



**SOLENT
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**Solent Local Enterprise Partnership
Extraordinary Meeting of the Board to be held via video conference on
Friday 27 March 2020 from 1.30 pm to 2.30 pm**

Agenda Item	Title	Time
1.	Introduction, declarations of interest and video conference protocols	1.30 – 1.35
2.	Update on COVID-19 Economic Impact	1.35 – 1.45
3.	Update on Solent LEP Business Support Activity	1.45 – 2.05
4.	Finance, Local Growth Deal and Retained Schemes - to include consideration of risk management for capital programme and corporate services	2.05 – 2.25
5.	LEP Board Forward Plan - to include consideration of approach to future extraordinary COVID-19 meetings	2.25 – 2.30

27.03.2020

Item 2

Update on Covid-19 Economic Impact

Item: 2
Title: Update on COVID-19 Economic Impact
Date: 27 March 2020
Purpose: For information

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.

Solent businesses are facing challenges of unprecedented scale as they respond to the impact of the Coronavirus pandemic. For many, the ability to rise to meet these challenges will be existential and the potential economic impact on our economy cannot be underestimated.

At a macro-level, the FTSE, Dow Jones Industrial Average and the Nikkei have all seen huge falls since the outbreak began on 31 December 2019. In response, central banks in many countries, including the Bank of England, have cut interest rates.

The travel industry has been badly damaged, with airlines cutting flights and tourists cancelling business trips and holidays. Governments around the world have introduced travel restrictions to try to contain the virus.

As an international gateway economy, the impact of this is compounded in the Solent. The collapse of Flybe has already had a major impact on Southampton International Airport and its support services and supply chains in relation to job losses and the broader connectivity issues. This work, however, has been overtaken by COVID-19, so all negotiations have been put on hold, whilst the airport is now at real risk of not surviving without some form of financial support.

In the cruise industry, each cruise ship turnaround call at Southampton generates an estimated £2m for the city's economy. There is a possibility that over 400 cruise calls could be cancelled which would impact the Southampton economy by circa £1bn. Brittany Ferries operating from Portsmouth International Port have also cancelled France and Spain sailings. Sailings on seven routes in total have been cancelled and, although the cruise industry is not as large as Southampton, these cancellations will have a huge impact on the local Portsmouth economy too.

On 23 March the government, stepped up measures to prevent the spread of coronavirus and save lives. All businesses and premises specified by Government are now closed.

Takeaway and delivery services may remain open and operational in line with guidance and online retail is still open and encouraged and postal and delivery service will run as normal.

The most recent (23 March 2020) intelligence return from the LEP sets out the latest intelligence return to Government, based on feedback received by the Solent LEP as at 19 March 2020 and is included in Annexe A for the information of Board Members.

Board Members are asked to **Note** the latest intelligence return and impact of COVID-19 across the Solent economy.

Equality Impact Assessment (EIA)

Due to the extraordinary nature of the Board meeting, a verbal update will be given at the meeting.

Legal Implications

Due to the extraordinary nature of the Board meeting, a verbal update will be given at the meeting.

S151 Officer of Finance Comments

Due the extraordinary nature of the Board meeting, a verbal update will be given at the meeting.

Annexe A - Business Intelligence report

A confidential report will be considered at the meeting.

27.03.2020

Item 3

Update on Solent LEP Business Support Activity



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Item: 3
Title: Update on Solent LEP Business Support Activity
Date: 27 March 2020
Purpose: For information and Board advice

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

The Solent LEP is fully committed to helping our business communities in their efforts to meet the challenges presented by the COVID-19 pandemic head-on, and are putting in place a range of support for Solent businesses to access.

The Solent LEP Growth Hub remains open for business to provide a business support service to any business seeking assistance, and we have taken steps to ensure that the service will continue to operate throughout this challenging period. You can contact the team using the contact forms available on our [website](#), get in touch via email at enquiries@solentlep.org.uk or via phone on 02392 688055.

We have established a Coronavirus hub on our website ([available here](#)), to provide free, easy to access information for businesses on support available across the Solent area from a range of sources including HM Government, our Local Authority partners and the private sector.

We have established a Business Resilience Programme in partnership with BDO to help companies build their resilience through one-to-one support from a team of experts.

Alongside this support available now, we are working with partners across the area, including banks, local authorities and businesses to put in place a number of additional support mechanisms, including:

- Support to provide businesses with the infrastructure to continue business remotely;
- A free online diagnostic tool to review the current business position and identify tactics for building greater resilience;
- Online masterclasses and resources in relation to access to finance, developing e-commerce offers and actions to support responses in relation to COVID-19.

Further information on this support will be published shortly and businesses can register to receive updates as soon as they are available at: enquiries@solentlep.org.uk

Work has also continued on the development of business support funding for our SMEs and this will be updated at the meeting.

The latest intelligence return (included under Item 1 - Annexe A) includes up to date information in relation to the business support being put in place by the Solent LEP.

In addition to the general support being made available by the Solent LEP, the Board should also note specific activity in relation to MHI Vestas on the Isle of Wight, and maritime activity underway in partnership with Maritime UK and Maritime UK Solent. An update on each of these areas of work will be provided at the meeting.

Board Members are asked to:

- **Note** the work to date in relation to Business Support activity, and;
- **Provide advice** in relation to enhancing or supplementing the current programme of support activity.

Equality Impact Assessment (EIA)

Due the extraordinary nature of the Board meeting, a verbal update will be given at the meeting.

Legal Implications

Due the extraordinary nature of the Board meeting, a verbal update will be given at the meeting.

S151 Officer of Finance Comments

Due the extraordinary nature of the Board meeting, a verbal update will be given at the meeting.

27.03.2020

Item 4

Finance, Local Growth Deal and Retained Schemes

Item Number: 4
Item Title: Solent LEP Finance, Local Growth Deal and Retained Schemes
COVID-19 implications / risks
Meeting Date: 27 March 2020
Purpose: For Information, Advice and Decision

1. Introduction

- 1.1 This report provides the LEP Board with information on the immediate risks and financial implications in light of the impact of the Coronavirus within the Solent LEP area.
- 1.2 It sets out the risks to current projects, some potential responses to provide emergency support to businesses within the Solent LEP geography, proposed changes to the schemes of delegation to ensure a continuity of service, and delegations to enable the LEP Executive and Accountable Body to be able to react swiftly to support projects as necessary.

2. Recommendations

- 2.1 It is recommended that the Board:
- **Consider** and **Agree** the revised Corporate and Strategic Risk Register attached at appendix A.
 - **Consider** the high level Risk Matrix for the Local Growth Programme attached at appendix B and delegate its **Approval** to the LEP Chief Executive and the Accountable Body's section 151 officer.
 - **Consider** and **Agree** the revised schemes of delegation attached at appendices C1 and C2.
 - **Consider** and **Agree** the LGD funding scenarios presented at the meeting.
 - **Consider** and **Agree** that the LEP Executive and the Accountable Body in consultation with the Interim Chair may vary existing contracts to react to the implications of COVID-19 as appropriate and delegate the authority to do so to the LEP Chief Executive and the Accountable Body's section 151 officer.
 - **Consider** and **Agree** that the Quarterly Monitoring Reports for the two retained schemes can be signed off after consultation with the Interim Chair by the LEP Chief Executive and the s151 Officer of the Accountable Body.

3. Risk Register Updates

As the Board are aware the impact of the Coronavirus outbreak is unprecedented and has wide ranging implications on the economy of the Solent. Recognising this, the LEP Executive and Accountable Body have updated the existing risk registers to highlight the new and increased risks to both operational functions of the LEP and the impact on funding.

The Board are therefore requested to:

- **Consider** and **Agree** the updated Corporate and Strategic Risk Register attached at appendix A.
- **Consider** the high level Risk Matrix for the Local Growth Programme attached at appendix B and delegate its **Approval** to the LEP Chief Executive and the Accountable Body's section 151 officer.

4. Update to Schemes of Delegation

In response to the risk of the availability of staff to sign off payments to enable funds to be paid to schemes in delivery and any grant funding to support business, it is necessary to update the schemes of delegation to ensure there is sufficient capacity at LEP Senior Management level, particularly should the LEP Chief Executive not be available.

In order to address this it is recommended that the Chief Accounting Officer of Portsmouth City Council, or in the event of any conflict of interest, the Chief Accounting Officer of another Solent Local Authority, is the nominated deputy for the LEP Chief Executive in order to provide cover during any periods of absence or unavailability.

The Board are therefore asked to **Consider** and **Agree** the revised schemes of delegation attached at appendices C1 and C2.

5. **Revised Local Growth Deal (LGD) Funding Scenarios**

As the last meeting of the Board on 9 March a number of options were considered in terms of how best to allocate the remaining uncontracted Local Growth Deal funding. Taking into account the impact of the Coronavirus the Board are now asked to consider if there is a better way to prioritise the funding, in order that it can have an immediate impact on the economy of the Solent LEP and support more businesses in such unprecedented circumstances.

The impact of the Coronavirus should not and cannot be underestimated so, whilst the Board considered the existing pipeline of projects at its previous meeting at that point the Coronavirus was only an emerging issue, and now some two weeks later the Country is now a very different place.

The Government has brought in a range of measures with a view to containing the outbreak including advice on travel, social isolation and ongoing key information relating to the Coronavirus, recognising that we are now dealing with an economic emergency as well as a health emergency, which is creating interruption across businesses both large and small.

The board will be asked to consider this and the need to do whatever it takes in order to protect the Solent's businesses from the effects of this global economic emergency brought on by the Coronavirus pandemic. This will include asking the board to consider the status of the unallocated funding and whether it can and should be used to provide grant funding to businesses across the Solent at this time. Already, the Government has come forward with support for liquidity for large firms and a business interruption loan fund to help smaller firms manage their cash flows; however, the LGF would alongside this need to target businesses requiring capital investment.

With this in mind the Board will be asked to consider a number of scenarios presented at the meeting. As part of this consideration, an update on the business cases previously prioritised by the Board to submit full business cases, will be provided at the meeting.

6. **Contract Variations**

It may be necessary for the LEP Executive and the Accountable Body to react quickly to any projects that require a contract variation, in order to ensure that they can continue to deliver their project and pay their sub-contractors. Any decision will always be made based on need, the progress of the project and the protection of public funds.

At present all contract variations are approved either by the FFPMG or the LEP Board depending on the value of the contract; however, during these exceptional times the Board are asked to **Consider** and **Agree** that the LEP Executive and the Accountable Body, in consultation with the Interim Chair, may vary existing contracts to react to the implications of COVID-19 as appropriate, and delegate the authority to do so to the LEP Chief Executive and the Accountable Body's section 151 officer.

7. **Quarterly monitoring Returns (QMR's)**

The LEP are required to send in quarterly monitoring returns to DfT to report on the progress of projects funded by Local Growth Deal monies that are retained by the DfT. The LEP has two such projects: M27 Junction 10 and the construction of Stubbington Bypass. The next returns for quarter 4 of 2019/20 are due to be submitted by 17 April 2020. Normally these would be approved by either the FFPMG or the Board however, under the current circumstances, the

Board are asked to delegate the responsibility for the submission of these returns to the LEP Chief Executive and the s151 officer of the Accountable Body.

8. Equality impact assessment

Due to the extraordinary nature of the Board meeting, a verbal update will be given at the meeting itself.

9. Legal implications

Due to the extraordinary nature of the Board meeting, a verbal update will be given at the meeting itself.

10. 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. Should the LEP Board recommend an alternative use of funding the s151 Officer of the Accountable Body will liaise with Government accordingly to ensure that such a use of funding is permitted under the existing grant determination and if necessary seek to vary the relevant determination to allow this alternative use.

Annexe A - Corporate Risk register
A confidential report will be considered at the meeting

Annexe B – Local Growth Programme Risk Register
A confidential report will be considered at the meeting

**Annexe C.1 and C.2 - Schemes of delegation for the LEP Board and LEP Executive
A confidential report will be considered at the meeting.**

27.03.2020

Item 5

LEP Board Forward Plan



Item: 5
Title: Any other business – LEP Board forward plan
Date: 27 March 2020
Purpose: For information and decision

1. **Draft Resolution:**

The Board is asked to:

- **Consider and agree** the forward plan as set out below; and
- **Consider** and agree a fortnightly update COVID review meeting with effect from April 2020

2. **Summary**

At the previous Board meeting a forward plan was agreed. Since this time the ongoing situation relating to coronavirus is not only bringing health concerns, but is a cause for concern for many businesses across the Solent region.

On 17 March, the Chancellor announced further measures to significantly increase economic support to business. This includes unlimited loans and guarantees to support firms and help them manage cashflows through this period. The Chancellor will make available an initial £330 billion of guarantees – equivalent to 15% of UK GDP. Further measures announced on 17 March included:

- support for liquidity amongst large firms, with a major new scheme being launched by the Bank of England to help them bridge Coronavirus disruption to their cash flows through loans
- increasing the amount businesses can borrow through the Coronavirus Business Interruption Loan Scheme from £1.2 million to £5 million, and ensuring businesses can access the first 6 months of that finance interest free, as Government will cover the first 6 months of interest payments
- including new legal powers in the Covid Bill enabling the Government to offer whatever further financial support they think necessary to businesses

An overview of announcements of support for businesses impacted by coronavirus (COVID-19) are at the below link: <https://www.gov.uk/government/news/chancellor-announces-additional-support-to-protect-businesses>

Even in the short time since the board last met the LEP has taken steps to move to a remote operation and a decision has been taken to extend the election process for the new Chair to 30 September 2020. Alongside this, work is underway to reconfigure funding priorities to reflect the overwhelming need to focus on business support measures and the team has been reconfigured and redeployed to ensure our frontline operations are resourced as fully as possible. As a result, there is a need to amend the forward plan going forward to properly reflect the rebalancing of activity away from strategy to operations and delivery and the board are asked to agree the revised forward plan as follows:

22 May 2020 (9.00 am to 12.00pm) – venue to be confirmed

- Governance update to include;
 - Policy update on COVID- 19
- Finance and funding report to include;
 - Legacy scheme funding

- Local Growth Update for 2020/21 programme
- LGD Retained schemes
- In year budget position for 2020/21 and financial forecasts to 2021/22
- Review of Risk registers
- Solent Prosperity Fund update
- Strategy update to include:
 - Solent 2050 Strategy progress review
 - Update on Maritime UK and Maritime UK Solent
- Business support update to include:
 - Business intelligence report as at May 2020
 - Business Support programmes and growth hub support - COVID-19

17 July 2020 (9.00 am to 12.00 pm) – venue to be confirmed

- Governance update to include:
 - Feedback from Solent Leaders Forum and Solent Growth Forum
 - Policy update
 - Marketing and communications update
- Finance and funding report to include;
 - Legacy schemes
 - Local Growth Update for 2020/21 programme to include retained schemes
 - Evaluation of Local Growth Deal Programme
 - In year budget position for 2020/21 and financial forecasts to 2021/22
 - Review of Risk registers
 - Solent Prosperity fund
- Strategy update to include:
 - Solent 2050 Strategy progress review
 - Update on Maritime UK and Maritime UK Solent
- Annual audit report 2019/20
- Annual report from SERCOM 2019/20
- Business support update to include:
 - Business intelligence report as at May 2020
 - Business Support programmes and growth hub support - COVID-19

Please note the work in relation to the Havant Infrastructure Investment plan, the Enterprise Zone update and Skills Advisory Panel will be re-scheduled in due course.

Further extraordinary meetings will be scheduled as needed in the period to July 2020 to review the economic impact of COVID-19 on the Solent economy

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.
