

SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP

ANNUAL REPORT 2015-16

South East
Local Enterprise Partnership



CHAIRMAN'S REVIEW AND FOREWORD



George Kieffer

GEORGE KIEFFER
Interim Chair
July 2015 – March 2016

2015-16 has been a year of progress for the South East LEP. We have seen our investments and delivery programmes demonstrate real impact, and the role of LEPs cemented in national policy.

Preparing an annual report provides an opportunity to reflect. It is an opportunity to take stock and to set ourselves in readiness for the challenges ahead, and to look back on the substantial achievements we have made in partnership.

DEVELOPING OUR GROWTH DEAL

We have made substantial progress in delivering our LGF investment programme. In the first year of our LGF programme, we have seen the approval of 47 LGF projects spending some £55m across our federated areas. 2015-16 saw construction work start on site for a number of projects and completion of our first three LGF projects: Colchester Broadband; Colchester Park and Ride; and Folkestone Seafront infrastructure and engineering works.

DEVELOPING OUR ACCOUNTABILITY BOARD AND MANAGEMENT OF OUR CAPITAL PROGRAMME

Following our Growth Deal awards and Governance review in 2014/15 we have implemented a new Assurance Framework and an Accountability Board structure, chaired by Geoff Miles, Vice Chair. This ensures robust governance and democratic accountability appropriate to the scale of our investments. We have also developed a rigorous procedure for independently assessing projects and for managing our capital programme. These measures, in aggregate, provide a strong framework for SELEP's operations, embed our federal model and support strong business and public sector partnerships.

Crucially, they provide assurance to HM Government that every pound of taxpayers' money is spent in unlocking local growth and leveraging in private sector investment – positioning SELEP to benefit from future funding rounds.

DEVELOPMENT OF GROWTH HUB

We have delivered on the commitment, set out in our Strategic Economic Plan, to establish a Growth Hub across the SELEP area. Our unique approach has provided bespoke solutions in each federal area, and improved business access to nationally and locally provided support.

From the project's inception in June 2014, partners have worked together to balance the need to design and develop local solutions through a consistent approach and under a clear, overarching brand. Invaluable throughout this process has been the learning, experience and insights shared by partners working across the LEP area, a true example of positive and effective pan-LEP delivery.

DEVELOPING A CLEAR VOICE ON THE LOWER THAMES CROSSING

SELEP has long advocated the need for an additional Thames Crossing, east of the Dartford River Crossing and we have continued to play a vital role in strengthening business engagement with the public debate on the route of a future Lower Thames Crossing. During a public consultation, initiated by Highways England, we delivered a full campaign programme, including online materials, events and media engagement to ensure that businesses, business groups and representative bodies across our area could make their voice heard in the debate.

DEVELOPING NEW ENTERPRISE ZONES

We have successfully secured new Enterprise Zones within the SELEP area. The North Kent Enterprise Zone is a multi-site scheme spanning Kent Medical Campus, Ebbsfleet Garden City and Rochester Airport. The Newhaven Enterprise Zone covers eight key strategic, but non-contiguous, sites covering around 200 acres (79ha) and include plans for a new business park, an operations and maintenance base for Rampion Offshore Wind Farm and a new Waste & Recycling Depot among other developments. Both EZs are due to become effective from April 2017.

DEVELOPING OUR SKILLS CAPITAL INVESTMENT PROGRAMME

SELEP has allocated nearly £22m to colleges across the region to support the development of courses in priority sectors. Our project portfolio ranges from supporting the construction of a new campus in Ashford, Kent, to the refurbishment and development of science facilities at the Lewes Campus of Sussex Downs College. Our funding allocations have encouraged innovative models of collaboration between colleges and businesses to ensure that skills provision meets the current and future needs of employers.

DEVELOPING OUR EU FUNDING PROGRAMME

SELEP partners have been proactive in seeking to draw down investment from EU sources. Our European Structural and Investment Fund (ESIF) strategy was submitted in April 2015, setting out how we planned to spend an indicative allocation of c. £204 million of EU funding in the SELEP area in the period 2014-2020. SELEP partners have already secured grant commitments under key funding streams, including some £24 million in ERDF funding following just two funding rounds. We are working with Government to mitigate the impact of the referendum decision to withdraw from the EU so that we can continue to deliver projects which are demonstrably in the national interest.

HOUSING AND FINANCE INSTITUTE

Six council areas from within SELEP have been successful in securing recognition from the Housing & Finance Institute (the HFi) under its flagship 'Housing Business Ready Programme'. These SELEP partners have successfully delivered a series of pilots assessing how quickly each will be able to develop and deliver much needed housing stock in their local areas, in the first collaboration of its kind in the country. HFi have recognised SELEP as the first Housing Business Ready LEP.

INTO THE FUTURE

Looking ahead, I am delighted that Chris Brodie was appointed as SELEP Chairman with effect from March 2016. Christian brings invaluable experience in business, international finance, higher education and in working closely with Government departments and has already had a positive impact.

THANK YOU

In December 2015 David Godfrey left as Director of SELEP to take up a position with the Department of Communities and Local Government and was succeeded by his deputy, Adam Bryan, as interim Director. I am delighted that since then Adam has been appointed Managing Director of SELEP and I want to extend my congratulations to him.

Although we are the largest LEP outside London, we have one of the smallest management teams in the country and I want to thank them for their commitment and support which has often gone beyond the call of duty.

I am also conscious that they in turn are supported by local government officers, particularly at the federal level, who do much of the heavy lifting and I would not want their contribution to be overlooked.

Finally my fellow Board Members commit much time to helping us shape and advance our strategy and agenda both at SELEP Board and local levels and I am grateful to them for that continuing support which I know Christian Brodie will also benefit from.

I should also like to pay tribute to my immediate predecessor, Peter Jones CBE, whose 2 year term as Chair ended in July 2015. It is in the nature of the funding that Government makes available to us that many of the projects that are now delivering growth were initiated under his leadership.

Our success and progress has been in a large measure due to all of them.

I know that, with Christian steering the partnership through its next phase of development, SELEP will go from strength to strength, driving economic growth, and making a major contribution to national growth and prosperity.

OUR GROWTH DEAL

The last year has seen huge strides being taken across the SELEP area in delivering our Local Growth Fund (LGF) programme. Federated areas have risen to the challenge and demonstrated that they are in a strong position to take forward the delivery of Local Growth Fund projects in partnership with the private sector and third party organisations. SELEP has implemented effective governance arrangements to support clear and transparent decision making in the delivery of our Growth Deal. The Government can have full confidence that decisions to commit Local Growth Fund are made in a proper, transparent and effective manner subject to robust local authority checks and balances and they deliver the maximum value for money.

During 2015/16, a competitive tender process was completed for the provision of Independent Technical Evaluation (ITE) services as a key requirement of our Assurance Framework, through which Steer Davies Gleave were reappointed as SELEP ITE. Steer Davies Gleave play an important role in providing an independent assessment of all LGF Business Cases and in making recommendations to the SELEP Accountability Board on an LGF projects Value for Money. This rigour in

the assessment of project Business Cases ensures that our LGF programme will achieve tangible benefits from investment.

For the projects approved during 2015/16 by SELEP Accountability Board, the Business Cases developed for these projects showed a very high average Benefit Cost Ratios of 4.8. **This indicated that for every £1 of LGF invested in the South East, benefits to the value of £4.8 will be achieved.**



Ridham Avenue – new housing in Sittingbourne

OUR GROWTH DEAL COMMITMENT	WHAT WE HAVE ACHIEVED TO DATE	OUTLOOK
The delivery of a £482m LGF capital investment programme.	LGF expenditure of £55.7m in 2015/16. A total of 47 projects approved by Accountability Board. Uplift in the pace of housing delivery across the South East.	The SELEP is on track to deliver upon its growth deal outcomes. Working at pace to deliver our programme of 78 LGF projects.
The creation of up to 45,000 new jobs, to boost employment opportunities in the South East.	Increase from 145,875 businesses in March 2014 to 156,915 Businesses in March 2015, a 7.6% increase in businesses located in the South East LEP area. Figures for 15-16 are not available but hope to see this trend continue.	Re-investment of £6m of Growing Place Fund returns enabling further benefits to be achieved through the recycling of this loan funding. The 2016/17 Autumn Statement will announce the outcome of our LGF Round 3 call for further LGF investment. We look forward to an LGF announcement which will reflect SELEP's appetite for growth and growth potential.
The delivery of 23,000 new homes to support our growing population.	Housing starts rose from 6,620 in 2012/13 to 10,410 in 2015/16, a 57% increase. Housing completions grew from 7,230 in 2013/14 to 10,600 in 2015/16, a 47% increase.	

LOCAL GROWTH FUND

The benefits of our LGF investment are already starting to materialise as LGF investment has instilled confidence in businesses and acted as an enabler for private sector investment. Our Growth Deal will deliver the infrastructure required to strengthen and grow our economy, through opening up new employment opportunities and increasing productivity.

Targeted LGF investment in projects to support the delivery of new homes has enabled construction works to commence at new or stalled residential development sites. SELEP has already seen a substantial uplift in the number of new houses being delivered, to help meet the housing needs of our existing and growing population.

The first year of our LGF programme has also seen £9.9m of investment in skills project which will act to raise skills levels in the South East to match business needs and create the market conditions to support the development of high productivity business activity in the South East.



Tonbridge Town Centre

PROJECT NAME	AREA
PROJECTS APPROVED BY SELEP ACCOUNTABILITY BOARD IN 2015/16	
Skills Capital Programme	PAN LEP
Newhaven Flood Defences	EAST SUSSEX
Kent and Medway Growth Hub	KENT
Colchester Broadband Infrastructure	ESSEX
Southend Growth Hub	SOUTHEND
Tonbridge Town Centre Regeneration	KENT
Sittingbourne Town Centre Regeneration	KENT
M20 Junction 4 Eastern Overbridge	KENT
Kent Thameside LSTF	KENT
Maidstone Gyratory Bypass	KENT
Middle Deal transport Improvements	KENT
Kent Rights of Way Improvement Plan	KENT
Folkestone Seafront : onsite infrastructure and engineering works	KENT
A289 Four Elms Roundabout to Medway Tunnel Journey time and Network Improvements	MEDWAY
Strood Town Centre Journey Time and Accessibility Enhancements	MEDWAY
Chatham Town Centre Place-making and Public Realm Package	MEDWAY

PROJECT NAME	AREA
Medway Cycling Action Plan	MEDWAY
Medway City Estate Connectivity Improvement Measures	MEDWAY
Hailsham/Polegate/Eastbourne Sustainable Transport Corridor	EAST SUSSEX
Colchester LSTF	ESSEX
Colchester Integrated Transport Package	ESSEX
Colchester Town Centre	ESSEX
TGSE LSTF - Essex	ESSEX
TGSE LSTF - Southend	SOUTHEND
TGSE LSTF - Thurrock	THURROCK
A414 Pinch Point Package: A414 First Avenue & Cambridge Rd junction	ESSEX
A414 Maldon to Chelmsford RBS	ESSEX
Chelmsford Station / Station Square / Mill Yard	ESSEX
Basildon Integrated Transport Package	ESSEX
Queensway Gateway Road	EAST SUSSEX
Colchester Park and Ride and Bus Priority measures	ESSEX
A28 Chart Road	KENT

PROJECT NAME	AREA
Eastbourne town centre LSTF access & improvement package	EAST SUSSEX
Rathmore Road	KENT
A28 Sturry Rd Integrated Transport Package	KENT
Maidstone Sustainable Access to Employment	KENT
Southend and Rochford Joint Area Action Plan (Essex project)	SOUTHEND
Folkestone Seafront (non-transport)	KENT
Swallow Business Park, Hailsham (A22/A27 Growth Corridor)	EAST SUSSEX
Sovereign Harbour (aka Site Infrastructure Investment)	EAST SUSSEX
North Bexhill Access Road and Bexhill Enterprise Park	EAST SUSSEX
West Kent LSTF	KENT
Kent Strategic Congestion Management Programme	KENT
Kent Sustainable Interventions Programme	KENT
Tunbridge Wells Jct Improvement Package (formerly - A26 London Rd/ Speldhurst Rd/ Yew Tree Rd, Tun Wells)	KENT
Eastbourne and South Wealden Walking and Cycling LSTF package	EAST SUSSEX
Maidstone Integrated Transport	KENT

PROJECT NAME	AREA
A133 Colchester to Clacton	ESSEX
A131 Braintree to Sudbury	ESSEX
Dover Western Dock Revival	KENT
Chelmsford City Growth Area Scheme	ESSEX
Chelmsford Flood Alleviation Scheme	ESSEX
Housing Regeneration Project (Coastal Group)	PAN LEP
Beaulieu Park Railway Station	ESSEX
M20 Junction 10a	KENT
A226 London Road/B255 St Clements Way	KENT
A22/A27 Junction Improvement Package	EAST SUSSEX
A127 Capacity Enhancements Road Safety and Network Resilience (ECC)	ESSEX
A127 Kent Elms Corner	SOUTHEND
A127 Essential Bridge and Highway Maintenance - Southend	SOUTHEND
A127 Fairglen Junction Improvements	ESSEX
A127 The Bell	SOUTHEND
A13 Widening	THURROCK

PROJECTS TO BE APPROVED BY SELEP ACCOUNTABILITY BOARD IN 2016 OR LATER YEARS OF LGF PROGRAMME

Purfleet Centre	THURROCK
Rochester Airport - phase 1	MEDWAY
A13 Widening - development	THURROCK
Thurrock Cycle Network	THURROCK
A28 Sturry Link Road	KENT
Southend Central Area Action Plan (SCAAP) - Transport Package	SOUTHEND
Ashford International Rail Connectivity (Ashford Spurs)	KENT
Thanet Parkway	KENT
Hastings and Bexhill junction capacity improvements package	EAST SUSSEX
Hastings and Bexhill LSTF walking and cycling package	EAST SUSSEX
London Gateway/Stanford le Hope	THURROCK
A131 Chelmsford to Braintree	ESSEX
A414 Harlow to Chelmsford	ESSEX



PROGRESS IN 2015/16

Substantial progress has been made in kick-starting our LGF programme of delivery. The first year of the programme LGF funding has seen the approval of the first 47 LGF projects Accountability Board which were allocated LGF in 2015/16 or which have been brought forward for early delivery. In total £55.7m of LGF was spent by Federated Areas during 2015/16. The combination of LGF investment, alongside substantial private sector and local funding contributions, has enabled huge strides to be taken in progressing project delivery.

Despite only being one year into our LGF programme, 2015/16 saw construction works start on site for a number of projects and completion of our first three LGF projects:

- Colchester Broadband Infrastructure, Essex
- Colchester Park and Ride and Bus Priority measures, Essex
- Folkestone Seafront: onsite infrastructure and engineering works, Kent

LOCAL GROWTH FUND EXPENDITURE ON BY FEDERATED AREA IN 2015/16

LGF EXPENDITURE IN 2015/16	£M
East Sussex	9.76
Essex	21.35
Kent	11.16
Medway	1.90
Southend	0.82
Thurrock	0.80
Skills	9.92
Sub-Total	55.71
Centrally Held and Retained	1.41
TOTAL	57.12



LGF DELIVERY IN THE YEAR AHEAD

Looking forward into 2016/17, the pace of LGF delivery will continue to gain momentum as further projects are approved by SELEP Accountability Board and the next steps are taken towards project delivery. During the next year it is expected that a further 9 LGF projects will be completed.

These projects include:

- Swallow Business Park, East Sussex
- Strategic Site Investment Package (formerly known as Sovereign Harbour), East Sussex
- Colchester LSFT, Essex
- TGSE LSTF, Essex
- A414 Maldon to Chelmsford RBS
- Tonbridge Town Centre Regeneration *
- M20 Junction 4
- Maidstone Gyratory Bypass
- TGSE LSTF

* Works on this project were completed on site in June 2016

GROWING PLACES FUND

A third of the projects invested in through GPF have already started to make loan repayments. This clearly demonstrates the success of GPF investment in the South East, the effectiveness of SELEP's approach to the governance of GPF spend and the appetite for private sector business investment when opportunities are created. During the next financial year, it is expected that GPF repayments to the value of £6m will be made. The re-investment of GPF will help facilitate further business growth and perpetuate the benefits from Government's original investment.

GPF PROJECTS AS AT 31ST MARCH 2016	AREA	ALLOCATION £M
Priory Quarter Phase 3	East Sussex	7
North Queensway	East Sussex	1.5
Bexhill Business Mall	East Sussex	6
Sovereign Harbour	East Sussex	4.6
Parkside Office Village	Essex	3.3
Chelmsford NE Urban Expansion	Essex	1
Harlow – Enterprise West Essex	Essex	3.5
Live Margate	Kent	5
Workspace Kent	Kent	1.5
Discovery Park	Kent	5.3
Rochester Riverside	Medway	4.4
Chatham Waterfront	Medway	3
Grays Magistrates	Thurrock	1.4
Harlow Enterprise Zone Revenue Grants	Harlow	1.2
TOTAL		48.7

OUR ECONOMY

KEY SELEP FIGURES, SOURCE: NOMIS



NO QUALIFICATIONS		
JAN – DEC 2014	194,400	7.8%
JAN – DEC 2015	196,600	7.9%
L2 QUALIFICATION		
JAN – DEC 2014	1,781,300	71.7%
JAN – DEC 2015	1,766,900	70.8%
L4 QUALIFICATION		
JAN – DEC 2014	742,600	29.9%
JAN – DEC 2015	766,100	30.7%



HIGHLIGHTS OF ACHIEVEMENTS

APRIL

Launch of SE Business Hub Growth Hub as landing page goes live

SELEP Twitter followers surge past 2500

Growth Deal funding secured annually in advance, following new assurance framework



MAY

Launch of SELEP Rural Strategy and first call for applications under £14.5m EAFRD programme. SELEP was one of 5 pilot areas across the country to participate in this first call. The event was well attended and there has been a lot of interest from rural business from across the area in participating. The secretariat has also liaised with the 9 Leader groups (another key source of funding for rural business) to ensure good communications as the programmes developed in parallel.

ERDF workshop held in East Sussex with DCLG, with the aim of encouraging applications

JUNE

Westminster launch of ESF funding for skills and employability with the Big Lottery, Department for Work & Pensions, and the Skills Funding Agency, introducing the 'Escalator of Opportunity' for funding opportunities. Including presentation from Tim Motz On food enterprise zones.

Community Led Local Development (CLLD) workshop held to encourage local areas in working up their proposals. The funding is focussed and targeted at areas which fall into the most deprived in the country and works on the model of the Leader programme.

Launch of National Housing & Finance Institute Housing Business Ready programme with Natalie Elphicke

Housing Summit with 7 LEP, local authorities, housing associations, contractors and Government to discuss collaboration in accelerating new housing.

SEPTEMBER

Lower Thames Crossing Project Team at Highways England launched their business survey.



OCTOBER

Funding for £8m worth of CLLD projects was opened – these are community-led local development schemes across the SELEP area

£3.5m+ Skills Equipment/Small Capital fund was launched

ESIF Big Lottery Funding of £8m was open for applications to deliver 12 consortia projects across the South East LEP area supporting those furthest from labour market

Official launch of BEST Growth Hub in Southend

Lower Thames Crossing Industry stakeholder group meeting with DfT and Minister Andrew Jones. A joint statement from industry group and supporting letter sent to the Chancellor encouraging early action on a future Lower Thames Crossing.

SELEP responded to Ofcom's Strategic Review of Digital Communication.

10 expressions of interest for SME support, totalling over £20m were received for Round 2 ERDF (business support) call for applications.

SELEP attended CLA's Rural Business Funding Clinic to help raise awareness of the new Leader Programmes and to highlight our own £14.5m EAFRD Programme

NOVEMBER

Joint Committee Agreement finalised and SELEP Accountability Board fully constituted as from 13 November 2015.

Board members and other interested partners visited Manchester to see how the Evergreen investment funding is enabling growth in the area, to inform local SEFUND proposals.

Funding released for Growing Places investment into Workspace Kent programme

5 growth projects totalling £19.6m were approved for investment by SELEP Accountability Board following independent technical evaluation which confirms high value for money.

SE LEP Accountability Board also agreed £17m recommendations to keep capital programme on track and delivering

Business East Sussex Growth Hub launched



ESIF Committee meeting held, assessing £20 million of ERDF business support projects, the refresh of the ESIF strategy (the delivery of which all funding applications must support), progress on CLLD applications and the ESF (employability and skills) opt-ins



The Old Courthouse

DECEMBER

It was announced that a SELEP would benefit from additional Enterprise Zones in key locations of North Kent innovation Zone and Newhaven Enterprise Zone.

Recruitment process for the new SE LEP Chair agreed and Executive Search agencies engaged.

SELEP Board meeting held which included an item on the future role for the LEP in setting the strategic direction for the skills agenda.

Approx 80 applications were considered for ESIF Big Lottery Funding of £8m to deliver a consortia projects across the South East LEP area supporting those furthest from the labour market

5 applications received for CLLD funding

'Annual Conversation' performance review held with Government

JANUARY

Highways England Consultation on a future Lower Thames Crossing was launched. SELEP developed a standalone website and supportive communications campaign aimed at businesses on the issue of a future Lower Thames Crossing route. Letters were sent to all MPs to encourage them to engage businesses in their local area on the issue.

Exploratory meeting with Sir Alan Haselhurst MP to commence work with other LEPs to add weight to the case for a four tracking of the West Anglia Mainline.

In partnership with Coast2capital LEP, a comprehensive briefing was provided to over 50 Sussex training providers on ESF opportunities and how to access them.

The Old Courthouse in Grays opens as a cutting edge Enterprise Centre offering high quality business space, business support and conference facilities. This project was supported with Growing Places Funding through SE LEP.

Zoe Gordon back in the team in the Business Engagement and Communications role following a period of maternity leave.

FEBRUARY

Housing Business Ready Programme in partnership with the Housing & Finance Institute is launched with six pilot Local Authorities identified.

13 bids received for the Skills Equipment Fund totalling £3.4m.

SE LEP attended West Anglia Task Force business meeting at 11 Downing Street with the Chancellor. The case for the four-tracking of the West Anglia main line was made clear and next steps for the task force were discussed.

Confirmation of funding of £1.312m for delivering Growth Hub activity across the SELEP area over the next two years.

5 Skills Capital funding projects totalling over £500K were approved by the SELEP Accountability Board.

The Housing & Finance Institute hosted an event at Guildhall, City of London, which brought together around 100 senior business leaders and representatives from local councils and business services. Several representatives from SE LEP were in attendance and the Housing and Planning Minister, Brandon Lewis MP

MARCH

Christian Brodie appointed new SELEP Chair

SELEP Strategic Board meeting held and discussion included; the Lower Thames Crossing, Assurance Framework and SE LEP Team Plan, including agreement to retain some LGF monies centrally and for the interest to be used to support the functional operations of the LEP.

Lower Thames Crossing - business events in Essex and Kent in collaboration with chambers of commerce to raise awareness and understanding of Lower Thames Crossing consultation and encourage business responses.

Supported by Shared Intelligence, SELEP submitted its response to the Lower Thames Crossing Consultation which closed on 24th March 2016.

SE LEP joint launch event at the House of Commons for the South East Business Growth Hub and Creative Prospectus. The event saw support from a number of MPs and Rt Hon John Whittingdale MP, Secretary of State for the Department of Culture, Media and Sport, officially launched the SE LEP Creative Prospectus.

South East Business Hub developed a video showcasing some of the businesses who have been supported by its services and to demonstrate the valuable contribution it is able to make to businesses looking to start up, expand or grow. View here <https://vimeo.com/159379516>

Budget announcement from Government for up to £1.8 billion to be allocated through a further round of Growth Deals later in 2016; a further £2 billion of Local Growth Fund to be allocated through the Home Building Fund; and the requirement for a nominated Small Business Representative to sit on all LEP boards.

A further Budget announcement that Lord Heseltine would lead a Thames Estuary Commission.

Creative Industries workshop, looking at potential ESF and ERDF bids from the sector.

The ESIF Sub-Committee meeting, was held with updates from Defra, DCLG and DWP on the EU funding programmes.



APRIL

A successful Accountability Board held, over £5.2m Skills Equipment Funding allocated and four business cases approved for LGF schemes, totalling approx £9m.

SELEP appointed Steer Davies Gleave as its partner to undertake the Independent Technical Evaluations (ITE) process for business cases to access funding through SELEP. This is a 5 year contract starting April 2016.

Adam Bryan was successful in securing the role of SELEP Director.

SELEP co-hosted a business breakfast workshop with London Enterprise Panel, on the issue of the importance of the West Anglia Mainline to London and the South East.

A letter was received from Greg Clark MP on Round 3 of LGF. Submissions are invited from LEPs by summer recess, July, 2016.

MAY

Round 3 of the skills capital fund, to support the delivery of training and qualifications that respond to economic need, was launched with £1.8m available across the LEP area.

A submission was made for the M11 Junction 7a project to the Large Local Major Schemes Fund, the aim of this is to provide funding for those exceptionally large, potentially transformative local schemes that are too big to be taken forward within regular local growth fund allocations and could not otherwise be funded.

Together with Hertfordshire LEP, SELEP hosted a business breakfast workshop on the West Anglia Mainline to outline the options for investment in the line and to canvass for business support in the local area for improvements to journey time and capacity on the line.

Jo Simmons, SELEP ERDF Technical Assistance Facilitator began her new role. To help identify and pursue potentially eligible projects for ERDF funding, in line with South East calls for projects.

'Growth Hub week' to celebrate the completion of the national network of 39 hubs and to raise awareness of the role of growth hubs locally. SE Business Hub attended and hosted a session at the BIS Growth Hub workshop and also featured in a month long 'spotlight exhibition' in the reception area of BIS's offices in London.



ENTERPRISE ZONES

HARLOW ENTERPRISE ZONE

a) Kao Park – the birthplace of fibre optic technology

- 120,000 sq ft of refurbished office space completed, fully let to two US electronics companies for occupation from August 2016
- 350,000 sq ft data centre development has received full planning consent with construction commencing June 2016 with the first completion Spring 2017

b) Harlow Science Park (London Road North)

- Acquisition of 25 acres of land by Harlow Council in early 2015
- Vinci UK Developments appointed as the Council's preferred development partner in February 2016
- New access road under construction from January 2016
- First buildings scheduled to be under construction in Q1 2017, eventually comprising c500,000 sq ft of space



NEWHAVEN ENTERPRISE ZONE

The Enterprise Zone in Newhaven covers eight key strategic, but non-contiguous, sites covering around 79ha. The EZ officially commences in April 2017 and comprises a mix of greenfield and brownfield sites including Newhaven town centre.

It is estimated that over the 25-year lifespan of the EZ, almost 600,000ft² of new commercial floorspace will be created and a further 160,000ft² will be refurbished, creating and sustaining around 2,000 FTE jobs.

Some key current highlights:

Eastside South:

- Planning consent for a new business park comprising up to 83,000ft² of B1/B8 business starter units and move-on space. Work on-site is forecast to commence in April 2017, with Phase 1 due for completion in December 2017.

East Quay:

- Operations and Maintenance Base for Rampion Offshore Wind Farm currently under construction and due to be operational by 2018. Will create 60-65 new FTE jobs and over 35,000ft² of new commercial floor space.

Avis Way:

- New Waste & Recycling Depot due to open mid-2017, refurbishing around 25,000ft² of floor space.
- Expansion of one of Newhaven's largest employers to create around 60 FTE jobs, refurbish 23,000ft² and create a further 8,000ft² of new commercial floor space.

NORTH KENT ENTERPRISE ZONE

Multi-site scheme, coming into effect from April 2017:

a) Kent Medical Campus

- 98,000m² flexible accommodation for co-location of medical and life-science companies, HE training facilities for medical and healthcare professions.
- New access road under construction – completed by October 2016
- Initial development (Cygnet mental health facility) commences October 2016, completion by end-2017

b) Ebbsfleet Garden City

- Northfleet Riverside East: 16,000m² of flexible managed workshop and innovation space and training facilities for advanced manufacturing: phase 1 completion by Q3 2019 or earlier.
- Northfleet Riverside West: 37,000m² of mainly larger format industrial and high-tech workshop facilities, intended as a centre of excellence for advanced manufacturing: s.106 agreement being negotiated.

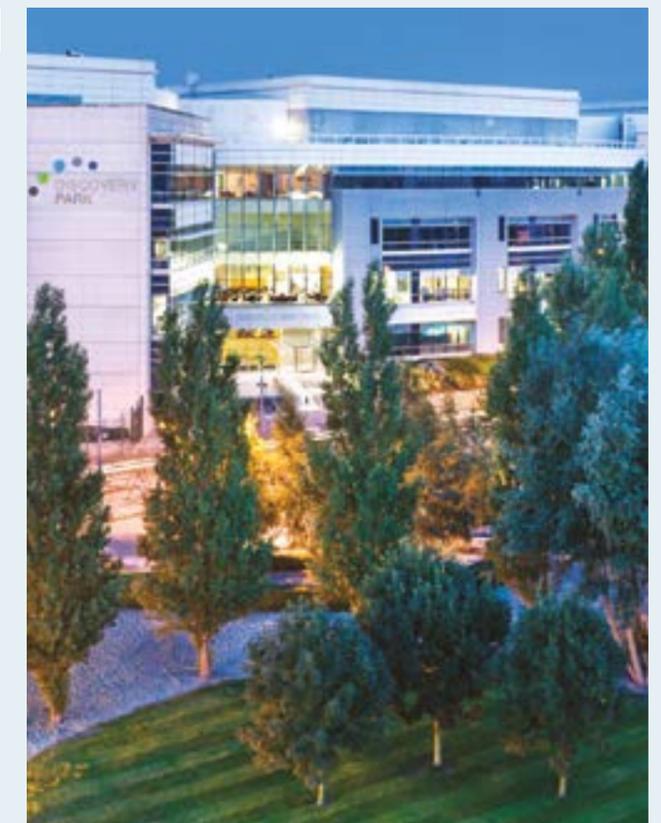
DISCOVERY PARK IN KENT

1. Discovery Park EZ is recognised as one of the most successful in the UK;
2. Currently over 130 companies employing some 2,500 people;
3. Focus on life sciences, but wide range of other activities to create a vibrant business environment;
4. Close collaboration between companies with many reporting significant increase in turnover since moving onto the Park;
5. Strong presence by education institutions including East Kent College and Christ Church University;
6. New manufacturing development has started including buildings for a timber-framed building company and a manufacturer of navigation equipment;
7. New £140m biomass energy centre under construction; and
8. Masterplan for site wide development approved - construction of infrastructure for residential component - up to 500 houses - commences in the autumn, forward funded through GPF.

- Northfleet Rise (next to Ebbsfleet International Station): potential for 30,000m² of high quality innovation space and higher education hub, with focus on medical, healthcare and digital technologies. Delivery timetable in development.

c) Rochester Airport

- Over 48,000m² of innovation and office facilities for advanced manufacturing and engineering businesses
- Phase 1 planning decision and commencement of initial infrastructure early 2017



HOUSING DELIVERY

SELEP performed strongly, delivering 10,600 completed dwellings in 2015/16, compared to 7,690 in 2014/15 – an increase of 33%. We outperformed 36 other Local Enterprise Partnerships and the English average increase of 13%.

The graph below shows the housing delivery in 2015/16 compared to housing delivery in 2014/15, by Local Enterprise Partnership.

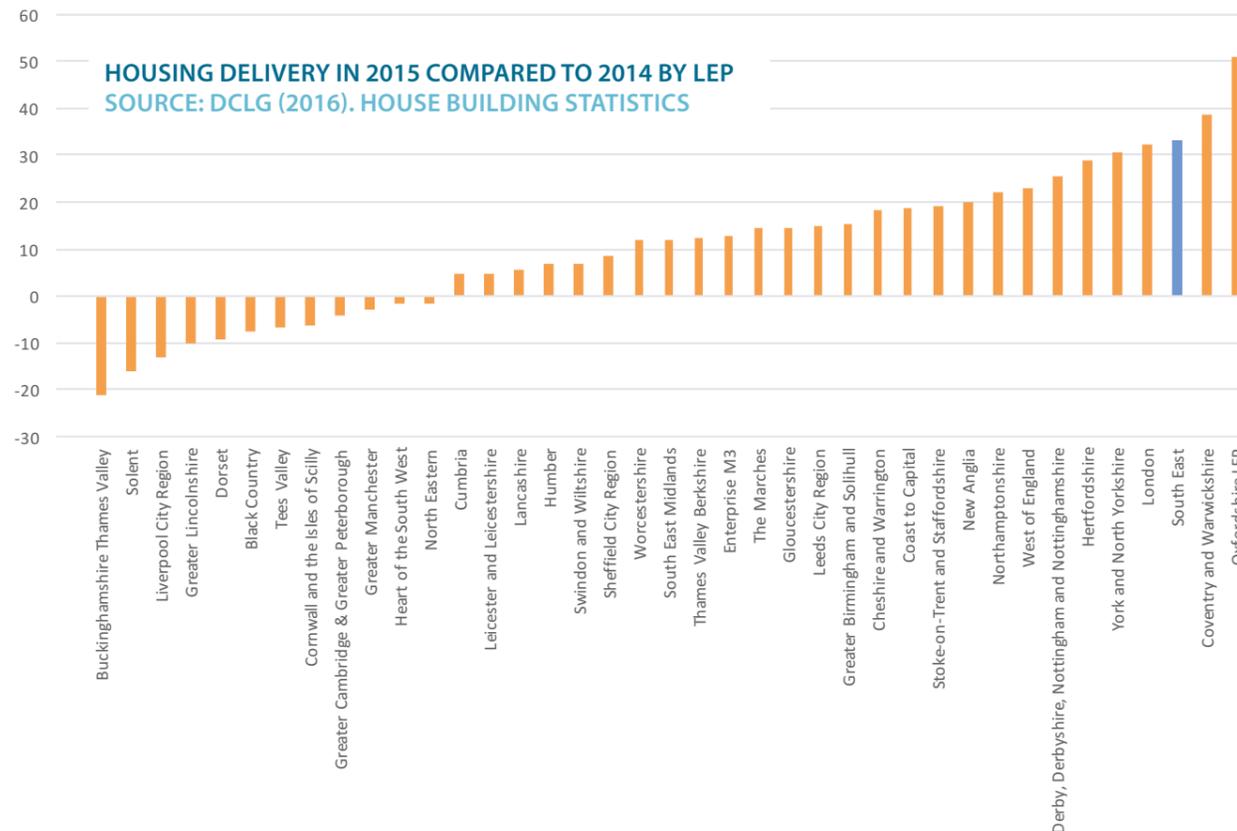
Accelerating housing delivery is a key ambition in the South East Strategic Economic Plan, with an ambition to accelerate housing delivery by an additional 100,000 homes by 2021, this is contributing to the Government ambition for an additional 1 million homes across the nation by 2020.

The SELEP area has seen housing starts rise from 6,620 in 2012/13 to 10,410 in 2015/16, a 57% increase. Over the same period, London starts grew only 19%.

Our collective work has made a demonstrable difference, with Housing completions growing from 7,230 in 2013/14 to 10,600 in 2015/16, a 47% increase in completions.

SELEP	STARTS	COMPLETIONS
2012-13	6,620	7,990
2013-14	8,590	7,230
2014-15	9,930	7,960
2015-16	10,410	10,600

SELEP have facilitated new or contributed to existing dialogue with housing practitioners and developers, to raise the profile of and deliver our Growth Deal responsibilities.



SELEP:

Bring together interested parties to drive development forward

Working together with HFi, Councils, the HCA and developers to promote housing growth, assembling evidence, identifying obstacles, funding and promoting solutions

Support Growth Ambitions

SELEP provide support and advocacy to areas with ambitious growth plans across the SELEP area including Ebbsfleet Garden City, North Essex Garden Settlement and Otterpool Park

Encourage and support councils to bring forward their local plans

Continuing the series of SELEP sponsored Housing Business Ready visits with housing and planning authorities to highlight the contribution that the local planning process can play in promoting accelerated housing delivery

Review the performance of utility companies

Working collaboratively with HFi, Kent Developers Group, Kent County Council, Developers East Sussex, TGSE Developers Forum and other interested parties to gather evidence of performance and taking action in liaison with Government and regulators to ensure utility companies help - not hinder - local growth

Promote best practice

Supporting events and meetings to share best practice and information to support all to the standard of the best, this has helped in widening opportunity for joint working with business through new and existing Developers Forums across the SELEP Area and our regular engagement with Kent Housing Group, East Sussex Housing Officers Group, TGSE Housing Group and Essex Housing Officers Group

Look across LEP boundaries

Looking at the plans and proposals of neighbouring LEPs and their impact in preparing for accelerated growth

Promote the Delivery of Starter Homes

SELEP is working in partnership with the HCA to raise awareness of the opportunities provided by Starter Homes to increase housing delivery. SELEP will support delivery of the Governments priority to build 200,000 Starter Homes by 2020, as an important new component of the SELEP ambition to accelerate housing delivery by an additional 100,000 homes by 2021

HOUSING AND FINANCE INSTITUTE (HFI)

We are proud that SELEP is the 1st LEP nationally to be awarded Housing Business Ready status by the Housing and Finance Institute (HFi). We benefit from highly effective and ambitious District, Unitary and County councils in the SELEP area, our aim is to work collaboratively to add value to the excellent work already underway to deliver new housing.

HFI Chief Executive Natalie Elphicke said:

"The South-East Local Enterprise Partnership very much deserve to be the first of their kind to be awarded Housing Business Ready status. Their excellent contributions to the Housing Business Ready programme has demonstrated their appetite for working closely with businesses and councils to ensure economic growth and housing stability for their region."

SELEP Chairman, Christian Brodie said:

"To be the first Local Enterprise Partnership in the country to be awarded Housing Business Ready status highlights the forward thinking and hard work of our members."

"There is significant pressure in our area to deliver housing, with pressures from London and a growing population. We recognised the need to act and partnering with the HFi was the ideal step."

"The delivery of the programme across all three counties of the LEP helps to support the economic growth and competitiveness of our region."

"We want to deliver good quality housing which creates communities within which people want to live and which can attract the skilled and experienced employees our businesses need."

"So much hard work has gone into the six pilot programmes in our area and credit must go to the Councils and partners involved."

"We are delighted the partnership with the HFi has proved so successful already, and look forward to working with them and extending the programme to a number of our coastal communities, which represent a different housing and economic challenge."

The six councils - Ashford, Braintree, Colchester, Eastbourne, Maidstone and Thurrock which the HFi and SE LEP worked with on the Housing Business Ready programme have been awarded national Housing Business Ready status.

SKILLS

SELEP has worked with The Skills Funding Agency, Department of Work and Pensions, the Big Lottery Building Better Opportunities fund and the Youth Employment Initiative to issue £45.5m of European Social Fund focussed on apprenticeships, progression to high level skills in the workplace, improving numeracy skills and youth unemployment.

SKILLS CAPITAL

SELEP has allocated nearly £22m to colleges across the region to support the development of courses in priority sectors. The projects range from supporting the construction of a new campus in Ashford, Kent, to the refurbishment and development of science facilities at the Lewes Campus of Sussex Downs College. The fund has encouraged innovative models such as locating a logistics training centre with an employer, meeting business needs and providing industry relevant training.



Ashford college

COLLABORATION

This year has seen the Skills Advisory Group go from strength to strength. It is transitioning from driving the ESF processes to supporting the development of a new strategy to drive forwards SELEP's priorities. SELEP has supported skills strands in other projects, such as creative employment, and is exploring the possibilities of working with London on skills issues.

GROWTH HUB

SELEP, within its Strategic Economic Plan, stated that it wished to establish a Growth Hub for each federated area of the LEP to improve access to nationally and locally provided business support. The following Growth Hub model was developed with bespoke delivery nodes for each federated area of the LEP

Since the original proposal was posited in June 2014, partners across SELEP have progressed the development of this Growth Hub model which both harnesses the sheer scale of SELEP by coalescing under a single umbrella; and recognises the unique federal model of operation by ensuring that local areas within SELEP are able to deliver their bespoke local models with a degree of flexibility yet encased within a consistent brand and a uniformed approach.

Development of the individual Growth Hubs has been driven through the learning and experience of the Southend Growth Hub (Business Southend) which was first established through the Regional Growth Fund as part of the Wave 2 City deals.

To support the individual Growth Hubs, there is a SELEP portal which is a simple landing page for businesses looking for information and support. This landing page is serving its purpose well, with users being directed quickly and easily through it to the individual portals for the three federated Growth hub areas.

An introductory video to the South East LEP Growth Hub has been developed which showcases some of the businesses who have been supported by its services and demonstrates the valuable contribution the Growth Hub is able to make to businesses looking to start up, expand or grow.

SE LEP held a very successful launch event from the Growth Hub at the House of Commons in March. The event saw support from a number of Ministers and MPs from across the region.

The Growth Hub is an excellent example of working on a pan-LEP basis and set to grow and strengthen its position in the marketplace into 2016/17, providing much needed and welcomed support to business across the area who are looking to grow.



EU FUNDING

APRIL 2015 – MARCH 2016

SELEP updated our European Structural and Investment Fund (ESIF) strategy to bring it in line the Operational Programmes for the European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD) Operational programmes which had been approved by the European Commission. It was submitted in April 2015 and explained how we planned to spend our indicative allocation of circa £204 million of EU funding in the SELEP area at current Treasury Exchange rates. The main changes to the ESIF strategy related to the adjusted indicative financial allocations and outputs given to each LEP linked to the approved Operational Programmes as well as some minor updates.

Good progress made in each of the Funding programmes as they entered the main operating phase.

ERDF

There were two calls for applications in the ERDF programme. These are organised nationally with local DCLG input regarding individual LEP requirements. They are assessed by the Local Growth Delivery team and presented to the ESIF Sub-Committee for endorsement according to strategic fit. The table shows approved projects to date, all pending contracts before formally beginning work.

PROJECT TITLE	£ GRANT COMMITTED	FULL APL	LEAD PARTNER
PA 1 Keep+	3,310,000.00	Y	ARU
PA 1 Innovate	500,000.00	Y	Greenwich
PA 1 PITCH	773,747.00		NIAB
PA1 Score	510,000.00		Orbis energy
PA3 SEBB	5,977,784.00		Southend Council
PA3 Inward Investment Kent	1,840,000.00	Y	KCC
PA3 Essex Growth Programme	1,569,802	Y	NWES
PA3 Better off in Business	211,798.00		The Princes Trust
PA 4 LoCase	9,162,789.00	Y	KCC
TA Facilitator	135,000.00	Y	East Sussex
TOTAL	23,990,920.00		

The third Call for applications was announced at the beginning of April. The details will be presented to the ESIF Committee for endorsement. The focus will be on Priority Axis 3, Support for SME Competitiveness where most funding has been allocated.

CLLD

The Call for Applications for Community Led Local Development (CLLD) resulted in 3 areas being invited to submit full strategies by September 2016. These are Hastings, Tilbury and Folkestone. Each area applied for £20,000 funding to support this work. CLLD is targeted at the most deprived areas of the country and the fund is a blend of ERDF and ESF and very much focussed on small scale interventions that are community driven.

ESF

The Youth Employment Initiative (YEI) project in Thurrock, worth £1.3 million ESF made excellent progress with the full application being circulated to the ESIF-Sub-Committee for endorsement. In addition, work with the Opt-in agencies Big Lottery, DWP Job Centre+ and the Skills Funding Agency continued to be the main focus for ESF.

BIG LOTTERY – BUILDING BETTER OPPORTUNITIES

In the ESIF strategy it was decided to use £8 million ESF to match funding from the Big Lottery for Social Inclusion projects worth £16 million. After extensive consultation across the SELEP area 12 work packages were opened for applications – 6 North of the river and 6 South. The response was outstanding with 71 applications submitted under the call for applications.

The DWP Job Centre + ESF contract worth £10 million to support people into work has been put out to tender and closed in early March.

EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT

With the largest allocation of rural grants funding under EAFRD, SELEP was one of only 5 pilot areas to hold a call for applications in May 2015. Of the 10 EAFRD project invited to go to full application at the ESIF Sub-Committee meeting in July 2015, just three projects endorsed by the ESIF Sub-Committee are working towards full application. Each applicant was assigned a Defra advisor to act as mentor to support development of the applications. The three projects were presented by Defra to the ESIF Sub-Committee on the 15 March 2016. Capital Grants were available from £50,000 up to £155,000 and applicants could apply for grants to cover 40% of the project's total eligible costs. This meant the minimum total eligible cost of a project for this call would be £125,000.

FINANCIAL POSITION

PROVISIONAL FINANCIAL POSITION – YEAR-ENDING 31ST MARCH 2016

Commentary on Provisional Financial Results for year-ending 31st March 2015

Financial year 2014/15 ended on 31st March 2016. The Financial Statements will be submitted to external audit scrutiny and, subject to satisfactory completion of the audit, will be presented to the Accountability Board for sign off. The information set out herein has yet to be audited and there may be minor changes between this position and the final report.

TABLE 1 INCOME	FY ACTUAL £000	FY BUDGET £000	OVER / (UNDER) £000
Core grant income	(500)	(500)	-
Local authority contributions	(200)	(200)	-
Interest received	(216)	-	(216)
GPF grant utilisation (admin costs)	-	(100)	100
Release of reserves	(193)	(345)	152
TOTAL	(1,109)	(1,145)	36

Table 1 shows the provisional position for income received and utilised during the year. Interest received on cash balances was higher than expected due to balances being held for longer than originally forecast. At budget setting it was assumed any GPF balances would be transferred to the SEFUND vehicle. At that time it was not clear what the process and timing of Local Growth Grant payments would be, so a prudent approach was adopted. Due to the receipt of interest earned it was not necessary to make the full budgeted withdrawal from reserves and the withdrawal was reduced by £152,000. It was also not necessary to drawdown GPF revenue grant as the administration costs were funded through the interest receipt.

TABLE 2 EXPENDITURE	FY ACTUAL £000	FY BUDGET £000	OVER / (UNDER) £000
Staffing costs	624	712	(88)
Consultancy	305	270	35
Office and general expenses	80	63	17
Local Area Support	100	100	-
Total expenditure	1,109	1,145	(36)
NET INCOME / EXPENDITURE	-	-	-

Table 2 shows the provisional position for expenditure incurred during the year. Expenditure was £36K underspent against budget. This was mainly due to delays to recruitment; with an increase in consultancy spend which reflects the interim cover put into place to cover the staffing vacancies.



THE FUTURE

SELEP's role grows more important by the day. As our live investments mount; as our network grows; and as macro-economic change demands more from organisations such as ours, it becomes clear that we are one of the first names on the economic growth team-sheet on match day. We are agile and we can adapt. We are business. We are Government. We are universities. We are the Gateway to England. We have a big prize to aim for and it is our privilege to lead the charge.

Our initial job is to iterate our own working arrangements to ensure that our work to support businesses in our important sectors is as well organised as possible and, in doing this, we will be working with our federated boards to ensure that our relationships with SMEs are far reaching and that the business influence on investment decisions is more keenly felt than ever.

We are also committed to transforming the impact that our nine universities have on our working agenda. Under the Chairman's influence, SELEP should be well positioned to become the most university-friendly LEP in the country and, in achieving this, we will see a more varied programmes of investments and a bigger collective involvement across the innovation agenda.

SELEP's location, size and visibility to all partners mean that we have a duty to remain at the cutting-edge of LEP activity nationally and at the vanguard of Government policy. Our top-level plan for the coming year is suitably ambitious and multifarious:

- Continue to deliver our Growth Deal commitments, amounting to over £82m of real investment in transformative projects during 16/17. Our whole programme is worth £488m.
- Launch a new Strategic Economic Plan (SEP), supported by an Infrastructure and Investment Strategy and a refreshed Skills Strategy and aligned with Government's Industrial Strategy
- Instigate new working groups backed up by investment and local engagement to take forward discreet projects. The groups will reflect the iteration of the SEP.

- Advocate and realise investment in the Thames Estuary through, amongst other things, work with the 2050 Growth Commission and partner engagement on the Lower Thames Crossing
- Commence the spend of recycled Growing Places Fund money on projects identified by a new project pipeline (which will be a central underpinning of the Infrastructure and Investment Strategy)
- Shape the Area Reviews of Further Education in Essex and Kent
- Launch a utilities framework as part of our work with the Housing and Finance Institute
- Work with other LEPs in the South East to explore the launch a Venture Capital fund
- Accelerate spend of EU funding on projects in the South East where it is available
- Help develop the North Kent Enterprise Zone alongside further support where needed to Harlow, Newhaven and Discovery Park.

The result of the EU referendum is an opportunity as much as it is a challenge. There is degree of uncertainty around what happens next – whether that is in respect of the deployment of EU funding in the SELEP area which we help administer - or the very obvious impact on the research output of our universities. What is certain is that SELEP, like all LEPs, has a role in helping local business navigate through it. Our Growth Hub is a perfect manifestation of the way that SELEP works – an overarching approach with resonance across the South East, supported by delivery which is grounded in the local areas. It is through this mechanism that we can offer direct support and advice to our SME base and are adapting the approach to enable us to offer post-Brexit advice to businesses. This said, across the rest of the LEP we can, and we will, do more.

SELEP is the biggest LEP with the smallest secretariat team. Our great advantage is our agility and our ability to turn on a sixpence. We remain involved in devolution conversations across most of our patch; we are engaging deeply with the Area Review of Further Education; and we're building our collaborations with GCGP LEP, Hertfordshire LEP, Coast to Capital LEP and London LEP. All of this demonstrates our flexibility as SELEP matures. Those commitments and those calls on our time can change overnight. We are ready.

We are excited by the unique opportunity that we have to make a difference. We will do that by working with those who want to work with us. We will be crystal clear in our intentions. We will be sympathetic to differing views. We will be brave and decisive. In a world where enabling employment and providing homes is paramount, there are few better jobs than the one that we all share through SELEP.

Christian Brodie and Adam Bryan
September 2016

"I am delighted to see the real impact Local Enterprise Partnerships are making across the country." **(The Rt Hon David Cameron MP, LEP Network Conference, April 2016)**

"the contribution that you [LEPs] make, not just to your local communities, but to the prosperity of the nation as a whole, is absolutely invaluable" **(The Rt Hon Greg Clark MP, LEP Network Conference, April 2016)**



Graham Peters

Graham Peters

George Kieffer

George Kieffer

AJ Bryan

Adam Bryan

Christian Brodie

Christian Brodie

Geoff Miles

Geoff Miles

South East

Local Enterprise Partnership



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