

Solent Local Enterprise Partnership
Meeting of the Board to be held virtually on Friday 7 October 2022
09:00 to 12:00

Item	Title	Time
1.	Welcome, Introductions and Apologies for absence	09:00 – 09:15
2.	Solent Freeport Update	09:15 – 09:35
3.	HM Government update	09:35 – 09:50
4.	Notes of meeting held on 22 July 2022	09:50 – 10:05
5.	Matters Arising and declarations of interest	
	LEP Matters requiring board decision	
6.	Finance and funding report to include; <ul style="list-style-type: none"> • Local Growth Programmes Update • In-year budget position for 2022/23 and financial forecasts to 2023/24 • Update on Enterprise Zone Commission • Update on LEP Funding calls • Future Funding Strategy • Review of Risk registers 	10:05 – 11:00
7.	Governance update to include: <ul style="list-style-type: none"> a. Board recruitment and Chair appointment b. Mid-year review of Solent LEP Delivery Plan for 2022/23 c. Consideration of draft delivery plan for 2023/24 	11:00 – 11:30
	LEP Matters for note	
8.	<ul style="list-style-type: none"> a. Report from Skills Advisory Panel b. Solent Cluster for Decarbonisation 	11:30 - 11:45
9.	General updates from board leads to include: <ul style="list-style-type: none"> a. Report from business support task force b. Update from Solent Growth Hub c. MUK Solent update d. Digital Skills Partnership e. DCMS Create Growth Programme 	11:45 – 11:55
10.	Any other business <ul style="list-style-type: none"> • Forward Plan 	11:55 – 12:00

7.9.2022

Item 4

Notes of meeting held on 22nd July 2022



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

Solent Local Enterprise Partnership Meeting of the Board of Directors

Held on Friday 22 July 2022 at 09:00 - 12:00 convened at Shoosmiths, Whiteley and electronically over video conference

Present	In Attendance
Anne-Marie Mountifield	Jack Elias (DLUCH)
Rachael Randall (Chair)	James Fitzgerald (Portsmouth City Council, as the Accountable Body)
Alex Rennie	Lizzi Goodwin - Item 9 (Portsmouth City Council, as the Accountable Body) (Via Teams)
David Youngs (via Teams)	Nicola Twiddy (LEP Executive)
Edward Heron (via Teams)	Paul Somerset - Item 9 (Portsmouth City Council, as the Accountable Body)
Graham Barnetson (Via Teams)	Peter Baulf (Portsmouth City Council, as the Accountable Body) (Via Teams)
Graham Galbraith (Via Teams)	Richard Jones (LEP Executive)
Jo Sawford	Richard Turl (DLUCH)
Julie Jones Evans	Stuart Baker (LEP Executive)
Nick Loader	
Paula Swain	
Steve Pitt	
Apologies	Guests
Brooke Hoskins	Item 7 only - Asa Thorpe & Martin Gossling
Salli Shapcott	Item 8 only - Lewis Atter & Kirsten Saguil - KPMG (via Teams)
Satvir Kaur	
Sophie Mallon (Portsmouth City Council, as the Accountable Body)	

Item		ACTION
1.	<p>Welcome and Introduction The Chair welcomed all to the meeting. The new P and B Directors were introduced and welcomed to the Board along with Richard Turl as the new DLUCH Lead. Round table introductions took place. Paula Swain welcomed all to Shoosmiths, Whiteley.</p> <p>Apologies for Absence Apologies were noted from Brooke Hoskins, Salli Shapcott, Satvir Kaur and Sophie Mallon.</p>	
2.	<p>Integrating LEPs into democratic institutions and devolution update An update on integrating LEPs into democratic institutions and devolution was provided including an overview of the 3 pathways currently in place.</p> <p>An update on emerging devolution proposals (including the County Deal) was provided. The Chair advised that the LEP is keen to engage on wider basis if other devolution proposals are under development as well. It was noted that as no devolved institutions exist covering the Solent area, the LEP will be continuing to deliver a number of functions on behalf of government.</p> <p>Richard Turl joined the meeting (09:26)</p> <p>The future role for the LEP will be discussed in more detail at the forthcoming strategy day in October to include:</p> <ul style="list-style-type: none"> - Consideration of future investment strategy to support Solent 2050. - The LEP role in brokering devolution negotiations and any potential LEP integration. <p>There was also a discussion on emerging programme strands and opportunities including</p> <ul style="list-style-type: none"> - Taking on the lead role for the digital skills partnership in the South East. - Engaging with DCMS on the creative growth partnership programme. - In relation to Visitor economy, considering the Government response to the independent review of destination management organisations in England – see https://www.gov.uk/government/publications/government-response-to-the-independent-review-of-destination-management-organisations-in-england/government-response-to-the-independent-review-of-destination-management-organisations-in-england <p>The Board noted that one of the 12 recommendations is for the LEPs to realise the value of tourism and ensure that visitor economy is fully integrated into their local strategies. Solent 2050 has set out visitor economy as one of the key priorities.</p> <p>At this point the following board members declared an interest</p> <p>Julie Jones-Evans and Rachael Randall are Board Members of Visit Isle of Wight and Julie Jones-Evans and one of Graham Barnettson's colleagues is also on the board at Visit Isle of Wight.</p> <p>The board noted that HM Government recognise the vital role that LEPs can play in supporting the visitor economy and the work of the proposed Local Visitor Economy Partnerships (LVEP'S) and Agreed to draft a letter to existing DMOs/Local Authority Tourism Departments with a view to bringing partners together to discuss the review recommendations.</p>	<p>Executive</p> <p>Executive</p>

3.	<p>HM Government Update</p> <p>Richard Turl was welcomed to the Board meeting, introduced himself and advised the following -</p> <ul style="list-style-type: none"> • Ministerial changes - The Rt Hon Greg Clark MP was appointed Secretary of State for Levelling Up, Housing and Communities on 7 July 2022. • Decisions on the Getting Building Fund and notification of future funding for Growth Hubs is likely to come forward late summer/early Autumn. • Levelling Up Fund is open for applications until 2 August 2022. Each MP will now have priority support for 2 bids, with successful bids to be announced in the Autumn. • The Shared Prosperity Fund window for applications closes on 1 August. 	
4.	<p>Notes of meeting held on 13 May 2022.</p> <p>The minutes from the Board meeting on 13 May 2022 were Agreed.</p>	
5.	<p>Matters Arising and declarations of interest</p> <p>The following matters arising were raised:</p> <p>Page 5 - APR - a follow up meeting has taken place and the LEP has met all requirements in terms of Strategy, Delivery and Governance.</p> <p>Page 5 – The Delivery plan for 2022/23 was submitted to Government at the end of June and has been published.</p> <p>Page 2 - Strategy Day - Executive will canvass Board Members for a date in October</p> <p>Page 2 - Freeport Covenant letter was discussed at the Solent Freeport Consortium Ltd (SFCL) Board meeting last week and a verbal update was provided. The Executive will arrange a meeting with the SFCL Chair/Board Members and LEP Chair and Board Members who also sit on the Freeport board or support the work of SFCL to discuss next steps.</p> <p>All other matters will be covered as part of the meeting.</p> <p><u>Declarations of Interest</u></p> <p>The following interests were noted ahead of the meeting:</p> <p><u>Alex Rennie</u></p> <p>Item 10 - HBC have a representative on the Board of SFCL</p> <p><u>Anne-Marie Mountfield</u></p> <p>Item 9A Annexe D - Maritime UK Solent Articles - Maritime UK Solent Ltd Director</p> <p>Item 11A – Non-Executive Board Director role with VIVID Housing Ltd and VIVID +</p> <p>Item 11B - MUK Solent Award Sponsorship - Maritime UK Solent Ltd Director</p> <p><u>Edward Heron</u></p> <p>Item 2 - HCC Cabinet Member and Executive Lead for Transport and Environment Strategy</p> <p>Item 6 - HCC scheme lead for A326 Scheme</p> <p>Item 8 - Enterprise Zone Update - HCC scheme lead for - EZ Road and Retained Rates</p> <p>Matters arising and Item 10 - General Updates - Director of Solent Freeport Consortium Limited</p>	<p>Executive</p> <p>Chair/Board members</p>

	<p><u>Graham Barnetson</u> Item 6 - General interest in the IOW Floating Bridge (location of business) Item 9A Annexe D - Maritime UK Solent Articles - Maritime UK Solent Ltd Director Item 11B - MUK Solent Award Sponsorship - Maritime UK Solent Ltd Director</p> <p><u>Julie Jones-Evans</u> Item 6 - Isle of Wight Scheme lead for Floating Bridge 6</p> <p><u>Paula Swain</u> Matters arising and Item 10 - General Updates - Director of Solent Freeport Consortium Limited</p> <p><u>Rachael Randall</u> Item 6 - General interest in the IOW Floating Bridge (location of business) Item 9 - LEP Chair Recruitment</p> <p><u>Richard Jones</u> Item 6 - PCR / Maritime Innovation Hub - nominated as lead for Solent Freeport Consortium Ltd Management of Seed Capital Funding call</p> <p><u>Steve Pitt</u> Item 6 - PCC scheme lead for Southsea Coastal Defence Scheme and PCC scheme lead for Portsmouth International Port Item 10 - General Updates - PCC have a representative on the Board of SFCL</p> <p><u>Stuart Baker</u> Item 6 A326 Scheme - spouse works in an unrelated role at HCC Item 9A Annexe D - (MUK Solent Articles and recruitment approach) Maritime UK Solent Ltd Director Item 11B - MUK Solent Award Sponsorship - Maritime UK Solent Ltd Director</p> <p>Item 10 General Updates - Portsmouth City Council are accountable body for Solent Freeport Consortium Ltd and Solent LEP providing exec support including Anne-Marie Mountifield as the Senior Responsible Officer.</p> <p><u>General Noting</u> Item 6 Appendix F (Risk Register) - Board Members are asked to delegate the agreement of the LGD risk register to the LEP Chief Executive and S151 officer. On this basis, all interests in relation to risk register are potential and for noting only. Board Members only required to withdraw from meeting if Board wish to discuss a specific project.</p>	
<p>6.</p>	<p>Finance, Funding and Performance Management report The Finance paper was taken as read and James Fitzgerald provided an overview on the latest position of the Local Growth Deal, Getting Building Fund and budgets.</p> <p>Richard Jones left the meeting (10:34)</p>	

<p><u>Seed Capital Funding Update</u></p> <p>An update on the Fund was provided and The Board:</p> <ul style="list-style-type: none"> • Considered the update on the GBF Project Change Request in paragraph 3.4.2 and Agreed to allocate £850,000 of the recycled Growing Places Loan fund to underwrite the risk of Government not approving the GBF PCR within the timescales required for the submission of a business case to the Freeport. 	<p>AB</p>
<p>Richard Jones joined the meeting (10:36)</p>	
<p>The Board also:</p> <ul style="list-style-type: none"> • Noted the Solent LEP statutory accounts as prepared by the Accountable Body at Appendix I and agreed for the Chair to sign them off. 	<p>Chair & AB</p>
<p><u>North Whiteley</u></p> <p>An updated was provided on the project.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Agreed to extend the delivery phase for the North Whiteley project as set out in paragraph 3.4.1 of the report, and Delegated Authority to the LEP Executive and Accountable Body to finalise. 	<p>Executive & AB</p>
<p><u>Isle of Wight College - CECAMM</u></p> <p>The Board:</p> <ul style="list-style-type: none"> • Agreed the recommendation from FFPMG to vary the contract to identify five "indirect" jobs as being "direct" and to Delegate Authority to the LEP Executive and Accountable Body to finalise 	<p>Executive & AB</p>
<p>Steve Pitt left the meeting (10:39)</p>	
<p><u>Southsea Coastal Defence Scheme</u></p> <p>The Board:</p> <ul style="list-style-type: none"> • Considered the update on the Southsea Coastal Defence Scheme in paragraph 3.4.1, Agreed the variation for 3 months (up to 6 months with FFPMG sign off) and Delegated Authority to the LEP Executive and Accountable Body to finalise. 	<p>Executive & AB</p>
<p>Steve Pitt returned to the meeting (10:41)</p>	
<p><u>A326 Highways Improvements</u></p> <p>An update on the scheme was provided at the meeting. Thanks were passed to Hampshire for their support with this scheme.</p>	
<p>Edward Heron left the meeting (10:48)</p>	
<p>The Board:</p> <ul style="list-style-type: none"> • Considered the update on the A326 Highways Improvements project at appendix G, and; • Noted the subsequent request received from HCC for an extension for the delivery of J6 to the end of December 2024, and; • Agreed to provide an extension to the end of December 2024 for the delivery of J6. 	<p>Executive & AB</p>

	Edward Heron joined the meeting (10:50)	
7.	<p>LEP Funding strategy update</p> <p>Asa Thorpe & Martin Gossling joined the meeting (10:52) and provided a presentation to the Board and questions followed.</p> <p>Asa Thorpe & Martin Gossling left the meeting (11:24)</p> <p>Alex Rennie left the meeting and supported the recommendations in the paper (11:27)</p> <p>Following a discussion, The Board:</p> <ul style="list-style-type: none"> • Noted the update on equity investment provided in the paper. • Agreed for strategic work to be undertaken to explore equity investment further, noting offers of support from Board Members to provide advice • Agreed for research to be undertaken on a test case • Agreed that a further update be provided to the board at the next meeting 	<p>AB/Executive</p> <p>AB/Executive</p> <p>AB/Executive</p>
8.	<p>Enterprise Zone update</p> <p>Lewis Atter & Kirsten Saguil joined the meeting (11:46) and provided a presentation on the Solent Enterprise Zone Retained Rates proposal.</p> <p>Elizabeth Goodwin, David Youngs, Edward Heron and Peter Baulf left the meeting (12:00)</p> <p>The Board:</p> <ul style="list-style-type: none"> • Noted the update and Agreed for KPMG to begin this work. <p>Lewis Atter & Kirsten Saguil left the meeting (12:03)</p>	KPMG
9. B & C	<p>Governance update</p> <p>It was agreed that the papers for Item 9B and 9C would be considered at the next meeting and in the interim Board members were advised to field any queries on item 9b to the executive and for item 9c to the Head of Audit at the Accountable Body</p>	Board members
6. cont.	<p>Finance, Funding and Performance Management report</p> <p>Julie Jones-Evans left the meeting (12:05)</p> <p><u>Loan Fund</u></p> <p>The Board:</p> <p>Noted the update on the Loan Fund expressions of interest and Agreed to open the funding call again with a closing date in October 2022.</p> <p><u>Floating Bridge</u></p> <p>A verbal update as provided and The Board:</p> <ul style="list-style-type: none"> • Considered the update on the Floating Bridge Project in Appendix H and Agreed the recommendations contained within it. <p>Julie Jones-Evans returned to the meeting (12:09)</p>	<p>Executive</p> <p>Executive</p>

	<p>The Board:</p> <ul style="list-style-type: none"> • Approved the revised budget for 2022/23 of £26,570,128 as set out in Appendix A and the revised budget for the period 2023/24 to 2024/25 as set out in appendix B which includes the following: <ul style="list-style-type: none"> • The current position of the LEP Loan Funds available as summarised in appendix D. • The latest position of the Local Growth Deal and Getting Building Funds as set out in appendices E1 and E2 respectively. • The re-profiling and budget movements as set out in the table in paragraph 3. <p>The LEP Board also:</p> <ul style="list-style-type: none"> • Noted the updated and reformatted Corporate and Strategic Risk Register template at appendix C and Agreed this template for use for future updates. • Noted the update in relation to the LGD tail, the GBF programme progress and forecast tail as set out in paragraphs 3.1 and 3.2 and Considered the key risks highlighted in paragraph 3.3 of the report. • Noted the latest positions of the LGD and GBF at appendices E1 and E2. • Considered the high-level Risk Matrix for the Local Growth Programme at appendix F and delegated its Approval to the LEP Chief Executive and the Accountable Body's section 151 officer. • Noted the project specific updates by exception in paragraph 4. 	
<p>9.</p>	<p>Governance update</p> <p><u>Board recruitment and Chair appointment</u></p> <p>Rachael Randall left the meeting (12:11) and Jo Sawford took over the Chair.</p> <p>The paper was taken as read and Jo Sawford provided an overview of the Chair recruitment process.</p> <p>Consideration of remuneration for non-executives was raised and it was Agreed that SERCOM would commission work to benchmark this against other LEPS and the wider market at their next meeting and will then report back to the Board.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Agreed the role description at Annexe A for the LEP Chair. • Agreed the draft Chair recruitment process at Annexe B and Delegate Authority to the executive to appoint an executive search agency and launch the process <p>Rachael Randall joined the meeting (12:19)</p> <p>The Board also:</p> <ul style="list-style-type: none"> • Agreed to adopt the revised terms of reference for the Skills Advisory Panel provided at Annexe C, and; • Delegated Authority to the executive, in consultation with the relevant Board lead for SAP and BSIP, to undertake a recruitment process for vacant positions, and; • Agreed the appointment of a Salli Shapcott as the new FFPMG representative and Brooke Hoskins as the new Skills Lead and SAP Chair. 	<p>SERCOM</p> <p>Executive</p> <p>Executive</p>

	<p>Anne-Marie Mountifield, Graham Barnetson and Stuart Baker left the meeting (12:20)</p> <p>The Board:</p> <ul style="list-style-type: none"> • Agreed that the Articles of Association at Annexe D be adopted in substitution for the current Articles of Association of Maritime UK Solent. • Agreed to support the approach of the Maritime UK Solent Board in relation to recruitment to vacancies. 	<p>MUK Solent</p> <p>MUK Solent</p>
11B	<p>Any other business</p> <p><u>MUK Solent sponsorship</u></p> <p>An opportunity to support and sponsor the MUK Solent Awards was highlighted.</p> <p>The Board:</p> <ul style="list-style-type: none"> • Agreed to Sponsor the Business of the year category. <p>If any Board Members are interested in attending the event, please email Richard Jones.</p> <p>Anne-Marie Mountifield and Graham Barnetson joined the meeting (12:23)</p>	<p>Executive</p>
11A.	<p>Confidential AoB</p> <p>James Fitzgerald, Richard Turl and Jack Elias left the meeting (12:24)</p> <p>The paper was taken as read and following an update and a discussion at the meeting Anne-Marie Mountifield left the meeting (12:38)</p> <p>The Board:</p> <ul style="list-style-type: none"> • Agreed that Anne-Maire Mountifield can accept the appointment as a Non-Executive Director for VIVID Housing and Chair of VIVID Plus Ltd. <p>Graham Galbraith left the meeting (12:42)</p>	
10.	<p>General updates from Board Leads – for note</p> <p>The update was taken as read and noted by the Board.</p>	
11.	<p>Any other business</p> <p><u>Forward Plan</u></p> <p>The Board:</p> <ul style="list-style-type: none"> • Considered and Agreed the forward plan. <p>The next meeting is scheduled for 7 October 2022 via Teams.</p> <p>No further business, so the meeting was closed.</p>	

Meeting closed at 12:43

7.9.2022

Item 6

Finance and Funding Report

Item Number: 6
Item Title: Solent LEP Finance and Funding Report
Meeting Date: 7 October 2022
Purpose: For Information, Advice and Decision

1. Introduction

- 1.1 This report provides the LEP Board with the financial position of all LEP funds to 31 August 2022 against the revised budget and the forecast budget for the period up to and including 31 March 2025.
- 1.2 The opening budgets are as approved at the LEP Board meeting on 22 July 2022 and the report sets out the expenditure to date and projected outturn which includes the latest positions of the two major funding programmes, the Local Growth Deal and the Getting Building Fund.
- 1.3 The report explains any major variances and or reprofiling as well as the key risks for the Board to consider and recommends action where appropriate to ensure that all the LEP's funds are managed proactively and also to mitigate the potential to have to return any funding to Government.

2. Recommendations

2.1 It is recommended that the LEP Board:

- (i) **Approve** the revised budget for 2022/23 of £22,392,920 as set out in Appendix A and the revised budget for the period 2023/24 to 2024/25 as set out in appendix B which includes the following:
- The current position of the LEP Loan Funds available as summarised in appendix D.
 - The latest position of the Local Growth Deal and Getting Building Funds as set out in appendices E1 and E2 respectively.
 - The re-profiling and budget movements as set out in the table in paragraph 3 below.

The Board are also asked to:

- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Note** the update in relation to the LGD tail, the GBF programme progress and forecast tail as set out in paragraphs 3.1 and 3.2 and **Consider** the key risks highlighted in paragraph 3.3 of this report.
- **Note** the latest positions of the LGD and GBF as attached at appendices E1 and E2.
- **Consider** the high-level Risk Matrix for the Local Growth Programme attached at appendix F and delegate its **Approval** to the LEP Chief Executive and the Accountable Body's section 151 officer.
- **Consider** the update in relation to the Stubbington Bypass scheme and **Approve** the funding agreement variation to enable drawdown of funds in April 2023 following scheme completion in Q4 2022/23.
- **Note** the update on the GBF Project Change Request in paragraph 3.4.2
- **Consider** the update to the Floating Bridge 6 project in appendix G and **Approve** the recommendations contained within it.
- **Consider** the update to the Branstone Farm project in appendix H and **Approve** the recommendations contained within it.
- **Note** the Loan Fund update in paragraph 4 below.
- **Note** the Digital Skills project update in paragraph 5 below.
- **Consider** and **Approve** the principles of the recharging of LEP staff as set out in paragraph 6 of this report.
- **Note** the update on the Enterprise Zone commission provided at the meeting.

3. **Key Budget Movements and Associated Issues - 2022/23 to 2024/25**

The additional resources / budget re-profiling since the last meeting of the LEP Board on 13 May 2022 is set out in table 1 below.

	Previous Years to 2021/22 £000's	Forecast 2022/23 £000's	Forecast 2023/24 £000's	Forecast 2024/25 £000's	Total £000's
Budget Agreed at LEP Board on 22 July 2022	234,080	26,570	10,103	4,054	274,807
Digital Skills (bootcamp)		9			9
Growing Places Loans - reprofiling		(2,113)	227	1,886	0
Local Growth Deal loans - reprofiling		(2,073)	2,073		0
North Whiteley - reprofiling		(370)	370		0
A326 Highways Improvements - reprofiling		(851)	851		0
Revised Budget	234,080	21,172	13,624	5,940	274,816
Cumulative Net GPL Fund Reserve Balance (see appendix D for details)		11,960	3,559	0	

3.1 **Current Financial Year**

The revised budget of £22,392,920 for the 2022/23 financial year reflects the latest status of the tails of the two major funding programmes as well as forecasts for other key areas of LEP delivery such as business support, skills and the recently launched loan funds.

3.2 **Local Growth Deal Tail**

There remains a small tail on the Local Growth Deal programme of approximately £9m (excluding the agreed loan funding) which consists in the main of three major, multi-year transport projects. Both the North Whiteley transport improvements and the A326 Highways improvements continue to make progress and the £42m (£34m LEP funded) Stubbington Bypass scheme is now open.

Progress on the defrayal of all the LGD tail funding will continue to be reported at each FFPMG and Board meeting in order to enable all members to track progress against each of the remaining projects.

The financial status of the entire LGD programme can be found at appendix E1, alongside the updated status of each scheme which have also been RAG rated in the high-level delivery risk matrix at appendix F. Where there are specific issues these have been set out in paragraph 3.4.1 below.

3.3 **Getting Building Fund (GBF)**

The Getting Building Fund programme has continued to deliver well in 2021/22 with a relatively small tail of £2m being re-profiled into 2022/23 and the overall financial position of the GBF programme is attached at appendix E2, with the updated status of each scheme RAG rated in the high-level delivery risk matrix at appendix F.

3.4 **Specific Project Updates by Exception**

There are a number of projects across a range of funding programmes where the Board need to consider updates and in some cases to agree recommended actions from the LEP Executive, the Accountable Body and FFPMG. These are summarised below.

3.4.1 **Local Growth Deal Capital Programme**

Floating Bridge

A report setting out the latest position of this project is attached at confidential appendix G.

Hampshire County Council - Stubbington Bypass

The bypass was opened in May 2022, with the street lighting and power supply works completed, and the finishing works to the highways verges concluding in September. The funded project also includes improvements to roads in Stubbington village, and these works were delayed as a knock-on effect from the delayed bypass works, and the allocation of road space permits to carry out the works. This is now due to start in October following an inception meeting with contractors on 22 September, and works are expected to be complete by February 2023.

This five month extension to the time period to complete the village works is reasonable considering the overall challenges caused by the Covid-19 pandemic and current availability of materials and labour. This is the final element of the scheme. A variation to the funding agreement is required to enable the final grant draw down to take place in April 2023 following the scheme completion in February 2023.

The Board are asked to:

- **Consider** the update in relation to the Stubbington Bypass scheme and **Approve** the funding agreement variation to enable drawdown of funds in April 2023 following scheme completion in Q4 2022/23.

Restart, Restore and Recovery Loan Fund

The LEP Executive and Accountable body have recently had communication from one of the beneficiaries of this loan fund which is currently being assessed. A verbal update will be provided at the meeting.

3.4.2 **Getting Building Fund (GBF) Capital Programme**

Updated narratives have been added to the risk register at appendix F and verbal updates will be provided at the meeting as appropriate to highlight to Board members the areas of highest risk.

Isle of Wight Council - Branstone Farm

A report setting out the latest position of this project is attached at confidential appendix H.

Project Change Request (PCR) / Maritime Innovation Hub

Government have provided an update on 6 September that the PCR request to allocate £850,000 to the proposed Solent Maritime Innovation Hub from the previously approved CEF University of Southampton project will require approval from the new DLUHC Minister and that this is expected to take 'some weeks'.

At the last meeting of the Board in July 2022, it was agreed that in order to submit a formal business case to the Solent Freeport for £400,000 of seed funding by the deadline of 2 September the LEP should ringfence £850,000 to underwrite the GBF pending the government decision.

The outline business case was therefore submitted to Solent Freeport on 2nd September with confirmation from the LEP and its accountable body that the LEP match funding was in place.

A update on the funding bid is expected after the Freeport Board which is taking place on 12 October 2022.

4. **Loan Funds Update**

Live call update

The deadline for Expressions of Interest (EoI's) for the LEP's two loan funds was the 8th July 2022. Seven EoI's were received for the [Solent Prosperity Loan Fund](#) and six for the [SME Priority Sectors Loan Fund](#). After reviewing the EoI's all seven Prosperity Loan Fund and two SME Priority Sector Loan Fund EoI's were invited to develop full applications, with a deadline of 30 September 2022. A verbal update on Full Applications received will be provided at the meeting.

Proposed new loan call(s)

Following lessons learned from the recent loan funding calls the LEP Executive and Accountable Body are considering the best way to relaunch the loan funds to ensure that the funding calls are positioned correctly and are useful to the market. It is therefore proposed to bring back a new loan fund call proposal for the Board to consider in December with a view to launching early in the new year.

5. Digital Skills Partnership

The Solent LEP will lead on a new Catalyst South Digital Skills Partnership (DSP) with Department for Culture, Media and Sport (DCMS). Funding is available to employ a regional DSP Manager with direct access to DCMS and their network. A launch event with the newly appointed Minister will take place in October / November 2022.

The DSP will enable Solent to deliver targeted activity around Digital Skills across the region, a priority in the Local Skills report.

To date £9,000 of funding has been received and another £128,000 is expected to deliver this programme of work.

6. Recharging of LEP Staff

As the level of previous funding sources and level available to the LEP are changing it is important to consider a more commercial charging model to external clients in order to help contribute to medium to long term financial sustainability.

Whilst the LEP do not consider themselves in the same bracket as commercial consulting organisations it is proposed that the LEP charge a margin on its full cost recovery hourly rates. Where the LEP carries out work for its own subsidiaries only the full cost recovery hourly rates will be used.

The FFPMG agreed with these principles and provided advice that the Board should consider the level of margin to be charged at a level more in keeping with commercial consultancies 'minus' a percentage to reflect the LEP's position in the marketplace. A flexible approach was also recommended to recognise a range of commercial issues such as initial bids to secure work from new clients.

7. Solent Enterprise Zone - Retained Rates

KPMG have been commissioned to provide an update on this work that was initially carried out before the Covid pandemic. Meetings have taken place with both of the rating authorities and KPMG will provide an update to the progress made to date at the meeting.

8. Future Funding Strategy

Further to the Equity Funding presentation at the Board meeting in July it was agreed that the LEP executive would develop advice to the Board on a framework within which to consider equity investments. Further to this, KPMG will attend the forthcoming strategy day and provide a workshop session to assist the Board in considering an approach to equity investments.

9. Operational Costs / Core Funding

The LEP Executive and the Accountable Body have always been proactive, providing a three-year rolling budget to enable the Board to be able to make strategic decisions which includes providing the require resources to meet the operational requirements of the LEP.

The executive team are working on a staffing plan which will be considered by SERCOM at its meeting in November 2022 and once this has been agreed the operational costs budgets in the financial forecasts will be updated accordingly.

Even though the larger capital funding is now being routed through local authorities the LEP still have a significant budget across the next three financial years with over £40m of activity to manage.

The LEP is receiving external income from the Solent Freeport for the provision of executive support as well as contributions to posts it shares with Maritime UK, Havant Borough Council, Southampton City Council and Isle of Wight Council and this is reflected in the operational costs which show the net position of the staffing costs.

In addition to this the core funding of £375,000 has also now been received from HMG. Although there has been no confirmation that this will be forthcoming in future years, the LEP did receive a letter (please see item 7 reference folder) on 23 September from DLUCh stating that they are exploring what options there may be available to provide further support over the remainder of the current Spending Review period.

10. **Financial Summary**

The current position of the LEP Budget for 2022/23 is set out in appendix A and the future years forecasts are shown in appendix B with the main financial risks highlighted in this report.

Appendices E1 and E2 shows the overall position of the Local Growth Deal and Getting Building Fund programmes respectively including the tail funding that is being managed across the 2022/23 and 2023/24 financial years.

As highlighted in this report due to the complex nature of some of these projects and delays that the Covid-19 pandemic inevitably caused, the Accountable Body has enacted the freedoms and flexibilities made available by HMG by re-profiling relatively small funding tails of both the LGD and GBF into the 2022/23 financial year.

An indicative budget for 2024/25 has been established to maintain the good practice of a three-year rolling budget and whilst at this stage there is a lack of certainty of the funding that will be available a core operational budget has been established and both loan and SME grant activity will be continuing.

The contingency / reserves budget has been maintained at a strong level in order to provide the Board with the flexibility to react to ongoing developments as the future direction of LEPs continue to evolve.

The FFPMG and the LEP Board will continue to receive an update at each meeting regarding the progress against the LGD and GBF tails.

The risks of both programmes continue to be reported and monitored in the funding risk register at appendix F where all projects are regularly reviewed and have the latest RAG rating attached to them.

The Accountable Body will continue to provide up to date and accurate advice to ensure that all LEP funds are spent with regularity and propriety, that they secure value for money for the public purse and maximise investment opportunities for the area.

11. **Equality impact assessment**

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

12. **Legal implications**

With reference to the recommendation to:-

i Endorsing the financial budget for 2022/23 of £22,392,920 as set out in appendix A and the revised budget for the period 2022/23 to 2024/25 as set out in appendix B.

PCC's (acting as accountable body for the LEP) s.151 officer acts as the Chief Finance officer (by the relevant delegation powers) for the LEP and is in receipt of a general delegation from the Council in order to manage such matters.

Where necessary specific legal advice has been provided within the body of the appendices the recommendations within this report refers to, and any specific legal action referred to within these will be managed in accordance with the advice provided.

In terms of the high-level risk matrix for the LGD programme (appendix F) - and, any project specific points raised at para 3.4.1 and 3.4.2 - action taken as prescribed by the grant agreements will be reviewed by legal on a case by case basis with separate advice provided.

13. **Financial comments from the S151 Officer of the Accountable Body**

All of the financial information and associated implications are reflected in the body of the report and the Appendices.

SOLENT LOCAL ENTERPRISE PARTNERSHIP - BUDGET FORECAST 2022/23

Enterprise (Business Support)	Full Year Budget 2022/23*	Actual Expenditure up to 31 Aug 2022	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 23 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2023/24	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
Local Growth Deal Funding:							
SME Support - Solent Prosperity Fund	370,393	11,269	370,393	0	0	0	0
ERDF BTG - Awards (ERDF Funded)	0	0	0	0	0	0	0
ERDF BTG - Awards (LGD Match Funded)	0	0	0	0	0	0	0
Natural Enterprise - Grant Programme	0	0	0	0	0	0	0
Natural Enterprise - Rural Resilience (COVID19 Response)	0	0	0	0	0	0	0
Other Enterprise Initiatives:							
Solent Growth Hub	268,250	108,138	268,250	0	0	0	0
Peer Networks	0	8,700	0	0	0	0	0
EU Transition	0	0	0	0	0	0	0
Pay It Forward - Micro / Small Business Support (Revenue)	83,988	5,000	83,988	0	0	0	0
ERDF Restart and Recovery, and Kickstarting Tourism Grant Fund	0	0	0	0	0	0	0
Enterprise Total	722,631	133,106	722,631	0	0	0	0

Infrastructure (Land & Property)	Full Year Budget 2022/23*	Actual Expenditure up to 31 Aug 2022	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 23 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2023/24	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
Growing Places Fund Loans:							
GPL Earmarked to support Freeport projects	1,816,708	0	2,500,000	683,292	683,292	0	0
GPL - Prosperity Fund Loans	0	0	0	0	0	0	0
GPL - SME Loans	0	0	250,000	250,000	250,000	0	0
GPL - Innovation Hub (GBF underwrite)	0	0	400,000	400,000	400,000	0	0
Recycled Growing Places Loan Fund for re-allocation	3,446,208	0	0	(3,446,208)	(3,446,208)	0	0
Growing Places Loan Fund: Capital Loans Advanced	5,262,916	0	3,150,000	(2,112,916)	(2,112,916)	0	0
GPL Contingency Provisions and Programme Management costs							
Growing Places Loan Fund Programme Management Costs	125,395	31,003	125,395	0	0	0	0
Sub-total: GPL Contingecny Provisions and Programme Management costs	125,395	31,003	125,395	0	0	0	0
Solent Growth Deal:							
The Hard Interchange (PCC)	0	0	0	0	0	0	0
Dunsbury Hill Farm Link Road (PCC)	0	0	0	0	0	0	0
Station Quarter North (SCC)	0	0	0	0	0	0	0
Station Roundabout / Gudge Heath Lane (HCC)	0	0	0	0	0	0	0
Cancer Immunology Centre	0	0	0	0	0	0	0
Environmental Mitigation - Solent Mitigation Disturbance project	0	0	0	0	0	0	0
Peel Common Roundabout and St Margaret's Roundabout	0	0	0	0	0	0	0
Newgate Lane South	0	0	0	0	0	0	0
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	0	0	0	0	0	0	0
Fareham and Gosport multiyear programme (A27 Dualling)	0	0	0	0	0	0	0
Solent Gateways (Isle of Wight Floating Bridge)	0	0	0	0	0	0	0
Solent Gateways (East Cowes and Trafalgar Dock)	0	0	0	0	0	0	0
North Whiteley Transport Improvements	3,225,754	(2,168,428)	3,225,754	0	0	0	0
Local Large Major transport schemes and infrastructure investment	0	0	0	0	0	0	0

APPENDIX A

BAE Marine Workshops and Maritime Support Centre	0	0	0	0	0	0	0
Regeneration Investment to unlock sites for growth	0	0	0	0	0	0	0
Programme Development Fund (feasibilities)	0	0	0	0	0	0	0
Solent Accelerated Housing Delivery Project	0	0	0	0	0	0	0
Solent Growth Deal - Programme Management Costs	122,508	71,663	122,508	0	0	0	0
Stubbington Bypass - LGD forward funding	0	0	0	0	0	0	0
A326 Highway Improvements	3,116,648	(2,214,229)	3,116,648	0	0	0	0
IOW Island Line - Brading Loop	105,000	(595,000)	105,000	0	0	0	0
University of Portsmouth - Centre for Creative and Immersive XR	0	(542,634)	0	0	0	0	0
COVID-19 Loan Fund	0	0	0	0	0	0	0
Fareham College FE Capital Transformation Loan	420,000	0	420,000	0	0	0	0
Southsea Coastal Defences	0	0	0	0	0	0	0
ABP - Shore Power Initiative	0	0	0	0	0	0	0
M27 J10 - Business Case progression	0	0	0	0	0	0	0
Solent Build Back Greener Loan Fund	4,573,292	0	2,500,000	(2,073,292)	(2,073,292)	0	0
LGD funding indicatively earmarked for projects in future years	0	0	0	0	0	0	0
LGD recycled loan funding	1,730,000	0	1,730,000	0	0	0	0
(Over) / Under Programming	0	0	0	0	0	0	0
Sub-total - Local Growth Deal	13,293,202	(5,448,628)	11,219,910	(2,073,292)	(2,073,292)	0	0
<u>DfT Retained Schemes</u>							
Stubbington Bypass	1,677,449	(0)	1,677,449	0	0	0	0
Stubbington Bypass - Programme Management Costs	18,084	6,690	18,084	0	0	0	0
Growth deal provisional allocation for M27 Junction 10 (post 2016)	0	0	0	0	0	0	0
Sub-total - DfT Retained Schemes	1,695,533	6,690	1,695,533	0	0	0	0
<u>Getting Building Fund</u>							
Port of Southampton Cruise Terminal	0	(1,200,000)	0	0	0	0	0
Enzyme Recycling Techniques - Building an Industrial Engagement Hub	150,000	0	150,000	0	0	0	0
Fawley Waterside Digital	475,000	0	475,000	0	0	0	0
Branstone Farm Rural Employment Hub	529,844	(529,559)	529,844	0	0	0	0
HIWWT - Nutrient Mitigation Programme	0	0	0	0	0	0	0
University of Southampton - Centre for Electronics Frontiers	0	0	0	0	0	0	0
Freeport Innovation Hub	850,000	0	850,000	0	0	0	0
Portsmouth International Port - Provision of Border Control Post	0	0	0	0	0	0	0
Programme Management	0	0	0	0	0	0	0
GBF Recycled Loan Funding	950,000	0	950,000	0	0	0	0
Recycled LGD / GBF Loans - Programme Management Costs	100,000	27,395	100,000	0	0	0	0
Sub-total - Getting Building Fund	3,054,844	(1,702,164)	3,054,844	0	0	0	0
<u>Other Capital Funding Programmes:</u>							
Building Foundations for Growth Capital Grant for EZ	417,783	0	417,783	0	0	0	0
Centenary Quay (DCLG Infrastructure House Building Capital Fund)	0	0	0	0	0	0	0
<u>Other Infrastructure Funding:</u>							
Capacity funding	73,669	17,257	73,669	0	0	0	0
One Public Estate	0	0	0	0	0	0	0
Transport Delivery Excellence Funding	0	0	0	0	0	0	0
Energy strategy	1,029	0	1,029	0	0	0	0
Infrastructure (Land & Property) Total	23,924,371	(7,095,842)	19,738,163	(4,186,208)	(4,186,208)	0	0

Place	Full Year Budget	Actual Expenditure	Full Year Forecast and	Full Year Variance as
	2022/23*	up to 31 Aug 2022	Proposed Revised	at 31 March 23 Over /
	£	£	Budget	(Underspend)
Capacity Funding	0	0	0	0
Place Total	0	0	0	0

Acceleration or	Overspend to be	New funding from /
Programme Slippage to	funded /	(Funding to be
be carried forward to	(Underspend to be Re-	handed back to)
2023/24	allocated)	Government
£	£	£
0	0	0
0	0	0

APPENDIX A

Skills	Full Year Budget 2022/23*	Actual Expenditure up to 31 Aug 2022	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 23 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2023/24	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
Fareham College - Civil Engineering Training Centre	0	(49,719)	0	0	0	0	0
Capacity funding	0	38	0	0	0	0	0
Solent Employer Ownership Programme	0	0	0	0	0	0	0
Careers Enterprise Company / Enterprise Adviser Network	516,612	145,349	516,612	0	0	0	0
Skills Advisory Panels	55,256	1,573	55,256	0	0	0	0
Digital Skills Partnership	0	0	9,000	9,000	0	0	9,000
Skills Total	571,868	97,240	580,868	9,000	0	0	9,000
Strategic Sectors	Full Year Budget 2022/23*	Actual Expenditure up to 31 Aug 2022	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 23 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2023/24	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
Other Strategic Sector Initiatives:							
National Maritime Systems Centre	0	(756,002)	0	0	0	0	0
Southampton Solent University - Warsash School of Maritime Science and Engineering	0	0	0	0	0	0	0
Maritime UK Solent	300,000	0	300,000	0	0	0	0
Capacity Funding	3,825	4,780	3,825	0	0	0	0
Solent Freeport 21/22 Contribution	0	0	0	0	0	0	0
Strategic Sectors Total	303,825	(751,222)	303,825	0	0	0	0
Innovation	Full Year Budget 2022/23*	Actual Expenditure up to 31 Aug 2022	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 23 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2023/24	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
Capacity Funding	35,565	14,696	35,565	0	0	0	0
Innovation Total	35,565	14,696	35,565	0	0	0	0
Operational Central Costs	Full Year Budget 2022/23*	Actual Expenditure up to 31 Aug 2022	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 23 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2023/24	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
Staffing costs	345,445	197,841	490,000	144,555	0	144,555	0
Office costs	59,666	7,965	45,000	(14,666)	0	(14,666)	0
Finance costs including forecast costs for Democratic Services for future years	58,087	40,274	100,000	41,913	0	41,913	0
Legal support	59,945	14,588	60,000	55	0	55	0
Marketing & Communication costs	58,551	44,941	80,000	21,449	0	21,449	0
Contingency / Reserves	222,184	0	28,878	(193,306)	0	(193,306)	0
Solent 2050	186,734	79,552	186,734	0	0	0	0
SEEDA legacy funding for business engagement	0	0	0	0	0	0	0
LEP Network / Catalyst South	21,256	7,000	21,256	0	0	0	0
Operational Central Costs Total	1,011,868	392,161	1,011,868	0	0	0	0
Total LEP Budget	26,570,128	(7,209,861)	22,392,920	(4,177,208)	(4,186,208)	0	9,000

* As agreed at LEP Board 22 July 2022

SOLENT LOCAL ENTERPRISE PARTNERSHIP - BUDGET FORECAST TO 2024/25

ENTERPRISE (BUSINESS SUPPORT)	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
Solent RGF - Bridging the Gap:							
Awards	4,950,391	-	-	-	4,950,391	4,950,391	-
Due Diligence	381,906	-	-	-	381,906	381,906	-
RGF Solent EZ expansion Fund - Gosport Borough Council - Fund	800,000	-	-	-	800,000	800,000	-
RGF Solent EZ expansion Fund - Gosport Borough Council - Due Diligence	82,105	-	-	-	82,105	82,105	-
RGF 3 IOW Private Sector Support - Fund	475,000	-	-	-	475,000	475,000	-
RGF 3 IOW Private Sector Support - Due Diligence	110,202	-	-	-	110,202	110,202	-
Solent Growth Fund (Growth deal - 2015/16 to 2021) / - SME Support from Solent Prosperity Fund (2018/19 to 2020/21)	2,415,719	168,000	-	-	2,583,719	2,583,719	-
SME Support (Transition)	214,064	202,393	200,000	200,000	816,457	816,457	-
Repayment of ERDF Funded Grant Awards to DCLG	91,591	-	-	-	91,591	91,591	-
ERDF BTG - Awards (ERDF Funded)	84,446	-	-	-	84,446	84,446	-
ERDF BTG - Awards (LGD Match Funded)	-	-	-	-	0	0	-
Natural Enterprise - Grant Programme	1,480,000	-	-	-	1,480,000	1,480,000	-
Natural Enterprise - Rural Resilience (COVID19 Response)	175,000	-	-	-	175,000	175,000	-
Matched funding for ERDF Growth Accelerator Fund	-	-	-	-	0	0	-
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	905,215	-	-	-	905,215	905,215	-
Solent Growth Hub (Growth deal - 2015/16 to 2021)	2,218,177	268,250	250,000	250,000	2,986,427	2,986,427	-
Peer Networks	343,003	-	-	-	343,003	343,003	-
EU Transition	136,050	-	-	-	136,050	136,050	-
Pay It Forward - Micro / Small Business Support (Revenue)	259,505	83,988	-	-	343,493	343,493	-
ERDF Restart and Recovery, and Kickstarting Tourism Grant Fund	400,034	-	-	-	400,034	400,034	-
SME Support - Business Intelligence and Readiness	96,854	-	-	-	96,854	96,854	-
Improving Digital Capability for SME's (LGD funded 2019/20 onwards via Solent Prosperity Fund)	112,502	-	-	-	112,502	112,502	-
Enterprise Total	15,731,764	722,631	450,000	450,000	17,354,395	17,354,395	-
INFRASTRUCTURE (Land & Property)	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
Growing Places Fund: Original Capital Allocation							
CEMAST	3,000,000	-	-	-	3,000,000	3,000,000	-
Solent EZ Infrastructure package	8,000,000	-	-	-	8,000,000	8,000,000	-
Griffon Hoverwork	2,000,000	-	-	-	2,000,000	2,000,000	-
GPL Earmarked to support Freeport projects	-	2,500,000	2,500,000	-	5,000,000	5,000,000	-
GPL - Prosperity Fund Loans	-	-	426,708	-	426,708	426,708	-
GPL - SME Loans	-	250,000	750,000	-	1,000,000	1,000,000	-
GPL - Innovation Hub (GBF underwrite)	-	400,000	450,000	-	850,000	850,000	-
Recycled Growing Places Loan Fund for re-allocation	-	-	3,000,000	3,286,208	6,286,208	6,286,208	-
Growing Places Loan Fund: Capital Loans Advanced / Available	13,000,000	3,150,000	7,126,708	3,286,208	26,562,916	26,562,916	-
Use of Fund for other Purposes (not repayable):							
- Growing Places Loan Fund Programme Management Costs	374,751	125,395	159,854	140,000	800,000	800,000	-
Growing Places Loan Fund: Fund used and not repayable	374,751	125,395	159,854	140,000	800,000	800,000	-

Solent Growth Deal confirmed funding:							
The Hard Interchange (PCC)	4,832,000	-	-	-	4,832,000	4,832,000	-
Dunsbury Hill Farm Link Road (PCC)	4,540,000	-	-	-	4,540,000	4,540,000	-
Station Quarter North (SCC)	4,185,000	-	-	-	4,185,000	4,185,000	-
Station Roundabout / Gudge Heath Lane (HCC)	4,953,893	-	-	-	4,953,893	4,953,893	-
Environmental Mitigation - Solent Mitigation Disturbance project	965,000	-	-	-	965,000	965,000	-
Peel Common Roundabout and St Margarets Roundabout	4,340,000	-	-	-	4,340,000	4,340,000	-
Newgate Lane South	8,500,000	-	-	-	8,500,000	8,500,000	-
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	3,198,000	-	-	-	3,198,000	3,198,000	-
Fareham and Gosport multiyear programme (A27 Dualling)	3,957,000	-	-	-	3,957,000	3,957,000	-
Solent Gateways (Isle of Wight Floating Bridge)	3,776,782	-	-	-	3,776,782	3,776,782	-
North Whiteley Transport improvements	10,774,246	2,855,754	370,000	-	14,000,000	14,000,000	-
Local Large Major transport schemes and infrastructure investment	363,717	-	-	-	363,717	363,717	-
Stubbington Bypass - LGD forward funding	8,500,000	-	-	-	8,500,000	8,500,000	-
Solent Growth Deal - Programme Management Costs	2,084,870	122,508	-	-	2,207,378	2,207,378	-
A326 Highway Improvements	2,563,352	2,265,648	851,000	-	5,680,000	5,680,000	-
IOW Island Line - Brading Loop	595,000	105,000	-	-	700,000	700,000	-
CCIXR	3,617,561	-	-	-	3,617,561	3,617,561	-
COVID-19 Loan Fund	2,750,000	-	-	-	2,750,000	2,750,000	-
Fareham College FE Capital Transformation Loan	-	420,000	-	-	420,000	420,000	-
Southsea Coastal Defences	5,000,000	-	-	-	5,000,000	5,000,000	-
ABP - Shore Power Initiative	4,434,350	-	-	-	4,434,350	4,434,350	-
M27 J10 - business case progression	900,000	-	-	-	900,000	900,000	-
Solent Prosperity Fund	-	-	-	-	0	0	-
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000	-	-	-	1,000,000	1,000,000	-
Solent Build Back Greener Loan Fund	-	2,500,000	2,073,292	-	4,573,292	4,573,292	-
LGD recycled loan funding	-	1,730,000	460,000	460,000	2,650,000	2,650,000	-
SUB TOTAL: Solent Growth Deal:	85,830,771	9,998,910	3,754,292	460,000	100,043,973	100,043,973	-
DfT Retained Schemes							
Stubbington Bypass	23,821,551	1,677,449	-	-	25,499,000	25,499,000	-
Stubbington Bypass - Programme Management Costs	182,916	18,084	-	-	201,000	201,000	-
M27 J10 - Initial Business Case preparation	4,650,000	-	-	-	4,650,000	4,650,000	-
SUB TOTAL: DfT Retained Schemes:	28,654,467	1,695,533	-	-	30,350,000	30,350,000	-
Getting Building Fund							
Port of Southampton Cruise Terminal	8,000,000	-	-	-	8,000,000	8,000,000	-
Enzyme Recycling Techniques - Building an Industrial Engagement Hub	850,000	150,000	-	-	1,000,000	1,000,000	-
Fawley Waterside Digital	275,000	475,000	-	-	750,000	750,000	-
Branstone Farm Rural Employment Hub	1,695,156	529,844	-	-	2,225,000	2,225,000	-
HIWWT - Nutrient Mitigation Programme	2,000,000	-	-	-	2,000,000	2,000,000	-
University of Southampton - Centre for Electronics Frontiers	-	-	-	-	0	0	-
Freeport Innovation Hub	-	850,000	-	-	850,000	850,000	-
Portsmouth International Port - Provision of Border Control Post	550,000	-	-	-	550,000	550,000	-
Programme Management	580,000	-	-	-	580,000	580,000	-
GBF Recycled Loan Funding	-	950,000	475,000	475,000	1,900,000	1,900,000	-
Recycled LGD / GBF Loans - Programme Management Costs	-	100,000	50,000	50,000	200,000	200,000	-
Sub-total - Getting Building Fund	13,950,156	3,054,844	525,000	525,000	18,055,000	18,055,000	-
Building Foundations for Growth Capital Grant for EZ	6,672,217	417,783	-	-	7,090,000	7,090,000	-
Centenary Quay (DCLG Infrastructure House Building Capital Fund)	7,675,921	-	-	-	7,675,921	7,675,921	-
Capacity Funding	455,331	73,669	73,000	73,000	675,000	675,000	-
One Public Estate	19,950	-	-	-	19,950	19,950	-
Transport Delivery Excellence Funding	42,000	-	-	-	42,000	42,000	-
Energy Strategy	48,971	1,029	-	-	50,000	50,000	-
Infrastructure (Land & Property) Total	156,724,535	18,517,163	11,638,854	4,484,208	191,364,760	191,364,760	-

PLACE	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
Capacity funding	334,648	-	-	-	334,648	334,648	-
Place Total	334,648	0	0	0	334,648	334,648	-

SKILLS	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
CEMAST - Fareham College	3,000,000	-	-	-	3,000,000	3,000,000	-
CEMAST - Due Diligence	63,780	-	-	-	63,780	63,780	-
<u>Solent Growth deal FE Capital (2015/16 - 2021)</u>							
Eastleigh College Estates Renewal	9,000,000	-	-	-	9,000,000	9,000,000	-
IOW College Composites Centre	10,900,000	-	-	-	10,900,000	10,900,000	-
BAE Marine Workshops and Maritime Support Centre	943,066	-	-	-	943,066	943,066	-
Fareham College - Civil Engineering Training Centre	2,828,112	-	-	-	2,828,112	2,828,112	-
Capacity funding	492,305	-	-	-	492,305	492,305	-
Solent Employer Ownership Programme	1,499,954	-	-	-	1,499,954	1,499,954	-
Solent Employer Ownership Programme - Local Growth Deal contribution	129,000	-	-	-	129,000	129,000	-
Careers Enterprise Company / Enterprise Adviser Network	1,380,336	516,613	180,000	-	2,076,949	2,076,949	-
Skills Advisory Panels	224,744	55,256	-	-	280,000	280,000	-
Digital Skills Partnership	-	9,000	-	-	9,000	9,000	-
Skills Total	30,461,297	580,869	180,000	0	31,222,166	31,222,166	0

STRATEGIC SECTORS	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
<u>Solent Futures RGF Round 3:</u>							
Training Scheme - Awards	1,300,000	-	-	-	1,300,000	1,300,000	-
Training Scheme - Due Diligence	159,000	-	-	-	159,000	159,000	-
Supply Chain - Awards	1,179,419	-	-	-	1,179,419	1,179,419	-
Supply Chain - Due Diligence	117,000	-	-	-	117,000	117,000	-
National Maritime Systems Centre	5,000,000	-	-	-	5,000,000	5,000,000	-
Southampton Solent University - Warsash School of Maritime Science and Engineering	7,464,200	-	-	-	7,464,200	7,464,200	-
Capacity funding	329,799	3,825	-	-	333,624	333,624	-
Maritime UK Solent	250,000	300,000	250,000	-	800,000	800,000	-
Solent Freeport 21/22 Contribution	50,000	-	-	-	50,000	50,000	-
Strategic Sectors Total	15,849,418	303,825	250,000	0	16,403,243	16,403,243	-

INNOVATION	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
Fareham Innovation Centre - Phase 2	2,000,000	-	-	-	2,000,000	2,000,000	-
Cancer Immunology Centre	4,500,000	-	-	-	4,500,000	4,500,000	-
Innovation Fund - Programme Management Costs	238,518	-	-	-	238,518	238,518	-
Local Growth Deal Fund - Innovation Projects							
University of Portsmouth Future Technology Centre (LGD contribution)	1,050,000	-	-	-	1,050,000	1,050,000	-
BAE Maritime and Test Bed	-	-	-	-	0	0	-
UoS - Web Science (Z21)	500,000	-	-	-	500,000	500,000	-
Capacity Funding	94,435	35,565	35,000	-	165,000	165,000	-
Innovation	8,382,953	35,565	35,000	0	8,453,518	8,453,518	0

OPERATIONAL CENTRAL COSTS	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
Staffing costs	2,829,941	490,000	250,000	250,000	3,819,941	3,819,941	-
Office costs	743,445	45,000	60,000	60,000	908,445	908,445	-
Finance costs incl forecast costs for Democratic Services for future years	648,599	100,000	10,000	10,000	768,599	768,599	-
Legal support	423,138	60,000	-	-	483,138	483,138	-
Marketing & Communication costs	596,230	80,000	-	60,000	736,230	736,230	-
Contingency / Reserves	-	28,878	750,000	626,058	1,404,936	1,404,936	-
Solent 2050	1,283,283	186,734	-	-	1,470,017	1,470,017	-
SEEDA legacy funding for business engagement	-	-	-	-	0	0	-
LEP Network and Southern LEP's (Catalyst South)	71,000	21,256	-	-	92,256	92,256	-
Operational Central Costs Total	6,595,636	1,011,868	1,070,000	1,006,058	9,683,562	9,683,562	-

LEP BUDGET GRAND TOTAL	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget	Total Forecast Expenditure	Variance
	234,080,250	21,171,922	13,623,854	5,940,266	274,816,292	274,816,292	-
FUNDING SUMMARY	Actual Expenditure to end 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget		
Bridging the Gap Phase 1	1,969,678	-	-	-	1,969,678		
Bridging the Gap ERGF (Solent Wide)	1,387,307	-	-	-	1,387,307		
Bridging the Gap Phase 2	1,881,981	-	-	-	1,881,981		
RGF Solent EZ expansion Fund - Gosport Borough Council	882,105	-	-	-	882,105		
RGF 3 IOW SME Support Fund	585,202	-	-	-	585,202		
Solent Growth Deal	134,573,666	462,595	1,421,000	200,000	136,657,261		
Temporary Local Growth Deal Switch with PCC Capital Resources	1,000,000	-	-	-	1,000,000		
DfT Funding for Retained Schemes	28,654,467	9,872,241	2,073,292	-	40,600,000		
LGD Loan recycled funding	-	1,780,000	485,000	485,000	2,750,000		
DfT Funding to be received M27 J10	-	-	-	-	-		
DCLG Infrastructure House Building Capital Fund (CQ)	7,675,921	-	-	-	7,675,921		
Solent Growth Hub	2,143,000	268,250	-	-	2,411,250		
Peer Networks	343,003	-	-	-	343,003		
EU Transition	136,050	-	-	-	136,050		
Solent Futures RGF Round 3	2,912,855	-	-	-	2,912,855		
Growing Places Fund - Revenue	1,290,196	124,484	-	-	1,414,680		
Growing Places Fund - Capital	13,000,000	3,150,000	7,126,708	3,286,208	26,562,916		
Growing Places Fund - Contingency Provisions and Programme Management Costs	496,148	1,132,787	1,274,361	273,000	3,176,296		
Solent Futures	3,000,000	-	-	-	3,000,000		
Solent Employer Ownership Programme (Wave 2 City Deal)	1,500,000	-	-	-	1,500,000		
The Careers & Enterprise Co. - Enterprise Adviser Network	1,004,147	347,803	150,000	-	1,501,950		
Enterprise Advice Network - Matched Funding (Interest Earned)	398,379	168,810	30,000	-	597,189		
Cabinet Office - One Public Estate	19,950	-	-	-	19,950		
Enterprise Zone Capital Grant	6,672,217	417,783	-	-	7,090,000		
DfT - LTB Funding	131,580	-	-	-	131,580		
SEP	900,000	-	-	-	900,000		
Transport Excellence	78,000	-	-	-	78,000		
BIS - Capacity Fund	826,800	-	-	-	826,800		
BIS - Core Funding	2,880,000	375,000	-	-	3,255,000		
LEP Review - Core Funding	400,000	-	-	-	400,000		
PUSH	30,000	-	-	-	30,000		
Push Inward investment contribution	-	-	-	-	-		
SME Support - Business Intelligence and Readiness	96,000	-	-	-	96,000		
Growing Places Capital - CEMAST admin fee	75,000	-	-	-	75,000		
LEP Network	13,900	-	-	-	13,900		
Interest earned on funding yet to pay out	1,603,878	2,038	563,493	1,196,058	3,365,467		
Local Authority Funding - PUSH, Hampshire & IOW	300,000	-	-	-	300,000		
SEEDA legacy funding for business engagement	200,000	-	-	-	200,000		
BIS - Digital Capability for SME's	141,396	-	-	-	141,396		
Energy Strategy Funding (BEIS)	48,971	1,029	-	-	50,000		
Skills Advisory Panel	224,744	55,256	-	-	280,000		
ERDF UoP Funding	400,034	-	-	-	400,034		
ERDF Legacy Funding	161,665	-	-	-	161,665		
ERDF Funding - Revenue Funding funded from Interest	91,858	-	-	-	91,858		
ERDF Funding - Bridging the Gap (matched funding SGF)	(0)	-	-	-	(0)		
Digital Skills Partnership Funding (SCC, DCMS, South East LEP, Catalyst South)	-	9,000	-	-	9,000		
Getting Building Fund	13,950,157	2,004,843	-	-	15,955,000		
Getting Building Fund - Recycled Loan Funding	-	1,000,000	500,000	500,000	2,000,000		
Grant Total - Funding	234,080,251	21,171,920	13,623,854	5,940,266	274,816,292		
Growing Places Fund - Forecast Reserve for Future Projects		Budget 2022/23	Budget 2023/24	Budget 2024/25			
Net Cumulative Growing Places Reserve Forecast - see appendix D for details		11,960,277	3,559,208	-			
TOTAL FUNDING TO SUPPORT LEP ACTIVITY					274,816,292		

APPENDIX C

Corporate and Strategic Risk Register

A confidential report will be considered at the meeting

GROWING PLACES LOAN FUND POSITION

Fund Activity	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total £
Opening Balance	0	(10,064,210)	(5,889,210)	(9,339,210)	(10,487,784)	(12,588,694)	(13,370,353)	(13,330,635)	(16,317,669)	(16,243,064)	(11,960,277)	(3,559,208)	
Initial Capital Injection	(16,739,210)												(16,739,210)
<u>Loans Out (Round 1 - tranches 1 to 4):</u>													
CEMAST	2,175,000	825,000											3,000,000
Solent EZ Infrastructure package	4,500,000	3,500,000											8,000,000
Griffon Hoverwork		1,000,000	1,000,000										2,000,000
GPL Earmarked to support Freeport projects										2,500,000	2,500,000		5,000,000
GPL - Prosperity Fund Loans											426,708		426,708
GPL - SME Loans										250,000	750,000		1,000,000
GPL - Innovation Hub (GBF underwrite)										400,000	450,000		850,000
Recycled Loan Funds available for reallocation									0	0	3,000,000	3,286,208	6,286,208
Sub-total: Loans Advanced	6,675,000	5,325,000	1,000,000	0	0	0	0	0	0	3,150,000	7,126,708	3,286,208	26,562,916
Contingency Provisions													
Operational Costs			0	0	0	0	0	121,395	0	1,007,392	1,114,507	133,000	2,376,294
Sub-total: Contingency Provisions	0	0	0	0	0	0	0	121,395	0	1,007,392	1,114,507	133,000	2,376,294
Growing Places Loan Fund Programme Management Costs			75,000	51,426	24,090	18,341	39,718	91,571	74,605	125,395	159,854	140,000	800,000
Total: Contingency Provisions and Growing Places Loan Programme Management Costs	0	0	75,000	51,426	24,090	18,341	39,718	212,966	74,605	1,132,787	1,274,361	273,000	3,176,294
<u>Loans repaid (Capital Receipts)</u>										5,290,179	9,515,576	3,692,208	
<u>Round 1</u>													
CEMAST		(300,000)	(575,000)	(800,000)	(1,325,000)								(3,000,000)
Solent EZ Infrastructure package		(850,000)	(3,950,000)					(3,200,000)					(8,000,000)
Griffon Hoverwork				(400,000)	(800,000)	(800,000)	0						(2,000,000)
Solent Build Back Greener Loan Fund													0
	0	(1,150,000)	(4,525,000)	(1,200,000)	(2,125,000)	(800,000)	0	(3,200,000)	0	0	0	0	(13,000,000)
Sub-total: Total Planned Fund Repayments	0	(1,150,000)	(4,525,000)	(1,200,000)	(2,125,000)	(800,000)	0	(3,200,000)	0	0	0	0	(13,000,000)
TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE		(5,889,210)	(9,339,210)	(10,487,784)	(12,588,694)	(13,370,353)	(13,330,635)	(16,317,669)	(16,243,064)	(11,960,277)	(3,559,208)	0	

Note: This a revolving fund which will continue to be recycled post 2024/25

LOCAL GROWTH DEAL LOAN FUND POSITION

Fund Activity	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total £
Opening Balance								0	0	(4,916,792)	482,500	(65,000)	
Covid-19 Loan Fund Allocation								(2,425,000)	(325,000)				(2,750,000)
T-Level Fund Allocation									(420,000)				(420,000)
Solent Build Back Greener Loan Fund Allocation									(4,573,292)				(4,573,292)
Projects Funded													
Vectis Ventures								1,500,000					1,500,000
Greenclose Holdings								925,000	325,000				1,250,000
Fareham College FE Capital Transformation										420,000			420,000
Solent Build Back Greener Loan Fund										4,573,292			4,573,292
Recycled Loan Funds available for reallocation									0	1,730,000	460,000	460,000	2,650,000
Programme Management costs										50,000	25,000	25,000	100,000
Sub-total: Loans Advanced	0	0	0	0	0	0	0	2,425,000	325,000	6,773,292	485,000	485,000	10,493,292
Loans repaid (Capital Receipts)													
Vectis Ventures									(187,500)	(750,000)	(562,500)		(1,500,000)
Greenclose Holdings									(156,000)	(624,000)	(470,000)		(1,250,000)
Fareham College FE Capital Transformation												(420,000)	(420,000)
Solent Build Back Greener Loan Fund													0
Sub-total: Total Planned Fund Repayments	0	0	0	0	0	0	0	0	(343,500)	(1,374,000)	(1,032,500)	(420,000)	(3,170,000)
TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE								0	(4,916,792)	482,500	(65,000)	0	

Note: This a revolving fund which will continue to be recycled post 2024/25

GETTING BUILDING FUND LOAN FUND POSITION

Fund Activity	2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	2022/23 £	2023/24 £	2024/25 £	Total £
Opening Balance								0	(2,000,000)	0	0	(500,000)	
Initial Allocation								(2,000,000)					(2,000,000)
Projects Funded													
HIWWT - Nutrient Mitigation Programme									2,000,000				2,000,000
Recycled Loan Funds available for reallocation										950,000	475,000	475,000	1,900,000
Programme Management Costs										50,000	25,000	25,000	100,000
Sub-total: Loans Advanced	0	0	0	0	0	0	0	0	2,000,000	1,000,000	500,000	500,000	4,000,000
Loans repaid (Capital Receipts)													
HIWWT - Nutrient Mitigation Programme										(1,000,000)	(1,000,000)		(2,000,000)
Sub-total: Total Planned Fund Repayments	0	0	0	0	0	0	0	0	0	(1,000,000)	(1,000,000)	0	(2,000,000)
TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE								(2,000,000)	0	0	(500,000)	0	

SOLENT LOCAL ENTERPRISE PARTNERSHIP - LOCAL GROWTH DEAL FUNDING BY SCHEME (INCLUDING DfT RETAINED SCHEME FUNDING)											
SCHEME NAME	Actual 2015/16	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21 *	Actual 2021/22 **	Budget 2022/23	Budget 2023/24	Budget 2024/25	Total Budget
Solent Growth Fund (Growth deal - 2015/16 to 2021) / - SME Support from Solent Prosperity Fu	355,932	1,405,872	380,283	984,025	1,119,607	177,460	-	-	-	-	4,423,179
SME Support (COVID-19 priorities)	-	-	-	-	-	-	361,604	370,396	200,000	200,000	1,132,000
Solent Growth Fund (Growth deal - 2015/16 to 2021) - Programme Management	150,500	149,500	179,150	141,198	141,014	143,852	-	-	-	-	905,214
The Hard Interchange (PCC)	4,832,000	-	-	-	-	-	-	-	-	-	4,832,000
Dunsbury Hill Farm Link Road (PCC)	4,540,000	-	-	-	-	-	-	-	-	-	4,540,000
Station Quarter North (SCC)	4,185,000	-	-	-	-	-	-	-	-	-	4,185,000
Station Roundabout / Gudge Heath Lane (HCC)	2,065,000	2,888,893	-	-	-	-	-	-	-	-	4,953,893
Cancer Immunology Centre	4,500,000	-	-	-	-	-	-	-	-	-	4,500,000
Environmental Mitigation - Solent Mitigation Disturbance project	1,355,000	-	-	-	-	-	(390,000)	-	-	-	965,000
Eastleigh College Estates Renewal	6,810,000	2,190,000	-	-	-	-	-	-	-	-	9,000,000
IOW College Composites Centre	5,400,000	5,500,000	-	-	-	-	-	-	-	-	10,900,000
Capitalisation Costs for Solent Growth Deal Programme Management and Capacity funding	300,000	344,997	372,762	431,543	274,794	183,281	177,492	122,508	-	-	2,207,377
Peel Common Roundabout and St Margarets Roundabout	4,340,000	-	-	-	-	-	-	-	-	-	4,340,000
Newgate Lane South	-	6,072,571	2,927,429	-	-	(500,000)	-	-	-	-	8,500,000
Fareham and Gosport multiyear programme (A27 Dualling - phase 2)	-	3,198,000	-	-	-	-	-	-	-	-	3,198,000
Fareham and Gosport multiyear programme (A27 Dualling)	-	4,127,000	-	-	-	(170,000)	-	-	-	-	3,957,000
Solent Gateways (Isle of Wight Floating Bridge)	-	3,776,782	-	-	-	-	-	-	-	-	3,776,782
Innovation Fund - Fareham Innovation Centre - Phase 2	-	2,000,000	-	-	-	-	-	-	-	-	2,000,000
Innovation Fund - Programme Management Costs	-	75,000	134,544	28,975	-	-	-	-	-	-	238,519
Innovation Fund - BAE Maritime and Test Bed	-	456,633	-	-	-	(456,633)	-	-	-	-	0
Innovation Fund - Future Technology Centre (University of Portsmouth)	-	1,050,000	-	-	-	-	-	-	-	-	1,050,000
Contribution to BAE Employer Ownership Programme Scheme	-	129,000	-	-	-	-	-	-	-	-	129,000
National Maritime Systems Centre	-	-	1,679,334	-	-	3,320,666	-	-	-	-	5,000,000
Local Large Major transport schemes and infrastructure investment	-	-	339,497	24,220	-	-	-	-	-	-	363,717
BAE Marine Workshops and Marine Support Centre	-	943,066	-	-	-	-	-	-	-	-	943,066
Stubbington Bypass - LGD	-	3,500,000	-	-	3,500,000	1,500,000	-	-	-	-	8,500,000
Stubbington Bypass - LGD (DfT retained)	-	-	-	-	-	9,788,220	14,033,331	1,677,449	-	-	25,499,000
Stubbington Bypass - programme management costs	-	-	-	-	-	138,872	44,044	18,084	-	-	201,000
Fareham College - Civil Engineering Training Centre	-	-	-	-	2,402,418	425,693	-	-	-	-	2,828,111
Southampton Solent University - Warsash School of Maritime Science and Engineering	-	-	2,300,000	4,044,570	1,119,630	-	-	-	-	-	7,464,200
North Whiteley	-	-	-	-	1,905,280	7,147,948	1,721,018	2,855,754	370,000	-	14,000,000
A326 Highway Improvements	-	-	-	-	-	0	2,563,352	2,265,648	851,000	-	5,680,000
IOW Island Line - Brading Loop	-	-	-	-	-	595,000	0	105,000	-	-	700,000
University of Portsmouth - Centre for Creative and Immersive XR	-	-	-	-	-	3,617,561	-	-	-	-	3,617,561
Southsea Coastal Defences	-	-	-	-	-	5,000,000	-	-	-	-	5,000,000
ABP - Shore Power Initiative	-	-	-	-	-	4,434,350	-	-	-	-	4,434,350
COVID-19 Loan Fund	-	-	-	-	-	2,425,000	325,000	-	-	-	2,750,000
Fareham College FE Capital Transformation Loan	-	-	-	-	-	-	-	420,000	-	-	420,000
M27 J10 - original business case development (LGD - DfT retained)	-	-	-	2,150,000	2,500,000	-	-	-	-	-	4,650,000
M27 J10 - business case progression	-	-	-	0	0	429,814	470,186	-	-	-	900,000
Solent Prosperity Loan Fund	-	-	-	-	-	-	-	2,500,000	2,073,292	-	4,573,292
SUB-TOTALS:	38,833,432	37,807,314	8,312,999	7,804,531	12,962,743	38,201,084	19,306,027	10,334,839	3,494,292	200,000	177,257,261
LGD funding committed / approved or indicatively earmarked across future years	-	-	-	-	-	-	-	-	-	-	0
TOTAL EXPENDITURE ON APPROVED LOCAL GROWTH DEAL SCHEMES	38,833,432	37,807,314	8,312,999	7,804,531	12,962,743	38,201,084	19,306,027	10,334,839	3,494,292	200,000	177,257,261
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
TOTAL UTILISATION OF LOCAL GROWTH DEAL	39,833,432	37,807,314	8,312,999	7,804,531	12,962,743	38,201,084	19,306,027	10,334,839	3,494,292	200,000	178,257,261
FUNDING AGREED / INDICATIVE ALLOCATIONS											
Solent Growth Deal Funding - received	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	9,252,686	-	-	-	-	136,657,261
DfT Retained funding returned to the LEP	-	-	-	-	-	10,250,000	-	-	-	-	10,250,000
DfT Retained funding - M27 J10 Business Case	-	-	-	2,150,000	2,500,000	-	-	-	-	-	4,650,000
DfT Retained funding - Stubbington Bypass	-	-	-	-	-	5,138,872	14,077,375	1,695,533	-	-	20,911,780
Capital Funding from Accountable Body (Returned)	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
Funding Slippage / Acceleration	(558,235)	(5,833,020)	(15,989,029)	(5,163,329)	1,210,057	13,559,526	5,228,652	8,639,306	3,494,292	200,000	4,788,220
TOTALS:	39,833,432	37,807,314	8,312,999	7,804,531	12,962,743	38,201,084	19,306,027	10,334,839	3,494,292	200,000	178,257,261

SOLENT LOCAL ENTERPRISE PARTNERSHIP - GETTING BUILDING FUND					
SCHEME NAME	Actual 2020/21 *	Actual 2021/22 **	Budget 2022/23 ***	Budget 2023/24	Total Budget
Port of Southampton Cruise Terminal	6,800,000	1,200,000	-	-	8,000,000
Enzyme Recycling Techniques - Building an Industrial Engagement Hub	308,283	541,717	150,000	-	1,000,000
Fawley Waterside Digital	-	275,000	475,000	-	750,000
Branstone Farm Rural Employment Hub	150,000	1,545,156	529,844	-	2,225,000
HIWWT - Nutrient Mitigation Programme	-	2,000,000	-	-	2,000,000
University of Southampton - Centre for Electronics Frontiers	-	-	-	-	0
Freeport Innovation Hub	-	-	850,000	-	850,000
Portsmouth International Port - Provision of Border Control Post	-	550,000	-	-	550,000
Programme Management	109,761	470,239	-	-	580,000
TOTAL UTILISATION OF GETTING BUILDING FUND	7,368,044	6,582,112	2,004,844	-	15,955,000
<u>FUNDING AGREED / INDICATIVE ALLOCATIONS</u>					
Getting Building Funding - received	8,005,000	7,950,000	-	-	15,955,000
Funding Slippage / Acceleration	(636,956)	(1,367,888)	2,004,844	-	-
TOTALS:	7,368,044	6,582,112	2,004,844	-	15,955,000
	Variance:	0	0	0	0

* Includes year end accruals made for grant claims received in 20/21 but not paid. All accrued grant claims have now been paid. £636,956 used for Freedoms and Flexibilities.

** Includes year end accruals made for grant claims received in 21/22 but not paid. Total accruals made £2,430,009

*** £2,004,844 Freedoms and Flexibilities used in 2021/22

APPENDIX F

Project Risk Status Matrix

A confidential report will be considered at the meeting

APPENDIX G

Local Growth Deal Project Update

IOW Council - FB6

A confidential report will be considered at the meeting

APPENDIX H

Getting Building Fund Project Update Branstone Farm

A confidential report will be considered at the meeting

7.9.2022

Item 7

Governance Update

Item 7

Title: Governance Update
Date: 7 October 2022
Purpose: For information and decision

Draft resolution

Board Members are asked to:

- **Note** the update in relation to LEP Chair Recruitment, and;
- **Note** the mid-year delivery plan performance review, and;
- **Agree** the proposed delivery plan format for 2023/24 at Annexe B, and;
- **Provide any feedback** to inform the development of the delivery plan for 2023/24, and;
- **Delegate Authority** to the LEP Chief Executive in consultation with the LEP Chair and Accountable Body to agree the final version of the delivery plan for submission to HM Government, in the event that the submission deadline is confirmed ahead of the next LEP Board meeting.

Background

This paper provides an update in relation to three areas:

- Chair recruitment
- Mid-year review of Solent LEP Delivery Plan for 2022/23
- Consideration of draft delivery plan for 2023/24

1. Chair Recruitment

The Board agreed the Chair role profile and process at the last meeting, including a timeline for launch and administration of the process. However, the agreed timeline for the launch of the process was scheduled during the period of National Mourning for Her Majesty Queen Elizabeth II and, in line with the national guidance provided, the planned launch of the process was postponed.

A revised timeline for the process has now been established and is set out as follows for the information of Board Members:

	ORIGINAL	REVISED
Opening date for applications	14th September 2022	3rd October 2022
Closing date for applications	31st October 2022	14th November 2022
Eligibility checks on applications	w/c 7th November 2022	w/c 21st November 2022
Applicants notified of outcome of eligibility checks (and eligible new B Member applicants sent joining documentation)	14th November 2022	25th November 2022
Deadline for return of membership and application documentation for new B Member applicants	25th November 2022	9th December 2022
Advisory Panel to consider all eligible applications	w/c 28th November 2022	w/c 12th December 2022
Interviews with Solent LEP Board	w/c 5th December 2022	w/c 9th January 2023
All applicants to be notified of outcome of shortlisting	w/c 12th December 2022	w/c 16th January 2023
Election process to open	10th January 2023	24th January 2023
Election process to close	10th February 2023	24th February 2023
Validation of election result and notification of outcome to all candidates	w/c 13th February 2023	27th February 2023

In addition to the impact on the Chair recruitment timeline, Board Members will recall that the LEP is also due to launch recruitment activity for new Panel members on its Business Support Investment Panel and Skills Advisory Panel. This recruitment activity has also been rescheduled as a result of the National Mourning period and will be initiated following the launch of the Chair recruitment process.

Board Members are asked to:

- **Note** the update in relation to LEP Chair Recruitment

2. Mid-year review of Solent LEP Delivery Plan

As part of the assurance monitoring process, the National Local Growth Assurance Framework requires all LEPs to publish an annual report and delivery plan. The delivery plan and annual report should set out a well-developed understanding of the local economic evidence base to identify opportunities and obstacles to inclusive growth, prosperity, and improved productivity. Government will work with LEPs to develop measures to report against in the plan and report. These will be considered as part of the annual assurance process. Delivery plans and annual reports should be published at the beginning of each financial year.

The LEP Board agreed a Delivery Plan for 2022 / 23 at their meeting on 13 May 2022. A copy of this is available at: <https://solentlep.org.uk/media/4317/solent-lep-delivery-plan-april-2022-final.pdf>

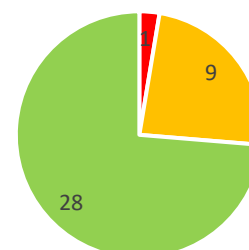
The LEPs next Annual Report will need to provide an update on progress against the delivery plan and it is good practice for the Board to undertake a mid-year review of activity against the delivery plan. In addition to this, Board Members will be aware that the LEP undertakes a formal Annual Performance Review with Government each year and it is anticipated that progress against the delivery plan will form part of this review.

Mid-Year Review

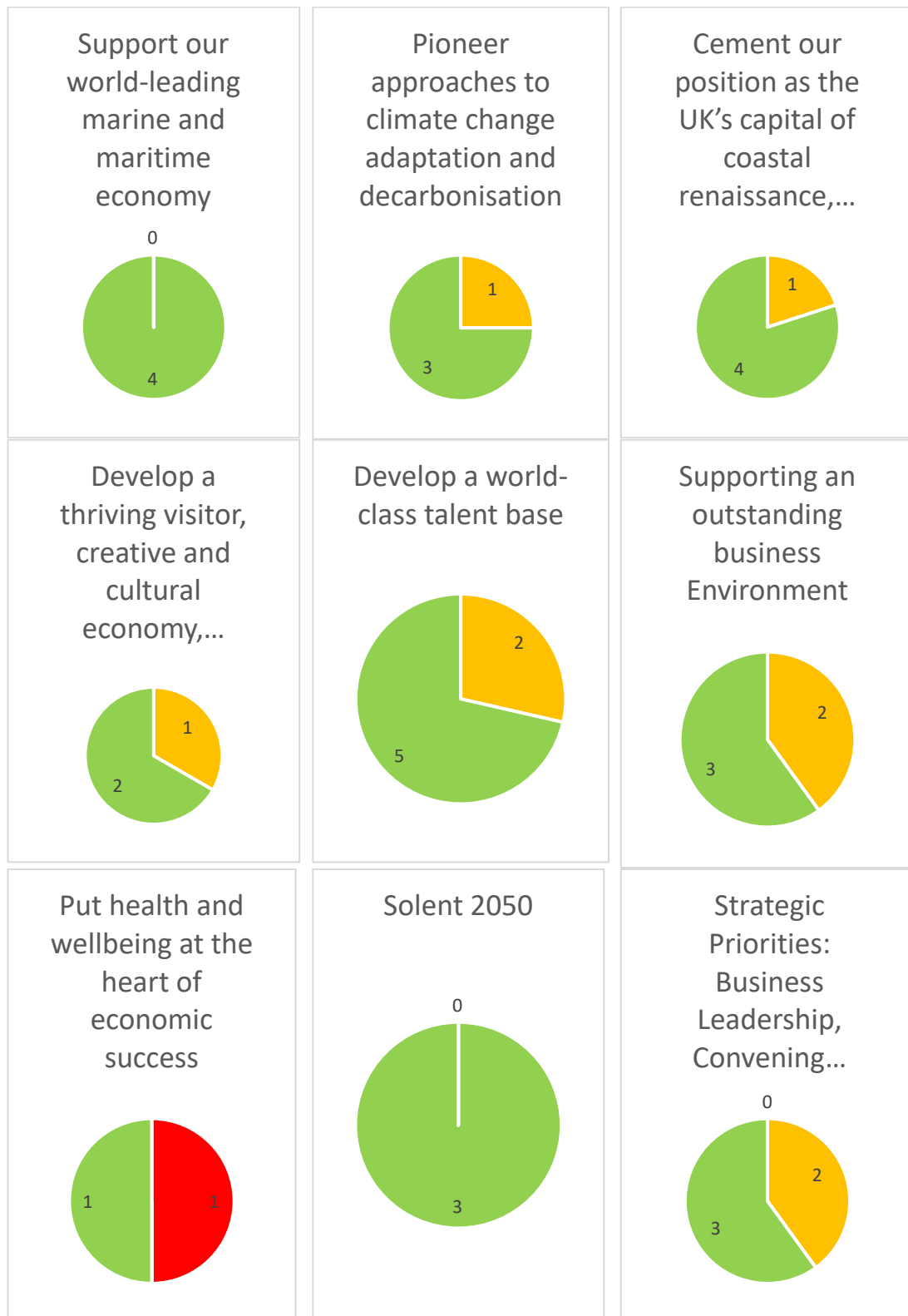
The Solent LEP Delivery Plan includes a range of seven strategic objectives, supporting activities and associated outputs/milestones under each of the strategic priorities agreed by the LEP Board and included within the Solent 2050 strategy. In addition, the delivery plan also includes specific activities in relation to the strategy (Solent 2050) leadership and in relation to the LEPs business leadership, convening power and advocacy. Annexe A replicates the information from the Delivery Plan and provides two additional columns against each activity identified to include a mid-year status update as of September 2022 and an associated RAG rating.

For ease of reference, a dashboard summary of performance against delivery plan activities, demonstrating the total number of red, amber, and green activities within the plan as a whole and in relation to each specific section is set out below.

2021-22 Delivery Plan: Overall Performance



Mid-Year Review Dashboard



Dashboard Commentary

The review indicates a strong performance from the Solent LEP within the first half of 2022 / 23 with 28 green, 9 amber, and 1 red rated activities.

The LEPs performance has been particularly strong in relation to supporting a world leading marine and maritime economy, pioneering approaches to climate change adaptation and decarbonisation, cement our position as the UK's capital of coastal renaissance, developing a thriving visitor, creative and cultural economy, and strategic priorities: Solent 2050.

In relation to amber rated areas, these include schemes where there are delays to the delivery of initial infrastructure / construction activity. In all these areas, the economic outputs continue to be brought forward by the LEP investment, and the primary concern is in relation to delays to originally forecast timescales. It should also be recognised that the nature of risks impacting these investments such as increased cost of materials, and availability of materials and labour have the potential to impact across the LEPs portfolio of activity during the remainder of the financial year.

There is one red rated area where work is not progressing. The free health and wellbeing support service has not gone ahead due to a 50% funding reduction for the Growth Hub this year, and the need to prioritise activity in line with the HM Government Growth Hub contract.

Board Members are asked to:

- **Note** the mid-year delivery plan performance review.

3. Draft Delivery Plan for 2023/24

Further to the guidance in relation to [Integrating Local Enterprise Partnerships into local democratic institutions](#), the Solent LEP is currently on integration pathway II (maintaining the LEP until a devolution deal is agreed). For all LEPs on this pathway, Government have asked LEPs to agree delivery plans alongside delivery and performance metrics with government in advance of publication. The Government's current expectation is that LEPs will need to submit draft delivery plans for 2023/24 by 25 November 2022. Future provision of core funding is understood to be subject to agreement of these plans with government and, thereafter, subject to meeting agreed delivery and performance metrics. The guidance also indicates that HM Government intend to amend the National Local Growth Assurance Framework to ensure their future requirements of LEPs remain proportionate to their revised role and functions.

At the time of writing, the LEP have not received any additional information from HM Government in relation to the 23/24 delivery plan process and the National Local Growth Assurance Framework (NLGAF) has not been updated. Based on engagement with our area lead, it is understood that the NLGAF is being reviewed during September 2022 and timings for submission will be revisited as part of this. A verbal update on any details received ahead of the Board meeting will be provided.

It is noted in the recent letter from the minister with responsibilities for LEPs, Dehenna Davison MP that there is a clear expectation that there is *“a vital and ongoing role for LEP functions going forward, whether they are integrated into local democratic institutions or not”*. There is also a clear position in terms of maintaining the integrity of the LEPs' independent voice and a strong commitment to ensuring that areas continue to embed a strong, independent, and diverse business voice into local areas. The government have confirmed that they are updating their illustrative template for integration planning and the integration guidance for LEPs as published can be accessed here: <https://www.gov.uk/government/publications/local-enterprise-partnerships-integration-guidance>

It is therefore important that the Board work towards the November deadline and the LEP have initiated work to develop a delivery plan for 2023/24 and a proposed structure is attached at Annexe B. The proposed structure is based on previous years delivery plans which have been agreed by both HM Government and the LEP.

Feedback is sought from the Board on the delivery plan structure ahead of development of more detailed activities, outputs and milestones which can be considered by FFPMG at their meeting on 8th November 2022.

If there is a change in the delivery timeframe, the final delivery plan can be brought forward for Board consideration at the strategy session on 2nd December 2022 ahead of submission. In the event that the submission deadline is confirmed by HM Government to be in advance of this, it is recommended that the final delivery plan is agreed by the LEP Chair for submission.

The Board are asked to:

- **Agree** the proposed delivery plan format at Annexe B, and;
- **Provide any feedback** to inform the development of the delivery plan, and;
- **Delegate Authority** to the LEP Chief Executive in consultation with the LEP Chair and Accountable Body to agree the final version of the delivery plan for submission to HM Government, in the event that the submission deadline is confirmed ahead of the next LEP Board meeting.

Legal comments

There are no legal implications as a result of these recommendations within the report. Paris Smith provides constitutional legal advice to the Solent LEP in accordance with the companies articles and provide assurance as to appointments within the remit of said constructional documents.

Financial comments from the S151 Officer of the Accountable Body

There are no specific financial implications arising from this report however it is understood that the receipt of further core funding is subject to the agreement of annual delivery plans. The Accountable Body are always prudent in only including confirmed funding within the LEP budget therefore any additional core funding post 2022/23 will further improve the LEP's financial position.

Item 7 - Annexe A

**A Confidential Report will be
considered at the meeting**

Item 7 - Annexe B

**A Confidential Report will be
considered at the meeting**

7.9.2022

Item 8a

Report from Skills Advisory Panel

Item	8 a
Title:	Report of the Skills Advisory Panel
Date:	7 th October 2022
Purpose:	For Information

Overview

Board members will know that the Solent 2050 strategy, published in June 2022, includes a strategic priority to support ***developing a world-class talent base, helping people at all stages of their career build the skills they need to respond to new technology and drive an innovative knowledge-based economy***. This report provides an update on activity in support of this priority, including the changing role of the Solent Skills Advisory Panel, and an update on the LEP's delivery of its contract with the Careers and Enterprise Company (CEC).

Recommendations

It is recommended that the Board:

- **Note** the update on skills provided in this report.

1. Local Skills Improvement Plans (LSIPs)

In 2021, [The Skills for Jobs White Paper](#) set out an intention to put employers more firmly at the heart of the skills system through the introduction of new employer-led Local Skills Improvement Plans (LSIPs). Led by designated employer representative bodies (ERBs), LSIPs will be strategic plans that will set out a clear articulation of employers' skills needs, and the priority changes required in a local area to help ensure post-16 technical education and skills provision is more responsive and flexible in meeting local labour market skills needs. LSIPs cover Mayoral Combined Authority geographies, and, where these do not exist, LEP geographies.

While LSIPs are not intended to be a direct replacement for SAPs, their rollout required a repurposing of DfE's grant funding to local areas in 2022-23 and therefore, the aim and objectives of the £55,000 grant the LEP has received in 2022-23 are different to the SAPs grant in previous years. In previous years the main purpose of the grant has been to develop Local Skills Reports and Action Plans. Government have confirmed that to avoid duplication with LSIPs, DfE does not require SAPs to produce a refreshed Local Skills Report in 2022-23 and this grant should not be spent on that activity. Government has also confirmed that funding for SAPs will not run beyond March 2023, after which, DfE funding in this arena will be directed through the ERB's leading on LSIPs.

As part of the 2022-23 £55,000 SAP grant conditions, the LEP is required to ensure that:

- the grant spend is evenly profiled throughout the year so that a minimum of 50% is available to be spent in the October to March period to support the Employer Representative Body (ERB) in the development of the LSIP.

- any new analytical outputs, or significant deep dives (valued at over £5,000) are not produced until the ERB is designated and the ERB agrees that it would be beneficial to the development of the LSIP locally

Furthermore, the grant has two objectives:

- Objective 1 is to produce and make available robust analysis of skills needs and the local labour market. DfE's intention is that this will support the development by ERBs of LSIPs over the course of financial year 2022-23. Once ERBs are designated from early autumn 2022 onwards, areas should work with them to identify where there are gaps in knowledge and where additional analysis would be beneficial.
- Objective 2 is to work collaboratively with the ERB in the development of an LSIP for the area. Each local area should collaborate with the designated ERB, share data and analysis (where possible) and encourage relevant local stakeholders to engage in the development of the LSIP.

In July, Hampshire Chamber of Commerce was designated as the ERB to develop the Solent LSIP. Board members will recall that an updated SAP Terms of Reference was agreed at the July Board meeting to provide for a representative from the ERB to be a member of the SAP. Hampshire Chamber has accepted this invitation and has provided updates to the SAP on progress at the last two meetings. In addition, Hampshire Chamber has requested that the SAP takes on the role of the Solent LSIP steering group and SAP members welcomed this offer recognising the importance of aligning the work of the SAP with the wider policy changes linked to LSIPs.

The LEP is working with the Chamber to develop this further, and an updated Terms of Reference will be brought to the December LEP Board meeting for consideration.

[Solent 2050](#) has a strategic priority for the Solent to *develop a world-class talent base, helping people at all stages of their career build the skills they need to respond to new technology and drive an innovative knowledge-based economy*. Therefore, it is important to note, that, notwithstanding the important role of LSIPs in the local skills ecosystem, and the removal of SAP grant funding from April 2023, the SAP continues to perform an important role as an advisory panel on skills for the LEP. In particular, the SAP performs an important advisory role in relation to the delivery of the contract the LEP has with the Careers and Enterprise Company (see below). Finally, the SAP (through the LEP) has been asked by Solent Freeport to be responsible for delivery of the implementation of the Solent Freeport Skills and Workforce Development Plan and Skills Charter, and this will provide an important role for the SAP following the designation of Solent Freeport and as its operational phase commences.

2. Careers and Enterprise Company (CEC) Contract

The Careers and Enterprise Company (CEC) has provided funding to the LEP to deliver a service that aims to produce higher quality and higher impact careers provision to young people in the Solent.

The programme of activity is delivered through a range of stands that have evolved as the CEC has matured. These include the Solent Enterprise Advisor Network (EAN), the Solent Careers Hub, and Cornerstone Employers. The Solent EAN is a community of volunteer industry professionals (Enterprise Advisers) who advise schools and colleges on how to engage with business and design their careers education programme. The Solent Careers Hub (CH) is a network comprised of secondary schools and colleges, Special Education Needs and Disabilities (SEND), Pupil Referral Units (PRUs), and Alternative Provision (AP) establishments.

The CH works with universities, education providers, employers and careers guidance professionals to ensure the Gatsby Benchmarks (see below) are delivered in each establishment and that careers outcomes are improved for all young people.

Enterprise Coordinators (EC`s) are central to our work and are trained to work with school and college leadership teams to build careers and employer engagement plans and actively recruit EAs.

The [Gatsby Benchmarks](#) are a key performance framework within careers education and used by the CEC to measure performance. They define what world class careers provision in education looks like and provide a clear framework for organising the careers provision within schools and colleges. The 8 Gatsby Benchmarks are:

1. A stable careers programme
2. Learning from careers and labour market information
3. Addressing the needs of each student
4. Linking curriculum learning to careers
5. Encounters with employers and employees
6. Experiences of workplaces
7. Encounters with further and higher education
8. Personal guidance

Service delivery has undergone significant change with new local leadership within the LEP, and the creation of additional resource in partnership with Local Authorities (Portsmouth City Council, Southampton City Council, and Isle of Wight Council/Hampshire County Council).

The Key Performance Indicators (KPIs) that the LEP is monitored on as part of its contract with the CEC are provided in Table 1 of annexe 1, along with current performance.

There are currently 112 School, College, Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) that make up the total number of DfE sustained/grant funded education establishments within the Solent LEP area. In February 2022 the percentage of establishments actively engaged with our Enterprise Adviser Network was 71%. Engagement is not defined by an organisation being in a collaborative partnership with a Solent Careers Hub, but rather, one who has signed a Memorandum of Understanding with the Careers and Enterprise Company and has evaluated careers activity against Gatsby Benchmarks via an online checklist. At the end of August 2022 this has increased to 86%, showing significant progress.

Table 2 of annexe 1 shows the establishments that are not currently engaged with the Careers Hub or Enterprise Adviser Network. We have identified the establishments highlighted in bold as priorities and, as such, these will move to the CEC Activation Process in October 2022, which will include CEC formally writing to the Head Teachers. There are a variety of reasons for non-engagement from one that is part of a multi academy trust whereby the other establishments within the Trust have engaged, whilst in general, the main reason for lack of engagement is a lack of dedicated careers leader resource within the school / college.

Enterprise Advisor (EA) review and recruitment

In Qtr. 4 of 2021/22 the Careers Hub reviewed all the existing matched EA collaborations to gauge effectiveness, sustainability and output. Following this review, non-engaged EA`s still registered and reported have now been removed. This accounts for the significant drop in the number of matched EA's.

Going forward, recruitment for new EAs will coincide with the creation of a Cornerstones Employer Group in QTR1 of 2022/23. Cornerstone Employers are a flagship community of more than 300 businesses across England. They work with Careers Hubs to support world class careers education at scale in their local region. Specifically, they:

- Influence and inspire more young people to enter your industry, collaborate with like-minded businesses and have greater collective impact
- Build a future diverse talent pipeline and help to fill skills gaps
- Back social mobility in your local area by working with careers hubs to support those who face the most barriers to reach their potential when they leave education
- Increase employee engagement, developing key skills and experience

The Solent Cornerstone Employers include B&Q, SERCO, Airbus, BAE Systems, Southwestern Railway, Southern Co-Op.

A dedicated marketing campaign is due to go live with regular "find out more" virtual sessions planned throughout 2022/23. Further to this, a new Employer Engagement Enterprise Co-ordinator is to be recruited to and will have a dedicated focus on EA recruitment. Investment in EA CPD, communication and best practise sharing will underpin the current network and output will be monitored. The target of engaged establishments (KPI of 88 in the Solent) to have a match EA for 2022/23 is 90% of which 75% will be able to demonstrate collaboration with establishment governance and senior leadership on implementation and delivery of the CEIAG programme.

Benchmark Blockers - what is impacting establishments to achieve the Gatsby Benchmarks?

Solent data shows there has been significant improvement in careers education and benchmark performance from December 2021 across 7 of the 8 Gatsby Benchmarks (GBM). Schools and colleges reporting against the Gatsby Benchmarks has increased by 30% in the same period based on a more robust management performance and data reviews.

Currently the region average is 1.7 uploads per year per establishment - up from 1.1 in March 2022. This is due to focused discussions and performance management. Most establishments within the Solent region have benefitted from a 1:1 with Solent LEP Careers Hub resource in the last quarter of 2022/23, which increased clarity on the intricacies of the GBMs and higher confidence that performance reflects the Careers position.

The Careers Hub has identified the most common Benchmark Blockers and is working on these and the data has been shared with Skills Advisory Panel.

3. Institute of Technology

In December 2021, Solent University, as lead bidder, was successful in its application for a Maritime Engineering and Digital Institute of Technology. The new IoT aims to meet the Solent region's future workforce needs across maritime, engineering, and digital technologies, connecting learners across the educational partners through innovative learning opportunities and an employer-led curriculum.

Partners in the IoT include Fareham College, Brockenhurst College, Eastleigh College, Havant and South Downs College, Isle of Wight College, the University of Portsmouth, and Solent University as IoT lead. Each organisation will share in the circa £13m grant funding award with

the funds being used to enhance learning facilities with Institute of Technology centres at each site in time for the IoT to be operational in September 2023.

Given the key role that the IoT is expected to play in the delivery of technical education across the Solent, the membership section of the SAP Terms of Reference is being updated to provide for representation from the IoT. In addition, the IoT has requested that a representative from the LEP Executive sits on the Board of the IoT, to ensure strategic input to the future direction of the IoT with the economic strategy for the Solent area.

4. Equality impact assessment

An EIA not required at this time as no decision is being made.

5. Legal implications

To follow

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

The funding received for both the Skills Advisory Panel (SAP) and the Careers and Enterprise Company (CEC) are included in the approved LEP budget and are monitored closely with the programme leads.

As the SAP funding will no longer be forthcoming in 2023/24 the Accountable Body, working with the LEP Executive are ensuring there are no financial commitments after the end of the current financial year.

As for the CEC, the funding received covers academic years, and this has been added to the budget up to and including 31 July 2023. As it is uncertain whether this funding will be received for further academic years, the staff that it funds are largely employed under fixed-term contracts to ensure that there are limited ongoing costs that the LEP will need to cover should the funding come to an end. Where any posts are funded partly or entirely from LEP core budgets then these are factored into the main LEP establishment which SERCOM review on a regular basis.

As noted above, the LEP has been asked to provide executive support for Solent Freeport and The Hampshire Chamber (in relation to the LSIP). This support is charged for and the equivalent income is used to fund the resource to deliver this activity.

Item 8 - Annexe A

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

7.9.2022

Item 8b

Solent Cluster for Decarbonisation

Item	8b
Title:	Solent Cluster for Decarbonisation
Date:	7th October 2022
Purpose:	For Information

Overview

Board members will know that the Solent 2050 strategy, published in June 2022, includes a strategic priority to support pioneering approaches to climate change adaptation and decarbonisation, linked to our coastal setting, and establishing real expertise which other regions – nationally and globally – can learn from. In line with this strategic priority, this report provides an update on work the LEP has been progressing with industry and University of Southampton to establish the Solent as a leading decarbonisation cluster.

Recommendations

It is recommended that the Board:

- Note the update on the development of a Solent Cluster for decarbonisation.

1. Solent Cluster

As part of the Industrial Strategy the Government set out Grand Challenges to put the UK at the forefront of the industries of the future. The first 4 Grand Challenges are focused on the global trends which will transform our future:

- Artificial Intelligence and data
- Ageing society
- Clean growth
- Future of mobility

Whilst there has been significant policy development since the publication of the Industrial Strategy, including the publication of the Levelling Up White Paper, work on the four Grand Challenges has continued.

As part of the Clean Growth Grand Challenge, government set identified six major industrial clusters. They set an Industrial Cluster Mission which aims to create a net-zero carbon industrial cluster by 2040, attracting innovators, investors and problem solvers to create low-carbon exemplars that others in the UK and internationally can learn from and replicate. Government aims to position UK clusters as top areas for global inward investment and driving demand for low carbon products and technologies by harnessing the power of markets, the public sector, universities and local communities.

Southampton is one of [six major industrial clusters](#) identified by the UK government with a diverse mix of large energy users, heavy transport needs and one of the UK's largest and busiest ports.

Southampton's industrial cluster could potentially become the gold standard for hydrogen production and distribution, with its investigation and study into carbon capture and hydrogen-based technologies. It is envisaged that once the hub is established, it could provide a platform to decarbonise transportation, manufacturing and domestic heating in the south of England. The assets and infrastructure already in

place, such as pipelines and heavy transport, are seen by government to make the area an ideal starting point for the introduction of hydrogen in the south.

Several of the industrial clusters have been successful in attracting significant funding from Government to support decarbonisation within their respective clusters. Examples of these include [Hynet North West](#) and [East Coast Cluster](#). These are the only two Track-1 Carbon Capture, Usage and Storage (CCUS) clusters in the UK and are seen by Government as an important step in building the CCUS industry and decarbonising our economy. A common feature of these is that these are industry-led.

An application process to apply to be a Track-2 cluster is expected to be announced in Spring 2023, with Government expecting that support for Track-2 clusters may include access to capital support through the CCS Infrastructure Fund and Net Zero Hydrogen Fund, and revenue support mechanisms through technology-specific business models. The Solent Cluster is being established to enable the area to be ready to apply to the Track-2 invitation when it is published.

To be an eligible cluster the cluster must:

- Credibly demonstrate that it can be operational by 2030
- Be located within the UK
- Meet the definition of a CCUS cluster, which Government define as a transport and storage (T&S) network and an associated first phase of at least two CO₂ capture projects. A T&S network is defined as a set of onshore pipelines, offshore pipelines and an associated offshore storage facility. The pipelines must be capable of transporting CO₂ to the storage site (for example a saline aquifer or depleted oil and gas field) that must be able to store this CO₂ safely and permanently.

Following the launch of the [Solent 2050](#) Strategy at the Solent Summit in June, the LEP was approached by industry and University of Southampton (UoS) to support work it had been doing to establish a decarbonisation cluster for the Solent - in readiness for Track-2 funding.

Board members will know that Government has asked LEPs to continue to carry out strategic economic planning in partnership with local leaders that clearly articulates their area's economic priorities and sectoral strengths. This should involve building and maintaining a robust local evidence base that identifies local strengths and challenges, future opportunities and the actions needed to support priority sectors. In addition, LEPs should continue to use their convening power to bring together business, education, and other local economic stakeholders. Moreover, the LEP has considerable expertise in establishing robust governance structures capable of receiving and managing public funding.

In consideration of this, industry and UoS has asked the LEP to provide leadership for the Solent Cluster, in much the same way as The Humber and East Yorkshire LEP has for the East Coast Cluster.

The initial vision for the Solent Cluster is for the Solent to become a leading centre for low carbon investment that will grow the regional economy, protect skilled jobs, and create new employment opportunities in the technologies and industries of tomorrow. There is a general expectation for the Solent to establish a formal cluster to support it securing new government funding that is expected to be made available in early 2023.

The formation of the Solent Cluster aligns strongly with the priorities in Solent 2050. In addition, this work also aligns strongly with points 1 (A world class green business and talent base), 2 (Green ships and maritime decarbonisation), and - specifically - point 7 (Advancing the growth of low carbon hydrogen) of the LEP's [10 Point Plan for Building Back Greener in the Solent](#).

A launch event will take place at the Southampton Harbour Hotel on 1st November 2022, and all Board members should have received an invitation. The launch event is very much the first step of a journey and will see a range of leaders from business, academia, and the public sector attending. It is expected

that a Charter will be signed by Solent LEP and other partners who agree to work in a collegiate way to establish the Solent Cluster.

Moving forward, the LEP is considering how the Solent Cluster for decarbonisation may be formalised to enable it to bid for and manage funding.

2. Equality impact assessment

An EIA not required at this time as no decision is being made.

3. Legal implications

To follow

4. Financial comments from the S151 Officer of the Accountable Body

There are no specific financial implications arising from this report.

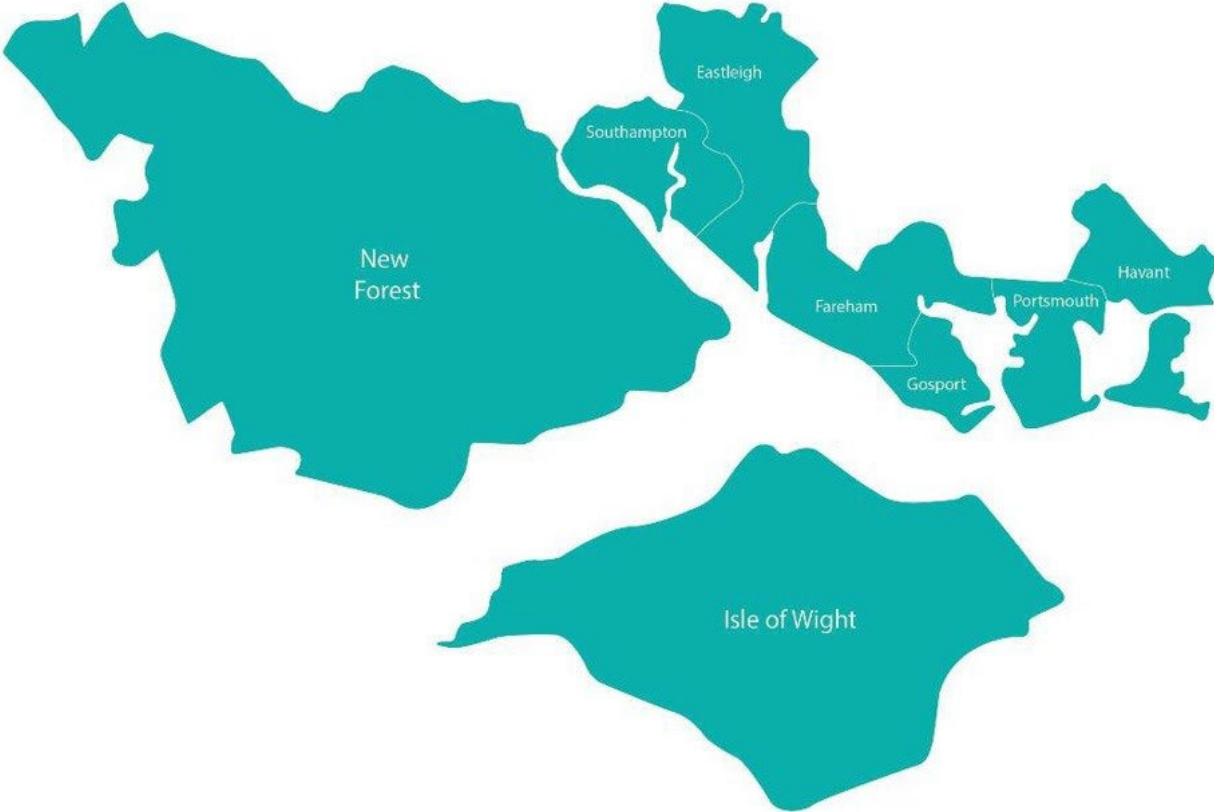
Should the LEP support of the Solent Cluster require any financial contribution then this would be brought back to the FFPMG or LEP Board as appropriate.

7.9.2022

Item 9

General Updates from Board Leads

Board meeting – Item 9 General update



7th October 2022

General update for information

1. Strategic Sector Support

- Maritime UK Solent

2. Business Support

- Growth Hub
- UK Shared Prosperity Fund (UKSPF)



Strategic Sectors





- MUK Solent Board meeting held on 29th September 2022
- MUK Solent Board had a discussion on revenue generation, which will inform the development of a plan for their consideration at the December meeting.
- MUK Solent Board also considered MUK Solent's response to the Mid Year Review that it needs to submit to Solent LEP as part of its capacity funding agreement.
- Development of the MUK Solent website and brand guidelines underway



Maritime UK Solent Awards 2022

- Inaugural MUK Solent Awards event to take place on 14th October 2022 at the Leonardo Royal Southampton Grand Harbour
- Judging has taken place and the shortlisted finalists were announced at the Southampton International Boatshow on the 22nd September – see <https://solentlep.org.uk/muksolent/maritime-uk-solent-awards-2022/>
- Charity Partner will be WetWheels Solent
- Exploring options for a venue for the 2023 Awards.



Business Support



Growth Hub

- New support programmes for the Creative Sector launched [here](#) that include:
 - Tech mentoring programme in Partnership with Tech Solent
 - Industry networking workshops x4 (IOW, New Forest, Southampton and Portsmouth) Festivals and Events, Film, Radio and Photography, Fine arts and crafts and Tech and AI.
 - One to One supporting with a Creative Industry Expert
- SME Sustainability programme launched [here](#), providing one-to-one and peer networking to business and supporting them achieving net zero and responding to rising energy costs.
- Business clinics being held in Gosport, Havant and Eastleigh. Support provided by Economic Development officers in the LA
- Peer Network programme being co-created and funded by Barclays, Menzies LLP and The Growth Hub.
- New enquiry form in development to collect protected characteristics from enquiries.
- Solent Growth Hub website has been closed. Content has been embedded into LEP website [here](#).



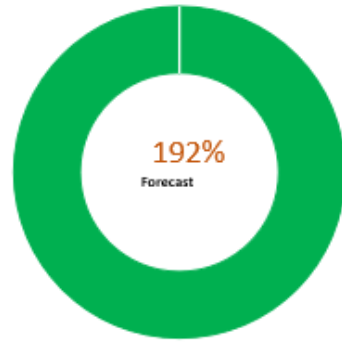
Growth Hub – Performance

Light touch (up to 1hr)		Medium (1hr+)		High (12hrs+)	
YTD actual	5922	YTD actual	866	YTD actual	17
YTD forecast	2085	YTD forecast	187	YTD forecast	0

Light Touch Engagement to date



Medium Engagement to date



High Engagement to date



Enquiries by Local Authority

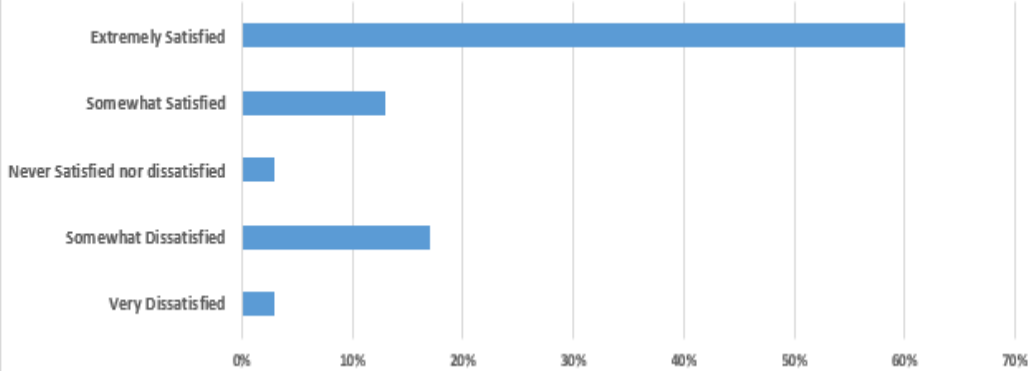


High intensity programmes are now live and recruitment has started to the Sustainability and Creative programmes. This will impact the internal high engagements. Current engagements are delivered via strategic partners such as the Skills and Apprenticeship Hub.

Enquiries are fairly proportionate to the size of each LA other than Eastleigh, Havant and IOW. Business clinics and stakeholder visits have been planned to ensure visibility in these areas.

Growth Hub – Performance

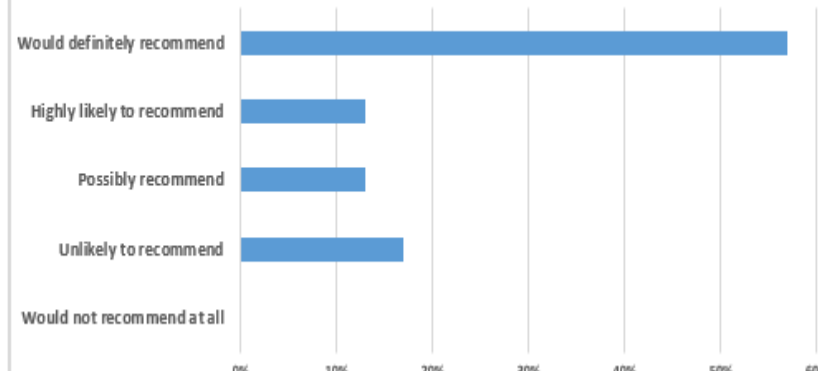
How would you rate your overall satisfaction with the support provided by the Solent LEP Growth Hub?



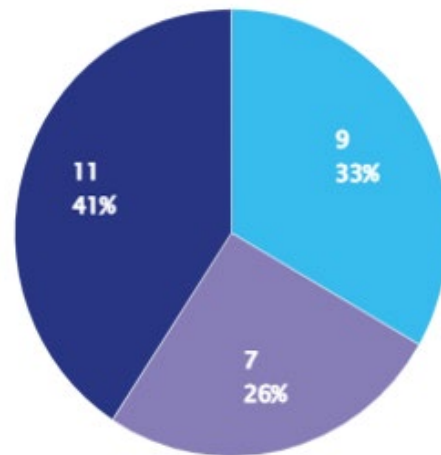
Growth Hub Key Support Request



How likely would you be to recommend the Solent LEP Growth Hub to a friend/colleague?



Type of Support



Type of Support

- Growth
- Stabilise/Maintain
- Start Up

Over 70% of businesses would recommend and are satisfied with the Growth Hub service. Negative responses have been scrutinised and are linked to being not eligible for funding and unable to provide sufficient responses to freeport enquiries.

Finance and funding is still the highest request or Support in August 2022, nearly 50% of all enquiries. Businesses are looking for grant to help survive, grow and start up.

Increase in Start up enquiries this month (41% compared to June 0% and July 19%).



7.9.2022

Item 10

Forward Plan

Item: 10
Title: Any other business – LEP Board forward plan
Date: 7 October 2022
Purpose: For information and decision

1. Draft Resolution:

The Board is asked to:

- **Consider and agree** the forward plan as set out below

2. Summary

At the previous Board meeting a forward plan was agreed. The board are now asked to agree the revised forward plan as follows:

2 December 2022 (9.00 to 11:00) venue to be confirmed

- Maritime UK Solent mid-year report
- Finance and funding report to include mid-year review of:
 - Local Growth Update including Getting building Fund programme completion
 - Mid-year review for 2022/23 and financial forecasts to 2022/24
 - Review of Risk registers
- Governance update to include;
 - Update from SERCOM on board development
 - Preparation for 2023 AGM and draft AGM agenda
 - Local Assurance Framework Review for 2023/24
- General update to include:
 - Report from the Business Support task group
 - Report from the Solent Growth Forum
 - Report from the Net Zero Commission
 - Report from Solent freeport

2 December 2022 (11:00 - 15:30) Board strategy session

- Integrating LEPs into democratic institutions and devolution
- Net zero and green finance

3. Equality Impact Assessment (EIA)

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

4. Legal Implications

There are no legal implications arising from this report to the Board. Any legal considerations arising out of the work streams pursuant to this forward plan going forward will be reviewed separately as and when required.

5. S151 Officer of Finance Comments

There are no financial implications arising from this report to the Board. All reports considered by the Board at future meetings will contain comments on any specific financial implications arising from the content within them.