

Strategic Board Meeting Agenda

Friday 20th March 2015, 10:00am –12:00pm

High House Production Park, Purfleet, Essex, RM19 1RJ



10.00	1	<p>Welcome and apologies</p> <ul style="list-style-type: none"> Minutes and actions from 12th December 2014 meeting 	Peter Jones
10.05	2	<p>SEFUND, including</p> <ul style="list-style-type: none"> Feasibility & Design Growing Places Fund – progress report 	Peter Jones Will Church, CBRE Stephanie Mitchener, ECC
10.30	3	<p>Progress against Growth Deal</p> <ul style="list-style-type: none"> Round One business case sign-off Payments for Quarter 1 15/16 Implementation update 	Peter Jones Steven Bishop, SDG David Godfrey
10.55	4	<p>Implementing Lucas Review</p> <ul style="list-style-type: none"> Approval of Assurance Framework 	Peter Jones David Godfrey
11.10	5	<p>ESIF Committee</p> <ul style="list-style-type: none"> ERDF, ESF & EAFRD Project Calls Technical Assistance 	George Kieffer Lorraine George
11.25	6	<p>Update: Skills , including SE LEP Skills Capital with Mike Rayner</p>	Graham Razey
11.35	7	<p>Update: Coastal communities</p> <ul style="list-style-type: none"> Growth Deal/SUCCESS Supporting the CORE group 	Cllr Jeremy Birch Cllr Mark Dance
11.50	8	<p>Update: Rural, including Rural Strategy</p>	Nick Sandford Graham Peters
12.00	9	<p>Update:</p> <ul style="list-style-type: none"> Growth Hub Common Assessment Dates of next meetings 	Peter Jones Adam Bryan Lucy Payne
12.10	10	<p>Approval of 15/16 SELEP operating budget</p>	Suzanne Bennett

12.15	11	SE LEP, Social Enterprise and Social Value: presentation from the Royal British Legion Industries (RBLI)	Steve Sherry, CMG, OBE
12.30	12	Lunch	
1.00	13	Signing of SE LEP Growth Deal with Baroness Kramer, Minister of State for Transport	Peter Jones

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SEFUND

Purpose:

The purpose of this paper is to:

- Agree to establish SEFUND
- To note the two potential models suggested by CBRE for an investment fund and the further work required to develop the emerging options for the SE LEP area

Recommendations:

The Board is asked:

- To note CBRE's feasibility report and design proposal
- To agree to create 'SEFUND' and to treat all monies in the Growing Places Fund as the initial contribution to SEFUND
- To note that officers will bring forward for future board approval a detailed options paper for the future longer term management of that fund.
- To instruct the SE LEP Secretariat to procure interim fund management support for SEFUND to 31st December, 2015 to:
 - Develop the SEFUND project pipeline
 - Provide support for federal areas in project development
 - Assess all funding options, including project re-financing, recognising the ambition to build both the fund and project level investment considerably
 - Provide brokerage support to bring institutional investors together with local projects
 - Promote SEFUND and its project pipeline to institutional corporate and niche investors
- To establish the SEFUND Shadow Board as the SEFUND Board for these interim arrangements
- To adopt the draft SEFUND Investment Strategy (see the appendix to the CBRE Design Paper) for all future funding decisions as consulted upon through the SEFUND Shadow Board and local meetings
- To continue discussions with the Accountable Body, partners and SEFUND legal advisers on the structure and future management of SEFUND, including the options of creating a limited liability partnership
- To thank CBRE, Pinsents and all partners for the huge amount of work completed in limited time

Supporting Detail:

In support of this paper, appendices contain:

- The Design paper and Feasibility Report from our consultants CBRE and Pinsents

The SEFUND Shadow Board members are:

Peter Jones (Chairman)	David Rayner	Paul Carter
Graham Brown	Murray Foster	Keith Glazier
Graham Peters	David Finch	Niamh Matthews
		(Cabinet Office)

Background:

The aim is to create an investment fund for the SE LEP area known as South East Fund ('SEFUND') and, if appropriate, to also create a separate vehicle for the management of that fund such as a limited liability partnership. Beginning with management of the £50m Growing Places Fund, our ambition is to build the investment fund significantly both at fund and project level attracting new investment for projects across the SE LEP area.

As a concept, SEFUND was introduced in our Strategic Economic Plan submitted to Government in March 2014. Further work continued to develop the potential of such a fund following our Growth Deal announcement in July 2014 and the Government's commitment to "work with the LEP to help deliver the Fund and bring forward an implementation plan".

On 26th September, the SE LEP Board agreed to the establishment of a SEFUND Shadow Board to oversee the design and feasibility stages of the SEFUND project. At its first meeting on 13th November at the Cabinet Office, clear terms of reference and the process to recruit consultants to undertake feasibility and design stages were agreed. Drawing on expert procurement, legal and economic development advice, CBRE and Pinsents were appointed to complete the design and delivery stages of the project with the contract awarded in December, 2014.

In completing this work, CBRE have enjoyed the very active engagement and support of members of the SEFUND Shadow Board and have conducted meetings across the SE LEP area with councils and developers. The work has also continued to attract strong encouragement from Government and has already attracted the interest of institutional and other niche investors.

In agreeing to procure an interim manager to provide support to manage SEFUND, the LEP will secure professional expertise for assessment and prioritisation of schemes which may be capable of utilising the monies received from Growing Places Fund, essential with GPF currently taking all investment risk as agreed previously by the SE LEP Board. It will enable the fund to be actively managed with support for local projects to ensure the best outcomes for investment. It will also provide a clear route for decision for existing projects wishing to amend loan terms including delayed repayments or re-financing.

In moving to the interim arrangements recommended in this paper the SEFUND Board will be advisory (no formal decision-making powers) and the interim Fund Manager will initially be interrogating the existing and committed Growing Places project investments and developing the project pipeline with SEFUND Board. The Board should be clear that the current Growing Places Fund arrangements will remain

unchanged until the detailed structure for SEFUND have been agreed by the Board (or by the Accountability Board as appropriate) and relevant appointments or delegations made.

The Design paper and Feasibility Report from CBRE suggest a potential model for the delivery vehicle for SEFUND and this now needs to be explored further by the Shadow Board and the Accountable Body, alongside other options for the investment fund.

Officers from the Accountable Body and the Secretariat will bring a detailed options paper to a future meeting of the Board assessing the respective benefits and dis-benefits of the various options, which range from a straight forward appointment of a fund manager to the more complex option suggested by CBRE which involves the creation of a number of new companies or limited liability partnerships. The paper will explain the respective risks and opportunities of each option, the cost of creating any special delivery vehicles and the timescales for doing so. The paper will address the legal powers (*vires*) which exist to enable the options and the governance framework for each, including proposals for the involvement in decision making by both elected and non-elected members. The paper will include advice on the most tax efficient options.

Author: David Godfrey

Position: Director

Contact details: david.godfrey@kent.gov.uk

Date: 10th March, 2015



BOARD MEETING

Friday 20th March 2015

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GROWING PLACES FUND (GPF) - UPDATE

Purpose:

1. The purpose of this paper is to give Board Members an update on the deployment of the GPF since the last Board meeting. Another request for a rescheduling of repayment has been received and Board is invited to **consider** the case for rescheduling and **agree** should they be so minded. The wider update is included for information only.

Recommendations:

2. The Board is invited to:
 - **Consider** the case for rescheduling the £0.5m repayment due from the Chelmsford NE Urban expansion project;
 - **Agree** to reschedule the payment of £0.5m due on 31st March 2015 to 31st July 2015.

Rescheduling of Chelmsford NE Urban Expansion Repayment

3. The Chelmsford NE Urban Expansion project had an approved investment of £1m at the South East LEP Executive Group meeting on 7th September 2012.
4. The investment was to forward fund improvement works to the northbound off-slip of Junction 19 on the A12. These improvements were required to facilitate the major development of over 4,000 dwellings to the north-east of Chelmsford.
5. The developer of the 'Channels' site, that forms part of the wider NE Urban Expansion project, is required to fund the slip road improvements under the S106 agreement. The monies for the improvement must be made available to Essex County Council prior to occupation of the first dwelling on the site.
6. The improvement works on the junction completed on time and in budget and allowed the increased planning permissions to be released.
7. However, the development of the 'Channels' site has been delayed mainly due to the condition of the site. It previously held sand and gravel pits that had been filled in but ground conditions were worse than assumed and significant mitigation works have been necessary. In addition there have been delays to the construction of access roads.
8. As a result of these delays the occupation of first dwelling has slipped from early April 2015 to July 2015. As a result the developer will not be making payment of S106 until July.
9. Essex County Council therefore requests that the first repayment of £0.5m is slipped from 31st March 2015 to 31st July 2015. This will have no effect on the second and final repayment of £0.5m which is programmed for 31st March 2016.

10. The Accountable Body advises that there is no substantial risk to the fund in allowing the slippage for this limited period. There are no future drawdowns that are contingent on the receipt of this repayment in the period between March and July.
11. However, it should be noted that both projects due to make repayments to date have made rescheduling requests. Should this continue there will be significant delays to the transfer of GPF to SEFUND.

The Board is asked to **agree** the rescheduling of one repayment of £0.5m from 31st March 2015 to 31st July 2015

General Update

12. The Growing Places Fund was launched in November 2011 as investment capital designed to unlock stalled projects in order to stimulate growth. The government stated that GPF should be used to:
- Support the delivery of homes and/or jobs in the short term;
 - Contribute to the delivery of the LEP's strategic priorities; and
 - Establish a sustainable revolving fund.

Summary of Current Position

13. The fund is currently fully allocated, although there has been limited progress in further completion and investment in projects in the period since December Board.
14. Currently £15.3m of the fund is invested into projects. This is equivalent to 31% of the £49.2m that was awarded as the GPF grant.
15. It has been proposed that GPF would transfer to SEFUND. Currently the Accountable Body can see no restrictions that would prevent the investment of GPF funds into SEFUND. However this cannot be confirmed until the legal and contractual structures of the fund are properly understood.
16. It is assumed that the investment would be on an incremental basis and would be made from the repayments of the projects that currently are in progress or have authorised allocations. Currently there have been no discussions around the transfer of funds that are allocated but not yet invested.
17. It should be noted that many of the projects that are being supported through GPF would not be applicable for investment through SEFUND as the current proposals stand. Types of projects that have been applicable to GPF but would not be under SEFUND would include public realm, enabling infrastructure and any kind of grant funding. This will potentially restrict funding options for Local Authorities in future.
18. Details on individual projects can be found in Appendix 4

Author: Suzanne Bennett
Position: Finance Business Partner – ECC as Accountable Body
Contact details: 03330 130823
Date: 10th March 2013



Progress against the Growth Deal and approval of Business Cases

Purpose:

The purpose of this paper is to enable Growth Deal 1 delivery to commence by:

- Approving business cases for Growth Deal schemes commencing in 2015/16 to enable funding to be released to sponsoring authorities.
- Approving the payment profile for the first quarter of 2015/16.
- Noting progress on wider implementation of the Growth Deal.

Recommendations:

The Board is asked to:

- Consider releasing the funding for the Kent Sustainable Interventions Supporting Growth Programme (LGF £3.0m) scheme for 2015/16 funding only at this stage with a further assessment made once the future year programme is confirmed or as it emerges on an annual basis, noting the ITE recommendation not to approve until further scheme development and appraisal takes place. This is due to high uncertainty over the robustness and reasonableness of economic appraisal and lack of certainty over the programme of investment beyond 2015/16.
- Approve all schemes for funding achieving high value for money (Benefit Cost Ratio (BCR) greater than 2:1) and medium to high certainty of achieving this:
 - Colchester Broadband Infrastructure
 - Colchester Local Sustainable Transport Fund
 - Medway City Estate Connectivity Improvement Measures
 - M20 Junction 4 Overbridge
 - Tonbridge Town Centre Regeneration
 - Chatham Town Centre
 - Kent Thameside Local Sustainable Transport Fund
 - Maidstone Gyrotory Bypass
 - Thames Gateway South Essex Local Sustainable Transport Fund
 - Colchester Park & Ride and Bus Priority Measures
 - Basildon Integrated Transport Package
 - Strood Town Centre Journey Time and Accessibility Enhancements
 - A289 Four Elms Roundabout to Medway Tunnel Journey Time and Network Improvements
 - Queensway Gateway Road
- Approve a one year funding allocation for the following 'package' schemes where there is insufficient certainty of the scheme components beyond 2015/16, their costs, and their benefits:

- Kent Rights of Way Improvement Plan – Sustainable Access to Employment and Education
 - Kent Strategic Congestion Management Programme
 - West Kent Local Sustainable Transport Fund – Tackling Congestion
- Note the ITE recommendation not to approve the Kent Sustainable Interventions Supporting Growth Programme (LGF £3.0m) scheme until further scheme development and appraisal takes place. If funding is to be approved, this should be for 2015/16 funding only at this stage with a further assessment made once the future year programme is confirmed or as it emerges on an annual basis due to high uncertainty over the robustness and reasonableness of economic appraisal and lack of certainty over the programme of investment beyond 2015/16.
 - Approve the following criteria to be used in assessing whether a scheme with ‘medium’ value for money (BCR between 1.5:1 and 2.0:1) should be approved for funding:
 - where there is an overwhelming strategic case (with minimal risk in the other cases);
 - where scheme benefits are notoriously difficult to appraise in monetary terms and there are qualitative benefits which if monetised would most likely increase the BCR above two-to-one; and
 - where schemes are less than £1.0m and to conduct further quantified and monetised economic appraisal would be disproportionate.
 - Approve those schemes not achieving a BCR of two to one where two or more of the above criteria are met:
 - Folkestone Seafront: Onsite Infrastructure and Engineering Works
 - Medway Cycling Action Plan
 - Colchester Integrated Transport Package - Town Centre
 - Agree publication of all outline and final business cases as required by the national Assurance Framework, noting that to date scheme promoters have led engagement at a local level.
 - Note the potential at local level for “project swaps” and investment management in line with the SE LEP Assurance Framework.
 - Note the work underway to establish a Monitoring, Evaluation and Reporting Framework.
 - To agree the roll-out of the business case assessment model to all Growth Deal schemes to enable funding to be released.
 - Based on approval of business cases above, agree the payment profile for the first quarter of 2015/16.
 - Note progress on wider Growth Deal implementation.

Supporting Detail

In support of this paper, appendices contain:

- Appendix 5: Independent Technical Evaluator – Growth Deal Business Case Assessment (Quarter 1 2015/16 starting projects)
- Appendix 6: Implementation Update

Background

The South East LEP's Growth Deal was announced in January 2014, with a further extension to the Deal announced in January 2015. Our Growth Deal commits the Government to £488m of funding to the SE LEP area, with the potential of more to come.

Independent Technical Evaluator

In devolving this funding, it is a requirement of Central Government of all LEPs that they subject business cases and investment decisions to independent evaluation to enable LEP Boards to sign-off schemes and enable funding to be released.

SE LEP appointed Steer Davies Gleave to undertake this work after an open and competitive procurement process managed by Thurrock Council. Against a clear specification based on the existing Transport Assurance Framework, they were selected by nominated transport and economic development officers from all county/unitary councils to assess all transport and non-transport schemes within the Growth Deal.

Considerable work has been completed in limited time which has added significantly to the robustness of projects and has been highly valued by council officers, all of whom have also invested much time and effort into the process.

With the endorsement of lead transport officers, it is proposed that the process and format developed by SDG is now adopted and approved by SE LEP.

This work will also inform the Monitoring , Evaluation and Reporting Framework required by Government currently being developed with local areas.

The full Independent Technical Evaluator – Growth Deal Business Case Assessment (Quarter 1 2015/16 starting projects) is attached at Appendix 5

Payment Profile

Based on the agreements above, the Quarter 1 payment profile of funding to county/unitary authorities as scheme promoters is as follows:

Local Growth Schemes
First Quarter Starts - Recommended for Approval to Board 20 March 2015

Transferring to	Q1 £
	17,362,500

Confirmed LGF Amounts

Non Retained Transport Schemes

Tonbridge Town Centre Regeneration
M20 Junction 4 Eastern Overbridge
Kent Thameside Local Sustainable Transport Fund
Maidstone Gyrotory Bypass
Kent Strategic Congestion Management Programme
Kent Rights of Way Improvement Plan
West Kent Local Sustainable Transport Fund
Kent Sustainable Interventions Programme
Folkestone Seafront : Onsite Infrastructure and Engineering Works
A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements
Strood Town Centre Journey Time and Accessibility Enhancements
Chatham Town Centre Place-making and Public Realm Package
Medway Cycling Action Plan
Medway City Estate Connectivity Improvement Measures
Colchester Local Sustainable Transport Fund
Colchester Integrated Transport Package: Town Centre
TGSE Local Sustainable Transport Fund
Basildon Integrated Transport Package

Kent CC	500,000
Kent CC	550,000
Kent CC	600,000
Kent CC	250,000
Kent CC	200,000
Kent CC	50,000
Kent CC	200,000
Kent CC	125,000
Kent CC	125,000
Medway	125,000
Medway	50,000
Medway	250,000
Medway	25,000
Medway	25,000
Essex CC	500,000
Essex CC	1,250,000
Thurrock, Southend and Essex	1,000,000
Essex CC	250,000

Total

6,075,000

LTB Schemes

Queensway Gateway Road
Colchester Park and Ride and Bus Priority measures

East Sussex CC	2,500,000
Essex CC	1,450,000

Total

3,950,000

Grand Total

10,025,000

Balance being held

7,337,500

Implementation Update

The SE LEP Growth Deal is wide-ranging in its commitment from Government, including both scheme funding and broader flexibility and influence.

The short status report at Appendix 6 provides a snapshot of SE LEP activity.

Author: David Godfrey
 Position: Director
 Contact details: david.godfrey@kent.gov.uk
 Date: 9th March, 2015



SELEP BOARD MEETING
Friday 20th March, 2015
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Implementing the Lucas Review

Purpose:

The purpose of this paper is to approve the SE Assurance Framework and to update members on implementation of Board agreements in response to the Lucas Review.

Recommendations:

The Board is asked to:

- Approve the Assurance Framework
- Note the ambition to increase financial tolerance levels as a percentage of the total local capital programmes
- Note wider progress on Board recommendations to implement the review

Supporting Detail

In support of this paper, appendices contain:

- SE LEP Assurance Framework
- Lucas Review – progress update

Background

In July 2014, the SE LEP Growth Deal was announced by Government. This committed £442m to the South East LEP area, together with a number of new freedoms, flexibilities and responsibilities. An additional £46.1m was committed in January 2015 through the Growth Deal process.

In December 2014, guidance was produced on the LEP Assurance Framework, detailing how LEPs - through their Growth Deals - would “develop a single assurance framework covering all Government funding flowing through LEPs, to ensure LEPs have robust value for money processes in place”. [LEP Assurance Framework, HMG, December 2014]

The document made clear that the purpose of the framework is to “support the developing confidence in delegating funding from central budgets and programmes via a single pot mechanism”.

Much of the SE LEP Assurance Framework is not new. It combines the agreements made at the SE LEP Board meeting in December 2014 (in response to the Lucas Review) with the published SE LEP Governance

and Terms of Reference document and the previously approved SE LEP Transport Assurance Framework. These are supplemented by information in response to the published guidance.

The SE LEP Assurance Framework sets out how growth schemes funded through the LEP are selected and delivered to ensure maximum impact and best value for money. It achieves this by applying the federal model of operation of SE LEP to support local management and the proven track records of member councils for transport, economic development and wider programme delivery.

The Assurance Framework will be supported by Service Level Agreements (SLAs) with local county/unitary councils to devolve project funding and accountability. These agreements will be agreed individually between the Accountable Body and the individual councils.

An update on all recommendations agreed by the Board in response to the Lucas Review is also attached for information.

Author: David Godfrey

Position: Director

Contact details: david.godfrey@kent.gov.uk

Date: 12th March, 2015



SE LEP EU Structural Investment Fund (ESIF) Update

Purpose:

The purpose of this paper is to update board members on:

1. The SELEP ESIF Committee meeting held on the 10 March 2015
2. The Calls for applications for European Funding now open
3. Future Calls for applications
4. Technical Assistance to support this work

Recommendations:

1. To endorse the ESIF Committee's decision to launch the national EU funding programmes in March 2015
2. To endorse George Kieffer as Chairman of the ESIF Committee as agreed at the SE LEP ESIF Committee meeting met on the 10 March 2015.
3. To note the endorsement of the Call for Applications templates under the ERDF, ESF and EAFRD programmes by the ESIF Committee
4. To note that the EAFRD (rural) programme has now been approved but the ERDF and ESF programmes will not receive full approval in June 2015. This is due to financial arrangements in the European Commission
5. To note the launch of a calendar of Calls for applications across EAFRD, ERDF and ESF to be available shortly on the SE LEP Website.

The Board is asked to NOTE that:

- a) Government has decided to launch the national EU funding programmes in March 2015 to allow Calls for applications to take place before the General Election.
- b) The SE LEP ESIF Committee meeting met on the 10 March 2015. The Committee elected George Kieffer, who is a SE LEP Board member to become Chairman. It also and endorsed Call for Applications templates under the ERDF, ESF and EAFRD programmes.
- c) The EAFRD programme has now been approved but the ERDF and ESF programmes are anticipated to receive formal approval in June 2015. This is due to financial arrangements in the European Commission
- d) A Calendar of Calls for applications across EAFRD, ERDF and ESF will shortly be available on the SE LEP Website.

Background

1. The SE LEP ESIF Committee meeting

An extraordinary SE LEP ESIF Committee meeting was held on the 10 March 2015 because the Government has decided to launch the national EU funding programmes in March 2015 to allow Calls for applications to take place before the General Election.

These meetings are organised by the Secretariat which is provided by Local Growth Delivery team (LGDT) of DCLG, Cambridge with support from the SE LEP secretariat. The Committee elected George Kieffer, who is a SE LEP Board member and of the National Growth Programme Board, to become Chairman. The ESIF Committee has a key influencing role and its role is to endorse recommendations from the Managing Authorities (DWP, DCLG and DEFRA) regarding Call for Applications Templates and, in future, applications for funding. The Committee will be asked to give a view on the strategic fit of project applications that are recommended for approval under the ERDF, ESF and EAFRD programmes. The Committee is important and influential. It is the start of the EU Audit trail for these programmes.

The Committee discussed the Match-funding Opt-in arrangements with the Skills Funding Agency, DWP Job Centre Plus and the Big Lottery and noted the forthcoming Call for applications for Technical Assistance to support this work. It also discussed the Call for Applications Template for the Youth Employment Initiative (YEI) in Thurrock. This had not been circulated in advance of the meeting, due to delays at DWP. The Committee deferred the decision to endorse the Opt-in arrangements and the Call for Applications Template for YEI to take place by electronic procedure and it is anticipated that the decision will have been taken by the time of the Board Meeting. A further update will be provided at the meeting.

Future Committee meetings will take place on the 2nd June 2015, the 8th September and the 1st December 2015.

2. Calls for Applications

The ESIF Committee endorsed five calls for applications. These are:

ERDF:

- Priority Axis 1 Research and Innovation - £3 million (Total available £16.5 million)
23rd March call opens
18th May closes
- Priority Axis 3 Enhancing the Competitiveness of SMEs - £6 million (Total available £49.5 million)
23rd March call opens
22nd May call closes
- Priority Axis 4 Low Carbon - £3 million (Total available £16.5 million)
23rd March call opens
11th May call closes

ESF: Allocated to Big Lottery £8 million, DWP £10 million and Skills Funding Agency - £49 million £8.25 Community Led Local Development (CLLD). Total uncommitted subject to SE LEP/partner match £5 million approximately.

- Youth Employment Initiative (YEI) – Thurrock €1.8 million
Deadlines to be confirmed

EAFRD: (Total Available £14.5 million)

- SE LEP is one of only 5 LEPs selected for the launch of the programme
- Support for micro and small businesses - £1million
23rd March call opens
19th June call closes

All calls for applications will be announced on the .Gov website. The ERDF and EAFRD calls for applications are in two stages, with an expression of interest followed by a full application. DCLG and DEFRA are producing Guidance Handbooks for applicants which will be available shortly.

3. Technical Assistance (TA)

TA is funding to support the administration of the programmes. This has to be match funded and it is used to "support the efficient and complaint management and implementation of the European Regional Development Fund (ERDF)and European Social Fund (ESF) programmes, as well as support robust governance, accountability and partnership engagement"(draft ESIF TA Guidance note from the UK Government). In practice, TA will support SE LEP to promote the opportunities available through EU funding via workshops and communications activities. The aim is to facilitate the development of successful and compliant bids and projects that meet the economic, social and environmental needs of the SE LEP area. Public and voluntary sector bodies which are legally constituted can apply for this funding from both within and external to the LEP area. SE LEP partners regard the investment of time into the ESIF will give us a key role in ensuring that the strategy is successfully delivered. The TA will be accessed by a series of Calls for applications on 27 April, 30 June, 1 September and 30 October. The Call Template will be available shortly on the .Gov website. A number of applications are expected from various sectors of the LEP.

Author: Lorraine George

Position: EU Funding Lead, South East LEP

Contact details: lorraine.george@essex.gov.uk

Date: 13 March 2015

SKILLS UPDATE

Purpose:

The purpose of this item is to update Board Members on the highly successful Skills Capital competition and European Funding and the establishment of the SE LEP Skills Group agreed at the SE LEP Board meeting in December.

Recommendations:

The Board is asked to:

1. Congratulate the successful Colleges receiving funding
2. Note the highly successful, growth driven application process which positions SE LEP very strongly to make a case for further skills funding
3. Note the further development of the Skills Strategy

Supporting Detail:

Background:

In the SE LEP Growth Deal announced in July 2014, £22m was committed by Government to support Skills Capital projects across the LEP. This funding commitment was for a pan-LEP Skills Capital competition focussed strongly on supporting business and jobs.

A robust pan-LEP process was developed that changed the past assessment criteria to reward benefits to learners and economic impact much more and involved business directly through the Employer Skills Boards whose nominees also conducted the economic impact assessment. A "Shadow Accountability Board" chaired by Geoff Miles endorsed the final decisions

Each of the bids to the SE LEP Skills Capital Fund demonstrated a strong focus on helping to reduce the skills shortage, support growth industries and provide the best possible facilities for the South East's young people to access vocational skills and training.

The successful bids submitted to SE LEP's Skills Capital Fund will deliver:

1. Hadlow College Group's plans to open the Ashford College in Kent - £9,800,000
2. New facilities for Science, Technology, Engineering & Mathematics training at The College at Braintree in Essex - £4,000,000
3. Harlow College's new Advanced Manufacturing & Engineering Centre (AMEC) - £2,500,000
4. East Kent College's plans to provide new training facilities for the local engineering, logistics and service industries at its Dover campus - £1,186,750
5. Refurbished science facilities at Sussex Downs College in Lewes, East Sussex - £159,440

In addition to the £18m Skills Capital Fund, a further £4m of Skills funding will soon be available for specialist equipment through a similar, competitive process.

The success of process in place also positions SE LEP well to seek further skills capital funding for future years through the Growth Deal process.

ESIF Funding

In addition, funding is available to support skills through the ESIF programme, primarily through the "opt-in" arrangement proposed with the Skills Funding Agency and through similar arrangements with the Department for Work and Pensions and Big Lottery. It is anticipated the first call for projects will be made this Summer.

Skills Group

As agreed at the SE LEP Board meeting in December 2014, the SE LEP Skills Group with nominees from the Employment Skills Boards from all county and unitary authorities and representatives of the FE Sector, private providers, schools and HE has been established.

Building on the close working relationship with the ESBs, the Group will initially focus on:

- Managing the relationship with the SFA, particularly relating to Skills Capital and Eu processes
- Co-ordinating development of the Skills Strategy to support further funding bids
- Progressing Growth Deal commitments
- Press for further influence over skills funding and for greater freedom and flexibility

Author: David Godfrey

Position: Director

Contact details: david.godfrey@kent.gov.uk

Date: 9th March, 2015

Coastal Update

Purpose:

The purpose of this paper is to provide an overview of recent work relating to Coastal Communities including:

1. Support for the Coastal Communities housing project in the Growth Deal and the focus of the Coastal Communities Group
2. The impact and future of the RGF SUCCESS programme
3. Consideration of how best to realise the potential of Assisted Area Status
4. Development of the CORE Group

Recommendations:

The Board is asked to:

1. Note the work of the Coastal Communities Group
2. Consider the results of the SUCCESS programme and options for its future
3. Agree recommendations to increase SE LEP focus on Assisted Areas
4. Confirm support for the CORE Group, as agreed by the SE LEP Board in September 2014

Supporting Detail:

In support of these recommendations, the following papers are contained in the appendices pack:

- SUCCESS - RGF funded support for the creative sector in coastal SELEP areas
- Supporting the CORE Group

Background:

The Coastal Communities Group has operated as a special interest group within the SE LEP area established by local authorities with a common interest in coastal issues. At the SE LEP Board meeting in December, its position within the SE LEP structure was officially agreed as part of the response to the Lucas Review.

In the recent extension to the Growth Deal, the Strategic Housing scheme developed by the Coastal Communities Group and led by Hastings, Tendring and Thanet councils, with the support of East Sussex County Council and Team East Sussex, was successful in being allocated £2m of Local Growth Fund. This scheme will be further developed with Government and within the LEP, including with the Independent Technical Evaluator.

At its last meeting, the SUCCESS scheme supporting creative enterprises primarily within the coastal communities was discussed and it was agreed that it should be brought to the SE LEP Board for discussion.

This item will also cover proposals for SE LEP support of our Assisted Areas and the South East LEP Centre of Renewable Engineering (CORE) group.

Author: David Godfrey

Position: Director

Contact details: david.godfrey@kent.gov.uk

Date: 12th March, 2015



SELEP BOARD MEETING

Friday 20th March 2015

Agenda Item: 8

Pages: 1

Rural Update

Purpose:

The purpose of this paper is to:

1. Endorse the SE LEP Rural Strategy and to update members on progress to support the rural sector

Recommendations:

The Board is asked:

To **ENDORSE:**

1. the Rural Strategy and agree its launch for wider consultation

Supporting Detail:

In support of this paper, the draft SE LEP Rural Strategy is attached. (appendix 11)

Background:

At the SE LEP Board meeting in December 2014, it was agreed that a SE LEP Rural Strategy should be produced to support implementation of the European Structural & Investment Fund (ESIF) and to inform the call for projects for EAFRD funding. Its development has been led by Nick Sandford (SE LEP Board lead on rural) and Vice Chairman Graham Peters, with support from rural officers across SE LEP and in consultation with Rural Partnerships.

The strategy now forms the basis of the agreed funding call later in March, one of only five LEPs in the country ready to launch the £14.5m EAFRD programme to rural businesses.

Work is also underway to:

- Work with Leader Groups across the LEP, SE LEP supporting each successful area application
- Consider the potential of Food Enterprise Zones within the LEP
- Promote rural growth within the SE LEP area
- Assess the future potential of Local Growth Fund and SEFUND for rural projects
- Support roll-out of the SE LEP Rural Strategy and EAFRD programme

Author: David Godfrey

Position: Director

Contact details: david.godfrey@kent.gov.uk

Date: 12th March, 2015



Progress Report: Growth Hub and Common Assessment Methodology

Purpose:

1. To update the board on progress in developing the SELEP Growth Hub and, separately, a common assessment methodology for projects across the SELEP area.

Recommendation:

2. The Board is asked to note progress on both projects but, specifically, to agree that the SELEP Strategic Board (as opposed to any new structure) will be the governance route for taking strategic decisions pertaining to the furtherance of the Growth Hub through 2015/16.

SELEP Growth Hub

3. Since the approval of the funding allocations for federated areas at the December board meeting (see below), the Growth Hub Steering Group (which will adopt a formal oversight role as the Growth Hub Working Group from 1st April) has been working to develop the SELEP approach.

	Base allocation	Residual	Total
Kent and Medway	£50,000	£204,265	£254,265
East Sussex	£50,000	£70,111	£120,111
South Essex	£50,000	£76,410	£126,410
Essex	£50,000	£149,215	£199,215
Total	£200,000	£500,000	£700,000

It should be noted that additional funding of £441k has been secured. This is unspent SEEDA funding and has been aligned to SELEP as it has to other LEPs across the old SEEDA region. It is available for use for the lifetime of the SEP and is available to Kent & Medway and East Sussex. There is no similar funding available for areas in the old East of England region.

4. A SELEP landing page with links to national business support products and the local Growth Hub websites will be provided; as will the coordination of a CRM system by a data controller who will be positioned to provide returns to BIS as and when required.
5. Fully developed 'Growth Hubs', inclusive of staff diagnostic and brokerage resource, will be available in each area. Essex, Southend and Thurrock are working closely together to provide a solution which builds on the success of Business Southend; East Sussex are progressing a bespoke model; and Kent and Medway are shortly to go to the market to procure their Growth Hub service in its entirety.
6. As required by BIS, there will be a single SELEP Growth Hub brand which has reach in each local area; the Working Group will ensure that the optimum result is achieved for the SELEP Growth Hub; and one which reflects our unique model of operation, respecting the autonomy of the local approaches.

7. *SELEP Website*: We are currently engaging with Linstock Communications, providers of the Business Southend website, around the launch of a skeleton website on 1st April (likely www.southeastbusiness.org.uk). Essex, Southend and Thurrock and East Sussex (for early stage work) are also engaging with Linstock, which should ensure good branding consistency for most of the SELEP Growth Hub family of products.
8. *CRM*: Conversations are ongoing to line up the correct CRM solution for the Growth Hub. Evolutive by Alcium Software is the product most used nationally and the product which is mostly used across SELEP. Alcium are developing architecture for the Leeds City Growth Hub which allows for separate and bespoke systems across which data can be aggregated by a single coordinator. We are pursuing the delivery of this model for SELEP.
9. *SELEP Staff Resource*: The officer group agreed to pursue the appointment of a part-time coordination and monitoring officer (with notional responsibility for data management and website updates) on a secondment basis from the University of Essex – with match funding provided by the university. Other SELEP-level work on the Growth Hub will be provided by an existing member of the secretariat with no further central appointments pursued.
10. *Mapping*: Business support mapping and simplification work is currently being procured by the local areas, as is a clear requirement from BIS. We are using the people who have undertaken mapping work for the Enterprise M3 LEP, which is the only LEP to complete the task to date. Our expectation, quite obviously, is that the nature of the Growth Hub offer will adapt to the outcome of the mapping and simplification work, which we expect to see in the summer.
11. It is specified within the ‘Schedule 3’ element of BIS’ offer letter, that strategic decisions relevant to the Growth Hub should be taken by the SELEP Strategic Board with the appropriate national bodies (including UKTI, Business Growth Service, Innovate UK) invited to attend where required to take part in the Growth Hub discussions. It is assumed that lower level operational decisions should be taken by the Working Group of senior local authority officers.
12. This has been recommended by BIS as the alternative to establishing a separate structure and agreed via the offer letter. Accordingly, the Board are asked to agree this.
13. It is proposed that a further update is provided to the next meeting of the Strategic Board.

Common Assessment Methodology

14. SELEP has been able to take advantage of the DfT’s ‘Transport Delivery Excellence’ programme, which effectively provides free consultancy from Local Partnerships. We have commissioned them to assist our federated areas around project assessment and prioritisation; with a view to us collectively maximising the funding available to SELEP in future funding rounds of Local Growth Fund or any other fund which requires project submissions from our area.
15. All federated areas of the LEP are taking part in the work and have all hosted development sessions over the course of February and March. There has been all round support for the development of a consistent methodology to be applied in local areas and a recognition, certainly, that such an approach will make it easier to assess the comparative merits of schemes, and particularly helpful for assessing the merits of those schemes which are pan-LEP.

16. Local Partnerships are fully cognisant of the current stage of SEFUND's development and of the role being played by SDG around transport schemes for 15/16. They are also aware of the prominence of the Assurance Framework, into which their work could factor at a point in the future.
17. They are also able to bring in their experience of similar projects they are engaging in with other LEPs, incorporating best practice where applicable and ascertaining where SELEP partners rank in respect the evaluation of projects we take to Government. Local Partnerships will consider Green Book, as well as WebTAG and other approaches as they assemble a method for SELEP which will ultimately be focused on proving an accurate measure of value for money through clarity and consistency on jobs and housing numbers vs. project cost and leverage.
18. An officer workshop to consider the first cut of an assessment prototype is scheduled for Monday (23rd). Should sufficient progress be made at this stage, the group will then speak to local businesses about the model and test its applicability. We should also report in full to the next meeting of the Strategic Board.
19. Local Partnerships were able to offer 20 days consultancy up until the end of March. They have indicated that the same programme of support is available to LEPs nationally in 15/16 and SELEP would be eligible to commission additional days support if necessitated by the outcome of this work.

Author: Adam Bryan

Position: Deputy Director, SELEP

Contact details: 0333 013 6571 / 07884 475191

Date: 8th March 2015



South East LEP Calendar of Meetings 2015-16

Date	Meeting	Capacity	Contact
6 March 2015	Coastal Communities	Working Group	tgardiner@tendringdc.gov.uk
10 March 2015	ESIF Committee	Advisory	till.specht@communities.gsi.gov.uk
16 March 2015	Team East Sussex	Federal Board	dave.evans@eastsussex.gov.uk
18 March 2015	Creative Industries	Working Group	andrea.stark@highhouse.org.uk
18 March 2015	Thames Gateway South Essex	Federal Board	kcornwell@castlepoint.gov.uk
20 March 2015	SELEP Board	Strategic Decision Making	lep@essex.gov.uk
23 March 2015	Kent & Medway Economic Partnership	Federal Board	Ross.Gill@kent.gov.uk
21 April 2015	Kent & Medway Economic Partnership	Federal Board	Ross.Gill@kent.gov.uk
28 April 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
12 May 2015	Kent & Medway Economic Partnership	Federal Board	Ross.Gill@kent.gov.uk
18 May 2015	Greater Essex Business Board	Federal Board	dominic.collins@essex.gov.uk
18 May 2015	Team East Sussex	Federal Board	dave.evans@eastsussex.gov.uk
20 May 2015	Creative Industries	Working Group	andrea.stark@highhouse.org.uk
22 May 2015	SELEP Board	Strategic Decision Making	lep@essex.gov.uk
27 May 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
2 June 2015	ESIF Committee	Advisory	till.specht@communities.gsi.gov.uk
12 June 2015	Accountability Board	Decision Making	lep@essex.gov.uk
22 June 2015	Kent & Medway Economic Partnership	Federal Board	Ross.Gill@kent.gov.uk

Date	Meeting	Capacity	Contact
29 June 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
13 July 2015	Team East Sussex	Federal Board	dave.evans@eastsussex.gov.uk
13 July 2015	Greater Essex Business Board	Federal Board	dominic.collins@essex.gov.uk
15 July 2015	Creative Industries	Working Group	andrea.stark@highhouse.org.uk
17 July 2015	SELEP Board Annual Assembly	Strategic Decision Making	lep@essex.gov.uk
18 August 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
2 September 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
8 September 2015	ESIF Committee	Advisory	till.specht@communities.gsi.gov.uk
11 September 2015	Accountability Board	Decision Making	lep@essex.gov.uk
16 September 2015	Creative Industries	Working Group	andrea.stark@highhouse.org.uk
21 September 2015	Team East Sussex	Federal Board	dave.evans@eastsussex.gov.uk
21 September 2015	Greater Essex Business Board	Federal Board	dominic.collins@essex.gov.uk
25 September 2015	SELEP Board	Strategic Decision Making	lep@essex.gov.uk
21 October 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
2 November 2015	Team East Sussex	Federal Board	dave.evans@eastsussex.gov.uk
13 November 2015	Accountability Board	Decision Making	lep@essex.gov.uk
18 November 2015	Creative Industries	Working Group	andrea.stark@highhouse.org.uk
18 November 2015 TBC	Senior Officer Group	Advisory	lep@essex.gov.uk
1 December 2015	ESIF Committee	Advisory	till.specht@communities.gsi.gov.uk
7 December 2015	Team East Sussex	Federal Board	dave.evans@eastsussex.gov.uk
7 December 2015	Greater Essex Business Board	Federal Board	dominic.collins@essex.gov.uk
11 December 2015	SELEP Board	Strategic Decision Making	lep@essex.gov.uk

Author: Lucy Payne
Position: Programme Manager, SELEP
Contact details: lucy.payne@essex.gov.uk
Date: 13th March 2015

Operating Budget 2015/16

Purpose

1. The purpose of this report is to update the Board on the progress of the Core Funding grant claim and to present the indicative operating budget for 2015/16 for approval

Recommendation

2. The Board is invited to:
 - a. **Approve** the indicative operating budget for 2015/16 as presented in Table 1; and
 - b. **Note** that central Government funding for 2015/16 has yet to be confirmed and that central Government funding drops out at the end of 2015/16 posing significant risks to future years' operation if alternative funding cannot be found.

Background

3. At its December meeting, the Board approved the application for £500,000 of core funding. The application of funding was submitted to Government in line with their requirements. At time of writing the funding has not yet been confirmed. A request for additional information that did not form part of the original ask has been submitted and final confirmation is expected shortly.
4. An operating budget for the South East LEP Secretariat has been constructed. Until the funding streams have been confirmed this should be considered as indicative.

2015/16 Operating Budget

5. The Secretariat and Accountable Body have worked together to construct an operating budget. The can be seen in the table overleaf. For comparative purposes the current year's budget is also presented.

Table 1

	15/16 £000	14/15 £000	Change £000	%
Expenditure				
Staffing (including recharges from Accountable Body)	710	446	264	59.19%
Office costs and events	165	280	-115	-41.07%
Consultancy	170	370	-200	-54.05%
Local area support	100	0	100	0.00%
Total expenditure	1,145	1,096	49	4.47%
Income				
Grants	-600	-666	66	-9.91%
Other Local Authority contributions	-200	-200	0	0.00%
Total Income	-800	-866	66	-7.62%
Net expenditure	345	230	115	50.00%
Contribution from reserves	-345	-230	-115	0
Net position	0	0	0	0.00%

6. The budget above only includes core operating costs. It does not include any revenue grants made to the LEP that would either be held centrally or devolved down to local partners such as Growth Hubs.
7. Budgeted expenditure for the year has increased 4% over this year's budget. The main increase is in staffing budgets. As result of the recent delivery review and requirements under the assurance framework, it has been necessary to increase the staffing capacity of the Secretariat.
8. The Accountable Body has advised that further provision is made to reserves at the end of 2014/15 financial year to ensure there is sufficient funding to cover any potential severance costs that may arise in future years.
9. Over the past year the levels of support required from the Accountable Body have increased and requirements for supporting the Local Growth Fund and other sources funding mean that these increased levels will continue. As such, it has been necessary for the Accountable Body to increase its recharge to the Secretariat.
10. There is a considerable reduction in the budget for spend on consultancy. This is due to the increased capacity within the Secretariat reducing the requirement for external support. In addition it has been necessary to reduce budgets for office costs and events. However, these budgets have been underspent in current year and so there should be no or minimal effect on operating activities.
11. As detailed in previous reports, a provision has been made in the budget to fund some support in the local areas. Discussions will take place with partners to agree how this support will work.
12. In order to fund the forecast level of spend it will be necessary to make a withdrawal from reserves of £345,000. In the Accountable Body's opinion, the current forecast level of reserves at the end of 2014/15 is sufficient to support this withdrawal as well as increased provision as detailed at paragraph 8. Table 2 overleaf shows the estimated closing balance of the reserve at 31st March 2015.

Table 2

Movement on reserves	
April 2014 Opening balance	-239
Withdrawals	0
Estimated contribution in 2014/15	-150
Estimated closing balance	-389

13. The Accountable Body is of the opinion that the budget as currently presented will be sufficient to cover SELEP Secretariat operating costs in 2015/16 provided that the core funding of £500,000 is awarded.

The Board is invited to agree the indicative operating budget as presented in Table 1

14. However, it should be noted that the core funding stream is due to finish in 2015/16 and there is no identified funding other than Local Authority contributions for future years. The Accountable Body will support the Secretariat and the Partnership in their conversations with Government to identify future funding streams.

Author: Suzanne Bennett

Position: Finance Business Partner – ECC as Accountable Body

Contact details: 03330 130823

Date: 10th March 2013



**SE LEP, Social Enterprise and Social Value:
Presentation from Royal British Legion Industries (RBLI)**

Purpose:

The purpose of this paper and presentation is to consider a new partnership proposal with RBLI to increase the provision of employment and training for Veterans in transport projects by using Social Value.

Recommendations:

The Board is asked to:

- Note the presentation and the potential for partnership through Social Value
- Note the LEP's support and recognition of the Social Value Act through its Growth Deal and Assurance Framework
- Ask Local Transport Authorities to consider RBLI's proposal

Supporting Detail:

In support of this paper, a letter from RBLI to County/Unitary Leaders and Chief Executives is included as appendix 12.

Background:

Operating on a strictly commercial basis, the RBLI supplies signs to local authorities and agencies for transport projects around the country. Its state-of-the-art Sign Workshop was visited by lead transport officers just before Christmas when the RBLI kindly hosted a SE LEP meeting.

Through its Growth Deal, there is an expectation from Government that "local areas use the Social Value Act, drawing on best practice across local councils and central expertise in maximising social value". In responding to this commitment and in recognising the great potential for employment, SE LEP has stated its ambition to become a "Capital of Social Enterprise".

In a short presentation, RBLI Chief Executive Steve Sherry will introduce the business service that the RBLI provides through its sign manufacture and the link with its highly successful wider social programmes supporting armed forces veterans in gaining employment.

Author: David Godfrey

Position: Director

Contact details: david.godfrey@kent.gov.uk

Date: 10th March, 2015