SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP

Assurance Framework

February 2021

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Foreword

2020 has seen Solent businesses face challenges of unprecedented scale as they respond to the impact of the Coronavirus pandemic. This has required a fundamental change in our strategic approach, and we have established a Solent Economic Recovery Plan to shape our response and support our economy to survive, stabilise and grow.

Solent LEP remains fully committed to helping our business communities in their efforts to meet challenges head-on and have put in place a range of support for Solent businesses to access. This has included ensuring our Growth Hub business support service remained open to any business seeking assistance, establishment of an online support hub and programme of virtual events and resources and provision of a one-to-one business resilience programme. We are also working very closely with a wide range of partners to coordinate the response in the area, through the establishment of our Solent Coronavirus Business Support Taskforce, providing more than £2m in financial support to over 200 businesses through a package of grant, loan and crowdfunding programmes.

We have also initiated work to establish the strongest possible platform for future growth. This includes capital investment of more than £34m through the Local Growth Deal and Getting Building Fund to kick-start a green recovery for the Solent. This investment will leverage just under £190m and enable us to deliver some economic stimulus projects, including:

- A new Centre for Creative and Immersive eXtended Reality.
- An industrial engagement hub at the Centre of Excellence for Enzyme Innovation.
- Major improvements to the A326 and digital infrastructure to unlock development at Fawley peninsula.
- Transformational flood defence infrastructure in Portsmouth
- Shore power and a new cruise terminal at the Port of Southampton.
- A sustainable rural employment hub on the Isle of Wight.
- An innovative land acquisition project to mitigate increased levels on nutrients on the marine ecosystem and unlock housing.

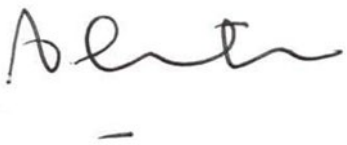
As we work collaboratively together to deliver our Solent Economic Recovery Plan, we remain fully committed to ensuring robust stewardship of public resources. We will continue to use the funding we are entrusted with in accordance with the policies, processes and systems that guarantee public money is properly managed in a transparent, accountable and robust manner; ensuring resources are spent with regularity, propriety, and securing value for money.

We have a longstanding record of good governance and continue to ensure that we are fully meeting all of our governance and transparency responsibilities whilst continuing to demonstrate best practice in public and private sector governance.

As the Solent economy seeks to recover, strong business leadership has never been more important and 2020 has seen the appointment of a new Solent LEP Chair elected by our local business community following consultation with our wider public and higher education membership to deliver the most inclusive recruitment possible.

Working together, we will further strengthen our business leadership during 2021, boosting board diversity and, having surpassed the Governments 2020 target of one third of members of the LEP Board being women, we are now working towards securing equal representation by 2023 as well as developing our approaches to enhancing diversity in terms of other protected characteristics and across our wider organisation.

Our commitment to continuous improvement through regular review of our Assurance Framework will remain, ensuring our investments continue to deliver the high levels of transparency, accountability and value for money our local residents and business deserve.



Brian Johnson
Chair
Solent LEP

Anne-Marie Mountifield
Chief Executive
Solent LEP

Introduction

Boasting a population of more than 1.25 million and over 42,000 businesses, the Solent is an internationally-recognised Gateway economy, anchored around the Isle of Wight, the two cities of Portsmouth and Southampton, the New Forest, M27 corridor and the Solent waterway. It is globally connected and benefits from significant economic assets including its three international gateways and its world-leading research institutions. The Solent is a clearly defined functional economic area, with a distinct and unique coastal geography, tremendous economic assets and great potential.

In recognition of this, the Solent Local Enterprise Partnership (LEP)[1] Limited was formed in 2010, after the Government offered local areas the opportunity to take control of their future economic development. It is a locally-owned partnership between businesses and local authorities and plays a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs.

The Solent LEP is led by the business community and supported by three university partners, the further education sector, three unitary authorities, eight district councils, one county council and the voluntary and community sector – all working together to secure a more prosperous and sustainable future for the Solent area. It was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP has been registered as a company, limited by guarantee and it was incorporated on 18 March 2011. In keeping with the articles of association[2] and in accordance with company law, the Board of Solent Local Enterprise Partnership Limited has been democratically elected by its members.

The Solent Local Enterprise Partnership (LEP) is the key interface and lead for economic development in the Solent. Strengthened Local Enterprise Partnerships sets out four key roles for the LEP as follows:

• **Strategy**: Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area.
• **Allocation of funds**: Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy.
• **Co-ordination**: Using their convening power, for example to co-ordinate responses to economic shocks; bringing together partners from the private, public and third sectors.
• **Advocacy**: Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

As autonomous local partnerships, Local Enterprise Partnerships are primarily accountable to the communities within their area. In practice, the full and active role of senior local authority representatives on these boards provides a strong and direct link back to local people and are one part of the Local Enterprise Partnership's democratic accountability.

Accordingly, the Solent LEP and has set out its evidence-based strategy to deliver transformational economic growth within the area in its Strategic Economic Plan (SEP), published in March, 2014[3], Productivity and Growth Supplement, published in January 2016, and Productivity and Growth Strategy Update, published February 2017.

We have been able to support local productivity and growth through the existing £182.92m Solent Growth Deal, which commenced delivery in 2015. This will unlock over £600m public and private sector investment across the area, creating 6,500 new jobs and enabling 12,000 new homes to be built. The Solent Growth Deal (2015/16, 2016/17, 2017/18, 2018/19, 2019/20 and 2020/21) has seen the delivery of a capital programme which has included:

- The opening of the Portsmouth Naval Base Marine Engineering Centre
- The Centenary Quay Phase 4 Housing development in Southampton

[1] For general info on LEPs, visit the Department for Business, Energy and Industrial Strategy (BEIS)
[2] Solent LEP Limited Articles of Association area available from: https://solentlep.org.uk/media/2645/articles-of-association.pdf
[3] The Solent LEP is currently in the process of developing a new strategy: Solent 2050, and further information in relation to this work can be found in Part A of this document and also at: https://solentlep.org.uk/what-we-do/planning-for-solent-2050/

- The opening of the UK's first Centre for Cancer Immunology in Southampton
- Investment in a new link to facilitate the development of Dunsbury Park, a new business park. This gateway for the South, is located on the A3M
- An upgrade to the estate at Eastleigh College including modernisation of existing facilities, the development of new teaching space and the creation of a new Adavnced technology centre which is now open for new learners
- The delivery of a Fareham and Gosport Multi-Year Investment Programme, including;
    - Two sections of carriageway widening of the A27 (£7.325m LEP investment)
    - New carriageway alignment at New Gate Lane South (£9m LEP investment)
    - Gudge Heath Lane and Station Roundabout (£4.958m LEP investment)
    - Improvements to St Margarets and Peel Common Roundabouts (£4.5m LEP investment)
- Commencement of work on Stubbington Bypass, a transformational project which will build on the Fareham and Gosport Multi-Year Programme and bring forward a package that is central to delivering the full benefits of our over-arching strategy to improve access to the Fareham and Gosport Peninsula, supporting delivery of key strategic growth sites including the Solent Enterprise Zone
- Fareham Innovation Centre Phase 2 bringing forward new innovation space for small businesses on the Solent Enterprise Zone
- The University of Portsmouth Future Technology Centre providing world-class facilities to support companies to exploit new production technologies
- The conclusion of work to build an Innovation and Collaboration Hub at the National Maritime Systems Centre, at Portsdown Technology Park, QinetiQ
- Commencement of the North Whiteley project, which will deliver the strategic roads and highway improvements to the north of junction 9 of the M27 motorway, in turn supporting the provision of 3,500 new homes and associated community infrastructure
- Completion of the Civil Engineering Training Centre at Fareham College, increasing employers' impact on young people's education and training and bringing forward new facilities for apprentices
- The Centre of excellence for composites, advanced manufacturing and marine (CECAMM) providing state of the art employer-led training facilities on the Isle of Wight
- Solent Recreation and Mitigation Programme – a multi year programme developing green infrastructure across the Solent area, including investment at Alver Valley Country Park in Gosport, Manor Farm in Hamble, Shoreburs Greenway in Southampton, Horsea Island Country Park in Portsmouth and Warblington Farm nature reserve in Havant
- Investment in key transport interchanges including Station Quarter North in Southampton and the Hard Interchange in Portsmouth
- Investment to enable the upgrade of estate and facilites at the Warsash School of Maritime Science and Engineering
- A £10 million business support programme for small and medium sized companies which has to date provided investment to over 400 start-up and existing businesses.
- Highways improvements at the A326 to enhance connectivity and catalyse growth on the Fawley peninsula
- Investment in rail infrastructure to enable the Island Line to operate a more regular service integrated with wider modes of public transport
- Development of the Centre for Creative and Immersive eXtended Reality at the University of Portsmouth to deliver state of the art facilities that will enhance the digital skills and technology capability of the Solent
- Investment in major flood defence infrastructure in Portsmouth to safeguard and unlock opportunities to bring forward new homes and employment opportunities
- Shore Power facilities at the Port of Southampton to support green growth of the Solent's largest international gateway

Full details on investments made through the Solent Growth Deal can be found at: https://solentlep.org.uk/what-we-do/solent-growth-deal/solent-growth-deal/

During 2020, the Solent LEP has also secured a £15.9m investment through the Getting Building Fund to bring forward a package of six projects that will leverage an additional investment of £58.74 million, directly creating over 730 jobs. Our construction industry will also be re-energised through the creation of over 3,600 additional jobs in the sector. Critically our coastal communities will benefit from the unlocking of 1,500 new homes. There is a programme of town and city centre modernisation through targeted investments in our maritime and visitor economy infrastructure, as well as the enhancement of digital connectivity to support economic performance in our more isolated coastal areas, including the

delivery of over 23,000 new super or ultra-fast broad band connections. Looking to the future we have also prioritised investment in our innovation ecosystem to secure improvements to our research and development facilities, spearheading a revolution in green recovery and low carbon technology. Our human capital will be enhanced through nearly 500sqm of new learning and training floor space and 2,800 sq. m of employment floor space. This also delivers on our ambition to pioneer new approaches to climate change adaptation and decarbonisation as delivery of these projects will reduce CO2 emissions by over 34 million kg.

Further information on the Solent LEP Getting Building Fund can be found at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/906579/GBF_Summary_Solent_LEP.pdf

To date, the Solent LEP has secured over £265m of funding, and levered in further private sector, public sector and local contributions, to create a billion pound investment programme for growth. In recognition of this significant investment programme, the LEP has established robust, transparent and accountable governance arrangements to ensure these investments deliver value for money and tangible economic outputs in terms of new jobs, new housing, new employment space, improved skills, improved infrastructure and increased levels of private sector investment.

This document has been updated to reflect best practice guidance in recent HM Government publications, including the National Local Growth Assurance Framework, The Local Enterprise Partnership Governance and Transparency Best Practice Guidance, Strengthened Local Enterprise Partnerships and CIPFA Principles for section 151 officers.

During 2018, the Solent LEP agreed changes to our shared geographic boundaries with the neighbouring Enterprise M3 LEP and, as a result of this, the whole of the New Forest area is now included within the Solent LEP geography (rather than just the New Forest Waterside as had previously been the case).

With the extension of the already extensive Solent coastline to include the entire New Forest coastline, the LEP is seeking to further strengthen our support for the renaissance of our coastal economy and world-class maritime hub. The new geography has a population of 1.25 million and 42,000 businesses and represents a powerful £30 billion coastal economy.

Work is very well developed in relation to the development of our new strategy, including in relation to the development of the evidence base, as detailed below. We will alongside this Assurance Framework, be publishing a new business plan for 2021/22 and it is expected that our new strategy, Solent 2050, will be published in 2021/22. This will coincide with the conclusion of the Solent Growth Deal which runs to 2020/21.

Ahead of publication of Solent 2050, and recognising the unprecedented impact of the Covid-19 pandemic on the Solent economy, the LEP has published a Solent Economic Recovery Plan. The pandemic and associated restrictions imposed on our everyday lives have already caused a major economic shock to the global economy, and businesses and communities across the Solent are feeling the immediate effects of this. All aspects of the region's economy have been impacted in some way, with the future in the aftermath of the pandemic likely to look very different. So as a region it is vital that we not only help support a return to business-as-usual, but also take action now to ensure we can be more resilient to future disruptions and seize the opportunities for innovation and the benefits of doing things differently that have been brought about by the pandemic. Building on the programme of support already being provided at national and local levels, the Plan sets out the actions and interventions that the Solent LEP will bring forward to support our local economy in the current challenging circumstances, and critically, also position the Solent for recovery and growth in line with the long-term objectives set out in Solent 2050. Whilst it has been developed by the Solent LEP, the Plan has been informed by our close working relationships with local partners, including local authorities, sector groups, the business community, colleges and universities. Delivery of the Plan will depend on continuing the strong tradition of partnership working that is a key part of the economic success of the Solent region. A copy of the Economic Recovery Plan is available at: https://solentlep.org.uk/media/3268/solent-economic-recovery-plan-25920.pdf

This assurance framework should be read alongside the following documents:

- The Solent Growth Deal, published on 7th July 2014
- The Expansion of Solent Growth Deal, published on 29th January 2015
- The Solent Growth Deal 3, published on 2nd February 2017
- The Solent Strategic Economic Plan;
- The Solent EUSIF Strategy;
- The Solent Skills Strategy and Supplement

- Transforming Solent: Solent Marine and Maritime Supplement;
- Making Waves: Solent's Marine & Maritime Sector
- The Solent Strategic Transport Investment Plan
- The Solent LEP Productivity and Growth Supplement
- Innovation Evidence Base
- Innovation South Science and Innovation Audit
- Solent LEP Baseline Forecasts and the Implications of BREXIT
- Economic Impact of the Solent are Universities
- The economic role and contribution of the maritime sector in the Solent LEP area
- Isle of Wight infrastructure investment plan
- EM3 and Solent LEP Review Response
- Summary of consultation feedback
- The economic contribution of the Maritime Sector in the Solent (CEBR)
- Emerging Evidence Base
- Solent Economic Profile
- Working Towards a 2050 Strategy for the Solent (Progress Statement)
- Oxford Economic - Solent Economic Outturn and Baseline Forecasts
- Solent LEP Skills and Local Labour Market Report June 2020
- The Solent Economic Recovery Plan

The purpose of this LEP assurance framework should be viewed in the context of the Accountability Systems Statements for both Local Government, the Local Growth Fund and the Getting Building Fund, which provide assurance to the Public Accounts Committee for how Local Growth Funds and wider funding routed through Local Government are allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety, and value for money. It is one of 5 key related Growth Deal/Getting Building Fund implementation documents, which should be viewed together. The other four documents are:

(i) the Growth Deal **grant determination confirmation (2015, 2016, 2017, 2018, 2019** and **2020)** which sets out the degree of flexibility on offer and any limited conditions around use of that funding; and

(ii) the Getting Building Fund **grant determination confirmation** (**2020**) which sets out the degree of flexibility on offer and any limited conditions around use of that funding; and

(iii) the **monitoring and evaluation framework,** which establishes a suite of monitoring metrics to support Growth Deal and Getting Building Fund monitoring and reporting; and

(iv) **Implementation summary report** which will capture all the key implementation milestones, and actions for the Solent Growth Deal and Solent Getting Building Fund .

This document provides the assurance framework covering all Government funding flowing through the Solent LEP and setting out the robust value for money processes that have been put in place. It sets out the overarching governance structure that has been established to both identify and prioritise investment programmes and manage their delivery, along with the decision-making process. This framework provides assurance that the investment programmes of the Solent LEP will be objectively and transparently prioritised to deliver value for money and progression along the identified growth trajectory.

Part A, Section 1, provides an overview of the Solent LEP, including its geography, strategic priorities and targets.
Part A, Section 2, describes the governance and management of the Solent LEP.

Part B (Strong, Supportive Local Authority Working across the Solent LEP) describes the underpinning local authority partnership arrangements that are in place to facilitate joint-decision-making and collaboration on growth and economic development between all local authorities in the Solent.

Part C (Transparent Decision-Making) provides information on the arrangements that are in place to enable effective and meaningful engagement of local partners and the public, and the practices and procedures that are in place to ensure decisions made are proper, based on evidence, and capable of being independently scrutinised.

Part D (Accountable Decision Making) provides information on the role of the Accountable Body of the Solent LEP and democratic accountability.

Part E (Ensuring Value for Money: Prioritisation, Appraisal and Business Case Development) describes the arrangements the LEP has established for ensuring value for money, the methodology employed to prioritise projects, as well as appraisal through business cases.

It is not the aim of this document to duplicate information that exists in other published material. Accordingly, hyperlinks and references to published material are provided.

Part A: Governance and Decision Making

This section provides information on the geography and governance structure of the Solent LEP. It sets out: who is on the LEP Board; how the LEP Board operates and its relationship with the Local Authorities of the area; the supporting governance architecture that harnesses local and wider expertise to support LEP decision-making, and the roles and responsibilities conferred; schemes of delegation relative to the LEP Board, its supporting governance architecture, the LEP Executive, and the Accountable Body; and a description of the relationship between the LEP Board and the Local Authorities of the Solent, other LEPs, and with delivery bodies.

Part A, Section 1 - Overview of the Solent LEP

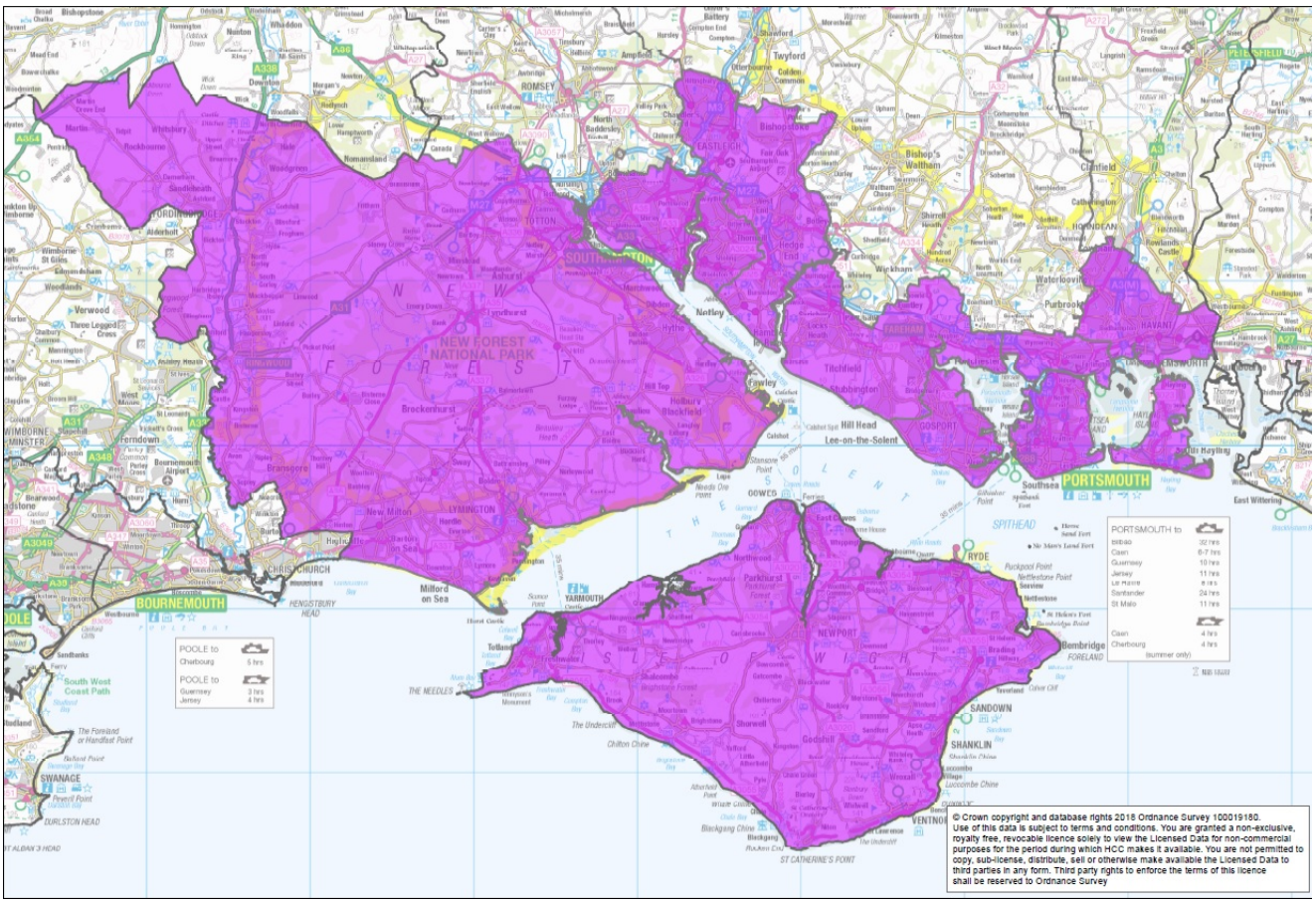
1.1 Name

The name of the Local Enterprise Partnership (LEP) for the Solent area (see section 1.2 of Part A) is the Solent Local Enterprise Partnership Limited.

1.2 Geography

The LEP area includes the whole of the Unitary Authorities of Isle of Wight Council, Portsmouth City Council and Southampton City Council, and part of Hampshire County Council which includes the whole of the District Councils of Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Havant Borough Council and New Forest District Council. The geography of the Solent LEP is shown in Map 1, below.

Map 1 Solent LEP Area



1.3 Strategic Objectives and Purpose

In accordance with Strengthened Local Enterprise Partnerships and the Local Industrial Strategies Policy Prospectus, and recognising that our current Solent Strategic Economic Plan expired in 2020, the Solent LEP is developing a new economic strategy for the Solent area.

The new Strategy will look to 2050, set an enhanced level of ambition, evidence the Solent's core economic strengths, and respond to the overriding challenge of raising productivity levels within the Solent, whilst securing our environmental assets. The economic strategy will, at its heart, seek to set out a strong place-shaping agenda to transform our coastal communities, influenced by the area's maritime heritage, maritime excellence, and global significance.

This work has been informed by a detailed evidence base and policy review as well as wide-ranging consultation, in which the LEP has consulted with over 1,600 people and over 500 businesses.

To provide an external critical review of the evidence base and emerging strategy, the LEP has also established a Prosperity Review Panel. Informed by the advice of the Prosperity Review Panel, the LEP has published the following:

- Summary of consultation feedback
- The economic contribution of the Maritime Sector in the Solent (CEBR)
- Emerging Evidence Base
- Solent Economic Profile
- Working Towards a 2050 Strategy for the Solent (Progress Statement)
- Oxford Economic - Solent Economic Outturn and Baseline Forecasts

Following the publication of the UK Industrial Strategy, the LEP acknowledged that whilst the ambitions around raising productivity levels and place-based strengths remain, the work is being developed in a dynamic policy landscape, and as such is being progressed in such a way that it can pivot to align with any policy changes. It is expected that a consultation draft of the Solent 2050 Strategy will be published for consultation in 2021/22.

The emerging strategic framework of the Solent 2050 strategy is set out in section 1.4 (Strategic Priorities), below. In the interim to the publication of Solent 2050, the Solent LEP has published a Solent Economic Recovery Plan to shape our response to the Covid-19 pandemic.

Our response through this Economic Recovery Plan takes a three-stage approach to drive activity over the next few years focused in turn on: survival, stability and growth:

- **Survival**: over the first 12 months, we will continue to be focused on the immediate activities required to help the Solent's economy to function whilst some degree of restriction on normal activities remains in place. This includes many of the emergency support measures which have already been brought forward by the Solent LEP, and which may need to be extended, and give critical support to our businesses and communities.
- **Stability**: between 12-24 months, we want to work with businesses and other local partners to support the Solent's adjustment to the 'new normal', and at the same time increase the region's adaptability and future resilience. This will not only help to protect the productive capacity of the Solent during what is likely to be a period of national recession, but also ensure that we are better placed to respond to potential future disruptions.
- **Growth**: we want to ensure that the Solent has the strongest platform possible for recovery by accelerating progress to meet our long-term ambitions for transformation, productivity and prosperity, aligned to the vision set out in Solent 2050. This will include maximising the opportunities for growth arising from the pandemic in a way that helps build a more resilient and innovative Solent region, and supports 'levelling up' within our region and with the rest of the UK.

We have adopted this three-stage approach to help ensure that our activities and resources can be deployed in the most effective way as lockdown restrictions are lifted and the region's economy restarts. This also recognises that the timing and pace of recovery may be different for individual sectors and locations across the Solent. We will also be flexible and responsive to real-time changes in circumstances; for example, the potential for any further periods of national or local lockdowns, and how government support packages evolve. This means that the three stages will overlap, and practically some activities will take place in parallel. We will keep this under review. Our Recovery Plan is focused on how we deliver activities over the next few years, as part of the initial phase of delivering the Solent 2050 strategy. In due course, the Solent LEP will monitor and review the Solent 2050 strategy priorities to take account of the activities delivered through this Economic Recovery Plan.

The Solent Economic Recovery Plan and emerging strategic framework is framing policy and investment decisions, ahead of agreeing our new economic strategy with Government.

1.4 Strategic Priorities

The National Infrastructure Plan has set out how the Government will build back fairer, faster and greener, including priorities to;

- **Boost growth and productivity** across the whole of the UK: levelling up communities through investment in rural areas, towns and cities, from major national projects to local priorities;
- Put the UK on the path to meeting its **net zero** emissions target by 2050: transforming the UK's infrastructure to meet net zero and climate change commitments, continuing to decarbonise the UK's power, heat and transport networks and take steps to adapt to the risks posed by climate change;
- Support **private investment**: attracting private investment into its infrastructure through increasing confidence;
- Put **innovation and new technology** at the heart of the approach: ensuring the UK is at the forefront of technological revolution.

The Solent LEP supports these priorities and is committed to ensuring the Solent area can play a leading role in driving national aspirations to build back fairer, faster and greener. Our new economic strategy for the Solent, Solent 2050, will set out our aspirational and long-term plan to delivering on this commitment.

The emerging Solent 2050 strategic framework has been developed and has been informed by a detailed evidence base and policy review as well as wide-ranging consultation, in which the LEP has consulted with over 1,600 people and over 500 businesses.

The framework outlines that we want the Solent to be the best place to live, work and trade in the UK. Our vision is that the Solent in 2050 will be:

The global leader in maritime and climate change adaptation, with towns and cities that are fantastic places to live and trade, along with opportunities for all our communities to flourish

Our mission to achieve this vision has six emerging principles:

- **To secure our position as a world-leading marine and maritime economy.**
- **To Pioneer approaches to climate change adaptation and decarbonisation.**
- **To be the UK's capital for coastal renaissance,** harnessing new technologies and approaches to revitalise coastal communities and ensure growth is inclusive.
- **To have a thriving visitor economy,** capitalising on the Solent's superb natural beauty and rich maritime history.
- **To be a global leader in developing a world-class talent base for the economy of the future, helping people at all points of their career build the skills they need to take part in an innovative knowledge-based economy.**
- **To have an outstanding business environment.**

It is anticipated that the final strategy entitled "Solent 2050" will be published during 2021/22.

1.5 Targets

The Headline targets for the Solent economy will be set out in the Solent 2050 Strategy, which is expected to be published for consultation in the New Year.

The LEP's Delivery Plan for 2020/21 includes a series of specific targets and this is available here. The new delivery plan for 2021/22 will be published in Spring 2021.

1.6 Cross-LEP Working

In line with the LEP Review (Strengthened Local Enterprise Partnerships), the Solent LEP is committed to collaboration across boundaries where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives, ensure that strategies and investments align and that best practice is shared.

At the national level the Solent LEP is a member of the LEP Network. The Solent LEP has also prioritised its work to engage on a national and international basis. In particular, the LEP has undertaken extensive activity with the Marine and Maritime sector and has established a formal partnership with Maritime UK. A key outcome of this collaboration has seen the Solent LEP host the inaugural national Maritime UK awards during 2019 and win the national Future Skills Award during 2020. This is a key opportunity for the LEP to strengthen cross-boundary working within the specialism and, in particular, the LEP is working closely with Mersey Maritime in the first instance.

The Solent LEP has undertaken extensive engagement with neighbouring LEPs, being a member of Catalyst South at a regional level. This comprises South East, Enterprise M3, Hertfordshire, Solent, Thames Valley Berkshire and Coast to Capital LEPs, and we collectively cover an area with 11 million population and some 500,000 businesses and 5.7 million jobs with a GVA of £300 billion. The partnership have collectively contributed £120,000 towards our joint activities and endeavours in 2020/21 to further our two principle objectives against which to build our regional work:

1. To ensure that our region, which represents almost 20% of the GVA of the UK and includes the UK's global gateways, works together to harness our historic assets to drive recovery and prosperity for the UK; and
2. To respond to the commitments made in the Conservative Party manifesto for the 2019 election about Pan Regional Partnerships which we expect will gain prominence in the upcoming White Paper on Devolution and Recovery.

However, there is clearly potential to accelerate this activity so that we can achieve even greater things together, through galvanising the many strengths of the South to generate ideas, innovation and entrepreneurship to stimulate jobs and growth. On this basis we are seeking further investment through Catalyst South to take this work to the next level and kick-start the partnership to take forward our pan regional plan for recovery and growth.

In addition the LEP is a member of Transport for South East (the Sub-National Transport Body for South East England), and we work closely with the South West England LEPs, in particular in relation to the development of regional approaches to energy.

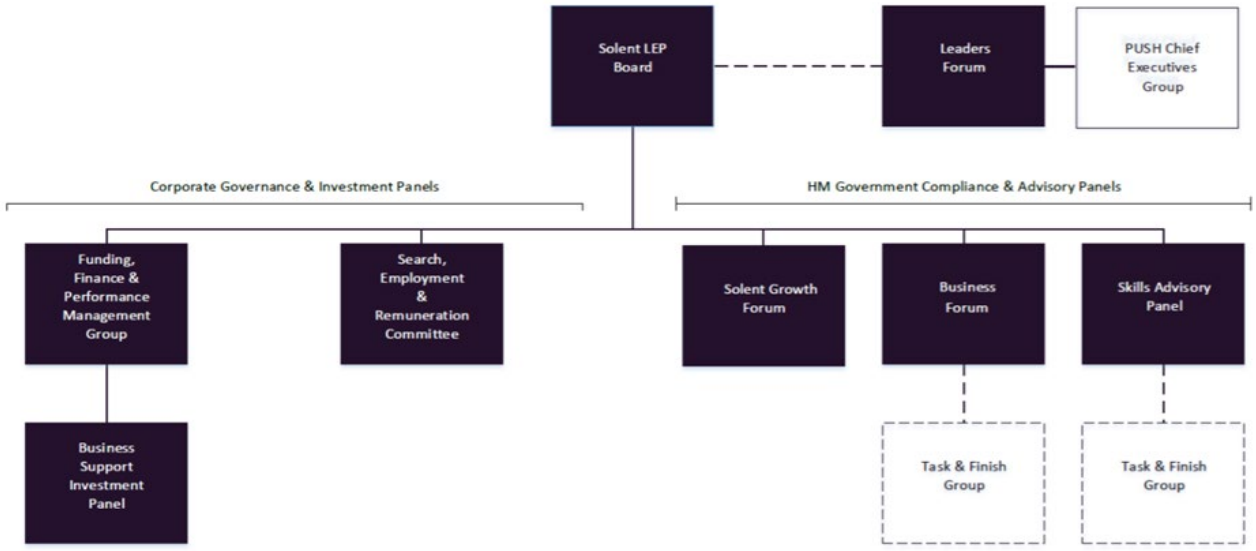
1.7 Support and Administration Arrangements

The Solent LEP Board and its governance structure are supported by an executive team, employed by the accountable body, Portsmouth City Council, but working to the Chief Executive of the LEP, whose appointment is approved by the Solent LEP Board. In line with the requirements of the LEP Review, this ensures the Solent LEP continues to have a secretariat independent of local government to support the Chair and board in decision making. Further information on the Executive team is available here, and the support arrangements are set out in a working protocol agreement between the Solent LEP and Portsmouth City Council. In addition to the Solent LEP Executive team, support to the LEP governance structure is provided by ex-officio representation from government departments, government agencies, as well as local public and private sector partners. This ensures suitably qualified expertise may be called upon to inform the work and decisions of the Solent LEP.

Part A, Section 2 - Governance and Management of the Solent LEP

2.1 Governance Structure

The chart below shows the overarching governance structure established by the Solent LEP.



*In addition to the above structure, the Board have also worked with Maritime UK to establish a dedicated arrangement in relation to Marine and Maritime to reflect the role of Solent as a key regional cluster as set out in HM Government's Maritime 2050 strategy and in accordance with the Solent LEPs prominent role in Maritime UK. Maritime UK Solent sits within the governance structure of Maritime UK and is Chaired by Kevin George in his role as the Solent LEP Business Director lead for Maritime. Further information on Maritime UK Solent can be found at: https://www.maritimeuk.org/

Sections 2.7 - 2.13 of Part A provide a summary of each of the components of this governance structure.

2.2 Schemes of Delegation

Solent LEP operates two Schemes of Delegation. The scheme of delegation relative to the LEP Board and its sub-groups is provided here. The scheme of delegation relative to the LEP Executive and the accountable body is set out here. In line with the National Assurance Framework, all sub-group Members are required to adhere to the same standards as members of the main LEP Board. Where Sub-Boards have delegated authority; the standards set out in the National and Local Assurance Frameworks apply.

2.3 Solent LEP Board

The Solent LEP is led by the business community and supported by three university partners, the further education sector, three unitary authorities, five district councils, one county council, the New Forest National Park Planning Authority and the voluntary and community sector – all working together to secure a more prosperous and sustainable future for the Solent area. The Solent LEP has been registered as a company, limited by guarantee, and it was incorporated on 18 March 2011. In keeping with the articles of association and in accordance with company law, the Board of Solent LEP Limited has been democratically elected by its members. Indeed, it was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP Board is the lead decision-making entity within the LEP governance structure (shown in section 2.1 of Section A). The LEP provides strategic leadership, determines policy direction, and is the ultimate decision-making body within the governance structure. All other components of the governance structure draw their authority from the LEP Board, with the exception of the Solent Growth Forum (see section 2.8). The Section 151 Officer of the Accountable

Body, or a nominated deputy, attends LEP Board meetings.

The Solent LEP is committed to having a Board which embraces diversity and promotes equality of opportunity within the Solent economy. In particular, the Solent LEP is committed to improving the gender balance and representation of those with protected characteristics on its board. The LEP has achieved its aim that women make up at least one third of the board by 2020 and is now seeking to achieve equal representation by 2023, ensuring the Local Enterprise Partnership board is representative of the businesses and communities they serve. The Solent LEP has appointed a Diversity Champion who is Rachael Randall and published an Equality and Diversity Policy, available here.

In formulating proposals, the Solent LEP is very mindful of the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics. In accordance with the processes and procedures of our accountable body, Portsmouth City Council, the LEP have adopted the Equality Impact Assessment (EIA) Toolkit.

The EIA toolkit includes a preliminary EIA, which has been undertaken in relation to the Local Growth Deal 3 proposal. This preliminary assessment considers that there is no adverse impact on groups with protected characteristics and that the LGD3 proposal will have a positive impact on all groups within the Solent area. The LGD3 Equality Act document can be found here.

As part of work to develop individual projects in advance of delivery, all scheme leads will be required to undertake an EIA, which will form part of the LEP's assessment prior to awarding funding. The Solent LEP Search, Employment and Remuneration Committee will regularly monitor these EIAs, as well as the diversity of the Solent LEP Board, and will produce an annual Equality and Diversity report.

As an employer, the Solent LEP is committed to equality and valuing diversity within its workforce and operates in line with the Equality and Diversity Strategy of Portsmouth City Council, our accountable body[4]. Our goal is to ensure that these commitments, reinforced by our values, are embedded in our day-to-day working practices with all our customers, colleagues and partners.

Furthermore, the Solent LEP is working with HM Government and NatWest through the Expert in Residence programme, which aims to increase the number of women based in the United Kingdom to move from intending to start a business to actually doing so.

Following the publication of the Alison Rose Review of Female Entrepreneurship a government-commissioned review into the barriers women in business face and what can be done to overcome them, we have worked with NatWest to appoint an Expert in Residence.

The aim of the project is to encourage collaboration and to deliver positive action supporting and profiling diversity and inclusion in business. Alison Rose, Chief Executive of the Royal Bank of Scotland Group plc, and author of the Review of Female Entrepreneurship made eight recommendations to accelerate change, including 'Improve access to expertise by expanding the entrepreneur and banker in residence programmes'.

Following pilots of the initiative, we were one of the first to establish an Expert in Residence as part of the national roll-out. The purpose is for more female-led businesses to be encouraged and provided with knowledge and experience and ensure more female role model businesses are supported to grow and scale-up, creating jobs and opportunities.

2.4 Corporate Social Responsibility

Solent LEP is committed to improving the economic, social and environmental well-being of the area. We recognise the impacts of our decisions on society and the environment, above and beyond our legal obligations, through transparent and ethical behaviour. At all levels, the LEP has participated in fundraising and charitable activity; ranging from our Chair and Chief Executives participation in the CEO sleepout, through to LEP Executive team members participation in a range of fund raising activity for charitable causes. The Solent LEP is also committed to ensuring our activity is sustainable and have made a range of pledges to formalise this commitment, including;

- Ensuring marketing collateral is sustainable and plastic-free wherever possible, including utilising digital delegate packs to support LEP events;
- Calculating and offsetting emissions for all international travel of LEP Board and staff members for LEP travel;

[4] https://www.portsmouth.gov.uk/ext/community/equality-and-diversity.aspx

- Prioritising the use of event and meeting venues that are easily accessible by public transport and have a commitment to reducing single-use plastic.

We encourage the Solent business community to make their own sustainability pledges.

2.5 The LEP Board

The Solent LEP Board consists of 16 Directors. The 16 Directors are drawn from three classes of membership and an Executive Director. The three classes are Business (B) Membership, Higher Education (H) Membership and Public Sector (P) Membership.

The nine B Directors on the Solent LEP Board are[6]:

- Kevin George, Chairman, Red Funnel Group
- SJ Hunt, CEO and Company Secretary, Parity Trust**
- Brian Johnson, UK Business Development Director, BAE Systems
- Nick Loader, Chief Operating Officer, DP World**
- Rachael Randall, Chief Executive, HTP Apprenticeship College**
- Jo Sawford, Head of Payload Projects for Telecommunications and Satellites and Portsmouth Site Director, Airbus Defence & Space**
- Paula Swain, Partner, Shoosmiths LLP**
- David Youngs, Co-founder and Business Development Director, LiveLink Technology**
- One vacant B Director seat[5]

**Independent Non-Executive Directors, as outlined in the Corporate Governance Code 2018.

The H Director on the Solent LEP Board[6] is Graham Galbraith, Vice-Chancellor, University of Portsmouth.

The five P Directors on the Solent LEP Board[6] are:

- Cllr Judith Grajewski, Hampshire County Council
- Cllr. Christopher Hammond, Leader, Southampton City Council
- Cllr. Barry Rickman, Leader, New Forest District Council
- Cllr. David Stewart, Leader, Isle of Wight Council
- Cllr. Gerald Vernon-Jackson, Leader, Portsmouth City Council

The Executive Director[6] on the Solent LEP Board is Anne-Marie Mountifield who is also Chief Executive of the Solent LEP.

Business leadership of the organisation has always been central to the spirit of the Solent LEPs Governance structure, with LEP Business Directors in the majority when compared with other categories of Director on our Board, and the Solent LEP remains compliant with Government requirements in relation to Business leadership.

The terms of reference of the LEP Board are available here. Further detail on the composition of the Solent LEP Board Ltd is set out in the Company's Articles of Association. In addition to meeting the eligibility criteria in the Articles, all Solent LEP Board Directors are expected to follow "The 7 principles of public life" code of conduct.[7] Following publication of the Local Enterprise Partnership Governance and Transparency Best Practice Guidance the LEP has adopted a new Code of Conduct (available here). In addition, in order to ensure continued best practice, Solent LEP Directors are provided with independent non-executive development on a regular basis. The Board have also established new corporate values which shaped the LEPs activity. These are:

- Support - We **Support** businesses to grow, individuals to succeed and communities to flourish
- Open - We are **Open**, transparent and honest and work without bias, ensuring that an evidence-based approach drives our decision making

[5] Recruitment commenced January 2021

[6] As at 9 February 2020. Information on current Solent LEP Board Directors is available at https://solentlep.org.uk/who-we-are/solent-lep- board/board-biographies

[7] See gov.uk guidance on "The 7 principles of public life" - https://www.gov.uk/government/publications/the-7-principles-of-public-life

- Leadership - We lead by example and value **Leadership** which is ambitious, fair and objective
- Embrace - We **Embrace** diversity as an essential component in the way we work
- Nurture - We **Nurture** the talent, innovation and creativity of those we work with
- Teamwork - We believe trust and mutual respect are essential for **Teamwork** and collaboration

Currently the Solent LEP Board has three SME business representatives appointed from amongst the Business Membership (SJ Hunt, Rachael Randall and David Youngs). Whilst appointments to the Board are at the discretion of the business membership of the LEP (in line with our Articles of Association) the Solent LEP Board have agreed to establish bye-laws in relation to the appointment of Business Directors to ensure that there is always at least one direct SME representative. In addition to the direct representation the Solent LEP Board have identified a Board Director to represent and engage with the SME business community. That Board Director is Brian Johnson.

The retirement of Solent LEP Directors is governed by Articles 32, 33 and 34 of the Solent LEPs Articles of Association (available here: https://solentlep.org.uk/media/2645/articles-of-association.pdf).

In addition to the regular retirement of all Directors (the longest serving third of the Board are required to retire at every third Company AGM), and the Solent LEP already operates in accordance with best practice set out under the UK Corporate Governance Code (https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf). In line with this best practice, the Solent LEP Chair should ordinarily, on appointment, be considered as an independent non-executive director when considered against the criteria set out in provision 10 of the Code. This includes a requirement for the Chair not to have served on the board for more than nine years from the date of their first appointment. This expectation will also be included within future Chair recruitment requirements as these are developed by SERCOM (the requirement has already been included in recent B Director recruitment material, available here for reference: https://solentlep.org.uk/media/3486/b-director-and-member-application-pack.pdf).

All new Board Directors are provided with an induction and all Directors undertake an exit interview process. These processes are kept under regular review by the LEPs Search, Employment and Remuneration Committee (detailed further in 2.9).

In line with the HM Government Local Growth Assurance Framework, the LEP Board have the option to co-opt an additional five advisors with specialist knowledge on a one year basis, unless there are exceptional circumstances. The Solent LEP require any co-opted members to adhere to the standards that all permanent LEP Board Members are required to adopt, for example, they must act in line with the Nolan Principles and declare any conflicts of interests.

2.6 Chair and Deputy Chair

The Articles enable the Business Membership of the Solent LEP to appoint a B director to the role of Solent LEP Chair (Article 10.2.3.1). The current Chair of the Solent LEP is Brian Johnson. A role description for the LEP Chair is available here.

In relation to future recruitment to the LEP Chair role, the Solent LEP Board are able to determine both the electoral process to be applied by the company in relation to the appointment of new directors (Article 60.2.5) and required characteristics to be demonstrated by persons seeking appointment to directorship (60.2.4). The role of LEP Chair has been advertised as a specific recruitment opportunity (including advertisement on the HMG public appointments portal) - and is elected by the Business Members of the company. The LEP Board also recognise that the LEP Chair has an important role in leading the Company as a whole and engaging with all Company Members. As a result, whilst the Chair is elected by the Business Members of the Company, the LEP Board are committed to ensuring that all Company Members are engaged in the process to appoint any future LEP Chair.

The Solent LEP actively considers succession planning for all Board roles on an ongoing basis, both to secure a strong range of future Business Director candidates going forward and to avoid large-scale loss of experience. This work is led by the LEPs Search, Employment and Remuneration Committee (SERCOM), the group established by the LEP Board in recognition that the Solent LEP has become increasingly reliant on recruitment of senior business leaders in order to enable the area to continue to feature strong business leadership in the development and delivery of key economic policy in the Solent area. In response to this, the remit of the group has been broadened to include both an executive and non-executive search function which provides expert advice and guidance to the LEP executive and LEP Board on the

recruitment of new LEP Business Directors, Panel / Forum Chairs and Private Sector Members, and advice and guidance to the Accountable Body on the recruitment of senior members of the Executive team to include the Solent LEP Chief Executive. Further details in relation to SERCOM are available here: https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/search-employment-and-remuneration-committee/

Further detail on the Chairship of the Solent LEP Board Ltd is set out in the Articles of Association[2].

In relation to appointment of a Deputy Chair, the Solent LEP has responded positively to the Governments recommendation and formalised the role of the Deputy Chair. The Deputy Chair of the Solent LEP is SJ Hunt. A role description for the LEP Deputy Chair is available here. Future recruitment to the deputy Chair role will be considered by SERCOM in order to ensure the proposed approach is fully considered within the wider work of the committee and considerations such as succession planning and best practice as set out under the UK Corporate Governance Code (https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf). The LEP will always adopt best practice whereby the LEP Deputy Chair will be from the Private Sector. This helps to support succession planning and ensures that the LEP remains business-led at all times.

In line with the National Local Growth Assurance Framework, the LEP has introduced a revised term limit of three years for the Chair and Deputy Chair, with an optional extension of three years. There is an option to extend for a further three years in exceptional circumstances, if approved by the Board.

2.7 Voting Arrangements

Each member of the Solent LEP Board shall have one vote and decisions are made on a majority basis.

Further detail on voting arrangements of the Solent LEP Board is set out in the Articles of Association[2].

HM Government Compliance and Advisory Panels

2.8 Solent Growth Forum

Government want to be confident that there are strong underpinning local authority partnership arrangements in place to facilitate joint decision making and collaboration on growth and economic development between all local authorities in each LEP area. In addition, the Government also require the LEP to set out how it will ensure external scrutiny and expert oversight, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of investment decisions.

In order to provide for this, the Solent Growth Forum ("SGF") has been established to provide an arrangement which enables collective engagement of local authority leaders on growth priorities, with the LEP represented, supported by strong collaboration and joint delivery at executive level. The forum also provides an opportunity to Local Enterprise Partnerships to engage local partners and independent experts – when developing economic strategies, whilst reassuring partners that taxpayers money is being put to best use.

The SGF has the following purposes:

- To provide an external scrutiny panel for the LEP, with involvement of all Local Authorities within the Solent area;
- To review projects funded under the Solent Growth Deal;
- To provide recommendations, expert advice, and guidance on any matter relating to Strategic Economic Plan, Local Industrial Strategy, the work of the Board, and supporting panels/forums or committees;
- To advise on the policies and programmes outlined in the SEP and Local Industrial Strategy;
- To review the delivery of the SEP and Local Industrial Strategy;
- To receive updates on the delivery of the European Structural Investment Funds;
- To encourage optimal delivery of the strategic priorities across programmes, and the optimal delivery of strategic priorities;
- To provide a strategic review of the development and delivery of the multi-year strategic economic plan and

Local Industrial Strategy.

Further information on the SGF is available at https://solentlep.org.uk/solent-growth-forum

This should ensure that the operation of Solent LEP continues to be subject to external scrutiny and expert oversight and the Solent Growth Forum is an established mechanism that makes provision for Solent LEP to participate in local authority scrutiny.

In addition, associate membership is available to all neighbouring local authorities recognising the contribution that these areas make to the Solent economy.

2.9 Solent Leaders Forum

It is critical that the Solent LEP remains an independent and private sector led partnership that is accountable to the communities within the Solent that we support. As a result, we have established a framework to underpin our future local collaboration across our local administrative boundaries and with our local authority partners established a joint leaders board, which provides expert public sector advice to the main LEP Board in relation to the development and delivery of future economic strategy. In line with this, the role of the Leaders Forum is advisory and the Forum is administered directly by its Local Authority Members.

The Forum brings together the elected leaders and senior officers of the councils within the Solent Local Enterprise Partnership (LEP) with the purpose of strengthening the local authority engagement of the Solent LEP, to assist in the development and implementation of actions that will deliver the Strategic Economic Plan and Local Industrial Strategy, and to collaborate on economic development issues affecting the wider area. The group also provides an important link to the expertise of the PfSH Chief Executives Group that has been established by PfSH and brings together the expertise of a number of Local Authority Chief Executives in the Solent area.

The Solent LEP is committed to working in partnership with our Local Authority partners to evaluate the effectiveness of the Solent Leaders Forum on an annual basis. This will ensure the LEP can deliver on its ethos of continuous improvement in relation to Local Authority engagement.

Further detail on the Solent Leaders Forum is available at: https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/leaders-forum/

In addition, associate membership shall be available to all neighbouring local authorities recognising the contribution that these areas make to the Solent economy.

2.10 Business Forum

As part of the LEPs response to the economic impact of Covid-19 in the Solent area, the Solent LEP established a Coronavirus Business Support Taskforce consisting of representatives from organisations across the Solent area that play a role in supporting the local business community. In order to build on the initial success of this taskforce, the Solent LEP Board have agreed to establish the group on a more formal and ongoing basis as part of the LEPs organisational structure. In order to secure expert input from the private and higher education sector the LEP Board have agreed to establish the group as a Business Forum. The Forum will operate under a specific Terms of Reference which will be published here following the conclusion of the Taskforces transition.

In recognition of the Solent LEPs requirement to draw in broader expertise in relation to bespoke areas of strategy development, the Solent LEP will establish task and finish groups which draw on the expertise of the Forum, and wider stakeholders, as required, and further information in relation to this approach can be found at section 2.14.

2.11 Skills Strategic Priority

Transforming the Solent economy will require us to build a knowledge-rich and creative economy, one which will require the highest levels of education in our entire workforce. In order to achieve this, the Solent LEP has published a dedicated Solent Skills Strategy, which aims to support the development of a world-class workforce to drive our future economic success. It aims to ensure that Solent's growth ambitions are supported by an employment and skills system which meets the needs of employers and individuals. We are very fortunate to have three universities based in Solent, together with a network of excellent Further Education colleges, private learning providers and schools. They represent a major economic asset, providing a source of highly-skilled employment, generating new businesses, supporting existing businesses and bringing significant revenues to the local economy. They also give us an excellent capacity to deliver skills for the local economy.

Skills Advisory Panel

The Solent LEP has established a Skills Advisory Panel (SAP) for the Solent in line with guidance from HM Government (available here). The Skills Advisory Panel builds on the strong track record of success of the Solent LEPs Employment and Skills Board which has previously led on the delivery of the Skills strategic priority for Solent LEP, working with other partners to collaborate on joint strategy and policy development for employment and skills. The Solent Skills Advisory Panel provides lead responsibility for the development of a new Skills Strategy for the Solent and its implementation, engaging with employers and providers and providing skills advice to the LEP Board on where skills and labour market resource should be directed to support employers and residents. Further information on the Skills Advisory Panel, including the Terms of Reference, can be found here

Corporate Governance and Investment Panels

2.12 Funding, Finance and Performance Management Group

The Funding, Finance and Performance Management Group (FFPMG) is a management group that is appointed by, and reports and provides advice to, the main LEP Board.

The FFPMG sits below the Solent LEP Board and has a focus on delivery. The group helps co-ordinate Solent LEP activity and provides advice, alongside the Solent LEP Executive, to the Board on strategic and operational matters.

This includes; the review of investment funding to support the delivery of the Strategic Economic Plan (SEP) and the EU Structural Investment Strategy (EUSIF), review of the risk management framework to include delivery capacity of Solent LEP and delivery partners in addition to the SEP and the EUSIF, preparation (and ensuring implementation of) the Medium Term Financial Plan approved by the LEP Board, ensuring that all terms and conditions attached to funding awards are properly adhered to and are being used to deliver the agreed outcomes, appointment of the Independent Auditor and overseeing the annual audit process (including the certification of final grant claims), preparing the Financial Statements of the Solent LEP Limited for the LEP Board to agree and the review or scrutinising of the management accounts of the LEP which will feature within the financial statements of the Accountable Body.

The Solent LEP is strongly committed to ensuring that the funding the LEP is entrusted with is properly managed in a transparent and accountable manner that always ensures best value for public money. FFPMG form a critical element of the LEPs approach to securing very close oversight of the work of the LEP to ensure that it is fully meeting all of its governance and transparency responsibilities. This includes ensuring appropriate overview and scrutiny arrangements are in place, including independent audit of LEP activity. In this regard, FFPMG provide advice in relation to both the Solent LEP Board and S151 Officer of the accountable body of the Solent LEP (in recognition of the role of the S151 officer as set out in the CIPFA Principles for section 151 officers in accountable bodies working with local enterprise partnerships).

In this role, the group receive reports from the relevant Panels / Forums / Task and Finish Groups in relation to progress against specified priorities and appraises the priorities and actions identified by these groups.

The FFPMG has delegated responsibility for the delivery and budget for programmes/activities (up to a value of £999,999).

The Solent LEP will maintain and manage a risk register to cover all areas of LEP activity on a regular basis. This is reviewed by the FFPMG on a quarterly basis and shared with Portsmouth City Council's Audit and Fraud team to assist in the development of an annual programme of audit activity. The named individuals who are responsible for the

identification and management of risk are Stuart Baker, Assistant Director Strategy and Programme Development and Elizabeth Goodwin, Chief Internal Auditor, Portsmouth City Council (Solent LEP accountable body).

Further information on the FFPMG is available at https://solentlep.org.uk/who-we-are/solent-lep-funding-panels/funding-finance-and-performance-management-group/

2.13 Search, Employment and Remuneration Committee

In line with the recommendations of the LEP Board, a search, employment and remuneration committee has been established for Solent LEP. The Committee is appointed to lead the process for all employment matters including, but not limited to, organisational structure, appointments and executive remuneration within the overall budget approved by the Board in order that there is a formal and transparent procedure for developing employment policy.

Within this remit, the committee shall:

- Review the ongoing appropriateness and relevance of the employment strategy and remuneration policy; and
- Ensure (through the LEP accountable body) that all provisions regarding disclosure of remuneration, including pensions, are fulfilled; and
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- Obtain reliable, up-to-date information about remuneration in other companies/organisations; and
- have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations.
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any Executive Search consultants who advise the Committee.

It is recognised that the Solent LEP has become increasingly reliant on recruitment of senior business leaders in order to feature strong business leadership in the development and delivery of key economic policy in the Solent area. In response to this, the remit of the group has been broadened to include both an executive and non-executive search function which provides expert advice and guidance to the LEP executive and LEP Board on the recruitment of new LEP Business Directors, Panel / Forum Chairs and Private Sector Members, and advice and guidance to the Accountable Body on the recruitment of senior members of the Executive team to include the Solent LEP Chief Executive. Further details in relation to SERCOM are available here: https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/search-employment-and-remuneration-committee/

The Search, Employment and Remuneration Committee (SERCOM) also take a lead role in relation to the ongoing monitoring of Board composition. This monitoring focusses on a range of factors, relating to both Board balance (taking into account a range of considerations such as sector and geographic representation) as well as expertise (SERCOM are currently in the process of undertaking a detailed skills audit of Board Directors with a view to identifying gaps) and Board diversity (SERCOM have developed an Equality and Diversity policy to inform future Board appointments).

Following publication of the new National Assurance Framework, the Board have agreed the appointment of a Diversity Champion in line with the best practice guidance who is Rachael Randall.

In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, and the Accountable body's pay policy and associated guidance.

Further information on the Search, Employment and Remuneration Committee is available at https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/search-employment-and-remuneration-committee/

2.14 Enterprise

Enterprise is a key driver of productivity and economic growth. The health of the business base has important implications for the number of jobs that the Solent economy can provide.

Business Support Investment Panel

The Solent LEP operates a range of Business support funding programmes and the Business Support Investment Panel will make decisions on applications for Business Support Funding up to £100k.

Further information on Business Support Investment Panel is available at https://solentlep.org.uk/who-we-are/solent-lep-funding-panels/business-support-investment-panel/

2.15 Task and Finish Groups

As indicated in the Governance Structure diagram set out in section 2.1, in addition to the standing groups / forums detailed above, the Solent LEP may also establish bespoke task and finish groups to support specific areas of activity. The role of any task and finish groups established by the LEP will be advisory only. During 2020, the Solent LEP had one task and finish group established which was a Freeport Panel and in February 2021 the area submitted a bid proposal to HM Government to establish a Solent Freeport.

The Solent LEP also convenes wider stakeholder groups from time to time to provide advice to the LEP, including the Solents Further Education Colleges and representatives from Solent Voluntary, Community and Social Enterprise organisations. These meetings provide an opportunity for the Solent LEP to engage with the sectors on a bespoke basis, which is in addition to securing input from organisations from these sectors as part of wider Solent LEP panels.

2.16 Relationship With Delivery Bodies

The Solent LEP will sign a funding agreement with external delivery bodies, which will set out roles and responsibilities and the conditions attached to funding, along with the monitoring and evaluation framework. Further information on the arrangements for supporting the effective delivery and implementation of projects is set out in Part E.

Part B: Strong, Supportive Local Authority Working Across the Solent LEP

This section describes the strong underpinning local authority partnership arrangements that are in place to facilitate joint decision-making and collaboration on growth and economic development between all local authorities in the Solent.

1.1 Collective Engagement of Local Authority Leaders in Decision-Making on Growth Priorities

Section 2.4 of Part A provides information on the composition of the LEP Board. All 10 Local Planning Authorities of the Solent LEP area are P Members of the Solent LEP and democratically elect five representatives to the Solent LEP Board. The P Directors on the Board do not represent their 'home' Local Authority, but represent all 10 Local Planning Authorities of the LEP.

The structure set out in sections 2.7 - 2.13 of Part A has Local Authority representation embedded. Local Authority representatives on Panels are nominated, democratically, by the Local Authority Membership of the LEP.

Notwithstanding the strong engagement in place, the Solent LEP is committed to strengthening collaboration with Local Authority partners and established a Solent Leaders Forum following a review of engagement during 2018. This engagement will continue to be reviewed annually.

1.2 Local Authority Joint Working Architecture

As set out in section 2.7 of Part A, the Solent Growth Forum provides an important mechanism for the area to deliver on the requirements of the Assurance Framework by bringing local authority representatives across the LEP together and ensure that local authorities across the LEP area don't just 'support' growth priorities but actively play a part in ensuring their delivery. The SGF provides an external scrutiny panel for the LEP, with involvement of all Local Authorities within the Solent area. The key role of the Solent Growth Forum within the Solent LEP governance architecture is described in section 2.7 of Part A.

Section 2.8 of Part A highlights the criticality of the Solent LEP remaining independent and accountable to the communities served. To strengthen local authority engagement, collaboration and enhance democratic accountability for the Solent LEP growth agenda, we established our Leaders Forum. This forum advises the Solent LEP on the collective view of councils on their strategic priorities for economic growth and is a forum for collaboration and discussion between the Solent Local Authorities on issues affecting economic development and regeneration across the area. The Leaders Board meets quarterly and provides a link for residents, through their democratically elected leaders, to the economic successes and growth achieved through projects and activities delivered through Solent LEP.

The Solent benefits from a long history of cross-Local Authority joint working through the PfSH and Solent Transport Joint Committees. PfSH is a partnership of Local Authorities in the Solent LEP area (see section 1.2 of Part A) and operates as a formal Joint Committee. The Joint Committee was established when PfSH formalised the partnership arrangements between each of the partner Local Authorities through a Joint Agreement under Local Government Acts. This was subject to approval by all the partner Councils and came into force in November 2007. The Joint Committee is the decision making body for PfSH. The membership consists of the Leaders or their nominated representative of the member Local Authorities, supported by their Chief Executives and the PfSH Executive Director. The Joint Committee is currently chaired by Councillor Seán Woodward, the Leader of Fareham Borough Council.

The PfSH Joint Committee meets approximately bi-monthly with the Solent LEP, Environment Agency and the Homes and Communities Agency (HCA) represented on the Committee as observers. Meetings of the Joint Committee are open to members of the public and its agenda, papers and reports are published on the PfSH website seven days in advance of scheduled meetings.

PfSH has no statutory powers or functions but works collaboratively with the Solent Local Enterprise Partnership to deliver its distinct but complementary roles and objectives, recognising the benefits of working together to support the sustainable economic growth of the Solent and to facilitate the strategic planning functions necessary to support that growth.

Solent Transport (formerly Transport for South Hampshire and Isle of Wight) was set up in 2007, to plan transport improvements for the South Hampshire sub-region. In 2013, the Isle of Wight joined the partnership, such that the area it covered is coterminous with that of the LEP. Like PfSH, the partnership is formalised through a Joint Committee of the four local highway authorities of the area (Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council). The partnership recognises that the transport movements in this polycentric and interconnected urban area do not respect administrative boundaries and so provides a mechanism through which solutions across boundaries and partners can be developed and funding secured. Partners such as public transport operators, Department for Transport (DfT), Highways Agency, Network Rail, the Solent Local Enterprise Partnership (LEP), and districts, amongst others, play an important role in the work of Solent Transport.

A LEP Board member and the LEP Chief Executive (or nominated deputy) attends the PfSH and Solent Transport Joint Committee meetings. In addition, the LEP Executive team attends relevant sub-groups of each Partnership, including the PfSH Planning Officers Group, and the Solent Transport Senior Management Board and Strategy Working Group.

Both PfSH and Solent Transport have regard for the Strategic Economic Plan and its priority areas and targets within their work. This is reflected in the Transport Delivery Plan, published by Solent Transport in 2013, and in the PfSH Spatial Position Statement, published by PfSH in 2016.

1.3 Pooling and Aligning of Local Resources and Efforts

The LEP is keen to realise pooling and aligning of resources across the Solent LEP area Local Authorities, and recognises that it has a role to play here in aligning its resources.

The Local Growth Deal (published 7th July 2014), includes projects where Local Authorities have worked together on their development and delivery. The LEP fully supports joint working and is happy to perform a coordinating role where local partners feel this would be beneficial.

Through the LEP governance structure, the LEP has drawn on resource from Local Authorities at a range of levels, including a dedicated Solent Leaders Forum. This builds on existing good practice, for example with regard to the LEPs former Marine and Maritime Steering Group and, on Inward Investment, Hampshire County Council and the Isle of Wight Council have provided executive support, whilst PfSH has provided resource to programme manage the Solent LEP Growing Places Fund programme. The LEP has also worked with University partners on a range of projects, harnessing their research expertise and executive support on Innovation.

The LEP is keen to continually work with local partners to further explore opportunities for pooling and aligning of resources and efforts.

The LEP has positively engaged in devolution discussions with Local Authorities and will continue to do so.

Part C: Transparent Decision Making

This section describes the arrangements that are in place to enable effective and meaningful engagement of local partners and the public, and the practices and procedures that are in place to ensure decisions made are proper, based on evidence, and capable of being independently scrutinised.

1.1 Transparency

The Solent LEP has a dedicated website (www.solentlep.org.uk), on which all published documents (including the Local Growth Deal) are available, as well as news items relating to the work of the Solent LEP. An important feature of the Solent LEP website is to provide information on the funding opportunities that are available through the LEP. The LEP also uses social media and events to engage with partners and the general public.

As described in the *Introduction*, the Solent LEP is a limited company and so it is not appropriate to apply Local Authority rules and regulations to a private company. However, the Accountable Body of the Solent LEP (see Part 4), publishes financial information relating to public funds flowing through the Solent LEP as part of its statutory financial reporting procedures and adherence to the Local Government Transparency Code.

In addition, the Solent LEP publish financial information covering the Local Growth Fund and other funding sources received from Government on the Solent LEP website as part of the public board packs, which can be found here. The draft end of year financial position is published at the next Board meeting to follow the end of the financial year. The formal annual accounts for each financial year are typically signed off by the Board each Autumn.

The agenda and meeting papers for all Solent LEP Board (and all decision making sub-board) meetings are published one week (five working days) ahead of each meeting and the draft meeting notes for each meeting are published one week (five working days) following each meeting.

The Solent LEP publish an Annual Report each year after the Annual General Meeting (AGM), which can be found here.

In addition, the LEP publishes an annual delivery plan in line with the requirements of the LEP Review.

In relation to the wider public (and representatives from any organisation that for any reason are not LEP Members), the Solent LEP will also hold an Annual Conference advertised openly and open to the public.

Section 2.7 of Part A describes the Solent Growth Forum (SGF), which provides the key public-facing overview and scrutiny forum within the LEP governance architecture. The SGF is administered by the Solent LEP, with advisers from Portsmouth City Council. Meetings of the SGF comply with the requirements of Part VA Local Government Act 1972 (access to information) and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) are applied accordingly.

SGF meetings are open to the public and advertised subject to the minimum notice period. The SGF routinely publish meeting papers and minutes, and associated documentation, in a timely manner. Stakeholders are provided with meaningful input before decisions are made. This is achieved through direct engagement, publication and advertising of information, and attendance and opportunity for deputations at SGF meetings. The SGF adheres to the Local Government Transparency Code.

1.2 Register of Interests and Conflicts of Interests

The Solent LEP holds a Register of Interests of all LEP Board members, which is available here. A Conflicts of Interests policy for the LEP Board is contained within the Articles of Association of the Solent LEP Ltd and the Solent LEP is

also committed to the requirements of the Local Enterprise Partnership Governance and Transparency best practice guidance and has adopted the register of interest included in Chapter 4.

In addition, a Register of Interests is held for each of the groups within the LEPs governance architecture, and each group has a Conflicts of Interests policy contained within each Terms of Reference. The Register of Interests is updated ahead of each meeting. Information on what constitutes as a conflict of interest can be found in the National Audit Office's report into Conflicts of Interest.

1.3 Enquiries, Freedom of Information, Complaints and Whistleblowing Policy

The Solent LEP has established an Enquiries, Freedom of Information, Complaints and Whistleblowing Policy, in line with the Local Enterprise Partnership Governance and Transparency Best Practice Guidance, which broadly complies with that of Portsmouth City Council who shall make arrangements for the investigation of alleged breaches of law, standards, or public fund management. A copy of this policy is available here.

The Solent LEP is committed to ensuring information is handled in in line with the Data Protection Act 1998, the General Data Protection Regulations (GDPR) and the Data Protection Act 2018. Further information on how the LEP handles personal information can be found in the Solent LEPs Data Protection Privacy Notice, available at: https://solentlep.org.uk/data-protection-privacy-notice/. The Solent LEP is registered as a data controller with the Information Commissioners Office and has appointed Helen Magri, Corporate Information Governance & Data Protection Officer at Portsmouth City Council, as the Data Protection Officer for the Solent LEP.

The LEP Board has also identified a Governance Champion, to provide direct Board leadership on this important component of our work, and this is the Chair of the Solent LEP.

All Freedom of Information (FOI) and Environment Information Request (EIR) requests will be dealt with in accordance with the relevant legislation. All FOI and EIR requests are considered in accordance with the published process of the LEP's accountable body, Portsmouth City Council. Further information regarding the policy is available here.

1.4 Engagement

The Solent LEP is committed to meaningful and effective engagement with all partners and the general public. This has been central to the development of the initial Strategic Economic Plan and EUSIF Strategy, whereby a range of large scale public consultation events were held, and reinforced through an online survey and dedicated individual meetings with all Local Authority partners and other key stakeholders. The LEP will continue to invest significant resource to engagement with partners as the economic strategy and new funding programmes are developed. It should be noted that the wider governance architecture of the Solent LEP plays an important ongoing mechanism through which engagement takes place between the Solent LEP and its partners.

The Solent Growth Forum is a public meeting. All LEP Board and Panel / Forum meetings provide opportunities for deputations.

The LEP is keen to ensure that its funding proposals are endorsed by those affected by them. Accordingly, the LEP publishes full business cases online as part of a twelve week consultation period, before the LEP Board makes any final investment decision.

In line with guidance from the Department for Transport, any bidding Local Authorities will also be required to place their business case on their own websites when bids are submitted for funding.

1.5 Arrangements for Developing, Prioritising and Approving Projects

The arrangements for developing, prioritising and approving projects are set out in Part E1 and Part E2.

1.6 Solent LEP Priorities and Mechanisms for Maximising the Social Value of Investment Funding

The Solent LEP priorities are set out in section 1.4 of Part A.

All proposals identified for funding are required to develop a full business case. The Social impact of all bids for investment funding is considered as part of the business case evaluation and is a component part of the scoring of projects in determining their prioritisation.

Upon submission, each business case will be subject to a twelve-week consultation period, through which partners and the general public will have an opportunity to influence the output to help shape outcomes. Through this mechanism, and through the commitment of the LEP to meaningful and effective consultation through a variety of formats, the LEP will maximise the social value of investment funding.

The Solent LEP is very mindful of obligations under the Equality Act 2010 and in particular the impact of any proposal on groups with protected characteristics. These obligations are considered in accordance with the published process of the LEP's accountable body, Portsmouth City Council. Further information regarding the policy is available here.

1.7 Confidential Items

Given the nature of some of the work of the LEP, there are situations when the Board of the LEP or sub-groups do need to consider confidential information to inform decision-making. The LEP has established a Confidential Items Policy, which is available here. This explains how such items will be managed.

1.8 Government Branding

The Solent LEP is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund and the Getting Building Fund. The Solent LEP will ensure that correct branding and wording is used for websites, signage, social media, press notices and other marketing materials and will require funding beneficiaries to comply with appropriate branding guidance.

Part D: Accountable Decision Making

This section provides information on the role of the Accountable Body of the Solent LEP and democratic accountability.

1.1 Status and Role of the Accountable Body

It is the Government's expectation that accountable bodies cannot use LEP funding for their own purposes, or without any clear mandate from the LEP.

The Accountable Body (through its Responsible Financial Officer - the Section 151 Officer), will be accountable for the proper use and administration of funding, all of which fall under the annual audit of the local authorities accounts, and for ensuring that decisions are made in accordance with this assurance framework.

In line with the recommendations of CIPFA Principles for section 151 officers in accountable bodies working with local enterprise partnerships, published September 2018, the Solent LEP adheres to the five principles which CIPFA and the Cities and Local Growth Unit expect the section 151 officer role for LEPs to meet when instilling good and proportionate financial governance (including Enshrining a corporate position for the section 151 officer in LEP assurance, Creating a formal/structured mandate for the section 151 officer, Embedding good governance into decision making, Ensuring effective review of governance and Appropriate skills and resourcing) in all activity of the LEP.

Portsmouth City Council is the accountable body[8] for the Solent LEP and will:

- hold funding and make payments to delivery bodies;
- account for these funds in such a way that they are separately identifiable from the accountable body's own funds;
- provide financial statements to the Solent LEP as required;
- ensure that use of resources are subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending, and the proper financial stewardship and safeguarding of public funds, which are overseen and checked by the Responsible Chief Finance Officer – the 151 Officer
- ensure transparency that annual accounts and spend over £500 is published, this can be found here
- ensure decisions and activities of the LEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.
- ensure (through their Section 151 Officer) that the funds are used appropriately.
- ensure that this LEP assurance framework is adhered to
- maintain the official record of LEP proceedings and holding copies of all relevant LEP documents relating to LGF funding
- be responsible for the decisions of the LEP in approving projects (for example if subjected to legal challenge)
- ensure that there are arrangements for local audit of funding allocated by LEPs at least equivalent to those in place for Local Authority spend

Portsmouth City Council shall ensure that all expenditure decisions are made in accordance with the Council's constitution and associated "Financial Rules". In particular, spending decisions made by the Solent LEP must meet the eligibility criteria prescribed within the terms and conditions of any associated grant funding received and that all expenditure is legal. It will also ensure that all spending decisions can be fully funded to avoid an unbalanced budget position. Spending decisions must adhere to the principles of good governance and public accountability and demonstrate that public funds will not be placed at undue risk and value for money can be demonstrated.

Portsmouth City Council will not implement any decision of the LEP Board or its Committees and Panels where the conditions described above are not met or where it reasonably considers they will not be met. If for any other reason

[8] For some Solent LEP programmes of activity a distinct accountable body may be appointed. The only situation where this has previously been the case is for the Enterprise Zone Expansion Fund, for which Gosport Borough Council is the accountable body

Portsmouth City Council disagrees with a decision of the Board, the chair and chief executive of the LEP shall work with the section 151 officer to agree an effective responsibility arrangement. This will include both parties agreeing to work together to seek a mutually agreeable resolution where disputes arise. The LEP and the Council will always seek to resolve the matter by a process of consultation. If the matter cannot be resolved within a reasonable time period then the matter will be escalated to the Council's Chief Executive and the Chief Executive of the Solent LEP who shall decide on the appropriate course of action to take. If the matter can still not be resolved, then the matter will be referred to an independent arbitrator to reach an agreement. The costs of an independent arbitrator shall be borne by the Council and the Solent LEP, equally.

Portsmouth City Council and the Solent LEP have agreed timescales and operating practices to support the effective implementation of decisions. This includes details of how the Solent LEPs independent secretariat functions. These are described in the protocol and service support agreement in place between the accountable body and Solent LEP. This is provided here.

1.2 Legal Advice to the Solent LEP Limited

Legal advice to the Solent LEP Limited is provided by Paris Smith LLP and Portsmouth City Council. Legal advice in relation to the projects and work of the Solent LEP Executive is provided by Portsmouth City Council, who are the accountable body for the Solent LEP.

1.3 Democratic Accountability

Section 2.4 of Part A provides information on the composition of the LEP Board. All 10 Local Planning Authorities of the Solent LEP area are P Members of the Solent LEP and democratically elect five representatives to the Solent LEP Board. The P Directors on the Board do not represent their 'home' Local Authority, but represent all 10 Local Planning Authorities on the LEP Board.

The structure set out in sections 2.7 - 2.13 of Part A has Local Authority representation embedded, including a dedicated Solent Leaders Forum. Local Authority representatives are nominated by their own Local Authority.

The key role of the Solent Growth Forum within the Solent LEP governance architecture is provided in section 2.7.

Part E: Ensuring Value for Money: Prioritisation, Appraisal and Business Case Development

This section sets out the arrangements the LEP has established for ensuring value for money from investments it allocates public funds to, the methodology the LEP will employ to prioritise projects, as well as appraisal through business cases. Section E1 describes the approach of the Solent LEP to options appraisal and prioritisation, whilst section E2 sets out the procedures in place to ensure value for money, and the development of business cases. Any decision that is made in contravention of the processes set out in this Assurance Framework will be invalid on the basis of non-compliance unless the Solent LEP Board has given prior approval for variation in the decision making process.

The Solent LEP is committed to ensuring the processes set out in this setion are reviewed in accordance with the publication of Green Book supplementary guidance during 2021.

Part E1: Options Appraisal and Prioritisation

1.1 Statement of Principle

As a starting point, projects proposed for consideration for prioritisation for funding by the Solent LEP Board or by any of the LEP Advisory Panels / Forums, will be for worthwhile projects that do not have full funding, fit with its Strategic Priorities, emerge from evidence, and accord with the relevant funding criteria. It should be noted that proposals that represent transformational economic growth opportunities will be prioritised.

The following documents will be made available to the LEP Board (or relevant investment panel in line with the scheme of delegation) in advance of making funding decisions in order to inform the Board or Panel's decision making in relation to a project:

- The application made for funding
- An appraisal of the application. This may include the independent appraisal that Solent LEP adopt for large scale projects and SME investments over £100,000. For projects below £100,000 an officer assessment will be provided.)
- A view by legal and finance experts
- A recommendation to as to whether to approve the funding proposal or not
- A recommendation about conditions that should be attached to the decision.

1.2 Approach to Prioritisation

The prioritisation process to be followed by the Solent LEP is set out in the four steps, below:

Solent LEP Prioritisation Process[9]

Step 1	An initial step may require each scheme promoter to submit an initial Expression of Interest (EoI). However, the LEP may issue a call for Outline or Full Business Cases, should there be specific time constraints on funding, or seek project proposal in a format specified by central Government (e.g. spreadsheet).
Step 2	An initial eligibility check will be undertaken by the Solent LEP
Step 3	Advice on proposals may be sought from the LEP Board or the relevant Panel / Forum(s). Advice may also be provided on ranking of proposals.
Step 4	For Outline Business Cases and Full Business Cases independent expert due diligence will be undertaken and recommendations made to the LEP. Advice may also be provided on ranking of projects.
Step 5	The Solent LEP Board (or the relevant decision making panel) will consider any recommendations and advice contained within the due diligence and/or officer assessment alongside any advice provided by Panel / Forum(s) .
Step 6	Solent LEP executive contacts all project proposers to advise next steps for short-listed projects: • For short-listed EoI's - An invitation to develop an Outline or Full Business Case • For Outline Business Cases - An invitation to develop a Full Business Case • For Full Business Cases - An offer of funding, subject to any pre-conditions. For projects not to be progressed, an offer of feedback on the application will be made.

The prioritisation matrix, which the LEP use to assess projects, is shown in the table below.

Solent LEP Prioritisation Matrix[9]

Core Criteria	
Strategic Fit	The fit of the project with one or more of the following Strategic Priorities: • To secure our position as a world-leading marine and maritime economy. • To Pioneer approaches to climate change adaptation and decarbonisation. • To be the UK's capital for coastal renaissance, harnessing new technologies and approaches to revitalise coastal communities and ensure growth is inclusive. • To have a thriving visitor economy, capitalising on the Solent's superb natural beauty and rich maritime history. • To be a global leader in developing a world-class talent base for the economy of the future, helping people at all points of their career build the skills they need to take part in an innovative knowledge-based economy. • To have an outstanding business environment.
Transformational impacts	Ability of the project to result in fundamental structural change, where outcomes will be virtually irreversible.
Deliverability	The ability to demonstrate that the project is deliverable including: the extent to which it has planning permissions (and has resolved any planning conditions) and other relevant consents in place; the adequacy of the funding package; the financial standing of the delivery partners; an appreciation of the range of risks to timely delivery and appropriate mitigation strategy; demonstration that the delivery body has put in place the capacity and competence to deliver the project; that appropriate project governance and project management resources are in place.
Start Dates	Applicants should identify when the project is expected to come forward and identify risks to project commencement.
Private Sector / Other Leverage	The ability to lever other funding, in particular, private sector funding and the scale of the Investment.
Employment and Jobs	The value (quality i.e. permanent vs. temporary jobs) and number of the direct jobs safeguarded/created (where applicable) and additional construction jobs. Also

	consideration of new commercial floorspace (sq m)and/or numbers of small businesses supported
Homes	The number of new housing units enabled and / or accelerated by the project (where applicable).
Environmental Impacts	Delivery of outcomes to drive forward progress on the UK's target to reach net zero by 2050, including helping businesses to decarbonise across advanced manufacturing, construction, maritime and transport sectors and to secure the Solent's place at the forefront of green innovation. This will include considering numbers of new retrofits delivered, KG of CO2 emissions avoided (or cost of removing increased CO2 emissions) and sq m of public realm or green space improved.
Skills	Delivery of skills outcomes such as area of new/improved learning/training floorspace and numbers of new learners assisted and/or apprenticeships. Evidence that the proposal is employer-led (priority will be given to applications that come forward with a private sector contribution and partner) and that it addresses an identified skills shortage need in an industry and/or sector in the Solent. Clear evidence how the proposal will respond to the development of new technical routes to meet industry needs in the Solent, including the completion of high quality work placements.
Digital connectivity	Digital infrastructure including number of new super/ultrafast broadband connections.
Additionality	The extent to which a project's benefits will be realised without the funding (deadweight); the impact of the funding on the speed of delivery of the economic benefits; and the extent to which the funding will shift economic activity from other areas (displacement).
Wider Economic Impacts	The wider impact on the economy of the Solent LEP area (i.e. will it help unlock or bring forward other development sites , investment, or economic activity?; will it help grow priority sectors?; realise spill-over impacts to other companies in a supply-chain?; strengthen the role of the Solent as an internatilal trading and connectivity gateway for the UK economy, or provide induced benefits?).
Social, Health and Life Impact	The extent to which the project will have wider social or environmental benefits to the Solent (e.g. providing employment opportunities in deprived city areas, coastal communities, supporting people into work through apprenticeships and other access to employment routes).
Equalities	Projects will need to demonstrate compliance with the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics.

Through prioritisation, the Solent LEP will also seek to maximise value for money from key public sector investments focusing on areas that are economically vulnerable, and linking local people to jobs and training through effective procurement processes, and local businesses to supply chain opportunities, whilst levering private sector investment in skills and employment.

1.3 Value for Money at Prioritisation Stage

For larger projects, a detailed assessment of value for money will be undertaken in accordance with HM Green Book (where applicable) for projects that have provided either an Outline or Full Business Caseand this is set out in Part E2.

During 2020 HM Treasury updated the Green Book to ensure that investment spreads opportunity across the UK. Specifically, HM Treasury has updated the Green Book to end the dominance of the benefit cost ratio (BCR) in decision making.

In line with these changes, the Solent LEP will require appraisals to give a comprehensive picture of cost and benefits, including non-monetisable, non-economic impacts. In particular, options will be assessed first and foremost on whether

they deliver relevant LEP policy objectives (for instance, supporting the Solent to become the UK capital of coastal renaissance). Any option which fails to do so cannot be considered value for money and will not progress to shortlisting stage.

The government has also changed the guidance so it will no longer be acceptable for proposals to be 'place blind'. The LEP will therefore require business cases to be developed to align with relevant local strategies and major interventions in the area. Business cases for all proposals will have to set out how they will impact different places across the Solent on a comply or explain basis.

At the prioritisation stage, the Solent LEP prioritisation methodology will therefore consider value for money in a number of ways that can be readily monetised including (but not restricted to):

- Funding levered in from external sources
- Number and value of jobs created and safeguarded
- Number of houses built or unlocked
- New employment space built or unlocked
- Land value uplift
- Number of new retrofits delivered
- KG of CO2 emissions avoided and/or sq m of public realm or green space improved.
- Number of new super/ultrafast broadband connections
- Congestion reduction and journey time savings

In addition there will be qualitative assessment of value for money that will inform the overall value for money assessment. This will include:

- Skills outputs including area of new/improved learning/training floorspace and numbers of new learners assisted and/or apprenticeships
- Additionality
- Wider Economic Impacts
- Social Impact

Part E2: Value for Money and Business Case Development for Funded Proposals

2.1 Ensuring Value for Money through the Development of a Full Business Case

The process for demonstrating value for money through the development of an outline and full business case is available in the Solent LEP Advice note to scheme promoters on the development of full business cases here.

The LEP has identified Stuart Baker, Solent LEP Assistant Director, Strategy and Programme Development, and James Fitzgerald, Corporate Finance Specialist, Portsmouth City Council (Solent LEP accountable body) as the named individuals with overall responsibility for ensuring value for money and those individuals will be responsible for scrutiny and recommendations on each business case for large projects. This will be provided for within the LEP Funding, Finance and Performance Management Group. Where appropriate, the LEP will also commission independent expertise to validate value for money assumptions. For transport schemes, this will include a Value for Money Statement signed-off by the Solent LEP Value for Money Officer.

The Solent LEP has set out a commitment to achieve a 'high' value for money (VfM). This will include an ambition to achieve a VfM ratio of 4:1. This level is to be achieved at the Solent Growth Deal Programme level and will capture both the scheme's wider economic benefits and the leverage of wider investment resulting from the scheme. This is intended as a broader measure than an economic or financial appraisal (i.e. a Benefit to Cost Ratio (BCR) or a ratio of Net Present Value to Project Costs) however the Business Cases are still expected to include a relevant financial and / or economic assessment to demonstrate their compliance with relevant national guidance (e.g. WebTAG for transport projects and SFA for education projects). However, The assessment of value for money is broader than the BCR alone. It will assess all the relevant costs and benefits to society, not just economic ones. Salient points from all other dimensions of the business case will be incorporated, in particular, how well the option delivers the intended objectives of the intervention, as well as accounting for delivery risks. The LEP will reject any business case that does not include a clear set of objectives for the intervention and an objectively based logical process of change setting out how these objectives will be delivered. Conversely, the LEP is open to business cases for projects with a low BCR if, compared to options that have been appraised, the option is the best value for money way of delivering an intervention that is necessary for the achievement of the intervention's objectives.

For transport schemes, the following will represent minimum requirements:

- The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to the LEP for approval. Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't stop LEPs considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme. The appraisal and modelling will be scrutinised by the LEP and this will be undertaken independent of the promoting authority.
- A value for money statement for each scheme in line with published DfT WebTAG guidance must be presented for consideration to the LEP. The Value for money assessment must be signed off as true and accurate by a named officer with responsibility for value for money assessments within the LEP.
- The LEP must either; only approve schemes that offer at least "high" value for money, as assessed using DfT guidance, or; set out the limited circumstances under which schemes offering lower than "high" value for money would be considered. Schemes must be assessed against the relevant thresholds at each approval stage.
- The LEP must put in place mechanisms to ensure schemes are monitored and evaluated in line with DfT guidance on the evaluation of local major schemes[10]. The LEP will put in place processes to ensure that the results of evaluation and monitoring are published and to have these reviewed independently of the promoter. For transport schemes, in line with the latest DfT guidance, evaluation and monitoring (M&E) plans must be in place for schemes by the time that funding is signed off or before any data collection is programmed.

Business cases will be developed in accordance with Education and Skills Funding Agency (ESFA) guidance, as set out in the Solent LEP Advice note to scheme promoters on the development of full business cases here.

The LEP Board may consider funding projects that do not demonstrate high value for money through standard appraisal

methodology in exceptional circumstances, where there is a compelling and / or transformational strategic case. In addition, it should be noted that some investments may form components of a wider programme of investment and that some individual schemes, forming part of such programme, may not offer "high" value for money, as set out in national guidance, yet may form an important component of a wider programme, and as part of which, additional benefits may be accrued. In these circumstances the LEP may fund schemes that do not offer "high" value for money.

[10] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9154/la-major-schemes-monitoring-evaluation.pdf

2.2 Evidential Need for an Intervention

The evidential basis on which the need for an intervention is based will be considered through the process set out in section E1. Scheme promoters will be asked to evidence how their proposal fits with the Solent LEP's Strategic Priorities, and will be assessed against the published criteria, as set out in section E1. Assessments against these criteria are undertaken within the Solent LEP executive team, with input and advice from a broad spectrum of expertise as provided within our governance architecture as described in Part A.

In most instances, a Full Business Case will be subject to a twelve week public consultation period on the LEP website, and any comments provided are considered ahead of any funding decision being finalised. In some circumstances, for example, where there is a need to support early project delivery, a shorter consultation period may be set by the Board of the LEP.

2.3 Due Diligence of Full Business Cases

The LEP will contract independent expertise to undertake objective and independent due diligence for Outline and Full Business Cases. This will provide additional rigour to inform decision making. The due diligence report and recommendations will be reported to the Solent Funding, Finance and Performance management Group and/or the Solent LEP Board, who will make a final decision informed by the independent due diligence.. Further information about this process is set out in the Solent LEP Advice note to scheme promoters on the development of business cases here.

Due diligence reports held by the Solent LEP will include all key assumptions in relation to how appraisal estimates were produced, and in the event it is required, these due diligence reports can form part of an evaluation 'handover pack'.

2.4 Monitoring and Evaluation

A monitoring and evaluation framework, in line with the principles of the National Local Growth Assurance Framework and HMT's Magenta Book, has been established with quarterly reporting (progress updates and performance against agreed metrics) and year-end report. This will be considered by the relevant Panel / Forum, FFPMG and the SGF on a wider basis.

In relation to any transport schemes, evaluation and monitoring (M&E) plans must be in place as part of the published Full Business Case requirements, in line with DfT guidance.

2.5 Funding Agreement

Approved Full Business Cases will be funded subject to satisfactory conclusion of a funding agreement between the lead scheme promoter and Portsmouth City Council (as the accountable body for the Solent LEP). In some instances the Solent LEP Ltd, may be a contracting party where the scheme promoter is Portsmouth City Council.

The Board of the Solent LEP, FFPMG or the relevant decision making panel will make the final decision on funding approvals having due regard for any supporting due diligence reports and /or officer assessments, including consideration of state aid compliance.

As referred to above, there will be a formal agreement between the accountable body for the LEP (or, in some instances the Solent LEP Ltd) and the lead scheme promoter when funding is approved for a project and confirmed by central government (where applicable). This will set out the responsibilities of both parties, including reporting and audit requirements.

All business case development costs are at the risk of the scheme proposer and the LEP will reserve the right to re-direct funding at any point prior to confirmation of funding award.

2.6 Management of Contracts and Non-Compliance

The LEP will manage contracts in relation to the delivery of its programmes in partnership with our accountable body, who enter into contracts on behalf of the Solent LEP. All contracts are approved by both the Solent LEP and Portsmouth

City Council in advance of completion and in-line with the scheme of delegation established by the Solent LEP. Where any contract negotiation process results in material changes to the proposal considered by the LEP Board (or Funding, Finance and Performance Management Group or Small Business Investment Panel, in line with the relevant scheme of delegation in place for sub-groups), the Solent LEP require the decision to be sent back to the LEP Board (or relevant investment panel) for consideration.

The LEP Board receive regular updates on the LEP Local Growth Programme, including updates in relation to performance, issues, risks and relevant mitigations in place. The LEP and PCC have agreed a risk management framework for funded schemes to inform monitoring in line with central Government standards. This framework is available here in section 5 of the Solent LEPs Advice to Scheme Promoters on the Development of Business Cases, which is available here.

This framework includes establishing agreed corrective actions to be taken by the LEP and Portsmouth City Council in recognition that, in addition to making decisions on funding, the LEP is also required to play a role in recovering funding where there has been non-compliance, mis-representation or under-performance. The framework agreed by the LEP Board and Portsmouth City Council ensures the Solent has in place appropriate governance and controls to recover non-compliant funding. Any recovery of funds is undertaken in partnership with our accountable body for funding, Portsmouth City Council and in line with our schemes of delegation. Where the LEP decides not to pursue recovery where it has identified non-compliance and has legal grounds to do so it must provide a compelling justification for its decision.