

**MINUTES OF THE MEETING OF THE SOUTH EAST LOCAL ENTERPRISE
PARTNERSHIP ACCOUNTABILITY BOARD HELD AT HIGH HOUSE
PRODUCTION PARK, PURFLEET, AT 10.00AM ON 10 JUNE 2016**

Present:

Members

Mr Geoff Miles	Chairman
Cllr Kevin Bentley	Essex County Council
Cllr Rodney Chambers	Medway Council
Cllr Mark Dance	Kent County Council
Cllr Keith Glazier	East Sussex County Council
Cllr Rob Gledhill	Thurrock Council
Cllr John Lamb	Southend Borough Council
Angela O'Donoghue	FE & Skills
Myroulla West	HEI's

Chris Brodie	Chairman of SELEP
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Also in attendance:

Adam Bryan	SELEP
Stephanie Mitchener	Essex County Council
Sarah Nurden	Kent and Medway Economic Partnership
Suzanne Bennett	Essex County Council
Edmund Cassidy	Steer Davies Gleave
Steven Bishop	Steer Davies Gleave
Jennie Rothera	Steer Davies Gleave
Dominique Collins	Essex County Council
Paul Dodson	Essex County Council
Tim Rignall	Thurrock Council
Steve Hewlett	Medway Council
John Shaw	Sea Change Sussex
Ben Hook	East Sussex County Council
Richard Dawson	East Sussex County Council
Lucy Spencer-Lawrence	SELEP
Kim Mayo	Essex County Council
Lorna Norris	Essex County Council
Matthew Waldie	Essex County Council

1. Apologies for Absence

There were no apologies.

2. Minutes

The minutes of the meeting held on Friday 8 April 2016 were agreed as a correct record and signed by the Chairman.

3. Finance Update – SELEP core budget

Members received a report from Suzanne Bennett which presented the provisional financial outturn position for the South East Local Enterprise Partnership for the financial year 2015/2016.

With regard to Reserves, Members were asked to note that:

- £100,000 had been held in reserve for potential severance costs
- Potential external interest receipts presented a risk, which was being reviewed

It was confirmed that this Board would receive copies of any auditors reports

Members **NOTED**

- the provisional outturn for 2015/16 as at Tables 1, 2 and 3 of the report
- the grant position as at 31 March 2016; and
- the proposed approach to the reserves.

4. Growing Places Fund Update

Members received a report from Suzanne Bennett which updated the Board on the Growing Places Fund.

The Board **NOTED**

- the financial position for the fund as at 31 March 2016
- the current repayment schedule for the fund.

5. Business Case Approvals, including Independent Technical Evaluation

The Board received a report from Adam Bryan which outlined the value for money assessment of business cases for schemes having been through the Independent Technical Evaluation (ITE) process to enable funding to be devolved to scheme sponsors (county and unitary councils) as part of the SELEP capital programme management.

Members **AGREED** the business cases for the following schemes which had been assessed as presenting high value for money and medium to high certainty of achieving this within the timescales:

- Purfleet Centre (**£5.0m**)
- Rochester Airport (**£4.4m**)
- A127 Kent Elms Corner Junction (**£4.3m plus £0.8m vired from A127 Essential Highways Maintenance**)
- Southend Central Area Transport Scheme (S-CATS) (**£1.0m**)

Members **NOTED** the following schemes which are due to be considered at the next meeting of the Accountability Board on 24 June 2106:

- Sturry Link Road (**£5.9m**)
- Tunbridge Wells Junction Improvement Package (previously A264/Hall's Hole Road/Blackhurst Lane Junction improvement (**£1.2m**))
- Westenhanger Lorry Park to ashford Spurs reallocation (**£0.3m**)

Members **AGREED** minor changes to the following scheme which was approved at the April meeting of the Accountability Board

- West Kent LSTF. £4.2m was approved, but correct figure should be £4.1m, in addition to the £0.8m approved in 2015/16.
- Kent Strategic Management. £0.7m was approved, but correct figure should be £0.8m

Members noted that the net impact of these two amendments was nil on the Kent programme.

6. Capital Programme Management Update

The Board received a report from Adam Bryan, which detailed the latest position for 2015/16 the Local Growth Deal Capital Programme, presented the proposed future year allocations for the programme and gave an update on the current delivery risk of the programme.

Members were informed that the Secretary of State, Greg Clark, has recently announced details of the Local Growth Fund: Round 3

Members received an update from Steer Davies Gleave noting the following:

- The final position for 2015/16 is a net underspend of £23.78m
- In 2016/17, promoters expect to spend £84.7m of LGF funds, which is £2.47m more than allocated; the total planned spend is £98.48m
- Kent will undertake 35% of the LGF spend in 2016/17; Essex has deferred its spend on several projects until later years
- There may be a headroom of £8.3m over the life of the programme, which will only be accessible later on
- The risk assessment is intended to make clear the realism of the programme and key risks; it is not intended to affect the priority of any scheme, nor to replace internal risk assessments conducted by Promoters
- Of the 54 schemes with forecast spend in 2016/17, 58% are assessed as either high or medium risk
- Some thought is being given to potential mitigation in case of future underspend.

Having considered these, Members:

- **NOTED** the final Quarter 4 position of the Local Growth Deal Capital Programme (as detailed in Appendix 1)
- **NOTED** the changes to projects for managing the forecast variances as set out in the latest position (as detailed in Appendix 2)

- **NOTED** the proposed future years indicative allocations (as detailed in Appendix 4)
- **NOTED** the deliverability assessment that has been undertaken on future years of the programme (as detailed in Appendix 5)
- **NOTED** the changes made under the 10% tolerance approach that do not require Accountability Board sign off (as detailed in Appendix 6)
- **NOTED** the proposed approach to deliverability and risk assessment moving forward (as detailed in Appendix 7)
- **NOTED** the skills capital programme update (as detailed in Appendix 8).

7. Skills Equipment Fund approval, and Skills Capital Process

The Board received a report from Mike Rayner informing the board on its decisions concerning funding applications and changes to the distribution process.

Members **NOTED** two particular changes in the allocation process:

- The explicit involvement of the federated boards; and
- A bid will not be considered by SELEP without endorsement from the relevant federated area.

Members **AGREED**

- the recommendation from the Assessment Group for the allocation of £198,500 from the Skills Equipment Fund to MidKent College, Swale Skills Centre Equipment; and
- the revised process for the distribution of the remaining Skills Capital Funding (as detailed in Appendix B).

8. Public Questions Policy

The Board received a report from Kim Mayo.

Members raised a few issues, particularly concerning whether any notice should be required of questions, and if so, whether ten days might be more appropriate than seven. It was agreed that members of the public who attended should always feel that their concerns had been addressed and so it was suggested that having prior knowledge of any question would ensure that it was dealt with fully.

Engagement was crucial and it was agreed that a Communications strategy should be developed to publicise SELEP and raise its public profile; this would be brought to the Board in due course.

Members **AGREED**

- The Policy for Public Questions to the Accountability Board, as detailed in Appendix A, subject to the removal of the 3 minute time limit, the removal of the restriction on supplemental being asked, and the inclusion of the ability to attend to ask a question without having given notice.

9. Local Growth Fund Round 3 and Large Major Schemes

The Board received an oral report from Adam Bryan.

Guidance has been received on the next round of funding, with some very clear criteria being set out. The process will be more involved than thought at first. Information will be circulated for the Board meeting.

One specific request is a single, prioritised list from the LEP, which will require much consideration. Also, there is no prospective devolution deal in any part of SELEP; this has a potentially negative impact and reference has been made to the Thames Gateway Project to temper it.

The response is expected with reference to four areas:

1. Delivery
2. Governance
3. The projects themselves
4. Collaborative work with others.

An effective SELEP approach is needed. So far, a thematic approach has been taken. Four themed topics are:

1. Thames Gateway
2. Skills and universities
3. Enterprise zones and employment
4. Housing and communities

Timetable:

- Snapshot to be finalised at Board meeting on 24 June
- Response to be signed off at AGM on 15 July
- Intended meeting of federated members before 15 July, to prioritise the single list
- Ministerial challenge session in July; actual date tbc

Members noted the report.

10. SEFUND

The Board received an oral report from Adam Bryan. He informed Members that, after further discussions, it had been decided not to progress the option of investing funds with SEFUND. The reasons were:

- It is beyond the SELEP budget
- It is unclear how it would sit with devolution proposals
- There would be a need for a certain level of office support
- Actual likely payback was not clear
- Not investing will provide the opportunity for investment in other things.

It was noted that SEFUND had made little progress over the past 18-24 months. It was now different to what was originally proposed. By keeping out of it SELEP will be free to engage in its own projects and be in control of its own money.

Members **NOTED** the situation.

11. Date of Next Meeting

Members noted:

- The next meeting of the Board would be an extraordinary meeting and would take place on Friday 24 June 2016 at 10.00am.

The meeting closed at 11.35am