



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 22nd March 2024

Carlton Room, Events@no6, 6 Alie Street, London E1 8QT



Agenda

Item 1	10:30	Welcome	Sarah Dance	
Item 2	10:35	Minutes from 8th December 2023 meeting Declarations of Interest	Sarah Dance	Pg. 3
Item 3	10:45	SELEP Integration Plan Progress	Helen Russell	Pg. 8
Item 4	11:15	Capital Programme Impact Report	Helen Dyer	To Follow
Item 5	11:30	Sector Support Fund Evaluation	Alex Riley	Pg. 18
Item 6	11:45	Growth Hub Update	Jo Simmons	Pg. 27
	11:55	AOB & Close	Sarah Dance	

Minutes of the Strategic Board meeting:

8th December 2023

Attendees:

Sarah Dance	Chair
Simon Cook	Deputy Chair
Helen Russell	CEO, SELEP
Michael Neumann	Essex County Council (s151)
Stephanie Ennis	Essex Legal Services
Lorna Norris	Essex County Council
Helen Dyer	SELEP Secretariat
Jo Simmons	SELEP Secretariat
Gregory Wilkinson	DLUHC
Cllr Keith Glazier	East Sussex County Council
Cllr Lee Scott	Essex County Council
Cllr Lauren Edwards	Medway Council
Cllr Roger Gough	Kent County Council
David Sheppard	Team East Sussex
Clive Soper	Team East Sussex
Ana Christie	Team East Sussex
David Rayner	Success Essex
Lara Fox	Success Essex
Perry Glading	Opportunity South Essex
Liz Gibney	Kent and Medway Economic Partnership
Vince Lucas	Kent and Medway Economic Partnership
Andrew Metcalf	Kent and Medway Economic Partnership
David Milham	Kent and Medway Economic Partnership
Jo James	Kent and Medway Economic Partnership
Cllr Christine Bayliss	District/Borough/City Councils representative
Jeremy Kerswell	Further Education Representative

Other Attendees:

Richard Dawson	East Sussex County Council	Leslie Rickerby	SELEP Secretariat
Jill Fisher	East Sussex County Council	Vivien Prigg	SELEP Secretariat
Nick Brown	Southend-on-Sea City Council	Louise Aitken	SELEP Secretariat
Paul Chapman	Essex County Council	Brian Horton	SELEP Secretariat
Sunny Ee	Medway Council	Alex Riley	SELEP Secretariat
Jessica Jagpal	Medway Council	Gary Crooks	Thurrock Council
Steve Samson	Kent County Council	Howard Davies	SELEP Secretariat
		Keri Lawrence	SELEP Secretariat (minutes)

This meeting was held online via Zoom and a recording can be found by clicking [here](#); the timestamp of the start of the discussion for each item is indicated in brackets.

Item 1: Welcome and apologies for absence

Apologies:

Penny Shimmin (Social Enterprise Representative), Mark Curle (Opportunity South Essex), Cllr Kevin Bentley (Essex County Council, substituted by Cllr Lee Scott), Prof. Karen Cox (Higher Education Representative), Carol Ford (Kent and Medway Economic Partnership), Cllr Andrew Jefferies (technical problems).

Item 2: Minutes of last meeting, declarations of interest (01'07" timestamp on video)

- 2.1. The Board agreed the minutes of the last meeting as an accurate record.
- 2.2. David Rayner asked the Board to note that Cllr Kevin Bentley's statement in item 3.6 that 'Everyone has been fully briefed and kept on board and had their say' is not accurate with respect to the Success Essex Board. Cllr Lee Scott (Essex County Council) made assurances officers would be made aware. Perry Glading confirmed that Opportunity South Essex have been briefed.
- 2.3. Cllr Christine Bayliss declared an interest with respect to Agenda Item 7 in relation to Barnhorn Green; and did not participate in the vote.

Item 3: Governance Update (04'21" timestamp on video)

- 3.1. Helen Russell presented to the Board.

The Board Noted:

- 3.2. The resignation of Graham Peters as a Private Sector Director representing Team East Sussex, effective June 2023.
- 3.3. The appointment of David Sheppard as a Private Sector Director representing Team East Sussex, effective June 2023.
- 3.4. The appointment of Mark Curle as a Private Sector Director representing Opportunity South Essex, effective July 2023.
- 3.5. The resignation of Matthew Arnold as a Private Sector Director representing Kent and Medway Economic Partnership, effective September 2023.
- 3.6. The resignation of Jo James as a Private Sector Director representing Kent and Medway Economic Partnership, effective December 2023.
- 3.7. The appointment of David Milham as a Private Sector Director representing Kent and Medway Economic Partnership, effective December 2023.
- 3.8. The appointment of Andrew Metcalf as a Private Sector Director representing Kent and Medway Economic Partnership, effective December 2023.

Item 4: SELEP Integration Plan (07'29" timestamp on video)

- 4.1. Helen Russell presented to the Board.

The Board Resolved (31'58" timestamp on video):

- 4.2. **To Agree** the final SELEP Integration Plan.
- 4.3. **To Note** the progress made, impact on the critical path and remaining key risks highlighted in this paper and the Integration Plan.

- 4.4. **To Endorse** the DLUHC LEP Integration templates, submitted to Government by East Sussex, Greater Essex and Kent and Medway.
- 4.5. **To Endorse** the utilisation of uncommitted SELEP residual revenue funds for application in 2024/25 to support LEP function resourcing in UTLAs, noting this will be subject to a final decision to be made by the Accountability Board.

Item 5: Local Authority Integration Plans Update (33'24" timestamp on video)

5.1 Cllr Roger Gough (Kent County Council) provided an update from a Kent and Medway perspective. The DLUHC Transition Template was submitted in November. Extensive work is underway, engaging both Districts and Business partners. The Kent and Medway Economic Framework has been finalised, which covers the wider economic strategy and the LEP functions. The Kent and Medway Economic Partnership (KMEP) continues to support the significant workstreams including the employment task force (Kent and Medway focused), data and intelligence, Growth Hub, and the handover of Accountable Body status. Key priorities for Kent and Medway include the transfer of staff from April and the use of potential associated residual funding to support that. Kent and Medway are comfortable that the significant level of work underway, and the close working with SELEP and Essex County Council as LEP Accountable Body to complete the necessary handover arrangements, will ensure that integration will be completed in a timely manner.

5.2 Cllr Lauren Edwards (Medway Council) endorsed Cllr Gough's update and emphasised that Medway Council are committed to working with Kent County Council to deliver the LEP functions across the economic area, which is clearly outlined in the template submitted to Government. With respect to Medway governance, a paper on the transfer of LEP functions will go to Cabinet in January 2024.

5.3 Cllr Lee Scott (Essex County Council) provided an update. In order to develop plans for integration across Essex, Essex County Council has been working with Southend-on-Sea City Council and Thurrock Council to agree an integration plan for all 3 UTLA's. A partnership agreement will be entered into which will set out how LEP functions will be delivered. The partnership agreement will formalise the mechanisms and arrangements for the integration process on a Greater Essex level. The agreement will clearly articulate the functions and responsibilities assigned to each UTLA and those which will be assigned at a Greater Essex level. As outlined at previous Board meetings, Greater Essex is in negotiation with Government regarding a potential devolution deal. The outcome of those negotiations is expected prior to Christmas or shortly thereafter and will inform the Essex integration plans. If a devolution deal is agreed by Government, it will be necessary for Greater Essex UTLA's to develop an interim arrangement across Greater Essex before LEP functions move over to the proposed Combined Authority. Should a devolution deal not be agreed with Government, the interim arrangements agreed will continue. Greater Essex UTLA's are already establishing new strategic relationships with businesses and will continue to work closely with these businesses to shape future arrangements. As per Government guidelines, a full, open and transparent recruitment process will take place to create a new Board. This process will take place following the expected announcement from Government in January regarding the future role of business.

5.4 Written update from East Sussex County Council as follows:

ESCC has continued to make resource available across departments to ensure LEP Transition work is prioritised. As such we've made excellent progress in developing our East Sussex Integration Plan and have now produced a full draft version.

In developing our Plan we mirrored the SELEP workstreams, and carefully considered each-and-every activity of the overarching SELEP Integration Plan, arranging those activities into county-specific actions, and providing our own response to how the relevant roles, functions and responsibilities will be absorbed locally.

We've also ensured that the strategic involvement of the business voice is recognised in the Plan through Team East Sussex. This was also recognised in the DLUHC LEP Integration Template that we submitted to Government (last week), where we clearly set out that Team East Sussex will continue to operate beyond the life of SELEP as the business-led strategic advisory economic growth board for the county, providing the voice of business and helping to steer the economic growth agenda for East Sussex. Emma Smith (South East Area Lead at DLUHC) attended this week's TES Board meeting and was again very complementary of Team East Sussex, commenting on how well the Board fits the remit set by Government.

ESCC has provided confirmation to SELEP that it will act as Accountable Body for Growth Hub funding from 1 April 2024 (should sufficient funding be forthcoming), and that the Business East Sussex (BES) Growth Hub will continue to be delivered in-house.

The draft East Sussex Integration Plan was endorsed by the TES Board earlier this week. ESCC Cabinet is scheduled to approve an updated version of the Plan in March 2024 that incorporates the anticipated Government guidance and new Assurance Framework. All formal approvals are still on track to be concluded ahead of the March SELEP Strategic Board meeting.

Item 6: 2022/23 Accounts (40'51" timestamp on video)

6.1 Lorna Norris presented to the Board.

The Board:

6.2 **Confirmed** that the SELEP Statement of Accounts 2022/23 have been considered.

6.3 **Approved** the South East LEP Ltd Statement of Accounts 2022/23.

Item 7: Growing Places Fund Update (1h05'23" timestamp on video)

7.1 Helen Dyer presented to the Board.

7.2 The Board considered the proposed options 1, 2 and 3 in relation to the requested revised repayment schedule for the Sovereign Harbour project.

7.3 East Sussex County Council proposed a further Option 4:

"We would ask the Board to support and endorse the approach that good decision making involves East Sussex County Council, SELEP and Essex County Council as the Accountable Body holding further discussions on each of the options and the impacts presented. We then ask that the SELEP Strategic Board endorses the approach that decision making is agreed to sit with the SELEP Accountability Board members to determine the decisions on both the repayment plan presented for Sovereign Harbour and separately on the Barnhorn Green project to determine whether it has met the requirements to receive GPF funding."

7.4 **The Board resolved to agree** the proposed Option 4.

7.5 **The Board Noted** that in advance of any decision by the Accountability Board in respect of the Sovereign Harbour loan repayment, East Sussex County Council will be required to confirm to the Accountable Body that the Sovereign Harbour Project will continue to comply with applicable laws, including the relevant state aid/subsidy control rules.

Item 8: Local Growth and Getting Building Fund Update (1h40'09" timestamp on video)

8.1 Helen Dyer presented to the Board.

8.2 Michael Neumann (s151) confirmed that from an Accountable Body perspective, due process in line with the Assurance Framework was followed by the SELEP Secretariat in relation to the Investment Panel; and the decision taken by the majority of the panel was in line with the Assurance Framework.

Item 9: Delegated Authority for Greater South East Net Zero Hub (1h43'39" timestamp on video)

9.1 Jo Simmons presented to the Board.

The Board Resolved:

9.2 **To Note** the GSENGH reviewed Terms of Reference (ToR) presented in Appendix A to this report.

9.3 **To Agree** to delegate responsibility to the SELEP CEO in conjunction with the Accountable Body for agreeing the final ToR in a form substantially similar to the ToR presented in Appendix A.

9.4 **To Agree** to the representation of SELEP on the GSENGH Board and the remit of powers defined in the reviewed ToR, including the permitting of any further delegation from the CEO to a member of the SELEP Secretariat.

9.5 **To Note** that SELEP representation on the GSENGH Board will not enable the representative to make decisions that will create, or have the potential to create, a financial liability for either SELEP Ltd or the Accountable Body without appropriate approvals having been sought in advance.

Item 10: AOB & Close

10.1 Sarah Dance extended her gratitude on behalf of the Board to Jo James on her retirement.

10.2 Date of the next meeting is **22 March 2024** in person, location in London to be confirmed.

10.3 Sarah Dance reminded the Board that an extraordinary meeting may need to be held before the next meeting in March but would only be done if absolutely necessary. If that was the case, attendance would be appreciated.

10.3 Sarah Dance closed the meeting.

Item 3: SELEP Integration Plan

Executive Summary

1. Overview

- 1.1. Following the withdrawal of central government support and core funding for Local Enterprise Partnerships (LEPs) from April 2024 and their position that Upper Tier Local Authorities (UTLAs) or Functional Economic Areas (FEAs) ¹ will deliver LEP functions from 2024/25, responsibility for LEP functions will sit with the FEAs from 1st April 2024.
- 1.2. In July 2023 Strategic Board therefore took a decision on the future of the LEP and that was to work towards full integration of all LEP functions into UTLAs or FEAs by 31 March 2024, as per Government policy. On 4th August 2023, alongside a letter to confirm cessation of core funding, technical guidance on LEP integration was issued to LEPs and UTLAs by DLUHC.
- 1.3. Since the summer, the LEP secretariat has worked with all six UTLAs, the Accountable Body and other partners to develop a SELEP wide integration plan. A final version was presented and approved by this Board in December 2023 and an updated version can be found in Appendix A.
- 1.4. The key *known* dates (past or future) are as follows:

Dates	Meeting	Meeting focus
7 July 2023	SELEP Strategic Board Meeting	Agree principles of transition and preferred scenario for moving forward
19 July 2023	SELEP Senior Officer Group	Develop integration plans according to the decision of the 7 July meeting
13 September & 3 October 2023	SELEP Senior Officer Group	Review and progress first draft outline integration plan
13 October 2023	SELEP Strategic Board Meeting	Agree draft SELEP Integration Plan. Update on UTLA specific planning.
9 November 2023	SELEP Senior Officers Group	Review of final Integration Plan and discussion on DLUHC template.
8 December 2023	SELEP Strategic Board Meeting	Agree final SELEP Integration Plan. Update on local plans.
11 January 2024	SELEP Senior Officers Group	Review of final Integration Plan
22 March 2024	Intended final SELEP Strategic Board Meeting – Note: an additional meeting will now be required re closure of SELEP Ltd	To review progress against the SELEP Integration Plan.

¹ Functional Economic Areas as East Sussex, Greater Essex (Essex, Southend and Thurrock) and Kent and Medway.

- 1.5. The separate Appendices to this paper are as follows:
 - 1.5.1. SELEP Integration Plan (updated March 2024)
 - 1.5.2. Decisions taken on Transition, July 2023

2. Decisions/Actions: Board is recommended to:

- 2.1. **Note** the progress made in executing the SELEP Integration Plan.
- 2.2. **Note** the remaining key risks highlighted in this paper and the Integration Plan.
- 2.3. **Note** the current position regarding discussions with DLUHC on the Accountable Body arrangements for the legacy capital programme and related progress on the Transition Agreement.
- 2.4. **Note** that due to delay caused in concluding arrangements for the transfer of the legacy capital programme, the LEP will not be able to resolve to close SELEP Ltd by 31st March 2024.

3. Rationale for Decisions/Actions

- 3.1. SELEP, ECC Accountable Body and local authority partners have and continue to work at pace to ensure that the tasks, milestones and decisions set out in the Integration Plan are achieved.
- 3.2. It is essential that Board Directors understand these and are clear on the critical path being worked to, to achieve the transition.
- 3.3. It is also essential that Board Directors are clear on the tasks that remain outstanding at this point, those that we aim to undertake and resolve by 31st March and those that would need to be undertaken post 1st April 2024. These are set out in the updated Integration Plan and some are summarised below in section 4.

4. Decision 1: Note the progress made in executing the SELEP Integration Plan

- 4.1. Whilst the plan was presented as a Final Integration Plan in December 2023 it continues to be a working document and has been monitored and updated since the last Board meeting. This has been overseen through regular dialogue between SELEP and ECC Accountable Body and monthly meetings of the Senior Officers Group.
- 4.2. The table below presents the main progress points since the last Board meeting in December.



Area of Work	Progress (as of 15th March 2024)	Outstanding tasks (by)
Governance & Capital Programme	<ul style="list-style-type: none"> • Further Government guidance² was received 19/12/23, which confirmed core funding for FEAs of up to £240k each in 2024/25. • A response received from DLUHC on 22/02/24 re Accountable Body arrangements for the legacy capital programme, stating there should be: <ul style="list-style-type: none"> ○ three Accountable Bodies, as per the geographies submitted in the UTLA integration templates in November 2023 ○ Retained historic liability by ECC for all projects. <p style="text-align: center;">Please refer to sections 6 and 7 that set out the implications of this.</p> • The draft Transition Agreement, to be effective from 01/04/24, was shared with UTLAs and DLUHC on 16/02/24 and feedback is being considered and discussed. Please refer to sections 6 and 7 that set out the status of this. 	<ul style="list-style-type: none"> • Finalise Accountable Body arrangements with DLUHC (asap) • Terms of the Transition Agreement to be agreed to enable it to be signed by all parties (asap) • All remaining grant agreements (LGF, GBF, GPF) and variations are signed (28/03/24).
Growth Hub & Business Support	<ul style="list-style-type: none"> • Letter to highlight the concerns and risks to continuity of service, due to absence of funding allocations, was sent by the Chair to the Minister (12/02/24) and a similar letter was sent to DBT officials, from the senior officers of all partners (20/02/24) 	<ul style="list-style-type: none"> • Retire South East Business Hub website and cease paying for current Business Essex, Southend & Thurrock and Business East Sussex websites (28/03/24). • Continue to chase re 2024/25 funding allocations and confirmation of new geographical areas (asap)

² [Guidance for local authorities delivering business representation and local economic planning functions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-for-local-authorities-delivering-business-representation-and-local-economic-planning-functions)

Partnerships & Network	<ul style="list-style-type: none"> • The South East Creative Enterprise Network (SECEN) and Major Projects Group (MPG) secretariat will be taken on by Kent County Council as of 01/04/24. • Secretariat for the MPG Skills Group (a subgroup of the MPG) is being undertaken by CITB. Handover complete. (07/03/24). • A place each for East Sussex, Greater Essex and Kent & Medway has been agreed for the Greater South East Net Zero Hub Board as of 01/04/24. • The UTLAs will not now provide secretariat for the Housing and Development Group (HDG) from 01/04/24 and this group will look to alternative models. 	<ul style="list-style-type: none"> • Updated Terms of Reference (ToR)/ways of working agreed by SECEN and MPG (21/03/24). • HDG to agree its future operating model and ToR (12/03/24)
Resourcing	<ul style="list-style-type: none"> • Staff consultation concluded 28/02/24 and seven positions were available across two UTLAs. Outcomes confirmed 12/03/24. <ul style="list-style-type: none"> ○ 3 staff members will internally transfer in Essex County Council ○ 1 staff member will transfer to Kent County Council ○ 4 staff members are seeking redeployment in ECC or will be leaving employment 	<ul style="list-style-type: none"> • Staff members moving to UTLAs (from 01/04/24). • Staff members leaving will support residual LEP activities during notice period (up to mid-June).

4.3. The table below sets out any milestones on the critical path that were missed, along with the implications and actions.

Item	Deadline	Actual	Implications
Response/decision from Government on new Accountable Body arrangements	14/12/23	22/02/24	The response states that DLUHC wish to see three Accountable Bodies – East Sussex County Council; Essex County Council for Essex, Southend-on-Sea and Thurrock and Kent County Council or Medway Council for Kent and Medway. As this doesn't align with the proposal to DLUHC and there are other areas of clarification in relation to liabilities; ECC, partners and DLUHC are in discussions and an update will be given as soon as possible.
Staff consultation & outcomes confirmation for the SELEP Secretariat	11/12/23	13/03/24	Consultation timelines were originally delayed due to internal ECC processes, starting on the 15/01/24 and concluding 28/02/24. Staff transferring to LAs will do so on 01/04/24. Those being made redundant will work notice periods undertaking LEP residual/closure work.

Confirmation from Government of Growth Hub funding allocation (to enable timely procurement/ arrangements)	19/2/24 (SELEP deadline)		We remain unclear as to when funding allocations will be confirmed. Letters were sent to DLUHC/DBT Officials and the Minister in February to raise further concerns over breaks in service. This causes delay to other linked Growth Hub activities on the critical path e.g. procurement.
Receipt of new Assurance Framework for 2024/25	29/01/24 (SELEP anticipated deadline)		Not received from Government and no update on timescales for publication. If not published by 31/03/24 Government will need to clarify what interim measures will be in place.
Local authority decision making	Varied		Decision making has taken slightly differing forms across the UTLAs. Some have taken decisions already that enable delegated action and others will take decisions once agreements are finalised. This presents risk of delay but all UTLAs are aware of the need for quick decisions and are planning accordingly.
Decisions on closure of Joint Committee (Accountability Board)	16/02/24		The response from Government was not received in time to inform the February Accountability Board. This decision will be taken at the point there is full clarity on future accountable body arrangements in regard the legacy capital programme.

5. Decision 2: Note the remaining key risks highlighted in this paper and the Integration Plan.

5.1. Overall, the key risks to timely integration are:

- 5.1.1. Capacity with the SELEP Secretariat, Accountable Body and within UTLAs to action tasks at the required pace.
- 5.1.2. Clarity from, and agreement with, Government on the future accountable body arrangements and, as importantly, how they need to be implemented.
- 5.1.3. Breaks in continuity because of late confirmation of UTLA funding allocations, particularly in relation to Growth Hubs.

5.2. There are some key dependencies that a successful integration will require. These are:

- 5.2.1. Confirmation of the geographical coverage of new Accountable Body arrangements and some local areas still have governance processes to conclude.
- 5.2.2. All required Local Authority formal decision making concluded to enable timely signing of the Transition Agreement following agreement of terms with UTLAs and DLUHC.

5.3. The risks and dependencies are mostly associated with timescales and capacity, however there are further clarifications needed from DLUHC that could require a change of approach, particularly in relation to the legacy capital programme and Accountable Body status. The Integration Plan includes an updated critical path and local governance timelines.



6. Decision 3: Note the current position regarding discussions with DLUHC on Accountable Body arrangements for the legacy capital programme and related progress on the Transition Agreement

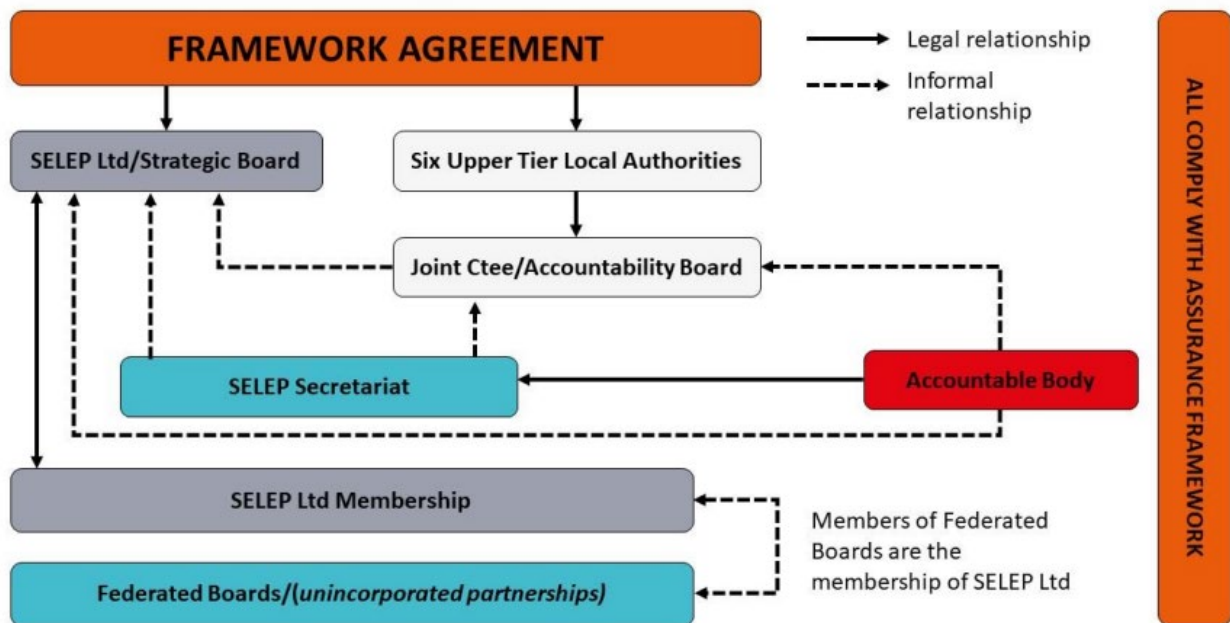
- 6.1. SELEP and ECC Accountable Body wrote to DLUHC on the 1st December 2023, in agreement with UTLA partners, to set out a proposal for new accountable body arrangements for the legacy capital programme from the 1st April 2024, following DLUHC's guidance that accountable body arrangements are to be in line with local arrangements. This followed many discussions with partners and DLUHC on the matter since late summer.
- 6.2. This proposal was seeking to transfer full responsibility to the six UTLAs of the accountable body functions for their geographical area, in line with arrangements already in place between ECC as Accountable Body and the UTLAs. This would allow the LEP structure to be fully disbanded, as per the decision of this Board and as had been agreed with local authority partners.
- 6.3. Whilst we were awaiting a response from DLUHC as to whether they would be a party of the agreement with the six UTLAs or require a separate agreement with ECC as accountable body to release ECC, due to timescales, we continued to prepare for the transition and the draft Transition Agreement was compiled and shared with UTLA partners and DLUHC, on the 16th February 2024. The draft was based on the proposal sent to DLUHC on 1st December 2023 and partner authorities have been working through the draft Agreement, with most having provided feedback to Essex Legal Services (on behalf of the Accountable Body).
- 6.4. A response to our proposal was received from DLUHC on the 22nd February 2024, stating that DLUHC was willing to transfer Accountable Body status from 1st April 2024 to East Sussex and Kent and Medway and that ECC would remain Accountable Body for Essex, Southend and Thurrock. Effectively creating three Accountable Bodies for the ongoing management of the legacy capital programme from 1 April 2024, not six. It also stated that that ECC would retain full responsibility for the programme up to 31st March 2024.
- 6.5. This response is not in line with the proposal that was envisioned and has implications for full transition of LEP functions. Since receiving the response, discussions have taken place between ECC and DLUHC but they are ongoing, and a resolution has not yet been reached.
- 6.6. Discussions will therefore continue between ECC, partner authorities and DLUHC, to reach a resolution on the legacy arrangements and progress the Transition Agreement as a matter of urgency, but given the timing, it should be noted that despite best efforts by the LEP and its partners, it is not now going to be possible to fully conclude LEP integration by 31st March 2024.

7. Decision 4: Note that due to delay caused in concluding arrangements for the transfer of the legacy capital programme, the LEP will not be able to resolve to close SELEP Ltd by 31st March 2024.

- 7.1. As Board members are aware, the decision was taken in July 2023 to adopt 'Scenario D' for the transition of the LEP and integration of its activities into local authorities. In that Board paper, Scenario D was set out in terms of its headline ambition, functions, timeline, governance, finances and people, and this can be found in Appendix B. Relating to the timeline, it is stated we would aim for the 'Integration of LEP functions by 1st April 2024, or as close to that date as possible.

- 7.2. The SELEP Integration Plan was compiled and has been executed based on that ambition, and as cited in section 4 and the integration plan (appendix A) the vast majority of the activities that were in local control to conclude, have done so. However, the arrangements for accountable body status for the legacy capital programme is not fully in local control and, as cited above, has not yet been resolved.
- 7.3. As Board members know, SELEP’s governance is based on the Framework Agreement which sets out the relationships between its Boards and the partners. The diagram below sets this out.

SELEP Governance Diagram



- 7.4. Due to the delay set out in Decision 3, it is not going to be possible to integrate all LEP functions by the 31st March 2024 as more time is now needed to work through the arrangements, reach agreement and conclude any further local governance that is required.
- 7.5. A further period of time is needed to enable this to take place and as such, the Board would not be in a position to take the decision at this meeting to disband the LEP structure and resolve to close SELEP Ltd. If SELEP Ltd were to resolve to close the company, the Framework Agreement automatically expires 3 months following this date, which presents a risk if the new agreements are not yet in place.
- 7.6. ECC as Accountable Body will continue to work at pace to reach a resolution that allows this Board, to take closure decisions regarding SELEP Ltd by June 2024, or at the earliest point prior. Two paths will be pursued in parallel to achieve this:
- 7.6.1. **Resolution on and signing of the Transition Agreement between ECC as current Accountable Body, the partner authorities and DLUHC to enable the transition of the legacy capital programme.**
 - 7.6.2. **A variation to the Framework Agreement that enables an Agreement to continue and Accountability Board to function in the absence of the Strategic Board (SELEP Ltd).**

- 7.7. This will mean the decision to close SELEP Ltd can be taken by Directors with the assurance that the transition is concluded, or alternative arrangements made, and that their duties have been fulfilled by being satisfied that the company is no longer required, as required by company law.
- 7.8. An extraordinary meeting of this Board would be held online in June, or before, if possible, to take the final decisions on closure of SELEP Ltd and sign off of the SELEP Ltd accounts. This would require the Board to remain quorate until this time so that these decisions can be taken and an orderly closure of the LEP can be completed. This is in line with the decision taken in July 2023, noting 'the need to maintain all 20+5 Board Director positions until the LEP is disbanded to ensure that quorate decisions can be made by the Strategic Board to see through the transition'. This decision is also outlined, for reference, in Appendix B and was taken based on the fact that 31st March 2024 was a challenging timescale, particularly given the lack of clarity from Government on a number of issues.
- 7.9. Board members should note that assuming agreement is reached between ECC as Accountable Body, the partners UTLAs and DLUHC within a reasonable timeframe, the Transition Agreement would still be effective from the 1st April 2024, even if signed following that date.
- 7.10. It should also be noted that whilst these legacy arrangements require resolution to fully and successfully complete the transition of SELEP functions to UTLAs, policy has not changed and the mandate beyond the 1st April 2024 to deliver future economic growth through business representation, economic planning and delivery of new Government programmes, no longer resides with the LEP and we are working on the basis that this will be undertaken by UTLAs.
- 7.11. As agreed by the Accountability Board in February 2024, until the Transition Agreement is agreed and signed by all parties, ECC as Accountable Body will not be able to release the unallocated residual LEP funds to partner authorities. There will also be additional cost implications for the Accountable Body due to the delayed closure and resource implications of supporting further meetings of the Board and Accountability Board and negotiating the terms of the Transition Agreement. Additionally, as a consequence of the delay there is a risk that the funding remaining to support transitioned services will be delayed and be potentially less than anticipated in the reporting to Accountability Board in February.

8. Next Steps

- 8.1. Transition activities will continue, and engagement with Senior Officers will take place as required. The remaining SELEP Secretariat will continue to work with the Accountable Body and partners to ensure that outstanding actions and decision making is completed.
- 8.2. ECC will work at pace to resolve the arrangements for the legacy capital programme, in line with that set out above, and will keep Board members informed of progress towards this.

9. Appendices, Supporting Documents and Previous Decisions

- 9.1. Appendix A: SELEP Integration Plan (updated March 2024)
- 9.2. Appendix B: Decisions taken on Transition, July 2023

Please note that these appendices provide vital information that supports the decisions set out in this paper. Board Directors are encouraged to contact Helen Russell (helen.russell@southeastlep.com) if there are any issues in accessing the information.

10. Comments from the Accountable Body

- 10.1. SELEP does not deliver any statutory functions, however, it has been funded to date with public monies, to oversee the distribution, allocation and delivery of investment to support economic growth and recovery across the region. Funding has been awarded to SELEP by Government through grants and loans via Essex County Council (ECC) as the Accountable Body for SELEP; ECC is therefore currently accountable to Government for the application of that funding in line with the stated conditions.
- 10.2. SELEP Governance requires that the funding is allocated and managed in accordance with the agreed Assurance Framework; this includes that award and oversight of funding allocated to projects is determined by the SELEP Accountability Board.
- 10.3. Funding for projects has usually been awarded by the Accountability Board to the respective lead upper tier local authorities (UTLAs). Funding was transferred under the terms of funding agreements in place with each UTLA, SELEP Ltd and the Accountable Body; in accepting the funding, the respective UTLA, through the funding agreement, became Accountable for ensuring that the funding was applied, either directly or via a delivery partner, in accordance with the agreed terms, including ensuring financial stewardship of the funding and compliance with legal and procurement requirements and assuring value for money.
- 10.4. Fundamental to the transition of LEP functions to the UTLAs is the appropriate management of the existing funding agreements that continue to support delivery of the SELEP Capital Programmes (see Agenda Item 4); this is planned to be achieved by releasing the Accountable Body from its responsibilities in this respect (both future and historic) through a local agreement(s) with the UTLAs and DLUHC. As set out in section 6, the Accountable Body has been discussing arrangements for transition of the legacy capital programmes with DLUHC and the UTLAs; on 3 November 2023, DLUHC confirmed to SELEP that it would release ECC from its role as Accountable Body if the geography is agreed and it is in line with local agreements.
- 10.5. The local agreement is proposed to be formalised in a Transition Agreement that will ensure that from 1 April 2024, each UTLA will be responsible for finance, governance, transparency, and accountability arrangements (Accountable Body functions).
- 10.6. This arrangement is not expected to impose any new liabilities on the UTLAs, who are already directly Accountable to the Accountable Body and SELEP for delivery and management of projects within their administrative areas, it will instead seek to replace that relationship to one that is directly with DLUHC; this is required to enable the existing SELEP governance structures of the company and the Accountability Board to be closed.
- 10.7. At the February meeting of the SELEP Accountability board, decisions were taken with respect to the distribution of the final balances of funds held by ECC as the Accountable Body on behalf of SELEP. The Accountability Board agreed that no residual revenue or capital funding could be transferred to the UTLAs until:
 - 10.7.1. the Transition Agreement has been signed by all six upper tier local authority partners;
 - 10.7.2. DLUHC has released and discharged Essex County Council from all liabilities as Accountable Body of SELEP for projects outside of administrative Essex; and
 - 10.7.3. each upper tier local authority has taken on responsibility for projects within their administrative areas.

- 10.8. DLUHC have indicated that they are not currently content with the proposals set out above, and in section 6, for the six UTLAs to be responsible for the legacy capital programme for projects within their administrative areas and to release and discharge Essex County Council from all liabilities as Accountable Body of SELEP for projects outside of administrative Essex., Engagement is currently underway between the Accountable Body and the Department in efforts to urgently resolve this.
- 10.9. If a resolution is not in place prior to the 1st of April 2024, additional costs will continue to be incurred by the Accountable Body and UTLAs into 2024/25 to support any additional meeting and reporting requirements to support the on-going transition and integration of LEP functions prior to the closure of SELEP.
- 10.10. The SELEP Secretariat are all currently employed by Essex County Council, albeit that they are funded by the monies allocated to the SELEP and managed on behalf of the SELEP by Essex County Council as the Accountable Body. The Secretariat are employed on the basis of Essex County Council's terms and conditions which will need to be taken into account with respect to any potential redeployment, redundancy or TUPE considerations.
- 10.11. It is a requirement of the SELEP Framework Agreement that all costs of Essex County Council in respect of the Secretariat and its role as the Accountable Body, are met by the UTLA partners. The finance forecast presented to the SELEP Accountability Board in February 2024 indicated that there are sufficient revenue funds to meet the planned costs of the Secretariat and the Accountable Body through 2023/24 with sufficient residual funds available into 2024/25 to support the transition. This assumption is subject to any additional requirements of Government or the Board in respect of the transition or support for SELEP.
- 10.12. The total value of funds required in 2024/25 will be impacted by:
 - 10.12.1. Any residual staff, contracts or other costs associated with the operation of the Secretariat into 2024/25, including potential redundancy costs;
 - 10.12.2. The activities required by the Accountable Body post closure of the SELEP (such as preparation of the Accounts and implementation of any changes to, or new legal agreements); and
 - 10.12.3. The time taken to complete the transition of LEP functions to the UTLAs, including transition of the Accountable Body responsibilities where they are on-going.
 - 10.12.4. Any residual responsibilities by the Accountable Body with respect to the SELEP Capital programmes.
- 10.13. As it may be necessary to hold additional meetings of both the Board and the Accountability Board in 2024/25, it is not now anticipated that the Accountable Body will be able to close down the financial arrangements for SELEP in 2023/24 as had been indicated in the Finance report to the February Accountability Board. The cost impact of this will be determined once the way forward is agreed with DLUHC and the UTLAs and will be reported to the Accountability Board in 2024/25, as appropriate.

Item 5: Sector Support Fund Evaluation

Executive Summary

1. Overview

- 1.1. The purpose of this report is to give the Strategic Board (the Board) an overview and high-level evaluation of the Sector Support Fund (SSF) programme.
- 1.2. In June 2017, the Board agreed to establish the SSF using the Growing Places Fund revenue monies, with the intention of offering revenue funding to support the pan-LEP, sector-based activities of the SELEP working groups. The required 'pan-LEP' scope meaning that the projects must be able to demonstrate impact in at least three of the SELEP federated areas, preferably all four.
- 1.3. The aim of the SSF funding was to support projects which:
 - 1.3.1. Impacted across all Federated areas;
 - 1.3.2. Demonstrated a positive contribution to SELEP's mission to create the conditions for increased numbers of jobs and homes, safeguard existing jobs and raise skills levels across the area;
 - 1.3.3. Supported the delivery of SELEP's Strategic Economic Statement; and
 - 1.3.4. Provided high value for money.
- 1.4. £500,000 per annum was made available over a three-year period between 2017/18 and 2019/20, with a maximum of £200,000 being available per project.
- 1.5. At the June 2020 Board meeting a further £1,000,000 was allocated to the SSF programme, which was extended until 31 March 2022, or until the funding was exhausted, whichever was sooner.
- 1.6. Out of the £2,500,000 allocated to the SSF fund a total of £2,124,598 was spent by the programme with £375,402 returned to the SELEP Operational Reserve.
- 1.7. The report provides a high-level programme evaluation and sets out the successes and difficulties experienced across the duration of delivery.

2. Summary of Update

- 2.1. **Note** the summary findings contained within this report which provides an overview of the purpose, delivery and outcomes of the SSF programme.
- 2.2. **Note** that SSF project evaluation reports (where provided, by the scheme promoters) are available on the SELEP website.

3. Rationale for Decisions/Actions

- 3.1. Following the launch of the programme in 2017/18, the Board has received regular updates relating to the delivery of funds.
- 3.2. The programme has been completed for a while, with the last projects finishing at the end of 2022, and it is timely to share a summary of the final outputs and outcomes of the programme now that projects have had the opportunity to complete their own evaluations.

Further Information

4. Background to SSF programme

- 4.1. Working with the sector-based working groups, enabled by SELEP, and made up of a number of different organisations who give up their time on a voluntary basis, it was apparent that there was a need for additional work and/or projects that would bring further benefits to the economic growth agenda. It was noted that finding funding for such projects was increasingly difficult and SSF was designed to be catalyst funding for this.
- 4.2. The purpose of the SSF was therefore to support one-off, discrete pieces of work of a pan-LEP nature with a sector focus that would bring demonstrable benefits, and which has support across the LEP. It was expected that each project would have a 12-month duration, but exceptions would be considered on a case-by-case basis.
- 4.3. The Board agreed the eligibility criteria against which projects were assessed for funding, and this was set out, along with the process for applications and guidance on value for money, in a [Guidance Note](#) which was made available on the SELEP website.
- 4.4. As part of the SSF funding application process, each project was required to provide match funding or match in kind of a minimum of 30%. In total match funding equated to £2,916,650 and a further £488,022,000 of match in kind was provided.
- 4.5. In addition to the SSF being available to support the activities of SELEP's working groups, the decision report to the Board in June 2017 set out the scope for SSF to support the establishment of Enterprise Zones. This was due to the precedent which had been set through the previous awards of revenue funding to the Harlow Enterprise Zone.
- 4.6. The process and bidding periods for each SSF funding round was set out on the SELEP website, with for projects to secure an SSF allocation the proposal was required to secure support from at least one Federated Board and be endorsed by the Strategic Board. However, the formal funding decision was made by the SELEP Accountable Officer, being the Chief Executive Officer (CEO) with delegated responsibility, following endorsement of the project by the Board.
- 4.7. An Independent Assessment was also completed by the SELEP Accountable Body, Essex County Council (ECC), for each project. This assessment considered each project's suitability against the agreed assessment criteria, made available on the SELEP website, and the requirements of the SELEP Assurance Framework.

5. Summary Evaluation of Projects

- 5.1. The full list of SSF projects and investments is available in Appendix A.
- 5.2. The suite of SSF projects covered the following areas:
 - 5.2.1. Business Support
 - 5.2.2. Clean Growth
 - 5.2.3. Coastal Communities
 - 5.2.4. Enterprise Zones
 - 5.2.5. Housing
 - 5.2.6. Rural Economy
 - 5.2.7. South East Creative Economy
 - 5.2.8. Skills
 - 5.2.9. Tourism
- 5.3. Over a period of around six years, a total of 20 SSF funded projects were delivered. These one off, discrete pieces of work, encouraging partnership working across the LEP, have had varying return rates. However, at a programme level, the total investment of just over £2m secured a total match of some £3.5m and delivered a number of successful outcomes across a range of sectors.
- 5.4. While 21 projects were awarded funding, one project, Building Back Better, was removed from the SSF programme by East Sussex County Council following a decision by Orbit Housing to withdraw as the project delivery lead, and this was reported to the Board at the October 2022 meeting.
- 5.5. Although the remaining 20 projects were delivered, a total of sixteen change requests were received during the delivery of the programme, some of which were for slight changes within the project delivery programme, but seven of the requests were in relation to impacts caused by the Covid-19 pandemic. A brief synopsis of each project can be found in the project dropdowns available [here](#)¹ on the SELEP website.
- 5.6. While some projects struggled to deliver, usually due to the unforeseen impacts of the Covid -19 pandemic, there have been good results by most. The impact of Covid-19 also contributed to projects struggling to meet the 12-month delivery period and there were also projects that were delayed for other reason⁰. This meant there was an extended delivery period, suggesting that for some projects the requirement to complete delivery in 12 months was perhaps too ambitious.
- 5.7. Other issues affecting project delivery were around procurement, differing timelines of partners, delays to Government legislation and staffing issues.
- 5.8. Projects that were developed with strong sector partnerships, and which responded to an existing up-to-date sector-based strategy, had more robust outputs and longer-term impact than projects that did not. Examples of this approach include 'Catalyst for Culture' and 'Delivering skills for the Future through teaching'.
- 5.9. For the projects that delivered research products and marketing campaigns, some of the benefits

¹ SELEP, Sector Support Fund Project Information: <https://www.southeastlep.com/our-delivery/sector-support-fund/>



recognised were mixed, primarily due to the impact of Covid-19. However, these projects provided important capacity to fund activity that was additional to the organisations' business as usual.

5.10. Due to the nature of the SSF Programme and the range of projects it supported, it is difficult to provide a single summary evaluation of the outputs and therefore Section 6 below sets out some of the key outcomes across the different themes.

5.11. It is clear, however, that the SSF Programme has successfully supported partners to deliver a number of discrete pieces of work which may not otherwise have proved possible – not least due to the significant challenges brought about by Covid-19. In line with the original aims of the Programme, some of these projects have delivered directly measurable outputs while others have served as a catalyst for future work or investment.

6. Outputs and Outcomes:

6.1. As set out at Section 5.2, the projects fell into nine categories, although many projects did span more than one category. The following section aims to give an overview of the outputs and outcomes achieved by the projects and the category within which they primarily sit. A full update on project delivery is available within Appendix A.

6.2. Enterprise Zones and Business:

6.2.1. Four projects were focussed on this sector:

- Accelerating Opportunities within the Newhaven Enterprise Zone project
- Kent Medical Campus Enterprise Zone, Innovation Centre Design Work
- North Kent Enterprise Zone project
- South East Export Development (SEED)

6.2.2. The overarching theme across the SSF investments for Enterprise Zones and Businesses was producing marketing material to enable growth and attract new businesses to the EZ sites. The funding provided allowed Enterprise Zones to develop marketing campaigns and materials, in addition to attracting new business occupants. Despite this fact, the benefits of some of these investments have not yet been realised.

6.2.3. Reasons provided for not realising expected benefits in this area within required the 12-month timeframe primarily centred around issues stemming from Covid-19, with projects unable to deliver in-person events and the economic climate not being conducive to seeking new occupants at Enterprise Zone sites. However, some of the projects, such as the Kent Medical Campus Enterprise Zone Innovation Centre Design Work, continue to deliver ahead of the forecast occupancy targets.

6.2.4. Despite the challenges faced, projects have contributed towards outcomes which support 47 businesses (Kent Medical Campus Enterprise Zone); created 133 jobs (Accelerating Opportunities within the Newhaven Enterprise Zone); boosted SMEs internal export capacity and generated 191 leads (SEED). A summary of all outcomes set out in the application and those delivered is provided in appendix A.

6.2.5. Any future revenue fund investments under the themes of Enterprise Zones and

Businesses would gain from having clearer expected benefit requirements, and ideally more easily quantifiable outputs.

6.3. Clean Growth

6.3.1. Three of the projects were focussed on this sector:

- Energy and Clean Growth – Supply Chain Mapping
- Carbon Pathways (C-Path)
- Accelerating Nature Based Climate Solutions

6.3.2. The SSF investment in projects with a focus on Clean Growth concentrated on projects that were aimed at supporting long-term activity within the sector, and which therefore did not generate many significant short-term outcomes. These projects principally delivered outputs that would enable this long-term activity, primarily for local authorities, through platform and evidence base development to support clean growth initiatives.

6.3.3. Projects with minimal direct short-term impacts are unlikely to be funded by other available grant programmes. This meant that SSF funding was able to fill a market gap and contribute to longer term outcomes that support the clean growth strategic objectives of the region.

6.3.4. The Energy and Clean Growth Supply Chain Mapping project, for example, has reported an increasing awareness of the low carbon and renewable energy (LCREE)/ environmental goods and services sector (EGSS), and ongoing engagement with the supply chain firms to feed into the design and delivery of many other projects.

6.3.5. The Accelerating Nature Based Climate Solutions project focused on carbon sequestration (the removal of carbon dioxide from the atmosphere), where there is significant demand but fragmented supply and was able to meet a number of its expected outputs including disseminating training and resource to over 50 organisations.

6.3.6. The C-Path project was originally created to design, facilitate, accelerate and monitor investment in the LCREE, has recently been rebranded to Thermly Hub and will form part of a wider suite of digital products which will move the project from solely being a data and planning tool for Local Authorities into implementation of measures in homes. Its use has also now extended beyond the Local Authorities within the South East.

6.3.7. Given the Clean Growth strategic priorities for the region focus on long term activity, it is difficult to determine if the work delivered through the project will be critical pieces of any future delivery, beyond the initial outputs of platform and evidence base development, though insights provided by scheme promoters would indicate a positive direction of travel.

6.4. Coastal, Rural and Tourism

6.4.1. A series of projects which looked at matters closely associated to the rural parts of the SELEP region:



- Coastal Communities supplement to the SELEP Strategic Economic Plan
- England’s Creative Coast
- Gourmet Garden Trails and the extension BuyLocal South East
- Re-Building Confidence and Demand in the Visitor Economy

- 6.4.2. Coastal, Rural and Tourism projects made up a significant portion of SSF funded activity. The outputs from these projects were mixed, with the Covid-19 pandemic causing a negative impact on expected benefits for many of the projects. This sector had a higher reliance on in-person engagement to generate benefits than other sectors funded through the programme.
- 6.4.3. England’s Creative Coast, for example, was successful in increasing local engagement, including through geocachers²(and the installation of seven artworks at Coastal locations, but the project was affected by the Covid-19 pandemic and the aftermath reduced the numbers of Geocachers taking part with social distancing and other restrictions having an impact.
- 6.4.4. The BuyLocal South East project was originally intended to help support activities for food and drink businesses during the Covid-19 pandemic. However, problems at the outset meant that the project was more involved with the recovery process, and the final measurement was hampered by the impacts of re-opening, rises in infection and an overall sense of exhaustion experienced by the SME’s being targeted.
- 6.4.5. Despite these challenges, many of the projects in this sector succeeded in delivering the core expected outputs, showcasing the region’s unique visitor economy and working in partnership with other regional and national organisations to encourage further tourism and investment into the South East. Gourmet Garden Trails and the extension succeeded in meeting its target outputs (except for those linked to the Tourism Exchange Great Britain (TXGB) platform development) to launch a series of tourist trails primarily across Kent, Hertfordshire and Essex showcasing England’s beautiful gardens and unique food and drink.
- 6.4.6. The Re-Building Confidence and Demand in the Visitor Economy project was developed in response to the huge impact that the pandemic had on the industry. It aimed to provide targeted support to help businesses survive the winter, protect jobs and support a sustained recovery and the project exceeded or matched expected benefits in almost all areas, including engaging 160 businesses through resilience workshops.
- 6.4.7. It’s notable that there were several projects focussed on tourism, which included many of the same partners across the schemes. While this is a positive outcome of the fund, as partners are able to build on the work achieved across multiple projects, it also demonstrates that the volume of applications for the fund as a whole was lower than it might have been if it was available to a wider pool of applications beyond the SELEP sector-based working groups and Enterprise Zones.

6.5. Skills

² Geocaching is a type of global treasure hunt of people looking for caches, or hidden stashes of objects. Seekers use global positioning system (GPS) devices to find hidden caches.



6.5.1. Three projects were delivered, focussing on skills in the SELEP region:

- Delivering Skills for the Future through teaching: teaching for growth and the extension project
- The Planning and prioritising future skills, training and business support needs for rural businesses across SELEP
- Good Food Growth Campaign

6.5.2. The funded Skills SSF activity had mixed success across the three projects. Those projects which either produced research or developed marketing campaigns had unclear outputs beyond the core product. However, the 'Delivering Skills for the Future through teaching' project and its extension activity were great successes. This is likely in part due to the substantial work that came before the project, in the production of the SELEP Skills Strategy, and the wide range of partnership engagement work that had already taken place to identify the true gaps and needs of the sector.

6.5.3. The SELEP Skills Strategy had highlighted a widespread shortage of tutors, teachers and trainers across the SELEP area as one of the biggest barriers and bottlenecks to skills training and jobs growth. This project therefore included a high-quality awareness raising campaign, a contribution to teacher training costs and programme management. Outcomes included 130 bursaries and the launch of a dedicated website – www.becomealecturer.org - hosting the videos, vacancies and supporting information. The success of the initial project led to additional SSF funding being allocated to the extension programme to continue the project, and this continues to inform work in this area, including through the SELEP Major Projects Skills Group.

6.5.4. This would indicate that projects which originate from working groups that already have a clear strategy and action plan can deliver more effectively – or deliver clearer outputs - than those projects which seek to deliver the research and strategic evidence base which comes before this type of activity.

6.6. Creative

6.6.1. Two projects looked at matters in connection with the creative sector of the SELEP region:

- Catalyst for Culture
- Creative Open Workspace Masterplan and Prospectus

6.6.2. There was a strong foundation for the creative sector projects funded through SSF due to the strong sector partnerships that exist through the South East Creative Economy Network (SECEN), who were able to identify the strategic gaps and needs of the sector to inform SSF project formulation and to ensure that they contribute to and inform future activities.

6.6.3. The Catalyst for Culture project in particular was a great success. It responded quickly to the changing landscape for performance venues during Covid-19 and was able to provide funding to retain existing workforce and talent, fund much needed new opportunities and collaborate to deliver live and online theatre experiences designed to encourage the early return of audiences. Reported outcomes include 186 live performances, creation of opportunities for 328 artists and freelancers and protection



of 802 jobs. Much of the work and collaboration that began through this project continues to this day.

6.6.4. The Creative Open Workspace Masterplan and Prospectus project experienced a number of issues during the delivery and a reduced project and SSF contribution was agreed, but ultimately the project delivered a refreshed South East Creative Economy Prospectus to describe exemplary pipeline projects, alongside complementary work packages, addressing skills and business support needs. Recently the outputs of the project have been used to inform a report issued by the South East Creative Economy Network in May 2023, the report can be found [here](#).

6.7. Housing

6.7.1. There was only one project funded under this sector:

- The Future Proof: Accelerating Delivery of High-Quality Development across the LEP project

6.7.2. The project was funded in its very early stages by SSF in 2018 to create and test an alternative financial product to accelerate the delivery of housing developments. The results were sufficiently robust to be awarded significant Innovate UK (IUK) funding to develop it for market implementation. This IUK funding enabled the development of a comprehensive investment solution for accelerated delivery of new homes, which the company behind it, Habitability Limited, is keen to roll out locally, bringing institutional investment into the housing sector in the South East as soon as possible.

6.7.3. The expansion of the project has been hampered by the loss of original offsite manufacturing partner Swan Housing. However, new partners are now in place and a smaller scale pilot is expected to come forward in 2024.

7. Next Steps

7.1. All Sector Support Funding projects are now complete and no further steps are proposed.

8. Comments from the Accountable Body

8.1. A net total of £2.125m of SSF funding has been allocated to Projects to support delivery. All projects were subject to review to confirm funding criteria was met, including the requirement for match funding and to assess the value for money estimates that supported funding bids; all projects anticipated that the requirement for high value for money could be met, albeit that in the majority of cases, reliance was placed on the Assurance Framework value for money exemption for projects seeking less than £2m of funding – the exemption allows for a proportionate approach to be applied and a qualitative assessment to be undertaken which would expect benefits, if monetised, to increase the benefit-cost ratio to above 2:1.

8.2. All funding was allocated via a funding agreement that required funding to be applied only for delivery of the agreed project, reporting on project delivery, monitoring and evaluation to the SELEP Secretariat and allowed for clawback of funding in the event of non-delivery of the agreed project.

8.3. The Accountability Board agreed to re-prioritised funding not allocated via the scheme

(£375,402), in 2021/22 and 2022/23, to support the costs of the SELEP Secretariat, in recognition of reducing annual allocations of core funding from DLUHC.

9. Appendices, Supporting Documents and Previous Decisions

- 9.1. Appendix A – Overview of SSF Projects
- 9.2. For further information please contact Howard Davies, Capital Programme Officer (howard.davies@southeastlep.com)

Item 6: Growth Hub Position Statement

Executive Summary

1. Overview

- 1.1. This report is to provide a final position statement to the Strategic Board (the Board) on the Growth Hub service.
- 1.2. SELEP has administered £475,000 of annual Growth Hub grant funding and coordinated the delivery of the service throughout 2023/24. Growth Hub provision has been successful and compliant, despite a three-month break in the service for Greater Essex in Quarter 1 of the year.
- 1.3. Throughout Quarter 4, SELEP and the Upper Tier Local Authorities have been implementing their aligned LEP Transition Plans, with handover activities for the Growth Hub and Business Support now complete.
- 1.4. From 1st April 2024, East Sussex County Council, Essex County Council, and Kent County Council are expected to become the Accountable Bodies and lead the delivery of three independent Growth Hubs in 2024/25 and beyond, should Growth Hub funding be forthcoming and should the Department for Business and Trade (DBT) agree to this arrangement.
- 1.5. Government has confirmed Growth Hub funding for 2024/25, although there has been no confirmation of funding for individual Growth Hubs and no indicative allocations have been received from DBT at time of writing. The Local Authorities preparing to receive 2024/25 Growth Hub funding have been planning as far as is possible to enable service continuity as the new financial year gets underway and at the point of closure of SELEP Ltd.

2. Summary of update:

- 2.1. **Note** the successful delivery of the SELEP-wide Growth Hub service in 2023/24.
- 2.2. **Note** that SELEP and Essex County Council (ECC) as Accountable Body will no longer be administering Growth Hub funding from 31st March 2024 for the SELEP area and that East Sussex, Essex and Kent County Councils will become the Accountable Bodies for future Growth Hub funding.
- 2.3. **Note** that ECC as Accountable Body for SELEP will complete the residual activities relating to 2023/24 funding in quarter 1 of 2024/25.

3. Rationale for update

- 3.1. SELEP's responsibility to deliver the Growth Hub service will cease on 31st March 2024 and responsibility will pass to Upper Tier Local Authorities (UTLAs) from 1st April.
- 3.2. SELEP has led the delivery of the Growth Hub service for nine years by way of an annual grant funding agreement with DBT and predecessors. Funding for 2023/24 has been successfully administered, with only a financial audit and Annual Report remaining as post-delivery tasks.
- 3.3. UTLAs will now work within the three functional economic areas of the region to assume responsibility for future Growth Hub funding, currently managing the risk that late notification of 2024/25 funding poses to a break in continuous service during the SELEP transition period.

Further Information

4. Growth Hub delivery

- 4.1. The SELEP Growth Hub is coordinated by SELEP and delivered through three area hubs: Business East Sussex (BES), Business Essex, Southend and Thurrock (BEST), and the Kent and Medway Growth Hub (KMGH).
- 4.2. The Growth Hub service is funded annually through the Department for Business and Trade (DBT) and this year, SELEP received a grant allocation of £475,000 for service provision in 2023/24. Delivery has been successful, meeting compliance requirements and Key Performance Indicators pre-agreed with DBT. This is despite a three-month break in the BEST service in quarter 1 of this year, which SELEP has reported on previously to the Board.
- 4.3. This year the service has supported nearly 1000 unique businesses, providing over 12 hours of support to 66 businesses and up to 12 hours of support to a further 107. The majority of businesses interacting with the Growth Hub typically require less than one hour of engagement to take them in the right direction on their business support journey.
- 4.4. SELEP has led the delivery of the Growth Hub service since annual funding first became available in 2015. Data dating back to July 2017 tells us that over the last seven years, 15,615 individual businesses have received support. This has helped to sustain and build the resilience of the region's SME business base – the backbone of local economies – particularly during times of economic stress such as the UK's exit from the EU and the COVID-19 pandemic.
- 4.5. Transfer of the Growth Hub function from SELEP to UTLAs will take place on 31st March 2024, when 2023/24 funding comes to an end. Resources are being secured by the Accountable Body to undertake remaining grant-related tasks in quarter 1 of 2024/25 to audit 2023/24 spend and submit an Annual Growth Hub report to DBT.
- 4.6. Government confirmed in the Autumn Statement that Growth Hub funding will be forthcoming for 2024/25, although no written confirmation or indicative allocations have been received to date. When this funding becomes available, East Sussex, Essex and Kent County Councils are expected to become the Accountable Bodies for their allocations, grant funding agreements and associated administration requirements, and service delivery for the geographical areas currently represented by BES, BEST and KMGH.
- 4.7. The SELEP CEO and Directors from these three County Councils have jointly written to DBT, outlining this position, and asking for urgent confirmation of 2024/25 funding to enable a smooth transition of this service and to avoid a break in service continuity.

5. Next Steps

- 5.1. SELEP will relinquish its responsibility for Growth Hub provision on 31st March 2024 and Essex County Council, as Accountable Body, will complete and submit to DBT the requisite annual funding reports, namely the Annual Audit of spend and the Annual Growth Hub Report.
- 5.2. SELEP will notify DBT in advance of 31st March 2024, of new Growth Hub funding contact points within the relevant UTLAs for future service delivery.

6. Comments from the Accountable Body

- 6.1. The activities and objectives of the Growth Hubs are subject to the terms of the funding

agreement between DBT and Essex County Council as the Accountable Body for SELEP.

- 6.2. The funding awarded for 2023/24 of £475,000 reflects a below inflation uplift of £30,000, compared to 2022/23, however, is significantly lower than the amount awarded for 2021/22.
- 6.3. The delay in receipt of the funding confirmation for 2024/25 from DBT places at risk the delivery of activities from the Growth Hubs from April 2024. Despite the late allocation of the funding for 2023/24, there is no flexibility offered from DBT in the application of the funding beyond 31st March 2024; any funding not utilised prior to this date is required to be returned to DBT, under the conditions of the funding.
- 6.4. Funding agreements are in place with the respective partner authorities to enable the transfer of the funds to support local delivery; the funding agreements incorporate the terms and conditions of the funding agreement between DBT and the Accountable Body.
- 6.5. The Grant Agreement with DBT requires an Audit of the spend to be undertaken in 2023/24 for return by the end of May 2024. An annual monitoring report will also be required to be completed for submission to DBT by 31st May 2024. Resources within the Accountable Body and local partners will be required during this period to support these returns. In prior years, this activity would have been led by SELEP.
- 6.6. The activities and delivery of the Growth Hub in 2023/24 will be limited to current year without the commitment of funding into future years; It is noted that SELEP and the respective partner authorities have written to DBT, to seek clarity on the funding to be available to support delivery beyond 2023/24.

7. Appendices, Supporting Documents and Previous Decisions

- 7.1. Strategic Board Agenda Pack (Item 10) Growth Hub Update:
https://www.southeastlep.com/app/uploads/2022/11/Strategic-Board_Agenda-Pack_Feb-2023-1.pdf
- 7.2. Strategic Board Agenda Pack (Item 4) Growth Hub 2023/24:
<https://www.southeastlep.com/app/uploads/2023/03/Strategic-Board-7-July-2023-Agenda-pack.pdf>
- 7.3. Strategic Board Agenda Pack (Item 6) Growth Hub Update:
<https://www.southeastlep.com/app/uploads/2023/09/Agenda-Pack-Strategic-Board-13-October-2023-1.pdf>
- 7.4. For further information please contact Jo Simmons, Business Development Manager (jo.simmons@southeastlep.com)