



## Board Meeting Agenda

Friday 15<sup>th</sup> March 2013, 09:30am – 11:30am

High House Production Park, Purfleet, Essex RM19 1RJ

09:30	1	<b>Welcome and Apologies</b>	John Spence, Chair
09:35	2	<b>Minutes of 7<sup>th</sup> December Board Meeting</b> a. To agree minutes of the last Board meeting, 7th December 2012	John Spence
09:40	3	<b>Matters Arising &amp; Recent Developments</b>	John Spence
09:55	4	<b>Investment Decisions</b> Enterprise Zones & GPF proposals a. To make investment recommendations; and b. To receive an oral update on proposals received for <i>new</i> local Enterprise Zones	Susan Priest / Katharine Harvey / Suzanne Bennett
10:20	5	<b>South East Growth Strategy</b> a. To consider nature, scope and approach	Susan Priest
10:30	6	<b>EU Programme</b> a. To consider strategic objectives and balance of investment	Lorraine George
10:45	7	<b>Skills in the South East</b> a. To receive an update from the Skills Workstream; and b. An update on options for 16-24 skills reform in Essex	Graham Razey  Pete Cook
11:00	8	<b>Coastal Communities</b> a. To receive an update on progress of the Coastal Communities workstream	Ian Davidson
11:10	9	<b>SE LEP Finance Update</b> a. To note the financial matters	Susan Priest
11:15	10	<b>Activity Update</b> a. To note the update on recent activity	Susan Priest
11:25	11	<b>Any other business</b>	All
11:30	12	<b>Close &amp; networking lunch</b>	John Spence

## **Content overview**

- a. Draft minutes of the Full Board meeting, 7<sup>th</sup> December 2012 (Item 2. Page 3)
- b. Action log (Item 3. Page 14)
- c. Investment Decisions (Item 4. Page 16)
- d. South East Growth Strategy (Item 5. Page 34)
- e. EU Programme (Item 6. Page 38)
- f. Skills in the South East (Item 7. Page 44)
- g. Coastal Communities (Item 8. Page 52)
- h. SE LEP Finance Update (Item 9. Page 56)
- i. Activity Update (Item 10. Page 59)



### Full Board members & alternates present

1	John Spence	<b>Chair</b>
2	Cllr Mark Dance <i>for Cllr Paul Carter</i>	Kent County Council
3	Derek Godfrey	<b>Vice Chair</b> / Ellis Builders and Eastbourne Chambers
4	Cllr Peter Halliday	Tendring District Council/Haven Gateway Authorities
5	Graham Brown	Denne Construction Ltd
6	Cllr Paul Watkins	Dover District Council
7	George Kieffer	<b>Vice Chair</b> / Haven Gateway Partnership
8	Cllr Tony Ball	Basildon DC / South Essex authorities
9	Cllr Andy Smith <i>for Cllr John Kent</i>	Thurrock Council
10	Robin Cooper <i>for Cllr Rodney Chambers</i>	Medway Council
11	Nigel Gammage <i>for Mike Alder</i>	Federation of Essex Colleges
12	Brett McLean	East Sussex FSB
13	Cllr John Lamb <i>for Cllr Nigel Holdcroft</i>	Southend on Sea Borough Council
14	Julian Drury	C2C / South Essex businesses
15	David Burch	Essex Chambers
16	Cllr Peter Jones	East Sussex County Council
17	Douglas Horner	Trenport Investments Ltd
18	Vince Lucas <i>for Geoff Miles</i>	SouthEastern
19	Roger House <i>for Jo James</i>	Kent Economic Board Advisory
20	Cllr Neil Gulliver <i>for Cllr Louise McKinlay</i>	Chelmsford City Council/Heart of Essex Authorities
21	Cllr Kevin Bentley <i>for Cllr Peter Martin</i>	Essex County Council
22	Cllr Jeremy Birch	Hastings Borough Council
23	Cllr Gill Mattock <i>for Cllr David Tutt</i>	Eastbourne Borough Council
24	Cllr Robert Standley	Wealden District Council
25	Clive Galbraith	Hastings Area Chambers of Commerce
26	Julian Crampton	Brighton University
27	Cllr Chris Whitbread	West Essex authorities / Epping Forest DC
28	Will Parkes <i>for Nick Barton</i>	West Essex Alliance / BAA Stansted
29	Cllr Peter Fleming	Sevenoaks District Council
30	Graham Razey	East Kent College
31	Cllr John Gilbey	Canterbury City Council
32	Paul Winter	Wire Belt Co Ltd

### Other attendees present

1	Dr Susan Priest	South East LEP Director
2	Zoe Myddelton	South East LEP Programme Manager
3	David Bull	Thurrock Council
4	Dominic Collins	Essex County Council
5	Ian Davidson	Tendring District Council
6	Tim Ingleton	Dover District Council
7	Keith Brown	Institute of Civil Engineers
8	Rupert Clubb	East Sussex County Council
9	Amanda Cottrell	Visit Kent
10	Ruth Wood	Visit Kent
11	Lisa Bone	Essex County Council
12	Roger Blake	RailFuture
13	Ross Gill	Kent County Council
14	Rob Tinlin	Southend Borough Council

15	Roger Blake	Rail Future
16	Keith Cornwell	Thames Gateway South Essex Partnership
17	Stewart Henderson	Essex County Council / South East LEP Communications
18	Katharine Harvey	Thames Gateway North Kent Partnership
19	Suzanne Bennett	South East LEP Finance Business Partner
20	Emma-Louise Galinis	South East LEP secretariat

## **Action Summary**

### **Item 1: Minutes & Matters arising**

1. Secretariat to liaise with Essex Vice Chair, George Kieffer, about vacant positions.

### **Item 4: Strategic Transport**

#### **Local Transport Body**

2. Vice Chairs to nominate representatives to David Bull by 21st December.
3. David Bull to arrange a meeting with LTB colleagues within two months in order to mobilise support, lobbying DfT on the collective position.
4. Secretariat to canvass availability for the first meeting of the SE LTB to be held in January.
5. Vice Chairs to progress the work needed to identify business priorities for discussion at the first LTB meeting in January.

### **Item 5: GPF**

6. Secretariat to review Round 2 pipeline projects and bring forward potential investments for decisions to the March Board.
7. Secretariat to discuss the potential for GPF investments with colleagues at the EZ workshop on 11th December; with the University Vice Chancellors on 8th January; and with businesses at the meeting to be scheduled in January.
8. Secretariat to consider alternative contracting models for GPF investments, bringing flexible proposals forward to the Board; SOG and Executive Group's views having being sought in advance.

### **Item 6: Autumn Statement & Heseltine Review**

9. Secretariat to prepare a response directly to government communicating the Board's views.
10. Secretariat to organise a meeting early in 2013 with local authority funding partners and vice chairs to discuss the implications arising from the announcements and associated resource requirements.

### **Item 7: SE Growth Strategy / Business Planning**

11. Secretariat to refine the proposed measures and indicators while considering the development of a SE Growth Strategy, updating the Executive Group in February.

### **Item 9: Activity Update**

12. Secretariat to raise EU funding opportunities at the next meeting of the rural group, due to meet in early 2013.

### **Item 10: The Visitor Economy**

13. Secretariat to encourage DMOs to engage with the LEP through the relevant work streams.

## 1. Welcome and Apologies

- 1.1 The meeting started at 11.02. The Chairman welcomed Graham Razy as the new representative for Further Education in Kent, Principal of East Kent College; Cllr Peter Halliday as the new Leader of Tendring District Council; and Cllr Chris Whitbread from Epping Forest District Council on behalf of the West Essex Local Authorities.
- 1.2 Apologies were received from Melanie Hunt, James Page, Iain Wickes, David Butcher, Cllr Andrew Bowles, Jo James, Geoff Miles, Cllr Jeremy Kite and Prof Julia Goodfellow.
- 1.3 Due to career changes, Nicholas Cook has tendered his resignation from the Board and two vacancies now exist for Essex business representatives. **ACTION: Secretariat to liaise with Essex Vice Chair, George Kieffer.**
- 1.4 Douglas Horner declared an interest in Discovery Park, Kent; Will Parkes declared an interest in aviation; and George Kieffer declared an interest in GPF investment relating to the University of Essex.
- 1.5 The Chair highlighted that Medway were unable to send an elected representative, and that an email had been received with clear indications of decisions from Cllr Chambers. The Board were content to continue with an Officer present to provide the view of Cllr Chambers in his absence, allowing the Board to be quorate.

## 2. Minutes of last meeting

- 2.1 With an amendment to para 1.4, recording an additional declaration of interest from Douglas Horner on Discovery Park, the minutes of the last Board meeting 12<sup>th</sup> October 2012 were agreed.

## 3. Matters arising and recent developments

- 3.1 The Director drew attention to on-going work, following the Lower Thames Crossing meeting held on the 16<sup>th</sup> November, noting that the SELEP has been asked to commission a fresh piece of work on the wider economic impact of all crossing options.
- 3.2 Feedback from the Enterprise Zone workshop, taking place on 11<sup>th</sup> December 2012, will be provided as soon as possible to the Board. The session will encourage proposals to come forward to the Board in March 2013, and the Board welcomed the government's support for locally driven Enterprise Zones announced by the Chancellor in the Autumn Statement.
- 3.3 The Chairman met with Stephen Hammond, Parliamentary Under-Secretary of State for Transport on 20<sup>th</sup> November, putting forward the case for accelerating free flow tolling at the Dartford Crossing; for appropriate resourcing for the SE LTB; and for improvements at Junction 30/31 of the M25 (the Board congratulated Thurrock and other partners in securing investment announced in the Autumn Statement). The Chairman also highlighted to Stephen Hammond, the inefficiencies of the Highways Agency and lack of customer focus: the Minister reassured him that he would be reviewing the operational effectiveness of the HA.

## 4. Strategic Transport

### Local Transport Body (LTB)

- 4.1 David Bull introduced the report and highlighted that the initial timescales provided by DfT have slipped: governance arrangements are now required by the end of February 2013; and prioritisation is required by the end of July 2013.
- 4.2 The three Vice Chairs were asked to nominate business representatives to join the LTB, one each from the economic blocks of Greater Essex, Kent & Medway, and East Sussex by 21<sup>st</sup> December 2012. **ACTION: Vice Chairs to nominate representatives to David Bull by 21<sup>st</sup> December.**
- 4.3 The need for a proportionate response to the guidance issued by central government was discussed, and the Strategic Transport Infrastructure Group (STIG) was encouraged to work with other LEPs in responding to DfT. **ACTION: David Bull to arrange a meeting with LTB colleagues within two months in order to mobilise support, lobbying DfT on the collective position.**
- 4.4 The first meeting of the SE LTB will be convened in January 2013, where the assurance framework and prioritisation methodology will be considered. **ACTION: Secretariat to canvass availability for the first meeting to be held in January.**
- 4.5 The Board agreed that the LTB should focus on:
- providing a strong single voice of business on transport matters;
  - focussing on those projects that will generate the best value and generate economic benefit;
  - Driving forward a small number of significant projects with private sector or other matched funding; and
  - Providing open communication with DfT to assist with larger nationally significant schemes.

All of this while avoiding duplication with the local Transport Authorities.

### Business Views on Transport Priorities

- 4.6 Vice Chairs reported the emerging views from businesses on transport priorities:
- 4.7 **East Sussex** - of 15 schemes identified by SKM Colin Buchanan earlier in 2012, the following were highlighted as having the most significant impact:
- A21 linking North Hastings and the M25; and
  - A27/A259 Major East to West Route, focussing specifically on the section from Lewes to Eastbourne.

And two rail schemes of most significance are:

- Hastings to Ashford line; and
  - Lewes to Uckfield line reinstatement.
- 4.8 **Kent** – Growth without Gridlock is being reviewed by KCC and the Kent Business Advisory Board will be providing business input to this consultation, with information made available for the first meeting of LTB in January. In general the priorities remain:
- providing faster access to markets for East Kent in terms of both road and rail;
  - introduction of free flow tolling at Dartford to reduce congestion; and
  - A21 corridor linking West Kent.

- 4.9 **Essex** – Further discussion is needed with members of the Essex Business Advisory Board and further evidence will be collated on the economic contribution and the potential for match funds into priority schemes, e.g. A120 where £127m of private sector funding is proposed to help with dualing the road.

**ACTION: Vice Chairs to progress the work needed for discussion at the first LTB meeting in January.**

#### **Thurrock M25 Junction 30/31**

- 4.10 David Bull confirmed the announcement in the Autumn Statement for £150m to improve capacity and reduce congestion at the M25/A13 junction in Thurrock, which was thought to be the minimum level of investment being made available. The total project spend will be outlined in the 2014 spending review and Thurrock is progressing discussion with DfT about the options for the scheme.

### **5. Growing Places Funds**

- 5.1 The Director introduced the paper and, following a wide ranging discussion, Board members approved Round 2 shortlisted projects subject to the Accountable Body finalising matters captured in the recommendations.
- 5.2 The Director reported that of 8 schemes identified as Round 2 pipeline, 5 business cases were received by the deadline of 3<sup>rd</sup> December totalling some £37million, with 2 requesting extensions and 1 being withdrawn from the process at this stage. Further analysis would be undertaken to consider what investments might be able to go forward, prioritising speed of delivery and job outputs, as available headroom is known. **ACTION: Secretariat to review and bring forward potential investments for decisions to March Board.**
- 5.3 Board members were updated on progress with Round 1 projects and, while recognising that by their very nature many of these schemes are difficult to deliver, they welcomed the proposal for deadlines to be put in place for both rounds to finalise heads of terms and complete funding agreements, recognising that this would free up funds to be made available for alternative investments to come forward in March.
- 5.4 The following deadlines were agreed:
- |         |  |
|---------|--|
| Round 1 | Finalised heads of terms – 11 <sup>th</sup> January 2013; and<br>Completed funding agreements – 8 <sup>th</sup> February 2013. |
| Round 2 | Finalised heads of terms – 25 <sup>th</sup> January 2013; and<br>Completed funding agreements – 1 <sup>st</sup> March 2013.    |
- 5.5 The Board endorsed strongly the need for quarterly breakdown of spend to be provided to enable the secretariat to provide a robust analysis of headroom by 25<sup>th</sup> January 2013.
- 5.6 The Board was keen that a proactive flexible approach is taken for bringing forward additional investments and for considering new / alternative models, encouraging both universities and the private sector to bring forward pipeline investments. **ACTION: Secretariat to include the potential for GPF investments in discussions with colleagues at the EZ workshop on 11<sup>th</sup> December; with the University Vice Chancellors on 8<sup>th</sup> January; and with businesses at the meeting to be scheduled in January.**

**ACTION: Secretariat to consider alternative contracting models for GPF investments, bringing flexible proposals forward to the Board; SOG and Executive Group's views having been sought in advance.**

5.7 As there are resource implications in preparing detailed business cases, appraisals and monitoring successful GPF schemes, the Board agreed to delegate authority to the Secretariat to make resources available.

## **6. Hestline Review and Autumn Statement**

6.1 The Director reviewed highlights from the Autumn Statement most relevant for LEPs and the wider economy noting that:

- LEPs have been asked to lead in the development of new multi-year strategic plans for local growth and will be provided with additional funds of £250K;
- Growth related spending will be pooled into a single pot for LEPs to access from April 2015;
- LEPs have been given a new strategic role in developing skills strategies;
- Access will be provided to a concessionary public works loan rate for one infrastructure project, nominated by each LEP, within a national ceiling of £1.5bn;
- An Enterprise Zone infrastructure fund of £60m targeted at sites with growth potential, and support for the development of local enterprise zones, with further details to be announced in the new year;
- A role for LEPs influencing EU Common Strategic Framework funds in line with LEP Growth Strategies;
- An additional round of PinchPoint funding will be announced by the Highways Agency;
- An additional £350m being made available for the Regional Growth Fund;
- £225m will be made available to bring forward large housing sites; and
- £190m is available to de-risk public sector land to bring forward sites for development.

A letter has since been received from BIS and DCLG confirming some of these arrangements, which is attached as Appendix A. More detail is expected in the New Year and the Board will be advised in due course.

6.2 The item promoted wide debate and with numerous contributions noted:

- With regards to the strategic role for LEPs in skills, the LEP should build on local plans and add the business voice to enhance the development of skills strategies;
- With regards to future funding, an allocation to LEPs proportionate to their size and growth opportunities should be used rather than creating an industry of bidding for funding which takes scarce resources away from focused delivery;
- The LEP's agenda must not be overly prescribed from Whitehall, the business voice must be heard; and
- Strategies should not duplicate or just collate, the LEP must act where it can make a difference.

**ACTION: The secretariat to prepare a response directly to government communicating the Board's views.**

**ACTION: Secretariat to organise a meeting early in 2013 with local authority funding partners and vice chairs to discuss the implications arising from the announcements and associated resource requirements.**



- 6.3 The Board reviewed the recommendations and the proposed positions arising from the Heseltine Report amended as follows:
- Recommendation 3 – arguing for a fair share of European funding given the opportunities and size of the area, with strong support for matching funds at source to prevent investment delays and to reduce the risk of underspend and clawback;
  - Recommendation 4 – going beyond collating and co-ordinating, taking a stronger position to focus on creating opportunities, acting on big issues that are ‘game changing’ schemes, creating a think-tank to stimulate ideas;
  - Recommendation 59 – the SELEP’s opposition to a Thames Gateway Development Corporation should be expressed more strongly, recognising that the Thames Gateway agenda can be progressed through existing mechanisms;
  - Recommendation 60 – add in ‘hub airport’ to reflect the position previously taken by SE LEP;
  - Recommendation 76 – expressing a stronger need to ensure that schools deliver a better quality offer in relation to the needs of businesses; and
  - Recommendation 82 – expressing a stronger intent of engaging with local authorities and businesses drawing on the significant amount of work already undertaken in this regard.

## **7. SE Growth Strategy & Business Planning**

- 7.1 The Director introduced the paper, updated in the context of the announcements in the Autumn Statement, and highlighted the work in progress to refine the number of indicators while securing a balance between tracking the performance of the broader economic context and including specific activity indicators capable of being used to hold the LEP to account. The Board agreed that the focus should be on no more than six indicators of success, that the focus should be on outcomes, and tracking jobs would be a desirable priority.
- 7.2 The Board agreed to delegate approval of the 2013/14 core funding submission to the Executive Group in February, recognising that the development of the growth and skills strategies will require an appropriate level of resource.
- 7.3 Specific feedback on the proposed indicators included:
- Broadband provision – to consider a focus on reducing those areas below 2 Mbps; and
  - Growth - Indicators need to reflect those elements that help business to grow.

**ACTION: Secretariat to refine the proposed measures and indicators while considering the development of a SE Growth Strategy, updating the Executive Group in February.**

## **8. Finance Update**

- 8.1 The Board agreed to delegate approval for the core funding submission to the Executive Group.
- 8.2 The Board noted the finance update.

## **9. Activity Update**

- 9.1 The Director introduced the report and highlighted key items to note.
- 9.2 The Board agreed that the EU Growth Programme post should be offered on a fixed term contract if a suitable secondee is not appointed, and that this role should be advertised widely across partner

and associated private sector organisations.

- 9.3 There was positive feedback from the EU funding road shows which took place in Ipswich and Maidstone outlining how the Common Structural Funds may be deployed in the future, noting the direct role proposed for LEPs in securing funds and influencing the programme. Reference was made to the activities of the Farming and Rural Issues Group for the South East (FRIGSE) and the SELEP rural workstream was encouraged to consider potential EU investment as part of the developing SE EU Growth Programme. **ACTION: Secretariat to raise at the next meeting of the rural group, due to meet in early 2013.**
- 9.4 The Director noted that an estimated £1.9m of debt / equity legacy funds from SEEDA, which is currently being held by Finance SE, will be reallocated into investments on advice from the relevant LEPs. An investment proposal for consideration is expected and the Board will be provided with further information in due course.
- 9.5 The Board was informed that representation has been made to HMG for the Harlow EZ to receive the same benefits as other national Enterprise Zones and, disappointingly, this request has not been successful.

## 10. The Visitor Economy

- 10.1 Amanda Cottrell, Chair of Visit Kent, introduced the item and emphasised the valuable contribution the Visitor Economy and Tourism brings to the SELEP area, while highlighting the low levels of satisfaction reported by visitors to Essex and Kent in a recent national survey. Amanda outlined the areas where the SELEP could assist including:
- Lobbying for additional capacity at local airports to bring in additional visitors;
  - Supporting the submission of bids to European or national sources to bring investment into Tourism; and
  - Recognising the contribution that tourism related businesses provide, while offering access to a strong business voice.
- 10.2 The item provoked wide spread discussion and the Board welcomed the engagement, suggesting that tourism related bids to GPF, RGF or Coastal Communities Fund, which would stimulate transformational investment and bring significant change to an area, should be encouraged.
- 10.3 The Chair and Board challenged the Destination Management Organisations (DMOs) to bring forward creative proposals for investment across all areas of the LEP. **ACTION: Secretariat to encourage DMOs to engage with the LEP through the relevant work streams.**

## 11. AOB

- 11.1 No AOB matters were received.
- 11.2 The meeting closed at 1:10pm.



Department for  
Communities and  
Local Government

**Mark Prisk MP**  
*Minister for Housing*

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Dear Colleague

The Chancellor of the Exchequer announced on 5 December a wide-ranging package to build a stronger and more balanced economy.

As the Chancellor made clear in his statement, the Government welcomes Lord Heseltine's recommendations in relation to localism and local growth. The Government intends to move swiftly towards implementation of as many of the recommendations as possible and will give a full response to Lord Heseltine's report in the Spring. We are keen to ensure that we engage closely with you on this and our officials will be working with you to secure your input.

While the full statement can be found on the Treasury website ([http://www.hm-treasury.gov.uk/as2012\\_statement.htm](http://www.hm-treasury.gov.uk/as2012_statement.htm)) we thought it would be helpful to identify some of the key Government responses to the Heseltine review that may be of particular interest. These include

- **LEP Strategic Plans** – Local Enterprise Partnerships will be asked by Government to lead the development of strategic plans for local growth in line with national priorities. These multi-year plans will bring together all local stakeholders and include co-ordination with existing public programmes. In developing the plans, LEPs will be expected to consult with all relevant local partners, including the local

chambers of commerce and other industry bodies. These multi year plans will build on existing plans.

- The Government will provide £10m per year for capacity building within LEPs. Each LEP will be able to apply for up to £250,000 **additional funding** per year to develop and deliver these strategic plans.
- **Funding devolution** – the Government will devolve a greater proportion of growth related spending on the basis on these strategic plans developed by LEPs by creating a single funding pot for local areas from April 2015. Funding will reflect the quality of strategic proposals put forward by LEPs as well as local need.
- **EU Common Strategic Framework** – The Government will work to streamline its management of the EU Common Strategic Framework funds in England, aligning priorities on the basis of the plans led by LEPs.
- **Concessionary public works loan rate** – The Government will make available a new concessionary public works loan rate to an infrastructure project nominated by each LEP (excluding London), with the total borrowing capped at £1.5bn.
- **Combined authorities** – The Government will support local authorities that wish to create a combined authority or implement other forms of collaboration, including ensuring the existing legislation is fit for purpose.
- **Role for LEPs in Skills** – LEPs will have a new role in setting skills strategies for their local area. Chartered status for FE colleges and providers will be dependent on having taken account of the skills priorities of LEPs. In addition, the Government will encourage LEPs to have a seat on FE colleges' governing bodies, with colleges represented on LEP boards. LEPs will also be able to determine how the EU Common Strategic Framework funds, including the European Social Fund, are used locally and where appropriate, as with other intermediary bodies, LEPs will be able to bring bidders together to access the expanded £340m Employer Ownership Pilot. Finally, LEPs skills priorities from their strategies will be published to help potential learners choose the right course or training programme.
- **Local Development Orders** – To ensure local areas can implement development as efficiently as possible Government will support local authorities across the country to implement of Local Development Orders, and to set up locally funded enterprise zones.

We would also like to draw your attention to the announcement of a £59m Enterprise Zone Infrastructure Fund, part of a larger fund for local infrastructure worth £574m. The Enterprise Zone Infrastructure Fund will be available in 2013/14 and 2014/15 and we will give you the detail as to how to access the fund in the New Year.

We are aware that you may have specific issues and / or areas of interest arising from the Autumn Statement and your BIS Local Deputy Director or DCLG officials will be happy to discuss these with you.

As you are aware on 16<sup>th</sup> October it was announced that each LEP would have a senior Whitehall sponsor and we want to take this opportunity to provide you with further information about the role.

Your senior sponsor will;

- Discuss with you the key economic opportunities and challenges in the local area as well as the range of interactions the LEP has with government. This may include developing proposals for city deals, RGF bids or other targeted growth discussions.



- Be a champion across Whitehall for LEPs' and cities' innovative local growth proposals.

You will also have your own ideas as to how best to use your senior Whitehall sponsor in support of your economic ambitions

Senior Whitehall sponsors will work very closely with your BIS Local team and with DCLG officials and will be getting in contact with you shortly to introduce themselves.

We have copied this letter to David Frost CBE in his capacity as Chair of the LEP Network.



**MARK PRISK MP**



**THE RT HON MICHAEL FALLON MP**

cc David Frost CBE



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**ACTION LOG & MATTERS ARISING**

**12<sup>th</sup> DECEMBER FULL BOARD MEETING**

**Item 1: Minutes & Matters arising**

**Secretariat to liaise with Essex Vice Chair, George Kieffer, about vacant Board positions**

- **Outstanding.** A number of replacements are sought.

**Item 4: Strategic Transport**

**Vice Chairs to nominate business representatives to join the SELTB to David Bull by 21st December. Secretariat to canvass availability for the first meeting of the SE LTB held 11th January.**

- **Completed.**

**David Bull to arrange a meeting with LTB colleagues nationally within two months in order to mobilise support, lobbying DfT on the collective position.**

- **Completed.** A national meeting for officers connected with a Local Transport Body (LTB) was organised by SE LTB officers on 1st February 2013, in Birmingham. It was well attended with representatives from at least half of all LTBs and a representative from the DfT. The DfT left the meeting with an understanding of SE LTB agenda: that a proportionate approach to the prioritisation/scheme assessment processes is needed. As a result, the DfT shall be arranging workshops/seminars in April to discuss an approach in detail.

**Vice Chairs to identify business priorities for discussion at the first LTB meeting in January.**

- **Completed.**

**Item 5: GPF**

**Secretariat to review Round 2 pipeline projects and bring forward potential investments for decisions to the March Board.**

- **Completed.** See Item 4.

**Secretariat to consider alternative contracting models for GPF investments, bringing flexible proposals forward to the Board; SOG and Executive Group's views having being sought in advance.**

- **Outstanding.** See Item 4.

**Secretariat to discuss the potential for GPF investments with colleagues at the EZ workshop on 11th December; with the University Vice Chancellors on 8th January; and with businesses at the meeting to be scheduled in January.**

- **Completed.**

#### **Item 6: Autumn Statement & Heseltine Review**

**Secretariat to prepare a response directly to government communicating the Board's views.**

- **Completed.** This was prepared and sent to Lord Heseltine, Eric Pickles MP, Vince Cable MP, George Osborne MP, Patrick McLoughlin MP and to DCLG officials on 21st December 2012. The core messages of the SE LEP view were also circulated to all Board members on that day.

**Secretariat to organise a meeting early in 2013 with local authority funding partners and vice chairs to discuss the implications arising from the announcements and associated resource requirements.**

- **Completed.** Meeting held on 11<sup>th</sup> January 2013.

#### **Item 7: SE Growth Strategy / Business Planning**

**Secretariat to refine the proposed measures and indicators while considering the development of a SE Growth Strategy, updating the Executive Group in February.**

- **Completed.** Reported to the Executive Group on 8<sup>th</sup> February 2013 and Core Funding bid submitted on 15<sup>th</sup> February 2013. See Item 6 on the agenda.

#### **Item 9: Activity Update**

**Secretariat to raise EU funding opportunities at the next meeting of the rural group, due to meet in early 2013.**

- **Completed.** SE LEP rural group met on 23rd January 2013 and the EU funding programme was included on the agenda. Lorraine George will also attend their next scheduled meeting to discuss in more detail, the SE LEP approach.

#### **Item 10: The Visitor Economy**

**Secretariat to encourage DMOs to engage with the LEP through the relevant work streams.**

- **Completed.** DMOs and Tourism partners engaged in Coastal Communities activity and made aware of other workstreams will be consulted on other themes such as EU funding programme as they progress.

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**INVESTMENT DECISIONS**  
**GROWING PLACES FUND & ENTERPRISE ZONES**

**Purpose**

1. The purpose of this paper is to:
  - a. Update the Board on the results of the appraisal of the projects remaining in the Growing Places Fund pipeline;
  - b. Update the Board on the submissions made by the two *existing* Enterprise Zones for investments;
  - c. Provide investment choices for the Board across both the GPF pipeline and the Enterprise Zone proposals to be funded by the remainder of the GPF; and
  - d. Propose an approach for handling the projects remaining in the pipeline.

**Recommendations**

2. The Board is invited to:
  - i. **Note** the approach in prioritising projects for the remaining GPF allocation and the opportunity of prioritising Enterprise Zones investment, giving consideration to the underlying principles;
  - ii. **Delegate** to the Executive Group in May the detail of eligible expenditure to be netted off the uplift in business rates from Harlow EZ due to the SELEP;
  - iii. **Select** the preferred investment options for the remaining Growing Places Fund grant, **endorsing** the 24<sup>th</sup> May cut-off date; and
  - iv. **Endorse** the proposed approach for the projects remaining in the pipeline.

**Background**

3. At their meeting held on 8<sup>th</sup> February, the Executive Group was informed that an independent review of all Growing Places Fund (GPF) pipeline projects was underway. The pipeline currently exceeds the headroom and a prioritisation process was required to identify those projects that should be taken forward with the remaining investment available. The prioritisation was developed to identify those projects that are capable of being taken forward *quickly* and with *certainty of delivery*, and to those offering repayment within 5 years.
4. Concurrently, the SE LEP invited proposals for investments from existing Enterprise Zones and there is the opportunity to use *some* of the Growing Places Fund to fulfil our objectives of supporting the success of the Zones.
5. To enable Board members to consider the wider implications of investments beyond the pipeline of GPF projects *investment choices* have been prepared using the information currently available with both GPF pipeline and Enterprise Zone investments factored in.

**Growing Places Fund Pipeline**

6. There are currently 12 projects in the pipeline for the GPF totalling some £48m. The details of the projects can be seen at Annex 1. As part of the Round 2 analysis, seven projects were earmarked as pipeline and at the Executive Group meeting held on 7<sup>th</sup> September 2012 project sponsors were invited to complete business cases without providing full appraisal detail.



7. Following the introduction of timeout dates by the Board at their meeting on 7<sup>th</sup> December 2012, 5 projects previously agreed by the Board for investment moved into the pipeline due to delays.
8. These 12 projects have a total investment value of £48m<sup>1</sup> which far exceeds the headroom remaining on the fund. The consultancy Genecon was appointed to carry out an appraisal of the pipeline in line with the process agreed with Executive Group.
9. The projects were first appraised against a number of criteria to assess whether projects were ready to take forward. The detail and results of the gateway scoring assessment can be found at Annex 2. These criteria were introduced to ensure that planning consents, property rights and other funding arrangements were in place and were designed to pick up the issues that have caused delays on earlier rounds of GPF allocations.
10. Only two of the projects appraised did not pass the gateway appraisal; the A28 Roundabout at Ashford and the Canvey Enterprise Centre. Therefore these projects will not be taken forward at this time and will be held in a longer term pipeline.
11. The MedTech Campus\* Harlow project changed materially in the week prior to appraisal. A full assessment was not made and partners recognise that further development work is required: this project is also identified as forming part of the Harlow EZ proposal.
12. Projects were scored relative to each other with the lowest overall score ranked 1, with highest priority. The key project metrics and scorings can be found in the appendices.
13. The final rankings were:

Ranking	Project
1	Bexhill Business Mall
2	Canterbury Sturry Road
3=	Dartford Northern Gateway
3=	Colchester Connectivity
3=	Grays Magistrates Court
6	Ebbsfleet Valley
7	Aylesham Village Expansion
8	Harbour Innovation Mall
9	Priory Quarter Phase 4
10	MedTech at Harlow*

<sup>1</sup> Investment sought has decreased on some projects resulting in a drop in the value of the pipeline

## Enterprise Zones

14. At the SELEP Board meeting in October 2012 progress was reported on the two Enterprise Zones in the South East: Discovery Park at Sandwich; and Enterprise West Essex at Harlow. The Board was also informed of discussions with the Department of Business, Innovation & Skills (BIS) and DCLG which clearly indicated that it was the responsibility of the LEPs to ensure the success of the EZs in their area. The Board agreed that investment proposals would be invited from the *existing* Enterprise Zones, which would be considered by the Board in Q1 2013, with consideration for new EZs following thereafter.
15. In December the Secretariat set up a workshop with interested parties and experts to look at best practice and different approaches to developing EZs. Following on from this, invitations were subsequently issued from the SELEP on 9<sup>th</sup> January 2013 for further investment in the two existing EZs and for proposals for new EZs. The deadline for submission for the former was 18<sup>th</sup> February and 4<sup>th</sup> March for the latter.
16. It was agreed at the Executive Group meeting on 8<sup>th</sup> February 2013 that as the Board had expressed a desire to ensure the success of our existing Enterprise Zones, options for investment of GPF monies into *existing* Enterprise Zones would be overlaid in order for the Board to make investment choices in March.
17. Confirmation was also received on the 7<sup>th</sup> March from DCLG (Annex 6) that additional broad ranging support will also be made available from HMG to support EZs and a copy of that correspondence is attached in the appendices. Drawing support from these national sources may reduce the need for GPF resources and this will be worked through for both Discover Park and Harlow proposals.
18. The SELEP received investment proposals from both of the *existing* Enterprise Zones by the submission date and an outline of the types of activities for which investment is sought are outlined below.

## Discovery Park

Discovery Park, Dover	
Proposed investment: a <b>repayable capital loan</b> to support the development of physical infrastructure on site.	
Approximate total requirement per annum	£1.6 mill
Approximated total requirement 2013/14 to 2017/18	£8 mill
Repayment proposed	£8 mill to be fully repaid 2017/18 to 2021/22 with interest proposed at the EU reference rate to overcome state aid issues if necessary

19. The proposal from KCC and Dover District Council is indicative at this stage. However, further work is in-hand and a range of capital investment proposals will be worked through during the coming few weeks to adhere to the framework we use for GPF (including due diligence appraisal undertaken by KCC and the LEP prior to contracting). KCC has confirmed the principle at this stage that they would be prepared to underwrite investments coming forward.

***The Board is asked to delegate final investment decisions covering Discovery Park to the Executive Group on the 24<sup>th</sup> May 2013, should the Board chose to prioritise this for investment.***

Harlow EZ

Enterprise West Essex, Harlow	
<p>Proposed investment: a range of capital investments including a <b>MedTech campus</b> (referred to above), an <b>advanced manufacturing / engineering skills centre</b>, and major capital <b>transport</b> investment totalling some £37m (see detailed Annex 7); along with the following range of revenue investments:</p> <p><b>Sector/stakeholder engagement</b> – to undertake business liaison, establish business networks and governance arrangements</p> <p><b>Commercial development</b> - consultancy advice to evaluate development options for bringing forward development on the EZ.</p> <p><b>Progressing M11 Junc 7a</b> - financial expert consultancy support to increase the pace of the work necessary in advance of developing the scheme for a new jct. 7a</p> <p><b>Business rate discount recovery</b> - consultancy support to develop an agreement for the set-up, retention and reimbursement plan of business rates uplift between Harlow DC and the SELEP</p> <p><b>Broadband</b> - technical and business consultancy support to determine options for improving the access and reliability of broadband for businesses on the EZ, to evaluate these and to seek SMEs to invest</p> <p><b>Business support package</b> - to target sectors including MedTech, ICT and advanced manufacturing, to support and optimize clustering opportunities</p> <p><b>MedTech campus</b> - consultancy support to further develop the capital investment proposal for the refurbishment of the London Road building for a MedTech Innovation Centre</p> <p><b>Advanced manufacturing/engineering skills training facility</b> - consultancy support required to develop a capital investment proposal</p> <p><b>Key worker housing</b> – to undertake an in-depth analysis of accommodation needs for discussions with potential developers</p>	
Approximate total requirement per annum	Ave of £807k pa revenue over 5 years (plus capital spend against projects)
Approximate total requirement 2013/14 to 2017/18	£4.035 mill revenue (plus £37 mill capital spend against projects)
Repayment proposed	None for the £4.035m revenue. To be detailed for the £37 mill capital projects

***The Board is asked to welcome and note the significant work that has been undertaken by Harlow in preparing this investment proposal.***

20. The proposal from Harlow relates to a series of significant revenue investments to improve capacity in order to bring forward the necessary capital investments to bring forward employment space and foster confidence in the private sector. Their request for £4.035m revenue would therefore constitute a **grant** rather than a repayable loan. GPF monies have not yet been used by the SELEP in this manner before (despite demands), and this would represent a departure from normal practice, but in view of the priority assigned to the success of the EZ, the Board may feel it should be flexible.

21. Officers have worked extremely hard in a condensed timeframe to pull together the proposals but due to the limited opportunity to appraise in detail the revenue grant request from Harlow in the context of their revised implementation plan being submitted to DCLG by the end of March, and to explore what we understand to be potential matched funding opportunities with ECC, an investment recommendation covering the whole revenue grant of £4.035 million at this time is difficult to make. Equally, the LEP does not have that amount of revenue available in the fund.
22. However, in order to maintain momentum, at this stage an **exceptional case** is made to:
- Ring-fence an amount of revenue funds for Harlow EZ; and
  - Award a revenue grant of *up to* £200k for the coming year in the first instance, with opportunity for that to be reviewed and extended as needed for a further 4 years depending on the demands locally. This would make potentially available a total of upto £1 million of revenue in grant that would not be recoverable.
23. The rationale for identifying £200K is two-fold: (a) this is the total annual costs for the LEP secretariat which has been used as a benchmark; and (b) a review of the proposal from Harlow in the context of recent discussions with DCLG and the letter received 7<sup>th</sup> March 2013. These funds would be used to enhance local capacity, to explore all other funding opportunities, and to bring forward capital projects for consideration for GPF funds as they are increased by HMG, or as the fund replenishes.
24. The Board may wish to make an exception in awarding a grant because:
- Grants are eligible under the terms of GPF awarded to SELEP by DCLG;
  - It reflects the particular need of this EZ in order to make it a success;
  - The high priority assigned by the SELEP to accelerate the delivery of the EZ;
  - The high priority assigned by DCLG and HMG to SELEP to deliver the job targets made in our EZ submission to DCLG in September 2011;
  - The profile and reputation for the SELEP ensuring the success of the EZ; and
  - The potential future revenue stream from the EZ which will provide a self-sustaining funding route for the SELEP.
25. The Board may also consider whether we should, at this stage, ring-fence a capital allowance based on Harlow's proposal<sup>2</sup>. In this case it appears that the MedTech Campus at £2 million would be the front-runner for delivery. Other potential capital investments detailed in the appendix include £15 million for an advanced engineering and manufacturing skills centre; £6million for housing; £3 million for road improvements; and £10 million towards jct. 7a on the M11.

***The Board is invited to consider:***

- 1. The principle of ring-fencing an amount of revenue funds for Harlow EZ as described in para 22, i.e. at a total of up to £1 million over a 5 year period;***
- 2. Allocating GPF monies to Harlow on a grant basis as an exceptional case; and***
- 3. Ring-fencing £2 million to support MedTech as a repayable capital loan, as described in para 25, and in line with the approach for used for Discovery Park i.e. with final decisions delegated to the Executive Group on the 24<sup>th</sup> May.***

***The Board is also asked to delegate to the Chairman and Director detail of the revenue grant, should the Board chose to prioritise this for investment. An update would be provided to the Executive Group in May.***

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<sup>2</sup> For completeness the Board is reminded that £3.5 million GPF has already been awarded to Harlow EZ for access improvements to the site.

26. The Board previously discussed on 7th December 2011 the issue of Harlow District Council recouping EZ 'set up costs' and 'reasonable' on-going management costs for the EZ from the business rate uplift that was to be payable to the SELEP. The Board demonstrated strong favour and approved this proposal.

***The Board is asked to confirm its agreement for the business rate discount to be offered by Harlow to specific businesses on the EZ. The Board is also asked to confirm its agreement to the 'set-up' costs for the EZ and 'reasonable on-going management' costs be deducted by Harlow from the business rate uplift due to the SELEP, with approval of the specific categories and deductions to be delegated to the Executive Group.***

### **Exploring Other Sources of Funding**

27. Since receipt of these investment proposals, the Government has issued a prospectus for the Local Infrastructure Fund, which was the £474 million announced in the 2012 Autumn Statement for 'upfront infrastructure investment and other site preparation works to support economic growth, jobs and homes'. £59 million of this is to be 'made available to support infrastructure in a limited number of Enterprise Zones'. The Expression of Interest form for proposals was made available from 7th March, with the closing date for submission 3<sup>rd</sup> April. Decisions are expected to be made in the summer. DCLG, the LEP secretariat, and ECC have all offered support to help develop a bid which may fund some of the request made to SELEP for capital investment.

28. Regional Growth Fund Round 4 was launched by the Government on 17<sup>th</sup> January for the remaining £350 million available. A further £100 million was also announced on 13<sup>th</sup> February in an Exceptional Regional Growth Fund (eRGF), which can be allocated at any appropriate time and will be allocated outside the normal RGF process although objectives remain the same. The deadline for the submission of a bid is 20<sup>th</sup> March and any RGF decisions are expected to be announced in July. An 'Expression of Interest' meeting with BIS over a possible programme bid submission suggested that an RGF 4 bid around the Discovery Park Enterprise Zone is more likely to be successful than one that includes Enterprise West Essex, Harlow (due to the metrics used in assessing the bids) although there would still be significant hurdles to overcome. We also understand DCLG has advised both Dover District Council and KCC to explore GPF rather than pursuing RGF4.

### **Investment Choices**

29. The strategic importance of the Enterprise Zones to the South East LEP must not be under estimated. The successful delivery of Enterprise Zones was the first responsibility given to LEPs following their inception and a number of communications in recent times has reinforced this message. To that end the Board may wish to use some of the remaining Growing Places Fund to invest in the proposals outlined above. Should this approach be taken, then this would reduce the number of GPF pipeline projects that could be taken forward at this time.

30. Following allocations made for Rounds 1 and 2 there remains £17.7m of GPF available before the earlier schemes begin to repay from financial year 2015/16 onwards. A number of options have been identified for the Board to make decisions upon.

### Option 1

31. It is proposed that £1.8 million per annum for the coming five years be set aside to support existing EZs in line with the detail above, plus £2 million for MedTech.
32. The remaining GPF funds would be used to support the top five ranked projects from the GPF pipeline appraisal as detailed below. The cash flows that will be agreed as part of due diligence will ensure that the fund will not be put into a deficit position.

Investment	Positives	Negatives
Ring fenced £1.8m per annum for 5 years for Discover Park and Harlow EZ  Plus £2m ring-fenced funding for MedTech capital at Harlow EZ  Plus funding for following 5 GPF projects: <ul style="list-style-type: none"> <li>• Bexhill Innovation Mall</li> <li>• Grays Magistrates Court</li> <li>• Dartford Northern Gateway</li> <li>• Canterbury: Sturry Road</li> <li>• Colchester Connectivity</li> </ul>	<ul style="list-style-type: none"> <li>• Focuses funding into EZ's reflecting strategic importance of their success</li> <li>• Allows five projects to come forward from pipeline with good spread across the LEP area</li> <li>• Allows Harlow additional time and opportunity to revise and update the Medtech Harlow GPF project, and others, to reflect the recent changes in the project</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced number of pipeline projects funded</li> <li>• Up to £1 mill of funding to Harlow would be a grant rather than a loan reducing the fund for future rounds of applications</li> </ul>

### Option 2

33. Rather than prioritising and ring fencing monies for the Enterprise Zones, the GPF could be used solely to fund projects in the pipeline. This would allow one further project to come forward, in addition to those identified in Option 1 above.

34.

Investment	Positives	Negatives
Funding for following GPF projects: <ul style="list-style-type: none"> <li>• Bexhill Innovation Mall</li> <li>• Grays Magistrates Court</li> <li>• Dartford Northern Gateway</li> <li>• Canterbury: Sturry Road</li> <li>• Colchester Connectivity</li> <li>• Ebbsfleet Valley</li> </ul>	<ul style="list-style-type: none"> <li>• Six of the 10 remaining pipeline projects are funded</li> <li>• New projects could be brought forward in 2015/16</li> <li>• SELEP continues to support Enterprise Zones to find other funding streams including any future allocations of GPF</li> </ul>	<ul style="list-style-type: none"> <li>• Considerable risk that two Enterprise Zones aren't able to find alternative funding sources within a reasonable timescale and their future success is undermined</li> <li>• The SELEP is perceived to be not supportive of the Enterprise Zones</li> <li>• Only one further pipeline project can be funded</li> </ul>

### Option 3

35. Given the number of delays in progressing projects in rounds 1 and 2 to date, there is an option to over-programme for the pipeline project. The 'over-programming' would be on an approval basis only. The Board would authorise 'in principle' all remaining projects in the pipeline to be considered alongside any other new proposals that come forward. Tranches of projects based on the prioritisation rankings would be invited to commence the due diligence, with over-programming element not exceeding 10% of the total value of the fund at any one time.
36. Within in each tranche, project sponsors would commence due diligence on the basis that the projects will be funded on relative merit. If there is insufficient funding available in any one year, the project would have to either accept a part-funding arrangement or delay until funding was available, following receipt of repayments from earlier projects.
37. No credit agreements or arrangements would be entered into that would take the GPF into a deficit position at any time. A clear cut off would be required to identify where funds are effectively ring-fenced for any project and it is proposed that this be in the agreement of Heads of Terms by both parties.

Investment	Positives	Negatives
<p>Ring fenced £1.8m per annum for 5 years for Discovery Park (and Harlow EZs</p> <p>Plus £2m ring-fenced funding for MedTech capital at Harlow EZ</p> <p>Pipeline and other projects brought forward in tranches that over-programme by no more than 10%. Investment recommendations prepared on relative merit.</p> <p>When funds are exhausted projects will have to wait for the fund to replenish to proceed to Heads of Terms.</p> <p>The first tranche would consist of the top six ranked projects (which would capture all those identified in option 2).</p>	<ul style="list-style-type: none"> <li>• Puts funding into EZ's reflecting strategic importance of their success</li> <li>• Provides local capacity to bring forward capital projects in Harlow</li> <li>• The original tranche would allow for 6 pipeline projects to be brought forward</li> <li>• Project sponsors would be encouraged to move forward to Heads of Terms as soon as possible</li> <li>• Project sponsors would be encouraged to find additional sources of funding if part payment is only available</li> <li>• Projects with a lower priority ranking could move ahead of those ranked higher if able to move through due diligence quicker</li> </ul>	<ul style="list-style-type: none"> <li>• Projects could be severely delayed whilst waiting for the fund to replenish</li> </ul>

***The Board is asked for their preferred choice of the options above (all investments decisions are made pending appropriate due diligence and appraisal processes and would be subject to agreeing detailed timings on amounts and drawdown)***

#### **Time Out**

38. As we have found the inclusion of a deadline helpful in accelerating projects through contracting stages, we are proposing to use the 24<sup>th</sup> May Executive Group meeting as the cut-off date for Heads of Terms to be agreed on the GPF investments the Board approves today. If this date is not adhered to, the funds allocated will be made available to support alternative projects. Similarly, for the EZ investments, we will want to have received business cases and full appraisals in sufficient time in order to make investment recommendations to the Executive Group on the 24<sup>th</sup> May.

***The Board is asked to endorse the cut-off date.***

#### **Remaining Projects**

39. Following the decision by the Board, there may be up to five projects remaining in the pipeline. These projects have been through a detailed appraisal process but do not currently rank as highly as others. In addition, there are two projects that are facing delays through either planning requirements or partner organisations, but the projects themselves have already been approved as a good strategic fit with the SE LEP priorities.

40. The current contracting model for GPF has been discussed and a commitment made to improve flexibility and appraise alternative contracting models, working closely with Essex County Council as Accountable Body. This piece of work is yet to begin, but as we continue to press for further GPF allocations be made by Central Government, there will be a need to move quickly and allocate the funds in a timely manner. To this end it is proposed that the pipeline is held and projects bought forward on relative merit should further funding be granted in 2012/13 and if an over-programming approach is adopted. If further funding is not made at the end of financial year 2012/13, it is suggested that the current pipeline of projects be reconsidered in light of any changes to the contracting model and alongside any future projects coming forward, as the fund replenishes.

***The Board is invited to endorse this approach for remaining projects***

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Date: 8th March 2013



## GPF Pipeline Projects

Project	Applicant	Amount requested	Description	Project Outputs
<i>Round 1</i>				
North Colchester Connectivity	Essex County Council	£4,500,000 (see Note 1)	A dedicated rapid transit bus way to unlock key housing and jobs growth in north Colchester	3,000 homes and 3,500 jobs (see Note 2)
Ashford, A28 Roundabout	Kent County Council	£3,600,000	First element of a series of transport infrastructure improvements which will unlock employment and housing at Ashford's Chilmington Green urban extension (5,750 homes).	2,300 of the 5,750 homes will be brought forward by the project
Dartford Northern Gateway	Kent County Council	£2,500,000 - £2,945,000 (see Note 3)	Providing flexible grown on employment space as a second phase of the Base incubator and business centre in Dartford.	108 jobs
Ebbsfleet Valley	Kent County Council – subsidiary agreement with Land Securities	£4,000,000	Improvements to Southfleet Road as enabling infrastructure for the first phase of Ebbsfleet Valley. Helping to unlock development at Eastern Quarry and providing access to the Station Quarter North at Ebbsfleet.	1,500 homes and new jobs at Station Quarter (see Note 2)
<i>Round 2</i>				
Sturry Road , Canterbury	Kent County Council - subsidiary agreement with Canterbury Development Syndicate	£629,000	Enabling infrastructure (access and services) to unlock a trades counter/ employment site of 4,244 sq m on the outskirts of Canterbury	84 jobs
<i>Round 2b</i>				
Aylesham Village Expansion, Phase 1	Kent County Council	£3,000,000 (See note 4)	Highways and landscaping infrastructure to bring forward the Aylesham village expansion project. The GPF investment will support provision of 799 homes in Phase 1 (1,200 new homes in total).	799 homes in Phase 1 (27% affordable). 420 jobs (see Note 2)
Bexhill Business Mall	East Sussex County Council - subsidiary agreement with Seachange Sussex	£6,000,000	Business centre providing 3,024 sq m of high quality managed office and workshop space to provide a flagship project to launch the development of NE Bexhill strategic employment site.	299 jobs (see Note 2)
Canvey Enterprise Centre	Essex County Council	£2,100,000	Enterprise centre forming a gateway facility for a new 20,000 sq m business park on land owned by the HCA	185 jobs (see Note 2)
Grays Magistrates Court	Thurrock Council	£1,400,000	Conversion of the former the Magistrates Court at the top of Grays High Street into office accommodation. Will create c 1,115 sq m of managed workspace for start up and small businesses.	60- 100 jobs (see Note 2)

Project	Applicant	Amount requested	Description	Project Outputs
Harbour Innovation Mall, Eastbourne	East Sussex County Council - subsidiary agreement with Seachange Sussex	£6,000,000	Innovation centre providing 3,024 sq m of high quality managed office and workshop space at Sovereign Harbour, Eastbourne	299 jobs (see Note 2)
Med Tech @ Harlow	Essex County Council	£2,700,000 (see Note 5)	Innovation centre (2,800 sq m) within the EZ and forming part of the MedTech campus aiming to develop a cluster of successful medical technology companies	300 jobs (see Note 2)
Priory Quarter Phase 4 Hastings	East Sussex County Council - subsidiary agreement with Seachange Sussex	£11,000,000	New high quality offices (3,345 sq m) forming Phase 4 of the Priory Quarter masterplan in Hastings town centre.	287 jobs (see Note 2)

Notes:

- 1: Amount requested reduced from £5,100,000
- 2: Estimates which are to be confirmed as part of appraisal process
- 3: Amount to be confirmed as part of appraisal process
- 4: Amount requested reduced from £5,500,000
- 5: Amount requested reduced from £7,100,000

## Summary of GENECON's Gateway Scoring Assessment

	GPF request	CRITERIA AND SCORING					OVERALL ASSESSMENT
		Consents	Property rights	Other funding	Strategic fit	Upper tier	
1. Canterbury, Sturry Road	£0.629m	P	P	P	P(Q)	P(Q)	PASS
2. Ebbsfleet Valley	£4m	P	P	P	P	P(Q)	PASS
3. A28 Roundabout, Ashford	£3.8m	F	F	F	P	F	FAIL
4. Aylesham Village Expansion (P1)	£3m	P	P	P	P(Q)	P(Q)	PASS
5. Dartford Northern Gateway	£2.5m	P	P	P(Q)	P	P	PASS
6. Colchester Connectivity	£4.5m	P	P	P	P	P(Q)	PASS
7. Canvey Enterprise Centre	£2.1m	F	F	F	P	F(Q)	FAIL
8. Medtech at Harlow	£2.7m	P(Q)	F(Q)	P(Q)	P	P(Q)	PASS (Q)
9. Grays Magistrates Court	£1.4m	P	P	P	P	P	PASS
10. Priory Qtr Phase 4, Hastings	£1.1m	P	P	P	P	P	PASS
11. Bexhill Business Mall	£6m	P	P	P	P	P	PASS
12. Harbour Innovation Mall	£6m	P	P	P	P	P	PASS

## Key Project Metrics

Projects Passing Gateway	GPF request (millions)	DELIVERY IMMEDIACY		NPV	OUTPUTS		LEVERAGED INVESTMENT			VFM	
		Project start (on site)	Project completion	Recovery Rate	Direct Jobs	Homes	Direct (£m)	Indirect (£m)	Total (£m)	CPJ	CPH
1. Canterbury Sturry Road	£0.629m	Q2 2013	2015/18	91%	84	-	-	£4.3m	£4.3m	£7,488	£0
2. Ebbsfleet Valley	£4m	Q4 2013	2021	88%	13	1500	-	£129m	£129m	£0	£2,667
3. Aylesham Village Expansion	£3m	Q2/3 2013	2022	81%	23	799	-	£55m	£55m	£0	£3,755
4. Dartford Northern Gateway	£2.5m	Q2 2013	2014	85%	108	-	-	£4m	£4m	£27,315	£0
5. Colchester Connectivity	£4.5m	Q4 2013	2014	79%	0	3300	£12.0m	£751m	£763m	£0	£1,364
6. Grays Magistrate Court	£1.4m	Q2 2013	2014	87%	90	-	£0.337m	-	£0.337m	£7,568	£0
7. Medtech at Harlow	£2.7m	2014	2014	Not known	230	-	-	-	-	£11,739	£0
8. Priory Qtr Phase 4, Hastings	£11m	Q4 2013	2015	82%	287	-	£1.5m	£5m	£6.5m	£38,328	£0
9. Bexhill Business Mall	£6m	Q2/3 2013	Q4 2014	85%	299	-	£2.9m	£10m	£12.9m	£20,067	£0
10. Harbour Innovation Mall	£6m	Q2/3 2013	Q2 2014	84%	299	-	£2.2m	-	£2.2m	£20,067	£0

## Project Scores

Projects Passing Gateway	GPF request (millions)	DELIVERY IMMEDIACY		NPV	OUTPUTS		LEVERAGE D INVESTMENT (Double	VFM		STRATEGIC FOR LEP
		Project start on site (Double points)	Outputs	Recovery Rate	Direct Jobs	Homes	Total (£m)	CPJ	CPH	Strategic fit with LEP Priorities (Double points)
1. Canterbury Sturry Road	£0.629m	2	5	1	7	4	12	1	4	20
2. Ebbsfleet Valley	£4m	14	9	2	9	2	4	8	2	10
3. Aylesham Village Expansion	£3m	8	8	8	8	3	6	8	3	12
4. Dartford Northern Gateway	£2.5m	6	1	4	5	4	14	7	4	14
5. Colchester Connectivity	£4.5m	14	10	9	10	1	2	8	1	4
6. Grays Magistrate Court	£1.4m	4	2	3	6	4	18	2	4	16
7. Medtech at Harlow	£2.7m	18	6	10	4	4	20	3	4	2
8. Priory Qtr Phase 4, Hastings	£11m	18	7	7	3	4	10	6	4	8
9. Bexhill Business Mall	£6m	10	3	4	1	4	8	4	4	6
10. Harbour Innovation Mall	£6m	10	3	6	1	4	16	4	4	18

## Aggregated project scores and ranking

Projects Passing Gateway	TOTAL SCORES	PROJECT RANKINGS	TOTAL SCORES	PROJECT RANKINGS
	(without Strategic for LEP)		(with Strategic for LEP)	
1. Canterbury Sturry Road	36	1	56	2
2. Ebbsfleet Valley	50	6	60	6
3. Aylesham Village Expansion	52	7	64	7
4. Dartford Northern Gateway	45	4	59	3=
5. Colchester Connectivity	55	8	59	3=
6. Grays Magistrate Court	43	3	59	3=
7. Medtech at Harlow	69	10	71	10
8. Priory Qtr Phase 4, Hastings	59	9	67	9
9. Bexhill Business Mall	38	2	44	1
10. Harbour Innovation Mall	48	5	66	8



## Department for Communities and Local Government

### Local Enterprise Partnership Chairs

Copied to Enterprise Zone Board leads and  
Enterprise Zone officer contacts

6<sup>th</sup> March 2013

Dear Colleagues

#### Enterprise Zone update

Following recent meetings that I have held with many of you on Enterprise Zones, I just wanted to reflect on our discussions and clarify some points.

We know that good progress has been made, with all 24 Zones having got their key processes in place. And we know there have been some successes in terms of attracting investment since they opened for business last April.

Notwithstanding these achievements, the Government is clear that more needs to be done to accelerate progress and create the jobs our economy needs. To this end, Ministers have asked that every Zone realises its potential in the short and long term, with a specific focus on securing development by 2015. To ensure this happens, we are:

- Targeting the £59m infrastructure funding announced at Autumn Statement on sites with growth potential. We published the Local Infrastructure Fund Prospectus<sup>3</sup> on 25<sup>th</sup> February, and welcome early bids ahead of the request for responses by 7 April;
- Putting together a support package of commercial and marketing expertise which Zones will be able to access to address specific delivery issues;
- Assembling land and property experts to support LEPs where they do not have the specific business skills on their Boards needed to drive delivery;
- Working closely with UKTI to ensure that they provide the support and advice needed to target inward investment at, and effectively market, Enterprise Zones abroad;
- Exploring financial models that can help make development viable, specifically financial guarantees; and

<sup>3</sup> See <https://www.gov.uk/government/publications/local-infrastructure-fund-prospectus>. HCA are publishing the EoI form on 7<sup>th</sup> March at [www.homesandcommunities.co.uk/ourwork/LIF](http://www.homesandcommunities.co.uk/ourwork/LIF). The closing date for submissions is 3<sup>rd</sup> April, although early bids are welcome before then.

- Working with other Departments to identify what more Government can do in respect to transport, planning, sectoral focus and broadband.

We are renewing our commitment to help ensure that Enterprise Zones are at the heart of your economic ambitions. We will be intensifying our engagement with you and colleagues over the coming months, so that we act as gateway into Whitehall to remove any related barriers to your Zone's progress.

We want to work closely with you to get Enterprise Zone delivery plans and revised job targets (up to 2015) in place by the end of this month, followed by marketing, communications and investment strategies in June. This is a challenging timescale, and my team is already working with your colleagues to identify what this means in practice. In particular, we need your help to develop a comprehensive overview of viability across the Enterprise Zone Programme, building upon the site viability work that was undertaken over the Autumn. So my team will be contacting Enterprise Zone officers shortly to set out what we're looking for in terms of delivery plans, specifically the site-level information that we need.

For those of you I have yet to meet, including Board Enterprise Zone leads, I look forward to our discussions in the coming weeks. I fully recognise the scale of the challenge to deliver these ambitions, particularly how we work together to secure development by 2015. With this in mind, I will be looking to maintain close working links with you to ensure that Enterprise Zones succeed.

Yours sincerely,



Cathy Francis

**Deputy Director  
Local Economies, Regeneration and European Programmes**



Proposed investment activities for Harlow Enterprise Zone	2013/2014		2014/2015		2015/2016		2016/2017		2017 onwards	
	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue	Capital	Revenue
Project management – taking forward implementation plan, sector & stakeholder engagement, governance support, etc		£60,000		£75,000		£75,000		£75,000		
Commercial Development Consultancy support for land development options and plans		£100,000		£100,000		£100,000		£100,000		
Support for marketing for Inward Investment		£150,000		£250,000		£250,000		£250,000		
Financial & expert consultancy support and gap funding new M11 Motorway Junction 7a		£75,000		£75,000		£75,000		£75,000	£10,000,000	
Road Infrastructure improvements to EZ			£1,500,000		£1,500,000					
Consultancy support to develop business rate cost recovery for Harlow DC & SELEP		£75,000								
Broadband Advice and Support	£300,000	£50,000								
Business Support Package		£200,000		£200,000		£250,000		£250,000		
Taking forward the Enterprise Zone & West Essex Skills Strategy				£75,000		£75,000		£75,000		
Feasibility work and capital development of the Med Tech Campus	£700,000	£50,000	£2,000,000							
Feasibility work and capital development of an Advanced Manufacturing /Engineering Centre at Templefields		£50,000	£5,000,000		£10,000,000					
Feasibility study and provision of Enterprise Zone ‘keyworker’ type housing		£50,000	£6,000,000							
<b>Total</b>	<b>£1,000,000</b>	<b>£860,000</b>	<b>£14,500,000</b>	<b>£775,000</b>	<b>£11,500,000</b>	<b>£825,000</b>		<b>£825,000</b>	<b>£10,000,000</b>	

Total capital 2013/14 to 2017/onwards     £37,000,000

Total revenue 2013/14 to 2017/onwards     £4,035,000

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## **SOUTH EAST GROWTH STRATEGY**

### **Purpose**

1. This paper provides an update on the development of a South East Growth Strategy and the process and timetable proposed for its completion. The Board is asked to:
  - a. Provide **advice** on the *nature* and *focus* of the Strategy; and
  - b. **Note** the proposed *timescale* and *consultation* process.

### **Background**

2. At the 7<sup>th</sup> December SELEP Board meeting it was agreed that work would continue to refine the proposed measures and indicators of success as part of developing a SE Growth Strategy.
3. In the Chancellor's 2012 Autumn Statement the Government set out explicit expectations that LEPs should develop growth strategies, consistent with national priorities, and they indicated that further resource would be made available to undertake this work (at the time of writing the draw-down of additional funding has yet to be confirmed).

#### **Chancellor of the Exchequer, Autumn Statement 2012**

**1.110** .... LEPs, which bring together local leaders and businesses, will be asked by the Government to **lead the development of new strategic plans for local growth** consistent with national priorities. In developing the plans, LEPs will be expected to consult with all relevant local partners, including the local chambers of commerce and other business bodies. These multi-year plans will build on any existing plans and include coordination with on-going public programmes. It is expected that local authorities or other bodies, and not LEPs, will deliver programmes and projects, ensuring that there are proper accountability structures in place.

**1.111** Through this strategic Strategy the LEPs will have an increasingly important role, and the Government is keen to ensure that all LEPs are able to fulfil this strategic function. The Government believes that LEPs should remain small, responsive, business-led organisations and avoid creating a local bureaucracy. Not all LEPs are providing the local leadership that is needed. **The Government will provide £10 million per year for capacity building within LEPs. Each LEP will be able to apply for up to £250,000 additional funding per year to support the development and delivery of their strategic plans.**

4. At the Executive Group meeting on 8<sup>th</sup> February, the priorities and deliverables for the SELEP were agreed for the coming year, which included developing a SE Growth Strategy to be approved by the Board in Q3/4 of 2013/14.
5. A working group has been formed to help steer the development of the Growth Strategy which includes representatives from the upper tier local authorities and from the business community. The working group will meet monthly in London, timed to coincide with the South East EU investment meetings. Lorraine George, who has been seconded to the SELEP, will be leading the European work and there are a number of officers who will attend both groups to ensure appropriate alignment.

6. The nature and scope of the SE Growth Strategy needs testing with the Board to ensure there is support prior to substantive work being undertaken during the coming few months.

### **South East Growth Strategy**

7. *External influences* - Although the Government expects each LEP to have a Growth Strategy, there are a number of influences shaping what the SE Strategy should look like:
  - The Government has not yet (and it is uncertain whether it will) issued any guidance on their expectations for LEP growth strategies, beyond what was indicated in the Autumn Statement. However, discussions with BIS and DCLG indicate that specific milestones, targets, and expected outcomes should be set within a defined timeframe.
  - The Strategy needs to align a number of other strategies, approaches and funding streams currently linked to the LEP, e.g. investment of GPF, support for EZs, in the future, the EU Investment Prospectus for the South East 2014-2020 period, and funding for transport priorities via the South East Local Transport Board. It is also uncertain at this stage what the link will be between the proposed devolution of funds through the 'Single Pot' and the Growth Strategy.
8. Some of the key considerations that need to be taken into account are that:
  - The SELEP has always operated on the principle of subsidiarity, therefore we need to be clear on the implications of this in the development of the Growth Strategy. This provides us with an opportunity to clarify what 'subsidiarity' means in practise and to consider how this can be reflected in the Strategy;
  - Areas within the SELEP are adopting different approaches to their local growth plans, e.g. Essex CC has recently launched their economic development strategy, whereas others are currently reviewing theirs;
  - We would not want the Strategy to stifle or disadvantage any part of the South East with respect to future funding opportunities; and
  - We need to maximise investment opportunities while still retaining a distinctive flavour of the SE.
9. The Board is asked to consider:
  - Nature of the Strategy;
  - Focus of the Strategy;
  - Timescale and Milestones for developing the Strategy; and
  - Public consultation process.

### **Nature of the Strategy**

10. One way of incorporating the principle of subsidiarity into the Growth Strategy is for it to be viewed as a 'strategic framework' from which all other strategies of upper tier authorities hang and through which resources could be effectively deployed to appropriate delivery partners; it could provide a succinct framework without too much detail.
11. Such a Strategy could steer away from matters for local determination, such as housing and planning. The Board has already indicated that the SELEP will not concern itself with spatial planning matters and the spatial component – prioritising one place above another – could arguably be seen as being the domain, under the principles of subsidiarity, of the upper tier authorities.
12. An element of 'place' that would not be incompatible to the principle of subsidiarity is to focus on a small number of strategic aspects where operating at a SELEP geography makes sense. This might include elements where there are economic growth opportunities in a broader European and

international context, the impact and opportunities of London, and around themes such as the Thames Gateway, growth in pan-LEP rural or coastal matters, or in relation to an effective transport and infrastructure where operating cross boundaries at a larger scale makes sense.

13. It is important we take account of the strategies of neighbouring LEPs so that opportunities for cross boarder working are maximised. This is likely to be of most significance in relation to transport matters, on job opportunities within travel to work patterns, or where the EU investment provides resourcing opportunities, etc.
14. The Growth Strategy should be seen as a 'living document' so that we can take into account the dynamic environment in which we operate. On this basis we would propose it takes a 10 year horizon, reviewed bi-annually to reflect changes in emphasis or aspiration.

***The Board is asked to endorse the approach proposed for the nature of the Growth Strategy, giving advice on those matters for local determination versus those LEP-wide strategic matters to include.***

### **Focus of the Strategy**

15. There are options in terms of the focus of the Growth Strategy; the most obvious are for it to be wide-ranging and all-encompassing in terms of the topics addressed, or more selective and confined to a smaller number of core enterprise matters aligned with our current vision "creating the most enterprising economy in England".
16. A preliminary analysis of the range of topics covered by the current strategies of upper tier authorities in the South East suggests that an all-encompassing Growth Strategy would need to cover at least 10 broad topics of: Enterprise & Innovation; Business Growth Opportunities & Support; Inward investment; Education & Skills; Employability & Work Opportunities; Transport; Infrastructure; Housing; Population Change; and Quality of the Environment.
17. An alternative to a broad thematic approach is to be more selective, focusing on few distinctive aspects which partners agree should be prioritised, e.g. Enterprise & Innovation; Skills & Employability; etc.
18. As drafting takes place there will also need to be a balance between:
  - Business growth opportunities *versus* impediments to growth;
  - Productivity improvement *versus* job creation;
  - Improving the 'demand' side *versus* the 'supply' side of the economy, i.e. improvements for business rather than for workers or residents;
  - Local priorities *versus* 'national priorities' outlined in the Government's industrial strategy; and
  - Opportunities for the benefit of the south east *versus* opportunities for supporting the growth of London and 'UK plc'.
19. One potential drawback of the more selective approach is that the South East could be put at a disadvantage *if* other funding sources, unknown at this stage, are subsequently linked to the substance contained within the Strategy and which are not explicitly addressed.

***The Board is asked to provide advice on the focus - thematic issues to include, and those to avoid.***

## Timescale & Milestones

20. The timeline and milestones for developing the SE Growth Strategy are shown below; this follows a similar schedule to that proposed for the SE EU Investment Prospectus to ensure close alignment.

Date	Milestones
15 March- May 2013	Progress the development of the Growth Strategy, including the evidence base
24 <sup>th</sup> May 2013	Explore the emerging themes of the Growth Strategy with the SELEP Executive Group
March – September 2013	SELEP presentations and workshops to consult over the content of the Growth Strategy, aligned where possible to the EU investment consultations
6 <sup>th</sup> September 2013	Present draft Growth Strategy to SELEP Executive Group
4 <sup>th</sup> October 2013	Present revised draft Growth Strategy to SELEP Board
October 2013	Redraft the Growth Strategy to reflect views of the SELEP Board Publish draft Growth Strategy for 6 week consultation
End November 2013	End of consultation Consider and reflect consultation responses to the draft Growth Strategy
13 <sup>th</sup> December 2013	Present the redrafted Growth Strategy to the SELEP Board for final approval

***The Board is asked to endorse the proposed timeframe and milestones.***

### Consultation Process

21. Partners will be explicitly involved in the development Growth Strategy with the work steered by the working group (outlined in para. 5). The views of a wider set of partners will also be incorporated throughout the development of the Strategy with presentations to business groupings and public sector groupings to ensure buy-in, both to the approach and content. Local consultation channels of our partners will be used. Board members are asked to notify the secretariat of opportunities to engage with local groupings.

22. It is proposed that once the Board has agreed the draft version in September, this will be made available to wider audiences through its promotion and publication on the SELEP website.

***The Board is asked to endorse the proposed approach to consulting on the draft South East Growth Strategy.***

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Date: 8<sup>th</sup> March 2013

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**EU INVESTMENT PROGRAMME -  
DEVELOPING A SELEP EU GROWTH PROSPECTUS**

**Purpose:**

1. This report provides an update on the work of the EU Working Group and progress in developing the SELEP EU Investment Programme, now referred to as the SELEP EU Growth Prospectus.

**Recommendations:**

2. The Board is asked to:
  - **Note** the lead strategic responsibility placed on the LEP for the future Structural Funds (expressed in the letter from HMG in appendix 1);
  - **Consider** the main SELEP funding priorities (from the list of 11 at Figure 2), **advising** on the proportional allocation of funds to these priorities, and the types of projects that fit with the SELEP priorities;
  - **Advise** on wider engagement with key stakeholders not currently represented on the Board e.g. civil society and environmental bodies;
  - **Note** there will be a series of workshops to consider, inform and consult regarding the content of the EU Growth Prospectus to stimulate the project pipeline; and
  - **Note** a SELEP response to the formal consultation from BIS will be prepared and presented to the next Board meeting.

**Background Information**

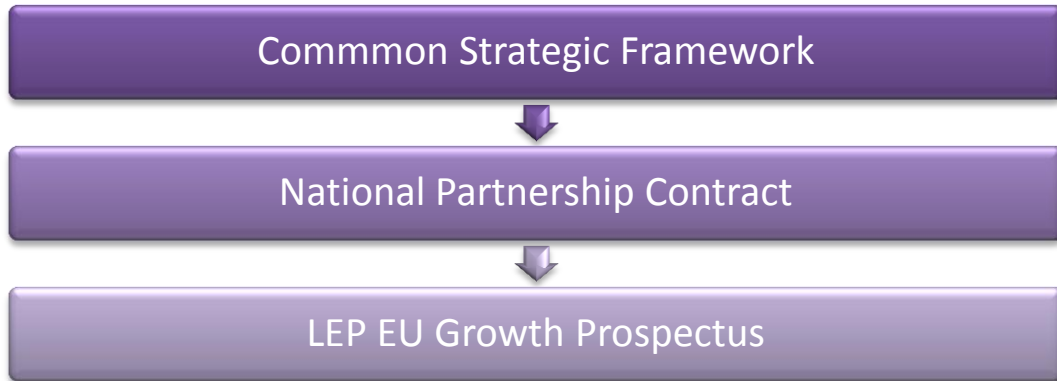
3. The EU Working Group was mandated by the SE LEP Board in June 2012 to progress work on developing a detailed SELEP position on the EU Structural Funds 2014-2020. Since then, the role for LEPs in delivering EU Funds as detailed in Government proposals has increased significantly.
4. At the Board meeting on 7<sup>th</sup> February 2013 a secondee was confirmed to support the development of the EU Working Group, and the EU Growth Prospectus. This resource will be in place for up to 12 months from the beginning of March 2013.
5. Future EU structural Funds will focus increasingly on delivering growth and jobs. The Government has unveiled its proposals for an EU Investment Programme to deliver EU Structural Funds in England, and intends to consult on this mechanism in spring 2013. It is anticipated that the Programme for 2014-20 will commence in July 2014.

**Common Strategic Framework and 2014-20 Programmes**

6. Preparations at EU and UK level regarding the next round of Structural Funds programmes and more importantly how they will be organised and delivered, are now well under way. Though the recent agreement by the European Council aimed to reduce the overall budget for the EU from 2014-20, it is anticipated that around €325 billion will be made available through the Structural Funds to deliver Growth and Jobs in line with the Europe 2020 Strategy, subject to approval of the EU budget by the European Parliament.

7. There are also proposals for greater flexibility, targeting and integration of Structural Funds through the Common Strategic Framework (CSF), in order to maximise impact and deliver better outcomes. It is expected to improve coordination by focussing the national and devolved authorities' (e.g. Wales) activities on a limited set of common objectives. They will use this framework as the basis for drafting their 'Partnership Contracts' with the Commission.

**Figure 1: Common Strategic Framework and LEP EU Growth Prospectus**



8. The CSF will establish key actions and focus areas for each of the 11 thematic objectives (see below) of the CSF funds, identifying key challenges, horizontal principles and policy objectives, as well as locally-specific delivery mechanisms for the CSF funds.
9. BIS will give each LEP an **indicative allocation** of EU funding based on a basket of indicators. Further detail is expected by the end of March to deliver during the period 2014 – 20.

#### **UK EU Growth Programme & the Role of LEPs**

10. In November 2012, the Government set out its proposals for a mechanism to deliver CSF Funds<sup>1</sup> in England in 2014-20. The key feature of the proposed model is the combination of ERDF, ESF and EAFRD (where appropriate) into a single mechanism, a national 'EU Growth Programme'.
11. A key aspect of these proposals is the increasing role and responsibilities for LEPs in the deployment of EU Funds. SELEP, along with other LEPs, will be required to develop an EU Growth Prospectus to complement SELEP's wider economic strategy, and importantly the new SE Growth Strategy objectives. The Prospectus will need to reflect the interests and needs of a broad range of economic, social and environmental partners, including civil society, rural partners, FE and HEIs. The detail on delivery mechanisms is likely to be included in the BIS consultation, with subsequent arrangements being clarified by HMG.
12. The SELEP EU Growth Prospectus will be agreed with Government, and a subsequent EU-compliant pipeline of projects will need to be developed to deliver the Investment Prospectus. SELEP and its partners, in consultation with Government, will then prioritise proposed investments, in conjunction with Managing Authorities (Government Departments, e.g. BIS, DCLG, DWP, DEFRA).

<sup>1</sup> European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD), European Maritime and Fisheries Fund (EMFF)

## Thematic Objectives

13. The CSF has 11 overarching **Thematic Objectives**, as detailed in Figure 2. These are aligned to the objectives and flagship initiatives of Europe 2020, and are designed to deliver on investment in growth and jobs.

**Figure 2: CSF Thematic Objectives**

Thematic Objective	ERDF	ESF	EAFRD
1 Strengthening research, technological development and innovation			
2 Enhancing accessibility to and use and quality of information and communication technologies (ICT)			
3 Enhancing the competitiveness of SMEs			
4 Supporting the shift towards a low-carbon economy in all sectors			
5 Promoting climate change adaptation and risk prevention			
6 Protecting the environment and promoting the sustainable use of resources			
7 Promoting sustainable transport and removing bottlenecks in key network infrastructures			
8 Promoting employment and labour mobility			
9 Promoting social inclusion and combating poverty			
10 Investing in skills, education and lifelong learning by developing education infrastructure to support youth employment, educational opportunities and higher and vocational education			
11 Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF			

14. The principle of thematic concentration of these objectives is designed to deliver interventions that bring the greatest added value, and consequently smart, sustainable, inclusive growth. More developed regions in member states – the SELEP would be considered a more developed region – will be required to focus on thematic objectives that bring low carbon economic growth.

15. The following is also expected:

- 20% of ESF to be focused on social exclusion nationally
- 80% of ERDF to be focused on 4 priorities, including:
  - i. Strengthening research, technological development and innovation (TO1)
  - ii. Enhancing the competitiveness of SMEs (TO3)
  - iii. Supporting the shift towards a low-carbon economy in all sectors (TO4)
- 20% of ERDF to be focused on supporting the shift towards a low-carbon economy (TO4)

16. Research and innovation, SME competitiveness and the shift to a low carbon economy, along with employment and skills and social inclusion, are expected to be top priorities for the EU Growth Programme, and will therefore be reflected in the EU Growth Prospectus for SE LEP.

17. It is expected that it will be for LEPs to determine what other Thematic Objectives are reflected in EU Growth Prospectuses.

18. The Board has previously been informed of opportunities to implement a Revolving Investment Fund (RIF) or similar mechanism as part of an increased funding allocation to SELEP to offer loan, guarantee or venture capital funds to invest in enterprises in the SELEP area. It should be noted that co-financing rates will be up to 60%<sup>2</sup> for any financial instrument set up in the SELEP area, using the EU's JESSICA or JEREMIE models, or indeed other financial instruments. The EU Working Group is currently exploring potential options for SELEP.

<sup>2</sup> This is up to a further 10% on top of the proposed 50% co-financing rate for CSF funds, as set out on the draft Common Provisions Regulation for CSF Funds for 2014-20.



## Investment priorities

19. The CSF Thematic Objectives are accompanied by a suite of **Investment Priorities** for focusing CSF Funds further. Annex 1 details these investment priorities.
20. Bearing in mind where activities will need to be concentrated as detailed in paragraph 16, it will be for SELEP to determine which investment priorities to pursue. These will need to reflect and support the relevant priorities detailed in its wider Economic Growth Strategy.

### *The Board is asked for advice on:*

- a) which thematic objectives to prioritise; and*
- b) the balance of investment between those priorities.*

## Stakeholders

21. As detailed above, there is a direction from Government for SELEP to engage more widely in the development of the EU Growth Prospectus with relevant stakeholders in the area, including those groups not represented on SELEP Board. The prospectus will need to reflect the interests and needs of a broad range of economic, social and environmental partners, including civil society, rural and coastal partners, FE and HEIs.
22. It is therefore proposed that workshops and other consultation events will be undertaken in order to fully engage with all partners in the SE LEP area.

## Timeline

23. The timeline below gives an indication of key milestones ahead of the approval and commencement of the EU Investment Programme and SELEP EU Growth Prospectus.

Date	Milestone
End March 2013	Detailed requirements of LEPs from Government regarding the EU Investment Programme
End March 2013	EU Cohesion Policy agreed
April (Spring) 2013	BIS Formal Consultation on CSF Funds and EU Investment Programme
May – September 2013	SE LEP workshops to inform content of EU Growth Prospectus
October (Autumn) 2013	BIS outline headings / priorities for EU Growth Prospectus published
October 2013	SE LEP Board to approve draft EU Growth Prospectus
December 2013	Structural Fund Regulations agreed
December 2013	SE LEP Board to approve final EU Growth Prospectus for submission
Spring 2014	Strategic fit and compliance testing of LEP prospectuses
July 2014	EU Growth Prospectus approval and commencement
September 2014	First call for applications

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Author: Lorraine George  
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Date: 8th March 2013

## Annex 1

### Investment Priorities of the CSF Thematic Objectives

- 1) Strengthening research, technological development and innovation:
  - a) Enhancing research and innovation infrastructure (R&I) and capacities to develop R&I excellence and promoting centres of competence, in particular those of European interest;
  - b) Promoting business R&I investment, technology transfer, social innovation, clusters and open innovation in SMEs through smart specialisation;
  - c) Supporting technological and applied research, pilot lines, early product validation actions, and advanced manufacturing capabilities in Key Enabling Technologies and diffusion of general purpose technologies;
- 2) Enhancing accessibility to and use and quality of information and communication technologies (ICT):
  - a) Extending broadband deployment and the roll-out of high-speed networks ;
  - b) Developing ICT products and services, e-commerce and enhancing demand for ICT;
  - c) Strengthening ICT applications for e-government, e-learning, e-inclusion and eHealth;
- 3) Enhancing the competitiveness of SMEs:
  - a) Promoting entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms;
  - b) Developing new business models for SMEs in particular for internationalisation;
- 4) Supporting the shift towards a low-carbon economy in all sectors:
  - a) Promoting renewable energy sources, in particular those identified as priorities in the Strategic Energy Technology Plan;
  - b) Promoting energy efficiency in SMEs;
  - c) Supporting energy efficiency in the public buildings and housing sector;
  - d) Developing smart grids and intelligent distribution systems;
  - e) Promoting low-carbon strategies for urban areas;
- 5) Promoting climate change adaptation and risk prevention:
  - a) Supporting dedicated investment for adaptation to climate change;
  - b) Promoting investment to address specific risks, ensure disaster resilience and develop disaster management systems;
- 6) Protecting the environment and promoting the sustainable use of resources:
  - a) Addressing the significant needs for investment in the waste sector to meet the requirements of the environmental acquis;
  - b) Addressing the significant needs for investment in the water sector to meet the requirements of the environmental acquis;
  - c) Protecting, promoting and developing cultural heritage;
  - d) Protecting biodiversity, soil protection and promoting ecosystem services;
  - e) Action to improve the urban environment;
- 7) Promoting sustainable transport and removing bottlenecks in key network infrastructures:
  - a) Supporting a multimodal Single European Transport Area by investing in the Trans-European Transport Network (TEN-T) network;
  - b) Enhancing regional mobility through connecting secondary and tertiary nodes to TEN-T infrastructure;
  - c) Developing environmental friendly and low carbon transport systems including pricing systems to promote climate friendly transport;
  - d) Developing comprehensive, high quality and interoperable railway system;
  - e) Promoting sustainable urban mobility;
- 8) Promoting employment and labour mobility:

- a) Development of business incubators and investment support for self-employment and business creation;
  - b) Local employment initiatives and aid for structures providing neighbourhood services to create new jobs, where such actions are outside the scope of Regulation (EU) No [...] /20XX of the European Parliament and of the Council [ESF];
- 9) Promoting social inclusion and combating poverty:**
- a) Investing in health and social infrastructure which contribute to national, regional and local development, reducing inequalities in terms of health status, and transition from institutional to community-based services;
  - b) Physical and economic regeneration of deprived urban and rural communities;
  - c) Support for social enterprises;
- 10) Investing in skills, education and lifelong learning by developing education infrastructure to support youth employment, educational opportunities and higher and vocational education;**
- 11) Enhancing institutional capacity and an efficient public administration by strengthening of institutional capacity and the efficiency of public administrations and public services related to implementation of the ERDF, and in support of actions in institutional capacity and in the efficiency of public administration supported by the ESF.**

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## SKILLS IN THE SOUTH EAST

### Purpose

1. This report brings together several important strands of activity supporting the LEP and partners' work to address skills issues across the SE LEP area.
  - Section 1 provides an update on activity of the SE LEP skills group, the ambitions of the group and actions they have identified to support its future work;
  - Section 2 seeks Board level endorsement for a submission to the APPG on skills and local growth; and
  - Section 3 provides information on emerging proposals for 16-24 skills reform in Essex.

### Recommendations

2. The Board is asked to:
  - a) **Recognise** the ambitions of the group and therefore the role for the LEP, and specifically the skills workstream group in driving forward the skills agenda;
  - b) **Note** and **endorse** a response from the SE LEP to the APPG call for evidence; and
  - c) **Consider** the emerging skills reform proposals Essex have developed through the Community Budgets pilot; and how the SE LEP might utilise this in determining its position on skills and the single funding pot.

### Section 1: the SE LEP Skills Workstream group

3. In the Autumn Statement, additional expectations were placed upon LEPs in relations to skills, specifically that LEPs will have responsibility for 'setting skills strategies and articulating skills priorities for their areas'.
4. In response to this, the SELEP identified the need to ensure it has appropriate mechanisms to allow it to discharge these responsibilities effectively. Through discussions with the new Chairman, Neil Bates, a new skills group has been developed which includes key local authorities and invited representatives, with an emphasis on the business voice, including employers and business representative organisations from all areas across the SELEP geography. It also includes representative groups from providers, national government agencies (including SFA and NAS<sup>1</sup>) and local authorities. This wholly representative group will be fit for purpose to discharge the responsibilities in the Autumn Statement and will seek to add value to partners work and not replicate existing activity. This newly constituted group met for the first time on 21<sup>st</sup> February 2013, and the Chair Neil Bates emphasised the role each representative has to play in engaging partners and the groups they represent in the skills arena.

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<sup>1</sup> Skills Funding Agency and NAS

5. At the skills workstream group meeting in December 2012 the group agreed its priorities as:
  - a. to gather and articulate the employer voice and key sectors across the skills arena so providers and funders can take a more demand-led approach; and
  - b. to understand current skills provision (volume, quality, capacity and infrastructure) so it can strategically respond and influence provision across the SE LEP area from a clear baseline.
6. In order to deliver on its ambitions, the skills workstream group identified the need to conduct a SE LEP wide skills review, identifying growth sectors and where provision will be needed in the future. It was recognised that much evidence and data already exists to inform the development of a baseline and the collation of this at LEP level, with analysis and interpretation would be of value to the future work of the group. Some SE LEP partners are already engaged in similar review activity. The skills group therefore resolved to build upon the approaches being taken locally and a brief for this review work is to be circulated and agreed in the coming weeks.
7. By advancing a LEP wide skills review in this way, the group will support the business plan priorities for Skills: Identifying and articulating priorities with supporting delivery plans for the SE LEP area, and securing agreement to these priorities and plans by Q3/4 2013/14. Delivering to this timetable will ensure that SE LEP meets Government expectations outlined in the Autumn Statement and that its skills priorities can be reflected in the developing South East Growth Strategy and the future EU funding programme.
8. The workstream group recognised that delivering this output within this timescale will be challenging and will require resource. The Executive Group has already endorsed the need for skills capacity to be available and a business case for resourcing solutions is being established with the Chairman in the coming weeks.

## Section 2: APPG on skills

9. The all-party parliamentary group (APPG) on local growth, LEPs and enterprise zones has announced a call for evidence for an inquiry into local growth and the skills system, to report later in the spring.
10. The inquiry will seek to increase the understanding of the barriers that businesses, LEPs and local authorities face in bringing employers and skills providers together and matching provision with need and to make credible recommendations for improvement. For more information visit <http://appglocalgrowth.org/>
11. The SE LEP skills workstream agreed to prepare a SE LEP response to the call for evidence. Views have been sought from partners within the workstream and a summary of the key points being highlighted is below:
  - Skills are fundamental to economic growth and competitiveness and underpin SELEP's efforts to create the most enterprising economy in England.
  - The skills system needs to be simpler to make it easier for employers to engage.
  - Greater local determination of skills provision is needed to ensure that the needs of businesses are served effectively.
  - A single pot of funding for skills is needed at the SELEP level, with activities delivered according to the subsidiarity
  - Industry intelligence needs to shape local skills and back to work provision.

**12. The Board is asked to note and endorse these points as the focus of the SE LEP response.**

The final version of the response will be agreed with the Chair of the skills workstream and is due to be submitted on Monday 18<sup>th</sup> March 2013.

**Section 3: Essex proposals for vocational learning and skills reform**

*Introduction*

13. Greater Essex embarked on its Community Budget pilot in spring 2012 and has undertaken considerable work to understand the current vocational learning and skills system and how it delivers on:

- developing skills that meet local labour market need and support economic growth
- reducing youth unemployment

14. With evidence showing that the system was not delivering the desired outcomes, ambitions were set out for reform that it is believed would yield better outcomes within a challenging fiscal environment. These are being actively developed for Essex at the moment and it is recognised that there might be learning or wider applicability across the LEP area. Given the LEP's growing skills agenda, this is a conversation which has to be explored.

*Background*

15. The focus on skills for economic growth in the community budget was in response to the continuous intelligence from employers, sector skills councils and business representative bodies, that the education and skills system was largely unresponsive to employers, funding was learner driven and too fragmented and the skills needs of some industries are either not represented or are underserved by the current system. To compound the problem, this appeared particularly true of economic growth sector areas in Essex, such as manufacturing, ports & logistics, engineering, built environment.

16. To illustrate the challenge, it is estimated that between 2010 and 2016 a total requirement of 6,430 management, professional and technical employees will be needed in the automotive and mechanical equipment manufacturing sectors in the former East of England<sup>2</sup>. This demand is highly unlikely to be met via the current system. Across the logistics sector more than half of the employees in the sector do not hold a level 2 qualification. Employment forecasts predict that in the East of England an additional 79,900 employees will be required between 2007 and 2017 with all occupational groups experiencing a positive demand in employment. Considerable demand will be seen for managers, customer service positions as well as for transport and machine operatives<sup>3</sup>.

17. There are vast sums of money in the system. £240m of Skills Funding Agency (SFA) is annually contracted to Providers in the SE LEP area, with a larger pot distributed by the Education Funding Agency (EFA) for 16-18 learning. The EFA still operates on regional geographies and, therefore, at the time of writing we were unable to ascertain their official spend figure for SE LEP; however, an informed calculation suggests it could be up to £395m annually<sup>4</sup>.

18. The Whole Essex Community Budget process enabled the involvement of a wide range of local partners (providers, employers, universities, Sector Skills Councils, FSB, Chamber) and central Government inc. BIS, SFA/NAS DWP, EFA, HMT<sup>5</sup> amongst others, in co-developing proposals to help reform the local

<sup>2</sup> Semta – AACCS LMI (Version 4.0) March 2011

<sup>3</sup> Skills for Logistics - UK Logistics Sector SSA 2010

<sup>4</sup> This would include A Level and vocational provision

<sup>5</sup> BIS, Department for Business Innovation and Skills; SFA, Skills Funding Agency; NAS, National Apprenticeship Service; DWP, Department for Work and Pensions; EFA, Education Funding Agency; HMT, HM Treasury.

skills system to ensure it is flexible, fit for purpose and facilitates the acquisition of education, training and skills needed in the labour market and to support growth.

#### *The Essex submission*

19. A number of suggested reform areas came out in the business case submitted to Government at the end of October:
- Establishing an **Employment & Skills Board** (ESB) of employers to support strategic engagement with and increase the influence of employers in the skills system;
  - Creating a robust **evidence base of skills demand** and on-going mechanisms to collect and utilise intelligence from business on skills needs;
  - Creating **vocational pathways** through identifying industries and sectors that are not/underserved (by provision and/or volumes of learners) to better match supply and demand for skills. This and the above areas of work will also establish the intelligence with which to better inform **learner choice** ;
  - Establishing a **youth opportunity guarantee** which will provide a ‘safety net’ for NEET and unemployed young people;
  - Developing proposals for how public **funding** for vocational learning and skills needs to be utilised to achieve the aims, i.e. investment in skills development needed by employers and funding for the unemployed, including wider use of outcome payments and use of ESF; and
  - Addressing issues with **data sharing** by establishing mechanisms to track individuals across departmental data in order to inform planning and commissioning as well as monitor outcomes.
20. Over the past few months, partners in Essex have been engaging more widely with the other Community Budget and City Deal areas nationally to learn more about their proposals and determine common ambitions and proposed solutions. We found there was considerable commonality, but also found that City Deal areas had advanced more, having already gained certain agreements from Government.
21. With the progress they had made, we considered it prudent to compare their ambitions and proposals with our own and look to adopt similar approaches where appropriate. Three particular areas where we felt that was the case were around mechanisms to give employers greater influence and direction in the skills system – creating a **Skills Investment Fund** (SIF) to provide a streamlined sustainable investment in skills development locally and a **‘MarketPlace’ for employers**, providing a portal for employers, simplifying the system and enabling them to access provision, funding and information, and help influence the skill offer from local Providers – and in developing local approaches to tackling youth unemployment – **Youth Opportunity Guarantee** and **outcome payments**.
22. The SIF would seek to create a single pot of funding geared towards employers, including funds such as Employer Ownership of Skills, AGE Grant and Local Economic Growth and employment incentives funds. Employers could apply for grants or loans to support their business needs, with matched private funding to each application. The SIF would seek to secure a pot of funding at a local level, enabling flexible access to businesses. It will be the role of the ESB and potentially the SE LEP skills workstream, to determine how this funding may be best focused to achieve growth. We would aim to develop a simple, transparent and more consistent application process for this fund.
23. A ‘MarketPlace’ type solution, proposed in response to employer’s articulation of confusion at the opaque nature of skills funding, is envisaged as an online portal developed with and aimed at employers. Employers will be able to access details about provision (courses, quality, cost, timings etc.), funding and recruitment opportunities (SIF, apprenticeships, interns) training needs analysis and

potentially even support around knowledge transfer. It could also host an online HR network to share practice and facilitate collaboration.

24. The Greater Essex business case identified a significant number of funding streams where separate activity is targeted at the unemployed; commissioned across 3 or more Government departments as well as Local Authorities, Work Programme Providers, BIG Lottery etc. Currently, there is little or no strategic planning or coherence to delivery, leading to duplication, gaps and unsatisfactory results. The Youth Opportunity Guarantee reflects an ambition to create a partnership approach to supporting young unemployed people, which jointly commissions support activity in a geographical area with clear outcomes linked to payment. This is an area where a truly localised approach is essential in achieving better results and reducing waste. It is envisaged that a sub-group to the ESB, comprising of partners including the voluntary sector, would drive, support and monitor this work. Please see Appendix A for more detail on these concepts.
25. Although these valuable, tangible steps would go a long way in delivering against our aims they are unlikely to achieve the full ambition. Not unusually, we face a complex environment in which to take forward our proposals with Government, not least due to the announcement in the Autumn Statement (after the submission of the Community Budget work) regarding the potential devolution of a single pot of funding to Local Enterprise Partnerships to support growth, including in that adult skills funding. Much detail is still of course unknown as to what this might mean in practice and the SFA's position statement (Appendix B), as supplied to the LEP Skills Group, does not provide clarity on the devolution of funding.
26. It must be acknowledged that even if all SFA funds were to be influenced or devolved by the LEP, there may still be no leverage over the larger budgets allocated by EFA, through which almost 100,000<sup>6</sup> 16-18 year olds are being educated across the SE LEP. Even though full time courses tend to be more generic and not occupationally focused, it is equally important that A levels and study programmes are shaped by the evidence and priorities for skills needed in the labour market.

#### *SE LEP*

27. Given the size of the SE LEP area, we believe it is crucial for Government to appreciate that a one size fits all approach is not appropriate. The key role for our LEP could be in –
- setting strategic skills priorities (articulated in the Autumn Statement and identified as a priority by the skills workstream);
  - using the emergent Growth Strategy to articulate how a local approach to skills development contributes to wider economic growth; and
  - supporting businesses and local authorities in targeting the devolution of skills funding to the appropriate local level.
28. Complementing this suggested strategic direction, and adopting SELEP's principle of subsidiarity, it is our current view that local areas should be empowered to –
- co-ordinate employer engagement, particularly SMEs;
  - collate and articulate business intelligence and shape employer driven training programmes;
  - co-ordinate supplier provision to ensure responsiveness to employer skills needs (Marketplace);
  - pool local funding in order to align with devolved central Government funds (SIF);
  - co-ordinate and commission a logical pathway of employment support and training to help those who are NEET and unemployed, in partnership with JCP and other key partners (YOG);

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<sup>6</sup> Estimated that in the region of 30-50% of learners follow vocational routes



- facilitate the interface between local employers, training providers and schools to raise awareness, aspiration and achievement of future employment opportunities; and
- explore opportunities to aggregate demand for locally based training programmes in key sectors (such as GTA type models).

29. Aiming to work by the principles set out in the Community Budgets work, partners in Essex are prepared to expand the emerging skills demand evidence base work to encompass the whole SE LEP area, potentially providing the evidence on which to base LEP strategies and priorities relevant to the skills agenda.
30. There appears to be two platforms on which to progress our proposals. Firstly by working with local partners and Government to build on the proposals and 'licenced exceptions' that have already been largely granted to other areas (the focus of Appendix A). Secondly, to work closely with and on behalf of the SE LEP, utilising the considerable evidence base and design work that continues to be undertaken, to influence and implement reforms to the skills system via the new responsibilities and funding being afforded to LEPs.
31. The LEP has a one-off opportunity to secure the funding and responsibilities that can be deployed to help shape a skills system that drives employment and growth. We should therefore be prepared to lobby for the maximum devolution possible – and then start to think about what applicability there is for the Essex model across the rest of the LEP area.

***We ask the Board to consider how the SE LEP can utilise the Community Budgets work by partners across Greater Essex to help determine its position and role on skills and the single funding pot.***

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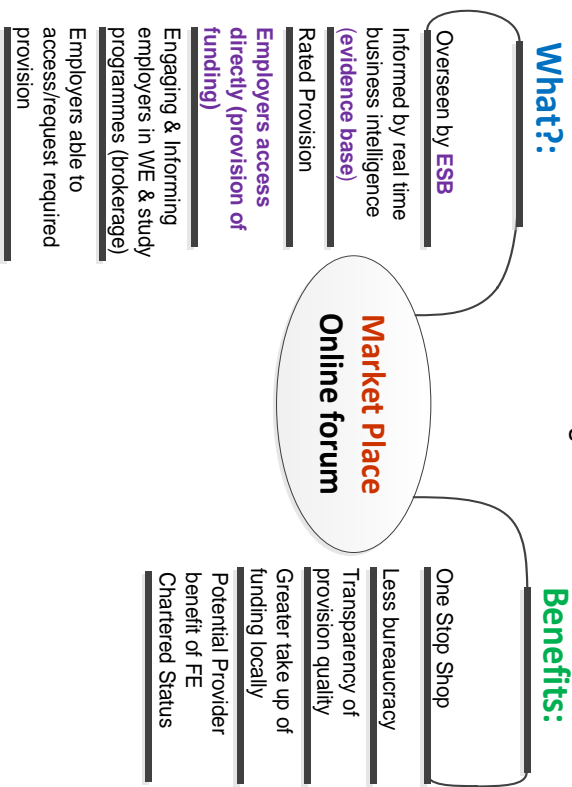
Authors: Zoe Myddelton & Craig Elliott & Helen Russell

Position: SELEP Programme Manager and Essex County Skills and Employability Unit

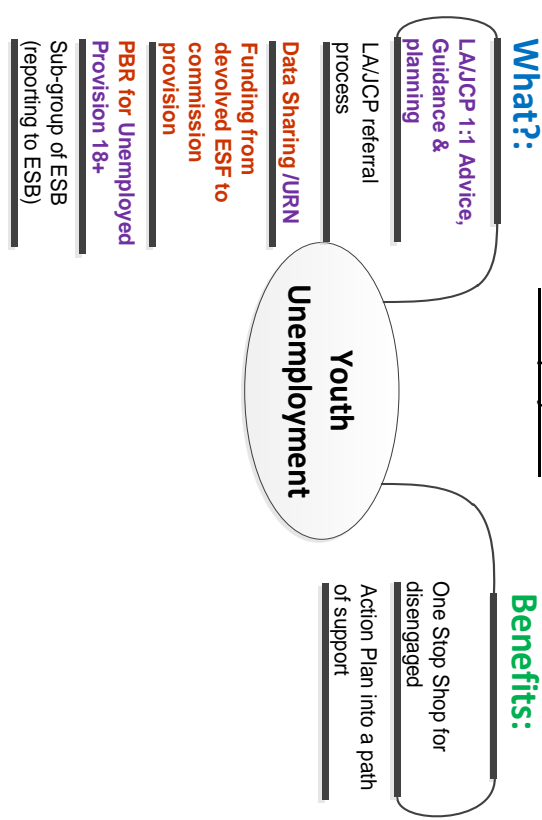
Contact details: 01245 431469

Date: 8<sup>th</sup> March 2013

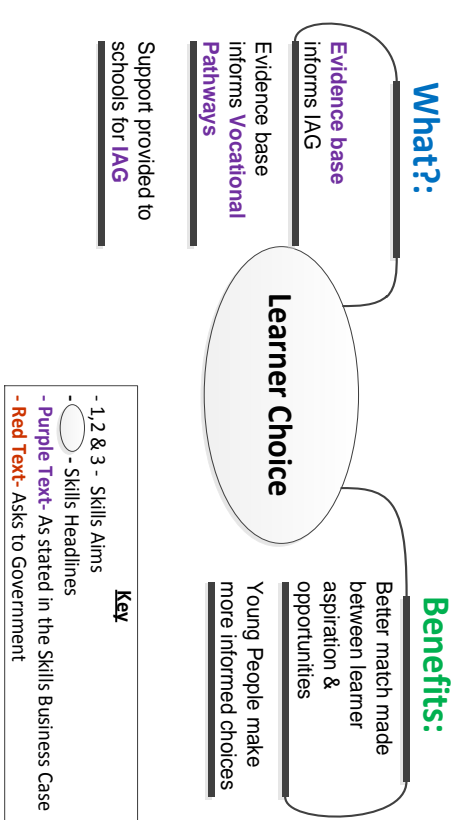
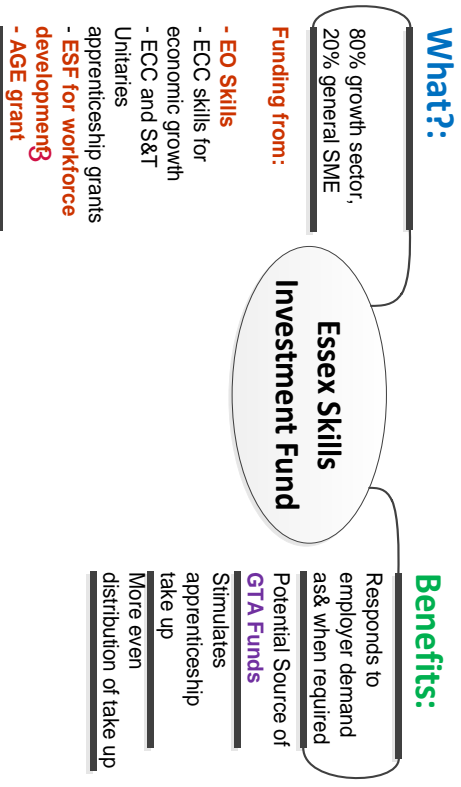
1. Mechanism to drive skills towards economic growth



2. Mechanism to address youth unemployment



3. Inform choices of Young People



**Key**

- 1, 2 & 3 - Skills Aims
- Skills Headlines
- Purple Text- As stated in the Skills Business Case
- Red Text- Asks to Government

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## Appendix B

In terms of the role of the LEP with regard to skills, I would comment as follows:

- Firstly, there is an expectation that SELEP will clearly articulate the skill needs for Essex, Kent and East Sussex. In order to be able to do this effectively, the LEP will need to
  - have consulted with all relevant stakeholders (private and public sector employers, local authorities etc).
  - ensure that the needs currently articulated by the local authorities fit into the overall SELEP assessment
  - As far as possible, ensure that specific sectors and levels of qualifications are covered.
- Through the SELEP Skills Sub-Group, the LEP should ensure that skills priorities are discussed and ratified, and that an action plan is produced that sets out how the LEP wishes Colleges and other training providers to deliver the priorities.
- Colleges and training providers need to be engaged in the dissemination of the skills priorities.
- Other government bodies and agencies (e.g. Skills Funding Agency, Education Funding Agency, National Apprenticeship Service) will also need to be engaged to ensure that there are appropriate levels of funding available to meet the priorities. In addition, they can support the work of dissemination to the colleges and training providers.
- With assistance from the above agencies, the LEP will need to monitor the effectiveness of the provision in the area, and to judge the extent to which the priorities are being met.
- The skills priorities will need to be reviewed.
- The LEP also need to reference not only to those in work, but also the unemployed. It would be useful if the LEP were able to work with the Skills Funding Agency and JobCentre plus in looking at the skills needs of those seeking to enter the workplace, and where there might be appropriate work provision for them.

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## SOUTH EAST COASTAL COMMUNITIES

### Purpose:

1. The purpose of this report is to update the Board on the work of the Coastal Communities Group; to endorse the strategic work programme being pursued by the Group; and to note how this work will feed into the emerging SE Growth Strategy and EU investment programme as appropriate.
2. The Group is clear that its focus is threefold: developing the economic opportunities for our coastal communities; identifying and highlighting the differing issues facing coastal communities; and coordinating an influencing role for our coastal issues.

### Recommendations:

3. The Board is asked to:
  - **Note** the recommendations of the Sheffield Hallam report, South East Coastal Communities – Recommendations;
  - **Endorse** the specific work and strategic themes currently being progressed and the role of the Coastal Communities in the wider SE LEP agenda; and
  - **Note** the work being pursued by the Coastal Communities Alliance (CAA) to establish whether there exists an appetite for collaborative working between the CAA and the coastal LEPs.

### Background Information

4. Members will recall that in the autumn of 2011, Sheffield Hallam University was commissioned to undertake a statistical review of the coastal communities within the South East LEP. The proposal to undertake this work came initially from local authorities but the statistical review was ultimately led and funded by the LEP. The Sheffield Hallam team, led by Professor Steve Fothergill, was approached to carry out this work because of an established reputation as Britain's leading source of expertise on socio-economic trends in seaside towns.
5. The report of the statistical review was completed in April 2012 and was subsequently the focus of an event convened by the LEP in September 2012. This was attended by over thirty representatives from the LEP's coastal authorities (District, Unitary and County Councils) and at this meeting the Coastal Communities Group and its associated work streams (Economic Potential, Skills and Employability, Influencing) were established.
6. The statistical review found support at the meeting. In particular there was strong endorsement for the six-fold classification of communities that the Sheffield Hallam team developed. Representatives at the event acknowledged that whilst the classification may not suit all areas, it was seen as being a good way of recognising the diversity of the coast and for opportunities across the LEP area for collaborative working in similar areas. The classification is:
  - Larger seaside towns with substantial problems (*Clacton, Margate (plus Birchington and Westgate) Ramsgate, Hastings*);
  - Ports with a fair measure of socio-economic difficulties (*Harwich, Dover, Folkestone, Newhaven*);

- Larger seaside towns with lesser problems (*Southend, Eastbourne*);
  - Middling seaside towns that are mostly doing okay (*Frinton/Walton, Whitstable, Herne Bay, Broadstairs, Deal, Bexhill*);
  - Smaller places with quite acute problems (*Jaywick, Isle of Sheppey, Camber*); and
  - Smaller, mostly prosperous coastal communities (*Brightlingsea, West Mersea, Tollesbury, Burnham, Canvey Island, Sandwich, Kingsdown, St Margaret's, Hythe, Dymchurch/St Mary's Bay, Greatstone/New Romney, Fairlight, Seaford, Peacehaven*).
7. The April 2012 report did not venture far beyond the provision of a statistical profile so the LEP requested that a further piece of work be undertaken. A summary of this second commission – ‘South East Coastal Communities – Recommendations’ is available from the Secretariat or on the [SE LEP website](#).
8. In summary the report makes ten recommendations:
- i. The South East LEP needs to be “spatially aware”. The big internal differences within the LEP area, and in particular the distinctive needs of the coastal strip, need to inform the full range of LEP activities;
  - ii. Strategic plans and priorities should give special attention to the coastal strip. This includes the allocation of resources;
  - iii. Transport links to parts of the coast need improvement. Accessibility remains an important constraint in a number of local areas;
  - iv. The seaside tourist industry should be treated as one of the drivers of economic growth. Tourism along the coast continues to employ as many people as manufacturing, and there are opportunities for growth;
  - v. There is a good case for a bid into Regional Growth Fund to support seaside tourism. This would be a practical way for the South East LEP to encourage growth and jobs (see para9 below);
  - vi. The LEP should try to deliver Assisted Area Status for its most disadvantaged seaside towns. The new map will be drawn in 2013 and three coastal areas have a potentially strong case for inclusion;
  - vii. European funding needs to be deployed where it can help. The LEP is likely to be able to drive local spending priorities from 2014 onwards;
  - viii. The south East ports need nurturing. They act as gateways to Britain’s most dynamic region;
  - ix. Business and employment growth requires a supply of suitable sites and premises. This is something that coastal local authorities need to monitor and encourage; and
  - x. Development doesn’t have to be promoted everywhere along the coast. The diversity of the coastal strip offers unique development opportunities.
9. The recommendation regarding the Regional Growth Fund is of particular significance. Feedback from RGF Round 3 given to Hastings Borough Council was such that the Council’s bid was considered satisfactory, but was not successful because BIS viewed the tourism sector as having high levels of business and employment “displacement”. Such an argument in a coastal region adjacent to markets the size of London and close to the Continent seem doubtful given the significance of the industry as an employer and its potential to generate growth in value and as an earner of foreign exchange. It is important that this departmental view is challenged.

### **Current Activity**

10. At its meeting on 5<sup>th</sup> February 2013 the Coastal Communities Group reviewed the contents of the Sheffield Hallam report and determined to commend its ten recommendations to the SE LEP Board. In

so doing the Coastal Communities Group acknowledged that further work is required by partners if the report's recommendations are to be developed into firm policy proposals that can subsequently be used to inform the strategic priorities and interventions of the SE LEP and the emerging SE Growth Strategy and EU programme.

11. In order to improve the Group's strategic focus, to make best use of officer time, and to reduce the current administrative burden, the Coastal Communities Group also determined at its meeting on 5<sup>th</sup> February 2013, to fold its three work streams (Economic Potential, Skills & Employability and Influencing) into the forward work programme of a single Group.
12. It was recognised that the Coastal Communities Group should have a clear route to engage with the other LEP workstreams (including the Skills Group, Strategic Transport and Infrastructure Group, the EU working group and the preparation of the SE Growth Strategy). The role of Coastal Communities Group is to ensure that the unique strategic challenges that impact upon the SE LEP's coastal communities and the areas key investment opportunities are properly identified and comprehensively reflected within the forward work programme of these strategically important pan-LEP Groups.
13. It was recognised that the Group needs to be vocal and add value to the debates in influencing future investment decisions of the SE LEP, the group specifically will develop proposals that assist the SE LEP and its constituent public and private partners to unlock the economic potential of the SE LEP's Coastal Communities.
14. The Coastal Communities Group has initiated work to:
  - i. further examine the economic potential of the SE LEP's coastal communities to feed into the SE Growth Strategy and EU investment programme;
  - ii. prepare an application for Regional Growth Funding (4<sup>th</sup> round submission) focused on creative and cultural opportunities in Hastings, Margate and Clacton;
  - iii. raise with the Department of Business, Innovation and Skills the apparent unwillingness to fund tourist and cultural activity with Regional Growth Fund resources, when these sectors have such huge significance to the economies of coastal communities;
  - iv. review the impact of welfare reforms on the SE LEP's coastal communities and explore the disproportionate impact that national and local policy (welfare benefit/housing) has on the economic growth of coastal towns;
  - v. examine the unique growth and investment opportunities afforded via the residential development potential of the SE LEP's coastal communities;
  - vi. prepare proposals seeking Assisted Area Status based upon the clustering of key settlements within the SE LEP's coastal strip; and
  - vii. develop proposals to facilitate a national conference and/or parliamentary event, highlighting the unique challenges and investment opportunities afforded by the SE LEP's coastal communities.
15. Progress against these themes along with the other work being progressed by the Group will be reported back to the Board in due course.

### **Coastal Communities Alliance**

16. At the last meeting (July 2012) of the Coastal Communities Alliance (CAA) a discussion took place about the potential of linking-up Coastal LEPs in order to identify specific coastal similarities to inform the potential for cross LEP working, project development and lobbying. This topic received further attention at the recent DEFRA led round table LEP meeting held on 23<sup>rd</sup> January 2013.

17. The CAA has subsequently initiated work to establish whether or not there is an appetite amongst the coastal LEPs to pursue collaborative work on the generic issues which impact specifically on coastal communities.
18. The CAA will report their findings at the next DEFRA/LEP roundtable meeting, which is scheduled to take place on 23<sup>rd</sup> April 2013.
19. The possibility of working collaboratively with the CAA and other coastal LEPs was touched upon at the last meeting of the Coastal Communities Group. The Group were of the view that this was something worthy of more detailed investigation and accordingly requested the Group's secretariat (Tendring District Council) to assess the opportunities and to report its findings to the next meeting of the Group.

### **Concluding Comments**

20. The Board is asked to note the contents of this report; to endorse the role of the Group in influencing the wider work of the SE LEP; and to endorse the identified areas of work of the group moving forward.

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Contact: 01255 686007  
Date: 8<sup>th</sup> March 2013

**FINANCE UPDATE**

**Purpose**

1. The purpose of this paper is to update the Board on the budget for 2013/14; the submission made to BIS/DCLG for core funding; and end of financial year reporting for 2012/13.

**Budget 2013/14**

2. There are now a number of different funding streams into the LEP to support activities:
  - a. Core funding of up to £250,000 from BIS/DCLG announced on 17<sup>th</sup> September 2012 which needs to be matched;
  - b. A further £250,000 on a non-match basis announced on the 5<sup>th</sup> December 2012 by the Chancellor in the Autumn Statement (see paragraph 6);
  - c. £131,579 announced on the 23<sup>rd</sup> January 2013 from DfT to undertake transport related activities; and
  - d. £25,900 capacity funding for the coming two years agreed in September 2012 from BIS.
3. The table below shows the operational budget agreed by the Executive Group at their meeting of 8<sup>th</sup> February 2013. It includes short term interim resources and time limited investments such as the EU post. The budget has been constructed closely in line with the development of the core priorities and deliverables that were also approved at the meeting of the 8<sup>th</sup> February 2013.

**Table 1**

<b>Total LEP Operating Budget 2013/14</b>	
	<b>£000</b>
<b>Staffing</b>	
Current secretariat costs	192
Additional staffing proposed	229
<b>Total Staffing</b>	<b>421</b>
<b>Other Costs</b>	
Office and meeting expenses	20
Travel expenses	36
EU Funding consultation and support	50
Strategy support	5
Headroom for future projects to be developed	280
<b>Total Other Costs</b>	<b>391</b>
<b>Total Expenditure</b>	<b>812</b>
<b>Income</b>	
Carry forward from 2012/13	(109)
Contributions from Upper Tiers	(91)
Match core funding submission	(250)
Additional strategic funding (Autumn Statement)	(250)
Transport capacity funding c/fwd from 2012/13	(112)
<b>Total Income</b>	<b>(812)</b>
<b>Net Position</b>	<b>-</b>



4. Confirmation has been given by DCLG that carry forward of upper tier local authority contributions from 2012/13 can be used as eligible match for 2013/14, as it has not previously been used as match. Every attempt has been made to prioritise calls on other funding streams in order to maximise the amount of carry forward as this directly creates a reduction in the requirement for cash contributions from these partners for 2013/14 while allowing us to maintain a formal position with HMG that the core funding from local authorities remains at a total of £200,000 match. While final year-end calculations have yet to be concluded, an estimated £109,000 can be carried forward to reduce the cash contribution required from local authorities, representing a 55% reduction on the previous year.
5. Discussions with funding partners have supported the principle that the carry forward is applied as a reduction on the same basis as the calculation for contribution itself. Table 2 below shows the required contribution from each funding partners for 2013/14 to maintain the same level of support from Local Authorities as in 2012/13.

**Table 2**

<b>Funding Partner Contributions</b>						
		£'s				
	% Share	12/13 Contrib	12/13 C/Fwd	13/14 Contrib	Reduct. £'s	Reduct. %
East Sussex County Council	13.09%	26,180	14,268	11,912	(14,268)	55%
Essex County Council	35.88%	71,760	39,109	32,651	(39,109)	55%
Kent County Council	36.25%	72,500	39,513	32,988	(39,513)	55%
Medway Council	6.52%	13,040	7,107	5,933	(7,107)	55%
Southend Council	4.20%	8,400	4,578	3,822	(4,578)	55%
Thurrock Council	4.06%	8,120	4,425	3,695	(4,425)	55%
	<b>100.00%</b>	<b>200,000</b>	<b>109,000</b>	<b>91,000</b>	<b>(109,000)</b>	

\*Final contributions will be subject to change while the final year-end position is concluded.

6. Confirmation of process for the additional funding of £250,000 has been sought and DCLG have advised that more information will be available following the Budget Day on 20<sup>th</sup> March 2013.

#### **Core Funding Submission to BIS/DCLG**

7. Executive Group delegated the authority of final sign off of the match funding submission for 2013/14 to the Director and Chair. This claim was also reviewed and approved by the Finance Director of the Accountable Body as required by the conditions of funding. The submission was made to BIS/DCLG for the deadline of 15<sup>th</sup> February 2013.
8. DCLG and BIS officials have reviewed the submission made and are satisfied. The submissions from all LEP's will be presented to Ministers in the next couple of weeks for final approval. Confirmation of the funding will be communicated via letter following the final approval being made.

#### **Year End 2012/13**

9. The current financial year closes on 31<sup>st</sup> March 2013. Preparations are being made for the production of Statements of Accounts for the South East LEP and an invitation to tender for the external audit of

those accounts will be issued shortly. The Statements of Accounts will be constructed in line with the accounting policies and procedures of Essex County Council as the Accountable Body.

10. The provisional financial position for 2012/13 will be presented to the Executive Group on 24<sup>th</sup> May 2013. The final audited accounts will be presented to the Board for their consideration and approval on 6<sup>th</sup> September 2013.

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Position: Finance Business Partner, ECC as Accountable Body

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Date: 8<sup>th</sup> March 2013

## BOARD MEETING

Friday 15<sup>th</sup> March 2013

Agenda Item: 10

Pages: 8

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### ACTIVITY UPDATES

#### Purpose:

1. The Board is invited to **note** progress across a range of activities as the secretariat and partners deliver the business plan priorities.

#### **Business Plan Priority: Business Critical Infrastructure**

##### **Strategic Transport Infrastructure**

2. The Department for Transport (DfT) has issued a consultation paper “The Strategic Road Network and the Delivery of Sustainable Development”. The paper seeks views on a draft Government Circular which will replace both of the following:
  - Circular 02/2007 Planning and the Strategic Road Network; and
  - Circular 01/2008 Policy on service areas and other roadside facilities on motorways and all-purpose trunk roads in England.
3. The draft Circular aims to align policy more closely with the National Planning Policy Framework and to promote development and economic growth. It seeks to remove unnecessary regulation and to devolve more decisions to local authorities, eliminating the need for additional authorisations from the DfT or Highways Agency.
4. The consultation documents with the detailed questions can be downloaded from [here](#) or PDF copies of the documents can be emailed to interested Board Members upon request.
5. STIG members are currently reviewing the consultation documents but seek the views of the Board on the questions set within the documents. The closing date for responses is 25th March 2013. Board members are asked to make their views known to [David Freestone](#) by **Friday 22 March** so these can be incorporated into a comprehensive response on behalf of the SE LEP.

##### **Mobile Telephony**

6. Following agreement at the Executive Group meeting, the Secretariat has progressed work with the Chambers of Commerce, FSB and other partners to develop a questionnaire for businesses exploring the most significant gaps in the provision of mobile phone voice services. A call for information will be released at the beginning of April, any interested partners willing to participate and help with distribution should contact [The Secretariat](#)

##### **Development sites and investment**

7. A meeting has been organised for 22<sup>nd</sup> March 2013 with Terry Fuller from the HCA, Susan Priest and Graham Brown from Denne Construction, Kent Business Board Member, to discuss sharing best practice across the SELEP area in bringing forward investment sites. This need was identified at the business-only meeting in January, where support was given to de-risking strategic investment sites.
8. The Chairman, and Harvey McGrath, Chairman of the London LEP, held a discussion with key commercial and housing developers active in the Thames Gateway on 14th February 2013. The meeting discussed the infrastructure constraints developers are encountering that are causing unnecessary delays, frustrations, or preventing further investment in development sites, and gave their views on the measures that could help remove those limiting factors / blockers.

9. A summary of the discussions and example case studies is to be prepared for the Minister in advance of the next meeting of the Thames Gateway Strategic Group (TGSG) on 19th March 2013.

#### **Aviation**

10. Manchester Airports Group (M.A.G) has announced the completion of its acquisition of Stansted Airport for £1.5bn. As part of the transaction, Industry Funds Management (IFM) has taken a 35.5% equity interest in the enlarged group. M.A.G has a detailed integration plan in place to ensure a seamless transition of ownership and operations at Stansted which will maintain business as usual for passengers and customers. M.A.G. is the UK's largest regional airport operator. As well as Stansted, they own and operate Manchester, East Midlands and Bournemouth Airports.

#### **Rail**

11. Greater Anglia are establishing a stakeholder panel as a way of more closely aligning their plans and priorities with the needs of the area and they have invited a number of organisations including the South East LEP to be represented. George Kieffer will be the nominated representative for the LEP; the first meeting is scheduled for 19th March 2013.

#### **Use of Holding Directions – Highways Agency**

12. Please see appendix 1 for an update from the Highways Agency.

#### **Business Plan Priority: Finance**

##### **Infrastructure and Enterprise Zone funding**

13. Further details of the Local Infrastructure Fund, announced as part of the Autumn Statement, have been released. The fund provides £474 million for infrastructure investment and other site preparation works that will support economic growth, jobs and homes. The fund also invites locally-led large housing sites to come forward. Full details are available in the Prospectus, which sets out details for bidding to the fund. The Expression of Interest forms were available from 7th March and should be submitted by 3 April, although exceptional bids can come forward outside of this timetable
14. £59m of this £474m is being made available for Enterprise Zones to apply for investment to help "turn shovel ready sites into job ready sites", by completing key infrastructure projects to unlock the EZ sites, so businesses can set up. This could mean links to local road networks or reconfiguring site layouts; upgrading or installing utilities like electricity and water; or reclaiming contaminated land. EZ's are a central focus in the government's economic growth strategy, ministers want to see Enterprise Zones accelerating activity to give them the global competitive edge needed to attract firms.

##### **Exceptional Regional Growth Fund**

15. Government has announced details of the new Exceptional Regional Growth Fund (eRGF), which will benefit from £100 million of recycled grants from 45 withdrawn Regional Growth Fund (RGF) bids. Grants from the eRGF can be awarded at "any appropriate time", which will allow the Government to respond quickly to "specific economic opportunities or shocks" in order to ensure that growth in the most vulnerable parts of the country is maximised. Funding will be granted from the eRGF outside the normal RGF bidding process, however, applications will still be subject to the same level of appraisal, including independent scrutiny. In the absence of an open competition, eRGF cases will be benchmarked against similar bids from previous rounds to assess their relative value for money; in each case ministers will also seek independent advice before approving eRGF support. More information can be found [here](#).

### **Single Funding Pot**

16. Following discussions at the Executive Group on 8th February, The SE LEP has written to the Chancellor and Secretary of State for Communities to make the offer of co-designing a future single pot in conjunction with HM Government colleagues. The letter outlined six key principles we think must be at the heart of the single pot process. Details were circulated as part of the February Executive Group pack. For copies, please contact the Secretariat.
17. The SE LEP Director attended a round table event organised by the Centre for Cities with representatives from Whitehall departments, businesses and local government to hear about and discuss the Government's emerging response to Lord Heseltine's recommendations in his review of local growth. Jeremy Pocklington, HMT, Philip Cox, DCLG, and Emma Squire from BIS, led the broad ranging discussion on three key issues: how LEPs can drive growth; on local government reform; and the future of funding allocations.

### **Small Business Finance**

18. The Senior Officer group have been asked to provide detail on finance packages available to support small business in each of their local authority areas. The LEP will be meeting with Capital for Enterprise and the responsible Director at BIS to explore opportunities for joint working and to identify where the LEP may be able to act to support small businesses to access to finance.

### **Business Plan Priority: Business Engagement**

19. An excellent presentation was given on the 5<sup>th</sup> March by the developers of the exciting plans proposed for Swancombe Peninsula: Paramount Park. Further conversations will be held with the Chairman with them on a range and nature of LEP support to complement that of local partners.

### **Business Plan Priority: Skills**

20. The Programme Manager has attended recent meetings with the Federation of Essex Colleges (FEDEC), the Kent Association of Further Education Colleges (KAFEC) and the college Principals from East Sussex to provide information on the LEP. This provided an opportunity to explain the new role for LEPs in terms of Skills as a result of the Autumn Statement and to give an update on recent progress with the Skills group. The discussions provided an opportunity to outline how the Colleges can engage with the LEP in the future and the valuable input they can provide to the work of the SE LEP skills workstream.

### **Business Plan Priority: Cross Cutting Themes**

#### **Coastal**

21. Twenty seaside projects in England will receive grants of up to £2.6 million each from the Coastal communities fund to use on projects that will create jobs and bring new business opportunities to coastal communities, In the South East LEP area, 2 projects will receive funding:
- Friends of the Folkestone and Marlowe Academies, Ramsgate will receive nearly £350K to allow the Marlowe Innovation Centre to more than double its accommodation and support services to small businesses and new start-ups from 25 to 50 businesses which will create 70 new jobs and provide mentoring to local young people from disadvantaged backgrounds. The project will be boosted by a sizeable financial contribution from the Roger De Haan Charitable Trust.
  - Hastings Borough Council will receive over £1.2m to establish a restaurant/food court at Hasting Pier's gateway to provide workplace-based training and apprenticeships for local people that could help them secure tourism-related jobs.
22. These projects are the second round of this year's Coastal Communities Fund. Six projects were named last year during the first round of funding. Next year the Coastal Community Fund will increase by £4 million to

£28 million, a 17% increase on this year. The aim of the fund is to provide coastal towns in the UK with money to help pay for projects that can transform and diversify seaside economies.

## **Rural**

23. The SE LEP Rural Workstream was held on 23<sup>rd</sup> January 2013 and provided an opportunity to bring partners up to speed on the announcements of the Autumn Statement and to agree priorities for action for the coming year. The group agreed that it should remain as a key workstream, enhanced with additional representatives beyond the agri-food expertise on the group from East Sussex and Essex in order to fully contribute to the development of LEP strategies and EU investment plans. In addition, guests would be invited to attend on specific matters relevant to the agenda.
24. Discussion recognised the importance of: tourism in rural areas; SMEs; Broadband and mobile telephony; renewable energy; skills development and work readiness; and key investments opportunities that could lead to growth in rural areas. The group concluded that they would clearly retain their focus on growth as oppose to taking a broader perspective on community-based issues.
25. Next steps were agreed, the Interim Deputy Director will support the group in preparing a paper for the June Board meeting covering: the evidence base on the rural economy across the SELEP; resulting strengths of the rural economy in the SE; the growth trends and synergies to exploit; and investment opportunities. The group felt this would position growth in rural areas in a helpful way to allow the output to be used in future strategic development and investment plans.

## **Communications**

26. Updates from the SE LEP will be included in two articles in connection with local Chambers of Commerce. The first is a feature in the Essex Chambers of Commerce article in the East Anglian Daily Times, to be published on 26<sup>th</sup> March 2013. The second is an article with the Harlow Chamber of Commerce to be published on 2<sup>nd</sup> April 2013. These news articles provide an opportunity to raise awareness of SE LEP activity directly with the business community, other partners who would like contributions from the LEP for business communications should contact [Stewart Henderson](#).
27. SELEP responded to questions posed by the Sunday Politics East programme regarding LEPs and Enterprise Zones in the BBC East region, looking at the amount of money allocated through various Government growth initiatives and to what extent this has helped to stimulate the local economy. The programme was offered an interview with the chairman, however this was not taken up. The only direct mention of SELEP in the programme, which was broadcast on 17 February, was with regards to the allocation of GPF funding, although the enterprise zone in Harlow was also mentioned.
28. A letter offering a one-to-one meeting has been sent to Damian Green MP (Ashford) following positive references to the work of SELEP and its bi-weekly briefing in a newspaper column.
29. Since the February Executive Group meeting SELEP has increased its twitter followers by 45 to a total of 885 by 19 February. The website received 2,529 visits between 1 January and 19 February – of which 1,331 were new visitors. During this period the top three pages visited – outside of the home page – were Contact Us (459 views) About Us (446 views) and Members (355 views).

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Date: 8<sup>th</sup> March 2013

## Appendix 1: Holding Directions at 7<sup>th</sup> March 2013 – Essex

Received	HA File Ref	Council Ref	Site Address	Description of Application	Reason for Direction	Engineer	Date of First Issue	Expiry Date	Comments
16-Oct-12	Q760960 HA 4/1/14734	12/01480/OUT	Runwell Hospital, Runwell, Wickford, Essex	Outline application for residential development - 625 houses and supporting uses, school, recreational, sports, retail business & community & associated works.	Applicant traffic diagram shows 90+ vehicles turning on to A130 no other junctions until J17 on A12 (protocol states +30 vehicles should be accessed) awaiting assessment of junction	Norman, Mark	17-Oct-12	02-Apr-13	Lifted subject to travel pain
29-Aug-12	L745228	12/01000/FUL	Broomhills Industrial Estate, Pods Brook Road, Braintree	Demolition of existing industrial terrace buildings etc. & construction of new Sainsburys.	Negotiations on TA and impact on A120 ongoing	Norman, Mark	06-Sep-12	28-Nov-12	Lifted and application due to go to committee for refusal on planning grounds
17-Jul-12	L991269	121272	North Colchester Urban Ext Mile End Road Colchester	Mixed use development comprising 1,600 dwellings, neighbourhood centre inc. commercial, residential and community uses, site for prim and secondary schools, landscaping, green infrastructure and outdoor sport facilities, access & related infrastructure etc	I understand Eric is close to lifting this and replacing with conditions	Eric Cooper	24-Jul-12		Conditions now agreed
11-Oct-12	Q448962	EPF/1020/12	Land between M11 and commercial premises on east side of Langston Road, Debden, Loughton, Essex	Outline application for the erection of warehouse distribution and storage with associated offices and parking (including retention of raised ground levels.)	We have some questions over the methodology used in the TA	Norman, Mark	25-Oct-12	04-Dec-12	Responded to no objection
19-Sep-12	Q555800 HA 4/1/6906	12/00862/OUT	Land adjacent to Ponds Farm, Purfleet Road, Aveley Essex	Outline planning application for redevelopment of site for employment use totalling 38,686sqm (415,41 sq ft) with means of access & quantum of dev to be approved.	Need to ensure the TA is carried out to the same standards as other developments in the area actual development unlikely to have a material affect upon the M25 J30	Norman, Mark	03-Oct-12	19-Dec-12	
18-Dec-12	Q55796	12/01119/out	Former Averly Sports ground	Out line for demolition of existing building and erection of 501 dwellings 985 Sqm of comercial	Need to ensure the TA is carried out to the same standards as other developments in the area actual development unlikely to have a material affect upon the M25 J30	Mark Norman	04-Jan-13	02-Apr-13	

## Highways Agency Holding Directions at 1<sup>st</sup> March 2013 – Kent and East Sussex

SITE	TRUNK RD	LOCAL PLAN AUTH	DATE HD IMPOSED	HD REVIEW DATE	HISTORY AND CURRENT SITUATION	CURRENT ACTION WITH	ACTION OFFICER	APPLICATION REF
Tesco Sittingbourne Town Centre	A249/M2	Swale	03/01/2012	26/03/2013	HA have agreed Departures from design standards but non motorised user issues unresolved re A2/A249 junction signalisation mitigation scheme. HA have offered to meet applicant to discuss timetable for taking matters forward.	Applicant - awaiting response	Kevin Bown	SW/10/1415
Tesco Milton Creek	A249/M2	Swale	03/01/2012	26/03/2013	HA have agreed Departures from design standards but non motorised user issues unresolved re A2/A249 junction signalisation mitigation scheme. HA have offered to meet applicant to discuss timetable for taking matters forward.	Applicant - awaiting response	Kevin Bown	SW/10/1419
Lodge Hill Chattenden	A2/M2	Medway	29/11/2011	15/04/2013	Meeting held on 31/5/12 with applicant. Medway to submit evidence re M2 J2&3. Response re J2 shows no impact. Meeting held 10/9/12, agreed need to conduct modelling exercise. To take place between Oct-Jan 13 and feed to reopened Core Strategy EIP. Assessment continues.	Applicant - provide evidence	Kevin Bown	MC/11/2516
Plot 4 Eclipse Park	M20	Maidstone	10/02/2012	08/03/2013	HA about to complete their assessment of design Departures. Applicant is asking for Exceptions to be made to the recommendations of the Road Safety Audit. Meeting held 10/1, agreed drawings, s278, timing of works. To commence summer 2013 ahead of opening of KIMS in early 2014.	HA - consider Departures from design standards and request for Exceptions to Safety Audit recommendations.	Kevin Bown	MA/12/0021
Eclipse Park	M20	Maidstone	10/02/2012	08/03/2013	HA about to complete their assessment of design Departures. Applicant is asking for Exceptions to be made to the recommendations of the Road Safety Audit. Meeting held 10/1, agreed drawings, s278, timing of works. To commence summer 2013 ahead of opening of KIMS in early 2014.	HA - consider Departures from design standards and request for Exceptions to Safety Audit recommendations.	Kevin Bown	MA/12/0022
Phase 1 Waterbrook Park, Waterbrook Ave, Sevington, Ashford, Kent	M20/A2070	Ashford	06/06/2012	13/03/2013	Holding direction issued with letter explaining supporting information and justification is needed. 2nd letter issued 21/9 in response to 1st letter response. 21/11 Applicant seeking to agree increase in Ashford Dev Units (DUs) allocated to site. HA to be involved as necessary in assessing evidence re where past allocations have not been used and hence are available for reuse. Developer has proposed conditions and HA received comments on them from Ashford BC on 27/2/13.	HA - to review conditions	Kevin Bown	12/00471/AS
Land North of Barnhorn Rd	A259	Rother DC	12/11/2012	01/03/2013	Applicant has not provided NMU Context Report despite repeated requests from HA. No progress now possible until Report has been provided.	Applicant - Provide NMU Context Report.	Beata Ginn	RR/2012/1978/P
Land at Icklesham	A259	Rother	12/02/2013	06/04/2013	Application for lorry parking, land previously used as an open storage. HA has asked for further information on traffic generated and its impact on the A259.	Applicant - provide further information	Beata Ginn	RR/2013/93/P