
Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 14 September

Present:

Geoff Miles	Chairman
Cllr Gagan Mohindra	Essex County Council
Cllr Mark Dance	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr David Elkin	East Sussex County Council
Cllr Rob Gledhill	Thurrock Council
Cllr James Courtenay	Southend Borough Council

ALSO PRESENT Having signed the attendance book

Marwa Al-Gadi	East Sussex County Council
Steven Bishop	Steer
Lee Burchill	Kent County Council
Edmund Cassidy	Steer Davies
Kim Cole	Essex County Council (As Deputy Monitoring Officer for the Accountable Body)
Helen Dyer	Medway Council
Abi Hall	BEIS
Joel John	Essex County Council
Dean Kilpatrick	Reporter
Ian Lewis	Opportunity South Essex
Paul Martin	SELEP
Ian McNab	BEIS
Rebecca Newby	East Sussex County Council
Mr W McLennan	Member of the public
Iain McNab	BEIS/CLOG
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Fred Montague	Member of the public
Wendy Montague	Member of the public
Rhiannon Mort	SELEP

Rebecca Newby	East Sussex County Council
Lorna Norris	Essex County Council
Sarah Nurden	KMEP
Andy Rayfield	MAXIM
Tim Rignall	Southend Borough Council
Paul Rogers	Thurrock Council
Andy Salmon	Highways England
Lisa Siggins	ECC Democratic Services
Stephen Taylor	Thurrock Council
John Williams	Sea Change East Sussex
John Shaw	Sea Change East Sussex

1 Welcome and Apologies for Absence

The following apologies were received:

- Councillor Keith Glazier (substituted by Councillor David Elkin)
- Councillor Paul Carter (substituted by Councillor Mark Dance)
- Councillor Kevin Bentley (substituted by Councillor Gagan Mohindra)
- Councillor John Lamb (substituted by Councillor James Courtenay)
- Audrey Songhurst
- Angela O'Donoghue

Given the apologies from Angela O'Donoghue and Audrey Songhurst, as the Higher Education and Further Education representatives on the Board, the Board were asked to agree a Vice- Chair for the meeting. Thereafter it was proposed and agreed that Councillor Mohindra would act as Vice- Chair for this meeting.

2 Minutes

The minutes of the meeting held on Friday, 15th June 2018 were agreed as an accurate record and were signed on behalf of the Chairman.

3 Declarations of Interest

As the Chair of Kent and Medway Economic Partnership, Kent and Medway Business Advisory Board and a private Businessman, Geoff Miles declared an interest in respect of Innovation Park Project and the Workspace Kent Project to be considered under agenda items 9 and 10.

He advised of his intention to step out of the room whilst Agenda Items 9 Growing Places Fund Update and Agenda Item 10 on the Innovation Park Growing Places Fund award are discussed. It was confirmed that Councillor Mohindra would chair these two Agenda Items

4 Questions from the Public

Question 1

From Mr McLennan, a resident of Kent, who had previously registered his question.

At the June 2018 Accountability Board meeting members approved the downgrade of works for RATP phase 1 which will cost the tax payer almost £2 million. The approval was made on the basis of no change in “Value for Money” yet vital environmental public safety and noise reduction value attributes of the paved runway and bund originally cited by Medway Council have been discarded in favour of financially aiding a private business.

The Accountability Board appears to have prioritised commercial benefit over local residents basic human rights and duty of care.

Can the chairperson please explain why the Accountability Board see fit to approve a significant reduction of works at the detriment to local environmental impact mitigation measures cited by Medway Council in the original business case and used to justify its approval.

Response

The revised Business Case and report submitted by Medway Council for consideration, and subsequent approval, by the Accountability Board were clear that, despite the change to project scope, the outcomes stated in the original Business Case would still be delivered. These direct outcomes include: release of the land required to allow for delivery of Innovation Park Medway, safeguarding the long term future of Rochester Airport, creating 37 new jobs and safeguarding 25 existing jobs. Indirectly, through release of the land for Innovation Park Medway phase 1, the project is also contributing towards the creation of 1,300 jobs on the wider site.

The local environmental impact mitigation measures are specific to project delivery and are therefore a consideration for Medway Council as the Local Accountable Body. The Accountability Board’s remit is to ensure that the project delivers Value for Money for the investment of public funds. The project’s Value for Money and the decision making by the Accountability Board has been considered through the appropriate processes.

Question 2 – Mr Fred Montague

Mr McLennan read out a question on behalf of Mr Fred Montague, a resident of Kent, who had previously registered his question.

In the updated SELEP business case presented to the Accountability Board for Rochester Airport phase 1, June 2018, the paved runway was removed from the planned works. Medway Council wrote:

"Pre-consultation has taken place with acknowledgement from the CAA that the plans as presented should not result in any licencing issues and should enhance airport safety."

The statement clearly infers pre-consultation which predates the Accountability Board RATP meeting had taken place with the CAA about the removal of the paved runway from the scope of works and closure of the runway 16/34 (plans as presented).

I would like the chairperson to confirm that they have seen or read the CAA correspondence which verifies Medway Council's claim.

Response

Informal pre-consultation conversations were held between the CAA and Rochester Airport Ltd. to discuss the proposed changes to project scope. All communications were verbal and therefore there is no correspondence to share with the Chair of the Accountability Board.

A Freedom of Information request has also been submitted to Medway Council on this matter and will be responded to by the Council.

Question 3

Mr McLennan read out a question on behalf of Mrs Wendy Montague, a resident of Kent, who had previously registered her question.

The Accountability Board at the June 2018 meeting did not debate the defective Medway Council Section 151 officers declaration that Rochester Airport Limited would be liable for all cost overrun for the RATP phase 1 development.

The argument to overlook the matter offered by Medway Council was that the cost overrun was too severe to burden a private company with, yet no contribution was offered to a level which the Section 151 officer may have expected had the overrun amount been smaller.

The Accountability Board in approving the changes to the LGF award has burdened the tax payer with the total loss of works and value.

Can the chairperson explain why the approval of the RATP phase 1 change did not require the Medway Section 151 officer's attendance to explain personally or

them evidencing their professional due diligence in assuring Rochester Airport Ltd could withstand a level of cost overrun, the percentage level agreed, and why it is appropriate to leave the tax payer to effectively absorb the full cost by a reduction in works without a financial contribution by Rochester Airport Ltd.

Response

The project scope was amended in order to avoid significant additional financial burden on the tax payer and Rochester Airport Ltd. The change in project scope has resulted in no additional public sector contribution being required, whilst delivery of the outcomes stated in the original Business Case has been protected.

There is no requirement for local Accountable Body S151 officers to attend Accountability Board meetings.

Furthermore, there is no requirement for Rochester Airport Ltd., under the original tender documentation, the lease or the conditions of the Local Growth Fund, to make a match contribution towards the airport works.

5 Southend Airport Business Park LGF funding decision

The Accountability Board (the Board) received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for the Southend Airport Business Park (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable the remaining £14.575m Local Growth Fund (LGF) allocation to be devolved to Southend Borough Council for Project delivery.

Resolved:

To Approve the award of the remaining £14.575m LGF allocation to support the delivery of the Project identified in the Full Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

6 Leigh Flood Storage Area LGF decision

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was to make the Board aware of the value for money assessment for improvements to the Leigh Flood Storage Area and local embankments in Hildenborough (the Project) which has been through the Independent Technical Evaluator (ITE) review process, to enable £2.349m Local Growth Fund (LGF) to be devolved to Kent County Council for Project delivery.

Resolved:

1. **To Note** that the Project Full Business Case will not be approved by the Environment Agency until March 2021
2. **To Approve** the award of £2.349m LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium to high certainty of achieving this.

7 **Capital Programme Management of the Local Growth Fund**

The Board received a report and presentation from Rhiannon Mort, the purpose of which was for the Board consider the latest position of the Local Growth Fund (LGF) Capital Programme, as part of SELEP's Growth Deal with Government.

Geoff Miles highlighted the risk to future funding allocations, pointing out that discussions are ongoing with the Government in this respect.

Resolved:

1. **To Note** the final (pre-audited) 2017/18 LGF spend position, as set out in section 4 of the report
2. **To Note** the updated LGF spend forecast for 2018/19, as set out in section 6 of the report.
3. **To Note** deliverability and risk assessment, as set out in section 8 of the report
4. **To Approve** the acceleration of LGF spend in 2018/19 for the following projects:
 - 4.1. Hailsham/ Polegate/Eastbourne MAP (£0.012m)
 - 4.2. M11 Junction 8 Improvements (£0.866m)
 - 4.3. Leigh Flood Storage Area (£0.866m)
5. **To Approve** the re-profiling of LGF spend from 2018/19 to future years of the growth deal programme for the following five projects:
 - 5.1. Hastings and Bexhill Movement and Access Package (£1.000m)
 - 5.2. Ashford Spurs (£0.509m)
 - 5.3. Rochester Airport Phase 1 (£0.427m);
 - 5.4. Southend Airport Business Park (£6.493m); and
 - 5.5. Southend Central Area Action Plan (£1.332m)
6. **To Note** the increased risk to future year LGF allocations in light of the LEP Review recommendations

8 M20 Junction 10a Update- Presentation

The Board received a PowerPoint presentation from Andy Salmon of Highways England providing an update on this project.

In response to a Member question regarding a contingency figure, the Board were advised that the risk is built into the contract but it is very difficult to state this as a percentage figure. It was also pointed out that there were ongoing engineering challenges as is often the case with such projects.

9 Growing Places Fund Update

Geoff Miles left the room at this point due to his previously made declaration of interest. This item was chaired by Councillor Mohindra as the appointed vice-chairman.

The Board received a report from Rhiannon Mort the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

Resolved:

1. **To Note** the updated position on the GPF programme;
2. **To Approve** the amended repayment schedule for the Charleston Centenary Project;
3. **To Note** the risk to the repayment schedule for the Workspace Kent Project;
4. **To Note** the proposed amended repayment schedule for the Priory Quarter Project, prior to consideration of the amendment by the SELEP Strategic Board.

5. **To Note** the £425,691 funding gap between the GPF draw-down schedule and the GPF available through repayments during 2019/20, as set out in section 5 of the report
6. **To Note** the project change for the Eastbourne Fisherman GPF round 2 project.

10 Innovation Park Medway, Growing Places Fund Award

Geoff Miles remained out of the room due to his previously made declaration of interest. This item was chaired by Councillor Mohindra as the appointed vice-chairman.

The Board received a report from Rhiannon Mort and a presentation from Steer, the purpose of which was to consider the award of a Growing Places Fund (GPF) Loan to the Innovation Park Medway Southern site enabling works (the Project).

Rhiannon reminded the Board about the complaint which has been raised with the Local Government and Social Care Ombudsman (the Ombudsman) in relation to the Rochester Airport project. Information has been sought by the

Ombudsman, from Essex County Council, as the SELEP Accountable Body, which has been provided in full. In light of the complaint to the Ombudsman, the Board are not prohibited from taking decisions but should bear in mind that the Ombudsman's determination could have implications for the Rochester Airport Phase 1 project and an indirect impact on the Innovation Park GPF Project.

Resolved:

1. **To Note** that the Innovation Park Medway Project is dependent on the delivery of the Rochester Airport Phase 1, which is currently subject to a complaint that has been raised with the Local Government and Social Care Ombudsman. The outcome of the complaint will be advised to the Board when known.
2. **To Note** the forecast GPF funding shortfall of £425,691 in 2019/20, as set out in section 6 of the report.
3. **To Approve** the award of £650,000 GPF by way of a loan to enable the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with high certainty of achieving this, on the basis that:
 - 3.1. The GPF loan is repaid by the 31st March 2022; and
 - 3.2. Sufficient funding is available to SELEP (*see section 5 of the report*).

11 A13 Widening Update

The Board received a report from Paul Rogers, Programme Manager Major Schemes, Thurrock Council. The purpose of the report was to provide the Board with an update on the A13 widening project (the Project).

Resolved:

To Note the update report.

12 Assurance Framework and Deep Dive Implementation Update

The Board received a report from Adam Bryan which was presented by Rhiannon Mort, the purpose of which was to make the Board aware of:

1. The progress which has been made by the South East Local Enterprise Partnership (SELEP) team and the federal areas in implementing the changes necessitated by the refreshed Assurance Framework and Deep Dive

The Board is reminded that it is accountable for assuring that all requirements of the Assurance Framework are implemented.

- 2 The progress made against the Governance and Transparency Performance Indicators.

Resolved:

1. **To Note** the SELEP team and federated area progress in implementing the:
 - 1.1. SELEP Assurance Framework and
 - 1.2 Ministry of Housing, Communities and Local Government (MHCLG) Deep Dive recommendations.
- .2 **To Note** the progress made against the Governance and Transparency Performance Indicators.

13 Update on SELEP Revenue Budget 2018_19

The Board received a report from Suzanne Bennett which was presented by Lorna Norris, the purpose of which was for the Board to consider the forecast of revenue outturn for 2018/19 as at August 2018; including forecasts for specific grants budgets.

Resolved:

To Note the current forecast under spend of £202,000 against the total revenue budget for 2018/19. The under spend will be offset by a reduced withdrawal from reserves.

14 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 16th November 2018 at High House Production Park.

There being no urgent business the meeting closed at 11.25am

Chairman