

## AGENDA

Solent Local Enterprise Partnership

Meeting of the Finance, Funding and Performance Management Group (FFPMG) to be held virtually on  
Tuesday 26th January 2021 – 09:00 to 12:00

Item	Title	Time
1.	Introductions and apologies for absence	09:00 – 09:15
2.	Notes of the previous meeting of 12th November 2020, matters arising and declarations of interest	
3.	Finance and Funding Report to include: <ul style="list-style-type: none"> <li>• Forecast outturn for 2020/21</li> <li>• Financial forecasts for 2020/21 – 2022/23</li> <li>• SME funding programmes</li> <li>• Foundations for growth programme and the Solent Enterprise Zone</li> <li>• Review of Corporate Risk Register</li> </ul>	09:15 – 10:15
4.	Consideration of Local Growth programme to March 2021 to include presentations from <ul style="list-style-type: none"> <li>• Hampshire County Council on the A326 scheme</li> <li>• QinetiQ on the National Maritime Systems Centre</li> <li>• Natural Enterprise on the Rural fund programme</li> </ul>	10:15 – 11:15
5.	Getting Building Fund update	11:15 – 11:30
6.	Draft Annual Report 2020 and Annual Performance Review 2020-21	11:30 - 11:45
7.	Any Other Business	11:45 - 12:00

**26.01.2021**

**Item 2**

**Notes of previous FFPMG meetings held on  
12 November 2020**

**Solent Local Enterprise Partnership**

**Funding, Finance Performance Management Group (FFPMG)**

Held on Thursday 12 November 2020 in the via video conference facilities

9:00 - 12:00

<b>Present</b>	<b>In Attendance</b>
Anne-Marie Mountifield	Paul Somerset – Portsmouth City Council Internal audit (deputising for Elizabeth Goodwin)
David Youngs	Sophie Mallon - Portsmouth City Council as the Accountable Body for the LEP
James Fitzgerald	Nicola Twiddy (minute taker) – Solent LEP
Judith Grajewski	Steve Futter - Solent LEP
Nick Loader	Richard Jones- Solent LEP
Seán Woodward	Stuart Baker - Solent LEP
SJ Hunt (Chair)	Toni Wootton – Cities and Local Growth Unit
<b>Apologies</b>	<b>Guests</b>
Elizabeth Goodwin	Colin Rowland, Director of Neighbourhoods, Isle of Wight Council (Item 4 only)
	Chris Saunders, Crest Nicholson (Item 4 only)

<b>Item</b>	<b>Action</b>
<b>1. Introductions and apologies for absence</b> The Chair welcomed everyone to the meeting and advised that the meeting is being recorded.  Apologies for absence were noted from Elizabeth Goodwin.	
<b>2. Notes of the previous meeting of 19 June 2020 and 29 September 2020</b> The meeting notes from the meeting on 19 June 2020 and 29 September 2020 were <b>Agreed</b> by FFPMG.  <b>Matters Arising</b> Items in relation to the June meeting: Page 3 - Internal Annual Audit Report - actions from this item will be covered at the meeting today under Item 7. Page 4 - Getting Building Fund - actions from this item will be covered at the meeting today under Item 6.  Items in relation to the September meeting: Page 2 - Restart, Restore and Recovery Loan Fund - 2 applications have been approved to date and the funding agreements are being worked on for signing by the end of November 2020. Due diligence work continues with two other projects that have applied to the fund.  <b>Declarations of Interest</b> (for note for the following matter arising) Anne-Marie Mountifield Item 2 – Regional Growth Fund update	

	<p>Seán Woodward Item 2 - Regional Growth Fund update</p> <p>Page 2 - Regional Growth Fund (RGF) – An update was provided on legacy programmes funded under RGF.</p> <p>Toni Wootton joined the meeting.</p> <p><b>Declarations of Interest</b> Seán Woodward Item 6 - Hampshire and Isle of Wight Wildlife Trust Nitrates project - original application submitted by PfSH (or noting only)</p> <p>Sophie Mallon Item 6 - ABP Shore Power - competitor to PCC Portsmouth International Port (for noting only)</p> <p>Paul Somerset Item 6 - ABP Shore Power - competitor to PCC Portsmouth International Port (for noting only)</p>	
<b>3.</b>	<p><b>Finance and Funding Report</b> The paper was taken as read and FFPMG Members received an update on the Local Growth Deal (LGD) and Getting Building Fund (GBF) programmes latest budget position and outturn funding scenarios.</p> <p>FFPMG members agreed to return to this item following item 4.</p>	
<b>4.</b>	<p><b>Local Growth Programme scheme update</b></p> <p>FFPMG Members received an overview of the Floating Bridge project. Colin Rowland joined the meeting and FFPMG Members were provided with an update on the Floating Bridge project. The Chair thanked Colin Rowland for his presentation and he left the meeting. FFPMG members were also updated on a meeting that the LEP had attended with IOW Council and local stakeholders to discuss the current operational status of the project.</p> <p>FFPMG noted that in line with the current risk management framework the LEP would write to Isle of Wight Council (as scheme lead for the project) following the recent meetings.</p> <p>FFPMG Members also received an overview of the Centenary Quay project. Chris Saunders joined the meeting and FFPMG Members were provided with an update on the Centenary Quay project. The Chair thanked Chris Saunders for his update and he left the meeting.</p>	<b>LEP Executive</b>
<b>3. cont.</b>	<p><b>Finance and Funding Report</b> FFPMG Members received an overview of the LEP's financial position and a number of scenarios setting out the potential outturn position at the end of the financial year and they <b>Agreed</b> to recommend these for approval by the Board.</p> <p>FFPMG members also :</p> <p><b>Endorsed</b> the revised budget for 2020/21 of £83,574,151 as set out in appendix A and the revised budget for the period 2021/22 to 2022/23 as set out in appendix B and <b>Agreed</b> to recommend it for approval by the LEP Board on 11 December 2020 which includes the following:</p> <ul style="list-style-type: none"> <li>• 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 paragraph 4.1 of this report.</li> <li>• The re-profiling and budget movements as set out in the table in paragraph 3 below.</li> </ul>	

	<ul style="list-style-type: none"> <li>The current position of the Growing Places Fund as summarised in appendix D.</li> </ul> <p>FFPMG members:</p> <ul style="list-style-type: none"> <li><b>Noted</b> and <b>Agreed</b> the Corporate and Strategic Risk Register attached at appendix C.</li> <li><b>Considered</b> the key risks in relation to the defrayal of the Local Growth Deal Fund and the Getting Building Fund as set out in paragraphs 4.1 and 4.2 of this report.</li> <li><b>Noted</b> the other funding updates and the RGF legacy programme update at paragraphs 5 and 6.</li> <li><b>Considered</b> 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.</li> <li><b>Considered</b> the Local Growth Deal (LGD) and Getting Building Fund (GBF) funding scenarios presented at the meeting and recommend the preferred option(s) for the Board to consider at their next meeting.</li> <li><b>Considered</b> the confidential report attached at appendix G and <b>Agreed</b> the recommendations in the paper. (David Youngs did not participate in the decision for the confidential item having declared an interest)</li> <li><b>Considered</b> and <b>Agreed</b> a funding allocation of £75k from the approved SME funding allocation to Natural Enterprise for rural business resilience.</li> <li><b>Requested</b> an update on the North Whiteley scheme and in particular, an update on the timetable for connecting the two roads within the scheme.</li> </ul>	<p>LEP Executive and Accountable Body</p> <p>LEP Executive and Accountable Body</p>
5.	<p><b>Performance review update to include</b></p> <p>The paper was taken as read and FFPMG Members:</p> <ul style="list-style-type: none"> <li><b>Noted</b> the update on the Annual Performance Review; and</li> <li><b>Considered</b> the Quarter 2 Delta Return and <b>Agreed</b> to delegate authority to the Chief Executive and S151 Officer of the Accountable Body to finalise the return for submission; and</li> <li><b>Considered</b> and provided <b>advice</b> to the Executive on the Draft Annual Report 2020. Any further feedback or comments to be emailed to the LEP Executive.</li> </ul>	LEP Executive and Accountable Body
6.	<p><b>Getting Building Fund update</b></p> <p>FFPMG Members received an update on the Getting Building Fund.</p> <p>FFPMG Members:</p> <ul style="list-style-type: none"> <li><b>Noted</b> the update on the Getting Building Fund.</li> <li><b>Agreed</b> the Getting Building Fund Delta return.</li> <li><b>Agreed</b> to start looking at the wider pipeline of projects.</li> </ul>	LEP Executive and Accountable Body
7.	<p><b>Internal audit 2019/20</b></p> <p>The paper was taken as read.</p> <p>Nick Loader left the meeting.</p> <p>FFPMG Members:</p> <ul style="list-style-type: none"> <li><b>Noted</b> the progress against plan for Internal Audit activities.</li> <li><b>Considered</b> the PCC Internal Audit report for Payroll and Expenses in Annex A.</li> <li><b>Approved</b> the proposed amendments to the 2020-21 audit plan as set out in Annex B.</li> </ul>	LEP Executive
8.	<p><b>LEP Assurance Framework review</b></p> <p>FFPMG Members received an update on the Assurance Framework and the following areas were highlighted:</p> <ul style="list-style-type: none"> <li>Routine changes</li> </ul>	

	<ul style="list-style-type: none"> <li>- Alignment of the framework to Solent 2050 and the Recovery Plan</li> <li>- Management of the Getting Building Fund</li> </ul> <p>FFPMG Members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update in relation to the work on the LEP Assurance framework and agreed to provide any feedback to the LEP Executive by 25 November 2020 so they can be reflected prior to review at the Board meeting in December 2020.</li> </ul> <p>Sophie Mallon left the meeting.</p>	<b>LEP Executive</b>
	<p><b>Any Other Business</b></p> <p>FFPMG Members:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> and <b>Agreed</b> the Forward Plan.</li> </ul> <p>There was no other additional business.</p>	

**Meeting closed at 11:58**

**26.01.2021**

**Item 3**

**Finance and Funding Update**

Item Number: 3  
Item Title: Solent LEP Finance and Funding Report  
Meeting Date: 26 January 2021  
Purpose: For Information, Advice and Decision

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Confidential information has been removed from this report.

Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:  
information relating to an individual, and/or; relating to the financial or business affairs of a particular person.

## 1. Introduction

- 1.1 This report provides the Funding, Finance and Performance Management Group (FFPMG) with the financial position of all the LEP funds to 31 December 2020 and the forecast budgets for the period 2021/22 to 2023/24.
- 1.2 The opening budgets are as approved at the LEP Board meeting on 11 December 2020 and the report sets out the projected outturn for the 2020/21 financial year which is a key year for the Solent LEP in that the Local Growth Deal (LGD) funding defrayal window closes on 31 March 2021.
- 1.3 The report identifies the key risks for the Board to consider and recommends action where appropriate to mitigate the potential to have to return any funding to Government particularly as there are now less than three months remaining of the main Local Growth Deal funding cycle.

## 2. Recommendations

- 2.1 It is recommended that the FFPMG:
  - (i) Endorse the revised budget for 2020/21 of £65,651,368 as set out in appendix A and the revised budget for the period 2021/22 to 2023/24 as set out in appendix B and recommend it for approval by the LEP Board on 26 February 2021 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 paragraph 4.1 of this report.
    - The re-profiling and budget movements as set out in the table in paragraph 3 below.
    - The current position of the Growing Places Fund as summarised in appendix D.

The FFPMG are also asked to:

- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Consider** the key risks in relation to the defrayal of the Local Growth Deal Fund and the Getting Building Fund as set out in paragraphs 4.1 to 4.3 of this report.
- **Note** the other funding updates at paragraphs 5 and 6.
- **Note** the update on the Crowdfunder SME support programme and **Consider** further options in terms of the use of the projected underspend.
- **Consider** the report and recommendations attached at appendix H.
- **Agree** to extend the beneficiary spend deadline for the ERDF SME Restart and Recovery, and Kick-starting Tourism Grant Fund to 28<sup>th</sup> February 2021 to mitigate against programme underspend.



- **Agree** to the over-programming of the ERDF SME Restart and Recovery, and Kick-starting Tourism Grant Fund, so that the small number of eligible projects that are not affordable within the £375,000 ERDF available may be issued Grant Offer Letters.
- **Agree** the release of up to £35,000 to cover any over-spend should all beneficiaries claim grants and to cover one further project that is being assessed (having been incorrectly considered initially as ineligible).
- **Agree** to the release of £100,000 for deployment as SME grants in response to the economic impacts of the COVID-19 pandemic and delegate authority to the Executive to develop and publish the details of this fund.
- **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.
- **Consider** the Local Growth Deal (LGD) and Getting Building Fund (GBF) funding scenarios that will be presented at the meeting
- **Note** the update regarding the Building Foundations for Growth grant in paragraph 5.5, and **Consider** and **Approve** the recommendations in relation to on and off site infrastructure.

### 3. **Budget movements**

An analysis of the LEP's forecast expenditure for 2020/21 and the period 2021/22 to 2023/24 together with how this is funded is attached at appendix B. The additional resources / budget re-profiling since the last meeting of the Board on 11 December 2020 is set out in table 1 below.

**Table 1 - Budget Re-profiling:**

	Previous Years to 2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	Total £000's
<b>Budget Agreed at LEP Board on 11 December 2020</b>	<b>157,146</b>	<b>66,507</b>	<b>34,480</b>	<b>8,163</b>	<b>0</b>	<b>266,296</b>
Re-profiling of expenditure:						
Reserves / Contingency		(250)		250		0
Operational Costs		(120)		120		0
Skills Advisory Panel		(75)	75			0
Careers Enterprise Co-ordinators		(144)	144			0
Capacity funding		(115)	115			0
Transport Delivery Excellence funding		(52)	52			0
Stubbington Bypass - project management		(50)	50			0
Solent 2050		(50)	50			0
<b>Revised Budget</b>	<b>157,146</b>	<b>65,651</b>	<b>34,966</b>	<b>8,533</b>	<b>0</b>	<b>266,296</b>
<b>Cumulative Net GPL Fund Reserve Balance (see appendix D for details)</b>		<b>14,889</b>	<b>6,913</b>	<b>0</b>	<b>0</b>	

### 4. **Analysis of the Key Issues and Variances against the Approved Budgets**

The key issues and risks in respect of the 2020/21 budget are set out below.

#### 4.1 **Local Growth Deal 2020/21**

The latest position of the overall LGD programme is set out in detail in appendix E and this reflects the latest position agreed by the LEP Board at its meeting on 11 December 2020.

#### **Cumulative Position of LGD Funding:**

In terms of cumulative LGD actual expenditure, and the expected contracted activity (excluding the SME support allocations) to the 11 January 2021, the figures in table 2 below show a 100% commitment against the total cumulative funded received to date of £177.3m.

**Table 2: Local Growth Deal Summary - Cumulative Actual Expenditure and Expected Contracted Activity as at 11 January 2021**

	<b>Actual 2015/16 £</b>	<b>Actual 2016/17 £</b>	<b>Actual 2017/18 £</b>	<b>Actual 2018/19 £</b>	<b>Actual 2019/20 £</b>	<b>Actual / Forecast @ 11 January 2021 £</b>	<b>Total Cumulative Forecast to 11 January 2021 £</b>	<b>Cumulative Contracted Activity vs funding Received as at 11 January 2021</b>
LGD Actual / Contracted	38,833,432	37,807,314	8,312,999	7,804,531	12,982,743	71,516,242	177,257,261	<b>100.0%</b>
LGD Received (incl DfT retained returned)	40,391,667	42,640,334	24,302,028	12,967,860	11,752,686	45,202,686	177,257,261	
<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>	<b>0</b>	

At the time of writing 100% of the Local Growth Deal funding (including the LGD returned by DfT) is contractually committed as the previously uncommitted residual has been used to underwrite the five Getting Building Fund projects that are receiving funding agreements for the full project costs before the confirmation of the 2021/22 allocation of the GBF has been received.

As previously advised a funding tail for the more complex multi-year projects will now fall into the 2021/22 financial year which at present is forecast to be £16.8m however this could increase by the end of the financial year if other projects are unable to defray their funding in line with their latest forecasts. In order to manage this the board have agreed the principles of a financing mechanism to ensure that no funding has to be returned to government and to work closely with scheme leads to ensure that funding agreement variations are put into place to allow drawdown in the 2021/22 financial year.

A number of scheme leads will be presenting the latest status of their projects at this meeting including the requirement for funding variations under item 4 of this agenda.

The latest LGD position can be found at appendix E alongside the updated status of each scheme which have also been RAG rated in the high-level delivery risk matrix at appendix F.

#### COVID-19 Restart, Restore and Recover (RRR) Loan Fund Update

The RRR Loan Fund is now closed and out of nine applications totalling £6.1m two loans totalling £2.75m were approved. Both of these loan agreements have been executed and £1m has already been paid out with the final £1.75m expected to be paid out by the end of the financial year.

## **4.2 Getting Building Fund (GBF)**

The GBF allocation of £15.9m and the projects that this is funding have been added to the financial forecasts and, following full due diligence, the Board have agreed to fund five of the six projects with one project no longer proceeding.

As part of the decision-making process, the Board have agreed to underwrite the second year of the funding in order to allow all five projects to go ahead with full funding certainty; this is reflected in the funding scenarios that will be presented at the meeting.

A detailed report on the status of the GBF can be found under item 5 of this agenda.

#### 4.3 LGD and GBF Defrayal Scenarios

The LEP Executive and Accountable Body have further updated a range of funding scenarios that take into account the ongoing implications of COVID-19 and the risks regarding the maximum defrayal of both the LGD and GBF allocations by the 31 March 2021 deadline. These will be presented at the meeting for discussion.

### 5. SME and Other Funding Updates

#### 5.1 Crowdfunder SME support programme

Following proactive Board decisions in the early stages of the COVID-19 pandemic, £600,000 of grant funding was committed to supporting circa 100 businesses via the LEP's Crowdfunder platform. This has been a real success, with 89 businesses supported receiving £211,500 of LEP funding and unlocking pledges from the Crowd totalling £429,141. Whilst it is expected that we will continue to see a call on these funds, it is expected that the total to be expended in the current financial year will be nearer £300,000 and the Board will be asked to consider a range of potential options for this funding at their meeting in March 2021. Two such options are contained in paragraphs 5.3 and 5.4 below.

In addition to the above update, FFPMG members should also consider the report and recommendations attached at appendix H.

#### 5.2 Natural Enterprise - Rural SME funds and Rural Business Resilience Fund

FFPMG members will receive an update from Natural Enterprise under item 4 of the agenda. The table below summarises the current position across the four funding streams as approved by Board with the initial Isle of Wight Rural SME programme established in 2015/16, and the New Forest counterpart and business resilience funds following as a result of Board decisions in the early stages of the pandemic.

Fund	Number of beneficiaries	LEP Grant	Matched Funding	Total project cost
IW Rural Fund	35	£1,129,745	£1,955,390	£3,085,135
IW Rural Business Resilience Fund	57	£71,253	£71,253	£142,506
NF Rural Fund	3	£62,917	£97,412	£160,329
NF Rural Business Resilience Fund	17	£33,245	£33,245	£66,490
<b>Totals</b>	<b>112</b>	<b>£1,297,160</b>	<b>£2,157,300</b>	<b>£3,454,460</b>

#### 5.3 ERDF SME Restart and Recovery, and Kick-starting Tourism Grant Fund

Members will recall that through Round 1 of this fund, the Business Support Investment Panel (BSIP) agreed 39 projects for grants totalling £97,051.

Round 2 opened on 9<sup>th</sup> November for two weeks and 160 applications were received. Of these, 113 applications were eligible for grant funding, subject to funding availability. A Summary of these is provided in the table below.

#### Summary of Round 2 of the ERDF SME Restart and Recovery, & Kick-starting Tourism Grant Programme Applications eligible for Grant Funding

Grant Category	Round 1		Round 2		Combined Position	
	Number of Applications	Total of Grants (£)	Number of Applications	Total of Grants (£)	Number of Applications	Total of Grants (£)
Wider Economy (excluding exceptional)	22	£51,214	51	£129,059	73	£180,274

Visitor Economy (excluding exceptional)	15	£37,438	45	£109,883	60	£147,320
Exceptional Wider Economy	0	£0	9	£ 37,258	9	£37,258
Exceptional Visitor Economy	2	£ 8,399	8	£ 30,062	10	£38,461
<b>Totals</b>	<b>39</b>	<b>£97,051</b>	<b>113</b>	<b>£306,262</b>	<b>152</b>	<b>£403,313</b>

At present should all applications turn into claims, when added to the Round 1 totals, the fund would be oversubscribed by £28,313 (£375,000 - £403,313).

A list of all applications approved (including those approved in principle and subject to affordability) for grants by BSIP across Rounds 1 and 2 is provided in appendix G.

In relation to grant claims there is a defrayal deadline by the beneficiary of 31 March 2021 at which point all funding must have been spent and related financial transactions processed and completed, including claims for payment to the LEP and transfer of such payments to the beneficiary. To facilitate this and in order to ensure that ERDF funding for project activity is completed (including grants to be committed) we are seeking FFPMG support to extend the applicant spend deadline to 28 February 2021.

In addition given the number of eligible applications that have come through the recent round it is requested that FFPMG agree to over-programming of £35,000, so that these projects may be issued with Grant Offer Letters. This will ensure we can support all eligible funding requests whilst mitigating against any potential underspend. There is sufficient headroom in the SME funding programme lines to cover this additional expenditure should it arise.

#### 5.4 **Proposed New £100,000 SME Fund**

Following the successful allocation of all ERDF funding through two funding rounds to SMEs, and in consideration of the continued impact of COVID-19 on businesses, the Executive is seeking the agreement of FFPMG to release £100,000 for deployment as SME grants in response to the economic impacts of the COVID-19 pandemic.

It is noted that, through Local Authorities, there are a range of grant programmes (Local Restrictions Support Grants, Additional Restrictions Grant), and, more recently the one-off top up grants for retail, hospitality and leisure businesses worth up to £9,000 per property to help businesses through to the spring, the administrative burden of over 300 applications and over 150 grant agreements (as was the case with the ERDF programme) and associated claims and monitoring, does impose a significant administrative burden.

The Executive will seek the advice of the Solent Coronavirus Business Support Task Force at its meeting on 20<sup>th</sup> January 2021 and in future meetings on any gaps in current COVID-19 grant provision through existing Local Authority run schemes, so that LEP funding can be most appropriately deployed to address such gaps in a way that does not result in a disproportionate administrative burden. The Executive would welcome the thoughts of FFPMG on the scope of this fund and it is proposed to bring back updated guidance on this fund for board approval at their meeting in February 2021

Again, there is sufficient headroom in the SME funding programme lines to facilitate this new fund coming forward.

#### 5.5 **Enterprise Zone - Building Foundations for Growth Grant**

In July 2014 the LEP were successful in securing £7.09m of funding to carry out works to improve the infrastructure on the Solent Enterprise Zone (EZ) to help deliver the development of an employment-led, mixed use scheme of commercial floor space, retail space and residential units.

The LEP (via the Accountable Body) contracted with Hampshire County Council (HCC) to deliver a 1.15km access road within the Waterfront part of the EZ and service provision to Daedalus Park including gas, water, electricity and foul drainage and work is now almost complete. FFPMG will be asked to consider recommendations in relation to this and an update will be provided at the meeting.

FFPMG are advised to consider asking Fareham BC to attend FFPMG to provide an update on the agreement in place for the deployment of retained rates on Daedalus West and Daedalus East and Gosport BC in relation to retained rates

in their authority. FFPMG and the board can then consider this funding alongside any residual on the Building Foundations grant, alongside future investment priorities on the Enterprise Zone and surrounding areas.

Finally, the FFPMG are advised that the accountable body's audit team has undertaken testing of the expenditure funded by this grant and have provided an assurance letter that the use of the funding was appropriate and in line with the grant conditions.

Work is also underway on a wider audit as part of the main audit plan and when this has been completed it will be brought to FFPMG for consideration.

## **6. Regional Growth Fund Legacy Programmes**

Further to the recent updates in relation to Regional Growth Fund (RGF) closure activity, four of the remaining five programmes have now been considered by HM Government and formally approved as closed. A further verbal update will be provided at the meeting on the status of the final remaining programme.

## **7. Operational Costs**

The staffing costs of the LEP are recharged across the various programme funds where activity is actually taking place and a review has been undertaken to re-profile some of the budgets where there are material variances from the original estimates. A final review will be undertaken at the end of the financial year to ensure that these recharges reflect the actual incidence of the work taking place.

In addition to this the Accountable Body and the LEP executive have always set aside some funding as a reserve / contingency to be able to react to any specific unbudgeted requirement in any one financial year. As we are nearing the end of the financial year and to date there have been no calls on this budget it is felt prudent to re-profile £250k of the £450k to future financial years. Any remaining budget will also be re-profiled at the end of the financial year.

## **8. Financial Summary**

The latest forecast outturn for the LEP Budget for 2020/21 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 FFPMG and LEP Board have taken proactive action such as over-programming the LGD and issuing full funding agreements for the GBF projects to ensure that all LEP funds are spent with regularity and propriety, that they secure value for money for the public purse and maximise investment opportunities for the area.

The Accountable Body will also continue to ensure that any funding commitments remain affordable within the overall financial envelope of the LEP budget and provide advice to ensure that the risk of returning any funding to government remains very low.

## **9. Equality impact assessment**

An EIA is not required at this stage. EIA's are not required for note items and, in relation to decisions, these relate to agreement of programme-wide budgets (as opposed to any new investment decisions) and internal risk registers.

## **10. Legal implications**

With reference to:-

The recommendation to endorse the revised budget for 2020/21 of £65,65168 as set out in appendix A and the revised budget for the period 2021/22 to 2022/23 as set out in appendix B and recommend it for approval by the LEP Board on 26 February 2021. PCC's (acting as accountable body for the LEP) s.151 officer acts as the Chief Finance officer (by the relevant delegation powers) for the LEP and is in receipt of a general delegation from the Council in order to manage such matters.

- 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. Any consideration of the high level Risk Matrix for the Local Growth Programme and Getting Building Fund (para 4.1 to 4.3) Legal considerations in terms of deliverables to secure defrayal will be reviewed by legal as and when necessary.

- iii. The noting and consideration of the Local Growth Deal (LGD) and Getting Building Fund (GBF) funding scenarios presented at the meeting and recommend the preferred option(s) for the Board to consider at their next meeting - the necessary and required due diligence will be taken upfront to ensure the necessary security and financial appraisal feeds into any such decision to approve by the Board at a later date.

11. **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 2020/21

Enterprise (Business Support)	Full Year Budget 2020/21*	Actual Expenditure up to 31 December 2020	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 21 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2021/22	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
<b><u>Solent RGF - Bridging the Gap:</u></b>							
Bridging the Gap (Phase 1, Phase 2 and Solent Wide)	0	62,283	0	0	0	0	0
RGF Solent EZ expansion Fund (Gosport Borough Council)	0	0	0	0	0	0	0
RGF 3 IOW Private Sector Support - Fund	0	0	0	0	0	0	0
<b><u>Local Growth Deal Funding:</u></b>							
SME Support - Solent Prosperity Fund	588,637	251,172	588,637	0	0	0	0
ERDF BTG - Awards (ERDF Funded)	0	0	0	0	0	0	0
ERDF BTG - Awards (LGD Match Funded)	0	0	0	0	0	0	0
Natural Enterprise - Grant Programme	150,000	0	150,000	0	0	0	0
Natural Enterprise - Rural Resilience (COVID19 Response)	100,000	0	100,000	0	0	0	0
<b><u>Other Enterprise Initiatives:</u></b>							
Solent Growth Hub	536,500	317,367	536,500	0	0	0	0
Peer Networks	150,000	11,327	150,000	0	0	0	0
EU Transition	136,000	0	136,000	0	0	0	0
Pay It Forward - Micro / Small Business Support (Revenue)	580,000	315,612	580,000	0	0	0	0
ERDF Restart and Recovery, and Kickstarting Tourism Grant Fund	407,341	0	407,341	0	0	0	0
SME Support - Business Intelligence and Readiness	0	275	0	0	0	0	0
Improving Digital Capability for SME's	0	0	0	0	0	0	0
<b>Enterprise Total</b>	<b>2,648,478</b>	<b>958,036</b>	<b>2,648,478</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Infrastructure (Land & Property)	Full Year Budget 2020/21*	Actual Expenditure up to 31 December 2020	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 21 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2021/22	Overspend to be funded / (Underspend to be Re- allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
<b><u>Growing Places Fund Loans:</u></b>							
Stubbington Bypass	0	0	0	0	0	0	0
Currently Programmed for 2018/19	0	0	0	0	0	0	0
Griffon Hoverwork	0	0	0	0			
<b><u>Growing Places Loan Fund:</u></b>							
Funding set aside to underwrite LGD over programming if required	0	0	0	0	0	0	0
<b>Growing Places Loan Fund: Capital Loans Advanced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Grants allocated (not repayable)</u></b>							
Stubbington Bypass indemnity	0	0	0	0	0	0	0
Funding set aside to underwrite LGD overprogramming if required							
<b><u>GPL Contingency Provisions and Programme Management costs</u></b>							
IoW Core Composites College Contingency	0	0	0	0	0	0	0
Growing Places Loan Fund Programme Management Costs	91,425	66,062	91,425	0	0	0	0
<b>Sub-total: GPL Contingecny Provisions and Programme Management costs</b>	<b>91,425</b>	<b>66,062</b>	<b>91,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Solent Growth Deal:</u></b>							
The Hard Interchange (PCC)	0	0	0	0	0	0	0
Dunsbury Hill Farm Link Road (PCC)	0	0	0	0	0	0	0
Station Quarter North (SCC)	0	0	0	0	0	0	0
Station Roundabout / Gudge Heath Lane (HCC)	0	0	0	0	0	0	0
Cancer Immunology Centre	0	0	0	0	0	0	0
Environmental Mitigation - Solent Mitigation Disturbance project	0	0	0	0	0	0	0
Peel Common Roundabout and St Margaret's Roundabout	0	0	0	0	0	0	0
Newgate Lane South	(500,000)	(500,000)	(500,000)	0	0	0	0
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	0	0	0	0	0	0	0
Fareham and Gosport multiyear programme (A27 Dualling)	(170,000)	(170,000)	(170,000)	0	0	0	0

Solent Gateways (Isle of Wight Floating Bridge)	0	0	0	0	0	0	0
Solent Gateways (East Cowes and Trafalgar Dock)	0	0	0	0	0	0	0
North Whiteley Transport Improvements	9,894,720	5,814,638	9,894,720	0	0	0	0
Local Large Major transport schemes and infrastructure investment	0	0	0	0	0	0	0
BAE Marine Workshops and Maritime Support Centre	0	0	0	0	0	0	0
Regeneration Investment to unlock sites for growth	0	0	0	0	0	0	0
Programme Development Fund (feasibilities)	0	0	0	0	0	0	0
Solent Accelerated Housing Delivery Project	0	0	0	0	0	0	0
Solent Growth Deal - Programme Management Costs	154,205	179,116	154,205	0	0	0	0
Stubbington Bypass - LGD forward funding	1,500,000	1,500,000	1,500,000	0	0	0	0
A326 Highway Improvements	1,580,000	0	1,580,000	0	0	0	0
IOW Island Line - Brading Loop	700,000	0	700,000	0	0	0	0
University of Portsmouth - Centre for Creative and Immersive XR	3,617,561	74,956	3,617,561	0	0	0	0
COVID-19 Loan Fund	2,750,000	1,000,000	2,750,000	0	0	0	0
Southsea Coastal Defences	5,000,000	0	5,000,000	0	0	0	0
ABP - Shore Power Initiative	4,434,350	0	4,434,350	0	0	0	0
M27 J10 - Business Case progression	900,000	0	900,000	0	0	0	0
LGD funding for allocation	4,942,152	0	4,942,152	0	0	0	0
LGD funding indicatively earmarked for projects in future years	0	0	0	0	0	0	0
(Over) / Under Programming	0	0	0	0	0	0	0
Sub-total - Local Growth Deal	34,802,988	7,898,709	34,802,988	0	0	0	0
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	0	0		0			
<u>DfT Retained Schemes</u>							
Stubbington Bypass	14,999,000	5,000,000	14,999,000	0	0	0	0
Stubbington Bypass - Programme Management Costs	201,000	110,108	151,000	(50,000)	0	0	0
<i>Growth deal provisional allocation for M27 Junction 10 (post 2016)</i>	0	0	0	0	0	0	0
Sub-total - DfT Retained Schemes	15,200,000	5,110,108	15,150,000	(50,000)	0	0	0
<u>Getting Building Fund</u>							
Port of Southampton Cruise Terminal	4,000,000	2,000,000	4,000,000	0	0	0	0
Enzyme Recycling Techniques - Building an Industrial Engagement Hub	500,000	0	500,000	0	0	0	0
Fawley Waterside Digital	375,000	0	375,000	0	0	0	0
Branstone Farm Rural Employment Hub	1,225,000	0	1,225,000	0	0	0	0
Woolston 'Silicon Wharf' - Low carbon marine logistics technology and control centre	700,000	0	700,000	0	0	0	0
PfSH Nutrients	1,150,000	0	1,075,000	(75,000)	0	(75,000)	0
Programme Management	15,000	63,818	90,000	75,000	0	(15,000)	15,000
Sub-total - Getting Building Fund	7,965,000	2,063,818	7,965,000	0	0	(90,000)	15,000
<u>Other Capital Funding Programmes:</u>							
Building Foundations for Growth Capital Grant for EZ	0	0	0	0	0	0	0
Centenary Quay (DCLG Infrastructure House Building Capital Fund)	0	0	0	0	0	0	0
Centenary Quay - Switch with PCC Capital Resources		0		0	0	0	0
<u>Other Infrastructure Funding:</u>							
Capacity funding	36,801	11,284	16,801	(20,000)	(20,000)	0	0
One Public Estate	0	0	0	0	0	0	0
Transport Delivery Excellence Funding	52,000	0	0	(52,000)	(52,000)	0	0
Energy strategy	1,029	0	1,029	0	0	0	0
<b>Infrastructure (Land &amp; Property) Total</b>	<b>58,149,243</b>	<b>15,149,981</b>	<b>58,027,243</b>	<b>(122,000)</b>	<b>(72,000)</b>	<b>(90,000)</b>	<b>15,000</b>

Place	Full Year Budget 2020/21*	Actual Expenditure up to 31 December 2020	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 21 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2021/22 £	Overspend to be funded / (Underspend to be Re- allocated) £	New funding from / (Funding to be handed back to) Government £
Capacity Funding	3,672	3,036	3,672	0	0	0	0
Place Total	3,672	3,036	3,672	0	0	0	0

Skills	Full Year Budget 2020/21*	Actual Expenditure up to 31 December 2020	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 21 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2021/22 £	Overspend to be funded / (Underspend to be Re- allocated) £	New funding from / (Funding to be handed back to) Government £
CEMAST - Fareham College	0	0		0	0	0	0



<b>Solent Growth deal FE Capital (2015/16 - 2021)</b>							
Eastleigh College Estates Renewal	0	0	0	0	0	0	0
IOW College Composites Centre	0	0	0	0	0	0	0
<b>City Deal Wave 2:</b>							
Fareham College - Civil Engineering Training Centre	430,582	375,974	430,582	0	0	0	0
Capacity funding	87,595	59,719	77,595	(10,000)	(10,000)	0	0
Solent Employer Ownership Programme	46	0	46	0	0	0	0
Careers Enterprise Company / Enterprise Adviser Network	454,897	205,749	310,897	(144,000)	(144,000)	0	0
Skills Advisory Panels	127,330	21,360	52,330	(75,000)	(75,000)	0	0
<b>Skills Total</b>	<b>1,100,450</b>	<b>662,803</b>	<b>871,450</b>	<b>(229,000)</b>	<b>(229,000)</b>	<b>0</b>	<b>0</b>

<b>Strategic Sectors</b>	<b>Full Year Budget 2020/21*</b>	<b>Actual Expenditure up to 31 December 2020</b>	<b>Full Year Forecast and Proposed Revised Budget</b>	<b>Full Year Variance as at 31 March 21 Over / (Underspend)</b>	<b>Acceleration or Programme Slippage to be carried forward to 2021/22</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>Solent Futures RGF Round 3:</b>							
Training Scheme	0	0		0	0	0	0
Supply Chain	0	0		0	0	0	0
<b>Other Strategic Sector Initiatives:</b>							
National Maritime Systems Centre	3,320,666	2,564,664	3,320,666	0	0	0	0
Southampton Solent University - Warsash School of Maritime Science and Engineering	0	0	0	0	0	0	0
Martime UK Solent: Capacity Funding	50,000	33,524	50,000	0	0	0	0
<b>Strategic Sectors Total</b>	<b>3,370,666</b>	<b>2,598,188</b>	<b>3,370,666</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Innovation</b>	<b>Full Year Budget 2020/21*</b>	<b>Actual Expenditure up to 31 December 2020</b>	<b>Full Year Forecast and Proposed Revised Budget</b>	<b>Full Year Variance as at 31 March 21 Over / (Underspend)</b>	<b>Acceleration or Programme Slippage to be carried forward to 2021/22</b>	<b>Overspend to be funded / (Underspend to be Re- allocated)</b>	<b>New funding from / (Funding to be handed back to) Government</b>
	£	£	£	£	£	£	£
FBC - Fareham Innovation Centre	0	0		0	0	0	0
Saab SeaEye	0	0	0	0	0	0	0
Innovation Fund unallocated / New Call	0	0	0	0	0	0	0
Innovation Fund - Programme Management	0	0	0	0	0	0	0
Local Growth Deal Fund - Innovation Projects				0			0
University of Portsmouth Future Technology Centre (LGD contribution)	0	0	0	0	0	0	0
BAE Marine & Maritime Test Bed	(456,633)	(456,633)	(456,633)	0	0	0	0
UoS - Web Science (Z21)	0	0	0	0	0	0	0
Capacity Funding	88,465	2,900	3,465	(85,000)	(85,000)	0	0
<b>Innovation Total</b>	<b>(368,168)</b>	<b>(453,733)</b>	<b>(453,168)</b>	<b>(85,000)</b>	<b>(85,000)</b>	<b>0</b>	<b>0</b>

<b>Operational Central Costs</b>	<b>Full Year Budget 2020/21*</b>	<b>Actual Expenditure up to 31 December 2020</b>	<b>Full Year Forecast and Proposed Revised Budget</b>	<b>Full Year Variance as at 31 March 21 Over / (Underspend)</b>	<b>Acceleration or Programme Slippage to be carried forward to 2021/22</b>	<b>Overspend to be funded / (Underspend to be Re- allocated)</b>	<b>New funding from / (Funding to be handed back to) Government</b>
	£	£	£	£	£	£	£
Staffing costs	500,000	319,617	420,000	(80,000)	0	(80,000)	0
Office costs	95,000	74,009	95,000	0	0	0	0
Finance costs including forecast costs for Democratic Services for future years	80,000	54,243	80,000	0	0	0	0
Legal support	70,000	40,326	70,000	0	0	0	0
Marketing & Communication costs	100,000	33,567	60,000	(40,000)	0	(40,000)	0
Contingency / Reserves	450,000	0	200,000	(250,000)	(250,000)	0	0
Solent 2050	281,027	188,201	231,027	(50,000)	(50,000)	0	0
SEEDA legacy funding for business engagement	0	0	0	0	0	0	0
LEP Network / Catalyst South	27,000	7,000	27,000	0	0	0	0
<b>Operational Central Costs Total</b>	<b>1,603,027</b>	<b>716,963</b>	<b>1,183,027</b>	<b>(420,000)</b>	<b>(300,000)</b>	<b>(120,000)</b>	<b>0</b>

<b>Total LEP Budget</b>	<b>66,507,368</b>	<b>19,635,274</b>	<b>65,651,368</b>	<b>(856,000)</b>	<b>(686,000)</b>	<b>(210,000)</b>	<b>15,000</b>
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\* As agreed at LEP Board 11 December 2020

SOLENT LOCAL ENTERPRISE PARTNERSHIP - BUDGET FORECAST TO 2023/24								
ENTERPRISE (BUSINESS SUPPORT)	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	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)	2,415,719	-	-	-	-	2,415,719	2,415,719	-
SME Support (Transition)	-	450,000	-	-	-	450,000	450,000	-
Repayment of ERDF Funded Grant Awards to DCLG	91,591	-	-	-	-	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	1,330,000	150,000	-	-	-	1,480,000	1,480,000	-
Natural Enterprise - Rural Resilience (COVID19 Response)	-	100,000	-	-	-	100,000	100,000	-
Matched funding for ERDF Growth Accelerator Fund	-	-	-	-	-	0	0	-
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	761,363	138,637	-	-	-	900,000	900,000	-
Solent Growth Hub (Growth deal - 2015/16 to 2021)	1,139,311	536,500	158,255	-	-	1,834,066	1,834,066	-
Peer Networks	-	150,000	-	-	-	150,000	150,000	-
EU Transition	-	136,000	-	-	-	136,000	136,000	-
Pay It Forward - Micro / Small Business Support (Revenue)	20,000	580,000	-	-	-	600,000	600,000	-
ERDF Restart and Recovery, and Kickstarting Tourism Grant Fund	-	407,341	-	-	-	407,341	407,341	-
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	-
Enterprise Total	12,851,440	2,648,478	158,255	0	0	15,658,173	15,658,173	-
INFRASTRUCTURE (Land & Property)	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Total Budget	Total Forecast Expenditure	Variance
Growing Places Fund: Original Capital Allocation								
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)	-	-	7,000,000	6,762,916	-	13,762,916	13,762,916	-
Growing Places Loan Fund: Capital Loans Advanced / Available	13,000,000		7,000,000	6,762,916		26,762,916	26,762,916	-
Grants allocated (not repayable)								
Stubbington Bypass indemnity	-	-	-	-	-	0	0	-
Funding set aside to underwrite LGD overprogramming if required	-	-	-	-	-	0	0	-
Use of Fund for other Purposes (not repayable):								
- Growing Places Loan Fund Programme Management Costs	208,575	91,425	150,000	150,000	-	600,000	600,000	-
Growing Places Loan Fund: Fund used and not repayable	208,575	91,425	150,000	150,000	-	600,000	600,000	-

Solent Growth Deal confirmed funding:																			
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	(170,000)	-	-	-						3,957,000	3,957,000	-						
Solent Gateways (Isle of Wight Floating Bridge)	3,776,782	-	-	-	-						3,776,782	3,776,782	-						
North Whiteley Transport improvements	1,905,280	9,894,720	2,200,000	-	-						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	7,000,000	1,500,000	-	-	-						8,500,000	8,500,000	-						
Solent Growth Deal - Programme Management Costs	1,724,097	154,205	200,000	-	-						2,078,302	2,078,302	-						
A326 Highway Improvements	-	1,580,000	4,100,000	-	-						5,680,000	5,680,000	-						
IOW Island Line - Brading Loop	-	700,000	-	-	-						700,000	700,000	-						
CCIXR	-	3,617,561	-	-	-						3,617,561	3,617,561	-						
COVID-19 Loan Fund	-	2,750,000	(687,000)	(1,374,000)	(689,000)						689,000	689,000	-						
Southsea Coastal Defences	-	5,000,000	-	-	-						5,000,000	5,000,000	-						
ABP - Shore Power Initiative	-	4,434,350	-	-	-						4,434,350	4,434,350	-						
M27 J10 - buisness case progression	-	900,000	-	-	-						900,000	900,000	-						
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 set aside for Getting Building Fund 2020/21 over-programming / LGD loan repayments	-	4,942,152	687,000	1,374,000	689,000						7,003,152	7,003,152	-						
SUB TOTAL: Solent Growth Deal:	56,300,769	34,802,988	6,500,000	-	-						97,603,757	97,603,757	-						
<u>DfT Retained Schemes</u>																			
Stubbington Bypass	-	14,999,000	10,500,000	-	-						25,499,000	25,499,000	-						
Stubbington Bypass - Programme Management Costs	-	151,000	50,000	-	-						201,000	201,000	-						
M27 J10 - Initial Buisness Case preparation	4,650,000	-	-	-	-						4,650,000	4,650,000	-						
SUB TOTAL: DfT Retained Schemes:	4,650,000	15,150,000	10,550,000	-	-						30,350,000	30,350,000	-						
<u>Getting Building Fund</u>																			
Port of Southampton Cruise Terminal	-	4,000,000	4,000,000	-	-						8,000,000	8,000,000	-						
Enzyme Recycling Techniques - Building an Industrial Engagement Hub	-	500,000	500,000	-	-						1,000,000	1,000,000	-						
Fawley Waterside Digital	-	375,000	375,000	-	-						750,000	750,000	-						
Branstone Farm Rural Employment Hub	-	1,225,000	1,225,000	-	-						2,450,000	2,450,000	-						
Woolston 'Silicon Wharf' - Low carbon marine logistics technology and control centre	-	700,000	700,000	-	-						1,400,000	1,400,000	-						
PfSH Nutrients	-	1,075,000	1,150,000	-	-						2,225,000	2,225,000	-						
Programme Management	-	90,000	40,000	-	-						130,000	130,000	-						
Sub-total - Getting Building Fund	-	7,965,000	7,990,000	-	-						15,955,000	15,955,000	-						
<u>Building Foundations for Growth</u>																			
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	-						
<u>Capacity Funding</u>																			
Capacity Funding	438,199	16,801	20,000	-	-						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	-						
Infrastructure (Land & Property) Total	89,014,602	58,027,243	32,679,783	6,912,916							186,634,544	186,634,544							

PLACE	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Total Budget	Total Forecast Expenditure	Variance
Capacity funding	331,328	3,672	-	-	-	335,000	335,000	-
Place Total	331,328	3,672	0	0	0	335,000	335,000	-

SKILLS	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	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	404,542	77,595	10,000	-	-	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	792,503	310,897	369,186	-	-	1,472,586	1,472,586	-
Skills Advisory Panels	22,670	52,330	75,000	-	-	150,000	150,000	-
<b>Skills Total</b>	<b>29,157,933</b>	<b>871,450</b>	<b>454,186</b>	<b>0</b>	<b>0</b>	<b>30,483,569</b>	<b>30,483,569</b>	<b>0</b>

STRATEGIC SECTORS	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	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	7,464,200	-	-	-	-	7,464,200	7,464,200	-
<u>MARITIME UK SOLENT</u>								
Capacity funding	272,935	50,000	37,065	-	-	360,000	360,000	-
<b>Strategic Sectors Total</b>	<b>12,171,888</b>	<b>3,370,666</b>	<b>37,065</b>	<b>0</b>	<b>0</b>	<b>15,579,619</b>	<b>15,579,619</b>	<b>-</b>

INNOVATION	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	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	91,535	3,465	85,000	-	-	180,000	180,000	-
<b>Innovation</b>	<b>8,836,686</b>	<b>(453,168)</b>	<b>85,000</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 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Total Budget	Total Forecast Expenditure	Variance
Staffing costs	2,095,283	420,000	500,000	380,000	-	3,395,283	3,395,283	-
Office costs	602,956	95,000	95,000	60,000	-	852,956	852,956	-
Finance costs incl forecast costs for Democratic Services for future years	449,050	80,000	80,000	60,000	-	669,050	669,050	-
Legal support	261,651	70,000	70,000	60,000	-	461,651	461,651	-
Marketing & Communication costs	445,892	60,000	100,000	60,000	-	665,892	665,892	-
Contingency / Reserves	-	200,000	430,000	999,960	-	1,629,960	1,629,960	-
Solent 2050	890,250	231,027	248,740	-	-	1,370,017	1,370,017	-
SEEDA legacy funding for business engagement	-	-	-	-	-	0	0	-
LEP Network and Southern LEP's (Catalyst South)	37,000	27,000	28,256	-	-	92,256	92,256	-
<b>Operational Central Costs Total</b>	<b>4,782,082</b>	<b>1,183,027</b>	<b>1,551,996</b>	<b>1,619,960</b>	<b>0</b>	<b>9,137,065</b>	<b>9,137,065</b>	<b>-</b>

LEP BUDGET GRAND TOTAL	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Total Budget	Total Forecast Expenditure	Variance
	157,145,958	65,651,368	34,966,285	8,532,876	0	266,296,487	266,296,487	-

FUNDING SUMMARY	Actual Expenditure to end 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	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	101,091,020	29,266,241	6,300,000	-	-	136,657,261
Temporary Local Growth Deal Switch with PCC Capital Resources	1,000,000	-	-	-	-	1,000,000
DfT Funding for Retained Schemes	4,650,000	25,400,000	10,550,000	-	-	40,600,000
DCLG Infrastructure House Building Capital Fund (CQ)	7,675,921	-	-	-	-	7,675,921
Solent Growth Hub	1,070,000	536,500	-	-	-	1,606,500
Peer Networks	-	150,000	-	-	-	150,000
EU Transition	-	136,000	-	-	-	136,000
Solent Futures RGF Round 3	2,912,855	-	-	-	-	2,912,855
Growing Places Fund - Revenue	1,059,797	124,883	230,000	-	-	1,414,680
Growing Places Fund - Capital	13,000,000	-	7,000,000	6,762,916	-	26,762,916
Growing Places Fund - Contingency Provisions and Programme Management Costs	868,068	981,672	976,555	150,000	-	2,976,295
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	478,564	280,379	198,644	-	-	957,587
Enterprise Advice Network - Matched Funding (Interest Earned)	313,940	30,518	170,542	-	-	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	669,039	180,961	50,000	-	-	900,000
Transport Excellence	36,000	-	-	-	-	36,000
BIS - Capacity Fund	539,370	12,430	275,000	-	-	826,800
BIS - Core Funding	1,490,254	64,746	205,000	620,000	-	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	1,041,631	61,027	285,761	838,295	-	2,226,714
Local Authority Funding - PUSH, Hampshire & IOW	300,000	-	-	-	-	300,000
SEEDA legacy funding for business engagement	200,000	-	-	-	-	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	52,330	75,000	-	-	150,000
ERDF UoP Funding	-	407,341	-	-	-	407,341
ERDF Legacy Funding	-	-	-	161,665	-	161,665
ERDF Funding - Revenue Funding funded from Interest	91,591	267	-	-	-	91,858
ERDF Funding - Bridging the Gap (matched funding SGF)	(0)	-	-	-	-	(0)
Getting Building Fund	-	7,965,000	7,990,000	-	-	15,955,000
Grant Total - Funding	157,145,959	65,651,368	34,966,285	8,532,876	0	266,296,487

Growing Places Fund - Forecast Reserve for Future Projects	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Total Budget
Net Cumulative Growing Places Reserve Forecast - see appendix D for details	14,889,471	6,912,916	(0)	(0)	(0)

TOTAL FUNDING TO SUPPORT LEP ACTIVITY	266,296,487
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## **APPENDIX C**

### **Corporate and Strategic Risk Register**

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

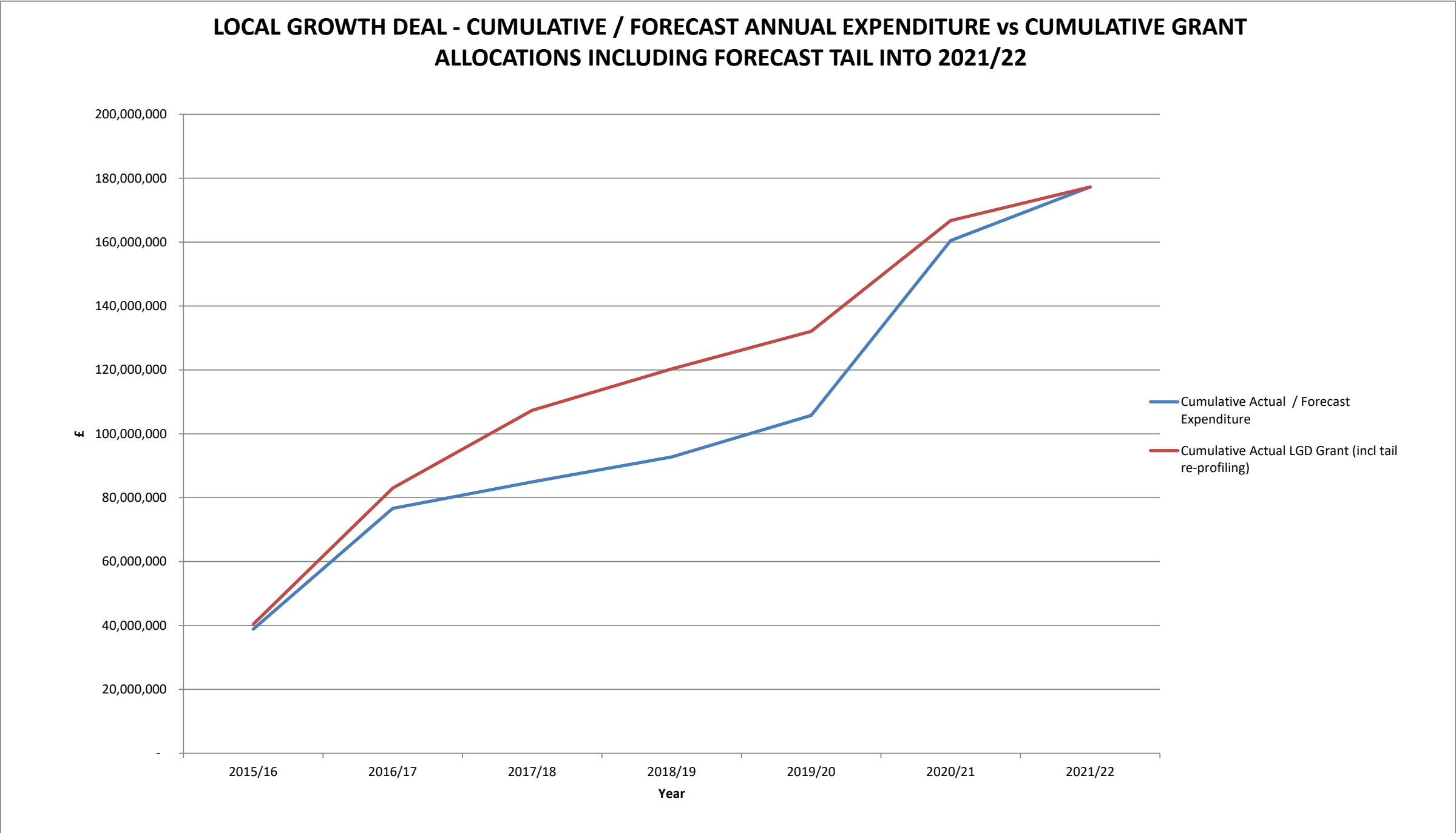
GROWING PLACES LOAN FUND POSITION

Fund Activity	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	Total £
Opening Balance	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)	(6,912,916)	0	
Capital Injection	(16,739,210)											(16,739,210)
Loans Out (Round 1 - tranches 1 to 4):												
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
Subsequent Allocations:												
New Solent Shared Prosperity Fund (loan element)									7,000,000	6,762,916		13,762,916
Sub-total: Loans Advanced	6,675,000	5,325,000	1,000,000	0	0	0	0	0	7,000,000	6,762,916	0	26,762,916
Contingency Provisions												
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
Sub-total: Contingency Provisions	0	0	230,839	42,000	0	386,653	0	890,247	826,555	0	0	2,376,294
Growing Places Loan Fund Programme Management Costs			75,000	51,426	24,090	18,341	39,718	91,425	150,000	150,000	0	600,000
Total: Contingency Provisions and Growing Places Loan Programme Management Costs	0	0	305,839	93,426	24,090	404,994	39,718	981,672	976,555	150,000	0	2,976,294
Loans repaid (Capital Receipts)												
Round 1												
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	0	(13,000,000)
Sub-total: Total Planned Fund Repayments	0	(1,150,000)	(4,525,000)	(1,200,000)	(2,125,000)	(800,000)	0	(3,200,000)	0	0	0	(13,000,000)
TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE								(14,889,471)	(6,912,916)	0	0	

SOLENT LOCAL ENTERPRISE PARTNERSHIP - LOCAL GROWTH DEAL FUNDING BY SCHEME (INCLUDING DfT RETAINED SCHEME FUNDING)								
SCHEME NAME	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Budget 2020/21	Budget Tail 2021/22	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	-	-	-	(170,000)		3,957,000
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
Stubbington Bypass - LGD		3,500,000			3,500,000	1,500,000		8,500,000
Stubbington Bypass - LGD (DfT retained)						14,999,000	10,500,000	25,499,000
Stubbington Bypass - programme management costs						201,000		201,000
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	9,894,720	2,200,000	14,000,000
A326 Highway Improvements	-	-	-	-	-	1,580,000	4,100,000	5,680,000
IOW Island Line - Brading Loop	-	-	-	-	-	700,000		700,000
University of Portsmouth - Centre for Creative and Immersive XR						3,617,561		3,617,561
Southsea Coastal Defences						5,000,000		5,000,000
ABP - Shore Power Initiative						4,434,350		4,434,350
COVID-19 Grants to support SME's				-	-	300,000		300,000
COVID-19 Loan Fund						2,750,000		2,750,000
M27 J10 - original business case development (LGD - DfT retained)				2,150,000	2,500,000			4,650,000
M27 J10 - business case progression						900,000		900,000
LGD funding set aside for Getting Building Fund 2020/21 over-programming						4,942,152		4,942,152
<b>SUB-TOTALS:</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>7,804,531</b>	<b>12,982,743</b>	<b>54,716,242</b>	<b>16,800,000</b>	<b>177,257,261</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>7,804,531</b>	<b>12,982,743</b>	<b>54,716,242</b>	<b>16,800,000</b>	<b>177,257,261</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>7,804,531</b>	<b>12,982,743</b>	<b>54,716,242</b>	<b>16,800,000</b>	<b>178,257,261</b>



SOLENT LOCAL ENTERPRISE PARTNERSHIP - LOCAL GROWTH DEAL FUNDING BY SCHEME (INCLUDING DfT RETAINED SCHEME FUNDING)								
SCHEME NAME	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Budget 2020/21	Budget Tail 2021/22	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
<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	9,252,686	-	136,657,261
DfT Retained funding returned to the LEP	-	-	-	-	-	10,250,000	-	10,250,000
DfT Retained funding - M27 J10 Buisness Case	-	-	-	2,150,000	2,500,000	-	-	4,650,000
DfT Retained funding - Stubbington Bypass	-	-	-	-	-	15,200,000	10,500,000	25,700,000
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	20,013,556	6,300,000	-
TOTALS:	39,833,432	37,807,314	8,312,999	7,804,531	12,982,743	54,716,242	16,800,000	178,257,261
Variance: 0 0 0 0 0 0 0 0								



# **APPENDIX F**

## **Project Risk Status Matrix**

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

# **APPENDIX G**

## **ERDF SME Grant Awards**

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

# **APPENDIX H**

## **SME Project Report**

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

**26.01.2021**

**Item 5**

**Getting Building Fund Update**

Item Number: 5  
Item Title: Getting Building Fund  
Meeting Date: 26 January 2021  
Purpose: For Information and Advice

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Confidential information has been removed from this report.

Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:  
information relating to an individual, and/or; relating to the financial or business affairs of a particular person.

### 1. Overview

This paper provides an update on the £15.9 Getting Building Fund programme.

### 2. Recommendations

FFPMG Members are asked to:

- **Note** the update on the Getting Building Fund programme;
- **Consider** the verbal update to be provided at the meeting on responses from projects invited to express an interest in the £1,400,000 unallocated Getting Building Fund and provide **Advice** to the Executive on the approach to deploying the £1,400,000 unallocated Getting Building Fund.

### 3. Getting Building Fund

At the 11<sup>th</sup> December LEP Board meeting the Board considered the due diligence recommendations for the following three projects and agreed to award funding:

- Fawley Waterside Digital - Fawley Waterside (grant funding of £0.75m)
- Branstone Farm Rural Employment Hub - Isle of Wight Council (grant funding of £2.225m)
- Nutrient Mitigation - Hampshire and Isle of Wight Wildlife Trust (loan funding of £2m)

This followed the agreement of the Board by written resolution on 16<sup>th</sup> September for the ABP Fifth Cruise Terminal at Port of Southampton (£8m) and at the 9<sup>th</sup> October Board meeting for the UoP Centre for Enzyme Innovation- University of Portsmouth (£1m).

Contracts with ABP for the Fifth Cruise Terminal and with University of Portsmouth for the Centre for Enzyme Innovation have been executed and delivery is underway. Contracts are being drafted for the projects agreed at the December Board meeting.

All consultations have concluded, with no comments received, with the exception of the Fawley Digital consultation, which was extended to account for the Christmas and New Year period, and closes on 26<sup>th</sup> January 2021.

At the December meeting the Board agreed that the remaining £1.4m from the Getting Building Fund (GBF) programme should be opened up to those projects prioritised by the LEP Board within its initial GBF submission to MHCLG but which could not be funded for affordability reasons to see if they wished to register an interest in the £1.4m funding.

A verbal update will be provided at the FFPMG meeting. Should no projects emerge through this invitation, it is proposed that the LEP issues an open call for projects. As per the requirements of the GBF, the focus will be for exceptional projects that are shovel-ready, and deliverable by the end of March 2022.

#### **4. Legal implications**

There are no direct legal implications arising from the above recommendations. Each fund decision will be review and managed by the drafting of each specific Grant and or loan Agreement. PCC's (acting as accountable body for the LEP) s.151 officer acts as the Chief Finance officer (by the relevant delegation powers) for the LEP and is in receipt of a general delegation from the Council in order to manage such matters.

#### **5. Equality impact assessment**

An EIA has been prepared and considered in relation to the Getting Building Fund and it is considered that there are no negative impacts on groups identified in the EIA.

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

All funding agreements entered into will clearly set out the maximum funding that has been allocated to each project and the pre-conditions will include a requirement from the Chief Financial Officer of each beneficiary organisation to agree to underwrite any project overspends.

The Solent LEP have been awarded £15.9m from the Getting Building Fund and the grant conditions require that 50% of this allocation is fully defrayed by 31 March 2021 and the remainder by 31 March 2022. The ultimate requirement of full defrayal of the GBF by the 31 March 2022 has been / will be passed on to each project as part of their funding agreements.

**26.01.2021**

**Item 6**

**Draft Annual Report 2020 and Annual Performance  
Review 2020-21**



Item Number: 6  
Item Title: Draft Annual Report 2020 and preparation for the Annual Performance Review  
Meeting Date: 26 January 2021  
Purpose: For Information and Advice

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FFPMG members are asked to:

- **Consider** the draft Solent LEP 2020 Annual Report in Annexe A: and
- **Note** the update on the Annual Performance Review (APR) process for 2020-21

## 1. Solent LEP Draft Annual report 2020 and preparation for AGM in March 2021

The Solent LEP AGM has been scheduled for Friday 12 March 2021 9:00 - 10:30 to be held virtually

The AGM will support the launch of the Solent LEP 2020 Annual Report and a working draft of the Annual Report is attached in Annex A and we are seeking feedback to help inform the development of the final draft which will be considered and approved by the LEP Board at their meeting on 26 February 2021. An electronic copy of the Annual Report will be made available to all Solent LEP Members as part of the AGM and subsequently published on the Solent LEP website following the meeting.

FFPMG Members will be asked to:

- **Consider** the draft Solent LEP 2020 Annual Report in Annexe A

## 2. Annual Performance Review 2020-21

As in previous years, the 2020-21 Annual Performance Review process will focus on three themes of Governance, Delivery and Strategic Impact and HM Government have further clarified "Delivery" and refer to it as Growth Programme Delivery in order to reflect the range of activity including Local Growth Fund (LGF), Getting Building Fund (GBF) and Enterprise Zones.

Annual Performance Review meetings will take place between 25 January and 12 February 2021. The Cities and Local Growth Unit and LEPs will follow the current COVID-19 government guidelines when planning the meeting and the meeting will take place via video conference. The meetings will be chaired by a Cities and Local Growth Unit Area Lead or a Deputy Director where appropriate. LEP representation is in line with the National Local Growth Assurance Framework, allowing for flexibility in who represents the LEP and this will include the Solent LEP Chair and Chief Executive and the s151 officer or their nominated representative from our Accountable Body Portsmouth City Council

LEPs are required to submit the Annual Performance Review Preparation by 20 January 2021 and a copy of this is attached in Annexe B of this report.

In addition, the Section 151/73 Officer must submit their S151/73/127 Officer Assurance Statement to the Cities and Local Growth Unit by the deadline of 20 January 2021 and a copy of this is attached in Annexe C of this report.

The LEP must also submit their Governance Assurance Statement to the Cities and Local Growth Unit by the deadline of 20 January 2021 and the statement must be published on our website by 24 February 2021. A copy of this is attached in Annexe D of this report.

Finally, as in previous years the Section 151/73 Officer must write to the Ministry of Housing, Communities and Local Government's (MHCLG) Accounting Officer (a template is provided) by 24 February 2021.

The outcomes of this review, along with any further actions identified and the notes of the Annual Performance Review will be shared formally with the LEP by the Cities and Local Growth Unit Director once the process has been concluded, which is expected to be during April 2021.

FFPMG members are asked to:

- **Note** this update.

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### **3. Equality impact assessment**

An EIA is not required at this stage. Any considerations contained within the management of interests that relate to items to be considered for a decision by the Solent LEP will remain subject to an appropriate EIA, and appropriate consultation, at such time they were to be considered.

### **4. Legal Implications**

There are no direct legal implications arising from the above recommendations.

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

There are no specific financial implications arising from this report to the Board.

All of the funded activity contained in the Annual Report will have been approved by the board or the FFPMG throughout the year.

**Annexe A: Solent LEP Annual Report 2020**  
**A confidential report will be considered at the meeting**

**Annexe B – D Annual Performance Review (APR) submission**  
**A confidential report will be considered at the meeting**