

Solent Local Enterprise Partnership  
Meeting of the Board to be held via video conference on Friday 22 May 2020  
10:00 to 12:00

Item	Title	Time
1.	Welcome and Introduction	10:00 – 10:05
2.	Apologies for absence	10:05 – 10:20
3.	Notes of meeting held on 9 March 2020 and 22 April 2020	
4.	Matters Arising and declarations of interest	
	<b>FOR DECISION</b>	
5.	Finance and funding report to include: <ul style="list-style-type: none"> <li>• Legacy scheme funding</li> <li>• Local Growth Update for 2020/21 programme</li> <li>• LGD Retained schemes and Solent Prosperity Fund update</li> <li>• In year budget position for 2020/21 and financial forecasts to 2021/22</li> <li>• Review of Risk registers</li> </ul>	10:20 – 10:50
6.	Strategy update to include: <ul style="list-style-type: none"> <li>• Solent 2050 Strategy and economic recovery plan progress review</li> <li>• Update on Maritime UK and Maritime UK Solent</li> </ul>	10:50 – 11:30
	<b>FOR INFORMATION</b>	
7.	Business support update to include: <ul style="list-style-type: none"> <li>• Business intelligence report as at May 2020</li> <li>• Business Support programmes and growth hub support - COVID-19</li> </ul>	11:30 – 11:45
8.	Governance update to include; <ul style="list-style-type: none"> <li>• Feedback from Solent Leaders forum meeting on 9 April 2020</li> <li>• Board recruitment</li> </ul>	11:45 – 11:55
9.	Any other business: <ul style="list-style-type: none"> <li>• Forward Plan</li> </ul>	11:55 – 12:00



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

**Solent Local Enterprise Partnership Meeting of the Board of Directors**

Held on Monday 09 March 2020 at 09:00 at Solent Spa and Hotel, Whiteley

<b>Present</b>	<b>Apologies</b>
Brian Johnson (Interim Chair)	David Youngs
Anne-Marie Mountifield	Chris Ward - Portsmouth City Council
Judith Grajewski	Sophie Mallon - Portsmouth City Council
Kevin George	Toni Wootton - BEIS Cities and Local Growth Unit (CLGU)
Christopher Hammond	Lloyd Clark - Portsmouth City Council
SJ Hunt	
Paula Swain	<b>In Attendance</b>
Rachael Randall	Stuart Baker (LEP Executive)
Nick Loader	Steve Futter (LEP Executive)
Graham Galbraith	Richard Jones (LEP Executive)
Dave Stewart	Nicola Twiddy (LEP Executive)
Seán Woodward	Caitlin Earey (LEP Executive)
Gerald Vernon-Jackson	James Fitzgerald - Portsmouth City Council (as the Accountable Body)
Jo Sawford	
	<b>Guests</b>
	David Williams - Portsmouth City Council (For Item 6 only)
	Trevor Keeble - Solent University (For Item 6 only)
	Mark Flemming - University of Portsmouth (For Item 6 only)

Item		ACTION
<b>1. Welcome and Introductions</b>	Brian Johnson, as Interim Chair, opened and welcomed members to the meeting, particularly Jo Sawford as this was her first Board meeting. Brian thanked members for including an half an hour extension to the meeting in their diaries to allow for time to discuss the recent developments with Flybe.	
<b>2. Apologies for Absence</b>	Apologies were received from David Youngs and, from the Accountable Body, Chris Ward, Sophie Mallon and Lloyd Clark. It was noted that James Fitzgerald was attending as the nominated representative from the Accountable Body. Toni Wootton from BEIS Cities and Local Growth Unit had also sent through apologies.	
<b>3. Notes of the meeting held on Friday 17 January 2020</b>	The minutes of the 17 January 2020 Board meeting were <b>Agreed</b> and signed by the Interim Chair.	
<b>4. Matters Arising – notes of the meeting on 17 January 2020</b>	<u>Freeports</u> Further to the update at the previous meeting, board members had received a briefing	

<p>following the publication of the consultation by HM Government. It was noted that the Freeport steering group, chaired by Kevin George, would be meeting on 10 March 2020 and work was underway to draft a response to the consultation.</p> <p>Chris Hammond and Gerald Vernon-Jackson joined the meeting.</p> <p><u>Maritime UK Solent</u> It was noted the Solent LEP were a finalist at the Mersey Maritime Industry Awards 2020 for the Maritime 2050 award.</p> <p><u>Flybe</u> Judith Grajewski noted a potential interest in the event that any planning decision were referred to Eastleigh Borough Council full Council.</p> <p>Members were provided with an update on the situation, engagement with HM Government and Southampton Airport, and work underway to establish a Business Resilience programme for any SME businesses impacted.</p> <p>The Board discussed the situation and <b>agreed</b> to support the Airport in relation to their work to secure the Airport for the future as an important gateway for the Solent economy.</p> <p>The Board <b>agreed</b> that any consideration of APD was a national consideration and not for the LEP to consider.</p> <p>The Board also considered an update on proposed changes in regulatory responsibilities around aviation safety as it was confirmed by UK Government that they will leave the EU Agency at the end of 2020. It was <b>agreed</b> that it would be helpful to survey local businesses with a view to better understanding any impact of EU withdrawal and certifications in order to inform future engagement with business and HM Government.</p> <p><b><u>Declarations of Interest</u></b></p> <p>The following interests were noted ahead of the meeting in Board Members Register of Interests returns:</p> <p><u>Judith Grajewski</u> Item 5: updates in relation to M27 J10, Stubbington Bypass and New Gate Lane South Item 6: Solent Prosperity Fund</p> <p><u>Brian Johnson</u> Item 5: updates in relation to BAE Systems National Marine Autonomy Centre</p> <p><u>Anne-Marie Mountifield</u> Item 5: updates in relation to BAE Systems National Marine Autonomy Centre</p> <p><u>Dave Stewart</u> Item 5: update in relation to Floating Bridge</p>	<p>LEP Executive</p> <p>LEP Executive</p>
---	---

<p><u>Kevin George</u> Item 5: update in relation to Floating Bridge</p> <p><u>Rachael Randall</u> Item 5: update in relation to Floating Bridge (based on location of business)</p> <p><u>Stuart Baker</u> Item 5: updates in relation to M27 J10, Stubbington Bypass and New Gate Lane South Item 6: Solent Prosperity Fund</p> <p><u>Sean Woodward</u> Item 5: updates in relation to M27 J10, Stubbington Bypass, New Gate Lane South, North Whiteley and CETC. Item 6: Solent Prosperity Fund</p> <p><u>Paula Swain</u> Item 5: update in relation to M27 J10 Item 6: Solent Prosperity Fund</p> <p><u>Chris Ward</u> Item 5: update in relation to Floating Bridge Item 6: Solent Prosperity Fund</p> <p><u>Graham Galbraith</u> Item 6: Solent Prosperity Fund</p> <p><u>Gerald Vernon-Jackson</u> Item 6: Solent Prosperity Fund</p> <p><u>Nick Loader</u> Item 6: Solent Prosperity Fund</p> <p>The Board discussed engagement with other areas and the potential to strengthen collaboration with Bournemouth, Christchurch and Poole Council and Chichester Council was noted.</p>	
<p><b>4. Matters arising - Management of interests</b> Board members</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> the extent that any interests on the Register of Interests forms submitted by LEP Board 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;</li> <li>• <b>Authorised</b> those potential conflict situations subject to the proviso that if any such possible conflict materialises as an actual conflict: <ul style="list-style-type: none"> <li>i. the conflicted LEP director is <b>absent</b> from the part of the meeting at which there is discussion of any arrangement or transaction giving rise</li> </ul> </li> </ul>	

	<p>ii. to the conflict; the conflicted LEP director <b>does not vote</b> on any such matter and is not to be counted when considering whether a quorum of directors is present at the meeting.</p>	
	<p><b>6.Solent Prosperity Fund</b></p> <p>As guests had been invited to present a progress update on their schemes, it was decided to re-order the agenda to consider Item 6 ahead of Item 5.</p> <p>Board Members noted that there was 12 months in which to allocate, contract and defray the remaining LGD Capital programme and therefore they wanted to review progress on the four SPF schemes that were preparing full business cases for submission on 23 March 2020 and the M27 J10 scheme which has been in the business case development stage for the past 15 months.</p> <p>The following Board Members declared an interest in this item and withdrew from the meeting room: Paula Swain, Graham Galbraith, Gerald Vernon-Jackson, Judith Grajewski and Sean Woodward.</p> <p>The confidential meeting notes in relation to Item 6 of the 17 January 2020 Board meeting were <b>Agreed</b> and signed by the Interim Chair.</p> <p>David Williams from Portsmouth City Council was welcomed to the meeting and the Board noted the update he provided on the Southsea Flood defence scheme.</p> <p>David Williams left the meeting.</p> <p>Trevor Keeble from the University of Portsmouth was welcomed to the meeting and the Board noted the update he provided on the CCIXR project.</p> <p>Trevor Keeble left the meeting.</p> <p>Mark Flemming from Solent University was welcomed to the meeting and the Board noted the update he provided on the Warsash Safety Training Centre project.</p> <p>Mark Flemming left the meeting.</p> <p>Sean Woodward from Fareham Borough Council was welcomed to the meeting and the Board noted the update he provided on the M27 J10 scheme and they also considered the written update provided by Hampshire County Council as the scheme lead for the business case development.</p> <p>Sean Woodward left the meeting.</p> <p>Board Members considered a further written update from ABP Southampton on the Ship to Shore Power project.</p> <p>The board also:</p>	

	<ul style="list-style-type: none"> <li>• <b>Considered</b> a further call for projects under Large Projects and Programmes component of the Solent Prosperity Fund and decided not to progress to issue any further calls at this stage; and</li> <li>• <b>Agreed</b> that this should be kept under review to take account of the budget on 10 March 2020 and the progress of the current project pipeline; and</li> <li>• <b>Requested</b> that the LEP executive and Accountable body bring forward an update on the capital programme to the next meeting to include consideration of alternative defrayal options for unallocated funding in the event the programme pipeline is unable to spend LGD funding in the period to 31 March 2021.</li> </ul>	
	<p><b>5. Finance and Funding Update</b></p> <p>Paula Swain, Judith Grajewski, Graham Galbraith, and Sean Woodward re-joined the meeting. Gerald Vernon-Jackson left the meeting.</p> <p>James Fitzgerald provided an update to Board Members on the budget up to December 2019 with regards to the spend of the Local Growth Deal.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the revised budget for 2019/20 of £23,418,609 as set out in appendix A and the revised budget for the period 2020/21 to 2021/22 as set out in appendix B which included the following: <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 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;</li> <li>○ The re-profiling and budget movements as set out in the table in paragraph 5 overleaf.</li> </ul> </li> <li>• <b>Considered and Agreed</b> the Corporate and Strategic Risk Register attached at appendix C.</li> <li>• <b>Considered</b> the high level Risk Matrix for the Local Growth Programme attached at appendix F and delegated its <b>Approval</b> to the LEP Chief Executive and the Accountable Body's section 151 officer.</li> <li>• <b>Noted</b> the updates in relation to the LGD capital programme.</li> <li>• <b>Noted</b> the other project updates reported by exception in paragraph 8 of this report.</li> <li>• <b>Noted</b> the updates provided on the M27 J10 scheme and the Stubbington bypass scheme.</li> <li>• <b>Approved</b> the request for a funding agreement variation for the North Whiteley project to enable drawdown of phases two and three ahead of completion of phase one and to <b>Delegated</b> the authority to complete this to the LEP Executive and the Accountable Body</li> </ul> <p>Chris Hammond and Sean Woodward left the meeting.</p> <p>The board also requested that the risk registers under Appendix C and Appendix F undergo further review to reflect the potential impact of COVID-19 on the following:</p> <ul style="list-style-type: none"> <li>• Operational resilience of the LEP</li> <li>• Deliverability of schemes under contract</li> <li>• Business resilience and economic performance in the Solent</li> </ul>	<p>LEP Executive and Accountable Body</p> <p>LEP Executive and Accountable Body</p>

	Jo Sawford and Nick Loader left the meeting.	
<b>7. Draft Business Plan 2020/21</b>	<p>The paper was taken as read and board members were asked, if they had not already done so, to forward any comments they had onto the LEP Executive on the Delivery Plan for 2020/21.</p> <p>Board members:</p> <ul style="list-style-type: none"> <li>• <b>Agreed to</b> provide any further <b>Advice</b> to the Executive on the draft Annual Delivery Plan for 2020/21 provided in annexe A by Friday 20 March 2021; and</li> <li>• <b>Delegated</b> authority to the Chairman and Chief Executive to finalise the Delivery Plan for publication by the end of March 2020.</li> </ul>	<b>LEP Executive</b>
<b>8. Strategy Update</b>	As an in-depth discussion was required for this item, it was decided to schedule a dedicated strategy meeting for the Board to consider.	<b>LEP Executive to canvas board members with a new date</b>
<b>9. Any Other Business</b>	<p>Board Members <b>Considered</b> and <b>Agreed</b> the forward plan, with the additions to be included as discussed in this meeting.</p> <p>An update was provided in relation to the election of a new LEP Chair and the Board noted that it was anticipated that the outcome would be notified on 23<sup>rd</sup> March 2020.</p> <p>An update was provided in relation to the Institute of Technologies expression of interest process and the work the Skills Advisory Panel had undertaken to convene local stakeholders to date. It was noted that, since the meeting, a number of organisations had begun work on expressions of interest.</p> <p>Judith Grajewski noted a potential interest in her role as a Governor at Eastleigh College.</p> <p>It was agreed to <b>Delegate</b> this activity to Rachael Randall as Chair of the Skills Advisory Panel, with the support of the LEP Executive.</p>	<p><b>LEP Executive</b></p> <p><b>LEP Executive and SAP Chair</b></p>
<b>Date of next meeting</b>	The date of the next Board meeting was confirmed as 22 May 2020.	

**Board Meeting closed at 13:04**



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

**Solent Local Enterprise Partnership Meeting of the Board of Directors**

Held on Wednesday 22 April 2020 at 13:00 convened electronically over video conference

<b>Present</b>	<b>Apologies</b>
Brian Johnson (Interim Chair)	Chris Ward - Portsmouth City Council
Anne-Marie Mountifield	Jo Sawford
Judith Grajewski	Christopher Hammond
Kevin George	
Rachael Randall	<b>In Attendance</b>
SJ Hunt	Sophie Mallon - Portsmouth City Council
Seán Woodward	Lloyd Clark - Portsmouth City Council
Nick Loader	James Fitzgerald - Portsmouth City Council (as the Accountable Body)
Graham Galbraith	Stuart Baker (LEP Executive)
Dave Stewart	Richard Jones (LEP Executive)
Paula Swain	Steve Futter (LEP Executive)
Gerald Vernon-Jackson	Caitlin Earey (LEP Executive, minute taker)
David Youngs	Nicola Twiddy (LEP Executive)
	Toni Wootton - BEIS Cities and Local Growth Unit (CLGU)
<b>Guests - for Item 5 only</b>	
Heather Walmsley - Hampshire County Council	
Keith Willcox - Hampshire County Council	

Item	ACTION
<p><b>1. Introduction, Declarations of Interest and Video Conference protocols</b>            Brian Johnson welcomed all to the meeting and explained the protocols which should be used for the duration of the Zoom call for votes and comments.</p> <p><b>Apologies for Absence</b>            Apologies were received from Jo Sawford and Christopher Hammond, and from the Accountable Body, Chris Ward. It was noted that James Fitzgerald was attending as the nominated representative from the Accountable Body.</p> <p><b>Declarations of Interest</b>            Directors were asked to Declare any Interests in the agenda as they arose.</p>	
<p><b>2. Notes of meeting held on Wednesday 8 April 2020 and matters arising</b>            The notes from the meeting held on 08 April 2020 were <b>Agreed</b>.</p>	

	<p><b>Matters Arising</b></p> <p>Following the last meeting, an update was provided from the Solent Leaders Forum and Local Resilience Forum meetings regarding creating a combined recovery plan for the area. The Solent LEP will also incorporate an update on the Solent 2050 Strategy and Delivery plan for 2020/21 to reflect the economic impact of COVID-19 and proposed strategies to support economic recovery.</p>	
<p><b>3. Business and Economy Update</b></p>	<p>The Board noted the item 3 cover paper and supporting business intelligence reports.</p> <p>The Board also received a verbal update from SJ Hunt on the work of the Solent Business Coronavirus Task Force Group, which had met again on 21 April 2020.</p> <p>The Annexe B report on the proposed new Loan Fund Guidance was considered and the Board <b>Agreed</b> the new Loan Funding Guidance as set out in Annexe B, and <b>Delegated Authority</b> to the Solent LEP Executive Team and Accountable Body, working with SJ Hunt (as chair of FFPMG and the Solent Business Coronavirus Task Force Group) to finalise the Guidance for launch during the week commencing 27 April 2020.</p> <p>The Board <b>Noted</b> the work to date in relation to Business Support activity, and; <b>Provided Advice</b> in relation to enhancing or supplementing the current programme of support activity.</p> <p>Paula Swain left the meeting.</p>	<p><b>LEP Executive and Accountable Body</b></p>
<p><b>4. Solent LEP Revised Delivery Plan</b></p>	<p>The Board were advised that further to the approval of the Delivery Plan at the March 2020 Board meeting it had been revised (as set out in annex A) to reflect the economic impact of COVID-19 and the LEP business support response.</p> <p>The Board <b>agreed</b> to review and provide any final advice on the revised plan by Monday 27 April 2020 and they <b>Agreed to Delegate authority</b> to the Chairman and Chief Executive to finalise the Delivery Plan for publication by the end of April 2020.</p>	<p><b>LEP Chair and Chief Executive</b></p>
<p><b>5. Finance and Funding update</b></p>	<p>The Finance paper and annexes were taken as read.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> and <b>Agree</b> the revised Corporate and Strategic Risk Register attached at appendix A.</li> <li>• <b>Considered</b> the high level Risk Matrix for the Local Growth Programme attached at appendix B and delegated its <b>Approval</b> to the LEP Chief Executive and the Accountable Body's section 151 officer.</li> </ul> <p><b>Noted</b> the update on the status of the Local Growth Deal programme as set out in paragraph 6 of this report.</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> and <b>Provided Advice</b> on the LGD scenarios presented at the meeting.</li> <li>• <b>Noted</b> the update on the Crowdfunder initiative</li> </ul> <p>The Board received an update on the funding scenarios.</p>	<p><b>LEP Chief Executive and nominated s151 officer from the Accountable Body</b></p>

	<p>The Board then received an update on the M27 J10 meeting and the following Board members declared an interest in this item Seán Woodward and Judith Grajewski.</p> <p>Keith Willcox and Heather Walmsley from Hampshire County Council joined the meeting. Keith and Heather provided an update on the progress of the M27 J10 project through a screen shared presentation.</p> <p>Keith Willcox and Heather Walmsley left the meeting.</p> <p>The Board then moved to consider the item 5c, an update on the Solent Prosperity Fund and as per Declarations of Interest under Item 5c, Graham Galbraith, Gerald Vernon-Jackson, Judith Grajewski and Sean Woodward left the meeting.</p> <p>The Board <b>Considered</b> and provided <b>Advice</b> on the LGD scenarios presented at the meeting, but given only one P Director was in attendance for the consideration of this item and, on this basis, the Board were not quorate the Board agreed that a summary of the discussion and recommendations would be considered by written resolution and it was agreed that this would be circulated by the Executive following the meeting.</p>	<p><b>LEP Executive</b></p>
<p><b>6. Any Other Business</b></p>	<p>There was no other business.</p>	

**Board Meeting closed at 14:55**

**Item Number:** 5 (10am to 12noon session)  
**Item Title:** Solent LEP Financial Outturn 2019/20 and budget for future years and Local Growth Deal and Retained Schemes updates  
**Meeting Date:** 22 May 2020  
**Purpose:** For Information, Advice 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. Introduction

- 1.1 This report provides the Board with the final outturn position of all the LEP funds to the end of the 2019/20 financial year (31 March 2020) against the final revised budget, the revised budget for 2020/21 and forecast budget for the period 2020/21 to 2022/23.
- 1.2 The impact of the COVID-19 pandemic has been considerable on the LEP budget and the resources of the LEP Executive and Accountable Body and this is set out in more detail below
- 1.3 The report identifies any material variances at the end of the financial year, identifies where any underspends can be carried forward into the following financial year and highlights the increased risk of the potential to have to return any funding to Government particularly as there are now only 10 months remaining of the current funding cycle.
- 1.4 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 final outturn for 2019/20 of £15,255,534 and the sources of funding called upon as set out in appendices A and B is **approved** by the LEP Board.
- (ii) The revised budget for 2020/21 of £74,980,409 and the forecast budget for the period 2021/22 to 2022/23 as set out in appendix B is **approved** by the LEP Board which includes the following:
- The latest position of the Local Growth Deal Fund as set out in appendix E noting the challenges of the full defrayal of the fund as set out in paragraphs 4.1 and 6.1 of this report.
  - The re-profiling and budget movements as set out in the table in paragraph 5 below.
  - The current position of the Growing Places Fund as summarised in appendix D.

The Board are also asked to:

- **Note** the high level of risk that the COVID-19 pandemic has had on the LEP resources and **Agree** to write to government setting out the LEP's proposed actions to mitigate these risks as set out in this report.

- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Consider** the high level Risk Matrix for the Local Growth Programme attached at appendix F and delegate its **Approval** to the LEP Chief Executive and the Accountable Body's section 151 officer.
- **Note** the updates in relation to the Local Growth Deal capital programme, the Retained Schemes and other legacy programmes at paragraph 7.
- **Consider** the draft summary of consultation responses received on the A326 (appendix G) project and **Agree** to publish this on the website and **Agree** to continue to invest in the A326 project.
- **Consider** the draft summary of consultation responses received on the Island Line (appendix H) project and **Agree** to publish this on the website and **Agree** to continue to invest in the Island Line project.
- **Note** and **Approve** the proposal referenced at paragraph 7.4 and **Delegate** authority to the LEP Executive and Accountable Body to vary the funding agreement for the Solent Recreation Mitigation Programme
- **Agree** that simple contract variations, such as extending claim dates and re-profiling of approved funding, do not need to be considered individually by the Board, on the basis that all such variations still need to be signed off by the LEP Chief Executive and the s151 Officer of the Accountable Body, as set out in paragraph 10 of this report.
- **Note** that the budget forecasts have been pro-actively forecast out for a further year to include the 2022/23 financial year.
- **Consider** and **Approve** an additional £250,000 of LGD funding for Natural Enterprise to manage on behalf of the LEP, targeted at supporting the ongoing *Rural Business Resilience Funds* across the Isle of Wight and New Forest, as set out at paragraph 6.2.

### 3. Final Outturn 2019/20:

	<b>£000's</b>
<b>Budget agreed at the LEP Board on 9 March 2020</b>	<b>23,419</b>
<b>Re-profiling as follows:</b>	
Solent Prosperity Fund - SME Support (including digital capability funding)	885
North Whiteley Transport Improvements	(1,339)
Stubbington Bypass - LGD element	(1,500)
Stubbington Bypass - LGD (DfT Retained) element	(3,007)
Civil Engineering Training Centre	(431)
National Maritime Systems Centre	(2,565)
Operational Costs	(17)
Contingency / Reserves	(150)
Other minor variations	(39)
<b>Final Outturn for 2019/20</b>	<b>15,256</b>

- 3.1 The final outturn figures for 2019/20 are set out in appendix A and show an underspend of £8,163,075 against the revised budget. The main reason for this variance is due to the impact of COVID-19 where all LEP and Accountable Body resources were focused on supporting the immediate needs of the local business community whilst at the same time adapting to a new way of remote working.

Furthermore, a number of LGD schemes had reported either full or partial closure of sites, which has slowed the pace of work and, by association, claims for funding. These claims have slipped into the new financial year and the budget has been re-profiled to reflect this.

A detailed analysis of the final position for the 2019/20 financial year is attached at appendix A.

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

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 shows the latest position agreed by the LEP Board after the extraordinary meeting held on 22 April 2020. This includes the proactive measures taken to react to the COVID-19 pandemic and also to ensure that the maximum amount of funding available to the local area can be used to support the economy. In order to achieve maximum defrayal by 31 March 2021, and therefore reduce the risk of having to return any funding to Government, there are a number of risks identified, and mitigating actions set out, in this report.

Cumulative Position of LGD Funding:

Based on the figures in table 1 below, the cumulative LGD expenditure up to and including 31 March 2020 was £101.1m (79.3%) against a cumulative budget of £127.4m.

Of the £127.4m LGF received to 31 March 2020, £26.3m of this (20.6%) has been carried forward into 2020/21. This was due, in part, to the fact that the payment of a number of large LGD claims have slipped into the new financial year and that the complex, multi-year transport schemes have slipped across a number of financial years as reported regularly to the Board.

This status of the LGD programme for 2020/21 is set out in more detail in paragraph 6.1 of this report

**Table 1: 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 £	Actual 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	10,482,743	101,091,019	79.3%
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>1,230,057</b>	<b>(26,313,556)</b>	

In terms of cumulative LGD contracted activity to the end of the 2019/20 financial year, the figures in table 2 below show a 92.2% commitment against a total cumulative budget of £127.4m.

**Table 2: 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	26,906,203	117,514,479	92.2%
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>17,653,517</b>	<b>(9,890,096)</b>	

**5. Budget movements**

An analysis of the LEP's forecast expenditure for 2019/20 and the period 2020/21 to 2022/23 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 3: Budget movements**

	Previous Years to 2018/19	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	Total £000's

<b>Budget Agreed at LEP Board 9<sup>th</sup> March 2020</b>	<b>141,890</b>	<b>23,419</b>	<b>68,046</b>	<b>14,368</b>	<b>0</b>	<b>247,723</b>
<u>Re-profiling as follows:</u>						
Solent Prosperity Fund - SME Support		885				885
SME Support (Transition)			2,642			2,642
Solent Growth Hub			307	32		339
Solent Shared Prosperity Fund (loan element)				1,586		1,586
Funding set aside to underwrite LGD over programming if required			(1,586)			(1,586)
Design and Construction of M27 Junction 10			(14,150)			(14,150)
COVID-19 Loan Fund			5,000			5,000
Net LGD funding approved for projects / programmes in future years			5,880			5,880
Stubbington Bypass - LGD allocation		(1,500)	1,500			0
Stubbington Bypass - LGD allocation (DfT retained element)		(3,007)	3,007			0
North Whiteley Transport Improvements		(1,339)	1,339			0
Skills Advisory Panel - additional funding			75			75
Civil Engineering Training Centre		(431)	431			0
National Maritime Systems Centre		(2,565)	2,565			0
Operational Costs - Reserves / Contingency		(167)	(165)	37	850	555
Other miscellaneous movements		(39)	89	(63)		(13)
<b>Revised Budget</b>	<b>141,890</b>	<b>15,256</b>	<b>74,980</b>	<b>15,960</b>	<b>850</b>	<b>248,937</b>
<b>Cumulative Net GPL Fund Reserve Balance (see appendix D for details)</b>		<b>12,671</b>	<b>14,889</b>	<b>0</b>		

## 6. Key Budget Issues for 2020/21 and Future Years

The LEP budget is at a critical stage now as there are now only 10 months left in the current funding window to ensure that all of the funding is defrayed to avoid the risk of having to return anything to Government.

This risk is further increased as the entire country is reacting to the COVID-19 pandemic and there are calls for additional funding to support the local economy, as well as pressure for projects to be able to continue to progress. Because of this, it is highly likely that some projects will complete after the 31 March 2021 defrayal deadline as well as presenting additional challenges for the projects in the SPF pipeline - an update on the status of these projects is contained in item 5 of the earlier restricted items Board meeting.

The main issues for the Board to consider are as follows:

### 6.1 **Local Growth Deal (including Retained Schemes) - 2020/21 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.

The already approved projects slipping into the 2020/21 financial year were all making good progress prior to the COVID-19 emergency. Although work had to be suspended or significantly reduced from 23 March when the lockdown was put in place, all of these projects are now starting to increase activity and are expected to complete, albeit with some delay.

Clearly, the country is faced with an unprecedented situation where to a certain extent the economy was brought to a halt, therefore the LEP Executive and the Accountable Body recommend that the LEP Board write to government to

set out the impact that COVID-19 has had on the LGD capital programme. This letter should state that it is intended to progress with all of the schemes already approved by the Board, with the assumption that Government will not claw back any contractually committed funding should it not all be actually defrayed until the 2021/22 financial year.

A High Level Delivery Risk Matrix is attached at appendix F, highlighting the current risk status of each LGD project.

An update on the status of the DfT retained schemes can be found at item 5 on the restricted items agenda and at paragraph 7 below

The LEP Executive and Accountable Body have done further work on a range of funding scenarios as the implications of the COVID-19 emergency continue to change and these will be presented at the meeting.

## 6.2 Funding streams developed in response to COVID-19

Since the COVID-19 lock down has been enforced, the LEP has held a number of extraordinary Board meetings where it was agreed to allocate funding to help businesses survive the immediate impact of the pandemic and, more recently, to consider how to help businesses in the recovery stage.

These funds are as follows:

- In partnership with Crowdfunder - *Pay it Forward* - allocation of £600,000 to help support micro and small businesses survive the crisis and be able to continue trading in the future.
- In partnership with Natural Enterprise - *Rural Business Resilience Funds* - emergency funding to support businesses in the rural economies of the Isle of Wight and in the New Forest.
- £5m for a loan fund to support the businesses who as yet have not been able to access other Government support, or who need additional funds to enable them to open again safely during the recovery phase.
- In partnership with Novatech - *Digital Readiness Fund* - small grants to help micro and small businesses adapt to working from home and create an online presence in the recovery phase.
- A £2.5m grant fund to help businesses in the recovery stage of the pandemic, which is still in the very early stages of development.

A list of early beneficiaries of the *Pay it Forward* and *Rural Business Resilience Funds* is included in the board pack and, as Board members can see, the early demand for all of the funds has been significant, particularly in case of the *Rural Business Resilience Funds*. With this in mind, the Board are asked to:

- **Consider** and **Approve** an additional £250,000 of LGD funding for Natural Enterprise to manage on behalf of the LEP, targeted at supporting the ongoing *Rural Business Resilience Funds* across the Isle of Wight and New Forest.

## 6.3 Independent Review of COVID-19 impact on LGD Projects

Given their expertise and in-depth knowledge of the individual business cases for the LGD projects, we have commissioned external expertise to undertake a review of the impact of the COVID-19 pandemic on scheme delivery. Initial work has focused on the pipeline schemes currently under development and the two projects which are in the contracting phase at present (A326 Junction Improvements, and the Island Line Brading Loop).

A further review of the projects that are currently in the delivery phase is scheduled to be completed for the LEP Board to consider at their meeting in July 2020.

The board agreed to award funding to the A326 and Island Line projects in October 2020, subject to satisfactory completion of the public consultation. The consultations for both closed on 30th March 2020 and the summary of consultation responses are provided in appendix G (A326) and appendix H (Island Line) respectively. In addition the individual consultation responses are available under the reference folder for this item. In respect of the Island Line Project, only two responses were received, whilst for the A326 project, just five responses were received. The Executive has read the detail of each response and does not consider that the responses provide material considerations that should cause the Board to reconsider their decision to invest in each project. Therefore, the Board are asked to:

- **Consider** the draft summary of consultation responses received on the A326 (appendix G) project and **Agree** to publish this on the website and **Agree** to continue to invest in the A326 project.
- **Consider** the draft summary of consultation responses received on the Island Line (appendix H) project and **Agree** to publish this on the website and **Agree** to continue to invest in the Island Line project.

## **7. Local Growth Deal, Retained Schemes and Legacy schemes update**

### **7.1 M27 Junction 10**

An update on the progress of this scheme is set out in item 5 of the earlier restricted items Board meeting and there will be a general update provided at the main board meeting.

### **7.2 Stubbington Bypass**

As the scheme promoter for Stubbington Bypass, Hampshire County Council (HCC) notified the LEP Executive that they were ceasing all construction activity on 27 March 2020 in response to the COVID-19 pandemic. Construction work recommenced on the 11 May 2020, with all contractors following national guidelines on social distancing.

### **7.3 North Whiteley**

Legal work is underway to finalise the funding agreement variation for this scheme. House and highways construction work was paused on site during the week commencing 23 March 2020, with highways work starting up on 14 April, and housing construction will begin again during May, but most likely at around 25% of previous capacity due to social distancing measures.

### **7.4 Solent Recreation Mitigation Programme (Bird Aware Solent)**

Following a positive meeting at the end of February 2020, the S151 officer of Southampton City Council (the accountable body of the Partnership for South Hampshire - PfSH) have confirmed their support for plans put forward by Havant Borough Council (HBC) to bring forward an alternative site within their programme of activity. Site acquisition and defrayal of all funding can be completed within the current timeline for Local Growth Deal projects of 31 March 2021.

The proposal comes with the support not only of the accountable body for PfSH, but also Natural England and Persimmon Homes. The proposal from HBC and supporting evidence can be found in the reference folder and the Board are asked to:

- **Note** and **Approve** the proposal, including the addition of a longstop date of 30 September 2020 for acquisition of the new land, and **Delegate** authority to LEP Executive and Accountable Body to vary the funding agreement.

### **7.5 Centenary Quay**

Similar to the other large-scale housing developments being funded as part of the Local Growth Deal, Centenary Quay has seen on site construction activity come to a halt at the end of March. Work is expected to restart at a much reduced capacity during mid-May, but the LEP Executive is awaiting confirmation of this at the time of writing. Work on the funding agreement variation, agreed by the Board in December 2020, has been paused as a result of the COVID-19 impact, but will be revisited with the scheme lead prior to the end of May 2020.

### **7.6 Floating Bridge 6 (Isle of Wight Council)**

As of 25 March 2020, the floating bridge has been limiting passengers and vehicle journeys to blue-light services and essential workers only. This is to ensure that staff and passengers are able to maintain social distancing, whilst keeping this vital transport link available for those who need it. The situation is being kept under review and will be amended to take account of any changes in central government guidance.

### **7.7 Fareham and Gosport Infrastructure Package (Hampshire County Council)**

These legacy schemes from the earlier years of the Local Growth Deal were completed some time ago, and have delivered real benefits in terms of access to and from the Fareham / Gosport peninsula. The scheme promoter, Hampshire County Council, successfully delivered both schemes under the agreed budgets

### **7.8 LGD SME funded programmes**

Further to the relatively new COVID-19 SME support funds described elsewhere within this paper, it should be noted that Local Growth Deal funding for SMEs has been promoted in various programmes since March 2015, with 171 applications received between March 2015 and December 2019. Of these 171 applications:

- 41 are delivering contracted project activity;
- two have been approved by the Panel and are in the contracting phase;
- one has been recommended for support by the Panel and is in the due diligence phase, prior to FPPMG consideration;
- the remainder were either ineligible, withdrawn by the applicant, or rejected by the Panel.

A status matrix providing further detail on the projects above will be available to the Board ahead of the meeting.

## **7.9 Regional Growth Fund Legacy Programmes**

As reported to the Board in December 2019, all of the LEP Regional Growth Fund (RGF) programmes are now in the closure phase, and the LEP Executive and Accountable Body are continuing to work closely with the central RGF team on this activity. It had been anticipated that the four remaining RGF programmes would be closed down prior to the end of Q4 2019/20; however, since the advent of the COVID-19 pandemic, the focus for both central government and the LEP has shifted to the more urgent matter of supporting economic survival.

The lines of communication between the LEP and the central RGF team remain open, and a positive call took place on 30 April, with all parties acknowledging that priorities had shifted and that we would work to a new target for closure of the end of June 2020.

A verbal update on specific legacy projects will be provided at the meeting.

## **8 Local Growth Deal Reporting and Data Submission - Quarter 4 2019/20**

The Local Growth Deal Data Submission for Quarter 4 of 2019/20 was due for submission to central Government on 22 May 2020. We have recently been advised that the submission date has now been put back to August 2020 and the draft Data Submission will be considered by FPPMG in June ahead of board approval in July.

## **9 Budget for the 2022/23 Financial Year**

The Accountable Body working with the LEP executive has always as a minimum maintained a three year forecast rolling budget and Board members will be able to see that a forecast for the 2022/23 financial year has been added into the financial forecasts in the appendices.

This is largely due to the interest the LEP receives on funds received but not yet paid out as at present no funding from Government has been allocated past the 2020/21 financial year. The LEP Board has been prudent to agree to use any funding that is not time bound to provide as much certainty as possible for the LEP to continue to operate past the current funding window.

It is expected that a LGD successor fund and core funding for LEP to be announced in the future.

## **10 Contract Variations**

Due to the increased amount of activity expected over the coming 10 months and the impact of COVID-19 the LEP Executive and Accountable Body can foresee that there is likely to be a need for a number of straightforward contract variations to reflect the need to re-profile within the period to end of March 2021 as a result of business interruption. We are putting in additional resource to manage this, and in order to help manage this process the Board are asked to:

- **Agree** that simple contract variations, such as extending claim dates and re-profiling of approved funding, do not need to be considered individually by the Board on the basis that all such variations still need to be signed off by the LEP Chief Executive and the s151 Officer of the Accountable Body.

## **11 General Funding Updates**

Since the last Board meeting the LEP has received a number of new funding allocations that have been added to the financial forecast as follows:

- Skills Advisory Panel Funding £75,000

- Skills Capacity Funding £5,000
- Additional Interest on Balances £140,100
- ERDF Legacy Funding for SME Support - £161,700
- Core Funding for 2020/21 - £500,000

## 12 **Risk of Returning Funding to Government**

As this is the last year of the current funding window, this risk is higher than ever and at present there are only 10 months remaining to fully defray all funding.

The Board will need to continue to take proactive action to ensure that 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 whilst at the same time not risk losing investment opportunities for the area.

As well as this the Board are being asked to agree to write to Government so set out the impact that the pandemic has had on projects in delivery, those due to start and how some funds have been re-allocated to support businesses in this unprecedented situation. If the Board agree then this letter should also be stating that the LEP is intending to honour its financial commitments to all projects that have a contract in place and are making good progress on delivery even if this means expenditure slips in the following financial year.

## 13 **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 with the main financial risks as set out in this report.

The Board are reminded that there are now only 10 months in which to defray the funding and will therefore need to continue to take proactive decisions at the earliest possible stage to help maximise the defrayal of expenditure within the timelines set by Government.

In addition to this the defrayal target for the current financial year is £75m which is a significant sum and far in excess of what has been actually spent in previous years.

The LEP Executive and the Accountable Body will continue to report to FPPMG and the Board of the status of the major projects and the ongoing risk of maximising funding defrayal.

The Accountable Body always ensure that any funding commitments remain affordable within the overall financial envelope.

Table 4 below demonstrates that at no stage will the LEP be in a position where it is unable to meet any financial commitments due to lack of funding.

**Table 4: Forecast Future Expenditure vs Status of Funding**

<b>Expenditure / Funding</b>	<b>Forecast 2020/21</b>	<b>Forecast 2021/22</b>	<b>Forecast 2022/23</b>	<b>Grand Total</b>
LEP Expenditure	74,980,409	15,960,232	849,962	91,790,603
<b><u>Funding Status<sup>1</sup>:</u></b>				
Received Funds	67,368,898	230,000	0	67,598,898
Confirmed Funds	13,156,622	0	0	13,156,622
Expected Funds <sup>2</sup>	10,735,083	300,000	0	11,035,083
<b>In Year Funding Surplus (Deficit)</b>	<b>16,280,194</b>	<b>(15,430,232)</b>	<b>(849,962)</b>	<b>0</b>
<b>Cumulative Funding Surplus (Deficit)</b>	<b>16,280,194</b>	<b>849,962</b>	<b>0</b>	

Note 1: Received funds are those funds actually received in the bank account of the AB; Confirmed Funds are those that Government has written to advise funding has been agreed but are not yet in the AB bank account or are drawn down on a claims basis and Expected Funds are those that the AB are forecasting (e.g. interest on balances) where there is no written confirmation in place

Note 2: If for any reason, the expected funds are not received then corresponding uncommitted expenditure in the forecasts will not proceed

## 14 Summary of Recommendations

14.9 It is recommended that:

- (iii) The final outturn for 2019/20 of £15,255,534 and the sources of funding called upon as set out in appendices A and B is **approved** by the LEP Board.
- (iv) The revised budget for 2020/21 of £74,980,409 and the forecast budget for the period 2021/22 to 2022/23 as set out in appendix B is **approved** by the LEP Board which includes the following:
  - The latest position of the Local Growth Deal Fund as set out in appendix E noting the challenges of the full defrayal of the fund as set out in paragraphs 4.1 and 6.1 of this report.
  - The re-profiling and budget movements as set out in the table in paragraph 5 below.
  - The current position of the Growing Places Fund as summarised in appendix D.

The Board are also asked to:

- **Note** the high level of risk that the COVID-19 pandemic has had on the LEP resources and **Agree** to write to government setting out the LEP's proposed actions to mitigate these risks as set out in this report.
- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Consider** the high level Risk Matrix for the Local Growth Programme attached at appendix F and delegate its **Approval** to the LEP Chief Executive and the Accountable Body's section 151 officer.
- **Note** the updates in relation to the Local Growth Deal capital programme, the Retained Schemes and other legacy programmes at paragraph 7.
- **Consider** the draft summary of consultation responses received on the A326 (appendix G) project and **Agree** to publish this on the website and **Agree** to continue to invest in the A326 project.
- **Consider** the draft summary of consultation responses received on the Island Line (appendix H) project and **Agree** to publish this on the website and **Agree** to continue to invest in the Island Line project.
- **Note** and **Approve** the proposal referenced at paragraph 7.4 and **Delegate** authority to the LEP Executive and Accountable Body to vary the funding agreement for the Solent Recreation Mitigation Programme.
- **Agree** that simple contract variations, such as extending claim dates and re-profiling of approved funding, do not need to be considered individually by the Board, on the basis that all such variations still need to be signed off by the LEP Chief Executive and the s151 Officer of the Accountable Body, as set out in paragraph 10 of this report.
- **Note** that the budget forecasts have been pro-actively forecast out for a further year to include the 2022/23 financial year.
- **Consider** and **Approve** an additional £250,000 of LGD funding for Natural Enterprise to manage on behalf of the LEP, targeted at supporting the ongoing *Rural Business Resilience Funds* across the Isle of Wight and New Forest, as set out at paragraph 6.2.

## 15 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 item 5 of the restricted items agenda (which relates specifically to this funding programme), and it is considered that there are no negative impacts on groups identified in the EIA.

## 16 Legal implications

With reference to:-

- i. The recommendation to consider and agree the Corporate Strategy Risk Register attached at appendix C - any action taken as a result will be in line with the internal SLEP delegation policy and reviewed by the relevant (Accountable body) legal officer as and when required.
- ii. The consideration and delegation for approval to the LEP Chief Executive and Accountable Body s.151 officer of the high level 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.

- iii.* Any 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.
- iv.* The approval of the proposal referenced at paragraph 7.4 and Delegation authority to the LEP Executive and Accountable Body to vary the funding agreement for the Solent Recreation Mitigation Programme - all such contractual variations will encounter legal review and drafting.

The request from the Board to agree contract variations (as prescribed within the existing contractual arrangements) such as extending claim dates and the re-profile of approved funding on the basis of a response to Covid -. All such variations will be reviewed and/or by legal individually

## **17 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*	Final Outturn Position up to 31 March 2020	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
	£	£	£	£	£	£
<b>Local Growth Deal Funding:</b>						
SME Support - Solent Prosperity Fund	229,651	760,621	530,970	530,970	0	0
ERDF BTG - Awards (ERDF Funded)	0	84,179	84,179	84,179	0	0
Natural Enterprise Grant Programme	250,000	500,000	250,000	250,000	0	0
<b>Other Enterprise Initiatives:</b>						
Solent Growth Hub	230,000	222,834	(7,166)	(7,166)	0	0
Pay It Forward - Micro / Small Business Support (Revenue)	0	20,000	20,000	20,000	0	0
SME Support - Business Intelligence and Readiness	96,000	96,579	579	579	0	0
<b>Enterprise Total</b>	<b>805,651</b>	<b>1,684,213</b>	<b>878,562</b>	<b>878,562</b>	<b>0</b>	<b>0</b>

Infrastructure (Land & Property)	Full Year Budget 2019/20*	Final Outturn Position up to 31 March 2020	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
	£	£	£	£	£	£
<b>GPL Contingency Provisions and Programme Management costs</b>						
Growing Places Loan Fund Programme Management Costs	40,000	39,718	(282)	(282)	0	0
<b>Sub-total: GPL Contingency Provisions and Programme Management costs</b>	<b>40,000</b>	<b>39,718</b>	<b>(282)</b>	<b>(282)</b>	<b>0</b>	<b>0</b>
<b>Solent Growth Deal:</b>						
North Whiteley Transport Improvements	3,243,970	1,905,281	(1,338,689)	(1,338,689)	0	0
Local Large Major transport schemes and infrastructure investment	0	0	0	0	0	0
Programme Development Fund (feasibilities)	0	0	0	0	0	0
Solent Growth Deal - Programme Management Costs	263,221	274,794	11,573	11,573	0	0
Stubbington Bypass - LGD forward funding	5,000,000	3,500,000	(1,500,000)	(1,500,000)	0	0
Solent Prosperity Fund	0	0	0	0	0	0
(Over) / Under Programming	0	0	0	0	0	0
<b>Sub-total - Local Growth Deal</b>	<b>8,507,191</b>	<b>5,680,075</b>	<b>(2,827,116)</b>	<b>(2,827,116)</b>	<b>0</b>	<b>0</b>
<b>DfT Retained Schemes</b>						
Stubbington Bypass	3,007,000	0	(3,007,000)	(3,007,000)	0	0
Growth deal provisional allocation for M27 Junction 10 (post 2016)	2,500,000	2,500,000	0	0	0	0
<b>Sub-total - DfT Retained Schemes</b>	<b>5,507,000</b>	<b>2,500,000</b>	<b>(3,007,000)</b>	<b>(3,007,000)</b>	<b>0</b>	<b>0</b>
<b>Other Capital Funding Programmes:</b>						
Building Foundations for Growth Capital Grant for EZ	0	0	0	0	0	0
<b>Other Infrastructure Funding:</b>						
Capacity funding	145,000	151,015	6,015	6,015	0	0
Transport Delivery Excellence Funding	52,000	0	(52,000)	(52,000)	0	0
Energy strategy	1,029	0	(1,029)	(1,029)	0	0
<b>Infrastructure (Land &amp; Property) Total</b>	<b>14,252,220</b>	<b>8,370,807</b>	<b>(5,881,413)</b>	<b>(5,881,413)</b>	<b>0</b>	<b>0</b>

Place	Full Year Budget 2019/20*	Final Outturn Position up to 31 March 2020	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
	£	£	£	£	£	£
Capacity Funding	85,303	81,631	(3,672)	(3,672)	0	0
<b>Place Total</b>	<b>85,303</b>	<b>81,631</b>	<b>(3,672)</b>	<b>(3,672)</b>	<b>0</b>	<b>0</b>

<b>Skills</b>	<b>Full Year Budget 2019/20*</b>	<b>Final Outturn Position up to 31 March 2020</b>	<b>Full Year Variance as at 31 March 20 Over / (Underspend)</b>	<b>Acceleration or Programme Slippage to be carried forward to 2020/21</b>	<b>Overspend to be funded / (Underspend to be Re-allocated)</b>	<b>New funding from / (Funding to be handed back to) Government</b>
	£	£	£	£	£	£
<b>City Deal Wave 2:</b>						
Fareham College - Civil Engineering Training Centre	2,833,000	2,402,418	(430,582)	(430,582)	0	0
Capacity funding	100,000	98,511	(1,489)	(1,489)	0	0
Solent Employer Ownership Programme	46	0	(46)	(46)	0	0
Careers Enterprise Company / Enterprise Adviser Network	316,000	272,159	(43,841)	(43,841)	0	0
Careers Enterprise Company / Enterprise Adviser Network - Programme Management	0	15,458	15,458	15,458	0	0
Skills Advisory Panels	0	22,670	22,670	22,670	0	0
<b>Skills Total</b>	<b>3,249,046</b>	<b>2,811,216</b>	<b>(437,830)</b>	<b>(437,830)</b>	<b>0</b>	<b>0</b>
<b>Strategic Sectors</b>						
National Maritime Systems Centre	2,564,664	0	(2,564,664)	(2,564,664)	0	0
Southampton Solent University - Warsash School of Maritime Science and Engineering	1,119,430	1,119,630	200	200	0	0
Martime UK Solent: Capacity Funding	59,557	72,492	12,935	12,935	0	0
<b>Strategic Sectors Total</b>	<b>3,743,651</b>	<b>1,192,122</b>	<b>(2,551,529)</b>	<b>(2,551,529)</b>	<b>0</b>	<b>0</b>
<b>Innovation</b>						
Innovation Fund - Programme Management	0	0	0	0	0	0
Capacity Funding	5,000	5,042	42	42	0	0
<b>Innovation Total</b>	<b>5,000</b>	<b>5,042</b>	<b>42</b>	<b>42</b>	<b>0</b>	<b>0</b>
<b>Operational Central Costs</b>						
Staffing costs	500,000	537,293	37,293	0	37,293	0
Office costs	80,000	82,873	2,873	0	2,873	0
Finance costs including forecast costs for Democratic Services for future years	80,000	81,359	1,359	0	1,359	0
Legal support	65,000	72,167	7,167	0	7,167	0
Marketing & Communication costs	100,000	109,465	9,465	0	9,465	0
Contingency / Reserves	150,000	0	(150,000)	(150,000)	0	0
Solent 2050	269,086	220,346	(48,740)	(48,740)	0	0
SEEDA legacy funding for business engagement	31,396	0	(31,396)	(31,396)	0	0
LEP Network	2,256	7,000	4,744	4,744	0	0
<b>Operational Central Costs Total</b>	<b>1,277,738</b>	<b>1,110,503</b>	<b>(167,235)</b>	<b>(225,392)</b>	<b>58,157</b>	<b>0</b>
<b>Total LEP Budget</b>	<b>23,418,609</b>	<b>15,255,534</b>	<b>(8,163,075)</b>	<b>(8,221,232)</b>	<b>58,157</b>	<b>0</b>

\* As agreed at LEP Board 9th March 2020

SOLENT LOCAL ENTERPRISE PARTNERSHIP - BUDGET FORECAST TO 2021/22

ENTERPRISE (BUSINESS SUPPORT)	Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	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)	1,796,112	619,607	-	-	-	2,415,719	2,415,719	-
SME Support (Transition)	-	-	2,650,000	-	-	2,650,000	2,650,000	-
Repayment of ERDF Funded Grant Awards to DCLG	7,412	84,179	-	-	-	91,591	91,591	-
ERDF BTG - Awards (ERDF Funded)	84,446	-	-	-	-	84,446	84,446	-
ERDF BTG - Awards (LGD Match Funded)	-	-	-	-	-	0	0	-
Natural Enterprise Grant Programme	830,000	500,000	250,000	-	-	1,580,000	1,580,000	-
Matched funding for ERDF Growth Accelerator Fund	-	-	-	-	-	0	0	-
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	620,349	141,014	138,637	-	-	900,000	900,000	-
Solent Growth Hub (Growth deal - 2015/16 to 2021)	916,477	222,834	536,500	158,255	-	1,834,066	1,834,066	-
Pay It Forward - Micro / Small Business Support (Revenue)	-	20,000	580,000	-	-	600,000	600,000	-
SME Support - Business Intelligence and Readiness	-	96,579	-	-	-	96,579	96,579	-
Improving Digital Capability for SME's (LGD funded 2019/20 onwards via Solent Prosperity Fund)	112,502	-	-	-	-	112,502	112,502	-
<b>Enterprise Total</b>	<b>11,167,227</b>	<b>1,684,213</b>	<b>4,155,137</b>	<b>158,255</b>	<b>0</b>	<b>17,164,832</b>	<b>17,164,832</b>	<b>-</b>
<b>INFRASTRUCTURE (Land &amp; Property)</b>	<b>Actual Expenditure to end 2018/19</b>	<b>Outturn 2019/20</b>	<b>Budget 2020/21</b>	<b>Budget 2021/22</b>	<b>Budget 2022/23</b>	<b>Total Budget</b>	<b>Total Forecast Expenditure</b>	<b>Variance</b>
<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)	-	-	-	13,912,916	-	13,912,916	13,912,916	-
<b>Growing Places Loan Fund: Capital Loans Advanced / Available</b>	<b>13,000,000</b>			<b>13,912,916</b>		<b>26,912,916</b>	<b>26,912,916</b>	<b>-</b>
<b>Grants allocated (not repayable)</b>								
Stubbington Bypass indemnity	-	-	-	-	-	0	0	-
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	39,718	91,425	150,000	-	450,000	450,000	-
<b>Growing Places Loan Fund: Fund used and not repayable</b>	<b>168,857</b>	<b>39,718</b>	<b>91,425</b>	<b>150,000</b>	<b>-</b>	<b>450,000</b>	<b>450,000</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	-	(500,000)	-	-	8,500,000	8,500,000	-	
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	-	(270,000)	-	-	3,857,000	3,857,000	-	
Solent Gateways (Isle of Wight Floating Bridge)	3,776,782	-	-	-	-	3,776,782	3,776,782	-	
North Whiteley Transport improvements	-	1,905,280	12,094,720	-	-	14,000,000	14,000,000	-	
Local Large Major transport schemes and infrastructure investment	363,717	-	-	-	-	363,717	363,717	-	
Programme Development Fund (feasibilities)	-	-	-	-	-	0	0	-	
Fareham and Gosport Multi Year Programme - Design and Construction of Junction 10	-	-	-	-	-	0	0	-	
Stubbington Bypass - LGD forward funding	3,500,000	3,500,000	1,500,000	-	-	8,500,000	8,500,000	-	
Solent Growth Deal - Programme Management Costs	1,449,303	274,794	154,205	200,000	-	2,078,302	2,078,302	-	
A326 Highway Improvements	-	-	5,680,000	-	-	5,680,000	5,680,000	-	
IOW Island Line - Brading Loop	-	-	700,000	-	-	700,000	700,000	-	
COVID-19 Loan Fund	-	-	5,000,000	-	-	5,000,000	5,000,000	-	
Solent Prosperity Fund	-	-	-	-	-	0	0	-	
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	-	-	4,294,063	-	-	4,294,063	4,294,063	-	
LGD funding indicatively earmarked for projects in future years	-	-	-	-	-	0	0	-	
<b>SUB TOTAL: Solent Growth Deal:</b>	<b>50,620,695</b>	<b>5,680,074</b>	<b>28,652,988</b>	<b>200,000</b>	<b>-</b>	<b>85,153,757</b>	<b>85,153,757</b>	<b>-</b>	
<b>DfT Retained Schemes</b>									
Stubbington Bypass	-	-	25,499,000	-	-	25,499,000	25,499,000	-	
Stubbington Bypass - Programme Management Costs	-	-	201,000	-	-	201,000	201,000	-	
Growth deal provisional allocation for M27 Junction 10 (post 2016)	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>2,500,000</b>	<b>35,950,000</b>	<b>-</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	151,015	36,801	-	-	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>8,370,807</b>	<b>65,202,026</b>	<b>14,262,916</b>	<b>-</b>	<b>168,479,544</b>	<b>168,479,544</b>	<b>-</b>	

PLACE	Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Total Budget	Total Forecast Expenditure	Variance
Capacity funding	249,697	81,631	3,672	-	-	335,000	335,000	-
<b>Place Total</b>	<b>249,697</b>	<b>81,631</b>	<b>3,672</b>	<b>0</b>	<b>0</b>	<b>335,000</b>	<b>335,000</b>	<b>-</b>

SKILLS	Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	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	-	2,402,418	430,582	-	-	2,833,000	2,833,000	-
Capacity funding	306,031	98,511	87,595	-	-	492,137	492,137	-
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	287,617	368,496	-	-	1,160,999	1,160,999	-
Skills Advisory Panels	-	22,670	127,330	-	-	150,000	150,000	-
<b>Skills Total</b>	<b>26,346,717</b>	<b>2,811,216</b>	<b>1,014,049</b>	<b>0</b>	<b>0</b>	<b>30,171,982</b>	<b>30,171,982</b>	<b>0</b>

STRATEGIC SECTORS	Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	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	1,119,630	-	-	-	7,464,200	7,464,200	-
<u>MARITIME UK SOLENT</u>								
Capacity funding	200,443	72,492	50,000	37,065	-	360,000	360,000	-
<b>Strategic Sectors Total</b>	<b>10,979,766</b>	<b>1,192,122</b>	<b>3,370,666</b>	<b>37,065</b>	<b>0</b>	<b>15,579,619</b>	<b>15,579,619</b>	<b>-</b>

INNOVATION	Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	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	-	-	-	-	238,518	238,518	-
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)	-	-	0	0	-
UoS - Web Science (Z21)	500,000	-	-	-	-	500,000	500,000	-
Capacity Funding	86,493	5,042	88,465	-	-	180,000	180,000	-
<b>Innovation</b>	<b>8,831,644</b>	<b>5,042</b>	<b>(368,168)</b>	<b>0</b>	<b>0</b>	<b>8,468,518</b>	<b>8,468,518</b>	<b>0</b>

OPERATIONAL CENTRAL COSTS	Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Total Budget	Total Forecast Expenditure	Variance
Staffing costs	1,557,990	537,293	500,000	500,000	300,000	3,395,283	3,395,283	-
Office costs	520,083	82,873	95,000	95,000	50,000	842,956	842,956	-
Finance costs incl forecast costs for Democratic Services for future years	367,691	81,359	80,000	80,000	50,000	659,050	659,050	-
Legal support	189,484	72,167	70,000	70,000	50,000	451,651	451,651	-
Marketing & Communication costs	336,427	109,465	100,000	100,000	50,000	695,892	695,892	-
Contingency / Reserves	-	-	450,000	450,000	349,960	1,249,960	1,249,960	-
Solent 2050	669,904	220,346	281,027	198,740	-	1,370,017	1,370,017	-
SEEDA legacy funding for business engagement	-	-	-	-	-	0	0	-
LEP Network and Southern LEP's	30,000	7,000	27,000	8,256	-	72,256	72,256	-
<b>Operational Central Costs Total</b>	<b>3,671,579</b>	<b>1,110,503</b>	<b>1,603,027</b>	<b>1,501,996</b>	<b>849,960</b>	<b>8,737,065</b>	<b>8,737,065</b>	<b>-</b>

LEP BUDGET GRAND TOTAL		Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Total Budget	Total Forecast Expenditure	Variance
		141,890,424	15,255,534	74,980,409	15,960,232	849,960	248,936,559	248,936,559	-

FUNDING SUMMARY		Actual Expenditure to end 2018/19	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	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	10,482,743	35,566,241	-	-	-	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	2,500,000	35,950,000	-	-	-	40,600,000
DCLG Infrastructure House Building Capital Fund (CQ)	7,675,921	-	-	-	-	-	7,675,921
Solent Growth Hub	865,000	205,000	536,500	-	-	-	1,606,500
Solent Futures RGF Round 3	2,912,855	-	-	-	-	-	2,912,855
Growing Places Fund - Revenue	465,949	593,848	124,883	230,000	-	-	1,414,680
Growing Places Fund - Capital	13,000,000	-	-	13,912,916	-	-	26,912,916
Growing Places Fund - Contingency Provisions and Programme Management Costs	828,350	39,718	981,672	976,555	-	-	2,826,295
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	211,564	167,436	-	-	-	646,000
Enterprise Advice Network - Matched Funding (Interest Earned)	237,886	76,054	201,060	-	-	-	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	22,420	230,961	-	-	-	900,000
Transport Excellence	36,000	-	-	-	-	-	36,000
BIS - Capacity Fund	427,232	112,138	137,430	150,000	-	-	826,800
BIS - Core Funding	951,208	539,046	184,746	205,000	500,000	-	2,380,000
LEP Review - Core Funding	200,000	-	-	200,000	-	-	400,000
PUSH	30,000	-	-	-	-	-	30,000
SME Support - Business Intelligence and Readiness	-	96,000	-	-	-	-	96,000
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	323,205	311,027	285,761	188,295	-	1,826,714
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	-	22,670	127,330	-	-	-	150,000
ERDF Legacy Funding	-	-	-	-	161,665	-	161,665
ERDF Funding - Revenue Funding funded from Interest	7,412	84,179	267	-	-	-	91,858
ERDF Funding - Bridging the Gap (matched funding SGF)	84,446	(84,446)	-	-	-	-	(0)
<b>Grant Total - Funding</b>	<b>141,890,424</b>	<b>15,255,534</b>	<b>74,980,409</b>	<b>15,960,232</b>	<b>849,960</b>	<b>248,936,559</b>	

Growing Places Fund - Forecast Reserve for Future Projects	Outturn 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Total Budget
Net Cumulative Growing Places Reserve Forecast - see appendix D for details	12,671,143	14,889,471	(0)	(0)	(0)

TOTAL FUNDING TO SUPPORT LEP ACTIVITY	Total Budget
	248,936,559

## **APPENDIX C**

### **Corporate and Strategic 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 £	2022/23 £	Total £
<b>Opening Balance</b>	0	(10,064,210)	(5,889,210)	(9,108,371)	(10,214,945)	(12,315,855)	(12,710,861)	(12,671,143)	(14,889,471)	0	
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>									13,912,916		13,912,916
<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>13,912,916</b>	<b>0</b>	<b>26,912,916</b>
<b><u>Contingency Provisions</u></b>											
Local Growth Deal:											
Funding set aside to underwrite LGD overprogramming if required							0	0	0		0
Stubbington Bypass indemnity							0	0	0		0
Operational Costs			230,839	42,000	0	386,653	0	890,247	826,555		2,376,294
<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>0</b>	<b>890,247</b>	<b>826,555</b>	<b>0</b>	<b>2,376,294</b>
Growing Places Loan Fund Programme Management Costs			75,000	51,426	24,090	18,341	39,718	91,425	150,000		450,000
<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>39,718</b>	<b>981,672</b>	<b>976,555</b>	<b>0</b>	<b>2,826,294</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	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>0</b>	<b>(13,000,000)</b>
<b>TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE</b>							(12,671,143)	(14,889,471)	0	0	**

SOLENT LOCAL ENTERPRISE PARTNERSHIP - LOCAL GROWTH DEAL FUNDING BY SCHEME (NET OF DfT RETAINED SCHEME FUNDING)							
SCHEME NAME	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Budget 2020/21	Total Budget
Solent Growth Fund (Growth deal - 2015/16 to 2021) / - SME Support from Solent Prosperity Fund (2018/19 to 2020/21)	355,932	1,405,872	380,283	984,025	1,119,607	0	4,245,719
SME Support (COVID-19 priorities)	-	-	-	-	-	400,000	400,000
Crowdfunder - Pay It Forward	-	-	-	-	20,000	580,000	600,000
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	150,500	149,500	179,150	141,198	141,014	138,638	900,000
The Hard Interchange (PCC)	4,832,000	-	-	-	-	-	4,832,000
Dunsbury Hill Farm Link Road (PCC)	4,540,000	-	-	-	-	-	4,540,000
Station Quarter North (SCC)	4,185,000	-	-	-	-	-	4,185,000
Station Roundabout / Gudge Heath Lane (HCC)	2,065,000	2,888,893	-	-	-	-	4,953,893
Cancer Immunology Centre	4,500,000	-	-	-	-	-	4,500,000
Environmental Mitigation - Solent Mitigation Disturbance project	1,355,000	-	-	-	-	-	1,355,000
Eastleigh College Estates Renewal	6,810,000	2,190,000	-	-	-	-	9,000,000
IOW College Composites Centre	5,400,000	5,500,000	-	-	-	-	10,900,000
Capitalisation Costs for Solent Growth Deal Programme Management and Capacity funding	300,000	344,997	372,762	431,543	274,794	154,206	1,878,302
Peel Common Roundabout and St Margarets Roundabout	4,340,000	-	-	-	-	-	4,340,000
Newgate Lane South	-	6,072,571	2,927,429	-	-	(500,000)	8,500,000
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	-	3,198,000	-	-	-	-	3,198,000
Fareham and Gosport multiyear programme (A27 Dualling)	-	4,127,000	-	-	-	(270,000)	3,857,000
Solent Gateways (Isle of Wight Floating Bridge)	-	3,776,782	-	-	-	-	3,776,782
Innovation Fund - Fareham Innovation Centre - Phase 2	-	2,000,000	-	-	-	-	2,000,000
Innovation Fund - Programme Management Costs	-	75,000	134,544	28,975	-	-	238,519
Innovation Fund - BAE Maritime and Test Bed	-	456,633	-	-	-	(456,633)	0
Innovation Fund - Future Technology Centre (University of Portsmouth)	-	1,050,000	-	-	-	-	1,050,000
Contribution to BAE Employer Ownership Programme Scheme	-	129,000	-	-	-	-	129,000
National Maritime Systems Centre	-	-	1,679,334	-	-	3,320,666	5,000,000
Local Large Major transport schemes and infrastructure investment	-	-	339,497	24,220	-	-	363,717
BAE Marine Workshops and Marine Support Centre	-	943,066	-	-	-	-	943,066
Solent Growth Deal Programme Development Fund	-	-	-	-	-	-	0
Stubbington Bypass - advance	-	3,500,000	-	-	3,500,000	1,500,000	8,500,000
Stubbington Bypass - repayment	-	-	-	-	-	-	0
Fareham College - Civil Engineering Training Centre	-	-	-	-	2,402,418	430,582	2,833,000
Southampton Solent University - Warsash School of Maritime Science and Engineering	-	-	2,300,000	4,044,570	1,119,630	-	7,464,200
North Whiteley	-	-	-	-	1,905,280	12,094,720	14,000,000
<i>Design and Construction of M27 Junction 10</i>	-	-	-	-	-	0	0
<i>A326 Highway Improvements</i>	-	-	-	-	-	5,680,000	5,680,000
<i>IOW Island Line - Brading Loop</i>	-	-	-	-	-	700,000	700,000
<i>COVID-19 Grants to support SME's</i>	-	-	-	-	-	2,500,000	2,500,000
<i>COVID-19 Loan Fund</i>	-	-	-	-	-	5,000,000	5,000,000
<i>LGD Available</i>	-	-	-	-	-	4,294,063	4,294,063
<b>SUB-TOTALS:</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>10,482,743</b>	<b>35,566,242</b>	<b>136,657,261</b>
LGD funding committed / approved or indicatively earmarked across future years	-	-	-	-	-	-	0
<b>TOTAL EXPENDITURE ON APPROVED LOCAL GROWTH DEAL SCHEMES</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>10,482,743</b>	<b>35,566,242</b>	<b>136,657,261</b>
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000	-	-	-	-	-	1,000,000
<b>TOTAL UTILISATION OF LOCAL GROWTH DEAL</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>10,482,743</b>	<b>35,566,242</b>	<b>137,657,261</b>
<b>FUNDING AGREED / INDICATIVE ALLOCATIONS</b>							
Solent Growth Deal Funding - received	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	-	127,404,575
<i>Solent Growth Deal Funding - indicative</i>	-	-	-	-	-	9,252,686	9,252,686
Capital Funding from Accountable Body (Returned)	-	1,000,000	-	-	-	-	1,000,000
Funding Slippage / Acceleration	(558,235)	(5,833,020)	(15,989,029)	(5,163,329)	1,230,057	26,313,556	-
<b>TOTALS:</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>5,654,531</b>	<b>10,482,743</b>	<b>35,566,242</b>	<b>137,657,261</b>
Variance:	0	0	0	0	0	0	0

**Notes:**

Schemes that as yet are not contractually committed are shown in italics in the above table.

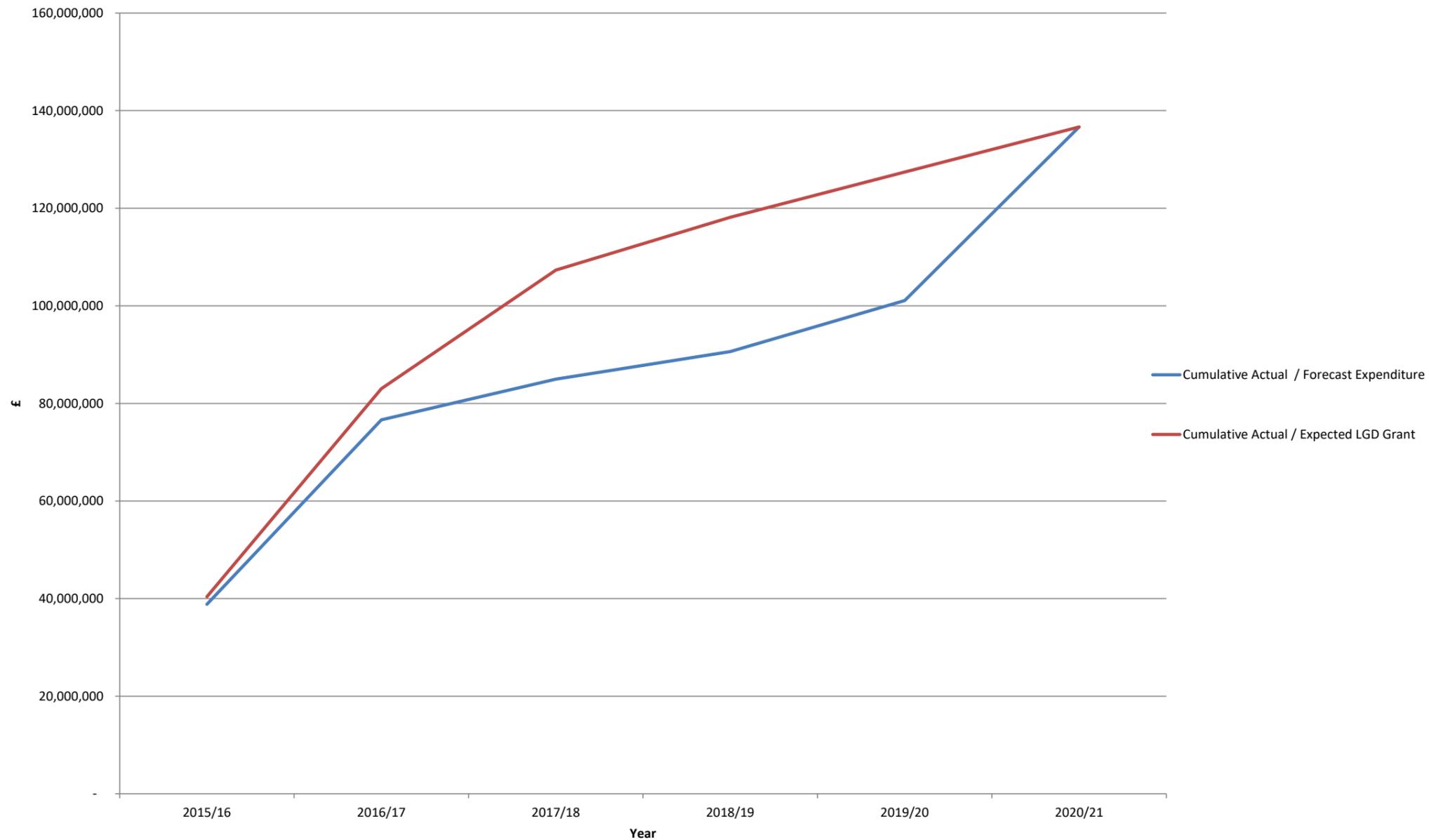
**DfT RETAINED SCHEMES - FUNDING PROFILES**

SCHEME NAME	Actual 2016/17	Actual 2017/18	Actual 2018/19	Budget 2019/20	Budget 2020/21	Total Budget
Stubbington Bypass	0	0	0	3,007,000	22,492,000	25,499,000
Stubbington Bypass - programme management costs	0	0	0	0	201,000	201,000
M27 Junction 10	0	0	2,150,000	2,500,000	10,250,000	14,900,000
<b>Totals:</b>	-	-	2,150,000	5,507,000	32,943,000	40,600,000

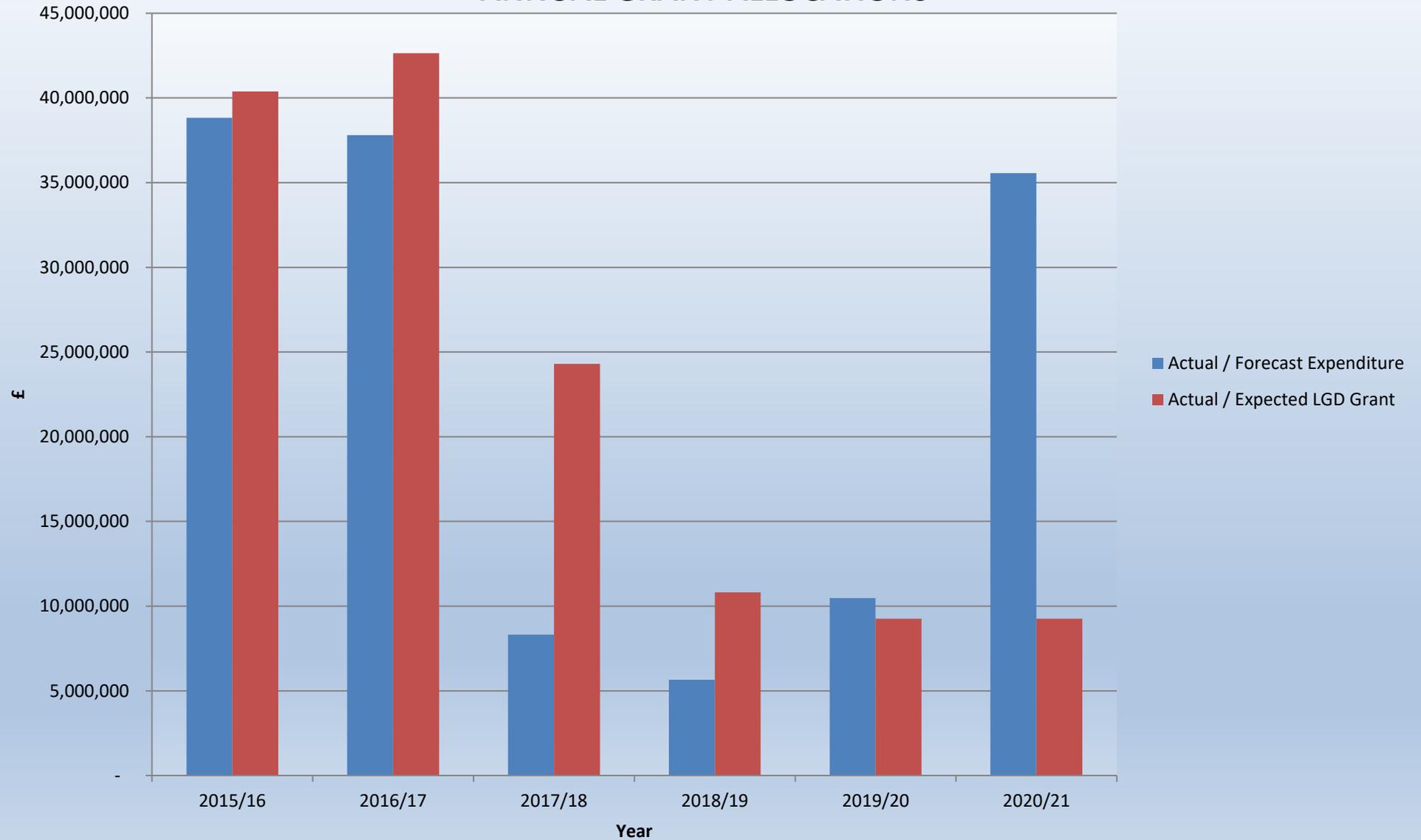
**Notes:**

- (a) The £2.15m in 2018/19 and the £2.5m in 2019/20 for the M27 Junction 10 scheme have been paid directly to HCC who are the accountable body for the development phase of the project.
- (b) The funding allocations of £25.499m and £201k for Stubbington Bypass have been paid over to the Accountable Body from DfT

**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 Deal High Level Deliverability Matrix**

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

## **APPENDIX G**

### **A326 Draft Summary of Consultation Responses**

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

## **APPENDIX H**

### **Island Line Draft Summary of Consultation Responses**

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

**Item Number:** Item 6 (Meeting 2)  
**Item Title:** Strategy Update  
**Meeting Date:** 22 May 2020  
**Purpose:** For Information and Decision

---

## 1. Draft Resolution

Board members are asked to:

- **Consider** the draft Solent 2050 Strategy document at annexe A and **Agree** to delegate authority to the Executive in discussion with the Chair to use as a basis for engagement with HM Government and for consultation ; and
- **Consider** the Economic Recovery Plan Positioning Paper at annexe B and provide **Advice** to the Executive to further develop this plan for consideration by the Board at its meeting in July 2020.

## 2. Overview

This paper updates the Board on work to finalise the Solent 2050 Strategy, and on work to develop a COVID-19 Economic Recovery Plan. Consultants who have been supporting the Executive to develop both documents will provide a short presentation at the meeting.

In addition, a verbal update on the work of Maritime UK and Maritime UK Solent will be provided at the meeting by the Board lead for Maritime.

## 3. Solent 2050 Strategy

The Board were scheduled to consider a draft of the Solent 2050 Strategy at its meeting in March 2020. However, due to other pressing matters on the agenda at that time, including the emergence of COVID-19, the draft could not be considered. Since that time the COVID-19 pandemic has transformed the work of the LEP in the short term and necessitated consideration as part of the strategy development.

A draft Solent 2050 Strategy document is attached at annexe A. This work builds on the draft considered by the Board at its Strategy Session on 17 January 2020 and reflects feedback from the cross-Government Local Industrial Strategy Analysis (LISA) Panel and, of course, the emergence of the COVID-19 pandemic and corresponding publication of the UK Government's COVID-19 Recovery strategy.

The Solent 2050 Strategy sets out a long-term action plan, aligned to the UK Industrial Strategy, to unleash Solent's distinctive strengths that can power the local economy to increase productivity and support our communities to prosper in a fast-changing world. The vision for the Solent in 2050 is: to be the global leader in maritime and climate change adaptation, with towns and cities that are fantastic places to live, trade and with opportunities for all of our communities to flourish.

Underpinning this overall vision are six key priorities, around which the plan for future activities to transform the Solent is framed:

1. A world-leading marine and maritime economy, building on our existing assets and global competitive advantages to strengthen the UK's international trading relationships.
2. Pioneering approaches to climate change adaptation and decarbonisation and establishing real expertise which other regions – nationally and globally – can learn from.
3. The UK's capital of coastal renaissance, harnessing new technologies and approaches to revitalise coastal communities and ensure growth is inclusive.
4. A thriving visitor and cultural economy, capitalising on the Solent's superb natural beauty and rich maritime history.
5. Developing a world-class talent base, helping people at all stages of their career build the skills they need to respond to new technology and drive an innovative knowledge-based economy.
6. An outstanding business environment that encourages innovation, fosters collaboration and enables businesses of all sizes and sectors to thrive.

The Board are asked to consider the draft Solent 2050 Strategy and delegate authority to the Executive in discussion with the Chair to finalise the document to use as a basis for engagement with HM Government and for consultation. A final strategy document will come to the board for agreement in July 2020.

#### **4. Economic Recovery Plan**

In response to the devastating impact of the COVID-19 pandemic the Executive has commenced work to develop an Economic Recovery Plan. This is being developed by the same consultants who are supporting the LEP to develop the Solent 2050 Strategy, to ensure that the Economic Recovery Plan supports the long-term vision to raise productivity levels within the Solent economy. It is also intended to respond to the publication of the UK Government's COVID-19 Recovery strategy.

The Economic Recovery Plan will take the form of a standalone document that can be used as a call to action for the LEP and its partners. It will also feature as an annexe to the Solent 2050 Strategy and be cross-referred to within the Strategy narrative where relevant.

A Position Paper for the Economic Recovery Plan is attached as annexe B for discussion at the meeting. The consultants will be available to facilitate the discussion.

#### **5. Legal implications**

There are no direct legal implications arising from the request of the Board to consider the draft Solent 2050 Strategy and delegate authority to the Executive in discussion with the Chair to finalise the document to use as a basis for engagement with HM Government and for consultation.

Legal will continue provide advice as required in relation to the final strategy document due to be presented to the Board for agreement in July 2020. Any key decisions made as a result of implementation will proceed via the usual contractual stages during which all legal aspects will be fully considered and addressed.

#### **6. Equality impact assessment**

An EIA has been prepared in relation to the Solent 2050 Strategy and this is provided at annexe C, and it is considered that there are no negative impacts on groups identified in the EIA.

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

There are no financial implications arising from this report and the attached annexes.

Any actions arising from the Solent 2050 Strategy or the Economic Recovery Plan will have to be affordable and identified within the approved LEP budget.

Should any specific initiatives arise from these documents then these will be reported back to the LEP Board for further discussion along with how they are proposed to be funded.

## 8. Decision Summary

Board members are asked to:

- **Consider** the draft Solent 2050 Strategy document at annexe A and **Agree** to delegate authority to the Executive in discussion with the Chair to use as a basis for engagement with HM Government and for consultation ; and
- **Consider** the Economic Recovery Plan Positioning Paper at annexe B and provide **Advice** to the Executive to further develop this plan for consideration by the Board at its meeting in July 2020.

## **Annexe A – Draft Solent 2050 Strategy**

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

**Annexe B – Solent Economic Recovery Plan Position Paper**

**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 2050 Economic Strategy and Economic Recovery Plan

**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?

In October 2019 Government published the Local Industrial Strategy Policy Prospectus, which provided guidance for LEPs and Combined Authorities on developing Local Industrial Strategies that aim to enable areas to increase productivity and realise their potential, building on well-evidenced and distinctive strengths aligned with the national Industrial Strategy. They will set out the spatial impacts of national and local policy across cities, towns and rural areas, informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity. The Solent LEP, therefore, is required to develop a Local Industrial Strategy for the Solent area. The current Solent economic strategy (The Solent Strategic Economic Plan) expires in 2020, and a new strategy is required to replace this and ensure that the Solent economy is positioned to reflect EU exit and the increasing pace of technological change. 2020 has seen the COVID-19 pandemic manifest as a health and economic crisis. The economic impact is having a devastating impact on the Solent economy and the LEP is developing an economic recovery plan to position the economy and its communities to restart, recover, and renew.

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

The Solent 2050 strategy and economic recovery plan aims to position the Solent economy and its communities to contribute to increased productivity levels and share in a more prosperous future. Our vision for the Solent in 2050 is: to be the global leader in maritime and climate change adaptation, with towns and cities that are fantastic places to live, trade and with opportunities for all our communities to flourish. The strategy and economic recovery plan are not statutory documents.

### 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 [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**

Our vision for the Solent in 2050 is: to be the global leader in maritime and climate change adaptation, with towns and cities that are fantastic places to live, trade and with opportunities for all our communities to flourish. The work has engaged widely, engaging with over 1600 people, and has been subject to external review and challenge. The economic strategy aims to improve and spread prosperity for all, and be inclusive.

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

Stuart Baker

This EIA has been approved by: [REDACTED]

**Contact number:**

**Date:**

**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.

[Redacted]

**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 . [Redacted]

**Item:** 7  
**Title:** Update on Solent LEP Business Support activity in response to COVID-19  
**Date:** 22 May 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.

## 1. Introduction

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.

In response to this, the Solent LEP have prioritised providing support to businesses in mitigating immediate impact and section 1 of this report summarises the profound impact of the COVID-19 pandemic across all business support activities undertaken by the Solent LEP in the initial response phase alongside operational feedback.

More recently, the Government have announced a first sketch of a road map for reopening society and published "Our Plan to Rebuild: The UK Government's COVID-19 recovery strategy" available at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/884171/FINAL\\_6.6637\\_CO\\_HMG\\_C19\\_Recovery\\_FINAL\\_110520\\_v2\\_WEB\\_1\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/884171/FINAL_6.6637_CO_HMG_C19_Recovery_FINAL_110520_v2_WEB_1_.pdf)

Alongside continued work to support businesses to mitigate the immediate impact of COVID-19, it is also important to ensure that businesses are supported in their transition as lockdown measures begin to ease. Section 2 of this report provides an update on current and planned activity to support this second phase of work to help businesses to restart, restore and recover.

It should be noted that the two phases of activity are not necessarily sequential as businesses are managing the impact of COVID-19 in different ways and at different timescales. There are a range of variables that impact on this including considerations such as sector, size, nature of business activity and Government policy. As a result, it is intended that the work set out in section 2 of this report will be brought forward alongside, as opposed to in place of, the work programme set out under section 1.

In relation to economic impact, the Solent LEP continues to provide weekly monitoring returns to Government on the economic impact of COVID-19 and the latest (11 May 2020) intelligence return is attached as Annexe A for the information of Board Members.

Any feedback from the Board on business support activity would be very welcome and Board Members are asked to:

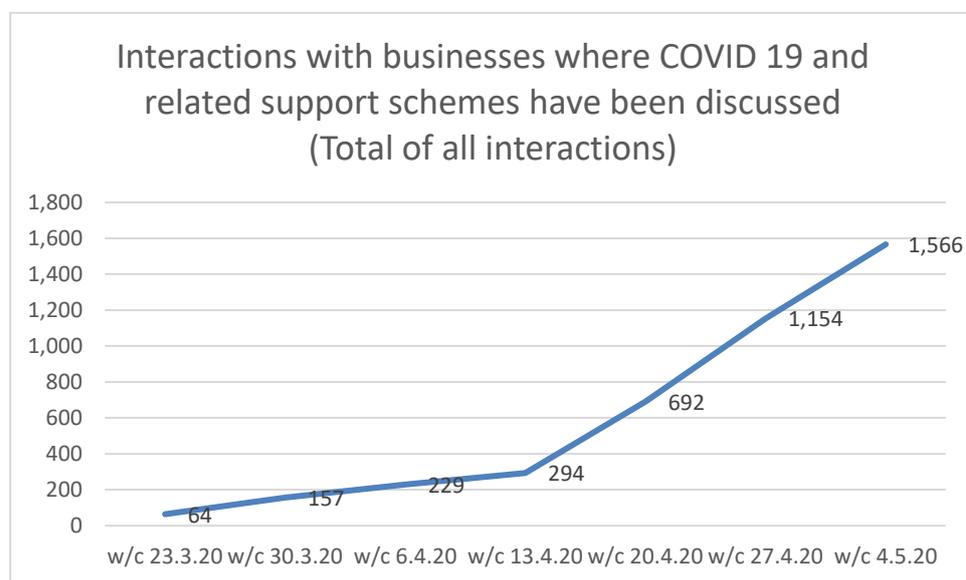
- **Note** the latest intelligence return and impact of COVID-19 across the Solent economy, and;
- **Note** the position in relation to current and planned business support activity.

## 2. Impact mitigation

### a. Operational

In relation to Solent LEP activity, all staff are working remotely, holding meetings by phone and video conference call. The Solent LEP Board have convened on three occasions to date via video conference on an extraordinary basis. This shift to remote working has ensured the continued provision of business support services to Solent businesses at this critical period with no break in service.

Demand for business support is exceptionally high and trend analysis does not suggest that this has peaked. It is anticipated that demand for the Growth Hub service, which is the entry point for all business support available through the LEP, will further increase as additional support programmes set out in section 2 go live. The following figure shows the cumulative modelling of interactions with businesses across all channels in relation to COVID-19 since w/c 23 March 2020.



Further details in relation to the breakdown of interactions and demand for support can be found under section G of the intelligence return provided at Annexe A. In terms of demand for support, it should be noted that the LEPs focus on online channels has increased during the response to COVID-19, including moving to delivery of online events/webinars. The demand for online content through the LEP's website and other online channels has increased significantly as a result of COVID-19 as businesses are seeking advice remotely. The LEP has responded to this with additional emphasis on ensuring the website, email updates and social media are utilised effectively in providing information and signposting services to businesses, including the

establishment of a dedicated coronavirus support hub on our website (<https://solentlep.org.uk/coronavirus-support-hub/>). The Solent LEP has also pivoted its intensive business support provision, previously offered in the form of a growth accelerator programme, to establish a business resilience programme in partnership with BDO. As part of this support BDO work closely with the leadership team of a business to undertake a diagnostic, workshop and create a heat map of priorities. They also use an internal online tool to advise on financial planning creating cash flow scenarios.

In terms of staffing, the number of business support advisors available to the LEP is currently 3.8. This consists of 1.8 staff members funded through the LEPs core Growth Hub budget and an additional 2 FTE provided by the LEP as additional resource funded through other LEP budget lines. Specifically, this includes staff that have been redeployed from careers focussed activity where, currently with schools and colleges closed (apart from for children of key workers and more vulnerable children) there is very little work that can be undertaken.

Whilst the resource available has been increased, we could do more if the level of funding support provided for our growth hub increased. Solent LEP received notification on 8 April that an enhanced award of £536,500 resourcing will be received for the 2020/21 period. The LEP is now reviewing its business support budget with a view to enhancing business support capacity at the earliest possible opportunity and awaiting details on the additional funding available ahead of implementing any increases to capacity. However, further information on the process and timing of receipt of the additional funding (£331,000) is awaited from Government and this is becoming increasingly urgent as we seek to retain staffing levels for growth hub activity. Ongoing uncertainty in relation to this funding is therefore impacting on our service and future planning.

#### b. Allocation of Funds

The Solent LEP has launched a range of local business support offers to supplement the work of HM Government and other organisations in mitigating the impact of COVID-19. This includes:

- **Solent LEP Pay it Forward Fund** - launched on 31 March and operated in partnership with Crowdfunder, the fund is providing support for Solent-based micro and small businesses seeking to cope in challenging trading conditions as a result of the COVID-19 pandemic, by investing in projects that can demonstrate how they will help a business cope with current challenging trading conditions. There is a maximum pledge of up to £2,000 per micro business (fewer than 10 staff) and up to £5,000 per small business (fewer than 50 staff) available, contributing up to 50% towards the businesses total fundraising target. To access LEP funding, businesses need to raise at least 25% of their target from at least 10 different backers; ensuring our funding reaches those businesses that matter most to our local communities. The Solent LEP will match this investment, pound for pound, up to the maximum pledge value. Further information on the fund is available at: <https://www.crowdfunder.co.uk/funds/crowdfund-solent> The LEP Board have made £600,000 available through the programme to support at least 150 companies. To date the Solent LEP has now received 61 applications from businesses for funding and 21 have been approved for funding with a total value of £38,750 LEP investment.
- **New Forest Rural Business Resilience Fund** - Launched on 30 April and managed by Natural Enterprise on behalf of the Solent LEP, the fund is available specifically to businesses which are not eligible for either the Small Business or Retail, Leisure and Hospitality Grants administered by New Forest District Council. The fund recognises that

a significant proportion of local businesses have fallen outside the scope of the funding announced to date but still require financial assistance to strengthen resilience. Grants of up to £2,500 are available to rural businesses which are looking to develop alternative ways of working during the coronavirus pandemic. The grants must be matched with private funds (50 percent of total costs). A total of £25,000 is available in the first instance through the fund to support at least 10 businesses and the LEP will continue to review the demand for this support with a view to considering increasing the size of the fund if appropriate. Full details on the fund can be found at: <http://www.newforest.gov.uk/ruralfund> The first three projects have now been approved for investment through this fund, committing £7,000 and safeguarding 7.5 FTE jobs in the New Forest.

- **Isle of Wight Rural Business Resilience Fund** - Launched on 1 April, the fund, managed by Natural Enterprise on behalf of the Solent LEP, looks to support the Isle of Wight economy by providing grants to rural SMEs which are looking to develop alternative ways of working, delivering products and services to the marketplace, marketing expenditure and other resilience initiatives. Capital grants of up to £2,500 are available to contribute up to 50% of project costs. Full details on the support available are available at: <http://www.naturalenterprise.co.uk/pages/economic/159-isle-of-wight-rural-business-resilience-fund> An initial £25,000 was made available through the fund and with a view to supporting at least 10 businesses, however, this has since been raised to £50,000 in response to high levels of demand. To date, 24 projects have been approved for funding with a total LEP investment of £49,742. The supported projects are expected to safeguard up to 84 jobs on the Island. The fund is now fully allocated and the LEP may wish to consider providing additional funding to continue the programme.

The LEP is also actively working with partners to support the drive to increase the supply of more Personal Protective Equipment (PPE) across the area to respond to the COVID-19 crisis, promoting calls for companies with underutilised stock or potential to change manufacturing output and connecting them with contacts at Portsmouth City Council, Southampton City Council and Hampshire Fire and Rescue Service. In addition the Solent LEP has also been active in responding to the drive itself supporting voluntary and community based support offers with funding. This includes a donation of £16,000 worth of materials to local volunteer sewing group "Team Scrubbers" by purchasing material that will be made into 2,000 additional scrubs for our health care sector in the Solent including for Portsmouth and Southampton-based NHS and medical staff.

#### c. Co-ordination

The Solent LEP has undertaken extensive additional activity in relation to its coordination of support from across the area. This includes convening existing forums established by the LEP to focus on the COVID-19 response, including:

- The Solent Leaders Forum - which is now taking a proactive role in monitoring the flow of financial support through Local Authorities to business and respond to Government with a single voice on additional support requirements for the area.
- The Solent Skills Advisory Panel - meeting on 20 May to further assess impact and mitigation requirements in response to COVID-19 for the education sector in the Solent.

Alongside the use of existing LEP forum, the Solent LEP has convened a new Solent Coronavirus Business Support Taskforce, consisting of local authority officers and representatives from

business organisations across the area. This has enabled the LEP to simplify access to business support offers from a range of organisations and reduce the risk of duplication of efforts and resources on a very broad basis, alongside gathering key business intelligence for Government and to inform local policy development.

Alongside co-ordination with organisations with an established presence in the area, the LEP is also co-ordinating activity with new partners to respond to the pandemic and has been successful in bringing Be The Business mentoring support provision to the Solent area for the first time. Specifically, this partnership is delivering the rapid response mentoring programme to Solent SMEs with at least £1m turnover and 6 staff, providing 1:1 coaching for 1-2 hours per week over a 12-week period. Further detail on the programme is available at:

<https://www.bethebusiness.com/rapid-response-mentoring/>

#### d. Strategy

Due to the timing of COVID-19, the Solent LEP has had to revisit its delivery plan to take account of the significant impact on LEP work and the revised Solent LEP Delivery Plan for 2020/21 is now published at: <https://solentlep.org.uk/media/2999/solent-lep-delivery-plan-rev-april-2020-final.pdf>

Wider strategy development activity has declined in the short-term, as development and engagement on the LEPs Solent 2050 Local Industrial Strategy has been paused. However, strategic activity is now starting to increase rapidly as, alongside the short-term response, there is a need to put in place a local economic recovery strategy for the Solent area and work on this has been initiated with a view to publishing the recovery plan by the autumn, which is a key activity in the Solent LEPs annual delivery plan. Alongside the development of an economic recovery plan, work on programme development for the LEPs capital investment programme is ongoing and the Board remain keen to ensure that the LEP is in a strong position to make a range of new high-value investments across the area to help catalyse recovery. The LEP is currently out to public consultation on three business cases for potential future capital investment.

#### e. Advocacy

The Solent LEP is providing weekly intelligence returns to Government alongside direct engagement with individual departments on key issues for the Solent economy. This includes priority activity in relation to a number of major economic shocks for the Solent economy (further information included in Annexe A). Intelligence gathering work also captures feedback from local businesses through the LEP - and our wider partners through the Solent Leaders Forum and Solent Coronavirus Business Support Taskforce. This includes specific impact in relation to key sectors for the Solent, such as the visitor economy and maritime sectors, where economic consequences of the pandemic are critical.

We are also working in partnership with Maritime UK and have launched a survey to enhance our collective understanding of the impact of the COVID-19 pandemic on the maritime sector, and the uptake by businesses in the sector of Government support initiatives. A copy of the survey is available at <https://www.surveymonkey.co.uk/r/TNGBYM7>

### **3. Supporting businesses to restart, restore and recover**

#### a. COVID-19 Business Support Tool

Launched on Monday 11 May 2020, the Solent LEPs COVID-19 Business Support Tool is a free online tool to help businesses develop their own roadmap to restart, restore and recover. The tool provides businesses in the Solent with an invaluable review of their current position in a range of key areas, including; business strategy and operations, sales and marketing, supply chain, customers and clients, employees and people management and finance.

Developed to support Solent-based businesses to adjust to the gradual easing of measures taken in response to COVID-19, the tool allows firms to create a bespoke report on their current position and bench-mark themselves against others in their industry, as well as providing tailored information on what actions to take to access support in the areas it is most required.

The COVID-19 Business Support Tool has been designed to be completed by members of a company's management team who will have oversight of all operations. Taking approximately 15-20 minutes to complete, it produces a downloadable report that will inform the development of a roadmap to restart, restore and recover business operations and signpost a range of resources, both locally and nationally, that will add value to the business throughout the implementation of these plans.

The COVID-19 Business Support Tool is available at:

<https://solentlepCOVID19.benchmarkindex.com>

#### b. Digital Readiness Support Programme

"Our Plan to Rebuild: The UK Government's COVID-19 recovery strategy" published on 11<sup>th</sup> May 2020 includes the following guidance:

*"Work from home if you can. Many people can do most or all of their work from home, with the proper equipment and adjustments. Your employer should support you to find reasonable adjustments to do this..."*

In recognition that many small businesses may require support in order to implement this guidance, the Solent LEP is finalising plans to launch a programme to offer a bespoke package of support for Solent businesses with fewer than 10 employees to help them move to remote working and enhance productivity in the face of challenges presented by COVID-19. The programme will be operated in partnership with at least one local tech company and will provide one-to-one advice and guidance from industry experts. Alongside this, businesses accessing the programme may be able to benefit from new capital equipment (valued up to £2,000) with LEP funding. The programme is in the final stages of development and there is an ambition to launch the support programme shortly.

In recognition of the opportunity to enhance digital capability of Solent small businesses moving forward, resulting in more cash-flow flexibility for our SME base, the Solent LEP also has an ambition to broaden the programme to support businesses seeking to establish or enhance online trading platforms in the coming weeks.

#### c. Solent LEP COVID-19 Loan Fund

The Solent LEP Board have agreed to utilise budget available through the Solent Growth Deal to offer loan funding support for businesses and the fund will be made available as a bridging facility ahead of businesses accessing government support offers and also to plug gaps in the Government support offers.

The loan fund is at the final stages of development, which has taken longer than initially anticipated when considered by the Board due to the need to recalibrate the fund to avoid any duplication with the Government's announcement of the Bounce Back Loan scheme, and it is hoped the new fund will be in a position to launch shortly.

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

Board paper for information purposes only: Equality Impact Assessment (EIA) not required.

### **Legal Implications**

There are no direct legal implications to this information only report. In relation to the Solent LEP Pay it Forward Fund and Solent LEP COVID-19 Loan Fund, legal advice and support and any implementation of the fund will be carried out via the usual contractual process and mechanism with legal review throughout.

### **S151 Officer of Finance Comments**

All of the Business Support funds highlighted in this report have been agreed by the Board and form part of the approved LEP Budget.

**Annexe A – Business Intelligence report as at 11 May 2020**

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

**Item:** 8  
**Title:** Governance Update  
**Date:** 22 May 2020  
**Purpose:** For information

---

### **Solent LEP Chair Election**

Board Members will be aware that the election process for a new Solent LEP Chair is ongoing. This was originally scheduled to conclude on 20 March 2020, however, in light of the ongoing developments in relation to COVID-19, the Solent LEP Board considered the appropriateness of continuing with the current published timescale for the process.

Company Members have been notified of a new closing date for Business Members to vote in the election which is 23:59 on Wednesday 30 September 2020. The Solent LEP executive team will contact all members that are yet to vote in the process to provide a reminder of the new deadline and opportunity to submit their vote during the Summer.

### **Solent Leaders Forum**

The Solent LEP worked with New Forest District Council to convene the Solent Leaders Forum convened on 9 April 2020. The group reviewed gaps in the support available for businesses in response to COVID-19, which include many businesses, including hereditaments that are being used for the provision of the following services:

- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/financial advisers)
- Post Office sorting offices
- Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers)

In addition to those listed above, there was a gap in support identified for many other types of businesses, such as warehouse distribution, workshops, offices and manufacturing, and these are equally affected by COVID-19.

The Solent LEP and all Solent Local Authority Leaders and the New Forest National Park wrote to the Secretaries of State for Business, Energy and Industrial Strategy and Communities and Local Government to request that the 100% rate relief for 2020/21 is made available to all businesses with a rateable value of under £51,000 to enable them to receive the £25,000 grant, thereby potentially saving the businesses from insolvency, and mitigating the resulting impact this will have on our local economy. A copy of the letter sent on 15 April 2020 is attached as Annexe A.

The Government have subsequently announced a top-up to local business grant funds scheme in the form of a discretionary fund to accommodate certain small businesses previously outside the scope of the business grant funds scheme. Local authorities may choose to make payments to other businesses based on local economic need and the allocation of funding will be at the discretion of local authorities. Further to the announcement, Government have written to all local authorities and guidance in relation to the fund is expected shortly.

### **Solent Growth Forum**

The Solent LEP is currently liaising with Cllr Graham Burgess, Chair of the Solent Growth Forum, with a view to identifying a date to convene the Forum, virtually, during June 2020. This will enable the Forum to scrutinise the emerging Solent 2050 strategy and early outcomes of the evaluation work on the Local Growth Deal. Feedback will inform the LEP Boards consideration of these items at the July Board meeting. In addition, this will provide a timely opportunity for the Forum to receive an update in relation to the economic impact of COVID-19 and to review the LEP's business support activity.

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

Board paper for information purposes only: Equality Impact Assessment (EIA) not required.

### **Legal Implications**

There are no direct legal implications as a result of this information only report.

### **S151 Officer of Finance Comments**

There are no financial implications arising from this report.



**Item:** 9  
**Title:** Any other business – LEP Board forward plan  
**Date:** 22 May 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**

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 also 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:

**17 July 2020 (9.00 am to 12.00 pm)**

- Update on Havant Infrastructure Investment Plan
- Governance update to include:
  - Feedback from Solent Leaders Forum and Solent Growth Forum
  - Business intelligence report as at July 2020

- 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 to date
  - In year budget position for 2020/21 and financial forecasts to 2021/22
  - Review of Risk registers
  - Business Support programmes and growth hub support - COVID-19
- Strategy update to include:
  - Solent 2050 Strategy and Economic Recovery Plan – final drafts
  - Update on Maritime UK and Maritime UK Solent to include update on Freeport consultation
  - Skills Advisory Panel update and briefing on Institute of Technology work
- Annual audit report 2019/20
- Annual report from SERCOM 2019/20

### **9 October 2020 (9.00 am to 12.00 pm)**

- Consideration of final draft Havant Infrastructure Investment Plan
- Update on Solent Enterprise Zone
- Governance update to include;
  - Update on LEP Review implementation plan
  - Succession planning and board recruitment
- Finance and funding report to include;
  - Local Growth Update for 2019/20 programme
  - LGD Retained schemes and future pipeline
  - Mid-year review of budget position for 2020/21 and financial forecasts to 2021/22
  - Review of Risk registers
- Mid-year review of delivery plan and performance review of capital programme

Please note the venues for future board meetings will be the subject of ongoing consideration and will be reviewed and scheduled in accordance with ongoing government policy in relation to social distancing.

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.