



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 6th December 2019

High House Production Park, Purfleet, RM19 1RJ



Agenda

Item 1	10:00	Welcome and introductions	Chris Brodie	
Item 2	10:05	Minutes and actions from 4 October 2019 meeting Declarations of Interest Matters arising – January Board meeting draft agenda	Chris Brodie	Pg. 1
Item 3	10:15	LEP Review REPORT TO FOLLOW	Adam Bryan	
Item 4	11:00	Succession Planning and Deputy Chair <ul style="list-style-type: none"> Decision on succession planning approach 	Adam Bryan	Pg. 10
Item 5	11:10	Sector Support Fund <ul style="list-style-type: none"> Decision to endorse the Accelerating Opportunities within the Newhaven EZ project 	Rhiannon Mort	Pg. 13
Item 6	11:20	Capital Programme Report REPORT TO FOLLOW	Rhiannon Mort	
Item 7	11:35	Social Enterprise Prospectus <ul style="list-style-type: none"> Decision to endorse the Social Enterprise Prospectus 	Penny Shimmin /Alex Riley	Pg. 21
Item 8	11:45	Transport for the South East REPORT TO FOLLOW	Rhiannon Mort	
Item 9	12:00	SELEP Statement of Accounts 2018/19 REPORT TO FOLLOW	Lorna Norris	
Item 10	12:10	Energy Hub Decision <ul style="list-style-type: none"> Decision to become a formal member of the GSEEH Decision to delegate responsibility for final agreement of the legal documentation the CEO in conjunction with the Accountable Body Decision to delegate the representation of SELEP on the GSEEH board to the CEO 	Jo Simmons	Pg. 23
Item 11	12:15	ERDF Legacy Funding – SEEDA areas only <ul style="list-style-type: none"> Decision to agree to the potential investment proposed by MHCLG in principle 	Jo Simmons	Pg. 25
Item 12	12:20	LIS Discussion <ul style="list-style-type: none"> Discuss the proposed content and provide a clear steer that will support and focus efforts in finalising the draft LIS 	Helen Russell/ Sharon Spicer	Pg. 28
Item 13	12:55	AOB	Chris Brodie	

October 2019 Agenda

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Future Strategic Board meeting dates:

6th December; January 31st 2020; 20th March; 12th June; (24th June AGM); 2nd October; 11th December; and 19th March 2021.

Attendees

Chair	Chris Brodie	
Chief Executive Officer	Adam Bryan	SELEP
EBB and OSE business representatives	Colette Bailey	Metal
	David Burch	Essex Chamber of Commerce
	David Rayner	Birkett Long
	George Kieffer	Vice Chair
	Perry Glading	Chair of the Thurrock Business Board
EBB and OSE local government representatives	Cllr Tom Cunningham	Braintree District Council
	Cllr David Finch	Essex County Council
	Cllr Rob Gledhill	Thurrock Council
	Cllr Ron Woodley	Southend on Sea Borough Council
	Cllr Chris Whitbread	Epping Forest District Council
KMEP business representatives	Douglas Horner	KMEP business rep
	Geoff Miles	Vice Chair
	Jo James	Kent Invicta Chambers
	Paul Thomas	Development Land Services Limited
KMEP local government representatives	Cllr Roger Truelove	Swale Borough Council
	Cllr Mark Dance	Kent County Council
	Cllr Peter Fleming	Sevenoaks District Council
	Cllr Adrian Gulvin	Medway Council
TES business representatives	Ana Christie	Sussex Chamber of Commerce
	Clive Soper	FSB
	Graham Peters	Vice Chair
TES local government representatives	Cllr David Tutt	Eastbourne Borough Council
	Cllr Ann Newton	Wealden District Council
	Cllr Peter Chowney	Hastings Borough Council
Higher education representative	Professor Karen Cox	University of Kent
Further education representative	Angela O'Donoghue	South Essex College
Social enterprise representative	Penny Shimmin	Sussex Community Development Association

Apologies from:

Cllr Butland (*Cllr Cunningham as substitute*)
 Cllr Carter (*Cllr Dance as substitute*)
 Cllr Chambers (*Cllr Gulvin as substitute*)
 Cllr Monk (*Cllr Truelove as substitute*)
 Cllr Glazier (*Cllr Newton as substitute subject to item 4's approval*)

Item 1: Welcome and introduction

- 1.1. Chris Brodie opened the meeting.

Item 2: Minutes of last meeting, declarations of interest and matters arising

- 2.1. Chris Brodie asked Board members to declare any relevant interests. The following interests were declared:
- 2.2. George Kieffer: item 6 regarding the Future Proof project as Chair of the Haven Gateway Partnership; item 6 Clean Growth due to involvement with North Essex Energy Group (part of the Haven Gateway Partnership); and item 8 as Chair of the ESIF sub-committee.
- 2.3. Jo James: item 8 as the Kent Chambers of Commerce had been involved with this project.
- 2.4. Graham Peters: item 6 as Interim Chair of the Newhaven Enterprise Zone.
- 2.5. Colette Bailey: item 6 as Metal was involved in the England's Creative Coast project.
- 2.6. Penny Shimmin: item 6 as a Board member of the Newhaven Enterprise Zone.
- 2.7. Chris Brodie asked the Board whether they agreed that the minutes of the last meeting were an accurate record of the meeting.
- 2.8. The Board **agreed** and approved the minutes of the last meeting as accurate.
- 2.9. Chris Brodie reminded the Board that there was an item with a confidential appendix at the end of the agenda, which would require the recording to be stopped and only Board members, civil servants, Local Authority officers and SELEP Secretariat would be able to stay in the room.
- 2.10. Chris Brodie thanked the Secretariat for organising a successful AGM that showcased the work of the SELEP.
- 2.11. Adam Bryan provided the Board with an update around Brexit. He explained that the Growth Hub had been notified of additional funding to deliver the business readiness programme in collaboration with Hertfordshire and London LEP. Adam Bryan advised the Board that SELEP was reporting on local business intelligence back to BEIS on a weekly basis, using intelligence gathered through the Growth Hubs.

Item 3: Investment Panel Minutes

- 3.1. Chris Brodie asked the members of the Board that were also members of the Investment Panel to agree the minutes of the last Investment Panel meeting as an accurate record of the meeting.
- 3.2. The minutes of the last Investment Panel meeting were **agreed** as accurate by members of the Investment Panel.

Item 4: Terms of Reference

- 4.1. Chris Brodie apologised to the Board for the late circulation of the paper, which was amended to allow for East Sussex County Council to be represented at this meeting.
- 4.2. Adam Bryan explained that the purpose of the paper was to accommodate full engagement, and that Cllr Newton was sat at the back of the room as a potential substitute if this amended version was agreed.
- 4.3. It was **agreed** to amend the Terms of Reference as proposed, and Cllr Newton joined the table.

Item 5: LEP Review

- 5.1. Chris Brodie introduced this item with a brief reminder of the context of the LEP Review. Chris Brodie reiterated his belief in the federated structure, and the Board composition as it stood at the time of this meeting. However, he stated that the Government was adamant that there were no other options available other than to comply.
- 5.2. Two subgroups were created to discuss the detail of this work; one to discuss the Board composition and the other to concentrate on legal personality.
- 5.3. Chris Brodie was the chair of the Board composition subgroup and provided feedback alongside the paper from the group as follows:
 - a) the subgroup decided in principle to maintain the current way of working as much as possible;
 - b) the composition proposed in the paper adhered to the requirement of a Board with a 2/3 private sector majority;
 - c) the subgroup discussed the need for more gender balance to meet the required 26%;
 - d) the subgroup discussed the issue of the reduction of Local Planning Authority representation on the Board and proposed that all Local Planning Authorities would have the right to attend and speak at Strategic Board meetings but would not have a vote. The intention behind this would be to reassure the Local Planning Authorities that their voice is important to SELEP, whilst adhering to Government requirements.
- 5.4. Members of the subgroup expressed support for the proposals. Jo James added that the 20th business seat was the only seat that remained unclear, and she clarified that the view from the Kent and Medway Economic Partnership (KMEP) was that they would be happy with this seat being allocated to Team East Sussex (TES).
- 5.5. Graham Peters also expressed his support for the 20th seat being allocated to Team East Sussex.
- 5.6. Perry Glading added that Opportunity South Essex (OSE) would not agree with this as they disagreed with a formula based on population and were concerned that these seats would be too limited by geography rather than finding the most suitable candidate across the SELEP area. Therefore, the recommendation from OSE was that seats 17-20 could be decided on a sector basis as SELEP appointments.
- 5.7. Jo James disagreed with OSE's position because this would result in Kent being allocated 2 business seats, which would be unfair and would penalise KMEP for working co-operatively across Kent and Medway.
- 5.8. Ana Christie, David Tutt, Paul Thomas and Peter Chowney each expressed their support of the 20th seat being allocated to TES.
- 5.9. David Rayner expressed his support for the recommendation from OSE as outlined by Perry Glading, and circulated, with permission of the Chair, a table containing statistics (this document had not been previously seen by any Board members or officers) to support his position. He added that if this recommendation were not adopted, then the 20th seat should go to the Essex Federated Board.
- 5.10. Peter Fleming questioned the number of Federated Boards in the SELEP, adding that the Board should just vote to avoid repetitive discussions.
- 5.11. Penny Shimmin expressed discomfort that the proposal from the Board Composition subgroup was changed at the joint subgroup meeting, as originally the seat was allocated to TES.
- 5.12. George Kieffer asked the Board to remember that this Board was a partnership, and that a single vote would not make a significant difference. He continued that there should be trust within the SELEP that everyone would work for the benefit of the whole SELEP area, with economic growth as a priority.

- 5.13. Geoff Miles explained that it was agreed at the first meeting of SELEP that the geographical counties would work collaboratively with each other.
- 5.14. Graham Peters added that size was not irrelevant but balance was much more important.
- 5.15. The Board **agreed** an amended version of the Board composition proposal, with the amendment being that the 20th seat would be allocated to Team East Sussex. **21 voted in favour**, 5 voted against and 2 abstained.
- 5.16. Chris Brodie explained that a Deputy Chair position would need to be introduced as a Government requirement.
- 5.17. Adam Bryan added that the job description for this would need to be agreed by electronic procedure in a short timescale, rather than presented to the Board in December as previously stated in the paper. He explained that Government had clarified, since the papers were circulated, that the Deputy Chair candidate would need to be identified in advance of the January annual performance review. He added that this would replace the Vice Chair positions currently in place.
- 5.18. The Board agreed to the introduction of a Deputy Chair as proposed.
- 5.19. Adam Bryan explained the proposed approach to recruitment as detailed in the paper.
- 5.20. Jo James expressed that seats 17-20 should be recruited by the Federated Boards and not limited by sector.
- 5.21. Adam Bryan emphasised the importance of aligning the business representation on the Board with the priorities of SELEP.
- 5.22. It was agreed that all business representatives should be recruited in the same way.
- 5.23. Perry Glading questioned the requirements of seats 17-20 and asked whether SELEP intended to control these seats in order to target certain sectors.
- 5.24. Adam Bryan responded that it is important to be locally led, and that whoever joins the Board would need a certain understanding of the agenda.
- 5.25. It was agreed that the wording would be made consistent for all business representatives.
- 5.26. Colette Bailey questioned why there was an emphasis on sector, as her understanding was that the business representatives were representing the Federated Board, not their sector specifically.
- 5.27. Chris Brodie agreed that each Federated Board would submit their own representatives and offered his support and involvement where this was sought.
- 5.28. George Kieffer stated that there should be a job description for Board members as well as the Chair and Deputy Chair.
- 5.29. The Board **agreed** to the proposed approach to recruiting and assembling the board, with the caveat that it would be made clearer that all business representatives (except the Chair and Deputy Chair) would be chosen by Federated Boards, and that seats 17-20 would not be recruited differently to the other business seats.
- 5.30. David Rayner presented the feedback from the Legal Personality subgroup as Chair of the subgroup as follows:
- SELEP going forward would be a company limited by guarantee;
 - there was difficulty in distinguishing the corporate structure and the overall governance structure;
 - the subgroup was given assurance that the Accountability Board would always follow the decisions of the Strategic Board unless there was a failure of procedure;
 - the subgroup was promised a draft Memorandum of Understanding by the end of August, and this had now moved to the end of October;
 - the subgroup proposed that the Board of Directors would be the Strategic Board and that advice would be sought around responsibilities and director's liability insurance;

- f) the subgroup also propose that the Federated Board members should be the members of the company, which would keep numbers limited whilst allowing for wider engagement.
- 5.31. Jo James expressed her concern around receiving documentation, and that March would be too late.
- 5.32. Douglas Horner added his support to Jo James' statement, and that the Articles of Association in particular might be atypical. He continued that the framework document would also be important, and that the papers still referred to the SELEP as either the Strategic Board or a combination of the Strategic and Accountability Boards. He also supported having the Federated Board members as members of the company and suggested a limit on the number of members that a Federated Board could appoint.
- 5.33. David Finch reminded the Board that the SELEP Ltd documentation would need to go through governance processes with Essex County Council in order for ECC to continue in its role as the Accountable Body. The same process would be repeated with the upper tier Local Authorities.
- 5.34. Paul Thomas added that he wanted time to get independent legal advice.
- 5.35. David Rayner responded that officers would also scrutinise the documentation.
- 5.36. David Burch said that the open invitation to attend scrutiny committees should be more about engagement and not just attendance.
- 5.37. Adam explained the current arrangements for Scrutiny Committees and that he had personally attended several meetings in the past.
- 5.38. Graham Peters asked if the SELEP had been speaking to the Government to ensure that they were satisfied. It was generally agreed that this task would be difficult to do without the documentation, however there would be ongoing positive engagement with Government.
- 5.39. Mark Dance left the meeting. Chris Brodie asked him to pass on the thanks and best wishes of the SELEP to Paul Carter.
- 5.40. The Board **agreed** to retain the Accountability Board and Accountable Body as proposed.
- 5.41. The Board **agreed** that the membership of the SELEP Ltd. would consist of Federated Board members as proposed.
- 5.42. Adam Bryan reiterated the approach to scrutiny, but that this should be advertised more widely.
- 5.43. The proposed approach to scrutiny was **agreed**.
- 5.44. The update regarding induction was **noted**.
- 5.45. Angela O'Donoghue expressed a concern that the diversity conversation had been limited to gender, and that a statement was required as a commitment towards broadening the diversity of the Board. This was generally agreed.
- 5.46. The update regarding diversity was **noted**.
- 5.47. The update regarding governance documents was **noted**.
- 5.48. The planned activity before the next meeting was **noted**.

Item 6: Sector Support Fund

- 6.1. Adam Bryan presented to the Board.



SSF and GPF.pptx

- 6.2. The Board **agreed** to endorse the Clean Growth project.
- 6.3. The Board **noted** the update on the delivery of the SSF programme.

Item 7: GPF Round 3 Prioritisation

- 7.1. Adam Bryan presented (please refer to the above presentation) and explained the key aspects of the paper.
- 7.2. Adam Bryan explained that the paper proposed the use of banding, as a single list could cause issues when prioritising later alongside the ITE evaluation.
- 7.3. Jo James added that there were frustrations when the ITE changes priorities from the original local priorities, and that there would need to be a way of taking local priorities more into account.
- 7.4. There was a discussion around the need for more research and development projects in the SELEP area, however it was agreed that this was not relevant for GPF although these projects were important for the SELEP in general.
- 7.5. David Rayner added that the ITE had been known to make mistakes, and therefore it would be crucial to review before the final business case is finalised.
- 7.6. Paul Thomas added that the ITE is advice, and that a ranking list that considered banding could be a solution.
- 7.7. Colette Bailey asked if the ITE would be available at the moment of prioritisation within the Federated Boards to mitigate any issues. Adam Bryan responded that that ITE would be engaged with the business case.
- 7.8. Graham Peters added to Colette Bailey's point, stating that it would be important to know at which stage the ITE would be engaged.
- 7.9. It was **agreed** that GPF Round 3 will be initially prioritised by Federated Boards using a single ranked list instead of banding.
- 7.10. The Board **agreed** the remainder of the process as set out in the report.
- 7.11. The Board **noted** that interest will be charged at two percent below the Public Works Loan Board Rate or zero- whichever is higher.
- 7.12. The Board **noted** that the availability of GPF for reinvestment would be dependent on repayments being made for existing projects.

Item 8: SME Internationalisation Exchange Project

- 8.1. Steve Samson presented to the Board.



SIE SELEP Board
Presentation.pptx

- 8.2. The Board **noted** the update to the project.

Item 9: A13 Widening project update

- 9.1. The discussion during this item included information from a confidential appendix which was not included in these minutes.
- 9.2. Thurrock Council's Section 151 officer explained the project issues to the Board that had resulted in the project requiring extra funding.
- 9.3. The Board **noted** the update report on the A13 widening project.
- 9.4. The Board **agreed** the provisional allocation of additional LGF, as detailed in confidential appendix 1 subject to:
 - a) a funding decision by the Accountability Board;
 - b) the Accountability Board being satisfied that the full funding package is in place to complete the delivery of the Project; and

- c) the Accountability Board being satisfied that the Project continues to present high value for money.
- 9.5. The Board **noted** that the additional LGF funding decision, detailed in appendix 1, is a capped funding contribution to the Project.
- 9.6. The Board **noted** the intention for quarterly updated to continue to be provided to the Accountability Board each quarter on the delivery of the Project, to the point of Project completion. Updated will also be provided to the Strategic Board through the Capital Programme Update reports.

Item 10: AOB

- 10.1. Adam Bryan read out a confidential statement to the Board regarding Hadlow College. Chris Brodie declared a non-pecuniary interest as Chair of the Students Loan Company.

Chris Brodie closed the meeting.

Item 4: Deputy Chair Recruitment Update and Succession Planning

1. Purpose

- 1.1. The purpose of this report is to provide an update on Deputy Chair recruitment and to ask the Strategic Board (the Board) to consider succession planning ahead of an update to the Assurance Framework in January 2020.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. Note the update on the recruitment of a Deputy Chair;
 - 2.1.2. Agree the proposed approach to succession planning for the co-opted Board members as detailed below; and
 - 2.1.3. Note the intention to draw together the approaches for the purposes of the refreshed Assurance Framework.

3. Background

- 3.1. Following the agreement to accelerate the process for the recruitment of the Deputy Chair, an electronic procedure was instigated to gain agreement on approach and membership of the Selection Panel. The detail of the electronic procedure can be found at Appendix A and the results of the voting at Appendix B.
- 3.2. It is a requirement of the National Assurance Framework to ensure appropriate succession planning arrangements are in place, and this needs to be added to the Assurance Framework.

4. Deputy Chair Recruitment Update

- 4.1. The Selection Panel for the Deputy Chair recruitment has been convened and, in line with the electronic procedure, is made up of:
 - 4.1.1. The Chair
 - 4.1.2. A Vice-Chair
 - 4.1.3. An education representative
 - 4.1.4. A County/Unitary Authority representative
- 4.2. An Executive Search and Recruitment company (Audeliss) has been appointed to assist in the selection process, facilitated by Essex County Council's HR Team. The Secretariat and the Selection Panel are working closely with Audeliss to ensure that a diverse and high caliber pool of potential candidates are selected. If Board members would like to make recommendations of possible candidates to be approached or if private sector members of the Board would be interested in the role themselves, please could they contact Suzanne Bennett (Suzanne.bennett@southeastlep.com).
- 4.3. The interview and selection day will be held on the 23rd of January, for the recommendation of the panel to be considered by the Board at their meeting on the 31st of January.

5. Succession Planning

- 5.1. The Assurance Framework is currently being updated to be presented to the January Board meeting, and part of this update will include a new section on succession planning.
- 5.2. Currently we have a number of different approaches to succession planning for different categories of Board members which is appropriate and will continue (see Table 1 below for details). To aid understanding and to ensure transparency we need to collate these different policies into a single section of the Assurance Framework. There is no intention to change the

currently agreed processes.

- 5.3. The Board has agreed that the Deputy Chair should be recruited from the private sector. This will help support the succession planning for the Board and complies with the best practice guidance from Government.
- 5.4. An approach to the co-opted members of the new Board will need to be put into place for next iteration of the Assurance Framework that will cover operations from April 2020. A proposed approach for each category is suggested below for Board’s consideration and comment.

Table 1: Succession Planning for Full Board Members (new Board arrangements)

Category of Board Member	Succession Approach	Policy/Governance
Chair of SELEP	Open recruitment – run by SELEP Secretariat/Decided by SELEP Strategic Board	Chair Recruitment Policy
Deputy Chair of SELEP	Open recruitment – run by SELEP Secretariat/Decided by SELEP Strategic Board	Deputy Chair Recruitment Policy
Local Authority Members	Each Local Authority puts forward their representative. Must be a leader or member of Cabinet	Terms of Reference/Articles of Association
Federated Board business representatives	Nominated by Federated Boards. Recruitment to Federated Boards via open recruitment	Federated board recruitment policies which comply with SELEP Board Recruitment policy

Proposed Approach for Co-opted Members

- 5.5. In order to vote on the Board of Directors it will be necessary for the co-opted members to be Directors of SELEP Ltd for the year of their service. This means that there may need to be approvals gained from their employing organisation. The Assurance Framework runs from April to March, as does the financial year and the delivery plan for SELEP. It is recommended that the year that co-opted members serve would also be April to March (covering June, September, December and March Boards) to align.

Further Education, Higher Education and Social Enterprise Co-opts

- 5.6. It is proposed that these co-opts will be nominated by their sector groups as per the current process, set out within the SELEP Board Recruitment process. This would be the Skills Advisory Group, the U9 Group and the Social Enterprise Group respectively.
- 5.7. To comply with the requirements of the LEP Review it is proposed that Strategic Board should consider the future year’s Delivery Plan at its December Board meeting and make any recommendations to the sector groups for particular skills/knowledge from their representatives that would align with the Delivery Plan. The sectors groups would have to confirm names of representatives at the March Board.

Local Authority Co-opts

- 5.8. There are two Local Authority co-opted seats on the Board. These seats are reserved for representatives of District/Borough/City Councils. It proposed that at their December meeting, the Strategic Board discuss which two of the three shire areas would be invited to put forward a representative for the forth-coming year, again looking for alignment with the Delivery Plan for that year. As discussed at the October Strategic Board meeting, the co-opted districts/cities/boroughs for 2020/2021 will come from Kent and Essex.
- 5.9. The District/Borough/City Councils for the relevant area would then be asked to select a representative who must be confirmed by the March meeting of the Strategic Board. This will enable the representatives to sit as a Director from the first Board meeting due to take place in 2020/21.

6. Accountable Body Comments

- 6.1. The appointment of a Deputy Chair was a requirement for the SELEP following the LEP review in July 2018.
- 6.2. SELEP Accountable Body, Essex County Council (ECC) will ensure employment law legislation and tax regulations are met on behalf of the candidate appointed to the role of SELEP Deputy Chair.
- 6.3. The process by which the 5 co-opted positions will be appointed after the initial year must reflect the National Assurance Framework requirement that these positions are held for up to one year by individuals with appropriate specialist knowledge.

7. Appendices

- 7.1. Appendix A: Deputy Chair Electronic Procedure
- 7.2. Appendix B: Deputy Chair Electronic Procedure results paper

Author: Amy Ferraro

Position: Governance Officer

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Date: 19th November 2019

Item 5: Sector Support Fund (SSF)

1. Purpose

- 1.1 The purpose of this report is to seek Strategic Board (the Board) endorsement for a Sector Support Fund (SSF) project which has been submitted to SELEP for revenue funding support.
- 1.2 This report also provides an update on the delivery of SSF projects to date.

2. Recommendations

- 2.1 The Board is asked to:
- 2.2 Endorse the following project for funding through the 2019/20 SSF allocation:
 - 2.2.1 *Accelerating Opportunities within the Newhaven Enterprise Zone* (£115,000).
- 2.3 Note the update on the delivery of the SSF programme

3. Background

- 3.1 In June 2017, the Board agreed to establish the SSF using the Growing Places Fund revenue monies, with the intention of offering revenue funding to support the pan-LEP sector-based activities of the SELEP working groups.
- 3.2 The aim of the funding is to support projects which:
 - 3.2.1 Impact across all Federated areas;
 - 3.2.2 Demonstrate a positive contribution to SELEP's mission to create the conditions for increased numbers of jobs and homes, safeguard existing jobs and raise skills levels across the area;
 - 3.2.3 Support the delivery of SELEP's Strategic Economic Statement; and
 - 3.2.4 Provide high value for money.
- 3.3 Full details of the criteria are set out in Appendix A and in the [Sector Support Fund guidance note on the SELEP website](#).
- 3.4 In addition to the SSF being available to support the activities of SELEP's working groups, the decision report to the Board in June 2017 set out the scope for SSF to support the establishment of Enterprise Zones. This is due to the precedent which has been set through the previous awards of revenue funding to the Harlow Enterprise Zone.
- 3.5 The SSF funding totals £500,000 per annum and is intended to be made available on an annual basis over a four-year period, between 2017/18 and 2020/21, with a maximum of £200,000 being available per project.
- 3.6 For projects to secure an SSF allocation the proposal must secure support from at least one Federated Board and be endorsed by the Strategic Board. However, the formal funding decision is made by the SELEP Accountable Officer, being the Chief Executive Officer (CEO) with delegated responsibility, following endorsement of the project by the Board.

3.7 An Independent Assessment is also completed by the SELEP Accountable Body, Essex County Council (ECC), for all SSF applications. This assessment considers the project's suitability against the agreed assessment criteria, detailed in Appendix A and the requirements of the SELEP Assurance Framework.

4. SSF Investment to Date

4.1 To date, the Board has endorsed eleven projects for SSF support to a maximum value of £1,178,500 (as shown in Appendix B):

2017/18 endorsements

1.1.1 The *South East Creative Economy Network (SECEN) Cultural Coasting* project (£150,000 over three years, £50,000 per year);

1.1.2 The *Tourism and SECEN Colours and Flavours* project (£60,000); and

1.1.3 The *North Kent Enterprise Zone* (£161,000).

2018/19 endorsements

1.1.1 The *Kent Medical Campus Enterprise Zone – Innovation Centre Design Work* project (£156,000);

1.1.2 The *Good Food Growth Campaign* project (£60,400);

1.1.3 The *Future Proof: Accelerating Delivery of High-Quality Development across the LEP* project (£110,000);

1.1.4 The *Planning and prioritising future skills, training and business support needs for rural businesses across SELEP* project (£96,000);

1.1.5 The *Coastal Communities Supplement to the SELEP Strategic Economic Plan* project (£40,000);

1.1.6 The *SELEP Skills Advisory Group – Delivering skills of the future through teaching: teaching for growth* project (£166,600);

1.1.7 *SELEP Creative Open Workspace Master Plan* project (£49,000) – awarded from 2019/20 SSF funding allocation.

2019/20 endorsements

1.1.1 The *Energy and Clean Growth – Supply Chain Mapping* project (£129,500).

4.2 Further information on each of the projects listed above can be found in Appendix C.

5. SSF Applications 2019/20

- 5.1 A number of new applications are being developed to seek funding through the SSF opportunity and one application has been submitted to SELEP for consideration and endorsement by the Board at this time.
- 5.2 The application which has passed the Independent Assessment by the SELEP Accountable Body is:
- 5.2.1 *Accelerating Opportunities within the Newhaven Enterprise Zone* (£115,000).
- 5.3 The outcome of this assessment is presented in Appendix D.

6. Accelerating Opportunities within the Newhaven Enterprise Zone (the Project)

Scope

- 6.1 The Newhaven Enterprise Zone, which launched in 2017 and covers approximately 79 hectares, is a catalyst for positive growth in Newhaven and the wider sub region. The overall objective of the Enterprise Zone is to deliver sustainable regeneration and a shift towards a higher value economy in Newhaven. Whilst the focus is on eight sites which are dispersed throughout the town, the ambition to create 70,000m² of new and refurbished employment floor-space and 2,000 FTE jobs over a 25-year timeframe will impact across the SELEP region as well as supporting enterprise growth and job creation in East Sussex.
- 6.2 Considerable progress has been made since the Enterprise Zone strategic framework was launched and an effective dialogue with local business leaders and landowners established. It is now important that Newhaven creates some quick wins to capitalise on the momentum created and to leverage the investment that the Enterprise Zone can generate.
- 6.3 The project focuses on Avis Way, which is a key industrial estate in the Newhaven Enterprise Zone. The project will work in three ways, each directly responding to the coastal communities and growth hub agenda, whilst also indirectly delivering against infrastructure, skills and social enterprise.
- 6.4 The three key focuses of the project are:
- 6.4.1 *Avis Way Estates Improvement Plan* - A business led forum has already been established and an Estate Audit and Improvement Plan drafted. The project seeks to refine the Audit and Improvement Plan, as well as designing and delivering improvements to the estate which will encourage productivity, competitiveness and will attract new investment to the area.
- 6.4.2 *Avis Way Business Improvement District* - The project will test and assess options for creating an Industrial Business Improvement District which will build on the business forum and create a sustainable model to continue investment in the estate and enhance the trading environment.
- 6.4.3 *Marketing of the Newhaven Enterprise Zone* - A creative and coherent plan will be prepared and delivered, targeting both the community and businesses. The objective is to address and overcome the negative perception of the town, whilst simultaneously promoting the town for investment.

- 6.5 The project will contribute to delivering the priorities of the SELEP Strategic Economic Statement through:
- 6.5.1 Creating Ideas and Enterprise - Newhaven is one of four Enterprise Zones within the SELEP area and was created to drive economic growth, with a focus on the creative and marine industries. The project will create an environment and provide support infrastructure to enable businesses to achieve sustainable growth and high value jobs, which support Newhaven and the wider sub region to become a more productive and prosperous economy.
 - 6.5.2 Developing tomorrow's workforce - The project will contribute to raising peoples' awareness of employment opportunities available locally and engage them in what the employment and skills offer of a future Newhaven could be.
 - 6.5.3 Accelerating Infrastructure - This project will directly support an evidence base and delivery plan that identifies infrastructure investment required, the business case and lobbying for that investment. Critically, the estate improvements will boost land values and confidence to refurbish and invest in new industrial development at Avis Way. It will target both public and private sector for funding, along with investment of its own Enterprise Zone Business Rate Uplift.
 - 6.5.4 Creating Places - This project will specifically support quality of place and connect business and people to drive forward plans that enhance the workspace, cultural and natural assets.
 - 6.5.5 Working Together - Having suffered from years of stagnation and decline, there is now widespread policy support and enabling investment to accelerate Newhaven's transition from an economy based on low value manufacturing and processing, to a higher value economic role. There is a genuine 'coalition for growth' between businesses and public agencies and this project aims to take collaboration and partnership working to a new level by testing and developing new models and governance arrangements to involve businesses in estate renewal.
- 6.6 The project application sets out a number of benefits that are expected to be realised as a result of the project. These benefits include:
- 6.6.1 Acceleration of refurbished business space – 1,006sqm of refurbished business space to be brought forward 2 to 3 years earlier as a result of the SSF investment;
 - 6.6.2 Increased take up of industrial space across the Newhaven Enterprise Zone – it is expected that the project will facilitate the take up of 1,500sqm of vacant space across the Enterprise Zone;
 - 6.6.3 Business contribution to public realm/place making – the move to pre-Business Improvement District status assumes a contribution of £500 per business for future public realm improvements; and
 - 6.6.4 Acceleration of gross jobs delivery target for Avis Way – the gross jobs delivery target for Avis Way is 116 jobs. It is expected that the project will accelerate delivery of these jobs by 30%.

6.7 The *Accelerating Opportunities within the Newhaven Enterprise Zone* project was endorsed by Team East Sussex on 30th September 2019.

Funding

6.8 The total cost of the *Accelerating Opportunities within the Newhaven Enterprise Zone* project is estimated at £197,500.

6.9 A £115,000 SSF grant to the project would cover 58% of the project costs, with the remaining £82,500 being provided by East Sussex County Council, and Newhaven EZ business rate up-lift.

Table 3 Funding Breakdown: Accelerating Opportunities within the Newhaven Enterprise Zone project

Sources	2019/20	Total
SELEP SSF	115,000	115,000
Match funding		
East Sussex County Council	40,000	40,000
Newhaven Enterprise Zone Business Rate up-lift	42,500	42,500
Total	197,500	197,500

6.10 East Sussex County Council has committed £40,000 in match funding, a combination of revenue and capital funding, to support delivery of proposed enhancements to the Avis Way Industrial Estate. The funding will be used to deliver all capital aspects of the project, including:

6.10.1 Conducting a vehicular entry point signage audit, building upon the indicative map produced by the Enterprise Zone of where business signage is required;

6.10.2 Manufacture and installation of additional signage and replacement of old signage for amenities and businesses; and

6.10.3 Manufacture and installation of anti-idling signage around the ring road and the major approaches, to proactively encourage drivers to switch off their engines when in queues of traffic.

6.11 The contribution from East Sussex County Council will be committed and spent by 31st March 2020.

6.12 The Newhaven Enterprise Zone Strategy Board has committed £42,500 in grant funding to the project as a means of pump priming future investment in Newhaven. This funding will be provided through Newhaven Enterprise Zone Business Rate up-lift. The Enterprise Zone is in its third year of the business rates uplift scheme which has accumulated £1.1m by the end of the second year and is expected to grow further; the £42,500 contribution is incorporated into the operational budget of the Enterprise Zone.

6.13 In addition to the financial contributions stated in Table 3 above, in-kind match contributions will be provided through officer time and resources from both Newhaven Enterprise Zone and Lewes District Council.

Outcome of Independent Technical Review

6.14 The Independent Technical Review has confirmed that the project meets the criteria for funding (see Appendix D).

7. Current SSF funding ask

7.1 The *Accelerating Opportunities within the Newhaven Enterprise Zone* project, as outlined in this report, is the third project to be considered for funding from the 2019/20 SSF allocation, and as a result there is sufficient funding available to support the application.

7.2 Table 4 below shows the 2019/20 SSF budget, taking into account the project under consideration.

Table 4: 2019/20 SSF allocation

SSF annual allocation for 2019/20	£500,000
Projects identified for investment in 2019/20	
SELEP Creative Open Workspace Masterplan and Prospectus	£49,000
Energy and Clean Growth - Supply Chain Mapping	£129,500
Accelerating Opportunities within the Newhaven Enterprise Zone	£115,000
Total SSF allocated (subject to Board endorsement) in 2019/20	£293,500
SSF unallocated in 2019/20	£206,500

7.3 Subject to the Board endorsing the *Accelerating Opportunities within the Newhaven Enterprise* project, there remains a total of £206,500 unallocated SSF funding in 2019/20.

8. Next Steps

8.1 It is acknowledged that further SSF projects are currently being developed and it is anticipated that these projects will be presented to the Board for endorsement at future meetings to be considered for funding from the 2019/20 SSF allocation.

8.2 Subject to the endorsement of the project by the Board, a recommendation will be made to SELEP CEO for the approval of the project to enable a grant agreement to be put in place for the transfer of funding to East Sussex County Council.

9. Update on delivery of approved SSF projects

9.1 At the meeting on 7th December 2018, the Board requested that regular updates be given on the projects funded through the SSF.

9.2 Ten of the eleven SSF projects which have been endorsed by the Board have now been approved by the SELEP CEO, with seven of these projects now having a signed legal agreement in place. To date, funding has been drawn down against all seven of these projects, with further draw down requests expected in relation to other SSF projects before the end of the 2019/20 financial year.

- 9.3 Formal monitoring and evaluation processes have now been implemented for all projects in the SSF programme. This will allow updates to be provided to the Board on the delivery of the SSF projects on a regular basis. Detailed information about each SSF project, based on monitoring returns provided by scheme promoters, is set out in Appendices B and C.
- 9.4 A more comprehensive update report on the delivery of SSF projects will be presented to the Board in March 2020.

10. Sector Support Fund programme risks

- 10.1 An important part of the SSF reporting process is the completion of a high-level risk assessment for each project. Scheme promoters are asked to assess the project risk in four specific areas:
- 10.1.1 **Delivery Risk** - What are the delivery risks that the project faces? What mitigation is required to reduce the delivery risk?
- 10.1.2 **SSF Spend Risk** - If SSF spend is delayed relative to the timescales agreed in the legal agreement, an explanation for the delay is sought.
- 10.1.3 **Delivery of project benefits** - Is there risk to the delivery of the project outputs and benefits as stated in the original application?
- 10.1.4 **Other Risk** - Have any other risks/issues arisen that will impact the delivery of the scheme?
- 10.2 Each risk area is assigned a rating of Red (high risk), Amber (medium risk) or Green (low risk), with these ratings being combined to produce an overall project risk rating which is measured on the same scale. This risk analysis is set out in Appendix C. No high-risk issues have been identified to date.

11. Accountable Body Comments

- 11.1 Up to £500,000 of the GPF revenue grant was available in 2019/20 (plus carry forward of £301,600) to support the SSF programme, of which £321,500 remains unallocated. The Newhaven Enterprise Zone project is seeking £115,000 and therefore there is sufficient funding available to support the request for this Project, leaving £206,500 to support future funding bids in 2019/20. The total funding of £115,000 is all required in 2019/20.
- 11.2 No key risks have been identified with this project and the Independent Technical Review has confirmed that the criteria for funding have been met.
- 11.3 This grant is a fixed maximum contribution to the Project; any Project over spends incurred will be required to be addressed by the Project delivery partner.
- 11.4 The grant will be transferred to East Sussex County Council via a grant agreement with the Accountable Body; the grant agreement will include a requirement for claw back of the funding if it is not fully expended or not expended in line with the Project Bid Document.

12. Appendices

- 12.1 Appendix A – Sector Support Fund Guidance Note, including eligibility criteria and 2019/20 timetable for applications to come forward
- 12.2 Appendix B – Summary of SELEP endorsed SSF projects
- 12.3 Appendix C – Update on the delivery of Sector Support Fund projects
- 12.4 Appendix D – Independent Assessment of SSF application

13. Background Papers

- 13.1 *Accelerating Opportunities within the Newhaven Enterprise Zone* application (available on request from author)

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Item 7: Social Enterprise Prospectus

1. Purpose

1.1 The purpose of this report is to seek endorsement from the Strategic Board (the Board) of Social Enterprise Prospectus.

2. Recommendations

2.1 The Board is asked to note and formally endorse the Social Enterprise Prospectus.

3. Background

3.1 The Social Enterprise Working Group (the Working Group) was formed to ensure there is a voice for the social enterprise sector and to provide a platform for social enterprise to build momentum and a network across the South East.

3.2 The Working Group commissioned the development of a prospectus to help define the social enterprise sector, identify its opportunities and act as an evidence base for future funding and investment.

3.3 The Working Group has been working with partners at a local level to promote the findings of the Prospectus, with a view to delivering formal launch events across the federated areas in early 2020.

4. The Social Enterprise Prospectus

4.1 The Social Enterprise Prospectus (the Prospectus) promotes the importance of social enterprise as a sector that not only promotes social value, but as a significant business sector in its own right, contributing in excess of £2.3 billion to the local economy.

4.2 The Prospectus sets out the central aspiration for the South East to be recognised as the capital of social enterprise. It sets out the scope and opportunities of the sector, presents case studies that illustrate its range and value, presents consultation findings and reviews provision to assess what support is required for social enterprises to flourish, and presents the following seven priorities for the sector:

1.1.1 Providing a wide range of business support;

1.1.2 Coordinating information on the sector;

1.1.3 Promoting networking opportunities;

1.1.4 Engaging the procurement and commissioning agendas;

1.1.5 Encouraging access to suitable finance;

1.1.6 Improving promotion of the sector;

1.1.7 Measuring social impact.

4.3 There is also an associated Research Appendices which contains supporting information on the wider context, primarily focussing on information relating to the inclusive economy, related strategies and

what it means to be a social enterprise. It is envisioned that this will be periodically updated with further supporting information and case studies as and when it becomes necessary.

4.4 There is no SELEP budget associated with this prospectus.

4.5 Implementation Plan

4.5.1 The Working Group has begun work on an Implementation Plan linked to the priorities for the social enterprise sector outlined in the prospectus but is awaiting SELEP endorsement of the prospectus before exploring detailed implementation.

4.5.2 It is intended that the Implementation Plan will define how progress is monitored against the priorities in the prospectus and the Working Group is in the process of producing a draft action matrix to define potential work over the next calendar year.

4.5.3 The Implementation Plan will also define when stakeholders will be updated, including when there will be updates to the Strategic Board on progress against the prospectus objectives.

5. Accountable Body comments

5.1 There are no comments from the Accountable Body on this report.

6. Background Documents

6.1 Appendix A: Social Enterprise Prospectus

6.2 Appendix B: Social Enterprise Research Appendices

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Item 10: Greater South East Energy Hub Board

1. Purpose

1.1 The purpose of this report is to progress the establishment of the Greater South East Local Energy Hub (GSEEH), by agreeing to SELEP becoming a member of the GSEEH Board, which will enable the appointment of the Chief Executive as Hub Board member for SELEP.

2. Recommendations

2.1 The Strategic Board is asked to:

1.1.1 Agree to SELEP becoming a member of the GSEEH;

1.1.2 Delegate responsibility for final agreement of the legal documentation to the Chief Executive in conjunction with the Accountable Body;

1.1.3 Note that approval of the agreement will not enable the Chief Executive Officer to make decisions as part of the GSEEH that will create, or have the potential to create, a financial liability for either SELEP Ltd (once formed) or the Accountable Body without appropriate approvals having been sought in advance; and

1.1.4 Agree that the representation of SELEP on the GSEEH Board should be delegated to the CEO and he should represent SELEP as set out below in 4.3.

3. Background

3.1 The Strategic Board was previously updated on progress to establish the GSEEH at its meeting on 28th June 2019.

3.2 The GSEEH is one of five Hubs established by the Department for Business, Energy and Industrial Strategy (BEIS) to facilitate the implementation of LEP Local Energy Strategies, and is in receipt of £4.9m of grant funding from BEIS for this purpose. It is a requirement from BEIS that the Hub shall be overseen by a decision-making board of representatives from each of the eleven constituent LEPs comprising the GSEEH region. The GSEEH Board will oversee the work of the Hub and ensure that it is meeting its objectives as agreed with BEIS, as follows:

1.1.1 Increase the number, quality and scale of local energy projects being delivered;

1.1.2 Raise local awareness of opportunity for and benefits of local energy investment;

1.1.3 Enable local areas to attract private and/or public finance for energy projects;

1.1.4 Identify working model for the Energy Hub team to be financially self-sustaining after the funding period.

3.3 It has been the responsibility of Cambridgeshire Peterborough Combined Authority (CPCA), as Accountable Body for the grant funding for the GSEEH and the employer of the Energy Hub team, to establish the governance structure of the GSEEH constitution and board, which must ensure compliance with both local and national assurance frameworks applicable for all LEPs.

4. Formalisation of the Greater South East Energy Hub Board

- 4.1 CPCA has established the Greater South East Energy Hub as a sub Board of their own organisation and has invited the LEPs who are part of the wider South East to nominate members of the GSEEH Board. The members of the GSEEH Board must be able to make decisions on the allocation of funding. At the last meeting of the Strategic Board members indicated their preference for this role to be delegated to the Chief Executive Officer.
- 4.2 Given the time commitment for the GSEEH Board member, the levels of funding available and the large area over which that funding must be spread, it is still recommended that the Chief Executive be the SELEP representative on GSEEH Board.
- 4.3 It is proposed that the Chief Executive will act as a champion for projects within the SELEP area that have strategic fit with the agreed Tri-LEP Energy Strategy. If the GSEEH requires decisions that create, or have the potential to create, a financial liability for either SELEP Ltd or the Accountable Body then the Chief Executive will be required to gain approval from the appropriate governing body in advance of attending the relevant meeting of the GSEEH.
- 4.4 CPCA have constructed a Memorandum of Understanding for each LEP/Accountable Body to agree depending on legal structure. As SELEP is currently still unincorporated this will need to be agreed by the Accountable Body. It is requested that SELEP agreement of the terms of the Memorandum of Understanding be delegated to the Chief Executive Officer on the basis that the final decision to be party to that agreement will lie with the Accountable Body.

5. Accountable Body Comments

- 5.1 If the Board agree to become a formal member of the GSEEH, the Accountable Body will undertake the appropriate governance to seek approval to enter into the partnership agreement with GSEEH; This will be subject to the Accountable Body being satisfied with the terms of the final agreement.
- 5.2 A requirement of the Accountable Body is that approval of the agreement will not enable the Chief Executive Officer to make decisions as part of the GSEEH that will create or have the potential to create a financial liability for either SELEP Ltd (once formed) or the Accountable Body, without appropriate approvals having been sought in advance.

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Item 11: ERDF South East Sustainability Loan Fund 2007-13 Legacy Fund

1. Purpose

- 1.1 The purpose of this report is to inform Strategic Board (the Board) of some potential additional funding that the Ministry for Housing, Communities and Local Government (MHCLG) are considering making available to LEPs that cover the geography of the old South East England Development Agency (SEEDA) region – this includes Kent, Medway and East Sussex.

2. Recommendations

- 2.1 The Board is asked to:

- 1.1.1 Note that the potential funding could only be invested in East Sussex, Kent and Medway and could not be applied in Essex, Southend or Thurrock;
- 1.1.2 Agree to the potential investment being proposed by MHCLG in principle. Agreement to accept the funding is pending further information on the terms and conditions that may be associated with the funding and confirmation of the value of funding. Acceptance of this funding will be considered by Accountability Board in line with other specific grant acceptances;
- 1.1.3 Note that the Accountable Body would need to consent to the acceptance of funding following further information being available on the terms and conditions of the funding; and
- 1.1.4 Note the intention to bring back to the Board a proposition on how the funds will be invested in the SELEP area once terms and conditions and values are known.

3. Background

- 3.1 At the recent meeting of the European Structural and Investment Funds (ESIF) Committee for the SELEP area, MHCLG disclosed that there was a financial instrument that had been funded through earlier iterations of the ERDF programme which was now due to be wound up.
- 3.2 There is approximately £1.2 million of legacy funding associated with the financial instrument and MHCLG has worked to identify how this funding could be further invested in line with requirements from the ERDF 2007-2013 Programme. As the current programme is not supporting any similar financial instruments, nor have any come forward under the latest call, they are unable to re-invest into the latest programme.
- 3.3 MHCLG has identified that they could use the legacy funding to make a stand-alone investment into Growth Hubs as this would comply with requirements. MHCLG has not yet provided details on what basis this investment into Growth Hubs would be made and what terms and conditions would be put on the funding. They have however, made clear that the investment can only be made to those areas that were previously eligible to apply for support under the original project. This is East Sussex, Kent and Medway.



- 3.4 Current indicative levels of funds available and how these funds are split across the various LEPs can be found at Table 1 below.
- 3.5 Whilst full details of terms and conditions of the funding have yet to be circulated, MHCLG has provided some indicative requirements which are set out below in Annex 1.
- 3.6 The ESIF Committee was supportive of MHCLG re-investing these funds in the proposed manner. The Board is now asked to confirm that it is happy in principle with the re-investment on the basis set out in Annex 1. Further details are needed before a proposition on how the funds would be allocated to Growth Hubs and any requirements on Growth Hubs in the application of the funding, but this will be brought back to Board when MHCLG makes this detail available.
- 3.7 The funding will be paid via the Accountable Body and therefore the Accountable Body will need to be content with the terms and conditions that accompany it. It is currently unable to provide an assessment of this given the lack of detail made available. As a result, the Board is asked for agreement in principle to the investment at this time. In line with acceptance of other specific grants, approval will be sought from Accountability Board when a formal grant offer is made and the Accountable Body is content to accept on SELEP's behalf.

Table 1 Estimated Legacy Allocations in the South East Region:

LEP Area	ERDF Allocation €	Allocation %	Estimated Legacy allocation £
Buckinghamshire Thames Valley	€9,882,883	6.05%	£72,583
Coast to Capital	€34,429,540	21.07%	£252,861
Enterprise M3	€25,015,460	15.31%	£183,721
Oxfordshire LEP	€9,912,483	6.07%	£72,800
Solent	€21,960,778	13.44%	£161,286
South East	€47,533,610*	29.09%	£349,101
Thames Valley Berkshire	€14,657,402	8.97%	£107,648
Total for the region	€163,392,156	100.00%	£1,200,000
*The total allocation for South East LEP is €95m but Essex is not within the 2007-13 South East England region.			

4. Accountable Body Comments

- 4.1 The Accountable Body will review the terms and conditions of funding when they are made available by the MHCLG, and assuming that these are considered to be reasonable, will make a recommendation to Accountability Board to approve the acceptance and use of the grant.
- 4.2 Assuming acceptance of the grant, this will then be transferred to the respective delivery authority through a grant agreement that reflects any conditions that may apply.

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Annex 1: Conditions in relation to the use of 2007-13 legacy funds:

1. The Legacy Fund where possible should support 2014-20 ERDF Financial Instruments but where this is not possible stand-alone re-investment can be considered. Under Article 78(7) EU Regulation 1083/2006 resources returned to the operation from investments undertaken by funds as defined in Article 44 or left over after all guarantees have been honoured shall be reused for the benefit of urban development projects or of small and medium-sized enterprises (SMEs). This reuse refers to the first legacy investment and as this project originally supported SMEs it should be used for the same purpose.
2. A condition of this agreement is that the reinvestment is made in the same region covered by the Operational Programme area (i.e. in England: South East region.) Reference is made to page 48 of the Business Case which states as follows: - “Legacy funds generated from the loan funds will be reinvested in similar / appropriate financial instruments to meet any future market gap requirements within the region and which address similar goals with respect to the region’s ecological footprint”.
3. The fund operator should consult Local Enterprise Partnerships (LEPs) in the appropriate areas and obtain written evidence that LEPs support this as a strategic intervention. Minutes of LEP meetings can be accepted as evidence.

Item 12: Propositions for the Local Industrial Strategy

1 Purpose

- 1.1 The purpose of this report is to present the Strategic Board (the Board) with recommendations on the suggested propositions to feature in the SELEP Local Industrial Strategy (SE LIS) for consideration and discussion.

2 Recommendations

- 2.1 The draft of the SE LIS will be presented at the January 2020 Board meeting and therefore this report is aimed at providing Board members with draft content, both in terms of the overarching strategic opportunities that the SE LIS might feature, but also reflecting other local strengths and priorities that we want highlighted as key mechanisms to increase productivity in the South East.

- 2.2 The Board is asked to:

- 2.1.1. Discuss the proposed content and provide a clear steer that will support and focus efforts in finalising the draft SE LIS. In doing so Board members are asked to consider the content in Appendix 2 and provide feedback on whether:

2.1.1.1. They agree with the three distinctive strategic opportunities that SELEP should promote to Government through the LIS, also set out in paragraph 4.5 below;

2.1.1.2. There are any key challenges or opportunities that they feel are not represented through the proposed opportunities and/or policy themes;

2.1.1.3. There are any specific local commitments or actions that they would like to see reflected in the LIS, or specific asks we should take to Government.

- 2.1.2. Note that feedback from Board members will be incorporated into the drafting of the LIS document, to be presented to the Strategic Board on 31st January 2020.

- 2.1.3. Note that the draft SE LIS will now be presented to the Board on 31st January 2020 for approval to submit to Government;

- 2.1.4. Note the engagement that has taken place with partners and stakeholders in order to feed into the content being presented in this report; and

- 2.1.5. Note the next steps to take us to presentation of the SE LIS in January 2020.

3. Background

- 3.1 Since June 2019, SELEP has undertaken work to build the evidence base for the SE LIS. This has included a comprehensive statistical evidence base that sets out productivity data across the SELEP area and broken down into federated areas where possible. It is being built upon with qualitative and quantitative evidence being garnered from existing strategies and plans and from the meetings and workshops that have been held with partners and stakeholders. A calendar of engagement is attached as Appendix 1.

- 3.2 Officers in the federated areas have continued to work very closely with the SELEP Secretariat to align the approach to the SE LIS with that of the Productivity Strategies that are being developed in parallel across three of the four areas; and identify the shared agenda that will get the best possible response from Government. Work is also ongoing to align the development of SE LIS with the strategies and work of existing SELEP sub groups.
- 3.3 A significant challenge for this piece of work has been around timing. Despite political changes and uncertainty, the Cities and Local Growth Unit has remained steadfast that they should be provided with a locally-agreed version of the SE LIS well in advance of the end of March 2020 deadline for completion of the co-design phase and securing agreement with Government. It is now planned that the draft SE LIS will be presented to the Board for approval on 31st January 2020.
- 3.4 The National Industrial Strategy set the scene of Government's approach to growth and productivity. This is set around five foundations – Ideas, People, Place, Infrastructure and Business Environment and four grand challenges – Ageing Society, Clean Growth, Future of Mobility and Artificial Intelligence and Data. In the Local Industrial Strategy (LIS) policy prospectus, Government made clear that each LEP should produce a LIS that builds on its distinctive strengths, challenges and opportunities in providing the local response to the national strategy.
- 3.5 The structure of the strategy itself is not a set template but, of those that have been agreed, there is a structure that has broadly been adopted and therefore clearly resonates with Government. There is an articulation of a small number of key overarching propositions and then a wider range of priorities and opportunities, set out under the five foundations. This will include clarity on the commitments that are required, from local partners and from Government, to take forward these opportunities and the impact that this action will have.
- 3.6 The overarching strategic propositions should resonate with the entire area and draw upon some of the unique strengths, assets and opportunities prevalent in the region. Under the five foundations we will set out a range of wider priorities and opportunities that may be place, sector, cluster or asset based.

4 Overarching Propositions and Productivity Foundations

- 4.1 A first draft of the SE LIS evidence base report was produced in September and provides a single comprehensive review of the SELEP economy, structured against the five foundations of productivity as set out in the national Industrial Strategy, and highlighting areas of focus that SELEP may wish to address through the SE LIS. This will continue to be a live document that will be iterated and supplemented as required throughout the development of the SE LIS. Summary findings of productivity data are available on slides 14-18 in appendix 2 (page 106 in the Appendices Pack).
- 4.2 In developing the evidence base and the subsequent propositions, the SELEP team have continued to engage interest groups and individuals throughout the process, with the federated boards and SELEP working groups engaged continuously, including through the regular Stakeholder Group and Core Group meetings. Information is also being provided to a wider audience through the SELEP newsletter and website. In addition, five dedicated engagement events have taken place during October and November, with invitations targeted to businesses, partners and individuals with an interest/expertise relevant to the thematic topic(s) being discussed at each workshop. 130 stakeholders participated in these events.

- 4.3 The SELEP team is in regular dialogue with the Cities and Local Growth Unit, who will also facilitate engagement with Whitehall departments on specific elements of the SE LIS as the process develops. In October the team met with the BEIS analyst who is assigned to work with SELEP in preparation for Government scrutiny of the evidence base and logic chains that will take place via the Local Industrial Strategy Analytical (LISA) panel. The date for the SELEP LISA panel is tentatively agreed as the 14th January 2020, and we will be sharing the LIS evidence base and logic chains with the BEIS analytical team for feedback ahead of that date.
- 4.4 As a result of the work to date, four policy themes have emerged which broadly reflect the five foundations of productivity, but within the SELEP context, considering our economic challenges and opportunities, as well as the local priorities from across the federated areas and the SELEP working groups. These four themes have been tested and refined through the engagement workshops and are proposed as:
- 1.1.1. Inclusive and sustainable communities
 - 1.1.2. Connected places
 - 1.1.3. Productive businesses
 - 1.1.4. Clean and resilient growth
- 4.5 We believe this is a beneficial structure to support the development of our priorities, interventions and asks for the SE LIS. This work is supported by ‘logic chains’, set out in Appendix 2, which are the model through which Government have asked LEPs to evidence that the action they take to address identified priorities, both links to the evidence around challenges and opportunities and will also result in the outcome/change that is required.
- 4.6 These policy themes help to underpin and highlight the distinctive strengths and strategic opportunities within the SELEP region. These strategic opportunities need to deliver a united message and ambition for the region, which speak to our distinctiveness, will have strong resonance with Government and as such, provide a compelling case for investment in our region. These are presented under three strategic LEP wide opportunities:

UK’s Global Gateway – Our infrastructure provides key connectivity for the UK into Europe and the world. We will work with our gateways to identify how we can strengthen these locations by addressing congestion and reliability associated with transport and digital infrastructure, incl. routes to London, and how we can capitalize on this to increase international trade and enterprise for the region.

Communities for the Future – We will deliver 30% of the Garden Communities housing in the UK and drive design and innovation that provide communities for the future, across the region. Our developments and interventions will deliver Research & Development outcomes that will embed the future of living and work, including resident well-being, mobility, healthy ageing and sustainable energy and learn lessons and share knowledge for application to existing communities.

Coastal Catalyst – We will improve the economic fabric of our coastal areas to encourage private sector investment, supply chain development and job growth. We will implement programmes to increase productivity through growth of the Visitor Economy and the creative and cultural and

tourism sectors; capitalize on the clean energy potential of the coast and establish a new maritime sector group to maximise growth opportunities.

- 4.7 As part of the ongoing development of the SE LEP LIS evidence base, logic chains have been developed which show the link from our local economy to the priority themes outlined in para 4.4. These are available on slides 8-11, appendix 2 (page 99 in the Appendices Pack).
- 4.8 In addition to the development of our local evidence base and priorities, SELEP have been in dialogue with the wider group of Southern LEPs, which brings together colleagues from Hertfordshire, Thames Valley Berkshire, Enterprise M3, Solent and Coast to Capital LEPs. This group is working to develop a common shared evidence base and narrative, which can articulate clearly what the Southern LEPs together bring to the national economy and how we define the relationship between the Southern LEPs and London. This work will continue to develop in parallel to our local SE LIS process, and it is anticipated that it will support SELEP's strategic opportunities, for example as the UK's global gateway, whilst helping to communicate the scale, impact and potential of the Greater South East. The Southern LEPs group, whilst in its infancy, has the longer term aim of positioning the south of England more strongly in competitive dialogue with the Midlands and the North and will be a stronger feature of our strategy work moving forward. Government, and the LEP Network, are encouraging LEPs to form groupings of this nature.
- 4.9 Our relationships with our neighbouring LEPs are an important feature of the development of the LIS. We have been talking regularly to the economics team at the GLA, continue our close working with Hertfordshire and we also remain in dialogue with New Anglia LEP, particularly in relation to shared ambitions around renewable energy and clean growth. Though determined in this context by the positioning of Enterprise Zones in the document, our relationship with Coast to Capital on issues relating to Newhaven EZ and its development remain important.

Next Steps

- 4.10 SELEP will review all feedback from the federated board discussions and those which took place at this Strategic Board meeting and utilise this to help draft the strategy document.
- 4.11 Ongoing discussions with Government departments will continue as we further refine the narrative to ensure that approval by Government is as smooth a process as possible following submission. This will include review by the Local Industrial Strategy Panel (LISA), a cross Whitehall panel that assess the line of sight between evidence and propositions.
- 4.12 The Board is asked to note the planned activity between this and the next Board meeting.

5 Accountable Body Comments

- 5.1 It is a requirement of the National Assurance Framework that LEPs implement a LIS, which can be published on the website, that considers the following activities:
- 5.1.1 **Strategy** - Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area;
- 5.1.2 **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to

improve productivity across the local economy;

5.1.3 **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors; and

5.1.4 **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.

5.2 The progress on the development of the LIS was an area identified by Government as 'requiring improvement' by SELEP following the Annual Performance Review in January 2019. Following this assessment, an improvement plan was agreed with the Cities and Local Growth Unit; this was presented to Accountability Board on the 7th June. Progress on delivery of the LIS is expected to be re-assessed part of the next Annual Performance Review of SELEP in January 2020.

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