCOM is the Solent LEP Diversity Champion, or; Nominate an alternative approach / individual to appoint to the Diversity Champion Role
- Consider and Agree the Co-option of Special Advisers policy for adoption and publication, and provide advice in relation to co-option to inform SERCOM discussions
- Agree to establish the roles of Governance, Strategy and Delivery Champions as set out in Annexe C
- Agree to nominate David Youngs and Dave Stewart as the LEPs Digital and Technology Champion(s)
- Agree the appointment of a Deputy Chair
- Consider and agree an approach to succession planning for the Chair role and delegate authority to SERCOM to take this work forward
- Consider and agree the Terms of Reference for the Business and Higher Education Forum
- Nominate a Business Director to Chair the Business and Higher Education Forum
- Delegate authority to the Executive to work with the Chair of the Business and Higher Education Forum to recruit membership and establish the new Panel
- Consider and agree the draft Skills Advisory Panel Terms of Reference included in annexe E and;
- Delegate authority to the Executive to work with the Chair of the Skills Advisory Panel to recruit membership and establish the new Panel
- Confirm attendance or send apologies for the Maritime UK Awards event

- **Promote** the opportunity to for businesses to be nominated for awards
- **Promote** the opportunity to purchase a table at the awards ceremony
- **Promote** the sponsorship opportunities at the awards ceremony

## 2. **Overview**

This paper provides key updates and requires decisions in relation to Governance items related to:

- Solent LEP Ltd AGM;
- Equality and Diversity Policy;
- Board Roles and Responsibilities;
- Implementation of the new Organisational Structure.

## 3. **Solent LEP Annual General Meeting**

Board Members will be aware that members voted on a special resolution to amend the Articles of Association of Solent Local Enterprise Partnership Limited. This vote passed and as a result the new Articles are now in place and have been sent to all LEP Members, published on the Solent LEP website and filed with Companies House.

Board Members should note that three Local Authority Members (East Hampshire District Council, Test Valley Borough Council and Winchester City Council) are no longer eligible for Local Authority (P) Membership of Solent Local Enterprise Partnership Ltd following the change in LEP geography.

On this basis, and in accordance with Article 11.4 of our Articles of Association, the Local Authority Directors are asked to:

- **Agree** to remove the three ineligible P Local Authority Members from membership.

In addition, as previously discussed by the Board, there is now an opportunity to utilise the Associate Membership class of Membership to ensure that there remains a strong link between the Company and these (and other) neighbouring areas and, as a result, the Board are asked to:

- **Agree** to invite the following organisations to join the Solent LEP as Associate Members:
  - Bournemouth, Poole and Christchurch Council
  - Chichester District Council
  - Dorset Council
  - East Hampshire District Council
  - Test Valley Borough Council
  - West Sussex County Council
  - Wiltshire Council
  - Winchester City Council
  - Coast 2 Capital LEP
  - Dorset LEP
  - Enterprise M3 LEP
  - Swindon and Wiltshire LEP

Finally, following the change to the Articles relating to eligibility for P membership, the Board are asked to

- **Agree** to invite the New Forest National Park to join the Solent LEP as a P Member.

## 4. **Equality and Diversity**

Following advice from SERCOM on 8 March 2019, the Executive have undertaken initial work on a diversity policy for the Board to consider. A draft policy has been prepared and is included in annexe A.

Board Members are asked to:

- **Consider** and **Agree** the Equality and Diversity policy for adoption and publication.

Following previous consideration and agreement by the Board, there is a need for the LEP to nominate a Diversity Champion. Assuming the Board are content with the direction of the draft policy, a significant focus of the role will be in relation to non-executive search activity (linked to Board and Panel diversity) and LEP staff. As a result, it is recommended the Board agree to align the role with the role of the Chair of the Search, Employment and Remuneration Committee (SERCOM). This would represent a consistent approach with that taken in relation to the Assurance Champion role, which has been aligned with the Chair of the Funding, Finance and Performance Management Group. Our current SERCOM Chair has indicated that she would be happy to take on the role in the event that the Board wish to proceed on this basis.

Board Members are asked to:

- **Agree** that the Chair of SERCOM is the Solent LEP Diversity Champion, **or**;
- **Nominate** an alternative approach / individual to appoint to the Diversity Champion Role.

As set out in the Equality and Diversity policy, SERCOM will initiate further monitoring across our Board and Panels during 2019 and this will inform future recommendations relating to co-option of special advisers to the Board.

In relation to this, SERCOM have asked the Executive to develop a policy in relation to the Co-option of Special Advisers and this can be found in annexe B. Subject to the agreement of the draft policy, SERCOM will consider potential options in relation to co-option at their next meeting, taking into account the principles set out in the draft co-option policy, with a view to providing recommendations to the Board at their July meeting. Board Members are therefore also invited to provide any reflections in relation to co-option to help inform the discussion at SERCOM.

Board Members are asked to:

- **Consider** and **Agree** the Co-option of Special Advisers policy for adoption and publication, and **Provide advice** in relation to co-option to inform SERCOM discussions.

## 5. LEP Board Roles

### Governance, Delivery and Strategy Champions

Following the LEP's Annual Performance Review, Solent LEP received a rating of "Good" against each of the three themes of governance, delivery and strategy and the feedback acknowledged that the LEP has:

- strong governance arrangements in place and a commitment to continuous improvement; and
- has fully established arrangements in place for the engagement with local authorities; and
- achieved a positive uplift in spend of local growth deal funding across 2018-19 and made good progress on all of our large infrastructure projects; and
- made positive developments this year in creating a revised strategy for the Solent, alongside increasing our collaboration with other LEPs and Maritime UK.

As a result, and following the successful conclusion of the Annual Performance Review process, Solent LEP has received confirmation that we will receive our full grant allocations for 2019/20.

Notwithstanding this strong performance, the Solent LEP has a clearly defined culture of proactive, continuous improvement and, in line with this, remains committed to ensuring future ratings can be increased to "Exceptional" where possible.

FFPMG considered the LEP's potential approach to this moving forward and have recommended establishing the Board roles to reflect the performance themes identified by Government. Draft role descriptions for each of the roles are attached in annexe C and Board Members should note that, in terms of appointments to the roles, these align the positions as follows;

- Governance Champion - role to be aligned with the role of LEP Chairman (and replacing the current "assurance champion" role previously established by the Board)
- Strategy Champion - role to be aligned with the role of LEP Deputy Chairman

- Delivery Champion - role to be aligned with the role of FFPMG Chairman

The Board are asked to:

- **Agree** to establish the roles of Governance, Strategy and Delivery Champions as set out in annexe C.

### Digital and Technology Champion(s)

Following the Solent LEP Annual Conference, David Youngs and Dave Stewart hosted a round table session on Innovation, Big Data and AI with a view to securing feedback from attendees to inform the development of the Local Industrial Strategy. Within this context, a Solent LEP Business Member suggested that the LEP should appoint a Digital and Technology Champion(s) and, considering the focus on innovation and technology in the UK Industrial Strategy, this does present an opportunity for the LEP to demonstrate leadership in an important area for the local economy.

David Youngs has confirmed he would be happy to take on the role and Dave Stewart has confirmed he would be happy to support David in this role and the Board are asked to:

- **Agree** to nominate David Youngs and Dave Stewart as the LEP's Digital and Technology Champions.

### Deputy Chair

Following the Board's agreement to appoint an interim deputy chair to serve for a minimum term of two years to support the transition work following the LEP review, work on succession planning and to assist the Chair meet commitments through the busy period of Local Industrial Strategy development, LEP Review implementation and LEP Chair succession planning, SERCOM asked for current Business Directors to be canvassed in order to establish interest in the role. An update will be provided at the meeting

The Board are asked to:

- **Agree** the appointment of a Deputy Chair.

### Board Development and LEP Chair Succession Planning

In terms of succession planning and following the LEP review there has been considerable discussion at recent board strategy sessions about the succession planning for a new Chair. As a result, external advice has been sought and a proposed approach will be outlined in a presentation by Gatenby and Sanderson at the meeting.

This provides for development support for existing NEDs, and the approach will also allow the LEP to review the interest of existing NEDs in the Chair role and importantly it also provides development support for all NEDs on the Board.

SERCOM considered this proposal and were keen to ensure that a robust recruitment process was established to enable the Board to arrive at a recommended Chair candidate to be put forward to the LEP Business Membership for ratification.

Gatenby Sanderson will provide a presentation and facilitate a discussion at the Board in May with a view to the Board agreeing an approach to succession planning for the Chair role.

Board Members will be asked to:

- **Consider** and **agree** an approach to succession planning for the Chair role and **Delegate authority** to SERCOM to take this work forward with a view to bringing back an update to the Board at the July 2019 meeting.

## 6. Corporate Structure

### Business and Higher Education Forum

Following agreement of a new Organisational Structure, a draft Terms of Reference for the Business and Higher Education Forum are attached in Annexe D. These have been discussed and shared with the former Chairs of the LEP's Business Support and Innovation Advisory Panel and Employment and Skills Advisory Panel. The LEP's Land, Property and Infrastructure Panel is due to meet on one final occasion on 29 April and feedback on the Terms of Reference will be sought at this meeting. Any further advice will be provided to the LEP Board as a verbal update at the meeting.

Board Members are asked to;

- **Consider** and **agree** the Terms of Reference for the Business and Higher Education Forum
- **Nominate** a Business Director to Chair the Business and Higher Education Forum
- **Delegate authority** to the Executive to work with the Chair of the Business and Higher Education Forum to recruit membership and establish the new Panel

### Skills Advisory Panel

Further to the Skills for Growth update under item 5 which includes all background information, Board Members are asked to:

- **Consider** and **agree** the draft Skills Advisory Panel Terms of Reference included in Annexe E and;
- **Delegate authority** to the Executive to work with the Chair of the Skills Advisory Panel to recruit membership and establish the new Panel

### Maritime UK: Solent

At the February 2019 LEP Board meeting, the terms of reference for the proposed Maritime UK Solent were agreed. The Board requested that the Executive make contact with Hampshire County Council (HCC) to engage on the proposed new entity ahead of any launch. Accordingly, Kevin George and Stuart Baker met with David Fletcher (Assistant Director, Economic Development - HCC) on 12 March 2019 to discuss the proposals. HCC were very supportive of the proposed structure, and it was acknowledged that the new entity would provide three key benefits: 1) Championing and positioning the Solent as a globally significant maritime cluster; 2) Developing international links through representation at targeted maritime events and trade missions; and 3) providing a direct route (via Maritime UK) to government. A second meeting is planned for June with HCC, with the focus being on developing a work plan for the first 12 months and to discuss opportunities for sharing resource.

### Maritime Economic Footprint

The Solent LEP published a report on [The economic role and contributions of the maritime sector in the Solent LEP area](#). This formed part of the suite of reports developed by CEBR on behalf of Maritime UK. Maritime UK has again agreed to commission CEBR to update this work, which previously used a 2015 dataset. This was discussed with the Solent Marine and Maritime Steering Group, who agreed that the LEP should once again leverage off this commission to update its local evidence base. The update is timely, and will form part of the underpinning evidence base of the Local Industrial Strategy.

A meeting with CEBR, attended by Kevin George and Stuart Baker from the LEP took place on 12 March 2019, and was also attended by Portsmouth International Port and the Port of Southampton, to ensure that the work they are doing feeds directly into this work. The first draft of the report will be developed following completion of the national level reports, and is expected in the early summer.

## Maritime UK National Awards - Solent 2019

The Solent LEP have agreed to host the inaugural Maritime UK awards in the Solent. As the first of an annual series of events, this represents a significant opportunity to showcase the Solent's Maritime credentials.

The Awards event will take place at the Leonardo Royal Hotel Southampton Grand Harbour on the evening of Thursday 19 September 2019. The event takes place during the Southampton Boat Show.

As the Chair of Maritime UK: Solent, Kevin George will lead Solent LEP engagement at the event. As organisers of the event, the Solent LEP will have a table for the evening and Board Members are asked to confirm whether they would like to attend the event.

Board Members of the Solent LEP are asked to:

- **Confirm** attendance **or send apologies** for the Maritime UK Awards event
- **Promote** the opportunity to for businesses to be nominated for awards
- **Promote** the opportunity to purchase a table at the awards ceremony
- **Promote** the sponsorship opportunities at the awards ceremony

Details in relation to all opportunities are available at: <https://www.maritimeuk.org/awards-2019/>

### 7. **Equality Impact Assessment (EIA)**

Board Paper includes consideration of Equality and Diversity Strategy, resulting in positive outcomes for individuals with protected characteristics. No negative outcomes for any groups anticipated and formal EIA not required.

### 8. **Legal Implications**

The LEP instruct external advisors Paris Smith to advise on constitutional matters. The recommendations as contained within this report and changes to the constitution of the LEP as a legal entity have been reviewed by Paris Smith with confirmation they are in line with the company constitutional documents.

### 9. **S151 Officer of Finance Comments**

The costs of the external advice sought in respect of Board Development and LEP Chair Succession Planning can be funded from within the approved operational costs budget.

Although it is expected that the Maritime UK National Awards will be self-funding through the sale of tables and sponsorship opportunities there is still a risk that should not enough income be generated there will be a cost for the LEP to underwrite, and there is provision within the contingency budget to meet any shortfall.

## **ANNEXE A**

### **Draft Equality and Diversity Policy**

**A confidential report will be considered at the meeting**

## **ANNEXE B**

### **Draft Co-option Policy**

**A confidential report will be considered at the meeting**

## **ANNEXE C**

### **Draft Role Descriptions for Governance, Delivery and Strategy Board Champions**

**A confidential report will be considered at the meeting**

## **ANNEXE D**

### **Draft Terms of Reference for the Business and Higher Education Forum**

**A confidential report will be considered at the meeting**

## **ANNEXE E**

### **Draft Terms of Reference for the Skills Advisory Panel**

**A confidential report will be considered at the meeting**

**10.05.2019**

**Item 10**

**Any Other Business and Forward Plan**



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

Item Number: 10  
Title: Any other business – LEP Board forward plan  
Date: 10 May 2019  
Purpose: For information and decision

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1. Draft Resolution:

The Board is asked to:

- Consider and agree the forward plan as set out below

2. Summary

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

**19 July 2019 (9.00 am to 12.00 pm)**

- Update on Solent Local Industrial Strategy to include consultation feedback
- Initial update on Solent Maritime Economic impact study
- Finance and funding report to include;
  - Local Growth Update for 2019/20 programme
  - LGD Retained schemes and future pipeline
  - In year budget position for 2019/20 and financial forecasts to 2021/22
  - Review of Risk registers
- Solent Prosperity Fund update
- Governance update to include:
  - Feedback from Solent Leaders Forum June 2019
  - Stakeholder engagement plan
- Annual audit report 2018/19
- Annual report from SERCOM

**20 September 2019 (9.00 am to 12.00 pm)**

- Consideration of draft Solent Local Industrial Strategy
- Consideration of draft Solent Maritime Economic impact study
- Governance update to include;
  - Update on LEP Review implementation plan
  - Succession planning and board recruitment
- Finance and funding report to include;
  - Local Growth Update for 2019/20 programme
  - LGD Retained schemes and future pipeline
  - In year budget position for 2019/20 and financial forecasts to 2021/22
  - Review of Risk registers
- Solent Prosperity Fund update

13 December 2019 (9.00 am to 12.00 pm)

- Consideration of initial draft of Solent Workforce Futures Strategy
- Consideration of final draft Solent Maritime Economic impact study
- Governance update to include;
  - feedback from Solent Leaders forum Autumn 2019
  - review of LEP Assurance framework
  - Succession planning
- Finance and funding report to include mid year review of ;
  - Local Growth Update for 2019/20 programme
  - LGD Retained schemes and future pipeline
  - In year budget position for 2019/20 and financial forecasts to 2021/22
  - Review of Risk registers
- Solent Prosperity Fund update

13 December 2019 – 12.30 pm to 4.00 pm Board Strategy Day

- Consideration of the final Solent Local Industrial Strategy and supporting implementation plan for publication

### 3. Equality Impact Assessment

Equality Impact Assessment (EIA) not required at this stage. Any considerations contained within the forward plan that relate to items to be considered for a decision by the Solent LEP will remain subject to an appropriate EIA, and appropriate consultation, at such time they were to be considered.

### 4. Legal Implications

There are no legal implications arising from this update report to the Board. Any legal considerations arising out of the various work streams pursuant to the forward plan going forward will be reviewed separately as and when required.

### 5. S151 Officer of Finance Comments

There are no financial implications arising from the forward plan itself. All reports considered by the Board at future meetings will contain comments on any specific financial implications arising from the content within them.