

Minutes SELEP Board

March 20th 2015

Item 1 Welcome & Apologies	<p>Welcome</p> <p>LP to update from signing in sheet</p>
Item 2 SEFUND	<p>The Chairman welcomed Pinsents and CBRE who he thanked for their efforts to date. This work has enabled the SEFUND agenda to be developed within a short timescale.</p> <p>CBRE and Pinsents presented progress on establishing SEFUND. Both organisations provided background of their expertise and experience in delivering successful schemes.</p> <p>Ultimately the strategic aims for SEFUND are to engender economic growth, jobs, and create regeneration. It's primary aim is to draw on private sector money to ensure that money available in the South East can be recycled many times in order to bring forward more opportunities. This will support delivery of the SELEP's Strategic Economic Plan and bridge a gap for schemes that can't be supported by traditional lending.</p> <p>CBRE discussed the model for this fund, which essentially offers a very familiar funding structure for both private and public sector organisations. The model would enable County and Unitary Selection Groups to put forward projects and ----- -----</p> <p>This model was chosen as this is a very familiar structure for both private and public sectors and would enable the developer, fund manager and Local Authorities to work together.</p> <p>The Chairman thanked CBRE and Pinsents for their presentation and opened the opportunity for comments from the Board members.</p> <p>Graham Peters commented that SEFUND would offer a valuable tool in armoury and the initial allocation from Growing Places Fund (of £50m), will offer great potential for a rolling scheme to make impact.</p>

Graham Brown highlighted from his own business experience he sees significant opportunities for the SELEP to offer a brand that can attract viable projects.

Paul Carter suggested that SEFUND success is dependent on more funding directed through the SELEP. The Chairman supported this with a plea for all GPF project leads to encourage refinancing, in order to recycle this fund. He also highlighted that the SELEP would need to tap in to three sources of EU funding which together would enable significant growth of SEFUND and open up more development.

The Board discussed whether this would support the growth strategy and how projects would be prioritised with a geographic spread. It was confirmed that this is supported within the SEP but there would need to be rigour in ensuring that schemes have a real chance of success and that schemes that are brought forward are appropriate.

The Chairman was asked if decisions were required and this was confirmed. This led to a discussion on whether decisions should be taken prior to the election as it was perceived that there could be changes in the configuration of LEPs. The Board discussed this in detail and came to the conclusion that decisions in principle were still needed to be taken to enable this to move forward but that this should be taken to a vote.

David Godfrey took the Board through recommendations as listed in the agenda pack.

Recommendations

The Board were asked to:

1. ESTABLISH THE FUND

To note CBRE's feasibility report and design proposal

- To agree to create 'SEFUND' and to treat all monies in the Growing Places Fund as the initial contribution to SEFUND
- To instruct the SE LEP Secretariat to procure interim fund management support for SEFUND to 31st December, 2015 to:
 - o Develop the SEFUND project pipeline
 - o Provide support for federal areas in project development
 - o Assess all funding options, including project re-financing, recognising the ambition to build both the fund and project level investment considerably

	<ul style="list-style-type: none"> o Provide brokerage support to bring institutional investors together with local projects o Promote SEFUND and its project pipeline to institutional corporate and niche investors <ul style="list-style-type: none"> • To adopt the draft SEFUND Investment Strategy (as detailed in the CBRE Design Paper) for all future funding decisions as consulted upon through the SEFUND Shadow Board and local meetings <p>To establish the SEFUND Shadow Board as the SEFUND Board for these interim arrangements</p> <p>The Chairman administered a vote with the following results:</p> <p>Those in favour of recommendations: 18 Those in favour of an extension on this decision: 4</p> <p>Decision taken to support recommendations.</p>
Item 3 Progress against growth deal	<p>The Chairman welcomed Suzanne Bennett to update the group.</p> <p>Suzanne explained that all programmes are progressing as planned.</p> <p>Chelmsford North East Expansion has requested that payment is pushed back to 31 July 2015 as they are yet to receive Section 106 payment due to a delay on site with remedial work. Suzanne assured that no payments were contingent with this short delay and recommended the board to approve this.</p> <p>Decision was taken to agree this recommendation.</p> <p>The Chairman reiterated his eagerness to refinance as many GPF projects as possible to enable new projects and project leads were encourage to liaise directly with Will Church of CBRE.</p>
Item 3 ITE	<p>The Chairman welcomed Steven Bishop from Steer Davies Gleave who had been appointed as Independent Technical Evaluator in accordance to Central Government's requirement that all Growth Deal funding to be released subject to business cases and independent evaluation.</p> <p>Steven was thanked for the considerable work undertaken within a limited time, which has added significantly to the robustness of projects. He took the Board through a presentation detailing the approach taken</p>

Recommendations:

The Board was asked to:

- Consider releasing the funding for the Kent Sustainable Interventions Supporting Growth Programme (LGF £3.0m) scheme for 2015/16 funding only at this stage with a further assessment made once the future year programme is confirmed or as it emerges on an annual basis, noting the ITE recommendation not to approve until further scheme development and appraisal takes place. This is due to high uncertainty over the robustness and reasonableness of economic appraisal and lack of certainty over the programme of investment beyond 2015/16.
- Approve all schemes for funding achieving high value for money (Benefit Cost Ratio (BCR) greater than 2:1) and medium to high certainty of achieving this:
 - Colchester Broadband Infrastructure
 - Colchester Local Sustainable Transport Fund
 - Medway City Estate Connectivity Improvement Measures
 - M20 Junction 4 Overbridge
 - Tonbridge Town Centre Regeneration
 - Chatham Town Centre
 - Kent Thameside Local Sustainable Transport Fund
 - Maidstone Gyratory Bypass
 - Thames Gateway South Essex Local Sustainable Transport Fund
 - Colchester Park & Ride and Bus Priority Measures
 - Basildon Integrated Transport Package
 - Strood Town Centre Journey Time and Accessibility Enhancements
 - A289 Four Elms Roundabout to Medway Tunnel Journey Time and Network Improvements
 - Queensway Gateway Road
- Approve a one year funding allocation for the following 'package' schemes where there is insufficient certainty of the scheme components beyond 2015/16, their costs, and their benefits:
 - Kent Rights of Way Improvement Plan – Sustainable Access to Employment and Education
 - Kent Strategic Congestion Management Programme
 - West Kent Local Sustainable Transport Fund – Tackling Congestion
- Note the ITE recommendation not to approve the Kent

	<p>Sustainable Interventions Supporting Growth Programme (LGF £3.0m) scheme until further scheme development and appraisal takes place. If funding is to be approved, this should be for 2015/16 funding only at this stage with a further assessment made once the future year programme is confirmed or as it emerges on an annual basis due to high uncertainty over the robustness and reasonableness of economic appraisal and lack of certainty over the programme of investment beyond 2015/16.</p> <ul style="list-style-type: none"> • Approve the following criteria to be used in assessing whether a scheme with ‘medium’ value for money (BCR between 1.5:1 and 2.0:1) should be approved for funding: <ul style="list-style-type: none"> ○ where there is an overwhelming strategic case (with minimal risk in the other cases); ○ where scheme benefits are notoriously difficult to appraise in monetary terms and there are qualitative benefits which if monetised would most likely increase the BCR above two-to-one; and ○ where schemes are less than £1.0m and to conduct further quantified and monetised economic appraisal would be disproportionate. • Approve those schemes not achieving a BCR of two to one where two or more of the above criteria are met: <ul style="list-style-type: none"> ○ Folkestone Seafront: Onsite Infrastructure and Engineering Works ○ Medway Cycling Action Plan ○ Colchester Integrated Transport Package - Town Centre • Agree publication of all outline and final business cases as required by the national Assurance Framework, noting that to date scheme promoters have led engagement at a local level. • Note the potential at local level for “project swaps” and investment management in line with the SE LEP Assurance Framework. • Note the work underway to establish a Monitoring, Evaluation and Reporting Framework. • To agree the roll-out of the business case assessment model to all Growth Deal schemes to enable funding to be released. • Based on approval of business cases above, agree the payment profile for the first quarter of 2015/16. • Note progress on wider Growth Deal implementation.
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	<p>Steven Bishop was thanked for his presentation and David Godfrey reflected that this was a valuable process in order to strengthen the schemes.</p> <p>Graham Pendlebury of DfT commented that this approach is more light touch and will continue to be lighter touch as the Assurance Framework evolves. There is desire for scrutiny currently but this will reduce as it becomes established.</p> <p>A plea was made for the Kent Sustainable Interventions package to be reconsidered and Steven agreed to review in order to strengthen.</p> <p>George Kieffer asked if social return on investment and environmental benefits could be taken in to account and this was confirmed that it could through appraisal</p> <p>Decision was taken to agree these recommendations</p>
Item 3 Implementation update	<p>Graham Brown updated the Board on the developments from the SE LEP Housing Group which would remain as an ad-hoc group that he would lead on and continue to report progress to this Board.</p> <p>He highlighted that</p> <ol style="list-style-type: none"> 1. He has been working with Government for the SELEP to become founding members of the Housing Finance Institute. This Institute will enable the provision of dedicated support in areas such as setting up and managing public private sector joint ventures or developing capacity and skills in areas such as land assembly or developing investment vehicles. Graham will bring further information as this develops back to the Board. 2. Graham suggested that he is looking to scope a day seminar across various LEPs to see how housing is being promoted. <p>Both were supported by the Board.</p> <p>The Chairman referred to huge institutional investor interest in SEFUND for housing. He has been approached by Legal & General and British Land who are both keen on owning and building houses as long term investment for pension and insurance funds.</p>

<p>Item 4 Implementing Lucas Review</p> <ul style="list-style-type: none"> Approval of Assurance Framework 	<p>David Godfrey introduced the Assurance Framework which is critical to achieving annual funding and maximising SELEP's opportunity for greater funding and flexibility which can then be passed to local areas</p> <p>Thanks were made to Suzanne, Lorna, Kim and the Accountable Body for their support in producing this</p> <p>From the Accountability Framework the individual Service Level Agreements will flow and the Accountable Body is already in contact with Section 151 Officers about this.</p> <p>Tolerances ----</p> <p>Recommendations:</p> <p>The Board is asked to:</p> <ul style="list-style-type: none"> Approve the Assurance Framework Note the ambition to increase financial tolerance levels as a percentage of the total local capital programmes Note wider progress on Board recommendations to implement the review <p>Decision was taken to agree these recommendations</p>
<p>ESIF Committee</p>	<p>The Chairman expressed thanks Lorraine George and George Kieffer who have worked incredibly hard on this programme of work.</p> <p>George and Lorraine updated the Board on the progress made and discussed the calls for application which would soon be available on the SELEP Website.</p>

	<p>The covering report referred to the establishment of the ESIF Committee of which George is the proposed Chairman. Lorraine highlighted meetings are being administered by DCLG and the Committee will have great influence and should be supported widely.</p> <p>Peter Jones referred to two recent conferences with social sector and suggested the Board consider how we can work with together as EU funding will be suited to their work As a large part of our economy with over 4% GVA nationally, their voice should be represented on the SELEP Strategic Board and this should be considered in the near future.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. To endorse the ESIF Committee's decision to launch the national EU funding programmes in March 2015 2. To endorse George Kieffer as Chairman of the ESIF Committee as agreed at the SE LEP ESIF Committee meeting met on the 10 March 2015. 3. To note the endorsement of the Call for Applications templates under the ERDF, ESF and EAFRD programmes by the ESIF Committee 4. To note that the EAFRD (rural) programme has now been approved but the ERDF and ESF programmes will not receive full approval in June 2015. This is due to financial arrangements in the European Commission 5. To note the launch of a calendar of Calls for applications across EAFRD, ERDF and ESF to be available shortly on the SE LEP Website. <p>Decision was taken to agree these recommendations</p>
<p>ITEM 6: SKILLS UPDATE</p>	<p>The Chairman introduced the work of the Skills workstream which is already has presented a success story with the SE LEP Skills Capital competition and a real business focus introduced</p> <p>Thanks were made to Graham Razey, Mike Rayner and Helen Russell, now of Prospects College, and to Kevin Bentley and to Pete Cook and team in Essex</p> <p>Graham Razey updated the Board on the competitive skills capital bid, which has allocated 1 full application and 4 part applications to the tune of £17.6m, spanning the full boundary of the SELEP area. In addition a further £4m skills equipment fund will be available for bidding shortly.</p> <p>Graham expressed thanks to the Employment & Skills Boards across the</p>

	<p>area and reflected that the agenda is progressing well. ESF calls will be expected in Summer / Autumn and this will remain a priority</p> <p>Recommendations:</p> <p>The Board is asked to:</p> <ol style="list-style-type: none"> 1. Congratulate the successful Colleges receiving funding 2. Note the highly successful, growth driven application process which positions SE LEP very strongly to make a case for further skills funding 3. Note the further development of the Skills Strategy <p>Decision was taken to agree these recommendations</p>
<p>ITEM 7</p> <p>Update:</p> <p>Coastal communities</p> <ul style="list-style-type: none"> • Growth Deal/SUCCESS 	<p>The Coastal Communities Group has operated as a special interest group within the SE LEP area established by local authorities with a common interest in coastal issues.</p> <p>The SUCCESS scheme which supports creative enterprises primarily within the coastal communities is soon to be ending but has seen great outcomes. Board members agreed that it is important to keep the momentum on programmes that are already working well and the Chairman agreed that the team at SELEP will do all it can to support access to appropriate funding schemes.</p>
<p>ITEM 7</p> <p>Update:</p> <p>Coastal communities</p> <p>Supporting the CORE group</p>	<p>Mark Dance was welcomed to present the case for the SE LEP Board to make provision in its future budget to support the ongoing development and enhancement of the South East CORE.</p> <p>Mark discussed the great deal of scope available across the South East region for off shore renewable sector and presented three options of support for the board to consider.</p>
	<p>Recommendations:</p> <p>The Board is asked to:</p> <ol style="list-style-type: none"> 1. Note the work of the Coastal Communities Group 2. Consider the results of the SUCCESS programme and options for its future 3. Agree recommendations to increase SE LEP focus on Assisted Areas 4. Confirm support for the CORE Group, as agreed by the SE LEP

	<p>Board in September 2014</p> <p>Decision was taken to agree these recommendations and take forwards option 3 to support the SE CORE</p>
Rural update	<p>The Chairman welcomed Nick Sandford who introduced the Rural Strategy and updated on progress within the rural workstream.</p> <p>The strategy now forms the basis of the agreed funding call later in March, one of only five LEPs in the country ready to launch the £14.5m EAFRD programme to rural businesses.</p> <p>Recommendations:</p> <p>To ENDORSE:</p> <ol style="list-style-type: none"> 1. the Rural Strategy and agree its launch for wider consultation <p>Decision was taken to endorse the rural strategy</p>
Growth Hub	<p>Adam updated the board on progress in developing the SELEP Growth Hub and, separately, a common assessment methodology for projects across the SELEP area.</p> <p>Adam reported that a steering group had been formed for the development of the online Growth Hub with representation from all areas and was progressing in time for the planned launch on 1 April 2015.</p> <p>Sitting behind the online presence a CRM and monitoring system would be</p> <p>Funding Adam – December board meeting agreed funding allocation on pan LEP level. Have a steering group of individuals across all areas. Progressing quickly. Using Southend as a basis of best practice then</p> <p>Monitoring post – half supported by university of Essex</p> <p>CRM system</p> <p>Governance simple –</p> <p>Intention to bring any key decisions to the board</p> <p>Need to have reps from innovate UK and business support service in the room if decisions are made</p>

	<p>All hangs around website – starting 1 April. Not all LEPs have got to this point but we have thanks to Southend and other areas</p> <p>.</p> <p>All pushing forward very quickly</p> <p>1) Common Assessment Framework Free consultancy local partnership</p> <p>How we assess schemes in federated areas. Not starting anything new just adding consistency and bringing in best practice so we can get to the point where we look at things as comprehensively as possible and look at pan lep areas.</p> <p>An ITE in the future may have less to do by taking these steps</p> <p>Workshop on Monday</p> <p>Calendar of meetings: make them aware of meetings when they are happening – for planning purposes</p>
Budget	<p>Stephanie presented</p> <p>Anticipating formal</p> <p>How is money being divided up – all part of assurance framework – to support the federated boards – not yet agreed – will be considered by accountability board</p> <p>Welcome LEP taking up --- as an important project – intention is to do this.</p>
RBLI Presentation	<p>Steve Sherry</p> <p>Provided background on what RBLI do</p> <p>Delivering and improving the lives of vet since 1918 – working with people with health conditions / disabilities –</p> <p>Explained current situation – and the challenges for today and the future –</p>

	<p>Impact on wider population</p> <p>Look in to the future as well as addressing today</p> <p>Lifeworks courses – hardest to help and make life changing success</p> <p>Partly fund this by social enterprises</p> <p>Government’s work programme in the south east – 6000 long term unemployed back in to work</p> <p>Armed forces covenant – practical impact – moral support too</p> <p>How can we make this a success in the future? Get more form money we have to spend anyway</p> <p>Employ veterens – social value in action. Their objectives align with many of ours.</p> <p>Road and rail signs for the country – at the forefront of technology needed</p> <p>Infrastructure needs signage – why not use this from RBLI – made by veterens – all he asks is support to make this happened</p> <p>See recommendations in the paper and list them – can we procure through them –</p> <p>Rodney Chambers – highlighted the benefit for his transport authority (Kent)</p> <p>Rupert Simmons – may take time with existing contracts but supportive</p> <p>Geoff Miles – recommends to go and see RBLI – an amazing organisation</p> <p>Peter – we are looking to work with social enterprises under EU funding stream so we can get more for our money through working together</p> <p>ALL PROPOSALS AGREED</p>
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