



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ANNUAL REPORT

APRIL 2018 TO MARCH 2019



Discover our Economic Strategy Statement: **Smarter–Faster–Together**

It sets out our ambitions for the south east economy and how we will achieve them:

- tackling housing shortages
- relieving pressure on infrastructure
- improving skills across our workforce

It outlines the action we will take, over the next five years, to deliver on the Government's National Industrial Strategy, and sets us on a pathway towards a robust Local Industrial Strategy for the south east.

VIEW ONLINE OR DOWNLOAD HERE:

www.southeastlep.com/SmarterFasterTogether





SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

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Chair's Review and Foreword

2018/19 was another year of significant delivery for the South East LEP against a backdrop of fundamental changes, both at a partnership level and nationally. That the partnership chose to focus on supporting businesses, our investments and our economy rather than re-evaluating our geography during this time of economic uncertainty is to be applauded.

The publication of the Strengthened Local Enterprise Partnerships policy document in July 2018 was an indication from Government that LEPs will have an even greater role to play in ensuring the strength and resilience of local economies in the future. The expectations of Government are clear and the work to ensure that we not only meet those expectations but are an exemplar of good governance continues into 2019/20. This a large piece of work but absolutely necessary; our partners, the government, businesses and the public must have trust in us and our processes.

Whilst the essential conversations on governance were taking place, the partnership continued to push forward on delivering the £0.5bn Growth Deal and our investment programmes for the South East. During the year we spent over £94m through our Local Growth Fund and Growing Places Fund* on projects to improve the economy of the South East. By the end of the year our investment programmes had enabled a total of over 13,000 new jobs and 8,500 new homes since our inception and we were rightly assessed as having a 'good' delivery focus by Government in this year's Annual Performance Review.

Our investments don't just benefit the South East, we are a major contributor to the economic well-being of the country and not only to the UK balance sheet through our economic activities. So much of UK trade travels through and on our infrastructure in the South East, we truly are the gateway to Europe and investment here drives the rest of the economy.

During the year we were selected as one of just five LEPs to work closely with the Department of Culture, Media and Sport (DCMS) to form a Digital Skills Partnership, demonstrating Government's confidence in how we are shaping the Skills agenda following the launch of our Skills Strategy in September 2018.

We also launched our refreshed Strategic Economic Plan, Smarter, Faster, Together during the year. We revisited the evidence to make sure we are making the right interventions in the right places and this strategy puts us in a strong place to develop a Local Industrial Strategy for the South East.

Economies are not bound by local authority borders and we are working with partners not only within our borders but outside too. 2018/19 saw the launch of our Tri-LEP Energy Strategy that we developed with Coast to Capital LEP and Enterprise M3 LEP. Addressing the challenges of climate change and the move to a zero carbon economy, can only be done by us working effectively and constructively together.



Christian Brodie – Chair
South East Local Enterprise
Partnership



Adam Bryan –
Chief Executive Officer
South East Local
Enterprise Partnership

We owe thanks to the commitment shown from our Board members and local partners this past year. There has been much hard work and constructive contribution to take the partnership forward. Together we have always been driven to make the most of our opportunities and the dynamic environment that we are in offers as many opportunities as it does challenges. Working together we can provide resilience to support our businesses through the uncertainty and provide a spring board to allow those opportunities to be grasped.

A challenging year ahead will see a redesign of our board operations but the foundation of strong partnership will be the basis for our continued work and focus to drive sustainable growth for the South East.

CHRISTIAN BRODIE

ADAM BRYAN

*£88.3m Local Growth Funding and £5.8m Growing Places Funding. See further details on pages 6 and 14.



SELEP 2018-19 Highlights

APRIL 2018

• **£4.3m Local Growth Funding (LGF)** awarded to support the delivery of the Dartford Town Centre Improvements project.



• **£800,000 Growing Places Fund (GPF)** loan awarded to the Fitted Rigging House project (above).



• **£234,815 LGF** funding awarded to Harlow College for specialist equipment (above).

• **Chris Brodie's** term as Chair of SELEP extended for a further two years.

Local Growth Fund Spend

Total value of Local Growth Fund programme:

£570m

Total number of LGF projects:

100

SPEND IN 2018/19*

£75.4m

LGF spend to date in 2018/19, excluding Department for Transport (DfT) retained schemes.

£88.3m

LGF spend to date in 2018/19, including DfT retained schemes.

SPEND TO DATE (2015/16 - 2018/19)*

£279.9m

LGF spend to date, excluding DfT retained schemes.

£315.5m

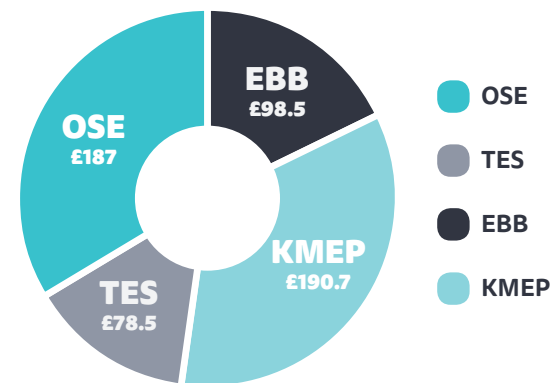
LGF spend to date including DfT retained schemes.

*Subject to outcome of internal audit

LGF INVESTMENT by Federated Area - INCLUDING retained schemes and skills capital funded projects

	LGF allocation (£m)	LGF spend to date (£m) To end of 2018/19	Percentage
TES	78.5	54.6	69.6%
KMEP	190.8	121.1	64.0%
EBB	98.5	66.9	67.9%
OSE	187.0	71.9	38.4%
TOTAL	554.8	315.5	56.9%

LGF ALLOCATION by Federated Area - INCLUDING retained schemes and capital skills projects (£m)



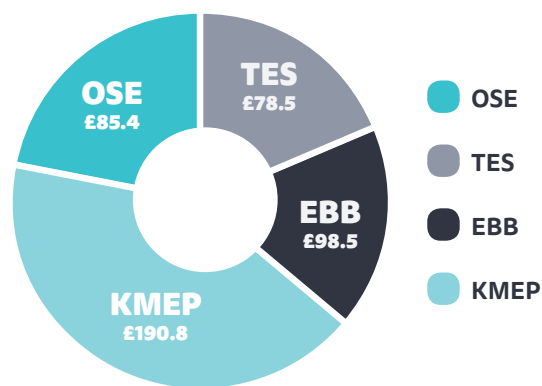
LOCAL GROWTH FUND DELIVERY AND OUTCOMES

	2018/19	Total to date (2015/16 - 2018/19)
Jobs	3,672	11,236
Houses	2,184	7,377

LGF INVESTMENT by Federated Area - EXCLUDING retained schemes but including capital skills projects

	LGF allocation (£m)	LGF spend to date (£m) To end of 2018/19	LGF spend to date as % of allocation
TES	78.5	54.6	69.6%
KMEP	190.8	122.1	64.0%
EBB	98.5	66.9	67.9%
OSE	85.4	36.3	42.5%
TOTAL	453.2	279.9	61.8%

LGF ALLOCATION (£m) Federated Area - EXCLUDING retained schemes but including capital skills projects



SELEP 2018-19
HIGHLIGHTS CONTINUED...

MAY 2018

• **SELEP hosts Growth Hub and Skills awareness raising event** with Careers Enterprise Company, DWP, Cornwall & Isles of Scilly LEP and National Apprenticeship Service at with over 100 attendees.

JUNE 2018



• **£2.7m LGF funding** to support the delivery of Phase 2 of the Maidstone Integrated Transport Package (below).



• **£877,425 LGF funding** to the Sandwich Rail Infrastructure Project.

FUNDING DECISION PUTS THE OPEN ON TRACK FOR SANDWICH

A multi-million pound economic boost is on its way to East Kent, after it was announced that The Open Championship is to be held at Royal St George's in Sandwich, near Dover, three times between now and 2036.

The news follows the decision by South East Local Enterprise Partnership (SELEP) to contribute more than £1.9m to upgrade the railway station near the golf course in time for the first of The Open's three visits in 2020.



"The 2020 event is expected to bring more than 200,000 people to the county. The economic impact is forecast to exceed £85m, with at least £26.8m expected to be direct additional spend. This means that the investment case to upgrade the station at Sandwich is a very strong one."

CHRISTIAN BRODIE
CHAIR OF SOUTH EAST LEP

JULY 2018



• **Work begins on the £3.5m Strood Waterfront project** delivering more than 1,000 homes (including affordable housing), new businesses and public spaces. Medway Council has been awarded funding from the Government's Local Growth Fund through SELEP to enable flood defence works to take place on the former Civic Centre site (below).



- **East Sussex** successful in its bid to become one of 20 Career Hub pilots across the country.
- **Work begins on £6.65m scheme** to improve the A2500 Lower Road on the Isle of Sheppey.
- **Government published** the Strengthened Local Enterprise Partnerships Policy document a review into the workings of LEPs nationwide.

EAST SUSSEX SUCCESSFUL IN ITS BID TO BECOME ONE OF 20 CAREER HUB PILOTS ACROSS THE COUNTRY

In July 2018 the Secretary of State for Education, announced the names of 20 new Careers Hubs across England and East Sussex has been successful in its bid to become one of those Career Hubs.

The Careers Hub will use £200,000 of funding over two years to expand on the work that East Sussex County Council and Skills East Sussex are doing with secondary schools, special schools and colleges through the Enterprise Adviser network.



"Being named a Careers Hub gives us the opportunity to strengthen our links between schools, colleges, training providers and businesses within East Sussex, and give students the chance to get involved in initiatives and find out more about the world of work."

CLLR BOB STANDLEY,
EAST SUSSEX COUNTY COUNCIL'S LEAD MEMBER
FOR EDUCATION AND SELEP BOARD MEMBER

A2500 Lower Road, Isle of Sheppey

Scheme to improve the capacity of A2500 Lower Road/Barton Hill Junction.

SUMMARY

The A2500 Lower Road/Barton Hill junction improvement scheme delivered a new roundabout to replace the existing traffic signal control junction which acted as a pinch point on the principal 'A' road serving the Isle of Sheppey from its connection with the Strategic Road Network.

The junction was acting as a barrier to the delivery of around 1500 new houses and jobs by 2031, which will be unlocked as a result of the junction improvement scheme. Provision for a fourth leg on the roundabout has been included to provide access to the new development site allocated for 620 new homes in the Swale local plan "Bearing Fruits" adopted in July 2017.



KEY FACTS

LEP: South East Local Enterprise Partnership

Location: Isle of Sheppey, Kent

Project completion: February 2019

LGF funding: £1.27m

Matched funding: £0.54m

Estimated potential outputs: New roundabout with access for development.



THE BACKGROUND

- The A2500 was subject to significant traffic volumes resulting in unacceptable traffic congestion and delays both at peak times and weekends. This was a result of significant new development, general growth in background traffic and the largely tourism-based economy on the Island.
- Congestion was having an impact upon access to and from the area, becoming a significant deterrent to visitors as well as impacting on the travelling public and those accessing employment on and off the Island.
- The scheme was necessary to facilitate additional housing developments, as well as any future expansion of the Sheppey Prison Cluster, at Eastchurch (the Island's biggest employer).

THE BENEFITS

- **Unlocks 892 homes** and provides access for a further 620 homes.
- **1500 jobs.**
- Journey time improvements and reliability.
- Improved journey experience for visitors to the tourist areas to the east of the island.

Devonshire Park Quarter Redevelopment

Creation of a new exhibition and conference space together with redevelopment of major cultural performance spaces.

SUMMARY

The Devonshire Quarter re-development has delivered a series of major investments to transform Devonshire Park into one of the UK's most distinctive, talked about cultural destinations and contribute to the future economic vibrancy of Eastbourne town.

The scheme has delivered improved conference facilities – to compete more effectively; improved arts venues – attracting more visitors; new tennis facilities – for the prestigious Nature Valley Tournament; and a distinct gateway and public realm. The £5m LGF monies were committed to the construction of the Welcome Building; a vital first step to the wider £54million programme.

THE BACKGROUND

- The Welcome Building addresses a long standing problem – the conference spaces were outdated and insufficient to meet modern needs, resulting in over £800,000 of lost business in 2016.
- The scheme delivers a productivity boost to one of the LEP's key growth sectors, the 'Creative, Cultural and Media and the Visitor Economy'.



THE BENEFITS

- The delivery of the Welcome Centre at Devonshire Park will strengthen Eastbourne's conferencing offer and enable the town to attract new visitors to East Sussex and the wider South East LEP area.
- The scheme will enable Devonshire Park to attract a further **26,650 visitors** per year, bringing overall delegate visitor numbers to around 34,150 annually once the Welcome Centre is fully operational.
- Support the growth of the local visitor economy and address seasonality thus **supporting 30 local businesses** (in the hospitality trade).
- Deliver a productivity boost to one of the LEP's key growth sectors, the 'Creative, Cultural and Media and the Visitor Economy'.
- An **additional £4.6m** spent by visitors in SELEP per annum.



KEY FACTS

LEP: South East Local Enterprise Partnership

Location: Eastbourne, East Sussex

Project completion: June 2019

LGF funding: £5m

Matched funding: £48m

Estimated potential outputs:

- 1 purpose built conference venue
- 2,500 sqm commercial floor space
- 84 additional FTE jobs



SELEP 2018-19 HIGHLIGHTS CONTINUED...

AUGUST 2018

• **£14.6m LGF funding** awarded to support the delivery of the Southend Airport Business Park project.

• **£2.35m LGF funding** to support the delivery of the Leigh Flood Storage Area.

• **£0.65m GPF loan** to enable the delivery of the Innovation Park Medway project (below).



• **Endorsement of Sector Support Fund projects:**

- Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000).
- Good Food Growth Campaign (£60,400).
- Future Proof: Accelerating the 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).

SELEP AGREES FUNDING FOR AIRPORT BUSINESS PARK DEVELOPMENT

SELEP has approved £14.6m of Local Growth Fund support towards the development of Southend Airport Business Park, bringing its total contribution in the phased funding of the project to more than £23m.

Work on Phase 1 of the project, which includes the relocation of Westcliff Rugby Club to release the first six development plots, is nearing completion. With the further LGF funding approved, Phase 2 will see the construction of a new innovation centre called “The Launchpad”, site infrastructure allowing the delivery of a further 15 commercial development plots, and off-site cycleways to ensure the business park is connected to sustainable transport hubs and surrounding residential areas.



“Southend-on-Sea and Rochford councils have an excellent joint strategy for ensuring the business park’s proximity to this expanding airport will maximise the economic benefits of its growth locally. It is exactly the sort of ambitious, job creating project the Local Growth Fund was introduced to support.”

CHRISTIAN BRODIE
CHAIR OF SOUTH EAST LEP

SELEP 2018-19 HIGHLIGHTS CONTINUED...

- **SELEP welcomed the Government's announcement of further support** for the development of Garden Communities with the launch of their new Garden Communities Prospectus.

- **SELEP and CITB** working together to tackle construction skills challenges following the publication of two reviews of the sector.

SEPTEMBER 2018

- **Launch of SELEP's 2018-2023 Skills Strategy** at the official opening of the new Construction Skills Centre at Folkestone College in Kent.

- **Innovation Park Medway launched.**



- **SELEP hosts the "Delivering Inclusive Growth event"** at Harlow College with Robert Halfon MP and Dame Carol Black aimed at helping those furthest from the workplace make the most of the employment opportunities available.

SELEP LAUNCHES PLANS TO BUILD SKILLS FOR FUTURE GROWTH

A new five-year strategy to develop the skilled workforce needed to help the South East continue to grow and play its vital role in the UK economy has been launched by the South East Local Enterprise Partnership (SELEP).

Developed with local businesses and education providers and supporting the Government's Industrial Strategy and new national Careers Strategy, the SELEP blueprint is an employer and evidence-led statement of the skills and employment priorities needed to drive productivity and growth across the LEP area. The strategy was launched on Friday (September 21st) at the official opening of the new Construction Skills Centre at Folkestone College in Kent, which has received £1.36m of Local Growth Fund support via SELEP.



"It's really apt that we are holding this in Folkestone College, part of East Kent College Group. This is one of many centres we have invested in to ensure we have the right infrastructure to deliver."

CHRISTIAN BRODIE
CHAIR OF SOUTH EAST LEP

NEW, INNOVATIVE BUSINESS PARK IN MEDWAY LAUNCHED

Innovation Park Medway is a prime development in the Thames Gateway and offers an exciting opportunity for businesses to grow.

It is expected to become a magnet for high value technology, engineering, manufacturing and knowledge intensive businesses. The site at Rochester Airport, which forms part of the pioneering North Kent Enterprise Zone, offers up to 100,000m² of high quality, innovative commercial space in a prime spot between London and the continent.



"Having been born, schooled and run a small business in Medway, this is a particularly exciting project for our towns which will boost local skills and our economy and maintain Medway as a great place to live and work into the future."

MP KELLY TOLHURST,
MEMBER OF PARLIAMENT FOR ROCHESTER & STROOD

Innovation Centre - Knowledge Gateway

Development of an innovation centre at the Knowledge Gateway technology and research park at the University of Essex's Colchester Campus.

SUMMARY

This purpose-built Innovation Centre is being managed by Oxford Innovation at the Knowledge Gateway research and technology park on the University of Essex's Colchester Campus.

The scheme will deliver flexible workspace and support for more than 50 early stage and start-up tech companies. The Innovation Centre will attract companies to establish and grow their businesses, contribute to student employability strategies and enhance the position of the University as a national centre for SMEs. It will provide additional benefits to the wider economy generating 423 net new jobs and contributing £9.2m in GVA to the area, in addition to sectoral clustering.

The project will increase business engagement, knowledge transfer and also a flow of expanding businesses to populate other "Grow-On" units at the wider Knowledge Gateway.

The Innovation Centre will also include a café, a 360° VR Projection Space and the University's start-up programme to help students develop business ideas and skills plus space to showcase Essex research, linked to the creative and digital sectors.



KEY FACTS

LEP: South East Local Enterprise Partnership

Location: Colchester, Essex

Project completion: December 2018

LGF funding: £2m

Matched funding: £10m

Estimated potential outputs: 423 new jobs in the first 10 years

Contribute: £9.2m GVA to the area

THE BACKGROUND

- This project is the cornerstone of the Knowledge Gateway and will drive growth by harnessing the know-how and talent of a world-class research-intensive university.
- It will provide the first step for new businesses which will then be able to flourish and grow into the range of follow-on accommodation at the site.
- Parkside Office Village on the Knowledge Gateway is now open and fully occupied with 20+ businesses.
- The Knowledge Gateway masterplan envisages 2,000+ people eventually working and growing their businesses on site.
- The latest Economic Impact Report for the University estimates it contributes more than £500m to the UK economy.

THE BENEFITS

- **423 new net jobs.**
- Retaining graduates in the area.
- Providing high quality workspace.
- Promoting Inward Investment into the area.
- Intellectual property and patents developed.
- Increased GVA contribution to the wider area.

Growing Places Fund Spend

£49.2m

GPF was made available to SELEP for investment as a recyclable loan scheme.

DRAWN DOWN TO DATE

Total value of the projects supported through GPF investment

£52.5m

Total number of projects supported through GPF investment

21

GPF drawdown in 2018/19

£5.8m

GPF drawdown to date

£50.8m

GPF repaid in 2018/19

£9.3m

GPF repaid to date

£17.7m

Growth Places Fund delivery total and outcomes reported at end of 2018/19



GPF Outcomes reported at end of 2018

NAME OF PROJECT	Outcomes defined in Business Case		Outcomes delivered to date	
	Jobs	Houses	Jobs	Houses
ROUND 1 GPF PROJECTS				
Priory Quarter Phase 3	440	0	240	0
North Queensway	865	0	0	0
Rochester Riverside	402	450	25	0
Chatham Waterfront	211	159	211	0
Bexhill Business Mall	299	0	98	0
Parkside Office Village	169	0	200	0
Chelmsford Urban Expansion	2,105	365	0	919
Grays Magistrates Court	200	0	144	0
Sovereign Harbour	299	0	220	0
Workspace Kent	198	0	91	0
Harlow West Essex	4,000	1,200	390	200
Discovery Park	130	250	0	0
Live Margate	0	66	0	32
ROUND 2 GPF PROJECTS				
Colchester Northern Gateway	81	450	0	0
Charleston Centenary	6	0	6	0
Eastbourne Fisherman	4	0	0	0
Centre for Advanced Engineering	56	0	0	0
Fitted Rigging House	300	0	150	0
Javelin Way Development	311	0	0	0
Innovation Park Medway	307	0	0	0
No Use Empty Commercial	16	28	3	0
TOTALS	10,399	2,968	1,788	1,151

SELEP 2018-19 HIGHLIGHTS CONTINUED...

OCTOBER 2018

- **ARU School of Medicine** welcomes its first students.



- **Consultation on plans for the detailed proposed route** for the Lower Thames Crossing was launched by Highways England (above).

NOVEMBER 2018

- **£1.6 GPF loan** to enable the delivery of the Javelin Way project.
- **£1m LGF funding awarded** to support the development of the A127 The Bell and Essential Maintenance project.
- **South East secures support** from the Construction Skills Fund for three sites in the South East area, aimed at increasing the number of people trained in the construction industry and tackling skills shortages in the sector.
- **Work begins on Colchester Institute's** new £5m Learning and Technology Centre at Braintree.

£9 MILLION JAVELIN WAY DEVELOPMENT PROJECT

The Project aims to develop the Javelin Way, Ashford, site for employment use, with a focus on the development of Ashford's creative economy.



The Javelin Way site occupies the north-eastern edge of the Henwood estate, in Ashford. The Project consists of two elements. The construction of a 'Creative Laboratory' production space, with a ground floor area of 1,293 sqm, to be leased from Kent County Council by the Jasmin Vardimon Company (above), a major dance and creative organisation. Also the development of 29 light industrial units, with a gross internal floor area of 3,046 sqm, for sale and/or lease, suitable for additional creative businesses as well as the general market.

COLCHESTER INSTITUTE'S NEW £5M LEARNING AND TECHNOLOGY CENTRE AT BRAINTREE

Colchester Institute has celebrated the commencement of a new £5m build at its Braintree campus with a ground breaking ceremony on Wednesday 28th November 2018.

The event marked the inaugural work for a new Learning and Technology Centre, which aims to provide students with a high-quality learning experience using industry-standard equipment. A state-of-the-art IT and Digital Media Centre will be housed inside the new construction alongside other teaching areas, workshops and suites. With consumer spend predicted to drive growth in the IT and Digital sector, the centre will help the demand for skilled workforce that has been highlighted by employers in the region.



"We have marked today, another significant milestone in our exciting Braintree campus masterplan. This time next year, our campus will be fully modernised, with every building boasting state of the art learning spaces and industry standard facilities."

ALISON ANDREAS
COLCHESTER INSTITUTE'S PRINCIPAL AND CHIEF EXECUTIVE

SELEP 2018-19 HIGHLIGHTS CONTINUED...

DECEMBER 2018

- **SELEP Economic Strategy Statement agreed.**

- **Endorsement of Sector Support Fund projects:**

- 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).



- **Government issued guidance on the role of Skills Advisory Panels**, setting out their purpose, composition and responsibilities. Each local Panel being tasked with bringing together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address specific challenges facing an area.

Fitted Rigging House, Chatham

Scheme to convert a Grade 1 former industrial building, at the Chatham Historic Dockyard.



SUMMARY

The Fitted Rigging House project was awarded £800,000 GPF in April 2018, for the conversion of a Grade 1 former industrial building, at the Chatham Historic Dockyard, into commercial office space and public benefit space.

It was anticipated that the project would create 3,473m² of new office space, which would house businesses offering up to 350 jobs.

The conversion is now nearing completion and has created 3 large tenant spaces, 5 small business units, a new office for the Chatham Historic Dockyard Trust and a new library, archive and volunteer centre.

To date, three tenants have taken occupation of their allocated space within the Fitted Rigging House, creating a total of 150 jobs. A fourth tenant will be taking occupation by the end of May 2019. Tenants have been confirmed for the remaining four business units, with the building expected to be fully occupied by October 2019.

Sector Support Fund

1 FUTURE PROOF

Accelerating Delivery of High Quality Development across the LEP

Group: Housing and Developers Group

SSF funding award: £110,000

Total project cost: £157,425



SUMMARY: Create a new financial product that will be used to accelerate the delivery of housing developments which are futureproofed for 2050. This financial product will help to overcome current barriers to housing delivery including lack of access to finance and opportunities for SME developers and a lack of long-term approaches to managing community assets.

2 FUTURE SKILLS

Planning and prioritising future skills, training and business support needs for rural businesses

Group: Rural

SSF funding award: £96,000

Total project cost: £151,500



SUMMARY: Deliver a comprehensive skills evaluation to generate recommendations for targeting future skills delivery, identifying priorities for the three main rural sectors: Agriculture, Food and Drink (production and manufacture) and Horticulture production (vegetable crops, fruit and viticulture). This seeks to address the current skills shortages in the rural sector.

5 COASTAL COMMUNITIES

Coastal Communities Supplement to the SELEP Strategic Economic Plan

Group: Coastal Communities

SSF funding award: £40,000

Total project cost: £60,000



SUMMARY: Deliver a coastal supplement to SELEP's Economic Strategy Statement, to act as an investment prospectus that will set out the economic opportunities and priorities specific to coastal areas and will make a strategic case for investment to help address challenges faced by coastal economies.

3 GOOD FOOD GROWTH CAMPAIGN

Group: Rural

SSF funding award: £60,400

Total project cost: £98,900



SUMMARY: 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. Achieved through networking at specially arranged food and drink conferences and supply chain development.

6 SKILLS

Delivering skills of the future through teaching: teaching for growth

Group: Skills

SSF funding award: £166,000

Total project cost: £247,900



SUMMARY: Address the widespread shortage of tutors, teachers and trainers across the area as highlighted in the SELEP Skills Strategy, through the delivery of a high quality awareness raising campaign showcasing the skills sector, provision of a contribution towards teacher training costs through the award of grants and through showcasing existing support available.

4 INNOVATION

Kent Medical Campus Enterprise Zone - Innovation Centre Design Work

SSF funding award: £156,000

Total project cost: £260,000



SUMMARY: Contribute towards the design work needed for the development of an Innovation Centre in the Kent Medical Campus Enterprise Zone. It will offer SMEs focused on life sciences, healthcare and med-tech activities access to both high-grade office accommodation and business support, thereby addressing a significant under provision for by the private sector.

7 CREATIVE

SELEP Creative Open Workspace and Masterplan Prospectus

Group: Creative (SECEN)

SSF funding award: £49,000

Total project cost: £70,000



IMAGE COURTESY OF BURST PHOTOS PHOTOGRAPHY

SUMMARY: Address a gap in suitable workspace for the Creative Cultural and Digital Sector, across the SELEP area, through the delivery of a range of outputs including a refreshed South East Creative Economy Prospectus, a Creative Open Workspace report and toolkit to accelerate the pipeline of open workspace projects and cultural planning policy guidance.

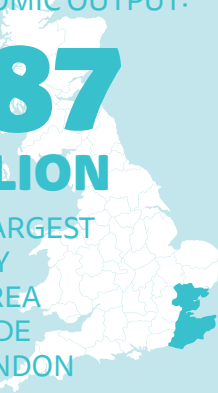
Our Economy

GROSS VALUE ADDED (GVA)

OUR ANNUAL ECONOMIC OUTPUT:


£87 BILLION

THE LARGEST OF ANY LEP AREA OUTSIDE OF LONDON



TOTAL POPULATION:

2018:  4,233,800

2017:  4,204,900
+0.7%


ECONOMICALLY ACTIVE:

2018:  **2,112,100** (79.7%)

2017:  **2,121,400** (80.2%)

BUSINESS COUNTS:

2018:  **169,930**

2017:  **169,545**
+0.02%

SELEP HOUSING NUMBERS FOR 2018-2019:

HOUSING STARTS:  12,240

HOUSING COMPLETIONS:  11,260

UNEMPLOYED:

2018:  **76,400** (3.6%)
2017: **78,900** (3.7%)

LEVEL 4 QUALIFICATIONS:

2018:  **833,600** (33%)
2017: **821,100** (32.6%)

LEVEL 2 QUALIFICATIONS:

2018: **1,815,000** (71.8%)
2017: **1,836,800** (73%)

NO QUALIFICATIONS:

2018:  **210,000** (8.3%)
2017: **176,700** (7%)

WEEKLY EARNINGS (2018):

WORKPLACE BASED

£546

RESIDENCE BASED

£600



Business Support



Evidence suggests that entrepreneurs and business owners who get external help and support are more likely to have better performing, more successful businesses.

This is why the South East Business Hub focus during 2018-19 was to:

- **HELP BUSINESSES TO GROW** by providing the right support, access to finance and reducing regulatory burden.
- **DEVELOP AN ENVIRONMENT** where innovation can flourish and businesses can grow confidently.

South East Business Hub (SEBH) in Numbers

IMPACT	994 Gross jobs (795 direct, 199 indirect)	£11.5m NPV GVA	£1.00: £13.20 Return on investment	£607 Unit cost per business supported
	59% Have or will increase turnover	48% Medium and high intensity firms created jobs already (61% Will do in the next 12 months)	83% Medium and high intensity firms report some form of additionality (Time, scale, pure additionality etc)	£1,094 Unit cost per gross job
SERVICE	93% Medium and high rate professionalism as very good or good	87% Medium and high rate understanding of their requirement as very good or good	86% Satisfied with quality of service	85% Medium and high intensity businesses increased confidence in achieving their aspirations
	84% Medium and high referrals rated as very good or good	85% Medium and high intensity likely to engage with business support in future	74% Light touch likely or very likely to recommend Growth Hub	92% Medium and high intensity would not have accessed or taken longer to access support without the hub
BUSINESS REACH	84% Medium and high referrals rated as very good or good	85% Medium and high intensity likely to engage with business support in future	74% Light touch likely or very likely to recommend Growth Hub	92% Medium and high intensity would not have accessed or taken longer to access support without the hub

SELEP 2018-19 HIGHLIGHTS CONTINUED...



• **Stansted Airport College was official opened.** An £11 million technical and professional skills facility, the first purpose-built on-site college at a major UK airport.



JANUARY 2019

• **Government awards £4.3m to develop the Thames Estuary Production Corridor kick starting a visionary 3 year, £6.7m #CreativeEstuary programme which will deliver:**

- Over 500 new creative industry jobs.
- Skills training for over 200 local people.
- 60 apprenticeships.
- Countless opportunities for people to engage with world class artists from here in the UK and across the globe.

SELEP 2018-19
HIGHLIGHTS CONTINUED...

FEBRUARY 2019

- **£9.9m LGF funding awarded** to support the delivery of the A127 The Bell and Essential Maintenance project.
- **£12m LGF funding awarded** to the Beaulieu Railway Station project.*



- **£6.23m LGF funding awarded** to enable the delivery of the Fairglen New Link Road (above).
- **£4m LGF funding awarded** to enable the delivery of the Southend Central Area Transport Project Phase 3.
- **£3m LGF funding awarded** to support the delivery of the Eastbourne Town Centre Movement and Access Package.
- **£4m LGF funding** to support the Eastbourne and South Wealden Cycling and Walking Package.

NEW STATION FUNDING FOR CHELMSFORD

A proposed new railway station for Chelmsford that will open up the delivery of 4,000 homes to the north of the city is set to receive £12million of Local Growth Fund support via the South East Local Enterprise Partnership (SELEP).

At its February Accountability Board meeting, SELEP agreed to release the funds for Beaulieu Park station, subject to further Government support from the Housing Infrastructure Fund being confirmed. The board heard that strategic infrastructure is needed to support Chelmsford in its ambitions to be a location for significant new development. Subject to successful Housing Infrastructure Fund bid.



“Clearly a new station is needed to provide connectivity for residents and employers within Essex and to London and further afield. Improved access to the rail network through Beaulieu Park will also be a great benefit for the growing communities such as Maldon, Heybridge, Great Dunmow and Braintree.”

GEORGE KIEFFER
ESSEX VICE CHAIR OF SELEP



SELEP HAS AGREED TO SUPPORT EASTBOURNE TOWN CENTRE WITH THE AWARD OF £3M FUNDING

£87m investment focused on pedestrianising the eastern part of the town's retail area and improving street furniture, signage, soft landscaping and new street lighting.

The latest funding from SELEP will build on the work undertaken to relocate the bus station and change the layout around Terminus Road/Cornfield Road. This will better integrate the bus and train station and support the extension of The Beacon shopping centre. The project is expected to be completed by June 2019. SELEP has also agreed £4m of funding towards the Eastbourne and South Wealden Cycling and Walking scheme.

“The funding for Eastbourne will help it retain and strengthen its retail offer, improve pedestrian safety and accessibility. This important project will support the immediate and growing local demand for cycling and walking. It will help mitigate the area's traffic congestion and support economic growth”.

CHRISTIAN BRODIE
CHAIR OF SOUTH EAST LEP

Financial Position

OPERATIONAL SPENDING

During 2018/19, **£2.7m** was spent on supporting the activities of SELEP and **£2.9m** of income was received, giving a surplus of **£200,000** which was transferred to the general reserve which totalled **£747,000** at the end of the year.

A breakdown of expenditure and income can be seen opposite. The main variances were due to timing of grant payments (offset by a reduction in grant income), reduced staffing costs due to vacancies, reduced consultancy spend and higher than forecast external interest being received.

INVESTMENT SPENDING

Local Growth Fund

During 2018/19 we received **£95m** of Local Growth Fund grant. **£90m** was transferred to partners and this was used to fund the **£88.3m** of LGF spend in year.

£50m of LGF grant was held by SELEP at the end of the year. This grant funding will be invested in projects over the remainder of the LGF programme.

Growing Places Fund

£5.8m of loan advances were made under the GPF this year and **£9.3m** of repayments were made. **£14m** of funding was held by SELEP at the end of the year. This balance is partly committed to future loan drawdowns and the remainder will be invested through future rounds of allocations of the revolving infrastructure fund.

SELEP Operational Expenditure 2018/19

EXPENDITURE	ACTUAL £000'S	BUDGET £000'S	VARIANCE £000'S
Staffing	785	937	-152
Meetings and admin costs	56	71	-15
Chairman's allowance	20	20	0
Consultancy and projects	457	610	-153
Local area support	150	150	0
Grants to third parties	1,234	1,588	-354
TOTAL	2,703	3,376	-673

SELEP Operational Income 2018/19

INCOME	ACTUAL £000'S	BUDGET £000'S	VARIANCE £000'S
Grant income	1,856	2,317	-461
Contributions from partners	200	200	0
Other contributions	24	0	24
External interest	860	474	386
TOTAL	2,940	2,991	-51

SELEP issued £1.2m in grants during 2018/19

GRANTS PAID BY SELEP	ACTUAL - £000'S	BUDGET - £000'S	VARIANCE - £000'S
Sector Support Fund	500	898	-398
Growth Hub – sub hub grants	611	591	20
Careers Enterprise Company – Enterprise Advisors grants	124	88	36
Energy Strategy grant	0	11	-11
TOTAL	1,234	1,588	-354

SELEP received and utilised £1.9m of grant funding from other organisations in the year

GRANTS RECEIVED BY SELEP	ACTUAL £000'S	BUDGET £000'S	VARIANCE £000'S
Core funding from HM Govt	500	500	0
GPF Revenue Grant (Sector Support Fund)	500	948	-448
Enterprise Zone Commercial Funding from HM Govt	23	23	0
Growth Hub funding from HM Govt	656	656	0
Transport: Delivery Excellence from HM Govt	10	10	0
Careers Enterprise Company Enterprise Advisor grant	124	88	36
Energy Strategy Grant – from HM Govt	43	92	-49
TOTAL	1,856	2,317	461

All information is subject to change prior to external audit. Externally audited accounts will be presented to SELEP Strategic Board later this year

Our Future

Predicting the future has never been easy and at this particular point in the history of the UK it is more difficult than ever but SELEP will be working in 2019/20 to consolidate, strengthen and make sure we are positioned so that we can support our partners and the economies in our area through these uncertain times.

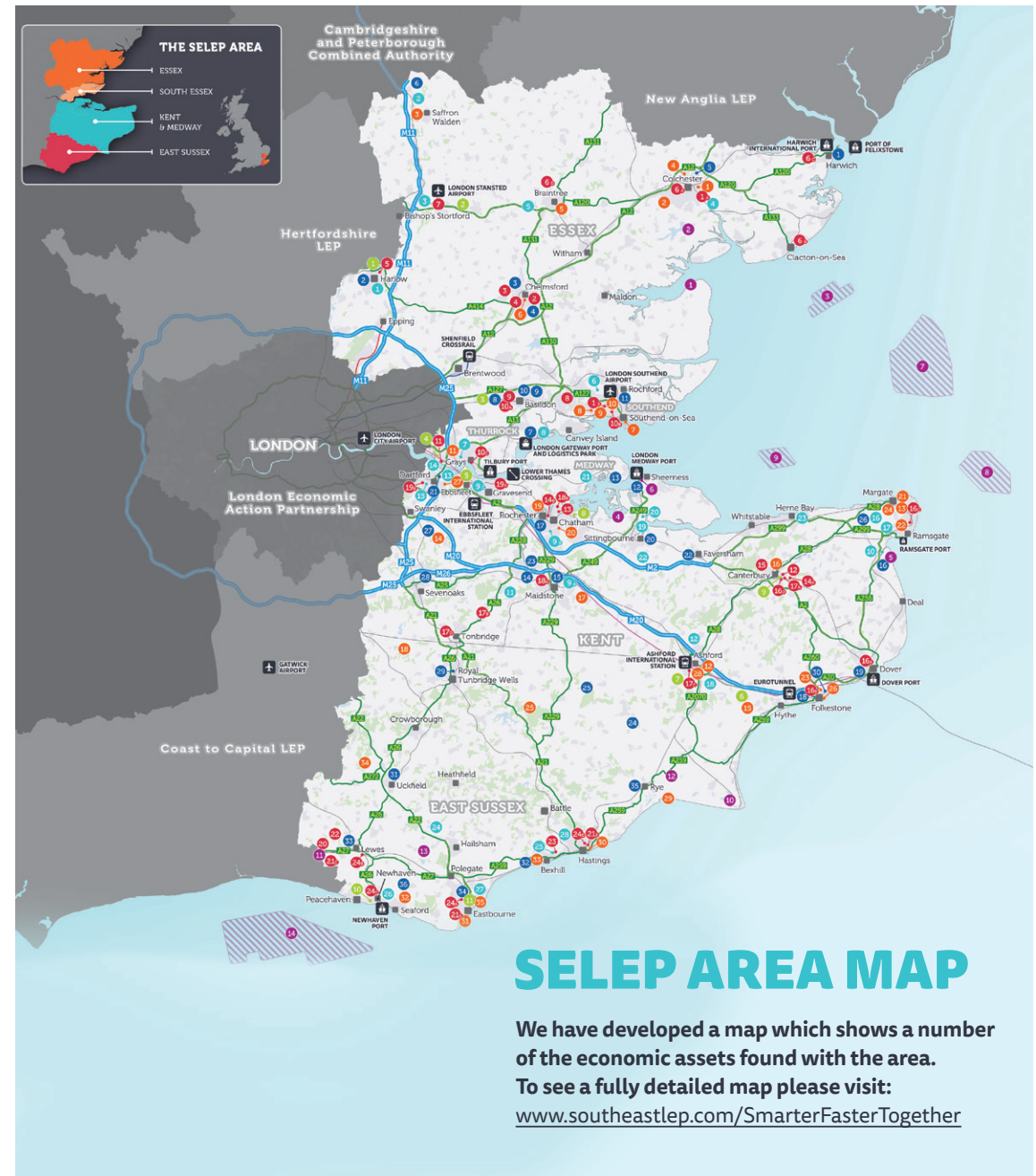
CONTINUING OUR INVESTMENT PROGRAMME: a further £124.7m is planned to be invested in capital projects through the Local Growth Fund during the year and we will also be kicking off another round of Growing Places Fund as the year progresses. We'll be working with Government to ensure that the last remaining monies from the European Structural Investment Fund are invested in those projects that are focussed on delivering those outcomes we've laid out in our Faster, Stronger, Together Economic Strategy Statement, our Skills Strategy and our Energy Strategy.

SUPPORTING BUSINESSES: we will continue to support local people to build and grow their businesses through the Growth Hub and will work with Government to ensure that all businesses in the South East are able to prepare for any changes that might be needed as we exit the EU.

SETTING OUR STRATEGIC DIRECTION: we are currently working on the production of our Local Industrial Strategy. As we move into a new economic era, it is more important than ever that we properly understand our economies and have an agreed strategy to address challenges and make the most of our strengths.

STRENGTHENING OUR GOVERNANCE: during 2019/20 SELEP will be incorporating as a limited company and we will be making changes to our Board to ensure that we comply with all the requirements that Government has laid out in their Strengthening Local Enterprise Partnerships policy document.

WORKING TOGETHER: we will continue to work together with our partners across the South East to maximise the opportunities that this dynamic environment will create, both using those assets already available to us and making a strong case for future investment in the area.



SELEP 2018-19 HIGHLIGHTS CONTINUED...

- **£453,000 awarded** to support the delivery of the Basildon Integrated Transport Package.
- **LEP leaders meet with the Prime Minister.**
- **Forth Ports Group receives planning consent** for new port on the River Thames.

MARCH 2019

- Endorsement of the Sector Support Fund project: SELEP Creative Open Workspace and Masterplan Prospectus (£49,000)
- **Establishment of a Digital Skills Partnership.**
- **SELEP welcomed** the Government's commitment to the offshore wind industry.



- **South2East Local Energy Strategy and Action Plan published and launched** together with Coast to Capital LEP and EnterpriseM3 LEPs.

DRIVE TO PUSH FORWARD DIGITAL SKILLS FOR THE SOUTH EAST

On 15th March the Department for Digital, Culture, Media & Sport announced that they would be supporting an additional 3 Local Digital Skills Partnerships (Local DSPs).

A new Digital Skills Partnership (DSP) will bring together businesses, public sector organisations and the charitable sector to focus on how best to ensure the need for these vital skills is met across the South East. The South East Local Enterprise Partnership (SELEP) will coordinate the DSP and act as a link between the Government's Department of Digital, Culture, Media & Sport and corporate partners including the likes of Google, IBM and local digital SMEs to help support residents and businesses across the area.

The SELEP Skills Strategy identified that there is a growing need for digital skills. Business growth is being held back and many companies are struggling to recruit and retain digitally-focused staff. In the last calendar year, it was reported there were more than 35,000 digital vacancies, including developers, programmers and coders.



“Businesses need people with the skills to thrive in the modern digital age. The New South East Local Digital Skills Partnership will help people get the skills that businesses need.”

MARGOT JAMES
MINISTER FOR DIGITAL

ENERGY STRATEGY WILL PLACE THE SOUTH EAST ON A GLOBAL PLATFORM FOR CLEAN GROWTH AND CLIMATE CHANGE

Innovation and collaboration will bring forward new energy sources to cut carbon while accelerating clean growth in the economies of the South East. This was the message as a major energy strategy was put into action this week.



The South2East Local Energy Strategy, which will help meet statutory climate change targets for 2032 and 2050, was formally launched on March 25, at The Crystal, Royal Victoria Dock, London.

It has been drawn up by the South East Local Enterprise Partnership (SELEP), Coast to Capital and Enterprise M3 LEPs, in partnership with Siemens.

“The South East has the opportunity and the ability to lead in the low carbon economy, not just on a local level but as a beacon for the whole of the UK.”

CARL ENNIS,
MANAGING DIRECTOR,
SIEMENS ENERGY MANAGEMENT



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

**Follow us and be part of the journey:
Smarter, Faster, Together**

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JULY 2019