

Meeting of the
Solent LEP Business Support Investment Panel
 to be held on
Thursday 16 May 2019: 10:00am - 12:00pm

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.

| Item | Title | Time |
|------|--|---------------|
| 1. | Introductions | 10:00 - 10:15 |
| 2. | Apologies for absence | |
| 3. | Minutes of previous meeting - 7 March 2019 | |
| 4. | Matters Arising | |
| 5. | Declarations of Interest | 10:15 - 10:20 |
| 6. | Business Support Programmes Status Update Report | 10:20 - 10:40 |
| 7. | Contract Updates | 10:40 - 10:50 |
| 8. | Consideration of Solent Growth Fund Applications | 10:50 - 11:30 |
| 9. | Any Other Business | 11:30 - 12:00 |

Meeting to close at 12:00pm



Solent Local Enterprise Partnership Business Support Investment Panel Meeting Notes

Held on 7 March 2019 at 10.00am
Spindle meeting room, 1000 Lakeside, Portsmouth

| Present | Apologies |
|------------------------|------------------|
| Tim Fielder - Chair | Don Spalinger |
| Lyn Davis | Chris Brammall |
| Mark Waldron | Adrian Went |
| Rob Dewing | Clr Derek Pretty |
| Caroline Carter | James Ford |
| James Fitzgerald - PCC | |
| Lloyd Clark - PCC | |
| | |
| LEP | |
| Steve Futter | |
| Vicki Stone | |
| Chris Heath | |
| Kate Cloud | |
| | |
| | |

| Item | | ACTION |
|------|---|--------------------------|
| 1. | <p><u>Introductions</u></p> <p>Tim Fielder welcomed panel members to the meeting.</p> <p>Panel members were advised that all Investment Panel Members were required to complete a new Register of Interest return for the 2019/20 year. The new template which the LEP have adopted has been circulated for completion and needs to be submitted before 15 March 2019.</p> | Executive Team to action |
| 2. | <p><u>Apologies</u></p> <p>Apologies were received from Don Spalinger, Chris Brammall, Adrian Went, Clr Derek Pretty and James Ford.</p> | |

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|----|--|--------------------------------|
| 3. | <p><u>Notes of previous meeting</u></p> <p>The notes from the meeting on 13 December 2018 were agreed and signed as a correct record of the meeting.</p> | LEP Exec to action accordingly |
| 4. | <p><u>Matters Arising</u></p> <p>There were no matters arising.</p> | |
| 5. | <p><u>Declarations of Interest</u></p> <p>There were no declarations of interest recorded.</p> | |
| 6. | <p><u>Business Support Programmes Status Update Report</u></p> <p>Confidential report has not been published as it includes information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</p> <p>Panel members were provided with an update in relation to progress and changes to LEP Business Support programmes since the 13 December 2018 meeting. It included high level information on job outcomes and awards made.</p> <p><u>Current Fund Status</u></p> <p>The status of the funds and job outputs as at February 2019 were reviewed.</p> <p>In round one which closed for applications on 28 September 2018, no SME applications were received in respect of the Solent Prosperity Fund. Three applications for the Small Business Programme were received and considered by Panel at its meeting on the 1 November. In the second round which closed on 2 November 2018, three SME applications for the Small Business Programme and one Solent Prosperity Fund application had been received. In the third round which closed on 25 January 2019, three SME applications for the Solent Prosperity Fund and one Havant Business Support Fund application had been received.</p> <p><u>Solent LEP Growth Hub</u></p> <p>As reported at the previous panel meeting, the Solent LEP Growth Hub is now an established component of the LEP business support offer, and work is ongoing to further integrate the service into the broader LEP business engagement activity.</p> <p>The panel were provided with an update on the pipeline of enquiries received from SMEs since September 2018.</p> <p><u>Small Business Programme (ERDF Funded)</u></p> <p>Members of both the LEP Executive team and accountable body met with officers from MHCLG on 25 February 2019 to discuss the current funding programme. A number of scenarios were raised with MHCLG colleagues and these will be considered at the April FFPMG meeting.</p> <p><u>IOW Rural SME Fund</u></p> <p>As previously reported, Natural Enterprise's Local Action Group (LAG) met on the 7 February 2019 to consider funding applications. There had been a total of eight applications received although one applicant did withdraw two days before the meeting. Of the remaining seven applications, six were supported.</p> | |

| | | |
|----|---|--------------------------------|
| | <p>Following approval by FFPMG, the LEP Executive has prepared a draft funding agreement covering the period 2019/2020 to 2020/2021. It is hoped the funding agreement will be executed prior to 31 March 2019, thereby enabling Natural Enterprise to draw down the first tranche of funding.</p> <p><u>University of Southampton - Zero to One Innovation Fund (Z21)</u></p> <p>The University of Southampton (UoS) have established a funding programme to support web-related research projects and early stage commercial initiatives that can be accelerated towards commercialisation and angel funding.</p> <p>The Z21 panel, including LEP and accountable body representation, met on 8 February to consider three new applications for MVP (Minimum viable product) funding of £6,000 per project, and one pre-seed application seeking £31,500. The panel supported two of the three MVP applications, with the one unsuccessful applicant being invited to reapply once the project was suitably mature, and the panel also supported the pre-seed application.</p> <p>At its meeting in January 2019, FFPMG supported a request from UoS for a contract variation. This is being drafted presently.</p> <p><u>Contracting</u></p> <p>At the previous panel meeting on 13 December 2018 no awards were agreed. The LEP Executive Team have informed all applicants of the outcome from the December panel meeting.</p> <p><u>Project Delivery</u></p> <p>In line with the published Solent LEP Assurance Framework, applications above the £100,000 delegated decision level of the Panel can be recommended by the Investment Panel for support. Further to a previous recommendation from this Panel, Esprit Electronics Ltd application was supported by FFPMG at their meeting in January 2019. Further to previous recommendations from the Panel, the LEP Executive can confirm that KCC Ltd have received their first grant instalment.</p> <p><u>Projects to be considered by the Panel</u></p> <p>The LEP Executive Team received four new applications for funds by the 25 January 2019 submission deadline to be considered by the panel.</p> | |
| 7. | <p><u>Contract Updates</u></p> <p>Confidential report has not been published as it includes information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</p> | |
| 8. | <p><u>Consideration of SME Applications (Commercial in Confidence)</u></p> <p>Confidential report has not been published as it includes information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972, including information relating to an individual and/or relating to the financial or business affairs of a particular person.</p> | Executive to notify applicants |
| 9. | <p><u>Any other business</u></p> <p><u>New Assessment Form</u></p> | |

A discussion took place in relation to the new assessment template. It was agreed that the Executive Team would progress the draft assessment template and an update provided at the next panel meeting.

SME fund proposals

The panel discussed the low volume of applications received and the potential causes of this. It was highlighted that the Growth Accelerator Programme pilot had been successful and it was hoped that this would be expanded.

Panel members recognised that there was a congested market of companies offering business support however lots of business events were taking place on which the LEP could draw to raise its profile. It was also suggested that MPs be used as advocates and that the LEP could have a presence at MP business forums to promote available funding opportunities.

In addition, a postcard/leaflet was also discussed which could be handed out at events/meetings featuring LEP funding support, successes and criteria to apply.

It was agreed that the LEP's Marketing and Communications Officer engage with The News editor to develop a package of communications and marketing materials.

It was highlighted that New Forest District Council had published their Economic Development Strategy.

Huddle

Panel members were advised that going forward, Huddle would be restricted to viewing documents only and that members would no longer be able to download or print. Hardcopy papers can be provided to panel members on request and will need to be collected at the end of the meeting. It was also noted that agenda papers would be circulated two weeks in advance of the meeting.

Date of next meeting

The next panel meeting would take place on 16 May 2019.

No other business, meeting closed.

Meeting closed at 12:00

Item: 6
 Title: Business Support Programmes Status Update
 Date: 16 May 2019
 Purpose: To provide the Business Support Investment Panel with an update on Solent LEP SME grant programmes

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Introduction

This report provides panel members with an update in relation to progress and changes to LEP Business Support programmes since the 7 March 2019 meeting. It includes high level information on job outcomes and awards made.

Current Fund Status

The status of the funds and job outputs, as at April 2019, can be viewed in Tables 1 and 2, below and overleaf.

In the current funding call round, which closed on 15 March 2019, two SME applications for the Solent Prosperity Fund were received and will be considered today.

Table 1- Financial

| | Solent Prosperity Fund ¹ | | |
|--------------------------|--|-------------------|--------------------|
| | Current Fund End Date: 31 March 2021 Jobs created by: 31 March 2021 | | |
| | Project Cost | LEP Funding | Match Funding |
| Solent Prosperity Fund | £107,305 | £18,000 | £89,305 |
| Small Business Programme | £3,072,354 | £635,390 | £2,436,964 |
| Z21 | £371,657 | £137,600 | £234,057 |
| IoW Rural SME Fund | £2,118,686 | £834,838 | £1,283,848 |
| Predecessor Programmes | £12,291,135 | £1,758,460 | £10,532,675 |
| TOTALS | £17,961,137 | £3,384,288 | £14,576,849 |

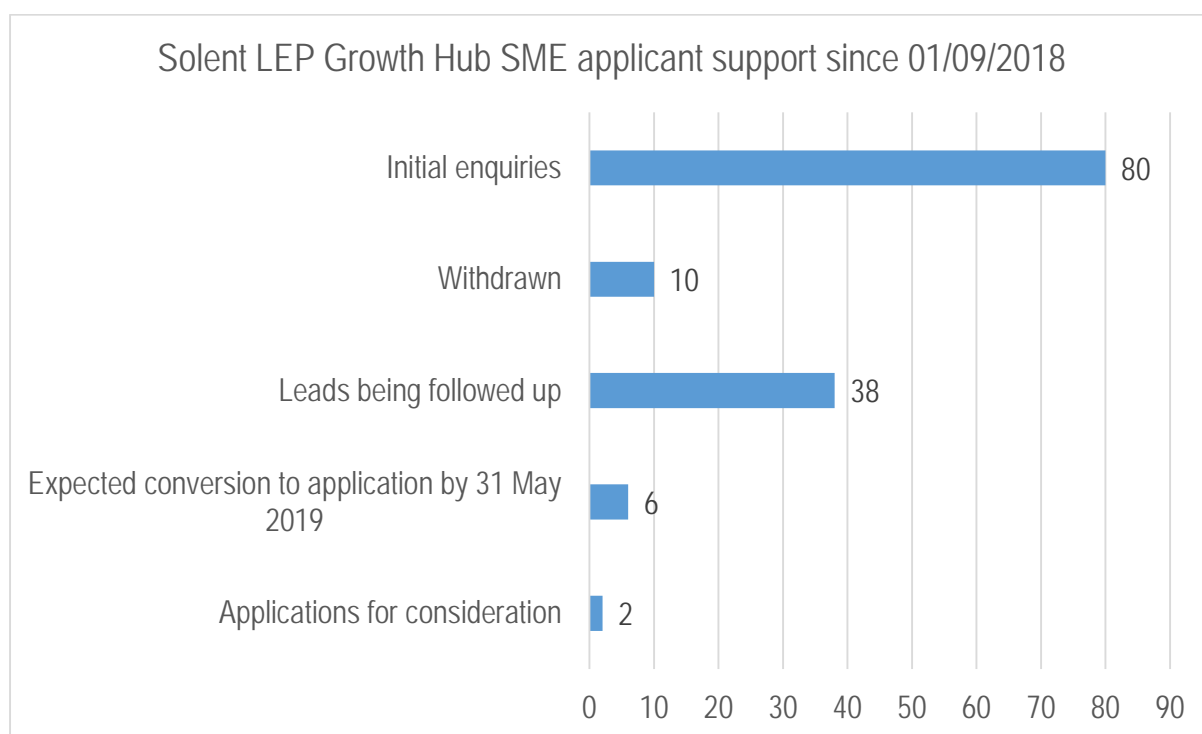
¹ Funded from the Local Growth Deal 2015/16 to 2020/21 including LEP predecessor programmes and investment programmes delivered by LEP partners Natural Enterprise (IoW Rural SME Fund) and University of Southampton (Z21 Innovation Fund)

Table 2- Outputs

| | Solent Prosperity Fund ² | | |
|--------------------------|--|--------------|------------------|
| | Current Fund End Date: 31 March 2021 Jobs created by: 31 March 2021 | | |
| | Projects Supported | Jobs Created | Jobs Safeguarded |
| Solent Prosperity Fund | 1 | 0 | 0 |
| Small Business Programme | 14 | 41 | 0 |
| Z21 | 7 | 0 | 0 |
| IoW Rural SME Fund | 37 | 60 | 55 |
| Predecessor Programmes | 33 | 168 | 34 |
| TOTALS | 92 | 269 | 89 |

Solent LEP Growth Hub

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



² Funded from the Local Growth Deal 2015/16 to 2020/21 including LEP predecessor programmes and investment programmes delivered by LEP partners Natural Enterprise (IoW Rural SME Fund) and University of Southampton (Z21 Innovation Fund)

Initial enquiries - the initial recorded enquiries represent the 'long list' of 80 enquiries into the SME funds.

Withdrawn - of the 80 enquiries 10 have withdrawn from seeking funding.

Leads being followed up - of the 80 enquiries 38 are live and are being followed up with ongoing advice and discussions between the enquirer and the Growth Hub team.

Expected applications - of the 80 enquiries, six applications can reasonably be expected before the next application deadline for submission to the SME support funds is 31 May 2019. Applications received by this date will be considered by the panel at its meeting on 18 July 2019.

Small Business Programme (ERDF Funded)

Following previous updates the Executive received confirmation from the Ministry of Housing, Communities and Local Government (MHCLG) that an extension could no longer be granted to the programme. As a result, the Small Business Programme has now closed for applications, and is no longer being promoted via the Solent LEP website.

IoW Rural SME Fund

The Executive issued the new Funding Agreement covering the period 2019/20 and 2020/21 to Natural Enterprise on the 1 April 2019. This was signed and returned by Natural Enterprise and was received by the AB on the 11 April 2019. The LEP Executive and Accountable Body have been progressing the claim for the advance of the 2019/20 funding of £250,000 to Natural Enterprise, and can confirm that the payment was made on 2 May 2019.

The Natural Enterprise's Local Action Group (LAG) are due to meet on the 8 May 2019 to consider the current round of funding applications. There has been a total of six applications received.

University of Southampton - Zero to One Innovation Fund (Z21)

The University of Southampton (UoS) received £0.5m of Local Growth Deal funding in advance in 2016/17 to establish a new funding programme to support web-related research projects and early stage commercial initiatives that can be accelerated towards commercialisation and angel funding.

As previously advised at the last BSIP meeting, the Z21 project had requested a funding variation to enable UoS to extend the deadline for applications out to 31 March 2020. This was approved, and the funding variation is being drafted by the Accountable Body legal team presently.

The Z21 Panel is due to meet on 21 May 2019 to consider any new applications for funding received by UoS ahead of the 14 May 2019 deadline.

Progress Update

Contracting

At the previous panel meeting on 7 March 2019 one award was agreed and the draft funding agreement has been issued to the beneficiary by the Accountable Body legal team. The LEP Executive are currently waiting to receive confirmation from the beneficiary as to their agreement to the draft. The LEP Executive Team have informed all applicants of the outcome from the March panel meeting.



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Project Delivery

In line with the published Solent LEP Assurance Framework, applications above the £100,000 delegated decision level of the Panel can be recommended by the Investment Panel for support. Further to a previous recommendation from this Panel, FFPMG supported the application by Esprit Electronics Ltd at its meeting in January 2019. Esprit Electronics have been informed of the decision and the final funding agreement has been issued by the Accountable Body legal team for signing.

Projects to be considered at the Panel Meeting

The LEP Executive Team received two new applications for funds by the 15 March 2019 submission deadline to be considered by the Panel at their meeting on 16 May 2019.

Item 7

Project Contract Updates

A confidential report will be considered at the meeting

Item 8

Consideration of Solent Growth Fund Applications

A confidential report will be considered at the meeting