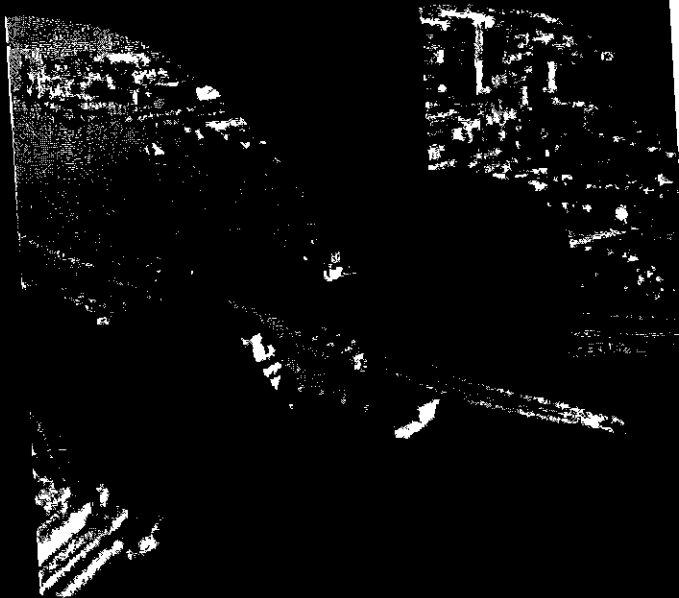


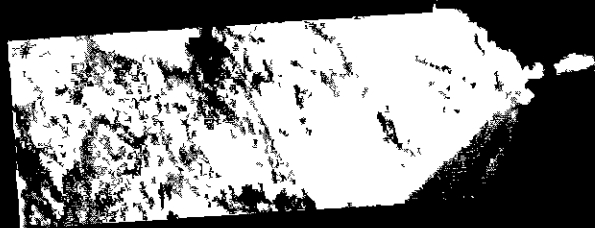


SOLENT
LOCAL
ENTERPRISE
PARTNERSHIP



Assurance Framework

Published February 2019





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Foreword

The Solent LEP has agreed with Enterprise M3 LEP to realign some of our shared geographic boundaries and our area will be extended westwards to cover the whole of the New Forest rather than just the New Forest Waterside, as at present. This will enable us to strengthen our support for the renaissance of our coastal economy and world-class maritime hub with its extensive presence along the Solent. With a population of 1.25 million and 42,000 businesses this will create a powerful £30 billion coastal economy and world class maritime hub that builds on the extensive waterside opportunities along the Solent.

The Solent LEP Board of Directors are committed to helping this world-class area achieve its full potential bringing forward a new Local Industrial Strategy and supporting economic plan in 2019-20. This will include an ambitious new vision for the area which will provide a springboard to:

- promote and strengthen the area's position as a coastal powerhouse with a globally leading marine and maritime hub. We must maintain our clear focus on the role the Solent plays in supporting UK PLC. The UK sits in a unique position to tap into significant growth opportunities and to benefit from increased trade as well as strengthen the UK's global advantage in maritime innovation, manufacturing and leisure marine. Securing the future of this dynamic, modern and ambitious maritime coastal economy, anchored by the growth of the Port of Southampton, the defence sector based in Portsmouth and Southampton airport is therefore vital to ensuring the competitiveness of the UK economy and its continued role on the global stage.
- deliver a step change in productivity and economic renaissance across our coastal communities. Areas such as Gosport, Havant, Hamble peninsula, Isle of Wight and the Waterside in the New Forest, along with our two cities are at the centre of this work. An ever-widening range of social and economic indicators has put distance between these communities and their inland counterparts. They have the ingredients to transform themselves, but do not yet have access to the kind of focused interconnectivity that engenders dynamic growth. They are, however, well-placed to drive that growth and benefit from their proximity to ports and the sea. Re-imagining such coastal communities and recognising the opportunities available through mobilising these key communities lies at the heart of our new economic geography. As an Island nation the sea has and will always be a provider of prosperity and partnership and with a new economic dawn arriving there has never been a more important time to unleash the potential of this sector and transform the fortunes of our coastal communities.

Transforming the Solent economy into a true coastal powerhouse will require us to build on our existing Growth Deal, partnership and collaborative arrangements, leading the development of a new local industrial strategy for the area. Industry and academia understands the breadth of opportunity available if we can mobilise our coastal areas and working collaboratively with partners locally and nationally will be key to realising these opportunities. The transformation will require more than direct increases to investment and jobs around the Solent coast – it requires us to look at the role of the technologies of the future, to ensure these communities are at the cutting edge of new growth and innovation. Key to this is the work we will do to engage with our partners in the private sector, local government and academia as well as our collaborative working with our neighbours in Dorset, Enterprise M3 and Coast to Capital and our sector partners such as Maritime UK. We are confident that this coupled with the work we undertake in partnership with HM Government will enable us to collectively deliver the economic transformation and levels of investment to

- support and strengthen our keystone assets including the international gateways and our world class research and innovation base; and
- create a dynamic business environment to support all businesses in the Solent; and
- deliver the economic infrastructure, full fibre and 5G networks and housing that our area needs; and
- deliver opportunities for all supporting the development of our resident skills base and retaining and attracting new talent; and
- enhance the quality of place supporting investment in our world class natural environment, heritage and creative and cultural assets

As we take this forward, the LEP Board and our Accountable Body remain fully committed to ensuring robust stewardship of public resources and using the funding we are entrusted with in accordance with the policies, processes and systems designed to guarantee public money is properly managed in a transparent and accountable manner; ensuring resources are spent with

regularly, propriety, and securing value for money. Already recognised nationally as an LEP with very good governance, we will continue to maintain a very close oversight of the work of our LEP to ensure that it is fully meeting all of its governance and transparency responsibilities, and continues to demonstrate best practice in the context of both public and private sector governance. Our work in this regard is already underway and, during the coming year, we will further strengthen the business leadership on our Board as well as our strategic relationships with local stakeholders, including our Local Authority partners. We remain committed to continuous improvement through reviewing our Assurance Framework to ensure our investments continue to deliver the high levels of transparency, accountability and value for money our local residents and business deserve



Gary Jeffries
Chairman
Solent LEP



Anne-Marie Mountifield
Chief Executive
Solent LEP



Introduction

With a population of more than 1.25 million and over 42,000 businesses, the Solent is an internationally-recognised Gateway economy, anchored around the Isle of Wight, the two cities of Portsmouth and Southampton, the M27 corridor and the Solent waterway. It is globally connected and benefits from significant economic assets including its three international gateways and its world-leading research institutions. The Solent is a clearly defined functional economic area, with a distinct coastal geography, tremendous economic assets and great potential.

In recognition of this, the Solent Local Enterprise Partnership (LEP)¹ Limited was formed in 2010, after the Government offered local areas the opportunity to take control of their future economic development. It is a locally-owned partnership between businesses and local authorities and plays a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs

The Solent LEP is led by the business community and supported by three university partners, the further education sector, three unitary authorities, eight district councils, one county council and the voluntary and community sector – all working together to secure a more prosperous and sustainable future for the Solent area. It was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP has been registered as a company, limited by guarantee and it was incorporated on 18 March 2011 in keeping with the articles of association² and in accordance with company law, the Board of Solent Local Enterprise Partnership Limited has been democratically elected by its members.

LEPs have assumed a strategic role as the lead bodies for economic development in their areas and in areas without a Combined Authority, lead on the development of Local Industrial Strategies. Accordingly, the Solent LEP is the key interface and lead for economic development in the Solent, and has set out its evidence-based strategy to deliver transformational economic growth within the area in its Strategic Economic Plan (SEP), published in March, 2014³, Productivity and Growth Supplement, published in January 2016, and Productivity and Growth Strategy Update, published February 2017

Our strategy sets out that raising productivity is essential to enable companies to be competitive internationally, to exploit opportunities in emerging markets and to attract foreign direct investment. It is the only sustainable way of increasing employee earnings, which in turn links to the Government's objective of raising prosperity for all.

The Industrial Strategy White Paper, published by Government on 27th November 2017, sets out a vision to provide the UK with:

- the world's most innovative economy
- good jobs and greater earning power for all
- a major upgrade to the UK's infrastructure
- the conditions to be the best place to start and grow a business
- prosperous communities across the UK

The aim is that by 2030 we will have transformed productivity and earning power across the UK to become the world's most innovative economy and the best place to start and grow a business, with upgraded infrastructure and prosperous communities across the country.

This vision is to be delivered through five foundations of growth: People, Business, Ideas, Infrastructure and Place.

¹ For general info on LEPs, visit the [Department for Business, Energy and Industrial Strategy \(BEIS\)](#)

² Solent LEP Limited Articles of Association area available from <https://solentlep.org.uk/media/1262/articles-of-association.pdf>

³ The SEP is presently being refreshed, and an update will be available in 2019.

Following on from this, our ambition is to create a dynamic, vibrant, inclusive and internationally competitive region. Underpinning this is a requirement to improve productivity and competitiveness of the Solent economy. This has shaped the identification of the following key priorities to.

- Support investment in infrastructure to exploit our natural geographic advantage, enhancing our international trading gateways, which are critical to the future economic success of the UK and the region; and
- Transform connectivity to better link people to places and widen access to labour in the area through strategic transport investment, improvements to digital connectivity/capability and enabling delivery of new housing; and
- Invest in high quality jobs to support the industries of the future; and
- Inspire our current and future workforce to ensure continued access to the skills and talent that industry needs; and
- Support the growth of SME's to secure higher levels of growth, export and innovation; and
- Ensure the Solent is the global destination of choice for entrepreneurs and investors in marine and maritime; and
- Supporting our global advantage in marine and maritime to secure higher levels of growth in this key sector and on a broader basis in Advanced Manufacturing, Digital, Autonomy, Defence, Logistics, Professional Services, Creative and Cultural and the Visitor Economy; and
- Supporting and responding to the technology revolution by utilising our knowledge and research assets to exploit commercial opportunities for investment in emerging industry-led research and technology.

We have been able to support local productivity and growth through the existing £182.92m Solent Growth Deal, which commenced delivery in 2015. This will unlock over £600m public and private sector investment across the area, creating 6,500 new jobs and enabling 12,000 new homes to be built. The first three years of the Solent Growth Deal (2015/16, 2016/17 and 2017/18) saw the delivery of a capital programme which has included:

- The opening of the Portsmouth Naval Base Marine Engineering Centre
- The Centenary Quay Phase 4 Housing development in Southampton
- The opening of the UK's first Centre for Cancer Immunology in Southampton
- Investment in a new link to facilitate the development of Dunsbury Park, a new business park. This gateway for the South, is located on the A3M
- An upgrade to the estate at Eastleigh College including modernisation of existing facilities, the development of new teaching space and the creation of a new Advanced technology centre which is now open for new learners
- The delivery of a Fareham and Gosport Multi-Year Investment Programme, including;
 - Two sections of carriageway widening of the A27 (£7.325m LEP investment)
 - New carriageway alignment at New Gate Lane South (£9m LEP investment)
 - Gudge Heath Lane and Station Roundabout (£4.958m LEP investment)
 - Improvements to St Margarets and Peel Common Roundabouts (£4.5m LEP investment)
- The construction and opening of Fareham Innovation Centre Phase 2 bringing forward new innovation space for small businesses on the Solent Enterprise Zone
- The construction and opening of the University of Portsmouth Future Technology Centre providing world-class facilities to support companies to exploit new production technologies.
- The commencement of work to build an Innovation and Collaboration Hub at the National Maritime Systems Centre, at Portsdown Technology Park, QinetiQ
- The construction and opening of the Centre of excellence for composites, advanced manufacturing and marine (CECMM) providing state of the art employer-led training facilities on the Isle of Wight
- Solent Recreation and Mitigation Programme – a multi year programme developing green infrastructure across the Solent area. This has already seen upgrades to the Alver Valley Country Park and Manor Farm in Hamble with further investment planned for 2019 and 2020.
- The introduction of a new International Marine and Maritime Autonomy Centre, developed by a private sector consortium led by BAE Systems
- Investment in key transport interchanges including Station Quarter North in Southampton and the Hard Interchange in Portsmouth
- Investment to enable the upgrade of estate and facilities at the Warsash School of Maritime Science and Engineering
- A £10 million business support programme for small and medium sized companies which has to date provided investment to over 270 start-up and existing businesses.

Full details on investments made through the Solent Growth Deal can be found at: <https://solentlep.org.uk/what-we-do/solent-growth-deal/solent-growth-deal/>

To date, the Solent LEP has secured over £240m of funding, and levered in further private sector, public sector and local contributions, to create a billion pound investment programme for growth. In recognition of this significant investment programme, the LEP has established robust, transparent and accountable governance arrangements to ensure these investments deliver value for money and tangible economic outputs in terms of new jobs, new housing, new employment space, improved skills, improved infrastructure and increased levels of private sector investment.

During 2018, HM Government have published a number of key policy documents in relation to LEPs as follows:

- The Local Enterprise Partnership Governance and Transparency Best Practice Guidance, was published by Government in January 2018 and establishes a framework to strengthen LEP assurance in relation to publication of meeting papers, confidential reporting procedures, whistleblowing, code of conduct, and register of interests.
- Strengthened Local Enterprise Partnerships, published July 2018, the document sets out the role and responsibilities of Local Enterprise Partnerships in driving local growth. It sets out how government and Local Enterprise Partnerships will work together to strengthen leadership and capability, improve accountability and manage risk, and provide clarity on geography.
- CIPFA Principles for section 151 officers in accountable bodies working with local enterprise partnerships, published September 2018, which identifies five principles which CIPFA and the Cities and Local Growth Unit expect the section 151 officer role for LEPs to meet when instilling good and proportionate financial governance including Enshrining a corporate position for the section 151 officer in LEP assurance, Creating a formal/structured mandate for the section 151 officer, Embedding good governance into decision making, Ensuring effective review of governance and Appropriate skills and resourcing.

This document has been updated to reflect best practice guidance in these HM Government publications. In addition, the LEP Review, Strengthened Local Enterprise Partnerships, has provided the Solent LEP with an opportunity to reconsider its LEP boundaries.

The Solent LEP has agreed changes to our shared geographic boundaries with the neighbouring Enterprise M3 LEP and, as a result of this, the whole of the New Forest area will be included within the Solent LEP geography (rather than just the New Forest Waterside as has previously been the case).

With the extension of the already extensive Solent coastline to include the entire New Forest coastline, the LEP is seeking to further strengthen our support for the renaissance of our coastal economy and world-class maritime hub. The new geography has a population of 1.25 million and 42,000 businesses and represents a powerful £30 billion coastal economy.

Work is already underway with the development of our new strategy, which will respond to the publication of the Local Industrial Strategy. This work is well advanced in relation to the development of the evidence base, as detailed below. We will alongside this Assurance Framework, be publishing a new business plan for 2019/20 and it is expected that the Solent Local Industrial Strategy will be published by 2020. This will coincide with the conclusion of the Solent Growth Deal which runs to 2020/21.

This assurance framework should be read alongside the following documents:

- [The Solent Growth Deal](#), published on 7th July 2014
- [The Expansion of Solent Growth Deal](#), published on 29th January 2015
- [The Solent Growth Deal 3](#), published on 2nd February 2017
- [The Solent Strategic Economic Plan](#),
- [The Solent EUSIF Strategy](#);
- [The Solent Skills Strategy and Supplement](#)
- [Transforming Solent: Solent Marine and Maritime Supplement](#);
- [Making Waves: Solent's Marine & Maritime Sector](#)
- [The Solent Strategic Transport Investment Plan](#)
- [The Solent LEP Productivity and Growth Supplement](#)
- [Innovation Evidence Base](#)
- [Innovation South Science and Innovation Audit](#)
- [Solent LEP Baseline Forecasts and the Implications of BREXIT](#)
- [Economic Impact of the Solent are Universities](#)
- [The economic role and contribution of the maritime sector in the Solent LEP area](#)
- [Isle of Wight infrastructure investment plan](#)

- EM3 and Solent LEP Review Response

The purpose of this LEP assurance framework should be viewed in the context of the Accountability Systems Statements for both Local Government and the Local Growth Fund, which provide assurance to the Public Accounts Committee for how Local Growth Funds and wider funding routed through Local Government are allocated, and that there are robust local systems in place which ensure resources are spent with regularity, propriety, and value for money. It is one of 4 key related Growth Deal implementation documents, which should be viewed together. The other three documents are:

- (i) the Growth Deal **grant determination confirmation (2015, 2016, 2017 and 2018)** which sets out the degree of flexibility on offer and any limited conditions around use of that funding; and
- (ii) the **monitoring and evaluation framework**, which establishes a suite of monitoring metrics to support Growth Deal monitoring and reporting; and
- (iii) **Implementation summary report** which will capture all the key implementation milestones, and actions for the Solent Growth Deal.

This document provides the assurance framework covering all Government funding flowing through the Solent LEP and setting out the robust value for money processes that have been put in place. It sets out the overarching governance structure that has been established to both identify and prioritise investment programmes and manage their delivery, along with the decision-making process. This framework provides assurance that the investment programmes of the Solent LEP will be objectively and transparently prioritised to deliver value for money and progression along the identified growth trajectory. Part A, Section 1, provides an overview of the Solent LEP, including its geography, strategic priorities and targets. Part A, Section 2, describes the governance and management of the Solent LEP.

Part B (Strong, Supportive Local Authority Working across the Solent LEP) describes the underpinning local authority partnership arrangements that are in place to facilitate joint-decision-making and collaboration on growth and economic development between all local authorities in the Solent.

Part C (Transparent Decision-Making) provides information on the arrangements that are in place to enable effective and meaningful engagement of local partners and the public, and the practices and procedures that are in place to ensure decisions made are proper, based on evidence, and capable of being independently scrutinised.

Part D (Accountable Decision Making) provides information on the role of the Accountable Body of the Solent LEP and democratic accountability

Part E (Ensuring Value for Money. Prioritisation, Appraisal and Business Case Development) describes the arrangements the LEP has established for ensuring value for money, the methodology employed to prioritise projects, as well as appraisal through business cases.

It is not the aim of this document to duplicate information that exists in other published material. Accordingly, hyperlinks and references to published material are provided.

Part A: Governance and Decision Making

This section provides information on the geography and governance structure of the Solent LEP. It sets out: who is on the LEP Board; how the LEP Board operates and its relationship with the Local Authorities of the area; the supporting governance architecture that harnesses local and wider expertise to support LEP decision-making, and the roles and responsibilities conferred; schemes of delegation relative to the LEP Board, its supporting governance architecture, the LEP Executive, and the Accountable Body; and a description of the relationship between the LEP Board and the Local Authorities of the Solent, other LEPs, and with delivery bodies.

Part A, Section 1 - Overview of the Solent LEP

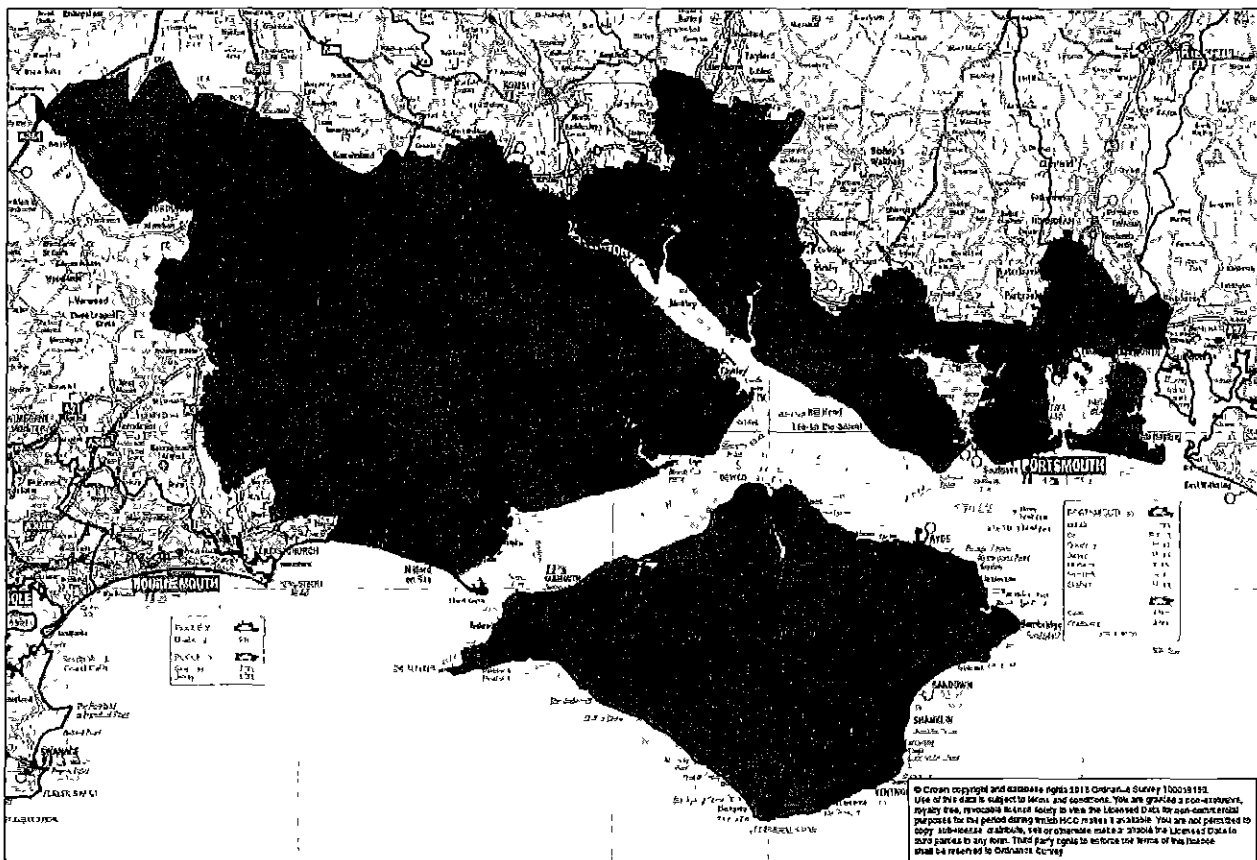
1.1 Name

The name of the Local Enterprise Partnership (LEP) for the Solent area (see section 1.2 of Part A) is the Solent Local Enterprise Partnership Limited.

1.2 Geography

The LEP area includes the whole of the Unitary Authorities of Isle of Wight Council, Portsmouth City Council and Southampton City Council, the whole of the District Councils of Eastleigh Borough Council, Fareham Borough Council, Gosport Borough Council, Havant Borough Council and New Forest District Council and part of Hampshire County Council. The new geography of the Solent LEP is shown in Map 1, below.

Map 1 Solent LEP Area



1.3 Strategic Objectives and Purpose

The work the Solent LEP is undertaking to develop our new strategy⁴ is seeking to help frame policy and investment decisions, ahead of agreeing our Local Industrial Strategy with Government. The Solent is a unique place, with unique challenges and unique opportunities. This update has set out some of the challenges we face and the opportunities we can grasp. The Solent, like most economies, is exposed to global economic turbulence, and it is true that following the decision of the UK to leave the EU there will be a period of uncertainty, as new trading regimes are established. It is, therefore, important that the LEP works with its partners to support businesses and individuals so that the Solent becomes an economy that works for everyone. Above all, there is a pressing need to tackle the productivity challenge in the Solent, and within the context of a tight fiscal environment, this requires focus on the priorities that can support the Solent in bridging the productivity gap with the south east. For the Solent LEP that means that our mission is to work with partners locally, regionally, nationally and internationally so that by 2050 we will have achieved our ambition to be a £50bn economy. The four cornerstones of our future economy will be.

- To boost productivity and earning power throughout the Solent
- Connecting people and places whilst establishing the area as the “Gold standard” for environmental innovation
- To be recognised as the global home of marine and maritime
- Building a digital society and a full fibre, 5G enabled future – the backbone of our future economy

The successful delivery to date of the Solent Growth Deal will continue to move the area forward to 2020/21, and it is hoped that future Government funding opportunities will provide further capital investment to build on this success.

1.4 Strategic Priorities

The priorities for the Solent in the coming year are summarised below.

Developing our Economic Infrastructure

- Working with the National Infrastructure Commission to explore enhancements to existing infrastructure including consideration of new mass transit solutions, and;
- Strengthening the pipeline of infrastructure projects, particularly in relation to Gosport through the delivery of a Gosport Infrastructure Investment Plan, the Isle of Wight through delivery of an Island Infrastructure Investment Plan, and other coastal regeneration opportunities such as the development of the New Forest Waterside; and
- Exploring opportunities to invest in land and property assets to bring them forward for employment and/or housing; and
- Working with partners to optimise the opportunity of the release of public assets, including the three MoD assets in Gosport, and HCA assets on the Island; and
- Working with partners to identify opportunities to access new funding opportunities, such as through the forthcoming UK Shared Prosperity Fund; and
- Working with partners to finalise the Solent Energy Strategy and develop a pipeline of energy projects to support our focus on clean energy and environmental innovation; and
- Supporting improved access to the Port of Southampton and Southampton Airport (including ensuring the airport can meet the demand for regional air travel in the future through delivery of its masterplan), optimising the Solent areas strategic advantage as trade patterns continue to evolve.

Skills

- Successful delivery of Warsash School of Maritime Science and Engineering and the Civil Engineering Training Centre (CETC); and

⁴Including: Solent LEP Baseline Forecasts and the Implications of BREXIT, Economic Impact of the Solent are Universities, The economic role and contribution of the maritime sector in the Solent LEP area, Isle of Wight infrastructure investment plan, EM3 and Solent LEP Review Response

- Development of the Solent Careers Hub Pilot; and
- Expansion of the Solent Enterprise Adviser Network to secure full coverage of the area; and
- Refreshing the skills strategy, to include consideration of a dedicated digital strategy; and
- Exploring the implications of automation and increasing use of Artificial Intelligence and Autonomy on the future skills requirements.

Innovation and Ideas

- *Successful delivery of the University of Portsmouth Future Technology Centre, Fareham Innovation Centre and Innovation and Collaboration Hub at the National Maritime Systems Centre, and*
- Working with partners through the Innovation South Consortium; and
- Exploring opportunities for commercialising new ideas generated here in the Solent, including delivery of the National Maritime Autonomy Centre and Z21 funding programme; and
- Building on the opportunities for transferring enabling technologies and emerging technologies (such as high-performance computing and big data; satellite applications; advanced materials and composites; nanotechnology and nanophysics; autonomous systems, high power lasers; and optoelectronics and fibre optics) across the industry sectors and sub-sectors
- Building on our Economic Impact of the Solent Universities evidence base, work with our Universities and other key research centres such as the National Oceanography Centre, to optimise the presence of our knowledge and research assets to ensure the Solent can contribute to the UK becoming the world's most innovative economy.

International Trade

- Retaining and growing existing Solent businesses through supporting investment in the local area, including support to access new markets; and
- Supporting businesses looking to locate in the Solent area through the Solent Growth Hub, and
- Work with Maritime UK and the Department for International Trade to support trade and investment activity internationally; and
- Providing a support network for local SMEs which will enhance support for exporting and help reduce exposure to BREXIT; and
- *Development of a full fibre and 5G strategy by 2020, to include the creation of a Digital Skills Partnership for the Solent, and;*
- Develop, coordinate and deliver a new trade and investment strategy to promote Solent business across the globe.

Enterprise

- Through the Solent Growth Fund, supporting high growth businesses, that are seeking to innovate and enter new markets, as well as support those business that are experiencing challenging trading conditions; and
- Strengthening support for rural SMEs, including continuing the successful delivery of the Isle of Wight Rural Fund in partnership with Natural Enterprise and development of new approaches to support rural businesses in the New Forest; and
- *Continuing to support the development of the Solent Growth Hub, including enhancing the service provision for local businesses, further embedding the Hub as a core element of the Solent LEPs business support service and targeting additional support towards those businesses in the Solent with the greatest potential to grow; and*
- Broadening the reach of the LEP to directly engage with businesses including, through our Growth Hub, delivering a series of new masterclasses, Solent LEP funding application workshops and monthly business clinics for SMEs, and strengthening our direct engagement with key employers across the Solent LEP area.

Strategic Sectors

- Focusing on those sectors that are growing, such as professional, scientific, and technical activities, and human health and social work; and
- Following the publication of the economic impact study of the marine and maritime sector in the Solent, *continuing to work with Maritime UK in order to promote and support maritime activity based in the Solent, and*
- Working with partners, develop and deliver a new visitor economy strategy to promote the broad range of assets at a national and international level.

1.5 Targets

The Solent LEPs target is to secure a £50bn economy by 2050 and, in order to achieve this, is undertaking the development of a Local Industrial Strategy with the following key priorities;

- Supporting investment in infrastructure to exploit our natural geographic advantage, enhancing our international trading gateways, which are critical to the future economic success of the UK and the region; and
- Transforming connectivity to better link people to places and widen access to labour in the area through strategic transport investment, improvements to digital connectivity/capability and enabling delivery of new housing; and
- Investing in high quality jobs to support the industries of the future; and
- Inspiring our current and future workforce to ensure continued access to the skills and talent that industry needs; and
- Supporting the growth of SME's to secure higher levels of growth, export and innovation, and
- Supporting our global advantage in marine and maritime; and
- Supporting and responding to the technology revolution by utilising our knowledge and research assets to exploit commercial opportunities for investment

The Solent LEP is developing a five point plan to deliver against these priorities, including;

- 1 To support 'A thriving Solent region' through investment in;
 - Support for the growing and congested urban areas and their catchments, the key interurban M27 corridor, and the key international gateways
 - Urban transport to support productivity
 - Mass rapid transport to support accessibility
 - Industry responsive skills enhancements to support productivity
 - The culture and leisure offer-quality of life
 - Infrastructure designed to bring brownfield land back into use and wider housing delivery
- 2 Delivering a revolution on the roads through supporting advancements in new technology such as;
 - Connected vehicles
 - Autonomous zones
 - Electric vehicles
- 3 Building a digital society and a full fibre, 5G enabled, future – the backbone of our future economy, by working to support;
 - A full fibre strategy to roll out from 2019, with a view to securing a full fibre Solent by 2023
 - The creation of a digital skills partnership in 2019/20
 - A digital capability programme to roll out from 2018/19
 - Exploration of a gigabit voucher scheme for SME's through the growth hub
 - Exploitation of a digital skills fund to boost diversity of people working in digital and tech jobs
 - Exploration of a test-bed for new approaches to health and social care
- 4 Supporting the cities and the Isle of Wight as key social and economic hubs through the;
 - Development of knowledge based clusters
 - Enhancement of the cultural offer
 - Enhancement of the value of our economic assets
- 5 Securing and strengthening our global advantage in marine and maritime by;
 - Investing in test-bed development in autonomy and clean tech
 - Strengthening the research and knowledge/skills assets
 - Strengthening our SME base and investing in high quality business infrastructure
 - Exploiting our natural geographic advantage, enhancing our international trading gateways and the global automotive hub, which are critical to the future economic success of the UK and the region; and
 - Regenerating our coastal communities by investing in waterfront brownfield sites to support employment and housing
 - Investing in infrastructure to support the global gateways

- Supporting the development of the visitor economy and continued growth of the cruise industry

As part of this work, the new LEP Business Plan for 2019/20 will include a series of specific targets.

1.6 Cross-LEP Working

In line with the LEP Review (Strengthened Local Enterprise Partnerships), the Solent LEP is committed to collaboration across boundaries where interests are aligned when developing strategies and interventions to maximise their impact across their different objectives.

At the national level the Solent LEP is a member of the LEP Network. The Solent LEP has also prioritised its work to engage on a national and international basis. As a result our collaborations have extended further than our neighbouring LEPs. In particular, linked to the emerging priorities of the Solent LEPs Local Industrial Strategy, the LEP has undertaken extensive activity with the Marine and Maritime sector and has established a formal partnership with Maritime UK. A key outcome of this collaboration has been the agreement for Solent LEP to host the inaugural national Maritime UK awards during 2019. This is a key opportunity for the LEP to strengthen cross-boundary working within the specialism and, in particular, the LEP is working closely with Mersey Maritime in the first instance.

The Solent LEP has undertaken extensive engagement with neighbouring LEPs during 2018/19 in response to the LEP Review. Together, Enterprise M3 and Solent have addressed an approach that maximises efficiency and effectiveness. We have worked closely together to come forward with a set of proposals which best reflect our real functional economic areas, thereby ensuring that all businesses and communities are represented by one Local Enterprise Partnership. We have therefore jointly agreed that the Enterprise M3 LEP boundary should be extended to incorporate East Hampshire, Test Valley and Winchester and the Solent LEP boundary is extended to incorporate the New Forest. The positioning of the New Forest and the strategic road network of the M27, M271 and the city to city rail connection with Solent provides a powerful coastal economy and world class maritime hub that builds on the extensive waterside opportunities along the Solent, including the New Forest Waterside and paves the way for further collaborative opportunities with Dorset LEP in the future.

At the regional level, the LEP is a member of the Southern LEPs network, which will be meeting regularly at the Chairman / Chief Executive level, and through specific officer working groups, linked to shared priorities. In addition the LEP is a member of Transport for South East (the Sub-National Transport Body for South East England), and we work closely with the South West England LEPs, in particular in relation to the development of regional approaches to energy.

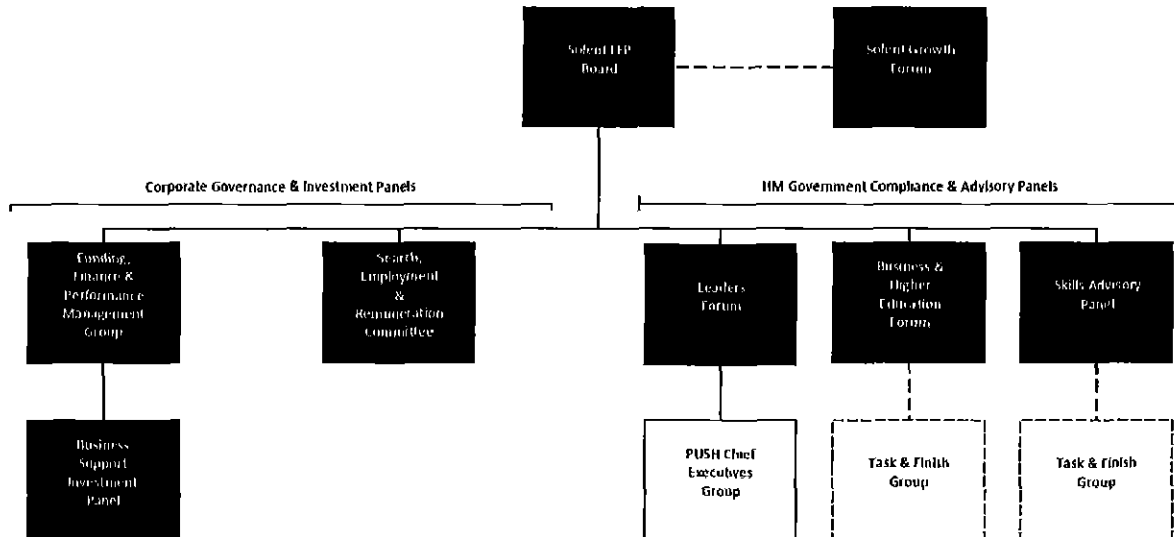
1.7 Support and Administration Arrangements

The Solent LEP Board and its governance structure are supported by an executive team, employed by the accountable body, Portsmouth City Council, but working to the Chief Executive of the LEP, whose appointment is approved by the Solent LEP Board. In line with the requirements of the LEP Review, this ensures the Solent LEP continues to have a secretariat independent of local government to support the Chair and board in decision making. Further information on the Executive team is available [here](#), and the support arrangements are set out in a working protocol agreement between the Solent LEP and Portsmouth City Council. In addition to the Solent LEP Executive team, support to the LEP governance structure is provided by ex-officio representation from government departments, government agencies, as well as local public and private sector partners. This ensures suitably qualified expertise may be called upon to inform the work and decisions of the Solent LEP.

Part A, Section 2 - Governance and Management of the Solent LEP

2.1 Governance Structure

The chart below shows the overarching governance structure established by the Solent LEP



*In addition to the above structure, the Board are also in the process of establishing a dedicated arrangement in relation to Marine and Maritime to reflect the role of Solent as a key regional cluster as set out in HM Government's Maritime 2050 strategy and in accordance with the Solent LEPs prominent role in Maritime UK. The structure will be updated to reflect these new arrangements during 2019.

Sections 2.7 - 2.13 of Part A provide a summary of each of the components of this governance structure.

2.2 Schemes of Delegation

The scheme of delegation relative to the LEP Board and its sub-groups is provided [here](#). The scheme of delegation relative to the LEP Executive and the accountable body is set out [here](#). In line with the National Assurance Framework, all sub-group Members are required to adhere to the same standards as members of the main LEP Board. Where Sub-Boards have delegated authority; the standards set out in the National and Local Assurance Frameworks apply.

2.3 Solent LEP Board

The Solent LEP is led by the business community and supported by three university partners, the further education sector, three unitary authorities, eight district councils, one county council and the voluntary and community sector – all working together to secure a more prosperous and sustainable future for the Solent area. The Solent LEP has been registered as a company, limited by guarantee, and it was incorporated on 18 March 2011. In keeping with the articles of association and in accordance with company law, the Board of Solent LEP Limited has been democratically elected by its members. Indeed, it was the first LEP in the country to have a fully-elected board of directors, who have been drawn from the area's key business, education and local authority communities.

The Solent LEP Board is the lead decision-making entity within the LEP governance structure (shown in section 2.1 of Section A). The LEP provides strategic leadership, determines policy direction, and is the ultimate decision-making body within the governance structure. All other components of the governance structure draw their authority from the LEP Board, with the exception of the Solent Growth Forum (see section 2.7). The Section 151 Officer of the Accountable Body, or a nominated deputy, attends LEP Board meetings.

The Solent LEP is committed to having a Board which embraces diversity and promotes equality of opportunity within the Solent economy. In particular, the Solent LEP is committed to improving the gender balance and representation of those with protected characteristics on its board, with an aim that women make up at least one third of the board by 2020 and achieve equal representation by 2023, ensuring the Local Enterprise Partnership board is representative of the businesses and communities they serve.

In formulating proposals, the Solent LEP is very mindful of the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics. In accordance with the processes and procedures of our accountable body, Portsmouth City Council, the LEP have adopted the Equality Impact Assessment (EIA) Toolkit

The EIA toolkit includes a preliminary EIA, which has been undertaken in relation to the Local Growth Deal 3 proposal. This preliminary assessment considers that there is no adverse impact on groups with protected characteristics and that the LGD3 proposal will have a positive impact on all groups within the Solent area. The LGD3 Equality Act document can be found [here](#).

As part of work to develop individual projects in advance of delivery, all scheme leads will be required to undertake an EIA, which will form part of the LEP's assessment prior to awarding funding. The Solent LEP Funding, Finance and Performance Management Group will regularly monitor these EIAs, as well as the diversity of the Solent LEP Board, and will produce an annual Equality and Diversity report.

As an employer, the Solent LEP is committed to equality and valuing diversity within its workforce and operates in-line with the Equality and Diversity Strategy of Portsmouth City Council, our accountable body⁵. Our goal is to ensure that these commitments, reinforced by our values, are embedded in our day-to-day working practices with all our customers, colleagues and partners.

2.4 The LEP Board

The Solent LEP Board consists of 15 Directors. The 15 Directors are drawn from three classes of membership and an Executive Director. The three classes are Business (B) Membership, Higher Education (H) Membership and Public Sector (P) Membership.

The eight B Directors on the Solent LEP Board are⁵:

- Kevin George, Chairman, Red Funnel Group
- Stuart Hill, Operations Executive, IBM UK and Ireland
- SJ Hunt, CEO and Company Secretary, Parity Trust
- Gary Jeffries, Managing Director, Hughes Ellard
- Brian Johnson, UK Business Development Director, BAE Systems
- Rachael Randall, Chief Executive, HTP Apprenticeship College
- Paula Swain, Partner, Shoosmiths LLP
- David Youngs, Co-founder and Business Development Director, LiveLink Technology

The H Director on the Solent LEP Board⁵ is Graham Baldwin, Vice-Chancellor, Southampton Solent University.

The five P Directors on the Solent LEP Board⁵ are:

- Cllr. Christopher Hammond, Leader, Southampton City Council
- Cllr. Keith Mans, Deputy Leader, Hampshire County Council
- Cllr. David Stewart, Leader, Isle of Wight Council
- Cllr. Gerald Vernon-Jackson, Leader, Portsmouth City Council
- Cllr. Seán Woodward, Leader Fareham Borough Council

The Executive Director⁵ on the Solent LEP Board is Anne-Marie Mountifield who is also Chief Executive of the Solent LEP.

⁵ <https://www.portsmouth.gov.uk/ext/community/equality-and-diversity.aspx>

⁶ As at 31st October 2018. Information on current Solent LEP Board Directors is available at <https://solentlep.org.uk/who-we-are/solent-lep-board/board-biographies>

Business leadership of the organisation has always been central to the spirit of the Solent LEPs Governance structure, with LEP Business Directors in the majority when compared with other categories of Director on our Board, and the Solent LEP remains compliant with Government requirements in relation to Business leadership. However, in the spirit of the LEP review, the Solent LEP Board are seeking to further strengthen the Board in this regard and will be seeking to establish an additional Business Director seat on the Board during 2019/20 to ensure the balance of LEP non-executive directors meets with Government aspirations.

Solent LEP Board Director composition is enshrined within the Solent LEPs Articles of Association and, as a result, the LEP Board are not permitted to make this amend to the Company's constitution without recourse to the LEP membership. As a result, the SERCOM will consider a range of options around board composition in November 2018 and provide advice to the main board for consideration at their meeting/strategy day in December 2018. Following the agreement of a proposed approach, the Solent LEP Board will be required to secure the support of the Membership to enact the proposed changes and this is normally done at the AGM via special resolution.

The terms of reference of the LEP Board are [available here](#). Further detail on the composition of the Solent LEP Board Ltd is set out in the Company's [Articles of Association](#). In addition to meeting the eligibility criteria in the Articles, all Solent LEP Board Directors are expected to follow "[The 7 principles of public life](#)" code of conduct.⁷ Following publication of the Local Enterprise Partnership Governance and Transparency Best Practice Guidance the LEP has adopted a new Code of Conduct ([available here](#)). In addition, in order to ensuring continued best practice, Solent LEP Directors are provided with independent non-executive development on a regular basis. The Board have also established new corporate values which will shape the LEPs activity during 2019/20. These are:

- Support - We **Support** businesses to grow, individuals to succeed and communities to flourish
- Open - We are **Open**, transparent and honest and work without bias, ensuring that an evidence-based approach drives our decision making
- Leadership - We lead by example and value **Leadership** which is ambitious, fair and objective
- Embrace - We **Embrace** diversity as an essential component in the way we work
- Nurture - We **Nurture** the talent, innovation and creativity of those we work with
- Teamwork - We believe trust and mutual respect are essential for **Teamwork** and collaboration

Currently the Solent LEP Board has four SME business representatives appointed from amongst the Business Membership (SJ Hunt, Gary Jeffries, Rachael Randall and David Youngs). Whilst appointments to the Board are at the discretion of the business membership of the LEP (in line with our Articles of Association) the Solent LEP Board have agreed to establish bye-laws in relation to the appointment of Business Directors to ensure that there is always at least one direct SME representative. In addition to the direct representation the Solent LEP Board have identified a Board Director to represent and engage with the SME business community. That Board Director is Brian Johnson.

The retirement of Solent LEP Directors is governed by Articles 32 and 33 of the Solent LEPs Articles of Association (available here: <https://solentlep.org.uk/media/1262/articles-of-association.pdf>).

In addition to the regular retirement of all Directors (the longest serving third of the Board are required to retire at every third Company AGM), the Solent LEP already operates in accordance with best practice set out under the UK Corporate Governance Code (<https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>). In line with this best practice, the Solent LEP Chairman should always, on appointment, be considered as an independent non-executive director when considered against the criteria set out in provision 10 of the Code. This includes a requirement for the Chairman not to have served on the board for more than nine years from the date of their first appointment. Moving forward, the Solent LEP will formalise this requirement, which is already in operation, and embed the specific reference within the Board Terms of Reference (available here: <https://solentlep.org.uk/media/2253/lep-board-terms-of-reference.pdf>). The requirement will also be included within future Chair recruitment requirements as these are developed by SERCOM (the requirement has already been included in recent B Director recruitment material, available here for reference: <https://solentlep.org.uk/media/2343/b-director-and-member-application-pack-june-2018.pdf>).

All new Board Directors are provided with an induction and all Directors undertake an exit interview process. These processes are kept under regular review by the LEPs Search, Employment and Remuneration Committee (detailed

⁷ See gov.uk guidance on "The 7 principles of public life" - <https://www.gov.uk/government/publications/the-7-principles-of-public-life>

further in 2.9).

In line with the HM Government Local Growth Assurance Framework, the LEP Board have the option to co-opt an additional five advisors with specialist knowledge on a one year basis, unless there are exceptional circumstances. The Solent LEP require any co-opted members to adhere to the standards that all permanent LEP Board Members are required to adopt, for example, they must act in line with the Nolan Principles and declare any conflicts of interests.

2.5 Chairmanship and Deputy Chairmanship

Following the election of a Business Director to the LEP Board, the Articles enable the Directors to appoint a director from among the B directors to chair meetings of the directors as a whole (Article 43.1). The Chairman of the Solent LEP is Gary Jeffries.

The Solent LEP Board are able to determine both the electoral process to be applied by the company in relation to the appointment of new directors (Article 58.2.5) and required characteristics to be demonstrated by persons seeking appointment to directorship (58.2.4) and are therefore in a position to advertise the LEP Business Director Chairman role as a specific recruitment opportunity - to be elected by the Business Members of the company and ratified by the Directors of the LEP Board

The Solent LEP is already actively considering succession planning for the Board in general and the approach to securing a strong range of future Business Director Chairman election candidates going forward. This will include utilising the opportunity to publish the Chair vacancy role on the public appointments HMG portal. This work is being led by the LEPs Search, Employment and Remuneration Committee (SERCOM), the group established by the LEP Board in recognition that the Solent LEP has become increasingly reliant on recruitment of senior business leaders in order to enable the area to continue to feature strong business leadership in the development and delivery of key economic policy in the Solent area. In response to this, the remit of the group has been broadened to include both an executive and non-executive search function which provides expert advice and guidance to the LEP executive and LEP Board on the recruitment of new LEP Business Directors, Panel / Forum Chairs and Private Sector Members, and advice and guidance to the Accountable Body on the recruitment of senior members of the Executive team to include the Solent LEP Chief Executive. Further details in relation to SERCOM are available here: <https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/search-employment-and-remuneration-committee/>

SERCOM will be asked to make recommendations to the Board in relation to the recruitment process for business board members and the role of the Chairman during 2018/19 in order to ensure that there are robust succession planning processes in place going forward. In this regard, the Solent LEP welcomes the support offered by Government in advertising future LEP Chairman vacancies through the Public Appointments website as part of the LEP Review.

Further detail on the chairmanship of the Solent LEP Board Ltd is set out in the Articles of Association².

In relation to appointment of a Deputy Chair, the Solent LEP does not currently have a Deputy Chair and has, instead, appointed deputies for the Chairman from amongst the LEP Board of Directors as required for various meetings / external commitments. The Solent LEP will respond positively to the Government's recommendation and formalise the role of the Deputy Chair moving forward. This will also be considered by SERCOM at the same time as the approach to future LEP Chair vacancy in order to ensure the proposed approach is fully considered within the wider work of the committee and considerations such as succession planning and best practice as set out under the UK Corporate Governance Code (<https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf>). The LEP will be adopting best practice whereby the LEP Deputy Chair will be from the Private Sector. This helps to support succession planning and ensures that the LEP remains business-led at all times.

In line with the National Assurance Framework, the LEP will also introduce a revised term limit of three years for the Chair and Deputy Chair, with an optional extension of three years. There is an option to extend for a further three years in exceptional circumstances if approved by the Board. These term limits should become business as usual once the existing Chair's term has expired.

2.6 Voting Arrangements

Each member of the Solent LEP Board shall have one vote and decisions are made on a majority basis.

Further detail on voting arrangements of the Solent LEP Board is set out in the Articles of Association².

HM Government Compliance and Advisory Panels

2.7 Solent Growth Forum

The Solent Growth Forum (SGF) is an advisory group, reporting recommendations and advice directly to the Solent LEP Board. It is established by way of a Voluntary Partnership, formalised within a Joint Agreement.

Government want to be confident that there are strong underpinning local authority partnership arrangements in place to facilitate joint decision making and collaboration on growth and economic development between all local authorities in each LEP area. It's important that local authorities across the LEP area support growth priorities and actively play a part in ensuring their delivery – by aligning strategic plans, through use of their powers and competencies and through pooling and aligning of local resources and efforts.

In order to provide for this, the Solent Growth Forum has been established under a Joint Agreement to enable collective engagement of local authority leaders in decision-making on growth priorities, with the LEP represented, supported by strong collaboration and joint delivery at executive level.

Meetings of the SGF shall comply with the requirements of Part VA Local Government Act 1972 (access to information) and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) shall be applied accordingly.

Further information on the SGF is available at <https://solentlep.org.uk/solent-growth-forum>

This should ensure that the operation of Solent LEP continues to be subject to external scrutiny and expert oversight and the Solent Growth Forum is an established mechanism that makes provision for Solent LEP to participate in local authority scrutiny through this joint committee.

2.8 Solent Leaders Forum

It is critical that the Solent LEP remains an independent and private sector led partnership that is accountable to the communities within the Solent that we support. As a result, we have been working to establish a framework to underpin our future local collaboration across our local administrative boundaries and with our local authority partners through establishing a joint leaders board, which will provide expert public sector advice to the main LEP Board in relation to the development and delivery of future economic strategy. In line with this, the role of the Leaders Forum is advisory.

This will bring together the elected leaders and senior officers of the councils within the Solent Local Enterprise Partnership (LEP) with the purpose of strengthening the local authority engagement of the Solent LEP, to assist in the development and implementation of actions that will deliver the Strategic Economic Plan and Local Industrial Strategy, and to collaborate on economic development issues affecting the wider area. It is envisaged that the group will also provide an important link to the expertise of the PUSH Chief Executives Group that has been established by PUSH and brings together the expertise of all Local Authority Chief Executives in the Solent area.

The Solent LEP is committed to working in partnership with our Local Authority partners to evaluate the effectiveness of the Solent Leaders Forum on an annual basis. This will ensure the LEP can deliver on its ethos of continuous improvement in relation to Local Authority engagement.

Further detail on the Solent Leaders Forum is available at: <https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/leaders-forum/>

In addition, associate membership shall be available to all neighbouring local authorities recognising the contribution that these areas make to the Solent economy.

2.9 Business and Higher Education Forum

In order to secure expert input from the private and higher education sector the LEP Board have agreed to establish a Business and Higher Education Forum. The Forum will operate under specific Terms of Reference, which will be agreed by the main Solent LEP Board. The full Terms of Reference document is currently under development and will be published at www.solentlep.org.uk when available. This work is currently in transition and, during 2019/20, the LEPs existing Land Property and Infrastructure Advisory Panel and Business Support and Innovation Advisory Panel will meet to help finalise this work and enable an effective transition to the new organisational structure. Further information in relation to the Solent LEPs existing advisory panels is available here: <https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/>

In recognition of the Solent LEPs requirement to draw in broader expertise in relation to bespoke areas of strategy development, the Solent LEP will establish task and finish groups which draw on the expertise of the Forum, and wider stakeholders, as required, and further information in relation to this approach can be found at section 2.14.

2.10 Skills Strategic Priority

Transforming the Solent economy will require us to build a knowledge-rich and creative economy, one which will require the highest levels of education in our entire workforce. In order to achieve this, the Solent LEP has published a dedicated Solent Skills Strategy, which aims to support the development of a world-class workforce to drive our future economic success. It aims to ensure that Solent's growth ambitions are supported by an employment and skills system which meets the needs of employers and individuals. We are very fortunate to have three universities based in Solent, together with a network of excellent Further Education colleges, private learning providers and schools. They represent a major economic asset, providing a source of highly-skilled employment, generating new businesses, supporting existing businesses and bringing significant revenues to the local economy. They also give us an excellent capacity to deliver skills for the local economy.

Skills Advisory Panel

The Solent LEP is establishing a Skills Advisory Panel (SAP) for the Solent in line with guidance from HM Government ([available here](#)). The Skills Advisory Panel will build on the strong track record of success of the Solent LEPs Employment and Skills Board which has previously led on the delivery of the Skills strategic priority for Solent LEP, working with other partners to collaborate on joint strategy and policy development for employment and skills. The new Solent Skills Advisory Panel will provide lead responsibility for the development of a new Skills Strategy for the Solent and its implementation.

The full Terms of Reference document for the Skills Advisory Panel is currently under development and will be published at www.solentlep.org.uk when available. This work is currently in transition and, during 2019/20, the LEPs existing Employment and Skills Board will meet to help finalise this work and enable an effective transition to the new organisational structure. Further information in relation to the Solent LEPs existing Employment and Skills Board is available here: <https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/>

Corporate Governance and Investment Panels

2.11 Funding, Finance and Performance Management Group

The Funding, Finance and Performance Management Group (FFPMG) is a management group that is appointed by, and reports and provides advice to, the main LEP Board.

The FFPMG sits below the Solent LEP Board and has a focus on delivery. The group helps co-ordinate Solent LEP activity and provides advice, alongside the Solent LEP Executive, to the Board on strategic and operational matters.

This includes; the review of investment funding to support the delivery of the Strategic Economic Plan (SEP) and the EU Structural Investment Strategy (EUSIF), review of the risk management framework to include delivery capacity of Solent

LEP and delivery partners in addition to the SEP and the EUSIF, preparation (and ensuring implementation of) the Medium Term Financial Plan approved by the LEP Board, ensuring that all terms and conditions attached to funding awards are properly adhered to and are being used to deliver the agreed outcomes, appointment of the Independent Auditor and overseeing the annual audit process (including the certification of final grant claims), preparing the Financial Statements of the Solent LEP Limited for the LEP Board to agree and the review or scrutinising of the management accounts of the LEP which will feature within the financial statements of the Accountable Body.

The Solent LEP is strongly committed to ensuring that the funding the LEP is entrusted with is properly managed in a transparent and accountable manner that always ensures best value for public money. FFPMG form a critical element of the LEPs approach to securing very close oversight of the work of the LEP to ensure that it is fully meeting all of its governance and transparency responsibilities. This includes ensuring appropriate overview and scrutiny arrangements are in place, including independent audit of LEP activity. In this regard, FFPMG provide advice in relation to both the Solent LEP Board and S151 Officer of the accountable body of the Solent LEP (in recognition of the role of the S151 officer as set out in the CIPFA Principles for section 151 officers in accountable bodies working with local enterprise partnerships).

In this role, the group receive reports from the relevant Panels / Forums / Task and Finish Groups in relation to progress against specified priorities and appraises the priorities and actions identified by these groups.

The FFPMG has delegated responsibility for the delivery and budget for programmes/activities (up to a value of £500,000),

The Solent LEP will maintain and manage a risk register to cover all areas of LEP activity on a regular basis. This will be reviewed by the FFPMG on a quarterly basis and shared with Portsmouth City Council's Audit and Fraud team to assist in the development of an annual programme of audit activity. The named individuals who are responsible for the identification and management of risk are Stuart Baker, Solent LEP Head of Local Growth and Elizabeth Goodwin, Chief Internal Auditor, Portsmouth City Council (Solent LEP accountable body).

Further information on the FFPMG is available at <https://solentlep.org.uk/who-we-are/solent-lep-funding-panels/funding-finance-and-performance-management-group/>

2.12 Search, Employment and Remuneration Committee

In line with the recommendations of the LEP Board, a search, employment and remuneration committee has been established for Solent LEP. The Committee is appointed to lead the process for all employment matters including, but not limited to, organisational structure, appointments and executive remuneration within the overall budget approved by the Board in order that there is a formal and transparent procedure for developing employment policy.

Within this remit, the committee shall:

- Review the ongoing appropriateness and relevance of the employment strategy and remuneration policy; and
- Ensure (through the LEP accountable body) that all provisions regarding disclosure of remuneration, including pensions, are fulfilled, and
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee; and
- Obtain reliable, up-to-date information about remuneration in other companies/organisations, and
- have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations.
- Be responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any Executive Search consultants who advise the Committee.

It is recognised that the Solent LEP has become increasingly reliant on recruitment of senior business leaders in order to enable the area to continue to feature strong business leadership in the development and delivery of key economic policy in the Solent area. In response to this, the remit of the group has been broadened to include both an executive and non-executive search function which provides expert advice and guidance to the LEP executive and LEP Board on the recruitment of new LEP Business Directors, Panel / Forum Chairs and Private Sector Members, and advice and guidance to the Accountable Body on the recruitment of senior members of the Executive team to include the Solent LEP Chief Executive. Further details in relation to SERCOM are available here: <https://solentlep.org.uk/who-we-are/solent-lep-advisory-panels/search-employment-and-remuneration-committee/>

SERCOM also take a lead role in relation to the ongoing monitoring of Board composition. This monitoring focusses on a

range of factors, relating to both Board balance (taking into account a range of considerations such as sector and geographic representation) as well as expertise (SERCOM are currently in the process of undertaking a detailed skills audit of Board Directors with a view to identifying gaps) and Board diversity (SERCOM are developing a diversity action plan to inform future Board appointments).

Following publication of the new National Assurance Framework, the Board will consider the appointment of a Diversity Champion in line with the best practice guidance

In determining such packages and arrangements, the Committee shall give due regard to any relevant legal requirements, and the Accountable body's pay policy and associated guidance.

Further information on the Search, Employment and Remuneration Committee is available at <https://solentlep.org.uk/who-we-are/solent-lep-delivery-panels/search-employment-and-remuneration-committee/>

2.13 Enterprise

Enterprise is a key driver of productivity and economic growth. The health of the business base has important implications for the number of jobs that the Solent economy can provide

Business Support Investment Panel

The Solent LEP operates a range of Business support funding programmes and the Business Support Investment Panel will make decisions on applications for Business Support Funding up to £100k.

Further information on Business Support Investment Panel is available at <https://solentlep.org.uk/who-we-are/solent-lep-funding-panels/business-support-investment-panel/>

2.14 Task and Finish Groups

As indicated in the Governance Structure diagram set out in section 2.1, in addition to the standing groups / forums detailed above, the Solent LEP may also establish bespoke task and finish groups to support specific areas of activity. The role of any task and finish groups established by the LEP will be advisory only. At the time of writing (February 2019), the Solent LEP has one task and finish group established which is a Large Projects Advisory Panel. Details in relation to this panel are [available here](#).

The Solent LEP also convenes wider stakeholder groups from time to time to provide advice to the LEP, including the Solents Further Education Colleges and representatives from Solent Voluntary, Community and Social Enterprise organisations. These meetings provide an opportunity for the Solent LEP to engage with the sectors on a bespoke basis, which is in addition to securing input from organisations from these sectors as part of wider Solent LEP panels.

2.15 Relationship With Delivery Bodies

The Solent LEP will sign a funding agreement with external delivery bodies, which will set out roles and responsibilities and the conditions attached to funding, along with the monitoring and evaluation framework. Further information on the arrangements for supporting the effective delivery and implementation of projects is set out in Part E.



Part B: Strong, Supportive Local Authority Working Across the Solent LEP

This section describes the strong underpinning local authority partnership arrangements that are in place to facilitate joint decision-making and collaboration on growth and economic development between all local authorities in the Solent.

1.1 Collective Engagement of Local Authority Leaders in Decision-Making on Growth Priorities

Section 2.4 of Part A provides information on the composition of the LEP Board. All 12 Local Authorities of the Solent LEP area are P Members of the Solent LEP and democratically elect five representatives to the Solent LEP Board. All 12 Local Authorities are also members of the Partnership for Urban Southampton (PUSH), which operates as a Joint Committee and, therefore, PUSH currently assists the Solent LEP in facilitating this election process. The P Directors on the Board do not represent their 'home' Local Authority, but represent all 12 Local Authorities on the LEP Board.

The structure set out in sections 2.7 - 2.13 of Part A has Local Authority representation embedded. Local Authority representatives on Panels are nominated, democratically, through PUSH.

Notwithstanding the strong engagement in place, the Solent LEP is committed to strengthening collaboration with Local Authority partners and has established a Solent Leaders Forum following a review of engagement during 2018. This engagement will continue to be reviewed annually.

1.2 Local Authority Joint Working Architecture

As set out in section 2.7 of Part A, the Solent Growth Forum (SGF) has been established by the 12 Local Authorities of the LEP area as an advisory group, reporting recommendations and advice directly to the Solent LEP Board. It is established by way of a Voluntary Partnership, formalised within a Joint Agreement. The Solent Growth Forum provides an important mechanism for the area to deliver on the requirements of the Assurance Framework by bringing all local authority leaders across the LEP together and ensure that local authorities across the LEP area don't just 'support' growth priorities but actively play a part in ensuring their delivery. The key role of the Solent Growth Forum within the Solent LEP governance architecture is described in section 2.7 of Part A.

The Solent benefits from a long history of cross-Local Authority joint working through the PUSH and Solent Transport Joint Committees. PUSH is a partnership of the 12 Local Authorities of the Solent LEP area (see section 1.2 of Part A) and operates as a formal Joint Committee. The Joint Committee was established when PUSH formalised the partnership arrangements between each of the partner Local Authorities through a Joint Agreement under Local Government Acts. This was subject to approval by all the partner Councils and came into force in November 2007. The Joint Committee is the decision making body for PUSH. The membership consists of the Leaders or their nominated representative of the 12 Local Authorities, supported by their Chief Executives and the PUSH Executive Director. The Joint Committee is currently chaired by Councillor Seán Woodward, the Leader of Fareham Borough Council.

The PUSH Joint Committee meets approximately bi-monthly with the Solent LEP, Environment Agency and the Homes and Communities Agency (HCA) represented on the Committee as observers. Meetings of the Joint Committee are open to members of the public and its agenda, papers and reports are published on the PUSH website seven days in advance of scheduled meetings.

PUSH has no statutory powers or functions but works collaboratively with the Solent Local Enterprise Partnership to deliver its distinct but complementary roles and objectives, recognising the benefits of working together to support the sustainable economic growth of the Solent and to facilitate the strategic planning functions necessary to support that growth.

Solent Transport (formerly Transport for South Hampshire and Isle of Wight) was set up in 2007, to plan transport improvements for the South Hampshire sub-region. More recently, in 2013, the Isle of Wight joined the partnership, such that the area it covered is coterminous with that of the LEP. Like PUSH, the partnership is formalised through a Joint Committee of the four local highway authorities of the area (Hampshire County Council, Isle of Wight Council, Portsmouth City Council and Southampton City Council). The partnership recognises that the transport movements in this polycentric

and interconnected urban area do not respect administrative boundaries and so provides a mechanism through which solutions across boundaries and partners can be developed and funding secured. Partners such as public transport operators, Department for Transport (DfT), Highways Agency, Network Rail, the Solent Local Enterprise Partnership (LEP), and districts, amongst others, play an important role in the work of Solent Transport.

A LEP Board member and the LEP Chief Executive (or nominated deputy) attends the PUSH and Solent Transport Joint Committee meetings. In addition, the LEP Executive team attends relevant sub-groups of each Partnership, including the PUSH Planning Officers Group, and the Solent Transport Senior Management Board and Strategy Working Group

Both PUSH and Solent Transport have regard for the Strategic Economic Plan and its priority areas and targets within their work. This is reflected in the Transport Delivery Plan, published by Solent Transport in 2013, and in the PUSH Spatial Position Statement, published by PUSH in 2016.

It should be noted that all members of the Solent Local Transport Body Board agreed to close the Board at its meeting on the 8th October 2014. As such, the Solent LTB no longer exists. Transport infrastructure matters will be considered through by the Solent LEP Board drawing on advice from the LEPs Business and Higher Education Forum, Leaders Forum, relevant Task and Finish Groups relating to specific commissions and through the existing Solent Transport Joint Committee.

1.3 Pooling and Aligning of Local Resources and Efforts

The LEP is keen to realise pooling and aligning of resources across the Solent LEP area Local Authorities, and recognises that it has a role to play here in aligning its resources.

The Local Growth Deal (published 7th July 2014), includes projects where Local Authorities have worked together on their development and delivery. The LEP fully supports joint working and is happy to perform a coordinating role where local partners feel this would be beneficial

Through the LEP governance structure, the LEP has drawn on resource from Local Authorities at a range of levels, including a dedicated Solent Leaders Forum. This builds on existing good practice, for example with regard to the LEPs former Marine and Maritime Steering Group and, on Inward Investment, Hampshire County Council and the Isle of Wight Council have provided executive support, whilst PUSH has provided resource to programme manage the Solent LEP Growing Places Fund programme. The LEP has also worked with University partners on a range of projects, harnessing their research expertise and executive support on Innovation.

The LEP is keen to continually work with local partners to further explore opportunities for pooling and aligning of resources and efforts.

The LEP has positively engaged in devolution discussions with Local Authorities and will continue to do so



Part C: Transparent Decision Making

This section describes the arrangements that are in place to enable effective and meaningful engagement of local partners and the public, and the practices and procedures that are in place to ensure decisions made are proper, based on evidence, and capable of being independently scrutinised.

1.1 Transparency

The Solent LEP has a dedicated website (www.solentlep.org.uk), on which all published documents (including the Local Growth Deal) are available, as well as news items relating to the work of the Solent LEP. An important feature of the Solent LEP website is to provide information on the funding opportunities that are available through the LEP. The LEP also uses social media and events to engage with partners and the general public

As described in the *Introduction*, the Solent LEP is a limited company and so it is not appropriate to apply Local Authority rules and regulations to a private company. However, the Accountable Body of the Solent LEP (see Part 4), will publish financial information relating to public funds flowing through the Solent LEP as part of its statutory financial reporting procedures and adherence to the Local Government Transparency Code.

In addition, the Solent LEP publish financial information covering the Local Growth Fund and other funding sources received from Government on the Solent LEP website as part of the public board packs, which can be found [here](#). The draft end of year financial position is published at the next Board meeting to follow the end of the financial year. The formal annual accounts for each financial year are typically signed off by the Board each Autumn.

The Solent LEP publish an Annual Report each year after the Annual General Meeting (AGM), which can be found [here](#).

In addition, the LEP will also publish an annual delivery plan in line with the requirements of the LEP Review.

In relation to the wider public (and representatives from any organisation that for any reason are not LEP Members), the Solent LEP will also hold an Annual Conference advertised openly and open to the public.

Section 27 of Part A describes the Solent Growth Forum, which provides the key public-facing forum within the LEP governance architecture. The SGF will be administered by the Solent LEP, with advisers from Portsmouth City Council. Meetings of the SGF shall comply with the requirements of Part VA Local Government Act 1972 (access to information) and accordingly, matters such as notice periods for meetings, public access to meetings, access to information (including access to meeting papers, records of decisions and their rationale, and other relevant papers including scheme business cases, evaluation reports and regular programme updates) shall be applied accordingly.

SGF meetings will be open to the public and be advertised subject to the minimum notice period. The SGF will routinely publish meeting papers and minutes, and associated documentation, in a timely manner. Stakeholders will be provided with meaningful input before decisions are made. This will be achieved through direct engagement, publication and advertising of information, and attendance and opportunity for deputations at SGF meetings.

The SGF will adhere to the Local Government Transparency Code. All Freedom of Information (FOI) and Environment Information Request (EIR) requests will be dealt with in accordance with the relevant legislation. All FOI and EIR requests are considered in accordance with the published process of the LEP's accountable body, Portsmouth City Council. Further information regarding the policy is available [here](#).

1.2 Register of Interests and Conflicts of Interests

The Solent LEP holds a Register of Interests of all LEP Board members, which is available [here](#). A Conflicts of Interests policy for the LEP Board is contained within the [Articles of Association](#) of the Solent LEP Ltd and the Solent LEP is also committed to the requirements of the [Local Enterprise Partnership Governance and Transparency best practice guidance](#) and has adopted the register of interest included in Chapter 4.

In addition, a Register of Interests is held for each of the groups within the LEPs governance architecture, and each group has a Conflicts of Interests policy contained within each Terms of Reference. The Register of Interests is updated ahead of each meeting. Information on what constitutes as a conflict of interest can be found in the National Audit Office's [report](#) into Conflicts of Interest.

1.3 Enquiries, Freedom of Information, Complaints and Whistleblowing Policy

The Solent LEP has established an Enquiries, Freedom of Information, Complaints and Whistleblowing Policy, which is in line with the Local Enterprise Partnership Governance and Transparency Best Practice Guidance which broadly complies with that of Portsmouth City Council who shall make arrangements for the investigation of alleged breaches of law, standards, or public fund management. A copy of this policy is available [here](#).

The Solent LEP is committed to ensuring information is handled in accordance with the EU General Data Protection Regulation 2016 and with prevailing UK data protection law. Further information on how the LEP handles personal information can be found in the Solent LEPs Data Protection Privacy Notice, available at: <https://solentlep.org.uk/data-protection-privacy-notice/> The Solent LEP is registered as a data controller with the Information Commissioners Office and has appointed Helen Magri, Corporate Information Governance & Data Protection Officer at Portsmouth City Council, as the Data Protection Officer for the Solent LEP.

The LEP Board has also identified an Assurance Champion, to provide direct Board leadership on this important component of our work, and this is the Chairman of the Funding, Finance and Performance Management Group.

1.4 Engagement

The Solent LEP is committed to meaningful and effective engagement with all partners and the general public. This has been central to the development of the initial Strategic Economic Plan and EUSIF Strategy, whereby a range of large scale public consultation events were held, and reinforced through an online survey and dedicated individual meetings with all 12 Local Authority partners and other key stakeholders. The LEP will continue to invest significant resource to engagement with partners as the Local Industrial Strategy and new funding programmes are developed. It should be noted that the wider governance architecture of the Solent LEP plays an important ongoing mechanism through which engagement takes place between the Solent LEP and its partners.

The Solent Growth Forum is a public meeting. All LEP Board and Panel / Forum meetings provide opportunities for deputations.

The LEP is keen to ensure that its funding proposals are endorsed by those affected by them. Accordingly, the LEP [publishes full business cases online](#) as part of a twelve week consultation period, before the LEP Board makes any final investment decision.

In line with guidance from the Department for Transport, any bidding Local Authorities will also be required to place their business case on their own websites when bids are submitted for funding.

1.5 Arrangements for Developing, Prioritising and Approving Projects

The arrangements for developing, prioritising and approving projects are set out in Part E1 and Part E2.

1.6 Solent LEP Priorities and Mechanisms for Maximising the Social Value of Investment Funding

The Solent LEP priorities are set out in section 1.4 of Part A.

All proposals identified for funding are required to develop a full business case. The Social impact of all bids for investment funding is considered as part of the business case evaluation and is a component part of the scoring of projects in determining their prioritisation.

Upon submission, each business case will be subject to a twelve-week consultation period, through which partners and the general public will have an opportunity to influence the output to help shape outcomes. Through this mechanism, and through the commitment of the LEP to meaningful and effective consultation through a variety of formats, the LEP

will maximise the social value of investment funding

The Solent LEP is very mindful of obligations under the Equality Act 2010 and in particular the impact of any proposal on groups with protected characteristics. These obligations are considered in accordance with the published process of the LEP's accountable body, Portsmouth City Council. Further information regarding the policy is available [here](#).

1.7 Confidential Items

Given the nature of some of the work of the LEP, there are situations when the Board of the LEP or sub-groups do need to consider confidential information to inform decision-making. The LEP has established a Confidential Items Policy, which is [available here](#). This explains how such items will be managed

1.8 Government Branding

The Solent LEP is committed to meeting Government branding guidelines for projects in its Local Assurance Framework. This includes the branding guidance issued to LEPs for the Local Growth Fund. The Solent LEP will ensure that correct branding and wording is used for websites, signage, social media, press notices and other marketing materials and will require funding beneficiaries to comply with appropriate branding guidance.



Part D: Accountable Decision Making

This section provides information on the role of the Accountable Body of the Solent LEP and democratic accountability.

1.1 Status and Role of the Accountable Body

It is the Government's expectation that accountable bodies cannot use LEP funding for their own purposes, or without any clear mandate from the LEP.

The Accountable Body (through its Responsible Financial Officer - the Section 151 Officer), will be accountable for the proper use and administration of funding, all of which fall under the annual audit of the local authorities accounts, and for ensuring that decisions are made in accordance with this assurance framework.

In line with the recommendations of CIPFA Principles for section 151 officers in accountable bodies working with local enterprise partnerships, published September 2018, the Solent LEP adheres to the five principles which CIPFA and the Cities and Local Growth Unit expect the section 151 officer role for LEPs to meet when instilling good and proportionate financial governance (including Enshrining a corporate position for the section 151 officer in LEP assurance, Creating a formal/structured mandate for the section 151 officer, Embedding good governance into decision making, Ensuring effective review of governance and Appropriate skills and resourcing) in all activity of the LEP.

Portsmouth City Council is the accountable body⁸ for the Solent LEP and will:

- hold funding and make payments to delivery bodies;
- account for these funds in such a way that they are separately identifiable from the accountable body's own funds;
- provide financial statements to the Solent LEP as required;
- ensure that use of resources are subject to the usual local authority checks and balances – including the financial duties and rules which require councils to act prudently in spending, and the proper financial stewardship and safeguarding of public funds, which are overseen and checked by the Responsible Chief Finance Officer – the 151 Officer
- ensure transparency that annual accounts and spend over £500 is published, this can be found [here](#)
- ensure decisions and activities of the LEP conform with legal requirements with regard to equalities, social value, environment, State Aid, procurement etc.
- ensure (through their Section 151 Officer) that the funds are used appropriately.
- ensure that this LEP assurance framework is adhered to
- maintain the official record of LEP proceedings and holding copies of all relevant LEP documents relating to LGF funding
- be responsible for the decisions of the LEP in approving projects (for example if subjected to legal challenge)
- ensure that there are arrangements for local audit of funding allocated by LEPs at least equivalent to those in place for Local Authority spend

Portsmouth City Council shall ensure that all expenditure decisions are made in accordance with the Council's constitution and associated "Financial Rules". In particular, spending decisions made by the Solent LEP must meet the eligibility criteria prescribed within the terms and conditions of any associated grant funding received and that all expenditure is legal. It will also ensure that all spending decisions can be fully funded to avoid an unbalanced budget position. Spending decisions must adhere to the principles of good governance and public accountability and demonstrate that public funds will not be placed at undue risk and value for money can be demonstrated.

Portsmouth City Council will not implement any decision of the LEP Board or its Committees and Panels where the conditions described above are not met or where it reasonably considers they will not be met. If for any other reason

⁸ For some Solent LEP programmes of activity a distinct accountable body may be appointed. The only situation where this has previously been the case is for the Enterprise Zone Expansion Fund, for which Gosport Borough Council is the accountable body

Portsmouth City Council disagrees with a decision of the Board, the chair and chief executive of the LEP shall work with the section 151 officer to agree an effective responsibility arrangement. This will include both parties agreeing to work together to seek a mutually agreeable resolution where disputes arise. The LEP and the Council will always seek to resolve the matter by a process of consultation. If the matter cannot be resolved within a reasonable time period then the matter will be escalated to the Council's Chief Executive and the Chief Executive of the Solent LEP who shall decide on the appropriate course of action to take. If the matter can still not be resolved, then the matter will be referred to an independent arbitrator to reach an agreement. The costs of an independent arbitrator shall be borne by the Council and the Solent LEP, respectively.

Portsmouth City Council and the Solent LEP have agreed timescales and operating practices to support the effective implementation of decisions. This includes details of how the Solent LEPs independent secretariat functions. These are described in the protocol and service support agreement in place between the accountable body and Solent LEP. This is provided [here](#).

1.2 Legal Advice to the Solent LEP Limited

Legal advice to the Solent LEP Limited is provided by Paris Smith LLP and Portsmouth City Council. Legal advice in relation to the projects and work of the Solent LEP Executive is provided by Portsmouth City Council, who are the accountable body for the Solent LEP.

1.3 Democratic Accountability

Section 2.4 of Part A provides information on the composition of the LEP Board. All 12 Local Authorities of the Solent LEP area are P Members of the Solent LEP and democratically elect five representatives to the Solent LEP Board. All 12 Local Authorities are also members of the Partnership for Urban South Hampshire (PUSH), which operates as a Joint Committee, and, therefore, PUSH currently assists the Solent LEP in facilitating this election process. The P Directors on the Board do not represent their 'home' Local Authority, but represent all 12 Local Authorities on the LEP Board.

The structure set out in sections 2.7 - 2.13 of Part A has Local Authority representation embedded, including a dedicated Solent Leaders Forum. Local Authority representatives are nominated, democratically, through PUSH.

The key role of the Solent Growth Forum within the Solent LEP governance architecture is provided in section 2.7.



Part E: Ensuring Value for Money: Prioritisation, Appraisal and Business Case Development

This section sets out the arrangements the LEP has established for ensuring value for money from investments it allocates public funds to, the methodology the LEP will employ to prioritise projects, as well as appraisal through business cases. Section E1 describes the approach of the Solent LEP to options appraisal and prioritisation, whilst section E2 sets out the procedures in place to ensure value for money, and the development of business cases. Any decision which is made in contravention of the processes set out in this Assurance Framework will be invalid on the basis of non-compliance unless the Solent LEP Board has given prior approval for variation in the decision making process

Part E1: Options Appraisal and Prioritisation

1.1 Statement of Principle

As a starting point, projects proposed for consideration for prioritisation for funding by the Solent LEP Board by any of the LEP Advisory Panels / Forums, will be for worthwhile projects that do not have full funding that meet the LEP strategic vision and objectives, fit with its Strategic Priorities, emerge from evidence, and accord with the relevant funding criteria. It should be noted that proposals that represent transformational economic growth opportunities will be prioritised.

The following documents will be made available to the LEP Board (or relevant investment panel in line with the scheme of delegation) in advance of making funding decisions in order to inform the Board or Panels decision making in relation to a project:

- The application made for funding
- An appraisal of the application (This will include the independent appraisal that Solent LEP adopt for large scale projects and SME investments over £100,000 alongside the executive and accountable body appraisal)
- A view by a legal expert
- A recommendation to as to whether to approve the funding proposal or not
- A recommendation about conditions which should be attached to the proposal

1.2 Approach to Prioritisation

The prioritisation process to be followed by the Solent LEP is set out in the four steps, below:

Solent LEP Prioritisation Process⁹

Step 1	An initial step may require each scheme promoter to submit an initial Expression of Interest (EoI) However, the LEP may issue a call for Outline or Full Business Cases, should there be specific time constraints on funding.
Step 2	An initial eligibility check will be undertaken by the Solent LEP.
Step 3	Advice on EoI's or Business Cases will be sought from relevant Panel / Forum(s) and / or the Solent Growth Forum. Advice may also be provided on ranking of projects.
Step 4	For Outline Business Cases and Full Business Cases independent expert due diligence will be undertaken and recommendations made to the LEP. Advice may also be provided on ranking of projects
Step 5	Solent LEP Board considers the recommendations and advice of the Panel / Forum(s) and / or SGF and (for Outline and Full Business Cases) the independent expert due diligence recommendations.

Step 6

Solent LEP executive contacts all project proposers to advise next steps for short-listed projects:

- For short-listed EoI's - An invitation to develop an Outline or Full Business Case
- For Outline Business Cases - An invitation to develop a Full Business Case
- For Full Business Cases - An offer of funding, subject to any pre-conditions.

For projects not to be progressed, an offer of feedback on the application will be made.

The prioritisation matrix, which the LEP use to assess projects, is shown in the table below.

Solent LEP Prioritisation Matrix⁹

Core Criteria	
Strategic Fit	The extent to which a project strengthens the role of the Solent as a Gateway economy, supports the growth (including export potential) of our strategic sectors, or one or more the five areas critical to raising productivity levels in the Solent: transport, digital communications, skills, research and development (R&D) and housing
Deliverability	The ability to demonstrate that the project is deliverable including: the extent to which it has planning permissions (and has resolved any planning conditions) and other relevant consents in place, the adequacy of the funding package; the financial standing of the delivery partners; an appreciation of the range of risks to timely delivery and appropriate mitigation strategy; demonstration that the delivery body has put in place the capacity and competence to deliver the project; that appropriate project governance and project management resources are in place.
Start Dates	Applicants should identify when the project is expected to come forward and identify risks to project commencement.
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 direct jobs created (where applicable).
Homes	The number of new houses enabled and / or accelerated by the project (where applicable).
Skills	Delivery of skills outcomes such as education floorspace, apprenticeships, learners, etc (where applicable). Evidence that the proposal is employer-led (priority will be given to applications that come forward with a private sector contribution and partner) and that it addresses an identified skills shortage need in an industry and/or sector in the Solent. Clear evidence how the proposal will respond to the development of new technical routes to meet industry needs in the Solent, including the completion of high quality work placements.
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?; realise spill-over impacts to other companies in a supply-chain?; or provide induced benefits?).
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).
Equalities	Projects will need to demonstrate compliance with the obligations under the Equality Act 2010 and in particular the impact of the proposals on groups with protected characteristics.

Through prioritisation, the Solent LEP will also seek to maximise value for money from key public sector investments focusing on areas that are economically vulnerable, and linking local people to jobs through effective procurement

processes whilst leveraging private sector investment in skills and employment

1.3 Value for Money at Prioritisation Stage

A detailed assessment of value for money will be undertaken in accordance with HM Green Book (where applicable), once a project has been provisionally allocated funding, and this is set out in Part E2.

At the prioritisation stage, the Solent LEP prioritisation methodology will consider value for money in a number of ways that can be readily monetised including:

- Funding levered in from external sources
- Number and value of jobs created and safeguarded
- Number of houses built

In addition there will be qualitative assessment of value for money that will inform the overall value for money assessment. This will include:

- Skills outputs (apprenticeships, number of learners, etc)
 - Additionality
 - Wider Economic Impacts
 - Social Impact
-

Part E2: Value for Money and Business Case Development for Funded Proposals

2.1 Ensuring Value for Money through the Development of a Full Business Case

The process for demonstrating value for money through the development of a full business case is available in the Solent LEP Advice note to scheme promoters on the development of full business cases [here](#).

The LEP has identified Stuart Baker, Solent LEP Head of Local Growth and James Fitzgerald, Corporate Finance Specialist, Portsmouth City Council (Solent LEP accountable body) as the named individuals with overall responsibility for ensuring value for money and those individuals will be responsible for scrutiny and recommendations on each business case. This will be provided for within the LEP Funding, Finance and Performance Management Group. Where appropriate, the LEP will also commission independent expertise to validate value for money assumptions. For transport schemes, this will include a [Value for Money Statement](#) signed-off by the Solent LEP Value for Money Officer

The Solent LEP has set out a commitment to achieve a 'high' value for money (VfM), which is defined as achieving a VfM ratio of 4:1. This level is to be achieved at the Solent Growth Deal Programme level and will capture both the scheme's wider economic benefits and the leverage of wider investment resulting from the scheme. This is intended as a broader measure than an economic or financial appraisal (i.e. a Benefit to Cost Ratio (BCR) or a ratio of Net Present Value to Project Costs) however the Business Cases are still expected to include a relevant financial and / or economic assessment to demonstrate their compliance with relevant national guidance (e.g. WebTAG for transport projects and SFA for education projects)

For transport schemes, the following will represent minimum requirements:

- The modelling and appraisal of schemes contained in business cases must be developed in accordance with the guidance published in WebTAG at the time the business case is submitted to the LEP for approval. Central case assessments must be based on forecasts which are consistent with the definitive version of NTEM (DfT's planning dataset). This requirement doesn't stop LEPs considering alternative planning assumptions as sensitivity tests and considering the results of these in coming to a decision about whether to approve a scheme. The appraisal and modelling will be scrutinised by the LEP and this will be undertaken independent of the promoting authority.
- A value for money statement for each scheme in line with published DfT WebTAG guidance must be presented for consideration to the LEP. The Value for money assessment must be signed off as true and accurate by a named officer with responsibility for value for money assessments within the LEP.
- The LEP must either; only approve schemes that offer at least "high" value for money, as assessed using DfT guidance, or; set out the limited circumstances under which schemes offering lower than "high" value for money would be considered. Schemes must be assessed against the relevant thresholds at each approval stage.
- The LEP must put in place mechanisms to ensure schemes are monitored and evaluated in line with DfT guidance on the evaluation of local major schemes¹⁰. The LEP will put in place processes to ensure that the results of evaluation and monitoring are published and to have these reviewed independently of the promoter. For transport schemes, in line with the latest DfT guidance, evaluation and monitoring (M&E) plans must be in place for schemes by the time that funding is signed off or before any data collection is programmed.

For skills capital schemes the review of business cases will be supported by the Skills Funding Agency. Business cases will be developed in accordance with Skills Funding Agency guidance, as set out in the Solent LEP Advice note to scheme promoters on the development of full business cases [here](#).

The LEP Board may consider funding projects that do not demonstrate high value for money through standard appraisal methodology in exceptional circumstances, where there is a compelling and / or transformational strategic case. In addition, it should be noted that some investments may form components of a wider programme of investment and that some individual schemes, forming part of such programme, may not offer "high" value for money, as set out in national guidance, yet may form an important component of a wider programme, and as part of which, additional benefits may be accrued. In these circumstances the LEP may fund schemes that do not offer "high" value for money.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/9154/la-major-schemes-monitoring-evaluation.pdf

2.2 Evidential Need for an Intervention

The evidential basis on which the need for an intervention is based will be considered through the process set out in section E1. Scheme promoters will be asked to evidence how their proposal fits with the Solent Strategic Economic Plan, and will be assessed against the published criteria, as set out in section E1. Assessments against these criteria are undertaken within the Solent LEP executive team, with input and advice from a broad spectrum of expertise as provided within our governance architecture as described in sections 2.7 - 2.14 of Part A. In addition, a broader perspective to inform decision making is provided by the Solent Growth Forum (section 2.7 of Part A).

A full business case is subject to an twelve week public consultation period on the LEP website, and any comments provided are considered alongside the independent due diligence recommendations (described in section 2.3 of Part E2) when the LEP Board makes its decisions in relation to funding for a scheme.

2.3 Due Diligence of Full Business Cases

The LEP will employ independent expertise to undertake objective and independent due diligence of full business cases. This will provide additional rigour to inform decision making. The due diligence report and recommendations will be reported to the Solent Funding, Finance and Performance management Group and/or the Solent LEP Board, who will make a final decision informed by the independent due diligence and feedback from consultation activity. Further information about this process is set out in the Solent LEP Advice note to scheme promoters on the development of business cases [here](#).

Due diligence reports held by the Solent LEP will include all key assumptions in relation to how appraisal estimates were produced, and in the event it is required, these due diligence reports can form part of an evaluation 'handover pack'.

2.4 Monitoring and Evaluation

A monitoring and evaluation framework, in line with the principles of the National Assurance Framework and [HMT's Magenta Book](#), has been established with quarterly reporting (progress updates and performance against agreed metrics) and year-end report. This will be considered by the relevant Panel / Forum, FFPMG and the SGF on a wider basis.

In relation to any transport schemes, evaluation and monitoring (M&E) plans must be in place as part of the published business case requirements, in line with DfT guidance.

2.5 Funding Agreement

Approved business cases will be funded subject to satisfactory conclusion of a funding agreement between the lead scheme promoter and Portsmouth City Council (as the accountable body for the Solent LEP).

The Board of the Solent LEP will make the final decision on funding approvals subject to independent scrutiny and due diligence, including assessment against state aid compliance.

As referred to above, there will be a formal agreement between the accountable body for the LEP and the lead scheme promoter when funding is approved for a project and confirmed by central government. This will set out the responsibilities of both parties, including reporting and audit requirements.

All business case development costs are at the risk of the scheme proposer and the LEP will reserve the right to re-direct funding at any point prior to confirmation of funding award.

2.6 Management of Contracts and Non-Compliance

The LEP will manage contracts in relation to the delivery of its programmes in partnership with our accountable body, who enter into contracts on behalf of the Solent LEP. All contracts are approved by both the Solent LEP and Portsmouth City Council in advance of completion and in-line with the scheme of delegation established by the Solent LEP. Where any contract negotiation process results in material changes to the proposal considered by the LEP Board (or Funding, Finance and Performance Management Group or Small Business Investment Panel, in line with the relevant scheme of delegation in place for sub-groups), the Solent LEP require the decision to be sent back to the LEP Board (or relevant investment panel) for consideration.

The LEP Board receive regular updates on the LEP Local Growth Programme, including updates in relation to performance, issues, risks and relevant mitigations in place. The LEP and PCC have agreed a risk management framework for funded schemes to inform monitoring in line with central Government standards. This framework is available here in section 5 of the Solent LEPs Advice to Scheme Promoters on the Development of Business Cases, which is available here.

This framework includes establishing agreed corrective actions to be taken by the LEP and Portsmouth City Council in recognition that, in addition to making decisions on funding, the LEP is also required to play a role in recovering funding where there has been non-compliance, mis-representation or under-performance. The framework agreed by the LEP Board and Portsmouth City Council ensures the Solent has in place appropriate arrangements to recover non-compliant funding. Any recovery of funds is undertaken in partnership with our accountable body for funding, Portsmouth City Council. Where the LEP decides not to pursue recovery where it has identified non-compliance and has legal grounds to do so it will provide a compelling justification for its decision.