

Solent Local Enterprise Partnership
Meeting of the Board to be held on Friday 17 January 2020
09:00 to 10:30

Item	Title	Time
1.	Welcome and Introduction	09:00 - 09:05
2.	Apologies for absence	09:05 - 09:15
3.	Minutes of meeting held on Friday 13 December 2019	
4.	Matters Arising and declarations of interest	
<u>Items for Discussion and Decision</u>		
5. a	Management of interest's update	09:15 – 09:25
5. b	Governance update to include; <ul style="list-style-type: none"> • Agreement of LEP Assurance framework 2020 • Agreement of 2019 Annual report • Succession planning and preparation for 2020 AGM • Preparation for the APR 2019/20 (to include the review of the delivery plan for 2019/20) 	09:25 – 10:00
6.	Solent Prosperity Fund update to include <ul style="list-style-type: none"> • Consideration of round 6 and 7 applications • QMRs for LGD Retained schemes 	10:00 – 10:25
<u>Items for Note</u>		
7.	Any other business <ul style="list-style-type: none"> • Forward Plan for agreement 	10:25 – 10:40

Please note the strategy day session will follow

17.01.2020

Item 3

**Draft notes of meeting held on Friday 13th December
2019**



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

Solent Local Enterprise Partnership Meeting of the Board of Directors

Held on Friday 13 December 2019 at 13:00 am at Cams Hall, Fareham

Present	In Attendance
Gary Jeffries (Chair)	Stuart Baker (LEP Executive)
Anne-Marie Mountifield	Steve Futter (LEP Executive)
Judith Grajewski	Kate Cloud (LEP Executive)
Seán Woodward	Nicola Twiddy (LEP Executive)
Dave Stewart	Caitlin Earey (LEP Executive)
Brian Johnson	Lloyd Clark - Portsmouth City Council (as the Accountable Body)
SJ Hunt	James Fitzgerald - Portsmouth City Council (as the Accountable Body)
Paula Swain	Sophie Mallon - Portsmouth City Council (as the Accountable Body)
Rachael Randall	Toni Wootton - BEIS Cities and Local Growth Unit (CLGU)
Nick Loader	
Stuart Hill (via conference call)	
	Guests
	John Beresford (Buckland Development Ltd) - Item 6 only
Apologies	Richard Jolley (Fareham Borough Council) - Item 6 only
Christopher Hammond	Liz Vesty (Southern Western Railway) - Item 7 only
Graham Galbraith	James Smith (Southern Western Railway) - Item 7 only
Chris Ward - Portsmouth City Council	Andrew Mundy (Southern Western Railway) - Item 7 only
Kevin George	David Wilson (Hampshire County Council) - Item 7 only
	Aldred Drummond (Fawley Waterside) - Item 7 only
Not Present	Atholl Noon (Markides Associates) - Item 7 only
David Youngs	Andy Rumfitt (AECOM) - Item 7 only
Gerald Vernon-Jackson	Stephanie Cesbron (AECOM) - Item 7 only

Item	ACTION
<p>1. Welcome and Introductions</p> <p>Gary Jeffries welcomed everyone to the meeting and the new Board Director, Nick Loader was welcomed.</p> <p>Stuart Hill was welcomed to the meeting via conference call.</p>	
<p>2. Apologies for Absence</p> <p>Apologies were received from Christopher Hammond, Kevin George and Graham Galbraith and, from the Accountable Body, Chris Ward.</p>	
<p>3. Notes of the meeting held on Wednesday 14 October 2019</p> <p>The minutes of the 14 October 2019 Board meeting were agreed and signed by the Chairman.</p>	

4. Matters Arising – notes of the meeting on 14 October 2019

Declarations of Interest

The following declarations of interests were recorded:

Seán Woodward

Item 6 -

M27 Junction 10

Stubbington Bypass

North Whiteley

Item 7 -

M27 Junction 10

A326 Junction Improvements

Two applications to the Solent Prosperity Fund round 7

Dave Stewart

Item 6 - Floating Bridge

Item 7 -

Innovation Wight

Island Line (Brading Loop)

Three applications to the Solent Prosperity Fund round 7

Brian Johnson

Item 6 - National Marine Autonomy Centre (for noting only)

Anne-Marie Mountfield

Item 6 - National Marine Autonomy Centre (for noting only)

Stuart Baker

Item 6 - for noting only

M27 Junction 10

Stubbington Bypass

Item 7 - for noting only

M27 Junction 10

A326 Junction Improvements

Judith Grajewski

Item 6 -

M27 Junction 10

Stubbington Bypass

Item 7 -

M27 Junction 10

A326 Junction Improvements

<p>One application to the Solent Prosperity Fund round 7</p> <p><u>Kevin George</u> Item 6 - Floating Bridge (for noting only)</p> <p><u>Paula Swain</u> Item 6 and item 7 M27 Junction 10</p> <p><u>Rachael Randall</u> Item 6 - Floating Bridge (for noting only)</p> <p><u>Chris Ward</u> Item 6 - Floating Bridge</p> <p>Item 7 - Island Line (Brading Loop) Ryde Nicholson Road Nine applications to the Solent Prosperity Fund round 7</p> <p><u>Gerald Vernon-Jackson</u> Item 7 - Five applications to the Solent Prosperity Fund round 7</p> <p><u>Nick Loader</u> Item 7 - Port of Southampton Shore Power Initiative (for noting only)</p> <p>Dave Stewart joined the meeting.</p> <p>Matters Arising <u>Funding Variation - Centenary Quay</u> It was noted the funding variation for Centenary Quay Scheme was being drafted by the legal team and it was expected to be issued in the new year.</p> <p>Governance Update <u>Recruitment Update</u> An update was provided that the recruitment for the B Director position was completed as Nick Loader had joined the Board, and Jo Sawford would be joining the Board at the next Annual General Meeting (AGM).</p> <p><u>Succession Planning for Solent LEP Chair</u> Members reviewed the position in relation to remuneration for the Solent LEP Chair again ahead of launching the recruitment campaign in early 2020. It was proposed and Agreed that the Board would consider a written resolution on the matter before the next board meeting on 17 January 2020</p> <p>Strategy Update <u>Freeports</u></p>	<p>LEP Executive and LEP Accountable Body</p> <p>LEP Board</p>
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<p>Members received a verbal report following two meetings with local stakeholders to discuss Freeports, and the Board Endorsed this piece of work.</p> <p><u>Solent 2050 Strategy</u> It was noted a further work had been undertaken by PwC and a final draft would be circulated to Members ahead of the strategy session on 17 January 2020.</p> <p><u>Maritime UK Solent Update</u> The first meeting of the Shadow Board took place on 14 November 2019, with the second one scheduled for 22 January 2020. Anne-Marie Mountfield and Kevin George from the Board had also attended the UK- US Maritime Forum in Washington DC and board members received an updated on this and future plans for the forum in 2020 and 2021.</p>	<p>LEP Executive</p>
<p>5. Any other Business</p> <p><u>Forward Plan</u> Board members Considered and Agreed the forward plan.</p> <p><u>Annual Performance Review Update</u> The Annual Performance Review and its annexes were Considered and Agreed. Authority was Delegated to the LEP Executive and Accountable Body to finalise the report for submission on 16 December 2019.</p>	<p>LEP Executive and Accountable Body</p>
<p>6. Finance and Funding Update</p> <p>The paper was taken as read, with the main points highlighted. Members were guided through several scenarios to spend funding under the Local Growth Deal (LGD) by 31 March 2021 considering what funding was already committed; risks of projects achieving their spend prior to the deadline and projects in the pipeline.</p> <p>John Beresford (Buckland Development Limited) and Richard Jolley (Fareham Borough Council) joined the meeting to provide an update on the Welborne development and the board considered a written update from Hampshire County Council on the M27 Junction 10 project.</p> <p>John Beresford and Richard Jolley left the meeting.</p> <p>The revised Budget for 2019/20 of £41,999,431 as set out in Appendix A, and the revised Budget for the period 2020/21 to 2021/22 as set out in Appendix B were Approved by the LEP Board which included the following:</p> <ul style="list-style-type: none"> • The current position of the Growing Places Fund as summarised in Appendix D; • The latest position of the LGD 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 within the report. 	

	<p>The Board:</p> <ul style="list-style-type: none"> • Considered and Agreed the Corporate and Strategic Risk Register attached at Appendix C. • Considered the high level Risk Matrix for the Local Growth Programme attached at Appendix F and Delegated its approval to the LEP Chief Executive and the Accountable Body's Section 151 Officer. • Noted the updated in relation to the LGD capital programme. • Noted the other project update reported by exception in Paragraph 8 of the report. • Noted the updates provided on the M27 J10 scheme and the Stubbington bypass scheme. • Considered and Agreed the Quarterly Monitoring Reports for the two retained schemes as attached at Appendix G. • Considered and Agreed the LGD Data Reporting dashboard for Quarter Two (July - September 2019) as submitted to HMG and attached at Appendix H. <p>Stuart Hill dialled out of the meeting.</p>	<p>LEP Executive and Accountable Body</p>
<p>7. Solent Prosperity Fund Update</p>	<p>Members received a general update on the projects invited to develop a full business case and it was Noted that Portsmouth City Council had written to formally withdraw their City Centre Road scheme from the programme.</p> <p>Members were provided with a high level summary on the number of applications received under rounds 6 and 7 of the Solent Prosperity Fund. The Board Noted the verbal update on the applications made through Round 7.</p> <p>The following board members then declared an interest in the item and withdrew from the meeting at this point:</p> <p>Judith Grajewski, Dave Stewart, Paula Swain and Sean Woodward.</p> <p>The Board Noted the update on the Innovation Wight proposal. As this was equity funding, it was proposed that this comes forward on the basis that any investment was provided from the Growing Places Fund (GPF) and this was Agreed. It was advised that an update on the project will come forward by March 2020 on this basis.</p> <p>The Board Considered the following presentations from applicants who have submitted a full business case for consideration under the Solent Prosperity Fund:</p> <p>South Western Railway representatives Liz Vesty, James Smith and Andrew Mundy joined the meeting. Members received a presentation on the Island Line (Brading Loop) project, and reviewed the independent expert due diligence report on the project. There was a short discussion then Liz Vesty, James Smith and Andrew Mundy left the meeting.</p> <p>A326 Project representatives, Aldred Drummond (Fawley Waterside), Atholl Noon (Markides Associates) and David Wilson (Hampshire County Council) joined the meeting. Members were presented with an update on the A326 project and reviewed the independent expert due diligence report for the project. There was a short discussion and David Wilson, Aldred Drummond and Atholl Noon left the meeting.</p>	

	<p>Board members:</p> <ul style="list-style-type: none"> • Noted and Considered the updates provided by project partners on the projects developing a Full Business Case; and • Considered the independent due diligence reports for the Island Line (Annexe B) and the A326 (Annexe C) projects, and Agreed the recommendations; and • Considered and Agreed the independent advice on prioritisation (Annexe D) provided by the LEP's independent expert consultants <p>Members then referred to the funding update in Item 6 where a number of scenarios for spending the Local Growth Deal funding through to 31 March 2021 were reviewed. On this basis the board:</p> <ul style="list-style-type: none"> • Agreed to support the A326 and Island Line projects and delegated authority to the LEP Executive and Accountable Body to take this forward (subject to consideration of the outcome of public consultation on each Full Business Case); and • Agreed a preferred option funding scenario for the Local Growth Fund and Delegated Authority to the executive and accountable body to undertake work to move this forward and it was Agreed that a further updates would be provided at the board meetings in January 2020 and March 2020 <p>SJ Hunt left the meeting.</p> <p>Members received a high level update on the Solent Prosperity Fund round 6 applications and considered a presentation from Andy Rumfitt and Stephanie Cesbron from AECOM.</p> <p>Board Members:</p> <ul style="list-style-type: none"> • Noted the update provided and Considered the interim independent due diligence report (Annexe E) and advice on prioritisation (Annexe F), along with the presentation at the meeting, on the round 6 applications; and • Agreed to finalise a position on which projects to invite to develop a Full Business Case in collaboration with the LEP, which will be formally approved at the January 2020 Board meeting alongside applications received through Round 7. • Noted the high level summary of large project and programme applications received through round 7 of the Solent Prosperity Fund (Annexe G) <p>Andy Rumfitt and Stephanie Cesbron left the meeting.</p>	
	<p>Date of next meeting</p> <p>The date of the next meeting was confirmed to 17 January 2020, where a Board and Strategy meeting would be taking place.</p>	

Meeting closed at 15:31

17.01.2020

Item 5a

Management of Interests Update

Item 5 a

Title: Management of Interests
Date: 17 January 2020
Purpose: For Board Consideration

1. Background

In the light of the LEP review in 2018, government guidance on transparency and best practice and the publication of the National Assurance Framework in January 2019 the LEP Board needs to continue to ensure that the approach taken by the LEP and board members to the management of conflict of interests remains robust and fit for purpose.

With this in mind, annually we will provide a summary, on the key requirements in relation to the management of interests, and make certain recommendations for the board's consideration.

2. Summary of key requirements in relation to the management of interests

Corporate

- *Statutory duty to avoid a potential conflict situation not authorised by the directors*

Section 175 of the Companies Act 2006 (available here: <http://www.legislation.gov.uk/ukpga/2006/46/section/175>) defines a duty for company directors to avoid situations in which they have, or could have, a direct or indirect interest that conflicts with, or might possibly conflict with, the interests of the company.

All directors that live and work in the Solent LEP region have some interests, both personal and professional, that could possibly conflict with the interests of the LEP at some point - for example if the LEP becomes involved in a project that will affect the property where they live, or a business they work for or a business that they compete with.

The duty to avoid potential conflict situations in Section 175 will not be infringed, if

- a) it is authorised by the directors; or
- b) it is not likely to give rise to an actual conflict in practice. This exception is based on an objective test.

Accordingly, unless the directors' existing interests fall within the exception in (b) above, the board should consider the potential conflict situations of each of its members and decide whether to approve them.

Since February 2019 approval of directors' interests for the purposes of section 175 has been given on a more express and formal basis to ensure that directors are not in breach of this statutory duty.

Due consideration therefore should be given by the board to the nature of the potential conflict situations each director has before deciding to approve them. In some cases, the board may consider that a director's interests are such that they cannot possibly retain those interests and feasibly remain as a director of the LEP board. However, in most cases, we would expect potential conflict situations to be

approved, because

- a) if the potential conflict situation is not approved, the only way for the director to avoid infringing the duty under section 175 may be for the director to resign, and the board will lose the benefit of that board member's contribution.
- b) approval of a potential conflict situation by the board is not a "whitewash" procedure. It is a statutory procedure that all companies are required to follow. If it were not followed, many directors would become ineligible to be directors, including all the P Directors. Furthermore, if a potential conflict of interest approved by the board becomes an actual conflict of interest in practice, that director will still have to declare the interest at the meeting where the conflicting matter is discussed and absent him or herself from the meeting in accordance with the requirements of the LEP's Articles of Association. The approval of the potential conflict situation simply allows the director to remain on the board for other business in matters where they are not conflicted.

- **Statutory duty to declare interests in transactions**

Section 177 requires a director to disclose any interest, direct or indirect, that he/she has in relation to a proposed transaction or arrangement with the company. Section 182 requires a director to declare the nature and extent of any direct or indirect interest that he/she has in any transaction or arrangement entered into by the company.

The LEP currently ensures that the statutory duties to declare interests in transactions under sections 177 and 182 are complied with by requiring directors to complete directors' interest forms which are updated prior to each board meeting.

It remains the duty of directors to declare their own interests in transactions entered into by the LEP. If a director breaches any of sections 175, 177 or 182 of the Companies Act, they are guilty of an offence.

- **Additional requirements under the Articles of Association of the LEP**

The Articles contain additional requirements if a director has a conflict of interest, depending on whether it is based on personal interests or a conflict based on competing duties in different roles. These requirements apply in addition to the duty to avoid conflict situations under Section 175 of the Companies Act.

Article 48.2 states that a director must absent himself or herself from any discussions of the directors in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the company and *any personal interest* (including but not limited to any personal financial interest).

Article 49 states that if a conflict of interests arises for a director because of a *duty of loyalty owed to another*, the unconflicted directors may authorise such a conflict of interests where the following conditions apply:

- the conflicted director is **absent** from the part of the meeting at which there is discussion of any arrangement or transaction affecting that other person;
- the conflicted director **does not vote** on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting; and
- the unconflicted directors consider **it is in the interests of the company to authorise** the conflict of interests in the circumstances applying.

Article 49 is likely to apply most often to councillors due to their different public offices. It can apply even if the conflict does not involve a direct or indirect benefit of any nature to the director or to a connected

person.

Article 48.2 makes clear that any potential conflict situation that becomes a personal conflict in practice, may only be authorised if the director absents him or herself from the meeting where the conflicting matter is discussed.

Article 49 makes clear that any potential conflict of duty that becomes an actual conflict in practice, may only be authorised if the three conditions listed in the bullet points above have been met.

HM Government guidance

In addition to the statutory regime, government has issued guidance that LEPs are required to comply with. The National LEP Governance and Transparency Best Practice Guidance (see - <https://www.gov.uk/government/publications/local-enterprise-partnership-governance-and-transparency-best-practice-guidance>) and the National Assurance framework (see - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf) require the Solent LEP to incorporate the following specific requirements into its conflicts of interest policy, and to implement this policy as follows:

- All board members must take personal responsibility for declaring their interests and avoiding perceptions of bias. This should be evidenced by producing and signing of a register of interests that is published on the Solent LEP's website.
- The Solent LEP should use a bespoke proforma for collection and publication of the conflict of interest information which ensures all categories of interest are systematically considered.
- The Categories of interest declared should include employment, directorships, significant shareholdings, land and property, related party transactions, membership of organisations, gifts and hospitality, sponsorships. Interests of household members should also be considered.
- Action in response to any declared interests applies to any involvement with the work of the LEP and is to be recorded.

The Best Practice Guidance also requires LEPs to consult the National Audit Office's (NAO) report into Conflicts of Interests. The NAO report provides a very clear definition of conflicts of interest and, for convenience, the relevant information is copied below (the full NAO report is available at: <https://www.nao.org.uk/wp-content/uploads/2015/01/Conflicts-of-interest.pdf>)

1.1 A conflict of interest is a set of circumstances that creates a risk that an individual's ability to apply judgement or act in one role is, or could be, impaired or influenced by a secondary interest. It can occur in any situation where an individual or organisation (private or government) can exploit a professional or official role for personal or other benefit. This definition is based on generally accepted standards.

1.2 Conflicts can exist if the circumstances create a risk that decisions may be influenced, regardless of whether the individual actually benefits. The perception of competing interests, impaired judgement or undue influence can also be a conflict of interest.

4. Resolution

Board Members are asked to;

- **Consider** this update; and in advance of the next Board meeting on 9 March 2020; and
- **Consider** the Registers of Interest of board members (which can be accessed in the following link <https://solentlep.org.uk/who-we-are/solent-lep-board/board-biographies/> ;and

At the Board meeting on 9 March 2020

- **Consider** the extent that any interests on the Register of Interests forms submitted by Directors give rise to situations in which those Directors have, or could have, a direct or indirect interest that conflicts with, or might possibly conflict with, the interests of the company (for the purposes of section 175 of the Companies Act 2006), and having considered whether authorisation of such possible conflicts is in the best interests of the company, to
- **Authorise** those potential conflict situations subject to the proviso that if any such possible conflict materialises as an actual conflict:
 - i. the conflicted director is **absent** from the part of the meeting at which there is discussion of any arrangement or transaction giving rise to the conflict;
 - ii. the conflicted director **does not vote** on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting.

5. Equality impact assessment

An EIA is not required at this stage. Any considerations contained within the management of interests 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.

6. Legal Implications

The LEP instructs Paris Smith to advise on constitutional matters. The recommendations contained within this report and the recommendations in terms of the constitutional requirements 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.

7. Financial comments from the S151 Officer of the Accountable Body

There are no financial implications arising from the content of this report.

17.01.2020

Item 5b

Governance Update

Item Number: 5 b
Item Title: Governance Update
Meeting Date: 17 January 2020
Purpose: For Information, Advice and Decision

Board members are asked to:

- **Agree** the new Assurance Framework in Annexe A for publication and implementation, and;
 - **Delegate authority** to the Executive to finalise all associated policy documents listed for publication and implementation, and;
 - **Agree** the agenda in Annexe B for the 2020 AGM, and;
 - **Agree** the Solent LEP 2019 Annual Report in Annexe C, and;
 - **Agree** to delegate the responsibilities of the LEP Chair to Brian Johnson, to take effect from the conclusion of the Solent LEP 2020 AGM and concluding upon appointment of a new Solent LEP Chair, and;
 - **Note** the update in relation to Board succession planning.
-

1. Solent LEP Assurance Framework

Following the interim review of the Assurance Framework which was agreed by the LEP Board at the October 2019 Board meeting, the Solent LEP executive team have completed the annual full review of the Assurance Framework. A track changed version of the Assurance Framework is included as Annex A.

There are a range of changes included throughout the document and major changes to highlight for the Board's attention are:

- **Foreword:** Updated to the new compliance statement agreed by the Board at the December 2019 meeting (which the LEP is required by HM Government to publish).
- **Introduction:** Updated to include Solent 2050 strategic narrative and 2019/20 projects
- **Part A 1.3, 1.4 and 1.5:** Updated to include Solent 2050 narrative
- **Part A 2.1:** Updated to include latest position regarding Maritime UK Solent
- **Part A 2.3:** Updated to include Rose Review and Expert in Residence Programme
- **Part A 2.4:** New section relating to Corporate Social Responsibility including three sustainability pledges as follows:
 - Ensuring marketing collateral is sustainable and plastic-free wherever possible, including utilising digital delegate packs to support LEP events;
 - Calculating and offsetting emissions for all international travel of LEP Board and staff members for LEP travel;
 - Prioritising the use of event and meeting venues that are easily accessible by public transport and have a commitment to reducing single-use plastic.
- **Part A 2.5:** Updated to reference reconstituted Solent Growth Forum
- **Part A 2.10:** Updated to reference new Skills Advisory Panel

In addition to the main document, Board Members will be aware that, in order to maintain a shorter, more accessible document, the Assurance Framework document contains a range of hyperlinks throughout which link to other important policy documents. The full review of the Assurance Framework has included a review of all associated policy documents and there are a range of recommended amendments and / or new changes which the Board should be aware of.

The following policy documents have been updated and these are highlighted alongside substantive changes as follows:

- Complaints, FOI, Enquiries Policy and Whistleblowing Policy
- LEP Board Terms of Reference
- BSIP Terms of Reference
- SERCOM Terms of Reference
- Careers Hub Terms of Reference
- Skills Advisory Panel Terms of Reference
- Advice note to scheme promoters
- Scheme of delegation for Executive
- Scheme of delegation for Board and Sub-Panels

All associated policy documents with tracked / highlighted amends are available in the reference material folder for the meeting and Board Members should note the following major amends:

- **Advice note to scheme promoters:** inclusion of bespoke information and corrective actions procedure in relation to smaller scale (under £100,000) projects
- **Scheme of delegation for Board and Sub-Panels:** inclusion of a new section to formalise the role of the Board and Panels in relation to management of contracts and non-compliance
- **Scheme of delegation for Executive:** substantive amends to format to ensure scheme of delegation is clearer and in line with new organisation structure of executive team.

Board Members should also note that the Protocol and Service Level agreement with Portsmouth City Council in their role as accountable body to the LEP is also under review. This work is being led by SERCOM and a revised version is expected to be agreed for publication in 2020.

Board members are asked to:

- **Agree** the new Assurance Framework in Annexe A for publication and implementation, and;
- **Delegate authority** to the Executive to finalise all associated policy documents listed for publication and implementation

2. Solent LEP AGM

The Solent LEP AGM has been scheduled. A draft agenda for the meeting is attached as Annexe B.

Board Members are asked to:

- **Agree** the agenda in Annexe B for the 2020 AGM

Item 3 of the AGM, will support the launch of the Solent LEP 2019 Annual Report. A copy of the Annual Report will be available as Annex C and is due to be circulated during week commencing 6 January 2020. This has been reviewed in draft form by FFPMG and feedback has been provided to help inform the development of the final draft. Advanced copies of the Annual Report will be made available to all Solent LEP Members at the AGM and subsequently published on the Solent LEP website following the meeting.

Board Members will be asked to:

- **Agree** the Solent LEP 2019 Annual Report in Annexe C.

3. Board Succession Planning

Board Members will be aware following the update from Gary Jeffries at the December 2019 Board meeting that Gary will be standing down from the Board and his role as Chair of the Solent LEP at the conclusion of the 2020 AGM. Recruitment of a new LEP Chair is due to commence shortly following conclusion of the current written resolution under consideration by LEP Board Members relating to remuneration. In the interim to completing this

process, there will be a short period of time when the Solent LEP will be without a Chair. Brian Johnson has been appointed as Deputy Chair and, in order to mitigate the impact of the transition to a new Chair, the Board are able to delegate the responsibilities of the LEP Chair (as set out in the role description for the LEP Chair, available here: <https://solentlep.org.uk/media/2824/lep-chair-role-description.pdf>) to the Deputy Chair. This will enable Brian to discharge the functions of the Chair on an interim basis as interim Chair of the LEP.

Board Members are asked to:

- **Agree** to delegate the responsibilities of the LEP Chair to Brian Johnson, to take effect from the conclusion of the Solent LEP 2020 AGM and concluding upon appointment of a new Solent LEP Chair.

Subject to the board considering and agreeing the delegation of responsibilities of the LEP Chair to Brian Johnson there may also be a requirement to also reflect that there could be a short period of time when the Solent LEP will be without a Deputy Chair. As a result, there may also be a requirement to consider and agree the delegation of responsibilities of the LEP Deputy Chair to another Board member as well.

Board Members will be aware that B Director Stuart Hill has already notified the LEP of his intention to retire at the 2020 AGM following nine years of service and the Board have approved his Recommended Person status on a time limited basis accordingly. Following the recent Business Director recruitment process, Jo Sawford of Airbus Defence and Space will join the Board with immediate effect following Stuarts retirement at the end of the AGM.

Board Members are asked to:

- **Note** the update in relation to Board succession planning.

4. Annual Performance Review

Further to the update at the December 2019 meeting and the submission of the annual performance preparation documents on 13 December 2019 work is underway for the meeting in February 2020. The Cities and Local Growth Unit are now conducting a pre-Annual Performance Review moderation exercise in order to make an initial objective assessment of LEP performance this will be based on an objective consideration of data submitted through the Quarter 2 data return, the preparation documents and the compliance checks. The outcome of this internal exercise will be used to frame the discussion at the meeting

Following the Annual Performance Review meeting, the Cities and Local Growth Unit will undertake a performance assessment. This will look at the performance of the LEP across each of the three themes and will be based on a holistic view of LEP performance. The review will highlight and capture areas of good practice and/or areas for further development. This will involve reviewing the information provided for the Annual Performance Review along with other sources including (but not limited to): Growth Deal data returns and LEP governance processes and policies.

The following table shows the indicative timetable for the whole process

Month	Action
November	Annual Performance Review Guidance Issued
22 November	Quarter 2 Local Growth Fund data return deadline
16 December	Annual Performance Review Preparation (Part A completed) LEP return Section 151/73 Assurance Statement and Governance Assurance Statement returns
December	Pre-Annual Performance Review moderation
6 January – 14 February	Annual Performance Review Meetings
21 February	Quarter 3 Local Growth Fund data return deadline
February - March	Cities and Local Growth Unit moderation
28 February	Section 151 Officer compliance letter to MHCLG Accounting Officer Publication of the LEP Chair/CEX Governance Statement
1 March	Annual Performance Review Preparation (Part B completed) LEP return
April	Outcome letters sent to LEPs from the Director
Late April	Completion of the Annual Performance Review process and LGF payments

5. Equality impact assessment

An EIA is not required at this stage. Any considerations contained within the management of interests 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.

6. Legal Implications

There are no specific legal implications arising from the LEP board agreeing the new Assurance Framework at Annex a - decisions as to implementation will be reviewed separately by legal as and when required.

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.

7. Financial comments from the S151 Officer of the Accountable Body

There are no specific financial implications arising from the content of this report.

Annexe A - Solent LEP Assurance Framework 2020

A confidential report will be considered at the meeting

Annexe B – Arrangements for Solent LEP AGM 2020

A confidential report will be considered at the meeting

Annexe C – Solent LEP Annual Report 2019

A confidential report will be considered at the meeting

17.01.2020

Item 6

Solent Prosperity Fund

Item Number: 6
Item Title: Solent Prosperity Fund Large Projects and Programmes Update
Meeting Date: 17th January 2020
Purpose: For Information, Advice and Decision

1. Introduction

This report updates Board members on:

- the due diligence of the large project and programme applications received through rounds 6 and 7 of the Solent Prosperity Fund and seeks a decision from the Board on which proposals to invite to develop a Full Business Case.

A confidential report summarising the independent expert due diligence recommendations is provided at annexe A and a summary of applications to round 6 and 7 is provided in Annexe B. This will be sent under restricted circulation, along with the independent expert due diligence recommendations in Annexe C.

2. Recommendations

2.1. Board Members are asked to:

- Note** the update provided in this report; and
- Consider** the independent due diligence report and advice on prioritisation at Annexe C, along with the presentation to be provided by the LEPs consultants at the meeting, on the round 6 and round 7 applications; and **Agree** a position on which projects to invite to develop a Full Business Case in collaboration with the LEP.
- Agree** to extend the deadline for projects to start on site to end August 2020.

3. Update on the applications received under Round 6 and Round 7 of the Solent Prosperity Fund Large Projects and Programmes Component.

Round 6 closed on 27th September 2019, and a high level summary of the seven large project applications is provided in Table 1. No programme applications were received.

Table 1 - 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 rd Party Contribution (£)
		Grant	Loan	Equity	Total Request	
Five Infrastructure One Innovation One Skills	£201.4	£29.7	-	-	£29.7	£171.7

An initial due diligence update was provided by the LEP's consultant at the December 2019 Board meeting, which included an initial view on prioritisation of those projects.

Round 7 closed on 29th November 2019, and a high level summary of the 11 large project applications is provided in Table 2. A further application, submitted on the project application template, but which would appear to be a programme, was also submitted, and the high level update in table 2, below, provides the aggregate position.

Table 2 - High Level Summary of SPF Large Projects and Programme applications received in Round 6 (Re-launch)

Number of Project / Programme Type	Total Cost (£m)	LEP Funding Request (£m)				3 rd Party Contribution (£)
		Grant	Loan	Equity	Total Request	
Three Skills Six Business Environment Two Infrastructure One Green Infrastructure	£173.6	£26.9	£4.0	£0.5	£31.4	£153.5*

**the sum of the LEP funding request and the 3rd party contribution results from an anomaly in one of the applications, which will be clarified through the due diligence process.*

Through round 6 and round 7 the LEP has received 19 applications with a total cost of £375 million, seeking LEP funding support of £61million (which represents 16.3% of the total cost). In summary, this includes grant requests totalling £56.6 million, loan funding of £4 million and an equity funding request of £0.5 million. An independent expert due diligence report, with advice on prioritisation of round 6 and round 7 proposals is provided at Annexe C.

4. Extension of Start of Project Start Deadline

Section 5.6 of the published technical guidance for the SPF states that *"The focus is on early commencement and delivery, with proposals that can commence on site by the end of June 2020 being preferred."* Accordingly, the due diligence of proposals has applied this as a core criteria of eligibility. Whilst deliverability remains more important than ever, with just 14 months left until the Local Growth Fund spend horizon of 31st March 2021, it is recognised that the timeline required to develop a Full Business Case, progress through due diligence, invite comments over a 12 week consultation period, and agree a funding agreement, may preclude a start on site in June 2020. Therefore, whilst it is recommended that the preference for June starts remains, to take account of the public consultation, the board are advised to agree that a deadline for start on site should be set as by end August 2020.

5. Equality impact assessment

An EIA has been prepared in relation to the Solent Prosperity Fund and this is provided at Annexe D, and it is considered that there are no negative impacts on groups identified in the EIA.

6. Legal implications

6.1. There are no direct legal implications specifically arising from the recommendations in this report in so far as they refer to agreeing a position on which projects will subsequently be invited to develop a Full Business Case in collaboration with the LEP.

6.2. In relation to the Full Business Cases referred to, LEP Board members are required to make decision(s) to support the finalisation of independent expert assessments. Thereafter, if the decision to invest is subsequently made, these will proceed to a contractual stage during which all legal aspects will be fully

considered and addressed and all financial implications will be made in conjunction with delegations from the PCC's.151 officer.

- 6.3. The LEP Board Members' requirements to make a decision in relation to the round 6 and 7 applications and the prioritisation of projects and programmes will also ultimately be managed in any grant funding agreement(s) in which financial and legal implications will be assessed on a case by case basis.

7. Financial comments from the S151 Officer of the Accountable Body

All the financial information and associated implications are reflected in the body of the report and appendices. As the deadline for the defrayal of the Local Growth Deal funding is only 14 months away it is as important as ever to ensure that all funds are spent with regularity and propriety, that they secure value for money for the public purse, and ultimately reduce the risk of having to return any funding to Government. It is therefore crucial that Board Members consider the status and readiness of the round 6 and 7 SPF Large Project applications to continue to ensure that there is a strong pipeline in place should any of the Local Growth Deal projects currently allocated funding do not come to fruition.

Annexe A – Solent Prosperity Fund update on round 6 and 7

A confidential report will be considered at the meeting

Annexe B – summary of round 6 and round 7 proposals

A confidential report will be considered at the meeting

Annexe C – Independent review of round 6 and round 7 proposals
A confidential report will be considered at the meeting

Equality Impact Assessment

Preliminary assessment form 2018

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

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

Directorate:

Solent LEP

Service, function:

Solent LEP

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

Solent Prosperity Fund - Large Project and Programme Component

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

- Existing
- New / proposed
- Changed

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

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

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

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

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

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

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

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

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

N/A

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

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

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

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

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

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

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

yes No

PCC staff-If you have to complete a full EIA please contact the Equalities and diversity team if you require help Tel: 023 9283 4789 or email: equalities@portsmouthcc.gov.uk

CCG staff-If you have to complete a full EIA please email: sehccg.equalityanddiveristy@nhs.net if you require help

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

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

Q8 - Who was involved in the EIA?

Stuart Baker

This EIA has been approved by: Richard Jones

Contact number:

023 9268 8676

Date:

16th December 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: 023 9283 4789, Email: equalities@portsmouthcc.gov.uk

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: sehccg.equalityanddiversity@nhs.net

17.01.2020

Item 6b

QMRs for LGD Retained Schemes

Item Number: 6b
Item Title: LGD Retained Projects QMRs
Meeting Date: 17th January 2020
Purpose: For Information, Advice and Decision

1. Introduction

This report seeks Board agreement to submit the 2019/20 third Quarterly Monitoring Report (QMR) to the Department for Transport (DfT) by 17th January 2020 for the following Local Growth Deal (LGF) projects that have Solent LEP Local Growth Deal funding retained by the Department for Transport:

- Stubbington Bypass
- M27 Junction 10 (Welborne)

2. Recommendations

2.1. Board Members are asked to:

- **Agree** the Q3 Quarterly Monitoring Reports for the Stubbington Bypass and M27 Junction 10 projects attached in Annexe A and B and **Delegate** authority for the Executive to submit both to the Department for Transport (DfT) by 17th January 2020.

3. 2019/20 Third Quarterly Monitoring Reports for M27 Junction 10 and Stubbington Bypass

Two Solent Local Growth Deal projects have funding retained by the Department for Transport (DfT). Schemes are generally classified as "Retained" where they:

- Are classed by DfT as a transport scheme;
- Are a single discrete scheme as opposed to a package of smaller schemes;
- Require competitive Growth Deal funding of over £10m; and
- Have a total cost of over £20m

Within the Solent Growth Deal portfolios, the Stubbington Bypass and M27 Junction 10 projects were both identified by DfT as "Retained". For such scheme, the LEP works with the scheme promoter (which is Hampshire County Council for both these schemes) to agree a Quarterly Monitoring Report (QMR) on a DfT

prescribed template, for submission. The deadline for submission of the third QMR to DfT has been set as 17th January 2020.

The QMR for Stubbington Bypass as referenced in Annexe A and the QMR for M27 Junction 10 as referenced as annexe B will be circulated to the board on 15th January 2020. At the board meeting members will be asked to consider each and agree them for submission to DfT.

4. Equality impact assessment

An EIA has been prepared in relation to the Solent Growth Deal capital programme and this is provided at Annexe C, and it is considered that there are no negative impacts on groups identified in the EIA.

5. Legal implications

There are no direct legal implications with regard to the submission of the latest QRM to the DFT in. Such a requirement is prescribed by the LGD framework and therefore a specific requirement in relation to the two *Retained Schemes* (see definition above) - (1) Stubbington bypass and (2) M27 Junction 10.

Any legal consideration arising out of ongoing support or forecast drawdown in relation to either scheme will be subsequently reviewed by legal in line with the relevant LGD framework terms and/or Grant Letter(s) as and when required.

6. Financial comments from the S151 Officer of the Accountable Body

The attached QMR's reflect the latest forecast drawdown requirement of the LGD funding retained by DfT for the reasons set out in paragraph 3 above. This forecast is included in the overall Solent LEP Budget that is considered by the FFPMG and Board at each meeting and the status of each scheme is also considered when modelling scenarios looking at the overall defrayal forecast to 31 March 2021.

17.01.2020

Item 7

LEP Board Forward Plan



**SOLENT
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ENTERPRISE
PARTNERSHIP**

Item: 7 a
Title: Any other business – LEP Board forward plan
Date: 17th January 2020
Purpose: For information and decision

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:

9 March 2020 - venue to be advised

- Consideration of initial draft of Skills Advisory Panel report on skills
- Consideration of initial draft Investment Plan for Havant and the initial New Forest natural capital assessment
- Governance update to include;
 - Consideration and approval of Solent LEP Delivery plan for 2020/21
 - Review of Register of Interest forms for Board Directors
- Finance and funding report to include year- end 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

22 May 2020

- Governance update to include;
 - Introduction from the new Board Chair
 - Feedback from Solent Leaders forum
 - Policy update
- Finance and funding report to include;
 - Local Growth Update for 2020/21 programme
 - LGD Retained schemes and future pipeline
 - In year budget position for 2020/21 and financial forecasts to 2021/22
 - Review of Risk registers
- Solent Prosperity Fund update to include final draft Investment Plan for Havant and the final New Forest natural capital assessment
- Solent 2050 Strategy progress review
- Update on Maritime UK and Maritime UK Solent

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.