

SE LEP Board Meeting Minutes

Friday 12th December 2014, 10:00am – 12:30pm
High House Production Park, Purfleet, Essex RM19 1RJ

Full Board members & alternates present

1	Peter Jones	Chair
2	Cllr Jeremy Birch	Hastings BC
3	Cllr Rupert Simmons Alternate for Cllr Bob Standley	Wealden District Council
4	Cllr Keith Glazier	East Sussex County Council
5	Derek Godfrey	Ellis Building Contractors
6	Graham Peters	East Sussex SME Commission & East Sussex Rural Partnership
7	Malcolm Diamond	Association of Chambers East Sussex (ACES)
8	Cllr Kevin Bentley Alternate for David Finch	Essex County Council
9	George Kieffer	Have Gateway Business
10	Julian Drury	C2C and South Essex Businesses
11	Cllr John Kent	Thurrock
12	Perry Glading	Forth Ports and Thurrock Businesses
13	Cllr Ron Woodley	Southend BC
14	Cllr Graham Butland	Braintree District Council & Essex Local Authorities
15	Cllr Paul Carter	Kent County Council
16	Geoff Miles	Maidstone Studios
17	Cllr Rodney Chambers	Medway Council
18	Graham Brown	Bouygues UK & Denne Construction Ltd
19	Cllr Paul Watkins	Dover District Council
20	Jo James	Kent Invicta Chambers
21	Cllr Peter Fleming	Sevenoaks District Council
22	Jon Regan, Alternate for Nick Sandford	CLA & Godinton House and Estate
23	Julian Crampton	University of Brighton
24	Graham Razey	East Kent College

Also in attendance:

Baroness Kramer

Jacky Doyle-Price MP (both for item 1)

Louise Morgan and Graham Pendlebury accompanied by and officials from the Department for Business Innovation & Skills, Department for Transport and the Cabinet Office.

Approximately 30 observers

Apologies received from:

Nick Sandford

David Rayner
David Burch
Bob Standley
Chris Whitbread
Mark Dance.

1. Welcome and Update

The Chairman welcomed Baroness Kramer, Minister for Transport and Jackie Doyle-Price, MP for Thurrock to the meeting.

Jackie Doyle-Price MP thanked SE LEP for making High House Production Park its home for Board meetings and paid tribute to the partnership working of the LEP and others that was benefiting the local area. In particular, she congratulated High House Production Park's Backstage Centre on becoming "The National College for Creative and Cultural Industries" as just announced by the Secretary of State.

Baroness Kramer, Minister for Transport spoke of the huge economic potential of SE LEP as the largest LEP in the country but also recognised its challenges. The Minister saw the SE LEP area as one of the real economic powerhouses of Britain. She was determined for all LEPs to embrace collaboration and new ways of working as part of the national move for devolution.

The Minister saw the LEP's role in setting local growth priorities and the Government's role to fund against these priorities, not to second-guess local decision-making. She noted that the Department for Transport had committed significantly to the Local Growth Fund and remained committed to the Single Pot and was delighted that the Autumn Statement had released a further £1 billion for Round 2 of the Growth Deal. She did not see LGF as being allocated to LEPs on a per capita basis, but competitively with the strongest LEPs with the strongest projects doing better than weaker ones.

The Minister emphasised the need for robust accountability and transparency with a real focus on delivery across, recognising the challenge of working across traditional geographical boundaries.

In discussion, Jo James questioned the Minister on behalf of Kent businesses re-assuring her of the desire to make the greater LEP work but not being rewarded sufficiently and with priorities local priorities being over-ridden. The Minister responded by calling for clear collaboration with clear priorities for the area, not separate LEPs coming together.

John Kent indicated his agreement with most of what the Minister had said, but felt that original intentions to reward it had not transpired since it was formed 4 years ago.

Jeremy Birch emphasised the collaboration within the LEP highlighting the work of the Coastal Communities Group. The Minister welcomed a shared project being developed for coastal areas.

Paul Carter felt it was time for Ministers to take stock of what had and had yet to be achieved through the Growth Deals and what more could be done to devolve funding. He emphasised the desire of SE LEP partners to collaborate and their track record of doing so through the federal model.

Rodney Chambers sought re-assurance that funding committed in Growth Deal 1 was now guaranteed as contracts were soon to be let. It was noted that the SE LEP Grant Letter would soon follow.

The Minister was then thanked by the Chairman and left the meeting to embark on a tour of key sites in Thurrock, kindly hosted by Graham Farrant and team.

The Chairman then asked Board members for updates on major issues following the last meeting. He began by referring to:

- **Southend Growth Hub** which had featured in a special showcase with Lord Heseltine at Lancaster University.
- **SME Digital Competitiveness**, congratulating those councils involved in the successful SE LEP bid.
- **Potential investors in Purfleet**, following the successful meetings with international investors earlier that week.
- **SE LEP CORE Group**, chaired by Mark Dance, which had now come forward with new proposals
- **“Making the South East the Capital of Social Enterprise”**, a highly successful conference held at High House, thanking Geoff Miles, Peter Fleming and other Board members attending for their support.

Further updates were received on:

- **“Building the Future”**, the SE LEP Housing Conference instigated by George Kieffer who referred to the excellent and well-balanced attendance with all sectors well represented, the presentation by keynote speaker Natalie Elphicke just prior to submitting her report to Government as outlined in the Autumn Statement and the widespread concern that utility companies were often holding back development through lack of responsiveness in connecting development sites. Graham Peters suggested a SE LEP “Utilities Tzar” should be appointed. The Chairman congratulated George Kieffer on an excellent event.
- **Free Flow Tolling**, and the improved traffic flows particularly southbound. John Kent congratulated all those involved for its successful implementation. Paul Carter emphasised the continuing need for a Lower Thames Crossing.
- **Ebbsfleet**, and the UDC which was ongoing under the Chairmanship of Michael Cassidy
- **National Growth Committee**, attended by George Kieffer and Julian Crampton. George Kieffer indicated the positive progress in agreeing the Operation Programme with a real desire to have this signed before the end of the year. He noted that half of the countries also had still to get to this stage and that the UK was not alone. He also reported the Commission’s reluctance to agree a CLLD programme.

- **Southend Growth Hub**, where Ron Woodley added that the Hub had made 79 grants already and was progressing well towards jobs targets.
- **SE LEP Skills Capital Programme**, which had now been launched. The Chairman particularly thanked Helen Russell - now at Prospect College - who did so much to bring this together and to Pete Cooke and colleagues in Essex.

2. Minutes and Actions Arising

The minutes of the meeting held on Friday 26th September were agreed to be a correct record of proceedings. All actions had been completed or were covered elsewhere in the agenda.

3. Response to Delivery Review

The Chairman introduced the item thanking all for their input and hard work through the consultation. He asked the Director to take Board members through the item.

The Director again emphasised that the report was about maximising funding for the LEP and increasing flexibility over funding received. He made clear the devolved model of the LEP remained firmly in place, with the LEP's Terms of Reference clearly stating this. He then addressed each recommendation in turn as below.

SE LEP Recommendation 1

The SE LEP Board is recommended to:

- *Agree to SE LEP's terms of reference being updated to give the SE LEP Board – working with local partners - the primary role in:*
 - *Providing strategic leadership in agreeing SE LEP's overarching strategic vision and priorities (i.e. Strategic Economic Plan).*
 - *Championing the SE LEP area as a whole where appropriate for growth and jobs.*
 - *Supporting pan-LEP activity on SEFUND, Rural and Coastal regeneration, U9 Universities activity, CORE, priority sectors as appropriate (eg Creative) and the Growth Deal.*

Revised Terms of Reference incorporating these changes are attached as Appendix 2.

The potential power of the SE LEP Board lobbying together for shared priorities was emphasised by Paul Carter. It was agreed that this should be added to the SE LEP Board's role.

Paul Carter also made an important reference to the power of the LEP as a collective to lobby for smaller local schemes.

With the addition of the role in promoting and communicating shared priorities as above, this recommendation was agreed in full.

SE LEP Recommendation 2

The SE LEP Board is recommended to:

- *Establish an Accountability Framework, as detailed in subsequent recommendations.*

With the acknowledgement that the Accountability Framework would be detailed in following recommendations, this recommendation was agreed in full.

SE LEP Recommendation 3

i) SE LEP Accountability Board and Local Accountability Arrangements

The SE LEP Board is recommended to:

- *Request the county and unitary authorities to establish a SE LEP Accountability Board as an executive joint committee of the six authorities with the membership and terms of reference set out in Appendix 3.*
- *Request each county/unitary council to approve this proposal prior to 31st March 2015 (by when, for maximum impact on funding and flexibility, the full Accountability Framework model should be in place).*

ii) Devolution of Funding

The SE LEP Board is recommended to:

- *Agree the process of allocation of funding through the federal model, maximizing the devolution of funding, management and accountability to local accountability arrangements.*
- *Request Essex County Council as Accountable Body to issue a single grant agreement to each county and unitary authority to:*
 - *Provide a single grant to the relevant local authority for all schemes within its area.*
 - *Commit the local authority to all monitoring and reporting requirements that are required of the Accountable Body within its grant agreement with Government.*
 - *Commit the Accountable Body to making payment to the local authority on the same basis that it receives it from Government (e.g. if payment is made by Government quarterly in advance, it is paid from the Accountable Body to the local authority in the same way with transfer within a maximum number of days from receipt from Government).*
 - *Transfer all clawback provisions and other penalties in the grant agreement from Government to the local authority.*
 - *Commit the local authority to responsibility for any project overspend, and enable the local authority to retain the proceeds of project underspend within the grant agreement for use on other schemes or to offset overspend, provided that this is consistent with the primary grant agreement from Government.*
 - *Enable through the grant agreements provision for local authorities to transfer funds between each other on an ad hoc basis where more than one county/unitary are within the same local partnership.*

Julian Drury raised concerns about the role of the private sector on the proposed Accountability Board, while Peter Fleming asked how democratic accountability could truly be achieved. The Director explained that the Accountability Board would be chaired by one of the Strategic Board's Vice Chairs so there would be a strong private sector presence, albeit voting on the Joint Committee would only be by local authority representatives which

anchored formal decision-making within local government processes. The Joint Committee model was one that many other LEPs had followed.

Keith Glazier and Paul Carter were also keen to ensure that S151 officers from other counties/unitaries or their representatives could attend the Accountability Board meetings as well as the S151 officer from the Accountability Body who would attend in an advisory capacity.

It was noted that recommendations concerning the flow of funding had been developed by S151 officers and that tolerance levels for the capital programme management at local area levels needed to be agreed asap. Any conditions accompanying the Government Grant letter would also need to be reflected in final arrangements including the management of any overspends or underspends.

Finally, confirmation was sought that there was no conflict of interest for members sitting on both the Strategic Board and the Accountability Board. This would need to be clearly stated.

With the addition of the attendance of other S151 officers or their representatives and confirmation that there is no conflict of interest in sitting on both Boards, these recommendations were agreed in full.

SE LEP Recommendation 4

The SE LEP Board is recommended to:

- *Agree the direct relationship between the SE LEP Accountability Board and the Local Accountability Boards.*
- *Agree the structure outlined in Appendix 4.*

With confirmation that the local accountability arrangements feed directly into the SE LEP Accountability Board, these recommendations were agreed in full.

SE LEP Recommendation 5

The SE LEP Board is recommended to:

Agree the Accountability Board be chaired by a Vice Chair from the LEP Strategic Board

This recommendation was agreed in full.

SE LEP Recommendation 6

The SE LEP Board is recommended to:

- *Agree the S151 Officer (or her representative) from the Accountable Body attend the SE LEP Accountability Board as an adviser*

With agreement that other S151 officers may also attend to support their Accountability Board representatives, this recommendation was agreed in full.

SE LEP Recommendation 7

The SE LEP Board is recommended to:

- *Confirm the proposed role of the Accountability Board.*

The Chairman was asked by Jeremy Birch to clarify the position of schemes developed outside of the local area arrangements, for example as with the Coastal Communities Group, the universities group or projects developed with other LEPs. The Chairman confirmed that all projects would need to go to the Accountability Board but that they should be routed through a local area which would act as the lead.

Referring to the Accountability Board membership and terms of reference (Appendix 3), this recommendation was agreed in full.

SE LEP Recommendation 8

The SE LEP Board is recommended to:

- *Agree publication of a “SE LEP Guide to Governance Delivery and Performance Management” drawing together in one place the new arrangements*

The importance of this publication was noted and this recommendation was agreed in full.

SE LEP Recommendation 9

The SE LEP Board is recommended to:

- *Confirm SOG’s formal role within the Accountability Framework model and continued support to the Director.*
- *Agree that the SE LEP Accountable Body be represented at SOG meetings.*

With the addition that SOG should be chaired by the SE LEP Director which should be added to the SE LEP terms of reference, this recommendation was agreed in full.

SE LEP Recommendation 10

The SE LEP Board is asked to agree:

- *Immediate recruitment of a Senior Programme & Project Management Officer to:*
 - *Work to the Accountability Board in co-ordinating programme management information across the LEP.*
 - *Present SE LEP wide monitoring to the SE LEP Accountability Board.*
 - *Manage the Independent Technical Evaluator resource to ensure consistency and support of business plan development as required by local areas.*
 - *Draw upon specialist advice for the SE LEP Accountability Board as required.*
 - *Co-ordinate regular meetings of relevant capital programme managers across the LEP as required.*
 - *Implement with local areas the decisions of the SE LEP Accountability Board.*
 - *Work closely with the SE LEP Board Accountable Body to ensure full compliance and reporting to meet Government requirements.*

This recommendation was agreed in full.

SE LEP Recommendation 11a

The SE LEP Board is recommended to:

- *Agree terms of reference for a Skills Working Group which would:*
 - *Develop technical specifications and timetables with the Skills Funding Agency to administer the competitive bidding rounds for SE LEP Skills Capital competition.*
 - *Manage the relationship with the SFA, particularly relating to Skills Capital and EU programmes, advising the Board as appropriate on SE LEP (not local) arrangements and providing a direct link to local areas.*
 - *Provide specialist governance of existing ESF funding and other funding streams under LEP influence (eg EU Skills Support for Workforce).*
 - *Provide specialist advice to the SE LEP Board and ESIF Committee on EU SIF opt-in arrangements.*
 - *Provide expert advice to the Board on new projects as appropriate.*
 - *Provide a direct link with officers supporting local Employment and Skills Board.*
 - *Reflect the priorities, views and recommendations of local Employment & Skills Board, ensuring federated priorities are central to pan-LEP initiatives/funding opportunities.*
 - *Provide expert skills advice to the LEP Board in ensuring that skills remains a high priority within the LEP.*

This recommendation was agreed in full.

SE LEP Recommendation 11b

The SE LEP Board is asked to:

- *Agree to the appointment of a SE LEP Skills position whose remit would be to support the Board and ESIF Committee in managing the Skills Capital Process and ESIF Skills programmes. (This could be for an initial 6 month period to provide support for the intensive activity expected early in 2015 to release ESIF funding).*
- *Agree to consider further at a later date the need or otherwise the permanent appointment recommended in the Delivery Review at the SE LEP Board meeting in February 2015*

With clarification of the need for this resource in supporting the ESIF process in particular, this recommendation was agreed in full.

SE LEP Recommendation 12

The SE LEP Board is asked to:

- *Approve in the establishment of a framework panel of consultants to “call off” for specific tasks, broadening this to include potential support for the*

SE LEP Accountability Board which would be overseen by the Senior Programme and Project Management Officer (Recommendation 10).

With clarification that this panel would enable support to be “called off” as required, this recommendation was agreed in full.

Additional SE LEP Recommendation

Underpinning the actions above, the SE LEP Board is asked to agree:

- *The SE LEP Secretariat structure in appendix 5*

Welcoming Adam Bryan’s secondment and Lucy Payne who would join SE LEP on 5th January, this recommendation was agreed in full.

Concluding the discussion, the Chairman agreed to write to Baroness Kramer, reporting that all recommendations had been agreed.

The Director confirmed that a letter from the Chairman to Board Members confirming all actions would follow early the next week.

4. Growth Deal 2

Peter Jones reported back on his telephone conversation with Minister Greg Clark and indicated that while there had been considerable determination in Government to make further funding available in 2015/16, the Office of Budget Responsibility figures prepared for the Autumn Statement did not, in the end, give this opportunity. The Chairman echoed the disappointment felt by both private and public sector partners and thanked them for the considerable work they had done to bring forward projects.

Louise Morgan (Deputy Director, BIS) reiterated that the Growth Deal was a competitive process and that it was vital to have clear priority projects. She urged the LEP to continue working closely with MPs and would ensure the Minister encouraged local MPs to do this. Louise Morgan confirmed that grant letters would soon be issued to LEPs and provided reassurance that financial profiles and commitments would include projects continuing or beginning after 2015/16.

The Chairman asked David Godfrey to advise on next steps for SE LEP who proposed that a re-profiled bid should now come forward for submission to the value of around £80m noting a likely minimum from a per capita distribution to SE LEP but recommending a higher bid reflecting the LEP's strength of ambition and priority projects.

The bid would be submitted as a brief spreadsheet to lodge the schemes and profiles in the form requested. Individual business cases would continue to be shared with officials for feedback.

The Chairman indicated that a Ministerial letter was now expected outlining the next stages of Growth Deal 2 and that he would circulate this to Board members as soon as received.

5. ESIF and Local Implementation Plan

The Chairman introduced the item, noting that George Kieffer had had to leave for a Ministerial meeting to promote improvements to the A120 corridor, a LEP transport priority. He then thanked Lorraine George for her unstinting work on the ESIF and Local Implementation Plan in the face of many challenges.

Board members indicated they had no further issues to raise on the report following George Kieffer's earlier update.

It was agreed to note the report.

6. Investment Fund update

The Chairman began by welcoming Suzanne Bennett back from maternity leave.

The Chairman then advised members that a procurement was being made of leading property consultants CBRE to undertake the initial feasibility and design phases of the the development of SEFUND, the LEP's proposed real estate and infrastructure fund. The The Director confirmed that a process had been undertaken following the SEFUND Shadow Shadow Board meeting and that clear procurement and legal advice had been given on the on the approach to ensure the March delivery timetable could be met.

The report and timetable were noted.

On the Growing Places Fund, Suzanne Bennett reported good progress since the last meeting to progress additional allocations and that the Expansion East Kent Investment Investment Advisory Board would soon be meeting in January to consider progress and and funding proposals for the agreed Workspace Kent and Discovery Park projects. Suzanne Suzanne Bennett highlighted the Secretariat's proposal to increase repayment terms for for Parkside Office Village reflecting the reasons listed in the paper.

It was agreed that repayment terms could increase to March 2018 with authority delegated to agree actual dates with the SE LEP Director and Chairman.

Recognising the need to avoid setting precedents while SEFUND was under development, it was also agreed that any further requests for rescheduling payments on any project should be made to the Accountability Board or SEFUND Shadow Board on a case-by-case basis.

7. Growth Deal 1 Implementation

The Director updated the Board on the implementation of Growth Deal 1 and, in particular, the expected Grant Letter establishing funding payments and profile to SE LEP. Tim Rignall of Essex County Council was then asked to introduce a paper on Growth Hubs, as requested at the last Board meeting. The paper had been revised and re-drawn after comments at the Board and in further discussions with local areas to establish funding allocations and was a joint paper on behalf of all areas.

Jo James sought clarification on the SE LEP “landing site” with local areas providing detailed local information for local businesses and also asked about proposals for co-location of advisers as this would have an implication for Chambers of Commerce and others. Tim Rignall provided re-assurance on the greater detail that was proposed to be held on local sites within the model set out in the paper and the local co-ordination of any business advisers that would be for local areas to determine.

The proposed funding allocation methodology was agreed, noting the need to respond to Government with progress and to ensure Growth Hub implementation by 1st April, 2015.

8. CORE Funding

Susanne Bennett advised that the Government had recently confirmed that £250,000 funding per LEP would be available for the coming financial year. As in previous financial years, each LEP would be required to match the £250,000 from local sources. Applications for this funding were required by 17th December 2014.

It was also confirmed that a further £250,000 of funding (unmatched) to support the development and implementation of strategy would be made to the South East LEP. Board Members voiced concern that SE LPE was being provided the same level of funding as LEPs significantly smaller and the Chairman said that he would continue to make this point with Ministers.

The Secretariat would bring a full 2015/16 SE LEP budget to the next Board meeting.

Recognising the need to draw down CORE funding, it was agreed to submit an application for the full £250,000 of core funding for 2015/16.

Those members present who represented county/unitary authorities confirmed their financial contribution to the LEP in 2015/16, made on the same basis as in 2014/15 totalling £200,000.

9. BT and the support of business in the SE LEP Area

The Chairman explained this item was the first of a series of meetings SE LEP intended to have with national infrastructure providers and thanked Geoff Miles for arranging BT to present to the meeting.

The Chairman welcomed Andrew Campling (General Manager for London, Southern and Eastern England) from BT, Peter Cowen (Partnership Director for South East England) and Annette Thorpe (Partnership Director for the East of England) to the Board.

BT presented updated on Broadband roll-out, noting the considerable boost to growth of those companies who were actively taking advantage of digital services and the relative low cost of services in comparison to other countries. The Chairman agreed to circulate the BT slides with the minutes of the meeting.

Andrew Bowles asked for clarification on the potential flexibility that local bodies had in targeting Broadband roll-out and it was confirmed this was possible.

Wider concerns on utilities were raised, particularly in delays in the connection of major delivery sites. A positive response was given relating to an Essex scheme, though BT indicated it should be looked at who is investing for what and to manage demands accordingly.

Peter Fleming referred to BT re-prioritising Broadband roll-out in some cases in response to community pressure and local intentions to provide connections independently, a premise which was not accepted. The relative low cost of BT services was also noted.

Kevin Bentley indicated the significant role SE LEP could have in dealing with utility companies. Graham Peters suggested a SE LEP "Utilities Tzar". Geoff Miles re-affirmed the importance of working together to enable business growth.

A later issue was raised requesting comparison of 3G and 4 G roll-out by Rupert Simmonds.

Andrew Campling and colleagues were thanked very much for their presentations and discussions and were asked to stay for lunch to take any further questions or discussion.

10. AOB

The Chairman indicated that an operation would prevent him attending the February Board meeting and it was agreed this would be pushed back in to March.

11. Close and lunch

The Chairman thanks all Board members, presenters and guests for their attendance and contribution and wished everyone a very merry Christmas and a happy and prosperous new year.