



**SOLENT
LOCAL
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PARTNERSHIP**

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.