

Minutes of 28th September 2018 meeting

Attending	Company	Representing
Chris Brodie	Chair	
Kim Cole	Essex County Council	Accountable Body
Adam Bryan	Managing Director	
Graham Peters	Vice Chairman for East Sussex	East Sussex – Business
Clive Soper	FSB	East Sussex – Business
Cllr Keith Glazier	East Sussex County Council	East Sussex – Local Authority
Cllr David Tutt	Eastbourne Borough Council	East Sussex – Local Authority
Cllr Peter Chowney	Hastings Borough Council	East Sussex – Local Authority
George Kieffer	Vice Chairman for Essex & South Essex	Essex – Business
David Burch	Essex Chambers of Commerce	Essex – Business
David Rayner	Birkett Long	Essex – Business
Colette Bailey	Metal	South Essex – Business
Perry Glading	OSE/TBB	South Essex – Business
Cllr Mark Coxshall for Cllr Rob Gledhill	Thurrock Borough Council	South Essex – Local Authority
Cllr John Lamb	Southend on Sea Borough Council	South Essex – Local Authority
Cllr Tom Cunningham for Cllr Graham Butland	Braintree District Council	Essex – Local Authority
Cllr Kevin Bentley	Essex County Council	Essex – Local Authority
Geoff Miles	Chair of KMEP	Kent – Business
Jo James	Kent Invicta Chambers of Commerce	Kent – Business
Douglas Horner	KMEP	Kent – Business
Paul Thomas	DLS Limited	Kent – Business
Cllr Peter Fleming	Sevenoaks District Council	Kent – Local Authority
Cllr Simon Cook	Canterbury City Council	Kent – Local Authority
Cllr Paul Carter	Kent County Council	Kent – Local Authority
Cllr Alan Jarrett	Medway Council	Kent – Local Authority
Graham Razey	EKC Group	Further Education
Iain Martin for Anthony Forster	Anglian Ruskin University	Higher Education
Laura Jackson	MHCLG	

Apologies received

Cllr Graham Butland, Ana Christie, Cllr Rob Gledhill, Penny Shimmin,
Prof Anthony Forster

1. Welcome and Introductions

- 1.1. Chris Brodie welcomed board members and observers to the meeting including Laura Jackson and Ian Piper.
- 1.2. He reminded all present that the meeting was being recorded. All board members were asked to state their names before speaking.
- 1.3. He suggested reordering of the agenda, to bring forward item 9 to proceed with item 5. This was **AGREED**.

2. Minutes and Actions from 29th June 2018 meeting, Matters Arising and Declarations of Interest

Minutes:

- 2.1. Due to a series of amendments to draft minutes received a day prior the meeting, it was suggested that an amended version would be circulated via email. The minutes would be listed for approval at the special meeting of the Strategic Board on 25th October 2018. This was **AGREED**.

Declaration of Interest:

- 2.2 David Burch – Item 4 Sector Support Fund, Good Food Growth Campaign. Essex Chamber likely to be involved if successful. This was **NOTED**.
- 2.3 George Kieffer - Item 4 Sector Support Fund, item relating to Haven Gateway as Chairman of the organisation. This was **NOTED**.

Matters Arising – Significant Events

- 2.4 Chris Brodie highlighted all significant events that had recently taken place, including a very successful Skills Strategy Launch at the Folkestone College and the Inclusive Growth Event which was run in conjunction with Public Health England and hosted by the Harlow College.
- 2.5 He thanked Louise Aitken for her hard work in organising both of the events.
- 2.6 Chris Brodie also referred to the recently published [South East LEP the story so far](#), a document summarising what had been achieved to date and a tribute to the constructive way in which SELEP had worked. He recommended this document to the Board.

3. LEP Review

- 3.1. Chris Brodie provided the board members with an overview of the first stage of the LEP review. He explained that the government was dealing with the review in a staged way, firstly considering geography and secondly, governance. LEPs were expected to return responses to the government by the deadlines of 28 September 2018 for geography and 31

October 2018 for governance. Chris Brodie noted that whilst these were inextricably linked, the focus of today's discussion was to agree the position with regards to geography and submit the response to meet the first deadline.

- 3.2. In setting context for the discussion, Chris Brodie outlined his observations since becoming the Chair of SELEP and reflected that whilst he was initially puzzled on the chosen geography, he had later come to understand how SELEP worked and how the geography had supported its success. He also said that he had raised this point with Greg Clark MP, and included a few examples of SELEP's common issues such as ports and logistics, coastal and rural economy, SMEs, housing, proximity to London and land shortages. His view was to preserve the current way of working as much as possible and provide the government with a strong case for keeping the geography together.
- 3.3. Chris Brodie spoke about the governance and how the LEP currently works and hoped that the current way of working could also be preserved as much as possible.
- 3.4. Chris Brodie noted that he spoke to a number of officials and ministers and said that whilst the LEP review did not suggest break-up of large LEPs, ministers and officials informed him that there had been a lot of background noise which had been rather unhelpful and undermining the SELEP. He warned that if this continued, governance negotiations with the government would become more difficult to manage and asked all to be thoughtful in how they engaged in discussions going forward.
- 3.5. On a wider note, Chris Brodie mentioned that the review could for example provide opportunities to address the diversity of the Board and further independence of the secretariat.
- 3.6. With regard to moving towards an incorporated model, he expressed the need for considering the cost and time implications. He said that SELEP should work with the government constructively and collaboratively in order to incorporate and find a way in which the federated model could be retained and to provide an acceptable solution for all.
- 3.7. [A series of slides](#) were presented by Chris Brodie – these outlined the proposed response to the government:
 - NO CHANGE position based on the following principles
 - SELEP would continue to operate a model rooted in the principle of subsidiarity
 - Opportunity to seek further clarification from government on the size of LEP Boards (recommendation - 2/3 business representation), and
 - that whilst a business majority for the Board was supported, a balanced partnership position had to be maintained
 - 2 overlap areas to remain in SELEP geography – Lewes and Uttlesford (strong case to support this had been made)
 - Projects in overlap areas – how these would be dealt with
- 3.7 Chris Brodie confirmed that he was in full support of the status quo. He mentioned that the number of LEPs might be reduced in the future from 38 to approximately 20 to 25. At this point he was not sure how alternative arrangements would work and whether the new groupings would be familiar with the federated way of working. He added that any break in current structure of the LEP would be very distracting, time consuming and not adding any value to what the LEP had been set up to do, i.e. delivering for its people.
- 3.8 Laura Jackson welcomed the comments so far and noted her appreciation of the unusual size, scope of the area and model of SELEP. She said that from the perspective of the Cities & Local Growth Unit (CLGU), there was an opportunity cost for not reforming the LEPs at this

point. However, she noted that the government expected a step change in accountability, transparency and efficiency in order to maintain confidence of the treasury, ministers and the public and that this review could deliver that.

- 3.9 Laura Jackson advised that ministers would be receiving advice from her team following the Conservative Party Conference. She forewarned that she would be surprised if the ministers were not unequivocal in their position on Board size and composition (2/3 private and 1/3 public). She also noted that she was interested in the incorporated model which was not for this forum.
- 3.10 Finally, taking into account that there was cost associated with the LEP review, Laura Jackson made a reference to £200k that was available for LEPs to help them to manage the changes.
- 3.11 Board members discussed their position on the LEP review at length. There was a shared frustration around the process. The general consensus was that whilst the SELEP geography was originally imposed by the Government, and not universally welcomed at the time, partners had made great strides in creating a partnership with proven delivery and outcomes. Therefore it was thought that the federated model, which worked effectively and successfully so far, should remain as it was.
- 3.12 It was noted that whilst the LEP review required two separate responses, the first relating to the geography and the second to the governance, the Board were of the view that these were inextricably linked. It was thought that it was bizarre that things could be thrown up in the air where the LEP so far had been working extremely well.
- 3.13 The proposed size of the LEP Board was a shared concern. The board members were of the view that a smaller membership with a business majority would not necessarily result in the anticipated efficiencies and the suggestion for co-opting additional members on a yearly basis could result in a lack of continuity.
- 3.14 Board members agreed that geography should remain the same however the response to the government had been 'sugar coated' and should be a lot more direct.
- 3.15 In reference to the draft response previously circulated, Douglas Horner suggested that SELEP's message to the government should be much clearer and as such stating that the current governance model should be retained.
- 3.16 Cllr Kevin Bentley took the opportunity to ask Laura Jackson how her department would be advising ministers on the SELEP's position to retain the status quo.
- 3.17 Laura Jackson advised that she would reflect on what was said in the room today as well as the review note from July 2018. She noted that Board composition was part of a process of negotiation. She said that it was for the ministers to consider, in the context of Brexit, future and increased funding and accountability if this organisation would still work as expected.
- 3.18 Laura Jackson did explain that she wasn't in a position to provide a detailed answer.
- 3.19 Cllr Kevin Bentley suggested that if the ministers' answer was **NO** to retaining the status quo, and a decision to go ahead with the proposed Board composition, there needed to be a clear democratic mandate put in place to ensure public confidence. For example, if businesses had a majority vote and wanted to push forward a project which the County Council did not agree with and resulted in overspend; then Essex County Council would not be responsible for the consequential costs.
- 3.20 Cllr Paul Carter supported the position to retain the status quo, noting that the principles of subsidiarity had been enshrined both at Accountability and Strategic Board level; enabling local priorities to be set. He reiterated that this arrangement had worked well in the past and should be left as it was. However, should the LEP review require change in governance,

Kent County Council would reserve its position because the principles of 2/3 business majority would be impossible to achieve in an area with nearly 40 Local Authorities.

- 3.21 He flagged that the government was missing a significant point on the role the local government had played in delivery of local projects and taking risks on substantial overspends. He further added that central government needed to realise that the local government good-will would evaporate fast.
- 3.22 As the Chair of the County Council Network, Paul Carter advised that these were fundamental principles held across the whole of the network and the District Council Network, and he had been tasked with writing a letter to the ministers to express these shared concerns.
- 3.23 Business representatives, David Burch and Jo James, took the view that these requirements were particularly unhelpful during this uncertain time of Brexit. David Burch suggested that the government should be providing a steer as to how this could be managed in order to enable SELEP to focus on supporting economic growth. Perry Glading suggested that the reasoning behind the proposed changes was unclear. He commented that a 2/3 business majority could result in individuals around the table with individual interests, whereas the current Board structure fairly represented the area it covered.
- 3.24 Board members continued to debate their concerns with regard to the LEP review. They were all in agreement and supported the proposed statement on geography however had very strong views on the government's proposed changes to the governance.
- 3.25 Chris Brodie reminded the Board that the governance element would need to be considered after the geography response had been submitted.
- 3.26 It was agreed that the draft should be reworked to retain a clear message in response only to the questions asked. Accordingly, Adam Bryan took the Board through the draft and removed the wider context, effectively with no change to geography and overlap issues. The response was **APPROVED**, subject to amendments.
- 3.27 Cllr Simon Cook asked if the response could clearly state that this was not just the view of the Strategic Board but of both the Local Authority and Business representatives. This was **AGREED**.
- 3.28 Further discussion was held around Plan B. It was felt that this had to be carefully considered.
- 3.29 Chris Brodie explained that should the answer be **NO** to the proposed geography; he would have to start a conversation with all involved.
- 3.30 Chris Brodie confirmed that a wider discussion regarding governance would be held at the Special Board Meeting on 25 October 2018. In the meantime, as proposed in the board paper, further negotiations with the government were to be mandated to Chair and Vice Chairs to take forward. This was **AGREED**.
- 3.31 Laura Jackson confirmed that the ministers would be back from the conference next week and responses from all LEPs would be expected.
- 3.32 Furthermore, Chris Brodie read aloud a letter drafted to the two Secretaries of State, Greg Clark and James Brokenshire, regarding the LEP review and SELEP geography, stating SELEP's position and concerns. Chris Brodie asked that all board members signed the letter. This was **AGREED**. All board members signed a single copy of the letter which in turn had been submitted to the government.

4 Sector Support Fund Approvals

- 4.1 Rhiannon Mort provided board members with background and context about the Sector Support Fund (SSF).
- 4.2 Rhiannon Mort advised that to date, the Board have endorsed three projects for SSF support to a maximum value of £371,000 of the £500,000 available in 2017/18. The report recommended that the Board agreed to make the £129,000 unallocated SSF from 2017/18 available in 2018/19, increasing the SSF available in 2018/19 to £629,000.
- 4.3 Rhiannon Mort outlined the process for awarding applications, which required endorsement of the Federated Board, the Strategic Board and with a final decision being made by the Managing Director under delegated authority. For each bid that was submitted, an independent assessment had been undertaken by the SELEP Accountable Body.
- 4.4 The four applications seeking endorsement were outlined:
 - Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000)
 - Good Food Growth Campaign (£60,400)
 - Future Proof: Accelerating Delivery of High Quality Development across the LEP (£110,000)
 - Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000)
- 4.5 Rhiannon Mort provided a brief summary of each of the applications and noted that with regard to the Kent Medical Campus Enterprise Zone bid, where the assessment was flagged as not being pan-LEP, further supplementary information had shown that the Med Tech Innovation programme would be delivered across the SELEP area with support from Anglia Ruskin University and other SELEP universities. She also noted that with regard to the Good Food Growth Campaign bid, KMEP had asked for further information to be provided to the next meeting before endorsement could be sought. The board members were advised that endorsement from the Board would be subject to KMEP endorsement.
- 4.6 In relation to the Kent Medical Campus bid, David Rayner asked if the dependence on ERDF meant it would be too early to request SSF monies. Rhiannon Mort advised that the ERDF bid had already been endorsed by ESIF with an expected final outcome in January 2019.
- 4.7 Graham Peters commended the two rural projects, which were truly pan-LEP and a good example of why this was a worthwhile approach.
- 4.8 Cllr John Lamb asked if Kent Medical Campus was dependent on planning and raised his concerns that without ERDF, there could be expensive abortive costs.
- 4.9 In response to this, Rhiannon Mort welcomed John Foster of Maidstone Borough Council to clarify the position. John Foster advised that the planning permission had already been put in place and he was confident on delivery of the project. Furthermore, John Foster advised that regardless of ERDF outcomes investment would not be lost, the Council was very committed to the project but could possibly be delayed.
- 4.10 Chris Brodie asked the Board to review the following recommendations:
 - Agree to increase the SSF available in 2018/19 from £500,000 to £629,000 using the unallocated SSF from 2017/18.
 - Endorse the following four bids (note that further to the Board report, supplementary information from Kent Medical Campus meant that eligibility criteria was met):
 - Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000)



- Good Food Growth Campaign (£60,400) - subject to KMED endorsement
- Future Proof: Accelerating Delivery of High Quality Development across the LEP (£110,000)
- Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000).
- Note the work currently undertaken by SELEP's working groups to develop future SSF projects for consideration by the Board

4.11 All recommendations were **AGREED**.

5 Housing Update (Reordered) & Garden Communities session #2 – Ebbsfleet

- 5.1 As agreed the agenda was reordered so that this item also covered item 9, in order to bring forward the recommendation regarding the future garden communities.
- 5.2. Adam Bryan introduced the paper and provided some opening words on the breadth of work on the housing agenda.
- 5.3. As recommended in the board paper, Adam Bryan suggested that SELEP promote its role as a supportive partner by endorsing the future Garden Communities bids on the basis that these were supported by Local Authorities. He asked the Board to delegate responsibility of these endorsements to the SELEP Chair.
- 5.4 Douglas Horner asked how sensitively Garden Community proposals would be managed especially around the number.
- 5.5. Chris Brodie advised that he would take advice from the Federal Boards, so that any endorsements were consistent with what local communities wanted.
- 5.6 Board members **AGREED** to delegate the responsibility to the SELEP Chair.
- 5.7 Brian Horton provided the board members with an overview of the broader housing agenda.
- 5.8 He advised that there was a lot for SELEP to be proud of and the early ambition for SELEP to proactively promote the acceleration of homes had led to a unique partnership model, with developer groups in Essex, Kent and East Sussex, which provided a truly business led approach to working with public sector colleagues. This had also led to shared planning protocols and joining up to provide influence and unlock barriers to growth.
- 5.9 The outcomes of SELEP's commitment to the agenda could be evidenced in housing numbers. With a 54% rate of delivery and 62% year on year increase in housing starts, this work was making a difference, but there was no room for complacency, and it was important to continue to keep up the momentum and support Garden Communities and continue to be on message with government colleagues.
- 5.10 Brian Horton suggested that this update and the board paper provided a summary of this work and he would be keen to present at future meetings with Paul Thomas, Housing Board Champion, alongside his three Developer Forum Chairs, Nick Fenton, Derek Godfrey and Mark Curle. This was **AGREED**.
- 5.11 Chris Brodie thanked Brian Horton for his input and welcomed Ian Piper, Chief Executive of the Ebbsfleet Development Corporation, to give a presentation on the progress and challenges of the Garden City development, the priorities for the next few years and opportunities for further joint working and sharing of lessons learned with SELEP Board partners.

- 5.12 Ian Piper provided some context into the establishment of Ebbsfleet Development Corporation (EDC) which unlike other locally led corporations, was directly accountable to the Secretary of State, who was then accountable to Parliament.
- 5.13 With regards to governance, the EDC Board was made up of private sector non executives with expertise in the area, as well as, three local authorities. This partnership was central in delivering the programme.
- 5.14 Ian explained that the area covered by EDC in Dartford was a central location however there were issues around congestion. He added that this was not only a unique area in its environment and landscape, but also a large regeneration project in an area that had a significant industrial legacy.
- 5.15 The scale of the ambition in 2015 was to develop the first Garden City for 100 years, with up to 15,000 homes and up to 30,000 jobs. The project was about a new settlement with green spaces, public transport networks, health and education including three small enterprise zones.
- 5.16 Ian Piper took the board members through the map included in the [presentation](#), and discussed the four main development areas, incorporating the Eastern Quarry housing area, central area, with higher density urban form (described as city centre), Swanscombe Peninsular, the proposed location for the London Resort and two Riverside Sites.
- 5.17 In terms of progress EDC had completed 1100 homes and would see a further 525 this financial year with further 700 next year and 1000 the following year. There was also a primary school opened last September, community centre, pub and hotel and further facilities opening soon. Ian Piper encouraged partners to visit the observatory to see progress so far.
- 5.18 Ian Piper reflected on the significant challenges faced by EDC, notably the stalling of the central area. This included the need to unlock allocated surface parking land for development and the delay of the proposed London Resort, which presented uncertainty in terms of access roads through the central area and the impact to the proportion of developable land. EDC were working with appropriate bodies across government to address these challenges.
- 5.19 With regard to joint working and shared lessons, Ian Piper welcomed partners to Ebbsfleet and noted that he would be keen to share experiences with the new proposed Garden Communities.
- 5.20 Chris Brodie thanked Ian Piper for his presentation and asked if there were any questions or observations from the board members.
- 5.21 Laura Jackson noted her interest in the development and asked Ian Piper how the local community feels in relation to this.
- 5.22 Ian Piper advised that generally residents were supportive of the corporation and he did not see any resistance to the development itself. He added that issues tend to be around health facilities so they formed a partnership with the Clinical Commissioning Group and NHS trusts and established a Healthy New Town status.
- 5.23 The community cohesion element was identified as a tricky issue as it usually was the case for regeneration projects. EDC was conscious of issues such as rising house prices had on existing communities. Ian Piper advised that it was often a number of smaller scale community engagement activities that brought communities together. He used the example of a healthy walks campaign as a route to community engagement.

6 Strategic Economic Plan

- 6.1 Adam Bryan provided the Board with a brief update on the progress of the Strategic Economic Plan.
- 6.2 Following wide consultation, SELEP had undertaken a small commission which would build on work undertaken so far and facilitate final conversations with federal areas, in order to produce a draft for consideration by the Strategic Board on 25 October 2018.
- 6.3 Adam Bryan noted that the government had a clear requirement for SEPs. The SEP would be an enabling document for Local Industrial Strategies (LIS), and will ensure that the LEP can continue to play a helpful role as LIS are developed.

7 Tri-LEP Energy Strategy (brought forward)

- 7.1 In Jo Simmons' absence, Adam Bryan provided a brief update on this piece of work which was being led by SELEP, in collaboration with Coast to Capital and Enterprise M3 LEPs.
- 7.2 Funded by BEIS, Siemens' had been commissioned to produce a strategy. Adam Bryan reflected on the conversation and suggestions at the previous Strategic Board meeting, which helped to shape its direction. Whilst not in a position to bring a draft to this meeting, it was intended that a draft would be available for all 3 LEPs to approve by the end of this year.
- 7.3 It was confirmed that the board members would be kept updated on the progress between the meetings.
- 7.4 It was also noted that BEIS set restrictions on what could be covered by the local energy strategies and if important areas such as nuclear were not to be incorporated, then SELEP would need to undertake a piece of work to ensure that the whole agenda was appropriately addressed.
- 7.5 Chris Brodie thanked Adam Bryan and asked if the board members had any questions.
- 7.6 Cllr Kevin Bentley asked for the current SEP running costs.
- 7.7 Adam Bryan advised that total SEP commission was approximately just under £30k however he was unable to provide an actual breakdown until the calculations were completed.

ACTION – Adam Bryan

- 7.8 David Rayner suggested that he would be happy to be an ambassador to promote the Tri-LEP Strategy. He also asked how much Siemens' fees were for this piece of work.
- 7.9 Adam Bryan advised that he would need to come back formally on the costs and suggested that specifics on how the Siemens' contract had been managed would be taken back to the Strategic Board meeting. **ACTION – Adam Bryan**

8 Capital Programme Update

- 8.1 Chris Brodie stated that a motion had been received from Geoff Miles, Chair for KMEP, in relation to LGF 3b.
- 8.2 Kim Cole explained that the amendment received on behalf of KMEP was recommending that LGF existing schemes seeking a change in scope were prioritised ahead of the new expressions of interest in relation to LGF 3b funding in order to safeguard investment to date and prevent high abortive costs.
- 8.3 It was proposed that the board members should hear from Geoff Miles first, consider Rhiannon Mort's presentation and then take a vote on the amendment.

- 8.4 Geoff Miles explained that some projects deemed to be of high value previously might be lost if they were not considered for further funding and the Board would have to sign off high abortive cost.
- 8.5 Rhiannon Mort suggested that perhaps the board members should consider her presentation first and make an informed decision on the proposed amendment later in October 2018.
- 8.6 Cllr Keith Glazier raised a question around the delay in making the decision and what if any affect that would have on any projects within the next month.
- 8.7 Rhiannon Mort provided a background update on LGF 3b process. She reported that 99 applications and expressions of interest were received seeking in total £217 million of funding.
- 8.8 She explained that the Federated Boards had already considered the applications. She advised that the next stage was to develop a strategic outline business cases for these projects and take them forward to the Investment Panel on 7 December 2018 were a priority list would be developed.
- 8.9 The board members were asked to consider the inclusion of Higher Education and Further Education strategic board members on the investment panel.
- 8.10 A comment was made by Graham Razy that Further Education was not public sector but private sector.
- 8.11 Chris Brodie thanked Graham for the clarification and asked whether the board members were in agreement to include Higher Education and on the Investment Panel. This was **AGREED**.
- 8.12 Further Rhiannon Mort informed the Board that the Accountability Board met and awarded funding for two additional projects:
- Southend Airport Business Park (remaining £14.575m, increasing the total allocation to £23.090m)
 - Leigh Flood Storage Area (£2.349m)
- 8.13 With regards to Growing Places Fund, Rhiannon Mort advised the Board that payments for the additional 8 projects had been made.
- 8.14 She further advised that there had been a slippage to one of the projects; a delay in repayment on the project. She explained that usually this sort of issue was for consideration by the Accountability Board. However, as previously decided any more than one slippage on the project would be referred to the Strategic Board for awareness and consideration of any implication for future projects.
- 8.15 Rhiannon Mort advised that the delay in repayment to GPF would create a gap in GPF available next year of approximately £427k.
- 8.16 She stated that one of the ways to manage the gap in funding was to borrow from local growth funds pods. The Accountability Board would be able to consider options at their next meeting. This was **NOTED** by the board members.
- 8.17 Chris Brodie confirmed that all updates were **NOTED**.

9 AOB



- 9.1 The board members were advised that the Special Strategic Board meeting had been scheduled for 25 October 2018 at 10am. The special meeting would cover the LEP review and SEP.
- 9.2 Furthermore, it was suggested that Capital Programme update should be moved up the agenda for all future meetings.
- 9.3 Adam Bryan confirmed that the LEP Review response on geography had been submitted to the Government.

The meeting closed at 12:39pm.

DRAFT