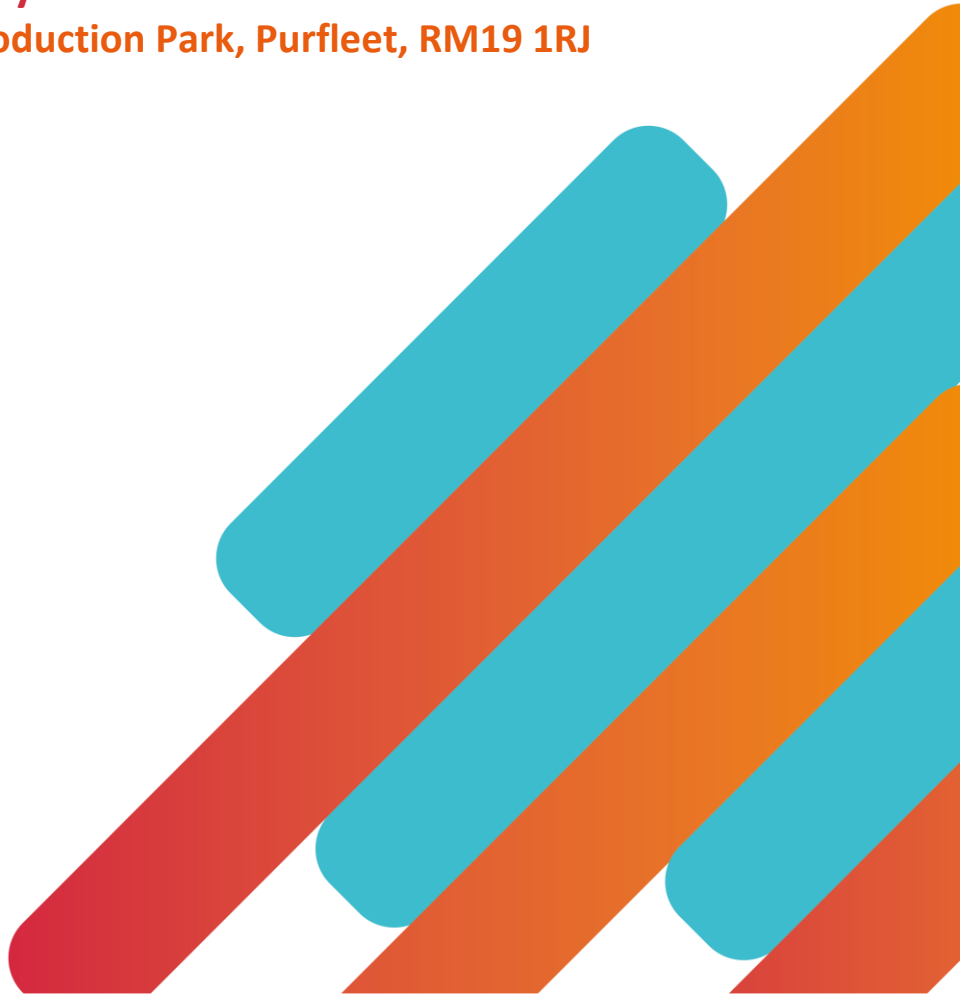




SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# STRATEGIC BOARD APPENDICES PACK

**Friday 6<sup>th</sup> December 2019**  
**High House Production Park, Purfleet, RM19 1RJ**



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**THE COMPANIES ACT 2006**  
**PRIVATE COMPANY LIMITED BY**  
**GUARANTEE**

**ARTICLES OF ASSOCIATION**  
**OF**

**SOUTH EAST LEP LIMITED (the "Company") Dated 2019**

**Interpretation, objects and limitation of liability**

**1. INTERPRETATION**

1.1. In these Articles, unless the context otherwise requires

**Accountability Board** means the joint committee of the Councils constituted in accordance with the Framework Agreement

**Accountable Body:** means Essex County Council or such other local authority from time to time having responsibility for overseeing the proper administration of financial affairs within the LEP Area when these relate to public funds;

**Act:** means the Companies Act 2006;

**AGM:** has the meaning given to it in article 26;

**Articles:** means the Company's articles of association for the time being in force;

**Assurance Framework:** means the local assurance framework as adopted by the Company with the agreement of the Accountable Body from time to time in accordance with the requirements of the central government in order to pay funding to local enterprise partnerships;

**Bankruptcy:** includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

**Business Day:** means any day (other than a Saturday, Sunday or public holiday in England) when banks in London are open for business;

**Chair:** has the meaning given to it in article 12.1;

**Code of Conduct:** means the code of conduct contained in the Assurance Framework

**Confidential:** information is classified if it falls within the definition of 'exempt information' or "confidential information" by virtue of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. This includes:

- (a) Information provided by a Government Department on terms which forbid the disclosure of the information to the public;
- (b) Where disclosure to the public is prohibited by a court or;
- (c) Where the Accountability Board holds "exempt information" under Schedule 12A of the Local Government Act 1972.

This also includes information relating to an individual, relating to the financial or business affairs of a particular person, negotiations, labour relations, legal professional privilege and in connection to the investigation or prosecution of a crime.

**Conflict:** means a situation in which a Director has or can have, a direct or indirect interest that conflicts or may conflict, with the interests of the Company;

**Conflicts of Interest Policy:** means the policy of the Company governing Conflicts, as set out in the Assurance Framework.

**Co-opted Directors:** means the following, selected in accordance with the Assurance Framework

- Two District/Borough/City Council Leaders or Cabinet Members
- One Further Education representative
- One Higher Education representative
- One Third Sector representative

**Councils** means Southend on Sea Borough Council, East Sussex County Council, Essex County Council, Kent County Council, Medway Council, Thurrock Council

**Deputy Chair:** has the meaning given in article 12.2;

**Director:** means a Director of the Company and includes any person occupying the position of Director, by whatever name called;

**Directors:** means all of the Co-opted Directors, the Private Sector Directors, the Public Sector Directors, the Chair and the Deputy Chair.

**Document:** includes, unless otherwise specified, any document sent or supplied in electronic form;

**Electronic form:** has the meaning given in section 1168 of the Act;

**Eligible Director:** means a Director who would be entitled to vote on the matter at a meeting of Directors (but excluding any Director whose vote is not to be counted in respect of the particular matter pursuant to article 15 and/or the Conflicts of Interest Policy);

**Federated Boards:** means all or any of the four groups of persons known at the date of incorporation from the four federated areas known as follows,

- "Success Essex",
- "Opportunity South Essex",
- "the Kent and Medway Economic Partnership" and
- "Team East Sussex "

**Federated Board Members:** means a person who is a member of any of the Federated Boards at the date of incorporation.

**Framework Agreement:** means the agreement between the Councils and the Company constituting the Accountability Board

**Class of Members** means either the East Sussex Members, the Essex Members, the South Essex Members, the Kent and Medway Members as the case may be

**LEP Area:** means the combined administrative areas of the Councils or such other geographical area as is assigned to the Company by government from time to time;

**Member:** means a person whose name is entered in the Register of Members of the Company and **Membership** shall be construed accordingly;

**East Sussex Member** means a Member who was either appointed by the **East Sussex Members** or was a member of the Team East Sussex Federated Board at the date of incorporation

**Essex Member** means a Member who was either appointed by the **Essex Members** or was a member of the Success Essex Federated Board at the date of incorporation.

**Kent and Medway Member** means a Member who was either appointed by the **Kent and Medway Members** or was a member of the Kent and Medway Economic Partnership Federated Board at the date of incorporation.

**South Essex Member** means a Member who was either appointed by the **South Essex Members** or was a member of the Opportunity South Essex Federated Board at the date of incorporation.

**Model Articles:** means the model articles for private companies limited by guarantee contained in Schedule 2 of the Companies (Model Articles) Regulations 2008 (SI 2008/3229) as amended prior to the date of adoption of these Articles;

**Objects:** has the meaning given to it in article 2.1 and **object** shall mean any one of them;

**Private Sector Director:** means the following:

- The Chair
- The Deputy Chair
- Two individuals nominated by the Success Essex Members as the Success Essex business representatives
- Two individuals nominated by the Opportunity South Essex Members as the Opportunity South Essex business representatives
- Five individuals nominated by Kent & Medway Members as the Kent & Medway Economic Partnership business representatives
- Three individuals nominated by East Sussex Members as the Team East Sussex business representatives

**Public Sector Director:** means a person nominated as such by one of the Councils being

- One person from Essex County Council,
- One person from Thurrock Council,
- One person from Southend-on-Sea Borough Council,
- One person from Medway Council,
- One person from Kent County Council and
- One person from East Sussex County Council

**Scheme of Delegation:** has the meaning given to it in article 7.3;

**Secretariat** means those persons employed by the Accountable Body or a Council for the purposes of providing administrative, technical, secretarial or professional support to the Company and the Accountability Board pursuant to the Framework Agreement

**Secretary:** means the an officer of the Secretariat nominated by the Accountable Body to act as such

**Special Resolution:** has the meaning given in section 283 of the Act;

**Subsidiary:** has the meaning given in section 1159 of the Act;

**Writing:** means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

- 1.2. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in the Act shall have the same meanings in these

Articles.

- 1.3. Headings in these Articles are used for convenience only and shall not affect the construction or interpretation of these Articles.
- 1.4. A reference in these Articles to an **article** is a reference to the relevant article of these Articles unless expressly provided otherwise.
- 1.5. Unless expressly provided otherwise, a reference to a statute or statutory provision shall include any subordinate legislation from time to time made under that statute or statutory provision.
- 1.6. Any word following the terms **including, include, in particular, for example** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7. The Model Articles shall not apply to the Company.

## **2. OBJECTS**

- 2.1. The objects for which the Company is established (**Objects**) are:
  - 2.1.1. to stimulate economic growth, productivity, employment, community development, job creation, inward investment, training and development, and commerce in the LEP Area;
  - 2.1.2. to promote the LEP Area positively at regional, national, European and international levels on matters affecting its economic development; and
  - 2.1.3. to act as a facilitator to develop strong working relationships between key stakeholders across the South East of England, ensuring there is a shared vision for a prosperous LEP Area to unlock barriers to growth.

## **3. POWERS**

- 3.1. In pursuance of the Objects, the Company has the power to:
  - 3.1.1. do all such things which in the opinion of the Directors are in the best interests of the Company and its Members; and
  - 3.1.2. do all such other lawful things as are incidental or conducive to the pursuit or to the attainment of any of the Objects.

## **4. INCOME**

- 4.1. The income and property of the Company from wherever derived shall be applied solely in promoting the Objects.
- 4.2. No distribution shall be paid or capital otherwise returned to the Members in cash or otherwise. Nothing in these Articles shall prevent payment in good faith by the Company of expenses to Members or Directors in accordance with policies that may be adopted from time to time in the Assurance Framework.

## **5. WINDING UP**

On the winding-up or dissolution of the Company, after provision has been made for all its debts and liabilities, any assets or property that remain available to be distributed or

paid, shall not be paid or distributed to the Members but shall be transferred to similar bodies or another body with objects similar to those of the Company within the LEP Area or as directed by the government department then responsible for Local Enterprise Partnerships or their successor body.

## 6. GUARANTEE

6.1. The liability of each Member is limited to £1.00, being the amount that each Member undertakes to contribute to the assets of the Company in the event of its being wound up while he or she is a Member or within one year after he or she ceases to be a Member, for

6.1.1. payment of the Company's debts and liabilities contracted before he or she ceases to be a Member;

6.1.2. payment of the costs, charges and expenses of the winding up; and

6.1.3. adjustment of the rights of the contributories among themselves.

### Directors: General

## 7. DIRECTORS' GENERAL AUTHORITY AND CONDUCT

7.1. There shall be **between twenty and** twenty-five Directors of the Company

- Fourteen Private Sector Directors
- Six Public Sector Directors (no more than one nominated by each Council)
- Five Co-opted Directors

7.2. Subject to these Articles, Directors are responsible for the management of the Company's business and may exercise all the powers of the Company accordingly.

7.3. Each of the Directors shall use their respective rights and powers to procure, so far as they are each able, that decisions of the Company are carried out in accordance with the Assurance Framework and any scheme of delegation for the time being adopted by the Company and contained in the Assurance Framework (**Scheme of Delegation**).

7.4. Subject always to the Act, in their conduct of the Company's business the Directors shall at all times:

7.4.1 conduct themselves in a professionally responsible manner;

7.4.2 have due regard to all confidentiality obligations concerning the Company's business;

7.4.3 observe the seven principles as set out by The Committee on Standards in Public Life (as amended from time to time); and

7.4.4 comply with the provisions of the Assurance Framework.

## 8. DIRECTORS MAY DELEGATE

8.1. Subject to the Articles:

8.1.1 the Directors may delegate any of the powers which are conferred on them under the Articles and which are in line with the Assurance Framework and any Scheme of Delegation:

- i. to such person or committee;
- ii. by such means (including power of attorney)
- iii. to such an extent;

- iv. in relation to such matters or territories; and
  - v. on such terms and conditions;
  - vi. as they think fit.
- 8.1.2 If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated.
- 8.1.3 The Directors may revoke any delegation in whole or part, or alter its terms and conditions at any time.

### **Directors: Decision-Making**

## **9. DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

- 9.1. The general rule about decision-making by Directors is that any decision of the Directors must be a majority decision taken in one of the following ways:
- 9.1.1. on show of hands at a meeting of the Directors;
  - 9.1.2. by written resolution, copies of which have been signed by a majority of the Eligible Directors or to which a majority of the Eligible Directors have otherwise indicated agreement in writing; or
  - 9.1.3. by a majority of the Eligible Directors indicating to each other, by any means, that they share a common view on a matter.
- 9.2. A decision may not be taken in accordance with this article 9 if the Eligible Directors purporting to take the decision would not have formed a quorum had the decision taken place in a meeting.

## **10. DIRECTORS' MEETINGS**

- 10.1. Directors' meetings shall take place not less than once per every three months. Directors meetings shall be open to the public, with the exception of any information or items classified as Confidential
- 10.2. Notwithstanding the provisions of article 10.1 meetings of the Directors are called by the Chair or Deputy Chair by giving not less than twenty Business Days' notice of the meeting to the Directors or by authorising the Secretary (if any) to give such notice.
- 10.3. A Director who is absent from the UK and who has no registered address in the UK shall not be entitled to notice of the Directors' meeting.
- 10.4. A person is able to exercise the right to speak at a Directors' meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting
- 10.5. No business shall be transacted at a meeting of directors unless it is either:
- (a) included on the agenda for the meeting which is sent out with the notice given under article 10.2 convening the meeting; or
  - (b) certified by the Chair as urgent after consulting all directors by email.



## **11. QUORUM FOR DIRECTORS' MEETINGS**

- 11.1. At a meeting of the Directors, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.
- 11.2. The quorum for the transaction of business at a meeting of Directors is any fifteen Eligible Directors, provided that such number must include
- At least one Success Essex business representative
  - At least one Opportunity South Essex business representative
  - At least one Kent & Medway Economic Partnership business representative
  - At least one Team East Sussex business representative
  - At least three public sector Directors
- 11.3. If the total number of Directors in office for the time being is less than the quorum required, the Directors must not take any decisions other than to appoint Co-opted Directors if there is a vacancy in accordance with article 19.

## **12. CHAIRING OF DIRECTORS' MEETINGS, APPOINTMENT OF CHAIR AND DEPUTY CHAIR AND TERMS OF OFFICE**

- 12.1. The Company shall have at all times appointed a chairperson who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Chair**.
- 12.2. The Company shall have at all times appointed a deputy to the Chair (Deputy Chair), who shall be a Private Sector Director and who shall be appointed in accordance with the process set out in the Assurance Framework and the person so appointed for the time being is the **Deputy Chair**.
- 12.3. Subject to clause [12.4], a Chair or Deputy Chair (as applicable) shall be appointed for periods of no more than two years, such appointment ending at the meeting of the Directors falling closest to the second anniversary of their appointment (or re-appointment). Unless otherwise determined by [special resolution], the Chair or Deputy Chair (as applicable) shall be entitled to put themselves forward for re-election for a further period of two years in accordance with the Assurance Framework provided that no Chair or Deputy Chair shall be able to serve more than six years in their respective role.
- 12.4. Where the Chair or Deputy Chair puts him or herself forward for re-election, such election shall occur at the board meeting at which their board appointment ends in accordance with article [12.3].

## **13. NOT USED**

[not used]

## **14. CASTING VOTE**

- 14.1 If the numbers of votes for and against a proposal at a meeting of Directors are equal, the Chair or Deputy Chair chairing that meeting has a casting vote.
- 14.2 But this does not apply in respect of a particular meeting (or part of a meeting) if, in accordance with the Articles, the Chair or Deputy Chair chairing the meeting is not an Eligible Director for the purposes of that meeting (or part of a meeting).

## **15. DIRECTORS' CONFLICTS OF INTEREST**

- 15.1 The Company shall at all times keep in force the Conflicts of Interest Policy to deal with Conflicts.
- 15.2 Subject always to the provisions of the Conflicts of Interest Policy, if a proposed decision of the Directors is concerned with an actual or proposed transaction or arrangement with the Company in which a Director is interested, that Director is not to be counted as participating in the decision-making process for quorum or voting purposes unless the Director's interest cannot in the opinion of the Chair reasonably be regarded as likely to give rise to a conflict of interest
- 15.3 For the purposes of this article, references to proposed decisions and decision-making processes include any Directors' meeting or part of a Directors' meeting.

## **16. RECORDS OF DECISIONS TO BE KEPT**

Where decisions of the Directors are taken by electronic means, such decisions shall be recorded by the Directors in permanent form, so that they may be read with the naked eye.

## **17. DIRECTORS' DISCRETION TO MAKE FURTHER RULES**

Subject to these articles, the Directors may make any rule which they think fit about how they and any committees formed by them take decisions, and about how such rules are to be recorded or communicated to Directors, provided always that any such rule is consistent with the Assurance Framework, the Framework Agreement and these Articles.

### **Directors: numbers and appointment**

## **18. NUMBER OF DIRECTORS**

Unless otherwise determined by special resolution, the number of Directors shall not be less than twenty but shall not exceed twenty-five.

## **19. APPOINTMENT OF DIRECTORS**

- 19.1 The Directors shall be composed of Private Sector Directors, Public Sector Directors and Co-opted Directors.
- 19.2 Upon a vacancy arising for any reason for a Private Sector Director, other than the Chair and the Deputy Chair, a replacement shall be appointed by the Class of Members for the area in which the vacancy has arisen.
- 19.3 The person appointed to a vacancy as set out in article 19.2 shall be the person securing the largest number of votes at a meeting of the relevant Class of Members held for this purpose and notified to the Secretary by the person chairing that meeting in accordance with any applicable requirements and policies set out in the Assurance Framework.
- 19.4 Upon a vacancy arising for any reason in the office of Chair or Deputy Chair a replacement shall be appointed in accordance with article 12.
- 19.5 Upon a vacancy arising for a Public Sector Director, a replacement shall be appointed on the written nomination of the relevant Council given to the Secretary by the proper officer of that Council.
- 19.6 If at any time there are fewer than five Co-opted Directors then the Directors may co-opt a person appearing appropriate to the Board in accordance with the Assurance Framework.

## **20. RETIREMENT OF DIRECTORS**

- 20.1 A Private Sector Director shall retire from office on the second anniversary of their appointment. Subject to articles 20.2 and 20.3, such retiring Director shall be eligible for re-appointment by relevant Class of Members .
- 20.2 A Private Sector Director shall, subject to article 20.3, be eligible for re-appointment for two further periods of two years.
- 20.3 Any Private Sector Director (including the Chair and Deputy Chair) who shall have served for a total of six years shall not be entitled to be re-appointed.
- 20.4 Co-opted Directors shall retire from office on the first anniversary of their appointment.
- 20.5 A Director may resign from office by notice given to the Secretary.

## **21. DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 21.1 A person ceases to be a Director as soon as:
  - 21.1.1 that person ceases to be a Director by virtue of any provision of the Act or these Articles or s/he becomes prohibited by law from being a Director;
  - 21.1.2 that person shall for more than twelve months have been absent without permission of the Directors from meetings of Directors held during that period and the Directors resolve that that person's office be vacated;
  - 21.1.3 a Bankruptcy order is made against that person;
  - 21.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 21.1.5 two-thirds of the board of Directors resolve that the person has failed to conduct themselves in accordance with article 7 and should as a consequence be removed from office; or
  - 21.1.6 in the case of a Public Sector Director, they cease for any reason to be a member of Cabinet of the Council which appointed them; or
  - 21.1.7 in the case of a Private Sector Director (other than the Chair and Deputy0, by a vote to that effect passed by a majority of those present and voting at a meeting of their appointing Class of Members .
- 21.2 Save where a Director is a Public Sector Director, a Director shall upon ceasing to be a Director by virtue of article 21 at the same time cease to be a Member.

### **Directors: alternate Directors and miscellaneous**

## **22 ALTERNATE DIRECTORS**

- 22.1 Directors may appoint alternates in accordance with the provisions of the Assurance Framework ] for the Directors and any alternate appointed in accordance with such provisions shall be bound by any rules relating set out in the Assurance Framework [and Terms of Reference] for the Directors.

### **Members: becoming and ceasing to be a Member**

## **23 MEMBERSHIP**

- 23.1 The first Members of the Company at incorporation shall be those who have subscribed to these articles.
- 23.2 Any person who is a Federated Board member shall be entitled to become a Member if they submit an application for membership in the form prescribed by the Company
- 23.3 The maximum number of each Class of Members (East Sussex Members, Essex Members, South Essex Members and Kent and Medway Members) shall be as specified in the Assurance Framework from time to time but shall not exceed fifty Members per Federated Board .
- 23.4 If the number of any category of Members is fewer than the maximum specified in Article 23.3 then the Members of that category may, at a meeting of that category of

- Members called for the purpose, nominate a further Member to that category of Members by a majority of those present and voting.
- 23.5 Each Council is entitled to nominate one Member.
- 23.6 If anyone nominated as a member does not opt to become a member within one month of being nominated then the person or group entitled to nominate to that vacancy may make a further nomination to replace the original nominee.

## 24 DISQUALIFICATION AND REMOVAL OF MEMBERS

- 24.1 A person ceases to be a Member as soon as:
- 24.1.1 that person ceases to be a Member by virtue of any provision of the Act or these Articles or s/he becomes prohibited by law from being a Member;
  - 24.1.2 that person misses two consecutive AGMs without attending any meetings in the intervening period;
  - 24.1.3 a Bankruptcy order is made against that person;
  - 24.1.4 a composition is made with that person's creditors generally in satisfaction of that person's debts;
  - 24.1.5 notification is received by the Company from the Member that the Member is resigning from office, and such resignation has taken effect in accordance with its terms;
  - 24.1.6 The Member is in breach of the Code of Conduct or is otherwise disrupting the business of the Company and at a meeting of that category of Members called for the purpose a majority of those present and voting resolve to remove that person as a Member;

## 25 TRANSFER OF MEMBERSHIP

Membership shall not be transferable.

### Decision making by Members: general meetings

## 26 ANNUAL GENERAL MEETING

- 26.1 The Company shall hold an annual general meeting (**AGM**) at least once every calendar year and which shall be open to the general public save at a time when the meeting is considering items classified as Confidential.

## 27 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

- 27.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.
- 27.2 A Member is able to exercise the right to vote at a general meeting when:
- 27.2.1 that Member is able to vote, during the meeting, on resolutions put to the vote at the meeting; and
  - 27.2.2 that Member's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other Members attending the meeting.
- 27.3 The Directors may make whatever arrangements they consider appropriate to enable those Members attending a general meeting to exercise their rights to speak or vote at it.
- 27.4 In determining attendance at a general meeting, it is immaterial whether any two

or more Members attending it are in the same place as each other.

## **29. CHAIRING GENERAL MEETINGS**

29.1. The Chair or, in his or her absence, the Deputy Chair shall preside as chair of every general meeting.

29.2. If neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the meeting shall be adjourned and reconvened.

## **30. ATTENDANCE AND SPEAKING BY NON-MEMBERS**

30.1 At an AGM the Chair of the meeting shall permit such other persons who are not Members of the Company to attend and speak in accordance with the Assurance Framework.

30.2 In addition to the other provisions of these articles the Chair of a general meeting may permit others to attend a meeting and speak.

## **31. ADJOURNMENT**

31.1. The chair of the meeting may adjourn a general meeting if:

31.1.1. the meeting consents to an adjournment; or

31.1.2. it appears to the chair of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

31.2. The chair of the meeting must adjourn a general meeting if directed to do so by at least 50% of the Members present at the meeting.

31.3. When adjourning a general meeting, the chair of the meeting must:

31.3.1. either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the Directors; and

31.3.2. have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

31.4. If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

31.4.1. to the same persons to whom notice of the Company's general meetings is required to be given; and

31.4.2. containing the same information which such notice is required to contain.

31.5. No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

## **Voting at general meetings**

## **32. VOTING: GENERAL**

Without prejudice to any other provision of these Articles, a resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

## **33. ERRORS AND DISPUTES**

33.1. No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

33.2. Any such objection must be referred to the chair of the meeting whose decision is final.

## **34. POLL VOTES**

34.1. A poll on a resolution may be demanded:

34.1.1. in advance of the general meeting where it is to be put to the vote; or

34.1.2. at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

34.2. A poll may be demanded by:

34.2.1. the chair of the meeting;

34.2.2. the Directors;

34.2.3. two or more persons having the right to vote on the resolution; or

34.2.4. a person or persons representing not less than one tenth of the total voting rights of all the Members having the right to vote on the resolution.

34.3. A demand for a poll may be withdrawn if:

34.3.1. the poll has not yet been taken; and

34.3.2. the chair of the meeting consents to the withdrawal.

34.4. Polls must be taken immediately and in such manner as the chair of the meeting directs.

## **35. CONTENT OF PROXY NOTICES**

35.1. Proxies may only validly be appointed by a notice in writing (a "proxy notice") which:

35.1.1. states the name and address of the Member appointing the proxy;

35.1.2. identifies the person appointed to be that Member's proxy and the general meeting in relation to which that person is appointed;

35.1.3. is signed by or on behalf of the Member appointing the proxy, or is authenticated in such manner as the Directors may determine; and

- 35.1.4. is delivered to the Company in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.
- 35.2. The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.
- 35.3. Unless a proxy notice indicates otherwise, it must be treated as:
  - 35.3.1. allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
  - 35.3.2. appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

### **36. DELIVERY OF PROXY NOTICES**

- 36.1. A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person, and if s/he does so the proxy (notice) shall be revoked.
- 36.2. An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.
- 36.3. A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.
- 36.4. If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointer's behalf.

### **37. AMENDMENTS TO RESOLUTIONS**

- 37.1. An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:
  - 37.1.1. notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine); and
  - 37.1.2. the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 37.2. If the chair of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chair's error does not invalidate the vote on that resolution.

### **Administrative arrangement**

### **38. MEANS OF COMMUNICATION TO BE USED**

- 38.1. Any notice, document or other information shall be deemed served on or delivered to the intended recipient:
  - 38.1.1. if properly addressed and sent by prepaid United Kingdom first class post to

an address in the United Kingdom, 48 hours after it was posted (or five Business Days after posting either to an address outside the United Kingdom or from outside the United Kingdom to an address within the United Kingdom, if (in each case) sent by reputable international overnight courier addressed to the intended recipient, provided that delivery in at least five Business Days was guaranteed at the time of sending and the sending party receives a confirmation of delivery from the courier service provider);

- 38.1.2. if properly addressed and delivered by hand, when it was given or left at the appropriate address;
- 38.1.3. if properly addressed and sent or supplied by electronic means, one hour after the document or information was sent or supplied; and
- 38.1.4. if sent or supplied by means of a website, when the material is first made available on the website or (if later) when the recipient receives (or is deemed to have received) notice of the fact that the material is available on the website.

For the purposes of this article, no account shall be taken of any part of a day that is not a Business Day.

- 38.2. In proving that any notice, document or other information was properly addressed, it shall suffice to show that the notice, document or other information was addressed to an address permitted for the purpose by the Act.

## **39. INDEMNITY AND INSURANCE**

- 39.1. Subject to article 39.2, but without prejudice to any indemnity to which a relevant officer is otherwise entitled:

- 39.1.1. each relevant officer shall be indemnified out of the Company's assets against all costs, charges, losses, expenses and liabilities incurred by him as a relevant officer in the actual or purported execution and/or discharge of his duties, or in relation to them including any liability incurred by him in defending any civil or criminal proceedings, in which judgment is given in his favour or in which s/he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part or in connection with any application in which the court grants him, in his capacity as a relevant officer, relief from liability for negligence, default, breach of duty or breach of trust in relation to the Company's (or any associated company's) affairs; and
- 39.1.2. the Company may provide any relevant officer with funds to meet expenditure incurred or to be incurred by him in connection with any proceedings or application referred to in article 39.1.1 and otherwise may take any action to enable any such relevant officer to avoid incurring such expenditure.

- 39.2. This article does not authorise any indemnity to the extent that such indemnity would be prohibited or rendered void by any provision of the Act or by any other provision of law and any such indemnity is limited accordingly.

- 39.3. The Directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant officer in respect of any relevant loss.

- 39.4. In this article:



- 39.4.1. companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- 39.4.2. a **relevant loss** means any loss or liability which has been or may be incurred by a relevant officer in connection with that relevant officer's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- 39.4.3. a **relevant officer** means any Director or other officer or former Director or other officer of the Company, but excluding in each case any person engaged by the Company (or associated company) as auditor (whether or not s/he is also a Director or other officer), to the extent s/he acts in his capacity as auditor.

#### **40. Changes to Articles or Assurance Framework**

- 40.1 No change to these articles or to the Assurance Framework shall take effect unless approved in advance by the Accountable Body.
- 40.2 The Accountable Body shall not withhold its approval under article 40.1 unless in its opinion the change is likely to prejudice the ability of the Company or the Accountable Body to comply with the terms of any agreement to which the Accountable Body is party relating to the administration of funds or the ability of to be allocated Government Funds.
- 40.3 In addition to the preceding clauses, no change to the articles which would affect the number of directors or members who may to be appointed or nominated by any Class of Members may be approved without the approval of a majority of all Classes of Members
- 40.4 In addition to the preceding clauses, no change to the number of directors to be appointed by any Local Authority may be approved without be approved without the approval all local authority members.

**DATED**

**2020**

- SOUTHEND-ON-SEA BOROUGH COUNCIL** (1)  
and  
**EAST SUSSEX COUNTY COUNCIL** (2)  
and  
**ESSEX COUNTY COUNCIL** (3)  
and  
**KENT COUNTY COUNCIL** (4)  
and  
**THURROCK COUNCIL** (5)  
and  
**MEDWAY COUNCIL** (6)  
and  
**[SOUTH EAST LEP LIMITED]** (7)

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**FRAMEWORK AGREEMENT**

**In relation to South East Local Enterprise Partnership**

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**THIS AGREEMENT** is made on

2019

**BETWEEN**

- (1) **SOUTHEND-ON-SEA BOROUGH COUNCIL** of Civic Centre, Victoria Avenue, Southend-on-Sea, SS2 6ER (“Southend”);
- (2) **EAST SUSSEX COUNTY COUNCIL** of County Hall, St Anne’s Crescent, Uckfield, Lewes, East Sussex, BN7 1UE (“East Sussex”);
- (3) **ESSEX COUNTY COUNCIL** of County Hall, Market Road, Chelmsford, Essex, CM1 1QR (“Essex”);
- (4) **KENT COUNTY COUNCIL** of County Hall, Maidstone, Kent, ME14 1XQ (“Kent”); and
- (5) **THURROCK COUNCIL** of Civic Offices, New Road, Grays, Essex, RM17 7SL (“Thurrock”);
- (6) **MEDWAY COUNCIL** of Gun Wharf, Dock Road, Chatham, Kent, ME4 4TR (“Medway”)

together referred to as “**the Councils**” and individually as a “**Council**”.

- (7) **[SOUTH EAST LEP LIMITED]** of [ ] (“**Company**”)

**BACKGROUND**

- (A) The Councils are local authorities for the purposes of the Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999.
- (B) The unincorporated SELEP partnership was established in [ ] with the aim of stimulating growth in the economy across [ ] area. In part it aim to do this by playing a central role in determining local economic priorities and undertaking activities to drive economic growth and the creation of local jobs. It is a primary partnership of the Councils.
- (C) The Company was incorporated on [ ] in response to the requirement of Central Government for all Local Enterprise Partnerships to have legal personality.
- (D) Essex is the Accountable Body for the purposes of Funding allocated to the Company by central government and other responsibilities as set out in the Assurance Framework.
- (E) The purpose of this Agreement is to create an overarching framework setting out the duties and obligations, roles and responsibilities of the Councils, the Accountability Board, Accountable Body and the Company in relation to the activities undertaken to

enable the delivery of the LEP achieve the Company's objects (as defined in its articles of association) and its Aims and Objectives.

## **IT IS AGREED AS FOLLOWS:**

### **1 Definitions**

1.1 In this Agreement the following terms shall have the following meanings:

**Accountable Body** means Essex

**Accountability Board** means the joint committee of the Councils constituted in accordance with Schedule 2

**Agreement** means this Framework Agreement and any schedules;

**Aims and Objectives** means those aims and objectives set out in the Assurance Framework

**Assurance Framework** means the local assurance framework of the Company as adopted by the Company with the agreement of the Accountable Body and the Accountability Board from time to time in accordance with the requirements of central government in order to pay funding to local enterprise partnerships

**Commencement Date** means [xxxx] 2020

**Councils** means Southend, East Sussex, Essex, Kent, Medway, Thurrock.

**Council Contribution** for a particular Financial Year means a contribution which a Council has agreed to make to the Support Funding

**EIR** means the Environmental Information Regulations 2004;

**FOIA** means the Freedom of Information Act 2000;

**Financial Year** means during the continuance of the Agreement any period commencing on 1 April and ending on the following 31 March

**Funding** means all and any devolved government revenue and capital funding which central government pays to the Accountable Body for the purpose of SELEP;

**Funding Agreement** means an agreement between the Accountable Body a Council or such other Party to receive funding as may be necessary under which the Accountable Body pays Project Funding to that Council or such other party for onward transmission to a Recipient

**Parties** means the parties to this Agreement.

**Project Funding** means that part of the Funding which is to be used for the purposes of schemes allocated by the Company and Accountability Board

**Recipient** means a person or entity which has received Project Funding from a Council

**Secretariat** means those persons employed by the Accountable Body for the purposes of providing administrative, technical or professional support to the Company and the Accountability Board in accordance with this Agreement

**Support Funding** means that part of the Funding which is not Project Funding aggregated with the Council Contributions.

**SELEP Area** means the combined administrative area of the Councils

**Support Contracts** means contracts entered into by the Accountable Body to the extent that they relate to the provision of advice or support or the provision of services to the Company and the Accountability Board.

**Terms of Reference** means the terms of reference of the Accountability Board as set out in Schedule 1.

1.2 Headings contained in this Agreement are for reference purposes only and should not be incorporated into this Agreement and shall not be deemed to be any indication of the meaning of the clauses to which they relate.

1.3 References to any statute or statutory provision include references to:

1.3.1 all Acts of Parliament and all other legislation having legal effect in the United Kingdom;

1.3.2 any subsequent statutes directly or indirectly amending, consolidating, extending, replacing or re-enacting that statute and also include any orders, regulations, instruments or other subordinate legislation made under that statute;

## **2. Duration**

2.1 This Agreement shall commence on the Commencement Date and shall continue in effect until terminated in accordance with Clause 16 of this Agreement.

## **3 Principles and Key Objectives**

3.1 The Parties will work together to deliver the Aims and Objectives acting in their respective capacities as Accountable Body, Accountability Board and the Company.

3.2 The Parties agree that the following principles underpin their collaborative working and the terms of this Agreement as follows:

3.2.1 mutual co-operation and collaboration;

3.2.2 accountability;

3.2.3 transparency;

3.2.4 mutual benefits

3.3 In order to achieve these objectives and the Aims and Objectives, the Parties agree that they will work together with mutual trust, good faith and in an open, co-operative and collaborative manner. The Parties will work together in a spirit of mutual trust in

order to ensure the successful management of the Aims and Objectives and will respond in a timely manner (or within the timescales agreed between the Parties where appropriate) to all reasonable requests from each other.

- 3.4 It is the overriding responsibility of the Parties to ensure that Funding is allocated in such a way which
  - 3.4.1 ensures that the Company and the Accountable Body comply with the terms and conditions on which Funding is paid to the Accountable Body
  - 3.4.2 ensures that public money is spent in the best way to develop and enhance the economy of the SELEP Area
  - 3.4.3 is in accordance with the Assurance Framework.

#### **4 Accountability Board**

- 4.1 The Accountability Board is constituted in accordance with Schedule 2 to this Agreement
- 4.2 The Parties agree that each will comply with its obligations set out in Schedule 1 to this Agreement.
- 4.3 In making decisions the Accountability Board will primarily have regard to the need to ensure that decisions it makes are supported by the people and organisations who participate in achieving the aims and objectives of the Company, the need to maintain the confidence of such persons in their ability to influence the award of funding insofar as it is proper to do so. Accordingly, the Accountability Board will give great weight to any recommendation made to it by or on behalf of the Company. The Accountability Board will also have regard to the following:
  - 4.3.1 The fact that Funding is paid to the Accountable Body by central government so that it can be spent in accordance with the Assurance Framework
  - 4.3.2 The fact that the Assurance Framework includes checks and safeguards designed to ensure that recommendations made to the Accountability Board have been made having regard to Aims and Objectives articulated by SELEP Co and without the participation of any person or organisation which has a conflict of interest.
  - 4.3.3 The need to ensure that Funding is only paid when it is received from Central Government by the Accountable Body and the Accountable Body is satisfied that the conditions of Funding attached by central government have been complied with and that the Recipient has agreed to comply with any conditions of Funding required by central government or the Accountable Body.

#### **5 Finance**

- 5.1 The Accountable Body will hold all Funding on behalf of the Company and Accountability Board and will
  - 5.1.1 Maintain accounting records of transactions undertaken by or on behalf of the Company and Accountability Board in accordance with proper accounting practice
  - 5.1.2 Provide such information as the Accountability Board, Secretariat or the Company shall reasonably require about the money held by the Accountable

- Body
- 5.1.3 Arrange for the external audit of the Funding.
  - 5.2 The Accountable Body's section 151 officer will be responsible for ensuring that the Accountable Body complies with its duties under this agreement
  - 5.3 The Accountable Body will not spend any Project Funding unless:
    - 5.3.1 The spend is in accordance with a decision taken by the Accountability Board;
    - 5.3.2 The spend is required in accordance with the conditions upon which the Funding was paid to the Accountable Body; or
    - 5.3.3 The spend is to defray a liability incurred by the Accountable Body wholly as a result of and accordance with its role as the Accountable Body
  - 5.4 The Accountable Body will only spend Support Funding on:
    - 5.4.1 The costs incurred in connection with employing the Secretariat
    - 5.4.2 Making an internal recharge in accordance with proper accounting practices to reflect the cost of providing services to the Company, the Accountability Board or to the Secretariat.
    - 5.4.3 The costs incurred in connection with the Company and Accountability Board Support Contracts.
  - 5.5 Before the start of each Financial Year the Secretariat in consultation with the Company will bring a report to the Accountability Board with the proposals (a **Proposed Budget**) setting out
    - 5.5.1 the proposed level of Council Contributions (subject to agreement by the relevant Council, such agreement not to be unreasonably withheld and it shall be reasonable if the proposed Council Contribution is no more than the previous year's contribution increased in line with the retail prices index (excluding mortgages) over the previous 12 months using the most recent figures published at the time of calculation),
    - 5.5.2 the total Support Funding available
    - 5.5.3 how the Support Funding is to be allocated with respect to that Financial Year.
  - 5.6 The Accountability Board shall approve the proposals with such amendments as they reasonably require, but in making amendments they must ensure that there will be sufficient Support Funding available in that year to defray the cost of implementing the Proposed Budget.
  - 5.7 The Proposed Budget as approved by the Accountability Board shall be the Budget for that Financial Year.
  - 5.8 The Budget may be amended by the Secretariat from time to time after consulting the Accountable Body with approval of the Accountability Board, but subject always to continuing obligation to ensure that there will be sufficient Support Funding available in that Financial Year to defray the cost of implementing the Budget
  - 5.9 The Accountable Body shall manage the Support Funding with an officer in the Secretariat being the budget holder in accordance with the Accountable Body's constitution and financial regulations and shall use all reasonable endeavours to only spend the Support Funding in accordance with the Budget as amended from time to time.
  - 5.10 If the Accountable Body incurs expenditure contrary to the Budget it shall report this to the Company and the Accountability Board promptly.
  - 5.11 Each Council shall pay its Council Contribution to the Accountable Body no later than 1 July in each Financial Year

## **6 The Secretariat**

- 6.1 The Accountable Body will employ the Secretariat who will be employed on the Accountable Body's terms and conditions of employment and be subject to the employment policies of the Accountable Body.
- 6.2 The Accountable Body will ensure that line management is provided to the Secretariat in consultation with the Chair, where necessary, in order to ensure that the Secretariat is effectively performing its role.
- 6.3 The role of the Secretariat is
  - 6.3.1 to support allocation of Funding
  - 6.3.2 to liaise with members of the Company and Accountability Board, applicants
  - 6.3.3 to procure and manage the Company and Accountability Board contracts
  - 6.3.4 to administer the Company and Accountability Board
  - 6.3.5 to respond to requests for information regarding the Company and its business from the Accountability Board, and the Company;
  - 6.3.6 to manage the expenditure and recovery of Project Funding
  - 6.3.7 to manage the Company website and ensure it is kept updated
  - 6.3.8 to report to the Company, to the Accountability Board and to the Accountable Body about issues affecting SELEP and to provide such information as those bodies shall reasonably require.
  - 6.3.9 to liaise with central government and anyone providing Funding.
  - 6.3.10 to draft the Assurance Framework and to review it annually to ensure that it meets the requirements of the National Local Growth Assurance Framework
  - 6.3.11 to ensure that all operations and decision making of the Company and the Accountability Board meet the requirements of the Assurance Framework

## **7 Project Funding**

- 7.1 The process for allocation of Project Funding shall be in accordance with the Assurance Framework..
- 7.2 Subject to clause 5.3, the Accountable Body will not spend any Project Funding unless it has been allocated to the proposed spend by the Accountability Board on the recommendation of the Company and there is a contract (a Funding Agreement) relating to that Funding which is in such form as may be approved by the Company and the Accountable Body in place between
  - 7.2.1. the Accountable Body
  - 7.2.2. the Company; and
  - 7.2.3. the Council in whose administrative area the project will be delivered.
- 7.3 The Accountable Body will release Project Funding in accordance with the terms of Funding Agreements subject to the Accountable Body being reasonably satisfied that
  - 7.3.1 the terms of such agreements have been complied with, and
  - 7.3.2 the Accountable Body having received sufficient Project Funds to meet the release of the Funding.
- 7.4 A Council which is Party to a Funding Agreement will ensure that it is only paid out on terms which require the Recipient to use the funding for the approved purposes and



achieve those outputs within a defined time and which otherwise comply with the Assurance Framework and the terms upon which the relevant Project Funding is received.

7.5 A Council which is a party to a Funding Agreement must take action against the Recipient to enforce the terms of the agreement with the Recipient of the funding where there has been a breach of the agreement between the Council and the Recipient and either

- The Accountable Body considers that the Council needs to take action in order to comply with the terms of any Project Funding;
- The Accountable Body considers that it is necessary to do so in order to maintain public confidence in the Company and/or the Accountability Board or to minimize or avoid fraud; or
- the Company makes a written request.

## **8 Governance and decision making**

8.1 The Assurance Framework sets out governance and how decisions will be made and may only be changed:

8.1.1 By the Company with the agreement of the Accountable Body.

8.1.2 By the Accountability Board where agreement in accordance with 8.1.1 has not been possible and the change is the minimum required in order to comply with the requirements of the National Local Growth Assurance Framework, as may be amended from time to time, and the terms upon which any Funding is paid or is proposed to be paid or which the Company and/or the Accountability Board is required to make.

8.2 The Company agrees that it will not change its articles of association other than with the prior agreement of the Accountability Board (not to be unreasonably withheld or delayed).

8.3 The Company will

8.3.1 Approve an Economic Plan which sets out the Company's Strategic Direction and aims and objectives from time to time.

8.3.2 Appoint an investment panel to prioritise the allocation of Project Funding

8.3.3 Provide an Interface with central government

8.3.4 Oversee pan LEP work

8.3.5 Develop an annual delivery plan

8.3.6 Develop strategic economic plans and policies.

8.3.7 Identify a prioritised list of schemes within the available Project Funding including under / over programming to enable prudent management.

**9** The Accountable Body will take reasonable steps to

9.1 Ensure decisions and activities of the Company and the Accountability Board conform with legal requirements with regard to equalities, social value, environment, State Aid, public procurement;

- 9.2 Ensure that the funds are used appropriately, and in a manner that is consistent with the contents of the offer letter from central government, where appropriate;
- 9.3 Ensure that the Assurance Framework is adhered to;

## **10 Freedom of Information, Environmental Information and Transparency**

- 10.1 Each Party acknowledges that the other Party is subject to the requirements of the FOIA and the EIR and each Party shall, where reasonable, assist and co-operate with the other (at their own expense) to enable each Party to comply with these information disclosure obligations.
- 10.2 Where a Party receives a request for information under either the FOIA or the EIR in relation to information which it is holding on behalf of another Party it shall:
- 10.2.1 transfer the request for information to the other Party as soon as practicable after receipt and in any event within 2 (two) Business Days of receiving a request for information;
  - 10.2.2 provide the other Party with a copy of all information in its possession in the form that the other Party reasonably requires within ten (10) Business Days (or such longer period as the other Party may specify) of the other Party requesting that information unless the cost of compliance exceeds the limit set down pursuant to FOIA (and provides reasonable proof of this to the other party); and
  - 10.2.3 provide all necessary assistance as reasonably requested by the other Party to enable the other Party to respond to a request for information within the time for compliance set out in the FOIA or the EIR.
- 10.3 Where a Party receives a request for information under the FOIA or the EIR which relates to this Agreement, it shall inform the other Parties of the request for information as soon as practicable after receipt and in any event at least four (4) Business Days before disclosure and shall use all reasonable endeavours to consult with the other parties prior to disclosure and shall consider all representations made by the other Party in relation to the decision whether or not to disclose the information requested.
- 10.4 Subject to Clause 12 (Confidentiality), each Party shall be responsible for determining in their absolute discretion whether any information for the purposes of FOIA or the EIR,:
- 10.4.1 is exempt from disclosure under the FOIA or the EIR; and
  - 10.4.2 is to be disclosed in response to a request for information.
- 10.5 Each Party acknowledges that the other parties may be obliged under the FOIA or the EIR to disclose information:
- 10.5.1 without consulting with the other Party where it has not been practicable to achieve such consultation; or
  - 10.5.2 following consultation with the other Party and having taken its views into account.
- 10.6 The parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA or the EIR, the content of this Agreement is not Confidential Information.

10.7 Notwithstanding any other provision of this Agreement, the parties hereby consent to the publication of this Agreement in its entirety including from time to time agreed changes to this Agreement subject to the redaction of information that is exempt from disclosure in accordance with the provisions of the FOIA or the EIR.

## **11 Data Protection**

11.1 The Parties shall comply with their obligations under the Data Protection Act 2018 in the performance of their obligations under this Agreement.

11.2 The provisions of this Clause 11 shall apply during the continuance of this Agreement and indefinitely after its expiry or termination.

## **12 Confidentiality**

12.1 The parties will not use or disclose any confidential information provided by any other Party pursuant to this Agreement otherwise than for the performance of their obligations under this Agreement, save as may be otherwise agreed or required by law.

12.2 For the avoidance of doubt, confidential information shall not include:

12.2.1 any information obtained from a third Party who is free to divulge such information;

12.2.2 any information which is already in the public domain otherwise than as a breach of this Agreement; or

12.2.3 any information which was rightfully in the possession of a Party prior to the disclosure by any other Party and lawfully acquired from sources other than any other Party.

12.3 Subject to Clause 12.2 the Parties shall not make any press announcement or publicise the Agreement or any part of the Agreement in any way, except with the agreement of the other Parties

## **13 Equality**

13.1 The Parties shall perform their respective obligations under this Agreement in accordance with:

13.1.1 all applicable equality laws (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);

13.1.2 any applicable equality and diversity policy of the Parties from time to time; and

13.1.3 take all necessary steps, and inform each other of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission (or any successor organisation).

## **14 Social Value**

14.1 In performing their respective obligations in pursuance of this Agreement the Parties shall comply with the requirements of Public Services (Social Value) Act 2012.

## **15 Environmental**

15.1 In performing their respective obligations in pursuance of this Agreement the Parties shall at all times co-operate with each other to improve environmental performance where it is not detrimental to the interests of any Party to do so.

## **16 NOT USED**

[Not used]

## **17 Disputes**

17.1 Any dispute between the Accountable Body, the Company and the Accountability Board shall

17.1.1 first be escalated to the Chair of the Company, the Deputy Chair (as Chairman of the Accountability Board) and the and the Section 151 Officer of the Accountable Body within ten working days of the dispute arising. The Chair of the Company and the Accountable Body shall procure that Section 151 Officer agree to discuss and, in good faith, attempt to resolve any such dispute and try and reach agreement on the action required to resolve the dispute.

17.1.2 In the event that the Chair and the said Section 151 Officer are unable to resolve the dispute, then the matter shall be referred to central government (or grant awarding body if not central government) by any party to the dispute for consideration.

17.2 Prior to action under [TO BE INSERTED] of the Assurance Framework, if any Party has any issues, concerns or complaints about any matter relating to this Agreement that Party shall notify the other Party/Parties and the Parties shall then seek to resolve the issue by a process of consultation. If the issue cannot be resolved within a reasonable period of time, the matter shall be escalated to the Secretary of State for Business Environment and Industrial Strategy to resolve such dispute ([ ] Assurance Framework, paragraph [ ]).

17.3 If any Party receives any formal inquiry, complaint, claim or threat of action from a third Party they shall notify the Accountable Body and the Secretariat and co-operate with each other to respond, or take such action, as is appropriate and/or necessary in accordance with the complaints Policy in the Assurance Framework.

## **18 The Contracts (Rights of Third Parties) Act 1999**

18.1 The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement but this does not affect any rights which are available apart from this Act.

## **19 General**

19.1 Each of the Parties represents and warrants to the others that it has full capacity and authority, and all necessary consents, licences and permissions to enter into and perform its obligations under this Agreement, and that this Agreement is executed by its duly authorised representative.

- 19.2 This Agreement cannot be varied except in writing signed by a duly authorised representative of each of the Parties.
- 19.3 The Agreement contains the whole agreement between the Parties. The Parties confirm that they have not entered into the Agreement on the basis of any representation that is not expressly incorporated into the Agreement. Nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.
- 19.4 The Company shall permit any intellectual property created by or on behalf of the Company to be used by the Accountable Body and the Secretariat for the management and running of the Accountability Board, but for the avoidance of doubt, this clause does not operate to transfer the ownership of any intellectual property;
- 19.5 Any waiver or relaxation either party, or wholly of any of the terms and conditions of this Agreement shall be valid only if it is communicated to every other Party in writing and expressly stated to be a waiver. A waiver of any right or remedy arising from a breach of contract shall not constitute a waiver of any right or remedy arising from any other breach of this Agreement.
- 19.6 This Agreement shall not constitute or imply any partnership, joint venture, agency, fiduciary relationship or other relationship between the Parties other than the contractual relationship expressly provided for in this Agreement. No Party shall have, nor represent that it has, any authority to make any commitments on the other Parties' behalf.
- 19.7 Except as otherwise expressly provided by this Agreement, all remedies available to any Party for breach of this Agreement (whether under this Agreement, statute or common law) are cumulative and may be exercised concurrently or separately, and the exercise of one remedy shall not be deemed an election of such remedy to the exclusion of any other remedy.
- 19.8 If any provision of this Agreement is prohibited by law or judged by a court to be unlawful, void or unenforceable, the relevant provision shall, to the extent required, be severed from this Agreement and rendered ineffective as far as possible without modifying the remaining provisions of this Agreement, and shall not in any way affect any other circumstances of or the validity or enforcement of this Agreement.

## 20 Notices

- 20.1 Any notice to be given under this Agreement shall be in writing and may be served by personal delivery, first class recorded or e-mail to the address of the relevant Party set out below, or such other address as that Party may from time to time notify to the other Parties in accordance with this clause.

## 21 English Law

- 21.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.
- 21.2 The Parties hereby agree and declare irrevocably that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-

contracted disputes or claims) arising out of or in connection with this Agreement or its subject matter or jurisdiction.

## **22. Insurance**

- 22.1 The costs of public liability insurance and employee insurance for the Secretariat will be covered by the Accountable Body's insurance arrangements where that liability arises due to the actions of the Secretariat. Where a Council incurs liability, that Council will need to deal with that liability itself.
- 22.2 All costs including claims administration and legal costs and a fair proportion of the premium paid by the Accountable Body will be paid for by the Accountable Body from the Support Funding.
- 22.3 All insurance claims made against or on behalf of the Secretariat or the Accountability Board will be managed on their behalf by the Accountable Body.
- 22.4 All Councils will cooperate with insurance claims investigations and notify the Accountable Body of any potential claims relevant to this Agreement in its subject matter as soon as is reasonably practicable and take all reasonable action to prevent and minimise any loss.
- 22.5 It is the responsibility of the individual Councils separately to ensure that appropriate insurance in relation to insurance for that Council's buildings and contents and other assets are in place. Consequently the insurance cost for buildings and assets shall not be charged to the Accountability Board.
- 22.6 The Accountable Body shall consider any reasonable request made by the Councils for the purpose of facilitating the procurement, administration and maintenance of any insurance relating to the Company and/or the Accountability Board.

## **23 Variation**

- 23.1 Any proposed variation to this Agreement will be discussed at the Accountability Board and at a board meeting of the Company. Each Party will then be responsible for agreeing those changes that are passed at such board meeting.

## **24. Withdrawal from this Agreement**

- 24.1 A Council may serve notice in writing to the Accountable Body at least nine months before the date on which it is to take effect, that they will be withdrawing from this Agreement. Such withdrawal may only take effect on 1 April in any year.
- 24.2 When the withdrawal of a Council takes effect
- (a) it shall no longer be entitled to contribute to the decisions taken by the Accountability Board or the Company.
  - (b) It shall no longer be required to pay a Council Contribution
  - (c) It shall not be responsible for debts or liabilities which are incurred by the Accountability Board after the withdrawal takes effect
- 24.3 A Council which withdraws from this Agreement shall continue to be liable under any Funding Agreements to which it is Party and may be required to enforce the terms of any Project Agreement under the terms of this Agreement as if it were still a party.

- 24.4 If any Party incurs any cost as a result of a Council withdrawing from this agreement then that Council shall bear that cost in full, and pay the same within [4] days of demand.
- 24.5 The provisions of this clause 24 shall survive a Council's withdrawal from this agreement.

## **25. Dissolution of the Company**

- 25.1 If the Company wound up or passes a resolution for its winding up or shall otherwise cease to exist then this clause 25 shall apply from the date of the resolution to terminate or the dissolution of the Company (whichever is the sooner) ('the Cessation Date').
- 25.2 From and after the Cessation Date:
- 25.2.1 The Accountability Board shall not approve any further allocation of funding.
  - 25.2.2 All Councils shall continue to be liable under Funding Agreements to which they are a Party and may be required to enforce the terms of any Project Agreement under the terms of this Agreement as if this Agreement were still fully in effect.
  - 25.2.3 Each Council shall pay to the Accountable Body within 30 days of demand an equal proportion of all costs incurred by the Accountable Body relating to the costs of closing down the Secretariat and other parts of SELEP relating thereto insofar as they cannot be met by any Funding.
- 25.4 The Parties shall work together with the relevant Secretary of State to decide how any remaining public funds will be managed.
- 25.5 This agreement shall terminate three months after all liabilities under clause 25.2.3 have been discharged or on such other date as may be agreed by the parties.
- 25.6 This clause applies subject to any contrary obligation on the Accountable Body imposed by any agreement between central government and the Accountable Body relating to the award of Funding.

**IN WITNESS WHEREOF** the parties have signed this Agreement as a Deed on the day and year first before written.

## Schedule 1

### Terms of Reference of the Accountability Board

- 1 The Accountability Board shall exercise the functions with respect to:
  - 1.1 the implementation of the Assurance Framework and all processes by which bids are assessed, risks considered, approvals made and performance managed
  - 1.2 appraisals and approvals of grants and loans, in accordance with recommendations made by the Company;
  - 1.3 monitoring project assessment and delivery;
  - 1.4 ensuring accountability from each of East Sussex, Essex, South Essex and Kent and Medway, relating to expenditure and programme delivery in accordance with recommendations made by the Company;
  - 1.3 considering and, if thought fit, approving variations to schemes which have received Project Funding;
  - 1.4 quarterly performance reporting on an exceptions basis to the board of the Company;
  - 1.5 reporting on progress to central government;
  - 1.6 any other accountability or assurance function required by central government or recommended by the Accountable Body's auditors or the S.151 Officer of the Accountable Body;
  - 1.7 approving an Annual Report to be made available to the Councils;
2. The Accountability Board will not have responsibility for
  - (a) staffing decisions.
  - (b) decisions about operational implementation and decisions will be taken as appropriate by the Secretariat or their representatives.
3. The Accountability Board may perform such other functions as the Councils may from time to time delegate to the Accountability Board with the written agreement of the Accountability Board and the Company.
4. Each Council agrees that it will not exercise its functions in relation to the function of the Accountability Board except;
  - 4.1 via the Accountability Board;
  - 4.2 via powers delegated to an officer by the Accountability Board; or



4.3 after consultation with the other Councils and the Company

## **Schedule 2**

### **Constitution of the Accountability Board**

1. Definitions and Interpretation

1.1 In this Schedule:

**the Act** means the Local Government Act 1972;

**Annual Report** means the report(s) which sets out the Accountability Board's activities, finance and performance for the preceding year, as required by paragraph 21.3;

**Clerk** means the person appointed in accordance with paragraph 12;

**Committee Member** means a member of the Accountability Board;

**Co-opted Members** means a Committee Member who is not a Council Member;

**Council Member** means a Committee Member who is a councillor of a local authority;

**Executive Member** means an elected member of a Council that is a Cabinet Member or a member of the Executive.

**Further Education Sector** means educational institutions or facilities providing education and training beyond compulsory education, but not falling within the definition of Higher Education Sector

**Higher Education Sector** means the education institutions which provide education and training at degree level and above;

**Deputy Chair** has the meaning given in the Company's articles of association.

2. **Joint Committee**

2.1 The Councils hereby exercise their powers under sections 101 and 102 of the Act, section 9EA of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 and any other enabling legislation to form a joint committee to be known as the Accountability Board to manage the distribution of Funding

2.2 The Councils hereby delegate to the Accountability Board each Council's functions as set out in the Terms of Reference.

3. **Membership of the Accountability Board**

3.1 The Accountability Board shall consist of nine members:

- (a) Six local authority members comprising one executive member nominated by each Council (if a Council ceases to operate executive arrangements then it shall appoint its leader or deputy or the Chair or Vice-Chairman of a relevant Committee)
- (b) Three non-voting Co-opted Members, appointed as follows;

- (i) One member appointed by the Accountability Board on the nomination of the Higher Education Sector in the SELEP Area;
  - (ii) One member appointed by the Accountability Board on the nomination of the Further Education Sector in the SELEP Area; and
  - (iii) the Deputy Chair of the board of the Company (ex officio).
- 3.2 A person who is disqualified under Part V of the Act from being an elected member of a relevant authority shall be disqualified from membership of the Accountability Board.
- 3.3 Each Council may change its nominated Committee Member at any time provided that written notice of any such change is given to the Secretariat, taking effect upon receipt. Such written notice may be given by electronic mail. Such change may be temporary or permanent.
- 3.4 Subject to the provisions of this Agreement officers and elected members of the Councils may attend meetings of the Accountability Board (or any sub-committee) to support their Committee Member in attendance at that meeting.

#### **4. Term of office**

- 4.1 A Council Member will hold office until one of the following occurs;
- (a) they are removed or replaced by the Council which appointed them; or
  - (b) they cease to be an elected member of the Council which appointed them
- 4.2. Where a vacancy occurs under paragraph 4.1 it shall be filled as soon as possible by the relevant Council.
- 4.3 Co-opted Members shall be appointed for a term of two years and shall be eligible for re-appointment for a maximum of two further two-year terms (i.e. a maximum of six years including their first term).
- 4.4 A Co-opted Member shall cease to hold office if
- (a) they resign by giving written notice to the Secretariat (in the case of the Deputy Chair that notice shall also take effect as a resignation as Deputy Chair of the Company);
  - (b) in the case of the Deputy Chair, they cease to hold that office;
  - (c) they are removed from office by the Accountability Board
  - (d) they are replaced by the sector which appointed them.
  - (e) in the case of the education representatives they cease to be employed by or hold office in an institution in the relevant sector in the SELEP Area.
- 4.5 Where a vacancy occurs under paragraph 4.4 it shall be filled as soon as possible in accordance with this schedule and the Assurance Framework .

#### **5. Voting**

- 5.1 Any question arising at a meeting of the Accountability Board shall be decided by a simple majority of the Council Members present and voting,
- 5.2 All voting shall be by a show of hands. Any Council Member may require the way they voted to be recorded in the minutes of the meeting.

5.3 Co-opted Members are not entitled to vote.

## **6. Substitute Members**

6.1 A Council may appoint another Executive Member from the same Council to be a substitute member. No later than 30 minutes before the start of the meeting a substitution notice may be given to the Secretariat by:

- (a) the Council Member concerned; or
- (b) the Council

that the Substitute will be attending a meeting of the Accountability Board in place of the Council Member. Where a substitution notice is in effect the substitute will be in all respects a member of the Accountability Board in place of the Council Member.

## **7. Chair and Vice Chair of the Accountability Board**

7.1 The Deputy Chair shall be the Chair of the Accountability Board.

7.2 At its first meeting in the municipal year the Accountability Board shall appoint a Co-opted Member as Vice Chair.

7.3 If the Deputy Chair is not present within 15 minutes of the time at which the meeting was scheduled to begin the Vice Chair shall chair the meeting. If neither the Deputy Chair nor the Vice Chair are present within 15 minutes of the time at which the meeting was scheduled to begin, or are otherwise both unwilling to chair the meeting, then another Council Member present, chosen from amongst those present, shall chair the meeting. The person chairing the meeting shall be the "Chair" for the purposes of this Schedule for the duration of the meeting.

## **8. Assurance**

8.1 The Section 151 Officer and Monitoring Officer of the Accountable Body, or their representative, will attend meetings of the Accountability Board meetings in an advisory capacity.

8.2 Unless otherwise agreed all reports to the Accountability Board must also be sent to the Section 151 Officer and Monitoring Officer of the Accountable Body at least five clear working days before they are due to be published.

8.3 The Section 151 Officer and the Monitoring Officer, or their representatives, from the other Councils will be invited to observe the Accountability Board meetings.

## **9. Meetings of the Accountability Board**

9.1 The Accountable Body will maintain the official record of the Company and Accountability Board proceedings and hold copies of all relevant documents relating to funding allocated to the Accountable Body for the purposes of allocation by the Company;

9.2 The Accountability Board shall meet at least four times in each year save and except that;

9.3 The Chair of the Accountability Board may cancel any meeting if there is insufficient business to be transacted but must give detailed reasons for doing so and as much

notice as is reasonably possible.

- 9.4 A meeting of the Accountability Board must be convened to take place within one month of receipt of a written requisition from
- (a) the Chair of the Accountability Board
  - (b) at least three Council Members.
  - (c) the Monitoring Officer or Section 151 officer of the Accountable Body
- 9.5 The dates for the meetings in any year shall be agreed at a meeting of the Accountability Board, other than those convened pursuant to paragraph 9.4.
- 9.6 Meetings of the Accountability Board shall normally take place at High House, Production Park, Purfleet, RM19 1RJ or at such reasonable alternative venue as notified to the Councils by the Secretariat from time to time.
- 9.7 The agenda and reports for each meeting shall be issued by the Secretariat at least five clear days in advance of the meeting unless by exception by agreement of the Chair before the meeting and sent to each Committee Member and to the proper officer of each Council.
- 9.8 No item of business may be considered at a meeting of the Accountability Board unless it is on the agenda for the meeting or unless the Chair has agreed to accept the item on the grounds of special urgency which shall be set out in the minutes for the meeting.
- 9.9 Any key decisions must be included on the Forward Plan published 28 days in advance of the meeting.
- 9.9 Meetings of the Accountability Board will be open to the public and press except where the Accountability Board resolves that the press and public be excluded (which may only be during consideration of items containing confidential or exempt information within the meaning of Schedule 12A of the Act).
- 9.10 The agenda for each meeting shall include an opportunity for the public to ask questions or make statements on a matter within the remit of the Accountability Board.
- 9.11 The Secretariat and any Council may make a request to the Chair of the Accountability Board that a particular person or organisation is to be invited to attend a meeting of the Accountability Board for the purpose of making a presentation, or participating in discussion, on any item relevant to the Accountability Board's functions.

## 10. **Quorum**

- 10.1 The Quorum for meetings of the Accountability Board is two thirds of the Committee Members, including at least four Council Members.

## 11. **Minutes**

- 11.1 The minutes of the meeting shall be circulated to all Committee Members and shall be approved or amended at the next available meeting and, once approved, signed as an accurate record of the meeting by the Chair of the Accountability Board or by the person presiding at the meeting.
- 11.2 Minutes of the Accountability Board shall be published as required by law except to the extent that they include any exempt information.

## **12. Clerk**

12.1 The Clerk shall be nominated by the Accountable Body from time to time. The Clerk in conjunction with the Secretariat is responsible for ;

- (a) Organising and publishing dates of forthcoming meetings;
- (b) Production, publication and distribution of agendas, reports and minutes of meetings;
- (c) Ensuring representation at meeting;

12.2 Advising on the operation of the Accountability Board; and

12.3 Providing guidance to, and the recording of Committee Members' declarations of interest in accordance with the code of conduct and the Assurance Framework.

## **13. Sub-Committees**

13.1 The Accountability Board may from time to time appoint such sub-committees as it considers appropriate to exercise such functions as may be delegated to it by the Accountability Board and to advise the Accountability Board in the discharge of its functions, save and except that the Accountability Board may not delegate to any sub-committee the approval of the budget or Annual Business Plan or the fixing of the annual contributions payable by the Councils.

13.2 The Accountability Board will determine the membership and terms of reference of any sub-committee.

## **14 Scrutiny Arrangements**

14.1 The decisions made by the Accountability Board may be subject to the individual scrutiny arrangements of each Council.

14.2 Committee Members and their officer advisers shall co-operate with the relevant Scrutiny Committee of any of the Councils and shall, where requested, comply with any statutory duty to attend any meeting of any relevant Scrutiny Committee.

## **15. Call in**

15.1 Call in should only be used in exceptional circumstances Day to day management decisions or routine operational decisions should not be subject to Call in.

15.2 Other than in the case of a decision which the Accountability Board resolves is a decision that shall be exempt from Call-in as it needs to be implemented urgently, no decision of the Accountability Board may be implemented until the later of

- (a) 5pm on the third day after the decision has been published on the Company website and sent to the Councils ('the Call-in Period');
- (b) the conclusion of any call-in received during the Call-in Period

15.3 A decision is called in by an elected member or members of a Council in the same way they would call in a decision of each Council's Cabinet except that elected members of a Council may only call-in a decision which affects that Council or its administrative area.

15.4 Once a decision or other action taken has been called in it may not be implemented

until the scrutiny arrangements of the relevant Council whose membership has called in the decision or action have been completed. Where a relevant Scrutiny Committee (or full Council) makes recommendations to the Accountability Board, the Accountability Board shall arrange for the decision or action to be reconsidered in the light

15.5 When a Council receives notification that a decision has been called-in it will immediately notify the Clerk and the Secretariat by telephone or email.

15.6 If the Accountability Board is required to reconsider a decision at the request of a Council's Scrutiny Committee or full Council then it shall do so at a meeting and it may be necessary to convene a special meeting to deal with this.

15.7 Where any Member or officer is required to attend a Scrutiny Committee, the Chair of that Scrutiny Committee will inform the Secretariat who will ensure that the monitoring officer of that authority and that of the Accountable Body is informed

15.8 The operation this clause shall be kept under review.

## **16. Conduct and expenses of members**

16.1 All Council Members shall observe at all times the provisions of the Code of Conduct adopted by their respective Councils.

16.2 Each Council shall be responsible for meeting any expenses to which any Committee Member or officer appointed by them, as its representative, is entitled as a result of their attendance at meetings of the Accountability Board.



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# SELEP GUIDE TO GOVERNANCE

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## INTRODUCTION

SELEP is a partnership between public and private sectors who come together to direct where public monies are spent. Because we have two different sectors with differing legal frameworks working together our governance structures are more complex than those in one sector alone. It's because of the benefits of those sectors working together that Local Enterprise Partnerships (LEPs) were created and our governance structures need to be robust enough to encompass the complexities and allow those benefits to be realised.

With this in mind, we have created this guide to governance that will give an overview of our governance and provide links to more detail. Everyone who is involved with the LEP, whether a Board member, a member of Secretariat or working in a partner organisation should read and understand this overview and know which policies and procedures apply to their activities.

The funding that the LEP directs is taxpayers' money and the stewardship of that money on behalf of those taxpayers, is the most important role that all of those involved in the LEP has. When decisions are made on how those funds are spent, they must be made transparently and openly so that taxpayers can see how their money is being used. This principle is at the heart of our governance framework.

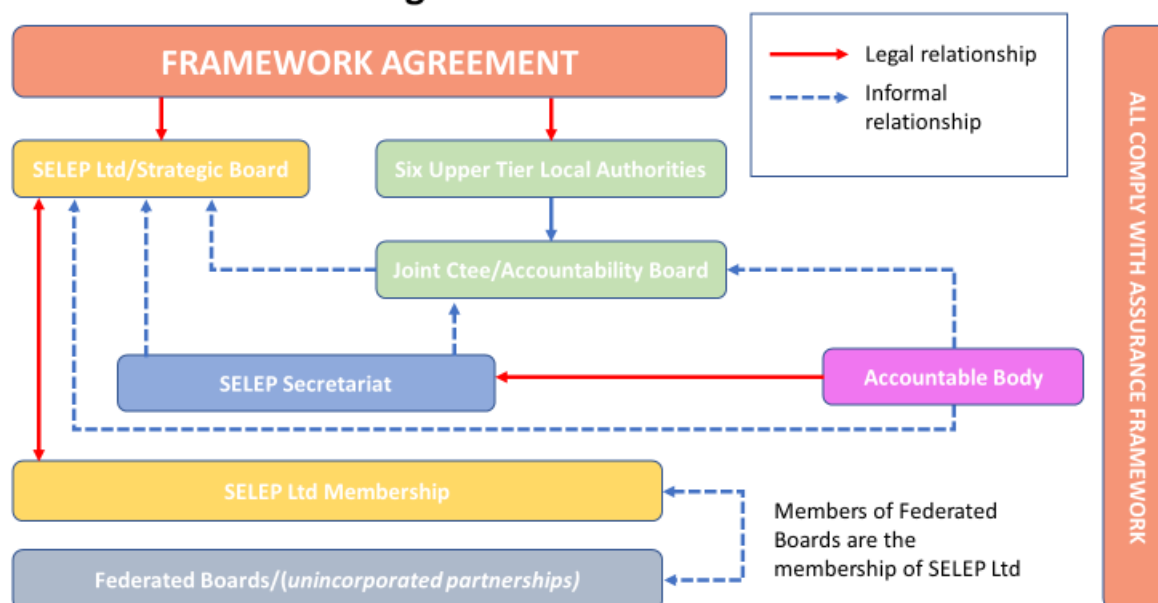
## WHO IS 'THE LEP'?

The South East Local Enterprise Partnership (SELEP) is used a colloquial term and applied to different groups of people and organisations. Legally the LEP is registered under the name South East Ltd at Companies House, as a company limited by guarantee. The Articles of Association for SELEP Ltd can be found here. But the LEP has a broader remit than that. The board of directors of SELEP Ltd (also known as the Strategic Board) come from a cross-sector background and provide a wider representation of views.

A simplified diagram of how different organisations work together on the agreed objectives of SELEP can be found below, along with high level responsibilities for the different organisations/boards.



## SELEP Governance Diagram



The Strategic Board recognises though the very important role of democratic accountability, especially with regard to spending public funds. That is why the three County Councils and three Unitary Councils in the SELEP area have come together to form a board that supports the activities of SELEP and ensures that due process has taken place before any public funds can be invested. This board is called **Accountability Board**. Accountability Board only considers decisions that relate to funding associated to SELEP or other decisions related to SELEP. Accountability Board is not a sub board of SELEP but pays very close regard to the wishes and advice of SELEP Ltd and vice versa.

Both SELEP Ltd and Accountability Board are supported by a small team of paid individuals. This group is known as the **SELEP Secretariat**. The Secretariat supports the administration of the partnership, provides advice and support to all Board members and ensures that policy and procedures are both in place and abided by.

The majority of funding, both investment and operational, for SELEP comes from Central Government. Central Government cannot easily make grants to commercial companies and therefore they ask a local authority to take receipt of funding on behalf of a LEP. This local authority then has a responsibility to ensure that the funding is used in the way that Government directs. This local authority is known as the **Accountable Body**. Government has asked that Accountable Body's take a further role for LEPs and provide some oversight of their governance processes to provide assurances to Government that both the correct governance processes are in place and are being adhered to.

SELEP agreed before incorporation that the all funding would remain within the Accountable Body rather than be transferred to SELEP Ltd. This means that SELEP Ltd has no assets or liabilities. It also means that SELEP Ltd can't employ the Secretariat, so the Accountable Body also undertakes that role.

The Accountable Body provides a finance function for SELEP Ltd. This involves holding and managing public funds paid by Government on behalf of SELEP. It also provides a support function (as agreed with SELEP

Ltd) providing technical advice on the relevant law, discussing risks associated with pursuing a particular course of action for the Strategic Board to consider, drafting funding agreements and contracts.

There is an agreement between the Accountable Body and SELEP Ltd that sets out how they work together, and it can be found here.

SELEP is the largest LEP in the country and whilst that size brings scale and opportunities, it is recognised that this means there are many more stakeholders who need a voice if we are to properly understand our economies in SELEP. In order to do that SELEP has adopted a federated model, and there are four Federated Boards. For more information on how the Federated Boards work, please click here.

To ensure that all the organisations that have a direct role in working with SELEP Ltd on joint objectives understand their responsibilities a Framework Agreement is in place and signed by all parties. This can be found here. All the parties of the Framework Agreement have agreed that they will abide by the Local Assurance Framework.

The table below sets out the high-level responsibilities for the different parts of the wider partnership.

## SELEP Responsibilities

|                                 |   |                              |
|---------------------------------|---|------------------------------|
| SELEP Ltd/Strategic Board       | Sets strategy   | Secretariat provides support |
|                                 | Prioritises and selects interventions to deliver strategy (projects)          |                              |
|                                 | Oversight of outcomes of programme of projects and accountable to Govt        |                              |
|                                 | Considers effectiveness of interventions/strategy                             |                              |
| Joint Ctee/Accountability Board | Approves investment in projects selected by SELEP Ltd                         |                              |
|                                 | Oversight of the delivery of projects – incl change control                   |                              |
|                                 | Oversight of SELEP Operational spend  |                              |
| Accountable Body                | Oversight of Governance arrangements  |                              |
|                                 | Provides finance function for SELEP Ltd: holds & manages public funds         |                              |
|                                 | Employs the Secretariat and enters into operational contracts on their behalf |                              |
|                                 | Provides technical advice on legal and financial operations of SELEP Ltd      |                              |
| Federated Boards                | Has oversight of projects in their area                                       |                              |
|                                 | Advise SELEP Ltd on challenges and opportunities in their area                |                              |
|                                 | Recommends prioritised projects/interventions to SELEP Ltd                    |                              |

## WHAT IS THE ASSURANCE FRAMEWORK?

The Local Assurance Framework (Assurance Framework) is a document that sets all of the SELEP governance and brings together the policies and procedures into one place. The SELEP Assurance Framework must comply with the National Local Growth Assurance Framework and the Section 151 Officer of the Accountable Body assesses whether our Local Assurance Framework is compliant and whether it is being adhered to in all the operations and decisions of SELEP.

The Accountable Body ensures that public funds are handled in line with the relevant procedures and grant conditions and that funds are used with propriety, regularity and deliver value for money. This includes an oversight function of processes such as LEP governance and transparency arrangements, compliance with the framework and agreement on scrutiny arrangements, to ensure that the checks and reporting requirements of the Section 151 Officer are met, this includes retaining appropriate documentation on decisions around funding.

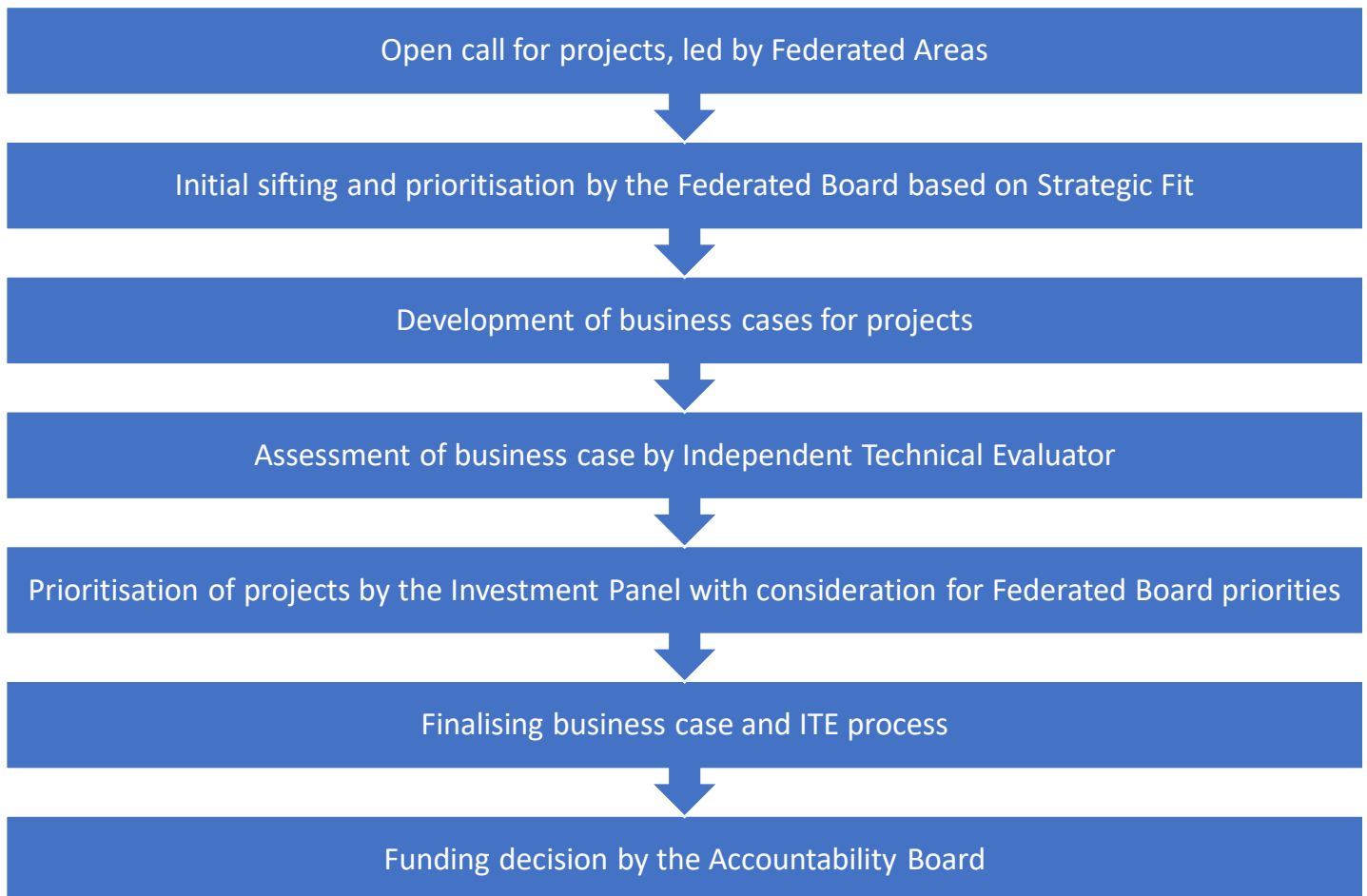
The Assurance Framework is a living document. It must be reviewed and agreed by SELEP Ltd annually. The policies and procedures that make up the Framework are also reviewed and refreshed on a regular basis. Should it be necessary, these policies and procedures can be updated any time, and so could the Assurance Framework. If Government makes changes to the National Local Growth Assurance Framework that aren't in the Local Assurance Framework, the Local Assurance Framework will need to be updated accordingly.

The National Assurance Framework is written by the Cities and Local Growth Unit ("Government"), which is a joint unit between the Department for Business, Energy and Industrial Strategy (BEIS) and the Ministry of Housing, Communities and Local Government (MHCLG). This unit is responsible for LEPs nationally.

The Accountable Body is also responsible for escalating concerns around non-delivery and/or mis-management. If this can't be resolved at the local level the Accountable Body will report any concerns to the Cities and Local Growth Unit.

## HOW DECISIONS ARE MADE

The details of how a decision is made will depend on the type of decision and the financial value associated with that decision. Details on how to classify a decision and how each decision flows can be found in the Assurance Framework but below is an example of how the LEP's Investment Panel (a sub-group of the Strategic Board) decides to invest in a project with the assistance of the Independent Technical Evaluator (ITE).



## SELEP incorporation – Summary of Counsel’s Opinion

### 1. Background

- The SELEP Legal Personality Subgroup requested that Counsel’s opinion was sought to identify potential liabilities of the Members and Directors of SELEP Company Limited.
- Daniel Bromilow of 9 Stone Building chambers to provide his opinion.
- Set out below is a summary of the questions asked of Counsel along with a summary of his opinion.

### 2. Summary of Questions and Counsels’ opinion

**Question 1** - *The extent and nature of any liabilities of Directors and Members of Newco arising from the future arrangements and undertaking their roles within Newco including my assessment of all potential liabilities, not merely financial liabilities*

- Counsels opinion is as follows:
  - For **Members**, there are no potential liabilities save in respect of payment of £1 if SELEP co we would up.
  - For **Directors** of SELEP co, the obligations and Liabilities are statutory in accordance with the Companies Act 2006 to the company;
    - - A duty to act within powers;
      - A duty to promote the success of the company;
      - A duty to exercise independent judgment
      - A duty to exercise reasonable care, skill and diligence;
      - A duty to avoid conflicts of interest;
      - A duty not to accept benefits from third parties
      - A duty to declare an interest in any proposed transaction or arrangement.
  - For **Directors**, criminal sanctions for failure to comply with governance or filings accounts or companies house formalities set out in statute along with offences of dishonesty.
  - **Directors** may also be disqualified under statute for fraudulent or conviction for serious offences
  -

**Question 2** - *The potential liabilities of the Local Authorities that are party to the Framework Agreement under that agreement*

- Counsels opinion is that the liabilities are as follows:
  - To work together to deliver SELEP aims and objectives
  - Reimburse costs as a result of withdrawal

**Question 3.** *Whether changes are needed to either the draft Articles, or the draft Framework Agreement to better implement the LEP Review and/or to better protect the directors, members or Local Authorities*

- Counsels opinion is that that there aren't any specific areas which need to be changed to provide greater protection for directors and members. Members are under no liabilities, and so there is nothing to protect them against. Directors are under extensive potential liabilities, but statute limits protection which can be afforded to them and the Articles already provide the maximum amount of protection permitted.

## **Guidance on Responsibilities of Directors**

### **Role of Directors**

- Directors can hire other people to manage some of these things day-to-day but they are still legally responsible for the company's records, accounts and performance
- Directors may be personally liable for the company's business liabilities and be fined, prosecuted or disqualified as a company director if they don't follow the rules

### **Duties of Directors**

- Duties of directors are set out in the company act 2006 and developed via case law and other legislation over time.
- Must act in accordance with the articles of association and in line with the statutory and fiduciary duties.
- Main duty is to try to make the company a success, using skills, experience and judgment (best interest of the company and duty to exercise reasonable care, skill and judgment, as well as exercising independent judgement)
- For Directors with 'twin-hatted' role must make decisions in light of the interests of SELEP Ltd NOT the interests of other organisations they may representing
- Fiduciary duties that apply include the duty confidentiality – any information obtained by a director during the course of the fiduciary relationship must be kept confidential and may only be exploited by the director for the benefit of the company, even after the fiduciary relationship has ended.

## Item 4: Appendix A- Deputy Chair Electronic Procedure Paper

### 1. Purpose

- 1.1. The purpose of this paper is to undertake a vote by Electronic Procedure to agree the adoption of the Deputy Chair Recruitment Policy (the Policy), the establishment of a Selection Panel to oversee the recruitment of a Deputy Chair and the Job Description and Person Specification for the role.
- 1.2. Strategic Board (the Board) is reminded that votes by electronic procedure are subject to the same quorum and declarations of interest requirements as decisions made at Board meetings.

### 2. Recommendations

2.1. The Board is asked to:

- 2.1.1. Agree the adoption of the Deputy Chair Recruitment Policy as at Appendix A;
- 2.1.2. Agree the establishment of a Selection Panel with the membership and Terms of Reference as set out in section 4 below;
- 2.1.3. Agree the job description and person specification for the Deputy Chair role as at Appendix B; and
- 2.1.4. Agree the shortlisting criteria at Appendix C

2.2. Board members are invited to respond to the email entitled 'Deputy Chair Recruitment' with their position on whether to accept the four recommendations in 2.1.1 to 2.1.4 above. A simple 'YES' in the body of the email will indicate consent to adopt the four recommendations, while 'NO' will indicate dissent. It should be noted that Government has indicated that they require a Deputy Chair to be selected in advance of the Annual Performance Review which will be held in January 2020.

### 3. Background

3.1. Board Members will be aware be aware that the LEP Review ([Strengthened Local Enterprise Partnerships](#)) was launched by Government in late July 2018, with the aim of setting the conditions by which LEPs would strengthen and, by extension, become suitable custodians of future funding streams, such as the UK Shared Prosperity Fund.

3.2. One of the recommendations of the LEP Review, was the appointment of a Deputy Chair and this was approved at the meeting of the Board on 4 October 2019. The original intention was to bring a job description/person specification and recruitment approach to the meeting of the December Board but at the Mid-Year Review with Government Officials it was made clear that their expectation was that the recruitment of a Deputy Chair should have happened by the time of the Annual Performance Review in early 2020. It was agreed that the identification of a preferred candidate following an open recruitment would be sufficient. Therefore, it was agreed that this process would be expedited through an electronic procedure.

3.3. It was also agreed at that meeting that the recruitment of the Deputy Chair would be an open recruitment across the SELEP geography, led by the Chair and supported by the Secretariat and the remuneration package would be £10,000 per annum.

3.4. The agreed approach was to follow a similar process to that used for previous Chair recruitments.

### 4. Proposal

4.1. A Deputy Chair Recruitment Policy has been constructed and can be found at Appendix A. This policy closely aligns with the Chair Recruitment Policy that was agreed at the meeting of the Board in June 2019. It is proposed that this policy be adopted and the recruitment process will follow that policy.



4.2. The policy sets out a requirement for a working group of the Strategic Board to be formed who will function as a Selection Panel and this Panel should have a business majority. The proposed panel for this recruitment is:

4.2.1. The Chair (required under the policy)

4.2.2. One Vice Chair (representing business)

4.2.3. One Local Authority representative

4.2.4. One representative of the education sector (Higher and Further education)

4.3. This would mean the Panel would consist of 3 private sector representatives and one from the public sector.

4.4. The Terms of Reference for the Panel would be as follows:

4.4.1. **Purpose:** to oversee the recruitment process and make a recommendation of preferred candidate for the role of SELEP Deputy Chair to the SELEP Strategic Board.

4.4.2. **Membership:** as above at 4.2. Members of the Selection Panel can nominate a deputy for any meeting of the Panel, but they must be members of SELEP Strategic Board. Only Panel members can vote on final selection of preferred candidate (majority vote required on preferred candidate).

4.4.3. **Meetings:** the Panel will meet to select the Search and Recruitment Company, to shortlist candidates and to assess the shortlisted candidates following interviews. These meetings will be private and can be held via telephone if necessary.

4.4.4. **Responsibilities:** agree the approach to advertising and campaigns; shortlist from a long-list of candidates presented by the Search and Recruitment Company as per the agreed criteria at Appendix B; agree approach to selection; attend and conduct interviews of shortlisted candidates and propose preferred candidate to the next available meeting of the Strategic Board.

4.5. The proposed Job Description and Person Specification for the role can be found at Appendix B. The role will be adopted to on a two-year term, with the ability for the Strategic Board to extend for two further terms as set out in the Policy.

4.6. The proposed selection criteria for the role can be found at Appendix C.

## 5. Next Steps

5.1. Those Board members that are eligible to be on the Panel will be approached by the Secretariat to gauge their interest and the Chair will select members with consideration to fair and equitable representation across the LEP.

5.2. The Secretariat will make the necessary arrangements for scheduling and meetings and continue to work with the Accountable Body to ensure correct policies and procedures are followed.

## 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. The proposed Deputy Chair Recruitment Policy adheres to the SELEP Terms of Reference.

6.3. 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.

Author: Suzanne Bennett

Position: Chief Operating Officer

Contact details: [Suzanne.bennett@southeastlep.com](mailto:Suzanne.bennett@southeastlep.com)

Date: 22 October 2019

## Item 4: Appendix B- Deputy Chair Electronic Procedure Results

### 1. Purpose

- 1.1. The purpose of this paper is to explain the results of a vote by Electronic Procedure to agree the adoption of the Deputy Chair Recruitment Policy (the Policy), the establishment of a Selection Panel to oversee the recruitment of a Deputy Chair and the Job Description and Person Specification for the role.
- 1.2. Strategic Board (the Board) was reminded that votes by electronic procedure are subject to the same quorum and declarations of interest requirements as decisions made at Board meetings.

### 2. Recommendations

- 2.1. The Board was asked to:
  - 2.1.1. Agree the adoption of the Deputy Chair Recruitment Policy as at Appendix A;
  - 2.1.2. Agree the establishment of a Selection Panel with the membership and Terms of Reference as set out in section 4 below;
  - 2.1.3. Agree the job description and person specification for the Deputy Chair role as at Appendix B; and
  - 2.1.4. Agree the shortlisting criteria at Appendix C
- 2.2. Board members were invited to respond to the email entitled 'Deputy Chair Recruitment' with their position on whether to accept the four recommendations in 2.1.1 to 2.1.4 above. A simple 'YES' in the body of the email would indicate consent to adopt the four recommendations, while 'NO' would indicate dissent. It should be noted that Government has indicated that they require a Deputy Chair to be selected in advance of the Annual Performance Review which will be held in January 2020.

#### 2.3. The following responses were received:

YES: 17

NO: 0

ABSTENTIONS: 2

The quorum was met as follows:

| Requirement                         | Actual |
|-------------------------------------|--------|
| 17 total votes                      | 19     |
| 9 private sector votes              | 11     |
| 3 Upper Tier Local Authority votes  | 3      |
| 1 bus rep from each Federated Board | met    |

#### 2.4. The proposals set out in 2.1.1 – 2.1.4 above were therefore agreed.

### **3. Accountable Body Comments**

3.1. The appointment of a Deputy Chair was a requirement for the SELEP following the LEP review in July 2018.

3.2. The proposed Deputy Chair Recruitment Policy adheres to the SELEP Terms of Reference.

3.3. 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.

Author: Amy Ferraro

Position: Governance Officer

Contact details: amy.ferraro@southeastlep.com

Date: 5th November 2019

## Item 5: Appendix A- Sector Support Funding (SSF) Revenue Programme Guidance for Applicants

### 1 Background

- 1.1 The SELEP Strategic Board (the Board) has approved the use of the Growing Places Fund (GPF) Revenue grant to fund a programme of works to support the sector focussed activities that are being undertaken on a pan-LEP basis and which are predominantly led by the SELEP working groups.
- 1.2 The Board agreed the programme of total funding available in each year would be up to £500,000 of revenue grant per annum for three financial years, beginning 2017/18.

### 2 Purpose

2.1 Since its inception, SELEP has enabled a number of sector based working groups that function across the LEP area. At the time of writing those groups are:

- Coastal Communities
- Creative
- Housing
- Growth Hubs
- Transport and Infrastructure
- Rural
- Skills
- Universities
- Tourism
- Social Enterprise
- Clean Growth (soon to be established)

These groups are subject to change and there are many other groups that are working across the SELEP area, focussed on sector or common issues on a more informal basis.

- 2.2 The working groups are made up of representatives of any number of different organisations who give their time on a voluntary basis, as the benefits of cross-working have been clear. However, as these groups have matured, it has become apparent that there is additional work or projects that the groups could put into place that would bring further benefits but finding funding for these projects is increasingly difficult.
- 2.3 When the GPF grant was originally awarded, a proportion of the fund was earmarked as revenue. The intention had been to transfer this revenue into a wider property fund; but as the decision was made to not take forward that fund; the revenue funding became available to be used elsewhere.
- 2.4 The purpose of the SSF is therefore to support one-off, discrete pieces of work of a pan-LEP nature with a sector focus that brings demonstrable benefits and which have support across the LEP. All

applications must meet the criteria detailed in section 3 and be submitted in line with the process in section 4.

2.5 An independent assessment of the bid will be completed against the eligibility criteria.

2.6 Further guidance on Value for Money can be found in Appendix 1 and a copy of the application form can be found at Appendix 2.

### 3. Eligibility Criteria

3.1 All funding applications must meet the following eligibility criteria:

Table 1 Eligibility Criteria

| Eligibility Criterion  | Notes  |
|--|--|
| Scope must be <b>pan LEP</b>   | The project must be able to demonstrate impact in at least three of the SELEP federated areas, preferably all four.  |
| Federated areas must support the project   | The project proposal must be discussed with the SELEP lead officer/Director for every federated area impacted. Endorsement for the bid must also be sought from the relevant Federated Board of the lead Upper Tier Authority.   |
| The outcomes must align with SELEP's overarching objective to <i>create the conditions</i> for increased <b>jobs and homes</b> , safeguarding existing jobs and raising skill levels | Given the low investment levels of this fund, it is not expected that the projects will directly deliver greater numbers of jobs and homes but applicants must be able to demonstrate how the project will be part of creating the conditions for greater numbers of jobs and homes. |
| The project must align with the SELEP priorities as defined in the <b>Economic Strategy Statement</b>  | Applicants should highlight which objective(s) that their project supports. If you are unable to identify an objective to align to, this would suggest your project is not suitable for this funding.  |
| The funding must be for a discrete piece of work, not ongoing or business as usual (BAU) costs   | This funding is project based, that is a stand-alone piece of work, with defined start and finish dates and clearly identified inputs and outputs.   |
| Minimum application value is £25,000 and maximum application value is £200,000   | Bids outside of this range will not be considered.   |

| Eligibility Criterion   | Notes   |
|---|---|
| Funding will be awarded as a grant to support <b>revenue</b> spending only  | Capital bids will not be considered.  |
| Match funding of <b>30%</b> must be demonstrated  | <p>Applicants must be able to evidence at least 30% of match funding at the time of application. This match can be either cash or non-cash. The source of this match must be identified and other SELEP funding or SELEP resource (including SELEP working group time) <b>cannot</b> be submitted as match.</p> <p>The certainty of this funding contribution must be stated and evidence provided of the availability of the match funding contribution.</p> <p>The match funding should also be spent within the project timescales specified within the bid application.</p> <p>Exception to the requirement for 30% match funding will only apply where evidence is provided of substantial follow on investment.</p> |
| Projects are expected to be a maximum of <b>12 months</b> duration. Exceptions will be considered on a case by case basis | Funding can be provided in more than one financial year if the 12 month period straddles two financial years.   |
| The project must demonstrate Value for Money and comply with the SELEP Assurance Framework                                | Further guidance on demonstrating Value for Money in a proportional manner can be found in Appendix 1.  |
| The project must be supported by a lead County/Unitary Authority or equivalent  | <p>A grant agreement will be implemented between SELEP and the lead upper tier authority.</p> <p>Other contracting routes will only be considered on an exceptional basis.</p>  |

#### 4. Process for Applications

- 4.1 The process that applicants need to follow is detailed below. Applicants should make contact with the SELEP Secretariat before submitting an application, in order to discuss their bid. In the first instance this should be via the SELEP lead for the relevant working group. If there isn't a working

group for the particular sector focus of the bid, please use the general contact form on the SELEP website or email [hello@southeastlep.com](mailto:hello@southeastlep.com) and the most suitable contact will respond.

- 4.2 Bidding Period: Table 2 below sets out the timetable for a series of open calls for projects in 2019/20. If the annual allocation is not fully depleted through the first call for projects then the remaining calls for projects will be launched until the annual funding has been fully allocated. The total allocation value for each year is £500,000. Information on the current value of funds available in each year can be found via your SELEP contact, on the website via this [link](#), or by emailing the Secretariat using the address above at 4.1.
- 4.3 During the Bidding Period, the opportunity to submit funding proposals will be advertised as an open call for projects on the SELEP website and Federated Board/Upper Tier Authority websites. Through this period, the project promoter must work with the relevant Federated Area to seek endorsement for the project and raise the profile of the project proposal with other Federated Areas. In the first instance, this engagement should be through contact with the relevant working group.
- 4.4 Bid Submission: all applications should be made using the application form at Appendix 2 and submitted via the [hello@southeastlep.com](mailto:hello@southeastlep.com) email address, and your SELEP contact should be copied in.

**Table 2 Timescales for 2019/20 SSF Call for Projects**

| <b>Strategic Board meeting</b>                          | <b>22<sup>nd</sup> March 2019</b>  | <b>4<sup>th</sup> October 2019</b>               | <b>6<sup>th</sup> December 2019</b>                       | <b>20<sup>th</sup> March 2020</b>                 |
|---|------------------------------------|--|---|---|
| Bid Submission  | 8 <sup>th</sup> February 2019      | 9 <sup>th</sup> August 2019                      | 18 <sup>th</sup> October 2019                             | 31 <sup>st</sup> January 2020                     |
| Independent Review of bid by the SELEP Accountable Body | 11 <sup>th</sup> February 2019     | 12 <sup>th</sup> to 23 <sup>rd</sup> August 2019 | 21 <sup>st</sup> October to 1 <sup>st</sup> November 2019 | 3 <sup>rd</sup> to 14 <sup>th</sup> February 2020 |
| Prioritisation by SELEP Directors Group                 | w/c 25 <sup>th</sup> February 2019 | w/c 26 <sup>th</sup> August 2019                 | w/c 4 <sup>th</sup> November 2019                         | w/c 17 <sup>th</sup> February 2020                |
| Strategic Board report to be published                  | 8 <sup>th</sup> March 2019         | 20 <sup>th</sup> September 2019                  | 22 <sup>nd</sup> November 2019                            | 6 <sup>th</sup> March 2020                        |

- 4.5 Independent Review: An independent review of the Business Case will be completed by the SELEP Accountable Body against the Eligibility Criteria set out in Table 1 and the requirements of the SELEP Assurance Framework. This review of projects is to ensure that the requirement of the SELEP Assurance Framework to ensure that all investments are independently evaluated is met. The appraisal will be proportionate to the value of the investment. If your project does not meet all of the eligibility criteria, it is not suitable for this funding. In this case, please discuss further with the SELEP Secretariat who may be able to help you identify other, more suitable, funding sources.
- 4.6 Prioritisation: Should the call upon SSF exceed the amount of funding available, the funding bids will be prioritised in accordance with the criteria set out in Table 3 below. An initial technical prioritisation of the project will be led by the SELEP Directors Group, based on the outcome of the

independent evaluation of bids and the assessment criteria. The outcome of this technical exercise will be presented to the SELEP Strategic Board, or Investment Panel if Strategic Board agree the delegation of authority, for endorsement and will be used to inform the final decision making by the SELEP Managing Director. This technical prioritisation will be informed by the information presented within the SSF application form.

- 4.7 The SELEP Directors Group will be provided with the outcome of the independent assessment and will be asked to support the prioritisation of the bids based on the criteria set out in Table 3 below. A 1 to 5 scoring assessment will be made for each funding bid based on the five criteria listed in Table 3, based on the description which is most applicable to the project. The 1 to 5 scoring will be presented to the Strategic Board to support their consideration of the projects. A total score will not be provided as some of the prioritisation criteria, such as the project deliverability, are likely to be more important than other criteria.
- 4.8 Approval: SELEP Strategic Board meets on a quarterly basis and the timing of Board meetings should be considered when you submit your application. The project application will be considered for endorsement by the SELEP Strategic Board, but the funding award will be made by the SELEP Managing Director under delegated responsibilities. Through the consideration of the project by the SELEP Strategic Board, the SELEP Accountability Board Chair will be sighted on the proposed award of funding owing to the Accountability Board Chair's responsibilities for ensuring value for money for all projects and programmes.
- 4.9 Post Approval: the grant will be paid to the relevant Upper Tier Authority for the Project by Essex County Council, who acts as Accountable Body for SELEP. A grant agreement between the recipient and Essex County Council must be in place before any funds are transferred.
- 4.10 The funding will be transferred as a one off grant payment. Any increase to the cost of delivering the project must be managed locally.
- 4.11 Monitoring and Evaluation - project sponsors will be expected to report on the progress of the project and to provide information to allow the evaluation of the effectiveness of the project. Again, this will be proportionate to the size of the investment made. The requirements of monitoring and evaluation will be included in the grant agreement and a template will be provided by the SELEP Secretariat. Project progress and impact, and any changes to project scope will be reported to the Board on a bi-annual basis. More detailed update reports or presentations about the projects may be sought by the Board.
- 4.12 All projects and all recipients must comply with the SELEP Assurance Framework and grant conditions. It is strongly suggested that any potential applicant spends time familiarising themselves with the SELEP Assurance Framework before submitting any bid. The current Assurance Framework can be accessed [here](#).



Table 3 Prioritisation of SSF bids

| Prioritisation Criteria      | Evidence  | 1  | 2   | 3  | 4  | 5   |
|------------------------------|---|--|---|--|--|---|
| <b>Strategic Fit</b>         | The bid should give specific reference to the SELEP Economic Strategy Statement, SELEP objectives and set out how the project will meet these objectives.   | Weak alignment with SELEP objectives.<br><br>Little or no reference to SELEP objectives.<br><br>The intended objectives of the project are unclear.          | The project objectives have been identified but little/no reference given to SELEP objectives.  | The project objectives and SELEP objectives are stated but the links between the two are unclear.  | Links between the project objectives and SELEP objectives have been provided.  | Strong fit with SELEP objectives.<br><br>There are clear links made between the intended project objectives and SELEP objectives.   |
| <b>Scale of the benefits</b> | The bid should set out the benefits related to the project. These benefits should be quantified where feasible to do so. Additional qualitative information can also be provided in support.<br><br>The project benefits should be specific to the SELEP area. Any geography within the SELEP area which will benefit from the project to a greater extent than others should be specified.<br><br>The timescales for these benefits being realised should be detailed.<br><br>Further advice on the value for money assessment is set out in Appendix 1. | The bid has failed to provide evidence of the benefits of the project to the SELEP area.<br><br>The project is unlikely to represent high value for money.** | The project benefits are stated but the timescales for these benefits being achieved is unclear and/or these benefits are unlikely to achieve high value for money.**                 | The benefits to the SELEP area are clearly stated and these benefits are aligned with SELEP's strategic objectives.<br><br>The timescales for these benefits being achieved is clearly stated.<br><br>The project is expected to present high value for money but a quantitative assessment of the benefits has not been feasible or there is uncertainty around the value for money assessment. | The benefits to the SELEP area are clearly stated and these benefits are aligned with SELEP's strategic objectives.<br><br>The timescales for these benefits being achieved is clearly stated.<br><br>High value for money has been demonstrated through a quantified assessment.<br><br>The benefits will take longer than 3 years to come to fruition. | The benefits to the SELEP area are clearly stated and these benefits are aligned with SELEP's strategic objectives.<br><br>High/very high value for money has been demonstrated through a quantified assessment of the project benefits.<br><br>Evidence has been provided to support this value for money assessment through quantitative data and/or benchmarking against other projects.<br><br>It is expected that these benefits will start to be realised within 3 years of SSF investment. |
| <b>Delivery</b>              | The bid should include a detailed list of project milestones.<br><br>The approach to managing the project should be specified with a  | Limited information has been provided to demonstrate the deliverability of the project or to demonstrate that arrangements are in place to                   | A list of project milestones has been provided but limited information is included about the specific activities to be undertaken or the project milestones seem unrealistic relative | A list of project milestones has been provided but limited information has been included about the specific activities to be undertaken.   | Project milestones have been provided, including details of the specific activities to be undertaken   | Strong evidence that the project will be delivered and the proposed benefits of the project will be achieved.   |

| Prioritisation Criteria              | Evidence  | 1   | 2  | 3   | 4   | 5  |
|--------------------------------------|---|---|--|---|---|--|
|                                      | <p>lead officer having been identified and the project governance arrangements having been defined.</p> <p>The bid should detail the project risks and dependencies.</p> <p>The approach to monitoring and evaluation of outputs, outcomes and benefits is set out.</p> | <p>oversee the delivery of the project.</p> <p>The main project risks and/or project dependencies have not been identified.</p> | <p>to the timing of the SSF contribution.</p> <p>A project manager has been identified but the wider project governance arrangements are unclear.</p> <p>The main project risks and/or project dependencies have not been identified or high project risks have been identified.</p> | <p>The approach to the management of the project has been detailed, but requires further development.</p> <p>Project risks and dependencies have been identified but further consideration is required prior to the project commencing and/or mitigation action is required to address project risks owing to medium/high risks having been identified.</p> | <p>and indicative timescales for completion.</p> <p>A thorough approach has been taken to the consideration of project risks and dependencies.</p> <p>No high risks have been identified to project delivery, but some areas of medium risk have been identified.</p> | <p>Project milestones have been provided, including details of the specific activities to be undertaken and indicative timescales for completion.</p> <p>An approach to project governance has been defined.</p> <p>A thorough approach has been taken to the consideration of project risks and dependencies.</p> <p>No substantive project risks have been identified.</p> |
| <b>Rationale for SSF investment</b>  | <p>The bid should explain other funding sources which have been considered and provide justification as to why SSF is required.</p>   | <p>Limited justification as to why SSF is required.</p> <p>SSF is not considered to be the most appropriate funding source.</p> | <p>There is limited rationale for SSF investment over alternative funding sources.</p>   | <p>A case is made for SSF investment but other funding options have not been explored.</p>  | <p>Alternative funding options have been considered and the case is made for SSF investment.</p>  | <p>Strong case is made for SSF investment.</p> <p>Evidence is provided that other funding opportunities have been considered but are not viable.</p>   |
| <b>Sector Support Fund available</b> |   | <p>There is insufficient SSF available to support the SSF ask for the project.*</p>   |  |   |   | <p>There is sufficient SSF available to meet the SSF ask for the project.</p>  |

\* This criteria may be relevant in future rounds of SSF once the amount of SSF available has been depleted through previous funding commitments

\*\* If a project fails to demonstrate high value for money then the project will not be considered for investment.

## Appendix 1 – Value for Money Guidance

1. The Sector Support Funding (SSF) scheme is intended to provide low value revenue support to those key areas of SELEP work that are cross cutting across the SELEP Federated areas. This appendix focusses on the requirement for all projects requesting investment to demonstrate Value for Money (VfM).
2. It is recognised that any VfM appraisal undertaken should be proportionate to the investment requested and be limited to a consideration of the public sector financial contribution. Bids made via the SSF programme will not be in excess of £200,000 and therefore will not be subject to a full economic appraisal, that would be used to assess Local Growth Fund or Growing Places Fund projects, but project sponsors should take a best endeavours approach to monetise the benefits expected from the project and make a comparison to the investment requested to ensure that the benefits do exceed the cost of the project.
3. It is not expected that this level of investment will result in large economic benefits such as jobs or homes, but the investment MUST relate to some kind of output or outcome. As laid out in the criteria, projects submitted for funding should not be Business as Usual (BAU) type activity or to support operational costs. If you are struggling to identify direct outputs that are linked to your project it is likely that the costs are therefore operational/BAU and not applicable for funding.
4. Where outputs are identified, efforts must be made to translate these into financial terms. This could include the unlocking of further or additional funding, the bringing forward of financial benefits (such as the earlier realisation of fees/income or taxation such as Business Rates). Another example might be the avoidance of cost where a cross border piece of work can be undertaken thus preventing this being duplicated across the LEP.
5. Given the wide nature of the types of projects that are able to come forward it is difficult to provide definitive advice as to how benefits should be calculated, but the Secretariat can offer individual advice to any potential project sponsors. All calculations of benefit valuation should be provided as part of the application.
6. When benefits that can be directly linked to the SSF investment have been converted into financial terms – i.e. pounds sterling, they should be compared to the requested investment as a ratio. That is, benefits divided by costs. This will give a Benefit/Cost Ratio value. A high VfM project will have a BCR in excess of 2:1, a borderline project will have a BCR of 1.5:1, but will still be considered given the low financial value of the projects in projects where additional benefits are anticipated to demonstrate high value for money, but can't be readily quantified.
7. If your project does not meet the lowest BCR threshold of 1.5:1, and you believe this is due to the difficulty in converting benefits into financial terms, then please provide as much narrative around this as possible and an assessment will be made before a recommendation is made to Strategic Board.
8. SELEP is keen that a VfM assessment can be made in a light touch and proportionate way but in a way that ensures that any investment made by the Partnership gives benefit to the tax payer who ultimately funds these investments.

## Appendix 2 Sector Support Fund (SSF) Application Template

|   |  |
|---|--|
| <b>1. Project Title</b>   |  |
|   |  |
| <b>2. Project Location</b>  |  |
|   |  |
| <b>3. Lead point of contact for Project</b>   |  |
| Name  |  |
| Organisation  |  |
| Job Title   |  |
| Telephone   |  |
| Email   |  |
| <b>4. Lead contact in County Council/ Unitary Authority (if different from above)</b>   |  |
| Name  |  |
| Organisation  |  |
| Job Title   |  |
| Telephone   |  |
| Email   |  |
| <b>5. Description of Project (No more than 300 words)</b>   |  |
| <p><i>This narrative should include evidence of impact in at least three of the four SELEP Federated areas and links to sector based working groups</i></p> |  |

| <b>6. Federated Board endorsement</b>  |         |         |         |       |
|--|---------|---------|---------|-------|
| <i>Please indicate which Federated Boards have endorsed the project, including dates of any relevant meetings.</i>                 |         |         |         |       |
|  |         |         |         |       |
| <b>7. Project links to SELEP Economic Strategy Statement</b>   |         |         |         |       |
| <i>Please identify which objectives within the current Economic Strategy Statement that this project will assist in delivering</i> |         |         |         |       |
|  |         |         |         |       |
| <b>8. Total value (£s) of SSF sought (net of VAT)</b>  |         |         |         |       |
|  |         |         |         |       |
| <b>9. Total value (£s) of project (net of VAT)</b>   |         |         |         |       |
|  |         |         |         |       |
| <b>10. Total value (£) of match funding (net of VAT)</b>   |         |         |         |       |
|  |         |         |         |       |
| <b>11. Funding breakdown (£s)</b>  |         |         |         |       |
| Source   | 2017/18 | 2018/19 | 2019/20 | Total |
| SSF  |         |         |         |       |
| Other sources of funding <i>(please list below, add additional rows if necessary)</i>  |         |         |         |       |
| <i>Insert name of funding</i>  |         |         |         |       |

|                    |  |  |  |  |
|--------------------|--|--|--|--|
|                    |  |  |  |  |
|                    |  |  |  |  |
| Total Project Cost |  |  |  |  |

**12. Details of match funding**

*Insert details of match funding, including who is providing match, at what value, on what terms and what assurances are there that the match will be provided*

**13. Expected project start and completion dates**

**14. Key Milestones**

| Key Milestones | Description | Indicative Date |
|----------------|-------------|-----------------|
|                |             |                 |
|                |             |                 |
|                |             |                 |
|                |             |                 |
|                |             |                 |
|                |             |                 |
|                |             |                 |
|                |             |                 |

**15. Benefits created by 2021 (list benefits with number/amount and cash value if applicable)**

| Type of Benefit | Number of benefits created | Cash value of benefit (£) |
|-----------------|----------------------------|---------------------------|
|                 |                            |                           |
|                 |                            |                           |
|                 |                            |                           |
|                 |                            |                           |
|                 |                            |                           |

|   |  |  |
|---|--|--|
|   |  |  |
|   |  |  |
| <b>16. Value for Money – Benefit/Cost Ratio</b>   |  |  |
| <p><i>Please insert your Benefit/Cost Ratio (i.e total value of benefits divided by total costs). Please indicate how you have quantified your benefits and over what period those benefits are expected to be realised</i></p>   |  |  |
| <b>17. Value for Money – Other Considerations</b>   |  |  |
| <p><i>Please detail benefits that cannot be quantified or cannot be quantified without lengthy or expensive analysis. This narrative should include details on why the benefit can't be quantified. If your BCR does not meet the standard 2:1 – please use this section to set out why the investment should be considered</i></p>   |  |  |
| <b>18. Dependencies and Risks</b>   |  |  |
| <p><i>Please detail any scheme dependencies, risks and delivery constraints which may impact on the delivery of the project and/or the benefits achieved through SSF investment in the Project</i></p>  |  |  |
| <b>19. State Aid Implications</b>   |  |  |
| <p><i>Please indicate how your project complies with State Aid Regulations</i></p> <p><i>NB: A declaration of compliance with EU or other State Aid Regulations will be required prior to any SSF being provided. If your project is awarded SSF it will be subject to a condition requiring the repayment of funding in the event that the European Commission or UK Government determines that the funding constitutes unlawful State Aid</i></p> |  |  |
| <b>20. Contracting Body</b>   |  |  |
| <p><i>Please provide the name of the organisation to act as contracting body and give details of a contact within the organisation, including phone number and email.</i></p>   |  |  |

*If the contracting body is **not** one of the SELEP County or Unitary Councils, please detail the organisation that has been chosen, why the organisation has been selected and the benefits this arrangement will bring to the project. Any known risks of this organisation acting as contracting party should be identified here. Essex County Council as Accountable Body will make the final decision on whether any organisation is a suitable contracting partner.*

**21. Project Governance Structure**

*Please explain the project governance structure (ideally as a diagram with accompanying text), including the Project Manager, Senior Responsible Officer.*

**22. Declaration**

|                                   |  |
|-----------------------------------|--|
| <b>Declaration</b>                | <b>I certify that the information provided in this application is complete and correct</b> |
| <b>Signature (Lead applicant)</b> |  |
| <b>Print Name</b>                 |  |
| <b>Organisation</b>               |  |
| <b>Date</b>                       |  |

*A version of this document is available on [www.southeastlep.com](http://www.southeastlep.com)*



## Item 5: Appendix B- Summary of Strategic Board endorsed Sector Support Fund projects

| Project title  | Project description   | Endorsed by Strategic Board | SSF allocation to the project | SSF transferred to date | Expected completion date | Updated/ Actual completion date |
|--|---|-----------------------------|-------------------------------|-------------------------|--------------------------|---------------------------------|
| England's Creative Coast (formerly Culture Coasting)           | The project will create an innovative new immersive visitor experience driven by world class art, which aims to build the volume and value of visitors to the SELEP area. The project will deliver art commissions, itinerary-planning online platforms and an international marketing campaign amongst other outputs.  | June 2017                   | £150,000                      | £0                      | January 2021             | January 2021                    |
| Gourmet Garden Trails (Tourism - Colours and Flavours project) | The project will launch a series of tourist trails showcasing England's gardens and unique food and drink. The Gourmet Garden Trails product will be a leisure travel planning resource allowing visitors to plan and book accommodation, courses, wine and brewery tours and visits to English gardens individually or via the Gardens and Gourmet visitor pass. | June 2017                   | £60,000                       | £60,000                 | March 2019               | No update provided              |
| North Kent Enterprise Zone: Enabling and Marketing             | The North Kent Enterprise Zone came into operation on 1st April 2017 and this project seeks to take forward two workstreams:<br>3.1.1. Preparation of Local Development Orders and Masterplan for Innovation Park Medway; and<br>3.1.2. Marketing of the North Kent Enterprise Zone and associated collateral.  | June 2017                   | £161,000                      | £161,000                | June 2019                | May 2020                        |
| Future Proof – Accelerating Delivery                           | The project will create a financial product which will be used to accelerate the delivery of housing developments which   | September 2018              | £110,000                      | £110,000                | November 2019            | November 2019                   |

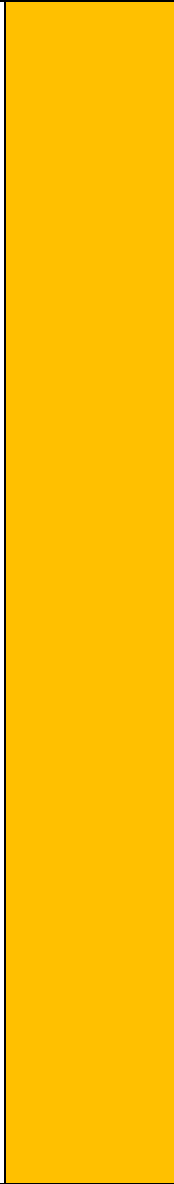
| Project title  | Project description  | Endorsed by Strategic Board | SSF allocation to the project | SSF transferred to date | Expected completion date | Updated/ Actual completion date |
|--|--|-----------------------------|-------------------------------|-------------------------|--------------------------|---------------------------------|
| of High Quality Development across the LEP   | are future proofed for 2050. This product will help to overcome the existing barriers to housing delivery by taking a long-term approach to development finance.   |                             |                               |                         |                          |                                 |
| Good Food Growth Campaign  | The project will support growers, processors, retailers, food businesses and new entrants to raise awareness of the opportunities available within the food and drink sector to develop and enhance their businesses thereby adding both volume and value to the sector.   | September 2018              | £60,400                       | £60,400                 | September 2019           | March 2020                      |
| Kent Medical Campus Enterprise Zone – Innovation Centre design work  | The SSF funding will contribute towards the design cost for the development of an Innovation Centre on Kent Medical Campus Enterprise Zone. The Innovation Centre will be 30,000 sqft in size and will offer SMEs focussed on life science, healthcare and med-tech activities access to a combination of high-grade office accommodation and business support.                      | September 2018              | £156,000                      | £156,000                | September 2019           | September 2019                  |
| Planning and prioritising future skills, training and business support needs for rural businesses across SELEP | The Project will scope, plan and prioritise the future rural skills, training and business support needs. The project will deliver a comprehensive skills evaluation to formulate recommendations for targeting future skills delivery across the SELEP area, setting out priorities for the main rural sectors: agriculture, food and drink production and horticulture production. | September 2018              | £96,000                       | £83,000                 | September 2019           | August 2020                     |

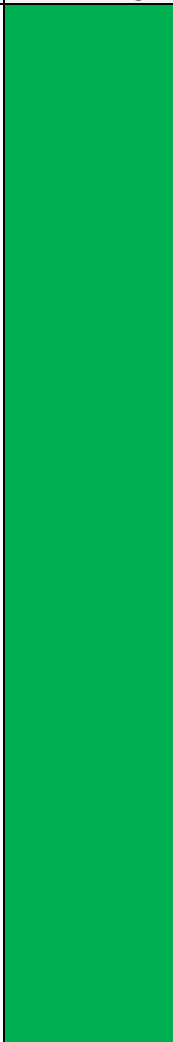
| Project title  | Project description  | Endorsed by Strategic Board | SSF allocation to the project | SSF transferred to date | Expected completion date | Updated/ Actual completion date |
|--|--|-----------------------------|-------------------------------|-------------------------|--------------------------|---------------------------------|
| Coastal Communities supplement to the SELEP Strategic Economic Statement | The project tackles the specific challenges that face coastal areas and will make a strategic case for investment in these areas. The project will deliver a supplement to the SELEP Strategic Economic Statement.   | December 2018               | £40,000                       | £0                      | September 2019           | January 2020                    |
| Delivering skills of the future through teaching: teaching for growth    | The project addresses the widespread shortage of tutors, teachers and trainers across the SELEP area as identified in the SELEP Skills Strategy. The project will address the recruitment challenges faced by priority sectors through delivery of an awareness raising campaign and a contribution to teacher training costs. | December 2018               | £166,600                      | £27,499                 | January 2020             | July 2020                       |
| Creative Open Workspace Masterplan and Prospectus                        | The project addresses a gap in suitable available workspace for the Creative, Cultural and Digital Sector across the SELEP area. This will be achieved through a range of interventions including a refreshed South East Creative Economy Prospectus and a Creative Open Workspace report and toolkit.                         | March 2019                  | £49,000                       | £0                      | March 2020               | To be confirmed                 |
| Energy and Clean Growth - Supply Chain Mapping                           | The project seeks to enable an evidence led approach to identifying and exploiting the opportunities from the energy and low carbon and environmental goods and services (LCEGS) sectors and work towards creating the right conditions for growth and productivity in what is a rapidly evolving sector.                      | October 2019                | £129,500                      | £0                      | September 2020           | No update requested             |
| <b>Total</b>   |  |                             | <b>£1,178,500</b>             | <b>£657,899</b>         |                          |                                 |

## Item 5: Appendix C- Update on Delivery of SSF Projects

| Project   | Update on project progress   | Update on delivery of expected project benefits   | Project RAG rating |
|---|--|---|--------------------|
| England's Creative Coast<br>(formerly Culture Coasting) | <p>Despite the required legal processes still being ongoing, the project is progressing well with a number of key milestones achieved. These milestones include:</p> <ul style="list-style-type: none"> <li>• appointment of a PR agency and the press announcement for the project and the commissioned artists – an announcement which received significant national and international coverage);</li> <li>• continued development of the art commissions and artist proposals;</li> <li>• the development of partners' Local Engagement Programme plans;</li> <li>• the launch of the <u>online platform</u>;</li> <li>• geocaching training for partners;</li> <li>• partnership agreements with both the Geocaching Association of Great Britain and Geocaching HQ GeoTour; and</li> <li>• the development of the final Marketing and Communications strategy for the project.</li> </ul> | <p>Despite the project still having a considerable time to run, initial project benefits are starting to be realised:</p> <ul style="list-style-type: none"> <li>• 82 individuals and businesses reached through travel trade training for tourism businesses and cultural partners, geocaching training for partners and Art Homes research workshop for tourism businesses;</li> <li>• International travel trade tour operator/media agencies reach: 37,226 Facebook blog links reach, 1,719 press, 70,117 Facebook ads reach;</li> <li>• 14 pieces of coverage across national and international press, with an online readership of 561m, and an estimated 414,000 coverage views;</li> <li>• 116 businesses onboarded to englandscreativecoast.com itinerary-building website;</li> <li>• Website reach July to September 2019: 738 page views and 218 sessions;</li> </ul> |                    |

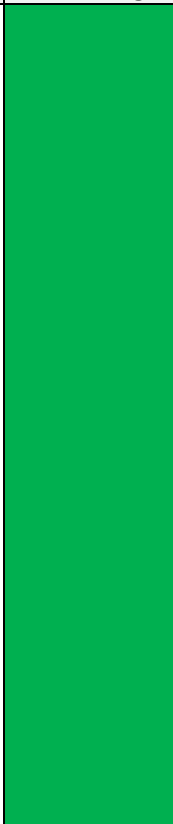
| Project  | Update on project progress | Update on delivery of expected project benefits  | Project RAG rating   |
|--|----------------------------|--|--|
|  |                            | <ul style="list-style-type: none"> <li>• B2B project learning site: 5,871 page views and 2,416 visitors; and</li> <li>• Exhibition at Turner Contemporary between 10 April and 1 September 2019 promoting England's Creative Coast received 186,188 visits.</li> </ul> |  |
| Gourmet Garden Trails (Tourism – Colours and Flavours project) | No project update provided | No update on delivery of expected project benefits   | In the absence of a project update, project RAG rating assumed to be amber |

|   |   |   |  |
|---|---|---|--|
| <p>North Kent Enterprise Zone: Enabling and Marketing</p> | <p><u>Innovation Park Medway – Masterplan and Local Development Orders</u></p> <p>Public consultation on the proposed Local Development Order (LDO) has been concluded and the order is currently being prepared for adoption by both Medway Council and Tonbridge and Malling Borough Council. As part of the process of developing the LDO a Masterplan for the Innovation Park Medway site was also created, and following public consultation was adopted by Medway Council and Tonbridge and Malling Borough Council (subject to formal comment from Highways England).</p> <p>Realisation of expected project benefits is dependent upon adoption of the LDO. There are currently ongoing discussions with Highways England regarding the proposed development at Innovation Park Medway. If Highways England do not support the proposals or require extensive mitigation measures to be delivered this will threaten the adoption of the LDO and the realisation of project benefits. As a result, the project RAG rating is amber.</p> <p><u>Marketing of the North Kent Enterprise Zone and associated collateral</u></p> <p>A significant level of marketing activity associated with the launch of the North Kent Enterprise Zone was undertaken in 2017. This activity included creation of a website and associated branding.</p> <p>Preparatory work on a promotional video commenced in 2018/19 but was paused whilst sites within the Enterprise Zone were prepared for marketing. In August 2019 the North Kent Enterprise Zone Strategic Board approved a revised marketing strategy, which focused on completing the promotional video, upgrading the website, social media and digital marketing.</p> <p>A live digital campaign is due to launch on 1<sup>st</sup> December 2019.</p> | <p><u>Innovation Park Medway – Masterplan and Local Development Orders</u></p> <p>Project benefits will not be realised until the Local Development Orders have been adopted by both Medway Council and Tonbridge and Malling Borough Council.</p> <p><u>Marketing of the North Kent Enterprise Zone and associated collateral</u></p> <p>The aim of this investment was to raise awareness of the North Kent Enterprise Zone and to promote the offer to potential investors and occupiers.</p> <p>The marketing brochure and other collateral produced for use on the North Kent Enterprise Zone stand at the MIPIM UK Conference and Exhibition resulted in 180 people visiting the stand, 49 follow up contacts and a 57% lift in traffic on the North Kent Enterprise Zone website.</p> <p>The live digital campaign, due to launch in December, will further raise awareness of the benefits of establishing businesses within the Enterprise Zone.</p> |  |
|---|---|---|--|

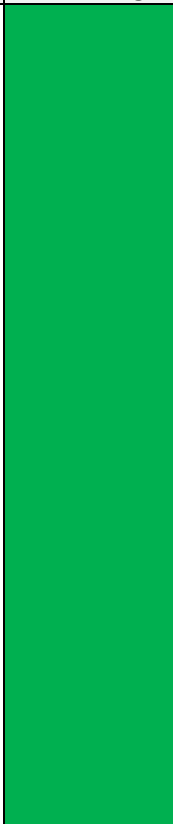
| Project  | Update on project progress  | Update on delivery of expected project benefits  | Project RAG rating   |
|--|---|--|--|
| <p>Future Proof – Accelerating Delivery of High Quality Development across the LEP</p> | <p>The project is nearing completion.</p> <p>Benchmarking against Homes England current approach to development in the SELEP region has been carried out. Extensive stakeholder interviews have been held to test and refine the FutureProof concept and to devise the financial model. The financial and viability modelling of a generic project model has been completed.</p> <p>A final stakeholder workshop took place on 17<sup>th</sup> September to feedback the main findings from the Proof of Concept study. The aim is to publish the final report by the end of November.</p> <p>The financial model has been well received by investors and stakeholders and is seen as potentially game changing in that it offers a different model that could deliver a high level of additional positive environmental, social and economic outcomes to that of volume builders who often operate a near monopoly on supply.</p> <p>The next stage of work being planned is to take the concept to a live demonstration housing site of 500 units or more in the SELEP area and to put the collaborative legal and governance frameworks in place for delivery, secure an institutional investment partner and develop routes to procure delivery partners for construction. A formal commitment to these next stages from Homes England policy and development teams - whilst bidding for additional funding for the next stage of work - is now being explored with a view to starting the design and planning stage for a live site within the next 12 months.</p> | <p><u>Synergies and cost savings by avoiding public sector bodies carrying out the same work</u></p> <p>The final report will be made available on the SELEP, Haven Gateway Partnership and Daedalus websites to ensure that public sector bodies have full access. The team will also continue to work with organisations as appropriate to share progress on implementing the model.</p> <p><u>Capital expenditure cost reduction whilst upgrading performance of digital, energy, transport and water infrastructure</u></p> <p>The model has shown that it is possible to include high quality public realm and sustainable forms of utilities provision at a competitive rate to occupiers.</p> <p><u>Building homes faster by utilising innovative building techniques</u></p> <p>The model has embraced a wholly off-site manufactured approach which favours volumetric solutions enabling it to build more efficiently and faster than traditional techniques, increasing construction productivity and at the scale of 500 units becomes cost competitive with traditional construction whilst delivering far better levels of energy efficient performance.</p> |  |

| Project   | Update on project progress  | Update on delivery of expected project benefits   | Project RAG rating |
|---|---|---|--------------------|
| Good Food Growth Campaign   | <p>Consultation and networking events, focused on the barriers local producers face when seeking new customers in retail, wholesale and hospitality have been held in Kent, East Sussex and Essex. All events were well attended, with feedback provided by between 20 and 40 producers in each county, either at the event or through a post-event online survey.</p> <p>As a result of the consultation and networking events, it has been possible to identify the most significant issues impacting on local producers, which include pricing, how to win retail customers and marketing. A training workshop is currently being developed for each county which will address these issues.</p> <p>In addition, Meet the Buyer events are currently being planned for early 2020.</p> | As the project is still in progress, no project benefits have been realised to date.  |                    |
| Kent Medical Campus Enterprise Zone – Innovation Centre design work | <p>The Innovation Centre Project is progressing well, with planning permission for the main Innovation Centre building being granted on 17<sup>th</sup> April 2019.</p> <p>Procurement processes have been completed to appoint a build contractor and an organisation to deliver the Business Support element of the project, with final approval received on 18<sup>th</sup> September 2019. It is expected that the contract will be in place for these works prior to the end of November 2019.</p>   | <p>No project benefits have been realised to date as the project is still in the final stages of procurement and contract negotiation.</p> <p>Benefits should start to be realised in early 2020 during the initial phase of the build, with further benefits being realised from summer 2020 when business support delivery commences.</p> |                    |



| Project   | Update on project progress   | Update on delivery of expected project benefits  | Project RAG rating   |
|---|--|--|--|
| <p>Planning and prioritising future skills, training and business support needs for rural businesses across SELEP</p> | <p>Work to date has primarily focussed on planning activity and the required processes for data capture and presentation.</p> <p>Following stakeholder consultation, the intention is to produce early stage drafts by 31st December 2019, with a version ready for wider circulation and consultation by 31st March 2020.</p> <p>For each of the sectors a skills register is currently being collated to record the skills required for each progressive job level within the industry.</p> <p>Within the original funding application Hadlow College in Tonbridge, Kent was listed as one of the primary delivery locations and it was expected that Hadlow College would be directly involved in the delivery of the project. However, Hadlow College has subsequently entered into Educational Administration and has therefore reconsidered their involvement in the project.</p> <p>The latest project update notes that Hadlow College has now withdrawn from the project and that Plumpton College will deliver the work originally assigned to Hadlow College. Plumpton College will utilise temporary staff with knowledge of rural Kent to complete this work.</p> | <p>As the project is still in the early stages no project benefits have been realised to date.</p> |  |

| Project  | Update on project progress   | Update on delivery of expected project benefits   | Project RAG rating |
|--|--|---|--------------------|
| Coastal Communities supplement to the SELEP Strategic Economic Statement | <p>The project is progressing well, with draft versions of the Supplement being reviewed by the Project Management Group. A final draft of the Supplement is due for completion in December 2019.</p> <p>An early version of the Supplement was shared with the wider coastal stakeholder group at a meeting in late September. This project is being taken forward in coordination with the drafting of the SELEP Local Industrial Strategy.</p> <p>It is anticipated that the Board will receive a presentation on the project at the Board meeting in January 2020.</p> | The project is currently ongoing, and whilst progress is being made towards realising the project benefits, the benefits will not be fully realised until the Coastal Supplement has been produced. The Coastal Supplement will be used as an aid to influence decision makers. |                    |

| Project  | Update on project progress   | Update on delivery of expected project benefits  | Project RAG rating   |
|--|--|--|--|
| <p>Delivering skills of the future through teaching: teaching for growth</p> | <p>The project is progressing well and uptake of bursaries has been high, largely via the effective direct marketing of the bursaries to colleges across the SELEP area. To date 80 bursaries have been applied for, with 72 of those having been awarded.</p> <p>The emphasis is now on the planning and delivery of the promotional videos; with one video being produced for each of the SELEP regions and one further all-encompassing video. Final arrangements are being made with six colleges in the SELEP area in regard to filming the videos.</p> <p>It is proposed that £5,000 of the project funding, which was originally intended to be used to produce videos and marketing information, is used to develop a dedicated website with the branding 'Become a Lecturer'. The website will host information relevant to the project and will contain key facts on what it means to become a lecturer in the Further Education sector, how to go about it and would have links to all SELEP wide college vacancy pages. Diverting funding to the creation of this website does not impact on the delivery of the videos and marketing information as set out in the original funding application, however, it does offer somewhere for interested applicants to make enquiries as a result of viewing the videos and other social media advertising.</p> | <p>Whilst the project is still in its early stages, the project has already been effective in raising awareness amongst SELEP partners of the shortage of individuals entering into the post-16 sector as lecturers from industry.</p> |  |

| Project   | Update on project progress   | Update on delivery of expected project benefits   | Project RAG rating |
|---|--|---|--------------------|
| Creative Open Workspace Masterplan and Prospectus | <p>The South East Creative Economy Network has prioritised the production of the South East Creative Economy Prospectus so that it aligns with the production of the Local Industrial Strategy.</p> <p>A consultant has been appointed to produce the prospectus, research has been undertaken and early key messages have been identified. The Prospectus is due for completion in February 2020.</p> <p>The scope of the Creative Open Workspace report and toolkit is being considered and is taking into account developments across the area, as well as ideas emerging during the development of the Prospectus.</p> <p>Due to staff absence and the need to prioritise the production of the South East Creative Economy Prospectus to ensure it aligns with the production of the Local Industrial Strategy, delivery of the wider project has been delayed. Procurement processes are ongoing in relation to the production of the Creative Open Workspace report and toolkit which places a risk around the delivery of the expected project benefits. As a result, the project RAG rating is amber.</p> | As the project is still in the early stages no project benefits have been realised to date. |                    |

## Item 5: Appendix D- SSF Application- Independent Evaluation

### Appraisal Guidance:

Bids will be appraised by the SELEP Secretariat and the SELEP Accountable Body. This is to ensure that the requirement of the SELEP Assurance Framework to ensure that all investments are independently evaluated, is met. The appraisal will be proportionate to the value of the investment. The appraisal will be made to ensure the bid fits with the criteria as laid out below. If the project does not meet all of the criteria, it is not suitable for this funding.

|                          |  |
|--------------------------|--|
| Applicant                | Newhaven Enterprise Zone (East Sussex County Council accountable body) |
| Lead Contact for Project | Corinne Day  |
| Project                  | <b>Accelerating Opportunities within the Newhaven Enterprise Zone</b>  |
| Reviewed by              | Amy Bernardo   |
| Date                     | 16.11.19   |
| Outcome:                 | Met  |

### Criteria for Funding

All funding applications must meet the following criteria:

| Criterion                    | Notes  | Reviewer Comments & RAG   |
|------------------------------|--|---|
| Scope must be <b>pan LEP</b> | The project must be able to demonstrate impact in at least three of the SELEP federated areas, preferably all four | Newhaven is fast emerging as a key local growth hub for the south east. The Enterprise Zone is a key regeneration priority for SELEP and this project aligns with the Smarter, Faster, Together aims of the Strategic Economic Statement. Other enterprise zones have previously been funded through SSF. |

|   |  |   |
|---|--|---|
| <p>Federated areas must support the project</p>   | <p>Project sponsors must discuss the project with Federated Boards or their lead officer/Director for every federated area impacted</p>  | <p>The Project is already endorsed by Team East Sussex</p>  |
| <p>The outcomes must align with SELEPs overarching objective to <i>create the conditions</i> for increased <b>jobs and homes</b>, safeguarding existing jobs and raising skill levels</p> | <p>Given the low investment levels of this fund, it is not expected that the projects will directly deliver greater numbers of jobs and homes but applicants must be able to demonstrate how the project will be part of creating the conditions for greater numbers of jobs and homes</p> | <p>Outcomes aligned to increasing GVA and job creation across the sector</p>  |
| <p>The project must align with the SELEP priorities as defined in the <b>Strategic Economic Plan / Economic Strategy Statement</b></p>  | <p>Applicants should highlight which objective(s) that their project supports. If you are unable to identify an objective to align to, this would suggest your project is not suitable for this funding</p>  | <p>The project will contribute to the delivery of the adopted <i>SELEP Strategic Economic Statement Priority 1: Creating Ideas and Enterprise</i>.<br/>         This project will create an environment and support infrastructure to enable businesses to achieve sustainable growth and high value jobs.<br/> <i>Priority 2 – Developing tomorrows workforce</i>. Raising peoples’ awareness of employment opportunities available locally<br/> <i>Priority 3 – Accelerating Infrastructure</i>. Identifies infrastructure investment required, the business case for that investment and lobbying for that investment.</p> |

|  |  |   |
|--|--|---|
|  |  | <p><i>Priority 4 – Creating Places. Support quality of place and connect business and people to drive forward plans that enhance the work space, cultural and natural assets.</i></p> <p><i>Priority 5 – Working Together. 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.</i></p> |
| The project must be for a discrete piece of work, not ongoing or business as usual (BAU) costs | This funding is project based, that is a stand-alone piece of work, with defined start and finish dates and clearly identified inputs and outputs.   | The initial 3 stages of the project are discrete. However, the outcomes of the project are not discrete and the purpose is to establish a BID and generate ongoing investment.  |
| Minimum application value is £25,000 and maximum application value is £200,000                 | Bids outside of this range will not be considered  | £115,000  |
| Funding will be awarded as a grant to support <b>revenue</b> spending only                     | Capital bids will not be considered  | Revenue project   |
| Match funding of <b>30%</b> must be demonstrated   | Applicants must be able to evidence at least 30% of match funding at time of application. This match can be either cash or non-cash. The source of this match must be identified and other SELEP funding or SELEP resource | £82,500 of match-in-kind resources  |

|   |  |   |
|---|--|---|
|   | (including SELEP working group time) <b>cannot</b> be submitted as match   |   |
| Projects are expected to be a maximum of <b>12 months</b> duration. Exceptions will be considered on a case by case basis | Funding can be provided in more than one financial year if the 12 month period straddles two financial years                                       | 12 month delivery across 2019/20 and 2020/21  |
| The project must demonstrate Value for Money and comply with the SELEP Assurance Framework                                | Further guidance on demonstrating Value for Money in a proportional manner can be found in Annex A   | The Project provides a BCR of 9.71:1. There is supporting evidence provided to demonstrate value for money. |
| The project must be supported by a lead County/Unitary Authority or equivalent  | The preferred route of contracting would be with one of the County/Unitary authorities. Other contracts will be considered on a case by case basis | The Accountable Body is East Sussex County Council who would be the contracting authority with SELEP.       |

**SELEP Assurance Framework Value for Money Requirements:**

To receive a recommendation for approval, projects should have a Benefit Cost Ratio of at least 2:1 or comply with one of the two exemptions listed below:

Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

Exemption 1 will only apply if the following conditions are satisfied:



- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

Exemption 2: This may be applied where a project does not demonstrate a High Value for Money (a Benefit Cost Ratio of over 2:1), but has a Benefit Cost Ratio of over 1:1, and only if the following conditions are satisfied:

- (a) there is an overwhelming strategic case that supports the prioritisation of this project in advance of other unfunded investment opportunities identified in the SEP; and
- (b) there is demonstrable additionality which will be achieved through investment to address a clear market failure; and
- (c) there are no project risks identified as high risk and high probability after mitigation measures have been considered; and
- (d) there are assurances provided from the organisations identified below that the project business case, including value for money, has been considered and approved for funding through their own assurance processes.
  - (1) A Government Department;
  - (2) Highways England;
  - (3) Network Rail;
  - (4) Environment Agency; or
  - (5) Skills Funding Agency.

## **Item 6: Appendix A- Local Growth Fund Projects Update**

| Appendix 1- Local Growth Fund update                                   |                               |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
|--|-------------------------------|--------------------------|---|----------------------------------|-----------------------|---------------------------|----------------|---|---|-----------------------------|----------------------------|----------|------------------------|-------------------|----------------------|-----------------------|---------------|-----------------------|------------------------------|---------|
| Project  | Deliverability                |                          |   |                                  |                       |                           | Financial      |   |   |                             |                            |          | LGF spend 2019/20      |                   |                      |                       |               |                       |                              |         |
|  | Accountability Board approval | Delivery Status          | Expected completion date (as stated in Business Case) | Updated expected completion date | Months delay incurred | Deliverability RAG rating | LGF allocation | LGF spend to date Up to end of Q2 2019/20 | LGF spend to date (%) Up to end of Q2 2019/20 | Original total project cost | Updated total project cost | % change | LGF planned spend (£m) | LGF planned spend | LGF updated forecast | LGF updated forecast* | Difference ** | Financials RAG rating | Reputational risk RAG rating | Overall |
| <b>East Sussex</b>   |                               |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| Newhaven Flood Defences  | Jun-15                        | Construction in progress | 01/02/2020  | 01/02/2020                       | 0                     | 1                         | £1,500,000     | £1,500,000                                | 100%  | TBC                         | £19,000,000                |          | 0.000000               | £0                | 0.000000             | £0                    | £0            | 1                     | 1                            | 1       |
| Hailsham, Polegate and Eastbourne Movement and Access Transport scheme | Feb-17                        | Design in progress       | 01/03/2020  | 01/03/2020                       | 0                     | 3                         | £2,100,000     | £1,254,000                                | 60%   | £2,300,000                  | £3,530,000                 | 53%      | 1.782000               | £1,782,000        | 1.027000             | £1,027,000            | £-755,000     | 5                     | 1                            | 3       |
| Eastbourne and South Wealden Walking and Cycling LSTF package          | Nov-15 and Feb-19             | Construction in progress | 01/03/2021  | 01/03/2021                       | 0                     | 1                         | £6,600,000     | £3,815,000                                | 58%   | £9,390,000                  | £10,560,000                | 12%      | 1.779000               | £1,779,000        | 1.846000             | £1,846,000            | £67,000       | 3                     | 1                            | 2       |
| Queensway Gateway Road   | Mar-15                        | Construction in progress | 01/03/2016  | 01/03/2021                       | 60                    | 5                         | £10,000,000    | £10,000,000                               | 100%  | £15,000,000                 | £10,000,000                | -33%     | 0.000000               | £0                | 1.570000             | £1,570,000            | £1,570,000    | 4                     | 3                            | 4       |
| Swallow Business Park, Hailsham  | Feb-16                        | LGF project delivered    | 01/03/2017  | 01/03/2017                       | 0                     | 1                         | £1,400,000     | £1,400,000                                | 100%  | £1,595,000                  | £2,800,000                 | 76%      | 0.000000               | £0                | 0.000000             | £0                    | £0            | 1                     | 1                            | 1       |
| Sovereign Harbour  | Feb-16                        | LGF project delivered    | 01/03/2017  | 01/03/2017                       | 0                     | 1                         | £1,700,000     | £1,700,000                                | 100%  | TBC                         | £1,700,000                 |          | 0.000000               | £0                | 0.000000             | £0                    | £0            | 1                     | 1                            | 1       |
| North Bexhill Access Road and Bexhill Enterprise Park                  | Nov-15                        | LGF project delivered    | 01/03/2018  | 01/12/2018                       | 9                     | 1                         | £18,600,000    | £18,600,000                               | 100%  | £16,600,000                 | £18,600,000                | 12%      | 0.000000               | £0                | 0.000000             | £0                    | £0            | 2                     | 2                            | 2       |
| Hastings and Bexhill Movement and Access Package                       | Feb-18                        | Construction in progress | 01/03/2021  | 01/03/2021                       | 0                     | 1                         | £9,000,000     | £2,391,000                                | 27%   | £9,000,000                  | £9,364,000                 | 4%       | 4.280000               | £4,280,000        | 4.228000             | £4,228,000            | £-52,000      | 4                     | 1                            | 2       |
| Eastbourne Town Centre LSTF access and improvement package             | Apr-16 and Feb-19             | Construction in progress | 01/03/2021  | 01/03/2021                       | 0                     | 2                         | £8,000,000     | £5,095,000                                | 64%   | £9,736,000                  | £11,250,000                | 16%      | 1.505000               | £1,505,000        | 1.335000             | £1,335,000            | £-170,000     | 2                     | 3                            | 3       |
| Coastal Communities Housing Intervention Hastings                      | Feb-17                        | Construction in progress | 01/04/2020  | 01/03/2020                       | 0                     | 1                         | £666,667       | £666,667                                  | 100%  | £3,370,000                  | £3,200,000                 | -5%      | 0.000000               | £0                | 0.000000             | £0                    | £0            | 1                     | 1                            | 1       |
| East Sussex Strategic Growth Project                                   | Jan-17                        | LGF project delivered    | 01/03/2021  | 31/05/2021                       | 2                     | 2                         | £8,200,000     | £8,200,000                                | 100%  | £21,200,000                 | £21,200,000                | 0%       | 0.000000               | £0                | 0.350000             | £350,000              | £350,000      | 1                     | 1                            | 2       |
| Devonshire Park  | Mar-17                        | LGF project delivered    | 01/03/2020  | 01/03/2020                       | 0                     | 1                         | £5,000,000     | £5,000,000                                | 100%  | £16,000,000                 | £16,000,000                | 0%       | 0.000000               | £0                | 0.000000             | £0                    | £0            | 1                     | 1                            | 1       |
| Bexhill Enterprise Park North  | Jun-19                        | Design in progress       | 01/03/2020  | 01/03/2020                       | 0                     | 4                         | £1,940,000     | £440,000                                  | 23%   | £20,700,000                 | £20,700,000                | 0%       | 1.940000               | £1,940,000        | £1,940,000           | £1,940,000            | 1             | 3                     | 3                            |         |
| Skills for Rural Businesses Post-Brexit                                | Jun-19                        | Design in progress       | 01/03/2021  | 01/03/2021                       | 0                     | 1                         | £2,918,000     | £383,900                                  | 13%   | £7,037,020                  | £7,037,000                 | 0%       | £0                     | £2,133,900        | £2,133,900           | £2,133,900            | 1             | 1                     | 1                            |         |
| Sidney Little Road Business Incubator Hub                              | Jun-19                        | Design in progress       | 01/03/2021  | 01/02/2021                       | 0                     | 1                         | £500,000       | £100,000                                  | 20%   | £2,773,686                  | £2,774,000                 | 0%       | £0                     | £0.381000         | £381,000             | £381,000              | £381,000      | 1                     | 1                            | 1       |
| Bexhill Creative Workspace   | Sep-19                        | Approval pending         | 01/05/2020  | 01/05/2020                       | 0                     | 1                         | £960,000       | £0  | 0%  | £1,760,000                  | £1,760,000                 | 0%       | £0                     | £0.960000         | £960,000             | £960,000              | £960,000      | 1                     | 1                            | 1       |
| Exceat Bridge Replacement - phase 1                                    | Pending                       | Approval pending         | TBC   | TBC                              |                       | 1                         | £1,500,000     | £0  | 0%  | TBC                         | £4,744,000                 |          | £0                     | £0.000000         | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| <b>Essex</b>   |                               |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| Colchester Broadband Infrastructure                                    | Mar-15                        | LGF project delivered    | 01/03/2016  | 01/03/2016                       | 0                     | 1                         | £200,000       | £200,000                                  | 100%  | £528,782                    | £529,000                   | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Colchester LSTF  | Mar-15                        | LGF project delivered    | 01/03/2016  | 01/12/2016                       | 9                     | 1                         | £2,400,000     | £2,400,000                                | 100%  | £2,000,000                  | £3,144,000                 | 57%      | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Colchester Integrated Transport Package                                | Mar-15                        | Construction in progress | 01/03/2021  | 01/03/2021                       | 0                     | 1                         | £5,000,000     | £5,000,000                                | 100%  | £12,749,000                 | £13,701,000                | 7%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 2                     | 1                            | 2       |
| Colchester Town Centre   | Mar-15                        | LGF project delivered    | 01/03/2016  | 01/01/2018                       | 22                    | 1                         | £4,600,000     | £4,600,000                                | 100%  | £5,052,000                  | £5,445,000                 | 8%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 2       |
| TGSE LSTF - Essex  | Mar-15                        | LGF project delivered    | 01/08/2016  | 01/03/2017                       | 7                     | 1                         | £3,000,000     | £3,000,000                                | 100%  | £3,000,000                  | £3,062,000                 | 2%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| A414 Pinch Point Package   | Jun-15                        | LGF project delivered    | 01/03/2017  | 01/03/2019                       | 24                    | 1                         | £10,487,000    | £10,487,000                               | 100%  | £14,924,000                 | £26,695,000                | 79%      | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 2       |
| A414 Maldon to Chelmsford RBS  | Jun-15                        | LGF project delivered    | 01/03/2017  | 01/12/2016                       | 0                     | 1                         | £2,000,000     | £2,000,000                                | 100%  | £3,913,000                  | £3,217,000                 | -18%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Chelmsford Station/Station Square/Mill Yard                            | Jun-15                        | LGF project delivered    | 01/12/2017  | 31/03/2019                       | 15                    | 1                         | £3,000,000     | £3,000,000                                | 100%  | £2,921,000                  | £3,014,000                 | 3%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Basildon Integrated Transport Package                                  | Mar-15, May-17 and Feb-19     | Construction in progress | 01/03/2021  | 01/03/2021                       | 0                     | 1                         | £6,586,000     | £3,883,000                                | 59%   | £11,672,000                 | £10,749,000                | -8%      | 4.203000               | £4,203,000        | £4,203,000           | £4,203,000            | £-0           | 4                     | 1                            | 2       |
| Colchester Park and Ride and Bus Priority measures                     | Mar-15                        | LGF project delivered    | 01/04/2015  | 01/04/2015                       | 0                     | 1                         | £5,800,000     | £5,800,000                                | 100%  | £7,193,000                  | £7,433,000                 | 3%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| A127 Fairglen junction improvements                                    | Pending                       | Approval pending         | 01/09/2022  | 01/09/2022                       | 0                     | 3                         | £15,000,000    | £0  | 0%  | TBC                         | £18,819,000                |          | 0.000000               | £0                | £0.000000            | £0                    | £0            | 3                     | 4                            | 4       |
| A127 capacity enhancements   | Jun-15                        | LGF project delivered    | 01/12/2020  | 01/03/2022                       | 15                    | 1                         | £4,000,000     | £4,000,000                                | 100%  | £9,150,000                  | £5,863,000                 | -36%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 2       |
| A131 Chelmsford to Braintree   | Feb-17                        | Construction in progress | 01/03/2020  | 01/03/2020                       | 0                     | 1                         | £3,660,000     | £3,359,294                                | 92%   | £7,320,000                  | £5,900,000                 | -19%     | 0.264000               | £264,000          | £1,160,000           | £1,160,000            | £896,000      | 1                     | 1                            | 1       |
| A133 Colchester to Clacton   | Nov-17                        | Construction in progress | 01/03/2020  | 01/03/2020                       | 0                     | 1                         | £2,740,000     | £1,030,236                                | 38%   | £5,480,000                  | £3,264,000                 | -40%     | 1.370000               | £1,370,000        | £2,214,623           | £2,214,623            | £844,623      | 1                     | 1                            | 1       |
| A131 Braintree to Sudbury  | Jun-18                        | Design in progress       | 01/03/2021  | 01/03/2021                       | 0                     | 3                         | £1,800,000     | £0  | 0%  | £3,600,000                  | £3,143,000                 | -13%     | 0.000000               | £0                | £0.502000            | £502,000              | £502,000      | 5                     | 2                            | 4       |
| Chelmsford City Growth Area Scheme                                     | Dec-17                        | Construction in progress | 01/03/2021  | 01/03/2021                       | 0                     | 2                         | £10,000,000    | £5,500,000                                | 55%   | £14,913,000                 | £15,067,000                | 1%       | 4.000000               | £4,000,000        | £4,000,000           | £4,000,000            | £0            | 1                     | 2                            | 2       |
| Beaulieu Park Railway Station  | Feb-19                        | Design in progress       | 01/03/2024  | 01/12/2025                       | 21                    | 4                         | £12,000,000    | £0  | 0%  | £157,070,000                | £157,070,000               | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 3                     | 4                            | 4       |
| Coastal Communities Housing Intervention Jaywick                       | Feb-17                        | Construction in progress | 01/06/2019  | 01/06/2019                       | 0                     | 1                         | £666,667       | £666,667                                  | 100%  | £3,623,667                  | £3,623,667                 | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Gilden Way upgrading   | Dec-17                        | Design in progress       | 01/03/2021  | 01/03/2022                       | 12                    | 4                         | £5,000,000     | £5,000,000                                | 100%  | £12,327,000                 | £10,400,000                | -16%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 2       |
| Technical and Professional Skills Centre at Stansted Airport           | May-17                        | LGF project delivered    | 01/09/2018  | 01/09/2018                       | 0                     | 1                         | £3,500,000     | £3,500,000                                | 100%  | £10,480,000                 | £10,480,000                | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Innovation Centre - University of Essex Knowledge Gateway              | Sep-17                        | LGF project delivered    | 01/01/2019  | 26/04/2019                       | 3                     | 1                         | £2,000,000     | £2,000,000                                | 100%  | £13,000,000                 | £13,000,000                | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| STEM Innovation Centre - Colchester Institute                          | Dec-17                        | Design in progress       | 01/01/2019  | TBC                              |                       | 1                         | £5,000,000     | £5,000,000                                | 100%  | £10,000,000                 | £10,000,000                | 0%       | 3.000000               | £3,000,000        | £2,746,988           | £2,746,988            | £-253,012     | 1                     | 1                            | 1       |
| A127/A130 Fairglen Interchange new link road                           | Feb-19                        | Design in progress       | 01/04/2022  | 01/04/2022                       | 0                     | 3                         | £6,235,000     | £1,973,000                                | 32%   | £9,844,000                  | £9,844,000                 | 0%       | 0.673000               | £673,000          | £0.673000            | £673,000              | £0            | 3                     | 3                            | 3       |
| M11 junction 8 improvements  | Nov-17                        | Design in progress       | 01/03/2021  | 01/03/2021                       | 0                     | 1                         | £2,733,896     | £2,200,000                                | 80%   | £9,056,000                  | £9,056,000                 | 0%       | 0.900000               | £900,000          | £0.900000            | £900,000              | £0            | 2                     | 2                            | 2       |
| Mercury Rising Theatre   | Nov-17                        | Construction in progress | 01/03/2020  | 01/03/2020                       | 0                     | 1                         | £1,000,000     | £0  | 0%  | £8,988,967                  | £8,988,967                 | 0%       | 0.000000               | £0                | £1,000,000           | £1,000,000            | £1,000,000    | 5                     | 2                            | 3       |

| Project   | Deliverability                    |                          |   |                                  |                       |                           | Financial      |   |   |                             |                            |          | LGF spend 2019/20      |                   |                      |                       |               |                       |                              |         |
|---|-----------------------------------|--------------------------|---|----------------------------------|-----------------------|---------------------------|----------------|---|---|-----------------------------|----------------------------|----------|------------------------|-------------------|----------------------|-----------------------|---------------|-----------------------|------------------------------|---------|
|   | Accountability Board approval     | Delivery Status          | Expected completion date (as stated in Business Case) | Updated expected completion date | Months delay incurred | Deliverability RAG rating | LGF allocation | LGF spend to date Up to end of Q2 2019/20 | LGF spend to date (%) Up to end of Q2 2019/20 | Original total project cost | Updated total project cost | % change | LGF planned spend (£m) | LGF planned spend | LGF updated forecast | LGF updated forecast* | Difference ** | Financials RAG rating | Reputational risk RAG rating | Overall |
| Basildon Digital Technologies Campus  | Jun-19                            | Design in progress       | 01/09/2020  | 01/09/2020                       | 0                     | 1                         | £2,150,000     | £0  | 0%  | £15,800,000                 | £15,800,000                | 0%       | 0.000000               | £0                | £1.150000            | £1,150,000            | £1,150,000    | 1                     | 1                            | 1       |
| Colchester Institute training centre (Groundworks and scaffolding)                          | Jun-19                            | Design in progress       | 01/01/2020  | 01/01/2020                       | 0                     | 1                         | £100,000       | £0  | 0%  | £250,000                    | £250,000                   | 0%       | 0.000000               | £0                | £0.050000            | £50,000               | £50,000       | 1                     | 1                            | 1       |
| USP College Centre of Excellence for Digital Technologies and Immersive Learning , Benfleet | Jun-19                            | Design in progress       | 01/09/2020  | 01/09/2020                       | 0                     | 1                         | £900,000       | £0  | 0%  | £2,016,000                  | £2,016,000                 | 0%       | 0.000000               | £0                | £0.800000            | £800,000              | £800,000      | 1                     | 1                            | 1       |
| Flightpath Phase 2  | Jun-19                            | Construction in progress | 30/09/2020  | 01/09/2020                       | 0                     | 1                         | £1,421,500     | £0  | 0%  | £2,843,000                  | £2,843,000                 | 0%       | 0.000000               | £0                | £1.058000            | £1,058,000            | £1,058,000    | 1                     | 1                            | 1       |
| Basildon Innovation Warehouse   | Pending                           | Approval pending         | TBC   | TBC                              |                       | 1                         | £870,000       | £0  | 0%  | £1,700,000                  | £1,700,000                 | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| University of Essex Parkside (Phase 3)  | Pending                           | Approval pending         | TBC   | TBC                              |                       | 1                         | £3,000,000     | £0  | 0%  | £10,011,000                 | £10,011,000                | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| <b>Kent</b>   |                                   |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| I3 Innovation Project (formerly referred to as the Kent and Medway Growth Hub)              | Nov-15                            | Project in progress      | 01/03/2021  | 01/03/2021                       | 0                     | 2                         | £6,000,000     | £5,468,030                                | 91%   | £15,000,000                 | £15,000,000                | 0%       | 1.000000               | £1,000,000        | £1.188279            | £1,188,279            | £188,279      | 1                     | 1                            | 2       |
| Tonbridge Town Centre Regeneration  | Mar-15                            | LGF project delivered    | 31/03/2017  | 30/04/2017                       | 0                     | 1                         | £2,631,269     | £2,631,269                                | 100%  | £2,650,000                  | £2,931,000                 | 11%      | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Sittingbourne Town Centre Regeneration  | Nov-15                            | Construction in progress | 01/09/2016  | 01/01/2020                       | 40                    | 5                         | £2,500,000     | £2,500,000                                | 100%  | £44,331,000                 | £4,700,000                 |          | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 3                            | 3       |
| M20 Junction 4 Eastern Overbridge   | Mar-15                            | LGF project delivered    | 31/03/2015  | 28/02/2017                       | 22                    | 1                         | £2,200,000     | £2,200,000                                | 100%  | £4,435,000                  | £6,195,000                 | 40%      | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Tunbridge Wells junction improvement package  | Jun-15 and Sep-17                 | Construction in progress | 01/09/2019  | 31/03/2021                       | 18                    | 4                         | £1,800,000     | £1,159,306                                | 64%   | £2,050,000                  | £1,966,000                 | -4%      | 0.556000               | £556,000          | £0.249240            | £249,240              | £-306,760     | 4                     | 2                            | 4       |
| Kent Thameside LSTF   | Mar-15                            | Construction in progress | 31/03/2021  | 31/03/2021                       | 0                     | 3                         | £4,500,000     | £3,596,089                                | 80%   | £5,584,000                  | £8,272,000                 | 48%      | 0.379000               | £379,000          | £0.452600            | £452,600              | £73,600       | 2                     | 1                            | 2       |
| Maidstone Gyratory Bypass   | Mar-15                            | LGF project delivered    | 01/02/2017  | 01/12/2016                       | 0                     | 1                         | £4,600,000     | £4,600,000                                | 100%  | £5,700,000                  | £5,740,000                 | 1%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Kent Strategic Congestion Management programme  | Mar-15, Apr-16, Feb-17 and Feb-18 | Construction in progress | 31/03/2021  | 31/03/2021                       | 0                     | 2                         | £4,800,000     | £2,510,477                                | 52%   | £4,800,000                  | £5,024,000                 | 5%       | 0.800000               | £800,000          | £0.892910            | £892,910              | £92,910       | 3                     | 2                            | 3       |
| Middle Deal transport improvements  | Feb-16                            | Design in progress       | 01/12/2016  | 01/07/2020                       | 43                    | 5                         | £800,000       | £800,000                                  | 100%  | £1,800,000                  | £1,550,000                 | -14%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 3                            | 3       |
| Kent Rights of Way improvement  | Mar-15                            | Construction in progress | 31/03/2021  | TBC                              |                       | 3                         | £1,000,000     | £627,986                                  | 63%   | £1,200,000                  | £1,288,000                 | 7%       | 0.150000               | £150,000          | £0.150340            | £150,340              | £340          | 2                     | 1                            | 2       |
| Kent Sustainable Interventions Programme  | Mar-15, Apr-16, Feb-17 and Feb-18 | Construction in progress | 31/03/2021  | 31/03/2021                       | 0                     | 3                         | £2,727,586     | £1,554,036                                | 57%   | £3,000,000                  | £2,915,000                 | -3%      | 0.755000               | £755,000          | £0.646734            | £646,734              | £-108,266     | 4                     | 1                            | 3       |
| West Kent LSTF  | Apr-16                            | Construction in progress | 31/03/2021  | 31/03/2021                       | 0                     | 2                         | £4,900,000     | £3,828,988                                | 78%   | £9,060,000                  | £9,135,000                 | 1%       | 0.700000               | £700,000          | £0.471012            | £471,012              | £-228,988     | 4                     | 3                            | 3       |
| Folkestone Seafront: onsite infrastructure  | Mar-15                            | LGF project delivered    | 30/09/2015  | 31/03/2016                       | 6                     | 1                         | £541,145       | £541,145                                  | 100%  | £500,000                    | £691,000                   | 38%      | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| A28 Chart Road  | Nov-15                            | Design in progress       | 01/03/2020  | TBC                              |                       | 5                         | £2,756,409     | £2,756,283                                | 100%  | £32,799,223                 | £4,239,000                 | -87%     | 3.119000               | £3,119,000        | £0.000000            | £0                    | £-3,119,000   | 5                     | 4                            | 5       |
| Maidstone Integrated Transport  | Nov-15 and Jun-18                 | Design in progress       | 01/02/2020  | 01/03/2021                       | 13                    | 4                         | £8,900,000     | £2,389,563                                | 27%   | £13,900,000                 | £10,550,000                | -24%     | 3.285000               | £3,285,000        | £3.101252            | £3,101,252            | £-183,748     | 3                     | 3                            | 4       |
| A28 Sturry Link Road  | Jun-16                            | Design in progress       | 01/10/2021  | 01/10/2021                       | 0                     | 5                         | £5,900,000     | £1,109,051                                | 19%   | £28,500,000                 | £29,600,000                | 4%       | 0.000000               | £0                | £0.390000            | £390,000              | £390,000      | 5                     | 5                            | 5       |
| Rathmore Road   | Nov-15                            | LGF project delivered    | 01/11/2017  | 01/01/2018                       | 2                     | 1                         | £4,200,000     | £4,200,000                                | 100%  | £9,200,000                  | £9,500,000                 | 3%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Maidstone Sustainable Access to Employment  | Nov-15                            | LGF project delivered    | 01/03/2016  | 01/06/2017                       | 15                    | 1                         | £2,000,000     | £2,000,000                                | 100%  | £3,000,000                  | £2,625,000                 | -13%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Ashford Spurs   | Sep-16 and May-17                 | Construction in progress | 01/04/2018  | 01/04/2020                       | 24                    | 4                         | £7,896,830     | £6,073,161                                | 77%   | £10,497,490                 | £8,597,000                 | -18%     | 1.632000               | £1,632,000        | £2.142967            | £2,142,967            | £510,967      | 3                     | 2                            | 3       |
| Thanet Parkway  | Apr-19                            | Design in progress       | 01/12/2021  | TBC                              |                       | 4                         | £14,000,000    | £0  | 0%  | £27,650,000                 | £27,650,000                | 0%       | 2.355000               | £2,355,000        | £0.000000            | £0                    | £-2,355,000   | 5                     | 4                            | 5       |
| Dover Western Docks revival   | Feb-17                            | LGF project delivered    | 01/02/2017  | 01/04/2017                       | 2                     | 1                         | £5,000,000     | £5,000,000                                | 100%  | £5,100,000                  | £15,000,000                | 194%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Folkestone Seafront (non-transport)   | Feb-16                            | LGF project delivered    | 31/12/2027  | 31/03/2018                       | 0                     | 1                         | £5,000,000     | £5,000,000                                | 100%  | £37,000,000                 | £49,192,000                | -85%     | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| A226 London Road/B255 St Clements Way   | Nov-16                            | LGF project delivered    | 01/03/2020  | 31/05/2019                       |                       | 1                         | £4,200,000     | £4,200,000                                | 100%  | £6,900,000                  | £6,903,000                 | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Coastal Communities Housing Intervention (Thanet)   | Feb-16                            | Construction in progress | 31/03/2021  | 31/03/2021                       | 0                     | 3                         | £666,667       | £574,013                                  | 86%   | £1,529,075                  | £1,531,000                 | 0%       | 0.000000               | £0                | £0.092653            | £92,653               | £92,653       | 3                     | 2                            | 3       |
| Dartford Town Centre Transformation   | Apr-18                            | Design in progress       | 31/03/2021  | 31/03/2021                       | 0                     | 3                         | £4,300,000     | £524,270                                  | 12%   | £12,000,000                 | £12,000,000                | 0%       | 1.604000               | £1,604,000        | £3.360217            | £3,360,217            | £1,756,217    | 3                     | 3                            | 3       |
| A2500 Lower Road  | Sep-17                            | LGF project delivered    | 01/12/2019  | 01/03/2019                       | 0                     | 2                         | £1,264,930     | £1,264,930                                | 100%  | £1,804,930                  | £1,805,000                 | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 2       |
| Kent and Medway EDGE hub  | Sep-17                            | Construction in progress | 31/08/2020  | 30/09/2020                       | 0                     | 1                         | £6,120,000     | £6,120,000                                | 100%  | £20,502,000                 | £21,000,000                | 2%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Leigh Flood Storage Area and East Peckham - unlocking growth                                | Sep-18                            | Design in progress       | 01/07/2023  | 01/07/2023                       | 0                     | 2                         | £2,348,500     | £1,089,345                                | 46%   | £24,691,000                 | £15,574,000                | -37%     | 0.500000               | £500,000          | £1.365881            | £1,365,881            | £865,881      | 2                     | 2                            | 2       |
| Sandwich Rail Infrastructure  | Nov-17                            | Design in progress       | 31/03/2020  | 28/02/2020                       | 0                     | 1                         | £1,903,170     | £244,160                                  | 13%   | £4,299,200                  | £3,898,390                 | -9%      | 1.238000               | £1,238,000        | £1.331309            | £1,331,309            | £93,309       | 3                     | 2                            | 2       |
| M2 Junction 5   | Pending                           | Approval pending         | TBC   | TBC                              |                       | 1                         | £1,600,000     | £0  | 0%  | TBC                         | £90,700,000                |          |                        | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Kent and Medway Medical School  | Pending                           | Approval pending         | TBC   | TBC                              |                       | 1                         | £4,000,000     | £0  | 0%  | TBC                         | £17,793,000                |          |                        | £0                | £4.000000            | £4,000,000            | £4,000,000    | 1                     | 1                            | 1       |
| <b>Medway</b>   |                                   |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| A289 Four Elms roundabout to Medway Tunnel  | Mar-15                            | Design in progress       | 31/12/2020  | 01/03/2022                       | 14                    | 4                         | £11,100,000    | £1,521,045                                | 14%   | £18,697,000                 | £11,564,000                | -38%     | 4.275000               | £4,275,000        | £0.381459            | £381,459              | £-3,893,541   | 5                     | 2                            | 4       |
| Strood Town Centre  | Mar-15                            | Construction in progress | 30/06/2018  | 01/03/2020                       | 20                    | 4                         | £8,600,000     | £5,849,210                                | 68%   | £12,750,000                 | £10,070,000                | -21%     | 4.314000               | £4,314,000        | £4.300453            | £4,300,453            | £-13,547      | 3                     | 2                            | 3       |
| Chatham Town Centre   | Mar-15                            | Construction in progress | 31/07/2017  | 01/10/2019                       | 26                    | 5                         | £4,200,000     | £4,200,000                                | 100%  | £4,900,000                  | £5,129,000                 | 5%       | 0.399000               | £399,000          | £0.756413            | £756,413              | £357,413      | 2                     | 1                            | 3       |
| Medway Cycling Action Plan  | Mar-15                            | LGF project delivered    | 31/03/2018  | 31/03/2019                       | 12                    | 1                         | £2,500,000     | £2,500,000                                | 100%  | £2,900,000                  | £2,800,000                 | -3%      | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 2       |
| Medway City Estate  | Mar-15                            | Design in progress       | 31/03/2021  | 31/03/2021                       | 0                     | 2                         | £2,200,000     | £581,121                                  | 26%   | £2,000,000                  | £2,094,000                 | 5%       | 1.396000               | £1,396,000        | £0.560171            | £560,171              | £-835,829     | 3                     | 3                            | 3       |

| Project                                       | Deliverability                |                          |   |                                  |                       |                           | Financial      |   |   |                             |                            |          | LGF spend 2019/20      |                   |                      |                       |               |                       |                              |         |
|---|-------------------------------|--------------------------|---|----------------------------------|-----------------------|---------------------------|----------------|---|---|-----------------------------|----------------------------|----------|------------------------|-------------------|----------------------|-----------------------|---------------|-----------------------|------------------------------|---------|
|   | Accountability Board approval | Delivery Status          | Expected completion date (as stated in Business Case) | Updated expected completion date | Months delay incurred | Deliverability RAG rating | LGF allocation | LGF spend to date Up to end of Q2 2019/20 | LGF spend to date (%) Up to end of Q2 2019/20 | Original total project cost | Updated total project cost | % change | LGF planned spend (£m) | LGF planned spend | LGF updated forecast | LGF updated forecast* | Difference ** | Financials RAG rating | Reputational risk RAG rating | Overall |
| Rochester Airport - phase 1                   | Jun-16                        | Design in progress       | 31/03/2018  | 31/03/2020                       | 24                    | 5                         | £4,400,000     | £660,108                                  | 15%   | £4,400,000                  | £4,400,000                 | 0%       | 3.771000               | £3,771,000        | £3.934593            | £3,934,593            | £163,593      | 4                     | 3                            | 4       |
| Innovation Park Medway (phase 2)              | Feb-19                        | Design in progress       | 31/12/2020  | 31/12/2020                       | 0                     | 4                         | £3,700,000     | £158,458                                  | 4%  | £48,900,000                 | £48,670,000                | 0%       | 2.400000               | £2,400,000        | £1.279923            | £1,279,923            | £-1,120,077   | 5                     | 4                            | 5       |
| Strood Civic Centre - flood mitigation        | Feb-18                        | LGF project delivered    | 30/04/2019  | 01/06/2019                       | 1                     | 1                         | £3,500,000     | £3,500,000                                | 100%  | £92,000,000                 | £92,000,000                | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| Innovation Park Medway (phase 3)              | Pending                       | Approval pending         | 31/12/2020  | 31/12/2020                       | 0                     | 2                         | £1,518,500     | £0  | 0%  | £82,852,000                 | £82,852,000                | 0%       | 0.000000               | £0                | £0.000000            | £0                    | £0            | 1                     | 1                            | 1       |
| <b>Southend</b>                               |                               |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| Southend Growth Hub                           | 2015                          | LGF project delivered    | 31/12/2016  | 01/03/2017                       | 2                     | 1                         | £720,000       | £720,000                                  | 100%  | £4,562,000                  | £7,092,000                 | 55%      |                        | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| Southend Forum 2                              | Feb-18                        | Design in progress       | 01/09/2021  | 01/09/2021                       | 0                     | 1                         | £6,000,000     | £784,657                                  | 13%   | £17,298,000                 | £17,298,000                | 0%       | 1.000000               | £1,000,000        | £1                   | £1,029,519            | £29,519       | 1                     | 1                            | 1       |
| TGSE LSTF - Southend                          | Mar-15                        | LGF project delivered    | 01/08/2016  | 01/03/2017                       | 7                     | 1                         | £1,000,000     | £1,000,000                                | 100%  | £1,000,000                  | £1,000,000                 | 0%       | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| A127 Kent Elms Corner                         | Jun-16                        | LGF project delivered    | 19/05/2017  | 31/05/2019                       | 24                    | 1                         | £4,300,000     | £4,300,000                                | 100%  | £7,150,000                  | £5,700,000                 | -20%     | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| A127 The Bell                                 | Nov-18 and Feb-19             | Design in progress       | 31/03/2021  | 31/03/2021                       | 0                     | 1                         | £4,300,000     | £737,000                                  | 17%   | £5,229,000                  | £5,020,000                 | -4%      | 0.800000               | £800,000          | £1                   | £831,109              | £31,109       | 2                     | 1                            | 3       |
| A127 Essential Bridge and Highway Maintenance | Sep-16, Nov-18 and Feb-19     | Design in progress       | 31/03/2021  | 31/03/2021                       | 0                     | 2                         | £8,000,000     | £1,457,000                                | 18%   | £8,000,000                  | £8,000,000                 | 0%       | 2.000000               | £2,000,000        | £1                   | £573,246              | £-1,426,754   | 3                     | 1                            | 2       |
| Southend Central Area Action Plan             | Jun-16, Sep-17 and Feb-19     | Construction in progress | 31/03/2021  | 31/03/2021                       | 0                     | 2                         | £7,000,000     | £2,988,223                                | 43%   | £7,600,000                  | £7,000,000                 | -8%      | 2.000000               | £2,000,000        | £1                   | £500,000              | £-1,500,000   | 5                     | 2                            | 3       |
| London Southend Airport Business Park         | Feb-16, Sep-17 and Sep-18     | Construction in progress | 31/03/2021  | 30/09/2021                       | 5                     | 4                         | £23,090,000    | £13,154,079                               | 57%   | £31,090,000                 | £31,070,000                | 0%       | 12.693000              | £12,693,000       | £12                  | £11,842,947           | £-850,053     | 3                     | 2                            | 3       |
| Southend Town Centre Phase 1                  | Pending                       | Approval pending         | TBC   | TBC                              |                       | 1                         | £867,708       | £0  | 0%  | TBC                         | £2,000,000                 |          |                        | £0                | £1                   | £750,000              | £750,000      | 1                     | 1                            | 1       |
| <b>Thurrock</b>                               |                               |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| TGSE LSTF - Thurrock                          | Mar-15                        | Construction in progress | 31/03/2016  | 31/03/2020                       | 48                    | 5                         | £1,000,000     | £886,852                                  | 89%   | £1,000,000                  | £1,243,000                 | 24%      | 0.163000               | £163,000          | £0                   | £124,976              | £-38,024      | 3                     | 1                            | 3       |
| Thurrock Cycle Network                        | Apr-16                        | LGF project delivered    | 31/03/2019  | 31/03/2019                       | 0                     | 1                         | £5,000,000     | £5,000,000                                | 100%  | £6,000,000                  | £6,000,000                 | 0%       | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| London Gateway/Stanford le Hope               | Feb-17                        | Design in progress       | 31/12/2018  | 01/08/2021                       | 31                    | 5                         | £7,500,000     | £5,216,132                                | 70%   | £12,050,000                 | £19,090,000                | 58%      | 0.547000               | £547,000          | £2                   | £1,647,481            | £1,100,481    | 4                     | 3                            | 4       |
| A13 - widening development                    | Feb-17                        | Construction in progress | 31/12/2019  | 31/12/2020                       | 12                    | 2                         | £5,000,000     | £5,000,000                                | 100%  | £5,000,000                  | £5,000,000                 | 0%       | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 2       |
| Purfleet Centre                               | Jun-16                        | Design in progress       | 01/09/2027  | 01/01/2030                       | 28                    | 4                         | £5,000,000     | £2,700,698                                | 54%   | £122,000,000                | £122,000,000               | 0%       | 0.000000               | £0                | £3                   | £3,158,843            | £3,158,843    | 3                     | 1                            | 3       |
| Grays South                                   | Feb-19                        | Design in progress       | 01/07/2022  | 01/02/2023                       | 7                     | 4                         | £10,840,274    | £1,774,650                                | 16%   | £27,436,981                 | £27,440,000                | 0%       | 3.700000               | £3,700,000        | £4                   | £3,700,000            | £-0           | 1                     | 2                            | 2       |
| A13 widening                                  | Apr-17                        | Construction in progress | 31/12/2019  | 01/06/2021                       | 17                    | 5                         | £66,057,600    | £41,423,482                               | 63%   | £78,900,000                 | £85,879,000                | 9%       | 25.011000              | £25,011,000       | £32                  | £32,174,607           | £7,163,607    | 5                     | 5                            | 5       |
| Tilbury Riverside                             | Sep-19                        | Approval pending         | 01/04/2021  | 01/04/2021                       | 0                     | 1                         | £2,360,000     | £0  | 0%  | £5,118,000                  | £5,118,000                 | 0%       | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| <b>Managed Centrally</b>                      |                               |                          |   |                                  |                       |                           |                |   |   |                             |                            |          |                        |                   |                      |                       |               |                       |                              |         |
| Capital Skills                                | Mar-15                        | LGF project delivered    | 31/03/2017  | 31/03/2018                       | 12                    | 1                         | £21,974,561    | £21,974,561                               | 100%  | TBC                         | TBC                        |          | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |
| M20 Junction 10a                              | Feb-17                        | Construction in progress | 31/09/2020  | 31/09/2020                       | 0                     | 1                         | £19,700,000    | £19,700,000                               | 100%  | £104,400,000                | £104,400,000               | 0%       | 0.000000               | £0                | £0                   | £0                    | £0            | 1                     | 1                            | 1       |

\* Updated forecast spend as reported in August 2019

\*\* Difference between the planned LGF spend at outset of 2019/20 and current spend forecast for 2019/20 (Positive values shows increase in planned spend and negative values shows decrease in planned spend).

## **Item 6: Appendix B- Growing Places Fund Project Update**

| Growing Places Fund Update Appendix 1 |             |  |  | Deliverability and Risk   |  |  |  |  |  |
|---------------------------------------|-------------|--|--|---|--|--|--|--|--|
| Name of Project                       | Upper Tier  | Description  | Current Status   | Delivery Risk   | GPF Spend Risk                                 | Repayment Risk   | Delivery of Project outcomes   | Other Risks  | Overall Project Risk   |
| <b>Growing Places Fund Round One</b>  |             |  |  |   |  |  |  |  |  |
| Priory Quarter Phase 3                | East Sussex | The Priory Quarter (Havelock House) project is a major development in the heart of Hastings town centre which has delivered 2,247m <sup>2</sup> of high quality office space with the potential to facilitate up to 440 jobs.  | The Priory Quarter (Havelock House) project is now complete and has delivered 2,247m <sup>2</sup> of high quality office space. To date the project has created 240 jobs, with the forecast of 440 jobs still achievable when the building is fully occupied.<br><br>Havelock House has now been sold, which enabled full repayment of the GPF loan prior to the end of 2018/19. | Project Complete  | Project Complete                               | Havelock House has been sold enabling full repayment to be made in 2018/19.  | As the building has now been sold, it is difficult to obtain data regarding the number of jobs created as a result of the project  |  |  |
| North Queensway                       | East Sussex | The project has delivered the construction of a new junction and preliminary site infrastructure in order to open up the development of a new business park providing serviced development sites with the capacity for circa 16,000m <sup>2</sup> (gross) of high quality industrial and office premises.  | GPF invested, project complete and repayments are being made.  | Project Complete  | Project Complete and GPF funding spent in full | Risk to repayment schedule due to continued slow take up of land. In line with agreed governance processes, a proposed further change to the repayment schedule will be presented to Strategic Board in December 2019. | Once the development of the first plot is underway and further interest is stimulated the delivery of outputs will begin to flow.  | Planning application for a car showroom on 7,200sqft of the site has been approved. However, there is a risk that occupation of the site will not proceed. |  |
| Rochester Riverside                   | Medway      | The project will deliver key infrastructure investment including the construction of the next phase of the principal access road, public space and site gateways.<br><br>This development is to be completed over 7 phases and should take approximately 12 years. The scheme will include: 1,400 new homes (25% of which are affordable), a new 1 form entry primary school, 2,200 sqm of new office & retail space, an 81 bed hotel and 10 acres of public open space. | The first housing units were completed in Q2 of 2019.<br><br>The Plaza launched on 17th October. It is expected that the commercial premises will now be occupied in 2019, rather than 2020 as originally planned.<br><br>Work has commenced on the planning application for the school.   | This project is already on site and the S106 agreement was signed at the end of January 2018.   | The GPF Funding has already been spent         | Medway Council is happy with the current repayment programme and has made the first two repayments.  | The contractor is on site and will be delivering 1,400 homes, 1,200sqm of commercial space, a new school, hotel and various new open spaces. The scheme is now delivering more than was originally intended and there are no delivery risks. |  | Overall the project is on track to deliver outputs and outcomes. |
| Chatham Waterfront                    | Medway      | The project will deliver land assembly, flood mitigation and the creation of investment in public space required to enable the development of proposals for the Chatham Waterfront Development.<br><br>A waterfront development site that can provide up to 115 homes over 6 storeys with ground floor commercial space and 115 parking spaces.  | Initial design stage works taking place as well as work to clear pre-commencement planning conditions such as archaeology boreholes. S106 agreement being finalised.   | Three key areas of delivery risk identified but work is underway to mitigate these risks to ensure the project is delivered according to programme. | The GPF Funding has been spent.                | Medway Council is comfortable with the current repayment schedule.   | Development project will deliver 175 new homes and additional commercial space.  |  | Project currently on time and any risks are being mitigated      |
| Bexhill Business Mall                 | East Sussex | The Bexhill Business Mall (Glover's House) project has delivered 2,345m <sup>2</sup> of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Bexhill Enterprise Park in the A259/A21 growth corridor.   | Glover's House has been delivered and is currently occupied by a single tenant. The building has been sold which will ensure full repayment of the GPF loan by the end of 2019/20  | Project Complete  | Project Complete                               | Building sold in April 2019, allowing full repayment to be made in 2019/20   | As the building has now been sold, it is difficult to obtain data regarding the number of jobs created as a result of the project  |  |  |

| Growing Places Fund Update Appendix 1 |              |   |  | Deliverability and Risk   |  |   |   |   |   |
|---------------------------------------|--------------|---|--|---|--|---|---|---|---|
| Name of Project                       | Upper Tier   | Description   | Current Status   | Delivery Risk   | GPF Spend Risk   | Repayment Risk  | Delivery of Project outcomes  | Other Risks   | Overall Project Risk  |
| Parkside Office Village               | Essex        | SME Business Units at the University of Essex. Phase 1, 14,032 sqft.; 1,303sqm lettable space, build complete June 2014. Phase 1a 3,743 sqft.; 348 sqm - complete September 2016.   | Project complete and GPF funding repaid in full.<br>270 jobs created through the project.  | Project Complete  | Project Complete   | Project Complete and loan repaid in full.   | All units fully occupied with enquiry waiting list. Expected job outcomes realised.   |   | Project Complete  |
| Chelmsford Urban Expansion            | Essex        | The early phase of development in NE Chelmsford involves heavy infrastructure demands constrained to 1,000 completed dwellings. The fund will help deliver an improvement to the Boreham Interchange, allowing the threshold to be raised to 1,350, improving cash flow and the simultaneous commencement of two major housing schemes. | GPF invested, project complete and GPF has been repaid in full.  | Project Complete  | Project Complete   | Project Complete and loan repaid in full.   | Project Complete  |   | Project Complete  |
| Grays Magistrates Court               | Thurrock     | The project has converted the Magistrates Court to business space as part of a wider Grays South regeneration project which aims to revitalise Grays town centre.   | GPF invested, project complete and repayments are being made.<br>The refurbished building is now in use and having a positive impact in the town centre.   | Project Complete  | GPF funding spent in full  | Final repayment will be made in Q4 2019/20  | The number of new jobs delivered by the project is increasing each quarter, however, this is dependent upon decisions taken by individual businesses  | The only significant risk to the project now is a significant economic down turn which impacts on occupancy |   |
| Sovereign Harbour                     | East Sussex  | The Pacific House project has delivered 2,345m <sup>2</sup> of high quality office space with the potential to facilitate up to 299 jobs. This is the first major development in the Sovereign Harbour Innovation Park in the A22/A27 growth corridor.  | The Sovereign Harbour Innovation Mall (Pacific House) project is now complete and has delivered 2,345m <sup>2</sup> of high quality office space. This development has delivered 214 jobs.   | Project Complete  | Project Complete   | Revised repayment schedule approved by Accountability Board in September 2019   |   |   |   |
| Workspace Kent                        | Kent         | The project aims to provide funds to businesses to establish incubator areas/facilities across Kent. The project provides funds for the building of new facilities and refit of existing facilities.  | There are four projects within this programme. Of these, one project has been completed and has repaid in full, two projects are meeting their repayment schedule and one project is behind on their targeted repayment schedule.<br>A full application is expected from one further project on 11th November, which will allow allocation and draw down of the remaining funding. | There is a risk to defrayment of the final amount of funding, however, a full application is expected to be received from a company on 11th November. Assuming this application is successful, the remaining funding will be defrayed by the end of Q4 2019/20. | There is a risk to defrayment of the final amount of funding, however, a full application is expected to be received from a company on 11th November. Assuming this application meets the Panel's agreement, the full amount of funding will be defrayed by the end of 2019. | There was a slight delay on repayment from one of the loan applicants so the loan agreement was renegotiated in line with income received from business. Paperwork has now been received regarding an Individual Voluntary Arrangement (IVA), work is ongoing to determine the impact this will have on repayments. | Some job numbers have been delayed for approximately one year due to a new project build not completing in accordance with the agreed programme. However, the remainder of the project is on schedule for delivery and outcomes will be realised. |   |   |
| Harlow West Essex                     | Essex/Harlow | To provide new and improved access to the London Road site designated within the Harlow Enterprise Zone.  | Project delivered to a reduced scope and GPF funding repaid  | Project Complete  | Project Complete   | Project Complete and loan repaid in full.   | Enterprise zone is operational with 85% of space let.   |   | Further works in the programme ongoing in Harlow that help improve the overall viability and attractiveness of the Enterprise Zone. |



| Growing Places Fund Update Appendix 1 |            |  |   | Deliverability and Risk  |   |  |  |  |  |
|---------------------------------------|------------|--|---|--|---|--|--|--|--|
| Name of Project                       | Upper Tier | Description  | Current Status  | Delivery Risk  | GPF Spend Risk  | Repayment Risk   | Delivery of Project outcomes   | Other Risks  | Overall Project Risk   |
| Discovery Park                        | Kent       | The proposal is to develop the Discovery Park site and create the opportunity to build both houses and commercial retail facilities.   | <p>At the meeting on 13th September 2019, the Board agreed to continue to support the project but this was subject to a number of conditions being met, including that the funding awarded should not constitute state aid.</p> <p>Work has been ongoing to address these conditions, with legal advice sought as to whether the funding constitutes state aid.</p>   | <p>Work is ongoing to establish if it is possible to meet the funding conditions agreed by Accountability Board.</p> <p>A State Aid check has been commissioned to determine whether the funding awarded constitutes state aid</p>                               | Subject to the identified delivery risk being mitigated, the GPF funding will be spent in accordance with the funding application   | Subject to the identified delivery risk being mitigated, the GPF funding will be repaid in line with the repayment schedule approved by the Board on 13th September 2019 | Subject to the identified delivery risk being mitigated, the project outcomes can be delivered in accordance with the funding application                      |  | The project is at risk if the conditions agreed by Accountability Board cannot be met. The applicant may choose to not progress with the GPF project if the funding conditions are changed |
| Live Margate                          | Kent       | Live Margate is a programme of interventions in the housing market in Margate and Cliftonville, which includes the acquisition of poorly managed multiple occupancy dwellings and other poor quality building stock and land to deliver suitable schemes to achieve the agreed social and economic benefits to the area. | <p>"Phase 1" has been completed. "Phase 2" is underway.</p> <p>Contracts have been exchanged on a property, which once redeveloped has the potential to create approximately 27 dwellings.</p> <p>Other poorly managed multiple occupancy dwellings and other poor quality building stock properties that accord with the loan agreement criteria are being refurbished to bring them back into use.</p> <p>To date the GPF funding is being used to support the creation of 52 new homes. To date 37 units have been completed and occupied.</p> | Offers have been accepted on two properties, with exchange of contracts complete for one property and anticipated for the second. Other potential investment opportunities are also being examined, that accord with the loan agreement objectives and criteria. | Spend delays would be primarily caused by delays in the acquisitions completing due to nature of the property market, profile of private landowners in the area and the council needing to ensure best consideration is achieved. | Subject to exchanging successfully, the repayment profile should be met.   | From the land and sites identified, and positive engagement of partners, there is now greater certainty that the target of 66 homes will be achieved by 24/25. | As with any development project, there is a planning risk, although for the identified properties this is considered to be low risk. |  |
| Revenue admin cost drawn down         | n/a        |  | n/a   |  |   |  |  |  |  |
| Harlow EZ Revenue Grant               | n/a        |  | n/a   |  |   |  |  |  |  |

Growing Places Fund Round Two

| Growing Places Fund Update Appendix 1                 |            |  |  | Deliverability and Risk   |  |   |  |             |                      |
|---|------------|--|--|---|--|---|--|-------------|----------------------|
| Name of Project                                       | Upper Tier | Description  | Current Status   | Delivery Risk   | GPF Spend Risk   | Repayment Risk  | Delivery of Project outcomes   | Other Risks | Overall Project Risk |
| Fitted Rigging House                                  | Medway     | The Fitted Rigging House project converts a large, Grade 1, former industrial building into office and public benefit space initially providing a base for eight organisations employing over 350 people and freeing up space to create a postgraduate study facility elsewhere onsite for the University of Kent Business School. The project also provides expansion space for the future which has the potential to enable the creation of a high tech cluster based on the work of one core tenant and pre-existing creative industries concentrated on the site. The conversion will provide 3,473m <sup>2</sup> of office space.   | Building works to the project are now mostly complete. The building is now fully occupied, with all 8 tenants operating from their new working spaces.<br><br>Works to Chatham Historic Dockyard Trust Archive, Library and Volunteer Centre have been delayed due to issues with the installation of lifts. However, the project is on track for completion by the end of October 2019.   | Delay in delivery of main lift for stair core but an additional platform lift has been installed (at no cost) to mitigate.  | GPF allocation spent in full.  | Tenant spaces are now fully occupied, generating the income streams needed to meet the GPF repayment schedule. Any shortfall will be offset by charitable reserves.   | Tenant spaces are now fully occupied and the businesses continue to grow.  |             |                      |
| Innovation Park Medway (southern site enabling works) | Medway     | The Project is part of a wider package of investment at Innovation Park Medway. The Innovation Park is one of three sites across Kent and Medway which together forms the North Kent Enterprise Zone.<br><br>The vision for Innovation Park Medway is to attract high GVA businesses focused on the technological and science sectors – particularly engineering, advanced manufacturing, high value technology and knowledge intensive industries. These businesses will deliver high value jobs in the area and will contribute to upskilling the local workforce. This is to be achieved through general employment and the recruitment and training of apprentices including degree-level apprenticeships through collaboration with the Higher Education sector.<br><br>The Project will bring forward site enabling works on the southern site at the Innovation Park. | Demolition of the disused building is now complete.<br><br>Consultants have been appointed to undertake design work in line with the Masterplan and draft Local Development Order. The design work is in progress and is on track to meet the programme. Once the Local Development Order has been adopted, the final design will be taken through the self-certification process and work will subsequently begin on site.<br><br>There remains a risk to the adoption of the LDO as any comments submitted by statutory consultees must be satisfactorily addressed before the LDO can be taken forward. Formal comments from Highways England on the proposals for the wider Innovation Park Medway site are awaited, however, a number of initial queries have been addressed. | Adoption of the Local Development Order is required prior to commencement of the GPF southern site works. Adoption of the LDO is subject to statutory consultee comments being satisfactorily addressed, including any comments raised by Highways England. | GPF spend is not expected to be delayed providing work starts on site by April 2020. This is still achievable as long as the adoption of the LDO is not delayed. | Soft market testing to date indicates a high level of interest with businesses ready to take up plots as they become available. Capital receipts/business rates will then become available for repayments. Development of the site is dependent upon the LDO being adopted. | Delivery of Project outcomes is dependent upon the LDO being adopted. Once the LDO is in place there will be minimal risk to the realisation of Project outcomes as there has been significant interest in the site. |             |                      |
| Centre for Advanced Engineering                       | Essex      | Development of a new Centre of Excellence for Advanced Automotive and Process Engineering (CAAPE) through the acquisition and fit out of over 8,000sqm, on an industrial estate in Leigh on Sea. The project will also facilitate the vacation of the Nethermayne site in Basildon, which has been identified for the development of a major regeneration scheme.  | Phase 1 completed and operational for start of 2018/19 academic year including motor vehicle and engineering. Phase 2 was completed in November 2018, allowing student enrolment from December 2018. The project was completed on time, to quality and within the revised budget.  | Project delivered   | GPF funding spent in full  | No risk.  |  |             |                      |

| Growing Places Fund Update Appendix 1 |             |  |   | Deliverability and Risk  |   |   |   |   |                      |
|---------------------------------------|-------------|--|---|--|---|---|---|---|----------------------|
| Name of Project                       | Upper Tier  | Description  | Current Status  | Delivery Risk  | GPF Spend Risk  | Repayment Risk  | Delivery of Project outcomes  | Other Risks   | Overall Project Risk |
| Colchester Northern Gateway           | Essex       | This development is located at Cuckoo Farm, off Junction 28 of the A12. The overall scheme consists of: relocation of the existing Colchester Rugby club site to land north of the A12 which will unlock residential land for up to 560 homes including 260 extra care and up to 100 bed Nursing home providing in total around 35% affordable units and on site infrastructure improvements facilitating the development of the Sports and Leisure Hub. | No update provided  | No update provided   | No update provided  | No update provided  | No update provided  | No update provided  | No update provided   |
| Charleston Centenary                  | East Sussex | The Charleston Trust have created a café-restaurant in the Threshing Barn on the farmhouse's estate. This work is part of a wider £7.6m multi-year scheme – the Centenary Project – which aims to transform the operations of the Charleston Farmhouse museum.   | The GPF funded works on the café-restaurant are now complete and the café-restaurant is open.   | Project complete   | GPF funds spent   | Repayment schedule is factored in to the cash flow forecasting and risk register which are regularly reviewed.  |   |   |                      |
| Eastbourne Fishery                    | East Sussex | This capital project has secured £1,000,000 European Maritime and Fisheries Fund (EMFF) grant funding to build a Fishermen's Quay in Sovereign Harbour to develop local seafood processing infrastructure to support long term sustainable fisheries and the economic viability of Eastbourne's inshore fishing fleet.   | Work on the project has been delayed due to a number of issues, including the appointed contractor going out of business, resulting in the need to seek an alternative contractor.<br><br>There have been delays in relation to the signing of the lease between the landowner and the Fisherman's CIC, however, the issues have now been resolved and it is expected that the lease will be signed on 14th November allowing work to commence on 15th November.<br><br>The delays experienced in commencing construction of this project, may present a risk to the agreed repayment schedule. This will be investigated further and, if required, a revised repayment schedule will be brought forward for consideration by the Board in February 2020. | There has been a delay in beginning work on the project, however, the project is still deliverable and work will commence onsite in the near future.   | Project has experienced a number of delays which have resulted in delayed start of GPF spend. Once the agreement is in place with the landowner work on the project can commence and the GPF funding will be spent in full. | The repayment schedule remains as stated in the Business Case, however, the delay in commencing construction could impact on this schedule. This will be monitored and the Board will be updated in February 2020 | Objectives and deliverables are still as per the original business case.                      |   |                      |
| No Use Empty Commercial               | Kent        | The No Use Empty Commercial project aims to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.   | The project has contracted with 12 projects in Dover, Folkestone and Margate.<br><br>These projects will provide 15 commercial units and 28 residential units in total. To date, 6 commercial and 13 residential units have been brought back into use.   | All GPF funds were drawn down by March 2019. Contracts are now in place to ensure delivery of the outcomes stated within the Business Case. Steady progress being made in terms of delivery. | The full £1.0m of GPF funding has been allocated to projects  | The individual projects currently supported by No Use Empty Commercial have repayment dates which will fulfil the requirement to repay the first £500,000 by March 2021.  | Contracts are now in place to ensure delivery of the outcomes stated within the Business Case | No other risks identified. The number of commercial units in contract exceed the total stated in the Business Case. |                      |

| Growing Places Fund Update Appendix 1 |            |  |  |                           |                       |  |   |             |  |
|---------------------------------------|------------|--|--|---------------------------|-----------------------|--|---|-------------|--|
| Name of Project                       | Upper Tier | Description  | Current Status   | Deliverability and Risk   |                       |  |   |             |  |
|                                       |            |  |  | Delivery Risk             | GPF Spend Risk        | Repayment Risk                                       | Delivery of Project outcomes                    | Other Risks | Overall Project Risk   |
| Javelin Way development project       | Kent       | The project aims to develop the Javelin Way site for employment use, with a focus on the development of Ashford's creative economy. The project consists of two elements: the construction of a 'creative laboratory' production space and the development of 29 light industrial units. | <p>The procurement process is now underway.</p> <p>A revision to the planning has been made due to a change in cladding for the Jasmin Vardimon building.</p> <p>RIBA stage 4 design is now complete for the theatre element of the project.</p> | Procurement has commenced | No new risks to spend | Full repayment still expected at end of March 2022.. | On target to be delivered as per Business Case. |             | Still on schedule and on budget as set out in Business Case. |

## **Item 7: Appendix A- Social Enterprise Prospectus**

# Social Enterprise

## A PROSPECTUS



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# Foreword

I am delighted to introduce this prospectus and accompanying case studies to illustrate the major contribution and impact of the work of the social enterprise sector in our region. With our collaboration, the priorities that have been identified seek to further strengthen this impact, through improved coordination and access to support, better engagement and promotion of the sector.

The South East LEP (SELEP) is committed to ensure that Social Enterprise is given due prominence in the development of the Local Industrial Strategy and Shared Prosperity Fund and by working collaboratively we can align our working to realise a greater social value whilst driving inclusive growth. I call on our partners to endorse this prospectus and support the priorities presented. **Chris Brodie, Chair, SELEP**

As SELEP Board Champion for Social Enterprise I very much welcome this prospectus. Social Enterprises must not be underestimated – they are a major provider of local employment for local people, a deliverer of key local and strategic services, and an important sector to leverage in additional external resources. We must recognise the huge scope they offer to support our aspirations for inclusive economic growth across our region and respond to the particular challenges this prospectus outlines in order to maximise our potential. **Penny Shimmin, SELEP Social Enterprise Board Champion & Sussex Community Development Association**

This is a pivotal time for the SELEP. We have recently launched our new Economic Strategy Statement which sets us on a pathway towards a robust Local Industrial Strategy for the south east. The contribution of this prospectus will assist us in further defining particular scope and opportunities of this important sector in defining our ambitions for an inclusive economy. **Adam Bryan, Chief Executive, SELEP**



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Consultation and prospectus written by Social Enterprise East of England

Design by P H Works Design



# Introduction

The South East of England is a thriving economic centre and its scale and economic output presents a significant contribution to the national economy. There is huge scope and opportunities for growing the economy of the South East and social enterprise has a role to play in blending innovation and business drive with social goals that benefit the local community and strengthen our social fabric.

Social Enterprise does not just present social value, it is a significant business sector in its own right, employing up to 62,000 people and contributing a minimum of £2.3 billion to the local economy. It has a substantial contribution to make in supporting the South East Local Enterprise Partnership's aspirations for a more productive and more prosperous economy and with the right support and opportunities there is potential for social enterprises to grow and achieve even greater impact.

It is our aspiration that the South East is recognised as the capital of social enterprise. This prospectus:

- Sets out the scope and opportunities of the sector in our area
- Presents case studies to illustrate its range and value
- Presents consultation findings and reviews provision to assess what is required to strengthen and support Social Enterprises to flourish. And based on this;
- Presents the following practical priorities for action that are required to build a stronger, more impactful social enterprise sector in the South East:

- Providing a wide range of business support
- Coordinating information on the sector
- Promoting networking opportunities
- Engaging the procurement and commissioning agendas
- Encouraging access to suitable finance
- Improving promotion of the sector
- Measuring social impact

# Our Call to Action

Social enterprises have a significant impact on the economy and in the wider community. Our ambition is for social enterprises to be able to do more by working with strategic partners to build a stronger and more impactful social enterprise sector in the South East.

## Our Calls to Action

### A wide range of Business Support

- Community-based pre-start support to high level strategic planning for growth.
- A fully integrated and consistent brokerage and referral system.
- Better understanding of the unique aspects of social enterprises amongst mainstream business support providers.
- Support social enterprises to access appropriate mainstream business support.

### Coordinated information of what is available

- Ensure this is relevant to all stakeholders including; social enterprises, customers, policy makers and strategic planners.
- More effectively quantify the sector based on in-depth knowledge of what social enterprises offer and are trading.
- Ensure wide knowledge of the business support offer and finance opportunities.

### Networking

- Communicate effectively to share information and good practice.
- Use networks to influence the sector and policy.

### Engagement with the procurement and commissioning agenda

- Engage both the public and private sector.
- Influence the procurement agenda, using the Social Value Act.

### Finance

- Improved information exchange about what forms of finance are available to help social enterprises.
- Understanding the value and impact of grant funding on commercial sustainability and trading income.
- Engage with developing methods on how grant funding can be accessed and distributed most effectively.

### Celebrating success

- Celebrate both the individual and collective successes of social enterprises.
- Ensure that there is comprehensive evidence and data to support success stories.

### Social impact

- Increased support to understand the social impacts that social enterprises deliver.
- Explore a bespoke programme or integrated offer with existing business support providers to better understand social value and impact measures.
- Evidence the social impacts that social enterprises provide and use this information to promote and support future delivery.

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# What are Social Enterprises and what do they contribute to our area?

**Social Enterprises are businesses that trade for a social purpose.**

**There is no specific legal definition of a social enterprise but they have most of the following characteristics:**

- They earn a significant amount of their income through **trading**
- They have a **social purpose** which is written into their governing document
- Their **surpluses** are used to support their social purpose
- They frequently have an '**asset lock**' which means that the assets cannot be distributed for private gain

**In addition:**

- They are often owned by the **community** they are set up to support
- They frequently **provide employment** for people who could not work in the mainstream labour market
- They may be owned by or grown out of existing **charities**
- They can be commissioned to deliver **public services**

## Social Enterprises in the SELEP area

**It is calculated that:**

- There are between **4,500 and 6,300** social enterprises trading in the SELEP area
- They employ between **44,000–62,000** people

They contribute a minimum of **£2.3 billion** to the local economy.

Social enterprises are a significant business sector that have economic impact in the South East. With the right support and opportunities there is potential for social enterprises to grow and achieve greater impact.

### Social Enterprises in the SELEP area:



**Social Enterprises**

**4,500–6,300**



**Employing**

**44,000–62,000**



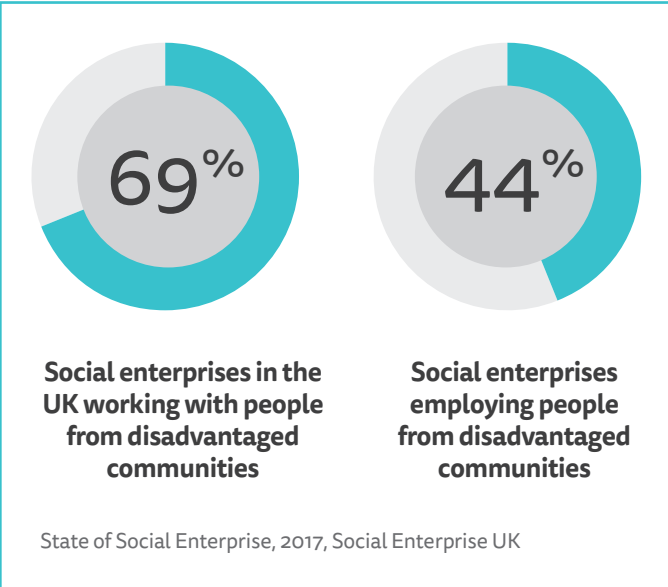
**Contributing to the economy**

**£2.3 billion**

Figures are extrapolated from Social Enterprise UK, 2018, The Hidden Revolution – size and scale of social enterprise in 2018, Social Enterprise UK

Social enterprises seek to create jobs and inclusive growth. They deliver social and public benefit.

They can be constituted in a number of ways; charities, co-operatives, community interest companies.



**A range of business activities including:**

- Create jobs for people with disabilities – including veterans
- Run apprenticeships for ex-offenders
- Run community shops and pubs
- Run community centres and support local regeneration
- Provide nursing and domiciliary care
- Organise community events and run leisure facilities
- Provide out of hours GP services and run practices in disadvantaged communities
- Provide school meals and educate children about healthy eating
- Enable people in receipt of care funding to manage their own care support
- Run local energy co-ops
- Provide housing and housing support
- Provide community transport

**Spectrum of social value**



## Case study

# Britain's Bravest Manufacturing Company

**Sector: Manufacturing**  
**Location: Kent**



The Royal British Legion was founded in 1919 after the end of the First World War, to support wounded ex-service personnel. In 1925 we set up our first factory to provide work for veterans and today we trade as Britain's Bravest Manufacturing Company, which comprises about a third of Royal British Legion Industries' (RBLI) work.

Today we employ 102 people in RBLI – of whom 73% are disabled. We make signs, make and repair wooden products such as pallets, assemble components from factories to sell in shops, such as plumbing parts and run a print and mailing business.

Our sign-making goes back to the 1950s when we started producing signs for British Rail. This continued under Network Rail and its sub-contractors until the contract was put out to tender in 2017 – which we won. It is a £3 million pound contract that lasts for 5 years. Although it was a fully competitive process Network Rail wrote into the specification that only sheltered factories were allowed to bid, which is allowed under EU commissioning rules. The tenders were assessed on the basis of price (60%) and technical capability and capacity (40% – of which 20% was based on social value)

Since 2012 we have also been making road traffic signs for Highways England and Local Authority contracts for the whole of the UK. In the Kent County Council tender for their Term Maintenance Contract, it was specified that there must be a social enterprise in the supply chain.

The product we make is the best in the market – that's why people buy from us. When people buy road signs to erect over a motorway they are buying a giant jigsaw puzzle that has to be assembled 20 feet in the air – it has to fit together perfectly. If there is a problem putting it together and the road has to be closed for a second night, it costs the

construction company a fortune. The veterans who work for us love this work, they love being the best, making the best signs. They like the challenge of getting it right. 90% of the staff working on the signs are ex-military.

We invest in specialist equipment and use technology to help us to create more jobs, rather than cut jobs like most businesses. The printer we use to make the signs enables us to make lots more and we have been able to recruit more people to assemble them. We don't buy in metal work, we buy in materials and make it all ourselves. The printer is the first of its kind in England, we had to have engineers come from the manufacturers in Japan to install it.

In recent years we have started to work with people who have disabilities who are not from the military. We believe we have something to offer them and it enables us to maintain the size of our workforce to deliver these contracts. We are working with the Social Enterprise Mark CIC and the DWP to develop a Social Enterprise Disability Employment Mark. This will help social enterprises evaluate how they work with disabled people.

Our staff are all on permanent contracts and many of them stay a long time. The veterans like working here because we maintain a military culture and they feel comfortable, the civilians like it because they feel valued and that they are making a difference.



**“RBLI is a living, breathing example of social enterprise”**

Leader of Kent County Council



[www.britainsbravestmanufacturing.org.uk](http://www.britainsbravestmanufacturing.org.uk)

2

## SELEP Social Enterprise Working Group

### Social Enterprise Working Group

#### It will:

- Ensure **social enterprises have a voice** in strategic development and planning activities.
- Promote **LEP sponsored support** to social enterprises.
- **Identify opportunities for social enterprises to contribute to LEP activities.**
- **Work with the Growth Hubs** to influence the way business support is delivered to social enterprises
- **Maximise procurement opportunities** through social enterprise.

### Social Enterprise Working Group – five key themes

The following themes have been identified.

#### 1 Championing Social Enterprise

- Elevate status of Social Enterprise in LEP strategies and action plans e.g. Local Industrial Strategy
- Influence and lobby Government bodies and national stakeholders
- SELEP Strategic Board Champion to promote and channel key messages

#### 2 Finance

- Maximise accessibility of economic growth funding streams
- Maximise uptake of finance opportunities e.g. Access Foundation

#### 3 Capacity Building

- Influence mainstream support for Social Enterprise

#### 4 Market Building

- Replicate best practice in promoting social enterprise in the supply chain
- Mapping opportunities within supply chains
- Social Enterprise business to business events
- Convening consortia
- Influence procurement models to promote social value in purchasing goods and services
- Encourage people to become social enterprise entrepreneurs

#### 5 Impact

- Measuring the impact of the social value of social enterprises
- Establishing a baseline and mapping activity

“ We need more of a structured framework for smaller and medium-sized organisations and help with business support such as finance and marketing.

*Claudia Sykes, Social Enterprise Kent Medway and Working Group member*

“ What does social enterprise mean to SELEP? If we're not mainstream with them, we're not mainstream with anyone.

*Geoff Streetley, Britain's Bravest Manufacturing Company and Working Group member*

# Case study | Invicta Healthcare CIC

## Sector: Health & Care Location: Kent



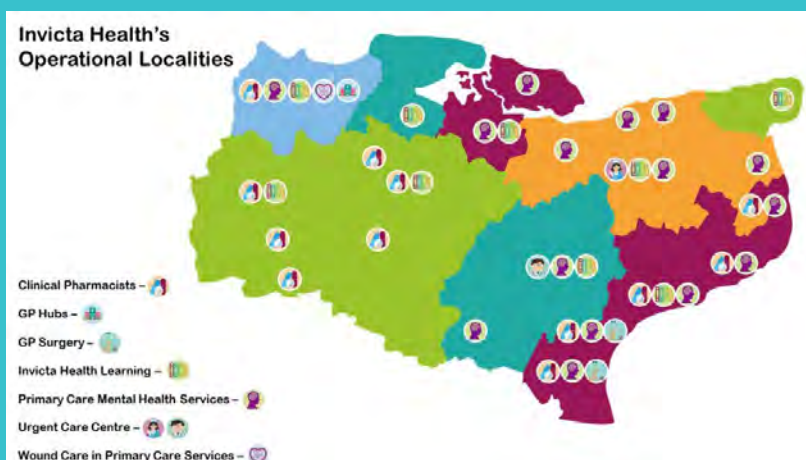
We were set up by a group of GPs to help improve people's access to health services in East Kent. We support the whole community however we provide targeted support to specific patients where their health care needs are not being met. We are commissioned by Clinical Commissioning Groups (CCG), NHS England, other GP Federations and the Local Medical Committee (LMC) to provide services in East Kent / Kent and Medway. We also work with individual GP practices providing back office support as well as particular clinical programmes such as flu injections for homeless people.

We have 96 salaried staff, including doctors, nurses and other healthcare professionals. We are able to invest in our staff and we believe it is important to develop people because of the shortages in the primary care workforce.

The GPs are our shareholders and have invested their money in the business – but the primary purpose when we were set up was to provide good patient care, not to maximise the profits. We reinvest our surpluses in providing healthcare in difficult areas. We turned around two failing practices in a rural area where the previous doctors had retired or left and it was costing the CCG a lot of money to keep the practices running using locum services.

We'd like to network with other health social enterprises so that we can enhance what we do and share our knowledge with others.

We hold the Social Enterprise Mark and this has helped us because people acknowledge that we are here for the greater good.



<https://invictahealth.co.uk>

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# Impact of Social Enterprise in our region

Social enterprises have a significant economic impact as trading businesses, creators of jobs, and through social benefits.

Number of social enterprises:

| Area                         | Minimum      | Maximum      |
|------------------------------|--------------|--------------|
| East Sussex                  | 643          | 836          |
| Essex, Southend and Thurrock | 1,798        | 2,756        |
| Kent and Medway              | 2,135        | 2,774        |
| <b>Total</b>                 | <b>4,567</b> | <b>6,366</b> |

These figures have been calculated based on national social enterprise population data and local statistics to estimate the numbers of social enterprises in the SELEP area. In each instance we have shown higher and lower figures based on different calculations.

(This equates to between **2.64% and 3.70% of businesses** in the SELEP area<sup>1</sup>.)



Number of social enterprises:



**2.64–3.7%**

Of businesses in the SELEP area



**£2million**

Mean average turnover



**£2.25billion–  
£3.15 billion**

Annual total turnover in the SELEP area for social enterprises



**44,000–  
62,000**

Employed in social enterprises in the SELEP area

Figures are extrapolated from Social Enterprise UK, 2018, The Hidden Revolution – size and scale of social enterprise in 2018, Social Enterprise UK

This data illustrates that social enterprises are significant contributors to the economy of the south east. To maximise their impact more effectively, and to measure their social value, more funded support is needed.



**We’ve got fantastic managers and carers – that’s what makes us different.**

Amanda Cherry SPDNS

1. Smarter, Faster, Together 2018, The South East LEP’s Economic Strategy



# Case study | United Living

## Sector: Construction Location: UK-wide



United Living is a national contractor providing new build and planned maintenance services for a wide range of clients across the UK. They work primarily with social landlords, planning and managing contracts to build and maintain housing.

Providing added social value to their work is a key driver and 'a reputational part of our business.'

Their social value is defined by the client and depends on local needs and priorities. The most frequently requested action is to provide training and employment opportunities, but they also:

- Link with partners to provide a range of learning opportunities such as job search skills and CV writing
- Work with local schools to identify and deliver projects that benefit the community

- Provide work experience for pupils in schools
- Support local enterprise development
- Support community events

Although community and social benefit has always been important to the company, since the introduction of the Public Services (Social Value) Act in 2012, the wider benefits are vital to them winning contracts. Social value can have a weighting of up to 30% in how contracts are assessed so being able to demonstrate the added value United Living can offer is of real commercial worth to the business.

As part of their commitment to social value, all 200 staff on the southern area refurbishment team had to attend a workshop on social value, what it is and how it affects everyone in their various roles. "All staff left with understanding that the delivery of Social Value is embedded in all their roles and everyone has a part to play, as well as it being a contractual commitment and a business winning activity." (Jacquie Noon, Social Value Manager)



<https://unitedliving.co.uk>

## 4

## Conditions required to nurture Social Enterprise

Social Enterprises have unique requirements related to the development of businesses as well as growth and sustainability:

### Key attributes to development of social enterprise

6

Active minority cultures 'expressing non-mainstream values and needs' (e.g. environmentalists, women's groups, ethnic minority interest groups, New Age groups, religious and other ethical organisations)

1

A local authority that supports social enterprises

2

Networking within a local community and extending outside to link with other areas

3

The level of socio-economic deprivation

4

A culture which is open to challenge and seeking to find new ways of doing things, sometimes reflecting the interests of minority groups

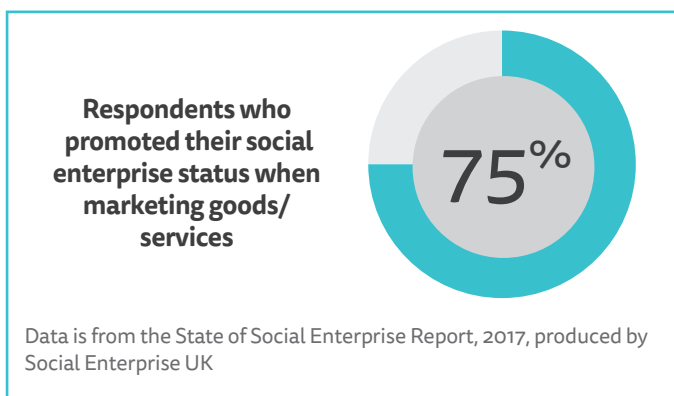
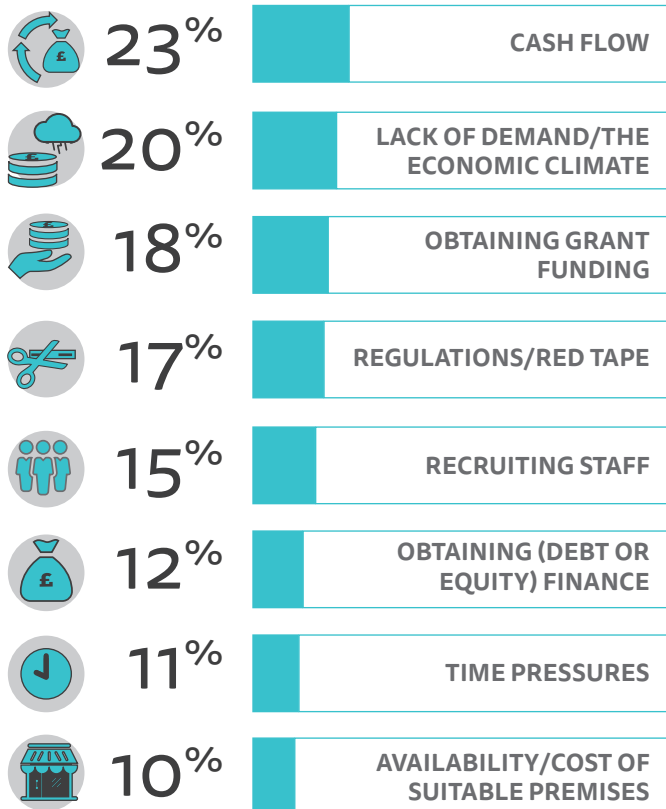
5

The presence of organisations and infrastructure bodies that lobby on behalf of local social enterprises

**The study lists six attributes of areas that contribute to the development of social enterprise:**



**The most significant barriers to social enterprise sustainability and/or growth were given as:**



Social enterprises have a number of barriers to sustainability and growth. Many of these barriers will be similar to mainstream small and medium-sized businesses, but there are also some more pronounced challenges that social enterprises face.

For example, nearly a fifth of social enterprises stated that the difficulty of obtaining grant fund was the most significant barrier to sustainability and growth. This is likely a far more pronounced problem for social enterprises than other small and medium-sized businesses, as most businesses have little to no reliance on grant funding.

**Investment takeup**

A study of social enterprises in Essex was published in 2017, commissioned by Essex Partnership and carried out by Social Enterprise East of England. This was focused on the uptake of social investment finance and included a questionnaire, to which 122 social enterprises responded and in depth telephone interviews with 20 social enterprises.

**The findings were:**

- There is an appetite for growth but not always the available capacity to achieve this
- 27% of respondents had plans to expand their organisation
- A further 30% had ideas about expansion but little time to develop them
- Organisations identified a need for tailored support, including to develop trading activity
- More than half of respondents identified a need for funding support in the future
- Around a third identified a need for support with developing goods or services, marketing and measuring impact
- Organisations that had sought advice were using a range of sources; the qualitative research found the most positive feedback was for support from peers and networks
- Respondents thought it was beneficial if support organisations had specific expertise in social enterprise or supporting value-led organisations

**“ I used to run a [PLC], now I run a business employing 70% disabled people and it’s a bigger challenge, but it’s incredibly rewarding.**

**Geoff Streetley, Britain’s Bravest Manufacturing Company**

# Case study | Trinity Fencing CIC

**Sector: Construction**

**Location: Kent**



We provide employment through apprenticeships to three young people at a time, who are ex-offenders or have been homeless. As well as work, we also help them with accommodation.

We offer commercial fencing services to businesses and domestic garden design to individual customers. We sub-contract from some of the biggest contractors in the country. They buy from us because we provide the right service at the right price. Our commercial success means that we can support the people we work with. Although some big building companies have Corporate Social Responsibility departments, they don't think about applying CSR principles in their supply chains. There are some good schemes, such as Wates and Timpsons, but it's patchy. We need a voice to make this case.

We use some of our profits to donate to other charities. We sponsor a child in Addis Ababa and we support Hope for Justice, an anti-slavery and justice charity. It helps motivate our lads – they know if they work hard it will help to make more profits to donate to our causes.



[www.trinityfencing.co.uk](http://www.trinityfencing.co.uk)

# 5 Social Enterprise success story

This section provides separate data for Essex and Kent & East Sussex as the information is unavailable on a LEP area basis.

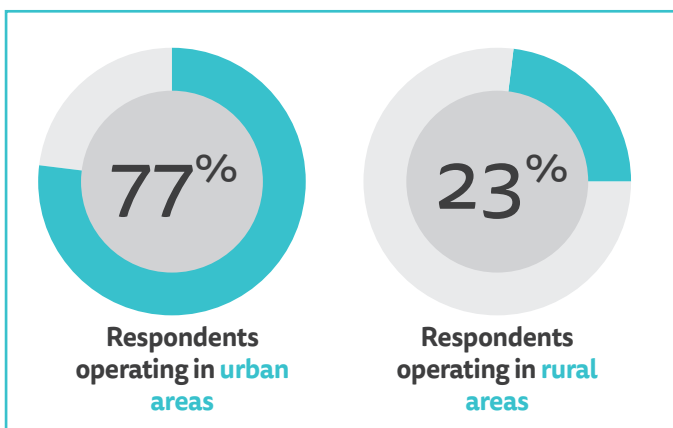
This further highlights the need for improved data and information on social enterprises, particularly in understanding social impact.

## Kent and East Sussex

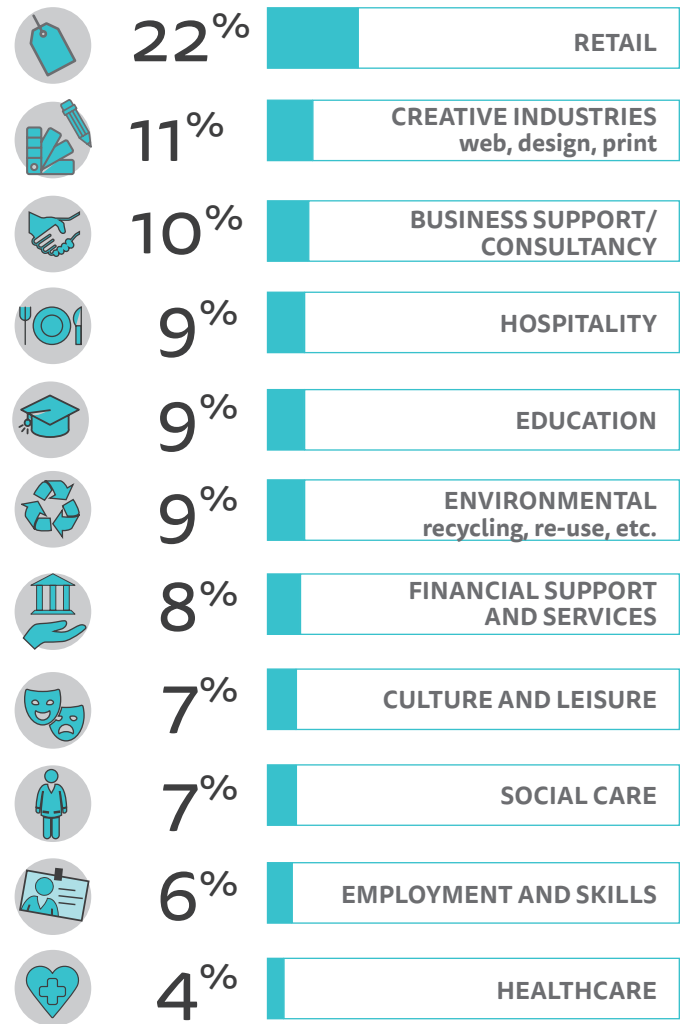
Social Enterprises are not new:



Social Enterprises are urban and rural:



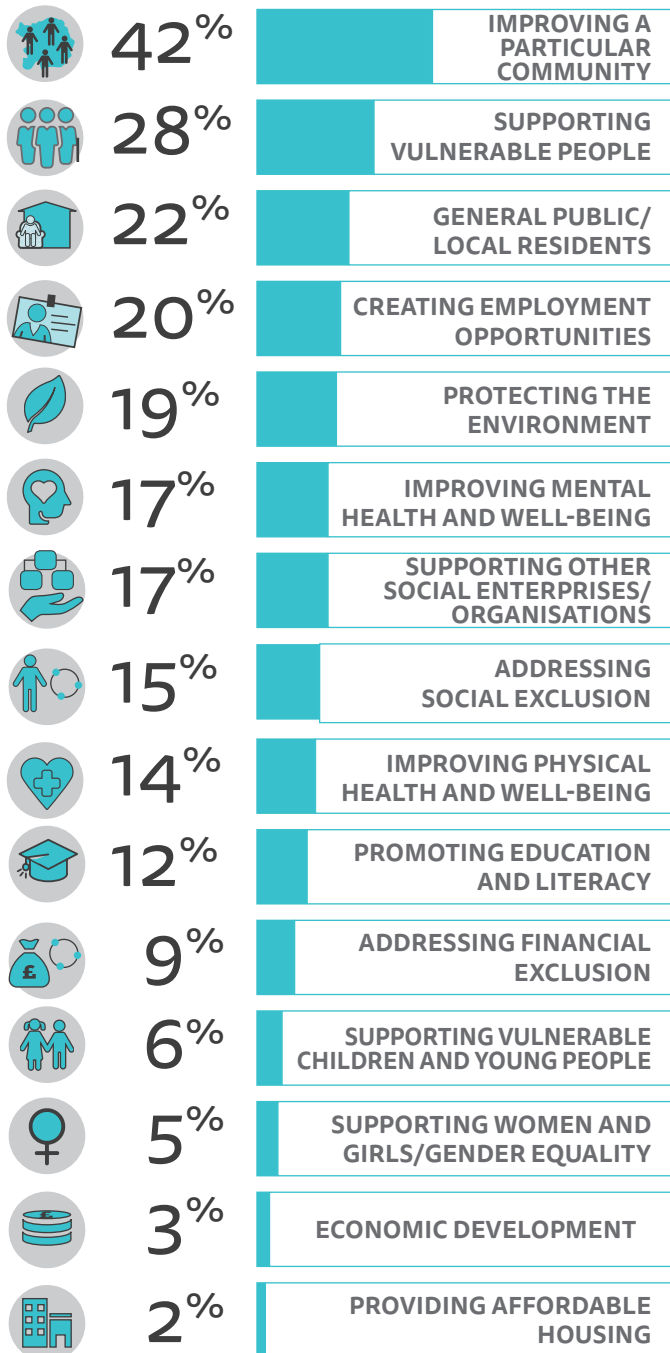
Social Enterprise trading areas are:



Figures have been rounded up so do not add up to 100%  
 Data from State of Social Enterprise, 2017, Social Enterprise UK  
 The data relates to the counties of East Sussex and Kent.  
 (This data excludes Essex which is part of Social Enterprise UK Eastern Region).



## Main social and/or environmental objectives of Social Enterprises:



It is commonly thought that social enterprises mainly trade with the public sector but this evidence shows that is not the case.

However, the public sector remains an important market for many social enterprises and they still report difficulties with aspects of public procurement, even after the introduction of the Public Services (Social Value) Act in 2012, which outlined the ways in which public bodies can make purchasing decisions on the basis of value as well as price.

Influencing this policy remains a priority in the social enterprise sector and one in which the Social Enterprise Working Group and its partners may play a part.

Data from State of Social Enterprise, 2017, Social Enterprise UK (The data relates to the counties of East Sussex and Kent. This data excludes Essex which is part of Social Enterprise UK Eastern Region.)

“ We need to educate people about social enterprise needs – and what ‘not for profit’ means.   
 Social Enterprise



## Essex

This data is from a study carried out by Social Enterprise East of England which focuses on social enterprises in Essex.

| MAIN ACTIVITY PROVIDED               | %   | N  |
|--------------------------------------|-----|----|
| General support                      | 25% | 28 |
| Care                                 | 19% | 22 |
| Education/training                   | 15% | 17 |
| Community activity                   | 11% | 12 |
| Agriculture/horticulture/environment | 11% | 12 |
| Arts                                 | 4%  | 5  |
| Business                             | 4%  | 4  |
| IAG                                  | 3%  | 3  |
| Housing                              | 2%  | 2  |
| Criminal justice                     | 2%  | 2  |
| Other                                | 5%  | 6  |
| Don't know                           | 1%  | 1  |

“ **At a strategic level we need to know what is our social impact and at the operational level we need a gap analysis between where we are and where we need to be.**

### Social Enterprise

(Questionnaire to support organisations from SEEE as part of this commission)

| PRIMARY BENEFICIARY GROUP                              | %         | N        |
|--|-----------|----------|
| Children/young people                                  | 18%       | 20       |
| Local people/community                                 | 15%       | 17       |
| General disadvantaged                                  | 11%       | 13       |
| Homeless/vulnerable people                             | 10%       | 11       |
| Families   | 9%        | 10       |
| VCOs/businesses  | 9%        | 10       |
| People with mental health problems/learning disability | 5%        | 6        |
| Older people   | 5%        | 6        |
| People with disabilities/ sensory impairments          | 4%        | 5        |
| Carers   | 3%        | 3        |
| Other  | 4%        | 5        |
| <b>All people (no one group)</b>                       | <b>7%</b> | <b>8</b> |

Base: All respondents answering the question (114)  
Social Investment in Essex, 2017, SEEE

Respondents noted the need to get better at measuring the impact of their work.

In summary, this data demonstrates that social enterprises are delivering social value and impacts that benefit the wider community across the South East.



# Case study | Thurrock Lifestyle Solutions CIC (TLS)

## Sector: Health & Care

## Location: Thurrock



Thurrock Lifestyle Solutions CIC (TLS) is a social enterprise that was established in 2007 to take control over former Council Social Care services and is led by disabled people. Run as an efficient business with innovative ideas, by 2019 we supported over 270 people, have saved the Council £400K per year and recently purchased another business – now turning over £3.5M per year and returning its profits to the community.

### Who are we?

TLS puts its users at the heart of its approach – it's that the company is run by the very community it serves.

We're unusual in that 100% of our Board are people who identify as Disabled. We are committed to helping disabled people to have the lifestyle they want and with the awareness of innovative social care commissioners giving individuals budget we can support them to do this.

We provide a range of interventions; from the provision of personal assistants, the use of day opportunities, internships into employment, school transition links and specific support for people with Autism; to name but a few.

### Empowerment

Our methods are working in Thurrock. The company is founded on the concept of 'Asset Based Community Development' (ABCD), which focuses on the strengths within a community and mobilising individuals, rather than identifying deficits and needs.

### But what does this actually mean for the way the organisation is run?

Like any good business, we have been able to diversify our income, taking opportunities where we saw them – but not led by merely seeking profit only.

TLS's success seems to be two pronged.

**(i) Leaving the local authority** to pursue our aspirations and run services how we believe they ought to be run has

given us the freedom to cut fat and red tape, act agilely and nurture entrepreneurial attitudes.

**(ii) being driven by the community** – in the way we deliver everything from personal assistants, interdependent living, learning tools, employment opportunities and other experiences – means we know exactly where to channel funds for the deepest impact. It absolutely makes sense we'd now be thriving and financially growing: empowered communities collectively are able to achieve more, for themselves and each other.

### Turnover is Vanity, Social Impact is Sanity

Data from 2016-17 (NHS Digital) shows females with disabilities can expect, on average, to live a life 18 years shorter than those without a disability, and males, 16 years shorter.

We are trying to address this in Thurrock. We have supported many smaller community groups, run health days, paid for individual health checks, paid for gym membership, looked at the impact of hate crime and run specific training for people to keep safe as well as enabling communities to develop mentors in understanding finance and how to individually budget.

We saw immense untapped potential in our community and acted on it. There's a huge chasm for disabled people after school. For us, they're equal value partners, and we help them contribute meaningfully and we want them to have the choice to do what matters most to them.



📺 Watch this film about Thurrock Lifestyle Solutions. <https://vimeo.com/223060525>

🌐 Visit their website at [www.choiceandcontrol.co.uk](http://www.choiceandcontrol.co.uk)





## 6

## Support for Social Enterprises in SELEP

### What support is available?

Social enterprises can access support from a range of organisations, including mainstream business advisers, voluntary sector support organisations and through peer to peer networks. However there are some limitations to most of these sources:

|   | Advantages  | Challenges   |
|---|---|--|
| <b>Mainstream business support</b>                              | <ul style="list-style-type: none"> <li>A wide range of business support skills available that social enterprises can access</li> </ul>  | <ul style="list-style-type: none"> <li>A perception that the unique aspect of the social enterprise business model is not as widely considered as it could be</li> <li>A limited understanding of the wide range of social enterprise business models available and what makes them different</li> </ul> |
| <b>Voluntary sector support organisations</b>                   | <ul style="list-style-type: none"> <li>Available in every area</li> <li>Used to supporting organisations with a social purpose</li> <li>Good at generic areas such as policies and HR</li> </ul>            | <ul style="list-style-type: none"> <li>Can lack understanding of entrepreneurial approaches and default to grant aid rather than trading, business advice</li> </ul>   |
| <b>Business support professionals (accountants, solicitors)</b> | <ul style="list-style-type: none"> <li>Can provide pro bono or reduced fee support</li> <li>Some have in depth expertise of social enterprise models</li> </ul>   | <ul style="list-style-type: none"> <li>Start-up businesses often can't afford to pay for support</li> <li>Some providers don't understand the range of social enterprise models and what makes them different</li> </ul>   |
| <b>Peer support</b>   | <ul style="list-style-type: none"> <li>Social enterprises are often willing to share their experience and knowledge</li> <li>Value of real experience</li> </ul>  | <ul style="list-style-type: none"> <li>Can be a drain on experienced social enterprises and a distraction from their business</li> <li>Can be hard to find people with the right experience</li> </ul>   |
| <b>Trade sector support</b>                                     | <ul style="list-style-type: none"> <li>Established mainstream businesses can support social enterprises as part of their corporate social responsibility</li> <li>Highly valued specific support</li> </ul> | <ul style="list-style-type: none"> <li>Can be difficult to find – often based on personal relationships and the mainstream business sector</li> </ul>  |

**Support currently available in the South East:**

- **31** organisations are providing support to social enterprises
- **Half** of these are voluntary sector support organisations
- **13** collect data on how many social enterprises they support – for these, the average number of social enterprises supported is 27.
- **26/31** provide support to start up social enterprises; **3/31** provide support for people thinking of starting a social enterprise and **3/31** provide support for social enterprises wanting to grow
- **29** make referrals to other providers

## What are social enterprises in the South East saying about business support?

Social enterprises need good quality support to help them grow their businesses. They need to be made aware of external support that is available to them.

To improve the quality of the current external provision, current business support providers should be trained specifically to support social enterprises. Social enterprises value specialist support the most, working with organisations that have the knowledge and expertise in working with social enterprises.

Mainstream business support in the South East, which includes support for social enterprises, is provided through SELEP's South East Business Hub and its three Growth Hub providers – Business East Sussex, Kent & Medway, and Business Essex, Southend and Thurrock.

Half of the organisations we contacted told us that the type of social enterprise they support is voluntary organisations that want to become social enterprises.

43% of provider organisations have staff who are specialists in supporting social enterprises. 13 organisations record the number of social enterprises they work with, and local agencies are working with an average of 29 social enterprises a year<sup>2</sup>.

“ **Business advisors should understand the fundamental reason social enterprises exist and in turn how this impacts all aspects of our business activities.**

**David Hinton, The Work People**



2. Questionnaire to support organisations from SEEE as part of this commission

## What is different about support for social enterprises?

### Consultation with social enterprises in the SELEP area has identified that:

- Social enterprises are driven by their values and social goals – advice about maximising profits without taking this into consideration is of no use to them
- Social enterprises trade and compete for contracts in the market place – advice about getting grant funds can result in negative impact on their ability to generate income through trading

### The areas in which social enterprises are most likely to need specialist support are:

- Legal structures
- Governance
- Measuring and marketing social impact
- Managing an organisation that is owned by its users
- Public sector commissioning and procurement

### What support do social enterprises want?

- Expertise and experience with social enterprises
- Joined up and easy to access
- Consistent and long term sources of support
- From community based pre-start support, start-up, strategic planning for growth
- Less of a postcode lottery in terms of the quality and level of external support

### Social value

This is about measuring the collective benefit to a community that the work of a social enterprise delivers. Much of this activity is not reflected in market prices. Delivering social value is central to the work of any social enterprise.

### Three types of support were identified:

- 1 **Generic business support** – social enterprise friendly but similar to mainstream businesses
- 2 **Social enterprise specialist support** – from other social enterprises or specialist advisers
- 3 **Trade sector specific** – from other social enterprises or mainstream businesses in the same sector

Social enterprises have many requirements that differ from those of mainstream businesses, they need additional support to:

- assist them in establishing appropriate legal and governance structures
- create a solid and accessible social enterprise network
- measure social impact in a more consistent way
- position themselves more equitably with the wider base of SMEs in the economy

Some social enterprises are not aware of the support that is currently available and could be more successful if they had access to more good quality and appropriate advice. While social enterprises will be eligible for mainstream business support, providers do not currently have a specialist offer for social enterprises.



Many of the common areas in which businesses need support are different for social enterprises – here are some examples:

|                        |  |
|------------------------|--|
| <b>Finances</b>        | State aid rules when bidding for contracts<br>Combining grants and trading income<br>Restricted funds<br>Costing social value<br>Using social investment providers   |
| <b>Marketing</b>       | Having two sets of customers – those who use the service and those who pay for it<br>Understanding the need to tell the world about the virtues of your business<br>Marketing on a low budget and accessing pro bono support |
| <b>HR</b>              | Evidencing and marketing social impact<br>Working in a democratic structure – when end users are on the board<br>Support and supervision for senior staff – when overseen by voluntary board members                         |
| <b>Market Research</b> | Understanding the public policy agenda<br>Knowing who else is providing services   |

Social enterprises need a network that understands and responds to the unique aspect of the work that a social enterprise faces compared to mainstream SMEs.

Social enterprises have wider pressures beyond the financial bottom line, it is about delivering for the wider community and having a positive social impact.

To deliver a truly inclusive economy with prosperity for all our social enterprises need truly bespoke support.

“ In the beginning we had a mentor from PWC and had voluntary advice from local businesses ... We had Cabinet Office funding to bring in specialist advice on contracts, other social enterprises gave us advice and we learned as we went along.  
**Social Enterprise** ”

“ We suffer from having no plan for social enterprise, only odd pockets of support for a few months ... we need to decide what we want to do for the next 3–5 years.  
**Claudia Sykes, Social Enterprise Kent** ”

“ There’s a million things we’d like help with – people with specialist skills and time to do things. We know what we want but we often don’t have the skills, knowledge and time to make it happen  
**David Hinton, The Work People** ”

“ The majority of the [social enterprise] County Networks, specialist support providers, and Business Link itself, believe that social enterprises are different and hence require both a different type of delivery and a different type of support.  
 (Mapping the regional social enterprise sector, Lyon, F. et al, 2008, SEEDA) ”

# Case study | Benenden Community Shop

**Sector: Retail**  
**Location: Kent**



We took over the village shop in 2015 and now run a general store, post office and café that is the hub of our community, especially for the elderly and lonely. Our customer surveys tell us that we have had a big impact on the social cohesion of this community. We are a Community Benefit Society under the terms of the Co-operative and Community Benefit Societies Act 2014.

We were in danger of losing our shop and a group of residents decided to take it over. We were helped by the Plunkett Foundation, which has a lot of experience of setting up community shops. We are also supported by Benenden Girls School, which bought the building and leases the shop element to us. The flat above the shop is used by school staff and the girls volunteer in the shop – we also run a tuck shop in the school.

When we took over the shop it needed a complete refurbishment and we had to raise some money. We set up a community share issue and raised £86,000 from 350 investors. Shareholders are able to vote for, and stand for election to, a Management Committee that has overall responsibility for the enterprise.

It was very hard work and we had to meet about twice a week for about three months. We toured other community shops before we set up and had advice from them and from Plunkett. We were the first community shop to achieve the Community Shares standard for our share issue prospectus and process.

You need someone who can hold a team together and we have heard of several community ventures which have not got off the ground because of a lack of teamwork. In the end we held a big village meeting and there was such a sense of excitement as people came on board – they were queuing up to pledge that they would buy shares.

We're making a profit now and have six paid staff and about 60 volunteers working with us. We try to help others who are thinking about setting up a community shop.



<http://benendens.co.uk>



# 7 Social Enterprise Networking

Networks can range from the informal and broadly social to the formal business based organisation with a fixed membership and regular schedule of meetings. Until 2010 there were county networks throughout the South East Region, including Kent and East Sussex. These were linked to the Regional Social Enterprise network SE2 Partnership. Social Enterprises in Essex could join Social Enterprise East of England. In 2017 a new Essex social enterprise network was established and local networks were started in Southend-on-Sea and Thurrock. Some networking activities have been undertaken in Kent and East Sussex by Social Enterprise Kent and The Work People.

The only formal networking taking place amongst social enterprises is the SELEP Working Group and the embryonic networks in Essex, Southend and Thurrock. Local networking is otherwise ad hoc and inconsistent, reliant on small, one-off pockets of funding.

### Current membership of Social Enterprise UK in the area

| Area                                | Number of SEUK members |
|-------------------------------------|------------------------|
| Essex, Southend-on-Sea and Thurrock | 29                     |
| Kent and Medway                     | 40                     |
| East Sussex                         | 11                     |

Figures supplied by Social Enterprise UK

“ I want good quality networks and training opportunities, with training pitched at the right level.   
 **Social Enterprise** ”

## Why do social enterprises want to network?

**Many business networks exist and they are used for:**

- Sharing ideas and information
- Identifying opportunities for business to business trading
- Providing mutual support
- The opportunity to hear from speakers – inspiration and practical help
- Raising the profile of the business
- Getting together to campaign about local issues

“ There’s a real need [for networking] – owners of social enterprises are working too many hours and feeling on their own.   
 **Geoff Streetley, Britain’s Bravest Manufacturing Company** ”

“ I find it useful to collaborate with other social entrepreneurs, it helps me develop my own skills and knowledge. It is also a great reminder that there are others swimming upstream facing the challenges of running a business alongside the additional pressures of delivering for beneficiaries. Social entrepreneurs can often suffer, feeling alone and burdened with responsibility. I find spending time with peers can be a great inspiration and a boost for my own wellbeing.   
 **David Hinton, The Work People** ”

**Social enterprises value all these aspects of networking. In addition they use networks for:**

- Promoting a business model that is relatively new and not fully understood
- Developing consortia and supply chains
- Lobbying for support
- Taking control of the social enterprise agenda
- Mentoring and problem solving

**Middlesex University's research<sup>3</sup> concluded that the purpose of good regional social enterprise networks should be:**

- Generating support and development programmes that are responsive to the local needs of the county networks
- Providing training and development services
- Effectively representing the sector in the region and influencing strategy and policy
- Providing an effective brokerage role between local networks and specialist providers.
- Raise awareness of the sector and ensure that Local Authorities and other public sector bodies recognise the contributions of Social Enterprises
- Maintain an overview of and develop the intelligence base for the sector
- Establish and broker support for an agreed "core offer" for local networks and help them develop the capacity, where necessary, to deliver this offer

**Research for the Office of the Third Sector<sup>4</sup> also identified seven characteristics of a "good network, specifically:**

- **Track record** – ability to demonstrate appropriate level of development;
- **Membership** – large proportion of organisations that could be members are members;
- **Activity** – services are well used and sufficient to create momentum;
- **Connections** – directly between members;
- **Direction** – steering group provides direction, co-ordination and organisation;
- **Objectives** – works towards clear objectives; and
- **Resources** – appropriate to deliver level of service expected

**Consultation amongst social enterprises in the South East for this prospectus identified that:**

- Social enterprises are informally networking with other social enterprises where they can
- Networks are valued for information sharing and communication
- Social enterprises are participating in mainstream business networks, such as the Federation of Small Businesses, and voluntary and community sector networks
- Networks for social enterprise leaders are valued
- Social enterprises want networks to be practical, not talking shops
- Some social enterprises are unaware of networking opportunities but would value getting involved
- Networks can help promote what support is available to social enterprises



**I seem to be helping everyone else but not getting help myself.**

**Social Enterprise**

Local leaders and people within social enterprises are best placed to develop and facilitate networking to ensure that the needs of social enterprise practitioners are met and that networks add value to their businesses. **The SELEP Social Enterprise Working Group will oversee the development of networks, building on the experiences in Essex, Southend and Thurrock.**

3. Mapping the regional social enterprise sector, Lyon, F. et al, 2008, SEEDA

4. 'Rocket Science', research for the Office of the Third Sector

# Case study | Whole School Meals CIC

**Sector: Food & Drink**  
**Location: Kent**



Our driving force is to feed our school children well using high-quality, local, fresh ingredients in 'home-made' food. We were set up twelve years ago by a parent governor of a local school who thought that school meals should be better. We are now owned by the schools who buy from us.

In 2006, Kent County Council wanted more small providers to be able to bid to deliver school meals so they set up small clusters of schools and you could tender for one or more of the clusters. We won a

tender and we now feed about 3,000 children per day. Our profits help fund our work to promote good nutrition and healthy eating in schools. We have developed a pack of characters called the Lunchkins that represent the food groups and we will sell them to schools to use in the science curriculum.

In the next tendering round Kent County Council decided to go back to big contracts so we couldn't bid again. You had to have a turnover of £5 million to be able to bid. Fortunately, the 26 schools we work with decided to opt out of the council's contract so that they could continue to buy from us.



<http://wholeschoolmeals.co.uk>



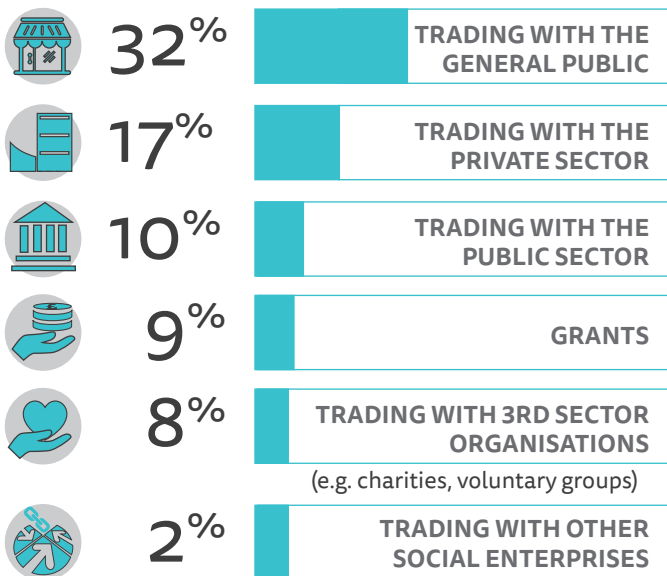
# 8 Social Enterprise Finance

Social enterprises choose to trade in order to be categorised as social enterprises. There is no fixed and agreed percentage although the Social Enterprise Mark eligibility criteria stipulates that at least 50% of income must be earned and this is commonly recognised as an acceptable threshold.

Social enterprises also deliver social objectives and are frequently also in receipt of grant funding from public authorities or charitable trusts. Many social enterprises started life as traditional charities and have developed trading activities, either to free themselves from the constraints of public funding or because it is in increasingly short supply.

When social enterprises are contracted to deliver public services, particularly when they have been awarded contracts following a competitive tendering process, this is considered to be earned income.

### Sources of income:



Data for the South East (whole region), 2017, from Social Enterprise UK survey

| % income earned through trading | Total (all UK) | South East |
|---------------------------------|----------------|------------|
| 0 to 24%                        | 0%             | 0%         |
| 25% to 49%                      | 12%            | 12%        |
| 50% to 74%                      | 13%            | 10%        |
| 75% to 100%                     | 74%            | 78%        |
| Don't know                      | 0%             | 0%         |
| Number of respondents           | 1,425          | 140        |

Extrapolated data for the South East (whole region), 2017, from the State of Social Enterprise survey

### The Social Investment research undertaken in Essex in 2017 showed the following proportion of earned income:

| Proportion of income earned through trade |     |           |            |            |             |
|---|-----|-----------|------------|------------|-------------|
| Proportion of income earned through trade | 0%  | 1-2<br>5% | 26-<br>50% | 51-<br>75% | 76-<br>100% |
| Proportion of respondents                 | 28% | 15%       | 9%         | 11%        | 36%         |

Base: All respondents answering the question (89)

This means that the vast majority of social enterprises, over 75% in both surveys, are earning some proportion of income through trade.

### Start-up finance

Social enterprises are eager to improve the access to start-up funding. Individuals setting up an organisation to address social problems in their community often think they will be able to access money to assist them, but there is limited public money available to support start-up social enterprises.

UnLtd runs a national programme to support individual social entrepreneurs (people who want to solve social problems using an entrepreneurial approach). Its flexibility and light touch approach was seen as very helpful by those who responded to the current consultation.

## Social investment

Social investment refers to finance that can be accessed when the investor is looking for social as well as financial returns on their money. A number of financial institutions such as Triodos Bank, Unity Trust Bank and Co-operative and Community Finance, have been in operation for many years, but the introduction of Community Interest Tax Incentives together with the launch of the Community Development Finance Institution model (now called Responsible Finance) in 2002, led to a range of new providers, including Charity Bank, Big Issue Invest and the Key Fund, which all lend money to social enterprises to develop their businesses.

### Other models being used are:

- **Community Share Issues** – where local people buy shares in a community asset
- **Social Impact Bonds** – where a third party investor pays up front for a social service to be delivered and if the activity achieves its social goals, the investor is repaid by the funder of that service
- **Crowd Funding** for social purpose

Government is keen to promote the use of social investment and is sponsoring a number of capacity building activities to help social enterprises take on loan finance.

Government has also set up Big Society Capital to receive income from dormant bank accounts. Big Society Capital acts as a wholesale social investor, supporting some of the agencies referred to above. It also runs awareness raising programmes and is a partner in the Good Finance online guide to social investment.

🔗 <https://www.goodfinance.org.uk>

There are many social investment providers offering finance to social enterprises but they are not widely known about or understood by social enterprises. The existing providers should be better promoted and, in particular, business advice organisations, including Growth Hubs should be aware of the support available and of the Good Finance website.



**People need start up finance, simple loans and grants. UnLtd are good – they provide small amounts which is useful.**

**Social Enterprise**

# Case study | Thanington Neighbourhood Resource Centre

**Sector: Charity**  
**Location: Kent**



Thanington Neighbourhood Resource Centre is a resident-led registered charity, which was built in 2000 in the Wincheap ward of Canterbury. The area once known as 'little Beirut' is still in the 20% most deprived wards in the UK. Crime levels and anti-social behaviour were so high that the area was awarded European regeneration funding to get started and we now earn nearly 90% of our annual income without grants.

We run a very successful and extensive programme of youth activities and leisure facilities for everyone in the community. We also run a meeting room/conference centre which we hire out commercially and a wide range of organisations rent rooms and office space from us.

The turning point for us was when we invested in our building. Our trustees are all local residents and they recognised that to survive we had no choice but to shrink the service or to expand and if we expanded then we could make money. We needed to become more self-sufficient. Paula, our manager, is a trained social worker and she did all the work to develop the business model and find funders who would invest in us. Because our trustees are residents they knew what the problems

were and they took on the risk when we expanded – they were brave to do this because they were personally liable – although we have since set up a Charitable Incorporated Organisation (CIO). We didn't think to ask anyone else for help because we didn't know that there was anyone who could provide the support we needed.

If we hadn't taken the decision to grow, we would have been forced to make cuts and make staff redundant. We didn't want to do that because they were also residents and had previously been unemployed - they are now highly skilled. We took the risk and started earning most of our money so we are not dependent on grants.

We are starting to work with local businesses. One fast food provider had problems with kids, the retail staff didn't know how to deal with them, so problems escalated. We made them an offer to train their staff to de-escalate situations and in return we've asked for vouchers to offer the young people who come to our youth centre. We'd like to offer similar services to other local businesses. We have skills and expertise we can offer the business sector regarding their customers such as for example; anti-social behaviour, disability awareness or dementia, - and we are dealing with many of the same issues, such as Auto-enrolment pension provision and GDPR. There is huge scope for joint working and learning from each other. Our footfall is about 48,000 year. When we opened, crime rates in the area went down by 50% in the first two years – and they've stayed down thanks to our youth work. Thanington is no longer a 'crime hotspot'; it has actually become a desirable place to live.

In future Paula would like to be able to access independent help in developing Thanington Neighbourhood Resource Centre as a social enterprise. Although she is part of a local Third Sector Managers' forum, which she finds helpful, she'd like some help in taking the guesswork out of business planning. But she still says "I've got the best job in the world".



<http://www.thaningtonnrc.co.uk>

For more information visit:

[www.southeastlep.com](http://www.southeastlep.com)

Email: [hello@southeastlep.com](mailto:hello@southeastlep.com)

SEPTEMBER 2019



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

## **Item 7: Appendix B- Social Enterprise Prospectus Research Appendices**

# Social Enterprise

## APPENDICES



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# Appendix

## 1

## National and Local Strategic Priorities and Social Enterprise



### South East LEP

The South East Local Enterprise Partnership (SELEP) is the business-led, public/private body established to drive new economic growth across East Sussex, Essex, Kent, Medway, Southend and Thurrock. Our LEP is one of 37 partnerships set up by the government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create local jobs.

Local Enterprise Partnerships are the key strategic route for Government and its partners to provide support for businesses and to undertake local economic development activities from large infrastructure projects to supporting individual businesses to develop and grow.

Further information on how the SELEP functions, can be found here: [www.southeastlep.com/about\\_us/how-we-work](http://www.southeastlep.com/about_us/how-we-work)

### Inclusive Economy

**Central Government has established an Inclusive Economy team with the Department for Digital, Culture, Media and Sport (DCMS), bringing together a range of activities that support this agenda:**

- Social investment
- Social impact investing
- Social impact bonds
- Public service mutuals
- The role of business with a purpose beyond profit
- Dormant assets
- Online resources and research

**Its overall aim is defined as:**

**The government is committed to delivering an inclusive economy. Some of the ways it's doing this include exploring innovative ways of commissioning and delivering public services, working with the finance sector to increase investment into tackling**

**social problems, and growing the social enterprise and responsible business sectors.”**

It is supporting investment and contract readiness actions and running an impact readiness fund and a social incubator fund. It has established an Inclusive Economy Partnership that is delivering three 'flagship challenges', under the themes:

- 1 Financial inclusion and capability
- 2 Mental health at work
- 3 Transition to work for young people

**18** pilot projects have been funded.

A range of other short-term programmes have been delivered to help social enterprises and voluntary and community organisations to prepare themselves for delivering public sector contracts, taking on social investment finance and improving their impact measurement. The funding has mostly been to pay experts to advise the organisations.

### The National Industrial Strategy

The government's industrial strategy white paper was published in November 2017 and sets out the government's plans for growth. This includes five foundations of productivity:

- **Ideas** – the world's most innovative economy
- **People** – good jobs and greater earning power for all
- **Infrastructure** – a major upgrade to the UK's infrastructure
- **Business environment** – the best place to start and grow a business (including a construction 'Sector Deal') which SELEP will engage with
- **Places** – prosperous communities across the UK

This white paper does emphasise the social contribution of businesses, and references the Inclusive Economy Partnership which has been formed address some of the biggest challenges that face society. This partnership looks to encourage collaboration between business and civil society to “enhance the UK’s reputation as a global hub for social investment”.

## Local Industrial Strategies and Smarter, Faster, Together – SELEP’s Economic Strategy Statement

LEPs are responsible for developing Local Industrial Strategies and are expected to set out clearly defined priorities for how cities, towns and rural areas will maximise their contribution to UK productivity. Local Industrial Strategies will allow places to make the most of their distinctive strengths.

In March 2019 the SELEP published its Economic Strategy Statement. This is the starting point for a new Local Industrial Strategy for the area: it sets out our broad priorities, aligns them with the national Industrial Strategy and the trends and drivers that underpin it, and provides a guide to our collective actions over the next few years. This document is our plan for a more productive and more prosperous economy in which everyone has the opportunity to succeed. It outlines our shared priorities and how we will work Smarter, Faster and Together to support long-term growth – both for the South East and for the whole of the UK.

Smarter, Faster and Together recognises the importance of supporting businesses’ role within the community.

**“Many businesses in the South East are at the heart of public and community service delivery – for example, in social care, training, environmental services and transport... It will be important that the growth of social enterprises and other public service businesses is supported”**

This is aligned with actions under Priority 1, ‘Creating Ideas & Enterprise’, which looks to create, adapt and adopt new ideas, incorporating innovation and opportunities for growth.

This prospectus shows that social enterprises are also businesses that are seeking to increase their turnover and are creating economic growth. They are providing housing as housing associations and in supporting people into housing; they are also part of the cultural

industries sector and contribute to the re-purposing of town centres; they are part of strategic growth sectors such as: food production, transport, tourism and environmental services; many social enterprises contribute to developing workforce skills, especially for those who are likely to be furthest from the mainstream labour market.

### **The national data for social enterprise activity and prospects<sup>2</sup> identified that:**

Social enterprises are more innovative than the private sector: the number of social enterprises introducing a new product or service in the last 12 months stands at 50%. Among SMEs it has fallen to 33%.

Social enterprises are more commercially resilient: 51% of social enterprises made a profit in the past year, with 20% breaking even. 47% grew their turnover in the last 12 months, compared to 34% of SMEs.

Business optimism: 58% of social enterprises are anticipating an increase in turnover in the next 12 months: This is noticeably higher than their SME equivalents: 40% of whom anticipate an increase.

## Linking the economic strategy to the inclusive economy

Social enterprises are uniquely capable of delivering outcomes for both economic growth and inclusivity. National data shows that:

- 28% of social enterprises are based in the most deprived communities in the UK. It remains the case that the more deprived an area is, the more likely you are to find a social enterprise.
- Almost eight out of ten (79%) social enterprises recruit over half of their staff locally; for 58% this is their entire workforce. 54% involve their wider community in their decision-making.
- Two-thirds of social enterprises (69%) are supporting people from disadvantaged groups, and 44% are employing them.

**SELEP’s Skills Strategy<sup>3</sup> includes as a priority, to: Build an inclusive economy, creating opportunities for all**

### **It also notes that:**

Across the SELEP area there is a growing need to support disadvantaged groups such as; benefit claimants, ex-offenders and homeless people.

There is extensive evidence that social enterprises are successfully creating opportunities for these groups.

<sup>2</sup> The State of Social Enterprise 2017, Social Enterprise UK

<sup>3</sup> South East LEP Skills Strategy 2018 – 2023



## The Public Services (Social Value) Act

This legislation was introduced in 2012 to formalise the priority that public service procurement and commissioning teams could give to awarding contracts on the basis of social value as well as costs. It applies to all contracts over the EU threshold and requires that commissioners consider social value in all contracts for goods or services. The Act is being reviewed and social enterprises have lobbied to have the Act apply to all contracts of whatever value and that it is mandatory to use the act rather than a consideration.

In some areas the application of the Act is making a significant difference to social enterprises' ability to bid successfully for contracts.

**Social Enterprise UK** has produced guidance to implementing the Act

🔗 [www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=2e2c2f33-30d6-4ad5-a08c-e5221821c8d5](http://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=2e2c2f33-30d6-4ad5-a08c-e5221821c8d5)

Examples of good practice in the South East that were mentioned by social enterprises were:

**Thurrock Council** – the Council's social values framework can be found here:

🔗 [www.thurrock.gov.uk/sites/default/files/assets/documents/social\\_values\\_framework\\_201411.pdf](http://www.thurrock.gov.uk/sites/default/files/assets/documents/social_values_framework_201411.pdf)

**Kent County Council's** commissioning framework can be found here:

🔗 [www.kent.gov.uk/\\_\\_data/assets/pdf\\_file/0012/24150/Commissioning-Framework.pdf](http://www.kent.gov.uk/__data/assets/pdf_file/0012/24150/Commissioning-Framework.pdf)

## Local social enterprise strategies

The only top tier local enterprise strategy that refers specifically to social enterprises is the Thurrock Economic Development Strategy, produced by Thurrock Thames Gateway Development Corporation:

### Growth sectors – opportunity sectors

#### Public services

In addition to growing the public sector from its traditional base, it is increasingly important for partners to consider more innovative means of delivery; in particular, using the voluntary and community sector to deliver key public services. Partners should seek to build the capacity of local social enterprises to play a fuller role in a more responsive public service. Thurrock Lifestyle Solutions, a local Community Interest Company(CIC) is already managing aspects of delivery for Thurrock Social Services and offers an exemplar model of how this could be achieved.

However, in addition to its work on social value commissioning, Kent County Council and Thurrock has set up a social entrepreneurship programme and a social enterprise loan fund, administered by Kent Community Foundation.

Essex County Council has commissioned work on social investment and assisted in setting up the Essex Social Enterprise Network.

In 2015, Social Enterprise East Sussex commissioned Locality to undertake a consultation with social enterprises and other stakeholders in the county and to produce a social enterprise strategy. The consultation identified the following priorities for the sector:

- **Recognising and Sharing Market Intelligence** – to map and share openly the diversity, range and contribution of the local social enterprise sector in the county.
- **Demonstrating Contribution** – to map, measure and demonstrate the social & economic value that social enterprises can bring to the local economy.
- **Increase Financial Resource** – to attract new investment and funding streams into the area to support and fund local social enterprises to deliver their business and social activities.
- **Raising Awareness** – to promote the work of social enterprises to businesses, consumers and the public sector, to boost future market opportunities.
- **Support Needs** – the sector has prioritised support needs in the areas of business planning, social impact measurement and operational infrastructure, alongside other areas.

The strategy document also provided a valuable summary of the types of networks found in the social enterprise sector and recommended options for a network in East Sussex.

## Opportunities to support SELEP priorities

**The following areas are those of SELEP's priorities where social enterprises can add value to existing activities, where social enterprises are already active:**

- Health and social care
- Housing
- Rural areas
- Coastal communities

The Social Enterprise Working Group aims to work with other SELEP Working Groups to pursue these opportunities and provide guidelines on how social enterprises can contribute to addressing these issues and how best to engage social enterprises.

## Ethical business – it's not just social enterprise

**It would be wrong to suggest that there are only two types of business model:**

- Businesses that are only interested in maximising profit for the owners
- Social enterprises that seek to achieve social values through their work

In practice there is a wide spectrum of businesses that seek to do 'good things' through their trading or by using their profits to support socially beneficial activities.

**There is a long history of companies seeking to do good, for example:**

- **Cadbury's** – run by a Quaker family to provide an alternative to sugar grown by slaves, they also had a strong commitment to the workforce, building a model community at their site in Bourneville. Today there is a legacy in the form of a range of family charitable trusts. The same is true for other famous names in chocolate such as Joseph Rowntree.
- **The John Lewis Partnership** – established in 1928 by John Speden Lewis, son of the founder, who wanted to address the inequalities between the dividend he was paid as the owner with what the staff received as payment. Initially a worker's co-op, the employee-owned partnership was set up soon after and the partners receive an annual dividend based on the level of profits. The John Lewis mission is: "the happiness of people through worthwhile and satisfying employment in a successful business".
- **Unilever** – built Port Sunlight in the Wirral in 1888, a model village to house the workers in its soap factory, family trusts also support education and an art gallery.
- **SPAR**, a Dutch company set up in the 1920s to enable small shops to succeed by working together

In the 1970s and 80s businesses with an ethical purpose were set up, often by people who had been part of the counter culture movement in the 1960s. New businesses were set up to reflect their interests, such as:

- The Body Shop
- Ben and Jerry's ice creams
- Green and Black's chocolate

## What makes an ethical business?

**Like social enterprises, mainstream commercial businesses can demonstrate their business ethics or social value in many different ways:**

- **Donating part of their profits to charity** – the Bill and Melinda Gates foundation has an endowment of over \$50 billion from the profits of Microsoft
- **Creating employment for people who would otherwise find it difficult to find a job** – Timpson's shoe repairs actively employ ex-offenders to give them a new start
- **Buying social value in their supply chains** – Wates and Amey are two big construction/infrastructure businesses that seek to buy from people who create social value
- **Sponsoring or working with charities or people in the local community** – Dulux donates paint every year to charities throughout the country
- **Minimising their environmental impact** – Adnam's Brewery build a state of the art underground distribution centre at its premises in Southwold that maintains an optimum temperature and doesn't need heating or cooling. The company has developed lightweight beer bottles that cost less to transport. They also promote regular clean up sessions on the beach at Southwold.

## The social value of small businesses

**Whilst we can recognise the ethical practice of large corporations with a national or international reputation, the impact of small businesses should not be forgotten:**

- The village shop or pub that keeps the community together
- Businesses producing or selling eco products or renewable energy
- Family farms that protect the environment and sell locally
- A nursery providing childcare in a disadvantaged area

## Corporate Social Responsibility

CSR is the term that has been used for the past fifty years to describe how businesses have an impact on their staff, customers, the community or the planet. There is no formal or agreed definition or metric that most people would agree – this is what social responsibility looks like. It is not a quality mark like the Soil Association, Fair Trade or Investor in People.

## B Corporations

B Corps are a relatively new approach to assessing social value created by mainstream commercial businesses. For more information go to

<https://bcorporation.uk/about-b-corps>

There are approximately 165 registered B Corps in the UK, the vast majority of which are in London. Many of them are business to business organisations, providing services such as investment advice, business consultancy and marketing. Only a small number, including Danone and Innocent are nationally known.

**Some social enterprises also have B Corps accreditation:**

- Charity Bank
- The Big Issue Group
- Divine Chocolate

In the SELEP area there are three B Corps in Kent (including Charity Bank) and one in Essex. There are four in the Brighton area.

## The importance of value-based businesses in the future

Tomorrow's workforce is increasingly influenced by value in business and recent research<sup>4</sup> showed that only 20% of millennials would chose to work for a solely profit-driven company for more than five years. Schools and universities increasingly teach students about value based business opportunities.

## Achieving social value

Mainstream commercial businesses can learn how to keep social and financial returns in balance and to increase their social value by working with social enterprises as part of their supply chain and developing mutually beneficial partnerships.

“ **If you have a CSR policy or a CSR officer – you're not doing it properly. Social responsibility should be embedded in every aspect of your business**

former CEO of Adnams

“ **Corporate responsibility is at the heart of our business as is our partnering ethos, which is why we can proudly say that 'together we achieve more'**

United Living

“ **Why should the citizens of this world keep companies around whose sole purpose is the enrichment of a few people?**

Paul Polman, CEO Unilever 2009 – 2018

<sup>4</sup> Global Human Capital Trends, Deloitte, 2017

# National Organisations and links in the South East

**The following is a list of social enterprise support organisations that operate nationally, including any direct activity in the South East.**

## Social Enterprise UK

The national support organisation for social enterprises is Social Enterprise UK. SEUK provides a national voice for social enterprise and conducts a bi-annual survey into the social enterprise sector. The website contains resources for those setting up, running or supporting social enterprises. SEUK promotes Social Enterprise Place, in which local areas can promote themselves as being good places for social enterprises to do business; Buy Social, which promotes the social enterprise business model to potential customers; and hosts annual social enterprise awards. Individual social enterprises can become members of SEUK, which is free to smaller organisations.

<https://www.socialenterprise.org.uk>

## School for Social Entrepreneurs

SSE runs two programmes covering Essex that train and develop individual social entrepreneurs who want to set up socially beneficial activities. Other programmes are run from their London base and are open to people from other areas.

<https://www.the-sse.org>

## UnLtd

UnLtd runs a national endowment programme that supports social entrepreneurship. It provides small scale start-up funding for people setting up as social entrepreneurs. They also offer business support and mentoring through a team of local agents.

<https://www.unltd.org.uk>

## Plunkett Foundation

Plunkett Foundations supports social enterprises in rural areas, in particular setting up community shops and pubs. It offers business support and resources, including setting up community share offers to raise finance for buying out existing businesses.

<https://plunkett.co.uk>

## Co-operatives UK

The UK's network for co-operative businesses, Co-ops UK provides resources for co-operatives and a business registration service for all kinds of social enterprises. It is a membership organisation and runs some local support programmes.

<https://www.uk.coop>

## Locality

Locality is a membership organisation for community based social enterprises and specialises in the acquisition and running of land and buildings as community assets. It also helps with neighbourhood plans.

<https://locality.org.uk>

## Social Enterprise Mark CIC

SEM is a social enterprise brand, that defines what it is to be a genuine social enterprise and accredits social enterprises that meet these requirements – helping to demonstrate their social value to customers.

<https://www.socialenterprisemark.org.uk>

## Good Finance

Good Finance is a collaboration between a number of organisations that helps people navigate the range of social investment products available to social enterprises. The website contains a range of resources and workshops are regularly delivered at local level.

<https://www.goodfinance.org.uk>

## Southend-on-Sea film links

SPDNS

<https://vimeo.com/293725142>

Southend Carnival

<https://vimeo.com/293724195>

the hive enterprise centre

<https://vimeo.com/293724468>

Wellbeing at Garon Park

<https://vimeo.com/293723904>

These short films were commissioned by Southend-on-Sea Borough Council for Social Saturday 2018 and are used with their permission.



# Statement of Accounts

Financial Year 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019

Produced by the Accountable Body – Essex County  
Council

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## Section One - Introduction

### Introduction

- 1.** The South East Local Enterprise Partnership (SELEP) brings together key leaders from business, local government, further and higher education in order to create the most enterprising economy in England through exploring opportunities for enterprise whilst addressing barriers to growth.
- 2.** Covering Essex, Southend, Thurrock, Kent, Medway and East Sussex, the SELEP is the largest strategic enterprise partnership outside of London. The SELEP is one of 38 partnerships set up by the Government to be the key body determining strategic economic priorities while making investments and delivering activities to drive growth and create local jobs.
- 3.** The SELEP is an unincorporated informal partnership. To facilitate the operations of the SELEP, Essex County Council acts as the Accountable Body for the partnership. This means that the Council receives funds and makes payments on behalf of the SELEP, oversees contract management with suppliers and ensures that the Partnership has sufficient cash flow.

### Revenue Expenditure

- 4.** The original revenue expenditure budget for the South East LEP for financial year 2018/19 was set at £3,376,000. The following income streams were budgeted to support the expenditure in year:
  - Core Grant from Central Government of £500,000;
  - Application of £948,000 of the Growing Places Fund revenue grant to support the administration costs of the fund and payment of grants to other partners;
  - Application of £869,000 in specific grants;
  - £474,000 of interest receipts earned on balances held;
  - £200,000 of contributions from partners; and
  - A contribution of £385,000 from the SELEP's own reserve.
- 5.** At the end of the financial year SELEP had applied a total of £1,857,000 of revenue Government Grants, received a total of £224,000 in partner contributions and other contributions, and £860,000 of external interest was received in respect of balances held for the Growing Places Fund and Local Growth Fund.

## Section One - Introduction

6. Total gross expenditure at the end of the financial year totalled £2,703,000; £673,000 less than budgeted. £2,940,000 of income was applied to the revenue account in the year, this was £51,000 less than budgeted income.
7. In total the Partnership's income exceeded expenditure by £237,000. This surplus has been transferred to the general reserve.

### **Growing Places Fund Grant**

8. A grant of £49 million was made to the South East LEP under the Growing Places Fund initiative. The Growing Places Fund (GPF) grant was to be used to establish a revolving infrastructure fund that could be used across the LEP area to bring forward economic regeneration projects that have stalled.
9. GPF has been invested or has been allocated for investment in a total of 20 capital infrastructure projects. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244 million) and the remaining proportion has been ring-fenced to support the activities of SELEP's Sector Groups (known as the Sector Support Fund); as agreed by the Strategic Board.

A total of £5.817 million of the grant was paid out in loans during the financial year. The total repayments made in 2018/19 totalled £9.332 million. This resulted in a balance of £14.375 million to be carried forward for award in the following Financial Year.

### **Local Growth Fund Grant (incl. LTP Major Projects Grant)**

10. Capital grants of £91.739 million were made to the South East LEP for 2018/19 to deliver the Growth Deal as agreed between the partnership and Government. A further £26.525 million was carried forward from 2017/18 to be applied in year. Of the total £118.264 million, £80.386 million was allocated to upper tier Local Authorities, further education colleges and Highways England Ltd to invest in projects approved by the partnership's Accountability Board. The remaining £37.878 million has been carried forward for application in 2019/20 and later years in the programme.

## Statement of Responsibilities

### 11. Executive Director for Finance and Technology

The Executive Director for Finance and Technology is responsible for the preparation of the SELEP's Statement of Accounts in accordance with proper practices as set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the 'Code of Practice'). In preparing this Statement of Accounts, the Executive Director for Finance and Technology has:

- Selected suitable accounting policies and applied them consistently
- Made judgements and estimates which were reasonable and prudent
- Complied with the Code of Practice
- Kept proper, up to date, accounting records
- Taken reasonable steps for the prevention and detection of fraud and other irregularities

### 12. Executive Director for Finance and Technology's certificate

I certify that this Statement of Accounts has been prepared in accordance with proper practices and presents a true and fair view of the financial position of the South East Local Enterprise Partnership at 31 March 2019 and its expenditure and income for the year then ended.

**Nicole Wood, Executive Director for Finance and Technology**

**6 December 2019**

## Section Two – Statement of Responsibilities

### **13. Chairman of the SELEP Board's certificate**

I approve these accounts on behalf of the South East Local Enterprise Partnership Board and confirm that they were considered by the Strategic Board at its meeting on 6 December 2019.

**Christian Brodie**

**Chairman of the South East Local Enterprise Partnership**

**6 December 2019**

## Section Three – Statement of Accounts

# Statement of Accounts

**14.** The Partnership's accounting statements for 2018/19 comprise:

- **Movement in Reserves Statement**

This statement shows the movement in year on the different reserves held by the Partnership, analysed into 'usable' reserves (i.e. those that can be applied to fund expenditure or reduce contributions) and 'unusable' reserves. The General Fund Balance at the line 'Balance at 31 March 2019' shows the funds available to the Partnership in 2019/20 and future financial years.

- **Comprehensive Income and Expenditure Statement**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

- **Balance Sheet**

The Balance Sheet shows the value of the assets and liabilities recognised by the Partnership and the Accountable Body. The net assets of the Partnership are matched by the reserves held by the Partnership. Reserves are reported in two categories:

**Usable reserves** – those the Partnership may use to fund expenditure.

**Unusable reserves** – those that the Partnership is not able to use to fund expenditure. These include reserves that hold adjustments between accounting and funding certain transactions which are permitted under regulations.

- **Cash Flow Statement**

The cash flow statement shows the changes, during the reporting period, in cash and cash equivalents of the Partnership. It shows how the Partnership generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

**15.** Supplementary information is set out within the notes to the accounts to provide further information on the financial performance of the Partnership during 2018/19.

## Section Three – Statement of Accounts

### Movement in Reserves Statement

For the years ended 31 March 2018 and 31 March 2019

|  | Notes | Usable Reserves      |                                  |                       | Unusable Reserves           |  |   | Total Unusable Reserves | Total Reserves |
|--|-------|----------------------|----------------------------------|-----------------------|-----------------------------|--|---|-------------------------|----------------|
|  |       | General Fund Balance | Capital Grants Unapplied Account | Total Usable Reserves | Capital Adjustments Account | Financial Instruments Adjustment Account | Accumulating compensated absences Adj A/C |                         |                |
|  |       | £000                 | £000                             | £000                  | £000                        | £000                                     | £000                                      | £000                    |                |
| <b>Balance at 31 March 2017</b>                                  |       | (384)                | -                                | (384)                 | -                           | 1,862                                    | 7   | 1,869                   | 1,485          |
| <b>Movement in Reserves during 2017/18</b>                       |       |                      |                                  |                       |                             |  |   |                         |                |
| Surplus on Provision of Services                                 | 18    | (74)                 | -                                | (74)                  | -                           | -  | -   | -                       | (74)           |
| <b>Total Comprehensive Income and Expenditure</b>                |       | (74)                 | -                                | (74)                  | -                           | -  | -   | -                       | (74)           |
| Adjustments between accounting basis & funding under regulations | 18    | (53)                 | -                                | (53)                  | -                           | 57                                       | (4)                                       | 53                      | -              |
| <b>(Increase) / decrease in 2017/18</b>                          |       | (127)                | -                                | (127)                 | -                           | 57                                       | (4)                                       | 53                      | (74)           |
| <b>Balance at 31 March 2018</b>                                  |       | (511)                | -                                | (511)                 | -                           | 1,919                                    | 3   | 1,922                   | 1,411          |
| <b>Movement in Reserves during 2018/19</b>                       |       |                      |                                  |                       |                             |  |   |                         |                |
| Surplus on Provision of Services                                 | 18    | (535)                | -                                | (535)                 | -                           | -  | -   | -                       | (535)          |
| <b>Total Comprehensive Income and Expenditure</b>                |       | (535)                | -                                | (535)                 | -                           | -  | -   | -                       | (535)          |
| Adjustments between accounting basis & funding under regulations | 18    | 298                  | -                                | 298                   | -                           | (298)                                    | -   | (298)                   | -              |
| <b>(Increase) / decrease in 2018/19</b>                          |       | (237)                | -                                | (237)                 | -                           | (298)                                    | -   | (298)                   | (535)          |
| <b>Balance at 31 March 2019</b>                                  |       | (748)                | -                                | (748)                 | -                           | 1,621                                    | 3   | 1,624                   | 876            |

## Section Three – Statement of Accounts

### Comprehensive Income and Expenditure Statement

For year ended 31 March 2019

| 2017/18                   |                      |                      |                         | Notes | 2018/19   |                      |                      |                         |              |
|---------------------------|----------------------|----------------------|-------------------------|-------|---|----------------------|----------------------|-------------------------|--------------|
| Gross expenditure<br>£000 | Govnt Grants<br>£000 | Other Income<br>£000 | Net Expenditure<br>£000 |       | Gross expenditure<br>£000                           | Govnt Grants<br>£000 | Other Income<br>£000 | Net Expenditure<br>£000 |              |
| 82,733                    | (82,133)             | (210)                | 390                     | 19,25 | Cost of Services                                    | 92,837               | (91,989)             | (224)                   | 624          |
| 57                        | -                    | (521)                | (464)                   | 18,25 | Financing and Investment Income and Expenditure     | (299)                | -                    | (860)                   | (1,159)      |
| <b>82,790</b>             | <b>(82,133)</b>      | <b>(731)</b>         | <b>(74)</b>             |       | <b>(Surplus) / Deficit on provision of services</b> | <b>92,538</b>        | <b>(91,989)</b>      | <b>(1,084)</b>          | <b>(535)</b> |

## Section Three – Statement of Accounts

### Balance Sheet as at 31 March 2019

| 31 March 2018    | Note |  | 31st March 2019 |                  |
|------------------|------|--|-----------------|------------------|
| £000             |      |  | £000            | £000             |
| 33,410           | 23   | Long term debtors                        | 30,194          |                  |
| <b>33,410</b>    |      | <b>Long term assets</b>                  |                 | <b>30,194</b>    |
| 67,392           | 24   | Short term debtors                       | 70,479          |                  |
| <b>67,392</b>    |      | <b>Current assets</b>                    |                 | <b>70,479</b>    |
| (8,453)          |      | Creditors                                | (3,176)         |                  |
| (2,690)          | 19   | Revenue grant receipts in advance        | (2,224)         |                  |
| (91,070)         | 19   | Capital grant receipts in advance        | (96,149)        |                  |
| <b>(102,213)</b> |      | <b>Current liabilities</b>               |                 | <b>(101,549)</b> |
| <b>(1,411)</b>   |      | <b>Net liabilities</b>                   |                 | <b>(876)</b>     |
|                  |      | <b>Usable reserves</b>                   |                 |                  |
| (511)            |      | General Fund balance                     | (748)           |                  |
| <b>(511)</b>     |      |  |                 | <b>(748)</b>     |
|                  |      | <b>Unusable reserves</b>                 |                 |                  |
| -                | 21   | Capital Adjustment Account               | -               |                  |
| 1,919            | 20   | Financial Instruments Adjustment Account | 1,621           |                  |
| 3                | 22   | Accumulated Absences Adjustment Account  | 3               |                  |
| <b>1,922</b>     |      |  |                 | <b>1,624</b>     |
| <b>1,411</b>     |      | <b>Total reserves</b>                    |                 | <b>876</b>       |



## Section Three – Statement of Accounts

### Cash Flow Statement for year ended 31 March 2019

| 2017/18 | Notes |   | 2018/19 |
|---------|-------|---|---------|
| £000    |       |   | £000    |
| (7,113) | 25    | Operating activities  | 5,507   |
| 7,113   | 25    | Investing activities  | (5,507) |
| -       |       | Financing activities  | -       |
| -       |       | <b>Net (increase) / decrease in cash and cash equivalents</b> | -       |
| -       |       | Cash and cash equivalents at 1st April                        | -       |
| -       |       | Cash and cash equivalents at 31st March                       | -       |

## Section Three – Statement of Accounts

### Notes to the Statements of Accounts

#### 16. Accounting Policies

##### Introduction

The Statement of Accounts summarises the Partnership's transactions for the 2018/19 financial year, and its position as at 31 March 2019. The accounting policies explain the basis for the recognition, measurement and disclosure of transactions and other events within the Statement of Accounts.

The Partnership's Statement of Accounts is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, insofar as that is applicable to the activities of the Partnership, supported by International Financial Reporting Standards (IFRS) and statutory regulations.

##### Accounting for Capital Grants

The Local Growth Fund Capital Grant (awarded from DCLG) and the Local Authority LTP Major Project (awarded from DfT) Capital Grants were both awarded to the SELEP via the Accountable Body. Whilst these are capital grants they won't result in the creation of a non-current asset within the ownership of SELEP. This is because the grant is passed onto the relevant delivery organisation where the asset will be created or enhanced.

However, there are two further situations in Local Government where expenditure may be capitalised:

- Expenditure is defined by **Regulation** as capital: and
- Expenditure is classified by **Government Direction** as capital

Such expenditure is referred to as '**revenue expenditure funded from capital under statute**' (REFCUS). Both the Local Growth Fund Capital Grant and the Local Authority LTP Major Project Capital Grant have been treated in this way.

Where reliance is placed on the statutory definition of capital expenditure rather than the accounting definition, any expenditure incurred must be charged to the Comprehensive Income and Expenditure Statement. However, this is then mitigated by a transfer from the Capital Adjustment Account in the Movement in Reserves Statement, thereby neutralising the impact of the expense on the General Fund.

The effect of the transfer from the Capital Adjustment Account is to enable the SELEP to apply capital resources (i.e. capital grant) to the financing of the expenditure defined as capital by Regulation (i.e. to the financing of REFCUS expenditure).

## Section Three – Statement of Accounts

### Accounting for Loans

The Growing Places Fund loan advances are made on an interest free basis, which means that they are accounted for as soft loans. In order to comply with the CIPFA Code of Practice and statutory regulation it is necessary to measure such loans at fair value in the Financial Statements.

In the case of loan advances, such as GPF loan advances made by the SELEP, the value of the advance made is presented in the accounts as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument and for an organisation with similar credit rating.

All GPF loan advances have been made to upper tier authorities and therefore the prevailing rate of interest used was that available from the Public Works Loan Board on the day of the advance.

The sum by which the amount lent exceeds the fair value of the loan shall be charged to Surplus or Deficit on the Provision of Services. This deficit does not require funding as it is an accounting adjustment only. This adjustment is held in the Financial Instruments Adjustment Account.

Over the life of the loan the value of the adjustment will be reduced in each year until the value of the loan advances match loan repayments in cash terms.

### **17. Accruals of Income and Expenditure**

The Partnership accounts for income and expenditure in the year the effects of the transactions are experienced, not simply when the cash payments are made or received. In particular:

- **Receipt of goods and services:** expenditure is recognised when the goods are consumed and the services received by the Partnership.
- **Interest:** Amounts payable on borrowings and receivable on investments are accounted for on the basis of the effective interest rate for the relevant financial instrument rather than according to the cash flows fixed or determined by the contract.
- **Debtors and Creditors:** where income and expenditure has been recognised, but the cash has not been received or paid, a debtor or creditor for the relevant amount is recognised in the Balance Sheet.

## Section Three – Statement of Accounts

### **18. Adjustments between Accounting Basis and Funding under Regulations**

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Partnership in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Partnership to meet future capital and revenue expenditure.

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset (e.g. Local Growth Fund Payments) is charged as expenditure to the Comprehensive Income and Expenditure Statement in the year against the cost of services line.

Where the cost of this expenditure is met from existing capital resources, such as capital grants, a transfer is made in the Movement in Reserves Statement to the Capital Adjustment Account to mitigate the impact on the General Balance.

An analysis of the adjustments made under statute can be found overleaf.

## Section Three – Statement of Accounts

### Adjustments between accounting basis and funding under Regulations – 2017/18

| 2017/18   | Notes | General<br>Fund<br>Balance<br>£000 | Capital<br>Grants<br>Unapplied<br>Account<br>£000 | Total<br>Usable<br>Reserves<br>£000 | Total<br>Unusable<br>Reserves<br>£000 |
|---|-------|------------------------------------|---|-------------------------------------|---------------------------------------|
| <b>Adjustments involving the Capital Adjustment Account (CAA)</b>   |       |                                    |   |                                     |                                       |
| <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>  |       |                                    |   |                                     |                                       |
| Depreciation and impairment of non current assets   |       |                                    |   | -                                   | -                                     |
| Capital grants and contributions applied  | 19    | 80,615                             | -   | 80,615                              | (80,615)                              |
| Revenue expenditure funded from capital under statute   | 21    | (80,615)                           | -   | (80,615)                            | 80,615                                |
| Value of assets disposed of during the year   |       |                                    |   | -                                   | -                                     |
| <b>Adjustments involving the Capital Adjustment Account</b>   |       |                                    |   |                                     |                                       |
|   |       | -                                  | -   | -                                   | -                                     |
| <b>Adjustments involving the Capital Grants Unapplied Account</b>   |       |                                    |   |                                     |                                       |
| Grants applied to financing (transferred to the CAA)  |       |                                    |   | -                                   | -                                     |
| Grants and contributions unapplied  |       |                                    |   | -                                   | -                                     |
| <b>Adjustments involving the Capital Grants Unapplied A/C</b>   |       |                                    |   |                                     |                                       |
|   |       | -                                  | -   | -                                   | -                                     |
| <b>Adjustments involving the Financial Instruments Adjustment Account (FIAA)</b>  |       |                                    |   |                                     |                                       |
| Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement differ from costs chargeable in accordance with statutory requirements                | 20    | (57)                               | -   | (57)                                | 57                                    |
| <b>Adjustments involving the FIAA</b>   |       |                                    |   |                                     |                                       |
|   |       | (57)                               | -   | (57)                                | 57                                    |
| <b>Adjustments involving the Accumulated Compensated Absences Adjustment Account</b>  |       |                                    |   |                                     |                                       |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in accordance with statutory requirements | 22    | 4                                  | -   | 4                                   | (4)                                   |
| <b>Adjustments involving the Accumulated Absences Account</b>   |       |                                    |   |                                     |                                       |
|   |       | 4                                  | -   | 4                                   | (4)                                   |
| <b>Total adjustments</b>  |       | <b>(53)</b>                        | <b>-</b>  | <b>(53)</b>                         | <b>53</b>                             |

## Section Three – Statement of Accounts

### Adjustments between accounting basis and funding under Regulations – 2018/19

| 2018/19   | Notes | General<br>Fund<br>Balance<br>£000 | Capital<br>Grants<br>Unapplied<br>Account<br>£000 | Total<br>Usable<br>Reserves<br>£000 | Total<br>Unusable<br>Reserves<br>£000 |
|---|-------|------------------------------------|---|-------------------------------------|---------------------------------------|
| <b>Adjustments involving the Capital Adjustment Account (CAA)</b>   |       |                                    |   |                                     |                                       |
| <u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement</u>  |       |                                    |   |                                     |                                       |
| Depreciation and impairment of non current assets   |       |                                    |   | -                                   | -                                     |
| Capital grants and contributions applied  | 19    | 90,134                             | -   | 90,134                              | (90,134)                              |
| Revenue expenditure funded from capital under statute   | 21    | (90,134)                           | -   | (90,134)                            | 90,134                                |
| Value of assets disposed of during the year   |       |                                    |   | -                                   | -                                     |
| <b>Adjustments involving the Capital Adjustment Account</b>   |       |                                    |   |                                     |                                       |
|   |       | -                                  | -   | -                                   | -                                     |
| <b>Adjustments involving the Capital Grants Unapplied Account</b>   |       |                                    |   |                                     |                                       |
| Grants applied to financing (transferred to the CAA)  |       |                                    |   | -                                   | -                                     |
| Grants and contributions unapplied  |       |                                    |   | -                                   | -                                     |
| <b>Adjustments involving the Capital Grants Unapplied A/C</b>   |       |                                    |   |                                     |                                       |
|   |       | -                                  | -   | -                                   | -                                     |
| <b>Adjustments involving the Financial Instruments Adjustment Account (FIAA)</b>  |       |                                    |   |                                     |                                       |
| Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement differ from costs chargeable in accordance with statutory requirements                | 20    | 298                                | -   | 298                                 | (298)                                 |
| <b>Adjustments involving the FIAA</b>   |       |                                    |   |                                     |                                       |
|   |       | 298                                | -   | 298                                 | (298)                                 |
| <b>Adjustments involving the Accumulated Compensated Absences Adjustment Account</b>  |       |                                    |   |                                     |                                       |
| Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement differs from remuneration chargeable in accordance with statutory requirements | 22    | -                                  | -   | -                                   | -                                     |
| <b>Adjustments involving the Accumulated Absences Account</b>   |       |                                    |   |                                     |                                       |
|   |       | -                                  | -   | -                                   | -                                     |
| <b>Total adjustments</b>  |       | <b>298</b>                         | <b>-</b>  | <b>298</b>                          | <b>(298)</b>                          |

## Section Three – Statement of Accounts

### 19. Grant Income

Government grants and third party contributions and donations are recognised as due and credited as income in the Comprehensive Income and Expenditure Statement, when there is reasonable assurance that:

- There are no conditions attached to them or that the Partnership has complied with the conditions attached to them; and
- The grants and contributions will be received.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the grant or condition are required to be consumed by the Partnership as specified, or future economic benefits or service potential must be returned to the awarding body.

Where a grant or contribution has been received, but the conditions are not satisfied, the amount will be carried in the Balance Sheet as a grant receipt in advance.

## Section Three – Statement of Accounts

An analysis of the grants that have been credited to the Net Cost of Services within the Comprehensive Income and Expenditure Statement is as follows:

| 2017/18                |                        |               |   | 2018/19                |                        |               |
|------------------------|------------------------|---------------|---|------------------------|------------------------|---------------|
| Capital grants<br>£000 | Revenue grants<br>£000 | Total<br>£000 |   | Capital grants<br>£000 | Revenue grants<br>£000 | Total<br>£000 |
|                        |                        |               | <b>Department of Business, Innovation and Skills</b>  |                        |                        |               |
| -                      | 656                    | 656           | Growth Hubs grant                                     | -                      | 656                    | 656           |
| -                      | 28                     | 28            | Energy Strategy grant                                 | -                      | 43                     | 43            |
| -                      | <b>684</b>             | <b>684</b>    |   | -                      | <b>699</b>             | <b>699</b>    |
|                        |                        |               | <b>Department for Transport</b>                       |                        |                        |               |
| -                      | -                      | -             | Local Enterprise Partnerships major schemes grant     | -                      | -                      | -             |
| -                      | 15                     | 15            | Transport Delivery Excellence grant                   | -                      | 10                     | 10            |
| 10,637                 | -                      | 10,637        | Local Authority LTP Major Project grant               | 9,747                  | -                      | 9,747         |
| <b>10,637</b>          | <b>15</b>              | <b>10,652</b> |   | <b>9,747</b>           | <b>10</b>              | <b>9,757</b>  |
|                        |                        |               | <b>Careers Enterprise Company LTD</b>                 |                        |                        |               |
| -                      | 132                    | 132           | Enterprise Co-ordinator grant                         | -                      | 125                    | 125           |
| -                      | <b>132</b>             | <b>132</b>    |   | -                      | <b>125</b>             | <b>125</b>    |
|                        |                        |               | <b>Department of Communities and Local Government</b> |                        |                        |               |
| -                      | 161                    | 161           | Growing Places Fund grant                             | -                      | 500                    | 500           |
| -                      | 500                    | 500           | LEP Core Fund grant                                   | -                      | 500                    | 500           |
| -                      | 27                     | 27            | Enterprise Zone Commercial Support                    | -                      | 23                     | 23            |
| 69,977                 | -                      | 69,977        | Local Growth Fund grant                               | 80,387                 | -                      | 80,387        |
| <b>69,977</b>          | <b>688</b>             | <b>70,665</b> |   | <b>80,387</b>          | <b>1,023</b>           | <b>81,410</b> |
| <b>80,614</b>          | <b>1,519</b>           | <b>82,133</b> |   | <b>90,134</b>          | <b>1,857</b>           | <b>91,991</b> |



## Section Three – Statement of Accounts

An analysis of the grants carried in the Balance Sheet as a receipt in advance is as follows:

| 2017/18         |                 |               | 2018/19   |                 |               |
|-----------------|-----------------|---------------|---|-----------------|---------------|
| Capital<br>£000 | Revenue<br>£000 | Total<br>£000 | Capital<br>£000                                       | Revenue<br>£000 | Total<br>£000 |
|                 |                 |               | <b>Department of Business, Innovation and Skills</b>  |                 |               |
|                 |                 |               |   |                 |               |
|                 |                 |               |   |                 |               |
| -               | 92              | 92            | -   | 75              | 75            |
|                 |                 |               |   |                 |               |
| -               | 92              | 92            | -   | 35              | 35            |
|                 |                 |               | <b>Department for Transport</b>                       |                 |               |
|                 |                 |               |   |                 |               |
|                 |                 |               |   |                 |               |
| -               | 10              | 10            | -   | -               | -             |
| 19,067          | -               | 19,067        | 12,794  | -               | 12,794        |
| <b>19,067</b>   | <b>10</b>       | <b>19,077</b> | <b>12,794</b>   | <b>-</b>        | <b>12,794</b> |
|                 |                 |               | <b>Department of Communities and Local Government</b> |                 |               |
|                 |                 |               |   |                 |               |
|                 |                 |               |   |                 |               |
| 45,477          | 2,564           | 48,041        | 45,477  | 2,065           | 47,542        |
| -               | 23              | 23            | -   | -               | -             |
| 26,525          | -               | 26,525        | 37,878  | -               | 37,878        |
| <b>72,002</b>   | <b>2,587</b>    | <b>74,589</b> | <b>83,355</b>   | <b>2,065</b>    | <b>85,420</b> |
|                 |                 |               |   |                 |               |
| <b>91,069</b>   | <b>2,689</b>    | <b>93,758</b> | <b>96,149</b>   | <b>2,100</b>    | <b>98,249</b> |

## Section Three – Statement of Accounts

### **20. Financial Instruments**

The SELEP has made a number of loans at less than market rates (soft loans). When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal. Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at a marginally higher effective rate of interest than the rate receivable, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable in the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

#### **Loan During 2017/18**

During 2017/18 a loan arrangement was put in place with Harlow District Council to fund highways access to the Templefields site of the Enterprise Zone in Harlow, Essex. The overall value of the loan was £2m of which £300,000 was drawn down in 2017/18; no further drawdowns were made during 2018/19.

Due to complications with this Project, it was agreed by the SELEP Accountability Board on the 15<sup>th</sup> February 2018, to cancel the remaining investment in the highways access to the Templefields site and the outstanding loan is due to be repaid during 2019/20.

## Section Three – Statement of Accounts

### Financial Instruments Adjustment Account

This account absorbs the timing differences arising from different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

| <b>2017/18</b> |   | <b>2018/19</b>      |
|----------------|---|---------------------|
| <b>£000</b>    |   | <b>£000</b>         |
| 1,862          | <b>Balance as at 1 April</b>  | <b>1,919</b>        |
| 746            | Amortisation of discounts to the General Fund   | <b>496</b>          |
| (689)          | Transfer from the General Fund for the difference between amounts credited/debited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statutory provisions | <b>(794)</b>        |
| <u>1,919</u>   | <b>Balance as at 31 March</b>   | <u><b>1,621</b></u> |

## Section Three – Statement of Accounts

### 21. Capital Adjustments Account

The Capital Adjustments Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. This includes adjustments made on the application of Revenue Expenditure Funded from Capital under Statute (REFCUS).

| 2017/18<br>£000 |   | 2018/19<br>£000 |
|-----------------|---|-----------------|
| -               | <b>Balance as at 1 April</b>  | -               |
|                 | <b>Reversal of items related to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b> |                 |
| 80,615          | Revenue expenditure financed from capital under statute   | 90,134          |
| <u>80,615</u>   | <b>Net written out amount of the cost of non-current assets consumed in the year</b>  | <u>90,134</u>   |
|                 | <b>Capital financing applied in the year</b>  |                 |
| (80,615)        | Capital grants applied to finance revenue expenditure funded from capital   | (90,134)        |
| <u>-</u>        | <b>Balance as at 31 March</b>   | <u>-</u>        |

## Section Three – Statement of Accounts

### 22. Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would arise on the General Fund Balance from accruing for paid absences earned but not taken in the year (e.g. annual leave entitlement carried forward at 31 March). Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

| 2017/18  |   | 2018/19  |
|----------|---|----------|
| £000     |   | £000     |
| 7        | <b>Balance as at 1 April</b>  | <b>3</b> |
| (7)      | Settlement or cancellation of accrual made at the end of the preceding year   | (3)      |
| 3        | Amount accrued for at the end of the current year   | <b>3</b> |
| (4)      | Amount by which officer remuneration charged in the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements | -        |
| <b>3</b> | <b>Balance as at 31 March</b>   | <b>3</b> |

### 23. Long Term Debtors

Long term debtors are the loan advances made to upper tier authorities from the Growing Places Fund. As at note 21 above, the value of these advances are recognised at the present value of repayments over the life of the loan. This is because the loans are made at a nil interest rate. The cash value of loan advances this year was £5.817 million. The difference in value between this and the value recognised as a long term debtor is shown in the Financial Instruments Adjustment Account which is an unusable reserve.

### 24. Short Term Debtors

The Partnership's cash is held by Essex County Council, as part of the Council's role as Accountable Body for the Partnership. The cash held by the Accountable Body is recognised on the Balance Sheet of the Partnership as a short term debtor.

## Section Three – Statement of Accounts

### **25. Cash Flows from operating, investing and financing activities**

The amount of net cash flows arising from operating activities is a key indicator to the extent to which the operations of the Partnership are funded by way of grant income or contributions.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Partnership's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Partnership. Currently the Partnership has no borrowing.

The Partnership's cash is held by the Accountable Body (see note 24) and therefore is recognised as short term debtor rather than cash on the Balance Sheet and Cash Flow Statement.

The cash flows from operating, investing and financing activities include the following items:

## Section Three – Statement of Accounts

| 2017/18         | Notes  | 2018/19         |
|-----------------|--|-----------------|
| £000            |  | £000            |
|                 | <b>Cash flows from operating activities</b>                              |                 |
|                 | <b>Cash inflows</b>  |                 |
| (1,430)         | Grants   | (10,908)        |
| (210)           | Sales of goods and rendering of services                                 | (224)           |
| (521)           | Interest received  | (860)           |
| <u>(2,161)</u>  |  | <u>(11,992)</u> |
|                 | <b>Cash outflows</b>   |                 |
| 629             | Cash paid to and on behalf of employees                                  | 625             |
| -               | Interest paid  | -               |
| -               | Cash paid to suppliers of goods and services                             | -               |
| (5,581)         | Other payments for operating activities                                  | 16,874          |
| <u>(4,952)</u>  |  | <u>17,499</u>   |
| <u>(7,113)</u>  | <b>Net outflows of cash from operating activities</b>                    | <u>5,507</u>    |
|                 | <b>Cash flows from investing activities</b>                              |                 |
|                 | <b>Cash inflows</b>  |                 |
| 41,903          | Proceeds from short and long term investments                            | 3,087           |
| (121,793)       | Other receipts from investing activities                                 | (85,694)        |
| <u>(79,890)</u> |  | <u>(82,607)</u> |
|                 | <b>Cash outflows</b>   |                 |
| 87,003          | Other payments for investing activities                                  | 77,100          |
| <u>87,003</u>   |  | <u>77,100</u>   |
| <u>7,113</u>    | <b>Net (inflow) / outflow of cash from investing activities</b>          | <u>(5,507)</u>  |
|                 | <b>Cash flows from financing activities</b>                              |                 |
|                 | <b>Cash inflows</b>  |                 |
| -               | Cash receipts of short and long term borrowing                           | -               |
| -               | Other receipts from financing activities                                 | -               |
| <u>-</u>        |  | <u>-</u>        |
|                 | <b>Cash outflows</b>   |                 |
| -               | Cash payments for the reduction of liabilities related to finance leases | -               |
| -               | Repayment of short and long term borrowing                               | -               |
| <u>-</u>        |  | <u>-</u>        |
| <u>-</u>        | <b>Net (inflow) / outflow of cash from investing activities</b>          | <u>-</u>        |
| <u>-</u>        | <b>Net (increase) / decrease in cash and cash equivalents</b>            | <u>-</u>        |
| -               | <b>Cash and cash equivalents at 1st April</b>                            | -               |
| -               | <b>Cash and cash equivalents at 31st March</b>                           | -               |

## Section Three – Statement of Accounts

### 26. Senior Officers' remuneration

Officers' remuneration includes all sums paid to or receivable by employees, expense allowances chargeable to tax and the money value of benefits. It should be emphasised that this relates to payments to individuals, so part year employment can produce distortions in the presentation.

Pension payments made, whether from a funded or unfunded scheme, do not count as remuneration for this purpose.

|                                 | Notes | Remuneration                  |                |                             |                                     |   |         | Employer's contribution to pension | Total Remuneration Incl. pension contributions |
|---------------------------------|-------|-------------------------------|----------------|-----------------------------|-------------------------------------|---|---------|------------------------------------|--|
|                                 |       | Salaries, fees and allowances | Bonus Payments | Expense allowances/benefits | Compensation for loss of employment | Total remuneration Excl pension contributions |         |                                    |  |
| <b>2017/18</b>                  |       |                               |                |                             |                                     |   |         |                                    |  |
| Managing Director of the SELEP  |       | £95,950                       | £0             | £5,322                      | £0                                  | £101,272                                      | £15,448 | £116,719                           |  |
| SELEP Skills Manager            |       | £50,500                       | £0             | £0                          | £0                                  | £50,500                                       | £8,130  | £58,630                            |  |
| <b>2018/19</b>                  |       |                               |                |                             |                                     |   |         |                                    |  |
| Managing Director of the SELEP  |       | £95,950                       | £250           | £5,610                      | £0                                  | £101,810                                      | £15,488 | £117,298                           |  |
| SELEP Skills Manager            |       | £52,510                       | £500           | £263                        | £0                                  | £53,273                                       | £8,535  | £61,807                            |  |
| SELEP Capital Programme Manager | iv    | £51,837                       | £750           | £494                        | £0                                  | £53,081                                       | £8,467  | £61,548                            |  |

#### Notes:

- i. Where a senior officer's annual salary is £50,000 or more, but less than £150,000, remuneration is disclosed individually by way of job title. For those senior officers whose salary is £150,000 or more, their name is also disclosed.
- ii. The employer's contribution to pensions are not amounts paid to individual members of staff, rather they reflect amounts paid by the Accountable Body into the Pension Fund; these contributions have been made at the level determined at the last actuarial valuation as necessary to meet the cost of the future pension accrual.
- iii. Bonus payments have been disclosed in the year of payment, but relate to performance in the previous year.
- iv. The SELEP Capital Programme Manager was appointed part way through 2017/18 and did not meet the criteria for disclosure in that year.



## Section Four – Statement of Accounts

### **Independent auditor's report to the Board and Executive Members of South East Local Enterprise Partnership and Essex County Council**

#### **Opinion**

We have audited the Statement of Accounts of South East Local Enterprise Partnership (the Partnership) which comprise the Balance Sheet as at 31 March 2019, and the Comprehensive Income Statement, Movement in Reserves Statement, Cash Flow Statement for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Partnership for the year ended 31 March 2019 are prepared in all material respects, in accordance with the financial reporting provisions of CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter – Basis of Accounting and Restriction on Distribution and Use**

We draw your attention to note 16 to the financial statements, which describes the basis of accounting. The financial statements have been prepared to assist the Partnership in complying with the financial reporting provisions of CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely to the Board and Executive Members of South East Local Enterprise Partnership, and Essex County Council as the accountable body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and should not be distributed to or used by parties other than the Partnership. Our opinion is not modified in respect of this matter.

#### **Other Information**

Management are responsible for the other information. The other information comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

## Section Four – Statement of Accounts

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2018/19 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Use of our Report**

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board and Executive Members of South East Local Enterprise Partnership and Essex County Council as the accountable body, for our audit work, for this report or the opinions we have formed.

Mr Athos Louca FCCA ICPAC (Senior Statutory Auditor)

For and on behalf of Loucas

Chartered Certified Accountants

Statutory Auditor

The Carriage House

Mill Street

Maidstone

Kent

ME15 6YE

Date:.....

## **Item 12: Appendix A- LIS Engagement**

### Local Industrial Strategy Engagement

| Month      | Date                          | LEP Wide                               | East Sussex                         | Essex   | Kent & Medway                      | South Essex  | Overall focus of Engagement   |
|------------|-------------------------------|--|-------------------------------------|---|------------------------------------|--|---|
| June       | 05/06/2019                    | Stakeholder group                      |                                     |   |                                    |  | Awareness of LIS purpose, deadline and broad process  |
|            | 12/06/2019                    | Natural capital discussion             |                                     |   |                                    |  |   |
|            | 13/06/2019                    |  |                                     |   |                                    | OSE PS discussion  |   |
|            | 14/06/2019                    |  |                                     | Essex LIS discussion                          |                                    |  |   |
|            | 19/06/2019                    |  |                                     |   | Kent PS discussion                 |  |   |
|            | 24/06/2019                    |  | TES Board                           |   |                                    |  |   |
|            | 24/06/2019                    | Skills strategy discussion             |                                     | EB Board                                      |                                    |  |   |
|            | 25/06/2019                    |  |                                     |   | KMEP Board                         |  |   |
|            | 25/06/2019                    |  |                                     |   |                                    | OSE Board  |   |
|            | 28/06/2019                    | Strategic Board                        |                                     |   |                                    |  |   |
| July       | 02/07/2019                    | GLA LIS meeting                        |                                     |   |                                    |  | Evidence Base building & agreeing approach to wider engagement  |
|            | 08/07/2019                    | LSCC growth directive meeting          |                                     |   |                                    |  |   |
|            | 09/07/2019                    | Core group                             |                                     |   |                                    |  |   |
|            | 11/07/2019                    |  | ES ED discussion                    |   |                                    |  |   |
|            | 17/07/2019                    | SELEP AGM                              |                                     |   |                                    |  |   |
|            | 22/07/2019                    |  |                                     |   | Ebbsfleet GC meeting               |  |   |
|            | 26/07/2019                    | Meeting with DCMS                      |                                     |   |                                    |  |   |
|            | 29/07/2019                    |  | TES Workshop                        |   |                                    |  |   |
| 31/07/2019 | Innovate UK                   |  |                                     |   | Southend Skills Leadership Meeting |  |   |
| August     | 01/08/2019                    | GLA LIS meeting                        |                                     |   |                                    |  | Consider evidence base findings and emerging strengths and areas of LEP wide focus  |
|            | 05/08/2019                    | NALEP LIS discussion                   |                                     |   |                                    |  |   |
|            | 07/08/2019                    | U9 LIS discussion                      |                                     |   |                                    |  |   |
|            | 08/08/2019                    | Garden Communities meeting             |                                     |   |                                    |  |   |
|            | 13/08/2019                    | Stakeholder group                      |                                     |   |                                    |  |   |
|            | 21/08/2019                    | Network Rail                           | Economic Development Officers Group |   |                                    |  |   |
| September  | 03/09/2019                    |  |                                     |   |                                    | Southend Business Partnership Executive Meeting                        | Areas of focus and aligned LEP wide propositions, and determining local priorities/areas for focus/propositions under the 5Fs |
|            | 04/09/2019                    |  |                                     |   |                                    | Thurrock Business Board  |   |
|            |                               |  |                                     |   |                                    | Business Essex Southend and Thurrock Growth Hub Steering Group Meeting |   |
|            | 05/09/2019                    | Skills Advisory Panel & Advisory Group | East Sussex Environment Board       |   | Business Advisory Board            |  |   |
|            | 10/09/2019                    | Core group                             |                                     | Stansted Chamber of Commerce networking event | Kent and Medway CEOs (SN)          |  |   |
|            | 11/09/2019                    |  |                                     |   |                                    | OSE Board - Briefing note  |   |
|            | 13/09/2019                    | SELEP Accountability Board (10-12.00)  |                                     |   |                                    |  |   |
|            |                               | LIS meeting with LA Leaders            |                                     |   | KCC Cabinet Committee (SN)         |  |   |
| 16/09/2019 | Greater South East Energy Hub |  |                                     |   |                                    |  |   |

|                 |            |  |   |                        |                                    |   |
|-----------------|------------|--|---|------------------------|------------------------------------|---|
|                 | 17/09/2019 | Housing & Development group  |   |                        |                                    |   |
|                 | 18/09/2019 | U9 LIS Workshop<br>SECEN Group Meeting                                   |   |                        | East Kent CEOs - SN to attend      | Basildon Business Group   |
|                 | 19/09/2019 |  | Skills East Sussex                              |                        |                                    |   |
|                 | 24/09/2019 |  |   |                        | KMEP Board                         |   |
|                 | 25/09/2019 | LIS meeting with SELEP Chair / Vice Chairs<br><br>Coastal Group          |   |                        |                                    |   |
|                 | 26/09/2019 | SELEP Growth Hub steering group  |   |                        | East Kent Growth Board (SN)        | Southend Business Partnership<br>ASELA CEO Meeting - Briefing note                                  |
|                 | 30/09/2019 |  | TES Board                                       | EB Board               |                                    |   |
| <b>October</b>  | 02/10/2019 |  |   | Tending energy seminar |                                    | Opportunity Thurrock  |
|                 | 03/10/2019 |  |   |                        |                                    | Thames Estuary Growth Day   |
|                 | 04/10/2019 | Strategic Board<br><br>LIS meeting with Strategic Board business members |   |                        | West Kent Partnership meeting (SN) |   |
|                 | 07/10/2019 | BEIS LIS Infrastructure  |   |                        |                                    |   |
|                 | 08/10/2019 | Rural Working group  |   |                        |                                    |   |
|                 | 09/10/2019 |  |   |                        | West Kent Officers (SN)            |   |
|                 | 10/10/2019 | SAP skills workshop  |   |                        |                                    | ASELA Leader & CEO meeting  |
|                 | 14/10/2019 | LIS workshop   |   |                        |                                    |   |
|                 | 15/10/2019 | Stakeholder group  | Developers East Sussex                          |                        |                                    |   |
|                 | 16/10/2019 | South East Business Hub steering group meeting                           | Healthy Living Conference, University of Sussex |                        |                                    |   |
|                 | 18/10/2019 |  | Alliance of Chambers in East Sussex             |                        |                                    |   |
|                 | 23/10/2019 |  |   |                        | East Kent CEOs (SN)                |   |
|                 | 24/10/2019 | Meeting with BEIS re evidence base and emerging themes                   |   |                        |                                    |   |
|                 | 29/10/2019 |  |   |                        | East Kent Growth Board (SN)        |   |
|                 | 31/10/2019 |  | Sussex Steering Group                           |                        |                                    |   |
| <b>November</b> | 01/11/2019 |  |   |                        | Locate in Kent Board (SN)          |   |
|                 | 04/11/2019 |  | TES Workshop                                    |                        |                                    |   |
|                 | 05/11/2019 | Thematic workshops - Building new communities & Modelling connectivity   | Culture East Sussex                             |                        |                                    |   |
|                 | 06/11/2019 |  |   |                        | West Kent Officers (SN)            | Thurrock Business Board   |
|                 | 07/11/2019 | Thematic workshops - Accelerating growth & Maximising natural assets     |   |                        | BAB meeting (SN)                   |   |
|                 | 11/11/2019 |  |   | Sussex Essex Board     |                                    |   |
|                 | 12/11/2019 | SECEN Group  |   |                        |                                    |   |
|                 |            |  |   |                        |                                    | Developing the propositions and agreeing local priorities/areas of focus/propositions under the 5Fs |
|                 |            |  |   |                        |                                    | Drafting and review of the LIS document & planning for co-design stage with Government              |

|          |            |                             |           |                        |                             |                         |   |
|----------|------------|-----------------------------|-----------|------------------------|-----------------------------|-------------------------|---|
|          | 13/11/2019 | Core group                  |           |                        |                             |                         |   |
|          | 14/11/2019 |                             |           |                        | Kent CEOs (SN)              | OSE Board               |   |
|          | 18/11/2019 |                             |           |                        | Kent Leaders                |                         |   |
|          | 20/11/2019 |                             |           |                        | East Kent CEOs (SN)         |                         |   |
|          | 21/11/2019 |                             |           | Success Essex away Day |                             |                         |   |
|          | 26/11/2019 |                             |           |                        | KMEP Board                  |                         |   |
|          | 27/11/2019 |                             |           |                        |                             |                         |   |
|          | 28/11/2019 |                             |           |                        | KCC Cabinet Committee (SN)  |                         |   |
| December | 02/12/2019 |                             | TES Board | Success Essex Board    |                             |                         | Finalising the LIS and agreeing the approach to co-design with Government |
|          | 04/12/2019 |                             |           |                        |                             | Basildon Business Group |   |
|          | 06/12/2019 | Strategic Board             |           |                        |                             |                         |   |
|          | 10/12/2019 | Stakeholder group           |           |                        |                             |                         |   |
|          | 17/12/2019 |                             |           |                        | East Kent Growth Board (SN) |                         |   |
|          | 19/12/2019 | Housing & Development group |           |                        |                             |                         |   |

**Meetings with individual stakeholders and businesses have also taken place throughout the process to supplement the engagement opportunities above**

## **Item 12: Appendix B- LIS Supporting Pack**

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# South East LEP Local Industrial Strategy

Supporting Pack

November 2019



This paper summarises the emerging propositions and underpinning themes developed for the South East Local Industrial Strategy (SE LIS). It is structured as follows:

- An overview of the proposed approach to the LIS
- Outline of the three proposed strategic opportunities
- Outline of the four policy themes, and logic chains for proposed interventions in each of these
- Potential local commitments and potential 'asks' to government

This represents the latest thinking at the point of drafting and it should be noted that work continues to refine the opportunities, commitments and asks.

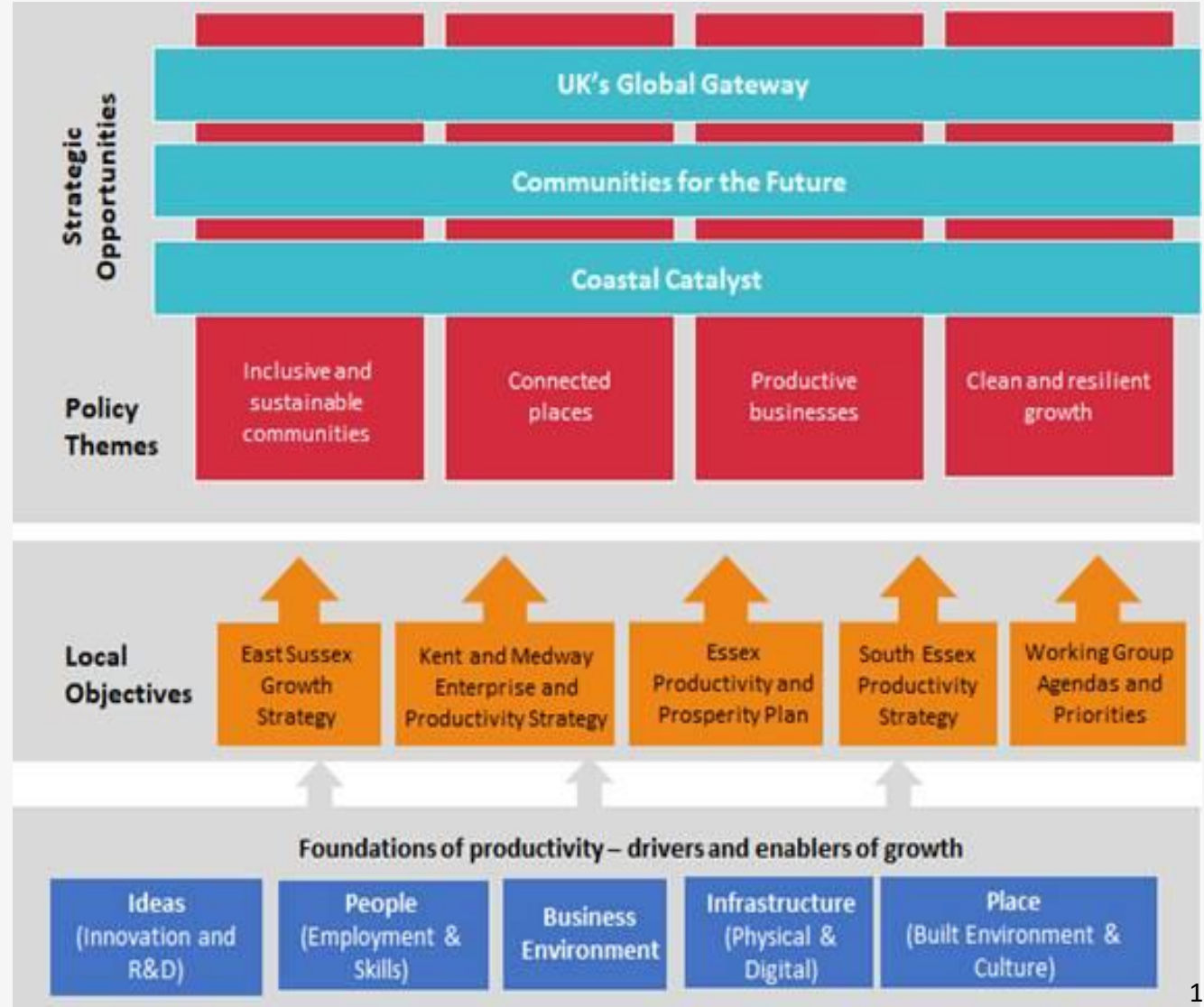


# Proposed Approach

The South East LIS builds on an evidence base structured around the five foundations of productivity defined by government, and considers these through the lens of the local objectives.

From this, three distinctive strategic opportunities for the SELEP region have been identified, which are underpinned by four policy themes around which we define future local commitments and potential 'asks' to government.

Achieving greater **innovation, skills and inclusivity** are core principles that will feature throughout the LIS.



# Policy Themes



**Inclusive and sustainable communities**

SELEP will lead the country in creating communities for the future, spearheading innovation and investment, where people not only want to live but do business and spend time.



**Productive businesses**

SELEP will attract, retain and help to accelerate the productivity of businesses in the South East, leading to greater growth and innovation.



**Connected places**

SELEP will deliver strategic infrastructure that maximises our role as a gateway region for the UK.



**Clean and resilient growth**

SELEP will maximise the opportunities to protect, enhance and promote the region's natural assets, and drive clean and resilient growth.

# Inclusive and sustainable communities

**“SELEP will lead the country in creating communities for the future, spearheading innovation and investment, where people not only want to live but do business and spend time.”**

## Strategic Opportunities

- UK’s Global Gateway – support delivery of major projects and investments
- Communities for the Future – pioneer innovative and sustainable new communities
- Coastal Catalyst – to apply learning from new community development to revive existing coastal & rural

## Grand Challenges

- ✓ Clean Growth
- ✓ Future of Mobility
- ✓ Ageing Society

## Logic chain



**“SELEP will deliver strategic infrastructure that maximises our role as a gateway region for the UK.”**

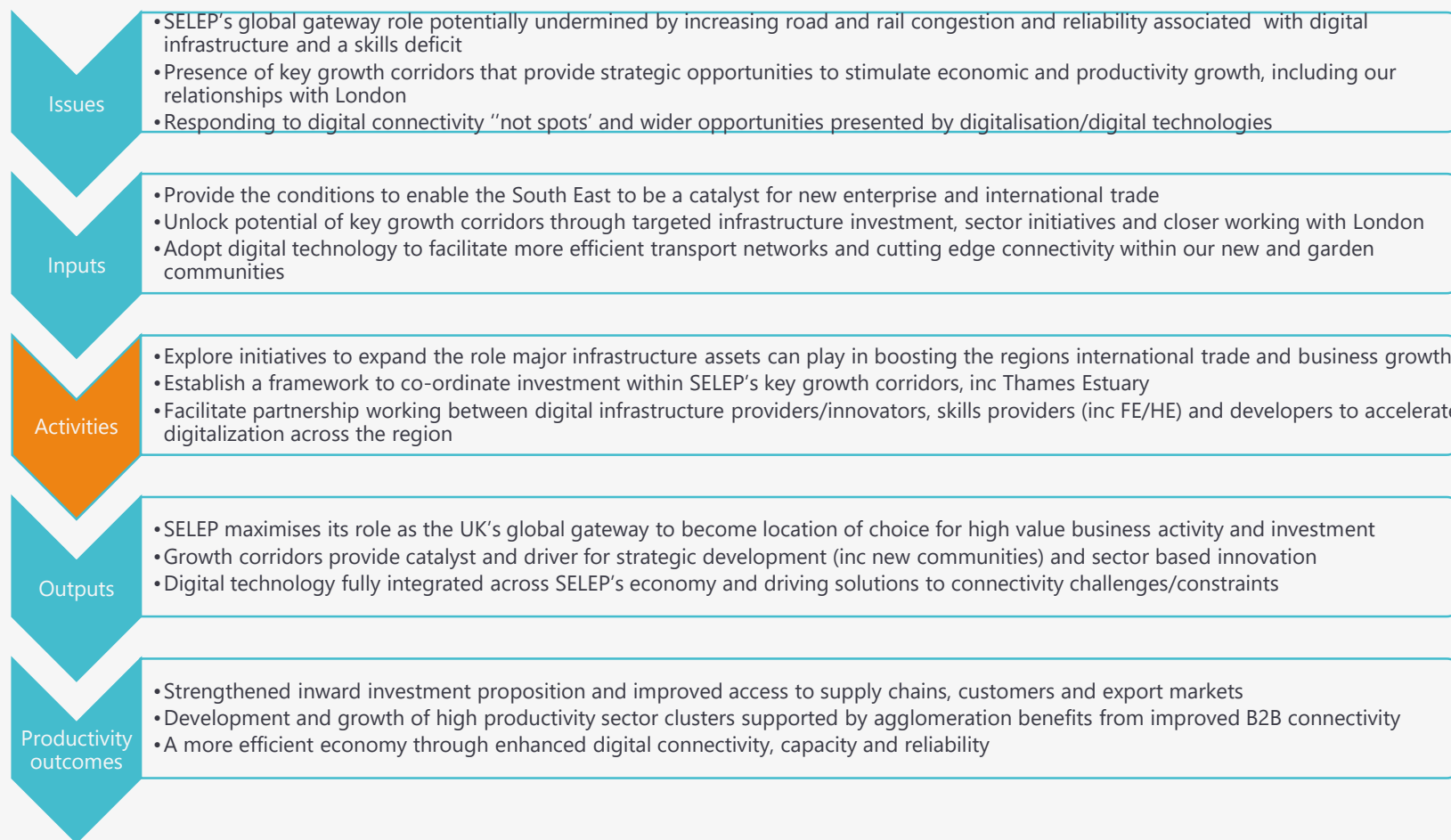
### Strategic Opportunities

- UK’s Global Gateway – high quality infrastructure to support trade, investment and enterprise
- Communities for the Future – support more sustainable patterns and modes of travel
- Coastal Catalyst – improve connectivity to coastal areas to increase productivity

### Grand Challenges

- ✓ Clean Growth
- ✓ Future of Mobility
- ✓ A.I.& Data

### Logic chain



**“SELEP will attract, retain and help to accelerate the productivity of businesses in the South East, leading to greater growth and innovation.”**

## Strategic Opportunities

- UK’s Global Gateway – grow our business base and innovation activity
- Communities for the Future – create new economic opportunities including creative and clean growth sectors
- Coastal Catalyst – improve the growth potential and productivity of coastal economies

## Grand Challenges

- ✓ Clean Growth
- ✓ A.I.& Data
- ✓ Ageing Society

## Logic chain



# Clean and resilient growth

**“SELEP will maximise the opportunities to protect, enhance and promote the region’s natural assets, and drive clean and resilient growth.”**

## Strategic Opportunities

- UK’s Global Gateway – become a leader in clean growth sectors, and maximise the role of ports
- Communities for the Future – maximise opportunities for delivering clean growth at scale, and promoting healthy living
- Coastal Catalyst – harness new opportunities including energy and visitor economy, and develop response to climate change

## Grand Challenges

- ✓ Clean Growth
- ✓ A.I.& Data

## Logic chain



# Strategic Opportunities

From the content developed through the policy themes, three strategic distinctive opportunities are proposed

## 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 two way 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 R&D 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.



## Inclusive and sustainable communities

- Convene a Major Projects Groups to support strategic workforce planning, labour supply and skills incl. possibility of skills hubs
- **Participation of key Government departments in the MPG to accelerate interventions**
- Creating testbeds for innovation e.g. through living labs; linking HE/FE, developers and partners to drive innovation inc. how this can be applied to existing communities
- Develop a 'Planners Toolkit' to help unlock barriers and promote design that supports healthy living, age appropriate homes, clean growth, workspace and cultural vitality
- Work to secure greater participation of SME developers to accelerate growth, **supported by the National Planning Policy Framework**
- Supporting innovative constructions methods e.g. MMC in garden communities
- **Identify/ clarify future funding sources for innovation interventions, incl. alignment with the Construction Sector Deal**
- Review criteria for future funding assessments to reflect LIS priorities

## Productive businesses

- Create an innovation framework/ eco-system to support greater participation in R&D activities to boost productivity and knowledge transfer
- Establish collaborative R&D programmes in key clusters
- Coordinated business support offer which is understood and accessible across SELEP (incl. the role of Growth Hubs & Enterprise Zones, B2B, leadership coaching, sector based)
- Deliver a bespoke scale up programme for businesses seeking to grow, incl. workspace (linked to Stronger towns/FHSF) & VC and angel investment
- Identify how all businesses in the region can access the level of digital connectivity they require to optimise their productivity
- **Identify funding sources to provide leadership coaching, B2B and training for technology adoption/impacts of AI/automation (e.g. National retraining scheme)**
- Review local procurement processes to support entrepreneurs and small businesses
- Review criteria for future funding assessments to reflect LIS priorities

## Connected places

- Build on existing TfSE analysis to enhance understanding of future road and rail connectivity and investment needs across the region, incl. impact of major developments and access to ports
- Identify and support key growth corridors linked to major infrastructure, sector/cluster initiatives & planned new communities
- Assessment of opportunities for digital technology incl. building upon the LEP's role as a digital skills partnership
- **Facilitate the quick adoption of 5G/fibre technology, and explore new models for delivering digital infrastructure in hard to reach places, supporting our thriving rural business community**
- Consider opportunities to accelerate the South East's role as a gateway for global (two way) trade and enterprise, **incl. potential of Freeport status and tech solutions for 'Smart Borders'**
- Review criteria for future funding assessments to reflect LIS priorities

## Clean and resilient growth

- Deliver clear plans to address connectivity challenges in coastal and rural areas; **accelerate Government's Rural Connectivity Programme**
- Apply learning from innovative new community development activities to existing communities
- Support the implementation of the Tri-Lep South2East Local Energy Strategy and deliver initiatives that support sustainable energy to transition to a net zero carbon economy, **incl. alignment with the Offshore Wind Sector Deal**
- Work collaboratively to protect and enhance our natural resources, and explore opportunities to commercialise our assets incl. to support resilience in the rural economy
- Optimise the growth and development of Agri-tech, Agri-food and Forestry-tech sectors
- Develop the Visitor Economy, ensuring culture is embedded in its growth potential and **incl. alignment to the Tourism Sector Deal/Tourism Zone**
- Create a maritime cluster group, supported by Maritime UK to drive growth directly (on the coast) and in supply chains and detail how Ports can catalyse trade and enterprise
- Review criteria for future funding assessments to reflect LIS priorities

## Points for discussion

Board members are asked to consider the content in the preceding slides and provide feedback on the following questions:

- Do you agree with the three distinctive strategic opportunities, that SELEP should promote to Government through the LIS?
- Are there any key challenges or opportunities that you feel are not represented through the proposed opportunities and/or policy themes?
- Are there any specific local commitments or actions that you would like to see reflected in the LIS, or specific asks which you feel we should take to Government?

Feedback from Board members will be incorporated into the drafting of the LIS document, to be presented to the Strategic Board on 31<sup>st</sup> January 2020.



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

Annex 1

# Evidence Base Summary



# Evidence Base Overview

The LIS evidence base has been used to identify particularly pertinent productivity points, challenges and opportunities to help to frame LIS development



## Productivity Overview

- SELEP is a major contributor to the UK economy, generating more economic output (GVA) than any other LEP outside of London
- But relatively poor performance across a variety of productivity measures, including GVA per hour worked/job filled and GVA growth over time
- Significant geographical variation in productivity performance across SELEP – larger urban economies close to London are generally more productive than coastal areas
- Emerging sector opportunities in particular around digital/creative, maritime, life sciences and low carbon (energy and technology)



## Ideas

- Substantial higher education base with research strengths and strong alignment with key sectors (inc agri-food and creative)
- Supported by strong network of innovation assets (such as Enterprise Zones and science parks)
- Relatively low levels of R&D intensity and spending amongst SELEP's business base, but strong critical mass of firms engaged in product and process innovation
- R&D expenditure by higher education sector amongst the lowest in the country
- SELEP's share of national innovation funding has been substantially lower than it's share of population and business stock

# Evidence Base Overview

The LIS evidence base has been used to identify particularly pertinent productivity points, challenges and opportunities to help to frame LIS development



## People

- Track record of population growth, which is expected to continue in future – reflecting SELEP’s attractiveness as a place to live and migrate to
- Strong levels of labour market participation, with consistently high employment and economic activity
- But declining working-age population in some parts of SELEP (particularly coastal) resulting in ageing society
- Population lacks many of the higher level skills crucial to drive productivity growth through high value, knowledge intensive activity
- Significant spatial variation in resident higher level skills (NVQ4+), coupled with pockets of persistent socio-economic deprivation, especially within some coastal communities



## Business Environment

- SELEP is home to a large and diverse business base (approx. 170,000), and high business density relative to the UK average
- Stock of businesses has been growing, but generally behind national growth levels, partly due to business start-up trailing behind other areas
- SELEP’s business base underperforms when it comes to scaling-up (demonstrating strong and sustained growth)
- Low business representation in some of the most productive sector groups (such as ICT, finance and insurance)
- Strong track record in securing inward investment/FDI, but uncertainty going forward, and some investors concern about skills availability and reliability of infrastructure

# Evidence Base Overview

The LIS evidence base has been used to identify particularly pertinent productivity points, challenges and opportunities to help to frame LIS development



## Infrastructure

- Highly significant infrastructure assets within national context (inc major ports, airports, continental rail connection, road and rail networks) - international 'gateway' function provides unique trade and connectivity benefits and opportunities
- But SELEP's transport infrastructure suffers from congestion despite receiving investment in recent years
- Major contribution to UK energy generation - new nuclear facilities planned at Bradwell and major offshore wind generation capacity in the Thames Estuary, North Sea and English Channel
- Generally good levels of digital connectivity, but some rural and coastal 'black spots' hindering productivity
- Identified risks from flooding and erosion across many coastal parts of SELEP



## Place

- Dispersed nature of SELEP's geography, economic areas and assets makes it difficult to articulate a clear and distinctive identity
- Sizeable capacity for growth and development of new communities, including garden settlements (29% of national total)
- Complex travel-to-work flows with strong labour market relationships with London in particular
- Strong housing delivery in recent years, but issues relating to housing supply and affordability remain
- Growing shortage of good quality business space
- SELEP's geography supports rich natural capital, much of which is under threat from climate change
- Key opportunities for rural and coastal economies to increase their contribution to productivity growth