



Department for
Business, Energy
& Industrial Strategy



Ministry of Housing,
Communities &
Local Government

Cities and Local Growth Unit

1st Floor, Fry Building, 2 Marsham Street,
London,
SW1P 4DP

15 April 2019

Anne-Marie Mountfield
Chief Executive
Solent LEP

By email: anne-marie.mountfield@solentlep.org.uk

Dear Anne-Marie,

Local Growth Fund 2019-20 payment

Following on from my letter of 11 March setting out the outcome of your Annual Performance Review, I am now writing to confirm the arrangements for Local Growth Fund (LGF) grant payments to be made in 2019-20 by the Ministry of Housing, Communities and Local Government ('MHCLG') to Portsmouth City Council ('the Council') as the Accountable Body for Solent LEP.

A LGF capital grant payment of £9,252,686 will be made to the Council on or around 30 April 2019. This letter confirms that, following the successful conclusion of the Annual Performance Review process, the LEP will receive its previously indicative 2019-20 allocation in full. A copy of the section 31 grant determination is attached to this letter, which includes the relevant grant conditions.

April 2019 Payments	Future Indicative
2019-20	2020-21
£9,252,686	£9,252,686

Funding Requirements

Use of all funding should be used to fulfil the following requirements:

1. To support the Growth Deal agreed between the Government and the LEP and will be used to secure the outcomes set out in the Growth Deal. Within that we expect you and your Accountable Body to use the freedom and flexibilities that you have to manage your capital budgets between programmes.

2. To be deployed in accordance with decisions made through the local assurance framework agreed between the LEP and the Accountable Body. This must be compliant with the standards outlined in the LEP National Assurance Framework.

3. We expect you to track progress against agreed core metrics and outcomes, in line with the national monitoring and evaluation framework. If you have not already conducted a mid-term evaluation of your Growth Deal programme could you please do post-haste and forward a copy to your Cities and Local Growth Unit Area Lead.

4. That the LEP and Accountable Body will communicate the on-going outcomes and outputs of their Growth Deals, following the branding guidance to ensure that local people understand how Government money is being spent.

Councils and Combined Authorities are reminded that, as accountable bodies for their LEPs, they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, state aid and public procurement law. Councils and Combined Authorities are reminded that any development decisions for specific proposals must go through the normal planning process and be guided by local plans, taking into account all material considerations. Councils and Combined Authorities will be subject to their normal internal and external audit controls.

The LEP and Accountable Body are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning LGF funding.

Skills Capital

As with all Growth Deals it is our expectation that you will fund the projects agreed with the Government at the time of the deal, in line with your proposal. Whilst we recognise there may be legitimate reasons not to proceed with some projects, it is particularly important, if this is the case, that awards originally for skills capital continue to be spent on new or extended skills projects.

All LEPs should follow the recommendations of their Post 16 area reviews when making future skills capital investment decisions, including supporting any capital requirements identified as part of the area review implementation. Where necessary, we would expect priority to be given to supporting the area reviews outcomes using the full scope of Local Growth funding to support the implementation of the area reviews.

Growth Hubs Funding 2019-20

In addition to the LGF grant detailed above, your LEP will also receive an allocation of £205,000 for 2019-2020 Growth Hub funding. This money will be managed via local authority accountable bodies and grants are issued under Section 11 of the Industrial Development Act, payable quarterly in advance. Funding will be subject to the terms and conditions detailed in the 2019-2020 Growth Hub grant offer letters issued by the Department for Business, Energy and Industrial Strategy (BEIS).

National Local Growth Assurance Framework

As you are aware, the new National Local Growth Assurance Framework has come into effect from 1 April 2019. As I set out, this has been a year of significant change for LEPs and the publication of your revised Local Assurance Frameworks marks a major milestone in formalising a lot of these changes. There is an expectation within Government that LEPs continue to adopt a continuous improvement approach to transparency and accountability, and I ask that you commit to working with us to continue to strengthen our approach. In some cases, this will involve us approaching you with an indication of where further improvements are required. The LEP Network will also continue to support you with the sharing of best practice and learning amongst LEPs on assurance and transparency. I must also remind you that future awards will remain subject to the outcome of future Annual Performance Reviews and compliance with the National Local Growth Assurance Framework.

Deep Dive

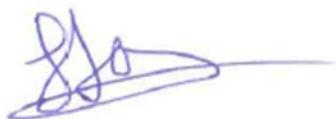
The Solent LEP deep dive, which took place on the 27th and 28th March 2019, assessed whether the LEP was operating as described in its Local Assurance Framework and whether it met the requirements of both the National Assurance Framework and the Mary Ney recommendations. I appreciate your time in participating in the deep dive process and trust that you have seen it as an opportunity for review and self-reflection on the processes and systems that the LEP and Accountable Body have in place. Now that we have concluded the deep dives for 2018-19 we will issue the draft report to you shortly.

LEP Core Funding

This year, you will be paid £500,000 LEP core funding for 2019-20. This is revenue funding and will be paid alongside 2019-20 Growth Deal funding on 30 April 2019. We will send you a separate communication on arrangements relating to the additional LEP capacity funding for 2019-20 in the new financial year.

I am copying this letter to the Section 151/73 officer for your Accountable Body and to your Cities and Local Growth Unit Area Lead.

Yours,



STEPHEN JONES

Director, Cities and Local Growth Unit