

Solent Local Enterprise Partnership  
Meeting of the Board to be held on Monday 14 October 2019  
9.00am to 12.00pm

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 Wednesday 10 July 2019 and minutes of reconvened meeting held (via conference call) on Monday 15 July 2019	
4.	Matters Arising and declarations of interest	
	<b><u>Items for Decision</u></b>	
5.	Finance and Funding Report to include: <ul style="list-style-type: none"> <li>• Financial forecasts for 2019/20 – 2021/22</li> <li>• Consideration of Local Growth programme 2019/20</li> <li>• Retained schemes update and consideration of Stubbington Bypass scheme</li> <li>• Solent Prosperity Fund update</li> <li>• Review of Corporate Risk Register</li> </ul>	09:15 – 10:10
6.	Governance update to include: <ol style="list-style-type: none"> <li>a. Succession planning for Board and FPPMG</li> <li>b. Business Director recruitment</li> <li>c. APR mid-year review</li> <li>d. LEP Network update</li> </ol>	10:10 – 10:50
	<b><u>Item for Discussion</u></b>	
7.	Strategy update to include: <ul style="list-style-type: none"> <li>• Draft Solent 2050 Strategy</li> <li>• BREXIT Business support update</li> <li>• Feedback from Solent Leaders meeting</li> </ul>	10:50 – 11:30
8.	Maritime UK Solent update to include consideration of CEBR impact analysis	11:30 – 11:50
	<b><u>Items for Note</u></b>	
9.	Any other business <ul style="list-style-type: none"> <li>• Forward Plan for agreement</li> </ul>	11:50 – 12:00

**The Meeting will close at 12.00 pm and an update on work from Delta 7 on the Big picture commission will be provided as part of a working lunch to follow the meeting.**

**14.10.2019**

**Item 3**

**Draft notes of meeting held on Wednesday 10 July 2019 and draft notes of reconvened meeting held (via conference call) on Monday 15 July 2019**



<p><b>3. Notes of the meeting held on Friday 10 May 2019</b> The minutes of the 10 May 2019 Board meeting were <b>agreed</b> and signed by the Chairman.</p>	
<p><b>4. Matters Arising</b> <u>Governance update - page 2</u> An update on the House of Commons Committee of Public Accounts Report on Local Enterprise Partnerships: progress review – was provided.</p> <p><u>Solent LEP Delivery Plan 2019/20 - page 2</u> This has now been published</p> <p><u>Skills for Growth - Southampton Further Education Travel to Learn Review - page 5</u> The statement setting out the LEP position has been drafted and will be shared with Rachael Randall as the Board Skills Lead to clear.</p> <p><u>Governance update - Membership - page 4</u> An update was provided on associate membership with neighbouring Local authorities and LEPs and the board noted that the New Forest National Park have now been invited to become a 'P' Member of the Solent LEP.</p> <p><u>Maritime UK update</u> The next Maritime UK Board meeting will be taking place on 12<sup>th</sup> July 2019 and the launch of the DfT Annual Maritime Report 2019 will be taking place on 18<sup>th</sup> July 2019 in the Solent area.</p> <p>Maritime UK Awards – the board noted that Solent LEP have submitted an application under the coastal powerhouse category</p> <p><b><u>Declarations of Interest</u></b> The following declarations of interests were recorded:</p> <p><b><u>Brian Johnson</u></b> Item 7 - Solent Prosperity Fund (SPF) update – round 5 SPF applications and agreement of the revised technical guidance for large-scale projects.</p> <p><b><u>Cllr Keith Mans</u></b> Item 5 - LGD Programme update - Proposed upgrade to M27 J10 and Stubbington Bypass scheme Item 5 - EZ Retained Rates update Item 7 - Solent Prosperity Fund (SPF) update – round 5 SPF applications and agreement of the revised technical guidance for large-scale projects.</p> <p><b><u>Cllr Seán Woodward</u></b> Item 5 - LGD Programme update - Proposed upgrade to M27 J10 and Stubbington Bypass scheme Item 5 - EZ Retained Rates update Item 7 - Solent Prosperity Fund (SPF) update – round 5 SPF applications and agreement of the revised technical guidance for large-scale projects</p>	<p>Executive</p> <p>Executive</p>

<p><b><u>Cllr Dave Stewart</u></b>  Item 5 - LGD Programme update - Floating Bridge (for noting only)  Item 7 - Solent Prosperity Fund (SPF ) update – round 5 SPF applications and agreement of the revised technical guidance for large-scale projects</p> <p><b><u>Kevin George</u></b>  Item 5 - LGD Programme update - Floating Bridge (for noting only)</p> <p><b><u>Rachael Randall</u></b>  Item 5 - LGD Programme update - Floating Bridge (for noting only)</p> <p><b><u>Anne-Marie Mountifield</u></b>  Item 6c - SERCOM Annual Report - related to employment matters in the review of senior management capacity</p> <p><b><u>James Fitzgerald</u></b>  Item 7 - Solent Prosperity Fund (SPF ) update – round 5 SPF applications and agreement of the revised technical guidance for large-scale projects</p> <p><b><u>Sophie Mallon</u></b>  Item 7 - Solent Prosperity Fund (SPF ) update – round 5 SPF applications and agreement of the revised technical guidance for large-scale projects</p> <p><b><u>Richard Jones</u></b>  Item 6c - SERCOM Annual Report - related to employment matters in the review of senior management capacity</p> <p><b><u>Stuart Baker</u></b>  Item 6c - SERCOM Annual Report - related to employment matters in the review of senior management capacity</p> <p><b><u>Steve Futter</u></b>  Item 6c - SERCOM Annual Report - related to employment matters in the review of senior management capacity</p> <p><b><u>Additional items</u></b></p> <p>Board composition, quoracy and attendance at meetings were discussed ahead of the main agenda.</p> <p>It was <b>agreed</b> that SERCOM would review this at their next meeting and this together with an update on the B Director recruitment would come back to the board at the next meeting.</p>	<p>LEP  Executive  and  SERCOM</p>
<p><b>6. Governance update</b></p> <p><b>a. Succession planning for Board and SERCOM</b>  The paper was taken as read and the recommendations were summarised.</p> <p>The Board:  <b>Considered</b> and <b>Agreed</b> the draft LEP Chair, LEP Deputy Chair, FPPMG Chair and</p>	

<p>SERCOM Chair role descriptions for adoption. The Board noted that in the LEP Chair role description reasonable expenses are payable and it was <b>Agreed</b> that this should be extended to be noted in all Directors role descriptions for expenses relating to travel for LEP Business that goes over and above the normal duties of a Board Director. The Executive will be working with Accountable Body colleagues to draft an expenses policy.</p>	<p>Executive</p>
<p><u>Chair Recruitment</u></p> <p>The Executive talked the Board through the recruitment process and the Board <b>Considered</b> and <b>Agreed</b> the Chair recruitment process.</p> <p>Following the discussion on this matter, it was <b>recommended</b> that a further report be brought to the Board to review at the next meeting to include a draft information and application pack to support any future recruitment to this role. .</p> <p>Keith Mans left the meeting part way through this discussion.</p>	<p>Executive</p> <p>Executive</p>
<p><u>Co-option</u></p> <p>The role of co-opted members to the board was considered.</p> <p>The Board:  <b>Considered</b> and <b>Agreed</b> the principles for a role specification for Co-opted members; and  <b>Considered</b> and <b>Agreed</b> the principles for a recruitment process relating to the co-option of a young person and <b>Agreed</b> that consideration be given to the creation of a Young Person Forum and they <b>Delegated</b> Authority to SERCOM to consider.</p>	<p>SERCOM Executive</p>
<p><u>SERCOM Succession Planning</u></p> <p>The Board:  <b>Agreed</b> to seek an additional volunteer independent non-executive business Director of Solent LEP to join SERCOM.</p>	<p>Executive</p>
<p><b>b. Board Director Recruitment</b></p> <p>The Board <b>Considered</b> the verbal update from SERCOM on the approach to the promotion of this vacancy at the meeting; and</p> <ul style="list-style-type: none"> <li>• <b>Agreed</b> the information and application pack for the B Director vacancy as set out in Annex B; and they</li> <li>• <b>Agreed</b> to delegate authority to the Executive working with SERCOM to finalise the timetable and proceed with the recruitment.</li> </ul>	<p>Executive and SERCOM</p>
<p><b>d. Annual Audit Opinion 2018/19</b></p> <p>The paper was taken as read and the Board <b>noted</b> the Annual Audit Opinion in relation to audit work carried out during 2018-19.</p> <p>Stuart Baker, Richard Jones and Steve Futter stepped out of the meeting due to their interest in the next item.</p>	
<p><b>c. Annual Report 2018/19 from SERCOM</b></p> <p>Anne-Marie Mountifield gave an overview of the Report and summarised the confidential report on senior executive capacity taking into account the Corporate risk register, the</p>	

	<p>report from SERCOM and the recently published LEP review from the Public Accounts Committee.</p> <p>There was a discussion on the ongoing requirement to ensure that there is an appropriate level of capacity and expertise in place to deliver on the obligations of the Local Growth deal including the consideration of complex projects and the Local industrial Strategy.</p> <p>Anne-Marie then declared an interest in the item and withdrew from the meeting. The Board had a detailed discussion on the Executive Team capacity and workload priorities and <b>Agreed</b> for SERCOM to take forward the work on this and <b>Agreed</b> the Scheme of Delegation.</p> <p>The Board <b>Considered</b> and <b>Agreed</b> the SERCOM 2018/19 Annual Report.</p> <p>Anne-Marie Mountifield, Stuart Baker, Richard Jones and Steve Futter returned to the meeting.</p>	SERCOM
5.	<p><b>Finance and Funding Update</b></p> <p>The paper was taken as read.</p> <p>The revised budget for 2019/20 of £50,759,118 as set out in appendix A and the revised budget for the period 2020/21 to 2021/22 as set out in appendix B was <b>approved</b> by the LEP Board on 10 July 2019 which includes the following:</p> <ul style="list-style-type: none"> <li>• The current position of the Growing Places Fund as summarised in appendix D</li> <li>• The latest position of the Local Growth Deal Fund for the current financial year as set out in appendix E noting the challenges around future delivery as set out in paragraphs 6 and 7.</li> <li>• The re-profiling and budget movements as set out in the table in paragraph 5.</li> </ul> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> and <b>Agreed</b> the Corporate and Strategic Risk Register attached at appendix C.</li> <li>• <b>Considered</b> the high level LGD Risk Matrix for the Local Growth Programme attached at appendix F and delegated authority to the LEP Chief Executive and the nominated s151 officer from the Accountable Body to agree.</li> <li>• <b>Considered</b> and <b>Agreed</b> the proposal to return the LGD funding set aside to match the ERDF grant to the SME element of the Solent Prosperity Fund as described in paragraph 4.1 of this report</li> <li>• <b>Considered</b> the range of scenarios which were presented at the meeting to ensure maximum defrayal of the LGD funding.</li> <li>• <b>Noted</b> the updates in relation to the Local Growth Deal capital programme</li> <li>• <b>Noted</b> the other project updates reported by exception in paragraph 8 of the report.</li> <li>• <b>Noted</b> the update provided on the M27 J10 scheme</li> <li>• <b>Noted</b> the update on the Stubbington Bypass DfT Retained Scheme.</li> </ul>	LEP Chief Executive and Accountable Body



	<p><u>Forward Plan</u> Board members <b>considered</b> and <b>agreed</b> the forward plan.</p> <p>David Youngs left the meeting.</p>	
8.	<p><u>Stakeholder Engagement &amp; Delta 7 Big Picture commission</u> Julian Burton and Paul Stroud were introduced and gave an overview of the 'Rich Picture' work and revealed the first draft of the picture. Board Members provided feedback and additions to the picture and future iterations will follow.</p>	

Meeting closed at 12:30

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**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

**Solent Local Enterprise Partnership re-convened meeting of the LEP Board**

Held (via conference call) on Monday 15<sup>th</sup> July 2019 at 18:00 - 19:00

Present	In Attendance
Brian Johnson (Chairing the meeting)	Stuart Baker
Anne-Marie Mountifield	Steve Futter
Kevin George	Nicola Twiddy
Rachael Randall	James Fitzgerald - Portsmouth City Council (as the Accountable Body)
Dave Stewart	Sophie Mallon - Portsmouth City Council (as the Accountable Body)
Gerald Vernon-Jackson	Toni Wootton - BEIS Cities and Local Growth Unit (CLGU)
	Cath Goodall - BEIS Cities and Local Growth Unit (CLGU)
Apologies	
Graham Baldwin	
Christopher Hammond	
SJ Hunt	
Gary Jeffries	
Paula Swain	
David Youngs	

Item	ACTION
<p><b>1. Welcome and Introductions</b>            Brian Johnson welcomed everyone to the conference call and advised that apologies had been received from Gary Jeffries and therefore Brian Johnson would be Chairing the call.</p> <p><b>Apologies for Absence</b>            Apologies were received from Graham Baldwin, Christopher Hammond, SJ Hunt, Gary Jeffries, Paula Swain and David Youngs.</p>	
<p><b>5E. Finance and Funding Report from FPPMG - Retained Schemes Update</b>            Stuart Baker referred to section 6 a and 6 b of the item 5 board report and provided an update on the Stubbington Bypass and M27 J10 Retained Schemes</p> <p><u>Quarterly Monitoring Returns (QMRs)</u>            The Board:  <b>Considered and Agreed</b> the QMR for the Stubbington Bypass Retained Scheme;  <b>Considered and Agreed</b> the QMR for the M27 J10 Retained Scheme with wording from the Minister of State for Housing letter dated 18<sup>th</sup> March 2019 to Cllr Perry to be included in the return and  <b>Delegated Authority</b> to the Executive to submit the QMRs to Government by 19<sup>th</sup> July 2019.</p>	<b>Executive</b>
<b>5F. Finance and Funding Report from FPPMG - Local Growth Legacy schemes</b>	

	<p>James Fitzgerald referred to board paper item 5 Annex G and gave a presentation on the Enterprise Zone Rates forecast on retained rates and the board considered options to utilise the incremental growth in business rates to unlock the full potential of this and other Solent employment site</p> <p>Following a discussion, the Board <b>Agreed</b> a preferred option and <b>Delegated Authority</b> to the executive and accountable body to undertake work to move this forward and it was <b>Agreed</b> that a further update would be provided at the next board meeting</p>	<p><b>Executive And Accountable Body</b></p>
	<p><b>Any other business</b> No further business so the call was concluded.</p>	

Meeting closed at 19:05

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**14.10.2019**

**Item 5**

**Finance, Local Growth Deal and Retained Schemes update**

**Item Number:** 5  
**Item Title:** Solent LEP Finance, Local Growth Deal and Retained Schemes update  
**Meeting Date:** 14 October 2019  
**Purpose:** For Information, Advice and 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. Introduction

- 1.1 This report provides the Board with the financial position of all the LEP funds to 31 August 2019 which reflects an initial re-profiling of budgets after a review of the activity to date and this is reflected in the revised forecasts to the end of the 2019/20 financial year. It also shows the forecast budget for the period 2020/21 to 2021/22.
- 1.2 The opening budgets are as previously approved at the Board meeting on 10 July 2019 and the report sets out the projected outturn for the 2019/20 financial year, looking to maximise the expenditure on all of the time-limited funds and in particular the Local Growth Deal, where the high value schemes are funded from.
- 1.3 It explains any material forecast variances by exception together with any mitigation proposals and considers whether any likely underspends can and should be carried forward into the following financial year. The budget for future years also takes into account any known re-phasing of expenditure as individual schemes and programmes become more certain.
- 1.4 As there are now only 17 months remaining of the current funding cycle the potential to have to return any unspent funding to government is high and this will require careful management of the risks and suggested mitigating actions set out in this report for the Board to consider.
- 1.5 The report also contains updates by exception on the Local Growth Deal (LGD) programme, including the schemes assigned retained funding via the Department for Transport (DfT).

## 2. Recommendations

- 2.1 It is recommended that:
  - (i) The revised budget for 2019/20 of £45,083,688 as set out in appendix A and the revised 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 current position of the Growing Places Fund as summarised in appendix D
    - The latest position of the Local Growth Deal Fund for the current financial year as set out in appendix E noting the challenges around future delivery as set out in paragraphs 6 and 7.
    - The re-profiling and budget movements as set out in the table in paragraph 5 overleaf.

The Board are also asked to:

- **Consider** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Consider** and **Agree** the high level LGD Risk Matrix for the Local Growth Programme attached at appendix F.
- **Consider** the options set out in confidential appendix G and **Agree** the recommendations contained within it.
- **Consider** the range of scenarios which will be presented at the meeting to ensure maximum defrayal of the LGD funding.
- **Note** the updates in relation to the Local Growth Deal capital programme
- **Consider** and **Agree** a funding variation for the Centenary Quay scheme and Agree to delegate authority to the Accountable Body and executive to take this forward.
- **Note** the other project updates reported by exception in paragraph 8 of this report.
- **Note** the update provided on the M27 J10 scheme and the Stubbington bypass scheme

### 3. Forecast Outturn 2019/20:

	<b>£000's</b>
<b>Budget agreed at the LEP Board on 10 July 2019</b>	<b>50,759</b>
Re-profiling of expenditure into 2020/21:	
• Solent Prosperity Fund - SME support	(1,622)
• Solent Prosperity Fund - large projects	(3,950)
• Capacity Funding - skills and innovation	(169)
Careers Enterprise Company - School Grant Funding	66
<b>Forecast Outturn for 2019/20</b>	<b>45,084</b>

- 3.1 This report contains the actual expenditure up to 31<sup>st</sup> August 2019 and the key movements following the last approval of the budget at the Board meeting on 10<sup>th</sup> July 2019.

A detailed analysis of the financial position and the forecast outturn for the current financial year is attached at appendix A.

### 4. Analysis of the Key Issues and Variances against the Approved Budget for 2019/20

The majority of the 2019/20 budget relates to the major local growth deal funded schemes and to date two significant grants have been paid with the expectation that further large grant claims will be received in the coming months. The key issues and risks in respect of the budget are set out below.

#### 4.1 Local Growth Deal 2019/20

The latest status of the overall LGD programme is set out in appendix E which clearly shows the challenges facing the Board to achieve maximum defrayal by 31 March 2021 and mitigate the risk of returning any funding to Government.

Table 1 below illustrates the approved LGD projects that are either continuing or commencing in 2019/20 whether they are in respect of open funding calls, under negotiation or at funding agreement stage. The sum of these projects is £39,429,478 which is an over-programming of £2,633,179 against the available LGD Capital Funding allocated to 31 March 2020. There is however no overall over-programming of the LGD to the end of the 2020/21 financial year.

**Table 1: Approved LGD Capital projects continuing / commencing expenditure in 2019/20**

Solent Growth Fund Programme - SME support (2019/20)	£1,320,349
Solent Growth Fund Programme Management Costs	£129,652
Local Growth Deal Programme Management	£186,739
Innovation programme Fund (2018/19) - Programme Management Costs	£11,481
<i>Local Large Major transport schemes and infrastructure investment</i>	£636,283

<i>Solent Development Fund</i>	£223,500
Fareham College - Civil Engineering Training Centre	£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>£13,825,670</b>
<b>Under negotiation / due diligence with scheme promoters</b>	
Stubbington Bypass (further advance)	£3,500,000
<i>North Whiteley</i>	£14,000,000
<b>Sub Total</b>	<b>£17,500,000</b>
<b>Funding Call - available funding</b>	
<i>Solent Prosperity Fund</i>	£8,103,808
<b>Sub Total</b>	<b>£8,103,808</b>
<b>Total Programme Allocation (a)</b>	<b>£39,429,478</b>
<b>Solent Growth Deal Award 2019/20 (b)</b>	<b>£9,252,686</b>
<b>Carry Forward from LGD 2018/19 (c)</b>	<b>£27,543,613</b>
<b>Total LGD Capital Programme Funding 2019/20 (d) = (b) + (c)</b>	<b>£36,796,299</b>
<b>Balance / (over-programming) of LGD programme funding earmarked to projects continuing in future years (e) = (d) - (a)</b>	<b>(£2,633,179)</b>

Whilst this does show that the fund is currently proactively over-programmed against the cumulative LGD funding received to date it should be noted that this includes provision of an advance of £3.5 million to support ongoing development of the Stubbington Bypass scheme. This follows the previous advance of £3.5 million allocated to the scheme in 2017/18. The project has received final funding approval from DfT and we are reviewing the latest overall forecast position to 31 March 2021.

Board members should also note, however, that the latest position in table 2 below shows that the forecast defrayal in the current year will be significantly lower, with a projected outturn of £19,025,070. Whilst this is £9,772,384 more than the £9,252,686 allocation for 2019/20 the overall effect of this is that £17,771,229 of the cumulative LGD funding received to date has been carried forward into the 2020/21 financial year which is the final year that this funding can be spent in.

The risks associated with this are explained further in paragraphs 6 and 7 below.

**Table 2: Actual LGD Capital programme expenditure against the 2019/20 allocation**

Solent Growth Fund Programme - SME support (2019/20)	£1,320,349
Solent Growth Fund Programme Management Costs	£129,652
Local Growth Deal Programme Management	£186,739
Innovation programme Fund (2019/20) - Programme Management Costs	£11,481
Local Large Major transport schemes (Solent Metro)	£636,283
Southampton Solent University - Warsash School of Maritime Science and Engineering	£1,119,430
Fareham College - Civil Engineering Training Centre	£2,833,000
National Maritime Systems Centre	£3,320,666
Programme Development Fund	£223,500
<b>Sub Total</b>	<b>£9,781,100</b>

**Under negotiation / due diligence with scheme promoters**

Stubbington Bypass (further advance)	£3,500,000
North Whiteley	£3,243,970
<b>Sub Total</b>	<b>£6,743,970</b>

**Funding Call - available funding**

Solent Prosperity Fund	£2,500,000
<b>Sub Total</b>	<b>£2,500,000</b>

<b>Total Programme Allocation (a)</b>	<b>£19,025,070</b>
<b>Solent Growth Deal Award 2019/20 (b)</b>	<b>£9,252,686</b>
<b>Carry Forward from LGD 2018/19 (c)</b>	<b>£27,543,613</b>
<b>Carry Forward to LGD 2020/21 (d)</b>	<b>(£17,771,229)</b>
<b>Total LGD Capital Programme Funding 2018/19 (e) = (b) + (c) + (d)</b>	<b>£19,025,070</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 a below, the cumulative LGD expenditure up to and including 31 March 2020 is forecast to be £109.6m (86.1%) against a cumulative budget of £127.4m.

The main reason that the cumulative expenditure forecast to 31 March 2020 is less than the cumulative grant received relates directly to the complex, multi-year transport schemes that have slipped across a number of financial years and remain the biggest risk to the overall budget. An update on the status of these schemes is set out in paragraph 6 below.

It should also be noted that some of the schemes in the capital programme for 2019/20 will continue into 2020/21.

It is therefore proposed to re-profile this funding into 2020/21 to ensure that we continue to monitor expenditure against the most realistic budget position.

**Table 3 a : Local Growth Deal Summary of Expenditure vs Allocation in Year to 31 March 2020**

	Actual 2015/16 £	Actual 2016/17 £	Actual 2017/18 £	Actual 2018/19 £	Forecast 2019/20 £	Total Cumulative Forecast to 31 March 2020 £	Cumulative Spend vs Allocation to 31 March 2020
LGD Expenditure	38,833,432	37,807,314	8,312,999	5,654,531	19,025,070	109,633,346	86.1%
LGD Allocation	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	127,404,575	
<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>9,772,384</b>	<b>(17,771,229)</b>	

Based on the figures in table 3 b overleaf, the cumulative LGD contracted activity up to and including 30 September 2019 is 76.8% against a cumulative budget of £127.4m.

The main reason that the LGD contracted activity to 30 September 2019 is less than the cumulative grant received relates directly to the complex, multi-year transport schemes that have slipped across a number of financial years and remain the biggest risk to the overall budget. An update on the status of these schemes is set out in paragraph 6 below.

**Table 3b: Local Growth Deal Summary of Contracted Activity vs Allocation in Year to 31 March 2020**

	Actual 2015/16 £	Actual 2016/17 £	Actual 2017/18 £	Actual 2018/19 £	Forecast 2019/20 £	Total Cumulative Forecast to 31 March 2020 £	Cumulative Contracted Activity vs Allocation to 31 March 2020
LGD Expenditure	38,833,432	37,807,314	8,312,999	5,654,531	7,273,096	97,881,372	<b>76.8%</b>
LGD Allocation	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	127,404,575	
<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>(1,979,590)</b>	<b>(29,523,203)</b>	

## 5. Budget movements

An analysis of the LEP's forecast expenditure for 2019/20 and the period 2020/21 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:

**Table 4: Budget movements**

	Previous Years to 2018/19	2019/20 £000's	2020/21 £000's	2021/22 £000's	Total £000's
<b>Budget Agreed at LEP Board 10<sup>th</sup> July 2019</b>	<b>141,890</b>	<b>50,759</b>	<b>44,114</b>	<b>10,352</b>	<b>247,116</b>
Solent Prosperity Fund - SME support		(1,622)	1,622		0
Solent Prosperity Fund - large projects		(3,950)	3,950		0
Capacity Funding - skills and innovation		(169)	169		0
LEP Review - additional capacity funding				200	200
Careers Enterprise Company - School Grant Funding		66	40		106
<b>Revised Budget</b>	<b>141,890</b>	<b>45,084</b>	<b>49,895</b>	<b>10,552</b>	<b>247,422</b>
<b>Cumulative Net GPL Fund Reserve Balance (see appendix D for details)</b>		<b>11,530</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 reminded that at the beginning of this financial year of the total £177.3m LGD and DfT Retained Funding allocated to the LEP to 31 March 2021, £92.7m has been spent in the first four years to 31 March 2019 leaving a further £84.6m (47.7%) to be spent in the remaining two years, and the majority of this relates to funding earmarked for complex, multi-year transport schemes.

In the first five months of 2019/20 a further £4.3m of the LGD has been spent and it is anticipated that a further £37m (including £20m for Stubbington Bypass and another £14m in respect of five other key project claims in line with the allocations in appendix E to this report) will be incurred by 31 March 2020 which leaves £43.3m to be spent in the last financial year of the LGD - this represents 24.4% of the total award.

A further narrative in relation to the status of the most complex schemes making up the majority of the LGD expenditure still to be defrayed can be found below. It should also be noted that all LGD projects will be attending an Annual

Progress Review (APR) meeting at the LEP offices throughout September, the outcome of which will be reported to FFPMG at their meeting in November and the board at their meeting in December.

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 on the 10<sup>th</sup> July 2019 the Full Business Case continues to be developed, following the advance of a further £2.5m of Solent Growth Deal retained funding. This further advance is from the £14.9m Solent Growth Deal funding that has been retained by DfT and reduces the balance available of the £14.9m funding to £10.25m.

The latest M27 Junction 10 Steering Group took place on the 16<sup>th</sup> August 2019 and a verbal update will be provided on this at the meeting.

The Quarter 2 Monitoring Return (2019/20) to DfT was agreed by the Chairs of the LEP Board and FFPMG, and an update on this will be provided at the meeting

**b. Stubbington Bypass**

The Full Business Case for this project was submitted by the scheme promoter, Hampshire County Council, to the Department for Transport (DfT) on 24 July 2019 and the LEP Board considered the Full Business Case in August and submitted a letter to DfT endorsing the project which was sent on 21 August 2019. Full DfT approval has now been confirmed and a grant letter is expected shortly.

In the interim and further to the Board approval, a funding variation for £3.5m was executed by all parties on 24<sup>th</sup> September in order to ensure that preliminary work on the scheme can continue.

The Quarter 2 Monitoring Return to DfT was agreed by the Chairs of the LEP Board and FFPMG, and an update on this will be provided at the meeting

**c. North Whiteley**

Further to the update provided at the July Board meeting, work has concluded in relation to the drafting of the funding agreement, which was executed by the accountable body on 20 September 2019 and, at the time of writing, it is expected that the beneficiary will execute during w/c 7 October. A site visit was undertaken by LEP Directors on 1 August and progress is being made: the first phase of highways infrastructure construction is underway and due for completion in December 2019 as planned, with housing construction already underway, ahead of schedule. A further verbal update will be given at the Board meeting.

**7. Risk of Returning Funding to Government**

As the Board are aware, the deadline of 31 March 2021 for the defrayal of the LGD grant allocations is fast approaching with only 17 months remaining to fully defray £80.3m of funding so the Board will need to continue to take proactive decisions to reduce the risk of having to return any funding to Government and ultimately losing investment opportunities for the area.

The Accountable Body and LEP Executive have consistently highlighted the fact that the projects that have been allocated significant elements of the remaining funding are multi-year and complex in nature and therefore present the highest risk around defrayal by the funding deadline.

In order to manage this, an update will be presented at the meeting which will include a range of scenarios and mitigating actions for the Board to consider and advise of the preferred route(s) forward to ensure that the maximum amount of defrayal can take place by 31 March 2021.

## **8. Other Project Updates reported by exception**

### **a. Enterprise Zone Retained Rates**

The Board agreed a preferred option as to the allocation of the retained rates and the LEP Executive and Accountable Body will be liaising with all interested parties to take this forward to maximise the benefits of this income stream to the Solent.

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

Further to the update at the July Board meeting, the Isle of Wight Council (IWC) as scheme lead for the Floating Bridge project, have commissioned an independent gateway review into the project, in order to address the issues raised in the AECOM due diligence report, considered and agreed by the Board at their meeting in December 2018. This work should conclude before the end of September 2019, and it is hoped that the report can be circulated ahead of the October Board meeting.

Ahead of this, a variation to the current funding agreement is being drafted by the legal team at the accountable body (Portsmouth City Council), which will crucially include the updated business case from 2018, and also time-bound conditions resulting from the AECOM due diligence report, including the submission of an independent gateway review. A further update will be provided at the Board meeting.

### **c. Local Growth Deal 2016/17 legacy project - National Marine Autonomy Centre (BAE Systems)**

This project involved the delivery by BAE Systems, in close collaboration with three Solent-based SMEs, of an autonomy test bed for undertaking research, development, training and trialling of autonomous air and surface-water vehicles in the Solent. The project has been monitored by the LEP executive in line with the agreed Performance Monitoring Framework, and an update on the status of the scheme is set out in the High Level Delivery Risk Matrix attached at appendix F, and a further update will be provided at the Board meeting.

### **d. Infrastructure to Support House Building Fund - Centenary Quay Phase 4**

Supported as part of the Solent's Local Growth Deal 3 submission to Government, but funded from the Infrastructure to Support House Building Fund, Centenary Quay is one of the key housing delivery sites within the Solent area. LEP funding has been crucial in ensuring the viability of phase 4 of the scheme and unlocking the potential of the scheme, delivered by Crest Nicholson (CN), to provide 342 new homes.

As reported to the Board in October 2018, Homes England had been working with CN to finalise the next phase of the development and, whilst these negotiations have now been completed, they did take longer to conclude than expected. As a result, the project now requires a variation to the funding agreement in order to reflect the changes to the implementation plan and subsequent profile of grant draw down, prior to the payment of the current claim which is being reviewed presently.

Following a positive site visit in Q1 2019/20, it was confirmed that some 185 homes have been constructed to date.

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

The refreshed Solent Prosperity Fund was launched in August 2019, providing support to start-ups, established businesses seeking to grow, and businesses experiencing challenging trading conditions. Interest in the funds has been high, and we are expecting this to be reflected in improved rates of applications through the remainder of the LGD period. Furthermore, and in response to consistent feedback from applicants, a meeting is being convened with all Solent Local Authorities (LAs) to explore the possibility of the LAs delivering a micro-grant programme offering smaller scale investments targeted at micro businesses, seeking to address issues such as digital capability. A verbal update will be given at the Board meeting itself.

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

This section of the report provides an update on the status of the Large Project component of the Solent Prosperity Fund (SPF) covering:

- An update on those projects received under rounds 1-5 that have been invited to develop a Full Business Case
- An update on activity to promote the re-launch of the Large Projects and Programme component of the Solent Prosperity Fund
- An update on the applications received under round 6.

### Update on projects invited to develop a Full Business Cases

Across rounds one to five of the large project component of the SPF, the LEP received 22 applications. Of these, four projects have been invited to develop a Full Business Case in collaboration with the LEP. The four projects are listed in Table 5 a, and an update on their status is provided in confidential annexe G.

**Table 5 a - Large Projects invited to develop a Full Business Case**

Project Name	Project Lead
Portsmouth City Centre Roads - Phase 1 (Transport Links)	Portsmouth City Council (PCC)
Innovation Wight	Isle of Wight Council (IWC)
Island Line (Brading Loop)	South Western Railway
A326 Junction Improvements	Hampshire County Council

### Update on Activity to promote the Large Projects and Programmes component of the Solent Prosperity Fund

The Solent Prosperity Fund was re-launched on the 8<sup>th</sup> August and included a Large Projects and Programmes, as agreed to the Board in July.

To promote the fund, the LEP has held two webinars and a dedicated session for professional services and business support organisations. The webinars have been attended by 39 people, whilst the workshop attracted 60 attendees. The Fund has also been promoted through social media channels, the LEP website, the LEP newsletter, and at a range of events.

### Update on the applications received under Round 6

Round 6 closed on 27<sup>th</sup> September 2019, and a high level summary of the seven large project applications is provided in Table 5 b. No programme applications were received.

**Table 5 b - High Level Summary of SPF Large Projects applications received in Round 6 (Re-launch)**

Number of Project Type	Total Cost (£m)	LEP Funding Request (£m)				3 <sup>rd</sup> Party Contribution (£)
		Grant	Loan	Equity	Total Request	
Five Infrastructure One Innovation One Skills	£201.4	£29.7	-	-	£29.7	£171.7

Whilst independent due diligence is underway on Round 6 applications, as the round closed on 27<sup>th</sup> September, due diligence will not be complete in time for the Board meeting, and it is proposed that a virtual meeting of the Board is convened to consider the Round 6 applications.

## 9. Careers Enterprise Company (CEC) - Overall performance review and School Grant Funding

Work has continued to develop both the enterprise adviser network and the two careers hub and we now have a summary for the academic year 2018/19 from CEC. Performance has continued to improve across a range of benchmarks and we are significantly above the UK average in relation to the percentage of Solent schools providing young people with experience of the workplace. However further work needs to be undertaken to increase the number

of encounters that young people have with employers or employees in the region. Expanding the Enterprise Advisor network alongside developing the two careers hubs will help with this as will the additional capacity we have brought into the Co-ordinator team. A more detailed analysis of this work will be undertaken by the Skills Advisory Panel.

The Careers and Enterprise Company have also made available up to £74,000 in the academic year 2019/20 for all 74 schools and colleges within the two Solent Careers Hubs, with institutions able to seek up to £1,000 grant funding to support their work.

The Careers Lead in each school or college will be responsible for applying to the fund, and collaborative applications from a clusters of schools and colleges are encouraged. Institutions were have been invited to bid for funding and external press release and social media is planned to follow. Fund guidance and application form will be available on the Solent Careers Hub.

On a broader basis CEC have confirmed that they are in regular dialogue with the Department for Education regarding the Spending Review for 2020/21 and will confirm funding arrangements as soon as they are confirmed with them. In the interim they are recommending that LEPs consider capacity to continue to match-fund Enterprise Coordinator posts from September 2020 on the same basis as those established this year, so that we are in a strong position to ensure sustainability of the Network. FPPMG will consider this as part of the in-year review at their next meeting and a further update will come to the board at the December meeting.

#### **10. Growth Hub Activity and BREXIT Business readiness**

On 29 August, the Government announced a £10m Business Readiness Fund for business organisations and trade associations to bid for support to help companies prepare for a 'No Deal' Brexit ahead of 31 October. Further information is available at: <https://www.gov.uk/government/news/business-secretary-launches-10-million-brexit-readiness-fund-for-business-organisations>

Alongside this 10 new regional Growth Hub clusters have been established, including the South Central cluster (bringing together Coast to Capital, E M3, Solent and Thames Valley Berkshire) to provide a more strategically focused network through which government can engage the business community as part of the business readiness support being provided. The cluster are rolling out a business readiness programme and are also ramping up the collection of business intelligence. This includes a series of events across the Solent (see attached link for example - <https://eu.eventscloud.com/ehome/index.php?eventid=200195038>)

Initially circa £400,000 has been provided through E M3 to support this cluster work and an update on the activity will be provided at the meeting.

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

Since the last Board meeting the AB have received the additional £200,000 to continue to support the implementation of the LEP review and this has been added to the financial forecasts which adds additional certainty to the ability to continue to fund the core establishment.

#### **12. Financial Summary**

The latest forecast outturn for the LGD programme for 2019/20 is set out in appendix A with the future years forecasts shown in Appendix B

The main financial risks are set out above in paragraphs 6 and 7 and the Board will receive a presentation setting out a number of scenarios to consider in order to mitigate these risks to the greatest extent possible.

The Board are reminded that there are now only 17 months in which to defray the funding and therefore proactive decisions will need to be taking at the earliest possible stage to help maximise the defrayal of expenditure within the timelines set by Government

### 13. Summary of Recommendations

13.1 It is recommended that:

- (ii) The revised budget for 2019/20 of £45,083,688 as set out in appendix A and the revised 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 current position of the Growing Places Fund as summarised in appendix D
  - The latest position of the Local Growth Deal Fund for the current financial year as set out in appendix E noting the challenges around future delivery as set out in paragraphs 6 and 7.
  - The re-profiling and budget movements as set out in the table in paragraph 5 overleaf.

The Board are also asked to:

- **Consider** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Consider** and **Agree** the high level LGD Risk Matrix for the Local Growth Programme attached at appendix F.
- **Consider** the options set out in confidential appendix G and **Agree** the recommendations contained within it.
- **Consider** the range of scenarios which will be presented at the meeting to ensure maximum defrayal of the LGD funding.
- **Note** the updates in relation to the Local Growth Deal capital programme
- **Consider** and **Agree** a funding variation for the Centenary Quay scheme and Agree to delegate authority to the Accountable Body and executive to take this forward.
- **Note** the other project updates reported by exception in paragraph 8 of this report.
- **Note** the update provided on the M27 J10 scheme and the Stubbington bypass scheme

### 14. 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 7 (which relates specifically to this funding programme), and it is considered that there are no negative impacts on groups identified in the EIA.

### 15. Legal implications

With reference to:-

- the requested approval for the revised budget for 2019/20 (as set out in appendix A) and the revised 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.
- 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.
- The board consideration of the scenario options regarding the maximum defrayal of the LGD funding. Legal considerations in terms of deliverables to secure defrayal will be reviewed by legal as and when necessary.

### 16. Financial comments from the 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 - FORECAST OF OUTTURN FOR 2019/20

Enterprise (Business Support)	Full Year Budget 2019/20*	Actual Expenditure up to 31 August 2019	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 20 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2020/21	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government 2020/21
	£	£	£	£	£	£	£
<b>Local Growth Deal Funding:</b>							
SME Support - Solent Prosperity Fund	2,621,816	93,960	1,000,000	(1,621,816)	(1,621,816)	0	0
ERDF BTG - Awards (ERDF Funded)	0	0	0	0	0	0	0
ERDF BTG - Awards (LGD Match Funded)	0	151,234	0	0	0	0	0
Natural Enterprise Grant Programme	250,000	250,000	250,000	0	0	0	0
<b>Other Enterprise Initiatives:</b>							
Solent Growth Hub	336,089	91,928	336,089	0	0	0	0
Improving Digital Capability for SME's	200,000	0	200,000	0	0	0	0
<b>Enterprise Total</b>	<b>3,407,905</b>	<b>572,816</b>	<b>1,786,089</b>	<b>(1,621,816)</b>	<b>(1,621,816)</b>	<b>0</b>	<b>0</b>
<b>Infrastructure (Land &amp; Property)</b>							
	£	£	£	£	£	£	£
<b>Growing Places Fund Loans:</b>							
Stubbington Bypass	0	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>0</b>
<b>Grants allocated (not repayable)</b>							
Stubbington Bypass indemnity	0	0	0	0	0	0	0
<b>GPL Contingency Provisions and Programme Management costs</b>							
Growing Places Loan Fund Programme Management Costs	131,143	12,748	131,143	0	0	0	0
<b>Sub-total: GPL Contingency Provisions and Programme Management costs</b>	<b>131,143</b>	<b>12,748</b>	<b>131,143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Solent Growth Deal:</b>							
North Whiteley Transport Improvements	3,243,970	0	3,243,970	0	0	0	0
Local Large Majors (Solent Metro and SAEG)	636,283	0	636,283	0	0	0	0
Programme Development Fund (feasibilities)	223,500	0	223,500	0	0	0	0
Solent Growth Deal - Programme Management Costs	186,739	118,969	186,739	0	0	0	0
Stubbington Bypass - LGD forward funding	3,500,000	0	3,500,000	0	0	0	0
Solent Prosperity Fund	6,450,000	0	2,500,000	(3,950,000)	(3,950,000)	0	0
LGD funding approved for projects / programmes in future years	0	0	0	0	0	0	0
LGD funding indicatively earmarked for projects in future years	0	0	0	0	0	0	0
(Over) / Under Programming	0	0	0	0	0	0	0
<b>Sub-total - Local Growth Deal</b>	<b>14,240,492</b>	<b>118,969</b>	<b>10,290,492</b>	<b>(3,950,000)</b>	<b>(3,950,000)</b>	<b>0</b>	<b>0</b>
<b>DfT Retained Schemes</b>							
Stubbington Bypass	20,000,000	0	20,000,000	0	0	0	0
Growth deal provisional allocation for M27 Junction 10 (post 2016)	2,500,000	2,500,000	2,500,000	0	0	0	0
<b>Sub-total - DfT Retained Schemes</b>	<b>22,500,000</b>	<b>2,500,000</b>	<b>22,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Capital Funding Programmes:</b>							
Building Foundations for Growth Capital Grant for EZ	417,783	0	417,783	0	0	0	0
<b>Other Infrastructure Funding:</b>							
Capacity funding	187,816	56,691	187,816	0	0	0	0
Transport Delivery Excellence Funding	52,000	0	52,000	0	0	0	0
Energy strategy	1,029	0	1,029	0	0	0	0
<b>Infrastructure (Land &amp; Property) Total</b>	<b>37,530,263</b>	<b>2,688,408</b>	<b>33,580,263</b>	<b>(3,950,000)</b>	<b>(3,950,000)</b>	<b>0</b>	<b>0</b>

Place	Full Year Budget 2019/20*	Actual Expenditure up to 31 August 2019	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 20 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2020/21	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government 2020/21
	£	£	£	£	£	£	£
Capacity Funding	85,303	25,790	85,303	0	0	0	0
<b>Place Total</b>	<b>85,303</b>	<b>25,790</b>	<b>85,303</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Skills	Full Year Budget 2019/20*	Actual Expenditure up to 31 August 2019	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 20 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2020/21	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government 2020/21
	£	£	£	£	£	£	£
<b>City Deal Wave 2:</b>							
Fareham College - Civil Engineering Training Centre	2,833,000	1,169,913	2,833,000	0	0	0	0
Capacity funding	206,107	36,741	100,000	(106,107)	(106,107)	0	0
Solent Employer Ownership Programme	46	0	46	0	0	0	0
Careers Enterprise Company / Enterprise Adviser Network	464,114	97,158	530,114	66,000	66,000	0	0
Careers Enterprise Company / Enterprise Adviser Network - Programme Management	0	7,846	0	0	0	0	0
<b>Skills Total</b>	<b>3,503,267</b>	<b>1,311,658</b>	<b>3,463,160</b>	<b>(40,107)</b>	<b>(40,107)</b>	<b>0</b>	<b>0</b>
Strategic Sectors	Full Year Budget 2019/20*	Actual Expenditure up to 31 August 2019	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 20 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2020/21	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government 2020/21
	£	£	£	£	£	£	£
National Maritime Systems Centre	3,320,666	0	3,320,666	0	0	0	0
Southampton Solent University - Warsash School of Maritime Science and Engineering	1,119,430	0	1,119,430	0	0	0	0
Martime Supplement: Capacity Funding	59,557	7,163	59,557	0	0	0	0
<b>Strategic Sectors Total</b>	<b>4,499,653</b>	<b>7,163</b>	<b>4,499,653</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Innovation	Full Year Budget 2019/20*	Actual Expenditure up to 31 August 2019	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 20 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2020/21	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government 2020/21
	£	£	£	£	£	£	£
Innovation Fund - Programme Management	11,482	857	11,482	0	0	0	0
Capacity Funding	93,507	42	30,000	(63,507)	(63,507)	0	0
<b>Innovation Total</b>	<b>104,989</b>	<b>899</b>	<b>41,482</b>	<b>(63,507)</b>	<b>(63,507)</b>	<b>0</b>	<b>0</b>
Operational Central Costs	Full Year Budget 2019/20*	Actual Expenditure up to 31 August 2019	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 20 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2020/21	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government 2020/21
	£	£	£	£	£	£	£
Staffing costs	500,000	242,483	500,000	0	0	0	0
Office costs	95,000	22,092	95,000	0	0	0	0
Finance costs including forecast costs for Democratic Services for future years	80,000	26,210	80,000	0	0	0	0
Legal support	50,000	24,887	50,000	0	0	0	0
Marketing & Communication costs	100,000	35,030	100,000	0	0	0	0
Contingency / Reserves	300,000	0	300,000	0	0	0	0
Solent Economic Plan and Local Industrial Strategy	469,086	36,371	469,086	0	0	0	0
SEEDA legacy funding for business engagement	31,396	0	31,396	0	0	0	0
LEP Network	2,256	7,000	2,256	0	0	0	0
<b>Operational Central Costs Total</b>	<b>1,627,738</b>	<b>394,073</b>	<b>1,627,738</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total LEP Budget</b>	<b>50,759,118</b>	<b>5,000,807</b>	<b>45,083,688</b>	<b>(5,675,430)</b>	<b>(5,675,430)</b>	<b>0</b>	<b>0</b>

\* As agreed at LEP Board 10th July 2019

SOLENT LOCAL ENTERPRISE PARTNERSHIP - BUDGET FORECAST TO 2021/22

ENTERPRISE (BUSINESS SUPPORT)		Actual Expenditure to end 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)		1,439,431	227,030	2,671,816	-	4,338,277	4,338,277	-
Repayment of ERDF Funded Grant Awards to DCLG		7,412	84,446	-	-	91,858	91,858	-
ERDF BTG - Awards (ERDF Funded)		84,446	(84,446)	-	-	(0)	(0)	-
ERDF BTG - Awards (LGD Match Funded)		356,681	643,319	-	-	1,000,000	1,000,000	-
Natural Enterprise Grant Programme		830,000	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		620,349	129,651	150,000	-	900,000	900,000	-
Solent Growth Hub (Growth deal - 2015/16 to 2021)		916,477	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>11,167,228</b>	<b>1,786,089</b>	<b>3,521,816</b>	<b>0</b>	<b>16,475,133</b>	<b>16,475,133</b>	<b>-</b>
INFRASTRUCTURE (Land & Property)		Actual Expenditure to end 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		-	-	-	-	0	0	-
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			9,262,916	22,262,916	22,262,916	-
<b>Grants allocated (not repayable)</b>								
Stubbington Bypass indemnity		-	-	5,000,000	-	5,000,000	5,000,000	-
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		168,857	131,143	-	-	300,000	300,000	-
<b>Growing Places Loan Fund: Fund used and not repayable</b>		<b>168,857</b>	<b>131,143</b>	<b>5,000,000</b>	<b>-</b>	<b>5,300,000</b>	<b>5,300,000</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)	363,717	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	(7,000,000)	-	0	0	-
Solent Growth Deal - Programme Management Costs	1,449,303	186,739	242,260	-	1,878,302	1,878,302	-
Solent Prosperity Fund	-	2,500,000	5,603,808	-	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	-	-	-	-	0	0	-
LGD funding indicatively earmarked for projects in future years	-	-	-	-	0	0	-
<b>SUB TOTAL: Solent Growth Deal:</b>	<b>50,620,695</b>	<b>10,290,492</b>	<b>23,752,098</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	2,500,000	10,250,000	-	14,900,000	14,900,000	-
<b>SUB TOTAL: DfT Retained Schemes:</b>	<b>2,150,000</b>	<b>22,500,000</b>	<b>15,950,000</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	287,184	187,816	-	-	475,000	475,000	-
One Public Estate	19,950	-	-	-	19,950	19,950	-
Transport Delivery Excellence Funding	-	52,000	-	-	52,000	52,000	-
Energy Strategy	48,971	1,029	-	-	50,000	50,000	-
<b>Infrastructure (Land &amp; Property) Total</b>	<b>80,643,795</b>	<b>33,580,263</b>	<b>44,702,098</b>	<b>9,262,916</b>	<b>168,189,072</b>	<b>168,189,072</b>	<b>-</b>

PLACE	Actual Expenditure to end 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
Capacity funding	249,697	85,303	-	-	335,000	335,000	-
<b>Place Total</b>	<b>249,697</b>	<b>85,303</b>	<b>0</b>	<b>0</b>	<b>335,000</b>	<b>335,000</b>	<b>-</b>

SKILLS	Actual Expenditure to end 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	306,031	100,000	106,107	-	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	-
Careers Enterprise Company / Enterprise Adviser Network	504,886	530,114	126,000	-	1,161,000	1,161,000	-
<b>Skills Total</b>	<b>26,346,717</b>	<b>3,463,160</b>	<b>232,107</b>	<b>0</b>	<b>30,041,984</b>	<b>30,041,984</b>	<b>-</b>

STRATEGIC SECTORS	Actual Expenditure to end 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	6,344,570	1,119,430	-	-	7,464,000	7,464,000	-
<u>MARITIME SUPPLEMENT</u>							
Capacity funding	200,443	59,557	-	-	260,000	260,000	-
<b>Strategic Sectors Total</b>	<b>10,979,766</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 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	238,518	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	86,493	30,000	63,507	-	180,000	180,000	-
<b>Innovation</b>	<b>8,831,644</b>	<b>41,482</b>	<b>63,507</b>	<b>0</b>	<b>8,936,633</b>	<b>8,936,633</b>	<b>0</b>

OPERATIONAL CENTRAL COSTS	Actual Expenditure to end 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
Staffing costs	1,557,990	500,000	500,000	450,000	3,007,990	3,007,990	-
Office costs	520,083	95,000	95,000	80,000	790,083	790,083	-
Finance costs incl forecast costs for Democratic Services for future years	367,691	80,000	80,000	60,000	587,691	587,691	-
Legal support	189,484	50,000	50,000	40,000	329,484	329,484	-
Marketing & Communication costs	336,427	100,000	100,000	100,000	636,427	636,427	-
Contingency / Reserves	-	300,000	300,000	559,713	1,159,713	1,159,713	-
Solent Economic Plan and Local Industrial Strategy	669,904	469,086	251,027	-	1,390,017	1,390,017	-
SEEDA legacy funding for business engagement	-	31,396	-	-	31,396	31,396	-
LEP Network	30,000	2,256	-	-	32,256	32,256	-
<b>Operational Central Costs Total</b>	<b>3,671,579</b>	<b>1,627,738</b>	<b>1,376,027</b>	<b>1,289,713</b>	<b>7,965,057</b>	<b>7,965,057</b>	<b>-</b>

LEP BUDGET GRAND TOTAL		Actual Expenditure to end 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget	Total Forecast Expenditure	Variance
		141,890,425	45,083,688	49,895,555	10,552,629	247,422,297	247,422,297	-

FUNDING SUMMARY		Actual Expenditure to end 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	90,608,277	19,025,069	27,023,915	-	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	22,500,000	15,950,000	-	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	670,949	383,258	130,473	230,000	1,414,680	
Growing Places Fund - Capital	13,000,000	-	-	9,262,916	22,262,916	
Growing Places Fund - Contingency Provisions and Programme Management Costs	828,350	1,181,210	5,425,000	41,734	7,476,294	
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	267,000	296,000	83,000	-	646,000	
Enterprise Advice Network - Matched Funding (Interest Earned)	237,886	234,114	43,000	-	515,000	
Cabinet Office - One Public Estate	19,950	-	-	-	19,950	
Enterprise Zone Capital Grant	6,672,217	417,783	-	-	7,090,000	
DfT - LTB Funding	131,580	-	-	-	131,580	
SEP	646,619	222,420	30,961	-	900,000	
Transport Excellence	36,000	-	-	-	36,000	
BIS - Capacity Fund	427,232	229,954	169,614	-	826,800	
BIS - Core Funding	951,208	418,520	505,272	-	1,875,000	
LEP Review - Core Funding	200,000	-	-	200,000	400,000	
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	718,426	25,888	124,320	817,979	1,686,613	
Local Authority Funding - PUSH, Hampshire & IOW	300,000	-	-	-	300,000	
SEEDA legacy funding for business engagement	168,604	31,396	-	-	200,000	
BIS - Digital Capability for SME's	141,396	-	-	-	141,396	
Transport Delivery Excellence Funding	-	42,000	-	-	42,000	
Energy Strategy Funding (BEIS)	48,971	1,029	-	-	50,000	
Skills Advisory Panel	-	75,000	-	-	75,000	
ERDF Funding - Revenue Funding funded from Interest	7,412	84,446	-	-	91,858	
ERDF Funding - Bridging the Gap (matched funding SGF)	84,446	(84,446)	-	-	(0)	
<b>Grant Total - Funding</b>	<b>141,890,426</b>	<b>45,083,687</b>	<b>49,895,555</b>	<b>10,552,629</b>	<b>247,422,298</b>	

Growing Places Fund - Forecast Reserve for Future Projects	Budget 2019/20	Budget 2020/21	Budget 2021/22	Total Budget
Net Cumulative Growing Places Reserve Forecast - see appendix D for details	11,529,651	9,304,651	(0)	(0)

TOTAL FUNDING TO SUPPORT LEP ACTIVITY	Total Budget
	247,422,298

## **APPENDIX C**

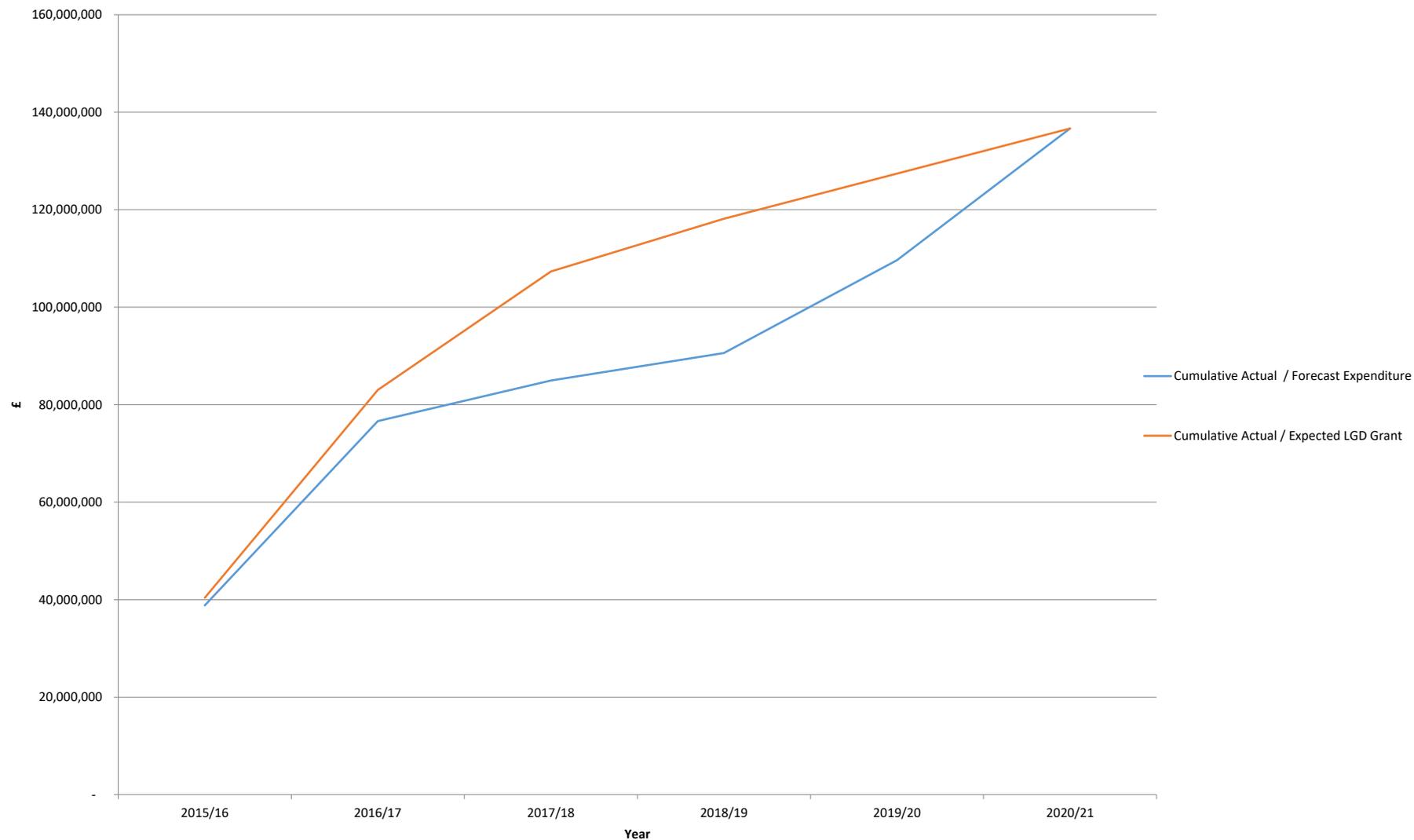
### **Risk Register**

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

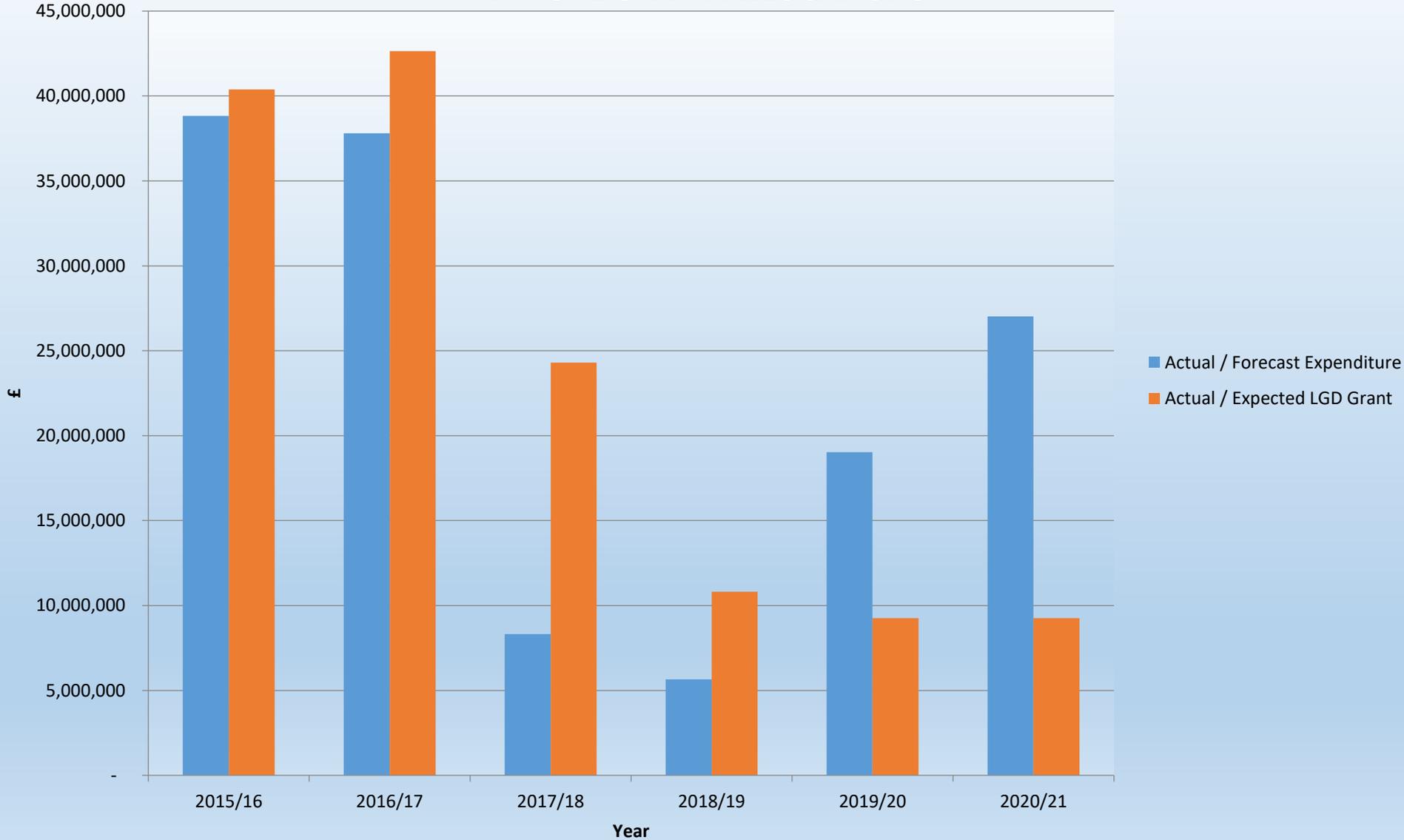
## GROWING PLACES LOAN FUND POSITION

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)	(11,529,651)	(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>										
<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>0</b>	<b>0</b>	<b>9,262,916</b>	<b>22,262,916</b>
<b>Contingency Provisions</b>										
Local Growth Deal:										
Stubbington Bypass indemnity								5,000,000		5,000,000
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>1,050,067</b>	<b>5,425,000</b>	<b>41,735</b>	<b>7,176,294</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>1,181,210</b>	<b>5,425,000</b>	<b>41,735</b>	<b>7,476,294</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</b>							<b>(11,529,651)</b>	<b>(9,304,651)</b>	<b>0</b>	<b>**</b>

LOCAL GROWTH DEAL - CUMULATIVE / FORECAST ANNUAL EXPENDITURE vs CUMULATIVE GRANT ALLOCATIONS



### LOCAL GROWTH DEAL - ACTUAL / FORECAST ANNUAL EXPENDITURE vs ANNUAL GRANT ALLOCATIONS



## **APPENDIX F**

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

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

## **APPENDIX G**

### **Solent Prosperity Fund Large Projects and Programmes Update**

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

**14.10.2019**

**Item 6**

**Governance Update**

## Item 6

**Title:** Governance Update  
**Date:** 14 October 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.

### Draft Resolutions:

#### Board Members are asked to:

- **Consider** and **Agree** the Interim Update to the LEP Assurance Framework for publication.
  - **Consider** the SWOT analysis and **Provide Advice** to the Executive in relation to remuneration for the LEP Chair.
  - **Consider** and **Agree** the draft recruitment pack for the new LEP Chair.
  - **Agree** the appointment of SJ Hunt to the role of FFPMG Chair and Delivery Champion, to take effect following Stuart Hill's resignation from the Board.
  - **Agree** the appointment of David Youngs as a Member of FFPMG, to take effect following Stuart Hill's resignation from the Board.
  - **Agree** the appointment of Paula Swain as a Member of SERCOM, with immediate effect.
  - **Note** the update in relation to Non-Executive Recruitment.
  - **Note** the update on the Annual Performance Review (APR).
  - **Note** the update on the LEP Network.
- 

## 1. Succession planning for Solent LEP Chair

Following the Board's agreement of the LEP Chair recruitment process and role description for the LEP Chair, the executive has revisited the Assurance Framework in order to review this in light of Board discussions regarding the requirement of the LEP Chair to be independent on appointment. Also, in line with previous practice we have undertaken a mid-year review of the assurance framework (to reflect changes emerging from the LEP review and implementation of the key actions) ahead of a full review of the Assurance Framework at year-end.

A revised draft Assurance Framework is attached as Annexe A for the consideration of LEP Board Members. All amendments are highlighted in tracked changes and summarised as follows:

### Part A

1.5: Updated to include link to Solent LEP Delivery Plan (page 12).

2.1: Governance structure updated to switch Solent Growth Forum and Leaders' Forum, recognising that Local Authority Partners have taken ownership of the Leaders' Forum and the LEP is required to reconstitute the Solent Growth Forum to strengthen its overview and scrutiny role (page 13).

2.3: Updated to reflect new LEP Membership and provide a link to the Equality and Diversity Policy (page 13/14).

2.4: Updated to reflect new LEP Board membership (page 14/15).

2.4: Updated to include requirement for the LEP Chair to "ordinarily" be independent upon appointment. This amendment will provide the LEP Board and its Business Members with additional flexibility in relation to the consideration of potential applicants' eligibility. In the event a candidate is not independent upon appointment, the LEP Board will be required to provide an explanation in relation to this as part of the Annual Report in line with the principles of the UK Corporate Governance Code (Page 15).

2.5: Updated to reflect Chair appointment process agreed by Board and enshrined in Articles of Association at AGM and publication of role description for the LEP Chair (Page 16).

2.5: Updated to reflect appointment of Deputy Chair (Page 16).

2.8: Updated to reflect latest position in relation to Leaders' Forum and PUSH Membership (Page 17).

## Part B

1.1: Updated to reflect new P Membership (page 21).

1.2: Updated to reflect latest position in relation to P Membership and PUSH Membership (Page 21).

## Part C

1.1 Updated to include specific time commitment relating to meeting paper publication (page 23).

1.3: Updated to reflect change from Assurance Champion to Governance Champion (page 24).

## Part D

1.3: Updated to reflect latest position in relation to P Membership and PUSH Membership (Page 27).

### **Board Members are asked to:**

- **Consider** and **Agree** the Interim Update to the LEP Assurance Framework for publication.

At the last Board meeting, Board Members requested a copy of the SWOT analysis developed for SERCOM in relation to the consideration of remuneration for future LEP Chairs. A copy of this is attached in Annexe B.

### **Board Members are asked to:**

- **Consider** the SWOT analysis and **Provide Advice** to the Executive in relation to remuneration for the LEP Chair.

Subject to Board agreement in relation to the updated Assurance Framework and, specifically, the amendment to Part a Section 2.4, and any further advice to be provided in relation to remuneration, a draft recruitment pack has been developed to support the recruitment of a new LEP Chair. A copy of this is attached in Annexe C.

### **Board Members are asked to:**

- **Consider** and **Agree** the draft recruitment pack for the new LEP Chair.

## **2. Succession Planning for FPPMG and SERCOM**

As previously notified to Board Directors, Stuart Hill is now classified as a "Recommended person" for the purposes of our Articles of Association. Accordingly, Stuart will remain on the Board and his Panel roles on FPPMG and SERCOM in order to facilitate a smooth transition to new arrangements ahead of his retirement at the next AGM.

In relation to the role as Chair of FPPMG and Delivery Champion, SJ Hunt has offered to take on this role and will be working with the Executive and Stuart with a view to facilitating a hand-over to the role.

In relation to the Business Director position on FPPMG which will be vacated following the departure of Stuart from the Board, David Youngs has offered to join the Group. David has already attended a number of FPPMG meetings as an ex-officio and nominated representative in the absence of other FPPMG members, and it is envisaged that this will continue for the November FPPMG meeting in order to ensure a smooth transition to joining FPPMG as a full Member.

In relation to the additional Business Director position on SERCOM, which was agreed at the previous board meeting, Paula Swain has offered to join the Group.

**Board Members are asked to:**

- **Agree** the appointment of SJ Hunt to the role of FPPMG Chair and Delivery Champion, to take effect following Stuart Hill's resignation from the Board.
- **Agree** the appointment of David Youngs as a Member of FPPMG, to take effect following Stuart Hill's resignation from the Board.
- **Agree** the appointment of Paula Swain as a Member of SERCOM, with immediate effect.

**3. Non-Executive Recruitment Update**

**Solent LEP Business Director**

The application window opened on 12 August 2019 and closed on 20 September 2019.

26 new Business Member applications and six applications for the role of a LEP Business Director have been received.

In line with the published process, SERCOM met to consider all applications against the eligibility criteria on Monday 30 September and all applicants will be notified of the outcome of eligibility checks by Friday 4 October. The deadline for return of new subscriptions for Membership documentation will pass on Friday 18 October ahead of opening the election for a new Business Director candidate on 21 October. A verbal update on the current status of this process will be provided at the Board meeting.

**Solent LEP Public Sector Director**

Following the resignation of Keith Mans from the Board, the Public Sector (P) Directors of the Solent LEP have called a meeting of the Public Sector (P) Members of the Solent LEP. This meeting is scheduled to take place on 2 October and, in the event that the P Members agree a new appointment to the LEP Board at this meeting, the new Director will be in post in time to attend the Solent LEP Board meeting. A further update will be circulated electronically ahead of the meeting following the P Member meeting on 2 October to provide an update.

**Solent LEP Higher Education Director**

Graham Baldwin will be leaving the LEP Board at the end of September. In anticipation of this, Graham has liaised with colleagues at the University of Portsmouth and University of Southampton and Graham Galbraith, Vice Chancellor of Portsmouth University has been appointed to the LEP Board as the new H Director.

**Skills Advisory Panel**

In line with HM Government guidance, the Solent LEP is recruiting the membership of the new Skills Advisory Panel (SAP) with a view to establishing the SAP during October 2019.

Direct correspondence has been issued to relevant organisations with a view to securing agreed nominations to the following positions:

- Two Local Authorities representatives;
- One Further Education representative;
- One Higher Education representative;
- One Employment Specialist - DWP / JCP.

The Solent LEP is running an open recruitment process for the remaining roles and the outcome of the shortlisting process is due to conclude by 4 October 2019. This includes the following roles:

- The Deputy Chair to be recruited externally from the private sector;
- Six other private sector members, with a range of large and small employers and representative of the Solent's key sectors of marine and maritime, visitor economy, high technology manufacturing, including aerospace, transportation and logistics, construction and digital and creative;
- One Private Training Provider representative;
- One Community and Voluntary sector representative;
- One pre-16 representative.

A verbal update on the current status of this process will be provided at the meeting.

**Board Members are asked to:**

- **Note** the update in relation to Non-Executive Recruitment

#### **4. Annual Performance Review update**

Following the publication of *Strengthened Local Enterprise Partnerships (the Review)*, Cities and Local Growth Unit (CLGU) are introducing a Mid-Year Review session with each LEP. As outlined in the Review, the aim is to enhance the existing annual assurance process. This is an officer-led process (ahead of the year end Annual Performance Review) and the meeting took place in September.

The Mid- Year review provided an opportunity to:

- a) Reflect on progress from the Annual Performance Review meeting from 2018-19;
- b) Discuss progress on the Solent LEP Delivery Plan for 2019/20;
- c) Allow for a timelier discussion on delivery data from the preceding year;
- d) Showcase the progress to-date on delivery of our strategic economic objectives and programmes;
- e) Reflect on the LEP's current position and highlight to Government any barriers we are encountering, and;
- f) Look forward to the major milestones, projects and challenges expected in 2020-21.

It covered the themes of governance, delivery and strategic impact.as follows;

- **Governance** included a discussion on the Solent LEP Review implementation plan.
- **Delivery** included discussion on 2018-19 LGF delivery data focusing on LGF spend and forecast for the programme for 2019/20 and 2020/21.
- **Strategic impact** looked at progress on our Strategy (LIS) development and implementation as well as the stakeholder engagement undertaken to date.

An update on the outcome of the mid-year review together with a briefing on the preparation for the year end annual review will be provided at the board meeting.

**Board Members are asked to:**

- **Note** this update

#### **5. LEP Network**

The LEP Network Chairs' Strategy Group met on 10 September 2019 to consider new Terms of Reference for the LEP Network, designed to strengthen the network and its executive capacity in order that LEPs have a credible and stronger interface with Government and also to ensure that the voice of the business is truly represented in Whitehall. In addition, the LEP Network have appointed a new Chief Executive and, when in post, a review of the LEP Network Articles of Association will be undertaken. The Solent LEP Chair has offered to support this review. Rachael Randall attended the meeting on behalf of the Solent LEP and will provide a verbal update at the meeting.

**Board Members are asked to:**

- **Note** this update

**6. Equality Impact Assessment**

This is provided at Annexe D and there are no negative impacts on the groups identified in the EIA

**7. Legal Implications**

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

**8. S151 Officer of Finance Costs**

The costs of the recruitment of the succession planning for LEP Chair can be funded from within the operational cost budget.

**9. Further Advice**

Board Members should note that the information provided represents the latest available update at the time of drafting. An update will be provided at the meeting on any additional or updated information received in advance of the LEP Board meeting.

## **ANNEXE A**

### **Interim update to the LEP Assurance Framework**

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

**ANNEXE B**

**SWOT Analysis**

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

## **ANNEXE C**

### **Draft recruitment pack for the LEP Chair role**

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

## **ANNEXE D**

### **Equality Impact Assessment for LEP Chair role**

# 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:**

**Service, function:**

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

**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 Governance update requires decision making in relation to three key areas:

- An interim update to the Solent LEP Assurance Framework
- Recruitment of a new LEP Chair
- Succession Planning for a range of Sub-panels

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

### Interim update to the Solent LEP Assurance Framework

The update provides a range of changes to ensure that the document reflects the current position and requirements in relation to the National Assurance Framework. This includes embedding the LEPs recently published Equality and Diversity Policy within the Assurance Framework.

### Recruitment of a new LEP Chair

The draft recruitment pack has been prepared to ensure the process is open to all Solent Business Leaders on an inclusive basis and does not discriminate against potential applicants from any sector, business size, location or protected characteristics. In addition, the Board are asked to consider remuneration in relation to the role which will ensure those that may not be able to afford to commit to the position on an unpaid basis can apply; including recently retired business leaders and potentially those from smaller organisations. The proposal in relation to remuneration also seeks to ensure that whether or not a candidate is seeking remuneration for the position is not a factor in the appointment process.

### Succession Planning

The proposals include a range of Board appointments to LEP sub-groups which will improve diversity of these groups at sub-board level and is in keeping with the requirements of the National Local Growth Assurance Framework to "ensure representation at Board and Sub-Board level which is reflective of their local business community (including geographies, gender and protected characteristics)". This includes increasing SME representation on the LEPs Funding, Finance and Performance Management Group, and increasing the number of women of the LEPs Search, Employment and Remuneration Committee.

## 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 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 Tel: [REDACTED] or email: [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**

No proposals have the potential to result in a detrimental impact on any specific equality group and have the potential to impact positively on a range of groups (such as increasing SME and female representation).

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

[REDACTED]

This EIA has been approved by:

[REDACTED]

**Contact number:**

**Date:**

27/9/2019

**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.

Telephone: , Email:

**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 . Email:

**14.10.2019**

**Item 7**

**Strategy Update**

**Item Number:** 7  
**Title:** Solent Strategy Update  
**Date:** 14 October 2019  
**Purpose:** For Decision

---

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 2050 Strategy; and
- **Note** the progress update document, provided at annexe A.
- **Note** the update provided in this report on the work underway to provide BREXIT readiness support to Solent businesses; and
- **Consider** the feedback from the Solent Leaders meeting.

### 2. Overview

This report updates the Board on work that is underway to develop a new 2050 Strategy for the Solent. In addition, an update is provided on work underway in relation to BREXIT business readiness activity and the board will receive feedback from P Directors following the Solent Leaders meeting which is being held on 2 October 2019.

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

### 3. Progress update

Further to the report to the Board at the May 2019 meeting and the briefing in July 2019, work has continued on developing a new economic strategy for the Solent LEP area, as follows:

#### a. Consultation and Stakeholder engagement

Solent LEP have planned, completed and participated in a number of consultation events. This engagement with local stakeholders has enabled the LEP to draw upon local intelligence to develop a distinctive vision. The breadth of the consultation is as seen below:

- Two Solent Leaders Forum Meetings where all Solent Local Authorities have been represented
- Solent LEP AGM
- Solent LEP Annual Conference
- Four area workshops (Isle of Wight, Southampton, New Forest, and Portsmouth)
- Disruption workshop
- Coastal Renaissance workshop

- Meetings with 12 Solent MPs
- Transport and Future Mobility Workshop
- Visitor Economy workshop
- FE and Sixth Form Workshop
- University Students Session
- HE Vice Chancellor Briefing
- Two PUSH Chief Executives Meetings
- Three Solent Regenerations Leads meetings
- Three Disruption workshops with schools
- Community and Voluntary Sectors Workshop

In addition, we have held a number of dedicated dialogues including: Creative Network South, Hampshire Chamber of Commerce, Carnival UK, New Forest Business Partnership, Green Halo Partnership, Southampton Connect, Business South Infrastructure & Transport, Business South Regeneration South, and Southern Policy Centre. Through this work to date we have engaged with over 1, 500 people, over 500 businesses, academia, all Local Authorities and 13 MPs from the area. We have also leveraged off our membership of Maritime UK to convene a meeting of LEPs and Maritime Cluster and business representative organisations to discuss the role of the Maritime sector in emerging economic strategies with BEIS, enabling the LEP to show national leadership in collaboration across boundaries.

A summary of the consultation sessions can be viewed at <https://solentlep.org.uk/media/2693/lis-consultation-combined-session-summaries.pdf>

These engagements have opened the floor for collaborative exploration of the views and visions of local stakeholders, and this, together with the development of the evidence base, should ensure the emerging strategy is both inclusive and also predicated on a robust evidence base.

#### **b. The Independent Prosperity Review Panel**

Since the last Board meeting, the Independent Prosperity Review Panel has convened again to give an external view on the evidence base developed. The first meeting took place in June 2019 and the second was held on 18 September 2019. At the first meeting, the Panel were presented with the findings from the initial review of the evidence base as well as the key areas that have emerged from the consultation work. At the second meeting, the panel considered an updated evidence base, including a bespoke analysis of the Solent's Creative Sector, some initial economic modelling to consider the impact of future policy interventions across the Solent and the presence of a Solent growth multiplier. The panel also requested that a bespoke analysis of the visitor economy be undertaken and they considered the emerging strategic framework.

A further update on their work will be provided at the meeting and, in the interim, further information on the panel can be viewed at <https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/solent-prosperity-review-panel/panel-members/>

#### **c. Progress Statement and publication of the evidence base**

Since the last board meeting, a progress statement has been completed and is attached as Annexe A. In addition, following the first meeting of the Prosperity Review Panel, a report on the independent evidence base has been published and can be viewed at <https://solentlep.org.uk/media/2743/solent-lis-emerging-evidence-base-for-prosperity-panel-review-120719-004.pdf>

This includes a stock-take of the region's economic performance to date and it has helped shed light on the foundations of productivity in the Solent economy. This analysis has covered six key areas:

- Economic output
- Demographics and the labour market
- Productivity and wages

- Connectivity and commuting patterns
- Innovation activity
- Trade in goods and services

In addition to the detailed data analysis, there is a review of the wider policy landscape, which has included a particular focus on marine and maritime, clean growth and climate change and decarbonisation, a renaissance of coastal communities, natural capital, advanced manufacturing, the visitor economy, as well as emerging sectors. Resulting from initial findings, and as noted above, we are also undertaking a more detailed review of the Solent's creative sector and an update on this will be provided at the meeting, following the feedback provided by the independent Prosperity Review Panel at their September meeting.

The evidence base is, therefore, being updated to capture additional evidence requested by the Panel and the additional work on the creative sector, and this will be published later in the year.

As noted under item 8 of this agenda, the LEP has also commissioned CEBR, through Maritime UK, to provide an update to its 2017 analysis on the economic impact of the maritime sector in the Solent.

Finally, following the Board approval, we have published the updated Solent Economic Profile, and this is available at <https://solentlep.org.uk/media/2691/16346-solent-economic-profile-report-final-july-2019.pdf>

#### **4. The Policy landscape and next steps**

Local Industrial Strategies were positioned to be long-term, grounded in the specific place-based drivers of economic growth, based on clear evidence, and aligned to the [UK Industrial Strategy](#). The new strategy should set out clearly defined priorities for how cities, towns and rural areas in the Solent will maximise their contribution to local and UK productivity. The new strategy will also enable the Solent to make the most of its distinctive strengths - focusing in on those that are significant internationally, and where the Solent has a competitive and comparative advantage over other local economies. The intention is that the strategy will better co-ordinate economic policy at the local level and ensure greater collaboration across boundaries, and will help to inform local choices, prioritise local action and, where appropriate, help to inform decisions at the national level. The strategy will also provide a strategic overview, which will inform the Solent LEP approach to any future local growth funding deployed by us.

The ambition is that the Solent strategy will enable the area to:

- increase productivity and realise our growth potential: building on well-evidenced and distinctive strengths aligned with the UK Economic policy and strategy; and
- set out the spatial impacts of national and local policy across our cities, towns and rural areas in the Solent: informing priorities and choices and demonstrating how they will allow all communities in the Solent to contribute to, and benefit from, economic prosperity.

We have shared our work to date with senior government officials and initial feedback is very positive. On this basis, the board will be asked to consider a first draft of the new strategy. It is, however, recognised that, since the publication of the UK Industrial Strategy, a new Government is in place, and, whilst the ambitions around raising productivity levels and place-based strengths remain, the work is being developed in a dynamic policy landscape, and as such the Solent Strategy is being developed in such a way that it can pivot to align with any policy changes.

#### **5. Solent Leaders meeting 2 October 2019**

The Solent Leaders forum are meeting on 2 October and will be discussing the development of the Solent 2050 strategy during the meeting, as well as considering the future economic ambitions for the Solent. Feedback from this meeting will inform the ongoing development of the strategy and an update will be provided to board members at the board meeting.

#### **6. BREXIT Business Readiness**

Board members are aware of the need to ensure that businesses (particularly SMEs) understand what they need to do to be prepared for EU Exit. With the ongoing support of our Solent LEP Growth Hub, our aim is to do as much

as possible to support businesses through and beyond EU exit.

In early September, HMG confirmed a significant ramping up of the national business readiness programme. As this is part of a wider business readiness programme, resources are being made available to support the creation of the South Central business support cluster to help shape and roll out the EU exit Brexit Readiness programme and ramp up collection of business intelligence. Solent LEP is in the South Central cluster along with Enterprise M3, Coast 2 Capital and Thames Valley Berkshire LEPs. The intention is a more strategically focused network through which government can engage the business community as part of the business readiness support being provided. We are rolling out a business readiness programme, including a series of events across the Solent starting on 30 September 2019.

Alongside this, the Cities and Local Growth Unit (CLGU) have commissioned LEPs and their Growth Hubs, working in partnership with the South Central Growth Hub Cluster, to gather information around the actual and potential impacts of EU Exit and we are reporting weekly on this, commencing 26 September 2019.

A further update on this work will be provided at the meeting.

## **7. Equality Impact Assessment**

An EIA is not required at this stage. Any considerations contained within the new strategy 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.

## **8. Legal Implications**

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

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

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

## **10. Further Advice**

Board Members should note that the information provided represents the latest available update at the time of drafting. An update will be provided at the meeting on any additional or updated information received in advance of the LEP Board meeting.

## **ANNEXE A**

### **Solent 2050 Strategy progress update**

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

**14.10.2019**

**Item 8**

**Maritime UK Solent Update**

## Item 8

**Title:** Maritime UK Solent update  
**Date:** 14 October 2019  
**Purpose:** For Note and Decision

---

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:

- **Consider** and **Agree** the draft report by CEBR on the economic contribution of the maritime sector in the Solent for publication; and
- **Note** the update in relation to Maritime UK Solent

### 2. Overview

This paper provides an update on two areas of work the LEP has been progressing in partnership with, and as a Board member of, Maritime UK:

- Consideration of the draft report by CEBR on the economic contribution of the maritime sector in the Solent (Annexe A); and
- Progress towards establishing Maritime UK Solent

### 3. Draft report by CEBR on the economic contribution of the maritime sector in the Solent

In 2017, Maritime UK commissioned the Centre for Economics and Business Research (CEBR) to develop a suite of reports to evidence the economic contribution of the Maritime sector to the UK economy. As a member of Maritime UK, the LEP was able to include within this commission a bespoke report to assess the economic contribution of the maritime sector in the Solent. That report is published [here](#).

In order to maintain an up to date evidence base and support ongoing work to inform a Maritime Sector Deal, Maritime UK has again commissioned CEBR to update their 2017 research with a suite of 10 reports assessing the contribution of the Maritime Sector, as a whole, at industry-level, and in four specific geographic areas: Scotland, Wales, Liverpool City Region, and the Solent. The draft report on the economic contribution of the maritime sector in the Solent is attached as Annexe A.

The report is timely, as it supports the evidence base for the development of a new economic strategy for the Solent and, in this regard, the report describes the Solent as having a *specialised economy* in maritime, which is important, given the need to evidence distinctive and relative place-based economic strengths of local economies.

The report evidences the important role that the Solent maritime sector plays in facilitating UK trade with the rest of the world, and, recognising the role in facilitating this trade of our two key ports, the report has been shared with the Port of Southampton and Portsmouth International Port respectively and an update on this will be provided at the Board meeting. The new report now recognises the important role of the ExxonMobil petro-chemical facility, a major UK asset, which itself is located where it is because of its reliance of crude oil imports by sea.

The report is timely as it supports work the LEP is taking forward to establish Maritime UK Solent (see section 4 below) and will help to inform and underpin funding proposals that the LEP is working on with partners in academia and industry.

Whilst the full report is provided in annexe A, the report assesses that the Solent maritime sector generates £5.8bn GVA (up from £5.5bn in the 2017 report) and provides 152,000 jobs (up from 120,000 in the 2017 report), and that the sector is set to grow at a faster rate than experienced in the wider UK.

The Board are asked to:

- **Consider** and **Agree** the report for publication.

#### 4. Maritime UK Solent

The Executive has continued to progress work to establish Maritime UK Solent to better convene and promote the Solent maritime cluster. Maritime Solent is the first cluster that Maritime UK is working with to strengthen the role of the UK's maritime clusters, and aims to:

- Champion and position the Solent as a globally significant maritime cluster;
- Convene the sector through improved knowledge, understanding and reach;
- Provide regular themed networking events, led by the sector;
- Provide advice on marine and maritime matters in the Solent;
- Develop international links through representation at targeted maritime events and trade missions; and
- Provide a direct route for the sector (via the LEP) to Maritime UK, and through Maritime UK, to government.

Maritime UK Solent was initially introduced by Kevin George in July at the Department for Transport's launch of their 2019 Annual Maritime Report, which took place at the 1851 Trust in Portsmouth. More recently, Brian Johnson led a panel that included the Port Directors of both Portsmouth International Port and the Port of Southampton, and the Director of Southampton Marine and Maritime Institute, to promote the Solent Maritime Cluster as part of the Maritime UK / Department for International Trade Regional Spotlight Event on the opening day of London International Shipping Week. Finally, Maritime UK Solent was formally launched at the inaugural Maritime UK Awards, which took place on 19 of September, during Southampton International Boat Show, and the Executive is now working to invite membership and establish a shadow Board to drive the new entity forward, which is expected to be in place by the end of the calendar year.

#### 5. Equality Impact Assessment

An Equality Impact Assessment (EIA) is not required as this is a factual report that assesses the economic impact of an industrial sector of the economy.

#### 6. Legal Implications

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

**7. S151 Officer of Finance Comments**

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

**8. Further Advice**

Board Members should note that the information provided represents the latest available update at the time of drafting. An update will be provided at the meeting on any additional or updated information received in advance of the meeting.

## **ANNEXE A**

### **CEBR Draft report on the economic contribution of the Maritime sector in the Solent**

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

**14.10.2019**

**Item 9**

**LEP Board Forward Plan**

**Item:** 9  
**Title:** Any other business – LEP Board forward plan  
**Date:** 14 October 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 meeting the forward plan has been updated as follows:

**13 December 2019 (9.00 am to 12.00 pm)**

- Consideration of initial draft of the Solent Workforce Futures Strategy
- Update on Infrastructure Investment Plans for Havant and the New Forest
- Governance update to include;
  - review of LEP Assurance framework
  - Succession planning and preparation for 2020 AGM
  - Preparation for the APR (to include the mid-year review of the delivery plan for 2019/20)
- 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

**February 2020 date and venue to be advised**

- Consideration of final draft of the Solent Workforce Futures Strategy for publication
- Consideration of final draft Investment Plans for Havant and the New Forest for publication
- Governance update to include;
  - Agreement of LEP Assurance framework for 2020/21
  - Consideration and approval of Solent LEP Delivery plan for 2020/21
- Finance and funding report to include mid-year review of;
  - Local Growth Update for 2019/20 programme and agreement of draft capital programme for 2020/21
  - LGD Retained schemes and future pipeline
  - Final year forecast outturn position for 2019/20, Agreement of 2020/21 budget and financial forecasts to 2021/22

- Review of Risk registers
- Solent Prosperity Fund update

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

An EIA is 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 report to the Board. Any legal considerations arising out of the work streams pursuant to this 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 this report to the Board. All reports considered by the Board at future meetings will contain comments on any specific financial implications arising from the content within them.