



10:00	1	Welcome and Apologies	Peter Jones
10.05	2	Minutes of 13th December Full Board Meeting Matters Arising & Recent Developments	Peter Jones
10.10	3	Welcome to New Board a. SE LEP Terms of Reference	Peter Jones
10.15	4	Growth Deal and Strategic Economic Plan a. Feedback from Government; b. Proposed structure of final SEP and workstreams; and c. Signoff process	David Godfrey
10:45	5	European SIF Strategy a. Update and feedback from Government	Lorraine George
10.55	6	Growing Places Fund a. Performance Review b. Future of GPF: options to accelerate delivery	Paul Keegan
11:20	7	Local Transport Body a. To consider future options and a way forward for managing transport priorities and funding	David Bull
11:30	8	Southend on Sea City Deal a. To receive an update on the City Deal negotiations	Nigel Holdcroft
11:40	9	Meeting the Skills Gap a. Presentation from Careers College Trust	Peter Jones & Ruth Gilbert
11:55	10	Any other business	All
12:00	11	Close & networking lunch	Peter Jones

Content overview

- a. Draft minutes of the Full Board meeting, 13th December 2013 (Item 2. Page 3)
- b. Action log and Matter Arising (Item 2. Page 11)
- c. SE LEP Terms of Reference (Item 3. Page 13)
- d. Growth Deal and Strategic Economic Plan (Item 4. Page 20)
- e. European SIF (ESIF) Strategy (Item 5. Page 21)
- f. Growing Places Fund (Item 6. Page 23)
- g. Local Transport Body (Item 7. Page 29)
- h. Southend on Sea City Deal (Item 8. Page 31)
- i. Meeting the Skills Gap (Item 9. Page 33)



Full Board members & alternates present

1	Peter Jones	Chair
2	Jo James	Kent Invicta Chamber
3	Derek Godfrey	Vice Chair / Ellis Builders
4	Ian Davidson <i>for Cllr Peter Halliday</i>	Tendring District Council/Haven Gateway Authorities
5	Graham Brown	Denne Construction Ltd
6	Cllr Christopher Smith <i>for Cllr Paul Watkins</i>	Dover District Council
7	Cllr Tony Ball	Basildon Council / South Essex authorities
8	Cllr John Kent	Thurrock Council
9	Cllr Rodney Chambers	Medway Council
10	Mike Alder	Federation of Essex Colleges
11	Brett McLean	East Sussex FSB
12	Cllr Nigel Holdcroft	Southend on Sea Borough Council
13	Julian Drury	C2C / South Essex businesses
14	Cllr Keith Glazier	East Sussex County Council
15	Lucy Druesne	University of Kent
16	Paul Winter	Wirebelt
17	Geoff Miles	Vice Chair / Maidstone Studios
18	Cllr Neil Gulliver	Chelmsford City Council/Heart of Essex Authorities
19	Cllr Anne Grigg <i>for Cllr Chris Whitbread</i>	Epping Forest District Council/West Essex Authorities
20	David Rayner	Birkett Long
21	Haydon Yates <i>for Greg Clarke</i>	West Essex Alliance
22	Cllr Kevin Bentley <i>for Cllr David Finch</i>	Essex County Council
23	Cllr Jeremy Birch	Hastings Borough Council
24	Cllr Gill Matlock <i>for Cllr David Tutt</i>	Eastbourne Borough Council
25	Cllr Bob Standley	Wealden District Council
26	Kevin Kingston <i>for Cllr Rob Blackman</i>	Lewes District Council
27	Graham Razey	KAFEC – Kent Colleges
28	Julian Crampton	University of Brighton
29	Malcolm Diamond	Trifast Plc
30	Martin Ellis <i>for Christina Ewbank</i>	ACES – Association of East Sussex Chambers
31	Melanie Hunt	East Sussex Colleges
32	Cllr Andrew Bowles	Swale Borough Council
33	George Kieffer	Vice Chair / Haven Gateway Businesses
34	Cllr John Gilbey	Canterbury City Council
35	David Burch	Essex Chambers
36	Cllr Paul Carter	Kent County Council
37	Robin Edwards <i>for Nick Sandford</i>	CLA and Rural Workstream

Other attendees present

1	David Godfrey	South East LEP
2	Katharine Harvey	South East LEP
3	Zoe Gordon	South East LEP
4	Emma-Louise Galinis	South East LEP
5	Paul Keegan	South East LEP
6	Graham Pendlebury	Senior Whitehall Sponsor / DfT
7	Barbara Cooper	Kent County Council
8	Ross Gill	Kent County Council
9	Dr Susan Priest	Shepway District Council

10	Tim Ingleton	Dover District Council
11	Keith Cornwell	Thames Gateway South Essex Partnership
12	David Liston-Jones	Thames Gateway Kent Partnership
13	Richard Longman	Thames Gateway Kent Partnership
14	John Shaw	Seachange Sussex
15	Malcolm Morley	Harlow Council
16	Ros Dunn	Essex County Council
17	Adam Bryan	Essex County Council
18	Alistair Southgate	Essex County Council
19	Sharon Spicer	Essex County Council
20	Ian Lewis	Essex County Council
21	Neil Davies	Medway Council
22	Robin Cooper	Medway Council
23	Philip Johnson	Locate East Sussex / Hastings Chamber of Commerce
24	Cllr Rupert Simmons	East Sussex County Council
25	John Houston	Epping Forest District Council
26	John de Wilton Preston	Epping Forest District Council
27	Steve Cox	Thurrock Council
28	Lee Shostak	Shared Intelligence
29	James Harris	East Sussex County Council
30	Dave Evans	East Sussex County Council
31	David Bull	Thurrock Council
32	Samantha Nicholson	Basildon District Council
33	Scott Dolling	Southend-On-Sea Council
34	Rob Tinlin	Southend-On-Sea Council
35	Samantha Nicholson	Basildon Council
36	Steve Clarke	Haven Gateway
37	Roger Blake	RailFuture

Action Summary

Item 3: Matters Arising & Recent Developments

1. HEIs are to continue to develop and refine proposals for driving innovation and growth for inclusion in the SEP and the European SIF strategy.
2. Work is to continue on assessing the potential of a property development fund in the context of the proposed SEFUND.
3. Business Board members are to be consulted and engaged over the way in which businesses are consulted with on the European SIF strategy.
4. GPF projects in the pipeline should continue to be brought forward when ready for investment and GPF project sponsors should liaise with the Accountable Body to take forward these projects.

Item 4: New ways of working

5. The Secretariat is to make the agreed changes to the new ways of working and reflect this in the governance arrangements documentation. Agreements include Board changes and dates, devolved funding, Secretariat staffing, the appointment of a permanent Director and delivery expertise (both to be procured by Medway Council) for the new financial year and consideration of the benefits of incorporation.

Item 5: Draft Strategic Economic Plan

6. Board members to return comments on the full draft SEP by 5pm 17th December and the final draft is to be signed off by the Director and Geoff Miles.

Item 6: European SIF Strategy

7. The Secretariat will circulate electronically the draft final European SIF Strategy to Board members for comment during the week commencing 23rd January and final signoff will be by the Chair, Director and George Kieffer.

Item 7: Growing Places Fund – Risk Sharing for Enterprise Zones

8. Essex County Council, as the SE LEP Accountable Body, is review the GPF project pipeline and to contribute to discussions on the future of GPF in the context of proposals for the SEFUND.
9. Essex County Council and Harlow Council will progress the GPF Round 1 project in view of the acceptance of the Board that there should be a variation of the GPF loan agreement with it to be repaid from the income arising from the additional business rate income

Item 8: Business Engagement and Activity Update

10. Any further comments on the proposed approach to business engagement and suggestions from Board members are to be forwarded to Zoe at zoe.gordon@essex.gov.uk

Item 9: SE LEP Statement of Accounts 2013-14

11. Peter Jones, as LEP Chairman, and Margaret Lee, on behalf of the SE LEP and the Auditors are to sign off the SE LEP Statements of Accounts 2012-13 and these will be put on the SE LEP website.

1. Welcome and Apologies

- 1.1 The meeting started at 10:00.
- 1.2 Apologies were received from Douglas Horner, Vince Lucas, Cllr Peter Fleming, Graham Clarke, Nick Sandford, and Stephen Waite.

2. Minutes of last meeting

- 2.1 The minutes of the last Board meeting 4th October 2013 were agreed.

3. Matters arising and recent developments

- 3.1 The Chair highlighted some further recent positive announcements for business, including the capping of some business rates that was announced in the Autumn Statement, the ruling out of the Lower Thames Crossing Option B and the withdrawal of a proportion of local council's New Homes Bonus into the national Local Growth Fund pot.
- 3.2 Cllr John Kent noted that there was a 'sting in the tail' around the NHB in that councils' face losing their NHB if any homes are granted on appeal.
- 3.3 Cllr Holdcroft announced the success of Southend's bid for financial support for a growth hub which has come about as a result of Southend's City Deal negotiations.

4. New ways of working

- 4.1 The Board had considered proposals for a new devolved model of operation and changes to the Board structure at the AwayDay on 18th December. Since then discussions have continued to achieve a balance to reflect all points of view. However, a number of outstanding issues remain and these were debated further.

Per Capita versus Proportionate

- 4.2 A remaining issue of contention was the use of the term 'per capita' in relation to distributing resources across the LEP area. The aim is to ensure that funding meets both need and opportunity and the language used need to be acceptable to all. It was proposed that the term 'proportionate' be adopted instead of 'per capita'.
- 4.3 In the discussion the following points were made:
 - The Government has made it clear that Local Growth funding is to be used to drive economic growth, so allocating resources purely on a per capita basis across the LEP area is not appropriate;
 - Most of the Local Growth Fund money is from local transport majors which would have gone to local authorities anyway, therefore distributing these resources on a per capita basis is sensible;
 - Using 'per capita' to distribute resources reflects the status quo and as our ambition is to change this it is not appropriate to base allocations on this - our strategy is about unlocking the most economic growth;
 - Per capita is an objective and clear way of distributing resources and it overcomes the difficulties associated with how to define what 'economic growth potential' means in practical terms;
 - Using per capita helps areas to budget so that they can plan ahead for economic growth.
 - Potentially retaining some £30m for direct Board level allocation, pan-LEP and 'strategic' projects that offer particular economic growth opportunities would be well supported.

- 4.4 A vote was taken over on the term to be used; 21 board members voted for using the term 'per capita' and 14 board members voted for using the term 'proportionate'. Continuation of using the term 'per capita' was carried.

Essex business representation

- 4.5 It was proposed that the new Board should comprise 5 Essex business representatives with 3 from the Thames Gateway South Essex (TGSE) area. A number of Board members suggested that it was not appropriate for SE LEP to be precise about the number from TGSE as many business representative organisations are not confined to a particular part of Essex. It was proposed that that the business community itself should decide who their representatives should be.
- 4.6 A vote was taken on whether the Essex business community should decide who their representatives should be, with the caveat that this should reflect a fair distribution across the Essex, Thurrock and Southend area. The vote was unanimous for the proposal that businesses should choose their own five representatives from across Essex and that the number specified for TGSE is withdrawn.

Number of devolved area partnerships

- 4.7 Clarification of the number of devolved areas that are to operate across the SE LEP area was sought; some board members thought that it had been agreed that there were to be four (East Sussex, Kent & Medway, TGSE and Rest of Essex) rather than three (East Sussex, Kent & Medway and Greater Essex).
- 4.8 The Chair clarified what had been agreed at the AwayDay. Financial planning for the Growth Deal/Strategic Economic Plan would be split into 4 areas. These will be East Sussex, Kent & Medway, Essex and Thames Gateway South Essex.
- 4.9 A "light touch" 'Greater Essex' partnership is also being established. The way in which the TGSE partnership would work with this is yet to be finalised and it will be for local determination.

Proportion of business Board members

- 4.10 Concern was expressed that the new Board structure did not have sufficient business representation and that to be 'business-led' more than 50% should be businesses.
- 4.11 The Chair explained that the HE and FE representatives are viewed as businesses and therefore we have the required proportion to be business-led. Graham Pendlebury confirmed that this position is consistent with other LEP Boards, such as Tees Valley where he is also the lead senior government official.
- 4.12 The proposed new ways of working for the SE LEP, with changes agreed at the meeting as outlined above, was agreed.

Action: The Secretariat is to make the agreed changes to the new ways of working and reflect this in the governance arrangements documentation.

5. Draft Strategic Economic Plan

- 5.1 Lee Shostak from Shared Intelligence presented the key features of the draft Strategic Economic Plan (SEP) that was circulated in summary to the Board. A copy of the latest version of the full draft SEP was tabled at the meeting and an electronic version was to be forwarded. The full draft SEP is to be submitted to government on 19th December.

- 5.2 Following his presentation, Lee made the following key points:
- A lot of hard work has been undertaken to get to this position, and he congratulated officials on their efforts, but much more work still needs to be done;
 - The full draft tabled at the meeting included drafts of three of the four areas chapters – the one for Kent & Medway is yet to be received;
 - The full draft report required a ‘heavy edit’ and needed to be reduced by at least 20%;
 - Comments from Board members were needed by 5pm Tuesday 17th December.
- 5.3 The Chair indicated that the draft is a ‘very early start’ and that we have a further 3 months until the final version is submitted by 31st March 2014. The draft combines both the strategies for the individual areas within a SE LEP ‘wrap around’. Peter congratulated the work of the partnership boards to get us to this position.
- 5.4 The Chair asked Graham Pendlebury for his views, as an initial response from Government. Graham’s said that the SE LEP had done ‘very well to get to this starting point from a late standing start’. Government is looking for the SEP to become a ‘living document’ which is ‘compelling, credible, coherent, realistic and focused’; the more it is like this, the better the chance that government will give long term commitments. He also indicated that there is a greater likelihood of requested freedoms and flexibilities being granted if other LEPs are requesting similar ones.
- 5.5 In the general discussion that followed the following points and questions were raised:
- The more that SE LEP partners can work together and clearly set out our large ambitions, the more likely we are to get more of the Local Growth Fund;
 - Our ambitions are key and there needs to be greater emphasis on the potential of our coastal communities and our Enterprise Zones;
 - Our SEP needs to have a ‘south east’ distinctiveness to distinguish ours from other areas and we need to stress that our ambition is to unlock the potential of all parts of the SE LEP economy;
 - There needs to be more reference to our potential given our proximity to mainland Europe and particularly to France;
 - This is a good strategic plan but it needs to be more of a ‘selling document’ if it is to be a successful bid to government and for it to be meaningful for business;
 - To what extent have we been working with neighbouring LEPs? In response to this question it was explained that while there has been some liaison (for example, discussions with the New Anglia LEP over joint working on the renewable energy sector), there will be more following the submission of the draft in Spring 2014, including with the Coast to Capital LRP which is keen to engage.
- 5.6 The recommendation for the final version of the draft SEP to be signed off by the Director and Geoff Miles, the business vice chair for Kent & Medway was agreed.
Action: Board members to return comments on the full draft SEP by 5pm 17th December and the final draft is to be signed off by the Director and Geoff Miles.
- 6. European SIF Strategy**
- 6.1 Ron Moyes was invited to outline progress towards the final SE LEP European SIF Strategy which due to be submitted to Government by 31st January 2014. The following points were highlighted:
- SE LEP is to broker meetings between area partners and the relevant agencies over the opt-ins in January;
 - A further £10mill ERDF is to be added to the £7mill ERDF already earmarked for the SEFUND in the draft European SIF strategy. This had previously been allocated to the low carbon social housing retrofit opt-in for which there has since proved to be of little interest;

- It is hoped that the governance guidance, which is now starting to come through from government, will enable SE LEP to adopt a devolved approach for bringing forward and appraising local projects.

6.2 In the discussion the following points were made:

- The approach being taken towards opt-in discussions aims to maximise the benefits by bringing together a bottom-up approach of ensuring that local area needs are met, with the power of the scale of our LEP;
- Opt-in discussions should be a true negotiation and there should be no presumption that we will go for these unless what is on offer meets the needs of our areas;
- The area arrangements and approach we adopt needs to enable SE-LEP wide towards European projects can come forward;
- Our European project proposals need to be robust and with the necessary due diligence processes in place so that we ensure that money does not ultimately go back to Europe.

6.3 The recommendation that the final European SIF Strategy is circulated to the Board electronically for comment in the week commencing 23rd January and that the final signoff is delegated to the Chair and George Kieffer, Business Vice Chair was agreed.

Action: The Secretariat will circulate electronically the draft final European SIF Strategy to Board members for comment during the week commencing 23rd January and final signoff will be by the Chair, Director and George Kieffer.

7. Growing Places Fund – Risk sharing for Enterprise Zones

7.1 Paul Keegan, on behalf of the SE LEP Accountable Body and Malcolm Morley, CEO Harlow Council were invited to speak to the Board on this item. Paul indicated that Option A is untenable for the Accountable Body and that opting for this would effectively 'kill off' this part of the GPF Round 1 project. Option B is the preferred and recommended option. Malcolm stressed that this decision presented the SE LEP Board with an opportunity to 'get on and do things' and that it is reasonable for the SE LEP to bear the risk of this project, in view of the Enterprise Zone business rate uplift going to the LEP rather than to the local authority.

7.2 A number of Board members expressed support for option B and there were no contrary views. The broader question of whether this should apply more widely to all GPF projects was also raised. Lee Shostak indicated that GPF projects and the fund itself should be considered as part of wider SEFUND proposal.

Action: Essex County Council, through Paul Keegan as the SE LEP Accountable Body representative, is review the GPF project pipeline and to contribute to discussions on the future of GPF in the context of proposals for the SEFUND.

7.3 The recommendation of Option B was agreed by the Board. This approves a variation to the GPF loan agreement for this GPF project so that it is repaid from income arising from the additional business rate income paid to the SE LEP.

Action: Essex County Council and Harlow Council will progress the GPF Round 1 project in view of the acceptance of the Board that there should be a variation of the GPF loan agreement with it to be repaid from the income arising from the additional business rate income.

8. Business engagement and activity update

8.1 Zoe Gordon, as the SE LEP's new business engagement and communications manager, was invited to speak to the Board on this item. Zoe outlined the approach taken and thanked Board members

for their input and support. She invited any comments and further suggestions on the approach she is proposing.

- 8.2 Zoe was congratulated on her work to date and support for her approach was endorsed by Board business members.

Action: Any further comments on the proposed approach to business engagement and suggestions from Board members are to be forwarded to Zoe at zoe.gordon@essex.gov.uk

9. SE LEP Statement of Accounts 2012-13

- 9.1 Paul Keegan, representing SE LEP's Accountable Body, was invited to answer questions on the SE LEP's Statement of Accounts. There were no questions.

- 9.2 The Chair indicated that now this Statement has been ratified by the Board, it would be signed off by Margaret Lee, Section 151 Officer at Essex County Council, which is the SE LEP Accountable Body and the Auditor.

Action: The Chairman and Margaret Lee, on behalf of the SE LEP, and the Auditors are to sign off the SE LEP Statements of Accounts 2012-13 and these will be put on the SE LEP website.

10. AOB

- 10.1 The Chair indicated that he has asked the SE LEP Accountable Body to take forward work over the next few months to progress transforming the Partnership into becoming a company.
- 10.2 David Godfrey, SE LEP's Interim Director, thanked Medway Council for agreeing to undertake work to support both the appointment of a permanent SE LEP Director and an organisation to provide advice and delivery expertise on behalf of the Partnership in the new financial year. He also indicated that the Secretariat is intending to buy-in expert advice over the next few months to help develop the critical SEFUND proposal.
- 10.3 The Chair indicated that Essex, as the SE LEP Accountable Body, is no longer proposing to undertake a review of the SE LEP governance as they had previously recommended.
- 10.4 The meeting closed at 12:04pm.

ACTION LOG & MATTERS ARISING

13th OCTOBER FULL BOARD MEETING

Item 3: Matters arising and recent developments

HEIs are to continue to develop and refine proposals for driving innovation and growth for inclusion in the SEP and the European SIF strategy. *Ongoing.*

Work is to continue on assessing the potential of a property development fund in the context of the proposed SEFUND. *Ongoing.* Further work will be undertaken for the final version of the SEP.

Business Board members are to be consulted and engaged over the way in which businesses are consulted with on the European SIF strategy. *Ongoing.*

GPF projects in the pipeline should continue to be brought forward when ready for investment and GPF project sponsors should liaise with the Accountable Body to take forward these projects. *Ongoing.*

Item 4: New ways of working

The Secretariat is to make the agreed changes to the new ways of working and reflect this in the governance arrangements documentation. *Completed.* This is an item on the Board agenda

Item 5: Draft Strategic Economic Plan

Board members to return comments on the full draft SEP by 5pm 17th December and the final draft is to be signed off by the Director and Geoff Miles. *Completed.*

Item 6: European SIF Strategy

The Secretariat will circulate electronically the draft final European SIF Strategy to Board members for comment during the week commencing 23rd January and final signoff will be by the Chair, Director and George Kieffer. *Completed.*

Item 7: Growing Places Fund – Risk Sharing for Enterprise Zones

Essex County Council, as the SE LEP Accountable Body, is review the GPF project pipeline and to contribute to discussions on the future of GPF in the context of proposals for the SEFUND. *Ongoing.*

Essex County Council and Harlow Council will progress the GPF Round 1 project in view of the acceptance of the Board that there should be a variation of the GPF loan agreement with it to be repaid from the income arising from the additional business rate income. *Ongoing.*

Item 8: Business Engagement and Activity Update

Any further comments on the proposed approach to business engagement and suggestions from Board members are to be forwarded to Zoe at zoe.gordon@essex.gov.uk. *Ongoing.*

Item 9: SE LEP Statement of Accounts 2013-14

Peter Jones, as LEP Chairman, and Margaret Lee, on behalf of the SE LEP and the Auditors are to sign off the SE LEP Statements of Accounts 2012-13 and these will be put on the SE LEP website. *Completed.*

SE LEP TERMS OF REFERENCE

Purpose and Recommendations

1. The purpose of this paper is to revise SE LEP's Terms of Reference following agreement of new ways of working at the Board Meeting held on 13th December, 2013.

Background

2. Following agreement to a new devolved way of working, changes were agreed at the December Board meeting to SE LEP's Board membership and its operation.
3. The Terms of Reference attached have been revised purely to reflect the agreements made in December as proposed in the Board paper.

Board members are asked to approve the amended Terms of Reference

Author: Peter Jones & David Godfrey **Position:** Chairman and Interim Director **Date:** 6th February 2013.



SE LEP GOVERNANCE AND TERMS OF REFERENCE
February, 2014

1. PURPOSE, OBJECTS AND PRINCIPLES

1.1. Role of the Local Enterprise Partnership

1.1.1. The South East Local Enterprise Partnership (the LEP) is a strategic body, which brings together the public and private sectors to support economic growth in its constituent areas.

1.1.2. It shall:

- a) Progress priorities of cross-border economic importance where there is real synergy and added value in working together;
- b) Support the conditions through which a more creative, responsive and flexible working relationship can exist between business and government at all levels;
- c) Seek resources, freedoms and flexibilities to progress strategic growth priorities; and
- d) Operate in the spirit of transparency, openness and collaboration to support the public interest.

1.1.3. In pursuit of this role, the LEP may act to bring together intelligence, expertise and community and business support to identify priorities and develop solutions to maximise the LEP area's economic opportunities and address barriers to growth.

1.2. Legal status

1.2.1. The LEP is an informal partnership. It does not have legal status to enter into contracts and will act through one of its county/unitary local authority partners as Accountable Body.

1.3. Subsidiarity

1.3.1. The LEP operates on the principle of subsidiarity. This means that decisions should be taken at the practical level closest to the communities and businesses affected by those decisions.

1.3.2. The LEP therefore:

- a) Only considers priorities consistent with 1.1 above; and
- b) Devolves responsibility for local prioritisation, funding and delivery to local partners as appropriate.

1.3.3. The LEP does not seek to establish a uniform sub-structure. Rather it recognises that partners may come together in a variety of forms to address particular issues; that these may change over time; and that this dynamism is part of the LEP's success.

2. GOVERNANCE

2.1. General

2.1.1. The LEP shall be governed by the SELEP Board.

2.2. Local Enterprise Partnership Board

2.2.1. The LEP Board shall be responsible for:

- a. setting the strategic direction and priorities of the LEP;
- b. satisfying themselves that the business plan is in accordance with the strategic direction and that the milestones are sufficiently ambitious;
- c. considering and agreeing a position on major items of strategic importance;
- c) monitoring performance of the operations and activities of the LEP;
- d) ensuring that funds delegated or assigned to the LEP for investment, where the Board has determined a method of allocation, are being implemented to best effect on behalf of government; and
- e) deciding how the activities of the LEP should be delegated.

LEP Board membership

2.2.2. The LEP Board shall be constituted as follows:

- a) The Chair of the LEP Board (in addition to the representatives below);
- b) 5 business representatives from Essex, Southend & Thurrock;
- c) 4 business representatives from Kent and Medway;
- d) 3 business representatives from East Sussex;
- e) 5 local government representatives from Essex, Southend & Thurrock, of which 3 must be from Thames Gateway South Essex;
- f) 4 local government representatives from Kent and Medway;
- g) 3 local government representatives from East Sussex;
- h) 1 representative of the higher education sector;
- i) 1 representative of the further education sector.

2.2.3. Each of the areas shall determine their own processes for the selection and term of office of their representatives.

2.2.4. The process for selecting representatives from business and local government shall be determined within each of the areas. The process for selecting the HE/ FE representatives shall be determined by the HE/FE sectors.

Chair

2.2.5. The LEP Board shall have a private sector Chair.

2.2.6. The chair shall be appointed by the Board, with their performance subject to annual review.

2.2.7. Duties of the Chair will be:

- a) to chair and ensure the smooth and effective operation of the Board;
- b) to lead on the development of strategy;
- c) to participate in the appointment of and directly manage the Director of the LEP bringing any significant performance or staffing issues to the attention of the Board and the Accountable Body;

- d) to ensure the secretariat is operating effectively and within its mandate, that budgets are appropriately applied and that proper policies and processes are in place and observed;
- e) to ensure effective liaison with all constituents of the LEP and government and to undertake representation / communication / lobbying activity as required according to the business plan or emerging strategies or needs; and
- f) to comply with any reporting requirements of the Accountable Body.

2.2.8. The Board will have three vice-chairs, one each covering Essex, Southend & Thurrock; Kent & Medway; and East Sussex. The vice-chairs will be drawn from the private sector and will be determined by each of the three areas.

Representation and attendance

2.2.9. It is important that attendance at the LEP Board is at a consistent and senior level. For local authorities, this will normally be at Leader level or equivalent.

2.2.10. Each member of the Board can name one alternate to attend in his / her place who is authorised to take decisions on his / her behalf. Alternates from local authorities shall be elected members or a representative of the Leader mandated to take decisions.

2.2.11. For the Board to be quorate at least 14 members must be present. Of these at least 3 representatives must be from the 6 county/unitary councils. In addition there must also be 1 business representative from each of the areas of: Essex, Southend & Thurrock; Kent & Medway; and East Sussex.

2.2.12. Only members of the Board or their alternates may sit at the meeting table and vote. Others may attend and take part by the invitation of the Chair.

2.2.13. Officers and members of bodies participating in the LEP but not invited to attend and participate may attend as observers. The number of observers may be limited at the discretion of the Chair.

2.2.14. Meetings of the Board are open to the press and public as observers, with the exception of any items that should be treated confidentially for commercial or other reasons. Filming or recording of proceedings need to be agreed in advance with the Secretariat.

Decisions

2.2.15. The Board shall operate on the basis of consensus.

2.2.16. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 50% of those present. All matters to be considered for decision must have been circulated in writing to all members of the Board at least 2 clear working days before the meeting. No decision can be taken without notice having been given.

2.2.17. In the event that a decision is required outside of a scheduled meeting, the Chair may decide to hold an Extraordinary Meeting. Such meetings shall be coordinated by the Secretariat, and shall operate according to the provisions of paragraph 2.2.16.

2.2.18. Alternatively, the Chair may decide to seek agreement to a proposal via Electronic Procedure. In such cases, the Secretariat shall write to each Board member requesting agreement to a specified

course of action. Board Members shall be given no fewer than five working days to respond to the Secretariat. For a decision to be made, the provisions of paragraph 2.2.16 shall apply. For a decision to be taken by Electronic Procedure, the number of members participating and the composition of those members must be as required for a quorate meeting. Over 50% of members responding to the request must indicate agreement to the proposal.

2.2.19. All decisions made by Electronic Procedure shall be ratified at the next scheduled meeting of the Board.

Meetings and papers

2.2.20. The Board will meet 3-4 times a year. A calendar of future meetings will be set for a year at a time.

2.2.21. The agenda and papers for meetings shall be approved by the Chair and issued at least 5 working days in advance of the meeting.

2.2.22. The agenda and papers shall be disseminated by the Secretariat, with the agreement of the Chair. Board members wishing to propose items for the agenda should contact the Secretariat. Final papers for Board discussion shall be made available on the LEP website as soon as they are disseminated to the Board, except for papers which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data.

2.2.23. Minutes of meetings of the Board shall be approved in draft form by the Chair and disseminated to Board members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Board at the Board's next meeting.

2.2.24. Minutes shall be made publicly available on the LEP website no more than five working days following approval by the Board, except for minutes which are not suitable for release into the public domain for example due to them containing personal information about individuals or commercially sensitive data. Any minutes which are not released into the public domain will be stored confidentially by the secretariat.

Conflicts of interest

2.2.25. The Board shall ensure that all conflicts of interest are fully disclosed.

2.2.26. The Secretariat shall maintain a Register of Board Members' Interests. This shall include all company directorships, trusteeships, elected offices, remunerated posts and other relevant interests. The Register of Board Members' Interests shall be made available to any interested party at any time. Board members shall supply information to the Secretariat for inclusion in the register, or a nil return, on joining the Board, in response to any request for an update and on becoming aware of any new interest. The secretariat will circulate a request for information about interests annually.

2.2.27. Should a Board Member's interests change, s/he shall inform the Secretariat at the earliest opportunity.

2.2.28. Should an issue be discussed by the Board which presents a conflict of interest to a Board member, the Board Member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Board Members' Interests. Such declarations shall be

minuted. A Conflict of Interest may pertain to the interest of a partner, family member, close friend or organisation associated with a Board member. For example if a partner, family member or close friend may be affected by a decision (to a greater extent than the majority of Council tax payers in the area will be affected) then the member should declare an interest and abstain from discussion and may be asked to withdraw at the Chairman's discretion. If the member is associated with an organisation (other than a local authority) as employee, director, contractor, trustee, member or shareholder and that organisation may be particularly affected by a decision then that board member should withdraw from any discussion and may not vote on the matter.

2.2.29. Board Members shall not vote or participate in discussions on any issues on which they have registered an interest.

Sub groups

2.2.30. The Board may initiate task and finish groups to undertake work to further the Board's objectives. Such groups must have clear terms of reference agreed with the Chair, shall be fully accountable to the Board and shall cease operation when their work is complete. Each sub group must have both elected council member and business representation or involvement.

3. SECRETARIAT AND ADMINISTRATION

3.1. Secretariat

3.1.1. The Board shall appoint a Secretariat. The Secretariat shall consist of one or more named individuals with specific responsibility for:

- a) ensuring the efficient administration of the Board and Executive Group;
- b) ensuring the Board and Executive Group operate within their terms of reference;
- c) providing information and support to the Chair;
- d) monitoring work commissioned by the Board and Executive Group and reporting on progress to the Board and Executive Group;
- e) co-ordinating the production of papers and agenda items, in liaison with the officer Support Group (see Section 3.2);
- f) managing communications activity on behalf of the LEP;
- g) undertaking such tasks as directed by the Board and Executive Group;
- h) ensuring compliance with Financial Regulations of the Accountable Body;
- i) ensuring that an appropriate process is followed for setting of budgets and preparation of accounts within the LEP which are approved by the Accountable Body; and
- j) Reporting to the Accountable Body as required by it.

The secretariat will be employed by an upper tier local authority and will work within the policies and procedures of the employing body.

3.1.2. The costs of the Secretariat and any financial liabilities of the Accountable Body resulting from being the Accountable Body of the LEP shall be borne equitably between the six upper tier authorities using population figures as the basis for calculating their contribution. Financial contribution towards secretariat costs may be used as a contribution to match funding made available from government or other sources and should be agreed annually.

3.2. Senior Officer Group

- 3.2.1 The Secretariat shall be supported by a Senior Officer Group (SOG). The SOG shall consist of officers employed by LEP Board member organisations (presently usually one from each of the county/unitary authorities but other officers may also participate from time to time), and shall be responsible for preparing papers as required, undertaking specific pieces of work as mandated by the Board or Executive Group.
- 3.2.2 The SOG shall be convened by the Secretariat according to business need. It shall have no fixed membership, and may expand or contract over time.
- 3.2.3 The SOG shall have no decision-making powers. It exists purely to expedite the business of the LEP and to provide support and advice to the Secretariat.

3.3 Communications

- 3.3.1 The Board and the Executive Group shall operate on the basis of transparency, openness and good communications.
- 3.3.2 The Board shall be responsible for the LEP's communications strategy. This shall include communications to Board members, participating organisations and the wider public and shall include the maintenance of an up-to-date, relevant and accessible website. The Secretariat shall be responsible for implementation of the communications strategy.

4 AMENDMENTS TO TERMS OF REFERENCE

- 4.1 The Board may amend these terms of reference at any time, according to the procedure in paragraph 2.2.16.

Amended in December 2013 and agreed by the SE LEP Board on 13th December, 2013. (These replace those drafted September 2012 and agreed by SE LEP Full Board on 12th October 2012 and the Governance & Terms of Reference agreed at the Interim SE LEP Board Meeting 14th March 2011).

GROWTH DEAL AND STRATEGIC ECONOMIC PLAN

Purpose and Recommendations

4. The purpose of this paper is to update the SE LEP Board on progress towards a successful SE LEP Growth Deal/Strategic Economic Plan submission to Government on 31st March 2014.

Background

5. SE LEP presented its first draft of its Growth Deal/Strategic Economic Plan to Government on 19th December 2013. This can be found on the South East LEP website ([click here](#)).
6. Official Ministerial feedback is awaited and will be circulated to Board Members as soon as it is received to inform discussion.
7. In the meantime, work is accelerating to develop the Plan into a final document which will form SE LEP's Growth Deal proposals, its Strategic Economic Plan and a compelling bid for the £2 billion Single Local Growth Fund.

Issues and Options

8. The Interim Director will present an update to Board Members. This will include:
 - Proposed structure of the final document;
 - Define major priorities for which workstreams have been established;
 - Report on Government feedback;
 - Report on progress; and
 - Detail the timescale to submission.
9. A further Board Meeting is proposed to approve the submission on 26th March 2014.

Author: Peter Jones and David Godfrey **Position:** Chairman and Interim Director **Date:** 6th February 2014.

EUROPEAN STRUCTURAL AND INVESTMENT FUND STRATEGY (ESIF)

Purpose and Recommendations

1. The purpose of this paper is to present the Board with an update regarding the EU SIF including the timetable for approval following our submission to the Government on the 31st January 2014, our continuing work on the thematic priorities under European Regional Development Fund (ERDF) and European Social Fund (ESF) and our work with local area and theme groups on project pipelines and governance. This work is being carried out so that delivery can start quickly across the SE LEP area following final approval following Government approval.
2. The Board is asked to:
 - **Note** that LEP will receive the Government decision letter on the 14th March 2014
 - **Note** that the decision will be approval/conditional approval
 - **Note** that calls for project applications will not take place until the ESIF has received approval by Government and also the England Programmes have been approved by the European Commission
 - **Note** that, subject to Government feedback, some further refinement to the ESIF will be necessary
 - **Note** that, extensive preparations are necessary in order to deliver the programme and ensure funding starts to flow to local projects as soon as possible.

Background

3. The SE LEP area has been given an indicative allocation of £165 mill European funding to deliver its strategic priorities in line with its Growth Deal and Strategic Economic Plan (SEP) which is are development.
4. The ESIF is a funding vehicle for some of the growth and skills objectives outlined in the Growth Deal/Strategic Economic Plan (SEP) but is also subject to additional European Commission rules.
5. THE EU SIF It has now been submitted to Government and informal feedback is expected very shortly, with the formal decision letter expected on the 14th March 2014. Generally ESIFs will be given approval or conditional approval with the majority expected to receive conditional approval. The Government Local Growth Delivery teams will work with LEPs to meet the conditions of approval, with final sign off to be received by the 16th May 2014.

Work streams

6. It is expected that conditional approval of the ESIF will require a number of amendments which will be carried out by the LEP secretariat with the Government's Local Growth Delivery Team.
7. Meanwhile a lot of work remains to be done in preparation for the delivery of the ESIF, much of it closely related to the development of the content of the Growth Deal/SEP. Under the devolved structure, the local areas will lead the preparation work with support from the LEP secretariat. Each of the thematic areas will require further development with the local areas defining what they want and how they would like to deliver as follows:
 - **European Regional Development Fund (ERDF):**
 - a. Access to finance
 - b. Gateways to Growth

- c. Opt-ins: UKTI, Growth Accelerator and the Manufacturing Advisory Service
- d. Low Carbon,
- e. Pipeline of projects for unmatched ERDF projects
- **European Social Fund (ESF)**
 - f. Opt-ins: SFA, DWP and BIG Lottery,
 - g. Pipeline of projects for matched and unmatched funding.
- **Community Led Local Development (CLLD)** an allocation of 5% (£8.25mill approximately) of combined ESF and ERDF has been included in the ESIF to deliver CLLD, as recommended by Government. A number of expressions of interest have been received from areas wishing to participate but it is expected that SE LEP will be strongly directed to limit the number of areas, particularly in view of the limited funds available. Criteria for selection of the CLLD areas are being prepared for Board approval. Clarity on this will be required by the Local Growth Delivery Teams.
- **LEP wide stakeholder groups:** These include the voluntary sector, skills, creative and media and low carbon
- **European Agricultural Fund for Rural Development (EAFRD)**
SE LEP has been given an indicative allowance of £14.5mill EAFRD to support economic growth in rural areas. The Guidance for this funding was issued late in the process (December 2014). Working closely with Defra, the SE LEP Rural Group will be advising on the development of this aspect of the ESIF. In line with the rest of the European funding, these funds are to support jobs and growth in rural areas.
- **Business processes:** Work is underway at various levels, including the European Commission, BIS, DCLG, BIS and Defra, which will affect what the SE LEP Business processes will look like. The devolved model is outlined in Chapter 12 of the ESIF. The importance of the LEP in setting the strategic direction and the synergies of all the funding streams will be central to the design. Calls for project applications will not take place until the SE LEP ESIF has received full approval by Government and also the England Programmes have been approved by the European Commission

Author: Lorraine George **Position:** SE LEP secondee **Contact:** 01245 430472 **Date:** 6th February 2014.

GROWING PLACES FUND

Purpose and Recommendations

10. The purpose of this paper is to update the Board on progress made on projects where funding has been agreed, and/or allocated, from the South East LEP's Growing Places Fund (GPF). Given the significant expectation being placed upon both the Strategic Economic Plan (SEP) and European Structural and Investment Fund (ESIF) Strategy, it is a priority to demonstrate the success of the GPF to date.
11. The primary aim of this paper is to:
 - highlight the very slow up-take and use of funds to date; and
 - consider how best to accelerate the existing programme
12. The Board is also asked to consider issues arising from existing governance and monitoring arrangements for the GPF and to consider adopting a fresh approach to enable better selection and evaluation methodologies to be put in place alongside more robust project monitoring once funding allocations have been made.
13. It is recommended that without prejudice to a more detailed review suggested and outlined below, members refer to the existing project list at Annex A and update and advise the Board on;
 - a) those projects in their area in which they have a high degree of confidence and can be delivered within the original timeframes;
 - b) any projects that can be withdrawn with immediate effect; and
 - c) details of any alternative Projects that can be successfully delivered in the short term
14. Following on from this, it is proposed that a two-stage Review Process is undertaken as a matter of urgency, with a view to a report being considered at the Special Board Meeting on 26th March 2014.

Background

15. The overall value of the South East LEP GPF allocation granted in March 2012 is £49.2mill, comprising £45.5mill Capital Grant, £3.7mill Revenue Grant. At present there remains £37mill in the GPF account some 2 years on.
16. The aim of Government in granting GPF to all LEPs' was for these resources to be used to generate economic activity that promotes the delivery of jobs and homes in the short term and to enable LEPs to prioritise infrastructure projects on this basis.
17. LEP's are largely un-constrained as to how the GPF funds are allocated across their areas, subject to the over-arching aims and with due consideration given to the following assessment criteria: planning status of sites; scale of development; deliverability; timescales for repayment; certainty of repayment; risk-reward balance and security of investment. It is essentially an un-ring-fenced fund, other than the requirement to invest the capital allocation on capital projects.
18. The way in which the SE LEP has operated the Fund is as a revolving credit facility that can be reinvested to unlock further developments and leverage private investment. Decisions on the allocation of the GPF are made by the SE LEP Board, with sign off by Essex County Council (ECC) Officer

acting as the Accountable Body (AB). Upper tier authorities underwrite the risk on all loans for projects in their areas.

Current Process

19. The process adopted by the SE LEP at the outset was set out within the general governance framework agreed between the SE LEP & ECC as the Accountable Body (AB) and include:
- Expressions of Interest (“EOI”) invited and reviewed by the relevant Authority
 - Completion of Full Project Packs by the bidding Authority
 - Production of a Heads of Terms (“HOT”) between ECC as AB, (the “Lender”) and the relevant borrowing Authority (the Borrower), collectively the “Parties”;
 - Production of Credit Agreements between the parties, with responsibility for any subsidiary Agreements residing with the relevant borrowing Authority
 - Drawdown requests to be submitted to the Lender and signed by the Borrowing Authority’s S151 Officer.
20. The Credit Agreements placed an obligation on the Borrower to provide Quarterly Updates and ipso facto a requirement on SE LEP and ECC as the AB, to monitor and satisfy themselves with progress on each project.
21. Monitoring by Government is via DCLG, with a Return submitted on a six monthly basis. The latest return was submitted on 7th February 2014 for activity up to and including 31st December 2013.
22. The SELEP Board approved a number of projects to be taken forward via the outline process noted above in three funding allocation rounds (R1, R2, R3) and summarised in Table 1 below. To date, with the exception of a revenue grant for the Harlow Enterprise Zone, all allocations made so far have been granted on a repayable basis at nil rate of interest.

Table 1

* Live Projects = Credit Agreements in place

Projects	No Projects	No Live Projects *	No Withdrawn	Project Cost	GPF
	No	No	No	£m	£m
Round 1	7	6	-	85.86	24.81
Round 2	5	1	1	37.18	7.03
Round 3	6	2	2	16.90	12.53
Pipeline	4	-	-	28.50	27.00
Other	2	-	-	1.24	1.24
Total	24	9	3	169.68	72.62
Excl Pipeline	20	9	3	141.18	45.62

23. Dates for these Rounds were 23rd March 2012, 7th December 2012 and 15th March 2013, with a series of ‘Pipeline’ (or prospective) projects earmarked for future funding; these were wholly dependent upon funds being available following drawdown and/or any repayment of funds from projects approved in earlier funding allocation rounds.

24. Projects considered to be “Live” as determined by the approval process in each of the approval Rounds (R1, R2 & R3) and those for which an EOI or Business Case has been made, including identified “Pipeline” Projects, are set out under Annex A. Projects that were rejected and/or subsequently withdrawn are not considered in this paper and are EXCLUDED from the figure of £72.62mill in Table 1.

They are however listed for information purposes under Annex B. Annex C (Tables 2a – 2d) summarises the projected Cash Flows and amounts drawn-down to date.

25. In summary, Drawdowns up to and including 31st March 2014 were expected to be £28mill. Actual amounts drawn-down (up to and including 4th February 2014) amounted to £11.3mill or 40% of the planned draw-down amounts.

Key Points

26. Of the 20 Projects assessed where an allocation of funds has been made:

- 9 can be considered “Live” as dictated by the number of formal Agreements in place (yet to be ratified with ECC Legal)
- 3 have been withdrawn or under discussion, (one resulting from additional S106 contributions)
- 7 have commenced drawdown of the loan facility

27. Key features of the experience to date are that:

- The process for agreeing and putting in place Credit Agreements is slow and arduous;
- There is no formal review process in place to track progress and tackle issues (this may occur within the respective borrowing Authority – untested), consistent with the requirements set out in the Credit Agreements;
- There is no expiry time on offers or allocations granted or made;
- It is difficult to assess the success of leveraging private sector finance;
- It is unclear where primary responsibility lies for the successful management and delivery of projects and their outcomes;
- The impact and ability to meet the repayment profile is unquantifiable at this stage, but given the slower than expected level of draw-downs may well be impacted.

Plan of Action

28. A review of GPF is recommended and it is suggested that as a minimum the following matters should be addressed:

Stage 1 - to be carried out over a maximum 2 week period:

- a) For those projects to be taken forward timelines are agreed and expected returns in terms of financial, strategic and economic benefits are documented and understood;
- b) The impact on Cash Flows is assessed to allow the most flexible use of the fund as a revolving credit facility to be used for future investments;
- c) A list of priority projects is established and funding allocations are re-assignment of in line with (a) and (b) above;
- d) Other assessment criteria for project selection considered, such as funds for project design in anticipation of a successful LGF allocation;
- e) Agree sensible timescales and back-stop dates for completion of all documentation;
- f) Agree key criteria to enable priority project selections to be made
- g) Agree the process and circumstances where funding allocations can be withdrawn or re-assigned

Stage 2

- a) Consider the role of GPF in light of proposals for SEFUND;
- b) Re-assess the basis on which Funds are allocated to drive a higher probability of success, as may be measured by the timing of investments and expected returns, and that best fit with the SE LEP goals and Strategic Economic Plan;
- c) Review the existing form of Agreement and standardise such that little or no change or undue variation will ensue by either party;

- d) Revisit governance, monitoring and reporting requirements, including the role and remit of the SE LEP and ECC as Accountable Body;
- e) Reassess any Government guidelines or other key criteria in the selection and evaluation process;
- f) Consider the merit of having an 'Investment' board or panel with responsibility for overseeing and monitoring all SE LEP Investment Projects, also including those potentially funded through SEFUND;
- g) Agree standard formats and timing of Reports on GPF; and
- h) Review Best Practices in place by other LEPs

Board are asked to advise on the status of GPF projects in their areas and to endorse the proposal to review GPF, with the findings and recommendations presented to the Special Board meeting on 26th March 2014.

Author: Paul Keegan, South East LEP/ECC Accountable Body **Date:** 6th February 2014.

Annex A

Round	Project	GPF Allocation	Drawdown PTD
		£m	
R 1	Priory Quarter - Phase 3 Hastings	7.00	Y
R 1	North Queensway, Hastings	1.50	Y
R 1	Parkside Office Village	2.40	Y
R 1	Chelmsford NE Urban Expansion	1.00	Y
R 1	Harlow EZ / Enterprise West Essex	3.50	
R 1	Rochester Riverside Access Road	4.41	Y
R 1	Live Margate	5.00	
R 2	Chelmsford Gateway	-	
R 2	Offshore Renewables @ Harwich	2.28	
R 2	Workspace Kent	1.50	
R 2	Chatham Waterfront	3.00	Y
R 2	Transport & Logistics Academy	0.26	
R 3	Bexhill Business Mall	6.00	Y
R 3	Grays Magistrates Court	1.40	
R 3	Dartford Northern Gateway	-	
R 3	Ebbsfleet Valley	-	
R 3	Canterbury - Sturry Road	0.63	
R 3	Colchester Connectivity	4.50	
P	Priory Quarter - Phase 4 Hastings	11.00	
P	Sovereign Harbour, Eastbourne	6.00	
P	MedTech @ Harlow	2.00	
P	Discovery Park	8.00	
O	Revenue Grant - Harlow EZ	1.00	
O	EZ Start-Up Costs	0.24	
Total		72.62	

Note: Those projects highlighted in yellow have been withdrawn or are under discussion and the allocation removed in the table above, with the exception of the Enterprise Zone at Discovery Park where the £8m allocation remains as yet an unidentified project

Annex B

Round	Projects Withdrawn	GPF Allocation	Drawdown PTD
		£m	
R 2	Chelmsford Gateway	1.05	N
R 3	Dartford Northern Gateway	2.95	N
R 3	Ebbsfleet Valley	4.00	N
P	Canvey Enterprise Centre	2.10	N
P	Aylesham Village Expansion, Phase 1	5.50	N
P	A28 Roundabout	3.60	N
Total		19.20	

Note: These projects have been withdrawn or are under discussion.

Annex C

Table 2a

Round 1	Drawdown	Drawdown PTD	Repayment	Cum Cash
	£m	£m	£m	£m
2012/13	4.55	7.75	-	(4.55)
2013/14	15.10	1.80	-	(19.64)
2014/15	5.13		1.00	(23.78)
2015/16	0.04		3.60	(20.21)
2016/17	-		1.31	(18.90)
2017/18	-		1.33	(17.57)
2018/19			4.05	(13.52)
2019/20			4.52	(9.00)
2020/21			7.00	(2.00)
2021/22			1.00	(1.00)
2022/23			1.00	-
Total	24.81	9.55	24.81	

% Draw down PTD 13/14

49%

Table 2b

Round 2	Drawdown	Drawdown PTD	Repayment	Cum Cash
	£m	£m	£m	£m
2012/13	1.83	-	-	(1.83)
2013/14	3.30	0.03	-	(5.14)
2014/15	1.89		0.05	(6.98)
2015/16	-		0.57	(6.42)
2016/17	-		1.07	(5.35)
2017/18	-		1.57	(3.79)
2018/19			3.57	(0.22)
2019/20			0.22	0.00
2020/21			-	0.00
2021/22			-	0.00
2022/23			-	0.00
Total	7.03	0.03	7.03	

% Draw down PTD 13/14

1%

Table 2c

Round 3	Drawdown	Drawdown PTD	Repayment	Cum Cash
	£m	£m	£m	£m
2012/13	-	-	-	-
2013/14	3.28	1.75	-	(3.28)
2014/15	9.00		-	(12.28)
2015/16	0.25		0.73	(11.80)
2016/17	-		2.13	(9.68)
2017/18	-		1.60	(8.08)
2018/19			2.80	(5.28)
2019/20			5.28	-
2020/21			-	-
2021/22			-	-
2022/23			-	-
Total	12.53	1.75	12.53	

% Draw down PTD 13/14

53%

Table 2d

R1, R2, R3	Drawdown	Drawdown PTD	Repayment	Cum Cash
	£m	£m	£m	£m
2012/13	6.38	7.75	-	(6.38)
2013/14	21.68	3.59	-	(28.06)
2014/15	16.02	-	1.05	(43.04)
2015/16	0.29	-	4.89	(38.43)
2016/17	-	-	4.51	(33.93)
2017/18	-	-	4.50	(29.43)
2018/19	-	-	10.42	(19.02)
2019/20	-	-	10.02	(9.00)
2020/21	-	-	7.00	(2.00)
2021/22	-	-	1.00	(1.00)
2022/23	-	-	1.00	0.00
Total	44.37	11.34	44.37	

% Draw down PTD 13/14

40%

Please note the Repayment profile takes no account of the uplift from NNDR due from Harlow EZ and the amounts shown under Round 1 are therefore subject to change.

FUTURE ROLE OF THE SOUTH EAST LOCAL TRANSPORT BODY

Purpose and Recommendations

29. The purpose of this paper is to update the SE LEP Board on proposals for the future of the SE LTB and consider the role of the SE LEP Board.

30. The SE LEP Board and the LTB is asked to:

- consider the proposals outlined in para 7. to wind up the SE LTB and transfer its responsibilities to the SE LEP Board; and
- provide views on establishing a new Transport sub-Board of the SE LEP to take on the responsibilities of the SE LTB in the future.

Background

31. The SE LTB was established in November 2011 at the request of the Department for Transport (DfT). At that time LTBs were intended to be used as the primary decision making body for the use of devolved funding, independent from the LEPs. The LTB was to be accountable for allocating transport funds to schemes in accordance with assurance frameworks signed off by the DfT. Subsequently the SE LTB oversaw the allocation of funds for the first tranche of £65.9m of transport funding allocated to the South East in June 2013.

32. In September 2013 the Government announced that in the future funding for Local Major Transport Schemes would go directly to LEPs via the new Local Growth Fund (LGF) and no longer to the LTBs. As a result, the future role of the SE LTB has become unclear

33. In order to rationalise decision-making structures, the LTB is considering decommissioning itself and transferring its responsibilities to the SE LEP Board. In view of this, this paper is being brought to the SE LEP Board for a view, before further consideration of this proposal by the SE LTB

Issues and Options

34. At present the overall governance arrangement for the new South East LEP Board remains to be finalised and no decision has yet been made as to whether there will be thematic sub-Boards with particular responsibilities, such as for transport or skills, in addition to the area partnership boards that have been agreed.

35. The SE LEP Board is therefore asked to agree to:

- The SE LTB being wound up and the SE LEP Board assuming all responsibilities of the SE LTB;
- The SELEP's Accountable Body (Essex County Council) takes over the financial responsibilities contained in the SELTB's Assurance Framework;
- The South East Transport Infrastructure Group (STIG) which supported the SE LTB, remaining, under Thurrock Council's leadership, to provide administrative and technical support to the SE LEP Board.

36. If the Board agrees to the proposals in para 7, above, the Board is also asked for views on establishing a new Transport sub-Board of the SE LEP to take on the responsibilities of the SE LTB.

37. Should the SE LEP Board consider there to be merit in establishing a transport sub-Board, it is proposed that STIG is asked to work up details for further consideration by the SE LEP Board, including on:
- Membership and Governance
 - Responsibilities
 - Reporting lines
 - Assurance framework and appraisals
 -
38. Essex County Council, acting as the SELEP Accountable Body, will be involved in the development of the proposals to be presented to the 26th March Board meeting.

Author: David Bull & Katharine Harvey **Position:** Director of Planning & Transportation, Thurrock Council/
SE LTB lead officer & SE LEP Secretariat **Date:** 7th February 2013.

SOUTHEND ON SEA CITY DEAL

Purpose

39. The SE LEP board is asked to formally support Southend's City Deal and endorse its next steps in concluding a Deal.

Background

40. Southend on Sea has been negotiating the basis of a City Deal with Cabinet Office since October 2012. The main focus for Southend's Deal has surrounded the unblocking of land-banked sites in Victoria Avenue and returning the area to economic activity and therefore growth.

41. Southend suffers from constrained employment land as the densely occupied geography within the borough boundary is in the top ten outside London with little available development space.

42. Southend's Central area, including Victoria Avenue, has the ability to deliver significant regeneration and supports the conditions for 6,500 new jobs along with potential for new homes in the same area. Two key buildings are in a state of dilapidation and their owners have refused to engage with various initiatives to move the situation forward. Located at a key gateway to Southend, the buildings are a blight on the landscape as well as being such significant blocks to growth. This issue is demonstrated across other areas of the LEP and has emerged as a theme through the development of our Strategic Economic Planning process

The City Deal

43. Southend's City Deal will be formed of two strands: The development of a Gateway to Growth for the Thames Gateway South Essex area and support to bring business incubation space into the heart of Victoria Avenue.

Gateway to Growth

44. The Gateway will comprise both virtual and physical business support, linking local schemes and national programmes on a website and creating a 'one stop shop' of support. There will also be physical business support with a team visiting the business community to appraise them of growth opportunities and point them to appropriate steps for development. A significant element of the programme is funding to support businesses, primarily in targeted sectors with grants (subject to company match funding), innovation vouchers, training and trade support. The package of interventions totals £1.5mill providing an excellent opportunity for businesses to trial one of the support schemes aimed at fixing some of the key blocks to enterprise. The Gateway will be operational from April and run for a year providing early results and lessons for wider LEP partners. The LEP will benefit from shared lessons in establishing the One-Stop-Shop which will be developed in partnership with SELEP's senior officer group to ensure value across the wider geography.

Business Incubation Centre

45. Southend's Victoria Avenue needs to return to being an enterprise hub. Part of the City Deal negotiation supports bringing two floors of a building back into use and setting up business incubations space. The creative and cultural sector and pipeline for the Med-Tech sector are key areas that could be encouraged. However the site would be open to all new enterprises that need the space to develop from business concepts to reality. The proposal would be to offer rents at below commercial values

initially, helping new businesses to build up to market conditions by their third year when they would be expected to migrate to open market space.

46. Southend Borough Council proposes to invest with its capital programme to progress purchase of the sites blocking Victoria Avenue over the coming years. This incubation centre is identified as having a catalytic influence on returning Victoria Avenue to prosperity.

47. This City Deal is expected to be signed in February 2014 and is a positive endorsement of Southend and the LEP's growth potential.

Author: Scott Dolling **Position:** Acting Head of Economy, Regeneration & Tourism, Southend Borough Council **Date:** 6th February 2013.

MEETING THE SKILLS GAP

Purpose and Recommendations

48. The purpose of this paper is to introduce a Board discussion on how the skills gap defined in SE LEP's Growth Deal submission may be addressed.
49. The discussion will begin with a presentation from Ruth Gilbert, Chief Executive of the Careers College Trust. Career Colleges are to be established by Further Education (FE) Colleges, with the first expected to open next year. They will specialise in subjects offering excellent career prospects in the local labour market. Each college will be supported by local employers, who will help design and deliver the curriculum. They will offer 'real-world' challenges, coupled with work experience - enabling students to develop their wider employability skills. The Careers College Trust is actively involved with local FE colleges and is supporting the development of Careers Colleges within the SE LEP area.

Background

50. SE LEP's Growth Deal highlighted skills issues across the SE LEP area. Major findings highlighted in the "Building a 21st Century Workforce" chapter are outlined below:

Productivity in the SE LEP economy is lower than the national average. A low proportion of residents are employed in skilled occupations. Moreover, the SE LEP labour market underperforms compared with the South East as a whole as shown by high rates of young people not in education, employment or training (NEET) and youth unemployment, and high levels of worklessness in some coastal towns.

Of crucial importance in relation to our ambition, the proportion of residents with high level (4+) qualifications is relatively low at 28.1% of individuals aged 16-64, compared with 34.2% for England and 36.8% for the South East region. This is despite a significant increase in Level 4 qualifications attained in recent years.

Notwithstanding the recession, companies have been facing a skills gap in recent years. The 2011 UK Commission for Education and Skills (UKCES) Employers Skills Survey indicates that the proportion of businesses with skill shortage vacancies increased across the UK between 2009 and 2011, but particularly in the South East. In the SE LEP area almost one in five establishments reported a skills gap in 2011 and 17% of hard-to-fill vacancies were due to skill-shortages. There is specific demand for Science Technology Engineering and Mathematics (STEM) qualified individuals with nearly two in five firms requiring STEM employees facing difficulties in recruitment. Soft skills, including customer service, communication skills, and team working have also been identified as inadequate by local businesses.

The UKCES forecast that there would be an increase of 105,000 jobs in the SE LEP area by 2020 and our ambition is to almost double that. This forecast shows that the majority of jobs growth will be in professional occupations (+45,000); managers, directors & senior officials (+38,000); and associate professional & technical occupations (+33,000). When "replacement demand" is included over half (50.3%) of openings will be in high skilled jobs.

Issues and Options

4. Board members are asked to consider issues and options in the development of SE LEP's Growth Deal submission.

Author: Ruth Gilbert, Careers College Trust **Date:** 7th February 2014.