



**SOLENT  
LOCAL  
ENTERPRISE  
PARTNERSHIP**

## **SOLENT GROWTH FORUM**

**TUESDAY, 7 JUNE 2016 AT 7PM OR ON THE  
CLOSING OF THE PUSH JOINT COMMITTEE,  
WHICHEVER IS LATER.**

**COUNCIL CHAMBER, FAREHAM BOROUGH  
COUNCIL**

Telephone enquiries to Sophie Egleton 02392 834 645  
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Deputations requests may be made by emailing [Democratic.Services@portsmouthcc.gov.uk](mailto:Democratic.Services@portsmouthcc.gov.uk)

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### **A G E N D A**

- 1 Introductions and Apologies for Absence.**  
(5 minutes)
- 2 Meeting Notes and Matters Arising.** (Pages 1 - 6)  
(5 minutes)  
**RECOMMENDED that the attached minutes of the meeting held on 15 March 2016 be agreed.**
- 3 Declarations of Interests.**  
(5 minutes)
- 4 Local Growth Deal Capital Programme Update.** (Pages 7 - 14)  
(15 minutes)  
Purpose.  
To receive a report on the final outturn of the 2015/16 Local Growth Deal Programme and an update on the current 2016/17 Local Growth Deal Programme.
- 5 Competing for Growth: Further Growth Deals.** (Pages 15 - 30)  
(20 minutes)  
Purpose.  
To receive a paper from the Solent LEP updating the Solent Growth Forum on the new Local Growth Fund round.

**6 Large Local Major Transport Schemes Fund (Pages 31 - 34)**  
(15 minutes)

Purpose.

To receive a paper from the Solent LEP updating the Solent Growth Forum on the submission to DfT for development cost funding for transformative transport projects in the Solent.

**7 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 Roy Perry  
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  
John Henderson  
Vacancy  
Mike O'Neill  
Diarmid Swainson  
Graham Galbraith  
Vacancy  
Kevin Bourner  
Fiona Dalton

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

**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)

Also invited  
Anne-Marie Mountifield  
Gary Jenkins

Chief Executive, Solent LEP  
Chair, Solent LEP



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# Agenda Item 2

## SOLENT GROWTH FORUM

MINUTES of the meeting of the Solent Growth Forum held on Tuesday, 15 March 2016 at 7.00 pm at the Council Chamber, Fareham Borough Council

### **Present**

Councillor Michael Cheshire MBE (in the Chair) Havant Borough Council

Councillors    Sean Woodward - Fareham Borough Council  
Donna Jones - Portsmouth City Council  
Simon Letts - Southampton City Council  
Keith House - Eastleigh Borough Council  
Robert Humby - Winchester City Council (Deputising for Stephen Godfrey)  
Guy Shepherd - East Hampshire District Council  
Roy Perry - Hampshire County Council  
Edward Heron - New Forest District Council  
Martin Hatley - Test Valley Borough Council  
Mark Hook - Gosport Borough Council

### Ex-officio

Stuart Baker – Head of Local Growth Solent LEP  
Fiona Dalton - University Hospital  
Marc Griffin – Head of Capital and Infrastructure Solent LEP  
James Fitzgerald - Corporate Finance Specialist, Portsmouth City Council (deputising for Chris Ward)  
Tim Houghton - Voluntary and Community Sector  
Robert Parkin, Deputy City Solicitor and Deputy Monitoring Officer Portsmouth City Council  
Bernie Topham (deputising for Graham Galbraith)  
Bruce Voss, Homes and Communities Agency

### In attendance

Anne-Marie Mountfield - Chief Executive Solent LEP  
Martin Lavers, Assistant Head of Service (Infrastructure), Portsmouth City Council  
Dawn Baxendale - Southampton City Council  
Stuart Jarvis - Hampshire County Council  
Bob Jackson - New Forest District Council  
Roger Testall - Test Valley Borough Council  
Tom Horwood - East Hants District Council & Havant Borough Council  
Nick Tustian - Eastleigh Borough Council  
Bob Jackson - New Forest District Council  
David Williams - Portsmouth City Council

## **16. Introductions and Apologies for Absence**

Apologies had been received from:

### Councillors

Jonathan Bacon - Isle of Wight Council

### Ex-officio Members

Pal Ahluwalia - University of Portsmouth

Nick Drew - East Hampshire District Council

Graham Galbraith - University of Portsmouth

John Henderson - Highways England

Debbie Lloyd - Skills Funding Agency

Deryn Martin - Skills Funding Agency

Di Roberts - Brockenhurst College

Chris Ward - Portsmouth City Council - (Accountable Body)

## **17. Meeting Notes and Matters Arising**

**RESOLVED** that the minutes of the meeting held on 9 December 2015 be agreed.

## **18. Declarations of Interest**

There were no declarations of interest.

## **19. Update on Transport Investment Plan**

Stuart Baker, Head of Local Growth, Solent LEP gave a presentation updating the Forum on the Transport Investment Plan. Due to technical difficulties the presentation was not able to be shown on the screen so he advised that the slides would be circulated to the members after the meeting.

The Transport Investment Plan was developed as an independent and objective study and there has been extensive consultation with stakeholders. AECOM have been commissioned to take on the work. The Plan sets out a bold ambition that in the period until 2040 we support and prioritise strategic and transformational transport investment in the Solent area.

The outputs from the Plan are showing that there is an infrastructure deficit in the Solent and that there are significant economic benefits to be derived from investment in transport - and in particular, rail. Due to the increasing population, city regions will need better public transport. Currently the train journey between Portsmouth and Southampton takes an hour, yet the cities are only 20 miles apart. The journey time from Portsmouth to London by rail is also poor.

The Transport Investment Plan will be going to the Solent LEP Board meeting on Friday for approval. Following this the LEP will work with partners to take forward the proposals.

Members of the Forum thanked Stuart for his presentation and had no questions.

## **20. Update on Local Growth Fund Programme**

Marc Griffin, Head of Capital and Infrastructure, Solent LEP, introduced his report which updated the Forum on progress of the delivery of the Solent Growth Deal. He advised that 2015/16 had been a very positive year with 98.5% of the 2015/16 funding defrayed in year.

In response to a question, Marc advised that a letter from Government confirming the grant funding of £42m had now been received by the LEP. Concern was raised by Stuart Jarvis of HCC about implications of annual grant awards on the delivery of multi-years projects, although Stuart accepted that this resulted in the approach taken by Government to the Local Growth Fund.

Members thanked the Solent LEP team for all their hard work on this.

### **RESOLVED that:**

- 1. The update on the Solent Growth Deal be noted.**
- 2. Any further advice from members on the management of the programme and the development of a new business support grant fund programme are emailed to Marc Griffin.**
- 3. That an item be included at a future meeting updating the Forum on the business support activity of the Solent LEP.**

## **21. Presentation on the Dunsbury Hill Farm Local Growth Deal Project**

Martin Lavers Assistant Head of Service (Infrastructure), Portsmouth City Council gave a presentation updating the Forum on progress with the Dunsbury Hill Farm Local Growth Deal Project. Due to the technical issues, his presentation slides were unable to be shown and would be circulated after the meeting.

Martin explained the location of the site and the vision for the site. The link road would be complete in 2016 and £4.54 million from the Solent LEP had been used towards the total cost of £8.54 million. The project will unlock a new and strategic employment site, adjacent to an area of deprivation.

Councillor Jones said she was pleased that Fat Face had signed last Friday to locate their largest UK distribution warehouse on plot 2 on the site. She had also met with an hotelier with regard to the possibility of a 2-3 star hotel being located on the site.

## **22. Update on Solent LEP Work Plan**

Stuart Baker, Head of Local Growth, Solent LEP informed members that the current work of the Solent LEP included:

- Preparing funding agreements for 2016/17 local growth deal schemes;
- Reviewing and taking forward projects put forward through the recent autumn 2015 expression of interest call;
- The area has been awarded £400k of One Public Estate funding, and the LEP is working with partners to take projects forward and will need the support of the Local Authorities to identify transformational land / property opportunities for future OPE funding.
- In relation to business support activity, it is a busy time with Regional Growth Fund projects closing down and new funds being developed. Key metrics delivered through the business support activity of the LEP included:
  - £7m grant allocated to more than 130 businesses
  - 70 new businesses started
  - 1,200 jobs / safeguarding
- Within Solent Growth Deal we secured £2m p.a. to continue business support provision and the LEP has worked with X-Forces and Natural Enterprise on two specific funds. The LEP is also working with British Marine on a specific Marine and Maritime SME Growth Fund
- To reflect the areas challenges around productivity, the LEP is developing a new High Growth and Productivity SME Growth Fund, which will target improving productivity in existing businesses and providing funding for start-ups with high growth potential
- In relation to innovation, Stuart reported that the LEP has taken the lead on a Broader Solent consortia submission to take forward a Science and Innovation Audit. This involved working with Dorset LEP, the three local Uni's, NOC, and key businesses in the marine, maritime, defence, and photonics sectors. This work will underpin the development of an Innovation Strategy for the Solent.

In response to a question, Stuart advised that the Solent LEP is working with the armed forces to assist ex-service personnel with business start-ups and that applications have been received to this fund.

## **23. Future Work Programme**

Stuart Baker, Head of Local Growth, Solent LEP informed members that the next meeting would include updates on the following issues:

- Business support update
- Local Growth Fund update
- Employer Ownership Programme
- Update on another Local Growth Deal Project



## **24. Any Other Business and Close**

There was no other business. The Chair thanked officers for their reports and presentations slides and confirmed these would be emailed to the Solent Growth Forum members.

The meeting concluded at 7.40 pm.

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Chair

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# Agenda Item 4



**Meeting:** Solent Growth Forum  
**Date:** 7<sup>th</sup> June 2016  
**Item 4:** Local Growth Deal Capital Programme Update.

## Purpose of report

This report provides an update to the Solent Growth Forum on the final outturn of the 2015/16 Local Growth Deal Programme and an update on the current 2016/17 Local Growth Deal (LGD) Programme.

## 1.0 Solent Growth Deal (SGD) 2015/16 Programme

Work has now been finalised in relation to the 2015/16 Local Growth Deal programme. The Solent LEP Executive have worked to maximise the full defrayal of the LGD funds in 2015/16 to support key local growth priorities. Despite this, there was a very small underspend of 1.38%, which has been carried forward to 2016/17. This was the best outturn of any of the 39 LEPs in the country. The final outturn is set out in table 1 below:

**Table 1: Final outturn for the 2015/16 Solent Growth Deal capital Programme**

Solent Growth Fund (launched 23 March 2015)	£	506,432
LGD Programme Management Costs	£	300,000
<b>Sub Total</b>	<b>£</b>	<b>806,432</b>
<b>Final Agreement</b>		
Eastleigh College Estates Renewal	£	6,810,000
Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine	£	5,400,000
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	£	4,340,000
A27 Station Roundabout / Gudge Heath Lane	£	2,065,000
Solent Recreation Mitigation Project	£	1,355,000
Cancer Immunology Centre (CIC)	£	4,500,000
<b>Sub Total</b>	<b>£</b>	<b>38,027,000</b>
<b>ERDF SME Match funding for business support scheme</b>		
Temporary Local Growth Deal switch with PCC Capital Resources to support ESIF bid	£	1,000,000
<b>Sub Total</b>	<b>£</b>	<b>1,000,000</b>
<b>Forecast total expenditure on Solent Growth deal 15/16</b>	<b>£</b>	<b>39,833,432</b>
<b>Solent Growth Deal Award 15/16</b>	<b>£</b>	<b>40,391,667</b>
<b>Actual underspend</b>	<b>£</b>	<b>(558,235)</b>

2015/16 was unquestionably a successful first delivery year of the SGD programme with a range of transformational projects either complete or significantly advanced to underpin economic growth and the ambition set out in the Strategic Economic Plan. This is testament to the area's ability to deliver large complex projects. The area has delivered a number of strategically important schemes, including Phase 1 of the Eastleigh College STEM project, which has seen the refurbishment of existing estate completed and a new teaching block now at an advanced stage. Indeed the project received a visit from the Secretary of State for DCLG, the Rt. Hon Greg Clark in March.

There have been major advances at the strategic employment site, Dunsbury Hill Farm, with the new highway very near to completion, which provides enabling/unlocking infrastructure. This is now attracting interest from businesses, with Fat Face recently confirmed as the first to occupant. The site has also been visited by James Wharton MP, Parliamentary Under-Secretary of State for DCLG, Minister for Local Growth and the Northern Powerhouse

A strengthened and modernised transport interchange has been delivered at Southampton Station Quarter, whilst The Hard Interchange is progressing well, with completion later this year. We are also delighted to see the Isle of Wight Centre of Excellence for Composites and Advanced Manufacturing coming out of the ground, which will strengthen the skills pipeline on the Island to support key businesses.

Projects at St. Margaret's Roundabout and Peel Common Roundabout are very near to completion, strengthening access to the Solent Enterprise Zone.

## 2.0 Solent Growth Deal (SGD) 2016/17 Programme

The Solent LEP has received the grant determination letter, confirming the £42,640,334 2016/17 LGD funding allocation (provided in Annex 1), and this funding has been received by the accountable body, Portsmouth City Council.

The Solent LEP Executive has been working with scheme leads to reach final agreement on the programme for 2016/17 and several funding agreements have been issued. A report is due to be discussed at the next LEP Board meeting on the 10<sup>th</sup> June 2016 on the 2016/17 capital programme. The current 2016/17 SGD programme is set out in table 2.

**Table 2: Current Funding Status of Projects within the 2016/17 Solent Growth Fund Programme**

Solent Growth Fund	£	2,275,000
LGD Programme Management Costs	£	300,000
<b>Sub Total</b>	<b>£</b>	<b>2,575,000</b>
<b>15-16 funding for schemes with deferred delivery to 16-17</b>		
Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine	£	5,500,000
Solent Gateways	£	10,315,000
North Whiteley Transport Improvements	£	4,428,000
<b>Sub Total</b>	<b>£</b>	<b>20,243,000</b>
<b>16-17 LGD schemes</b>		
Eastleigh College Estate renewals	£	2,190,000
Fareham and Gosport Programme- Phase 4 (Including A27 dualling, and Newgate Lane South)	£	4,500,000

A27 Station Roundabout and Gudge Heath Lane	£ 2,893,000
National Maritime Systems Centre	£ 542,503
<b>Sub Total</b>	<b>£ 10,125,503</b>
<b>Total</b>	<b>£ 32,943,503</b>
<b>Solent Growth Deal Award 16-17 (to be confirmed)</b>	<b>£ 42,640,334</b>
<b>Unallocated funding for 2016/17</b>	<b>£ 9,696,831</b>

The 2016/17 SGD programme has a number of exciting new major Growth Deal projects. These include the North Whiteley transport improvement project, which will accelerate the delivery of 3,500 homes. In addition, further phases of the Fareham and Gosport programme of works to improve transport connectivity in the Gosport / Fareham peninsula will follow.

Solent Growth Forum members will note that there is circa £9.7m yet to be allocated in the capital programme for 2016/17. This has resulted from a range of circumstances, including providing additional funding in 2015/16 to enable project spend programmed for 2016/17 to accelerate in 2015/16 and other projects reporting a delay in their proposed start date. As a result the Board has agreed to launch an invitation for projects to come forward with a full business case to access a new Innovation Fund. Details of the Innovation Fund are available here: ([http://solentlep.org.uk/uploads/documents/Innovation\\_Fund\\_Guidance\\_Note\\_-\\_April\\_2016.pdf](http://solentlep.org.uk/uploads/documents/Innovation_Fund_Guidance_Note_-_April_2016.pdf)). The submission deadline is on 3<sup>rd</sup> June, and the LEP expect interest to be high. It is hoped that this Fund will allow innovation projects, such as the Cancer Immunology Centre, which the LEP funded in 2015/16, to come forward and support innovation-led growth in the Solent.

Work also continues in relation to the Solent Growth Fund, which is providing grant funding to enable businesses to grow and for new businesses to start-up. A new Marine and Maritime SME Growth Fund, in partnership with British Marine, was launched in April.

The Board will be reviewing the Innovation call at its next meeting to ensure all 2016/17 funding is defrayed and enables economic growth.

Solent Growth Forum Members are asked to:

- **Note** the update on the Solent Growth Deal Programme for 2015/16 and 2016/17
- **Agree** for the Executive to showcase the completed projects from 2015/16 at the next SGF and **Confirm** if they would like to invite a particular scheme to present at the subsequent SGF

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## Cities & Local Growth Unit

Cities and Local Growth Unit  
1<sup>st</sup> Floor, Fry Building,  
2 Marsham Street,  
London,  
SW1P 4DP

4 March 2016

Anne Marie Mountifield  
Solent LEP  
Ground Floor, Building 1000  
Lakeside North Harbour  
Westen Road  
Portsmouth  
PO6 3EZ

By email: [anne-marie.mountifield@solentlep.org.uk](mailto:anne-marie.mountifield@solentlep.org.uk)

Dear Anne Marie,

### **Local Growth Fund 2016/17 payment**

I am writing to confirm the arrangements for Local Growth Fund (LGF) grant payments to be made in 2016/17 by the Department for Communities and Local Government ('DCLG') to Portsmouth City Council ('the Council') as the accountable body for Solent LEP.

The Council will receive a LGF capital grant payment of **£42,640,334 no later than 15 April 2016**. This letter confirms that, following the successful conclusion of the annual conversation process, the LEP will receive its previously indicative allocation for 2016/17 in full. Payments will be made under section 31 of the Local Government Act 2003.

Indicative funding profiles for 2017/18 and beyond remain as set out in my letter dated 24 March 2015.

### The Annual Conversation

Thank you for your participation in the annual conversation which took place in December last year. This is an important process for assuring all concerned that Growth Deal delivery is progressing well and that the LGF is securing value for money. I hope you found it useful and constructive. It was designed to be a two way conversation, and we certainly gathered useful feedback through each of the meetings.

This Spring we will be reviewing how these first annual conversations have gone so that we can make improvements ahead of the next round. Please send any feedback you would like to be considered to your Relationship Manager, or alternatively to Douglas Leckie on [douglas.leckie@bis.gsi.gov.uk](mailto:douglas.leckie@bis.gsi.gov.uk).

We have been satisfied as a result of your annual conversation that you are making good progress with delivering your Growth Deal. At the same time I must remind you that future

allocations will remain subject to the outcome of future annual conversations, which will focus on progress with Growth Deal delivery over the duration of the programme.

#### Local Growth Funding paid by the Department for Transport

Please note that this grant not cover the funding for any Tail or Portfolio transport schemes. Grant arrangements for those schemes are dealt with directly by the Department for Transport.

#### Funding Requirements

We expect that all funding paid pursuant to the Growth Deal, irrespective of whether paid by DCLG or DfT, will fulfil the following requirements:

1. It will be used to support the Growth Deal agreed between the Government and the LEP and will be used to secure the outcomes set out in the Growth Deal.
2. It will be deployed solely in accordance with decisions made through the local assurance framework agreed between the LEP and the accountable body. This must be compliant with the standards outlined in the national LEP assurance framework. The recent audit reviews of LEPs by the National Audit Office and Government Internal Audit Agency have identified a number of gaps in assurance framework compliance. Where that is the case we will ask LEPs to address areas of non-compliance promptly.
3. That you will track progress against agreed core metrics and outcomes, in line with the national monitoring and evaluation framework.

Councils and Combined Authorities are reminded that, as accountable bodies for their LEPs, they are responsible for ensuring that expenditure is spent in accordance with all applicable legal requirements. This includes, for example, state aid and public procurement law. Councils and Combined Authorities are reminded that any development decisions for specific proposals must go through the normal planning process and be guided by local plans, taking into account all material considerations. Councils and Combined Authorities will be subject to their normal internal and external audit controls.

The LEP and accountable body are also reminded of their responsibilities under the Public Sector Equality Duty as set out in Section 149 of the Equality Act 2010 and should have regard to these requirements when apportioning LGF funding.

Finally, as set out in your Growth Deal, we expect that the LEP and accountable body will comply with the publicity requirements (including branding guidelines) for Growth Deals. The LEP should also continue to discuss publicity opportunities for Growth Deal projects with their relationship manager and through the LEP Communications Leads Group.

#### Growth Hubs Funding

In addition to the LGF grant detailed above, your LEP will also receive an allocation for your Growth Hub of £410,000 payable over the next two years (£205,000 in 2016-17 and £205,000 in 2017-18). As now, it will be managed via local authority accountable bodies (in line with Growth Deal process) under Section 11 of the Industrial Development Act, payable quarterly in advance. Funding will be subject to the terms and conditions of the grant determination. This



will be issued in due course by the Department for Business, Innovation and Skills, with the first quarterly payment issuing in April 2016.

I am copying this letter to the Section 151 officer for your accountable body and to your Relationship Manager.

Yours,

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

Tom Walker  
Director, Cities and Local Growth Unit



# Agenda Item 5



**Meeting:** Solent Growth Forum  
**Date:** 7<sup>th</sup> June 2016  
**Item 5:** Competing for Growth - Further Growth Deals

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This paper and its annexes provide information for the Solent Growth Forum on the development of the Solent LEP Local Growth Deal proposal.

## 1.0 Background

The Local Growth Fund (LGF) is a £12bn single-pot capital fund made available by central Government to local areas through Local Enterprise Partnerships (LEPs). The fund aims to support investment in the infrastructure, housing and skills that will drive forward local economies, create more jobs, leverage in private sector investment and generate wealth, and should support the economic strategy of an area as set out in a Strategic Economic Plan. Historically, the fund has been largely competitive, and outputs driven. Moving forward funding will be on a competitive basis only.

LEPs are invited by government to submit Local Growth Deal proposals to make the case for investment in a local area. These are then considered by central government and a Local Growth Deal (LGD) is agreed with each LEP. The first [Solent Growth Deal](#) was published in July 2014, with an [Expanded Solent Growth Deal](#) published in January 2015. Through these Deals the Solent has secured £151.9m of Local Growth Funding, which will create up to 6,000 new jobs, 11,000 new homes, improve skills provision, improve connectivity, unlock development sites, and generate £400m public and private investment. Government has advised that proposals should include a greater level of private sector investment than in previous rounds.

On 22<sup>nd</sup> March 2016, the Secretary of State for the Department for Communities and Local Government (DCLG), the Rt. Hon. Greg Clark MP, announced the next LGF round and invited the 39 LEPs in England to submit proposals, in July, to access £1.8bn of capital funding to boost skills, support business and build more homes. The funding is available from 2017/18 to 2020. The letter the LEP received from the Secretary of State inviting an application is attached as annex 1.

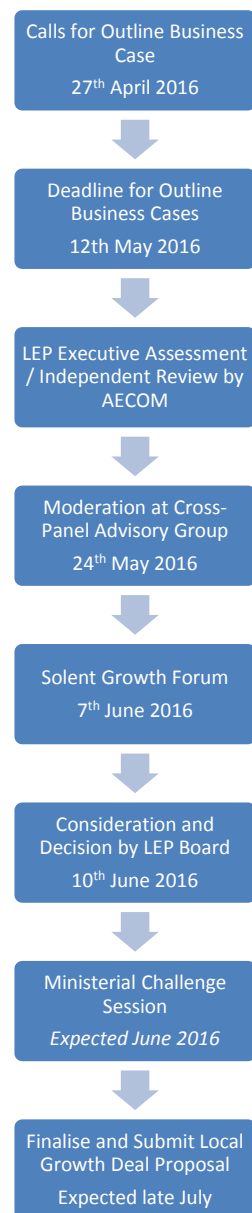
This will be highly competitive – to be successful, the Solent LEP is working with partners to develop a submission to government that will boost growth in the Solent and bring in even greater levels of private sector funding than previously.

In response, and following on from the Expression of Interest (Eoi) call that the Solent LEP issued in the autumn of 2015 (and was discussed by the SGF at its meeting on 9<sup>th</sup> December 2015), the LEP opened a call for Outline Business Cases to be submitted for consideration for inclusion within the LGD submission to government in July 2016, which will build on the Solent Growth Deal secured in July 2014, and expanded in January 2015. As noted above, the Fund is expected to be highly competitive, and, in order to achieve the best Deal for the Solent, only the strongest and most deliverable projects will be taken forward. For information, the guidance document for the recent call is available from here:

<http://solentlep.org.uk/blog/solent-lep-to-look-for-a-share-of-18-billion>.

## 2.0 Timeline

The figure below provides a timeline for the development and submission of the Solent Local Growth Deal proposal to government in July 2016.



In consideration of the timeline for submission of the LGD proposal, it has not been possible to convene individual Panels, and the LEP therefore convened a Cross-Panel Advisory Group, which drew on expertise from across the LEP delivery panel structure to provide valuable additional advice alongside advice from the Solent Growth Forum. This advice will be considered by the LEP Board, together with the independent assessment undertaken by AECOM and the LEP Executive review of proposals that has been undertaken in accordance with the published guidance.

## 3.0 High Summary of Proposals

A high level summary of proposals is provided in annexes 2 and 2a.

## 4.0 Assessment Process

A more detailed independent assessment of the OBC's will be provided by AECOM for consideration by the LEP Board at its meeting on 10<sup>th</sup> June 2016.

In addition to the independent assessment, the LEP Executive is undertaking a detailed assessment against the published prioritisation criteria, as set out below. Again, this will be presented to the LEP Board at its meeting on the 10<sup>th</sup> June, along with advice from this Forum.

Core Criteria	
Strategic Fit	The extent to which a site supports one or more of the strategic priorities in Solent LEP Strategic Economic Plan and/or raise productivity levels
Productivity	How the proposal will support an increase in productivity.
Deliverability	The ability to demonstrate that the project is deliverable including: the extent to which it has planning permissions and other legal consents in place; the adequacy of the funding package; the financial standing of the delivery partners, and the risks to timely delivery.
Start Dates	Applicants should identify whether the project is expected to come forward in the short-term (by March 2017) or whether it is expected to come forward in the medium term (between April 2017 and 2020).
Private Sector / Other Leverage	The ability to lever other funding, in particular, private sector funding and the scale of the Investment.
Jobs	The value (quality i.e. permanent vs. temporary jobs) and number of the jobs created.
Homes	Delivery of new housing provision (where applicable).
Skills	Delivery of skills outcomes (where applicable)
Additionality	The extent to which a site's benefits will be realised without the funding (deadweight); the impact of the funding on the speed of delivery of the economic benefits; and the extent to which the funding will shift economic activity from other areas (displacement).
Supplementary Criteria	
Wider Economic Impacts	The wider impact on the economy of the Solent LEP area (i.e. will it help unlock or bring forward other development sites or economic activity; will it help grow the priority sectors; and the knock-on impacts to other companies in a supply-chain).
Social Impact	The extent to which the project will have wider social or environmental benefits to the Solent (e.g. providing employment opportunities in deprived city areas, supporting people into work through apprenticeships and other access to employment routes.

This LGF is expected to be highly competitive, and, in order to achieve the best Deal for the Solent, only the strongest and most deliverable projects will be taken forward. Projects should support the Solent LEP [Strategic Economic Plan](#) and associated documents such as the recently published [Productivity and Growth Supplement](#) and boost local economic growth and create jobs in the Solent.

Through assessment, particular attention is being placed on the achievability of outputs, as the Deal that is agreed between Solent and Government, will bind the area to achieving these outputs. In addition, a robust approach has been taken to certainty of delivery which includes funding status and any relevant consent, within the context of the delivery profile.

## 5.0 Developing a Proposal

Recent discussions with BIS have advised that there is no fixed model for LGD proposals. However, proposals should set out what the area is seeking to achieve, delivery performance to date, ambitions for the future, a well-

articulated ask of what is requested from this new round, governance arrangements, and where the Deal will position the Solent economy moving forward.

Advice received from the Cross-Panel Advisory Group has suggested that the submission to government may benefit from a programme-based approach, alongside a set of discrete projects. This will be particularly relevant in relation to skills capital projects, as the Solent Post-16 Area Review is yet to complete and enable a targeting of higher level skills outputs. In addition, programme funds could be a novel approach to ensure that funds may be deployed to target specific areas, including infrastructure on the Isle of Wight and Innovation projects. In terms of the former, work is expected to commence shortly in relation to the development of an Island Infrastructure Plan, and, in terms of the latter, enable decisions to be informed by the work that is underway to develop an Innovation Strategy for the Solent. A programme-based approach worked successfully in 2015, with the Cancer Immunology Centre having been funded through a Skills and Innovation Fund.

Solent Growth Forum Members are asked to:

- Provide **advice** to the LEP Executive on the following:
  - Specific advice on any projects identified in the high level summary (annex 2a)
  - The types of projects the LEP should fund
  - The level of ambition within the LGD proposal
  - The potential for a programme-based approach, where appropriate.



## Department for Communities and Local Government

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PO6 3EZ

**The Rt Hon Greg Clark MP**  
*Secretary of State for Communities  
and Local Government*

### **Department for Communities and Local Government**

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Dear Gary

12 April 2016

### **Competing for Growth – Further Growth Deals**

Across the country, Local Enterprise Partnerships have used the existing Growth Deals to build stronger local economies. Every new job created as a result of a Growth Deal makes someone's life better: there's little more important work than this.

I am delighted, therefore, to invite proposals for the **next round of Growth Deals**.

We are looking for even more ambition in this round: the competition is open to every LEP, but no area is entitled to a particular share of funding. We'll make the awards on the basis of the merits of the cases you make, in light of the criteria I outline below. The stronger your proposal, the greater your chance of success - it's that simple.

Here are the criteria we will use in our review:

- You should explain how new funding will help to increase growth in your area, over and above the impact of your existing Growth Deal. What barriers (in transport, skills, housing supply, for example) could be overcome by new investment? **Propose a specific figure** for funding, and describe the purpose to which it would be put. (The e-mail you received from Mike Wiltshire, the BIS Local Deputy Director for South Central and West, made clear the funding for which everyone is competing). As in previous rounds, I will look for you to provide details on what your proposals will deliver in terms of job creation, investment and housing, as well as what will be required to achieve this in terms of cost and capacity.
- **Strong collaboration between your partnership and the local area** must underpin your proposal. This work must be owned by both political and business leaders in your area.

- The need for **stronger, reformed governance structures** implies that proposals that are aligned with mayoral Combined Authorities (or proposed Combined Authorities) will have an advantage. You would do well to outline the positive role your partnership is taking in strengthening local governance.
- As your Partnership will be more engaged with local business now than was the case in 2014, your proposal should include **a greater level of private sector investment** than in previous rounds, as well as match funding from other bodies such as universities. My expectation is that LEPs will have SME representation on their Board and I would like to see a proposition on how you will implement this in your proposal.
- Your strategy should **engage with government's key objectives within the wider local context** (such as plans for housing delivery and the area reviews into further education).
- And, of course, the **delivery of existing Growth Deals** will play a part in my consideration of proposals. We expect your proposals to set out the systems in place to ensure value for money and proper use of public money.

Your proposal will also be seen in the context of your bid, should you make one, for Local Transport Majors funding. Local Transport Majors funding allows several areas to fund transport projects beyond that which individual Local Enterprise Partnerships have previously delivered. Ministerial colleagues in the Department for Transport will write to you shortly to explain how that funding will be awarded.

Your new Growth Deal proposal should be submitted by summer recess, and my officials will contact you in due course regarding your challenge session. I intend to announce the winners of this competition around the time of this year's Autumn Statement. BIS Local teams are ready to support you in preparing your proposals — make good use of them.

To support this round of funding, I was pleased to announce continued core funding for LEPs into 2017-18, to enable you to plan for the future with confidence. We will provide further guidance on this in due course.

I hope you share my excitement about this new round of Growth Deals, and look forward to reading your proposals.



**Rt Hon Greg Clark MP**

CC: Anne-Marie Mountifield, Chief Executive Solent LEP



## **Solent LEP**

### **Local Growth Deal Update – Review of Outline Business Case (OBC) Submissions**

**17<sup>th</sup> May 2016**

#### **1. Introduction**

AECOM were commissioned to collate the information provided from Outline Business Cases (OBC) submitted to Solent LEP prior to and on 12<sup>th</sup> and 13<sup>th</sup> May 2016. AECOM developed a bespoke template<sup>1</sup> for capturing the details of each scheme and completed some initial analysis on the basis of the “face value” of information provided by the applicants. This analysis of submissions included:

- a) the alignment with LEP strategic areas;
- b) the location of the schemes;
- c) the potential aggregate and average impacts and costs across the submissions; and
- d) the start timing of each project (which generally aligns with when an initial tranche of LGF monies are required).

Further due diligence of these OBCs will be completed separately including assessment against Solent LEP’s prioritisation matrix and against SoS CLG guidance.

#### **2. Conflict of Interest Disclosure**

AECOM have a development advisory role to Southampton Solent University in connection with the “Partial Relocation of Warsash Maritime Academy” scheme. AECOM has a conflict management approach which has been agreed with Solent LEP and used to manage these conflicts in earlier business case assessments.

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<sup>1</sup> Drawing on the guidance in the SoS for Communities and Local Government letter to Solent LEP (12 April 2016).

### 3. Overview of OBC Submissions

The LEP has received a total of 40 Outline Business Cases from the following 32-34<sup>2</sup> applicants:

- |                                       |  |
|---------------------------------------|--|
| 1. BAE Systems                        | 20. Polymer Sciences Ltd   |
| 2. Barton Peveril Sixth Form College  | 21. Portsmouth City Council  |
| 3. Brockenhurst College               | 22. Portsmouth City Council (Eastern Solent Coastal Partnership)       |
| 4. Captec Ltd                         | 23. Solent Refit Ltd   |
| 5. East Hampshire District Council    | 24. Solent Transport (with Southampton City Council as Lead Authority) |
| 6. Eastleigh College                  | 25. Solent Transport (with Portsmouth City Council as Lead Authority)  |
| 7. Fareham Borough Council            | 26. South Downs College  |
| 8. Fareham College                    | 27. Southampton City Council   |
| 9. Fawley Waterside Ltd.              | 28. Southampton Solent University                                      |
| 10. Hampshire County Council          | 29. St Vincent 6th Form College  |
| 11. Havant Borough Council            | 30. Supermarine Investments Limited                                    |
| 12. HCA                               | 31. University Hospital Southampton NHS Foundation Trust               |
| 13. Highbury College, Portsmouth      | 32. University of Portsmouth   |
| 14. Isle of Wight College             | 33. University of Southampton  |
| 15. Isle of Wight Council             | 34. WS Group   |
| 16. MJH Development                   |  |
| 17. National Oceanography Centre      |  |
| 18. Offsite Build Group               |  |
| 19. Perpetuus Tidal Energy Centre Ltd |  |

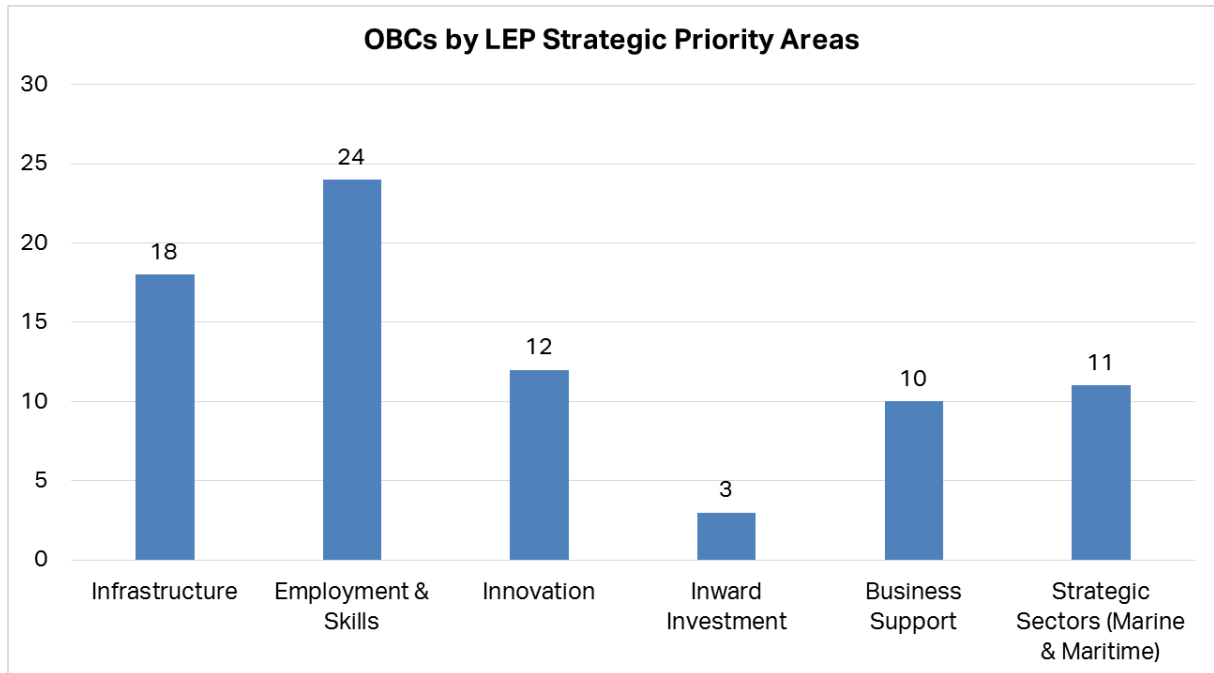
Of the 40 OBC submissions, 11 OBCs have come from the private sector, nine from Further Education (FE) or Sixth Form Colleges, eight from Local Authorities (Boroughs, Districts and Unitaries), five from universities, five from the County Council and Solent Transport together. There are also bids from the NHS and the HCA.

Three projects were submitted as “commercial in confidential” and these are identified in annex 2a.

There was a good spread across the LEP’s five of the Strategic Priority Areas with about half of all proposed projects investment in infrastructure or the generation of employment and skills. Fewer projects aligned with inward investment outcomes.

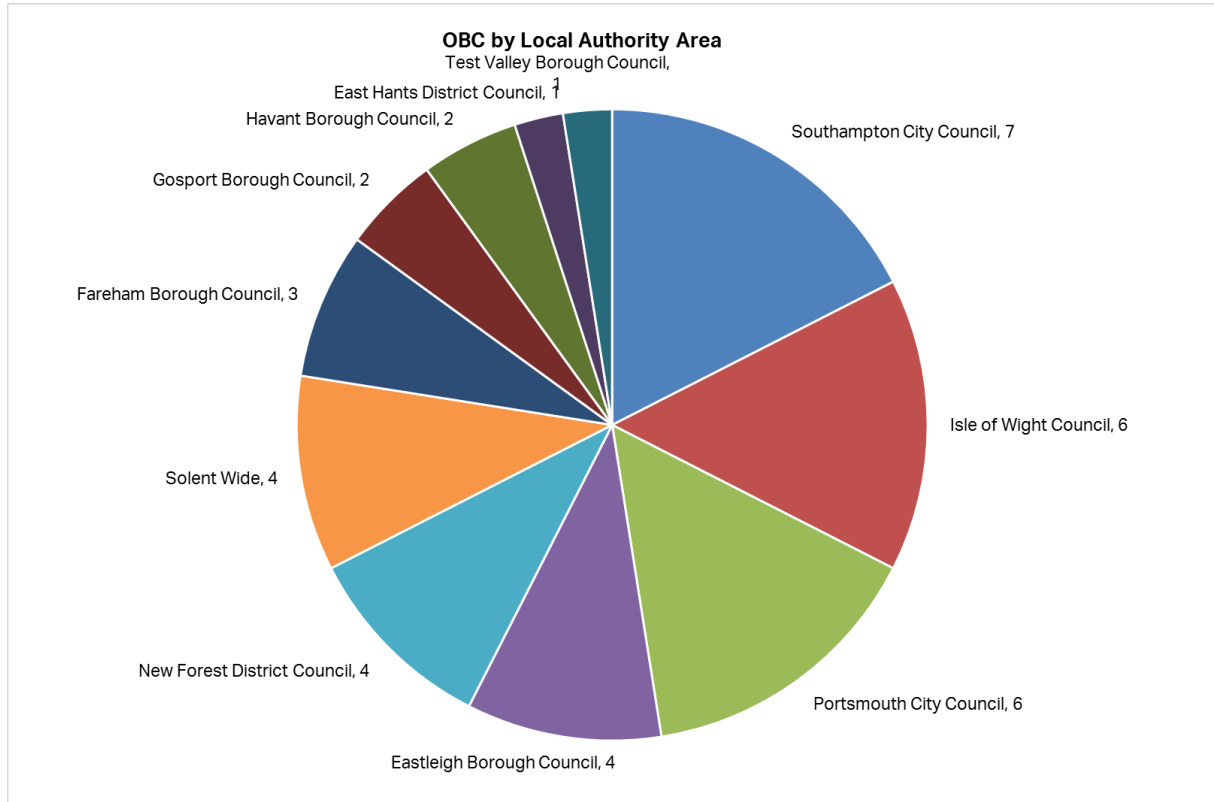
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<sup>2</sup> The two Solent Transport bids have Portsmouth and Southampton as lead authorities. One PCC bid is under the Eastern Solent Coastal Partnership banner.



NB. A project can align with more than one Strategic Priority Area

There were OBCs with a primary delivery location in all Local Authority areas across the Solent LEP area with the exception of Winchester City Council. The impacts of four proposed projects were “Solent wide” although many of the larger projects will have cross boundary and sub-regional impacts. The highest number of bids were in Southampton (7), followed by Portsmouth and the Isle of Wight (both 6).



In total the submitted OBCs would have the potential to bring forward 26,800 new direct jobs (at a gross OBC level), 29,600 new indirect jobs and deliver or support the delivery of 29,900 houses. While in aggregate 677,500 jobs would be safeguarded, this is affected by some very large Solent-wide transport schemes and also double counting with the same jobs being safeguarded in different projects. Nearly 540,000 sqm of new employment or education floorspace would be brought forward. Just under 1,000 apprenticeships would be provided and 2,600 new learners would result from the potential portfolio.

On average<sup>3</sup> a proposed project creates 670 direct jobs and 740 indirect jobs.

<b>Impacts</b>	<b>Total</b>	<b>OBC Average (40)</b>
New Direct Jobs (gross)	26,756	669
New Indirect Jobs (gross)	29,552	739
Safeguarded Jobs	677,472	16,937
New Housing (units)	29,922	748
Education / Employment Floorspace (sqm)	539,614	13,490
Estates Improved (sqm)	32,160	804
Skills: Apprenticeships	997	25
Skills: Learners	2,621	66

NB Safeguarded jobs are the total across all submitted OBCs and so will involve substantial duplication and also be affected by specific schemes (e.g. one transport OBC reports safeguarding 483,600 jobs).

<sup>3</sup> It should be noted that the range of outcome categories vary by project and as some very high impacts are claimed for specific projects that averages will be affected by these outliers and should be viewed with caution.

The total investment value across 39<sup>4</sup> OBCs assessed at “face value” is £1 billion with £226.6 million requested as LGF support, about 22% of all costs<sup>5</sup>. In terms of leverage this suggests that every £1 of LGF is leveraging £3.46 of other local funding (e.g. public, private and other combined). This is slightly below Solent LEP’s target ratio of 4:1.

Just under £396 million of private funding has or could be triggered across the 39 OBCs, amounting to 39% of all investment costs. In terms of private sector leverage this suggests that every £1 of LGF could leverage £1.75 of private funding. The public/other leverage is very similar with every £1 of LGF leveraging £1.71 (£387.2 million in total),

The “average” proposed OBC stage project is around £26 million, requiring £5.8 million of LGF (22%) with the remaining funds coming from private and public/other local sources (about £10 million each).

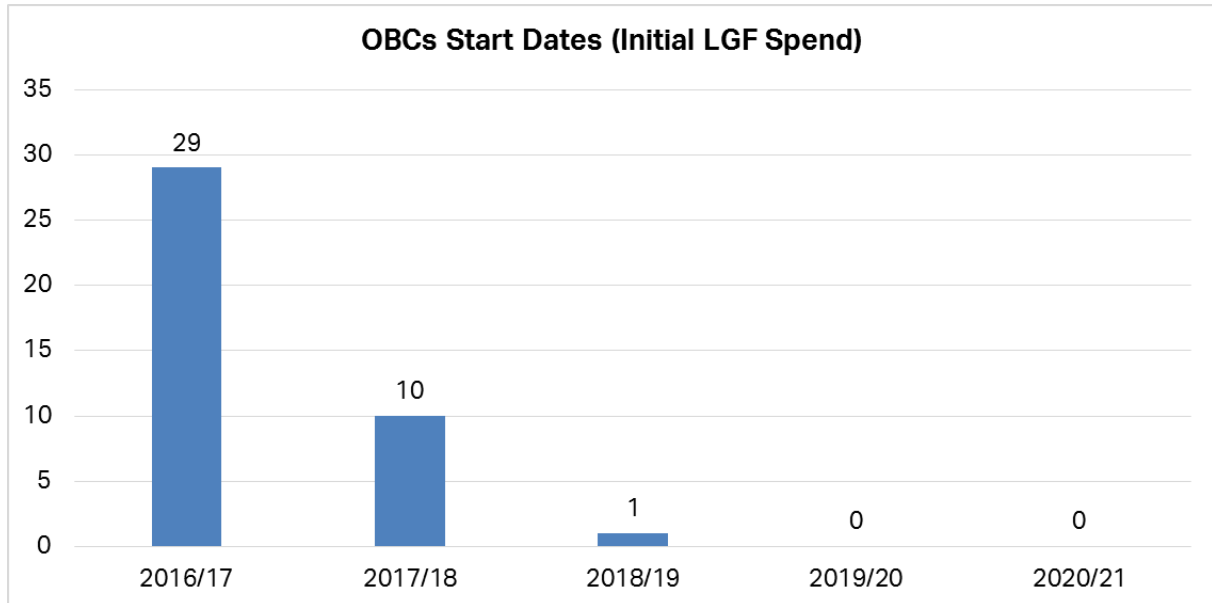
Six projects have provided formal Benefit Cost ratios to show their potential impacts and four projects have attempted to calculate their local GVA impact.

<b>Funding / Costs</b>	<b>Total (39)</b>	<b>OBC Average (39)</b>
Total Cost	£1,009,863,574	£25,893,938
LGF Request	£226,552,125	£5,809,029
Local Contribution (Public and Private)	£783,061,449	£20,078,499
Local %	78%	
Private Sector Contribution	£395,911,449	£10,151,576
Private Sector £	39%	
Leverage: All local (public / other + private) £ per £1 LGF	£3.46	
Leverage: private sector £ per £1 LGF	£1.75	
Leverage: Public / other £ per £1 LGF	£1.71	

<sup>4</sup> Inadequate financial detail was provided for one OBC to allow its inclusion in the analysis and a number of OBCs have financial totalling errors in their submissions.

<sup>5</sup> The LEP has a minimum local funding target of 30% at the project level.

Three quarters of projects have a start date in 2016/17, which normally requires LGF spend in that year. Eleven projects would not start until 2017/18 or later.



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#	Project Name	Project Proposer (any Conflict)	Public and Business Partners	Location (LA) - Primary	Location (LA) - Secondary	Project Summary	Growth Barriers Tackled?	How increase local growth / productivity?	Infrastructure	Employment & Skills	Innovation	Inward Investment	Business Support	Strategic Sectors (Marine & Maritime)	Start (LGF Spend)	Completion (Project)	New Direct Jobs (gross)	New Indirect Jobs (gross)	Safeguarded Jobs	New Housing (units)	Education / Employment Floorspace (sqm)	Estates Improved (sqm)	Skills: Apprenticeships	Skills: Levels	Skills: Learners	Total Cost	LGF Request	Local Contribution (Public & Private)	Local % (at least 30%)	Private Sector Contribution	Private Sector %	Current BCR	Value for Money (Net Additional GVA per £1 LGF: target 4:1)	GVA (Net Additional)	
1	Partial Relocation of Warsash Maritime Academy	Southampton Solent University (AECOM conflict)		Southampton City Council		Relocation of training, workshop and student accommodation at Warsash Maritime Academy (WMA) to new facilities in Southampton City Centre. Part of wider SSU estate plan and East Park Terrace masterplan.	Constrained location preventing expansion. Better learning facilities.	Expansion of course provision. Release of land (3.63ha) for 50-80 housing units. Support city centre masterplan.		Employment & Skills					Strategic Sectors (Marine & Maritime)	2017/18	2019/20	35	106	270	80	6,750	4,000	0	3 & foundation , full & master degrees	177	£ 45,000,000	£ 15,000,000	£ 30,000,000	67%	£ -	0%	1.411	5.190	£ 77,000,000
2	Botley Bypass	Hampshire County Council	Eastleigh Borough Council, Winchester City Council	Eastleigh Borough Council	Winchester City Council	1.8km single carriageway bypass around A334 on Botley High Street to reduce traffic congestion and improve air quality in a designated AQMA. Scheme been in existence for some time. Linkage to N Whiteley scheme (SE of scheme).	Highway capacity and performance as a development constraint. Air quality.	Supports up to 8,600 new homes.	Infrastructure							2016/17	2020/21	0	0	0	1,500	20,000	0	0	0	£ 24,000,000	£ 13,200,000	£ 10,800,000	45%	£ -	0%	2.800			
3	City centre critical infrastructure to enable development and growth in Portsmouth	Portsmouth City Council		Portsmouth City Council		Scheme not yet developed. Aim is a package of highway improvements to unlock development sites including Tipner and Horsea (M275 investments), encourage modal shift and improvement connectivity between three areas (Commercial Road, Station Square, Guildhall)	Highway capacity and performance as constraint in the city	Additional capacity, connectivity and modal switch.	Infrastructure			Inward Investment				2017/18	2019/20	4,650	2,000	0	2,600	0	0	0	£ 36,000,000	£ 24,000,000	£ 12,000,000	33%	£ -	0%	4.000				
4	Solent Refit Marine facility Development Project	Solent Refit Ltd	Switzer (towage), BP, Oceanic Estates (freeholder)	New Forest District Council		Dredging to 5.5 below CD and facility expansion (works on slipway, office, pontoon) to accommodate larger vessels to compete with overseas yards. Potential occupier (Switzer) for 10 year sub-lease who will transfer jobs into Solent, Hythe Marine Park.	Support local cluster. Market expansion.	Expansion of marine services. Secure business from overseas markets.	Infrastructure	Employment & Skills					Strategic Sectors (Marine & Maritime)	2016/17	2017/18	36	0	24	0	0	0	2	0	30	£ 1,250,000	£ 1,000,000	£ 250,000	20%	£ 250,000	20%			
5	Medina River: Marine Manufacturing Deep Water Access	HCA		Isle of Wight Council		Construction of a new hoist dock facility in Kingston Marine Park for water access for marine businesses to launch, recover and test new production and development vessels and access to around 15,000 square metres of new marine industrial floorspace.	Limited local for deep water access. Other sites being lost to other developments.	Maintain marine cluster and safeguard jobs. Bespoke modern facilities.	Infrastructure						Strategic Sectors (Marine & Maritime)	2016/17	2019/20	0	217	250	100	15,000	0	20	0	0	£ 21,100,000	£ 3,500,000	£ 17,600,000	83%	£ 15,000,000	71%			
6	Highbury College: Centre of Excellence for Building Services and Engineering Design Technologies	Highbury College, Portsmouth (Tudor Crescent)	Microsoft UK, Algonquin College of Applied Design	Portsmouth City Council		Development of a Centre of Excellence at Highbury College for Building Services and Engineering Design Technologies. Contributing to closing the regional skills gaps in the STEM sector. Provide a resource to SMEs working in these industries.	Reducing local skills gap in STEM technologies, providing local skills training and apprenticeships	Improving the skills base in the Solent, raising productivity.		Employment & Skills	Innovation		Business Support			2016/17	2017	6	250	0	0	750	0	300 combined learners / apprentices	0	0	£ 4,240,000	£ 2,500,000	£ 1,740,000	41%	£ 390,000	9%			
7	Highbury College: Solent Marine Academy	Highbury College, Portsmouth (Historic Dockyard)	Portsmouth Naval Base, Saab Sea Eye, Fareham Sunnail, Port Solent, PCC	Portsmouth City Council		The expansion of the Solent Marine Academy to provide further training and learning facilities for marine engineering and boat building. Additionally, the development of a Remotely Operated Vehicle (ROV) Pilot School and a research and development facility for local SMEs within the industry	Providing skills and training in the local economy.	Delivering skills in strategic sectors, supporting businesses in strategic sectors.		Employment & Skills	Innovation		Business Support	Strategic Sectors (Marine & Maritime)	2016/17	2017	8	300	0	0	950	900	100	level 3	160	£ 4,990,000	£ 3,700,000	£ 1,290,000	26%	£ 1,000,000	20%				
8	Medina Valley Infrastructure	Isle of Wight Council	HCA, MoJ	Isle of Wight Council		Investment in infrastructure projects in the Medina Valley to unlock land for housing and employment by ensuring room for capacity growth on the network.	Constraints on the local transport network.	Enable the development of employment and housing sites	Infrastructure							2016/17	2018-2019	0	0	0	0	0	0	0	0	£ 64,000,000	£ 11,750,000	£ 52,000,000	81%	£ 3,800,000	6%				
9	Perpetuus Tidal Energy Centre	Perpetuus Tidal Energy Centre Ltd	IoW	Isle of Wight Council		Construction of a 30MW tidal energy power station off the Isle of Wight.	Contributing to sustainable future energy mix	Expansion of new technology sector	Infrastructure	Employment & Skills	Innovation			Strategic Sectors (Marine & Maritime)	2017/18	2018	250	200	0	4	10,000	8,000	0	0	0	£ 150,000,000	£ 6,000,000	£ 144,000,000	96%	£ 144,000,000	96%				
10	St Cross Phase II	MJH Development		Isle of Wight Council		Provide IoW with 10ha of employment land and 10ha of housing land. Gap funding request.	No response	Allow company expansion	Infrastructure					Strategic Sectors (Marine & Maritime)	2016/17	2020/21	4,000	500	4,000	450	18,000	0	0	0	0	£ 24,600,000	£ 7,000,000	£ 17,600,000	72%	£ 17,600,000	72%				
11	University Hospital Southampton Infrastructure Project	University Hospital Southampton NHS Foundation Trust	Southampton City Council, Southampton Commercial Estates Development	Southampton City Council		Construction of a road with enabling infrastructure to service planned developments at Adurac Park (inc 1,200 car park and ride) and to support future developments at UHS	Expansion of health and medi-science sector locally	Sector expansion. Centralisation of services so patients not travel out of area.	Infrastructure	Employment & Skills	Innovation					2016/17	2018/19	156	150	11,000	0	0	0	200	0	0	£ 149,700,000	£ 3,600,000	£ 146,100,000	98%	£ 84,000,000	56%			
12	Fareham Innovation Centre - Phase 2 (FIC2)	Fareham Borough Council	Oxford Innovation Council	Fareham Borough Council	Gosport Borough Council	1 ha development adjacent to the existing Innovation Centre to provide 46 offices and workshops and 1,600 sqft of conferencing space.	Additional business space. 20 firms on waiting list for FIC1.	Expansion space for firms. USP of operating airfield.		Employment & Skills	Innovation		Business Support			2016/17	2018/19	486	435	150	0	3,000	0	17	0	10	£ 6,600,000	£ 1,980,000	£ 4,620,000	70%	£ 100,000	2%			
13	15MW Combined Heat and Power (CHP) Generation	BAE Systems	Naval Base Command/ Ministry of Defence (MoD)	Portsmouth City Council		Installation of c.15MW/e of CHP generation (inc plant and control room) at Portsmouth Naval Base to increase peak electrical load capacity, resilience and reduce heat distribution losses.	Energy capacity shortfall including at PNB. Services for QEC ships. Apprenticeships.	Provision of electrical capacity.	Infrastructure					Strategic Sectors (Marine & Maritime)	2016/17	2018/19	3	0	0	0	500	0	25-27	level 3 & 4	0	£ 16,300,000	£ 2,000,000	£ 14,300,000	88%	£ -	0%				
14	Solent Digital and Creative Innovation Centre	Southampton Solent University	SCC, Other Private partners	Southampton City Council		The project is to develop a Digital and Creative Innovation Centre (DCIC) in Southampton City Centre (refit of building)	Support for growth sector firms and staff	Access to new technology		Employment & Skills	Innovation		Business Support	Strategic Sectors (Digital)	2016/17	2017/18	675	14	0	0	4,870	0	0		200	£ 13,750,000	£ 6,875,000	£ 6,875,000	50%	£ -	0%			£ 21,000,000	
15	Brookhampton Business Hub Phase 1	Havant Borough Council	HCC	Havant Borough Council		Development of phase 1 of a business hub delivering 3,150 sq m of new business floorspace on 2ha of 9ha site.	Employment space in a strategic location on the A27/ A3 interchange	Accommodate additional firms / expansion		Employment & Skills			Business Support			2016/17	2017/18	90	45	0	0	3,150	0	6	0	0	£ 7,520,000	£ 3,200,000	£ 4,320,000	57%	£ 1,070,000	14%			£ 3,000,000
16	East Hampshire Invest for Growth initiative	East Hampshire District Council	Hampshire County Council (Highways & Education), Developers, Highways England, Local Parish Council	East Hants District Council		Development of an Enterprise Hub at a strategically located 1.7 ha employment site part of a transformational new development. Oxford Innovation feasibility study completed.	Employment space for growing firms.Funding released for housing.	Accommodate additional firms / expansion. Unlock housing.		Employment & Skills			Business Support			2016/17	2017/18	490	118	196	700	0	0	0 (21 placements stated)	0	44	£ 8,400,000	£ 4,200,000	£ 4,200,000	50%	£ -	0%			£ 10,100,000
17	Supplying the population of the BRICS countries with low cost contact lenses	Polymer Sciences Ltd	WARAMBE (Potential private investor)	Solent Wide		To introduce an affordable contact lens into BRICS countries using new production method that is 30% cheaper. Some testing completed and patents in 18 countries.	Increase exporting from Solent	The opportunity to supply growing markets with an affordable efficacious contact lenses for which there is no current supplier.		Employment & Skills	Innovation					2016/17	2018/19	46	4	2	0	0	0	0	0	3	£ 5,400,000	£ 3,000,000	£ 2,400,000	44%	£ 2,400,000	44%			
18	Hythe Marine Park	Supermarine Investments Limited	Oceanic Estates Ltd	New Forest District Council		New quay wall and flood defence (Phase 1) and deep water hoist dock (Phase 2) to expand composite and steel boatbuilding. At Hythe Marine Park.		Create world leading yacht development facility. Address flood issues.	Infrastructure					Strategic Sectors (Marine & Maritime)	2016/17	2019/20	30	0	123	0	1,500	0	0		30	£ 2,700,000	£ 1,890,000	£ 810,000	30%	£ 810,000	30%				
19	Barton Peveril College Science and STEM Building	Barton Peveril Sixth Form College	University of Southampton, Southampton Solent University, Wildern School, Mountbatten	Eastleigh Borough Council		Construction of a new Science Centre at Barton Peveril Sixth Form College – twelve laboratories and four classrooms, with three preparation rooms and two student breakout work areas and a staff room. Full fit-out of labs and refurbishment of existing science accommodation for other curriculum use.	Improve STEM levels locally.	Improve STEM levels locally.		Employment & Skills						2016/17	2017/18	5	0	40	0	500	1,100	0	level 3	83	£ 2,300,000	£ 1,600,000	£ 700,000	30%	£ -	0%			
20	River Itchen (west bank) Flood Alleviation Scheme	Southampton City Council	Environment Agency	Southampton City Council		The River Itchen (west bank) Flood Alleviation Scheme will provide strategic flood defence infrastructure with a design life of 100 years through the introduction of new or replacement sheet piling along a 3.6km stretch of the frontage.	Protect 1,434 homes and 775 firms. Enable development.	£249 million (PV) of damage avoided. Business losses of up to £18.2m (PV) avoided.	Infrastructure	Employment & Skills						2016/17	2019/20	0	185	445	2,155	11,500	6,180	0	0	0	£ 45,100,000	£ 10,000,000	£ 35,100,000	78%	£ 1,500,000	3%			
21	Millbrook Roundabout Major Maintenance	Southampton City Council	Associated British Ports (ABP)	Southampton City Council		Major maintenance of Millbrook Roundabout, ensuring resilience for the Port of Southampton (Dock Gate 20). Removal of the roundabout's concrete slab sub-base and replace with a more stable structure, full resurfacing and upgrade all traffic signal detection equipment and signals.	Support Port of Southampton economic function	Improve road access to port.	Infrastructure					Strategic Sectors (Marine & Maritime)	2017/18	2017/18	0	0	5,000	500	0	0	0		0	£ 8,300,000	£ 6,300,000	£ 2,000,000	24%	£ -	0%	7.400			
22	Fawley Waterside	Fawley Waterside Ltd.		New Forest District Council		Secure capacity improvements to the A326 Fawley by-pass to support proposed mixed use development at power station.	Infrastructure enabling for mixed use development.	Housing and mixed use delivery.	Infrastructure							2018/19	2020/21	2,000	0	0	1,500	0	0	0	0	£ 37,767,700	£ 5,300,000	£ 32,467,700	86%	£ 32,467,700	86%				
23	Invest in Solent Autonomy (ISA)	National Oceanography Centre (NOC)	NOC led collaboration with the University of Southampton (UoS) and the proposed impact	Solent Wide		Establish three new Marine Autonomous Systems (MAS) environmental test ranges, comprising Thorney Island for Unmanned Aerial Vehicles (UAVs), offshore Isle of Wight for Autonomous Underwater Vehicles (AUVs) and Unmanned Surface Vehicles (USVs), and Stokes Bay Gosport shallow Marine Test Range as a shallow water low Technology Readiness Level (TRL) range.	Development of disruptive technology / market expansion.	Marine Autonomous Systems (MAS), be they surface marine, submarine or aerial, are disruptive technologies that can provide significant growth to the UK economy (exports, FDI).			Inward Investment	Business Support	Strategic Sectors (Marine & Maritime)	2017/18	2020/21	15	240	300	0	0	0	280	0		432	£ 5,000,000	£ 3,000,000	£ 2,000,000	40%	£ 800,000	16%				
24	Brookenhurst College Scaffold Centre of Excellence	Brookenhurst College	NOC led collaboration with the University of Southampton (UoS) and the proposed impact (UHS, Associated British Ports, Formula Scaffolding, S&K Scaffolding, RBS Scaffolding)	New Forest District Council		Development of scaffold skills site on Marchwood Site (owned by ABP).	No local provision of scaffold training.	Increase specialist skills supply.		Employment & Skills						2017/18	2017/18	10	200	0	0	1,500	0	200	10 @ level 4 remaining 190 not specified	0	£ 3,000,000	£ 1,500,000	£ 1,500,000	50%	£ 1,500,000	50%			

25	Southsea Seafront	Portsmouth City Council (Eastern Solent Coastal Partnership)	Environment Agency, Historic England, Defence Infrastructure Organisation (Minister of Aviation Skills Partnership (ASP), Fareham Borough Council (FBC), Solent Leadership)	Portsmouth City Council		'Southsea Coastal Flood and Erosion Risk Management Scheme' (Southsea CFERM) will improve 2.8miles (4.5km) of Southsea's seafront and provide coastal defences to reduce flood risk and avoid £2.18bn of direct damages within the city for the next 100 years.	Reduce flood risks to 4,114 existing homes and 704 non residential properties	Support 1,000 homes development	Infrastructure								2017/18	2020/21	0	800	3,500	1,000	0	0	0	0	£ 85,236,000	£ 5,573,000	£ 79,663,000	93%	£ -	0%					
26	CEMAST PLUS	Fareham College		Fareham Borough Council	Gosport Borough Council	Develop a 2,000 sqm teaching and innovation centre (Level 4 and 5) located adjacent to CEMAST and Fareham Innovation Centre.	Lack of STEM skills and ageing workforce for key sectors	Skills development especially STEM skills		Employment & Skills								2016/17	2017/18	28	50	50	0	2,000	0	0	levels 4, 5 & 6	200	£ 7,050,000	£ 6,000,000	£ 1,050,000	15%	£ 750,000	11%			
27	Construction and Engineering Skills Centre	Eastleigh College			Eastleigh Borough Council	Improve the College's construction and engineering provision by refurbishing a remaining category C 1960s building.	Quality of local training provision.	Improved construction and engineering skills provision.		Employment & Skills								2017/18	2017/18	0	0	0	0	200	1,500	50	up to level 4	200	£ 2,400,000	£ 1,680,000	£ 720,000	30%	£ -	0%			
28	St Vincent 6th Form College & Community Campus Development	St Vincent 6th Form College	YMCA, Eastern Solent Coastal Partnership, A Housing Association (yet to be confirmed)	Gosport Borough Council	Solent Wide	Project involving the development of 2 new social housing complexes and 1 for private housing, a new Nursery, a Sports Hub complex with potentially 2 astro turf pitches and a Netball Centre and the incorporation of flood defence works. Part of masterplan for 32 acre site.	Support for local FE skills provision	Improved local FE skills provision and estate		Employment & Skills								2016/17	2019/20	33	0	300	83	0	0	2	0	0	£ 21,600,000	£ 4,050,000	£ 17,550,000	81%	£ 1,150,000	5%			
29	Solent IoT, Wearable & Cloud Technologies Innovation Centre	Captex Ltd			Southampton City Council	The proposed project is to create an innovation, incubation and acceleration high technology centre focused on high technologies around the high growth IoT (Internet of Things), Wearable and Cloud Technologies in Southampton (8,000 sqft)	Entrepreneurial support in emerging sectors	Supports technological advancement.		Employment & Skills	Innovation		Business Support					2016/17	2019/20	150	150	0	0	750	0	0	0	0	£ 5,320,199	£ 2,400,000	£ 2,920,199	55%	£ 2,920,199	55%			
30	Better Connected Solent	Solent Transport (with Portsmouth City Council as Lead Authority)	Hampshire County Council, Isle of Wight Council, Portsmouth City Council, Southampton City Council and Sustrans		Solent Wide	The Better Connected Solent scheme will deliver a multi-year prioritised programme of sustainable transport interventions (walking, cycling and public transport) to support sustainable economic growth in Solent.	Balanced transport development to support economic growth	Additional sustainable transport provision to support growth	Infrastructure									2017/18	2020/21	82	6,390	167,400	5,000	12,891	0	0	0	£ 26,000,000	£ 13,000,000	£ 13,000,000	50%	£ 6,000,000	23%				
31	Smart Corridors - Big data analytics and intelligent transport systems	Solent Transport - lead authority - Southampton City Council	Southampton City Council, Portsmouth City Council, Hampshire County Council, Isle of Wight Council		Solent Wide	Five year programme supports the Smart Motorway investment by Highways England on the SRN (M27) by creating managed local corridors to improve access to the SRN through Better Information (VMS, EVMS), Signal Optimisation and Big Data (to improve travel choices). Investment will focus on six corridors feeding from the east-west M27 Smart Motorway corridor between Southampton and Portsmouth and the wider travel to work areas.	This project will help to unlock the problem of east-west connectivity between Portsmouth and Southampton, which is recognised as a major constraint on economic growth and productivity in the Solent region.	Investing in the transport infrastructure and management through improving connectivity, reducing journey times and improving reliability.	Infrastructure									2016/17	2020/21	637	5,100	483,600	3,600	0	0	0	0	£ 4,951,000	£ 2,816,000	£ 2,135,000	43%	£ 110,000	2%				
32	Equipping CECAMM	Isle of Wight College	SMC International Training Limited and EMCO Education Limited		Isle of Wight Council	This project is a capital bid for the purchasing of capital equipment (lathes, mills, CNC, 3D, hydraulics) that will enable the new Centre of Excellence for Composites, Advanced Manufacturing and Marine to deliver Advanced and degree level Apprenticeships in partnership with the University of Chichester	Lack of STEM skills and ageing workforce for key sectors	Skills development especially STEM skills and composite centre		Employment & Skills								2016/17	2016/17	5	50	10	0	0	0	70	levels 4, 5 & 6	50	£ 3,329,800	£ 2,430,000	£ 899,800	27%	£ 874,800	26%			
33	South East Hampshire Bus Rapid Transit, Fareham-Gosport 'Eclipse', Phase 1B - Off-Road Southern Extension	Hampshire County Council	First Hampshire and Dorset		Fareham Borough Council	Gosport Borough Council	Southern extension of the existing dedicated busway/cycleway which forms the spine of the Fareham-Gosport BRT network. Phase 1A of the scheme was completed in April 2012. Funding is now sought to complete Phase 1B – a 900m extension of the dedicated busway along the disused railway line from Tichborne Way to Rowner Road.	Poor access and congestion on Gosport peninsula to development sites including EZ.	Enhanced public transport provision to complement highways investments.	Infrastructure								2016/17	2019/20	28	9,435	0	8,600	250,000	0	0	0	£ 9,800,000	£ 6,400,000	£ 3,400,000	35%	£ 3,400,000	35%	1.720			
34	Access to the Southampton Airport Economic Gateway (SAEG)	Hampshire County Council	Eastleigh Borough Council, Southampton Airport		Eastleigh Borough Council		Infrastructure improvements to open up development sites at Southampton Airport Economic Gateway (SAEG), improve access to the Southampton International Airport, value to the recently completed improvements to the M27 Junction 5 and enhance access to the former Ford site, which is being developed by Mountpark for logistics uses.	Poor access to development sites around airport. Early works to maximise Chickenhall Lane Link Road.	Additional development sites (100 ha) for business growth.	Infrastructure								2016/17	2020/21	6,300	0	0	0	146,803	0	0	0										
35	Big X – A Step towards the Large Structure Composite Centre	University of Southampton	BISHMT		Southampton City Council		Development of 'Big-X', a state of the art large scale x-ray facility that will be able to detect structural defects in advanced materials such as composites. Support delivery of Large Structure Composite Centre. Located in National Infrastructure Laboratory.	Proving composite technology. Specialist facility.	Composite forecast as a fast growth sector. Export potential.			Innovation		Business Support				2016/17	2018/19	20	250	0	0	0	0	0	0	£ 46,032,000	£ 6,000,000	£ 40,032,000	87%	£ -	0%	6.700			
36	Engineering Innovation Hub	University of Southampton			Test Valley Borough Council		The proposed building (2 acre) at Chilworth (USSP) will comprise mixed generic laboratory capability in support of a range of sectors including eco-hydraulics, electronics, automotive, energy (storage, bio- and marine) serviced by general workshop/fabrication areas and high quality office space	Lack of state-of-the-art research laboratories co-located with generic accommodation for businesses.	Innovative translation of research to commercial applications		Employment & Skills	Innovation		Business Support				2016/17	2018/19	15	250	0	0	2,400	0	0	0	0	£ 10,000,000	£ 7,000,000	£ 3,000,000	30%	£ -	0%	8.600		
37	South Downs & Havant College Estates Transformation Project	South Downs College	Havant College, Portsmouth City Council		Havant Borough Council		Skills Centre at Dunsbury Hill to provide higher level skills in the digital economy, advanced engineering (including defence), construction and business professions. Part of wider estates strategy following potential merger of two colleges with consolidation of A levels of one of the existing sites and full or partial release of one site for alternative development purposes.	Improving local skill supply and FE provision from A level to Level 3-5 vocational.	Improved skills delivery in key sectors. Release of part of or whole of one college site for residential / mixed use development.		Employment & Skills							2016/17	2020/21	4,500	0	700	250	9,000	9,000	750	300 HE = level 4 +	300	£ 54,000,000	£ 18,000,000	£ 36,000,000	67%	£ 36,000,000	67%			
38	Merrie Gardens Business Park	WS Group			Isle of Wight Council		Development of 15,000 sqm of Business Park on the Isle of Wight. Support required for infrastructure of £2-3m.	Lack of finance for development in IoW.	Provision of employment space and attract inward investment.		Employment & Skills		Inward Investment					2016/17	2020/21	500	500	100	300	15,000	0	0	0	0	£ 19,700,000	£ 2,000,000	£ 17,700,000	90%	£ 17,700,000	90%			
39	University of Portsmouth Innovation Centre	University of Portsmouth	Oxford Innovation		Portsmouth City Council		To add a 1,400 sqm extension to Portsmouth Technopole (now known as UoP Innovation Centre) which was acquired by UoP in Nov 2015.	Lack of grow on space in Portsmouth for SMEs.	Support SME expansion		Employment & Skills	Innovation						2017/18	2018/19	255	765	0	0	1,400	0	0	0	0	£ 5,300,000	£ 2,000,000	£ 3,300,000	62%	£ 3,300,000	62%			£ 2,900,000
40	Offsite Homes	Offsite Build Group	University of Portsmouth, CEMAST, Highbury College, Hampshire Chamber Solent		Gosport Borough Council	Fareham Borough Council	Factory (12,000 sqm) on EZ to build affordable steel frame modular housing.	Additional housing supply nationally.	New affordable housing product being produced locally.		Employment & Skills	Innovation						2016/17	2016/17	1,212	848	12	1,500	1,200	1,200	0	0	0	£ 21,701,875	£ 5,008,125	£ 16,693,750	77%	£ 16,693,750	77%			
Total																		26,756	29,552	677,472	29,922	539,614	32,160	1,417		1,919	£ 1,009,438,574	£ 226,452,125	£ 782,736,449	78%	£ 395,586,449	39%					

# Agenda Item 6



**Meeting:** Solent Growth Forum  
**Date:** 7<sup>th</sup> June 2016  
**Item 6:** Large Local Major Transport Fund

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This report provides an update to for the Solent Growth Forum on the Department for Transport's (DfT) Large Local Major Transport Fund (LLMT), which LEPs have been invited to bid to.

In the March Budget, the Chancellor announced that the Government is inviting bids for schemes from the £475m Large Local Major Transport Fund (LLMT) across the period 2016/17 to 2020/21. The profile of the funding is provided in the table below.

2016/17	2017/18	2018/19	2019/20	2020/21
£10m	£45m	£45m	£95	£280

£151m of this funding has already been allocated to two schemes in East Anglia, leaving £324m available across the period. The majority of funding is available in 2020/21 (£280 million / 60%). Only £10 million is available in 2016/17. It is accepted that some schemes may require funding beyond 2020/21.

A letter from the Minister of State for Transport, Robert Goodwill MP, inviting LEPs to apply for this funding, is provided in annex 1. The aim of the fund is to support those exceptionally large and potentially transformative local schemes that are too big to be funded through the Local Growth Fund allocations and could not otherwise be funded.

Eligible schemes will need to be large and transformative, and cannot be funded with regular Local Growth Deal allocations and should not be divisible. There is a presumption against Network Rail (NR) or Strategic Road Network (SRN) schemes that could be progressed through the capital programmes of these delivery agencies. DfT are the scrutineers for the LLMT Fund, and successful proposals are expected to generate attractive levels of local finance. Dialogue has confirmed that the following categories of schemes would be eligible for funding:

- a) Light rail schemes if no other funding exists
- b) Bus rapid transit as a local road scheme
- c) Bridges and enhancements would be eligible as long as there is no other funding option.
- d) Transport hubs for passengers and freight (e.g. a focus on the park element of park and ride)
- e) Ferry infrastructure

Bids can be for development costs (to produce an Outline Business Case - OBC) or preparation/construction of a scheme (if an OBC already exists). The deadline is 31<sup>st</sup> May 2016 for "advanced" schemes requesting development funding with a decision expected by summer. The initial timetable for bids is set out in the table below.

Bid Type	Deadline for bids	Decisions by	Bids invited
2016 fast track	31 May	Summer recess 2016	Development funding only for 2016/17
2016 main round	21 July	Autumn statement 2016	Development funding or scheme funding

There will be subsequent rounds so that schemes awarded development costs in the above rounds will be considered for scheme funding at a later date. The timescales for these further rounds will be advised later this year.

Across the 39 LEPs the average minimum capital cost bid threshold is circa £50 million for a large scheme. For Solent LEP it is £69m. This would suggest that up to seven projects could be funded nationally.

Forum Members may be aware that within the March 2016 Budget, Chickenhall Link Road in Eastleigh was specifically mentioned as a scheme that may be suitable for LLMT Funding. The LEP has engaged AECOM to undertake prioritisation of the projects within the recently published [Transport Investment Plan](#), within the context of the LLMT Fund guidance. In addition, the LEP has been working with Solent Transport and the four Local Highway Authorities identify potential projects. At the time of writing this work is ongoing and an update will be provided at the SGF meeting

The Solent Growth Forum is asked to:

- **Note** the update on the Local Large Major Transport Fund.





## Department for Transport

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14 APR 2016

### LARGE LOCAL MAJOR SCHEMES FUND

As you probably know, the Chancellor announced in the Budget that the Government is now inviting bids for schemes from the £475m Local Majors fund. We have already made awards of £151m for the Lowestoft Third Crossing and Ipswich Wet Dock schemes and I am now inviting bids for further schemes.

The aim of this is to provide funding for those exceptionally large, potentially transformative local schemes that are too big to be taken forward within regular local growth fund allocations and could not otherwise be funded. Bids can be for scheme development costs, or if a business case is already complete, for funding to prepare and construct a scheme.

Greg Clark, the Communities Secretary, announced details of a further round of Growth Deals at the LEP Network conference on 22 March, to allocate up to £1.8bn of flexible Local Growth Fund (LGF). Following this, I understand that he has written to LEPs, requesting proposals to be submitted by summer recess and outlining that allocations will be made by Government by the autumn.

The competitive process for the Large Majors fund will run to a similar timetable as the wider Growth Deals round with a deadline of **21 July 2016**. Although the large majors fund is a stand-alone element of the LGF, we hope that by running the competitions in parallel this will not only minimise the burden on LEPs but will enable you to provide a joined up narrative about your proposals for growth and the additional impact that a large major scheme could have.

But we also want to offer a quicker opportunity for those LEPs with schemes that are already at an advanced stage of development and that wish to seek an award of development funding for 2016/17 when the first £10m of the large major schemes fund is available. The advanced deadline for those

submissions will be **31 May 2016**. We will aim to make decisions on those schemes by the summer recess.

DfT officials have already hosted some workshops on the fund and will provide you with a more detailed guidance note with criteria and bidding instructions.

There is likely to be strong competition for funding so it is vital that LEPs prioritise schemes carefully against the criteria and put forward only those with a strong case for consideration. Although there is no formal maximum I would not expect to receive more than one or two bids from a single LEP. I look forward to seeing some exciting scheme proposals that will have a lasting impact on the economic life of the country.

Yours sincerely



**ROBERT GOODWILL**