



**SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP**

SOLENT GROWTH FORUM

**TUESDAY, 15 MARCH 2016 AT 7.00 PM OR ON
THE CLOSING OF THE PUSH JOINT COMMITTEE,
WHICHEVER IS LATER**

**COUNCIL CHAMBER, FAREHAM BOROUGH
COUNCIL**

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Email: stuart.baker@solentlep.org.uk

Deputations requests may be made by emailing Democratic.Services@portsmouthcc.gov.uk

AGENDA

1 Introductions and Apologies for Absence

(5 minutes)

2 Meeting Notes and Matters Arising (Pages 1 - 32)

(5 minutes)

RECOMMENDED that the attached minutes of the previous meeting on 9 December 2015 be agreed.

3 Declarations of Interest

(5 minutes)

4 Update on Transport Investment Plan

(20 minutes)

Purpose.

To receive a presentation from the Solent LEP updating the Solent Growth Forum on the Transport Investment Plan.

5 Update on Local Growth Fund Programme (Pages 33 - 38)

(10 minutes)

Purpose of report

This report updates the Solent Growth Forum on progress being made on the delivery of the Solent Growth Deal. The Solent Growth Forum can find the background to the Growth Deal at [Solent Growth Deal](#) and [Solent: additional Growth Deal funding factsheet](#) links.

The forum are asked to:

- **NOTE** the update on the Solent Growth Deal; and
- **PROVIDE** any further advice on the management of the programme going forward
- **PROVIDE** advice to the Executive on the development of a new business support grant fund programme targeting increases in productivity and businesses with high growth potential.
- **CONSIDER** an agenda item at a future meeting updating the Forum on the business support activity of the Solent LEP.

6 Presentation on the Dunsbury Hill Farm Local Growth Deal Project

(20 minutes)

To receive a presentation from the scheme lead updating the Solent Growth Forum on the Dunsbury Hill Farm project, which is being part funded by through the Solent Growth Deal.

7 Update on Solent LEP Work Plan

Purpose

For the Forum to be provided with an update on the work currently being progressed by the Solent LEP.

8 Future Work Programme

Stuart Baker, Head of Local Growth, Solent LEP will give a verbal update on the Future Work Programme.

9 Any Other Business and Close

Membership

Councillor Seán Woodward
Councillor Donna Jones
Councillor Simon Letts
Councillor Guy Shepherd
Councillor Keith House
Councillor Mark Hook
Councillor Keith Mans
Councillor Michael Cheshire
Councillor Martin Hatley
Councillor Stephen Godfrey
Councillor Johnathan Bacon
Councillor Edward Heron

Fareham BC
Portsmouth CC
Southampton CC
East Hampshire DC
Eastleigh BC
Gosport BC
Hampshire CC
Havant BC
Test Valley BC
Winchester CC
Isle of Wight Council
New Forest DC

Invited Ex Officio Members

Di Roberts
Ken Moon

John Bull

Tim Houghton
Phillip Sheppard
Fiona Willmot
Mike O'Neill
Diarmid Swainson
Vacancy
Graham Galbraith
Vacancy
Kevin Bourner

Brockenhurst College
Federation of Small Businesses
Southern and Eastern Region Trades
Unions Congress
Community First
Highways England
Skills Funding Agency
Environment Agency
BIS Local
NHS / CCG
University of Portsmouth
Network Rail
Homes and Communities Agency

Standing Ex Officio Members

Stuart Baker
Marc Griffin
Robert Parkin

Chris Ward

Solent LEP
Solent LEP
Legal Advisor to Solent LEP Accountable
Body (PCC)
Chief Finance Officer for the Solent LEP
Accountable Body (PCC)

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Agenda Item 2

SOLENT GROWTH FORUM

MINUTES of the meeting of the Solent Growth Forum held on Wednesday, 9 December 2015 at 7pm at the Guildhall, Portsmouth

Present

Councillors Seán Woodward - Fareham Borough Council
Keith House - Eastleigh Borough Council
Guy Shepherd - East Hants District Council
Edward Heron - New Forest District Council
Martin Hatley - Test Valley Borough Council
Stephen Godfrey - Winchester City Council
Mark Hook - Gosport Borough Council
Warwick Payne - Southampton City Council
Tony Briggs - Havant Borough Council
(Deputising for Michael Cheshire)
David Williams - Portsmouth City Council
(Deputising for Donna Jones)
Keith Mans - Hampshire County Council

Ex Officio Sarah Duckering (deputising for Graham Galbraith)
Fiona Dalton - University Hospital
Southampton NHS Foundation Trust
Tim Houghton - Community First

In attendance Stuart Baker - Solent LEP
Marc Griffin - Solent LEP
Jane Di Dino - Portsmouth City Council (Accountable Body)
Terry Wilson (deputising for Robert Parkin) - Portsmouth City Council (Accountable Body)
Anne-Marie Mountifield - Solent LEP
Stuart Jarvis - Hampshire County Council
Bob Jackson - NFDC
Roger Testall - Test Valley Borough Council
Tom Horwood - East Hants Borough Council
Nick Tustian - Eastleigh Borough Council
Bob Jackson - New Forest District Council

7. Election of Chairman for the Meeting

Terry Wilson, Principal Lawyer, Portsmouth City Council asked for nominations for a Chair. Councillor Mark Hook was proposed by Seán Councillor Woodward and seconded by Councillor Guy Shepherd.

RESOLVED that Councillor Mark Hook be elected Chair for this meeting only.

8. Introductions, Apologies for Absence.

Apologies had been received from:

Councillors

Jonathan Bacon - Isle of Wight Council

Michael Cheshire - Havant Borough Council

Donna Jones - Portsmouth City Council

Simon Letts - Southampton City Council

Ex-officio Members

Pal Ahluwalia - University of Portsmouth

Kevin Bourner - HCA

Chris Elliott - New Forest District Council

Graham Galbraith - University of Portsmouth

John Henderson - Highways England

Deryn Martin - Skills Funding Agency

Ken Moon - Federation for Small Businesses

Robert Parkin - Portsmouth City Council (Accountable Body)

Chris Ward - Portsmouth City Council (Accountable Body)

9. Meeting Notes and Matters Arising.

RESOLVED that the minutes of the meeting held on 9 June be agreed.

10. Declarations of Interests.

There were no declarations of interest.

11. Local Growth Deal Programme Update.

Marc Griffin, Head of Capital and Infrastructure presented the report.

RESOLVED that:

1. The Solent Growth Deal Update be noted.

2. An update be requested from the scheme promoters on projects that are near to delivery completion at a future meeting.

12. Solent LEP Strategy and Performance Update.

Anne-Marie Mountifield, Chief Executive, Solent LEP gave a presentation setting out the progress made on the delivery of the Solent Growth Deal programme and an update on strategy. A copy of the presentation will be attached to the minutes.

In response to questions, Anne-Marie clarified the following points:

- There is a link between GVA and capital investment.
- A key focus of investment is skills, recognising that businesses do not have access to the high level skilled workers that they require to growth their business. The Solent Further Education Area Review is underway and the Group steering this work has met twice. The outcome of this process will influence any LEP funding decisions in relation to skills projects.

13. Developing the Project Pipeline.

Stuart Baker, Head of Local Growth Solent LEP introduced the report which gave an update on the work of the LEP to develop its project pipeline and sought advice from the forum on the type of projects that the LEP should prioritise. In response to questions, he explained that he had anonymised the schemes in the report as far as possible because some details are commercially sensitive and as the detail of each scheme is being reviewed internally. It should be noted that the Eol's provide only high level information and for those schemes that show the strongest potential to support growth, further detail will be requested through an outline business case.

The Chair noted that work on the Stubbington bypass should be high priority and that infrastructure was essential to support economic growth.

Seán Woodward noted that infrastructure to support housing delivery and economic growth should be prioritised.

Keith House agreed that infrastructure is required to unlock the housing that the area requires to support economic growth should be prioritised.

David Williams suggested that it would be helpful to have a presentation on the interfaces between skills, business and training at a future meeting. This was agreed.

14. Forward Plan.

Stuart Baker, Head of Local Growth, Solent LEP informed members that the next meeting would be held in spring 2016 and would include updates on the following issues:

- The Transport Investment Plan
- The emerging strategic economic plan
- The project pipeline.

15. Any Other Business and Close.

The Chair thanked officers for their report and the presentation.

The meeting concluded at 8:25pm.

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Chair

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Solent LEP Strategy and Performance update

9 December 2015

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Anne-Marie Mountifield – Chief Executive

Overview

- Solent Growth Deal Programme delivery
- Other growth deal programmes (Enterprise zone, GPF, RGF)
- Forward look



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SOLENT GROWTH DEAL Programme delivery

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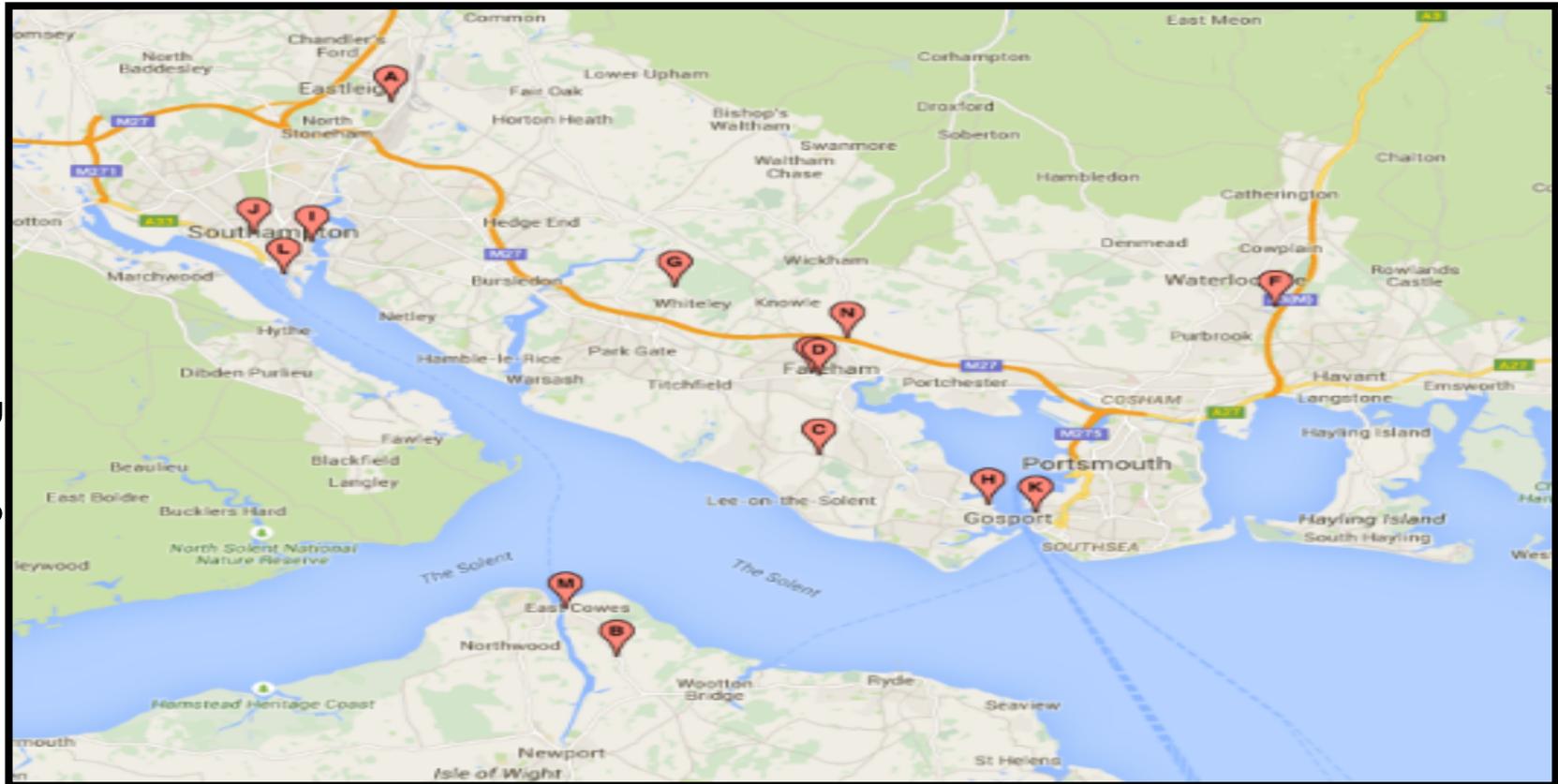
Solent Growth Deal Programme Delivery 2015/16

<u>Project/programme component</u>	<u>Actual funding</u>
Solent Growth Fund (launched 23 March 2015)	£ 2,000,000
LGD Programme Management	£ 300,000
Sub Total	£ 2,300,000
PROJECTS CONTRACTED FOR 15/16	
Eastleigh College Estates Renewal	£ 4,810,000
Isle of Wight College CoE for Composites, Adv Manufacturing and Marine	£ 10,900,000
Dunsbury Hill Farm Link Road	£ 4,540,000
Station Quarter Southampton	£ 4,185,000
The Hard Interchange	£ 4,832,000
Fareham and Gosport programme (part 1 and 2) -	£ 4,500,000
A27 Station Roundabout / Gudge Heath Lane	£ 565,000
Solent Recreation Mitigation Project	£ 590,000
Sub Total	£ 34,922,000
SCHEMES UNDER NEGOTIATION	
Solent Gateways	£ 471,000
Sub Total	£ 471,000
SCHEMES BROUGHT FORWARD	
Cancer Immunology Centre (CIC)	
Sub Total	£ 4,500,000
Solent Growth Deal programme	£ 42,193,000
Over programming with bridging funding from GPF	£1,801,000



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Growth Deal Programme Delivery 2015/16 Sites

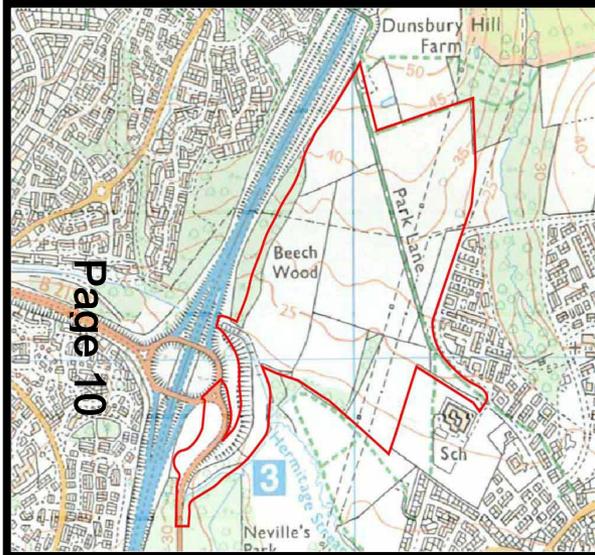


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Growth Deal Programme Delivery Dunsbury Hill Farm



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Growth Deal Programme Delivery Dunsbury Hill Farm



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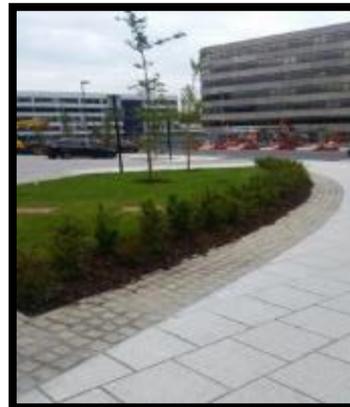


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Growth Deal Programme Delivery Station Quarter



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Growth Deal Programme Delivery Hard Interchange

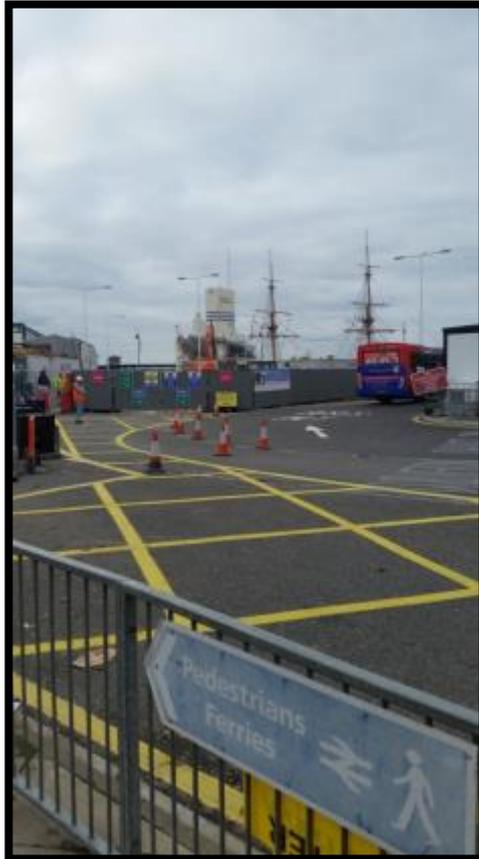




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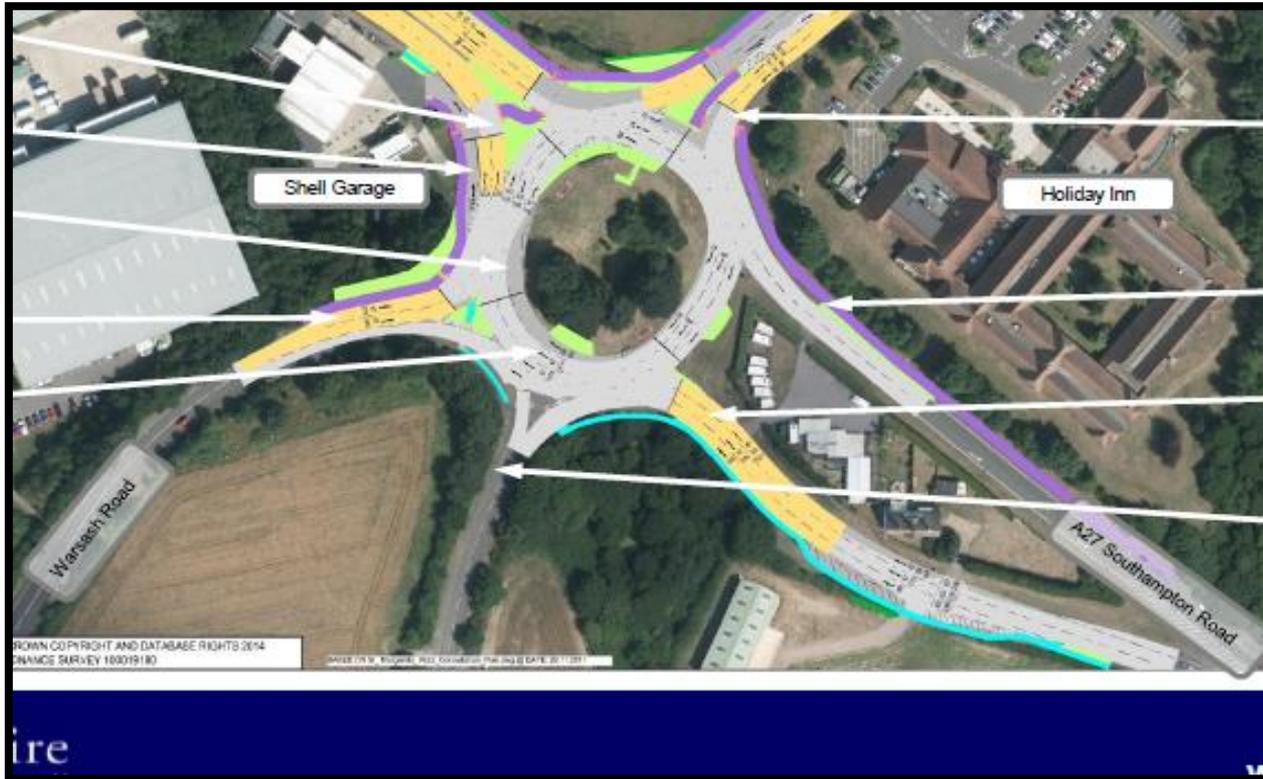
Growth Deal Programme Delivery Hard Interchange

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Growth Deal Programme Delivery – Fareham and Gosport St Margaret's and Peel Common Roundabouts



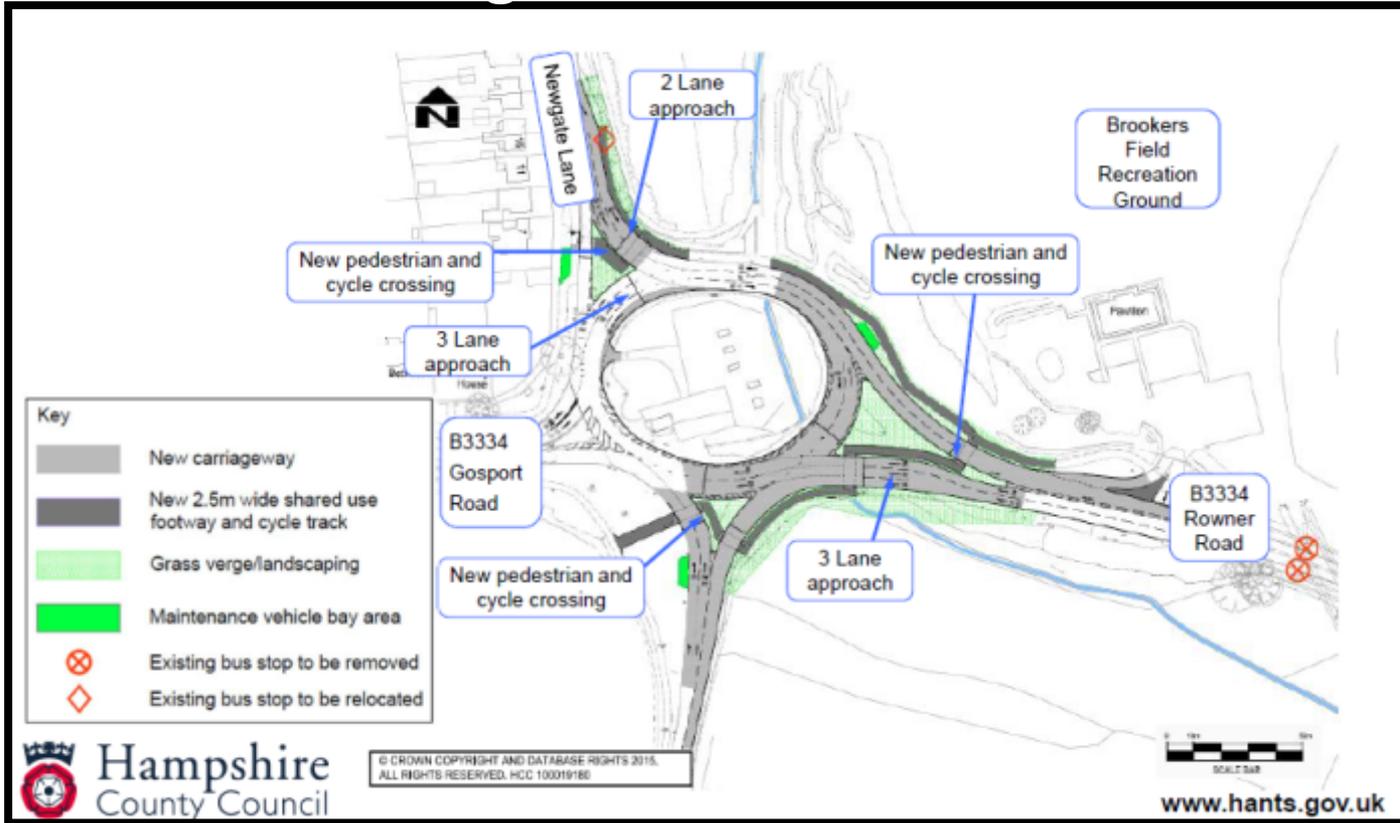


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Growth Deal Programme Delivery – Fareham and Gosport

St Margaret's and Peel Common Roundabouts

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Growth Deal Programme Delivery St Margaret's and Peel Common Roundabouts



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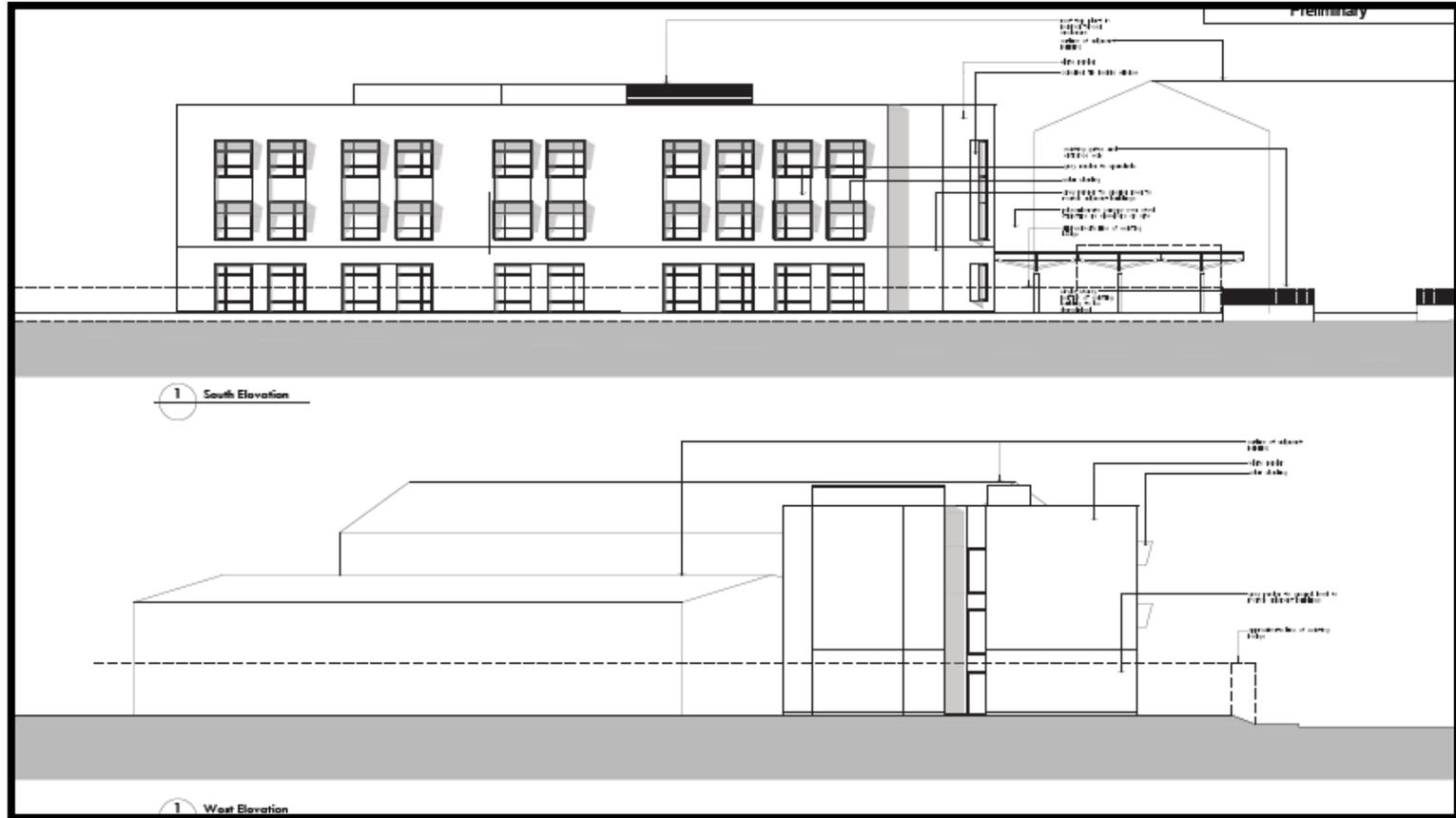


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Growth Deal Programme Delivery Eastleigh College – Phase 2 New Teaching Building



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Growth Deal Programme Delivery Eastleigh College

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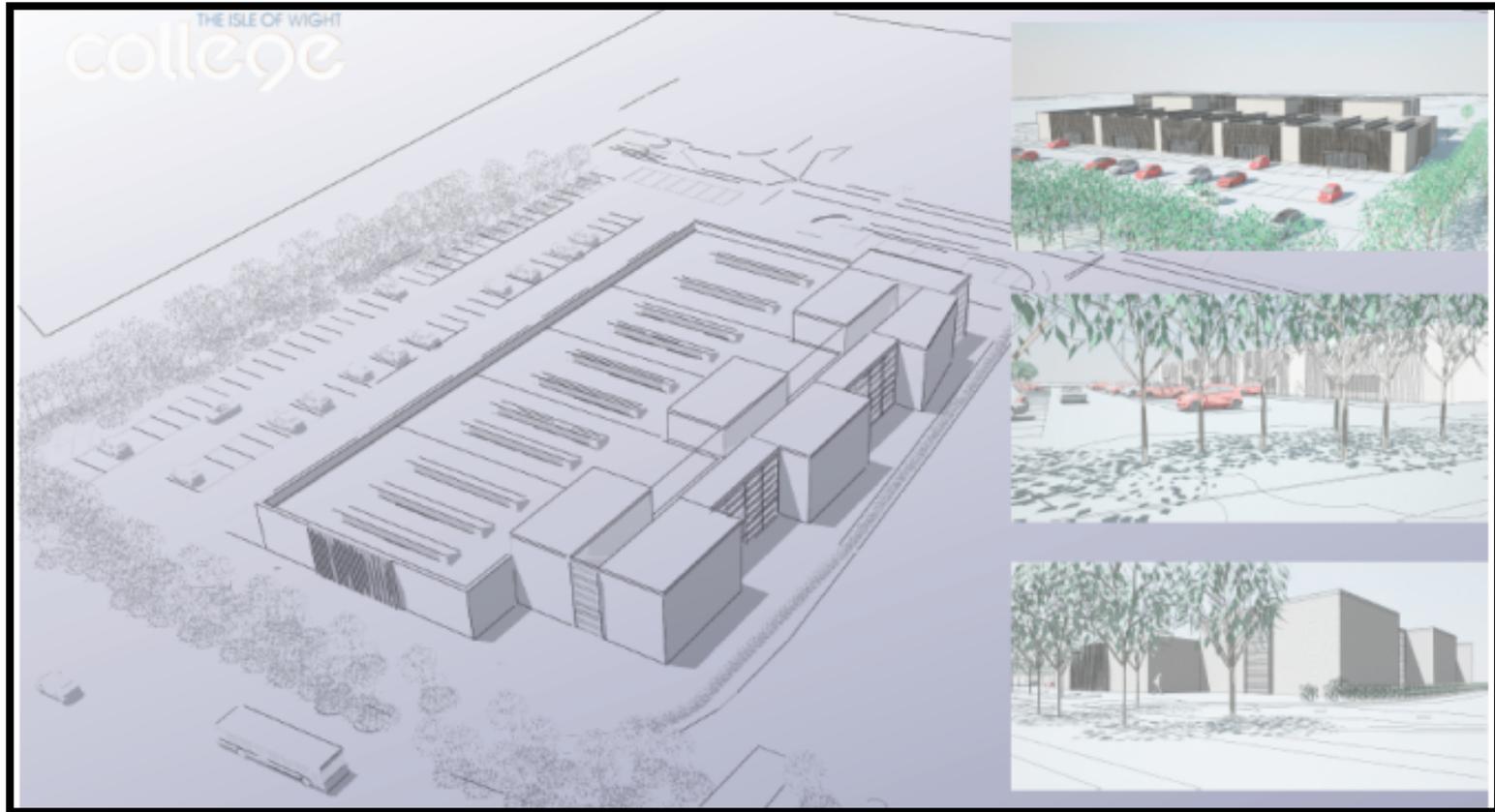


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Growth Deal Programme Delivery IOW Composites Centre



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Growth Deal Programme Delivery Solent Gateways



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Growth Deal Programme Delivery Cancer Immunology Scheme



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Growth Deal Programme Delivery – Review of key Milestones and project against forecast

- Proactive programme management of portfolio to optimise LGD spend, prioritising schemes that are ready to deliver in year.
- Utilisation of recycled growing places fund to support over programming of projects

In summary Solent LEP has a programme of £37,222,000 of the £40,391,667 2015/16 allocation under signed funding agreement (92% of the 2015/16 allocation).

- The Solent LEP Board have also agreed to bring forward the University of Southampton Cancer Immunology Centre (CIC) project for early delivery, commencing in 2015/16

- Strategic Land and Infrastructure board (SLIB)
 - Transport Investment Plan (network rail and HE engagement)
 - Land and assets and OPE
- Skills Funding Agency – employer ownership and unitisation skills for growth scheme
- UKTI co location of partnership manager

Solent Growth Deal – Solent Growth hub

1. Established with funding under RGF 4 (City deal)
2. Further OCT undertaken March 2015 – current one stop shop provider (Chamber of Commerce) awarded contract
3. To date:
 - 14,000 businesses accessed online and email support
 - 400 businesses accessing light-touch telephone support
 - 550 businesses supported through events
 - 72 businesses receiving more than 6 hours of intensive business support.



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Other Growth programmes

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Other Growth Deal Programmes

Growing Places Fund

- Page 128
1. A revolving capital fund that has been fully allocated
 - £8 m on and offsite infrastructure for Enterprise Zone (offsite delivered, on-site scheduled for completion 2016)
 - £3 m for CEMAST centre
 - £2 m Griffon Hoverworks
 - £3m Red Funnel to support Solent Gateways
 2. Some repayments of original loans have been made and further rounds have been launched and fund is being used as a companion fund to Solent growth Deal

Bridging the Gap and SME (IOW fund EZ
Expansion Fund and Adv Manufacturing SME
schemes have supported:

- Over 130 businesses funded
- 70 new businesses created
- Over £7m grant funding allocated

Other Growth Deal Programmes Regional Growth Fund – Solent Futures

- Delivery of £12 million CEMAST centre opened September 2014 with circa 1000 learner enrolled per annum.
- Support programmes for Solent based companies working in the defence sector
- Development of Defence Growth Partnership based in the Solent

Other Growth Deal Programmes - Enterprise Zone –

- CEMAST
 - £12m investment
 - 65 jobs new/safeguarded
- Fareham Innovation Centre
 - £5.3m investment
 - Completed March 2015
 - Currently 37 jobs created
- UTP new premises under construction and due to occupy
State of the art facility Spring 2016
Infrastructure/Services
 - Part of £8m GPF package on site now, complete 2016
 - EZ £7.09 m grant procured an onsite to deliver internal road and improved utilities
- £7 million commitment from LEP (from retained rates) to support development of Daedalus West



- HIOW Devolution proposal
- Forward look – outcome of spending review and Local Growth funding going forward
- Supplement to Strategic Economic Plan scheduled for January 2016

Agenda Item 5



**SOLENT
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Agenda Item 5

Title of meeting: Solent Growth Forum
Date of meeting: Tuesday 15th March 2016
Subject: Local Growth Deal Programme Update
Report by: Marc Griffin, Head of Capital and Infrastructure, Solent LEP

1. Purpose of report

This report updates the Solent Growth Forum on progress being made on the delivery of the Solent Growth Deal. The Solent Growth Forum can find the background to the Growth Deal at [Solent Growth Deal](#) and [Solent: additional Growth Deal funding factsheet](#) links.

2. Solent Growth Deal (SGD) update

Since the last forum meeting the Chair of the LEP and LEP executive met with BIS to complete the annual review to monitor the local growth deal programme delivery for 2015/16 as well as other programmes that LEPs have responsibility for. The review included an opportunity for a discussion on accountable decision making and stakeholder management, effectiveness of delivery systems as well as a forward look to future years.

We have since received written confirmation of the indicative funding profile previously agreed (see Annex A) and this confirms that the profile will, as agreed, be subject to the annual review conversation the Cities and Local Growth Unit has put in place to oversee the payments of Growth Deal funding. Funds will then be transferred in April. At the time of writing we are now waiting for the grant determination letter for the 2016/17 programme. The letter also confirmed LEP core funding for 2016/17 and further details on future years and capacity funding are expected to follow shortly.

On this basis the LGD update looks at the current status of 2015/16 schemes and also provides the forum with a position update on schemes scheduled to commence in 2016/17.

3. Solent Growth Deal (SGD) 2015/16 Programme

The Solent LEP Executive team have continued to work with scheme leads to progress projects in accordance with their signed funding agreements. This is to ensure delivery and completion of works to maximise opportunity for defrayal of the £40,391,667 2015/16 SGD allocation. The SGD programme status is set out in table 1:

Table 1: Status of Projects within the 2015/16 Solent Growth Fund Programme (Following January 2015 LEP Board).

Solent Growth Fund (launched 23 March 2015)	£ 2,000,000
LGD Programme Management Costs	£ 300,000
Sub Total	£ 2,300,000
Final Agreement	
Eastleigh College Estates Renewal	£ 4,810,000
Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine	£ 10,900,000
Dunsbury Hill Farm Link Road	£ 4,540,000
Station Quarter Southampton	£ 4,185,000
The Hard Interchange	£ 4,832,000
Fareham and Gosport programme (part 1 and 2) - St. Margaret's Roundabout and Peel Common Roundabout	£ 4,500,000
A27 Station Roundabout / Gudge Heath Lane	£ 565,000
Solent Recreation Mitigation Project	£ 590,000
Cancer Immunology Centre (CIC)	£ 4,500,000
Sub Total	£ 39,422,000
Under Negotiation (Amendments to delivery have been advised)	
Solent Gateways	£ 471,000
Sub Total	£ 471,000
Delivery not commencing in 15/16	
Fareham and Gosport multi year programme part 3	£ 0
Sub Total	£ 0
Total	£ 42,193,000
Solent Growth Deal Funding Award	£ 40,391,667
Over programming	£ 1,801,333

The Solent Growth Forum should note that a number of schemes are continuing to progress well on site and progress is being made in accordance with their implementation plans and funding profiles. The Executive has attended a number of sites to observe this good progress and confirm that delivery is near to completion on a number of the schemes for the 2015/16 SGD programme.

In relation to the Solent Growth Fund (which is the successor fund to the Regional Growth Fund programmes the Solent LEP have been running to support SME's and the wider the private sector), the forum may wish to note that we are currently revising the guidance to reflect the increasing focus on productivity and high growth potential, with the intention of launching a new business support programme in Summer 2016. The Executive would welcome any advice from the Forum in relation to the development of this new fund. This particular element of our work has proved to be very successful and to date we have allocated in excess of £7 million supporting over 130 businesses in the Solent area including 70 start-ups, creating and/or safeguarding 1200 jobs. Further information on this can be found in our annual report published in January 2016 which can be accessed via the following link:

http://solentlep.org.uk/uploads/documents/Solent_LEP_Annual_Report_WEB_VERSION.pdf

Since 2010 when Solent LEP was formed the board has prioritised support for SME's and we can now see a significant strengthening of the SME base in the Solent due to the work we have brought forward

through our RGF and SGF programme and also through the creation of the Solent Growth hub. This has been independently assessed and validated by the Enterprise Research Centre (ERC) and currently we rank as number 1 out of all LEP's when looking at the % change in high growth firms between 2009-12 when compared to 2012-15. Further information on this can be accessed via the following link:

ERC-HGF-LEP-Insight-Feb-2016-Final-V3.pdf.pdf

It is recommended that an agenda item at a future meeting updates the Solent Growth Forum on the business support activity of the Solent LEP. At the time of writing Quarter 3 claims have been submitted by scheme leads and processed for payment by the Solent LEP Executive. The Executive has also undertaken further analysis of actual vs forecast expenditure on all projects as part of a mid-year review.

The Solent Growth Forum should note that whilst the Executive have over-programmed on the Solent Growth Deal programme for 2015/16 there will be slippage on some schemes creating a potential underspend. The mid-year review also identified areas where acceleration of 2015/16 multi-year programmes that are due to continue into 2016/17 could be brought forward and as a result is anticipated that the programme spend will be in line with the 2015/16 funding award.

Dunsbury Hill Farm update - 2015/16 scheme

The Solent Growth Forum will recall that during the last Growth Forum in December it was agreed to invite a scheme promoter from one of 2015/16 SGD programme schemes.

Portsmouth City Council, as scheme promoter for Dunsbury Hill Farm, will present to the Solent Growth Forum on the 15th March 2016 and provide an update on progress made for the scheme. The Forum should note that the Minister for Local Growth James Wharton visited the site on 29 January 2016, to review progress on this scheme as well as also looking at the Hard Interchange scheme.

The Dunsbury Hill scheme comprises the construction of a new Link Road connecting at the west with B2150 Hulbert Road at a new roundabout junction, and at the east with Calshot Road and Woolston Road which will be limited to buses only. The new road will enable the commercial development of the Dunsbury Hill Farm site, which currently has no road access.

Solent LGD Programme for 2016/17

In preparation for the commencement of the 2016/17 programme during December 2015 we have been working with scheme leads with a project starting or continuing in 2016/17 requesting an update on the status of their projects. At the time of writing the Executive are currently undergoing a review of the responses to these letters and, subject to receiving the grant determination letter for 2016/17, will confirm the funding allocations for schemes that are ready to deliver in 2016/17 by April 2016. Therefore a further update on the Capital programme for 2016/17 will be brought to the Solent Growth Forum at the next meeting.

The forum are asked to:

- **NOTE** the update on the Solent Growth Deal; and

- **PROVIDE** any further advice on the management of the programme going forward
- **PROVIDE** advice to the Executive on the development of a new business support grant fund programme targeting increases in productivity and businesses with high growth potential.
- **CONSIDER** an agenda item at a future meeting updating the Forum on the business support activity of the Solent LEP.



Department for
Communities and
Local Government

Cities and Local Growth Unit
Department for Communities and Local Government
1st Floor, Fry Building, 2 Marsham Street,
London SW1P 4DP

22 December 2015

Chris Ward
chris.ward@portsmouthcc.gov.uk

Dear Chris

Local Growth Fund Profiles

Following the recent Spending Review, I am writing to confirm your indicative Growth Deals funding profile between 2016-17 and 2020-21. This profile will, as agreed, be subject to the annual review conversation the Cities and Local Growth Unit has put in place to oversee the payments of Growth Deal funding. Funds will then be transferred in April.

For the sake of clarity, please find below the unchanged indicative profile of annual grant payments from 2016-17 onwards for the Solent LEP Growth Deal as presented in your previous letter:

2016-17	2017-18	2018-19	2019-20	2020-21
£42,640,334	£18,982,028	£10,817,860	£9,252,686	£9,252,686

Please note that these figures do not include funding related to Department for Transport 'portfolio schemes' or 'tail majors'. Funding profiles for these schemes are agreed with the Department for Transport as schemes are approved.

In addition, these figures do not include funding allocated to each LEP area under the separate arrangements for Housing Revenue Account, Local Infrastructure Funding, or the European Structural Investment Fund.

I can also confirm that we will continue to pay £250,000 of core funding to each LEP in 2016-17. We are confirming this now in response to LEPs' calls for certainty over future funding. It will be allocated and distributed as in previous years, with £250,000 going to each LEP at the start of the financial year via section 31 payment to accountable bodies. As previously, we will require LEPs to match this funding locally. Further details

on the separate capacity funding in 2016-17, and both core and capacity funding in subsequent years, will follow in the New Year.

I hope that this confirmation will equip you and the Local Enterprise Partnership to plan with greater confidence, including initiating work on projects due to start from 2016-17 onwards. If you would like to discuss this or any other aspect of this Spending Review further, please contact your LEP Relationship Manager or Alex Greaves on 0303 444 2938 or alex.greaves@communities.gsi.gov.uk.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Tom Walker', written in a cursive style.

Tom Walker
Director, Cities and Local Growth Unit