



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Strategic Board Meeting Agenda Pack

Friday 15th December 2017, 11:00am – 13:30pm
Ashford College, Elwick Road, Ashford, TN23 1NN





Agenda

11.00	1	Welcome and introductions	Chris Brodie
11.05	2	Minutes and actions from 22 nd September 2017 meeting page 4 Declarations of interest Matters arising page 8 <ul style="list-style-type: none"> - Annual Conversation - Energy Strategy - Growth Hub funding 	Chris Brodie Adam Bryan
11.15	3	Welcome to Ashford College <ul style="list-style-type: none"> - A word from our hosts 	Paul Hannan, Principal
11.30	4	National Infrastructure Commission presentation <ul style="list-style-type: none"> - Interim National Infrastructure Report - Next steps and consultation 	Adam Cooper, NIC
11.55	5	Growing Places Fund Round Two page 10 <ul style="list-style-type: none"> - Result of <u>electronic vote</u> 	Adam Bryan
12.00	6	Governance & Transparency – implementing the Mary Ney Review page 12 <ul style="list-style-type: none"> a. Update of Assurance Framework (inc. Code of Conduct) & policy development: Whistleblowing; Conflicts of Interest; Gifts & Hospitality b. Implementation 	Adam Bryan
12.20	7	Strategic Economic Plan page 25 <ul style="list-style-type: none"> a. Emerging shared agenda b. Industrial Strategy White Paper c. Timetable to March d. Report on evidence base findings e. Update on Skills Strategy (presentation only) 	Adam Bryan Louise Aitken
12.40	8	16/17 Accounts page 33 <ul style="list-style-type: none"> - For board consideration 	Suzanne Bennett
12.45	9	Capital Programme update page 34 <ul style="list-style-type: none"> - Update on Accountability Board decisions 	Rhiannon Mort
12.55	10	AOB & Close	Chris Brodie
13.00	11	Tour of Ashford College	With Mark Lumsdon-Taylor, Ashford College
13.30	12	Lunch	



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Agenda

Strategic Board Meeting
Friday 15th December 2017, 11:00-13:30
Ashford College, Elwick Road, Ashford, TN23 1NN

Attached for information only:

- a. Material from [November's](#) and [today's](#) Accountability Board

Future Meeting Dates

1. 16th March 2018
2. 29th June
3. 28th September
4. 7th December
5. 22nd March 2019

Minutes of September Strategic Board Meeting

Attending	
Chris Brodie	Chairman
Geoff Miles	Vice Chairman for Kent and Medway
Graham Peters	Vice Chairman for East Sussex
Adam Bryan	SELEP Managing Director
David Burch	Essex Chamber of Commerce
Cllr Graham Butland	Leader of Braintree Council
Paul Carter	Leader of Kent County Council
<i>Miranda Chapman for Nick Sandford</i>	<i>Pillory Barn</i>
Christina Ewbank	Alliance of Chambers in East Sussex and Eastbourne Chamber of Commerce
Prof Anthony Forster	University of Essex
Cllr Keith Glazier	Leader of East Sussex County Council
Cllr Rob Gledhill	Leader of Thurrock Council
Jo James	Kent Invicta Chambers
<i>Cllr Alan Jarrett for Cllr Rodney Chambers</i>	<i>Medway Council</i>
John Lamb	Deputy Leader of Southend Borough Council
<i>Andrew Metcalf for Paul Thomas</i>	<i>Maxim PR</i>
<i>Cllr Gagan Mohindra for Cllr Kevin Bentley</i>	Epping Forest District Council, Finance Portfolio Holder
David Rayner	Birkett Long
Graham Razey	East Kent College
Clive Soper	East Sussex FSB
Paul Watkins	Leader of Dover District Council
Haydon Yates	Essex business rep

Apologies

George Kieffer, Cllr Peter Chowney, Cllr Kevin Bentley, Cllr Bob Standley, Cllr Peter Fleming, Cllr Chris Whitbread

1. Welcome and Introductions

- 1.1. Chris welcomed board members and observers to the meeting.

2. Minutes and Actions from 9th June 2017 meeting, Matters Arising and Declarations of Interest

- 2.1. The minutes were agreed as an accurate record.
- 2.2. Adam Bryan noted under matters arising, that SELEP have been invited to have representation on the Transport for the South East advisory forum.
- 2.3. Adam confirmed the boundary of the advisory forum, which includes a further 4 LEP areas, the importance of having SELEP representation was reiterated by Keith Glazier.
- 2.4. Cllr Paul Carter commented on the impact of further meetings requiring board member attendance, particularly for the business community. Paul requested coherence from central government.
- 2.5. Cllr Keith Glazier noted that as Transport for the North is formulated and confirmed funding delegation will be coming through STBs. Because of this it is important SELEP's voice is heard.

If any board members would like to express their interest to the post, this should be directed to Adam in the next few days.

Chris Brodie left the room.

- 2.6. Geoff Miles reminded the board of the appraisal that was undertaken of Chris' progress to date as the SELEP Chairman. As a result of the positive appraisal, Chris has been asked to continue as the chairman for a further term.
- 2.7. A number of board members noted the strong working partnership they have with Chris and businesses on the board also endorsed the continuation of Chris' term.
- 2.8. Adam confirmed that the LEP secretariat will work with the Vice Chairs to take this dialogue forward with Chris.

Chris Brodie returned to the room.

- 2.9. Chris asked if there were any declarations of interest; Jo James advised the board that Kent Invicta Chambers hold the contract for the Kent and Medway Growth Hub, Miranda Chapman advised the board that her company carried out recent works on the Kent and Medway Growth Hub and Andrew Metcalf advised the board he is a board member of the Kent and Medway Growth Hub.

3. Strategic Economic Plan

- 3.1. Adam presented to the board an update on works carried out so far on the Strategic Economic Plan (SEP) refresh and to receive endorsement to continue with the work as it is currently progressing.
- 3.2. Adam updated the board on the current policies that are being considered by Whitehall whilst the SEP is being refreshed. The Industrial Strategy white paper will be integral to the release of the final SEP.
- 3.3. Other considerations include sector deals; further information is still required on the geographies of the deals. The LEP is currently seeking clarity from Government on the differences between a local industrial strategy and a SEP.
- 3.4. Adam confirmed to the board that core funding discussions will be separate to the LEP review, which is currently ongoing.
- 3.5. Adam advised the board the National Infrastructure Commission interim report is due at the end of September. Adam confirmed we are currently awaiting the report from the Thames Estuary Growth Commission, which is still due to appoint a new Chair.
- 3.6. Adam confirmed that as the LEP we must be clear on what we require through the refreshed SEP and must not add to uncertainty.

- 3.7. Adam reviewed the parameters of the SEP, as outlined in the March 2017 board meeting. These parameters are still true and the refresh will not deviate from this. The SEP refresh will still focus on attracting more investment to the area.
- 3.8. Since 2014 and the production of the first SEP there has been increased population growth, business growth and fewer unemployed in the LEP region. The current figures for the LEP, through NOMIS, highlight the need for productivity to be an existing issue.
- 3.9. Adam confirmed the SEP and the Skills Strategy will sit alongside one another. The Infrastructure and Investment plan is now scheduled, post SEP. This will enable SELEP to be on the front foot of competitive opportunities and will be clearly aligned with federated areas.
- 3.10. BEIS have awarded £40,000 grant to support with a LEP Energy strategy. SELEP are working with the federated areas to confirm what the strategy looks like and how it will sit alongside the SEP.
- 3.11. The LEP secretariat has been holding conversations with working groups and there is evidence to support the need for themed issue papers; this will offer a greater layer of detail of how to support our economies.
- 3.12. To date, three core questions have been asked with a further 9 supplementary questions. The answers will help form the evidence base, which will be circulated to board members by the end of September.
- 3.13. Adam advised the board the SEP would be used to manage perceptions of the LEP area and make our challenges and opportunities equally clear.
- 3.14. Adam presented the proposed next steps and layout of the SEP, seeking mandate from the board regarding the next steps.
- 3.15. Cllr Gagan Mohindra asked where the LEP review sits in regards to the SEP. Adam advised that the LEP review, which will take place this calendar year, will arm LEPs to manage additional responsibilities.
- 3.16. Jo James commented that the SEP refresh must have more life and aspiration than the current SEP, the wording we use must be aimed to the correct audience and if there will be a read across to further audiences.
- 3.17. Cllr Rob Gledhill noted that Thurrock remain opposed to the Lower Thames Crossing.
- 3.18. Cllr Graham Butland noted there cannot be economic development without a strategic plan for housing; when creating the final version we must ensure there is a strong link between work carried out by both the department of BEIS and DCLG.
- 3.19. Andrew Metcalf commented there is a greater requirement of the SEP refresh to document jobs and economic growth.
- 3.20. Jo James requested if there can be an intranet system for board members to search papers that have been previously circulated. Adam advised the board we are currently completing an overview of the SELEP website and a technical rebuild will be carried out in the near future.

Agreed to move forward.

4. Growth Hub

- 4.1. Adam offered an overview of the inception of Growth Hubs, the hub and spoke model and the work they have completed to date.
- 4.2. SELEP Growth Hubs are working in partnership with 10 ERDF projects; each ERDF project must demonstrate how they work alongside the Growth Hubs to maximise business engagement.
- 4.3. Adam advised the board that case studies of each Growth Hub are available around the board table.
- 4.4. BEIS have reassured LEPs they are committed to Growth Hubs. There is currently an ongoing dialogue between BEIS and the Treasury to confirm funding for 2018/19 and beyond.
- 4.5. The LEP secretariat is currently in communication with BEIS, questioning the financial ask from Government. For SELEP to have a route to businesses, offering business support locally is paramount and is a key consideration within the SEP refresh.
- 4.6. In Decembers meeting the LEP secretariat will be asking the board to consider the delivery model of the Growth Hubs and agree next steps.

- 4.7. Graham Peters advised the board he fully supports the work the Growth Hubs are completing, and it is evident there is a need for a business support service. Graham requested a letter be sent to Whitehall requesting that they consider maintaining funding to Growth Hubs.
- 4.8. David Rayner commented on success of the Growth Hubs to date, he would like to see the model continue whilst looking at any revenue generation that may be possible.
- 4.9. Jo James commented that Government schemes need longevity to become embedded; SELEP's Growth Hubs now have reach across the area and it would be disadvantageous to remove funding.
- 4.10. Cllr Gagan Mohindra asked that realistic options such as match funding be considered.
- 4.11. Jo James advised the board that looking to make Growth Hubs commercially viable is very difficult. We must bear in mind there are so many different routes to make them self-sustaining you then compete with the businesses who are driving and supporting the growth hubs.

5. Capital Programme Update

- 5.1. Rhiannon updated the board on the delivery of the Growth Deal.
- 5.2. There have been a number of projects approved this financial year, including Local Growth Fund 3 projects.
- 5.3. Rhiannon offered a highlight of projects delivered to date.
- 5.4. Rhiannon advised the board there is more detail in the Accountability Board papers.
- 5.5. David Rayner asked for a summary report re project delivery, Rhiannon confirmed this will be made available.

6. The Mayors Transport Strategy

- 6.1. Rhiannon advised the board the consultation is open until October to respond. SELEP will be responding to reinforce the information coming out of local areas.
- 6.2. The feedback received evidences the requirement for fit for purpose transport measures.
- 6.3. With substantial growth expected on the road networks, the roads must be able to manage the expected growth.
- 6.4. Rhiannon advised the board there are 24 questions to answer as part of the consultation.
- 6.5. David Rayner commented that with opposition to Heathrow's growth from the Mayor's Assembly, this gives opportunity for development at both Stansted and Southend airport.
- 6.6. Cllr Rob Gledhill commented that there should be focus on additional river crossings into London.

7. Any Other Business

- 7.1. Adam gave an overview of the emerging bids for Housing Infrastructure Funding, whilst the funding clearly states that government have recommended all areas talk to LEPS, there is no formal process for the board to follow.
- 7.2. Adam advised the board the secretariat will write letters of support for each bid.
- 7.3. The board will be made aware of the letters of support written as some schemes are no longer moving forward.

8. Close

- 8.1. Chris thanked participants and closed the meeting.

Update for matters arising

1. Purpose

1.1 The purpose of this paper is to update the board on recent areas of activity for the LEP.

2. Recommendations

2.1 The Board is asked to note the report.

3. Background

Annual Conversation

- 3.1 SELEP's Annual Conversation took place on Thursday 7th December at DCLG. The meeting comprised representatives from BEIS, DfT and the Cities and Local Growth Unit. The home team was Chris Brodie, Graham Peters, Geoff Miles, George Kieffer, Adam Bryan, Rhiannon Mort (for Capital Programme) and Suzanne Bennett (representative of s151 Officer).
- 3.2 In advance of the meeting, a PowerPoint record of SELEP's delivery over the 2017 calendar year was produced for information. This is being distributed with the Agenda Pack for Board Members' information. BEIS also requested that a questionnaire on governance and assurance was also completed and supplied in advance.
- 3.3 The meeting was more structured than in previous years and had a split focus on governance, delivery and strategy. While we are yet, at the time of writing, to receive the official minute of the meeting or formal feedback on the session, we believe that it went very positively indeed and that officials were given every assurance around the strength of our governance arrangements, our impressive numbers around delivery and our proactive approach to strategy.
- 3.4 Issues raised which we will mention briefly at the board meeting include:
- A renewed preference to encourage LEPs to look to form incorporated bodies
 - Board member tenure questions
 - A push for greater transparency and consistency across federal areas
 - Importance of establishing the Investment Panel (a sub-board as defined by the Mary Ney review)
 - Huge opportunities around Government's genuine interest in the Thames Estuary
- 3.5 We will let board members know when we are in receipt of formal feedback.

Energy Strategy and Clean Growth Agenda

Progressing a tri-LEP Energy Strategy:

- 3.6 SELEP is leading on the emerging energy and clean growth agenda in the South East, backed by BEIS and set as a Grand Challenge in the Industrial Strategy White Paper. This Autumn, SELEP created a collaborative working group with Coast to Capital and Enterprise M3 LEPs, to initiate the production of a shared 'tri-LEP' Energy Strategy and Action Plan. Our combined (tri-LEP) grant funding from BEIS for this work totals £120k, which has been awarded to SELEP as lead LEP on this venture.
- 3.7 SELEP published an Invitation to Tender on 1 December to secure a contractor in mid-January 2018, with the ambitious goal of producing a draft Energy Strategy and Action Plan by March 2018. The strategy will evolve from two integrated strands of activity – energy data gathering and modelling, and comprehensive stakeholder engagement to drive action planning.
- 3.8 The tri-LEP energy working group has good representation from SELEP's federated area local authorities, and is keen to include key representatives from business and energy supply sectors. The

project will ensure clear alignment with the new Strategic Economic Plan; energy and clean growth is already recognised as an important element of the SEP, as sustainable, reliable and clean energy supply is fundamental to economic growth.

Greater South East Local Energy Hub:

- 3.9 SELEP has become an active player in the emerging Local Energy Hub initiative proposed by BEIS this summer. The Greater South East Local Energy Hub is being formed of 11 LEPs in the South and East of England, to enable strategic analysis and project delivery at scale. The Hub will draw upon the findings of the Energy Strategies currently in production across the LEPs, and will receive £1.26m funding from BEIS in 2018/19 and 2019/20. This will fund additional coordination and technical resource that will focus on the delivery of projects and interventions.
- 3.10 SELEP sits on a Task and Finish Group that is currently developing a sustainable model for the Local Growth Hub, which includes a new Hub Board and associated governance, resource placement and skills needs, and lead Accountable Body.
- 3.11 A key objective of the Local Growth Hub is to identify capacity and opportunity for modern energy provision, which will embrace renewable energy supplies and new technologies to contribute to the challenges currently faced by the national grid around sustainable supply and demand.

Growth Hub Funding

- 3.12 BEIS reported with some confidence to the LEP Network last week that funding will soon be secured for Growth Hubs across the country. The Industrial Strategy indicated the importance of Growth Hubs moving forward and there is some confidence that the outcome of the conversation with HMT will reflect this.
- 3.13 Given that we are not yet clear on the magnitude of national level funding for Growth Hubs, it is not possible to quantify the ask of the Strategic Board vis-à-vis the South East Business Hub and its local delivery arms. We expect to be able to bring consideration of this to the March board.

Author: Adam Bryan
Position: Managing Director
Contact details: adam.bryan@essex.gov.uk, 07884 475191
Date: 8th December 2017

Growing Places Fund update

1. Purpose

1.1 The purpose of this report is to update the Strategic Board (the Board) on the outcome of the Growing Places Fund (GPF) prioritisation and confirm the next steps for the award of funding to these projects.

2. Recommendations

2.1 The Board is asked to note the outcome of the GPF prioritisation voting by electronic procedure

3. Background

3.1 In November 2017, the Board were asked to consider the prioritisation of proposed GPF projects for investment using recycled GPF which is made available through the repayment of existing GPF loans.

3.2 A total of 12 projects were identified by Federated Board's and were assessed by SELEP Independent Technical Evaluator (ITE) against the criteria agreed by the Board at its meeting on the 9th June 2017.

3.3 Through a processes of voting by electronic procedure the Board agreed the report recommendations, to prioritise a total of eight projects for GPF investment, including:

- Colchester Northern Gateway (£2.000m GPF);
- Eastbourne Fisherman (£1.150m GPF);
- Fitted Rigging House (£0.800m GPF);
- Innovation Park Medway (£0.650m GPF);
- No Use Empty (£1.000m GPF);
- South Essex College Centre for Advance Automotive and Process Engineering (£2.000m GPF)
- Charleston Centenary (£0.120m GPF); and
- Javelin Way Development (£1.597m GPF).

3.4 The expected GPF draw-down schedule for these eight projects is shown in Table 1 overleaf.

3.5 For these eight projects prioritised for GPF by the Board, a final review of the Business Case will be completed by the ITE to enable scheme promoters to respond to the questions and points raised by the ITE through their initial assessment of the Business Case.

3.6 Following the final (Gate 2) review of the project Business Case by the ITE, a funding decision will be sought from the SELEP Accountability Board in accordance with the requirements of the Assurance Framework.

3.7 The South Essex College Centre for Advanced Automotive and Process Engineering and the Eastbourne Fisherman Project will be the first two projects to be considered by the Accountability Board at its meeting on the 15th December 2017.

3.8 The final award of funding by the Accountability Board is subject to sufficient GPF being made available through the repayment of GPF to the agreed schedule set out for existing GPF loans. Any delays to GPF repayments for existing projects will have an impact on the amount of GPF available for investment in the projects listed in 3.3 above.

3.9 A risk has been raised in the last few weeks to the expected GPF loan repayment for the Live Margate project, which was allocated funding through an earlier round of GPF bidding. Further details of this risk are provided within the 15.12.2017 Accountability Board reports (Agenda Item 6).

3.10 For projects which are successfully awarded GPF by the Accountability Board, a loan agreement will be entered into between the SELEP Accountable Body (Essex County Council), and the lead County Council/Unitary Authority.

3.11 Quarterly update reports on the delivery of the GPF projects will be provided to both the Strategic and the Accountability Board.

Table 1 Funding ask for prioritised GPF projects

		Funding Ask (£)				
	Scheme name	Federated Area	2017/18	2018/19	2019/20	Total (£)
Prioritised GPF schemes	Colchester Northern Gateway	Essex	-	1,350,000	650,000	2,000,000
	Charleston Centenary	East Sussex	120,000			120,000
	Eastbourne Fishermen	East Sussex	500,000	650,000	-	1,150,000
	Centre for Advanced Automotive and Process Engineering	South Essex	2,000,000	-	-	2,000,000
	Fitted Rigging House	KMEP		550,000	250,000	800,000
	Javelin Way Development	KMEP			1,597,000	1,597,000
	Innovation Park Medway	KMEP	-	400,000	250,000	650,000
	NUE Commercial	KMEP	-	500,000	500,000	1,000,000
Total GPF available (£)			2,673,000	3,190,000	3,454,000	9,317,000
Total GPF ask for prioritised schemes (£)			2,620,000	3,450,000	3,247,000	9,317,000

Author: Rhiannon Mort
 Position: Capital Programme Manager
 Contact details: Rhiannon.mort@essex.gov.uk, 07917 650933
 Date: 8th December 2017

Governance and Transparency

1. Purpose

- 1.1 The purpose of this paper is to update the Strategic Board (the Board) on the latest thinking coming from Government in relation to LEPs and governance structures and requirements for changes to governance as a result of the Review of Local Enterprise Partnership Governance and Transparency by Mary Ney (Non-Executive Director, Department of Communities and Local Government).

2. Recommendations

- 2.1 The Board is asked to:
 - 2.1.1 **note** the report; and
 - 2.1.2 provide comments on the draft Assurance Framework after the board meeting to inform the final version of this and the new policy documents which will be sent for approval by electronic procedure upon receipt of guidance from Government.

3. Background

- 3.1 Over the last twelve months there has been an increasing focus on Local Enterprise Partnership governance arrangements. The bottom-up, locally driven approach to the establishment of LEPs has meant that each LEP has formulated its own governance structure rather than them being imposed from the centre.
- 3.2 The introduction of the Growth Deal and the associated Local Growth Fund meant that Government began to introduce governance requirements through the National Assurance Framework, which has been in place since April 2015. However, due to a number of high profile lapses in governance and transparency and an increasing role for LEPs as trailed in the Industrial Strategy White Paper, Government now believe it is time to strengthen the LEP governance structures.
- 3.3 SELEP currently has an Assurance Framework that was agreed in February 2017. It is a requirement of the National Assurance Framework (NAF) that local Assurance Frameworks are reviewed each year. The Secretariat and the Accountable Body have been working on that review and a working draft can be found at Appendix A. In addition, at Appendix B there is a table documenting all the material changes suggested and reasoning behind the changes.
- 3.4 Government has indicated that they won't be refreshing the National Assurance Framework until after the conclusion of the LEP Review; however there have been other developments that mean updates to the SELEP Assurance Framework are necessary now.
- 3.5 Reports have been published by the National Audit Office and the Committee of Public Accounts, both of which raised concerns with the governance of LEPs and the transparency of decisions in particular. A series of articles were published in the Daily Mail in December 2016 which drew further attention to decisions made in some LEPs that appeared to be non-compliant with the National Assurance Framework. Following the Committee report, the Department of Communities and Local Government (DCLG) commissioned a review into the Governance and Transparency of LEPs by Mary Ney to begin in April 2017.
- 3.6 Then in March 2017, Mr Stephen Barclay MP wrote to the Comptroller and Auditor General raising specific concerns about decisions made by the Greater Cambridgeshire and Greater Peterborough LEP. As a result, the National Audit Office launched an investigation and the Cities and Local Growth Team carried out their own checks and audit.

- 3.7 DCLG released the [Review of Local Enterprise Partnership Governance and Transparency](#) on 26th October. Amongst others, the review had been undertaken in consultation with eight LEP directors, including SELEP's.
- 3.8 DCLG have advised that they have accepted all Mary Ney's recommendations, that they will form part of the next revised National Assurance Framework for LEPs, and that LEPs should work to implement changes without delay. This excerpt from Simon Ridley's (DG, Decentralisation and Growth, DCLG) letter to LEP chairs is particularly apposite:

I am writing to you to advise that the department has accepted all of the recommendations of the review. All of the recommendations of Mary's review will be included in a revised National LEP Assurance Framework. As you know, DCLG and BEIS Ministers are currently undertaking a wider review into strengthening the role of LEPs, which is likely to require further changes to the Framework. Therefore we will not be amending the National LEP Assurance Framework until the broader review into strengthening LEPs has been completed. After this point, we will publish a consolidated revision to the National LEP Assurance Framework.

To ensure the necessary improvements are made before then, we will write to all LEPs in November 2017 to set out: the new requirements on LEP governance and transparency; and the steps we are taking to ensure that they are consistently and fully implemented. We will also be inviting all LEP Chief Executives to discuss the recommendations, further details will follow.

- 3.9 We are currently awaiting the further guidance but have been assured that it is in hand and will be published shortly. Where it is possible to advance without further guidance, the draft Assurance Framework has been updated.
- 3.10 Full details of all the recommendations and the current SELEP position can be found at Appendix C.
- 3.11 To ensure that all of the recommendations are met it will be necessary to introduce a number of new policies covering issues such as Whistle-blowing, Conflicts of Interest and Gifts and Hospitality. Officials in the Cities and Local Growth team have informed us that pro-forma and templates for these policies will be issued in short order.

4. Next steps

- 4.1 Given the fuller guidance expected, an updated Assurance Framework and full policies for the three areas above cannot currently be presented for approval. However, the current drafts are presented at Appendix A for the Board's information. The final versions will be presented to Board for approval via Electronic Procedure in the New Year.

5. Appendices

- a. Draft Assurance Framework update
- b. Table indicating approach to Assurance Framework refresh
- c. Position in respect of Mary Ney's recommendations

Appendix A

Revised Assurance Framework



SELEP Assurance
Framework v_111217

Appendix B

Appendix B - Proposed changes to SELEP Assurance Framework

Section	Change	Reason for Change	Mary Ney Recommendation
2.2.6 2.2.7	Additional text has been added to provide clarity on Board member remuneration	Strengthening of wording to reflect Mary Ney recommendations	LEP board members are generally not remunerated albeit the role and expectations of time commitment have increased as the workload of LEPs has developed. A number of private sector participants in this review referred to the ethos of making a public service contribution. It is important that this ethos is supported and that proposals to achieve good governance are proportionate.
2.3.3.10	Additional responsibility has been added to Accountability Board's remit to include, "Agreeing the annual budget of the Secretariat, plus any subsequent variations to that budget. Once agreed, the budget will be managed under the Financial Regulations of the Accountable Body and the associated Scheme of Delegation".	The approval of the annual secretariat budget has always been a responsibility of the Accountability Board but was not previously stated.	N/A
2.4	Additional text has been added to describe the role of the Strategic Board.	This section has been added to reflect the decision taken by the Strategic Board on the 9 th June 2017, to establish an Investment Panel.	It is recommended that the National Assurance Framework draws explicit attention to the importance of LEP decision-making structures accommodating these separate components of good governance and that they form an essential part



		<p>The establishment of this panel fits with the Mary Ney recommendations to establish a 'sub-committee or panel with the task of assessing bids/ decisions'.</p> <p>The establishment of a SELEP Investment Panel was strongly encouraged by Central Government officers through the 2017 Annual Conversation.</p>	<p>of assurance and ensuring probity:</p> <ul style="list-style-type: none"> A sub-committee or panel with the task of assessing bids/decisions
2.5.5.	Additional text has been added to the Federated Board responsibilities to, "Federated Board meeting papers and minutes shall be made available to Strategic Board members, as part of the Strategic Board Agenda Pack through a link to the SELEP website or Federated Board website".	This text has been added to help improve the transparency of Federated Board meetings and to strengthen local governance arrangements, in line with the requirements of the existing National Assurance Framework.	The Mary Ney review notes the different approaches which are currently being implemented and "It is recommended that the National Assurance Framework provides additional guidance on expectations on publication of agendas, meeting papers and decisions".
2.6	Additional text has been provided to set out the responsibilities of each of the Board Chair's	This additional text has been added to strengthen the reference to Chair responsibilities within the SELEP Assurance Framework to reflect the expectations set out in the National Assurance Framework and the SELEP Terms of Reference.	N/A
2.8.3	Amendments have been made to the text which sets out the Accountable Body and S151 officer responsibilities	These changes reflect some additional requirements of the S151 officer as an outcome of Mary Ney's recommendations.	It is recommended that further clarity is provided in the National Assurance Framework on the role of Section 151 officers and it is suggested that this be developed in consultation with CIPFA. This will need to consider the mechanisms the Section 151 officer uses to fulfil their role, their requirements in terms of access to decision-making bodies, ability to provide written and verbal financial advice, role of



			<p>their transactional services, operation of normal checks and balances in approving expenditure, management of risk of fraud and corruption, monitoring of programme spend against resources, treasury management and borrowing, role of internal audit and external auditors and provision of an audit opinion for the LEP, visibility of reporting arrangements to both the accountable body and the LEP, production of accounts, inter-relationship with the LEP's own accounts, if relevant. The clarification of the role of the Section 151 officer could also consider the scope for the LEP CEO and the Section 151 officer to provide a formal joint Annual Governance statement which is reported to the LEP Board. It is also recommended that the National Assurance Framework sets a requirement for the Section 151 to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.</p>
2.9	Additional section has been included to set out the Managing Director responsibilities	This new section formalises the SELEP Managing Director responsibilities and some additional responsibilities as a result of the Mary Ney review.	It is recommended that the National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. the Chair and CEO), on the status of governance and transparency within their organisation and which can be explored in greater detail during the Annual Conversation process with government. This statement to be published on the website.
2.11	The Principals of Public Life have been expanded to include a Code of Conduct	This section of text has been expanded to set out a Code of Conduct, as recommended by the Mary	It is recommended that the current National Assurance Framework requirement for LEPs to have a code of conduct, which all board members and staff sign up to,



		Ney review.	<p>should explicitly require the Nolan Principles of public life to be adopted as the basis for this code.</p> <p>The National Assurance Framework should be explicit that the code of conduct for board members should address:</p> <ul style="list-style-type: none"> • the way in which the board conducts business; • the role of the board member; • dealing with conflicts of interest; • declarations of interest and transactions, gifts and hospitality; • policy on fees and expenses.
3.2	Additional text has been added to state that "All decisions made by the SELEP Managing Director that are Chief Officer Actions under the Financial Regulations and associated scheme of delegation of the Accountable Body, shall also be published on the SELEP website" and "For each quarter of the financial year a table of decisions which have taken by the Accountability Board, Federated Boards or under the Managing Directors delegated budget during that quarter will be presented to Strategic Board and made available on the SELEP website".	This text has been added to improve arrangements to ensure the transparency of decision making.	N/A
3.6.4	Reference is given to a SELEP Whistleblowing policy	Reference has been made to the SELEP Whistleblowing Policy which is currently being developed and which SELEP Strategic Board will be	It is recommended that the National Assurance Framework requires the publication of a whistleblowing policy and arrangements for confidential reporting of allegations of untoward concerns by third

		<p>asked to agree when agreeing the final version of the SELEP Assurance Framework 2018.</p> <p>This policy is being developed as a recommendation of the Mary Ney review.</p>	<p>parties/ the public.</p>
3.7.5	<p>Reference is given to a SELEP Declarations of Interest Policy</p>	<p>Reference has been made to the SELEP Declarations of Interest Policy which is currently being developed and which SELEP Strategic Board will be asked to agree when agreeing the final version of the SELEP Assurance Framework 2018.</p> <p>This policy is being developed as a recommendation of the Mary Ney review.</p>	<p>The National Assurance Framework should be explicit that the code of conduct for board members should address:</p> <ul style="list-style-type: none"> • declarations of interest and transactions, gifts and hospitality;
4.3	<p>Additional section has been included to set out the process for the devolving GPF Capital Funding</p>	<p>This section has been added to provide greater clarity on the process for SELEP Accountable Body to transfer GPF to lead County Council/ Unitary Authorities</p>	N/A
4.4	<p>Additional section has been included to set out the process for Strategic Board to allocate GPF revenue funding.</p>	<p>This new section has been included following the Strategic Board having agreed a process for the award of GPF revenue funding at its meeting on the 9th June 2017.</p>	N/A
4.7	<p>Further detail has been added to set out the scrutiny arrangements for SELEP</p>	<p>Further clarification has been provided on SELEP's scrutiny arrangements as a recommendation of the Mary New review.</p>	<p>Local assurance frameworks should set out that ALL decisions must be subject to the normal business case, evaluation and scrutiny arrangements; there must be a written report with the opportunity for the Section 151 officer to provide comments, that the conflicts of interest policy will apply to decision makers regardless of</p>

			<p>whether there is a formal meeting, and that decisions should be recorded and published in the normal way, regardless of how they are taken. It is recommended that the National Assurance Framework includes requirements in relation to this.</p> <p>It is recommended that LEPs report on Scrutiny arrangements in their annual assurance statement during the Annual Conversation process.</p>
5.2	Minor additional have been made to the section which sets out the arrangements for the prioritisation of LGF projects	Minor changes have been made to this section of text. This includes further detail being set out on the process for the prioritisation of LGF Pan – LEP projects.	N/A
5.3	A section has been added to set out the process for the prioritisation of GPF projects	This section has been included to set out the process for the prioritisation of GPF projects as per the process agreed by the Strategic Board on the 9 th June 2017.	N/A
5.4	Text has been added to set out the process for the evaluation of other funding awards – such as GPR Revenue	This section out the process for the review of GPF revenue projects, following the broad approach having been agreed with the Strategic Board on the 9 th June 2017.	N/A
6.2	Additional text has been added to set out the reporting requirements for GPF capital projects	Further detail has been added about the reporting of GPF projects to ensure a greater level of oversight for the delivery of new GPF capital projects which have been prioritised by the Board through GPF Round 2.	N/A
6.4	Additional section has been added to set out the process for the management of any GPF	Further detail has been provided on the process for managing the slippage of GPF capital spend. Clarity	N/A

	capital spend slippage	on the proposed approach has been provided in light of the allocation of GPF to new GPF projects.	
6.6	Additional section has been included to set out the process for Accountability Board to agree the inclusion of new LGF projects into the LGF capital programme.	This addition has been made following the SELEP Accountability Board having agreed the process for the introduction of new projects into the LGF programme at the Board's meeting on the 22 nd September 2017.	N/A

Appendix C

Summary of Recommendations made by the Mary Ney Review	Assessment of the SELEP position
Board Member Remuneration	
LEP board members are generally not remunerated albeit the role and expectations of time commitment have increased as the workload of LEPs has developed. A number of private sector participants in this review referred to the ethos of making a public service contribution. It is important that this ethos is supported and that proposals to achieve good governance are proportionate.	No SELEP board members are remunerated, however, the Strategic Board Chair does receive an allowance of £20,000 per annum plus expenses (in line with the agreed approach). We will state levels of remuneration and non-remuneration against board members names on the website.
Culture and Accountability	
It is recommended that the National Assurance Framework requires a brief formal assurance statement on an annual basis from the leadership of the LEP (i.e. the Chair and CEO), on the status of governance and transparency within their organisation and which can be explored in greater detail during the Annual Conversation process with government. This statement to be published on the website.	This is a new requirement, but formalises the existing information prepared and presented at the annual conversation. This was produced for the 2017 Annual Conversation.
It is recommended that the current National Assurance Framework requirement for LEPs to have a code of conduct, which all board members and staff sign up to, should explicitly require the Nolan Principles of public life to be adopted as the basis for this code.	The SELEP terms of reference covers this for board members but not staff, however, as employees of ECC SELEP staff members must abide by the ECC Staff Code of Conduct.
The National Assurance Framework should be explicit that the code of conduct for board members should address: <ul style="list-style-type: none"> the way in which the board conducts business; 	The code of conduct to be updated and published separately on the SELEP website (currently only incorporated with the Assurance Framework)

<ul style="list-style-type: none"> • the role of the board member; • dealing with conflicts of interest; • declarations of interest and transactions, gifts and hospitality; • policy on fees and expenses. 	
<p>Structure and Decision Making</p>	
<p>It is recommended that the National Assurance Framework draws explicit attention to the importance of LEP decision-making structures accommodating these separate components of good governance and that they form an essential part of assurance and ensuring probity:</p> <ul style="list-style-type: none"> • A clear strategic vision and priorities set by the Board which has been subject to wide consultation against which all decisions must be judged; • Open advertising of funding opportunities; • A sub-committee or panel with the task of assessing bids/decisions • Independent due diligence and assessment of the business case and value for money; • Specific arrangements for decisions to be signed off by a panel comprising board members from the local authority, in some cases including a power of veto; • Section 151 officer line of sight on all decisions and ability to provide financial advice; • Use of scrutiny arrangements to monitor decision-making and the achievements of the LEP. 	<ul style="list-style-type: none"> • Would be beneficial to make the link to delivery of the SEP more explicit in reports to the board; • Review of advertising arrangements required; • Investment Panel being established; • Expectation that this requirement will be met by the ITE; • The Accountability Board are responsible for this; • Already a requirement of the SELEP Assurance Framework; • Existing call-in arrangements may require strengthening.
<p>Local assurance frameworks should set out that ALL decisions must be subject to the normal business case, evaluation and scrutiny arrangements; there must be a written report with the opportunity for the Section 151 officer to provide comments, that the conflicts of interest policy will apply to decision makers regardless of whether there is a formal meeting, and that decisions should be recorded and published in the normal way, regardless of how they are taken. It is recommended that the National Assurance Framework includes requirements in relation to this.</p>	<p>This recommendation reinforces the existing expectations in the SELEP Assurance Framework</p>
<p>Conflicts of Interest</p>	
<p>It is recommended that the National Assurance Framework sets out specific requirements on the principles which each LEP must incorporate into its</p>	

<p>conflicts of interest policy and how it is implemented which includes:</p> <ul style="list-style-type: none"> • All board members taking personal responsibility for declaring their interests and avoiding perceptions of bias. This should be evidenced by producing and signing of their register of interests and publication on the website. • Use of a bespoke proforma for collection and publication of the information which ensures all categories of interest are systematically considered. • Categories of interest to include employment, directorships, significant shareholdings, land and property, related party transactions, membership of organisations, gifts and hospitality, sponsorships. Interests of household members to also be considered. • Action in response to any declared interests applies to any involvement with the work of the lep and is to be recorded. 	<ul style="list-style-type: none"> • DoIs are sought from board members and generally provided, but are subject to review to ensure the requirements below are met. • Some SELEP members have chosen to apply their local authority declarations which will require consideration re any additional declarations now required • Actions not currently explicitly recorded
<p>It is recommended that the National Assurance Framework requires LEPs to include in their local statements how scenarios of potential conflicts of interest of local councillors, private sector and other board members will be managed whilst ensuring input from their areas of expertise in developing strategies and decision-making, without impacting on good governance.</p> <p>There is also a need to consider the position of public sector members on LEP Boards in the context of the changing role of local authorities and their increased involvement in commercial enterprises and alternative delivery mechanisms.</p>	<p>The SELEP conflicts of interest policy will need strengthening to reflect this expectation.</p> <p>SELEP will need to consider re the practical application of such conflicts of interest e.g. where LEP funding allocations may enhance the value of LA land investments.</p>
<p>Complaints</p>	
<p>It is recommended that the National Assurance Framework requires the publication of a whistleblowing policy and arrangements for confidential reporting of allegations of untoward concerns by third parties/ the public.</p>	<p>This will need to be developed and published for SELEP.</p>
<p>S151 Officer Responsibilities</p>	
<p>It is recommended that further clarity is provided in</p>	<p>The Accountable Body will consider this and</p>

<p>the National Assurance Framework on the role of Section 151 officers and it is suggested that this be developed in consultation with CIPFA. This will need to consider the mechanisms the Section 151 officer uses to fulfil their role, their requirements in terms of access to decision-making bodies, ability to provide written and verbal financial advice, role of their transactional services, operation of normal checks and balances in approving expenditure, management of risk of fraud and corruption, monitoring of programme spend against resources, treasury management and borrowing, role of internal audit and external auditors and provision of an audit opinion for the LEP, visibility of reporting arrangements to both the accountable body and the LEP, production of accounts, inter-relationship with the LEP's own accounts, if relevant. The clarification of the role of the Section 151 officer could also consider the scope for the LEP CEO and the Section 151 officer to provide a formal joint Annual Governance statement which is reported to the LEP Board. It is also recommended that the National Assurance Framework sets a requirement for the Section 151 to provide a report to the Annual Conversation on their work for the LEP and their opinion with a specific requirement to identify any issues of concern on governance and transparency.</p>	<p>advise SELEP of any associated changes required to be incorporated into the Assurance Framework.</p>
<p>It is recommended that government give some thought to what flexibility might be available to smooth funding allocations to LEPs over a longer period.</p>	<p>This is a key issue for SELEP to continue to lobby government for implementation</p>
<p>Transparency</p>	
<p>It is recommended that the National Assurance Framework provides additional guidance on expectations on publication of agendas, meeting papers and decisions.</p>	<p>SELEP will need to consider any arrangements required above those already met by their Assurance Framework.</p>
<p>In order to achieve greater transparency of financial data and granularity on the detail of decisions and performance of funded programmes, co-operation and agreement between the LEP and the Section 151 officer on how best to provide financial data is needed. It is recommended that more explicit guidance would be helpful and that this should be developed as part of the work on the role of the Section 151 officer referred to above.</p>	<p>SELEP will need to review and update its existing financial reporting arrangements to reflect additional recommendations made.</p>
<p>It is recommended that LEPs report on Scrutiny arrangements in their annual assurance statement during the Annual Conversation process.</p>	<p>The Accountable Body will need to review this recommendation and advise SELEP accordingly.</p>
<p>Government Oversight and Enforcement</p>	

<p>It is recommended that the annual conversations have strengthened focus and designated time to examine the performance of LEPs in relation to governance and transparency and to discuss the assurance statements and the report of the Section 151 officer.</p>	<p>The new AC guidance is welcomed and will be taken into account when preparing for the Annual Conversation</p>
<p>It is recommended that a risk based approach should be used to identify LEPs where a deep dive on governance and transparency would be of assistance. It is further recommended that this deep dive is undertaken by someone with no direct involvement with the specific LEP.</p>	<p>To be noted.</p>
<p>It is recommended that government sets out in the National Assurance Framework its approach to considering delay or withholding of funding for non-compliance so that LEPs have a clear and early understanding of the matters they need to address and the timescale to be met. In considering delay or withdrawal of funding from a LEP, government should consider the impact on the programme and the arrangements for projects to continue where appropriate under alternative mechanisms.</p>	<p>SELEP need to keep this recommendation under review as it is taken forward by Government in order that it can respond to any additional requirements arising.</p>
<p>Best Practice</p>	
<p>It is recommended that government continue to support the work of the LEP Network and discusses with them how best to take this forward.</p>	<p>SELEP need to keep this recommendation under review to understand the potential implications for the LEP Network and directly or indirectly to SELEP.</p>

Strategic Economic Plan: Progress update

1. Purpose

- 1.1 The purpose of this paper is to provide the Board with an update on the development of the new Strategic Economic Plan. This includes our shared growth agenda; draft strategic ambitions; the Industrial White Paper; the potential structure of the SEP; and messages deduced from the evidence base. We will use the presentation to
- 1.2 This paper and consequent discussion will be used to further the structure of the SEP and to enable the work to progress to a final draft.
- 1.3 It is currently planned that the March Board meeting will consider a final draft of the SEP.

2. Recommendations

- 2.1 The Board is asked to discuss the emergent and draft strategic ambitions; and
- 2.2 In setting the direction for the final stage of work, the Board is also asked to consider the options set out around the status of the final document. Important here is the role of the SEP in respect of the Industrial Strategy set out by Government.

3. Background

3.1 SELEP's Shared Growth Agenda

- 3.2 Responses from Phase 1 of the SEP consultation presented a list of aspirations for the South East LEP area and its economy. It was reported at the September board meeting as follows:
 - We are striving for 100% broadband and mobile coverage
 - We want to invest in better road and rail links with future use in mind (supporting growth corridors)
 - We recognise we need to develop a capability to re-skills adults
 - We all want to develop hubs, clusters and centres of sector excellence and 'fixperts' – in creative industries, construction, social and medical care, manufacturing and engineering, robotics and, AI and big data.
 - We desperately need employment and grow-on space for businesses to land, grow and work together
 - We want to build homes faster, offsite AND match them to job creation
 - We want to increase the value we place upon our coastal and rural economies
 - We need to explore energy solutions to improve efficiency, resilience and use of resources.

3.3 The draft SEP strategic ambitions

- 3.4 Taking into account both the comments captured throughout the consultation and the conclusions from the evidence base, the following SEP ambitions have formed: These five ambitions incorporate multiple priorities in order to develop a concise narrative. They are bold and simple in their language and set out future ambitions for the South East LEP's economy.

3.5 Supported by the South East LEP, the area will have:

- **A business infrastructure fit to drive UK plc**
- **A digital DNA connecting and energising communities**
- **Resilient places embracing inclusive growth**
- **An influential collective voice leading change**
- **Increased productivity driven by innovative businesses and people skilled for the future.**

3.6 The following table shows how the draft SEP strategic ambitions are underpinned by SELEP's areas for action. Using the list of important areas where SELEP is identified as being able to provide additionality, they are currently organised in the following way:

A business infrastructure fit to drive UK plc.	A digital DNA connecting and energising communities.	An influential collective voice leading change.	Resilient places embracing inclusive growth.	Increased productivity driven by innovative businesses and people skilled for the future.
Lower Thames Crossing	Science and innovation	Tools provided by government	Thames Estuary	Skills and reskilling adults
Workspace supporting creatives and freelancers	Coastal	Energy and utilities	Growth Hubs	Conditions for entrepreneurs
Supporting Port Development	Rural growth and natural capital		Accelerating Housing	
Promote value of economic assets	Digital Infrastructure		Impact of visitor economy	
International routes	Supporting Social Enterprise		London relationship	

3.7 The following actions have formed the basis of conversations with officers and stakeholders over the past months and, *when finalised*, will form the basis of the action oriented document previously discussed.

3.8 Maximise the economic benefit of the **Lower Thames Crossing**.

- Ensure commitment and support for ancillary routes and wider network improvements
- Engage with business to help understand local impacts
- Alert businesses to potential growth impact, (diversification, increase fleet, impact on supply chain).

3.9 Raise the **Thames Estuary** to national and international prominence as an area for growth investment.

- Support the TEGC 2050 and ensure that it aligns with local ambitions in the near term
- Support the lobby for extension of Crossrail to Ebbsfleet as minimum, preferably Gravesend.
- Continue to work with the Mayor of London and partners to promote the Thames Estuary Production corridor.

3.10 Building on the outputs of the two **Science and Innovation Audits** pursuant to the SELEP and utilising the collective might of our universities, launch an assault on raising economic productivity.

- Support the creation of a localised innovation support service to drive up demand for innovation funding.
- Develop place based innovation programmes, promoting collaboration across public, private & academic sectors.
- Strengthen the areas significant capabilities in medical and digital health and care tech.
- Strengthen collaborative research activities.
- Identify funding to assist smart infrastructure test-bed.

3.11 Improve SELEP's support offer to start-up businesses by iterating the current **Growth Hubs**.

- Ensure more support is available to businesses
- Develop a grant programme to encourage businesses to renew their capital asset base, and reskill to develop competencies where there are obvious gaps
- Embed business support into other programmes and delivery.

3.12 Establish the SELEP area as the **creative freelance capital** of the country, maximising the advantage of geography and the beauty of our inspirational places.

- Develop a capital grant programme to support creation of 'third spaces' for creative professionals, supporting the regeneration of towns and cities across SELEP.
- Develop bespoke business support programme for creative professionals.

3.13 Create the conditions to allow our **ports** and associated industries to thrive in **post-Brexit Britain** and to continue to drive prosperity throughout the country.

- Lobby for investment in connectivity to ports
- Invest in skills, e.g. academy of logistics
- Support public, private collaboration to develop skills and capabilities in innovation, autonomy and efficiencies tech.
- Strengthen the 'ports are gateways' proposition and lobby ports' priorities.

3.14 **Accelerate housing** and commercial development.

- Improve SME build confidence
- Support offsite build
- Support HIF bids
- Garden Communities act as test-bed for actions from Housing working group.

- 3.15 Enable equity of engagement with the economy across all **rural** and **natural capital** areas.
- Lobby provision of connectivity in rural areas.
 - Support for rural businesses.
 - Optimise the growth and development of the agri-tech, agri-food, and forestry-tech sectors.
 - Support the development of sustainable rural tourism.
 - Develop skills of rural workforce.
 - Build community capital in villages and rural towns.
 - Attract investment in heritage, natural assets and quality of life.
- 3.16 Enhance the area's **digital infrastructure**.
- Champion the work of local bodies in continuing superfast programmes in central government.
 - Develop ultrafast broadband, 5G pilots in East Sussex and LEP area.
 - Secure co-investment and implement.
- 3.17 Promote our **principal economic assets** through all available means, and launch an international approach to selling investment opportunities and attracting new businesses to the area.
- 3.18 Change the dialogue around **infrastructure** in our LEP. Have them understood as international routes and campaign to support them.
- Dualling of A2 to Dover
 - Investment in A120 east of Braintree
 - A27 improvements
- 3.19 Promote the role of the **visitor economy** in underpinning holistic economic growth.
- Elevate and improve quality of the overall offer.
 - Tourism as a catalyst for regeneration, and our role to describe this.
- 3.20 To be the capital of **social enterprise**, creating jobs, social value and healthy communities.
- Build on mapping work across LEP area to develop a wider view of social enterprise assets.
 - Leverage networks; bring partners together through Government links, SELEP partners.
 - Provide start-up support and knowledge sharing through growth hubs.
 - Align private sector involved in SELEP to add social value by opening opportunities within supply chains.
 - Present opportunities and successful enterprise best practice initiatives to local authorities.
 - Explore funding opportunities for social enterprises.
- 3.21 Maximise the size and frequency of **tools afforded to SELEP by Government** by finally securing settlements which reflect our size, impact and the importance of the SELEP economy to the nation.
- Assert the LEP's position vis-à-vis Shared Prosperity Fund.
 - Campaign around a fair settlement for the area overall and SELEP in itself.

- 3.22 Develop localised **energy** solutions that can stimulate growth in this sector and help reduce energy costs of business.
- Work smartly with neighbours to develop energy strategy.
 - Develop clean energy pilots.
 - Establish energy working group, inform energy hub and build local partnerships.
 - Link to coastal, rural and housing working groups.

The Industrial Strategy White Paper

- 3.23 The Industrial Strategy White Paper has been published. With the aim of making the UK the world's most innovative nation by 2030, the government has committed to investing a further £725 million over the next 3 years in the Industrial Strategy Challenge Fund (ISCF) to respond to some of the greatest global challenges and the opportunities faced by the UK.
- 3.24 This will include £170 million to transform the construction sector and help create affordable places to live and work that are safer, healthier and use less energy, and up to £210 million to improve early diagnosis of illnesses and develop precision medicine for patients across the UK.
- 3.25 The White Paper also confirms government will be pressing ahead with a series of Sector Deals, with construction, life sciences, automotive and AI the first to benefit from these new strategic and long-term partnerships with government, backed by private sector co-investment. Work will continue with other sectors on transformative sector deals.
- 3.26 In the strategy, the government has identified
- **5 Foundations of Productivity; Ideas, People, Infrastructure, Business Environment & Places**
 - **plus 4 Grand Challenges; global trends that will shape our rapidly changing future and which the UK must embrace to ensure we harness all the opportunities they bring.**
- 3.27 The 4 Grand Challenges are:
- artificial intelligence – we will put the UK at the forefront of the artificial intelligence and data revolution
 - clean growth – we will maximise the advantages for UK industry from the global shift to clean growth
 - ageing society – we will harness the power of innovation to help meet the needs of an ageing society
 - future of mobility – we will become a world leader in the way people, goods and services move.
- 3.28 To ensure that the government is held to account on its progress in meeting the ambitions set out in the strategy, an Independent Industrial Strategy Council will be launched in 2018 to make recommendations to government on how it measures success.
- 3.29 There is a strong narrative around LEPs in the Industrial Strategy. References to LEPs and our future role are as follows:
- We remain firmly committed to Local Enterprise Partnerships.
 - From next year, the Prime Minister will chair a biannual 'Council of Local Enterprise Partnership Chairs'. This will provide an opportunity for Local Enterprise Partnership leaders to inform national policy decisions.

- We are reviewing the roles and responsibilities of Local Enterprise Partnerships and will bring forward reforms to leadership, governance, accountability, financial reporting and geographical boundaries.
- We will work with Local Enterprise Partnerships to set out a more clearly defined set of activities and objectives in early 2018. These will be driven by influential local leaders, acting as figureheads for their area's economic success, and a clear strategy for local and national partnership.
- We will agree and implement appropriate structures for holding Local Enterprise Partnerships to account.
- We will work with Local Enterprise Partnerships to review overlapping geographies and ensure people are clear as to who is responsible for driving growth in their area.
- We recognise that in order to deliver their role effectively, Local Enterprise Partnerships need financial support. We will make additional financial resources available to Local Enterprise Partnerships that demonstrate ambitious levels of reform following the review.

3.30 *Potential status of the SEP*

- 3.31 We agreed a structure of the document at the September Board meeting. This will be briefly reprised on Friday.
- 3.32 We will also use the time to discuss the status of the document according to the following parameters:
- The role of the SEP vis-à-vis Local Industrial Strategies
 - Inclusion of place based sections
 - Timeliness and first mover advantage
 - Alignment with the Industrial Strategy's five Foundations of Productivity; Ideas, People, Infrastructure, Business Environment and Places.
- 3.33 There are three basic options to inform the continuation of the work which will be discussed with the board on Friday:
- **SEP lite** (leaving place based sections for either follow on work or as the bases of Local Industrial Strategies. Forms a short term action plan for the LEP.)
 - **SEP aligned** (as previously agreed but with the top level of the strategy moved completely in line with the Industrial Strategy)
 - **SEP full** (exactly as agreed in September with limited policy alignment but full place based sections)

4. **Next Steps**

- 4.1 We are on track to produce a draft version of the SEP in time for agreement at the March board meeting. Following the end of the original consultancy contract, there is budget in place to bring support and further independence to the final production of the work.
- 4.2 Drafting of the strategic ambitions and supporting actions according to the mandate of the board.
- 4.3 Ongoing review of the work carried out through the SOG and the SEP Steering Group.
- 4.4 A final draft and design will be presented to the Board for sign-off in March 2018.

Appendix: The Evidence Base

1. The evidence base sought to identify factors which enable us to state 'this is what makes us unique' and highlight some of the core issues that underpin the South East LEP economy; identify any key differences between the different geographies of the area (where they exist and where data allows) and highlight some key questions about the kind of interventions partners feel would solve the productivity gap and ultimately define the ask of the LEP.
2. In summary, the evidence base tells us that the key challenge the South East LEP area faces is to create a more prosperous, skilled, connected and resilient area. This is supported by the detailed responses in the SEP Consultation Engagement Report.
3. And in addition to the evidence base there were many responses to the SEP consultation containing recurring references to phrases like 'highly skilled'; 'well connected'; and 'open for, and welcoming to, business' – broadly indicating that partners felt that a focus on the three 'factors of production' of Skills, Infrastructure and Business should continue to be a major focus of the next Strategic Economic Plan. Adding to this the Thames Estuary Gateway Partnership said "The SEP must state the high-level ambitions which unite the federated areas."
4. Less generalised and at a local level the evidence tells us that the SELEP is strong in some areas and offers many things:
5. We are an International Gateway - The SELEP area is a Global Gateway that is vital to the future trade performance of every part of the UK
6. Our ports are 'SMART' Border Points; Key Transport links to 'up-country'; the Lower Thames Crossing & lorry parks are all important investments to the future trade performance of the UK.
7. We are a successful economy, with challenges and with so much more to give - different from London but offering mutual benefit and critical to fuelling its future growth
8. We recognise London can't absorb its own growth but we need investment for that growth to be sustainable and not cost the government more in the long run.
9. The South East LEP area is a major supply chain for London – both in terms of goods, services and workforce.
10. We have particular strengths in 'traditional 'high-employment' sectors:
11. We have a higher concentration of employment in elementary sectors of Construction, Wholesale and Retail Trade; Motor Vehicle Repair; Transportation, Storage, Logistics; Aviation; Education; and Health and Social Care than the national average.
12. We are entrepreneurial:
13. We have high business concentrations in Professional, Scientific and Technical (at 15.71%); construction (15.08%); retail (8.54%); business administration & support services (8.25%); and Information & communication (at 6.70%).
14. We offer a broad range of research capabilities:
15. Research strengths in Big Data & Smart Systems; Automotive Engineering; Electronic, Electrical & RF Engineering; Advanced Engineering; Process Engineering; Marine Technology; Health & Medical Technologies; Scientific Instruments; Energy Systems; Construction and Logistics (although take up of innovate UK awards lower than national average).
16. And we value our coastal and rural areas but there are issues to be addressed to improve the quality of these communities and address the gaps that impact their potential and success.
17. We are a heavily rural area - Needing continued support to maintain the resilience and contribution of the rural sector to the national economy;



18. With a significant number of coastal areas some of which are the poorest in the UK that need energising and regeneration.
19. Evidence supports the need for flexible funding mechanisms - It is essential that there are sufficient public sector funds, and flexibility in funding mechanisms, to invest in areas that have been heavily dependent on EU based funding streams (particularly ERDF and ESF). There is a distinct risk that the needs of the underperforming parts of the South East will lose out in the government's concentration on the needs of the Northern UK area.

Author: Georgina Button
Position: Strategy Manager
Contact details: georgina.button@essex.gov.uk
Date: 8th December 2017

16/17 Accounts

1. Purpose

- 1.1 The purpose of this paper is to present the audited Statement of Accounts for financial year ending 31st March 2017 to Strategic Board for their consideration

2. Recommendations

- 2.1 The Board is asked to confirm they have considered the Statements of Accounts 2016/17.

3. Background

- 3.1 As an unincorporated partnership, SELEP has no formal legal identity. To allow the partnership to function, Essex County Council (ECC) acts as Accountable Body. As Accountable Body, ECC is not able to utilise SELEP funds for its own purposes and so separate Statements of Account are produced for the partnership.
- 3.2 The Statements are prepared in accordance with proper practices as set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom and are subjected to a full external audit. The Section 151 Officer of the Accountable Body has responsibility for the production of the Statements and the content therein.
- 3.3 The Statements for 2016/17 have been audited and the external auditor, Mr Athos Louca, has confirmed that the Statements give a true and fair view of the financial position as at 31st March 2017.
- 3.4 The Accountability Board has responsibility and oversight of the SELEP Financial position and a full report was made to them on the final position for 2016/17 at their meeting on 26th May 2017. Following the audit, this position hasn't changed. However, the Strategic Board are also afforded an opportunity to consider the Statements of Accounts, and pose any questions they may have to the Accountable Body.

4. Next steps

- 4.1 The Statement of Accounts 2016/17 will be published publically on the SELEPs website and are embedded below for Board members' convenience.



SELEP Audited SofA
201617 Final.pdf

Author: Suzanne Bennett
Position: Essex County Council (SELEP Accountable Body), Finance Business Partner
Contact details: Suzanne.bennett@essex.gov.uk
Date: 8th December 2017

Capital Programme Update

1. Purpose

1.1 The purpose of this report is to provide the Strategic Board (the Board) with an update on the delivery of SELEP's Capital Programme, including both Local Growth Fund (LGF) and existing Growing Places Fund (GPF) projects. The first part of the report focuses on the delivery of Local Growth Fund project, as part of SELEP's Growth Deal with Government. This is followed by an update on the delivery of existing GPF projects which were awarded funding through earlier rounds of GPF allocations.

2. Recommendations

2.1 The Board is asked to note:

2.1.1 The update report on the delivery of LGF and GPF projects

3. Local Growth Fund – Growth Deal

3.1 Through three rounds of LGF allocations by Central Government, SELEP has secured a total of £468m investment in 97 projects across SELEP, aimed at boosting skills, unlocking barriers to development and driving economic growth.

3.2 To date, a total of 78 projects have been awarded funding by SELEP Accountability Board (as shown in Appendix 1), with a further two LGF skills projects due to be considered during the Accountability Board meeting on the 15th December 2017.

3.3 The following LGF awards were made by the Accountability Board at its meeting on the 17th November 2017:

3.3.1 A133 Colchester to Clacton – award of £2.74m LGF;

3.3.2 M11 Junction 8 – award of £2.734m LGF;

3.3.3 A414 Chelmsford to Harlow – award of £3.66m LGF;

3.3.4 Mercury Rising Theatre – award of £1m LGF (new project to programme); and

3.3.5 The Open 2020 Championship Rail Infrastructure - award of £1.025m LGF (new project to programme).

3.4 The delivery of many of the projects awarded funding to date is well underway, with 20 projects having been completed to date and a further 8 projects due to complete by March 2018, as set out in Table 1 below.

Table 1 Delivery of LGF projects to date

Projects delivered to date	
Swallows Business Park	Tonbridge Town Centre Regeneration
Sovereign Harbour	M20 Junction 4
Colchester Broadband Infrastructure	A26 London Rd/ Speldhurst Jct/Yew Tree Jct

Colchester LSTF	Maidstone Gyrotory Bypass
Colchester Town Centre	Folkestone Seafront on site engineering works
Thames Gateway South Essex – LTSF (Essex)	Rathmore Road
A414 Maldon to Chelmsford	Maidstone Sustainable Access to Employment
Colchester Park and Ride	A20 Junction Improvements – DWDR
Medway City Estate Connectivity (Phase 1)	Southend Growth Hub (Phase 1)
Thames Gateway South Essex – LSTF (Southend)	Capital Skills Projects
Projects to complete by the end of 2017/18	
Newhaven Food Deference (LGF funded aspect)	Medway Cycle Action Plan
Colchester Integrated Transport Package	A127 Kent Elms Corner
A414 Pinch Point Package	Southend Central Area Action Plan - Phase 1
Ashford International Rail Connectivity (Ashford Spurs)	London Southend Airport Business Park – Phase 1

- 3.5 A project progress update is provided for each of the LGF projects in Appendix 1.
- 3.6 Post scheme evaluation is required for each LGF project and each County Council/ Unitary Authority is required to provide an update on the delivery of intended project outcomes to date at the end of each financial quarter. This includes the delivery of new jobs, houses, apprentices and new learners.
- 3.7 Estimates have been provided by each local authority on the delivery of outputs to date. However, this substantially understated the benefits which are expected to have been achieved from LGF investment. As such, SELEP is in the process of reviewing its Monitoring and Evaluation Framework to strengthen the guidance to each County Council/Unitary Authority in monitoring and evaluating project benefits during the delivery of the project and post completion. A commitment to monitoring and evaluation is also a condition of funding, as set out in the Service Level Agreement between the SELEP Accountable Body and each County Council/ Unitary Authority.

Table 2 Project outcomes reported to date

	Jobs	Commercial Floorspace (m ²)	Houses	Other benefits
East Sussex	-	3000 - b1(c)	-	0.5km new road and 2km new cycle route built
Essex	3377	-	3331	28.88km road resurfaced and 3.41km new cycle route built
Kent	166	-	748	0.8km road resurfaced and 2.1km new cycle route

Medway	28	-	115	0.38km road resurfaced and 14.2km cycle route built
Southend	-	-	-	1.26km road resurfaced and 0.2km new cycle route
Thurrock	-	-	-	No project benefits reported to date

4. LGF delivery highlights for each County Council/ Unitary Authority

4.1 In preparation for the Annual Conversation between SELEP and Central Government, each Partner has shared an example of their LGF delivery highlights to date. These have been summarised below.

East Sussex

- 4.2 The **North Bexhill Access Road** scheme has been approved for the award of £16.6m LGF to deliver a 2.4 km single carriageway road link between the A269 and the Bexhill Hastings Link Road with a roundabout at each end and further central roundabout.
- 4.3 The road will unlock planned employment growth in North Bexhill, including 38,000m² of employment generating floorspace and will unlock the proposed urban extension in North East Bexhill, with potential to directly unlock land for approximately up to 780 new homes.
- 4.4 The project is due to complete in May 2018, with the first phase of works already nearing completion.
- 4.5 Construction of the first 20000m² of business space is due to commence on opening in spring 2018. Heads of terms have been agreed with a local developer to construct 8000m² of small business 'starter' units. A local company have also committed to 12,000m² for their new factory which will see their production scale more than triple.

Essex

- 4.6 The **Chelmsford Integrated Transport Package** – Mill Yard was allocated £3m LGF, with £2m LGF having been spent to date. In addition, there are also funding contributions from developers (£1.3m) and from Network Rail's National Station Improvement Programme (£3.2m).
- 4.7 The project is delivering a package of improvements at the rail and bus gateway in Chelmsford to facilitate the delivery of sustainable housing and economic growth in Chelmsford Town Centre, such as at the Marconi site in close proximity to the railway station.
- 4.8 The delivery of this project to date has proved an excellent example of partnership working between Essex County Council, Chelmsford City Council, Greater Anglia and Network Rail, with the project due to complete in March 2018.

Kent

- 4.9 The **Tonbridge High Street Improvements** project was one of the first LGF projects to fully complete and start to see tangible outcomes from the investment.
- 4.10 The vision for the project was to upgrade the High Street environment and support Tonbridge's regeneration, creating an attractive shopping area and enhancing the town's historic areas. Traffic flow through the High Street has been improved and a more pedestrian friendly environment has been created.
- 4.11 The £2.4m LGF investment has already supported the delivery of 150 jobs at new retail premises in Tonbridge. The number of vacant properties on the high street has also decreased from 30 in January 2016/17 to 16 in January 2017/18.

Medway

- 4.12 The **Chatham Town Centre Place-making and Public Realm Package** has been awarded £4m LGF investment, with £1.98m LGF having been spent to date.
- 4.13 The aim of the project is to create a well-connected route between the railway station, town centre and Waterfront area. The vision is to create an area with a strong sense of place that is easily accessible and can be enjoyed by all.
- 4.14 Construction works started on site in June 2017 and are due to complete in June 2018. The project progress to date has already supported the delivery of 115 new homes and 28 jobs through the construction of the project.

Southend

- 4.15 The **Southend Airport Business Park** is one of the largest LGF projects with an allocation of just over £23m LGF.
- 4.16 The 20.88 hectare Business Park site is located adjacent to London Southend Airport and just 2.3 miles from the modern passenger terminal building.
- 4.17 The project enables the delivery of the new vision for the area, with plans to build 85,148m² of new commercial floorspace; creating new employment opportunity and delivering a new pioneering innovation centre for start-up businesses, together with grow-on space.
- 4.18 Phase 1 of the project, for site enabling works and the delivery of a new access road, is 80% complete and work is now progressing with Phase 2 of the project. This second phase of the project will see progress being made on further works on the development of the site and delivery of the innovation centre.

Thurrock

- 4.19 The **A13 Widening** project is SELEP's largest LGF project with a total allocation of just over £71m LGF, as well as funding contributions from DP World London Gateway Port Limited. The project was approved by the Secretary of State for Transport in April 2017 and contracts have now been awarded for the detailed design and construction works.
- 4.20 The project has experienced delays and slippage of LGF spend but the main construction works for this project to support the delivery of 4,045 jobs and 3,340 homes are due to start in May 2018 and complete in March 2020.

5. LGF spend 2017/18

- 5.1 Table 3 sets out the forecast LGF spend in 2017/18 for each area relative to the 2017/18 planned spend budget. Overall the variance between the planned spend and updated spend forecast totals £25.443m, excluding DfT retained schemes and £41.358m including DfT retained schemes.
- 5.2 The revised total forecast LGF spend in 2017/18 now totals £97.153m excluding Department for Transport (DfT) retained schemes and £112.364m including DfT retained schemes. This is relative to a planned spend of £122.596m excluding retained schemes and £153.722m including retained schemes.
- 5.3 The Capital Programme Management report to the Accountability Board on the 17th November 2017 provides further information on the reasons for project delays and LGF slippage on a project by project

basis. Projects with LGF slippages over £1m LGF which have been brought to the Accountability Board's attention in the last quarter include:

- 5.3.1 Eastbourne Town Centre (£1.945m LGF slippage)
- 5.3.2 STEM Innovation Centre (£4.550m LGF slippage)
- 5.3.3 Thanet Parkway (£4.000m LGF slippage); and
- 5.3.4 Strood Town Centre (£1.220m LGF slippage).
- 5.3.5 A13 Widening (£18.207m LGF slippage)

Table 3 LGF spend forecast 2017/18

LGF (£m)				
	Planned Spend in 2017/18	Total Forecast Spend in 2017/18	Variance*	Variance* (%)
	(as restated in September 2017)	(as reported in October 2017)		
East Sussex	25.999	26.404	0.405	1.56%
Essex	17.867	14.099	-3.768	-21.09%
Kent	32.236	25.923	-6.313	-19.58%
Medway	12.299	5.910	-6.389	-51.95%
Southend	13.508	7.517	-5.991	-44.35%
Thurrock	12.293	8.905	-3.387	-27.55%
<i>Skills</i>	0.096	0.096	0.000	0.00%
<i>M20 Junction 10a</i>	8.300	8.300	0.000	0.00%
LGF Sub-Total	122.597	97.153	-25.443	-20.75%
Retained	31.126	15.211	-15.915	-51.13%
Total Spend Forecast	153.723	112.364	-41.358	-26.90%

6. LGF project risks

6.1 A risk and deliverability Red - Amber - Green (RAG) assessment is completed for each LGF project, based on an assessment of the following considerations:

- 6.1.1 Public and stakeholder acceptability;
- 6.1.2 Feasibility;

- 6.1.3 Planning risk
- 6.1.4 Certainty of total project cost;
- 6.1.5 Affordability/certainty of local funding contributions;
- 6.1.6 Value for money risk; and
- 6.1.7 Complexity of project delivery

6.2 A summary of the deliverability and risk position for each project is shown in Table 4 below. Further detail is also provided in Appendix 1.

Table 4 LGF Project delivery risk and LGF spend risk

	Project Delivery Risk	LGF spend risk
Low	73	56
Medium	21	29
High	3	12
Total	97	97

7. Growing Places Fund (GPF)

- 7.1 In total, £49.210m GPF was made available to SELEP, of which £48.705m GPF has been allocated to date. These allocations include loan investments in 13 capital infrastructure projects agreed by the Board through earlier rounds of GPF awards, as detailed in Appendix 2. In addition, a small proportion of GPF revenue funding was allocated to Harlow Enterprise Zone (£1.244m) and the remaining proportion has been ring-fenced to support the activities of SELEP's Sector Groups; as agreed by the Strategic Board in June 2017.
- 7.2 Of the 13 GPF Round 1 projects allocated funding through the first phase of GPF allocations, eight of these projects have now been completed. A project progress update is provided for each Round 1 GPF project in Appendix 2.
- 7.3 Repayments are now being made from some of these initial GPF loan investments; in total, £4.565m to date. These repayments will be used to make investments in the new GPF Round 2 priorities set out under Agenda Item 5.
- 7.4 To date, it is reported that 915 jobs have been delivered through investment in commercial space and new business premises. A summary of the project outputs in supporting the delivery of jobs and houses is set out in Table 5 below.

Table 5 Monitoring of GPF project outputs

Name of Project	Outputs defined in Business Case		Outputs delivered to date	
	Jobs	Houses	Jobs	Houses

Name of Project	Outputs defined in Business Case		Outputs delivered to date	
	Jobs	Houses	Jobs	Houses
Priory Quarter Phase 3	440	74	74	0
North Queensway	865	0	0	0
Rochester Riverside	402	450	0	0
Chatham Waterfront	211	115	0	0
Bexhill Business Mall	299	0	125	0
Parkside Office Village	169	0	120	0
Chelmsford Urban Expansion	2,105	0	365	0
Grays Magistrates Court	200	0	69	0
Sovereign Harbour	299	0	75	0
Workspace Kent	198	0	87	0
Harlow West Essex	4,000	1,200	0	0
Discovery Park	130	250	0	0
Live Margate	0	66		9
Totals	9,318	2,155	915	9

8. List of Appendices

8.1 Appendix 1 – LGF Project Update Summary October 2017

8.2 Appendix 2 – GPF Project Update Summary October 2017



Appendix 1 – LGF
Project Update Summary



Appendix 2 –
Growing Places Fund

Author: Rhiannon Mort
 Position: Capital Programme Manager
 Contact details: Rhiannon.Mort@essex.gov.uk, 07917 650933
 Date: 8th December 2017