



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Strategic Board Meeting
Friday 22nd March 2019, 10:00-13:00
High House Production Park, Purfleet, RM19 1RJ

Strategic Board Meeting Agenda

Friday 22nd March 2019, 10:00 – 13:00

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Pack issued 18th March 2019



10:00	1	Welcome and introductions		Chris Brodie
10:05	2	Minutes and actions from 7 th December 2018 meeting Declarations of interest Matters arising , including Annual Performance Review outcome	pages 4 - 13	Chris Brodie
10:10	3	LEP Review Implementation - <u>Ratification</u> of decision on Electronic Procedure on board composition - <u>Decision</u> on the scope of a workstream to review Board size, composition and diversity - <u>Decision</u> on the delivery method selected for the Review of the Board - <u>Decision</u> on approach and timelines for fulfilling LEP Review recommendations - <u>Decision</u> on principle of 'Nil Return' company for incorporation	pages 14 - 29	Chris Brodie Adam Bryan Suzanne Bennett
10:40	4	Assurance Framework 2019 - <u>Decision</u> on agreement of changes to Assurance Framework - <u>Decision</u> on agreement of changes to Strategic Board Terms of Reference	pages 30 - 33	Rhiannon Mort
10:55	5	Delivery Plan 2019/20 - <u>Decision</u> on approval of light touch Delivery Plan for 2019/20	pages 34 – 36	Suzanne Bennett
11:05	6	Sector Support Fund - <u>Decision</u> on project applications	pages 37 - 47	Adam Bryan
11:15	7	Digital Skills Partnership - <u>Decision</u> on progressing with the pilot	pages 48 - 49	Louise Aitken
11:25	8	Local Growth Fund Capital Programme Update - <u>Decision</u> on next steps for LGF3b - <u>Decision</u> on reconvening Investment Panel - <u>Endorse</u> LGF spend beyond the programme period for Beaulieu New Railway Station	pages 50 – 61	Rhiannon Mort
11:35	9	Local Industrial Strategy - Discussion on emerging thinking for the approach to the strategy	page 62	Adam Bryan
11:55	10	Lower Thames Crossing – Skills Strategy - Discussion on emerging findings and next steps	pages 63 - 64	Dominic O'Donnell for Highways England
12:15	11	Garden Communities Session Three - Presentation on Harlow & Gilston Garden Town - Consideration of the LEP role	pages 65 - 67	Claire Hamilton, H&G Garden Town Director



12:3	12	Thames Estuary Production Corridor - Update on project progress & recent CDF bid2 success	pages 68 - 70	Sarah Dance, SECEN Co-Chair Chris Paddock, Hatch Regeneris
12:55	13	AOB & Close - Growth Hubs: South East Business Boost video		Chris Brodie Chris Burr, Southend BC

Information: (please note these are included as a separate attachment)

1. Material from [15th February](#) Accountability Board
2. Future High Street Fund bids
3. Growth Hubs update
4. Housing Infrastructure Fund bids

Provisional agenda items for June 2019 Strategic Board Meeting:

1. LEP Review implementation
2. Local Industrial Strategy progress report

Future Strategic Boards:

28th June; 4th October; 6th December; 20th March 2020

AGENDA ITEM 2. SELEP Strategic Board Meeting – 7th December 2018

Attending	Company	Representing
Chris Brodie	Chair	
Adam Bryan	Managing Director	
Graham Peters	Vice Chairman for East Sussex	East Sussex – Business
Clive Soper	Federation of Small Businesses	East Sussex – Business
Ana Christie	Sussex Chamber of Commerce	East Sussex - Business
Cllr Keith Glazier	East Sussex County Council	East Sussex – Local Authority
Cllr David Elkin (for Cllr David Tutt)	Eastbourne Borough Council	East Sussex – Local Authority
Cllr Peter Chowney	Hastings Borough Council	East Sussex – Local Authority
George Kieffer	Vice Chairman for Essex	Essex – Business
Andrew Campling (for David Burch)	Essex Business Board	Essex – Business
David Rayner	Birkett Long	Essex – Business
Colette Bailey	Metals	South Essex – Business
Perry Glading	Southend Business Board	South Essex – Business
Cllr Rob Gledhill	Thurrock Council, OSE	South Essex – Local Authority
Cllr John Lamb	Southend on Sea Borough Council	South Essex – Local Authority
Cllr Graham Butland	Braintree District Council	Essex – Local Authority
Cllr Chris Whitbread	Epping Forest District Council	Essex – Local Authority
Cllr David Finch	Essex County Council	Essex – Local Authority
Jo James	Kent Invicta Chamber	Kent – Business
Douglas Horner	Acting Vice Chairman for Kent & Medway	Kent – Business
Paul Thomas	DLS Limited	Kent – Business
Cllr Peter Fleming	Sevenoaks District Council	Kent – Local Authority
Cllr Paul Carter	Kent County Council	Kent – Local Authority
Cllr Rodney Chambers	Medway Council	Kent – Local Authority
Prof Anthony Forster	University of Essex	Higher Education

Apologies received

David Burch, Penny Shimmin, Cllr David Tutt, Geoff Miles

1. Welcome and Introductions

- 1.1. Chris Brodie welcomed Board members and observers to the meeting, this included Tim Jones and Dominic O'Donnell from the Lower Thames Crossing team.

- 1.2. Chris Brodie congratulated Anthony Forster and the University of Essex on being nominated for The Times Higher Education University of the Year.

Minutes and Actions from 25 October, Matters Arising and Declarations of Interest

- 1.3. The minutes of the 25 October 2018 meeting were agreed by the Board.

2b. Matters Arising – Declarations of Interest

- 1.4. There were no declarations of interest. Chris Brodie reminded the Board that it was important that everyone kept their register of interests up to date.

2c. Matters Arising – other

- 1.5. **Thames Estuary Production Corridor Strategy.** Adam Bryan provided an update. He advised that the feasibility study, co-commissioned by SELEP and the Greater London Authority, being undertaken was nearing completion. Adam Bryan noted that it was important that the Board continued to play a leading role in this important area of work.
- 1.6. **Crossrail to Ebbsfleet.** Adam Bryan noted that progress had been made on moving the business case forward. He added that it was important that this campaign was fully supported by SELEP. Furthermore, he advised that he had a briefing note regarding C2E which would be shared with the minutes of this meeting. (These are included with these minutes, page 10).
- 1.7. **Growth Hubs.** Adam Bryan noted that following the March meeting of the Board it had originally been planned that a service review of the Growth Hub would take place and options presented to the Board at this meeting. However, due to the work pressures created and the uncertainty fostered by the LEP Review this work had been delayed. It is now planned to take place over the next few months. However, since the last report to the Board, a full time Growth Hub Lead has been appointed and is working with partners to ensure that the Growth Hubs are supported in continuing to offer high quality support to businesses. Also, positive feedback has been received from BEIS about Growth Hubs, with a RAG rating of green. Acknowledging these points, it was felt appropriate that a report comes to the next Board meeting in March 2019.

2. Faster, Stronger, Together: SELEP's Strategic Economic Plan

- 2.1. The item was introduced by Chris Brodie. He thanked everyone for taking part in the consultation, noting the positive engagement from Federated Boards, and the work completed by Ross Gill.

- 2.2. The Board received a presentation from Adam Bryan, the purpose of which was to introduce the final draft of the Strategic Economic Plan. [click here](#)
- 2.3. Adam Bryan stated that the final draft version reflected the comments made during the consultation process, including inclusion of more proactive language, a clear indication of economic assets and recognising the importance of these being appropriately referenced within the document.
- 2.4. Adam Bryan outlined how the Local Industrial Strategy (LIS) would focus on productivity. He explained that the Government expected all LEPs to produce an evidence base in the early part of 2019 and to finalise the LIS by March 2020. He further noted that LIS was the biggest economic plan so far and closely linked to UK Shared Prosperity Fund (UKSPF) which was due to go live in 2021.
- 2.5. The Board discussed the SEP and the following points were raised:
- 2.6. The Board welcomed the more concise and accurate SEP which focused on a high performing economy.
- 2.7. The Board enquired how actions outlined in the SEP would be delivered, and whether any sub-groups would be established and if so would they have clear terms of reference. Adam Bryan confirmed that any sub-groups created would have clear terms of reference in place and the action plans would be annexed to the main document and presented to the Board in March 2019. **ACTION – Adam Bryan**
- 2.8. Discussion ensued around the importance of the interdependencies between business, local government, further education, higher education and Federated areas. It was also felt that the action plan should be signed off by the Board.
- 2.9. The Board members enquired about resourcing and whether it was advisable to start the work on LIS earlier rather than later. Adam Bryan advised that the secretariat budget could resource some of the work, but he hoped the additional funding would be provided by the Government once the LEP Review had been finalised.
- 2.10. Further comments made about the SEP related to sections one and two which required strengthening in terms of language to ensure that the document was business led in terms of challenges and opportunities.
- 2.11. It was noted that paragraph 4.2 in the agenda pack referred to a senior officer group (SOG) meeting as a starting point for determining what information and resources were required for LIS. The Board members felt that a strong working group consisting of top businesses would be more appropriate.
- 2.12. The Board congratulated Jemma Little and her team on securing £7.5m for SELEP from a European Regional Development Fund (ERDF) bid for the i-construct project, [click here](#) Paul Thomas

requested that it would be helpful for Braintree District Council to support speed of considering planning application, which links to one element of the project.

- 2.13. The Board members congratulated SELEP on producing the SEP.
- 2.14. The Board members noted that despite earlier requests for Board papers to be issued earlier they were late again. It was thought that a solution had to be found to ensure that Board members were provided with enough time to consider all reports and prepare appropriately for the meeting. It was **agreed** that this should be taken forward by the secretariat. **ACTION - Secretariat**
- 2.15. The Board **agreed** the final draft of the Economic Strategy Statement subject to the comments made at the meeting.
- 2.16. The Board approved the **adoption** of the Economic Strategy Statement.
- 2.17. The Board **noted** the resourcing requirements linked to the production of the Local Industrial Strategy and again congratulated the team on the SEP.

3. Tri-LEP Energy Strategy

- 3.1. The Board received a presentation from Jo Simmons, the purpose of which was to seek Board approval of the final version of the South2East Local Energy Strategy and Action Plan. [click here](#)
- 3.2. Jo Simmons outlined the methodology used, including the deliberate bottom up approach adopted in parallel with evidence gathering. Jo Simmons noted that the Strategy was about driving forward local energy initiatives at scale that would help transform the energy ecosystem, enable significant carbon emissions savings, grow the low carbon economy, increase the use of new technologies, and help to address the Industrial Strategy Clean Growth Grand Challenge.
- 3.3. Jo Simmons advised that the work undertaken had identified over 300 projects through stakeholder engagement of which 18 were being taken forward. She added that an action plan had also been developed, something that no other LEP had been able to achieve so far. Furthermore, she confirmed that the Strategy was not delivering on wider clean growth agenda such as new nuclear energy, skills gaps, low carbon goods and supply chain but it formed one component of the clean growth agenda.
- 3.4. As part of the presentation Jo Simmons outlined the proposed governance structure. She explained that the Tri-LEP Strategic Board would be comprised of Enterprise M3 Strategic Board, South East LEP Strategic Board & Federated Area Boards and Coast to Capital Strategic Board. Tri-LEP Strategic Energy Delivery Group would drive the delivery and at LEP – level Local working groups would unpick the action plan.

- 3.5. The Board discussed the item and the following points were raised:
- 3.6. The Board welcomed the strategy and action plans and the tangible action points.
- 3.7. The Board members raised concerns around the Strategy overly concentrating on new builds. They thought there was a need to recognise the difficulty in introducing some of the measures proposed in existing housing stock especially the older builds.
- 3.8. It was noted that regarding marine and maritime developments it would be helpful to have a similar approach to developer building and S106 funding. This was an area the Board could lobby on and aim to influence government policy. Similarly, there should be a link to ports in the SELEP area where a lot of progress had been made on a low carbon approach already.
- 3.9. The Board members noted that Appendix 1 of the Strategy did not include some well established sources of energy such as air source heat pumps and ground source heat pumps. It was noted that the work should not look into new technologies as well as adopt the well-established ones.
- 3.10. The Board members expressed a concern around the complex nature of the governance process and the number of bodies/groups involved. It was also thought that limiting membership to SELEP and local authority representatives might not be democratic enough. The comments were noted and would be taken into consideration before the final governance structure would be agreed.
- 3.11. Further conversation concentrated around green energy, hydrogen fuel and onshore wind. The Board members provided examples of interventions that did not require a lot investment but could bring significant benefits such as smart signage.
- 3.12. Jo Simmons acknowledged that all comments were noted and would be taken into consideration.
- 3.13. The Board **approved** the final version of the South2East Local Energy Strategy and Action Plan, as set out in Appendices 2, 3 and 4 for publication, official launch and delivery.

4. Sector Support Fund

- 4.1. The Board received a report from Adam Bryan, the purpose of which was to seek endorsement for the Sector Support Fund (SSF) projects which had been submitted to SELEP for revenue funding support.
- 4.2. The Board discussed the proposals.
- 4.3. The Board **agreed** that there should be an update on previous projects funded from the Sector Support Fund to a future Board meeting.
- 4.4. For future projects the Board **agreed** that proposals needed to include how they would address the skills agenda.

- 4.5. The Board **endorsed** the following two projects for the remaining 2018/19 SSF allocation of £206,600, as detailed:

Coastal Communities Supplement to the SELEP Strategic Economic Plan (£40,000); and

South East LEP Skills Advisory Group – Delivering skills of the future through teaching: teaching for growth (£166,600) – subject to the anticipated match funding being realised.

5. Statement of Accounts 2017/18

- 5.1. The Board received a report from Lorna Norris, Accountable Body, the purpose of which was to present the audited SELEP Statement of Accounts for financial year ending 31st March 2018 for consideration.
- 5.2. Lorna Norris noted that the accounts had been subject to external audit and no issues were raised by the auditors.
- 5.3. The Board **noted** the accounts.

6. Local Growth Fund and Growing Fund Capital Programme Update

- 6.1. The Board received a presentation from Rhiannon Mort, the purpose of which was to provide an update on the delivery of the Local Growth Fund (LGF) and Growing Places Fund (GPF) capital programmes and to set out the summary position and next steps in relation to LGF 3b project pipeline development.
- 6.2. Rhiannon Mort noted that the Investment Panel which had been planned for the afternoon of 7 December 2018 had been postponed.
- 6.3. Rhiannon Mort outlined the key next steps as per presentation. [click here](#)
- 6.4. It was noted that the final draft Investment Panel report would be published by 28 February 2019, with an Investment Panel meeting proposed for 8 March 2019.
- 6.5. The Board was asked to consider the following two options with regard to funding decisions:
- Option 1 – Reaffirm the requirement for all projects currently identified within the LGF programme to come forward for a funding decision by the Accountability Board meeting on the 15th February 2018, as set out in section 3 below; or
- Option 2 – Enable the Accountability Board to give flexibility to extend the deadline for Business Case submission for projects currently included in the LGF programme.
- 6.6. Following a detailed conversation around RAG assessment and delays in receiving of other funding sources the Board members agreed to go ahead with Option 2.

6.7. The Board members were supportive of the possibility to extend the deadline for business cases. It was thought that a clear deadline should be established. The proposed deadline was 12 April 2019.

6.8. Rhiannon Mort noted the comments.

6.9. The Board was **asked** to agree that LGF projects which were currently RAG rated as Red due to risk to LGF spend within the Growth Deal period had to come back to the Accountability Board within the next six months to confirm that a delivery solution had been identified to progress the project or to agree one of the following three options:

Option 1 – Cancellation of the Project from the LGF programme due to being undeliverable within the Growth Deal period and the LGF is reallocated through the LGF3b process.

Option 2 – The Project is put on hold but the LGF remains allocated to the Project.

Option 3 – The Project is put on hold and the LGF is reallocated through the LGF3b process, but the Project is prioritised for future funding opportunities, such as the Shared Prosperity Fund.

It was **confirmed** that the Federated Board would recommend one of the options, as appropriate and consider each case on its own merit, for approval by the Accountability Board.

7. Governance

7.1. The Board received a presentation from Adam Bryan, the purpose of which was to provide an update on the progress of the LEP Review and other significant developments in SELEP governance arrangements.

7.2. Adam Bryan noted that the new National Assurance Framework was expected to be published shortly. The new National Assurance Framework would form the basis of the local Assurance Framework which would need to be drafted accordingly. It was noted that an additional Board meeting might have to be scheduled as a result of it.

7.3. It was noted that no formal response regarding the LEP Review had been received from the Government as yet. It was confirmed that overlaps had been addressed and resolved as appropriate. Graham Peters advised that a resolution had been reached regarding Lewes. Lewes would remain part of SELEP.

7.4. The Board members questioned the flow of information between the LEP network and the Federated areas. It was thought that timely sharing of information was essential.

7.5. Following a further question raised by a Board member, Chris Brodie clarified that only informal feedback had been received regarding the composition of the Board which at this time was not meeting the Government's requirements.

7.6. The Board **noted** the update on the LEP Review.

7.7. The Board **noted** the timeline for refreshing the SELEP Assurance Framework following the publication of the final version of the refreshed National Assurance Framework.

8. Lower Thames Crossing Statutory Consultation

8.1. Chris Brodie introduced the item by stating that all points discussed during the presentation would help to formulate SELEP's response to the consultation.

8.2. The Board received the presentation from Tim Jones, Project Director, Lower Thames Crossing. [click here](#)

8.3. During the Board's discussion the following points were raised:

8.4. Paul Carter noted that Kent County Council would be supportive around the connectivity issues on the Thurrock/Essex side.

8.5. Tim Jones noted that this was a ground-breaking consultation with a large amount of information put into the public domain. He stated that he would be grateful for feedback on the consultation process from all involved.

8.6. The discussion was opened by Rob Gledhill. He agreed that there was a need for more crossings over the Thames especially further down the river that would provide relieve on the A13 and M25. Rob Gledhill stated that the unanimous view of all Thurrock Council Members was they are thoroughly opposed to the proposed route and can see no benefits for Thurrock at all.

8.7. Furthermore, Thurrock's concerns included; connectivity on / off being complicated and problems with creating new bottlenecks. Rob Gledhill advised that the amount of traffic jammed up on the bottleneck of A13 in both directions would be considerable. He added that regarding traffic modelling he sought confirmation during the presentation from one of his officers and wanted to confirm that traffic modelling had been shared however the model itself it had not, even though previously he had been advised that it would.

8.8. Regarding environmental impact Rob Gledhill noted that this also a cause for concern; Thurrock has six metre high viaducts, ancient monuments potentially at risk, green belt impacted and there is nothing in the proposal which appears to make anything look better, if anything Rob Gledhill noted, it will look worse.

8.9. Rob Gledhill expressed his understanding for Kent County Council's and Essex County Council's support for LTC as he said it helped to bypass bottlenecks but did not favour Thurrock which was sandwiched in the middle. He noted that it was important to recognise how Thurrock plays a

significant role in the country's economy, for example 80% of the fuel for London comes into Thurrock. He continued that how Thurrock is able to operate affects everyone, for example without the Tilbury link road going to the port working well, it is very difficult for the port to operate.

8.10. Rob Gledhill noted that building resilience was vital, and whilst it might not be part of Highways England's overall responsibility, they did have a role to play making sure the crossing tied into wider developments.

8.11. Rob Gledhill continued by stating that a special meeting due on Tuesday 11 December 2018 of Thurrock Council would confirm the draft response to the LTC consultation. A copy of the draft response could be accessed and viewed on Thurrock's website, [click here](#) Rob Gledhill concluded that the proposal did not meet Highways England's own criteria for being a strategic fit for the area. He added that the proposal would also seriously damage housing growth in Thurrock.

8.12. Following Rob Gledhill's opening, the remaining Board members expressed their opinions in relation to the LTC consultation. The following were noted:

John Lamb -the tunnel was in the wrong place; it was not a multi model tunnel which meant it would require further remodelling in the future; there was lack of appropriate slip roads and connectivity; it was a bypass of the bridge and the tunnels; and imposing a crossing charge felt inappropriate.

David Finch – what would be the impact and affordability of the project if the requirements stated by Thurrock were considered, accepted and financed; what would be the impact in terms of growing the economy of both Kent and Essex if there were significant delays in securing funding and what impact there would be on housing growth that would follow from such delays.

Jo James – from an economic growth perspective, we should work closely with Highways England to ensure that the tunnel would come to fruition and the opportunities from having the tunnel were maximised.

Keith Glazier – from a strategic prospective and Transport for South East there was a benefit in having the tunnel built.

Paul Thomas – a disappointing solution; with lack of joined up thinking by Highways England with regard to the M2 and M20 corridors.

David Rayner – the proposal is supported by the Essex Business Board for growth reasons; though it was necessary to look at the various slip roads and the congestion it was going to create in specific areas; and more needed to be done to support the local area.



George Kieffer – hoped that what Highways England was proposing was going to meet the objectives set in the recently published Port Connectivity Study by the Department for Transport.

8.13. Chris Brodie noted that all comments and observations would be considered as part of the response from SELEP which would be circulated to the Board members. Taking into consideration the tight deadline he advised that any additional comments should be sent directly to the secretariat for inclusion in the response. **ACTION – All/Secretariat**

8.14. Tim Jones thanked Board members for their feedback. He also offered to come back to the Board again, at its request, to report on the progress made.

8.15. Chris Brodie reiterated the importance of the LTC consultation and SELEP's response.

The Board **agreed** to mandate the Chair to write a response to the consultation on SELEP's behalf.

9. Any Other Business and Close

9.1. There was no Any Other Business to discuss.

The meeting closed at 12:50.

AGENDA ITEM 3. LEP Review Implementation

1. Purpose

- 1.1 The purpose of this paper is to update Strategic Board (the Board) on the progress made implementing the recommendations of the LEP Review and to agree the approach for ensuring all recommendations are implemented by March 2020, as required by Government.
- 1.2 The paper also details the recent decision that was made by electronic procedure regarding the implementation of the LEP Review.

2. Recommendations

- 2.1 The Board is asked to **ratify** the results of the recent electronic procedure; this being that the Board approved the recommendation that the Board should move to a model of no more than 20 Board Members with five co-opted members and a private sector majority of two-thirds (a copy of the paper circulated can be found at Appendix A);
- 2.2 In line with the decision to move to a Board size and structure as stated above, the Board is asked to **approve** the scope of a workstream considering the size and composition of the Board and the production of advisory options and recommendations on how the Board could be reformed to meet the requirements agreed under the electronic procedure. Whichever delivery option is selected, the final decision on Board size and composition will remain with the Strategic Board;
- 2.3 The Board is asked to **select** which delivery approach to the workstream it prefers, either:
 - 2.3.1 Conducted by an independent, external body adopted through an open and transparent selection process; or
 - 2.3.2 Conducted by a task and finish group made up of Board Members with support from the Secretariat and other officers in partner organisations
- 2.4 The Board is asked to **approve** the suggested approach and timelines for ensuring that all LEP Review recommendations are fully implemented by the end of March 2020;
- 2.5 The Board is asked to **approve** the principle of the future selected incorporated model being a 'nil return' company, this decision does NOT restrict or inhibit any options or models that may be considered for incorporation ; and
- 2.6 Board members are asked to identify where they are willing to act as sponsors for workstreams for the implementation of the LEP Review Recommendations

3. Background and electronic procedure

- 3.1 Following the publication of Government's [LEP Review](#) , the Board made a full response in line with Government's requirements. Whilst the vast majority of the responses were fully compliant with the recommendations of the Review; the Board had indicated its intention to not change its current membership structure insofar as numbers of Board Members and the split between private and public sectors.

- 3.2 However, Government officials made clear that Ministers expected full compliance with the recommendations and should LEPs not meet this expectation, funding was likely to be withheld. This requirement for full compliance was made clear in a meeting between the Chair and the Minister with responsibility for Local Growth, Jake Berry MP, held on 14 January 2019.
- 3.3 Government had already begun to hold back funding due to be released to SELEP. Revenue funding of £200,000 per LEP was made available to support the costs of implementing the LEP Review but this has not as yet been transferred to SELEP’s Accountable Body. The risk of funding being withheld into 2019/20 was becoming increasingly likely; potentially impacting the Local Growth Deal programme and adversely affecting the finances of our delivery partners.
- 3.4 Government was keen to receive confirmation that the Board had agreed to move to a 20 member plus five co-opts model with a two-thirds private sector majority and confirmed that no further funding would be released until this was done. To that end, a decision was presented to the Board via the electronic procedure process as set out in the Terms of Reference of the Board.
- 3.5 The electronic procedure was instigated on Friday 1 February 2019. The paper setting out the decision is available at Appendix 1. Board members were requested to make a response by Friday 15 February 2019, giving two weeks for consideration of the issue. Given the importance of the decision and the impact on all members of the Board, a response was required from all Board Members. The votes received from each Board member can be found at Appendix 2.
- 3.6 The recommendations within the electronic procedure were approved and confirmation was provided to the Minister. The additional capacity funding is expected to be transferred shortly and we are assured by Government that funding will flow as expected in 2019/20 provided compliance is evidenced and the Annual Performance Review outcome is positive.

4. Implementing the LEP Review Recommendations

- 4.1 The focus now must shift to the delivery of the commitments made in the LEP Review response and full implementation of all recommendations. This is a large body of work and the impact on the Secretariat should not be under-estimated. This will also fundamentally change the way SELEP operates and interacts with partners and changes must be made in full consultation and with engagement from our key stakeholders.
- 4.2 Given that we are already approaching full compliance for many elements of LEP Review, the work we have to undertake is limited to the following five distinct workstreams:

Workstream	Description
Board size and composition	Decision has been made to reduce Board size to 20 plus 5 co-opts with a two-thirds private sector majority, How the 20 plus 5 seats on the Board will be allocated across the different sectors and organisations is yet to be defined. The board are asked to select their preferred approach to addressing this at today’s meeting.

Workstream	Description
<p>Chair and board member recruitment/Diversity of Board</p>	<p>The LEP Review requires publication of policies for Chair and Deputy Chair recruitment. Wider recruitment to Board membership will also need to be considered to ensure that diversity requirements of at least 1/3 female membership of appointed members of the Board by March 2020 is achieved,</p> <p>We should consider good practice in the sector and look at the approaches taken by other LEPs already, where these approaches are consistent with Government’s aims according to the LEP Review.</p> <p>Advice on increasing the diversity balance of the Board will be included in the requirements of the review of board composition.</p> <p>This workstream will include developing a plan for the induction and training of Board members.</p>
<p>Legal Personality</p>	<p>The Secretariat is currently working with the Accountable Body to work through options on different models for incorporation. The LEP Network has commissioned some legal advice which is being considered and we are involved in the Incorporation Workstream being led by the LEP Network. An agreement in principle to a ‘nil return’ company being put into place is detailed below in section 5.</p> <p>As previously agreed, any incorporated model proposed for approval would work in conjunction with the wider structures of the SELEP including the Federated Boards and Accountability Board.</p> <p>More specific legal advice on potential models and the exposure and liabilities to Board Members is currently being commissioned and this will be reported to Board in June together with a timeline for future considerations and decisions needed by the Upper Tier Authorities through their governance process in order to ensure that the incorporation date of March 2020 is met.</p>
<p>Independent Secretariat</p>	<p>The SELEP Secretariat currently is independent, but this independence needs to be reflected and enshrined in the governance documentation.</p> <p>A more formalised agreement is required between SELEP and the Accountable Body to ensure independence is evidenced. Articles of Association for the Board and the Joint Committee Agreement for Accountability Board need to ensure that the independence of the Secretariat is included.</p>
<p>Embed scrutiny and oversight into policies and procedures</p>	<p>The current arrangements for scrutiny of Accountability Board will continue but implementation of scrutiny of decisions of the revised Board</p>

Workstream	Description
	will need to be considered. This will be worked up alongside recommendations for Board composition and incorporation.

5. Board Size and Composition

- 5.1 The electronic procedure issued in February set out the decision to change the size and the composition of the Board vis-à-vis representation of private and public sectors without making any presumptions on how the seats at the Board would be allocated to sectors and partners. There are also very clear expectations around board diversity which we have committed to progressing quickly.
- 5.2 During the Annual Performance Review meeting in January, civil servants spoke with some enthusiasm on the subject of SELEP possibly undertaking an independent review of board composition in order to move intelligently to meeting Government’s requirements of LEP boards which are compliant with their ambitions as expressed in the LEP Review.
- 5.3 There are elements of our existing governance arrangements which are integral to the culture of the LEP and must be retained. 6.19 below refers to the Accountability Board and its essential retention. Further to this, it must be the case that the federated model continues to underpin the LEP. Any review of SELEP board composition must establish a way of meeting Government’s requirements around LEP-level and LEP-determined representation, while respecting our fundamental requirement to ensure that the LEP is founded on our federated areas.
- 5.4 In 2014, Irene Lucas undertook an independent delivery review of SELEP which had the overall remit of considering our governance arrangements and how well placed we were to make decisions in support of delivering the LGF Programme/Growth Deal. The passage of time has proved this to be extremely successful as it made key recommendations to iterate the LEP, firstly to reduce the board from 44 to 26 (now 28) and secondly to establish the Accountability Board as a Joint Committee of Local Government to ensure that the LEP was enabled to make democratically legitimate decisions.
- 5.5 As part of this same discussion, the concept of subsidiarity was developed further with the federal model instituted and based on devolved area partnerships: East Sussex, Kent & Medway, Essex and Thames Gateway South Essex. Strategic planning for the first iteration of the SEP was therefore split into these four areas and the LEP has continued in the same vein since.
- 5.6 Now that the Board is required to further iterate it is clear that there needs to be a workstream to support this change. It is necessary for the Board to decide both what the scope of the workstream should be and how that workstream can be delivered in a way that recognises the complexities of the SELEP geography and relationships and in a timely manner to ensure that the LEP Review recommendations are implemented by March 2020. The workstream will be overseen by the Chair, however, the Board will make the final decision with regard to the implementation of a preferred option.

Proposed Scope

- 5.7 A proposed scope for the workstream has been drafted for consideration by Board members. Any agreed scope would be applied to whichever of the delivery methods is chosen. The proposals are that the workstream would:

- 5.7.1 Assess the gap between what is required under the LEP Review and the current Strategic Board governance
 - 5.7.2 Research other LEP Boards and similar organisations to ascertain best practice and potential options
 - 5.7.3 Interview key stakeholders to understand their opinions on how the Board should be formulated and how the Board should interact with other governance structures, this will include interviews with every Strategic Board member
 - 5.7.4 Produce an advisory report that will be presented to Strategic Board for option selection in September 2019
- 5.8 It is proposed that the advisory report should include:
- 5.8.1 Options on how the 20 seats of the revised Board can be allocated to different organisations/sector representatives whilst ensuring that LEP Review requirements on 2/3rds private sector majority are met. Each option should include an assessment of the advantages and disadvantages of the option and a comparison to the current model
 - 5.8.2 Advisory recommendations on whether the Investment Panel would require changes under each recommendation
 - 5.8.3 Each option should lay out how the revised Board will interact with Federated Boards, Accountability Board and Investment Panel
 - 5.8.4 Each option will detail how it contributes to a skills, experience and knowledge mix
 - 5.8.5 Further options will be presented on what basis co-opted Board Members would be selected, how those co-opted Board members interplay with the main Board (including voting rights, etc), whether some or all of the co-opted seats at Board should be reserved for certain sectors/organisations/representatives and if so, for how long (with regard to requirements for co-opted members in the LEP Review)
 - 5.8.6 All options and recommendations will be cross referenced to recommendations that are produced as part of the incorporation workstream and any implications of different options there should be overlaid
 - 5.8.7 Advisory recommendations on the process for migrating from current Board make up to new composition
 - 5.8.8 Options on approaches to recruitment and selection of Board members that are compliant with the LEP Review requirements
 - 5.8.9 Advisory recommendations as to how any revised Board can increase the diversity of its representation over all protected characteristics but in particular ensuring the LEP Review Recommendation of one-third of appointed members being female by March 2020 and with equal representation by March 2023.
- 5.9 It is proposed that the following should be OUTSIDE of the scope of the workstream:
- 5.9.1 Federated Boards' size and composition
 - 5.9.2 Accountability Board's size and composition

5.10 To ensure any proposed options presented to Board are both representative of the opinions of the complete membership of the Board as it stands and that they meet governance requirements, the Review team will meet with and canvas the views of the following:

5.10.1 Every member of Strategic Board

5.10.2 Chairs of each Federated Board

5.10.3 The Accountable Body

5.11 Potential options will be consulted on with Federated Board members in advance of submission to Strategic Board for decision.

Delivery Options

5.12 The workstream could be delivered either by an organisation independent to SELEP or through a task and finish group that is led by members of the Board and supported by the Secretariat and officers in other organisations. An overview of how each option would broadly be made up and an assessment of the advantages and disadvantages of each is laid out below.

Independent Review

5.13 The SELEP Secretariat would formulate a short specification that complies with the scope agreed by the Board. Following an open procurement process run in conjunction with the Accountable Body, a contract would be let to an external company to conduct the review. It is currently thought that this contract would cost less than £50,000 but no market testing has been carried out. The Secretariat budget is sufficient to cover this cost. The external company would make a final report to the Board, but the SELEP Secretariat would manage the contract on a day-to-day basis. A realistic timeline for the award of the contract would be mid to late April.

5.14 Any bidder for the contract would be required to demonstrate knowledge and understanding of LEPs and evidence extensive experience in conducting Governance reviews and making recommendations to Boards. Board members or their representatives would be welcome to sit on the selection panel that will assess the submissions from bidders and make recommendations on preferred bidders. The final selection decision would sit with the Managing Director of SELEP under the delegated responsibilities.

5.15 By selecting an independent body to conduct the review, the Board and Government could be sure that any recommendations would be made objectively. The external consultant would be tasked with considering all options available, including suggestions made by Federated Areas. All Board members could be assured that they have had equitable input in the process, with Federated Areas being fully engaged in the processes through meetings with Chairs of each Federated Board and Federated Boards themselves.

5.16 The independent body would also bring an increased knowledge of potential governance options and how they could be applied. They would also likely have a working knowledge of company law and be able to read across to the recommendations of the Incorporation Workstream.

Internal Task and Finish Group

- 5.17 The Board would be required to put forward a number of representatives to lead the Task and Finish Group (the Group). To ensure that the Group properly represents the different sectors on the current Board is proposed that the following representation would be needed:
- One Local Authority member
 - One education sector member
 - Two business members
- 5.18 It is suggested that each of the Federated Areas are represented through one of the four members, to ensure that each of the component geographies are represented.
- 5.19 The Group would be supported by the Secretariat, in the first instance the Managing Director and the Governance Officer but given the level of work involved it is likely that other members of the Secretariat would need to be involved and potentially interim support be brought in. Currently it is unclear as to what level and type of interim support would be needed. There is funding equivalent to the £50,000 mentioned above that could potentially fund this if an external supplier wasn't selected. The support of the Group should not be viewed in isolation from the wider LEP Review Implementation workplan and the increasingly urgent requirement to begin work in earnest on the Local Industrial Strategy (LIS).
- 5.20 Partner organisations would be asked to provide additional support to the Group. A defined resource from each Federated Area would be requested and an agreed ring-fence of time, such as one day a week until September would be necessary. Partner organisations could be reimbursed for this time, but it is unlikely that they could backfill on the timelines proposed. Any backfill costs would have to be funded from the operational budget, most likely as part of the £200,000 additional funding, which would reduce the funding available for supporting the LIS programme of works. Partners have not agreed to provide additional support and there is a risk that they will not be able to resource this support. Mitigation of this risk could include the procurement of additional interim support.
- 5.21 The Group would need to meet in early April to devise and agree a workplan and the resourcing of that workplan. They would also need to agree frequency of meetings and their own availability. It is likely that there would be a significant impact on those Board members involved until at least the September Board meeting.
- 5.22 Board members would not be reimbursed for their time spent working with the Group as that is currently not allowable under our governance arrangements. A full assessment has not been made but the actual and opportunity costs of this approach are likely to be high.
- 5.23 The Group would have a detailed and intricate knowledge of SELEP and its component relationships. This would allow the Group to move more quickly in the first stages of the workplan. However, the Group would need to agree how they would work to ensure that all recommendations put forward are objective and don't favour either their sector or area.

Comparison of Options

5.24 An assessment of the relative advantages and disadvantages of each option can be found below.

External Independent Review		Internal Task and Finish Group	
Advantages	Disadvantage	Advantages	Disadvantages
Output would be seen to be objective by Govt	Potential risk that an external consultant would not be able to fully grasp the complexities of the SELEP area in the timescales available – the Secretariat would work with the consultants to mitigate this risk	A deep understanding of SELEP and its history to build recommendations on	Could be perceived as not objective
All Board members would have equitable engagement/status in the workstream	An additional cost to the operational budget, but sufficient funding is available	Some costs could be met by existing resource within the Secretariat reducing the impact on the operational budget – however it is likely that there will be additional external costs	Large time commitment from Board members on the Group
Provider would have extensive and expert knowledge of potential options and approaches to changing governance structures	Steep learning curve at start of contract due to the numbers of stakeholders and complexity of relationships	Could move quickly in early stages of the workplan due established knowledge of SELEP processes and structures	Some Board members could be seen to be gaining an advantage by being on the Group
Any successful bidder would need to provide sufficient resource to ensure that timelines are met – allowing SELEP Secretariat to oversee rather than carry out the work			Considerable impact on the resourcing of the SELEP Secretariat – potentially creating a risk to the delivery of other LEP Review workstreams and/or the production of the LIS
			Internal review groups are sometimes considered more likely to make



			recommendations closer to the status quo – this perception could be an issue for Govt.
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5.25 Our intention will be to keep HMG officials abreast of progress at all times, and to ensure that non-confidential material is available on www.southeastlep.com.

6. Workplan for All Workstreams

The current plan for what each key decision will be and at which Board meeting it will be taken for each workstream can be found in Table 1 overleaf.

Table 1 – Decision Plan by Workstream

Workstream	Board Sponsor	Board Meeting			
		June 2019	September 2019	December 2019	March 2020
Board Size and Composition	Chair	Interim update on findings from Review View from current Board	Recommendations from Review on composition of the Board Selection of preferred option on new Board composition	Confirmation from organisations of new Board Members Final meeting of SELEP Strategic Board	Inaugural meeting of the new Board
Chair and Board Member Recruitment/Diversity of Board	To be defined	Proposed policy for Chair Recruitment Process for decision	Recommendations from Independent Review on changes to processes and policies to improve diversity Revisions to recruitment policies for Boards and Federated Boards to reflect diversity requirements for decision	Updated induction and training plan for Board members to be discussed	Agreement of governance for new Board including Assurance Framework and other governance documentation that details recruitment processes Induction and training plan to be adopted by new Board
Legal Personality	To be defined	First presentation of potential options to Board with high level legal advice.	Options paper presented to Board with full independent legal advice detailing liabilities and	Final go/no go decision on incorporation. Decision needs to be made once Board composition is	Inaugural meeting of the new Board of the new legal entity – Articles of Association agreed

Workstream	Board Sponsor	Board Meeting			
		June 2019	September 2019	December 2019	March 2020
		Board to indicate which options should be fully worked up for final options decision	<p>exposures for each option and all roles – option selection</p> <p>Governance requirements for other organisations to be made clear and instigated from this decision</p>	solved so that Board Members and organisations can be clear of their own role in the new legal entity	
Independent Secretariat	To be defined		Update on emerging agreement with Accountable Body	Draft agreement presented to Board (decision will need to be made with new Board once legal entity is in place)	Decision for new Board to enter into revised agreement with the Accountable Body
Embed scrutiny and oversight into policies and procedures	To be defined		Proposed new scrutiny arrangements presented to Board for advice – further work to take place with other partners who might provide scrutiny functions such as local authorities	Draft scrutiny arrangements presented to Board – again final decision to adopt will need to sit with the new Board	Decision on Scrutiny arrangements

7. Legal Personality – Nil Return Company

- 7.1 A key recommendation of the LEP Review is that all LEPs must adopt a legal personality. At the time of publication of the LEP Review, 18 LEPs were incorporated and 20 were not. SELEP was one of the unincorporated LEPs. A commitment to move to an incorporated model was included in our LEP Review response.
- 7.2 The Review did not specify which model of legal entity was required and many different approaches have been taken by those LEPs who are incorporated already.
- 7.3 Currently different models for incorporation are being explored with the Accountable Body and independent legal advice is being sought on appropriate models for initial presentation to Board in June, details on when each decision will be made on incorporation in Table 1 above. SELEP is also a member of the LEP Network Incorporation Working Group that has been instigated to support LEPs that need to incorporate, representatives of the Cities and Local Growth Unit (CLGU) from Government are also represented on this group.
- 7.4 The functions of any company selected is complicated by the Government's preferred approach to funding LEPs. All grant monies, that is both capital/investment funds such as the Local Growth Fund and revenue/operational funds such as the Core Funding to support the costs of the Secretariat, will continue to be paid by Government to a local authority acting as Accountable Body rather than being awarded to the LEP legal entity – regardless of model of incorporation and this is the case for those LEPs already incorporated.
- 7.5 There is a legal construct in place that allows easy transfer of grant monies between Central Government and Local Government (Section 31 of the Local Government Act 2003), this cannot be used to transfer grant monies to private companies. It is the Section 31 process that Government will continue to use to make grants to the Accountable Body.
- 7.6 This means that there will be a financial relationship between the Accountable Body and the new entity and consideration has been given as to what that might be and potential cost implications of that relationship.
- 7.7 The majority of LEPs, including SELEP and those who have already incorporated, follow a model where the capital investment financial transactions are between the Accountable Body and the project delivery body or sponsor to avoid any issues of taxation and State Aid. This also allows the S151 Officer of the Accountable Body to properly discharge their responsibilities and have oversight of the investments to ensure they are lawful. It is proposed that this model is continued.
- 7.8 Some of the incorporated LEPs do currently receive the revenue/operational Core Funding from their Accountable Body into the bank account of legal entity. This funding supports the costs of the LEP Secretariat; for example, the staff costs and associated overheads, premises costs and other running costs. Where eligible, i.e. for applicable goods and services, these costs are subject to VAT. As LEPs are not trading companies, there are no sales and therefore limited output VAT could be used to offset the input VAT being charged on goods and services. Therefore, LEPs using this model are subject to a 20% price increase on goods and services.
- 7.9 Local Authorities are able to reclaim VAT incurred on costs that relate to non-business activities, which covers the activities of the LEP and therefore any VAT incurred via the Local Authority acting as Accountable Body can be recovered.

- 7.10 The issue of VAT for incorporated LEPs has been raised with the CLGU as part of the LEP Network Incorporation Working Group. Whilst CLGU recognise that there is a cost implication for incorporated LEPs, they are unwilling to approach HMRC on the issue and suggest that LEPs do so directly, but it is unclear under what provision any incorporated LEP could make a case for an individual exemption to VAT and therefore any approach to HMRC is likely to be unsuccessful.
- 7.11 Where LEPs have employed staff directly, the VAT issue is restricted to the goods and services element of their operational spend. Salaries and associated overheads such as National Insurance contributions and pensions are not eligible for VAT.
- 7.12 In the case of SELEP, the Accountable Body is also the employing organisation for the Secretariat staff. Consideration has been given to transfer of the staff to the new legal entity, but this would incur potentially large costs as the transfer would fall under the Transfer of Undertakings (Protection of Employment) Regulations 2006, known as TUPE transfer. This has been raised by a number of LEPs in the LEP Network Incorporation Working Group and CLGU have confirmed they are happy for Secretariat staff to continue to be employed by a Local Authority as long as independence from the said Local Authority can be evidenced. In the case of SELEP it is believed that it can be and the response to the LEP Review on incorporation was based on Essex County Council continuing to employ the Secretariat.
- 7.13 The staffing costs incurred by the Accountable Body on behalf of the SELEP could be recharged to the new legal entity but whilst direct staffing costs incurred by an employing body are not VATable, the provision of staff to another entity, which this would be, is eligible for VAT. This would mean the entire operational cost base of the Secretariat would increase by 20% overnight.
- 7.14 This issue has been raised as a concern by a number of LEPs moving to an incorporated model. Within SELEP we have explored different options with the Accountable Body to minimise the additional costs whilst ensuring that the requirements of the LEP Review are met and the suggested approach is that any company model selected should be a 'nil return' company. The financial transactions of the LEP would remain within the Accountable Body and the new legal entity would have no financial transactions/activity. Statements of Accounts would continue to be filed with Companies House in line with the legal requirements but they would be a nil return, hence a 'nil return' company.
- 7.15 The governance structures of the new legal entity would still be in place and Articles of Association would be lodged with Companies House.
- 7.16 The liabilities of Members and Directors of the new legal entity would also be limited by this approach as the company would have neither assets nor liabilities. Full accounts would continue to be produced by the Accountable Body and they have offered to consider the production of additional information to back the Statements of Account that would be in a format that would be more familiar to members of the Board used to seeing Statements of Accounts in a standard private sector format.
- 7.17 By continuing with the financial transactions being run through the Accountable Body, there will be no requirement for the new entity to put into place a commercial bank account and purchase financial management software such as general and purchase ledgers. SELEP will also be able to access the Treasury Management functions of the Local Authority.

- 7.18 The S151 Officer and Deputy Monitoring Officer of Essex County Council are aware of the proposed approach and are content to endorse. The Cities and Local Growth Unit have also indicated that 'nil return' companies are acceptable to them and a number of other LEPs are also taking this approach. Therefore, it is recommended that the Board approve the principle that that a 'nil return' approach is to be applied to any legal entity selected later in the year. It will be possible to move from this model in future should the Board so desire.
- 7.19 To enable the Accountable Body to enter into contract with delivery partners or sponsoring organisations, it will be necessary for the Accountability Board Joint Committee to continue on the same basis as it does currently. This committee won't sit inside the new legal entity but the relationship between the Accountability Board and the decision-making structures of any new legal entity option selected will be made clear in the Terms of Reference for the new company Board, a revised Joint Committee agreement for the Accountability Board and in the updated Assurance Framework.

8. Next steps

- 8.1 Table 1 above sets out the decision points for each workstream. It is clear that it is a large piece of work that must be right first time and, as such, it is requested that local partners make available resource to both support and shape the workstreams. The Senior Officer Group will form a key stakeholder group for the emerging work, as will each of the Federated Boards but individually identified people who can support would be most useful. This will be pursued with partners in the days following the meeting.
- 8.2 The Secretariat would also welcome Board member sponsorship and input on the workstreams and would ask that any Board member that is interested in sponsoring any workstream that currently doesn't have a sponsor make themselves known to the Secretariat.
- 8.3 The Secretariat will commission independent legal advice to provide an update on potential models for incorporation at the next Board meeting and to share with partner organisations.
- 8.4 Should the Board approve the approach of an Independent Review, a tender process will be put into place as quickly as possible to select an appropriate provider of this review. Partners will be invited to be involved in both the drafting of the specification and the selection of the provider.

9. Accountable Body Comments

- 9.1 It is a requirement of the National Local Growth Assurance Framework (NAF) that all LEPs become legal entities through incorporation; the expected timescale for this was by April 2019, however, SELEP has sought agreement from Government for an extension to this timeline until March 2020.
- 9.2 The s151 officer of the Accountable Body, in their letter of Assurance to the MHCLG Accounting Officer, confirmed that SELEP was expected to agree a local assurance framework that is compliant with the NAF and advised that the Board was due to be presented with a recommendation to adopt a legal entity model by April 2020 and, if agreed, will have implemented all the requirements of the new National Local Growth Assurance Framework (2019) associated with adopting a legal entity by that time. Non-compliance with this requirement places at risk the receipt of Government funding

(including Local Growth Funding (LGF), Core Funding and LEP Review funding) for SELEP for 2019/20.

- 9.3 Should the Board agree to the principle of implementing a 'nil return' company, then the Accountable Body will work with the Secretariat to effect the required arrangements, including ensuring that the requirements of the Assurance Framework are adhered to. The Accountable Body will also support the implementation of a formal written agreement between SELEP and the Accountable Body that will be agreed by the Board and will ensure that there are clearly defined roles and relationships between the two entities. The Accountable Body will collaborate with SELEP to ensure that the terms of this agreement are met. The agreement will need to be in place at the time of SELEP's incorporation.
- 9.4 It is anticipated that as a result of the requirement to Incorporate that the Accountable Body will incur additional costs to support effective implementation of these arrangements that will be rechargeable to SELEP; this risk was highlighted to the Accountability Board in setting the SELEP Budget for 2019/20 in November 2018. In addition, as part of the written agreement to be implemented between the Accountable Body and SELEP, the mechanism for meeting the future costs of the Accountable Body will be set out.
- 9.5 Should the Board agree to an Independent review of the Board, then the Accountable Body will support the SELEP Secretariat to procure a piece of work which reviews the efficacy of current arrangements and proposes options to change the composition of the board in line with the Government's LEP Review requirements. It is a requirement of the NAF that these arrangements are in place by February 2020; the Assurance Statement that the s151 Officer of the Accountable Body is required to make in February 2020 to the MHCLG Accounting Officer will be expected to confirm that these arrangements are in place.
- 9.6 In addition, the NAF requires that SELEP publishes a Diversity Statement; this must include an explanation of how SELEP will ensure representation at Board and Sub-Board level which is reflective of their local business community (including geographies, gender and protected characteristics). Also, it must include a commitment to ensure that by April 2020 at least one third of members of LEP Boards are women, with an expectation for equal representation by 2023. An Independent Review of the SELEP could also advise on how these requirements can be met; should the Board choose not to agree to the Independent Review, then it will need to seek alternative means of realising the NAF diversity requirements.
- 9.7 Future incorporation models are yet to be considered by the Board. Full details of the models available going forward will be brought to the Board in due course. At that time the Board will be fully advised on any implications, legal, financial or otherwise of the options available, to ensure that the Board members are fully aware of the implications associated with each model.



10. Appendices (please note attached separately)

10.1 Appendix A – Note on outcome of Electronic Procedure February 2019

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AGENDA ITEM 4. Assurance Framework 2019

1. Purpose

- 1.1 The purpose of this paper is to seek approval from the Strategic Board (the Board) on the revised Local Assurance Framework and Board Terms of Reference.

2. Recommendations

- 2.1 The Board is asked to **approve** the updated SELEP Assurance Framework (2019); and
- 2.2 To **approve** the changes to the SELEP Strategic Board Terms of Reference (which are amended to reflect the changes in the Assurance Framework and has been updated to reflect the recommendations within the LEP Implementation Review report under agenda item 3, noting these are subject to Board approval).
- 2.3 To **approve** the SELEP diversity statement, set out in paragraph 4.3.

3. Background

- 3.1 The revised National Local Growth Assurance Framework (NAF) was published by the Ministry for Housing Communities and Local Government (MHCLG) on 9th January 2019 and is available at this link [here](#).
- 3.2 The NAF provides Government, stakeholders and the public with the necessary assurances that LEPs have the policies and processes in place to ensure the robust stewardship of public funds. It details how a LEP is required to manage the funding it receives from Government. It explains how places should appraise, monitor and evaluate schemes to achieve value for money. SELEP is required to update its Local Assurance Framework to reflect the requirements set out in the NAF for implementation from the 1 April 2019.
- 3.3 It is necessary to ensure that all NAF requirements are fully implemented to secure receipt of future year core revenue funding, Local Growth Fund allocations and any other grants awarded by Government.
- 3.4 As the Board is aware, the Government instigated a large scale review of LEPs (the LEP Review) to ensure that LEPs have sufficiently robust governance to enable them to undertake a key role in the management of Government funding, including the UK Shared Prosperity Fund (UKSPF); the successor to both EU structural funding and Local Growth Funding.
- 3.5 The revisions and new mandatory areas within the revised national framework are consistent with the LEP Review recommendations.
- 3.6 The revised draft SELEP Local Assurance Framework (Appendix A) has been amended to reflect the new requirements in the national framework.

4. Main new requirements within the revised National Assurance Framework (NAF)

- 4.1 It is noted that the revised NAF has many elements remaining the same as in the current National Assurance Framework (published November 2016).
- 4.2 However, there are some new requirements from the revised NAF (which are not in the SELEP's current Local Assurance Framework). For SELEP the main new requirements are moving to incorporated status and amendments to the Board composition and membership. In terms of membership and composition, these are summarised below:
- 4.2.1 For the LEP to explain how they will ensure representation at Board and Sub-Board level which is reflective of their local business community (including geographies, gender and protected characteristics).
- 4.2.2 For the LEP Board membership to have at least one third female membership of appointed members by March 2020
- 4.2.3 For the LEP Board membership to have at least two thirds representation from the private sector by 28 February 2020.
- 4.2.4 For the LEP Board membership to have a maximum of 20 people, (with the option to co-opt an additional 5 Board members), by 28 February 2020.
- 4.3 In addition, there is a new requirement to have a diversity statement. Within the revised Assurance Framework, this has been drafted as follows, "SELEP recognises and values diversity across its membership and is committed to increasing the Board's overall diversity in terms of each individual's protected characteristics, including gender, age, ethnic origin, religion and sexual orientation as defined in the Equality Act 2010. The SELEP commits to seeking to have at least one third female membership of appointed members of the Strategic Board by March 2020 and equal representation by 2023".
- 4.4 As the Board is aware, points 4.2.3 and 4.2.4 above were the subject of an Electronic Procedure in February. The outcome of this is that the Board have agreed to move to a Board of 20, with a two-thirds business majority, further information on this decision is available under agenda item 3.
- 4.5 Recommended approaches to progress the points above in 4.2 and 4.3, are proposed under agenda item 3, 'LEP Review Implementation'.
- 4.6 Other new elements within the NAF for the SELEP include the requirement to publish an Annual Report; publish recruitment policies for the Chair and Deputy Chair; and for all Board members to have access to a training programme.

4.7 To ensure that SELEP fully satisfies the requirements of the SELEP Assurance Framework, a refreshed implementation plan is being produced to ensure delivery and tracking of the requirements. The refreshed implementation plan will be reported to the Accountability Board in April, and from then on quarterly update reports will be reported to the Accountability Board to support the Board's oversight of these governance and transparency arrangements.

5. Accountable Body comments

5.1 The SELEP Assurance Framework has been updated in conjunction with the Accountable Body to ensure compliance with the revised National Assurance Framework (NAF) requirements, which incorporates the requirements of the LEP Review and the LEP Governance and Transparency Best Practice Guidance.

5.2 The NAF includes additional requirements of the Accountable Body that have been reflected in the revised SELEP Assurance Framework; the framework sets out the following roles for the Accountable Body:

- 5.2.1.1 A finance function: involving holding and managing public funds paid by Government on behalf of the LEP;
- 5.2.1.2 An oversight function: including ensuring 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;
- 5.2.1.3 A support function (as agreed with the SELEP): providing technical, legal and financial advice.

5.3 In addition, the role of the s151 Officer of the Accountable has been amended to reflect the standards set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on the role of the Section 151 Officer, as required by the NAF. The guidance established the following principles that are required to be addressed by SELEP and the Accountable Body:

- i. Enshrining a corporate position for the Section 151 Officer in LEP assurance;
- ii. Creating a formal/structured mandate for the Section 151 Officer;
- iii. Embedding good governance into decision making;
- iv. Ensuring effective review of governance; and
- v. Ensuring appropriate skills and resourcing.

5.4 A requirement for the release of the Local Growth Fund grant to SELEP for 2019/20, was that the s151 officer of the Accountable Body had to provide confirmation to the Government, by the 28th February 2019, that the SELEP has the following in place:

- 5.4.1.1 the processes to ensure the proper administration of its financial affairs;
- 5.4.1.2 compliance with the minimum standards as outlined in the National Assurance Framework (2016) and the Best Practice Guidance (2018); and

- 5.4.1.3 whether or not SELEP was expected to be compliant with the new National Local Growth Assurance Framework (2019) by 1 April 2019.
- 5.5 This confirmation was provided to the Government, by the s151 Officer, on the basis that the revised SELEP Local Assurance Framework would be agreed by the Board at its March 2019 meeting, with a caveat that the requirement to adopt a legal entity by April 2019 is exempt by Government; this requirement, if agreed by the Board, would be implemented by April 2020 (as per agenda item 3).
- 5.6 If the Strategic Board does not agree the revised SELEP Local Assurance Framework at its March 2019 meeting the s151 Officer will no longer be in a position to confirm that SELEP is fully compliant with the requirements of the NAF and will write to the Government to advise of this. Such an action could put at risk the release of the LGF grant to SELEP for 2019/20.
- 5.7 The Accountable Body will support the SELEP Secretariat in preparing the refreshed Assurance Framework implementation plan to ensure that all requirements are met and includes any actions identified by Government following the Annual Performance Review.

6. Background Documents

- 6.1 National Local Growth Assurance Framework.
- 6.2 CIPFA guidance on the role of the Section 151 Officer.

7. Appendices (please note attached separately)

- 7.1 Appendix A – Revised Local Assurance Framework (2019), please note that this is to follow on Monday 18th March 2019.
- 7.2 Appendix B – Revised SELEP Strategic Board Terms of Reference.

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AGENDA ITEM 5. Delivery Plan 2019/20

1. Purpose

- 1.1 The purpose of this paper is to update Strategic Board (the Board) on the requirements for a Delivery Plan under the LEP Review and the work that has been undertaken by the LEP Network on templates for the Delivery Plan.
- 1.2 A light-touch Delivery Plan, in line with LEP Network/Government requirements has been produced and is presented to the Board for comment and approval.

2. Recommendations

- 2.1 The Board is invited to **approve** the adoption of the Delivery Plan (at Appendix A) and the submission of said plan to Government;
- 2.2 The Board is asked to **note** the intention to further strengthen and build on the light-touch plan with colleagues at the LEP Network over the coming months.

3. Background

- 3.1 One of the recommendations from the LEP Review was that all LEPs must have in place a Delivery Plan (the Plan) at the start of each financial year (1st April). Progress against the Plan should be reported to Board throughout the year and a final assessment should be made at the mandated Annual General Meeting (AGM) to held in each year.
- 3.2 The Cities and Local Growth Unit (CLGU) recognised that to ensure best practice and an element of consistency, the provision of support, guidance and templates to LEPs would be sensible and a workstream was established to be led by the LEP Network. The LEP Review documentation also stated that Government would work with LEPs to establish Key Performance Indicators (KPIs) to ensure that LEPs are focussed having the best performance that ensures delivery of outcomes that have been agreed in Growth Deals and other policy programmes.
- 3.3 A forward plan of activity for SELEP has been presented to Board in the past but it hasn't drawn together all the elements of delivery nor have a suite of KPIs been agreed at a Board level to measure performance across all areas. This reflects the more informal nature of the partnership in the past.
- 3.4 Guidance and a template were issued by the LEP Network in late February for Delivery Plans for 2019/20 which was untimely for the production of a detailed plan by 1 April 2019. To date there has not been any bespoke support from Government/the LEP Network to build a suite of KPIs tailored to each LEP. There are common metrics included in the National Assurance Framework which can be found at Appendix C.
- 3.5 Government has recognised the LEP Review represents a large drain on the resources of LEPs and this sits alongside the production of a Local Industrial Strategy for those LEPs that weren't included in Wave 1 and Wave 2, such as SELEP. As such, the guidance and template for 2019/20 are based on a light-touch approach.

- 3.6 Further recognising the late issue of the guidance, the requirement for this year is that Delivery Plans are approved by LEP Boards and in place by the end of May 2019 rather than by 1 April.
- 3.7 A draft copy of the Plan must be submitted to the CLGU by the end of April 2019, but no assessment of the Plan will be made by the Unit.
- 3.8 As the next available meeting to table the SELEP Plan would be June, effort has been made to present a draft plan at this meeting for the Board's consideration. If there are significant changes to be made to the draft, then further approval of a final version will be conducted via electronic procedure in advance of the end of May deadline.
- 3.9 At each future meeting of the Board, a report will be tabled showing progress against the forecast outcomes and KPIs in the Plan, including an assessment of risk and mitigations to delivery. A copy of the current Risk Register is attached at Appendix B for information. As indicated above, there is more work to be done to improve both the format and content of Delivery Plans and SELEP will continue to work with both the LEP Network and the CLGU to improve future iterations.
- 3.10 A more detailed Operational Plan will be presented to the next Accountability Board which will fall under their oversight. The Delivery Plan and the Operational Plan will both be available on the SELEP website.
- 3.11 The Delivery Plan has been constructed to reflect the strategic objectives in the Economic Statement Strategy: Smarter, Faster, Together. The Plan allows us to identify how our activities are contributing to the delivery of our agreed strategies. When the Board has agreed a Local Industrial Strategy, a full revision of the Plan will be needed to ensure that activity is focussed on the delivery of the objectives agreed within that strategy.
- 3.12 There are a number of KPIs that are currently being collected and reported on across differing workstreams of SELEP. These will now be collated and reported to Board on a quarterly basis. However, we will seek to work with Government and the LEP Network on building a best practice, tailor-made suite of KPIs for SELEP. Consideration of the identification of KPIs to allow us to track the impact of the LIS will need to be made in the construction of the strategy, alongside establishing and measuring the baseline for comparison purposes. Collection of data would have an impact on both Secretariat and partners resources and consideration of this impact will be made when determining a suite of KPIs.

4. Next steps

- 4.1 Board is invited to consider the Delivery Plan at Appendix One and provide feedback. The Secretariat would appreciate both feedback on this light-touch plan for 2019/20 and what Board would like to be included in a more detailed plan in future.
- 4.2 If significant revisions are required a final version will be circulated for approval via Electronic Procedure. If Board are content to approve, the current version will be submitted to CLGU and published on the SELEP website.

5. Accountable Body Comments

- 5.1 It is a requirement of the National Local Growth Assurance Framework (NAF) that LEPs publish an annual report and delivery plan as part of the assurance monitoring process. The delivery plan and annual report are expected to set out a well- developed understanding of the local economic evidence base to identify opportunities and obstacles to inclusive growth, prosperity and improved productivity. These will be considered as part of the annual assurance process in future.
- 5.2 The NAF confirms that delivery plans and annual reports are required to be published at the beginning of each financial year, with the first Delivery plan originally expected at the beginning of the 2019/20 financial year, with the first annual report to be published at the beginning of the 2020/21 financial year.
- 5.3 As indicated above, the CLGU have extended the delivery plan timeline for this first year to May, with a more light touch approach expected as further consideration and guidance is developed with SELEP across 2019/20.
- 5.4 The cost and resource implications of developing and maintaining effective KPIs to support the assurance and delivery monitoring on-going should be a consideration for the Board when agreeing the final indicators to be used.

6. Appendices (please note attached separately)

- 6.1 Appendix A - Draft Delivery Plan
- 6.2 Appendix B - SELEP Risk Register
- 6.3 Appendix C - National Assurance Framework – Common Metrics

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Date: 14th March 2019

AGENDA ITEM 6. Sector Support Fund (SSF)

1. Purpose

- 1.1 The purpose of this report is to seek Strategic Board (the Board) endorsement for the Sector Support Fund (SSF) project which has been submitted to SELEP for revenue funding support.

2. Recommendations

- 2.1 The Board is asked to **endorse** the following project for funding through the 2019/20 SSF allocation:
SELEP Creative Open Workspace and Masterplan Prospectus (£49,000).

3. Background

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

the SELEP Accountable Officer (Managing Director) with delegated responsibility, following endorsement of the project by the Board.

- 3.7 An Independent Assessment is also completed by the SELEP Accountable Body, Essex County Council (ECC), for all SSF applications. This assessment considers the projects suitability against the agreed assessment criteria, detailed [here](#) and the requirements of the SELEP Assurance Framework.

4. SSF Investment to Date

- 4.1 To date, the Board has endorsed nine projects for SSF support to a maximum value of £1,000,000 (as shown in Appendix D, attached separately):

2017/18

- The South East Creative Economy Network (SECEN) Cultural Coasting Project (£150,000 over three years, £50,000 per year);
- The Tourism and SECEN Colours and Flavours project (£60,000); and
- The North Kent Enterprise Zone (£161,000).

2018/19

- Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000);
- Good Food Growth Campaign (£60,400);
- Future Proof: Accelerating Delivery of High-Quality Development across the LEP (£110,000);
- Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000);
- Coastal Communities Supplement to the SELEP Strategic Economic Plan (£40,000);
- SELEP Skills Advisory Group – Delivering skills of the future through teaching: teaching for growth (£166,600).

- 4.2 Of the £500,000 SSF available in 2017/18, the allocation of £371,000 to the three projects listed above left £129,000 unallocated, as set out in Table 1 over page.
- 4.3 At the meeting in September 2018, the Board agreed to increase the SSF available in 2018/19 from £500,000 to £629,000 using the unallocated SSF from 2017/18.

Table 1 2017/18 SSF allocation

SSF annual allocation	£500,000
Projects Identified for investment in 2017/18	
SECEN Cultural Coasting Projects	£150,000
Tourism and SECEN Colours and Flavours	£60,000
North Kent Enterprise Zone	£161,000
Total SSF allocated in 2017/18	£371,000
SSF unallocated in 2017/18	£129,000

- 4.4 Of the £629,000 SSF available in 2018/19, Board approvals prior to December 2018 accounted for £422,400, with the Board endorsing two further projects at the December meeting which accounted for the remaining balance of £206,600, as set out in Table 2 below.

Table 2 2018/19 SSF allocation

SSF annual allocation	£500,000
SSF unallocated in 2017/18	£129,000
Total SSF available in 2018/19	£629,000
Projects identified for investment in 2018/19	
Kent Medical Campus Enterprise Zone	£156,000
Good Food Growth Campaign	£60,400
Future Proof	£110,000
Rural business support	£96,000
Coastal Communities supplement to the SEP	£40,000
Skills - Teaching for Growth	£166,600
Total SSF allocated in 2018/19	£629,000
SSF unallocated in 2018/19	£0

- 4.5 As shown in Table 2, the total SSF funding available in 2018/19 has now been allocated to projects which have been endorsed by the Board. Therefore, the project under consideration at this meeting is seeking funding from the 2019/20 SSF allocation of £500,000.
- 4.6 Since the Board meeting in December a number of SSF projects have been approved by the SELEP Managing Director, including:
- 4.6.1 Future Proof: Accelerating delivery of high-quality development across the LEP (£110,000) – this project will seek to create a financial product which will be used to accelerate the delivery of housing developments which are future proofed for 2050. The product will help to overcome a number of barriers to housing delivery by taking a long-term approach to development finance.
 - 4.6.2 Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000) – this project will complete a comprehensive skills evaluation to formulate recommendations for targeting future skills delivery across each Federated Area, setting out priorities for the main rural sectors of agriculture, food and drink (production and manufacture) and horticulture production (vegetable crops, fruit and viticulture).
 - 4.6.3 Good Food Growth Campaign (£60,400) – this project will support growers, processors, retailers, food businesses and new entrants to raise awareness of the opportunities available within the sector to develop and enhance their businesses thereby adding both volume and value to the sector.
 - 4.6.4 Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000) – the funding will contribute towards the anticipated total design stage costs for the Innovation Centre, which will provide high-grade office accommodation and business support for SME's focussed on life science, healthcare and med-tech activities.
 - 4.6.5 The Tourism and SECEN Colours and Flavours (Gourmet Garden Trails) project (£60,000) – the funding will be used to bring forward a proposal to launch a series of tourist trails showcasing England's beautiful gardens and unique food and drink.

5. SSF Applications 2018/19

- 5.1 A number of new applications are being developed to exploit the SSF opportunity and one application has been submitted to SELEP for consideration and endorsement by the Board at this time.
- 5.2 The application which has passed the Independent Assessment by the SELEP Accountable Body is:
- SELEP Creative Open Workspace Masterplan and Prospectus (£49,000).

5.3 The outcome of this assessment is presented in Appendix C, (attached separately).

6. SELEP Creative Open Workspace Masterplan and Prospectus

Scope

6.1 This pan-LEP project drives growth, innovation and prosperity by supporting the workspace needs of the creative industries, which is one of the fastest growing sectors. The SELEP Creative Open Workspace Masterplan and Prospectus project will address a gap in suitable available workspace for the Creative, Cultural and Digital Sector across the SELEP area. In order to do this, the project will deliver the following outputs:

- 6.1.1 A refreshed South East Creative Economy Prospectus to describe exemplary pipeline projects alongside complementary work packages addressing skills and business support needs;
- 6.1.2 A Creative Open Workspace report and toolkit to accelerate the pipeline of open workspace projects;
- 6.1.3 A Cultural planning policy guidance that can be adopted by local authorities to support the inclusion of creative workspace in new developments and the re-purposing of under-used buildings as creative workspace;
- 6.1.4 A minimum of three Creative Enterprise Zones and increased Business Rate yield (£360K) identified
- 6.1.5 A SELEP-wide pipeline of investment-ready open workspace projects; and
- 6.1.6 Development of the governance and operating structure for a new creative workspace finance vehicle (including R&D into models and testing the viability of repurposing existing SPV's; options appraisal)

6.2 The project will contribute to delivering the objectives of the SELEP SEP through:

- 6.2.1 **Building On Our Economic Strengths** – Since 2010 the number of creative businesses in the SELEP area has increased, as has the proportion of creative industries in the total SELEP business base. In comparison with other LEP's, SELEP is above average in terms of its share of creative enterprises, however, growth is below the national average suggesting that the SELEP region is currently failing to maximise its potential, given its proximity and connectivity to London. This project will seek to address this issue.
- 6.2.2 **Boosting Our Productivity** – Availability of affordable and flexible workspace for creative businesses is vital, as open workspace fosters innovation and therefore growth;

- 6.2.3 Improving Our Skills – Clustering of similar businesses fosters skills in any industry sub-sector, as knowledge and improvements in techniques and productivity are more likely to be shared, stimulating innovation; and
- 6.2.4 Investing In Our Growth Corridors – The project will inform and complement the Thames Estuary Production Corridor and the Coastal Culture Trail ambitions to become a creative agency and form a Creative Coastal Enterprise Zone by developing the planning guidance, finance vehicles and evidence of need that will be required to unlock identified sites.
- 6.3 The tools produced as part of the project will be promoted by the South East Creative Economy Network to ensure that maximum benefit is gained from the project outputs.
- 6.4 The project application also includes a number of indirect benefits, such as the creation of new creative workspace, which will not be delivered as part of the project. However, to ensure that these benefits are realised, fundraising is ongoing to raise the funding needed to enable delivery of these outcomes. In addition, funding has been applied for from the Heritage Lottery Fund, European Regional Development Fund, Big Lottery and the Cultural Development Fund. In January 2019 it was announced that the Thames Estuary Production Corridor application for £4.3m from the Cultural Development Fund had been successful. This funding will help to develop a globally significant creative production corridor and will contribute towards delivery of the wider project outcomes stated within the SSF application.
- 6.5 The Open Workspace Masterplan was approved by Team East Sussex in December 2017. The project was also considered during the Team East Sussex meeting on 3rd December 2018.

Funding

- 6.6 The total cost of the Creative Open Workspace Masterplan and Prospectus is estimated at £70,000.
- 6.7 A £49,000 SSF grant to the project would cover 70% of the project costs, with the remaining £21,000 being provided through Arts Council England Strategic Funds (£15,000) and Local Authority contributions (£6,000).
- 6.8 The Arts Council England Strategic Funds have been secured and the first instalment of funding (£13,000) has been received. The funding was secured in order to deliver the outcomes related to the workspace study as outlined in the SSF application. Receipt of the remaining £2,000 of the Arts Council funding is subject to a progress report and evidence of outcomes achieved.
- 6.9 Kent County Council, Essex County Council and East Sussex County Council have all committed to providing a financial contribution of £2,000 to the project.

Table 3 Funding Breakdown – Creative Open Workspace Masterplan and Prospectus

Sources	2018/19	2019/20	Total
SELEP SSF		49,000	49,000
Arts Council England Strategic Funds	13,000	2,000	15,000
Kent County Council contribution		2,000	2,000
East Sussex County Council contribution		2,000	2,000
Essex County Council contribution		2,000	2,000
Total	13,000	57,000	70,000

Outcome of Independent Technical Review

6.10 The Independent Technical Review has confirmed that the project meets the criteria for funding (see Appendix C, attached separately)

7. Current SSF funding ask

7.1 The SELEP Creative Open Workspace Masterplan and Prospectus project, as outlined in this report, is the first project to be considered for funding from the 2019/20 SSF allocation, and as a result there is sufficient funding available to support the application.

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

Table 4: 2019/20 SSF allocation

SSF annual allocation for 2019/20	£500,000
Projects identified for investment in 2019/20	
SELEP Creative Open Workspace Masterplan and Prospectus	£49,000
Total SSF allocated (subject to Board endorsement) in 2019/20	£49,000
SSF unallocated in 2019/20	£451,000

7.3 Subject to the Board endorsing the SELEP Creative Open Workspace Masterplan and Prospectus project, there remains a total of £451,000 as yet unallocated SSF funding in 2019/20.

8. Next Steps

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

9. Update on SSF project delivery

- 9.1 At the meeting on 7th December 2018, the Board requested that regular updates be given on the projects funded through the SSF. Appendix E sets out the current position on each of the SSF projects which have been endorsed by the Board.
- 9.2 To date of the nine projects endorsed by the Board, six have been approved by the SELEP Managing Director, with four of these projects now having a signed legal agreement in place. It is anticipated that at least a further two projects will be approved by the SELEP Managing Director before the end of March 2019. To date completed draw down request forms have been received for three of the projects (North Kent Enterprise Zone: Enabling and Marketing, Gourmet Garden Trails and Kent Medical Campus Enterprise Zone – Innovation Centre Design Work), however, it is expected that further draw down requests will be received in relation to other SSF projects before the end of the 2018/19 financial year.
- 9.3 As the SSF programme progresses and more projects are in a position to draw down the requested funding, formal monitoring and evaluation processes will be put in place and updates will be provided to the Board on the delivery of the SSF projects at least twice a year. The reporting template will require scheme promoters to provide an update on both the project outputs and benefits as stated in the application.

10. Working Group highlights

Rural Working Group

- 10.1 The Rural Sector Working Group is now well established. It has a good record of attendance by a broad range of partners who are keen to engage and contribute, including acting as host for some meetings.
- 10.2 The group is acting as a cohesive LEP-wide rural focal point for partners from the economic, environmental and social elements of the rural agenda. Key issues are shared and discussed, and actions taken. This includes two applications to the Sector Support Fund, with partners working together to secure funding for two key projects, delivery of which will be supported through use of their own resources and expertise.

- 10.3 The 'Good Food Growth Campaign' is a project designed to promote and support growers, processors, retailers, food businesses and new entrants to the sector. A grant for £60,400 has been awarded with match funding from partners of £38,500. A series of food and drink conferences and meet the buyer events will be held across the LEP area. A project manager will be engaged to deliver the project working alongside partners. The procurement process is underway with interviews scheduled for 22nd March and a start date of 1st April.
- 10.4 'Planning future skills, training and business support needs for rural businesses across SELEP' is an initiative designed to scope, plan and prioritise the future rural skills and training needs, reflecting Federated Area and geographical influences on business structure and performance. A grant for £96,000 has been awarded with match funding from partners of at least £50,500.

Housing and Development Working Group

- 10.5 Building on successes to date, SELEP has formalised its working group arrangements and has established a new extended Housing and Development Working Group. This business led forum is uniquely placed to promote opportunities to boost housing and commercial development.
- 10.6 SELEP supported existing developer groups and pioneered the introduction of new ones, this has helped in widening the opportunity for joint working with business through new Developers forums in East Sussex and Essex based on the successful Kent Developers Group. The Chairs now meet each other regularly, facilitated by SELEP, to exchange ideas and information and share best practice, through the Housing and Development Working Group.
- 10.7 SELEP is also working with partners including Haven Gateway on I-Construct, a business-led project expected to launch in Summer 2019, which will aim to drive change in the construction industry to bring innovative new approaches to the sector, tackle the skills shortage it is experiencing, promote the benefits of new offsite methods of construction and encourage smaller builders to grow their housing output. The Housing and Development Working Group has accepted an invitation from I-Construct to act as its stakeholder consultative forum.

Garden Communities

- 10.8 The SELEP area is at the forefront of the Government's Garden Communities programme, with five sites in our area. The SELEP area has 96,500 homes (nearly half) of the 200,000 homes identified by Government as new garden settlements.
- 10.9 We welcome the February 2019 announcement of a further £3.065m to support delivery of our Government recognised new garden settlements: <https://www.gov.uk/government/news/cash-boost-to-help-build-200000-homes-in-new-garden-towns>.
- 10.10 Under the Garden Communities programme, SELEP have the largest number of planned homes officially recognised by Government and a proven ambition to plan holistically and support new communities with the necessary infrastructure. These projects are about placemaking, creating

employment, skills and a quality of environment to serve a growing population. The SELEP area has a number of bids for new funding from the Garden Communities Prospectus awaiting announcement from Government.

Social Enterprise Working Group

10.11 In 2017 a working group was formed to effectively coordinate the social enterprise work stream and form a regional network.

10.12 This working group has been formed to ensure that there is a voice for the sector, but importantly to provide a platform for social enterprise to build momentum and a network across the South East. The SELEP role in championing the sector is very much in relation to coordination and encouraging partners to work collaboratively and access or create new opportunities that they would be unable to access independently.

10.13 Currently, the group is overseeing the development of a prospectus which will:

- 10.13.1 Set out the scope and opportunities of the sector in our area;
- 10.13.2 Present case studies to illustrate its range and value;
- 10.13.3 Present consultation findings and review provision to assess what is required to strengthen and support Social Enterprises to flourish; and
- 10.13.4 Present a series of practical priorities for action that are required to build a stronger, more impactful social enterprise sector in the South East.

10.14 It is intended that this prospectus will be presented to the Strategic Board for consideration in late 2019, supported by a series of engagement sessions across the wider partnership. This will be followed by a launch.

11. Accountable Body Comments

11.1 Up to £500,000 of the GPF revenue grant is available in 2019/20 to support the SSF. This is the first bid for funding to come forward for this grant in 2019/20 and therefore there is sufficient funding available to support the request for this Project.

11.2 No key risks have been identified with this project and the Independent Technical Review has confirmed that the criteria for funding have been met.

11.3 This grant is a fixed maximum contribution to the Project; any Project overspends incurred will be required to be addressed by the Project delivery partner.

11.4 The grant will be transferred to East Sussex County Council via a grant agreement with the Accountable Body; the grant agreement will include a requirement for claw back of the funding if it is not fully expended or not expended in line with the Project Bid Document.

12. Appendices

12.1 Appendix A – Value for Money Exemption 1

12.2 Appendix B – Sector Support Fund Guidance Note, including eligibility criteria and 2018/19 timetable for applications to come forward - [here](#)

12.2 Appendix C – Independent Assessment of SSF applications

12.3 Appendix D – Endorsed SSF project allocations

12.4 Appendix E – Update on SSF project delivery

13. Background Papers

13.1 SELEP Creative Open Workspace Masterplan and Prospectus

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Date: 8th March 2019

AGENDA ITEM 7: Digital Skills Partnership

1. Board approval for Digital Skills Partnership Pilot

- 1.1 The purpose of this paper is to seek Strategic Board's (the Board) approval for the Digital Skills Partnership pilot with the Department for Digital, Culture, Media and Sport (DCMS).

2. Recommendations

- 2.1 The Board is asked to **approve** the establishment of the Digital Skills Partnership with DCMS, the partnership, having been endorsed by local skills boards and secured on behalf of the LEP Skills Advisory Group.

3. Background

- 3.1 Local Digital Skills Partnerships (Local DSPs) bring together regional businesses, large employers, charities and public sector organisations to tackle local digital skills challenges. Supported by corporate partners and other Government departments, these partnerships are working to build thriving and inclusive local economies. The first DSPs were launched last year in Lancashire, Heart of the South East and West Midlands.
- 3.2 In October 2018 a new round was launched and SELEP submitted an Expression of Interest to the Department for Digital, Culture, Media and Sport (DCMS) to become a Digital Skills Partnership area. This was a cross cutting area of need, identified in the SELEP skills strategy and an area of innovation for SELEP through initiatives such as recent ESF calls for virtual reality and online learning. On 21st December, DCMS confirmed that this was successful.
- 3.3 DCMS confirmed that they had received a significant number of Expressions of Interest and just three LEP areas nationally were successful (South East, Cornwall and Isles of Scilly, Cheshire and Warrington). Evaluation involved cross Government input and the short-list was supported by the Minister for Digital and Creative Industries, Margot James.
- 3.4 This secures £75,000 to recruit a Partnership Co-ordinator (for one year) to lead on this work and establish a local Digital Skills Partnership for the SELEP area. It will also facilitate introductions to and joint working with a number of corporates including Google, IBM, Microsoft and Intel. Introductions have already taken place with PWC (Tech she can), Lloyds Bank Digital UK Insights, Tech Talent Charter, Teen Tech and Freeformers/Facebook. Research and data support will be provided by DCMS and the potential for match funding for some of SELEP's remaining ESF will be explored.

4. Next steps

- 4.1 Pending Board approval, Essex County Council, as the Accountable Body on behalf of SELEP will agree Terms of Reference for the Local Digital Skills Partnership with DCMS and undertake recruitment to the Co-ordinator role, with DCMS to be represented on the interview panel. The post holder will spend at least one day a month in Whitehall, ensuring a joint approach with government,
- 4.2 Working with the LEP local skills boards and Skills Advisory Group, a launch event will be planned, with the Minister to attend. This will be in East Sussex and will also showcase some of the existing activity underway locally.
- 4.3 The co-ordinator will establish the partnership, a project plan and with a working group to be set up in the interim to include local employers and skills board representatives. The partnership will have strong links to the LEP Skills Advisory Panel being established as per the new government guidelines and to the Local Industrial Strategy.
- 4.4 Regular reports on the partnership will be provided to the Board.

5. Accountable Body Comments

- 5.1 Essex County Council, as the Accountable Body for the SELEP will put in place the appropriate arrangements with regards to establishing the Digital Skills Partnership, including receipt and management of the grant, overseeing the arrangements for the employment of the Partnership Coordinator and the agreement of the terms of reference for the Partnership with DCMS.

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Date: 7th March 2019

AGENDA ITEM 8. Local Growth Fund Capital Programme Update

1. Purpose

- 1.1 The purpose of this report is to provide the Strategic Board (the Board) with an update on the delivery of the Local Growth Fund (LGF) capital programme.
- 1.2 A detailed update on the delivery of all LGF and GPF projects is provided within the Accountability Board Agenda Pack from the meeting on the 15th February 2019. A link to this Agenda Pack is provided at the end of this report.
- 1.3 The report also sets out the outcome of the SELEP Investment Panel meeting, which was held on the 8th March 2019.

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **Note** the update on the delivery of the LGF programme
 - 2.1.2 **Note** the outcome of the SELEP Investment Panel meeting
 - 2.1.3 **Approve** the next steps in relation to the LGF3b, as set out in section 7 below.
 - 2.1.4 **Approve** the reconvening of the Investment Panel on the 28th June 2019, following the Strategic Board meeting.
 - 2.1.5 **Endorse** the planned spend of £9.27m LGF beyond the 31st March 2021 for the Beaulieu New Railway Station project, as set out in section 6.

3. Local Growth Fund - Growth Deal

- 3.1 Through three rounds of LGF allocations by Central Government, SELEP has secured a total of £570m investment in projects across SELEP, aimed at boosting skills, unlocking barriers to development and driving economic growth.
- 3.2 To date, a total of £285m LGF has been spent on the delivery of these LGF projects.
- 3.3 In 2018/19, it is expected that SELEP will spend a total of £100.621m on LGF projects. This is relative to the £154.99m planned LGF spend at the outset of 2018/19, presenting a variance of £54.478m. This delay to LGF spend is the result of slippage in spend for a number of projects across the LGF programme. In particular, there are a number of larger scale projects which have experienced slippages in LGF spend of greater than £3m during 2018/19:
 - 3.3.1 A28 Chart Road, Ashford
 - 3.3.2 Strood Town Centre, Medway
 - 3.3.3 Rochester Airport Phase 1, Medway
 - 3.3.4 London Southend Airport Business Park; and
 - 3.3.5 A13 Widening, Thurrock.

- 3.4 LGF slippage, which is held by Essex County Council as the Accountable Body for SELEP or Partner Authorities, will be carried forward to next financial year through the mitigation options agreed by the Accountability Board for spend in future years of the LGF programme.
- 3.5 During next financial year, SELEP is planning to spend a total of £107.314m. However, this figure may increase if LGF3b projects are approved by the Accountability Board for spend in 2019/20.

Accountability Board Funding Decisions

- 3.6 A majority of the LGF projects included within the current LGF programme have now come forward for Accountability Board approval.
- 3.7 At the last Accountability Board meeting, the Board agreed the award of a further £46.988m to the following 9 projects:
 - 3.7.1 A127 The Bell and A128 Essential Maintenance, Southend (award of the remaining £9.9m LGF);
 - 3.7.2 A127 Fairglens New Link and Slip Road, Essex (£6.235m LGF);
 - 3.7.3 Beaulieu New Railway Station, Essex (£12m LGF, subject to the conditions set out in Section 6 below);
 - 3.7.4 Southend Central Area Transport Project Phase 3 (£4m LGF);
 - 3.7.5 Eastbourne Town Centre Movement and Access Package, East Sussex (£3m LGF)
 - 3.7.6 Eastbourne and South Wealden Walking and Cycling Package, East Sussex (£4m LGF);
 - 3.7.7 Basildon Integrated Transport Package Phase 3, Essex (£453,000 LGF);
 - 3.7.8 Innovation Park Medway (£3.7m LGF); and
 - 3.7.9 Grays South, Thurrock (£3.7m LGF towards project capital development costs).
- 3.8 As agreed by the Board, all existing LGF projects must come forward for a funding decision by the Accountability Board by the 12th April 2019 (excluding new LGF3b projects and Department for Transport retained projects). Where it is not feasible to do so, then the provisional funding allocation to these projects will be considered for re-allocation as part of the LGF3b process and the refresh of SELEP's investment pipeline.
- 3.9 There are three outstanding projects which are due to come forward for a funding decision at the Accountability Board meeting on the 12th April 2019. These projects are:
 - 3.9.1 Thanet Parkway, Kent;
 - 3.9.2 Chelmsford Flood Alleviation, Essex; and
 - 3.9.3 A2 Wincheap Off – Slip, Kent

Changes to the LGF programme

- 3.10 At the last Accountability Board, a number of changes were agreed to the projects included within the LGF programme. These changes have been driven by increases in project costs, the constrained

timescales to deliver projects and reductions to Essex County Council's capital investment programme (impacting Essex County Council projects). The Board has agreed that the scope of the A133 Colchester to Clacton project will be reduced and that the following four projects would be removed from the LGF programme:

- 3.10.1.1 Fort Halsted, Kent;
- 3.10.1.2 A22/A27 Improvements Package, East Sussex
- 3.10.1.3 Endeavour Drive Bus Lane (as part of Basildon Integrated Transport Package Phase 2), Essex;
and
- 3.10.1.4 A414 Harlow to Chelmsford, Essex.

3.11 These changes to the LGF programme will impact the original outputs and outcomes which SELEP committed to deliver through SELEP's Growth Deal. As a result of removing the four projects, listed above, from the LGF programme, this has led to an increase in the amount of unallocated LGF to £15.448m. It is therefore expected that the reallocation of this funding will support the delivery of alternative project outputs and outcomes. This funding has now been re-allocated by the Investment Panel, as set out in section 7 below.

3.12 Further details about these project changes can be found in the [Accountability Board Agenda Pack 15th February 2019.](#)

4. Project Evaluation

- 4.1 Post scheme evaluation is required for each LGF project as the scheme is completed and each County Council/ Unitary Authority is required to provide monitoring reports on the delivery of intended project outcomes to date at the end of each financial quarter. This includes the delivery of new jobs, houses, apprentices and new learners. A commitment to monitoring and evaluation is a condition of funding, as set out in the Service Level Agreement between the SELEP Accountable Body and each County Council/ Unitary Authority.
- 4.2 To date, it is reported that a total of 7,193 jobs and 11,671 dwellings have been completed through LGF investment, as Table 1 below. This is relative to the 78,000 jobs and 29,000 homes which SELEP committed to deliver through its Growth Deal. The delivery of jobs and dwellings reported to date is lower than expected, relative to the outputs committed to through the Growth Deal. It is likely that the output and outcomes will continue to increase through the remainder of the Growth Deal, as projects progress to completion and given the time lag between investment taking place and benefit realisation.
- 4.3 Work is underway to ensure that where project benefits have started to be realised, these are reported to SELEP and Central Government. As part of the SELEP Delivery Plan, due to be agreed in agenda item 5, annual forecasts have been agreed for the number of jobs and houses which are expected to be delivered within each financial year. SELEP will track the area's progress against these targets. In 2019/20, it is expected that 8,774 jobs and 4,143 houses will be delivered as a result of LGF investment across the SELEP area.

Table 1 Project Outputs Reported to Date

	Jobs	Commercial Floorspace (m2)	Houses	Other Benefits
East Sussex	1,241	4,140	1,661	0.5km of newly built road and 2km of new cycle route built
Essex	5,684	-	6,240	
Kent	169	-	2,626	0.8km of road resurfaced, 0.1km of newly built road and 2.1km of new cycle route built
Medway	99	-	1,144	1.145km of road resurfaced and 13.6km of new cycle route built
Southend	-	-	-	3.432km of road resurfaced, 0.626km of newly built roads and 0.408km of new cycle route built
Thurrock	-	-	-	No project benefits reported to SELEP to date
Total	7,193	4,140	11,671	

5. Deliverability and Risk

- 5.1 Appendix A sets out a delivery update and risk assessment for all projects included in the LGF programme, as summarised in Table 2 below. A score of 5 represents high risk whereas a score of 1 represents low risk.
- 5.2 The risk assessment has been conducted in accordance with the Ministry for Housing and Local Government (MHCLG) guidance for the assessment of LGF projects based on:
- 5.2.1 Delivery – considers project delays and any delays to the delivery of project outputs/outcomes
 - 5.2.2 Finances – considers changes to project spend profiles and project budget
 - 5.2.3 Reputation – considers the reputational risk for the delivery partner, local authority and LEP

Table 2 LGF project delivery, financials and reputational risk (5 high risk, 1 low risk)

Score	Delivery	Financials	Reputation	Overall
5	10	15	5	13
4	9	11	8	10
3	11	13	14	18
2	13	11	10	15
1	54	47	60	41
Total	97	97	97	97

- 5.3 It was agreed by the Strategic Board in December 2019 that all LGF projects which have been RAG rated as high risk will be considered by the Accountability Board by the end of June 2019.
- 5.4 Since this principle was agreed, a number of high risk projects have been brought to the Accountability Board’s attention and decisions have been made by the board in relation to these projects. Some high risk projects have now been removed from the LGF programme, as set out in section 3.10 above, whilst other high risk projects have been considered and, on balance, have continued to be supported/ awarded funding by the Board.
- 5.5 Further updates/decisions in relation to high risk projects are expected to be brought forward to the Accountability Board in April and June 2019, as set out in Table 3.

Table 3 Forthcoming decisions by Accountability Board in relation to high risk projects

Project	Expected	Date to be considered
A131 Braintree to Sudbury	Decision on whether to progress with project	June 2019
A28 Chart Road	Decision, depending on whether solution can be identified to secure developer contributions	April/June 2019
A28 Sturry Link Road	Update on project, to provide confirmation that developer contributions are in place to deliver the project	June 2019
A28 Sturry Road Integrated Transport Package	Decision on whether to progress with the project	June 2019

Thanet Parkway	Decision on the funding award and confirmation of funding package	April 2019
Maidstone Integrated Transport Package	Approval of Phase 3 Business Case and update on Phase 1	April 2019
East Peckham Flood Mitigation	Decision on whether to progress with the project	June 2019
A289 Four Elms Roundabout to Medway Tunnel	Update on likely LGF spend beyond the Growth Deal	June 2019
Medway City Estate	Change request for Phase 2 of the project	June 2019

- 5.6 In addition to the RAG assessment for each LGF project, overall programme risks are also monitored by the SELEP Secretariat. One of the main LGF programme risks which has been identified is the slippage of LGF spend beyond the Growth Deal period; ending on the 31st March 2021.
- 5.7 At its meeting in February 2019, the Accountability Board considered its position in relation to planned LGF spend beyond the 31st March 2021. Whilst it is expected that there may be some slippage of LGF spend beyond the Growth Deal for projects already under construction, the Accountability Board had not previously awarded LGF to projects with a planned LGF spend beyond the 31st March 2021.
- 5.8 Through early years of the Growth Deal then grant allocations were awarded with messages from Government to spend it or lose it. SELEP has therefore, to date, operated on the understanding SELEP would be required to spend its grant within the Growth Deal period, with other neighbouring LEPs also working to the same deadline.
- 5.9 Central Government has not confirmed its policy position in relation to the issue of LGF spend beyond the 31st March 2021 and any reputational consequences of this on future funding awards. However, during the last Accountability Board meeting, Iain McNab from the Cities and Local Growth Unit (CLGU) provided some verbal advice (not formal policy). This indicated that the CLGU were not overly concerned about the slippage of LGF spend beyond the Growth Deal period for projects which were already underway. They would be more concerned about any planned LGF spend beyond the Growth Deal period, where the project is not already underway by March 2021. However, if SELEP has strong justification for why it is supporting that specific project then there is nothing in the grant determination to prohibit this.
- 5.10 Reflecting on the advice from Central Government, but also the need to demonstrate delivery of the Growth Deal back to Government, the Accountability Board agreed the potential extension of LGF spend beyond the 31st March 2021, if five conditions are satisfied. These conditions include:

- 1) A clear delivery plan with specific delivery milestones and completion date to be agreed by the Accountability Board; and
- 2) A direct link to the delivery of jobs, houses or improved skills levels within the SELEP area; and
- 3) All funding sources identified to enable the delivery of the project. Written commitments will be sought from the respective project delivery partner to confirm that the funding sources are in place to deliver the project beyond the Growth Deal; and
- 4) Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond the 31st March 2021; and
- 5) Contractual commitments being in place with the construction contractors by the 31st March 2021 for the delivery of the project.

6. Beaulieu New Railway Station

- 6.1 Beaulieu New Railway Station is the first project which has come forward for approval by the Accountability Board for spend beyond the 31st March 2021.
- 6.2 Beaulieu New Railway Station is being proposed on the existing Great Eastern Main Line (GEML) on the eastern side of Beaulieu, 3 miles north east of Chelmsford, located adjacent to the A12/A138/B1137 junction 19 to serve the growth in North Chelmsford as well as wider growth in parts of Maldon, Braintree and Uttlesford districts not well served by rail.
- 6.3 The north of Chelmsford is a key focus for the City's growth to 2036. Development is already underway toward the delivery of 4,000 homes. Of these 4,000 homes, 1,100 have received outline planning permission subject to the provision of Beaulieu station or an alternative sustainable transport mechanism.
- 6.4 In addition, the Chelmsford City Council Draft Local Plan, which is now subject to Examination, proposed a further 3,000 homes and 45,000m² of office/business park in North East Chelmsford, 1,100 homes in Great Leighs and 450 homes in Broomfield over the Local Plan period to 2036, with a further 2,500 homes in North East Chelmsford beyond 2036.
- 6.5 In order to capitalise on its prime location adjacent to the Great Eastern Main Line, A12 and A130 (A131), a station is required in order to provide the connectivity for residents and firms to jobs, suppliers, customers and workers both within Essex and to London and further afield.
- 6.6 To date, the project has been unable to draw down on the £12m LGF allocation due to the substantial funding gap. However, the project is now progressing through the Ministry of Housing, Communities and Local Government Housing Infrastructure Fund (HIF). If this bid is successful, an award of £125m HIF to the project would provide the funding required to bridge the funding gap and enable the project to progress.
- 6.7 Due to the substantial scale of the project and the expected completion of the new railway station in 2025, the project will only spend £2.73m of the £12m LGF allocation to the project within the Growth Deal period. This will result in a planned LGF slippage of £9.27m LGF beyond the Growth Deal, with

£1.31m LGF expected to be spent in 2021/22 and a further £7.96m LGF expected to be spent in 2022/23.

6.8 In light of the case made by Essex County Council and the strategic nature of the project, the Accountability Board agreed the award of £12m LGF to the project subject to the following conditions being satisfied:

- 6.8.1 A Value for Money review being completed for the overall Project by the Ministry for Housing, Communities and Local Government (MHCLG), as part of the Housing Infrastructure Fund (HIF), that meets the requirements of the value for money exemption 2 of the SELEP Assurance Framework; and
- 6.8.2 Receipt of evidence from Essex County Council that they have been awarded sufficient funding through MHCLG's Housing Infrastructure Fund and through funding contributions from Network Rail to bridge the Project funding gap in full; and
- 6.8.3 Endorsement from the SELEP Strategic Board that the LGF can be retained against the Project.

6.9 Whilst the funding decision itself sits with the Accountability Board, in light of the condition listed under 6.8.3, the Board is asked to provide their endorsement for the £9.27m LGF to be retained against the project beyond the 31st March 2021. If the Project is unable to provide evidence that the funding conditions have been met by December 2019 then the £12m LGF will be reallocated by the Investment Panel to projects that have been prioritised and placed on the Investment Pipeline.

7. Outcome of SELEP Investment Panel

- 7.1 The SELEP Investment Panel (the Panel) met for the first time on the 8th March 2019, to develop a pipeline of short term priorities for LGF investment should LGF underspend become available.
- 7.2 The process, agreed by the Board, which was followed in advance of the Panel meeting included:
 - 7.2.1 Initial sifting of LGF3b Expressions of Interest by the Federated Areas against the eligibility criteria agreed by the Strategic Board;
 - 7.2.2 Submission of 60 Strategic Outline Business Cases to SELEP
 - 7.2.3 Initial review of the 60 Strategic Outline Business Cases by SELEP's appointed Independent Technical Evaluator (ITE), based on the assessment criteria agreed by the Strategic Board;
 - 7.2.4 'Local engagement' with each scheme promoter. 60 Individual meetings were held between each scheme promoter and the ITE. There was also the opportunity to provide written comments, clarifications and updated to Business Cases based on the ITE feedback.
 - 7.2.5 Second review of the updated project business cases and/or any additional clarification information by the ITE
 - 7.2.6 Publication of the final ITE assessment report. A copy of the final technical document is available [here](#).

- 7.3 The Panel agreed the first nine projects to be supported by the £15.448m LGF underspend which is currently available. These nine projects are set out in Table 4 below. These nine projects are now eligible to come forward to the SELEP Accountability Board for a final funding decision.
- 7.4 The Panel decided to postpone the discussion around the priority order of the remainder of the pipeline until June 2019.

Table 4 Projects prioritised by the SELEP Investment Panel

Project	Area	LGF allocation
Bexhill Enterprise Park North	East Sussex	£ 1,940,000
Digital Technologies Campus	OSE	£ 2,150,000
Colchester Institute	Greater Essex	£ 100,000
Skills For Rural Businesses Post-Brexit	East Sussex	£ 2,918,000
USP College CEDTIL	OSE	£ 900,000
Thanet Parkway	KMEP	£ 4,000,000
Flightpath Phase 2	Greater Essex	£ 1,421,500
Sidney Little Road Business Incubator Hub	East Sussex	£ 500,000
Innovation Park Medway (northern site) – Enabling infrastructure*	KMEP	£ 1,518,500
Total		£ 15,448,000

*The project was prioritised subject to the SELEP Accountability Board being satisfied that the deliverability concerns raised by the Independent Technical Evaluator can be addressed by Medway Council.

- 7.5 Through the Panel meeting there were strong calls from members of the Panel for the outcome of the technical assessment to have been presented to Federated Board’s prior to the Investment Panel having been convened.
- 7.6 Whilst the opportunity was provided for feedback on the technical assessment through the local engagement meetings in January 2019, these discussions focused on a technical discussion with officers rather than Board members.
- 7.7 Considering the process going forward, there are clear requirements set by Central Government for the prioritisation of projects for LGF.
- 7.8 Within our local governance arrangements we must ensure, “A commitment from all LEP board and sub group members to making decisions on merit having taken into account all of the relevant information available at the time”. “Local Enterprise Partnerships must have a clear and transparent basis, (published on their website) against which projects and programmes are initially identified, commissioned, appraised and prioritised. Local accountability frameworks must set out the evidential basis on which the need for intervention is based and how the Local Enterprise Partnership will ensure that it identifies programmes and projects based on need and/or opportunity supported by rigorous analysis of quality data and with regard to the application of best practice”.

- 7.9 Essex County Council, as Accountable Body, is required to write to Government on an annual basis to confirm that these processes are being implemented in order to receive any future year core and grant funding.
- 7.10 To ensure the receipt of future capital funding, it continues to be important that SELEP has an evidence based approach to the prioritisation of projects that has been agreed by the SELEP Strategic Board, and published in advance. However, it is recognised that, going forward, Federated Areas require sufficient time to consider their strategic priorities, particularly given the substantial number of projects which have come forward through the process and the limited amount of funding available.

LGF3b next steps

- 7.11 In terms of the next steps for the prioritisation of the remaining LGF3b list, it is proposed that the remainder of the LGF3b list should be considered by the Investment Panel on the 28th June 2019, once Federated Boards have had time to review the technical document and consider their strategic priorities.
- 7.12 SELEP provided a commitment to Government that it would develop and maintain a pipeline of LGF projects to utilise LGF, should LGF underspend become available. This commitment was provided in response to the Deep Dive recommendations. It is therefore important that this work stream continues so that assurances can be provided back to Central Government that SELEP is following through on its commitment.
- 7.13 Furthermore, there continue to be opportunities for LGF underspend to be identified. There are a number of LGF projects which have been awarded funding but which are currently RAG rated as Red and/or have specific funding conditions attached. If these projects are unable to progress or the funding conditions cannot be satisfied then the LGF will be returned for reallocation through the LGF3b process. A strong pipeline of prioritised projects will be crucial to ensuring that LGF underspends can be reallocated at pace, to enable alternative projects to progress.
- 7.14 By the end of May, Federated Boards are therefore asked to consider the projects which they identify to be strategically important. Given the substantial number of LGF3b applications and the limited funding available, each Federated Board is asked to focus on its top two/three priorities for investment.
- 7.15 Federated Boards are also asked to consider whether there are any projects which they wish to withdraw from the process. In particular, there may be projects which were unsuccessful in securing a provisional allocation on the 8th March 2019 and therefore, given timescales, would be unable to spend the LGF allocation sought by the 31st March 2021 within the shorter amount of time now available.
- 7.16 It is not intended that new information will be presented to the ITE, but rather that the Federated Boards will provide a view on their strategic priorities to be reflected within the reports to the Investment Panel on the 28th June 2019. Similarly, SELEP is not expecting changes to the LGF ask of projects to come forward, as this would require a further iteration of the Business Case review, to

consider the impact of the changes in LGF on the outputs and outcomes which will be delivered by the project.

- 7.17 Each Federated Board is asked to provide supporting evidence/narrative for the priority projects which are identified, to set out why these projects have been prioritised by the respective Federated Board. Where the ITE assessment has raised concerns in relation to these projects, Federated Areas are also asked to provide evidence of how these concerns can be mitigated.
- 7.18 Through the Federated Board discussions there must be a fair and equal opportunity for discussion around the relative merits of each of the projects put forward for funding.
- 7.19 The local Federated Board feedback on their strategic priorities will be reflected within the Investment Panel papers for the meeting on the 28th June 2019, to ensure that the recommendations made to the Investment Panel resonate with the priorities identified by the Federated Boards.

8. Accountable Body Comments

- 8.1 All funding allocations that have been agreed by the Accountability Board are dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2018/19 have been confirmed however funding for future years is indicative. Government has made future funding allocations contingent on full compliance with the revised National Local Growth Assurance Framework. Allocations for 2019/20 are also contingent on the outcomes of the Annual Performance Review of SELEPs LGF programme by Government that took place in January 2019.
- 8.2 There is a high level of forecast slippage within the overall programme; this presents a programme delivery risk due to the increased proportion of projects now due to be delivered in the final years of the programme.
- 8.3 All projects with an allocation of funding through the LGF3b process are required to seek funding approval in line with the requirements of the SELEP Assurance Framework, with the final decision resting with the Accountability Board.
- 8.4 It is noted that the establishment of the LGF investment pipeline, beyond that already agreed, is planned to be considered by the Investment Panel in June. To meet CLGU expectations in this regard, and to ensure that the assurance framework requirements with regards to prioritisation are met, it is advised that SELEP holds a single ranked list of projects for funding should underspend become available. There is no requirement to limit the total investment value held in the pipeline, however, the Accountability Board cannot award funding which exceeds the amount available.
- 8.5 It is advised, however, that the Board should seek to agree an approach for maintaining and refreshing the pipeline over time so that it continues to reflect the key investment priorities of the SELEP and supports the delivery of the Economic Strategy Statement and any future Local Industrial Strategy implemented by the Board.

8.6 It is noted that the reported outputs and outcomes for LGF Projects suggest that the agreed targets set out within the Growth Deal, such as those in relation to jobs and homes, are at risk of being delivered in full by the end of the Growth Deal period. However, due to the incompleteness of the data available and the lag in outcome realisation, the extent of this risk is unclear; to address this, it is advised that forecast profiles for delivery are implemented and monitored by Project Sponsors for review by the Board.

9. Appendix (please note attached separately)

9.1 Appendix A – LGF project update

10. Background reports

10.1 Accountability Board Agenda Pack 15th February 2019

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Date: 15th March 2019

AGENDA ITEM 9: Local Industrial Strategy

1. Purpose

1.1 The purpose of this paper is to inform the Board that a presentation and discussion will be undertaken as item 9 on Friday 22nd March's agenda.

2. Recommendations

2.1 The Board is asked to note the presentation and to offer their mandate for the continuation of the work. As this is an iterative process and high profile in terms of Government's expectation of the LEP, updates will be provided to each Strategic Board meeting until the LIS is finalised.

3. Background

3.1 The UK Industrial Strategy was launched by Government in November 2017. It remains the principal policy vehicle for Government's involvement in the economic growth agenda. In general terms, LEPs are encouraged to act on Government's behalf on delivering against the Industrial Strategy in the regions. More specifically, LEPs are tasked with producing Local Industrial Strategies by March 2020.

3.2 The SELEP Managing Director will use the opportunity of the Strategic Board meeting to talk about SELEP's proposed approach to producing a Local Industrial Strategy for the area and gather Board members' view as to how to ensure that the project is successful and that we are positioned to produce a document which resonates across the LEP.

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AGENDA ITEM 10: Lower Thames Crossing – Skills Strategy

1. Purpose

- 1.1 The purpose of this item is to inform Board members of the approach being taken towards developing a skills, education and employment strategy for the Lower Thames Crossing project.

2. Recommendations

- 2.1 The Board is asked to **note** progress and provide feedback to the Lower Thames Crossing team.

3. Background

- 3.1 The Lower Thames Crossing (LTC) is a proposed new motorway connecting Kent, Thurrock and Essex through a tunnel beneath the River Thames. It will provide much needed new road capacity across the river east of London.
- 3.2 Skills, employment and education in the context of the LTC focuses on securing the skills and labour required to build the crossing itself and leave a legacy of a highly-skilled and diverse workforce.
- 3.3 The LTC project team is committed to ensuring the right skills are available to deliver the project on time and within budget, whilst ensuring it leaves a legacy for the local, regional and national economy.
- 3.4 The LTC project team recognises the employment and economic potential of project, with an initial opportunity to upskill the UK's construction workforce, followed by the creation of employment opportunities once operational
- 3.5 Early work with stakeholders to gain feedback is underway. At this stage and in terms of direction of travel, the focus of the strategy will be on supporting and promoting increased skills and employment in a way that makes a positive contribution to young people and adults in the highways and construction sector – and beyond.
- 3.6 This strategy will link in with the SELEP Skills Strategy across a number of areas, including increasing productivity and preparing people with skills for the future.
- 3.7 The discussion will also reflect recent engagement with Local Authorities.

4. Next steps

- 4.1 The role we would like the SELEP Board to play in the future development of this is open for discussion and the LTC team would welcome ideas and feedback.
- 4.2 More widely, the LTC team will work with SELEP's Skills Advisory Group and look to act as a key partner as the Skills Advisory Panel is established.

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AGENDA ITEM 11: Garden Communities Session Three

1. Purpose

- 1.1. The purpose of this paper is to provide an update to the SELEP Strategic Board (the Board) on the development of Harlow and Gilston Garden Town.
- 1.2. This follow presentations to the Board in June 2018 by representatives of the North Essex Garden Community and in December 2018 by Ebbsfleet Garden City.
- 1.3. Claire Hamilton, Harlow and Gilston Garden Town Director is attending this meeting and will give a presentation on the progress and challenges of the Garden Town development, the priorities for the next few years, and opportunities for further joint working and sharing lessons learned with SELEP Board partners.

2. Recommendations

- 2.1 The Board is asked to note this paper and Claire Hamilton’s presentation, and to consider opportunities for further joint working and sharing of lessons learned.

3. Background

- 3.1 The Harlow and Gilston area was designated as a Garden Town by Central Government in January 2017.
- 3.2 The vision is for “Harlow and Gilston will be a joyful place to live with sociable streets and green spaces; local centres accessible by walking and cycling and innovative, affordable public transport”.
- 3.3 The Garden Town is described as ‘an exciting opportunity to regenerate the area and to deliver homes, jobs and infrastructure that the community needs.’
- 3.4 The November 2018 vision document, promoted the Garden Town as “an unparalleled opportunity in an exceptional location close to London, Stansted Airport and Cambridge to deliver both housing and economic growth, and to build on the area’s key strengths as the next global knowledge region in the UK.”
- 3.5 Those working on the Garden Town have an ambition for the new development to complement the natural environment, embrace new technology and enable all residents and workers to travel by foot, bicycle and public transport in and around Harlow on high quality routes.’

- 3.6 East Herts, Epping Forest and Harlow District Councils along with Essex and Hertfordshire County Councils are working together to ensure that, good quality villages and neighbourhoods, homes, jobs and infrastructure are provided for new and existing residents in and around the Harlow area.
- 3.7 Set in attractive countryside, with major investment in transport and community infrastructure, plans are being developed for new neighbourhoods to be established to the east, west and south of Harlow along with 7 new villages to the north.
- 3.8 New homes will also be built within Harlow. The Garden Town area will provide for 16,000 new homes up to 2033. A further 7,000 new homes are planned for the Gilston part of the Garden Town for the period beyond 2033.
- 3.9 The town centre will be regenerated, thousands of new jobs will be created and further investment will be attracted for the Enterprise Zone.

4. Progress

- 4.1 In January 2017, East Herts council, along with Harlow and Epping Forest councils, were awarded a government grant of £500,000 to support proposals for a Garden Town at Harlow and Gilston. The Garden Town project will see approximately 16,500 new homes built in Harlow and the surrounding area by 2033, including around 3,000 homes in the Gilston Area. The grant was provided to help fund the significant amount of technical work required to deliver this ambitious project.
- 4.2 In March 2017, East Herts, Harlow and Epping Forest Councils received a further £175,000 from the Government for the Harlow and Gilston Garden Town project.
- 4.3 In May 2017, East Herts, Harlow and Epping Forest Councils commissioned programme management support to establish a governance structure for the Harlow and Gilston Garden Town. In addition, they commissioned advisers to focus on 'visioning' and the preparation of a design charter.
- 4.4. In February 2019, MHCLG announced that Harlow & Gilston Garden Town has secured an additional £715,000 of capacity funding from Homes England.
- 4.5 Substantial work has already been carried out by the partnership to develop some strong foundations in order to achieve the Garden Town vision, including:
 - Adoption of the Garden Town Vision
 - Adoption of the Garden Town Design Guide
 - A draft Transport Strategy for consultation in the summer
 - A study on the delivery of Sustainable Transport Corridors
 - Ongoing consultation with residents, businesses and stakeholders
 - Site specific Masterplanning



- Preparation of a Garden Town wide Infrastructure Delivery Plan
- Establishment of a Quality Review Panel

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AGENDA ITEM 12: Thames Estuary Production Corridor

1. Purpose

- 1.1 The purpose of this paper is to report to the Board the results of the Thames Estuary Production Corridor (TEPC) feasibility work.
- 1.2 Chris Paddock from Hatch Regeneris and Sarah Dance, Co-Chair of the South East Creative Economy Network (SECEN) will present to the Board on the TEPC Case for Investment, including an appraisal of the opportunity TEPC presents; options for next stage delivery and current progress, including an update on the successful £4.3m bid to the Cultural Development Fund.

2. Recommendations

- 2.1 The Board is asked to **note** the report and the presentation at the meeting and indicate their continued endorsement for work on the Thames Estuary Production Corridor. It should report to future meetings of the Strategic Board.

3. Background

- 3.1 The Thames Estuary Production Corridor (TEPC) work to date has been overwhelmingly positive: strong partnerships across Essex, Kent, London and the creative sector have been developed; a sense of the opportunity and the scale of the prize on offer has been established across senior officers and politicians, and; a strong, rigorous evidence base has started to suggest those projects and places we should prioritise as the work develops.
- 3.2 TEPC is a collective programme of work which is encouraging the development of the creative industries and wider creative economy across the Thames Estuary. It brings together partners across Essex, Kent and London. Consultants Hatch Regeneris have been developing a “case for investment”, identifying a set of priority opportunities and the means to take these forward. The work is now complete and demonstrates a strong evidence base with real potential in the Estuary. The next phase of the work will focus on how to take full advantage of these opportunities.
- 3.3 The concept was initially developed by the Greater London Authority and the South East Creative Economy Network (SECEN), with the aim of identifying space for the creative industries to grow. Together Kent and Essex with East London greatly increase growth potential, linking supply chains to London’s position as a creative industries global market leader. The over-riding objective is to make the Thames Estuary an internationally recognised area for digital, creative and cultural production.
- 3.4 Officers from KCC, ECC, Thurrock, SELEP, TGKP, Opportunity South Essex, and the Arts Council led by the SECEN jointly developed a programme of work to take this forward. Two substantive pieces of

work have been jointly commissioned: i) a feasibility study looking at the opportunities for the growth of the creative industries in Kent and Essex, specifically; and, with the GLA, ii) an Estuary-wide business case for the development of TEPC, with a detailed “case for investment”.

- 3.5 The Kent and Essex feasibility study demonstrated strong support for the concept of the TEPC from all partners and identified a set of potential projects and priorities which could be taken forward.
- 3.6 The estuary -wide business case, produced by Hatch Regeneris, makes a strong case for investment: it has highlighted the strong recent growth of the creative economy across the Estuary, shows the increasing demand for the sector, considered some of the challenges and recommends how to take the project forward.
- 3.7 Strong cross-Estuary partnership arrangements have underpinned the work to date – and there has been a genuine, positive and productive set of structures which have ensured that London, Essex and Kent have been equal partners (local authorities, higher education and creative sector leaders), able to shape the overall vision and ensure that the distinctive strengths of each area are fully considered.
- 3.8 Overall the work to date has established a sense of the sites, sectors and opportunities. It has tested whether the initial vision for the TEPC is something with genuine potential, and emphatically demonstrated that the creative economy should be a priority area for growth in the Estuary.
- 3.9 Essex and Kent TEPC partners have successfully secured £4.3m from the DCMS Cultural Development Fund for Phase 1 of TEPC delivery in the South Essex and North Kent Estuary Region. Project delivery includes an Estuary-wide creative workspace property portfolio (building on the SELEP Creative Open Workspace Master Plan and Prospectus); promotion of Estuary places to attract creative industries inward investment; cultural investment in residential and mixed use developments generating better quality places; new model creative apprenticeships and development Estuary 2020 as an international profile cultural festival.

4. Next steps

TEPC Launch

- 4.1 A high profile launch event in early summer will present the Case for Investment report to the creative sector, government and potential investors, identifying priority areas and projects and acknowledging the success of the TEPC Partnership to date.

Essex and Kent Cultural Development Fund

- 4.2 Led by the bid’s Accountable Body, University of Kent, and SECEN, work is underway to establish project governance structures that include sector and local authority representation and secure project leadership. SELEP officers will be engaged in supporting the delivery of this.



TEPC Governance

4.3 The TEPC vision covers a broad and diverse geography, crossing over a range of different administrative boundaries and their respective industrial strategies. Coordination and strong governance are one of the key challenges for the success of TEPC. Given the prominence of TEPC in the overall Thames Estuary body of work, it is quite correct that SELEP follows up its initial investment in the work with a strong leadership position across the newly established arrangements. This will be undertaken by the LEP Managing Director and the SECEN co-chairs.

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