



**Solent Local Enterprise Partnership  
Meeting of the Board to be held on Friday 21 July 2023  
09:00 to 12:00**

<b>Item</b>	<b>Title</b>	<b>Time</b>
1.	Welcome, Apologies for absence and Introduction	09:00 – 09:20
2.	Devolution update	09:20 – 10:20
3.	HM Government update	10:20 – 10:35
4.	A. Notes of the meeting held on 26 May 2023	10:35 – 10:50
	B. Matters Arising and declarations of interest	
	<b>LEP Matters requiring board decision</b>	
5.	Finance and funding report to include; <ul style="list-style-type: none"><li>• Local Growth Programmes</li><li>• Final year outturn position for 2022/23,</li><li>• 2023/24 budget and financial forecasts to 2024/25</li><li>• Update on funding calls</li><li>• Solent Enterprise Zone</li><li>• Review of Risk registers</li></ul>	10:50 – 11:20
6.	Governance update to include: <ul style="list-style-type: none"><li>a. Government response to LEP integration review and progress on phase 1 transition of 3-year corporate plan</li><li>b. 2022/23 Annual report from SERCOM</li><li>c. 2022/23 Annual Internal Audit report</li></ul>	11:20 – 11:50
	<b>LEP Matters for note</b>	
7.	General updates to include: <ul style="list-style-type: none"><li>a. The Solent Cluster</li><li>b. Report from business support task force</li><li>c. Update from Solent Growth Hub</li><li>d. Digital Skill Partnership, CEC activity and Skills bootcamp</li></ul>	11:50 – 11:55
8.	Any other business and date of next meeting <ul style="list-style-type: none"><li>• Forward Plan</li></ul>	11:55 – 12:00

**21.07.2023**

**Item 4**

**Notes of meetings held on 26 May 2023**



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

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

Held on Friday 26 May 2023 at 09:00 - 12:30 via Microsoft TEAMS

<b>Present</b>	<b>In Attendance</b>
Anne-Marie Mountifield	Crispin Dick (Company Secretary)
Rachael Randall (Chair)	Jack Elias (DLUHC)
Alex Rennie	James Fitzgerald (Portsmouth City Council, as the Accountable Body)
Brooke Hoskins	Lloyd Clark (Portsmouth City Council, as the Accountable Body)
David Youngs	Nicola Twiddy (LEP Executive)
Edward Heron	Richard Jones (LEP Executive)
Graham Barnetson	Richard Turl (DLUHC)
Julie Jones Evans	Stuart Baker (LEP Executive)
Nick Loader	
Paula Swain	
Salli Shapcott	
Satvir Kaur	
Steve Pitt	
<b>Apologies</b>	<b>Guests</b>
Graham Galbraith	Ralf Rashbrook - Item 2 only
Jo Sawford	KPMG - Chris Dunbar, Marcus Roche (For Item 5 Investment Strategy) and Kirsten Saguil & Lewis Atter (for Item 6)
Sam Warren (DLUHC)	

<b>Item</b>	<b>ACTION</b>
<p><b>1. Welcome and Introduction</b> The Chair welcomed all to the meeting and roundtable introductions took place.</p> <p><b>Apologies for Absence</b> Apologies were noted from Graham Galbraith, Jo Sawford and Sam Warren.</p>	

	<p><b>Declarations of interest</b></p> <p>The following interests were noted ahead of the meeting:</p> <p><u>Anne-Marie Mountifield</u>  Item 5 – SRO for Solent Freeport  Item 7D - Maritime UK Solent Ltd Non-Executive Director  Item 7E - MUK Solent Ltd Non-Executive Director  General - Non-Executive Board Director for VIVID (new interest declaration for Vistry North Whiteley project)</p> <p><u>Julie Jones-Evans</u>  Item 4bi - Representative for Visit Isle of Wight</p> <p><u>Graham Barnetson</u>  Item 7D - Maritime UK Solent Ltd Non-Executive Director  Item 7E - MUK Solent Ltd Non-Executive Director</p> <p><u>Nick Loader</u>  Item 7A - Appointment as deputy Chair</p> <p><u>Rachael Randall</u>  Item 4bi – Representative for Visit Isle of Wight</p> <p><u>Richard Jones</u>  Item 7A - Appointment as alternate director of Solent Freeport Consortium Ltd</p> <p><u>Stuart Baker</u>  Item 7C - Appointment as Solent Cluster first Director  Item 7D - Maritime UK Solent Ltd Executive Director</p> <p><u>General Noting</u>  Item 5 Appendix F (Risk Register) - Board Members are asked to delegate the agreement of the LGD risk register to the LEP Deputy 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>2.</p>	<p><b>Presentation from Solent Cluster</b></p> <p>Ralf Rashbrook joined the meeting (09:06)</p> <p>Anne-Marie Mountifield gave an overview of the Innovation Zero conference that has taken place over the last 2 days. The Solent Cluster had a stand at the event to showcase the cluster and to enable it to engage with the other clusters and interested parties.</p> <p>The Solent Cluster is a diverse cluster covering industry, Local Authorities, Academia with interest growing in the cluster from across the whole south coast.</p> <p>Ralf Rashbrook and Stuart Baker gave a presentation on The Solent Cluster Vision and provided an update on the current status of the Track 2 process Expression of interest.</p>	

	<p>Julie Jones-Evans joined the meeting (09:29)</p> <p>Following the presentation, questions and comments were shared regarding maintaining momentum, having access to easy-to-understand communications to share with businesses, local authorities and a wider audience.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update.</li> <li>• <b>Agreed</b> to submit a joint letter of support for the Track 2 bid from the Local Authorities Leaders to Government</li> </ul> <p>The Boards thanks were passed to Ralf Rashbrook and he left the meeting. (09:43)</p>	<p><b>Executive</b></p> <p><b>Local Authorities</b></p>
<p>7.</p>	<p><b>Governance update</b></p> <p>a. <u>General Governance Update</u></p> <p>The paper was taken as read and Richard Jones talked the Board through the recommendations.</p> <p>Nick Loader declared an interest in the first decision and withdrew from the meeting.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Agreed</b> that the current LEP Interim Deputy Chair continues in the role as previously agreed by the Board.</li> </ul> <p>Nick Loader re-joined the meeting</p> <p>The Board then <u>considered the remainder of the report</u> and:</p> <ul style="list-style-type: none"> <li>• <b>Agreed</b> the update to the Skills Advisory Panel Terms of Reference at Annexe A.</li> <li>• <b>Delegated Authority</b> to Paula Swain to nominate LEP Deputy Chief Executive Richard Jones as an Alternate Director on Solent Freeport Consortium Limited.</li> <li>• <b>Noted</b> the update provided in regard to the Annual Performance Review and <b>Agreed</b> for a letter to be submitted from the Board to contextualise the position.</li> <li>• <b>Noted</b> the update in relation to the AGM date change.</li> </ul> <p>b. <u>Report from Governance Working Group</u></p> <p>Following the discussion at March Board meeting around the future direction of travel for LEPs, a Governance Working Group (GWG) was established. The Group have looked at LEP integration, future governance options, timelines and early thinking on Board composition.</p> <p>Richard Jones gave a presentation on the three GWG meetings which covered the Governance options considered, criteria for options considered, outcome of the options appraisal, wider considerations and the recommended model for the phased approach to updating the governance and group structure of the LEP.</p> <p>Paula Swain left the meeting (10:14) and then Brooke Hoskins left (10:18).</p> <p>It was recommended that the GWG continue to meet to oversee the detail of the work moving forward.</p> <p>The Board noted the importance of ensuring the Board structure is forward looking,</p>	<p><b>PS</b></p> <p><b>Chair</b></p>

<p>reflecting HM Government policy on devolution and LEP integration and the changing nature of the work the LEP does, which increasingly is based on the development of clusters and sectors.</p> <p>The presentation also covered the phased branding evolution and the next steps required in this work.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Agreed</b> the recommendation of the Governance Working Group to establish Solent Partners via a phased approach and <b>Agreed</b> the Governance Working Group recommendation in relation to Solent Partners Board structure, subject to <ul style="list-style-type: none"> <li>i) To convening the GWG again to review the Terms of Reference for Solent Partners</li> <li>ii) Looking at a dual key mechanism for Local Leaders &amp; Solent Partners decision making</li> <li>iii) An amendment to the Articles of Association is made to allow for the provision for any future subsidiaries and;</li> </ul> </li> <li>• <b>Agreed</b> the recommendation of the Governance Working Group to engage with Local Authority Chief Executives to inform proposals for the establishment of a Leaders Advisory Council.</li> </ul> <p>c. <u>Solent Cluster</u></p> <p>Further to the update under item 2 the Board noted that in relation to governance, the Solent LEP has been asked by industry to lead the incorporation of the Solent Cluster in anticipation of forthcoming opportunities for the area to become a Track-2 Carbon Capture Usage and Storage (CCUS) Cluster. To take this forward, Solent Cluster established a Governance Working Group drawn from the membership. The group have met three times during 2023 and a draft set of Articles of Association has been developed.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Agreed</b> to establish the Solent Cluster as a limited company by guarantee and wholly owned subsidiary of Solent LEP, and</li> <li>• <b>Agreed</b> the appointment of Stuart Baker as the first director of the Solent Cluster.</li> </ul> <p>d. <u>Update on Maritime UK Solent</u></p> <p>The paper was taken as read.</p> <p>Anne-Marie Mountifield, Graham Barnetson declared an interest in items 7d and 7e and Stuart Baker declared an interest in item 7d and all withdrew from the meeting (10:57).</p> <p>Richard Jones highlighted the recommendations in the paper.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the Maritime UK Solent Business Plan for 2023/24; and</li> <li>• <b>Noted</b> the Maritime UK Solent Annual Report, and;</li> <li>• <b>Agreed</b> that the requirement for an independent evaluation report should be deferred until the end of the 2023/24 funding period, and;</li> <li>• <b>Agreed</b> that £116,000 Tranche 2 funding can be carried forward to 2023/24, and;</li> <li>• <b>Agreed</b> the Tranche 3 funding of £250,000 for the 2023/24 financial year should be paid to Maritime UK Solent, and</li> </ul>	<p><b>Executive and Company Secretary</b></p> <p><b>GWG</b></p>
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	<p>Paul Griffiths and Jack Elias left the meeting (11:02). Stuart Baker re-joined the meeting (11:02)</p> <p>e. <u>Governance any other business</u> A confidential matter was highlighted and discussed.</p> <p>The Board: <b>Agreed</b> the current MUK Solent Chair should continue in role, through to the appointment of a new non-executive Chair to allow for a smooth transition.</p> <p>Anne-Marie Mountifield, Graham Barnetson, Jack Elias and Paul Griffith re-joined the meeting. (11:21)</p>	
<p>5.</p>	<p><b>Finance, Funding and Performance Management report</b> <u>Equity Opportunity Update</u></p> <p>Stuart Baker provided an update on the equity opportunity and the development of a framework to look at a portfolio of options.</p> <p>Chris Dunbar, Marcus Roche and Lewis Atter from KPMG joined the meeting and gave a presentation covering the key points to consider in establishing an investment framework.</p> <p>Brooke Hoskins re-joined the meeting (11:42).</p> <p>Loans and crowd funding schemes were also discussed, noting on the equity funding, there are others better placed with better structure and expertise in place. The Solent LEP have provided loan funding for public bodies to support with groundworks, loans where organisations were bidding into government and needed match funding and have also provided loans to private businesses (small and medium enterprises) with some recent loans through covid times.</p> <p>It was agreed that there are several ways loans can be brought forward by the LEP to help the region move forward and the businesses within.</p> <p>The Board: <b>Noted</b> the update on Equity Funding opportunities and <b>Agreed</b> to work on the development of a new Loan Funding product as part of a future funding call.</p> <p>Chris Dunbar and Marcus Roche left the meeting. (11:49)</p> <p>The Board agreed to return to the remainder of Item 5 after Item 6 due to external guests being in attendance for item 6.</p>	<p>Executive &amp; Accountable Body</p>
<p>6.</p>	<p><b>Solent Enterprise Zone</b></p> <p>The Solent Enterprise Zone Retained Rates allows for the rates to be retained for the local area for a period of 25 years and the forecasts for the rates return have been re-run.</p> <p>KPMG have been working with the two ratings authorities covering the Enterprise Zone to develop an investment plan on how the rates are invested.</p>	

	<p>Kirsten Saguil and Lewis Atter from KPMG provided a presentation covering context, the engagement to date, the business retained rates reforecasts, overview of the Memorandum of Understanding (MOU)- strategic and governance and next steps to develop an investment plan for the remainder of the retained period.</p> <p>Solent LEP has clear accountability for the Enterprise Zone and working with the rating authorities need to ensure there is a dual lock approach on this.</p> <p>Richard Turl provided comments from DLUHC.</p> <p>The MOU needs to be fit for purposes over the course of the retained rates and the MOU will include a clause to review on a regular basis.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> the presentation from KPMG; and</li> <li>• <b>Noted</b> the updated retained rates forecast; and</li> <li>• <b>Agreed</b> the proposed Enterprise Zone governance arrangements as set out in the MOU, subject to adding a novation clause and including the establishment of the Solent Enterprise Zone Strategic Partnership Group</li> <li>• <b>Reviewed and Agreed</b> the MOU as a final draft document for signature with the accountable body and rating authorities; and</li> <li>• <b>Agreed</b> the recommendation to develop a retained rates investment plan.</li> </ul> <p>The Board passed on their thanks to Kirsten Saguil and Lewis Atter and they left the meeting (12:10)</p>	<p>KPMG &amp; Executive</p> <p>AB &amp; RA Executive</p>
<p><b>5. cont.</b></p>	<p><b>5. Finance, Funding and Performance Management report</b></p> <p>The Board returned to consider the remainder of item 5.</p> <p>The Finance paper was taken as read and James Fitzgerald provided an overview of the paper including details on the final outturn position, the small amount of trail funding remaining and the Restart, Restore &amp; Recover (RRR) loan fund. The Board passed on their thanks to the Accountable Body and Executive for their work on the RRR loan fund.</p> <p>Anne-Marie Mountifield declared an interest as SRO for Solent Freeport and withdrew from the meeting.</p> <p><u>Growing Places Loan Funding earmarked for Solent Freeport Projects</u></p> <p>The LEP Executive will provide a follow up letter to establish the Solent Freeport's position on the loan offer and release the earmark on the funding if it is no longer required.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Considered</b> the update under paragraph 6 and provided <b>Advice</b> to the Executive to take forward this work.</li> </ul> <p>Anne-Marie Mountifield re-joined the meeting.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Approved</b> the final outturn in 2022/23 of £7,205,204 as set out in Appendix A</li> </ul>	<p>Executive</p>



	<ul style="list-style-type: none"> <li>• <b>Considered</b> and <b>Approved</b> the revised budget for the period 2023/24 to 2024/25 as set out in Appendix B <ul style="list-style-type: none"> <li>- The current position of the LEP Loan Funds available as summarised in appendix D.</li> <li>- The latest position of the Local Growth Deal and Getting Building Funds as set out in appendices E1 and E2 respectively.</li> <li>- The re-profiling and budget movements as set out in the table in paragraph 3.</li> </ul> </li> </ul> <p>The Board also:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> and <b>Agreed</b> the Corporate and Strategic Risk Register at appendix C.</li> <li>• <b>Considered</b> the high-level Risk Matrix for the Local Growth Programme at appendix F and <b>delegated</b> its Approval to the LEP Deputy Chief Executive and the Accountable Body's section 151 officer.</li> <li>• <b>Noted</b> the project specific updates by exception in paragraph 4.3.</li> <li>• <b>Considered</b> the update on the RRR loan fund projects at Appendix G and <b>Agreed</b> the recommendations contained within it.</li> <li>• <b>Considered</b> the update under paragraph 5 and in appendix H provided by KPMG on Equity Opportunities and provide <b>Advice</b> to the Executive to take forward this work.</li> <li>• <b>Noted</b> the update on the new funding in paragraph 8.</li> <li>• <b>Noted</b> the update on the LEP Corporate Plan in paragraph 9, including the proposed new reporting dashboard that will be considered under Item 8 of the agenda.</li> <li>• <b>Considered</b> the update under paragraph 6 and provided <b>Advice</b> to the Executive to take forward this work.</li> </ul>	<p>Deputy Chief Executive &amp; AB</p> <p>Executive &amp; AB</p> <p>KPMG Executive</p>
<p>3.</p>	<p><b>HM Government Update</b></p> <p>Richard Turl provided the HM Government update as follows -</p> <p>The LEP Integration information gathering exercise closed on 19 May and a large response was received and are currently being analysed. There is a strong commitment to get a decision out by the summer recess.</p> <p>Devolution - continued discussions have taken place with the Unitary and County Council.</p> <p>It is expected that there will be a Levelling Up Fund Round 3 announcement by summer recess.</p>	
<p>4a.</p>	<p><b>Notes of meeting held on 31 March 2023</b></p> <p>The minutes from the Board meeting on 31 March 2023 were <b>Agreed</b>.</p> <p><b>b. Matters Arising and Declarations of Interest</b></p> <p><u>Matters Arising</u></p> <p>The following matters arising were raised:</p> <p>The board considered a short report on the Arts Council England Solent Cultural Plan - a specification has been drawn up. Any comments on the specification, please pass to Stuart Baker.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update provided on the development of a Solent Cultural Plan.</li> </ul>	<p>Board</p>

	<p>Salli Shapcott left the meeting. (12:32)</p> <p>Local Visitor Economic Partnership (LVEPs) Update The Executive have met with Visit England to discuss LVEPs and they have also met with Visit IoW who would like to proceed with their own offer of an LVEP. Graham Barnetson, Julie Jones-Evans and Rachael Randall declared an interest in this item and withdrew from the meeting (12:35) and Nick Loader took the Chair role.</p> <p>The board considered a short report on LVEPs and they</p> <ul style="list-style-type: none"> <li>• <b>Noted</b> the update provided in the report; and</li> <li>• <b>Agreed</b> to provide a letter of support to Visit Isle of Wight's application to become a Local Visitor Economy Partnership.</li> </ul> <p>Page 3 - Investment Zone - the Executive will re-engaged with the Local Authorities on this. Page 3 - The LEP information gathering exercise return was submitted.</p> <p>All other matters will be covered as part of the meeting.</p> <p>Rachael Randall and Julie Jones-Evans re-joined the meeting</p>	<p><b>Executive</b></p>
<p><b>8.</b></p>	<p><b>Corporate Plan 2023-2026</b> The Corporate Plan has been developed out since the last meeting to include further detail and the addition of a financial dashboard. An update on the Skills Bootcamp application was provided and the outcome of the Maritime UK launch pad bid is still awaited, an update is expected shortly.</p> <p>The Board:</p> <ul style="list-style-type: none"> <li>• <b>Agreed</b> version 2 of the Corporate Plan as a basis for developing a version 3 of the plan (with revised financial forecasts) for consideration and approval for publication at the July 2023 board meeting, and;</li> <li>• <b>Agreed</b> version 2 of the Corporate Plan as a basis for stakeholder engagement activity, including development of a detailed stakeholder engagement plan, further engagement with staff and initial engagement with LEP Members at the 2023 AGM, and;</li> <li>• <b>Agreed</b> version 2 of the Corporate Plan as a basis for recommencing the paused website development activity, and;</li> <li>• <b>Agreed</b> to the proposed new format for the ongoing financial reporting as at Annexes B and C.</li> </ul>	<p><b>Board / Executive</b></p> <p><b>Executive and Chair</b></p> <p><b>Executive</b></p> <p><b>AB</b></p>
<p><b>9.</b></p>	<p><b>General updates from Board Leads – for note</b> The update was taken as read and <b>noted</b> by the Board.</p>	
<p><b>10.</b></p>	<p><b>Any other business</b> The Forward plan was reviewed.</p> <p>The Board: <b>Considered</b> and <b>Agreed</b> the Forward Plan.</p>	

	<p>The next meeting is scheduled for 21 July 2023 and will be held in person.</p> <p>No further business, so the meeting was closed.</p>	
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**Meeting closed at 12:48**

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**21.07.2023**

**Item 5**

**Finance and Funding Report**

**Item Number:** 5  
**Item Title:** Solent LEP Finance and Funding Report  
**Meeting Date:** 21 July 2023  
**Purpose:** For Information, Advice and Decision

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## 1. Introduction

- 1.1 This report provides the Solent LEP Board with the financial position of the Corporate Plan to 31 May 2023 and the forecast budgets for the period 2024/25 to 2025/26.
- 1.1 The opening budgets are as approved at the LEP Board meeting on 26 May 2023 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.
- 1.2 The report and dashboard explain any major variances and or reprofiling as well as the key risks for the LEP 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.
- 1.3 The financial appendices have been adapted for the new Corporate Plan model and include the financial summary dashboard as approved at the LEP Board Meeting on 26 May 2023.

## 2. Recommendations

- 2.1 Further to consideration at FPPMG, it is recommended that the LEP Board:
- (i) **Approve** the revised budget for 2023/24 of £9,897,737 as set out in Appendix A1 and the revised budget for the period 2024/25 to 2025/26 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 the financial dashboard in Appendix A.

The LEP Board are also asked to:

- **Note** and **Agree** the Corporate and Strategic Risk Register attached at appendix C.
- **Consider** the high-level Risk Matrix for the Local Growth Programme attached at appendix F and delegate its **Approval** to the LEP Deputy Chief Executive and the Accountable Body's section 151 officer.
- **Note** the update on the new funding in paragraph 3.
- **Consider** the project specific updates by exception attached at Appendix G and **Approve** the associated recommendations.
- **Note** the Funding Call update in paragraph 5 below.
- **Note** the Solent Freeport Projects loan update in paragraph 6 and **Agree** to release the earmarked Growing Places Loan Funding back into the budget and set aside Local Growth Deal funding for a potential SME support fund with the Solent Freeport.
- **Consider** the update under paragraph 7 for the Enterprise Zone and **Agree** that the Solent LEP Chair write to the two rating authorities requesting a formal meeting to discuss the MoU.
- **Note** the Solent LEP statutory accounts as prepared by the Accountable Body attached at Appendix H and **Agree** for the Chair to sign them off.

### 3. **Key Budget Movements and Associated Issues - 2023/24 to 2025/26**

The additional resources / budget re-profiling since the last meeting of the LEP Board on 26 May 2023 as set out in the financial dashboard in Appendix A.

#### 3.1 **New Funding**

Since last reported to the Board, the LEP has received £1,528,577 of new funding the details of which are set out below:

##### University of Southampton - Greenprint Conference

The University of Southampton have commissioned the Solent LEP to run a conference on their behalf called the Greenprint Conference. Greenprint is a joint initiative led by New Forest National Park Authority, University of Southampton, University of Portsmouth, and Southern Policy Centre, working with Partnership for South Hampshire. The objective of the Greenprint framework is to enhance collaboration across and within sectors to achieve a green recovery together. The event took place on 30<sup>th</sup> June 2023 and the University agreed to pay the LEP £50,000 to cover all costs associated with managing the event which includes funding to cover LEP Executive staff time.

##### Careers Enterprise Company (CEC) Funding

Following the confirmation of CEC funding for academic year 2023/24, an agreement has also been reached with Local Authority partners to continue to provide 50% match funding of a total of £124,000 towards the three shared Enterprise and Skills Executive Posts until August 2024. The previous budget had earmarked Solent LEP funding to cover these costs until an agreement was reached and now that it has, the LEP funding has been released back into the contingency budget.

The LEP has also been awarded an additional £32,000 from the CEC's Solent Primary Fund which will enable the Solent Careers Hub to reach into primary schools across the Isle of Wight and Portsmouth. The funding is for the academic year 2023/24 and will need to be defrayed by August 2024.

##### Arts Council England

The Solent LEP Board received an update from Arts Council England (ACE) at its meeting on 31st March 2023 on their partnership working and investment programme across England. At the Board meeting ACE expressed a strong desire to work with the Solent LEP and co-commission a Solent Cultural Plan, identifying the Solent's key cultural assets, priorities, and funding opportunities. Following the meeting, ACE have continued to work with the Executive and have confirmed that they will contribute £20,000 towards the Solent Cultural Plan which the LEP is able to match and supplement from underspends carried over from the 2022/23 financial year.

##### Skills Bootcamps

The LEP has been successful in securing £1,242,000 from the Department for Education (DfE) for skills bootcamps in the financial year 2023/24 across the following areas:

- Digital Marketing
- Software Development
- Maritime Transport and Logistics
- Care Services - Adult Care Worker
- Creative Management Business and administration/Management professional
- Green Skills - Green Construction and Buildings
- Catering and Hospitality - Hospitality Supervisor

Skills Bootcamps are free, flexible courses of up to 16 weeks for adults aged 19 or over and they are primarily aimed at delivering flexible training at levels 3-5 (medium to higher level technical skills), and level 2 in some sectors. They are co-designed or shaped with employers to respond to their skills shortages and the training is for adults who are either in work, self-employed, unemployed or returning to work after a break. This funding also covers the programme management costs that the LEP will be incurring.

#### 3.2 **Reprofiling**

The LEP Executive and Accountable Body continue to refine the new Corporate Plan budgets in line with the day-to-day activities of the organisation. Budgets have been required to be reprofiled in accordance with the information provided in the paragraphs below and are highlighted in the table set out in Appendix A. In addition to the information below, a provision has been made for a Solent Summit event in future years which has been initially funded from contingency budgets but should be recouped from future sponsorship income that the event is expected to generate.

#### **4. Current Financial Year**

The revised budget of £9,897,737 for the 2023/24 financial year reflects the latest status of the tails of the two major funding programmes as well as forecasts for other key areas of the Corporate Plan such as business support, skills and updated reprofiling in respect of some of the loan funding to align with the decision at the May 23 Board meeting to explore the development of a new loan fund in the future.

##### **4.1 Local Growth Deal and Getting Building Fund**

As the Board will be aware the Accountable Body used the Freedoms and Flexibilities available to it under the National Assurance Framework to allow tails of the Local Growth Deal (LGD) and Getting Building Funding (GBF) to continue past 31 March 2021 and 2022 respectively.

There remains a small tail on the LGD and GBF programmes now forecast into the 2023/24 and 2024/25 financial years of approximately £11m (6%) which consists mainly of the very final payments for the large multi-year transport schemes which are approaching completion and the remaining loan funding.

A detailed breakdown of the financial status of the entire LGD and GBF programmes are attached at appendices E1 and E2. The LEP Executive and the Accountable Body continue to work closely with the remaining projects to manage any possible challenges and ensure that they can be finalised so that the remaining funding can be defrayed as soon as possible.

All the live projects in the LGD and GBF are included in the high-level delivery risk matrix at appendix F which includes the latest project updates, proposed mitigations and a RAG rating with a direction of travel for Board members to consider and track the progress of the remaining projects.

##### **4.2 Specific Project Updates by Exception**

At the FPPMG meeting on 22 June a number of projects were discussed by exception resulting in further actions which the Executive are working on with scheme leads to bring to conclusions. This work is still in progress and a verbal update will be provided at the meeting.

The updated positions for each of these projects have been updated accordingly in the risk register at Appendix F and in Appendix G as appropriate. The LEP Board are asked to consider these and **Approve** the associated recommendations in Appendix G.

#### **5. Funding Calls Update**

##### **5.1 Loan Funds**

Following the equity opportunity discussions at the LEP Board meeting on 26 May 2023, it was agreed that the LEP would move away from the consideration of equity funding investments and work on the development of a new Loan Funding product as part of a future funding call.

The Executive will now begin the process to design and target an updated Loan Fund offer with a draft prospectus and launch proposal for the next LEP Board meeting in October. The loan fund would look to utilise the remaining LGD Solent Prosperity Loan funding of circa £4m whilst also recognising the need to retain some funds for the SME call as per paragraph 5.2 below. There would also be an opportunity to use the Growing Places Loan funding should there be a strong appetite for LEP loan funding in the market.

##### **5.2 SME Grants**

The LEP Executive are in the process of developing plans to distribute small grants to SMEs to support the local economy and to meet demand which is not being satisfied by other schemes. A number of key areas of focus have been identified which are maritime, net zero & innovation; decarbonisation; creative & cultural; young people; start ups and rural. For each of these there are emerging ideas on the approach to delivery which is being informed by desk

based research. Plans are also in place to seek expert advice from the Business Support Task Force and BSIP with a view to reporting back with a final proposal to FFPMG and Board in the Autumn.

## 6. Growing Places Loan Funding earmarked for Solent Freeport Projects

The Board are reminded that a provision of £5m was made in October 2022 from the Growing Places Loan Fund to potentially support Solent Freeport Projects.

Following the update at the last Board meeting, the Solent LEP Executive have met with the Solent Freeport Chief Executive and are exploring the potential for a £1m SME support fund for businesses located within the Solent Freeport Outer Boundary which could both advance the objectives of the Solent Freeport and Solent LEP, and fill an emerging gap in provision for SME support following the cessation of a range of ERDF funded programmes in the local area. On this basis, it is recommended that the Board retain an allocation of £1m for these purposes utilising remaining LGD funds set aside for SME support and release the £5m Growing Places loan funding to support wider projects in future years. An update on the whether there is potential for a future SME fund of this nature will be brought to a future Board meeting for consideration.

## 7. Solent Enterprise Zone

Following the presentation delivered by KPMG at the last Board meeting, a new draft MoU was finalised in relation to updating the retained rates forecasts to 2037, the preparation of an up-to-date investment plan and the determination of how growth in retained business rates generated by the Solent Enterprise Zone can be used. After initial consideration, an updated MoU was subsequently sent to the two rating authorities (Fareham and Gosport Borough Councils) for comment but as yet no response has been received. FFPMG have recommended that the LEP Board write to the local rating authorities in relation to the Enterprise Zone retained rates to reach a final version of the MoU which is agreed by all parties.

The LEP Board are also asked to:

- **Consider** the update under paragraph 7 and **Agree** that the Solent LEP Chair write to the two rating authorities requesting a formal meeting to discuss the MoU.

## 8. Solent LEP Statutory Accounts

As the Solent LEP are set up as a private company limited by guarantee there is a requirement to submit annual statutory accounts nine months after the end of the LEP's financial year.

These accounts have been prepared by the Accountable Body and are attached at Appendix H for the Chair to **Agree** to sign off.

## 9. Three Year Corporate Plan / Financial Dashboard

The LEP Board agreed at its meeting on 26 May to a new three-year Corporate Plan and the budget under the new model is attached at appendix B.

It is crucial that the LEP moves forward with a sustainable budget and on this basis the Corporate Plan budget is a three-year rolling budget out to 31 March 2026 that is fully funded.

As part of this work, Board members will note that the new financial dashboard in Appendix A sets out other potential future sources of funding that may be available going forward and the Accountable Body and LEP Executive have RAG rated each of these as alternative income sources as the LEP begins to move away from previous traditional sources of government funding following the spring budget announcement.

This work will be continuously updated and although the reporting profile is currently limited to a rolling three year period, the Accountable Body are already considering how the funding landscape will be evolving post the 2025/26 financial year.

## 10. Operational Costs / Core Funding



The LEP Executive and the Accountable Body are continuing to model the operational resources that form part of the proactive three-year rolling budget which enables the Board to be able to make strategic decisions about the ongoing resilience of the LEP particularly at present where the LEP is transitioning to the new Corporate Plan.

The LEP Board have been made aware for some time that traditional levels of funding from Government to support staffing have started to reduce so the action to build up reserves to mitigate this has provided the LEP Executive with time to scenario plan the best way to shape the organisation going forward.

The Executive team and Accountable Body have been working on scenarios around a revised operational model which were presented to SERCOM on 14 June and an update on this will be presented at the meeting under item 6 of the agenda.

## 11. Financial Summary

The current position of the Corporate Plan budget for 2023/24 is set out in appendix A1 and the future years forecasts are shown in appendix B with the main financial risks highlighted in this report.

Appendices E1 and E2 show the overall position of the two major funding programmes, the Local Growth Deal and Getting Building Fund, including the tail funding for the remaining projects that are completing across the 2023/24 and 2024/25 financial years.

The three-year rolling budget continues to provide a robust financial position for the LEP and is playing an important role in the discussions around the future delivery model of both core LEP and wider services.

The Accountable Body are continuing to work closely with the LEP Executive to help configure resources going forward in light of the Spring Budget announcement in respect of the future of LEP funding and the ongoing work to resource the corporate plan which is set out in the new financial dashboard as referred to in this report.

The risks of both of the significant funding programmes continue to be reported and monitored in the risk register at appendix F where all projects are regularly reviewed, have a direction of travel and are RAG rated accordingly.

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.

## 12. 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.

## 13. Legal implications

### **Budget**

With reference to the recommendation to:

*'(ii) **Endorse** the revised budget for 2023/24 of £9,897,737 as set out in Appendix A1 and the revised budget for the period 2024/25 to 2025/26 as set out in appendix B and recommend it for approval by the Solent LEP Board on 21 July 2023 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 the financial dashboard in Appendix A.'*

Portsmouth City Council's Section 151 Officer acts as the Chief Finance Officer (by the relevant delegation powers) for the Solent LEP and is in receipt of a general delegation from the Council in order to manage such matters.

### **New Funding**

With regards to income generating activities referred to and Solent LEP taking a more commercial approach to selling services going forward, where Portsmouth City Council is required to act as Accountable Body, such commercial approach will need to be in accordance with the laws regarding local authority trading rules. However, it is understood that any such income generation referred to in this report is limited to cost recovery only.

### **Individual Projects**

Specific legal commentary has been provided within the body of the reports of individual projects and any specific legal action referred to within these reports will be managed in accordance with the advice provided.

### **Risk Register**

With regards to matters referred to in the Risk Register, specific legal advice shall be sought relating to each project on a case-by-case basis, especially where the beneficiaries are not complying with the terms of the grant funding agreement and enforcement actions are being considered.


#### **14. 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.

Confidential information has been removed from this report.

Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

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

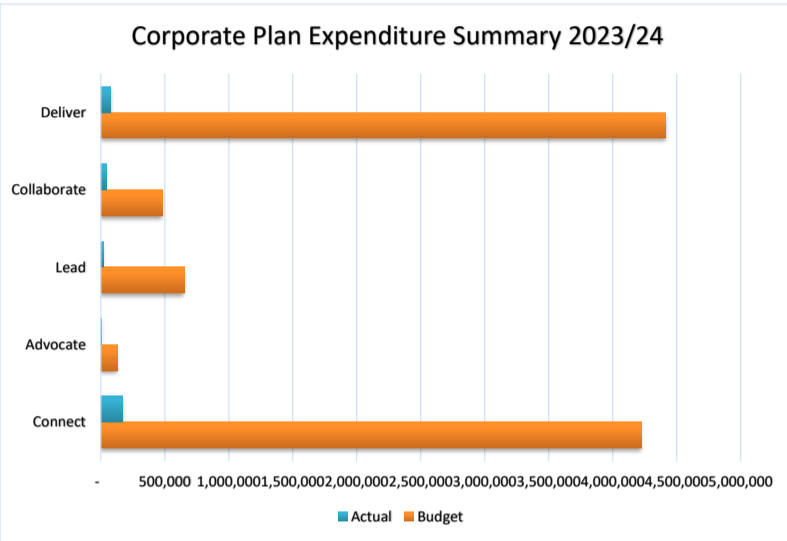

www.solentlep.org.uk

## Financial Dashboard

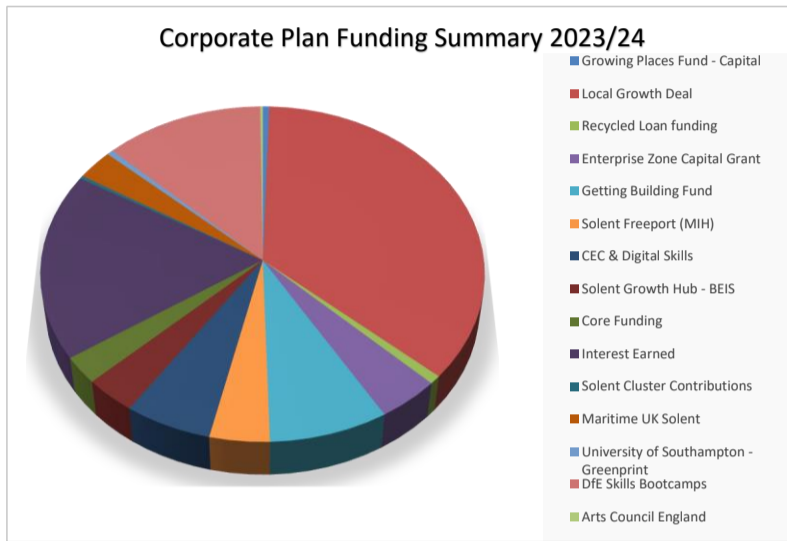
### Corporate Plan 2023/24 Budget Forecast

<b>Full Year Budget 2023/24</b> <small>(As agreed at LEP Board 26 May 23)</small>	<b>Full Year Forecast and Proposed Revised Budget</b>	<b>Expenditure as at 31st May 2023</b> <small>(Figure does not include 22/23 accruals)</small>	<b>Forecast Remaining Expenditure to 31st March 2024</b>	<b>Forecast Over / (Underspend) for the Year</b>
<b>£16,171,352</b>	<b>£9,897,737</b>	<b>£317,913</b> <b>3%</b>	<b>£9,579,824</b>	<b>£0</b>

#### Corporate Plan Expenditure Summary 2023/24



#### Corporate Plan Funding Summary 2023/24



#### Board Headlines:

##### New Funding & Reprofileing of budget

		Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
<b>Budget Agreed at Board on 26 May 2023</b>		<b>£16,171,352</b>	<b>£14,559,627</b>	<b>£5,357,029</b>
University of Southampton - Greenprint Conference	New	£50,000	£0	£0
DfE Skills Bootcamps	New	£1,242,000	£0	£0
Catalyst South Reimbursement	New	£8,077	£0	£0
CEC Solent Primary Fund Wave 2	New	£18,667	£13,333	£0
External Contributions to CEC Staff	New	£87,600	£36,400	£0
Arts Council England	New	£20,000	£0	£0
Interest due on RRR Loans	New	£0	£12,500	£40,000
SME Support	Reprofiled	-£470,247	£470,247	£0
GPL - Earmarked for Solent Freeport Projects (linked below)	Reprofiled	-£5,000,000	£0	£0
Growing Places Loans Allocation (linked above)	Reprofiled	£0	-£2,562,916	£7,562,916
LGD Solent Prosperity Loan Fund Reallocated (linked below)	Reprofiled	-£1,000,000	£0	£0
Solent Freeport SME Support Programme (linked to above)	Reprofiled	£250,000	£750,000	£0
Solent Cluster Operating Costs	Reprofiled	£98,000	£89,000	£0
Operating Cost Budgets (Lead, Collaborate, Deliver)	Reprofiled	-£98,000	-£89,000	£0
Solent Summit	Reprofiled	£0	£50,000	£50,000
Stakeholders Engagement / Marketing & Communications	Reprofiled	£0	-£70,000	£70,000
Contingency	Reprofiled	-£220,167	£70,167	£50,000
LEP Network	Reprofiled	-£6,500	£6,500	£0
A326 Highway Improvements	Reprofiled	-£883,160	£883,160	£0
North Whiteley Transport Improvements	Reprofiled	-£369,885	£369,885	£0
<b>Full Year Forecast and Proposed Revised Budget</b>		<b>£9,897,737</b>	<b>£14,588,903</b>	<b>£13,129,945</b>

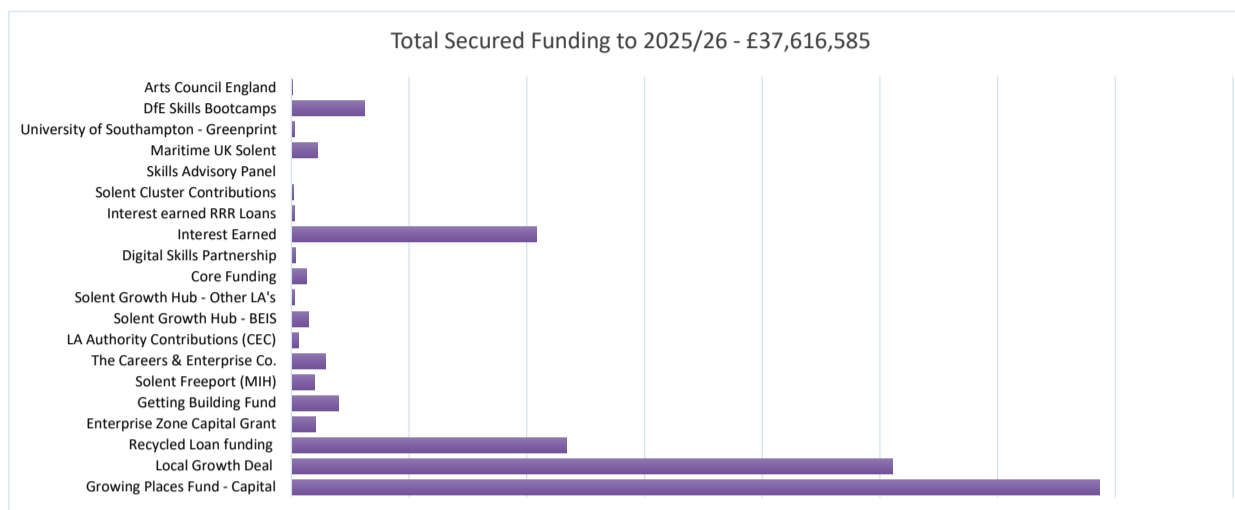
##### Delivery - Local Growth Deal and Getting Building Fund Update

Total Local Growth Deal Funding Received	<b>£178,257,261</b>
% of Funding Defrayed to Date	<b>100%</b>
Freedoms and Flexibilities Used	<b>£17,562,250</b>
Total Freedoms and Flexibilities (F&F) Funding yet to be defrayed	<b>£10,215,351</b>
F&F Expenditure Since 26 May 2023	<b>£0</b>

Total Getting Building Funding Received	<b>£15,955,000</b>
% of Funding Defrayed to Date	<b>100%</b>
Freedoms and Flexibilities Used	<b>£2,004,844</b>
Total Freedoms and Flexibilities (F&F) Funding yet to be defrayed	<b>£797,501</b>
F&F Expenditure Since 26 May 2023	<b>£0</b>

Corporate Plan Future Year Forecasts to 2025/26

Corporate Plan - Budget Forecast				
Summary	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total
Connect	£4,223,718	£708,685	£200,000	£5,132,403
Advocate	£128,000	£155,000	£50,000	£333,000
Lead	£652,000	£649,478	£190,000	£1,491,478
Collaborate	£479,500	£380,500	£105,000	£965,000
Deliver	£4,414,519	£12,695,240	£12,584,945	£29,694,704
<b>Total</b>	<b>£9,897,737</b>	<b>£14,588,903</b>	<b>£13,129,945</b>	<b>£37,616,585</b>





	£	£	£	£	£	£	£
Business Development	0	0	0	0	0	0	0
Stakeholders Engagement / Marketing & Communications	165,000	28,529	165,000	0	0	0	0
Greenprint Conference UoS	0	3,590	50,000	50,000	0	0	0
LEP Network	10,000	3,500	3,500	(6,500)	0	0	0
Devolution Works	0	0	0	0	0	0	0
Other Operating Costs - Staffing Costs	269,000	5,247	261,000	(8,000)	0	0	0
<b>Collaborate Total</b>	<b>444,000</b>	<b>40,866</b>	<b>479,500</b>	<b>35,500</b>	<b>35,500</b>	<b>0</b>	<b>0</b>

Deliver	Full Year Budget 2023/24*	Actual Expenditure up to 31 May 2023	Full Year Forecast and Proposed Revised Budget	Full Year Variance as at 31 March 24 Over / (Underspend)	Acceleration or Programme Slippage to be carried forward to 2024/25	Overspend to be funded / (Underspend to be Re-allocated)	New funding from / (Funding to be handed back to) Government
	£	£	£	£	£	£	£
SME Support	570,247	0	100,000	(470,247)	(470,247)	0	0
SME Support Fund - Earmarked for Solent Freeport	0	0	250,000	250,000	250,000	0	0
Natural Enterprise Grant Programme	0	(4,786)	0	0	0	0	0
<u>Local Growth Deal:</u>							
North Whiteley Transport Improvements	2,619,687	0	2,249,802	(369,885)	(369,885)	0	0
UoS - Web Science (Z21)	0	(557)	0	0	0	0	0
Centenary Quay	0	0	0	0	0	0	0
A326 Highway Improvements	883,160	0	0	(883,160)	(883,160)	0	0
IOW Island Line - Brading Loop	105,000	0	105,000	0	0	0	0
COVID-19 Loan Fund	0	0	0	0	0	0	0
Stubbington Bypass	849,974	0	849,974	0	0	0	0
Stubbington Bypass Programme Management Costs	2,874	461	2,874	0	0	0	0
<u>Getting Building Fund:</u>							
Port of Southampton Cruise Terminal	0	0	0	0	0	0	0
Fawley Waterside Digital	0	0	0	0	0	0	0
Branstone Farm Rural Employment Hub	0	0	0	0	0	0	0
<u>Loan Funding Programmes:</u>							
Growing Places Loan Fund : Capital Allocation (Split out for projects)	0	0	0	0	0	0	0
Growing Places Loan - Earmarked for Solent Freeport Projects	5,000,000	0	0	(5,000,000)	(5,000,000)	0	0
Growing Places Loan Fund Programme Management Costs	50,000	3,948	50,000	0	0	0	0
Solent Prosperity Loan Fund (Split out for Projects)	1,000,000	0	0	(1,000,000)	(1,000,000)	0	0
Solent Prosperity Loan Fund Programme Management	0	0	0	0	0	0	0
LGD / GBF Recycled Loans (Split out for Projects)	0	0	0	0	0	0	0
LGD / GBF Recycled Loans Programme Management	79,086	5,324	79,086	0	0	0	0
Building Foundations for Growth Capital Grant for EZ	417,783	0	417,783	0	0	0	0
Other Operating Costs - Programme Management	165,000	25,961	160,000	(5,000)	(5,000)	0	0
Other Operating Costs - Finance / HR / Dem Services	90,000	24,041	90,000	0	0	0	0
Other Operating Costs - Legal Support	60,000	24,746	60,000	0	0	0	0
<b>Deliver Total</b>	<b>11,892,811</b>	<b>79,138</b>	<b>4,414,519</b>	<b>(7,478,292)</b>	<b>(7,478,292)</b>	<b>0</b>	<b>0</b>

<b>Total Corporate Plan Budget</b>	<b>16,171,352</b>	<b>317,913</b>	<b>9,897,737</b>	<b>(6,273,615)</b>	<b>(7,515,615)</b>	<b>0</b>	<b>1,242,000</b>
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\* As agreed at LEP Board 26 May 2023

SOLENT LOCAL ENTERPRISE PARTNERSHIP CORPORATE PLAN - BUDGET FORECAST TO 2025/26						
<b>CONNECT</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Total Budget</b>	<b>Total Forecast Expenditure</b>	<b>Variance</b>
Solent Freeport Skills Programme Management	0	0	0	0	0	-
Digital Skills Partnership	72,026	0	0	72,026	72,026	-
DfE Skills Bootcamps	1,242,000	0	0	1,242,000	1,242,000	-
Solent Growth Hub	342,958	250,000	200,000	792,958	792,958	-
Enterprise Adviser Network	635,983	208,700	0	844,683	844,683	-
Skills Advisory Panels	250	0	0	250	250	-
Maritime Innovation Hub - Operational Costs	0	0	0	0	0	-
Maritime Innovation Hub - Capital	1,197,501	0	0	1,197,501	1,197,501	-
Solent Cluster	147,000	89,000	0	236,000	236,000	-
Maritime UK Solent	536,000	160,985	0	696,985	696,985	-
Creative and Cultural	50,000	0	0	50,000	50,000	-
<b>Connect Total</b>	<b>4,223,718</b>	<b>708,685</b>	<b>200,000</b>	<b>5,132,403</b>	<b>5,132,403</b>	<b>-</b>
<b>ADVOCATE</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Total Budget</b>	<b>Total Forecast Expenditure</b>	<b>Variance</b>
Strategic Commissions	25,000	50,000	50,000	125,000	125,000	-
Strategic Partnerships MoU's	0	0	0	0	0	-
Other Operating Costs - Staffing Costs	103,000	105,000	0	208,000	208,000	-
<b>Advocate Total</b>	<b>128,000</b>	<b>155,000</b>	<b>50,000</b>	<b>333,000</b>	<b>333,000</b>	<b>-</b>
<b>LEAD</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Total Budget</b>	<b>Total Forecast Expenditure</b>	<b>Variance</b>
Solent 2050	100,000	50,000	50,000	200,000	200,000	-
Solent Summit	0	50,000	50,000	100,000	100,000	-
Other Operating Costs - Staffing Costs	307,000	337,500	40,000	684,500	684,500	-
Other Operating Costs - Office costs	45,000	50,000	0	95,000	95,000	-
Contingency	200,000	161,978	50,000	411,978	411,978	-
<b>Lead Total</b>	<b>652,000</b>	<b>649,478</b>	<b>190,000</b>	<b>1,491,478</b>	<b>1,491,478</b>	<b>0</b>
<b>COLLABORATE</b>	<b>Budget 2023/24</b>	<b>Budget 2024/25</b>	<b>Budget 2025/26</b>	<b>Total Budget</b>	<b>Total Forecast Expenditure</b>	<b>Variance</b>
Business Development	0	0	0	0	0	-
Stakeholders Engagement / Marketing & Communications	165,000	105,000	105,000	375,000	375,000	-

Greenprint Conference UoS	50,000	0	0	50,000	50,000	-
LEP Network	3,500	6,500	0	10,000	10,000	-
Devolution Works	0	0	0	0	0	-
Other Operating Costs - Staffing Costs	261,000	269,000	0	530,000	530,000	-
<b>Collaborate Total</b>	<b>479,500</b>	<b>380,500</b>	<b>105,000</b>	<b>965,000</b>	<b>965,000</b>	<b>-</b>

DELIVER	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total Budget	Total Forecast Expenditure	Variance
SME Support	100,000	670,247	0	770,247	770,247	-
SME Support Fund - Earmarked for Solent Freeport	250,000	750,000	0	1,000,000	1,000,000	-
Natural Enterprise Grant Programme	0	0	0	0	0	-
<u>Local Growth Deal:</u>						
North Whiteley Transport Improvements	2,249,802	369,885	0	2,619,687	2,619,687	-
UoS - Web Science (Z21)	0	0	0	0	0	-
Centenary Quay	0	0	0	0	0	-
A326 Highway Improvements*	0	883,160	0	883,160	883,160	-
IOW Island Line - Brading Loop*	105,000	0	0	105,000	105,000	-
COVID-19 Loan Fund	0	0	0	0	0	-
Stubbington Bypass	849,974	0	0	849,974	849,974	-
Stubbington Bypass Programme Management Costs	2,874	0	0	2,874	2,874	-
<u>Getting Building Fund:</u>						
Port of Southampton Cruise Terminal*	0	0	0	0	0	-
Fawley Waterside Digital*	0	0	0	0	0	-
Branstone Farm Rural Employment Hub*	0	0	0	0	0	-
<u>Loan Funding Programmes:</u>						
Growing Places Loan Fund : Capital Allocation (Split out for projects)	0	1,000,000	12,562,916	13,562,916	13,562,916	-
Growing Places Loan - Earmarked for Solent Freeport Projects	0	0	0	0	0	-
Growing Places Loan Fund Programme Management Costs	50,000	100,000	22,029	172,029	172,029	-
Solent Prosperity Loan Fund (Split out for Projects)	0	3,884,409	0	3,884,409	3,884,409	-
Solent Prosperity Loan Fund Programme Management	0	100,000	0	100,000	100,000	-
LGD / GBF Recycled Loans (Split out for Projects)	0	4,500,000	0	4,500,000	4,500,000	-
LGD / GBF Recycled Loans Programme Management	79,086	100,000	0	179,086	179,086	-
Building Foundations for Growth Capital Grant for EZ	417,783	0	0	417,783	417,783	-
Other Operating Costs - Programme Management	160,000	187,539	0	347,539	347,539	-
Other Operating Costs - Finance / HR / Dem Services	90,000	90,000	0	180,000	180,000	-
Other Operating Costs - Legal Support	60,000	60,000	0	120,000	120,000	-
<b>Deliver Total</b>	<b>4,414,519</b>	<b>12,695,240</b>	<b>12,584,945</b>	<b>29,694,704</b>	<b>29,694,704</b>	<b>0</b>

CORPORATE PLAN BUDGET GRAND TOTAL	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total Budget	Total Forecast Expenditure	Variance
	<b>9,897,737</b>	<b>14,588,903</b>	<b>13,129,945</b>	<b>37,616,585</b>	<b>37,616,585</b>	<b>0</b>



FUNDING SUMMARY	Budget 2023/24	Budget 2024/25	Budget 2025/26	Total Budget
<u>Solent LEP:</u>				
Growing Places Fund - Capital	50,000	1,100,000	12,584,945	13,734,945
Solent Growth Deal	200,779	1,040,132	-	1,240,911
DfT Funding for Retained Schemes	3,356,873	5,617,569	-	8,974,442
LGD Loan recycled funding	39,544	2,675,000	-	2,714,544
Enterprise Zone Capital Grant	417,783	-	-	417,783
Getting Building Fund	797,501	-	-	797,501
Getting Building Fund - Recycled Loan Funding	39,543	1,925,000	-	1,964,543
Solent Freeport (MIH)	400,000	-	-	400,000
The Careers & Enterprise Co. - Enterprise Adviser Network	424,064	152,264	-	576,328
Enterprise Advice Network - Matched Funding (Interest Earned)	124,298	20,035	-	144,333
External Contributions towards CEC Staff	87,621	36,400	-	124,021
Solent Growth Hub - BEIS	298,250	-	-	298,250
Solent Growth Hub - Other LA's	44,708	-	-	44,708
Core Funding	258,077	-	-	258,077
Skills Advisory Panel	250	-	-	250
Digital Skills Partnership Funding (SCC, DCMS, South East LEP, Catalyst South)	72,026	-	-	72,026
Interest earned on funding yet to pay out	1,658,420	1,849,018	505,000	4,012,438
Interest earned RRR Loans	-	12,500	40,000	52,500
University of Southampton - Greenprint	50,000	-	-	50,000
Arts Council England	20,000	-	-	20,000
DfE Skills Bootcamps	1,242,000	-	-	1,242,000
<u>Solent Cluster:</u>				
Solent Cluster Contributions	30,000	-	-	30,000
<u>Maritime UK Solent:</u>				
Solent LEP (Previous years C/Fwd)	121,000	160,985	-	281,985
MUK Solent Awards	135,000	-	-	135,000
University of Southampton	-	-	-	-
Hampshire Chamber of Commerce LSIP	30,000	-	-	30,000
<b>Grant Total - Funding</b>	<b>9,897,737</b>	<b>14,588,903</b>	<b>13,129,945</b>	<b>37,616,585</b>

Growing Places Fund - Forecast Reserve for Future Projects	Budget 2023/24	Budget 2024/25	Budget 2025/26
<b>Net Cumulative Growing Places Reserve Forecast - see appendix D for details</b>	13,684,944	-	-

<b>TOTAL FUNDING TO SUPPORT LEP ACTIVITY</b>	<b>51,301,529</b>
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*2022/23 Accruals on Local Growth Deal and Getting Building Fund Schemes	Fund	Amount Accrued	Accrual Defrayed to Date
A326 Highway Improvements	LGD	3,348,323	-
IOW Island Line - Brading Loop	LGD	595,000	-

Port of Southampton Cruise Terminal	GBF	1,200,000	-
Fawley Waterside Digital	GBF	112,500	112,500
Branstone Farm Rural Employment Hub	GBF	1,059,403	-
<b>Total</b>		<b>6,315,226</b>	<b>112,500</b>

**21.07.2023**

**Item 5 - Annexe C**

**A confidential report will be considered at the  
meeting 21.07.2023**

**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 £	2025/26 £	Total £
<b>Opening Balance</b>	<b>0</b>	<b>(10,064,210)</b>	<b>(5,815,577)</b>	<b>(8,796,125)</b>	<b>(9,887,987)</b>	<b>(11,909,810)</b>	<b>(12,542,271)</b>	<b>(11,865,500)</b>	<b>(14,067,820)</b>	<b>(13,843,063)</b>	<b>(13,734,944)</b>	<b>(13,684,944)</b>	<b>(12,584,944)</b>	
Initial Capital Injection	<b>(16,739,210)</b>													<b>(16,739,210)</b>
<u>Loans Out (Round 1 - tranches 1 to 4):</u>														
CEMAST	2,175,000	825,000												<b>3,000,000</b>
Solent EZ Infrastructure package	4,500,000	3,500,000												<b>8,000,000</b>
Griffon Hoverwork		1,000,000	1,000,000											<b>2,000,000</b>
Project Management		73,633	544,452	108,138	103,177	167,539	676,771	997,680	224,757	108,119	50,000	100,000	22,029	<b>3,176,295</b>
GPL Earmarked to support Freeport projects														<b>0</b>
GPL - Prosperity Fund Loans														<b>0</b>
GPL - SME Loans														<b>0</b>
<u>Recycled Loan Funds available for reallocation</u>												1,000,000	12,562,916	<b>13,562,916</b>
<b>Total: Contingency Provisions and Growing Places Loan Programme Management Costs</b>	<b>6,675,000</b>	<b>5,398,633</b>	<b>1,544,452</b>	<b>108,138</b>	<b>103,177</b>	<b>167,539</b>	<b>676,771</b>	<b>997,680</b>	<b>224,757</b>	<b>108,119</b>	<b>50,000</b>	<b>1,100,000</b>	<b>12,584,945</b>	<b>29,739,211</b>
<u>Loans repaid (Capital Receipts)</u>														
<u>Round 1</u>														
CEMAST		(300,000)	(575,000)	(800,000)	(1,325,000)									<b>(3,000,000)</b>
Solent EZ Infrastructure package		(850,000)	(3,950,000)					(3,200,000)						<b>(8,000,000)</b>
Griffon Hoverwork				(400,000)	(800,000)	(800,000)	0							<b>(2,000,000)</b>
Solent Build Back Greener Loan Fund														<b>0</b>
	0	(1,150,000)	(4,525,000)	(1,200,000)	(2,125,000)	(800,000)	0	(3,200,000)	0	0	0	0	0	<b>(13,000,000)</b>
<b>Sub-total: Total Planned Fund Repayments</b>	<b>0</b>	<b>(1,150,000)</b>	<b>(4,525,000)</b>	<b>(1,200,000)</b>	<b>(2,125,000)</b>	<b>(800,000)</b>	<b>0</b>	<b>(3,200,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(13,000,000)</b>
<b>TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE</b>		<b>(5,815,577)</b>	<b>(8,796,125)</b>	<b>(9,887,987)</b>	<b>(11,909,810)</b>	<b>(12,542,271)</b>	<b>(11,865,500)</b>	<b>(14,067,820)</b>	<b>(13,843,063)</b>	<b>(13,734,944)</b>	<b>(13,684,944)</b>	<b>(12,584,944)</b>	<b>1</b>	

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 £	2025/26 £	Total £
<b>Opening Balance</b>								0	0	(4,916,792)	(5,774,821)	(5,728,485)	250,000	
Covid-19 Loan Fund Allocation								(2,425,000)	(325,000)					(2,750,000)
T-Level Fund Allocation									(420,000)	420,000				0
Solent Build Back Greener Loan Fund Allocation									(4,573,292)		580,000			(3,993,292)
<b>Projects Funded</b>														
Vectis Ventures								1,500,000						1,500,000
Greenclose Holdings								925,000	325,000					1,250,000
Fareham College FE Capital Transformation										0				0
Solent Build Back Greener Loan Fund											0	3,884,409		3,884,409
Recycled Loan Funds available for reallocation									0	0	0	2,625,000		2,625,000
Programme Management costs										44,339	39,544	150,000		233,883
<b>Sub-total: Loans Advanced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,425,000</b>	<b>325,000</b>	<b>44,339</b>	<b>39,544</b>	<b>6,659,409</b>	<b>0</b>	<b>9,493,292</b>
<b>Loans repaid (Capital Receipts)</b>														
Vectis Ventures									(187,500)	(562,500)	(250,000)	(250,000)	(250,000)	(1,500,000)
Greenclose Holdings									(156,000)	(339,868)	(323,208)	(430,924)		(1,250,000)
Fareham College FE Capital Transformation											0			0
Solent Build Back Greener Loan Fund														0
<b>Sub-total: Total Planned Fund Repayments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(343,500)</b>	<b>(902,368)</b>	<b>(573,208)</b>	<b>(680,924)</b>	<b>(250,000)</b>	<b>(2,750,000)</b>
<b>TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE</b>								<b>0</b>	<b>(4,916,792)</b>	<b>(5,774,821)</b>	<b>(5,728,485)</b>	<b>250,000</b>	<b>0</b>	

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 £	2025/26 £	Total £
<b>Opening Balance</b>								0	(2,000,000)	0	(464,543)	(1,425,000)	0	
Initial Allocation								(2,000,000)						(2,000,000)
<b>Projects Funded</b>														
HIWWT - Nutrient Mitigation Programme									2,000,000					2,000,000
Recycled Loan Funds available for reallocation												1,875,000		1,875,000
Programme Management Costs										35,457	39,543	50,000		125,000
<b>Sub-total: Loans Advanced</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>	<b>35,457</b>	<b>39,543</b>	<b>1,925,000</b>	<b>0</b>	<b>4,000,000</b>
<b>Loans repaid (Capital Receipts)</b>														
HIWWT - Nutrient Mitigation Programme										(500,000)	(1,000,000)	(500,000)		(2,000,000)
<b>Sub-total: Total Planned Fund Repayments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(500,000)</b>	<b>(1,000,000)</b>	<b>(500,000)</b>	<b>0</b>	<b>(2,000,000)</b>
<b>TOTAL CUMULATIVE BALANCE OF FUND AVAILABLE</b>								<b>(2,000,000)</b>	<b>0</b>	<b>(464,543)</b>	<b>(1,425,000)</b>	<b>0</b>	<b>0</b>	

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

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 **	Actual 2022/23 ***	Budget 2023/24	Budget 2024/25	Total Budget
Solent Growth Fund (Growth deal - 2015/16 to 2021) / - SME Support from Solent Prosperity Fund	355,932	1,405,872	380,283	984,025	1,119,607	177,460	-	-	-	-	4,423,179
SME Support (COVID-19 priorities)	-	-	-	-	-	-	361,604	149	100,000	670,247	1,132,000
SME Support Fund - Earmarked for Solent Freeport	-	-	-	-	-	-	-	-	250,000	750,000	1,000,000
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	131,391	-	-	2,216,260
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	827,475	849,974	-	25,499,000
Stubbington Bypass - programme management costs	-	-	-	-	-	138,872	44,044	15,210	2,874	-	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	606,067	2,249,802	369,885	14,000,000
A326 Highway Improvements	-	-	-	-	-	0	2,563,352	2,233,488	-	883,160	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	-	-	-	-	-	-	-	-	-	-	0
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	-	-	-	-	-	-	-	-	-	3,984,409	3,984,409
<b>SUB-TOTALS:</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>7,804,531</b>	<b>12,962,743</b>	<b>38,201,084</b>	<b>19,306,027</b>	<b>3,813,780</b>	<b>3,557,650</b>	<b>6,657,701</b>	<b>177,257,261</b>
LGD funding committed / approved or indicatively earmarked across future years	-	-	-	-	-	-	-	-	-	-	0
<b>TOTAL EXPENDITURE ON APPROVED LOCAL GROWTH DEAL SCHEMES</b>	<b>38,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>7,804,531</b>	<b>12,962,743</b>	<b>38,201,084</b>	<b>19,306,027</b>	<b>3,813,780</b>	<b>3,557,650</b>	<b>6,657,701</b>	<b>177,257,261</b>
Accountable Body Capital Expenditure (Funded by LGD to maximise use of LGD)	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
<b>TOTAL UTILISATION OF LOCAL GROWTH DEAL</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>7,804,531</b>	<b>12,962,743</b>	<b>38,201,084</b>	<b>19,306,027</b>	<b>3,813,780</b>	<b>3,557,650</b>	<b>6,657,701</b>	<b>178,257,261</b>
<b>FUNDING AGREED / INDICATIVE ALLOCATIONS</b>											
Solent Growth Deal Funding - received	40,391,667	42,640,334	24,302,028	10,817,860	9,252,686	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	-	-	-	-	-	9,927,092	14,077,375	842,685	852,848	-	25,700,000
Capital Funding from Accountable Body (Returned)	-	1,000,000	-	-	-	-	-	-	-	-	1,000,000
Funding Slippage / Acceleration	(558,235)	(5,833,020)	(15,989,029)	(5,163,329)	1,210,057	8,771,306	5,228,652	2,971,095	2,704,802	6,657,701	-
<b>TOTALS:</b>	<b>39,833,432</b>	<b>37,807,314</b>	<b>8,312,999</b>	<b>7,804,531</b>	<b>12,962,743</b>	<b>38,201,084</b>	<b>19,306,027</b>	<b>3,813,780</b>	<b>3,557,650</b>	<b>6,657,701</b>	<b>178,257,261</b>

<b>SOLENT LOCAL ENTERPRISE PARTNERSHIP - GETTING BUILDING FUND</b>					
<b>SCHEME NAME</b>	<b>Actual 2020/21 *</b>	<b>Actual 2021/22 **</b>	<b>Actual 2022/23 ***</b>	<b>Budget 2023/24</b>	<b>Total Budget</b>
Port of Southampton Cruise Terminal	6,800,000	1,200,000	-	-	<b>8,000,000</b>
Enzyme Recycling Techniques - Building an Industrial Engagement Hub	308,283	541,717	150,000	-	<b>1,000,000</b>
Fawley Waterside Digital	-	275,000	475,000	-	<b>750,000</b>
Branstone Farm Rural Employment Hub	150,000	1,545,156	529,844	-	<b>2,225,000</b>
HIWWT - Nutrient Mitigation Programme	-	2,000,000	-	-	<b>2,000,000</b>
University of Southampton - Centre for Electronics Frontiers	-	-	-	-	<b>0</b>
Maritime Innovation Hub	-	-	52,498	1,197,502	<b>1,250,000</b>
Portsmouth International Port - Provision of Border Control Post	-	550,000	-	-	<b>550,000</b>
Programme Management	109,761	470,239	-	-	<b>580,000</b>
<b>TOTAL UTILISATION OF GETTING BUILDING FUND</b>	<b>7,368,044</b>	<b>6,582,112</b>	<b>1,207,342</b>	<b>1,197,502</b>	<b>16,355,000</b>
<b>FUNDING AGREED / INDICATIVE ALLOCATIONS</b>					
Getting Building Funding - received	8,005,000	7,950,000	-	-	<b>15,955,000</b>
Solent Freeport (MIH)	-	-	-	400,000	<b>400,000</b>
Funding Slippage / Acceleration	(636,956)	(1,367,888)	1,207,342	797,502	<b>-</b>
<b>TOTALS:</b>	<b>7,368,044</b>	<b>6,582,112</b>	<b>1,207,342</b>	<b>1,197,502</b>	<b>16,355,000</b>
	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. Includes year end accruals made for grant claims received in 22/23 but not paid. Total accruals made £2,371,903

**21.07.2023**

**Item 5 - Annexe F - H**

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



**21.07.2023**

**Item 6A**

**Governance Update: LEP Integration and Corporate  
Plan**



## Item 6A

**Title:** Governance Update - Corporate Plan  
**Date:** 21 July 2023  
**Purpose:** For information and decision

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Confidential information has been removed from this report. Information defined as exempt in Part 1 of Schedule 12A to the Local Government Act 1972 has been removed from this report including:

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

## Draft resolution

Board Members are asked to:

- **Note** the update in relation to LEP integration and Corporate Plan implementation, and;
- **Agree** the Corporate Plan at Annexe A for publication.
- **Delegate Authority** to the Chair and Chief Executive to take forward the communications activity linked to the corporate plan publication.
- **Agree** to reconvene the Governance Working Group to review draft Articles of Association ahead of consideration by the Board at their next meeting.
- **Agree** the policy in relation to LEP Board attendance and delegate authority to the company secretary to seek any alternative representative nominees and establish data sharing agreements
- **Note** to update on the work to implement the corporate plan.

## Update on LEP Integration Review

In line with previous updates, the Solent LEP has responded to the HM Government evidence gathering exercise and a copy of the response is included in the reference material folder.

The latest update from our area lead at the time of writing suggests that a response may be received ahead of the Summer parliamentary recess. A response remains awaited at the time of writing and a verbal update will be provided at the meeting in the event that new information is available.

## Update on Corporate Plan

At the last Board meeting, the Board agreed the corporate plan as the basis for developing a version three of the plan for consideration for publication at the July meeting.

A revised version of the corporate plan has been developed on this basis and is attached at Annexe A. For ease of reference, alongside minor presentational changes, the revised plan includes:

- Delivery of skills bootcamp activity as a key activity during the 2023/24 period, and;
- Revised financial forecasts, to incorporate the latest funding position and consideration by FPPMG and SERCOM.

In addition, the Board also agreed to use the plan as the basis for further engagement with staff and initial engagement with LEP Members at the AGM. This work has been undertaken and positive feedback received from the Solent LEP team. At the time of writing, feedback from the AGM is awaited and a verbal update on and feedback from members will be provided at the meeting. In addition to the team and members, a presentation was also provided to the Board of Maritime UK Solent on the plans for Solent Partners and the associated transition plan and again, positive feedback was received.

Board Members are asked to:

- **Agree** the Corporate Plan at Annexe A for publication.

In relation to wider stakeholder engagement activity, it is recommended that the detail of this is brought forward on a phased basis to align with the phased approach to establishing Solent Partners as set out in the plan. Assuming the Board are happy with this as an approach, there is a range of key activity that it is proposed is undertaken as part of the next phase of activity, from July - September, including;

- Public statement / press release supporting the publication of the corporate plan and announcement of Solent Partners, and;
- Direct engagement with local authority leaders and chief executives - to include an initial letter and sharing advanced copy of the plan, alongside opportunities to meet with the Chair and Executive on a 121 basis throughout the Summer, and;
- Direct engagement with local MPs - to include an initial letter and sharing advanced copy of the plan, alongside opportunities to meet with the Chair and Executive on a 121 basis throughout the Summer, and;
- Direct engagement with University Vice-Chancellors - to include an initial letter and sharing advanced copy of the plan, alongside opportunities to meet with the Chair and Executive on a 121 basis throughout the Summer, and;
- Direct engagement with all LEP subsidiaries and panels - including business organisations through the Business Taskforce - including sharing advanced copy of the plan and provision of briefings at forthcoming Board / Panel meetings.

Board Members are asked to:

- **Delegate Authority** to the Chair and Chief Executive to take forward the above communications activity.

### **Corporate Plan Transition - Phase 1 Implementation**

As agreed at the last Board meeting, The Solent Cluster Limited has now been incorporated with the LEP as the sole member and with Stuart Baker as the LEPs nominated Director on the Board. Following the LEP Board meeting and subsequent engagement with other founding members of The Solent Cluster, partners have agreed the appointment of Anne-Marie Mountifield as the interim Chair of The Solent Cluster to lead the set-up of the new company whilst the recruitment of an independent chair is undertaken. An announcement in relation to this appointment is being

prepared by The Solent Cluster for w/c 10<sup>th</sup> July 2023. Information in relation to the company is available at Companies House at: <https://find-and-update.company-information.service.gov.uk/company/14965836>

Following the agreement of the Board to proceed with the phased approach to implementing the Corporate Plan, Solent Partners Limited has been incorporated with the Solent LEP as the first member of the company and it is expected that the Accountable Body will shortly be confirmed as the second member of the company. In line with the agreement of the LEPs Search, Employment and Remuneration Committee, Richard Jones and Stuart Baker have been registered as the first Directors of the Company. In relation to next steps with the establishment of Solent Partners, there is a need to develop bespoke Articles of Association for the Company based on the principles agreed by the Board at the last meeting. The LEPs Company Secretary has initiated work to prepare a first draft of these Articles and it is recommended that the Governance Working Group is reconvened for a further meeting to review the draft Articles of Association ahead of consideration by the Board at their next meeting.

Board Members are asked to:

- **Agree** to reconvene the Governance Working Group to review draft Articles of Association ahead of consideration by the Board at their next meeting.

In relation to resourcing and finance for delivery of the Corporate Plan, both SERCOM and FFPMG have met since the last meeting to review this and a phased approach - in line with the phased approach to establishment of the governance structures - has been agreed.

The initial phase of activity in relation to resourcing has included a review of the senior and corporate management team to align with the new group structure and, in line with the email update provided, from the date of the retirement of the current Chief Executive on 13<sup>th</sup> August, our Deputy Chief Executive Richard Jones will take on the role as Acting Chief Executive for the Solent LEP to ensure that there is cover in place moving forward in terms of executive leadership at the LEP whilst we await feedback from HM Government on their evidence gathering exercise on the future of LEPs and any developments in relation to devolution. Role descriptions for heads of service in the corporate management team are also now being reviewed to ensure alignment with the new structure. A copy of the current team structure, with augmented posts highlighted, is attached at Annexe B.

SERCOM have also established principles to guide future phases of the organisational review and work will be undertaken ahead of the next SERCOM meeting to establish phase 2 proposals relating to the wider team and this will be brought to a future meeting.

In terms of funding, the work undertaken by SERCOM in relation to phase one has closed the current funding gap for the establishment across the duration of the corporate plan and work is ongoing in relation to future funding streams which can be drawn on to support operational costs. This will inform the development of costed proposals for the phase 2 review, as well as development of a budget forecast for 26/27, recognising that the three year budget position should be maintained on a rolling basis. A summary of the establishment budget, set against currently confirmed funding available, for 2023/24 to 2025/26 is provided in the following table:

		2023/24 to 2025/26		
Total Secured Funding Available for Establishment Costs		£4,227,605		
Establishment Cost Forecast Comparison	2023/24	2024/25	2025/26	Total
Previous Establishment Forecast	£1,770,078	£1,529,196	£1,426,238	£4,725,511
Revised Establishment Forecast	£1,666,570	£1,321,022	£1,209,217	£4,196,808
Savings	£103,508	£208,174	£217,022	£528,703
Surplus / (Deficit) on Funding Available				
Previous Establishment Forecast		(£497,906)		
Revised Establishment Forecast		£30,797		

All forecast costs assume the following:

- A pay award of 4% is made during the 2023/24 year and then a further 4% pay award in 2024/25.
- Forecasts include salary costs for employees working for Solent LEP Subsidiary Companies
- That the current CEC Shared post vacancies are filled in July 23
- All other vacancies currently held in the current structure are formally deleted
- CEC, Solent Cluster, and Digital Skills Partnership posts run until the end of the funding contract end date
- Solent Growth Hub posts are funded until 2025/26 as the LEP Board agreed to underwrite costs in 2025/26 until funding is confirmed
- Solent LEP, MUK Solent, Solent Cluster Chair remuneration is included

Previous Establishment forecast costs assume that:

- That there is no change to the current Chief Executive Role

Revised Establishment forecast costs assume that:

- No future phase changes are implemented

A presentation will be provided at the meeting with further information on the future development of the organisational structure and associated funding position.

Board Members are asked to:

- **Note** to update on the work to implement the corporate plan.

### LEP Board Attendance Policy for Local Authority Representatives

Recognising that there is a clear Government policy direction in place that has established expectations of even closer integration between LEPs and local democratic institutions, the Solent LEP have worked to enable the best possible attendance of local authorities at recent Board meetings. This has been done through enabling P Directors to send an alternative representative to attend Board meetings in a non-decision making capacity (on the basis that alternate directors are not permitted for non-executive directors under the Solent LEPs Articles).

In order to ensure strong local authority engagement and contribution to the Solent LEPs integration planning moving forward, it is recommended that this policy is formalised as follows:

- On an exceptional basis (circa 1 meeting per year), where a local authority director is unable to attend a Board meeting an alternative officer or politician from their authority may attend a Board meeting in agreement with the LEP Chair
- Attendance of any alternative representative will continue to be in a non-decision making capacity
- An alternative representatives should be notified to the Solent LEP in writing and the relevant individual required to sign a data sharing agreement to enable access to confidential LEP Board material.

Board Members are asked to:

- **Agree** the policy in relation to LEP Board attendance and delegate authority to the company secretary to seek any alternative representative nominees and establish data sharing agreements

### **Legal comments**

There are no direct legal implications to note by PCC Legal from the recommendations. The Solent LEP obtain legal advice regarding their company governance from Paris Smith so specific advice (e.g. in relation to delegated authority of directors) should be directed accordingly.

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

It is crucial that the LEP moves forward with a sustainable budget and on this basis the Corporate Plan budget is a three-year rolling budget out to 31 March 2026 that is fully funded.

The LEP Executive and the Accountable Body continue to model the operational resources that form part of the proactive three-year rolling budget which enables the LEP Board to be able to make strategic decisions about the ongoing resilience of the LEP particularly at present where the LEP is transitioning to the new Corporate Plan. This work will be continuously updated and although the current focus is on the three-year rolling budget the Accountable Body are already considering how the funding landscape will evolve post the 2025/26 financial year.

**21.07.2023**

**Item 6A - Annexe A - C**

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

**21.07.2023**

**Item 6B**

**Governance Update: SERCOM Annual Report**



Item number: 6B

Item title: Annual Report 2022/23 from the Solent LEP Search, Employment and Remuneration (SER) Committee

Meeting Date: 21 July 2023

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## Resolution

### The Board are asked to

- **Agree** the 2022/23 Annual Report from the Search, Employment and Remuneration (SER) Committee.

#### 1. Background

The Committee is appointed to lead the process for all employment matters including, but not limited to, organisational structure, appointments and executive remuneration within the overall budget approved by the Board in order that there is a formal and transparent procedure for developing employment policy. In addition, the remit of the committee includes both executive and non-executive search functions, including the provision of expert advice and guidance to the LEP Executive itself and to the LEP Board on the recruitment of new LEP Business Directors, Panel Chairs and Private Sector Members. It also provides advice and guidance to the Accountable Body on the recruitment of senior members of the Executive team.

As part of this remit there is a requirement to produce an annual report on remuneration, and a summary of the Company's remuneration policy which forms part of this annual report to the main LEP Board.

#### 2. Employment Matters

The Committee continued during 2022/23 to oversee ongoing employment matters, including management of vacancies and other general items including staff retention and succession planning. An updated copy of the existing staffing structure as at June 2023 is set out in Annex A.

The staffing structure remains under review as the LEP considers the establishment of Solent Partners and impact of the announcement in the Spring Budget that government intends for the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future and therefore the government is minded to withdraw central government support for LEPs from April 2024. This is expected to be a significant area of focus for SERCOM during 2023/24.

Building on work undertaken during 2021/22, SERCOM have led the implementation of career progression frameworks for team members and this has included the review and approval of progression for the Deputy Chief Executive and Business Development Director from level one to full roles under their respective formal performance matrixes. This provides additional resilience for the LEP in relation to senior management capacity.

SERCOM have also taken a lead role during 2022/23 in relation to managing executive capacity at a critical time in the LEPs evolution as a service provider to local partners. This has included review of service agreements generally and, notably during the period, significant work in relation to the service agreement in place with Solent

Freeport for the provision of Senior Responsible Officer and wider executive support. This work has secured a significant contribution to LEP staffing budgets as set out in table 1 and, most importantly, secured the designation of the Freeport for the benefit of the Solent economy.

### 3. Non-Executive search activity in 2022/23, board development and board composition

SERCOM have led work to ensure that the Solent LEP is in a position to meet or exceed targets in place in relation to Board make-up. The Board already met targets in relation to private sector and SME representation moving in to 2022/23, however, the period represented a key milestone for the LEP in relation to the National Local Growth Assurance Framework and specific Government expectation that all LEPs have an equal representation for women directors by the beginning of 2023.

SERCOM oversaw the recruitment activity for new Business Directors which concluded in July 2022, and resulted in the appointment of two female business directors to the Board ensuring that the LEP achieved this target circa 6 months in advance of the government timeframe.

In addition, following local elections in May 2022 four new P Directors were appointed to the board and SERCOM have provided support to this.

SERCOM have also overseen the development of a recruitment process for a new LEP Chair during the period. The process was significantly developed during 2022/23 including conclusion of a search phase of activity. The process was ceased latterly in 2022/23 to enable the LEP to consider the impact of the Spring Budget statement on the future of LEPs and requirements in relation to the Chair role. This position will be reviewed during 2023/24. Notwithstanding that the process was not concluded as initially expected, the work undertaken by SERCOM during the period has generated significant positive outputs for future utilisation including development of a revised Chair role profile and formal letter of appointment for use in relation to appointments moving forward. In addition, SERCOM have contributed to the LEPs initial response to the Spring Budget, including securing interim arrangements in relation to the Chair position.

### 4. Remuneration 2022/23 and forecast employment costs though to 2024/25

Currently Portsmouth City Council act as the Accountable body for Solent LEP and in this role employ the staff who work as part of the LEP Executive. As staff of Portsmouth City Council, they work under pay and conditions set out and agreed by Portsmouth City Council. Their pay policy statement has been produced in accordance with Sections 38 to 43 of the Localism Act 2011 (the Act) and is compliant with the Local Government Transparency Code 2014.

Within this framework, the Pay Policy Statement has been reviewed on an annual basis by the Solent LEP Employment and Remuneration Committee (and can be accessed via the following web link; <https://www.portsmouth.gov.uk/services/council-and-democracy/transparency/senior-management-salary-information/pay-policy-statement-2023-24/>) and within the framework of the Accountable Body's Pay Policy Statement and Job Evaluation Scheme. The Pay Policy Statement is also reviewed on an annual basis, and a new version of the policy is approved before the start of each subsequent financial year, which will need to be complied with during that year.

The pay policy for Solent LEP staff has conformed fully with the wider pay policy for Portsmouth City Council Staff and the Council's job evaluation support scheme (JESS) has been used when setting pay levels for roles within the Solent LEP. Also, within the framework of the Accountable Body's Pay Policy Statement and Job Evaluation Scheme, SERCOM considered and agreed the following during 2022/23 for 2023/24:

- The Committee **agreed** to continue to adopt the Pay Policy for Portsmouth City Council for Solent LEP staff and **agreed** to continue with the policy to reward performance and/or exceptional duties for the Chief Executive and wider LEP Executive team as set out under the additional and exceptional duties policy of Portsmouth City Council and as previously approved by the committee in 2018/19; and
- In respect of the Chief Executive, the introduction of a market supplement. In addition, Solent LEP has entered a working arrangement with Solent Freeport Consortium Limited to provide an executive support service with

the LEP Chief Executive taking on the additionality responsibility as acting Senior Responsible Officer for the Solent Freeport. Additional payments are made to the Chief Executive for carrying out the statutory functions under this working arrangement. This was reviewed regularly throughout the period and will conclude at the end of June 2023 following the Solent Freeports appointment of a Chief Executive. These payments are separate to the level of pay received for performing their duties within Solent LEP.

The Table below shows that the LEP expenditure and resourcing outturn for 2022/23 decreased by 1.23 FTE and the outturn costs were £130,351 lower reflecting the following. The reduction in outturn costs relate primarily to a reduction in costs incurred from the accountable body - most notably legal costs which reduced by more than £82,000 when compared to 2021/22 figures - and this reflects the changing role of the Solent LEP during the period.

Recognising that the LEP is servicing and supporting wider programmes of activity, the figures in table 1 do not include any deductions for contributions to salaries from other organisations. Table 2 shows this and for 2022/23 the actual FTE of 23.53 includes 7.04 FTE supporting organisations including the Freeport, Maritime UK Solent and the skills posts. The LEP received £541,553 towards this leaving net LEP executive expenditure as £1,346,661 and net FTE's as 19.99 which is a reduction when compared with the outturn in 2021/22 and the forecast position for 2023/24 is expected to be similar.

**Table 1: Staffing expenditure and forecast budget 2021/22 to 2024/25**

	<b>2021/22 Actual £</b>	<b>2021/22 Actual FTE *</b>	<b>2022/23 Actual £</b>	<b>2022/23 Actual FTE **</b>	<b>Contracted 2023/24 Forecast £ ***</b>	<b>Contracted 2023/24 Forecast FTE</b>	<b>Contracted 2024/25 Forecast £ ***</b>	<b>Contracted 2024/25 Forecast FTE</b>
LEP Executive	1,630,324	24.76	1,620,987	23.53	1,667,493	23.05	1,414,403	16.84
PCC Support	388,241	4.50	267,227	3.50	229,500	3.00	169,000	2.50
<b>Total</b>	<b>2,018,565</b>	<b>29.26</b>	<b>1,888,214</b>	<b>27.03</b>	<b>1,896,993</b>	<b>26.05</b>	<b>1,583,403</b>	<b>19.34</b>

\* For 2021/22 the staffing establishment was 27.30 FTE, and the outturn reflects the average FTE position as at 31<sup>st</sup> March 2022 where 6.0 vacancies were not filled or in post at the end of the year.

\*\* For 2022/23 the staffing establishment was 25.80 FTE, and the outturn reflects the average FTE position as at 31<sup>st</sup> March 2023 where 7.0 vacancies were not filled or in post at the end of the year.

\*\*\* The forecasts for years 2023/24, and 2024/25 assumes and includes the following:

- A pay award of 4% is made during the 2023/24 year and then a further 4% pay award in 2024/25.
- Staff continue to receive pay band increments until they reach the top of the pay band.
- Forecasts do not include salary costs for employees working for Solent LEP subsidiary companies.
- That the current CEC Shared post vacancies are filled in July 23 and that all other vacancies within the current structure remain on hold.
- That there is no change to the current Chief Executive Role

The figures in the table above do not include any deductions for contributions to salaries from other organisations. The contributions towards salaries are as follows:

<b>Organisation</b>	<b>2021/22 (£)</b>	<b>2021/22 FTE</b>	<b>2022/23 (£)</b>	<b>2022/23 FTE</b>	<b>2023/24 (£)</b>	<b>2023/24 FTE</b>	<b>2024/25 (£)</b>	<b>2024/25 FTE</b>	<b>Total (£)</b>
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<i>Solent Freeport</i>	198,593	1.86	363,408	3.20	89,611	2.90	-	-	651,612
<i>Maritime UK</i>	31,506	0.50	11,216	0.33	-	-	-	-	42,722
<i>Maritime UK Solent</i>	77,681	1.30	90,487	1.35	81,806	0.85	86,391	0.85	336,365
<i>ExxonMobil Solent Cluster</i>	-	-	1,382	0.08	28,618	0.92	-	-	30,000
<i>Digital Skills Partnership Post - DCMS / South East LEP</i>	-	-	16,021	0.25	50,820	0.75	-	-	66,841
<i>Business South Logistics for CEC Shared Post</i>	-	-	-	-	19,258	0.50	11,137	0.50	30,395
<i>Local Authorities for CEC Shared Posts</i>	13,517	0.50	59,039	1.83	68,394	1.50	25,275	1.50	166,225
<b>Total</b>	<b>321,297</b>	<b>4.16</b>	<b>541,553</b>	<b>7.04</b>	<b>338,507</b>	<b>7.42</b>	<b>122,803</b>	<b>2.85</b>	<b>1,324,160</b>

It should be noted that these tables represent the baseline position based on current structure and do not take into consideration any potential changes to be considered in response to the development of Solent Partners which will be considered as a key area of focus for SERCOM during the 2023/24 year.

## **5. Solent Partners**

Following the publication of the Levelling-Up White Paper in February 2022 and subsequent announcement in the Spring Budget that government intends for the functions of Local Enterprise Partnerships (LEPs) to be delivered by local government in the future and therefore the government is minded to withdraw central government support for LEPs from April 2024, the LEP Board established a governance working group to review the governance architecture for the Solent LEP. This work was reported to the Board in May 2023 and the Board agreed to establish Solent Partners via a phased approach alongside agreeing a revised corporate plan for the organisation.

This will have implications for the executive capacity required by the organisation and SERCOM will be considering the implications of this as part of its early work programme for 2023/24.

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

Board Paper includes consideration of Equality and Diversity Strategy, resulting in positive outcomes for individuals with protected characteristics. No negative outcomes for any groups anticipated and formal EIA not required.

## **7. Legal Implications**

There are no legal implications arising directly from the recommendations in the report.

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

The LEP executive and accountable body staffing costs set out in table 1 of this report are fully funded in the budget which has been approved by the LEP Board.

Work is ongoing to agree a sustainable and affordable three-year budget following the SERCOM review of the Solent Partners executive structure and the financial implications of this will be reported to a future meeting to seek further approval as necessary.

**21.07.2023**

**Item 6B - Annexe A**

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

**21.07.2023**

**Item 6C**

**Governance Update: Annual Audit Opinion**



**Item:** 6C  
**Title:** Annual Audit Opinion  
**Date:** 21 July 2023  
**Purpose:** For information

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**Draft Resolution:**

**The Board is asked to:**

- **Note** the Annual Audit Opinion in relation to audit work carried out during 2022/23.

**1. Background**

There is no legal requirement for the Solent LEP to procure internal auditing services, however as the Accountable Body (AB), Portsmouth City Council, is required to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes' in accordance with the Accounts and Audit Regulations 2015 Section 5. Solent LEP and PCC signed a Service Level Agreement for the provision of Internal Audit Services. The SLA is periodically reviewed and any changes in the provision of services provided will be included. The audit plan agreed for 2022/23 was as follows:

Activity	Audit Type	Audit Result	Comments
Compliance with Financial Framework.	Full	2022/23 Limited Assurance	Two high risk exceptions arose relating to procurement and invoice processing.
Grant Agreements (including monitoring of outcomes)	Full	2022/23 Reasonable Assurance	Testing highlighted one low risk exception with similar findings to the Getting Building Fund audit in relation to, evidence being provided for certain outputs being insufficient or it being unclear as to what evidence should be acceptable.
Expenses & Additional payments or allowances	Follow up	2022/23 Reasonable Assurance	Audit Follow up highlighted 3 of the 4 exceptions have been closed with one remaining open relating to VAT.



Activity	Audit Type	Audit Result	Comments
Careers Enterprise Company Follow Up	Follow up	2022/23 Reasonable Assurance	The original audit highlighted one high and two medium risk exceptions. Follow up testing confirmed that one high and one medium risk exception have been closed. The final medium risk relates to the monitoring of DBS expiry dates being in progress at the time of audit testing.
Local Growth Hub (Solent)	Grant	2022/23 Assurance	Grant verification for the financial year 2021-22.
Peer Network Funding	Grant	2022/23 Assurance	Grant verification for the financial year 2021-22.
Restart and Recovery & Kickstarting Tourism Grant Fund	Grant	2022/23 Assurance	Phase 1 completed as part of 2020/21 audit plan. Phased 2 completed as part of the 2022/23 audit plan.
Getting Building Fund	Grant	Deferred	Audit deferred as implementation dates post 31 <sup>st</sup> March 2023.

## 2. Public Sector Internal Audit Standards

In accordance with the 'Public Sector Internal Audit Standards' (PSIAS) which were introduced on 1<sup>st</sup> April 2013 (revised 1<sup>st</sup> April 2016) the Chief Internal Auditor will provide an Annual Internal Audit Opinion based on an objective assessment of the relevant organisation's framework of governance, risk management and control. The Annual Internal Audit Opinion must incorporate;

- The Opinion;
- A summary of the work that supports the Opinion; and
- A statement on conformance with PSIAS.

## 3. Annual Opinion

The results noted above indicate the SLEP have a sound framework for governance, risk management and control and therefore the annual audit opinion for 2022/23 is that of 'Reasonable Assurance'. Four audit opinion levels are in place and these are: no assurance, limited assurance, reasonable assurance and full assurance. Where there are mainly medium or low risk exceptions the annual audit opinion would be reasonable or full assurance. Only one area had a limited assurance rating relating to Compliance with Financial Framework. There are no areas noted of significant concern.

No Assurance	Limited Assurance	Reasonable Assurance	Full Assurance
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#### 4. Conformance with PSIAS

Under PSIAS 1310 there is a requirement that, as part of the quality assurance and improvement programme internal and external assessments (of conformance with the Standards) must be undertaken. Standard 1311 allows for periodic self-assessments, which for Portsmouth City Council has been carried out each year since the standards were introduced.

Standard 1312 require that an external assessment must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. For 2022/23 an external assessment was undertaken in agreement with the standards and key individuals within Portsmouth City Council. The results confirm the Internal Audits conformance to PSIAS.

#### 5. Summary

The work against plan for 2022/23 has been completed which has enable an audit opinion to be given on the internal control environment for the SLEP. This opinion is that 'Reasonable Assurance' can be given that there are effective arrangements and controls in place.

Further information about any aspects of this report can be obtained from Elizabeth Goodwin (Chief Internal Auditor), or Paul Somerset (Deputy Chief Internal Auditor).

- **Note** the Annual Audit Opinion in relation to audit work carried out during 2022/23.

**21.07.2023**

**Item 7**

**General Update**



# Item 7 - General update



21<sup>st</sup> July 2023

SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP





# General update for information

## Maritime

- Forthcoming events
- Maritime and Decarbonisation Hub

## Solent Cultural Plan

- Commissioning

## Decarbonisation and Climate Change Adaptation

- The Solent Cluster

## Enterprise and Skills:

- Business Support Task Force
- Solent LEP Growth Hub
- Solent LEP Careers Hub
- Digital Skills Partnership
- Skills Boot Camps



# Maritime

- Maritime and Decarbonisation Innovation Hub
  - Work progressing with NOC to agree lease arrangements
  - Engaged with PCC procurement on design / fit out
- Working with DfT / Innovation UK / Maritime UK to host a Clean Maritime Demonstration Competition event on 20<sup>th</sup> July – likely to be at NOC. Opportunity for businesses to find out more about Round 4
- London International Shipping Week – Developing an event for Solent maritime organisations to promote their products services to buyers / investors
- Southampton International Boat Show – a skills and careers focus to our presence
- Awards – Deadline extended to 17<sup>th</sup> July owing to small number of entries. Sponsorships of awards are selling okay, but no interest in the diamond or drinks sponsors. Definite sense of businesses cutting back.



# Solent Cultural Plan



- ITT published on 27<sup>th</sup> June 2023
- Deadline is 21<sup>st</sup> July 2023
- The first Solent Cultural Plan, shining a spotlight on the key culture, heritage, and landscape assets which make and define the Solent as a special place to live, work, visit, invest and study.
- The Solent Cultural Plan will bring this unique mix to life, showcasing our cultural assets, and fostering collective focus around a vision that enables the Solent, as a place, to emerge as a proud region, with strong social cohesion, a clear identity, and that can step forward and embrace the future, attract and retain talent and investment, and flourish.
- Will work with co-commissioners (ACE) to agree which consultancy to work with.





- Not Classified -

# The Solent Cluster

- The Solent Cluster now has over 80 members
- The Solent Cluster incorporated on 27<sup>th</sup> June 2023
- An EoI to the Track 2 Cluster Sequencing for Carbon Capture Usage and Storage (CCUS) was submitted by ExxonMobil to DESNZ by the deadline of 28<sup>th</sup> April.
- Lobbying to raise awareness of the opportunity that The Solent Cluster presents is taking place, including engagement with local MPs, Ministers, the Government's Hydrogen Champion (Jane Toogood) and the CCUS community.
- Outcome expected late Summer 2023
- Future events under development including:
  - Hydrogen Champion Visit
  - September event at University
- Early modelling outputs indicates:
  - Potential to store 10m t CO<sub>2</sub> p.a. (equivalent of taking 3.75m cars off the road)
  - The cluster allows cutting by 42% total emissions between 2022 and 2040 (i.e. Solent area emitting 2.4 MtCO<sub>2</sub>/year less in 2040 than in 2022).
  - Deliver a £2.2bn uplift in GVA and an additional 36,000 jobs by 2030.
- Bid to the Local Industrial Decarbonisation Plans competition under development





# Enterprise and Skills



# Solent LEP Growth Hub

## Solent LEP Growth Hub Data Dashboard

### Light Engagements (up to 1hr)

YTD actual 2164  
YTD forecast 834

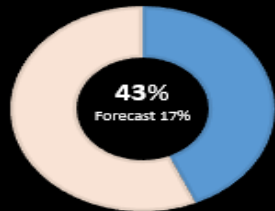
### Medium Engagements(1hr +)

YTD actual 149  
YTD forecast 75

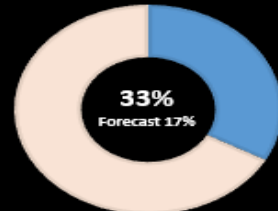
### High Engagements(12hr +)

YTD actual 12  
YTD forecast 11

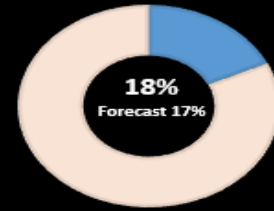
### Light Engagements



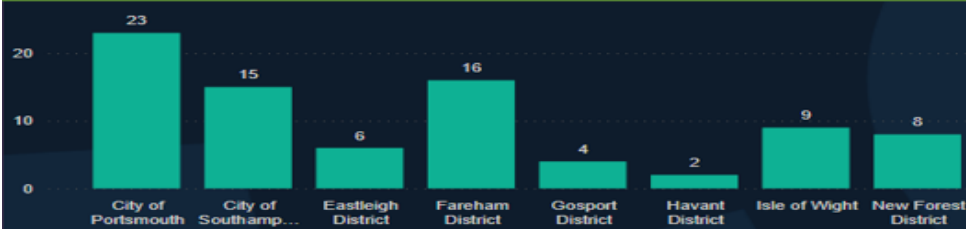
### Medium Engagements



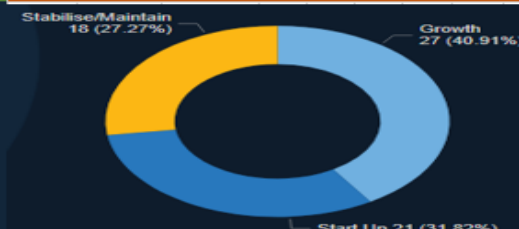
### High Engagements



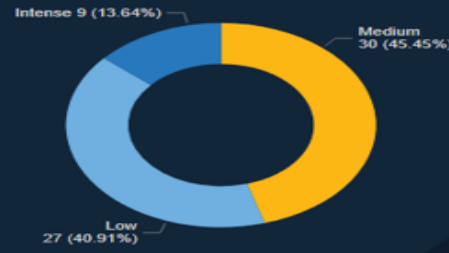
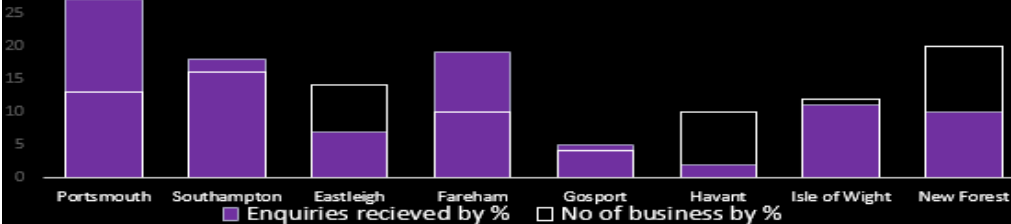
### Enquiries by local Authority



### Type of Support



### Enquiries in relation to businesses

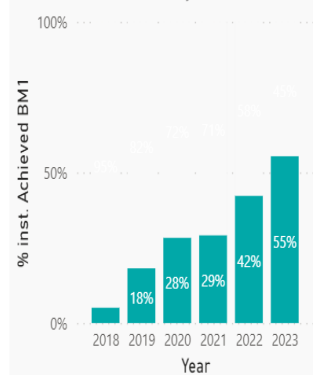


- The Growth Hub Grant Offer Letter from DBAT has been signed, providing a maximum grant of £298,250 core funding for 2023/24.
- All contractual KPI's are exceeding YTD forecasts.
- Business clinics are being planned in areas where there is a lower level of enquiries.
- Fareham Start up Launchpad is going well. Supporting 8 new entrepreneurs.
- Recruitment is underway in Havant, for the Havant Growth programme. 8 places for established SME's looking to grow. 4 places filled to date. Sep23 start.
- Discussions are underway with Local authorities around the concept of a Solent Film Office.
- Partnership with Google to deliver a webinar series around social media, marketing and website SEO. 30+ signed up to attend to date.

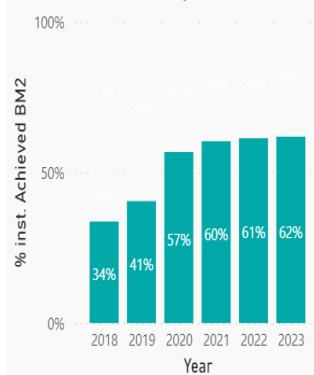


# Solent LEP Careers Hub

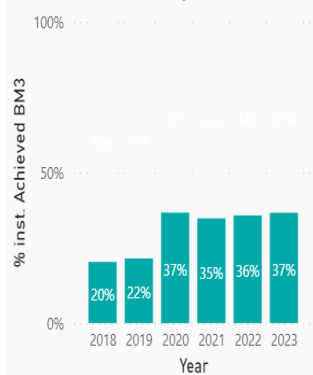
BM1 % Achievement by Year



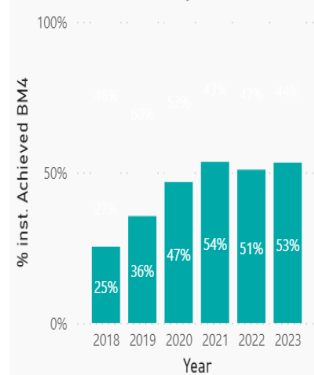
BM2 % Achievement by Year



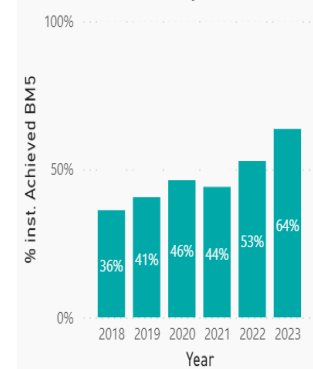
BM3 % Achievement by Year



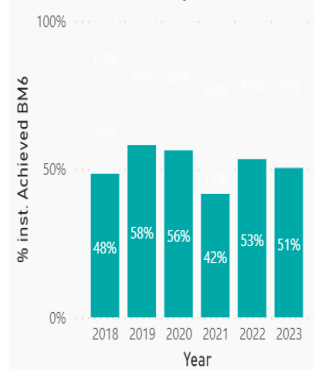
BM4 % Achievement by Year



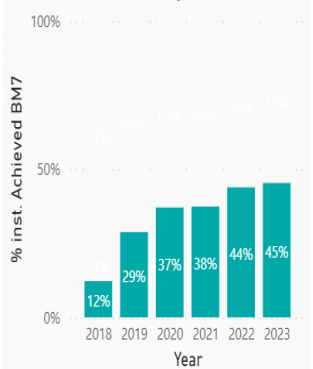
BM5 % Achievement by Year



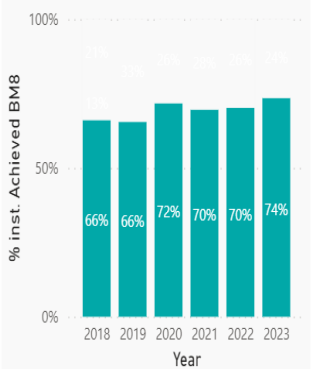
BM6 % Achievement by Year



BM7 % Achievement by Year



BM8 % Achievement by Year



\* As engagement has increased and 20 newly engaged institutes have undertaken a quality assured COMPASS self assessment, the majority of which this is the first time in 18+months, has subdued GBM average performance. To put this into context those establishments who have undertaken regular reviews for the past 2 years perform 30% better against GBM1 and on average achieve 5 GBMs.

- Grant offer letter received for 2023/24.

## Resource

- New Employer Engagement Enterprise Co-Ordinator joining 7<sup>th</sup> August 2023
- Co – funding from Southampton City Council, Portsmouth City Council and Hampshire County Council has been secured for 2023/24.
- Current EC vacancy on IOW

## Performance

- Establishments engaged remains at 94 up from 74 in May 2022\*.
- Overall performance against Gatsby has increased with institutes on average achieving 4.6 GBMs in May 2023 up from 3.9 in May 2022.

## Projects and Collaboration

- **Enterprise Advisor (EA`s)** recruitment remains on an upward trajectory. As of May 2023, we have 64 up from 50 in Feb 2023.
- **Primary funding started June 2023.** Portsmouth and IOW are DfE priority areas. Target is to engage 75 out of 84 primary establishments. Intent is to support employer encounters and upskill teachers on Careers Related Learning.
- **Teacher encounters funding** has gone live. Employer such as BAE and Willmott Dixon have pledged placements. Teachers will start to access placements in June following GCSE`s.
- Solent **Cornerstone group**, which includes South West Rail, Southern co-op, BAE, NHS, Airbus, GKN, are focused on inclusive recruitment and retention for hard-to-reach candidates, breaking down barriers and to improve ways to enter employment.
- Solent Careers Hub will hold a **NEET intervention and prevention conference** in July for over 250+ stakeholders



# Solent Digital/Tech Partnership

- Google Digital Garage in partnership with Solent LEP - A strategic delivery partnership has been agreed to deliver an initial three-part webinar series commencing on 5th July 2023. The aim is to provide a series of digital skills content delivered by Google that helps startups and small businesses to better understand in demand topics such as digital marketing, social media and how to get visible on Google. Further mentoring to attendees will be offered and there is scope to deliver a face-to-face event in the Solent region in Sept/Oct. Further to this, Solent LEP is in discussion with google to provide additional Digital Skills support to include areas such as Sustainability and Artificial Intelligence (AI). Attendees engaged in the initial series could be a referral route for the new Digital Skills Bootcamps.
- MOU agreed between Solent LEP and Tech Solent. Solent LEP will provide extra support to the Tech Solent community with planned activity commencing from August 2023 in the shape of a new newsletter and in September a new Virtual Tech Leaders Peer Group that will aim to bring together tech business leaders to talk through real life challenges, network opportunities and collaborations on advancing tech like AI.
- UK Tech Cluster Group & Tech Solent - Solent LEP attended the London Tech Week (12th June) and is engaged in discussions with the UK Tech Cluster Group. There is a gap in their UK presence from the Solent region. Solent LEP is considering membership to enable access to Tech Cluster activity and insights from across the UK. <https://uktechclustergroup.com/>



# Solent Skills Bootcamps

- Skills bootcamps proposal has been approved by DfE Skills Bootcamp committee and Assurance Committee. Awaiting final grant offer letter.
- Total funding request is for £1.24m
- LEP Executive working with colleagues from legal and procurement to produce an open call. Expected end of July 2023.



**21.07.2023**

**Item 8**

**Any other business**



**Item:** 8  
**Title:** Any other business – LEP Board forward plan  
**Date:** 21 July 2023  
**Purpose:** For information and decision

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**1. Draft Resolution:**

The Board is asked to:

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

**2. Summary**

**21 October 2023 (9.00 am to 12.00 pm) virtual meeting.**

- Cluster development update to include:
  - Maritime UK Solent mid-year report
  - Solent Cluster update
- Finance and funding report to include mid-year review of:
  - Local Growth Update
  - In year review for 2023/24 and financial forecasts to 2024/25
  - Funding call update
  - Review of Risk registers
- Strategy update to include:
  - Report from the Skills Advisory Panel on the Solent Skills Action Plan and CEC delivery
  - Solent Cultural Plan
- Governance update to include:
  - Mid-year review of Solent LEP Delivery Plan for 2023/24 and draft delivery plan for 2024/25
  - Corporate plan review
- General update to include:
  - Report from the Business Support task group
  - Report from the Solent Growth Forum
  - Solent Freeport update

**8 December 2023 (9.00 am to 12.00 pm) venue to be advised.**

- Presentation from Solent Freeport
- Finance and funding report to include mid-year review of:
  - Local Growth programme update
  - In-year budget position for 2023/24 and financial forecasts to 2025/26
  - Funding Call update
  - Review of Risk registers
  - Evaluation of Local Growth Deal Programmes



- Governance update to include:
  - Review of 3-year corporate plan and phases 1 and 2 transition.
  - NED Recruitment
  - Preparation for Solent Summit 2024 and AGM 2024
  - Local Assurance Framework 2024/25
- General update to include:
  - Report from the Business Support task group
  - Report from the Skills Advisory Panel
  - Report from Maritime UK Solent
  - Report from the Solent Growth Forum

**Board strategy session – Date proposed 8 December 2023 (to follow board meeting)**

- Integrating LEPs into democratic institutions and devolution
- Decarbonisation green finance and green skills

**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.