

Meeting: Solent Growth Forum
Date: 17th October 2016
Item 4: Local Growth Deal 2016/17 Capital Programme Update

Purpose of report

This report provides an update to the Solent Growth Forum on the 2016/17 Local Growth Deal (LGD) programme.

1. Current status of 2016/17 LGD schemes and the future capital programme.

Since the last Solent Growth Forum the Executive have continued to worked with 2016/17 LGD scheme leads to progress projects to signed agreements and to ensure early commencement of delivery on site to maximise opportunities for defrayal of the £44,198,569¹ 2016/17 LGD allocation.

Table 1 below summarises the current position (incorporating approvals from the June Solent LEP Board meeting) at the end of quarter 1 in 2016/17.

Table 1: Current Funding Agreement Status of Projects within the 2016/17 Solent Growth Fund Programme

| | | |
|---|----------|-------------------|
| LGD Programme Management Costs | £ | 300,000 |
| Solent Growth Fund (2016) | £ | 3,493,568 |
| Innovation programme Fund (2016) | £ | 5,575,000 |
| Local Large Major transport schemes (Solent Metro and SAEG ²) | £ | 255,000 |
| Sub Total | £ | 9,623,568 |
| Final Agreement | | |
| Eastleigh College Estates Renewal | £ | 2,190,000 |
| Isle of Wight College CoE for Composites, Advanced Manufacturing and Marine | £ | 5,500,000 |
| Solent Gateway Programme - Isle of Wight Floating Bridge | £ | 3,776,782 |
| A27 Station Roundabout / Gudge Heath Lane | £ | 2,893,000 |
| Fareham and Gosport multi year programme (A27 Dualling and Newgate Lane) | £ | 4,500,000 |
| Sub Total | £ | 18,859,782 |
| Under negotiation | | |
| BAE Systems Marine Engineering Centre Development | £ | 129,400 |
| North Whiteley | £ | 2,500,000 |
| Centenary Quay | £ | 1,261,176 |
| BAE Marine Workshops and Marine Support Centre | £ | 1,050,000 |

¹ The £44,198,569 includes the 16/17 allocation of £42,640,334 + carry forward from 2015/16 + Capital Funding returned to LGD from Accountable Body

² SAEG – Southampton Airport Economic Gateway

| | | |
|---|----------|-------------------|
| Sub Total | £ | 4,940,576 |
| Total (a) | £ | 33,423,926 |
| Solent Growth Deal Award 2016/17 (b) | £ | 42,640,334 |
| Carry forward from 2015/16 (c) | £ | 558,235 |
| Capital funding for LGD returned from Accountable body (d) | £ | 1,000,000 |
| Total LGD Capital programme 2016/17 (e) = (b) + (c) + (d) | £ | 44,198,569 |
| Un allocated capital funding (e) - (a) | £ | 10,774,643 |

Solent Growth Forum members should note that a number of schemes have gone to contract and final agreements have been signed.

Solent Growth Forum members may wish to note the following additions to the Local growth deal capital programme for 2016/17

The launch of an **Innovation Programme Fund** – which has resulted in a number of new innovation projects coming forward. A further round of the Innovation Programme Fund was launched on the 3rd October. Further details are available [here](#).

In relation to the **Solent Growth Fund** a new Marine and Maritime SME Growth Fund, in partnership with British Marine, was launched in April 2016. It is expected that a new Solent Growth Fund launch will be launched in November 2016, focussing on supporting businesses with high growth potential, as well as those that are seeking to raise productivity, strengthen export based activity, or that have been impacted by economic factors.

Following the Board meeting in June 2016 there is now an allocated capital programme of £33,423,926 (including under negotiation schemes) which represents 75.6% of the total allocation for LGD 2016/17. There still however remains £10,774,643 of unallocated capital funding for 2016/17.

The Solent Growth Forum should note that we are now considering proposals in relation to the use of the unallocated capital funding. This includes looking at bringing forward projects from the capital programme for 2017/18, reviewing the programme pipeline that has been developed for the LGD 3 Competing for Growth Solent LEP submission (a summary of which is provided as Annex A) to see if there are any projects in scope for early delivery under our current funds and considered options for investment regeneration to unlock land. These options will be presented to the Solent LEP Board in October 2016 and a further update will be provided to the Solent Growth Forum at their next meeting.

Therefore the Solent Growth Forum is asked to:

- **Note** the update for the LGD 2016/17 capital programme