



# ANNUAL REPORT

APRIL 2016 TO MARCH 2017



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP



# CHAIRMAN AND DIRECTOR FOREWORD

2016/17 has seen the South East LEP make considerable progress - ramped-up delivery of the Growth Deal; true recognition of the aggregate power of the LEP's partners; demonstrable best practice around assurance and accountability; and a commitment to game-changing infrastructure investment.

At a time when our economy needs a certain guarantee of success, it is clear that investing in the South East is an essential starting point for ensuring the success of the Midlands Engine and the Northern Powerhouse. The South East LEP area provides the gateway to the world. Therefore, ensuring that our transport corridors are functioning well should be the bare minimum expectation of everyone with an interest in the vitality of UK plc.

Our focus has been the delivery of the Growth Deal. 12 projects have already been completed and around £134m Local Growth Fund spent to date by March 2017. In total, over 60 projects have been given approval to move forward. In addition, our Growth Deal round three settlement, adding £102.65m to the working total, raises our impact by enabling the delivery of a further 6,000 homes and nearly 33,000 jobs. Importantly, £141m of additional private investment is attracted to the area.

2017/18 starts with a strategic reset. Brexit; ensuring an alignment with the national Industrial Strategy; building on previous investments; and capitalising on the increased cohesion of the partnership are reasons enough to recast the Strategic Economic Plan. While it would be wrong to prejudge the strategic priorities which we hope will emerge in December, our blueprint for action in the meantime is set...

- We must maintain the pressure and pace on the Lower Thames Crossing. Issues at the current crossing are becoming a daily occurrence and the impact on our economy – and the quality of life of local residents in Dartford and Thurrock – cannot be ignored. We are players in a once in a generation opportunity to change this for the better.
- We must capitalise on Government's interest in our area. As a starting point, that is building on progress made by the Thames Estuary Growth 2050 Commission, and helping set an achievable yet ambitious vision for change.
- We must begin to chart a post-Brexit future for the LEP – this includes contributing to the discussions around the future of funding after European Structural Investment Funds. It is about identifying the issues in different sectors of the economy and shouting up when needed.

- We must use everything we have at our disposal to invest in growth. This includes stretching the use of Growing Places Fund and utilising the flexibilities we have over the Local Growth Fund to ensure that the ready to go projects are enabled to happen now.
- We must support the conditions for housebuilders across the LEP by prioritising a focus on those investments which unlock space for housing
- We must build on the exceptional relationships that we have with colleges and universities across the LEP area and find innovative ways of supporting their growth and bringing their strengths to the fore as we target every avenue for funding the commercialisation of research and ways to encourage our SME base to innovate

The way we work will radiate from the pages of the new Strategic Economic Plan. The Board have mandated the South East LEP to take a brasher, more front-footed approach to how we back economic growth in our area. This is not a time to be told what we might be able to have. Collectively, we have to be clear on what we want and we must continue to deliver together.

**Christian Brodie and Adam Bryan**  
July 2017



**JUNE 16**

We take a trip to Liverpool to be part of the International Festival for Business and bring along representatives from some of the inspiring creative and cultural businesses we have in our area

**AUGUST 2016**

Throughout the summer we talk to partners in universities, further education, Government and business about the newly launched Thames Estuary Growth Commission and how we can make sure the South East punches above its weight by maximising all the opportunities

**JULY 2016**

Our bid for further Local Growth Funding is submitted to Government. The £229m bid is made up of 41 projects from across the LEP. It includes infrastructure improvements, investment in skills capital and support to businesses, all of which are the most important investments we need to keep our growth on track



**APRIL 16**

Start of the second year of the Local Growth Fund capital programme. A new contract for Independent Technical Evaluation is awarded to cover until the end of the programme and the delivery momentum grows

**MAY 16**

Working with our partners in Hertfordshire LEP, we outline investment options for improvements to the West Anglia Mainline at a workshop for 'businesses'. The issues with this key piece of infrastructure are restricting growth in one of our key corridors (M11/ Stansted) and must be addressed



**SEPTEMBER 2016**

Our work with the Housing and Finance Institute continues and we're recognised as the first LEP in the country to be 'Housing Business Ready' - our commitment to the programme reflects the concerns across the region about the housing market and the importance of housing, not just for residents but businesses too

## OCTOBER 2016

Following the EU referendum we work hard with our partners to ensure that businesses are aware that the EU Funds under ESIF will continue. The Low Carbon Across the South East (LOCASE) grant programme is launched as a part of this

## NOVEMBER 2016

We are aware of the skills gap that our businesses find when they want to employ in our area so we are really pleased that the Careers Enterprise Company (CEC) have launched the Employer Mentoring Programme. We also work with the CEC to ensure their Enterprise Adviser Network is working well with nearly 200 schools across the region so we can make sure everyone is ready for the workplace



## DECEMBER 2016

It's time for our Annual Conversation with Government. This is Government's opportunity to give us some feedback on our performance and for us to make some asks of Government. The feedback is positive and our focus on delivery is commented on. We asked for, and received more freedom and flexibilities in how we manage our programme of investments

## JANUARY 2017

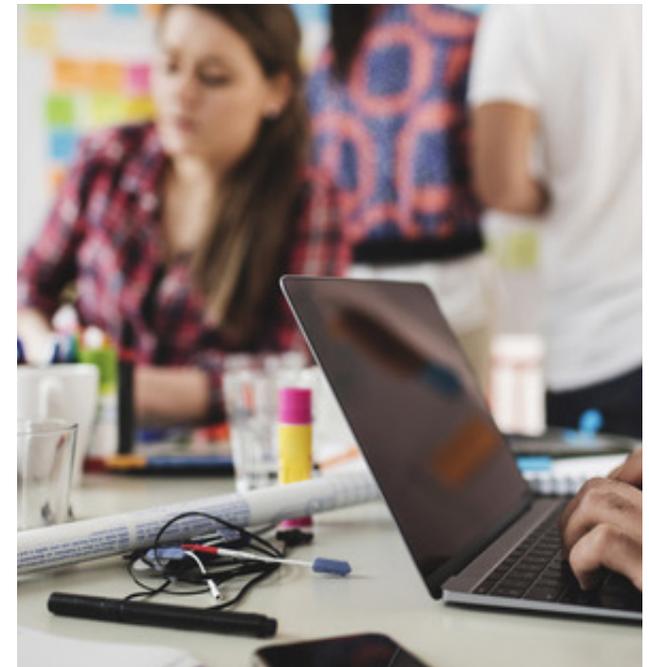
Keeping the pressure on improvements in the housing market, we sponsor the Infrastructure Dependencies Mapping (IDM) pilot which is launched this month. The pilot will allow different parties, both public and private, identify and bring forward infrastructure provision that will facilitate accelerated growth and housing delivery

## FEBRUARY 2017

We're a key part of the ongoing discussions about Sub-national Transport Bodies (STB) – we need to combat a general view that the relative prosperity in the South East means that infrastructure provision is sufficient and doesn't need any further investment. Working with the STBs is one of the ways we are doing this

## MARCH 2017

The year ends as it started – on a busy note! We get confirmation that we are going to receive £103m of investment for the Local Growth Fund Round 3 which means a further 19 projects can now be brought forward and delivered. We are delighted when the Secretary of State announces a preferred route for the new Lower Thames Crossing. Although the route isn't universally supported across the LEP, everyone agrees that the situation at the Dartford Crossing is just not acceptable. It impacts not only our residents and businesses but residents and businesses across the country



# HIGHLIGHTS

## GROWTH DEAL 3 OUTCOME

The announcement that Growth Deal 3 would be opened for bids came at just the right time for the SELEP. We worked closely with the Federated Boards to come up with our first pan-LEP prioritised list of investments. It was a very ambitious bid; we asked for investment of £229m. This was more than 12% of the total £1.8bn that was available for the whole of England – far beyond what would have been available if the funding had been allocated on a per capita basis. We wanted to take this chance to demonstrate the opportunities available on our patch. Our final offer from Government was a total of £102.65m. This was a solid recognition of potential of the South East. The 19 projects selected for investment include:

- Investment to ensure the retention of international rail services to Ashford International Railway Station; keeping the South East connected to the rest of the world
- 2 flood improvement schemes which will mean that land that currently cannot be brought forward for development will be freed up
- 2 new business parks to encourage our businesses to grow and businesses to relocate in our area
- A scheme that will allow for the purchase and development of an ex-MOD site near Sevenoaks. This site will offer commercial space in an area of the country where availability is particularly low
- 4 investments in innovation or skills spaces that will allow us to grow the key requirements that we are going to need to make sure that the South East can compete on a global stage post Brexit

- 5 road schemes that will address some of the most congested points on our roads network and keep our residents and businesses moving
- Major improvements to two town centres that sit either side of the Thames, unlocking their potential and making life better for those living and working there already
- An investment that will bring forward the delivery of new commercial employment sites at three locations in East Sussex
- Contribution to the first stage of regeneration at the Devonshire Park, Eastbourne, including conference and exhibition facilities

In total, the £102.65m will lever in private investment of over £141m which will enable the creation or safeguarding of nearly 33,000 jobs and allow the development of over 6,000 new homes.

## LOCAL GROWTH DEAL – CASE STUDIES

12 LGF projects are already completed. These are some examples of how LGF investments are benefiting our residents and businesses: ...

### Maidstone Gyratory - £4.6m LGF

2016/17 saw the delivery and completion of Maidstone Gyratory project, providing a new section of carriageway on the A229 in the centre of Maidstone, as the County Town of Kent.

The project was delivered with minimum disruption as a result of extensive communication and engagement work, along with carefully managed road closures during the construction phase of the project.

With over 5,800 vehicles using the gyratory during an average morning rush hour, this investment has tackled this pinch point created by the River Medway and improved journey time.

### Swallow Business Park, Hailsham - £1.4m LGF

Local Growth Fund investment at Swallow Business Park has funded site enabling works, including utility and site access, addressing site viability issues and enabling developers to bring forward the speculative build of new commercial floorspace at the 3.4 hectare Business Park site.

The site enabling works are now fully completed, with 3,000sqm of new commercial space having been built and occupied to date, with further follow on investment expected and due to create a total of 240 new jobs. Development at the Business Park will provide much needed commercial spaces in East Sussex, meeting demand from new and growing businesses.

### A414 Maldon to Chelmsford RBS - £2m LGF

The A414 Maldon to Chelmsford provides a main route between these towns of growing population and currently accommodates over 15,000 vehicles a day; a number which is set to rise with the delivery of new houses and employment opportunities in the area.

Local Growth Fund has contributed to improvements at four specific locations along the route. Works have now been completed at all four of the locations; Well Lanes mini roundabout, Eves Corner, Limebrook Way roundabout and Spital Road roundabout. These improvements have improved traffic flow and journey times to Maldon, a coastal town set to deliver a total of 4430 new homes and 2,000 new jobs by 2029.

## LOWER THAMES CROSSING

In April 2017, the preferred route of the Lower Thames Crossing was announced. Our job from this point is to ensure that positive momentum is maintained and that Highways England are supported in the development of a major scheme which succeeds in working to best effect for all of our local people, businesses and community groups. SELEP recognises the potential benefits of the additional crossing and we must work smartly to ensure that the significant benefits are optimised across the area and that any adverse impacts on local communities are kept to an absolute minimum. SELEP will be working with Highways England to ensure that local businesses are part of the conversation from the beginning.

## GROWING PLACES FUND UTILISATION

SELEP has kicked off the reinvestment of Growing Places Fund, our revolving loan fund, with around £9m due to be allocated by late 2017. Added to this, the Growing Places Fund revenue pot is also being fully deployed with up to £500k per annum for the next three years available to the SELEP Working Groups to invest in pan-LEP projects and initiatives.

## HOUSING DELIVERY

Accelerating housing delivery is a key ambition of SELEP. Amongst its peer LEPs, SELEPs housing output is the largest nationally outside of London. The SELEP area has seen Housing Completions rise from 7,990 in 2012/13 to 10,670 in 2016/17, **an increase of 33% in the rate of delivery**. Our collective work with both private and public sector developers is making a demonstrable difference, with **Housing Starts**

growing from 6,620 in 2012/13 to 12,280 in 2016/17, **an increase of 85%**.

SELEP	Starts	Completions
2012-2013	6,620	7,990
2013-2014	8,590	7,230
2014-2015	9,930	7,960
2015-2016	10,410	10,600
2016-2017	12,280	10,670

Source: DCLG LIVETABLE 255

House Building: Permanent Dwellings Started and Completed, by Tenure and LEP

At the LEP network Annual Conference 2017, the Secretary of State for Communities & Local Government praised the work of the SELEP highlighting the success in thinking beyond the boundaries of its growth deal, and in particular for being awarded 'Housing Business Ready' status by the HFi. Speaking about SELEP, the Secretary of State said: "The South East LEP is working with councils, planners, developers and regulators to make sure utilities and infrastructure are provided where they're needed right across the region. The unique nature of a LEP means it can do this across traditional local authority boundaries and across both the public and private sector."

## HOUSING AND FINANCE INSTITUTE (HFI)

Supported by SELEP, HFi have worked with a total of ten local authorities in the SELEP area. With a fresh cohort of 4 coastal authorities in 2016/17 (Tendring, Southend, Hastings and Thanet) joining the original 6 pilot authorities. HFi have recognised SELEP as a Housing Business Ready LEP and SELEP remains the only LEP nationally to hold this accreditation. An Infrastructure Pilot scheme is being carried out by the HFi in the area with input from colleagues from SELEP and industry experts. The SELEP-supported pilot is examining ways in which different parties and public bodies, local and national, can help to identify, plan, assess and unblock factors to facilitate accelerated growth and housing delivery.

## SKILLS

SELEP has been allocated nearly £22 million Skills Capital Funding. During 2015-16, £9.9m of this was spent with the remaining £12.1m allocated and spent in 2016-17. This has enabled 29 projects through four funding rounds, with roughly a 50% match funding contribution from local authorities, colleges and the private sector. Across the projects, there will be delivery of an **additional 15,000 full time qualifications and 7,300 additional apprenticeships to 2020**. Approximately **21,527m<sup>2</sup> of new and improved learning and training floor space and facilities** will be in place in 2017.

SELEP has continued to work with the Skills Funding Agency (now Education and Skills Funding Agency ESFA), Department for Work and Pensions and Big Lottery to support in overseeing ESF projects now underway. Further information on projects underway is available [here](#).

SELEP is supporting the work of the national **Careers Enterprise Company (CEC)**, charged by Government to transform the provision of careers education and advice for young people to ensure that when they leave school they are ready for the workplace. The CEC and local authorities are co-funding Enterprise Co-ordinators, to build careers plans and make connections to local and national employers. Further information is available [here](#).

In 2016/17 SELEP continued to support **apprenticeship growth** and through a successful proposal to the ESFA with the local skills boards, a range of apprenticeship readiness activities have been funded. **Working in partnership with the National Careers Service**, a series of videos promoting adult apprenticeships have also been produced and will soon be available on the LEP website.

## BUSINESS SUPPORT PROJECTS

Eight European Regional Development Funding projects were awarded this year, unlocking a further £17.9 million of SELEPs 2014-2020 allocation and leveraging £28.2 million of public and private sector match. These projects offer bespoke support to new and existing SMEs across the SELEP area, particularly those operating in high priority sectors. Support includes free workshops and 1-2-1 advice on topics such as business planning and growth, marketing and exporting; site visits and advice to implement energy efficiency measures; connectivity to academic expertise to facilitate commercialisation of products and services; and a variety of grant programmes.

## LOOKING FORWARD: STRATEGIC ECONOMIC PLAN

It is imperative that SELEP has a strategy in place which takes account of local, national and international changes since the publication of the first document in 2014.

Most importantly, a new Strategic Economic Plan (SEP) will position SELEP to influence national thinking on the delivery of the Industrial Strategy and how the focus on 'sector deals' will benefit businesses and communities in the South East. Other policy areas for the new Government will play an important role in shaping the SEP. The Housing White Paper is particularly apposite, as is the London Plan, the emerging sub-national transport bodies and the ongoing work of the Thames Estuary 2050 Growth Commission, the output of which should be entirely complementary to our direction of travel. It is incumbent on SELEP to also ensure that it works in complementary fashion with its neighbours, including London.

The SEP will have a clear relationship with the developing SELEP Skills Strategy and our Infrastructure and Investment Plan – the former providing some detail on how we work with local Employment and Skills Boards in supporting skills development and the latter providing details on the priority projects for investment which will underpin the success of the SEP.



**1** SELEP  
TEAM

**12**

LGF  
ALREADY  
COMPLETED

**£134m**  
LGF SPENT  
ALREADY

**60+**  
LGF PROJECTS  
APPROVED FOR  
FUNDING

**340,000**  
ENTERPRISES IN  
TOTAL

**£180m**  
ESIF

**£590m**  
GROWTH  
DEAL AFTER  
£103M GD3

**27**  
BOARD  
MEMBERS

**£22m** skills capital investment  
completed by March 2017

**4** ENTERPRISE  
ZONES

**9** UNIVERSITIES

**4.2m**  
PEOPLE  
2M PEOPLE  
ECONOMICALLY  
ACTIVE

**57%** INCREASE IN  
HOUSING STARTS  
**47%** INCREASE IN HOUSING  
COMPLETIONS

**157,000**  
VAT REGISTERED BUSINESSES

**8** ERDF  
PROJECTS



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP