



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Strategic Board Meeting Agenda Pack

Friday 28th September 2018, 10:00am – 12:30pm
High House Production Park, Purfleet, RM19 1RJ



Agenda

10.00	1	Welcome and introductions	Chris Brodie
10.05	2	Minutes and actions from 29 th June 2018 meeting page 3 Declarations of interest Matters arising <i>Please be aware that the meeting is being recorded for later publication. It is not a livestream.</i>	Chris Brodie
10.10	3	LEP Review page 14 (main paper to follow) - <u>Decision</u> on SELEP response on geography - Principles of the SELEP response - <i>Special Strategic Board meeting: Thursday 25th October</i>	Chris Brodie
10.40	4	Sector Support Fund Approvals page 16 - <u>Decision</u> on approval of project applications and next steps	Adam Bryan
11.00	5	Garden Communities session #2 - Ebbsfleet page 27 - Progress update from Ebbsfleet Development Corporation - Consideration of the LEP role in support	Brian Horton & Ian Piper, Ebbsfleet DC
11.30	6	Strategic Economic Plan page 32 - Update on final phase of work and confirmation of next steps to finalise the document	Adam Bryan
11.45	7	Capital Programme Update page 34 - LGF 3b so far - Update on delivery of Capital Programme	Rhiannon Mort
12.00	8	Tri-LEP Energy Strategy page 51 - Update on progress and timetable to publication	Jo Simmons
12.20	9	Housing Update page 53 - Housing update including decision on endorsement of Garden Communities bids	Adam Bryan
12.25	10	AOB	Chris Brodie

Attached for information only:

- Material from [14th September Accountability Board](#)

Future Strategic Board Meeting Dates

25th Oct (10:00 – 12:00)	LEP Review; SEP sign off
7th Dec (10:00 – 12:00)	Energy Strategy approval; SELEP Team Plan 19/20; Garden Communities #3; Assurance Framework refresh; LGF 3b; Sector Support Fund
22nd Mar 2019 (10:00 – 12:00)	tbc

Future Investment Panel Meeting Dates

7th December (12:30 – 14:30)	LGF 3B prioritisation and pipeline development
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Minutes of 29th June 2018 meeting

Attending	Company	Representing
Chris Brodie	Chair	
Adam Bryan	Managing Director	
Graham Peters	Vice Chairman for East Sussex	East Sussex – Business
Clive Soper	FSB	East Sussex – Business
Stewart Drew	De La Warr Pavilion	East Sussex – Business
Cllr Rupert Simmons <i>for Cllr Keith Glazier</i>	East Sussex County Council	East Sussex – Local Authority
Cllr Colin Fitzgerald <i>for Cllr Peter Chowney</i>	Hastings Borough Council	East Sussex – Local Authority
George Kieffer	Vice Chairman for Essex	Essex – Business
Haydon Yates <i>for David Burch</i>	Essex Business Board	Essex – Business
David Rayner	Birkett Long	Essex – Business
Larry Fentiman <i>for Colette Bailey</i>	Inner London Group	South Essex – Business
Murray Foster <i>for Perry Glading</i>	Southend Business Board	South Essex – Business
Cllr John Lamb	Southend on Sea Borough Council	South Essex – Local Authority
Cllr Tom Cunningham <i>for Cllr Graham Butland</i>	Braintree District Council	Essex – Local Authority
Cllr Gagan Mohindra <i>for Cllr Kevin Bentley</i>	Essex County Council	Essex – Local Authority
Paul Winter <i>for Geoff Miles</i>	Chair of Kent & Medway Skills Commission	Kent – Business
Gavin Cleary <i>for Jo James</i>	Locate in Kent	Kent – Business
Douglas Horner	Trenport Investments & Acting Vice Chairman for Kent & Medway	Kent – Business
Paul Thomas	DLS Limited	Kent – Business
Cllr Peter Fleming	Sevenoaks District Council	Kent – Local Authority
Cllr Simon Cook	Canterbury City Council	Kent – Local Authority
Cllr Paul Carter	Kent County Council	Kent – Local Authority
Cllr Rodney Chambers	Medway Council	Kent – Local Authority
Angela O'Donoghue <i>for Graham Razey</i>	South Essex College	Further Education
Anthony Forster	University of Essex	Higher Education

Penny Shimmin	Sussex Community Development Association	Social Enterprise
Apologies received	Cllr Graham Butland, Graham Razey, Perry Glading, Colette Bailey, David Burch, Jo James, Cllr Kevin Bentley, Cllr Keith Glazier, Cllr Peter Chowney, Geoff Miles and Cllr Rob Gledhill	

1. Welcome and Introductions

1.1. Chris Brodie welcomed board members and observers to the meeting.

2. Minutes and Actions from 16 March 2018 meeting, Matters Arising and Declarations of Interest

2.1. Subject to one correction under 2.9 which should be rectified to state that it was Rodney Chambers who declared an interest, minutes were agreed as a true record.

2.2. Amy Beckett was thanked for her hard work in the SELEP team over the past two years and Chris wished her luck in her new role at Basildon Borough Council.

Matters Arising – Declarations of Interest

2.3. There were no declarations of interest raised. Chris Brodie took the opportunity at this point to notify the Board that other than his role as Chair of the Student Loans Company, he has stepped down from all his previous Higher Education commitments.

Matters Arising - LEP Review & Thames Estuary 2050 Growth Commission

2.4. Chris Brodie confirmed that the publication / launch of the Thames Estuary 2050 Growth Commission Vision for Kent, Essex and London took place on the 25th June. A key concern for this Board was the recommendation to revise SELEP boundaries.

2.5. Chris felt it was important not to respond immediately but as a matter of good governance to raise it here at this meeting for partners' input. He confirmed that he had spoken to Sir John Armitt before the report was issued to raise his concerns but was disappointed that these were not taken in to account.

2.6. Board Members discussed the report and were keen to highlight that further discussions on SELEP boundaries were not helpful, particularly give than the national LEP Review is underway.

2.7. Board Members were strongly of the opinion that the SELEP model provides the ability to look at the bigger picture and influence economically transformative interventions such as the Lower Thames Crossing, while our federated model provides focus and expertise on a more local level. It was agreed SELEP is working better than ever for communities and businesses across the area.

2.8. The Board should continue to look strategically and use this as an opportunity focus on activity and impact and not structures. The challenge is to consider how SELEP can play a lead role and what our principal reply should be. Cllr Paul Carter suggested that in the coming six months SELEP must ensure it is not forgotten and proactively develop a series of solutions on the contents of the report. **This was supported.**

2.9. Chris proposed that in response to this report, a letter for Secretaries of State for MHCLG and BEIS, copied to Cities and Local Growth Unit, should be drafted in advance of the summer recess to reflect this conversation. It was suggested that this would be signed by the Chair and Vice Chairs and copied to all 39 MPs. **This was agreed.**

Matters Arising: Recording of Strategic Board Meetings

2.10. Adam Bryan (SELEP Managing Director) asked Board Members to consider if it would be sensible for Strategic Board Meetings to be filmed in the context of maximum transparency. **This was supported.**

Matters Arising: Sector Support Fund

2.11. Adam confirmed that the agreed Sector Support Fund process has been undertaken but that business cases required further work before they are ready to be presented to the Board. Adam would be running a series of workshops for working groups with partners to take these forward and noted that the Board notified of these and would expect to receive applications at the September meeting.

3. Garden Communities

- 3.1. Adam introduced the item and noted the importance of putting Garden Communities firmly on SELEP's agenda. Adam confirmed that further Garden Communities would be invited to upcoming Board meetings, with the aim to ensure that the right conversations are taking place early on, so that we can quickly understand the role that the LEP can play in supporting and influencing.
- 3.2. Cllr John Spence, Chairman and Richard Bayley, Group Managing Director of North Essex Garden Communities, were welcomed to present on background and progress to date.
- 3.3. Cllr John Spence commenced with history and background to the Garden Communities, which fits under an all partner vision for the County, that focuses on promoting quality of life and how the County can accommodate future populations and improve the environment in which they live. By creating new communities that are well designed, within the concept of garden settlements, there is real scope to influence infrastructure and economic growth which is much needed in north Essex.
- 3.4. He noted that the USP is 1) the strength of partnership between the three Districts and County Council, and 2) the scale of the programme, which will see 43K homes across three independent communities over the next 40 years, which will each be assessed individually. Government has already funded to the tune of £2m for preparatory work and the partnership is confident that the programme is more spade ready than the Oxford to Cambridge Corridor.
- 3.5. Richard Bayley highlighted the significance of the North Essex Garden Communities scheme, as the largest project within the national Garden Settlement programme, to interconnect the East and West. Planning is underway and they are in the process of forming a Locally Accountable New Town Development Corporation. Work is underway on a Local Industrial Strategy, which could play a key role in improving the economic case for North Essex and the SELEP team will be engaged to ensure there is coordination. Richard also emphasised the key role of the University of Essex, which can act as a catalyst for the inward investment and infrastructure needed to make this a success.
- 3.6. Board Members expressed concerns over Land Value Capture (LVC), which unless realised will prevent the figures from stacking up. Cllr John Spence confirmed that new legislation is key for LVC, and that Development Corporation status is vital. Richard commented that Government is connecting infrastructure and housing more than ever before and that they have positive relationships.
- 3.7. Land Compensation Act was also discussed, which needs to be changed to gain support needed from landowners. Richard advised that Civil Servants are aware of this issue and there is a willingness to address this. Richard also discussed the potential for Compulsory Planning Orders to include a value capture mechanism but advised that this was not the only solution and they must be in the public interest.
- 3.8. George Kieffer declared an interest in this due to Haven Gateway Partnership's involvement.
- 3.9. Douglas Horner suggested that there would be an opportunity to explore in extending the High Speed London to Cambridge Corridor, by building a physical corridor with the Lower Thames Crossing, to link business networks with Cambridge.

- 3.10. Graham Peters asked if the scheme would offer provision for employment space. In response to this, Cllr John Spence commented that employment space is very much needed therefore they must create a strong economic strategy to attract businesses to this area.
- 3.11. Cllr Rupert Simmons reflected on this as a new approach to strategic planning and Cllr John Spence confirmed that there are already separate discussions re the A120, but this programme will help to further support this. He commented that the North Essex Garden Communities programme presents a wider opportunity to work collaboratively with partners to undertake shared master-planning to develop rapid transit, but also consider wider education and health provision. This collective approach will support in bringing in funding from investors.
- 3.12. Chris thanked Cllr John Spence and Richard Bayley for their presentation. The Board would be kept informed of progress

4. Tri-LEP Energy Strategy

- 4.1. Chris welcomed Jo Simmons and Victor Sellwood of Siemens to discuss the progress of an energy strategy, which has been commissioned as a SELEP-led joint effort with Enterprise M3 and Coast to Capital LEPS.
- 4.2. Jo Simmons provided background, it has been funded by BEIS as a fast paced piece of work, expected to be completed by the end of summer 2018. Through its collaboration with Enterprise M3 and Coast to Capital LEPS, resources have been combined to create a strategy that will set down a clear vision for the whole of the South East, alongside a detailed action plan of priority projects to be taken forward to Government and other sources of funding.
- 4.3. Jo advised that the purpose of today's presentation was to provide the Board with a heads up on the work undertaken so far, in advance of sharing a draft strategy and action plan, which is hoped to be reviewed and ratified in line with the SEP in Autumn.
- 4.4. Victor Sellwood started by setting the context for the strategy's drivers to meet the UK plc need for reliable, affordable and clean energy. Working within the context of the next 30-40 years, this piece of work will form an evidence base to build on and meet the aspirations set out in the following vision: *The South East economy to be a Beacon of decarbonisation and innovation that will ultimately become self-sustaining in energy.*
- 4.5. To date, work has been underway to gain understanding of the current energy landscape, identify projects that could help the region achieve its energy and carbon goals over the coming decades and seek local insight and advice to help create an aligned vision for the strategy. Ultimately, the strategy will seek to be ambitious and make a step change to drive improvements, incorporating a pipeline of energy and low carbon projects, funding options to deliver projects, an action plan, with responsibilities and timescales and recommendations for HMG policymakers.
- 4.6. While Board Members were pleased to see the strategy in progress, there was some concern that the presentation did not outline suggested innovations and findings and did not reflect local opportunities provided by our geography such as tidal energy. Although the presentation was very high level at this stage, alignment with Garden Settlements, energy stoppage and wastage should be considered.
- 4.7. Douglas Horner commented on the need to make a clear separation between supply and demand and ensure that the strategy points out what SELEP can do to influence. He also noted that with regards to energy generation, it would be helpful to review intelligence from elsewhere to support local areas and once this is known, to then determine how SELEP can play a role in supporting the development of technology to enable this.
- 4.8. Victor advised that they are still in the interim stage and the purpose of today was to prepare the ground for future discussions. Further work and evidence has been drawn together and will be developed over summer, to be shared at the next Strategic Board meeting in September. Victor

confirmed that the team are looking at technologies with the Scandinavian Heat Network and international innovation will take a focus on the strategy as part of the Siemens network.

4.9. Murray Foster asked to clarify opportunity to comment for OSE. **Action: It was confirmed that Jo Simmons would facilitate the process of sharing initial drafts with this Board and the Federated Boards.**

4.10. Chris thanked the speakers and reflected that there is still a fair amount of work to be done to take this forward and receive an endorsement by this Board. It was agreed that today's comments would inform the draft strategy which will be expected to be received in August. This would be circulated and then endorsed at a future meeting.

5. Skills Strategy

- 5.1. Angela O'Donoghue set the context of this strategy, which was driven by the SELEP Skills Advisory Group and local Employment and Skills Boards. Louise Aitken advised that she was hoping to receive sign off following a series of iterations and that following extensive consultation, the strategy is now ready for publication, subject to a few formatting and design updates. It is backed up by a detailed evidence base, which will remain as a live document for continual updates.
- 5.2. Louise took Board members through headline information, which include the opportunities for the area, along with challenges faced. Short, medium and long term ambitions have been articulated and will be developed in to an action plan.
- 5.3. Paul Winter, Chair of the Kent and Medway Skills Commission and Adam Jones, Chair of the Essex Employment and Skills Board both spoke of their support in endorsing the strategy. They provided excellent feedback on the process taken by Louise.
- 5.4. Cllr Paul Carter suggested that an action plan with targets alongside governance arrangements needs to be developed and that SELEP should take the opportunity to ask for freedoms and flexibilities around apprenticeships, as while the legislation is great, navigating the system creates difficulty. Exerting a collective pressure will help to make this a success. Louise confirmed that this is being taken forward.
- 5.5. Board Members spoke of their support for the strategy. Chris offered his help in fostering links with Government and agreed to discuss with his Department of Education contacts.
- 5.6. George Kieffer took the opportunity to make a plea for an ESIF vacancy from one of the Business & Skills Boards. Action: Louise agreed to take this away and receive a nomination.
- 5.7. The Strategy was **ENDORSED**.

6. Developing a SELEP pipeline of projects

- 6.1. Following on from the discussion at the March 2018 meeting, where Board Members agreed to establish and maintain a single pipeline of priority projects, Rhiannon set out the proposed approach to developing a SELEP single pipeline of projects. . She recommended that the Board agree to the development of a short term single pipeline to the end of the Growth Deal period (31st March 2021), and a longer term aspiration to develop a medium/long term pipeline to capture priorities beyond the current funding period.
- 6.2. With regards to the short term single pipeline (referred to as LGF R3b) Rhiannon advised that the three potential sources of LGF available which would offer a maximum amount of £47.2m.
- 6.3. Rhiannon suggested the following process, in accordance to the eligibility criteria outlined in the report and presentation, which can be found [here](#)
- 6.4. Rhiannon asked the Board to consider this process, along with one of three timescale options presented.
 - Stage 1 – Open call for projects and prioritisation by Federated Boards

- Stage 2 –Submission of projects to SELEP for prioritisation by the SELEP Investment Panel
- Stage 3 – Approval of the project by SELEP Accountability Board when funding becomes available

- 6.5. Cllr Paul Carter expressed his concern for Accountable Bodies taking the hit for unanticipated additional costs and suggested that LGF might be utilised for covering such overspends.
- 6.6. Anthony Forster commented that whilst he took the point on overspends, deliverables would need to be considered and there should be no automatic presumption that existing projects should be first in the queue. Deliverables must be considered. Anthony also raised his concern that there is currently too much focus on infrastructure and that an education representative is needed on the Investment Panel to ensure that all opportunities are considered.
- 6.7. Adam advised that in terms of timing, it would be well received by Government if this pipeline was agreed in advance of the Annual Conversation.
- 6.8. Board Members **AGREED on Option 2** – for the Pipeline to be agreed on the 7th December 2018

7. Governance

- 7.1. Adam Bryan took the Board through a series of decisions in order to strengthen SELEP Governance.
- 7.2. **Terms of Reference:** Following the recent SELEP Deep Dive, minor tweaks were made. The revised version was **APPROVED**.
- 7.3. **Investment Panel Membership.** SELEP already has agreement for an Investment Panel, and as reiterated in the recent Deep Dive, Government will be expecting this to be in place and discussed at the Annual Conversation in December. The group spoke about balancing representation and ensuring the group size was manageable and it was suggested that FE/HE be incorporated in all options to enable this. Board Members were asked to select one of three membership options outlined in the accompanying Board report.

Option 1 - Panel of 17	2 votes
Option 2 - Panel of 13	11 votes
Option 3 - Panel of 7	10 votes

- **Action: Secretariat to facilitate process for setting up the Investment Panel**

7.4. Process for Strategic and Federated Board recruitment:

- 7.4.1. Adam referred to the need as set out in the Assurance Framework for private sector board members to be recruited through an open, transparent and non-discriminatory competition. While this is already being done across the board, it is expected that arrangements are formalised and consistent.
- 7.4.2. Cllr Gagan Mohindra raised the issue of diversity, noting that the Board only has two female members. Chris supported this strongly and suggested that while half of all representatives are elected and influence is therefore limited, there is an opportunity here in recruiting business representatives.
- 7.4.3. Anthony Forster suggested that some SELEP guidance on diversity, incorporating context for selection would be valuable and Adam confirmed that the board recruitment material which is currently in development will address this.
- 7.4.4. Chris Brodie suggested that Vice Chairs take a role in pushing diversity within their respective federated areas. **This was AGREED**

7.5. **Updated policy documents** (please see updated policies [here](#))

- 7.5.1. Adam advised that these iterations to policies are in line with the Deep Dive Report which has been available in the time since the March 2018 Strategic Board – we’ve therefore had to review in the intervening period.
- 7.5.2. Cllr Paul Carter suggested that given the Strategic Board is a public meeting, it would be sensible to build in a public behaviour policy. **Action: Adam to follow up**
- 7.5.3. Cllr Gagan Mohindra noted that the Code of Conduct does not address deputies. **Action: Adam to incorporate**

7.6. All updated policy documents were **AGREED** subject to the above actions

8. Capital Programme Update

- 8.1. Rhiannon Mort updated the board on the Local Growth Funding (LGF) projects that are currently underway in SELEP.
- 8.2. Rhiannon gave a presentation on the progress to date of these projects, which can be found [here](#)
- 8.3. Rhiannon advised that the funding gap in 2019/20 is being reduced by slippage for financial years so we have cash flow to support schemes which are in train. She is continuing to monitor this.
- 8.4. She also set out the risk position for all projects which had been assessed in accordance with the Ministry for Housing and Local Government (MHCLG) guidance. She noted that many of these risks are funding issues which relate back to the previous agenda item and that this risk profile is continually being monitored.
- 8.5. Rhiannon took the opportunity to draw out some delivery highlights of LGF schemes including the Innovation Centre at the University of Essex and the Dover Western Docks Revival.

9. South East Business Hub

- 9.1. Suzanne Bennett updated the board on the latest position of the South East Business Hub. The Department of Business, Energy and Industrial Strategy (BEIS) have announced a further two years funding and with this have set a series of new requirements which shift the focus from generic support to target those businesses identified as having high potential for growth.
- 9.2. Suzanne assured that Board that Growth Hub services will continue in the three sub hubs, but that pre start-up support is NOT eligible for grant funding. With the focus on high potential businesses, start-up advice will be automated via web channels and there will be a greater use of the national offer, including the national business support helpline. Suzanne also spoke of the support provided through the various ERDF programmes, such as the South East Business Boost (SEBB) project, which is due to end from 2019.
- 9.3. Because of these wider ranging and fundamental changes to the policy environment of Growth Hubs, there needs to be a full review of potential future models for the Growth Hub service. The Secretariat will lead a Task & Finish Group to work up costed options for the Board to consider at their meeting in December.

10. Any Other Business and Close

- 10.1. Adam reminded Board Members that the Internal Audit report had been circulated with the agenda pack for them to review.

- 10.2. David Rayner asked if Board papers could be received more than a week in advance of meetings to enable more time to discuss. Adam advised that these timescales were set out in the Assurance Framework and earlier deadlines may present a challenge for the team. He did however intimate that a different approach would be trialled for the September Board meeting.
- 10.3. Douglas Horner asked if the financial report could be presented in simpler terms. This feedback will be presented to the Internal Auditors.
- 10.4. Cllr Simon Cook asked about alternating meeting venues. Adam confirmed that there was a discussion to rotate across the LEP geography and that the December meeting had been held in Ashford as a result of this. Following this the majority expressed a preference for High House Production Park but the team are open to other venues if the views of Board Members dictate a change.
- 10.5. Chris thanked Board Members and guests for their attendance and closed the meeting at 12:41.

Declarations of Interest – Guidance Note

In advance of each Board meeting, Members are reminded of their ongoing obligation to review their Declarations of Interest (DoI). If any interests previously declared on the DoI form have changed, the Member is required to submit an updated DoI form to the SELEP team within 28 days of the change.

Where Board Members have any interests which relate to the items to be considered on the Agenda, these interests must be disclosed during the meeting and the Declaration of Interest updated accordingly. This guidance helps guide Members through the DoI Form, and provides some additional commentary, so as to enable the Member to fully understand the information which must be included within the form.

1. Context

- 1.1. A template has been provided by the Ministry for Housing, Communities and Local Government (MHCLG), which must be completed by all SELEP Board Members, including members of the:
 - Strategic Board;
 - Accountability Board; and
 - Federated Boards.
- 1.2. Board members must:
 - Complete a Declaration of Interest within 28 days of becoming a Board Member;
 - Provide details of all Disclosable Pecuniary Interests;
 - Review their Declaration of Interest in advance of each Board meeting and provide the SELEP Secretariat with an updated version of the form if any interests have changed; and
 - Notify the SELEP Managing Director of any changes to interests within 28 days of the change occurring.

2. Guidance on completing the DoI form

2.1 Section 1 - Any employment, office, trade, profession or vocation carried on for profit or gain
This section seeks information about you and your partner/spouse's employment and business activity.

2.2 Section 2 - Sponsorship

This section seeks information about any additional financial benefits you or your spouse/partner receives as a result of being a member of the SELEP.

2.3 Section 2.1

Section 2.1 states, *"Any financial benefit obtained (other than from the LEP) which is paid as a result of carrying out duties as a Member. This includes any payment or financial benefit from a Trade Union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 (a)".*

In Section 2.1 Board Members should disclose any financial benefits (such as remuneration or allowances) paid by an organisation other than SELEP, which are received as a result of them being a SELEP Board Member.

This obligation extends to your spouse/partner, and there if they receive any financial benefit from an organisation other than SELEP as a result of you being a SELEP Board member, this must also be included on the form.

2.4 Section 3 - Contracts

This section seeks information about any contracts held by you, your spouse/partner or any business carried on by you or your spouse/partner and SELEP.

2.5 Section 3.1

Section 3.1 states that, *“Any contract for goods, works or services with the LEP which has not been fully discharged by any organisation named at 1.1.”*

In this context, it is expected that the ‘LEP’ refers to SELEP, its Accountable Body and its Partners, including the Upper Tier Authorities and those organisations which the SELEP Accountable Body has a Service Level Agreement or Grant Agreement with.

Accordingly if you, your spouse/partner or any business carried on by you or your spouse/partner, hold a contract with any of these bodies, it must be disclosed within this section of the form.

2.6 Section 3.2

Section 3.2 states that, *“Any contract for goods, works or services entered into by any organisation named at 1.1 where either party is likely to have a commercial interest in the outcome of the business being decided by the LEP”.*

In this section, Board members are required to declare any contracts for good, works or services entered into by their employer, or business carried on by them, that may be impacted by a decision taken by SELEP.

Board members should update this section where any new contracts are entered into and declarations must be made during meetings at which such decisions are taken.

2.7 Section 4 – Land or Property

Section 4 states that, *“Any beneficial interest you or any organisation listed at 1.1 may have in land or property which is likely to be affected by a decision made by the LEP in a forthcoming meeting. This would include, within the area of the LEP:*

- *Any beneficial interest in any land in the LEP areas, including your place(s) of residency*
- *Any tenancy where the landlord is the LEP and the tenant is a body in which the relevant person has an interest*
- *Any licence for a month or longer to occupy land owned by the LEP*

“For property interests, please state the first part of the postcode and the Local Authority where the property resides. If you own/lease more than one property in a single postcode area, please state this”.

In this section, Board Members are required to state the first part of the postcode for any land or property within which the Board member, their employer or business (as stated in section 1.1) or their Spouse/partner, has a beneficial interest, which falls within the SELEP area.

This includes providing the first part of the postcode for their own home, where this is owned by the Board Member or spouse/partner and it is located within the SELEP area.

3. Declarations of Interest at Meeting

- 3.1. Where a matter is considered at a meeting of the SELEP, and which the Board Member is present, and relates to or may have an impact upon a body or matter in which the Board Member has Disclosable Pecuniary Interest or a Code interest (as defined in the SELEP Policy for Registers of Interest), the Board member must disclose the existence and nature of that interest at the meeting, and prior to the matter being considered by the Board.
- 3.2. Where a Disclosable Pecuniary Interest declaration has been made, the Board Member must:
 - 3.2.1. withdraw from the room where the meeting considering the business is being held at the time that item of business is being discussed; and
 - 3.2.2. not participate in any debate or vote on the matter.
- 3.3. Board Members are required to declare an interest on decisions, irrespective of whether or not they are able to attend the meeting at which the decision is to be taken. Where a Board member has declared a disclosable pecuniary interest, a substitute member will not be able to vote on their behalf, on the matter to be determined.

For more information about SELEP Declarations of Interest please see SELEP's Register of Interest Policy - <https://www.southeastlep.com/app/uploads/2018/07/SELEP-Register-of-Interests-Policy-June-2018.pdf>

LEP Review

1. Purpose

- 1.1 The purpose of this paper is to provide board members with an indication of the approach that we will take in producing our initial submission to the LEP Review, which is specific to the topic of LEP geography.

2. Recommendation

- 2.1 The Board is asked to note this report, and to expect the delivery of the full paper and draft submission on or before the afternoon of Wednesday 26th September.

3. Background

- 3.1 Board members are aware of the Government's LEP Review (Strengthened Local Enterprise Partnerships – see [link](#)) and the requirement for responses from LEPs at the end of September on geography and at the end of October on governance and initial implementation plans.
- 3.2 The full paper to accompany this note, and the submission to Government, will be discussed at federated board meetings and/or with each federated board chair ahead of its release to the Board and publication on the website.
- 3.3 The paper will make a strong case for the continuance of SELEP and the way it currently works, and will address topics such as:
 - 3.3.1 How we approach a corporate form which is cost effective and embraces our current model;
 - 3.3.2 Retaining districts within their traditional counties and removing local overlaps;
 - 3.3.3 Seeking flexible approaches around board numbers and composition;
 - 3.3.4 Recognising and responding to the need for a better gender balance; and
 - 3.3.5 Acknowledging the evidence of where we already go above and beyond the requirements of the Review.
- 3.4 Together with the Vice Chairmen and the Secretariat, I will be entering a dialogue with Government to evidence how the way we currently work meets the aspirations of the LEP Review. We will demonstrate how the strength of our federated model meets these aspirations, particularly related to the outcomes we have achieved for businesses and communities. We will provide the evidence to ensure this is understood centrally.
- 3.5 Above all else, we must not jeopardise our ability to draw down UK Shared Prosperity Fund and must provide Government with sufficient confidence that we are able to operate in a clear and transparent way, and to a scale that brings impact and influence. We are at least as well placed to do that than most LEPs.

4. Next steps

- 4.1 Federated boards and/or their Chairs will meet with senior members of SELEP staff w/b 24th September. We will send the submission and covering paper by Wednesday 26th, ahead of the board meeting on Friday 28th and submission on geography on the same day.

4.2 We will meet to discuss governance and implementation in more detail on Thursday 25th October with a view to agreeing the second, more substantive, response.

5. Accountable Body Comments

5.1 The findings of the Ministerial Review of Local Enterprise Partnerships that was published in July indicated that there is some uncertainty as to the geographical boundaries of all LEPs. Each LEP has been asked to come forward with proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers. This final option for mergers is considered to be relevant for LEPs currently on a smaller geographical scale to SELEP.

5.2 Should any proposals be put forward and agreed by government, the revised structure would not be expected to go live until April 2020. Any changes to structure would need to consider the impact on in-flight projects and their delivery. At time of writing, no specific risk arising from this process has been identified, but the uncertainty pertaining to future structures and the high possibility of risks emerging should be noted.

Author: Chris Brodie
Position: Chairman
Date: 20 September 2018

Sector Support Fund (SSF) Approvals

1. Purpose

1.1 The purpose of this report is to seek Strategic Board (the Board) endorsement for the Sector Support Fund (SSF) projects which have been submitted to SELEP for revenue funding support.

2. Recommendations

2.1 The Board is asked to :

2.2 **Agree** to increase the SSF available in 2018/19 from £500,000 to £629,000 using the unallocated SSF from 2017/18, as set out in section 4 of the report

2.3 **Endorse** the following three projects which have been found, through an Independent Assessment, to meet the SSF eligibility criteria:

2.3.1 Good Food Growth Campaign (£60,400);

2.3.2 Future Proof: Accelerating Delivery of High Quality Development across the LEP (£110,000); and

2.3.3 Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000), subject to endorsement by Team East Sussex Federated Board on the 24th September 2018.

2.4 **Endorse** the Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000). This project does not meet all the eligibility criteria but may be considered for a funding award on an exception basis, as detailed in section 6 of the report.

2.5 **Note** the work which is currently underway by SELEPs working groups to develop future SSF projects for consideration by the Board

3. Background

3.1 In June 2017, the Board agreed to establish a SSF using the Growing Places Fund revenue monies, with the intention of offering revenue funding to support the pan-LEP sector based activities of the SELEPs working groups.

3.2 The aim of the funding is to support projects which:

- Impact across all Federated Areas;
- Demonstrate a positive contribution to SELEP's mission to create the conditions for increased numbers of jobs and homes, safeguard existing jobs and raise skills levels across the area;
- Can support the delivery of SELEPs Strategic Economic Plan and SELEPs agenda; and
- Provide High Value for Money

3.3 Full details of the criteria are set out in Appendix B.

3.4 In addition to the SSF being available to support the activities of SELEPs working groups, the decision report to the Board in June 2017 set out the scope for SSF to support the establishment of Enterprise Zone. This is due to the precedent which has been set through the previous awards of revenue funding to Harlow Enterprise Zone.

- 3.5 The SSF funding totals £500,000 per annual and it intended to be made available on an annual basis over a four year period, between 2017/18 and 2020/21, with a maximum of £200,000 being available per project.
- 3.6 For projects to secure a SSF allocation the proposal must be endorsed by the Board and secure support from at least one Federated Board. However, the formal funding decision is made by the SELEP Accountable Officer (Managing Director) with delegated responsibility following endorsement of the project by the Board.
- 3.7 An Independent Assessment is also completed by the SELEP Accountable Body, Essex County Council, (ECC), for all SSF applications. This assessment considers the projects suitability against the agreed assessment criteria, detailed in Appendix B and the requirements of the SELEP Assurance Framework.

4. SSF Investment to Date

- 4.1 To date, the Board have endorsed three project for SSF support to a maximum value of £371,000:
- The South East Creative Economy Network (SECEN) Cultural Coasting Project (£150,000 over three years, £50,000 per year);
 - The Tourism and SECEN Colours and Flavours project (£60,000); and
 - The North Kent Enterprise Zone (£161,000)
- 4.2 Of the £500,000 SSF available in 2017/18, the allocation of £371,000 to the three projects listed above has left £129,000 unallocated, as set out in Table 1 below.
- 4.3 It is recommended that the Board agree to make the £129,000 unallocated SSF from 2017/18 available in 2018/19, increasing the SSF available in 2018/19 to £629,000.

Table 1 2017/18 SSF allocation

SSF annual allocation	£500,000
Projects Identified for investment in 2017/18	
SECEN Cultural Coasting Projects	£150,000
Tourism and SECEN Colours and Flavours	£60,000
North Kent Enterprise Zone	£161,000
Total SFF allocated in 2017/18	£371,000
SSF unallocated in 2017/18	£129,000

- 4.4 The funding in relation to the North Kent Enterprise Zone will be drawn-down in 2018/19 to contribute towards the financial up-front costs of preparing Local Development Orders for Rochester Airport Technology Park, production of marketing collateral and formative evaluation.

4.5 The two applications from the SECEN have been developed further and an Independent Assessment is underway, prior to a final decision by the SELEP Managing Director and the funding being made available. As such the SSF associated with these two projects has been carried forward from 2017/18 to 2018/19 to support these two initiatives once the requirements of the Independent Assessment have been satisfied.

5. SSF Applications 2018/19

5.1 A number of new applications are being developed for the SSF opportunity and a total of four applications have been submitted to SELEP for consideration and endorsement by the Board at this time.

5.2 These four applications include:

5.2.1 Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000)

5.2.2 Good Food Growth Campaign (£60,400);

5.2.3 Future Proof: Accelerating Delivery of High Quality Development across the LEP (£110,000); and

5.2.4 Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000).

5.3 For each of the bids which have been submitted, an Independent Assessment has been undertaken by the SELEP Accountable Body.

5.4 The total value of the projects which have come forward for SSF investment totals £422,400 and, as such, there is sufficient funding available to support all four applications. However the Board are asked to note that a number of other applications are under development and are due to be considered at future Board meetings. The award of SSF to the four projects which have come forward for consideration to date in 2018/19 will reduce the SSF funding pot available to support future applications.

6. Kent Medical Campus Enterprise Zone – Innovation Centre Design Work

Scope

6.1 Maidstone Borough Council is requesting £156,000 SSF grant to contribute towards covering the cost of anticipated total design stage costs of £260,000 for the development of an Innovation Centre on Kent Medical Campus Enterprise Zone.

6.2 The 2,787sqm (30,000 sqft.) Innovation Centre will offer SMEs focused on life science, healthcare and med-tech activities access to a combination of high-grade office accommodation and business support providing a nurturing environment for start-ups and growing businesses. In doing so the project seeks to address a significant under provision by the private sector in the SELEP area. The centre will also provide conferencing and meeting space to assist in the formation of a “research hotel” where businesses, academics and medical professionals can collaborate to enable new ideas to be developed and introduce new products to the market.

6.3 The Innovation Centre will contribute to delivering the objectives of the SELEP SEP, accelerating the delivery of new employment space and providing support for the emerging life sciences sector. It also responds to the UK’s Industrial Strategy which emphasises the need to invest in science, research and innovation to ensure the UK can become a more innovative economy.

6.4 Maidstone Borough Council has applied for European Regional Development Fund (ERDF) grant to help finance the construction of the facility in tandem with the provision of an extensive business support programme across the SELEP area; however, the design element of the project cannot be funded through this means. As such, the SSF will be used to develop the design of the innovation centre so as to enable a construction start date of spring 2019.

Funding

6.5 The total cost of the project for the construction of the Innovation Centre is estimated at £13.2m, this includes £260,000 design commission costs. An ERDF bid has been submitted to meet the capital costs of delivering the infrastructure. However, the outcome of this funding bid has not yet been confirmed. The realisation of the project benefits is dependent on the success of the ERDF bid or an alternative funding source being identified to deliver the Innovation Centre. As such, the Board should consider this risk as part of their decision making.

6.6 A £156,000 SSF grant to the project would provide 60% of the design costs, with the remaining £104,000 being provided by Maidstone Borough Council as set out in Table 2 below.

Table 2 Funding Breakdown - Kent Medical Campus Enterprise Zone - Innovation Centre design work (£)

Sources	2018/19	2019/20	Total
SELEP SSF	93,000	63,000	156,000
Maidstone Borough Council	62,400	41,600	104,000
Total	155,400	104,600	260,000

Outcome of Independent Assessment

6.7 The project meets a majority of the assessment criteria and is aligned with SELEPs strategic objectives through accelerating the delivery of employment space in sectors highlighted as key in the SELEP SEP. The project would not in itself create jobs but will help accelerate the delivery of the wider project that could otherwise stall. Local match funding contributions of 40% have also been identified and the project has secured endorsement from the Kent and Medway Economic Partnership (KMEP).

6.8 The application itself, however, is to support the delivery infrastructure at the Kent Medical Campus site in Maidstone, only. As such, the project does not meet the criteria of being pan –LEP. In addition, there is a risk that if capital funding is not committed to the project, through ERDF or an alternative funding source then the project benefits will not be realised.

6.9 Whilst normally a project which is not compliant with the eligibility criteria would not be recommended to the Board for endorsement, previous revenue funding awards have been made by the Board to support the development of SELEPs Enterprise Zones. This includes the award of £1.245m to Harlow Enterprise Zone, prior to SSF being established, and the previous £161,000 SSF award to North Kent Enterprise Zone. As such, the Board may wish to consider the award of £156,000 SSF to the project on an exemption basis due to the previous awards of revenue funding to SELEPs Enterprise Zones in other geographies.

7. Good Food Growth Campaign

Scope

- 7.1 This pan-LEP project will support growers, processors, retailers, food businesses and new entrants to raise awareness of the opportunities available within the sector to develop and enhance their businesses thereby adding both volume and value to the sector.
- 7.2 Post Brexit, SELEP's food and drink sector could grow significantly if supported by a more joined-up strategic approach to share knowledge and expertise and drive business development, thereby exploiting opportunities for import substitution and increased exports within what is a period of challenge, opportunity and transition.
- 7.3 As such, this project will focus on:

Networking - The delivery of four food and drink conferences (three county-based followed by an over-arching LEP wide conference). These will include key speakers focussing on business development, start-ups, branding, product development, new markets, accessing buyers/suppliers, etc. Business to business networking, access to food champions, and opportunities for producers/retailers to exhibit will be integral elements. LEP-wide conference will act as focal point to share knowledge, expertise and lessons learnt.

Supply chain development - 'Meet the Buyer' Business-to-Business events will be shaped by the outcomes from the conferences and targeted to address barriers to successful supply chain for both independents and multiples. Three half-day workshops will be delivered to prepare producers and buyers for the event by exposing key barriers and identifying how to overcome them (sharing perceptions and expectations is key). These will be followed by three half-day 'Meet the Buyer' events, which will also include detail on how to win public sector contracts (e.g. East Sussex School Meals Contract). Feedback will be shared and a final follow-up session 9 months later will monitor success.

Strategic scoping study of agri-food related opportunities post Brexit - consultancy work to set out emerging rural priorities as a result of the Brexit transition period. Headline recommendations to ensure our rural strategy provides clear strategic direction, especially for food productivity and the associated supply chain network and by identifying impactful areas for future SELEP investment.

The project is being promoted by Produced in Kent, with Kent County Council as the supporting lead County/Unitary authority for the project.

Funding

- 7.4 The total project cost is estimated at £98,900, with £60,400 SSF being sought in 2018/19. In addition, in kind contributions will be made by Produced in Kent, East Sussex County Council, Essex Chambers of Commerce and Kent County Council through the allocation of staff resources and office space. No cash funding contributions have been identified towards the project from local partners.

Table 3 Funding Breakdown - Good Food Growth Campaign (£)

Sources	2018/19
SELEP Sector Support Fund	60,400
In kind funding contributions	
Produced in Kent	12,000
East Sussex County Council	12,000
Essex Chambers of Commerce	12,000
Kent County Council	2,500
Total	98,900

Outcome of Independent Assessment

- 7.5 The Independent Assessment has confirmed that the application meets with the criteria for SSF investment.
- 7.6 The application is pan –LEP in nature with events being proposed across the SELEP geography and the objectives of the project are closely aligned with the SELEP Strategic Economic Plan (SEP), in supporting the rural and coastal communities economy.
- 7.7 A value for money assessment has been conducted. Whilst it is unlikely that all the stated quantitative benefits can be attributed to the SSF investment, the qualitative benefits of the project are also stated. The consideration of the qualitative and quantitative benefits indicate that the project will deliver high value for money and given the low value of the SSF, the funding award falls under VfM exemption 1 of the SELEP Assurance Framework, as set out in Appendix A.

8. Future Proof: Accelerating Delivery of High Quality Development across the LEP

Scope

- 8.1 Using case study development sites in Dover (Connaught Barracks) and Thanet (Haine Road) the intention is to develop a new financial product which can be applied to other development sites across SELEP in order to help accelerate the delivery of residential development and overcome barriers to the delivery of new homes.
- 8.2 This project will involve working with the private and public sector, including Homes England to develop a new financial product and to test this product with SME developers. It is intended that the product will be flexible enough to cope with different developments across the SELEP area and able to meet the requirements of different investors.
- 8.3 The funding sought from SSF will support a research, development and financial planning exercise that will be used to accelerate housing delivery and which can be applied across SELEP. As such, it is investment in this work by SELEP that can create a cost avoidance opportunity for local authorities planning to undertake a similar piece of work.

Financial

- 8.4 In total, the project is expected to cost £157,425. This includes a SSF ask of £110,000, along with in kind funding contributions from Homes England, Daedalus Environmental Ltd and Haven Gateway Partnership, as set out in Table 4 below.

Table 4 Funding Breakdown – Future Proof: Accelerating Delivery of High Quality Development across the LEP (£)

Sources	2018/19	2019/20	Total
SELEP SSF	45,000	65,000	110,000
In kind funding contributions			
Homes England	20,000	13,375	33,375
Daedalus Environmental Ltd	2,000	4,600	6,600
Haven Gateway Partnerships	2,500	4,950	7,450
Total	69,500	87,925	157,425

Outcome of Independent Assessment

8.5 The Independent Assessment has determined that the project’s fit with the eligibility criteria is borderline. The project aligns closely with SELEP’s strategic objectives to accelerate the delivery of residential development across SELEP; and in kind local contributions are provided to the delivery of the project of 30%. However there are no cash funding contributions from other sources.

8.6 The project is stated to be pan-LEP as it is expected that the financial product which is developed through the study will be available to use across SELEP. The lead authority for the project is Essex County Council and Federated Board endorsement has been given by Essex Business Board by electronic procedure. However, the two case studies are located in Kent and as such the pan-LEP nature of the project is less demonstrable than for other SSF applications. Through the delivery of the project, evidence will need to be provided through the update reporting to SELEP that the project is achieving pan-LEP benefits.

9. Planning and prioritising future skills, training and business support needs for rural businesses across SELEP

Scope

9.1 This application seeks funding in order to complete a comprehensive skills evaluation to formulate recommendations for targeting future skills delivery across each Federated Area, setting out priorities for the main rural sectors:

- a) Agriculture
- b) Food and drink -production and manufacture
- c) Horticulture production – vegetable crops, fruit and viticulture

9.2 For each of the three main rural sectors, the following themes will be covered:

- a) Level 3+ technical skills
- b) Business improvement techniques and business support, including knowledge transfer
- c) Skills pipeline and facilitation for new entrants
- d) Business and environment sustainability

9.3 The work of will be commissioning through established training, education and research organisations for the rural sector with strong rural business links. Plumpton College is the lead for the project but the following training providers have been identified as participants in the project:

- a) Plumpton College, Lewes, East Sussex;
- b) Hadlow College, Tonbridge, Kent;
- c) Writtle University, Chelmsford, Essex; and
- d) East Malling Research, East Malling, Kent.

Funding

9.4 In addition to the £96,000 SSF which is being sought towards the delivery of the project , in kind contributions are also being made by the colleges and training providers, as set out in Table 5 below.

Table 5 Funding Breakdown – Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£)

Source	2018/19	2019/20	Total
SELEP SSF	48,000	48,000	96,000
In kind funding contributions			
Plumpton College	12,875	12,875	25,750
Hadlow College	6,500	6,500	13,000
Writtle University	5,000	5,000	10,000
East Malling Research	3,375	3,375	6,750
Total	75,750	75,750	151,500

Outcome of Independent Assessment

- 9.5 The independent review of this project confirms that this is a strong proposal with links to the rural sector, skills and the Growth Hub. The support from colleges and training providers from across SELEP means that the investment is expected to achieve pan-LEP benefits.
- 9.6 Match funding contributions will be provided through the expertise and access to local businesses in the industry. These contributions are valued at over 36% of the total project cost.
- 9.7 East Sussex has been identified as the lead authority for the project and the project is due to be considered for endorsement by Team East Sussex (TES) at its meeting on the 24th September 2018. The recommended endorsement of the project by the Board is subject to endorsement by TES and a verbal update will be provided to the Board during the meeting.

10. Next Steps

10.1 For all projects supported through the SSF investment then project monitoring and evaluation will be put in place and updates will be provided to the Board twice a year on the delivery of the projects identified for SSF investment.

- 10.2 In addition, it is expected that further projects will be brought forward for consideration in December 2018 to utilise the remaining £77,600 SSF which is available for allocation during 2018/19 and potentially a further £126,000 SSF unallocated SSF from 2017/18, should the Board chose to approve this. The lead dates for future SSF submissions are set out in Appendix B.
- 10.3 It is expected that a further £500,000 SSF will be made available in 2019/20 and applications for the 2019/20 allocation will be considered at the first meeting of the Board in 2019/20.

11. Accountable Body Comments

- 11.1 In June 2017, the Board agreed to establish a sector support fund (SSF) to be funded from the outstanding Growing Places Fund revenue grant, with a maximum total annual allocation to projects of up to £500,000. This allocation is approved as part of the SELEP budget by the Accountability Board, with delegated approval given to the SELEP Managing Director for use of the grant following endorsement by the Strategic Board.
- 11.2 In 2017, the Board endorsed allocations to 3 projects totalling £371,000, of which only the North Kent Enterprise Zone project has received approval, with the remaining two projects expected to complete their final governance shortly. The unallocated funding from 2017/18 of £129,000 is available to use in 2018/19, should the Board agree to this, in addition to the planned £500,000 for this year.
- 11.3 The total value of the projects which have come forward for SSF investment, in this round, totals £422,400 and, as such, there is sufficient funding available to support all four applications. Approval of all of the above projects will reduce the amount unallocated from £629,000 to £206,600.
- 11.4 The funding requested is profiled as set out in the following table; as some of the funding is required in 2019/20, the Board could chose to deduct the 2019/20 contributions against the 2019/20 planned allocation, leaving additional funding available in the current financial year should it be required for new projects coming forward in December 2018.

Funding Profile of SSF Bids

	2018/19	2019/20	Total
	£	£	£
Kent Medical Campus Enterprise Zone – Innovation Centre Design Work	93,000	63,000	156,000
Good Food Growth Campaign	60,400	-	60,400
Future Proof: Accelerating Delivery of High Quality Development across the LEP	45,000	65,000	110,000
Planning and prioritising future skills, training and business support needs for rural businesses across SELEP	48,000	48,000	96,000
Total	246,400	176,000	422,400

- 11.5 The Board should note the following risks with regard to the following project seeking endorsement:

11.5.1 Kent Medical Campus Enterprise Zone

- 11.5.1.1 The realisation of the project benefits is dependent on the success of the ERDF bid or an alternative funding source being identified to deliver the Innovation Centre.

11.5.1.2 This project does not meet all the eligibility criteria, but may be considered for funding award on an exception basis, as detailed in section 6 of the report.

12. Appendices

12.1 Appendix A – Value for Money Exemption 1

12.2 Appendix B – Sector Support Fund Guidance Note, including eligibility criteria

13. Background Papers

13.1 Kent Medical Campus Enterprise Zone – Innovation Centre Design Work Application

13.2 Good Food Growth Campaign Application

13.3 Future Proof: Accelerating Delivery of High Quality Development across the LEP Application

13.4 Planning and prioritising future skills, training and business support needs for rural businesses across SELEP Application

13.5 Independent Assessment of SSF applications

Author: Rhiannon Mort
Position: SELEP Capital Programme Manager
Contact details: rhiannon.mort@southeastlep.com, 07917650933
Date: 19 September 2018

Appendix A – Value for Money Exemption 1, as stated in the SELEP Assurance Framework

Exemption 1: This may be applied where a project does not present High Value for Money (a Benefit Cost Ratio of over 2:1); but

- has a Benefit Cost Ratio value of greater than 1.5:1; or
- where the project benefits are notoriously difficult to appraise in monetary terms.

Exemption 1 will only apply if the following conditions are satisfied:

- (1) The funding sought from SELEP in relation to the project must be less than £2.0m and to conduct further quantified and monetised economic appraisal would be disproportionate; and
- (2) where there is an overwhelming strategic case (with minimal risk in the other cases); and
- (3) there are qualitative benefits which, if monetised, would most likely increase the benefit-cost ratio above 2:1.

Garden Communities – Ebbsfleet

1. Purpose

- 1.1 The purpose of this paper is to provide an update to the SELEP Strategic Board (the Board) on the development of Ebbsfleet Garden City.
- 1.2 Ian Piper, Chief Executive of the Ebbsfleet Development Corporation (EDC) is attending the meeting and will give a presentation on the progress and challenges of the Garden City development, the priorities for the next few years, and opportunities for further joint working and sharing lessons learned with SELEP Board partners.

2. Recommendations

- 2.1 The Board is asked to note this paper and Ian Piper's presentation, and to consider opportunities for further joint working and sharing of lessons learned.

3. Background

- 3.1 In 2014 the then Chancellor announced that the first new Garden City in over 100 years with up to 15,000 new homes would be created at Ebbsfleet in North Kent. To facilitate this ambitious challenge the Ebbsfleet Development Corporation (EDC) was established in April 2015 as an arms-length body of DCLG (now MHCLG); an Urban Development Corporation with development management planning powers (area shown at Annex A). In 2016, following the Government's Spending Review process, the EDC was given access to c.£300m of capital funding until 2021.
- 3.2 The EDC planning area straddles both Dartford and Gravesham Borough Councils; the International Station in the heart of the area provides a rapid, strategic transport link to St Pancras and the Continent, the A2 marks the southern border of the site, and Bluewater is located to the immediate east. The north of the site – Swanscombe Peninsula – is the site of a proposed entertainment resort; this scheme has NSIP designation but has been impacted by ongoing delay, and the developer's current timetable suggests a DCO (Development Consent Order) no sooner than late 2019.
- 3.3 The idea of major development at Ebbsfleet is not new; development proposals for the area have been in the pipeline for over 20 years. Although outline planning permissions for over 10,000 new homes were granted long before the EDC was established, only a small amount of development took place (298 homes at the Springhead Park site). The recession had a depressing effect on market confidence and construction costs, and the major landowners focused on core business activities elsewhere. The sites (including ex-quarries) were complex and required major site preparation, impacting on viability. The scale of infrastructure required was also significant; utility companies were not encouraged to prioritise the area, and the programme for necessary highway improvements on the wider strategic road network, including major junction improvements, slipped.

4. Work to Date

- 4.1 The EDC has made substantial progress from a standing start in 2015, despite some significant constraints, the most notable of which has been the lack of any land ownership. The vast majority of the land is in private hands, typically large joint ventures, alongside a number of smaller landowners.
- 4.2 Since its inception some of the key successes of the Corporation have been:



- Prior to the EDC's inception there were just 298 homes in the EDC area; as of September 2018 the total is now c.1,200, and the Corporation is expecting that there will be 525 completions this year, building to over 700 next year and 1000 in 202/21;
- Across the EDC's area, outline planning permission now exists for 11,226 homes, and detailed permission for 2,466 homes;
- The EDC has forward funded some significant infrastructure projects that were holding up development, including in the electricity network so that developers can connect to the network without triggering substantial network upgrade charges, and also bringing forward Highways England's upgrading of the A2 Ebbsfleet and Bean (Bluewater) junctions;
- Other infrastructure investments include a new connecting bridge between the Springhead Park development in the west of the Garden City and the Central Area, and partnering with the operator of the Fastrack rapid transit bus network to kick-start new routes across the city, including opening up tunnels to Bluewater;
- The EDC has also progressed work on creating the 'place' – including developing a shared vision for the Garden City with local people (**Annex B**), and delivering a range of initiatives to help to connect established, neighbouring communities with the new developments. Particular successes have arisen from Ebbsfleet's participation in NHS's 'Healthy New Towns' programme, resulting in a series of projects that have encouraged participation from new and existing communities.
- The first new primary school has opened, and there are two community centres in operation. A new pub and hotel provide some of the first new permanent jobs in the area, and work is progressing to enable future starts on site for two further community centres, a sports pavilion, three new primary schools and a secondary education campus.
- On job creation, three sites in Ebbsfleet have been designated as 'Enterprise Zones' as part of the North Kent Enterprise Zone; on one of these sites Berkeley is currently constructing a new modular housing factory, and this facility will open in 2020.

- 4.3 Although initial progress has been good, the EDC continues to face some very significant challenges, most notably the continuing stalling of the Central Area. Viability issues including station car parking obligations, the continued delay to the entertainment resort DCO – and the uncertainty this brings in terms of access roads through the Central Area – and the state of the commercial property market has continued to block development. Central Government has recently convened a dedicated Cross-Whitehall Group of the key players to help resolve this matter, and we are now gaining traction and entering a crucial period.
- 4.4 Other challenges include designing and implementing future stewardship arrangements to ensure a future legacy for the Garden City, ensuring a diversified range of housing products alongside more standard large volume house builder developments, and the continuing constraint placed by Government on the EDC requiring a return of 75% of capital investment. The latter of these issues has impacted on the EDC's ability to invest in place-making initiatives, including bringing forward and improving the quality of strategic parks and open spaces.
- 4.5 The EDC will continue to focus on these challenges as it looks to the end of its current funding (March 2021) and the upcoming Spending Review 19 process. The Garden City is increasingly being seen by Government as an important vanguard development within its wider Garden Communities programme, and as a place where innovation can be applied and lessons can be learnt and shared with other new major developments.

5. Opportunities for Joint Working and Sharing Lessons Learned

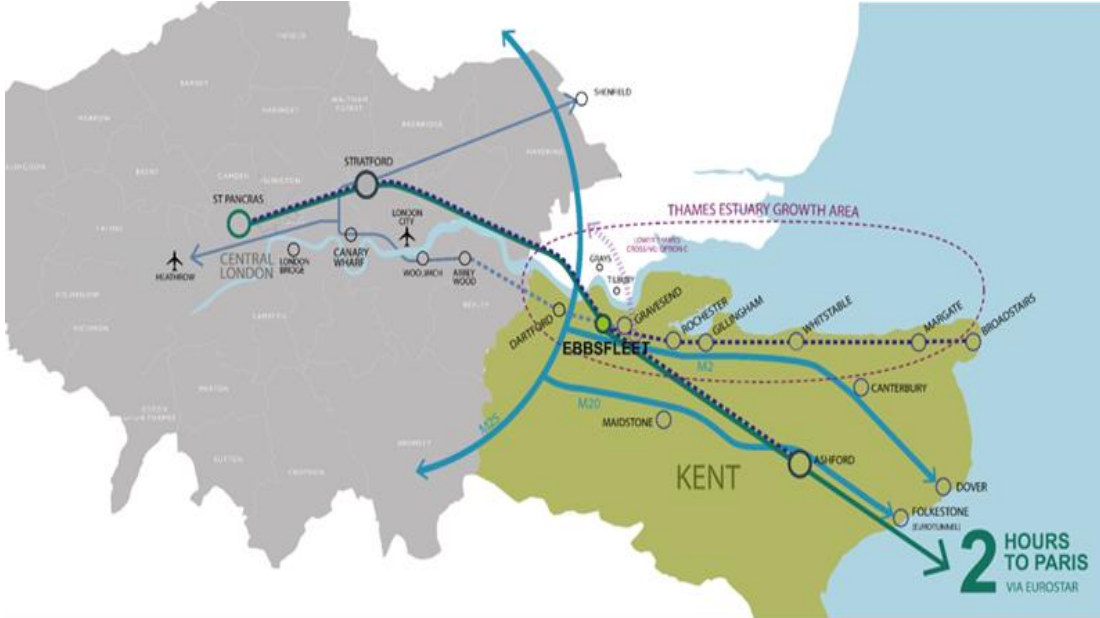
- 5.1 The EDC has been working very closely with local partners across the public, private and third sector, and membership of the Thames Gateway Kent Partnership has enabled the EDC to network and collaborate with North Kent partners.
- 5.2 There are significant opportunities to create sustainable economic growth at Ebbsfleet – mainly in the Central Area and on Swanscombe Peninsula. A major priority for the Corporation over the next couple of years is to unlock those opportunities and to realise them for the benefit of the wider Kent economy. Undoubtedly, support from partners across the region will be required, particularly in the spheres of inward investment, skills development and labour supply. We are keen to engage with all concerned through the LEP.
- 5.3 We are keen too, for our experience to be shared with others who may be developing large scale growth plans, so we are happy to discuss in more detail with any partner what lessons we have learnt and how these could be applied elsewhere.

6 Accountable Body Comments

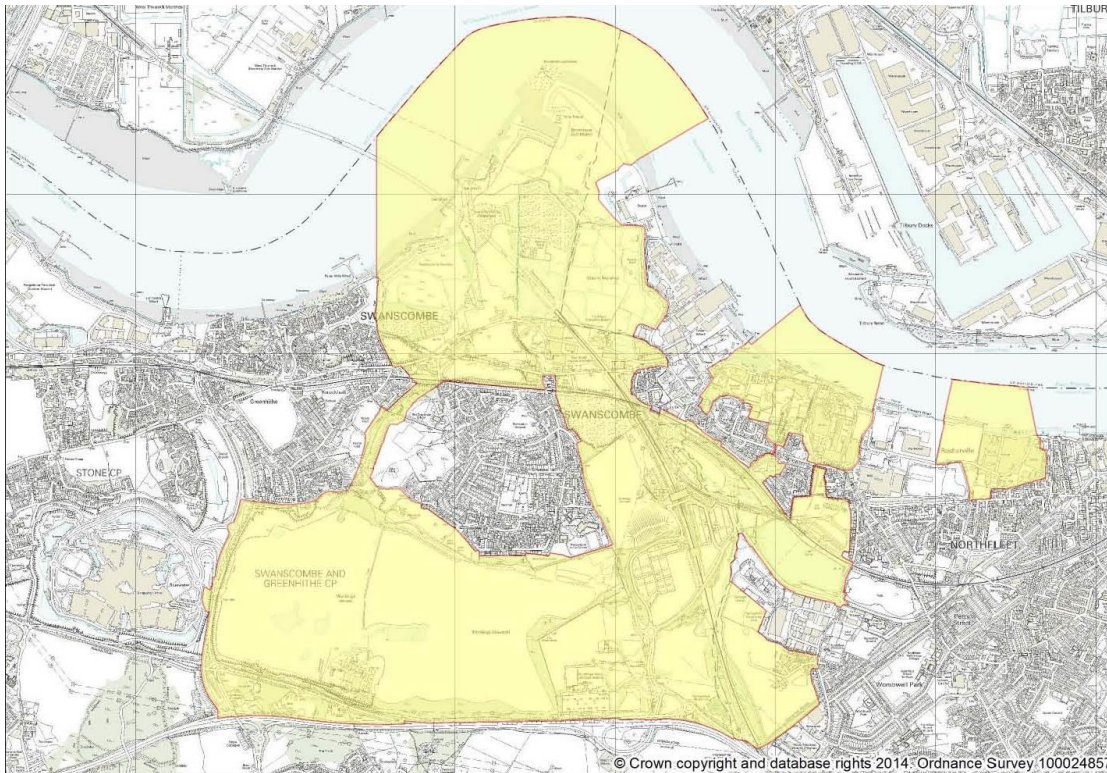
- 6.1 There are no comments from the Accountable Body with regard to this update.

Author: Ian Piper
Position: Chief Executive Officer, Ebbsfleet Development Corporation
Contact: ian.piper@ebbsfleetdc.org.uk
Date: 14 September 2018

Annex A: The location of Ebbsfleet Garden City



The EDC's 'redline' planning boundary



Annex B:



A Vision for Ebbsfleet Garden City in 2035

Where London meets the Garden of England, on the banks of the River Thames, Ebbsfleet exploits its strategic location to continue the tradition of great place-making in the UK; combining the best of urban and rural living and building on the ethos and pioneering spirit of Georgian, Victorian and Edwardian planned communities to deliver a new benchmark for 21st century development including up to 15,000 high quality new homes.

Ebbsfleet is recognised as a place to do business, capitalising on its role as a European high speed rail hub 17 minutes from Central London and two hours from Paris, and benefiting from its proximity to Bluewater and junctions with the M25 motorway and the A2. Up to 30,000 people will work in a green, modern environment around the International Station, which is becoming a magnet for economic growth and a destination of choice for investment and innovation.

Building on the unique landscapes inherited from its industrial legacy where gorges, bridges, tunnels and clefts connect former chalk quarries, Ebbsfleet promotes its identity as a healthy and dynamic place which is seen as a prime destination for recreation and leisure in Kent.

Ebbsfleet embraces its neighbouring communities and towns to create a new civic community connected by modern public transport systems, offering a diverse range of opportunities to live, work and play for people of all ages, backgrounds and incomes. The delivery of well-designed and well-served neighbourhoods, workplaces, schools and town centres ensures that residents enjoy a high quality of life, with easy access to everything they need for healthy and successful lives

Strategic Economic Plan

1. Purpose

- 1.1 The purpose of this paper is to update the Strategic Board (the Board) on recent work undertaken to finalise the production of the Strategic Economic Plan.

2. Recommendations

- 2.1 The Board is asked to note the progress recently made to move the Strategic Economic Plan to publication.
- 2.2 The Board is asked to agree to using the additional Board meeting in October to approve the final draft of this document, that final draft having taken into account comments from the federal areas and other Strategic Board members in advance.

3. Background

- 3.1 The Board has discussed the refresh of the Strategic Economic Plan on previous occasions, has agreed the broad structure of the document and has advocated the design of a document which is more concise than the 2014 version of the same. Board members and representatives from their organisations have contributed to a vast range of consultation sessions over the past 12 months.
- 3.2 The work has often had to compete with other priorities for the SELEP team, most recently the LEP Review and accompanying work. It has also been somewhat challenged by an abortive commission early on and the resignation of the Strategy Manager during the summer. However, everyone involved has contributed positively to framing the work and the evidence base that underpins it.
- 3.3 To get the work over the line, the Managing Director has undertaken a small commission of support, to take the raw material produced and help us take the final step of completing the drafting.
- 3.4 The work that has been undertaken over the past month has been enhanced with engagement sessions with each of the federal areas, either on an officer basis to confirm previous work, or more widely where partners deemed that necessary or appropriate.
- 3.5 As a concise and accessible document at around 30 pages, the new strategy should:
 - 3.5.1 Put the LEP in a strong position to secure future Government investment. For this we need to establish a clear line of sight between the evidence base, the Industrial Strategy, and the area's economic priorities.
 - 3.5.2 Focus on those priorities which are of national, regional and sub-regional significance and are shared across the LEP area – i.e. where the LEP in itself can add value. Unlike the previous SEP, this is not a bidding document for capital investment and should therefore set out a framework within which proposals can be developed to deliver the priorities of the SEP.
- 3.6 The format of the new strategy will make it quite different to the 2014 SEP. It needs to be seen as part of an evolving policy landscape at an unpredictable moment in time for the economy. With this in mind, we might want to consider an alternative title for the document to illustrate its different role.
- 3.7 Government have remained clear that we should have a Strategic Economic Plan in place. The forward timetable for the production of Local Industrial Strategies is for local areas to have them in

place by March 2020 (and for LEPs to be fit to steward the UK Shared Prosperity Fund by January 2021).

Policy fit: Local Industrial Strategies

- 3.8 As discussed at previous Strategic Board meetings, it remains important for LEPs to have extant Strategic Economic Plans. In simple terms they provide the basis of the work and team planning for the LEP and, perhaps more importantly, provide the barometer of strategic fit for projects being assessed for Local Growth Fund, Growing Places Fund and Sector Support Fund award and (re)allocation.
- 3.9 However, we are also aware that the strategies with most currency for Government moving forward are the Local Industrial Strategies which Government have called for on the back of the national Industrial Strategy which was released in November 2017.
- 3.10 Having the 'Economic Strategy Statement' in place will ensure that SELEP is able to play a very clear and supportive role in the development of Local Industrial Strategies across our area. The new document will reinforce messages where appropriate and provide Government and industry with the reassurance that the right links are being made between business, educators and local authorities across the whole area.

4. Next steps

- 4.1 We will bring the final draft of the document to the special October Strategic Board meeting for sign off then and will, thereafter, move quickly to enact dissemination via the website and through all distribution mechanisms and digital media channels.
- 4.2 The sign-off and release of the SEP/Economic Strategy Statement in early to mid-November could be a timely accompaniment to Government's confirmation of SELEP's preferred operating arrangements – enabling us to move forward strongly.
- 4.3 The secretariat is, of course, available throughout the period to work to ensure that the final version of the document is a true reflection of SELEP's shared ambition and that all board members are satisfied that it resonates across the area.

5. Accountable Body Comments

- 5.1 It is a requirement of the SELEP Assurance Framework to have an agreed SEP in place against which projects coming forward for investment can be prioritised to ensure that the agreed strategic priorities across the SELEP area can be delivered.

Author: Adam Bryan
Position: Managing Director
Contact details: adam.bryan@southeastlep.com; 07884 475191
Date: 20 September 2018

Capital Programme Update

Local Growth Fund and Growing Places Fund Capital Programme Update

1. Purpose

- 1.1. The purpose of this report is to provide the Strategic Board (the Board) with an update on the delivery of the Local Growth Fund (LGF) and Growing Places Fund (GPF) capital programmes.
- 1.2. In addition, the report sets out the latest position in relation to LGF 3B and the work which is underway to develop a short term pipeline of LGF projects to the end of the Growth Deal period (31st March 2021).

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. **Note** the update position on SELEP's Growth Deal delivery
 - 2.1.2. **Note** the progress which has been made with LGF3B
 - 2.1.3. **Note** the updated position on the Growing Places Fund capital investment
 - 2.1.4. **Consider and note** the updated repayment schedule for the Priory Quarter Phase 3 project and that a decision on this will be taken to the next meeting of the Accountability Board in November 2018.
 - 2.1.5. **Agree** to one of the following options:
 - **Agree** the inclusion of Higher Education and Further Education Strategic Board Members on the Investment Panel, as set out in section 9.5 of the report; or
 - **Defer** the decision until the October Board meeting, to be considered as part of the wider review of SELEP's governance arrangements

3. Local Growth Fund - Growth Deal

- 3.1. Through three rounds of LGF allocations by Central Government, SELEP has secured a total of £570m investment in 97 projects across SELEP, aimed at boosting skills, unlocking barriers to development and driving economic growth.
- 3.2. To date, a total of 86 projects have been awarded funding by SELEP Accountability Board (as shown in Appendix 1),
- 3.3. Since the last Strategic Board meeting, the following LGF awards were made at the Accountability Board meeting on the 14th September 2018:
 - 3.3.1. Southend Airport Business Park (remaining £14.575m, increasing the total allocation to £23.090m); and
 - 3.3.2. Leigh Flood Storage Area (£2.349m)
- 3.4. Recent LGF delivery highlights for each County Council/ Unitary Authority area include:
 - 3.4.1. **East Sussex:** The delivery of the Devonshire Park Project, Eastbourne, is progressing, at pace, to create a new cultural, sporting and conference facility. The project has been supported through £5m LGF investment as well as a Growing Places Fund (GPF) loan. The majority of the new 'Welcome Building' has now been completed and is on track to be completed by December 2018.



- 3.4.2. **Essex:** On the 10th September 2018, the Technical and Professional Skills Centre at Stansted Airport will open to students, with around 300 students and apprentices having signed up to courses at the college.

The Centre, which has been supported by SELEP through a £3.5m LGF contribution; will provide training to meet current and future skills gaps, including science, technology, engineering, maths, aircraft maintenance and engineering, operational and plant engineering, logistics, supply chain management, higher-level customer care industries and the visitor economy.

The official handover of the building took place towards the end of August 2018 and a full complement of staff has been appointed for all skills areas to be delivered by the college.

- 3.4.3. **Kent:** In June 2018, construction works started on improvements to the A2500 Lower Road, which will provide access to enable delivery of new homes and jobs on the Isle of Sheppey. The £1.26m LGF investment, alongside an award of funding from the National Productivity Investment Fund (NPIF), will enable the delivery of a new roundabout and road widening.
- 3.4.4. **Medway:** A ground breaking event was held at Strood in July 2018 to mark the start of works at the former Civic Centre site. The delivery of flood mitigation measures, through £3.5m LGF investment, will enable the mixed- use development of this prime location for the delivery of 564 new dwellings and new SME commercial space.
- 3.4.5. **Southend:** Work has commenced, as part of plans for extensive local stakeholder engagement, to inform the final stage of the Southend Central Area Action Plan – transport project. The early engagement with local stakeholders is being used to define and shape the scope of the project prior to the submission of the project business case for consideration by the Board in February 2019.
- 3.4.6. **Thurrock:** Work on the £78m A13 widening project is progressing with archaeological and ecological works being undertaken on site and which are due to be completed in mid-September.

4. Project Evaluation

- 4.1. Post scheme evaluation is required for each LGF project as the scheme is completed and each County Council/ Unitary Authority is required to provide monitoring reports on the delivery of intended project outcomes to date at the end of each financial quarter. This includes the delivery of new jobs, houses, apprentices and new learners. A commitment to monitoring and evaluation is a condition of funding, as set out in the Service Level Agreement between the SELEP Accountable Body and each County Council/ Unitary Authority.
- 4.2. Estimates have been provided by each local authority on the delivery of outputs to date. However, this currently is thought to substantially understate the benefits which are expected to have been achieved from LGF investment.
- 4.3. SELEP has developed new templates to support the post evaluation of projects by local partners. These templates will help collate information about the successful delivery of project outputs, the realisation of project benefits and will help to share lessons learnt through the completion of Growth Deal projects to date.



- 4.4. Through the last quarter, workshop meetings have been held between the SELEP ITE and each Federated Board to discuss the SELEP monitoring and evaluation approach and to support officers in completing this information for each LGF project following project completion.
- 4.5. This information will be made publically available and will be provided to the Boards through future Capital Programme Management reports.

Table 1 Project Outputs Reported to Date

	Jobs	Commercial Floorspace (m2)	Houses	Other Benefits
East Sussex	-	3,000	-	0.5km new road and 2km new cycle route built
Essex	3,388	-	3,331	28.88km road surfaced and 3.4km new cycle route built
Kent	166	-	1,049	0.8km road resurfaced and 2.1km new cycle route
Medway	81	-	115	0.38km road resurfaced and 1km cycle routes built
Southend	-	-	-	1.26 road resurfaced and 0.2km new cycle route
Thurrock	-	-	-	No project benefits reported to date
Total	3,635	3,000	4,495	

5. LGF spend in 2017/18 – provisional outturn position

- 5.1. Declarations of LGF spend have been prepared by each of the six County/ Unitary Authorities to confirm the total amount of LGF spend in 2017/18. This confirms the total spend of £79.332m LGF in 2017/18, excluding Department for Transport (DfT) retained schemes and £94.462m LGF, including retained schemes. This position, set out in Table 2 is subject to internal audit by the Accountable Body.

Table 2 LGF outturn relative to planned spend in 2017/18 (pre-audit)

	Planned spend in 2017/18 (as restated in September 2017)	Total actual spend in 2017/18 (actuals - as reported in August 2018)	Variance*	Spend relative to planned spend in 2017/18 (%)
East Sussex	26.219	22.680	-3.539	86.50%
Essex	17.867	17.345	-0.522	97.08%
Kent	32.236	18.388	-13.848	57.04%
Medway	12.299	4.429	-7.870	36.01%
Southend	13.508	3.159	-10.349	23.39%
Thurrock	12.293	4.960	-7.333	40.35%
Skills	0.096	0.071	-0.025	73.58%
M20 Junction 10a	8.300	8.300	0.000	100.00%
LGF Sub-Total	122.817	79.332	-43.485	
Retained	31.126	15.130	-15.996	
Total Spend Forecast	153.943	94.462	-59.481	

5.2. The latest update reporting indicated that the LGF slippage from 2017/18 to 2018/19 totals £39.185m (excluding DfT retained schemes), as set out in Table 3 below. This funding will be retained within the SELEP area, either held by SELEP or by local partners, for spend in future years of the LGF programme.

Table 3 LGF spend relative to LGF available in 2017/18 (excluding retained schemes)

	(£m)
LGF allocation in 2017/18 from CLG	92.088
LGF carried forward from 2016/17	26.428
Total LGF available in 2017/18	118.516
Total LGF spend in 2017/18	79.332
Total slippage from 2017/18 to 2018/19	39.185

5.3. Though 2017/18, slippages to LGF spend were reported across a number of LGF projects, as a result of delays to project delivery schedules. Projects which reported the highest levels of LGF slippage (above £3m) include:

- 5.3.1. STEM Innovation Centre – Colchester Institute (£4.550m LGF slippage)
- 5.3.2. Thanet Parkway (£4m LGF slippage)
- 5.3.3. Southend Airport Business Park (£9.198m LGF slippage)
- 5.3.4. Purfleet Centre (£3.355m LGF slippage)

- 5.4. The total £39.185m LGF which has been slipped in 2017.18 has been carried forward to 2018/19 through:
- 5.4.1. Option 4 capital swaps – This is the process by which LGF is spent within local authorities own capital programme and is returned for spend on LGF projects during the following financial year;
 - 5.4.2. Unmitigated slippage – carry forward of LGF between financial years without the slippage having been invested within local authorities capital programme; and
 - 5.4.3. Option 5 - LGF which was not drawn down by local authorities and has been retained in SELEP’s accounts for spend in future years of the programme.
- 5.5. The total LGF slippage is broadly in line with the provisional outturn position, reported to the Board in May 2018 and Central Government departments. Through the end of year declaration process an additional £1.401m LGF slippage was identified, increasing the amount of slippage from £37.784 to £39.185m.

6. LGF allocation in 2018/19

- 6.1. SELEP’s Grant Offer Letter confirms the grant allocation in 2018/19 and the future indicative LGF allocations, as set out in Table 4 below.
- 6.2. The LGF which has been received by SELEP for 2018/19 and the future year indicative profile is consistent with the indicative profile received from Government in Grant Offer Letters from previous years.

Table 4 LGF Allocation Indicative Profile from Government

Confirmed allocation LGF	Future Indicative LGF allocation	
2018/19	2019/20	2020/21
£91,738,956	£54,914,715	£77,873,075

- 6.3. The award of future LGF allocation is dependent on the Assurance Framework and recommendations of the Deep Dive being implemented in full. In addition, the LEP Review, Strengthening Local Enterprise Partnerships has also indicated that new legal structures for LEPs, such as SELEP, should be in place by April 2019, ahead of any release of further LGF. This should be considered as part of the decision in relation to the LEP review considered under Agenda Item 3.
- 6.4. As reported to the Board previously, the spend forecast in 2019/20 currently exceeds the amount of LGF available owing to the uneven spend profile of the LGF grant from Central Government. This over-profiling in 2019/20 has reduced substantially since the gap was originally reported to the Board in May 2017, at the point when SELEP received confirmation of the provisionally allocated LGF Round 3 award profile.
- 6.5. Since May 2017, the over-profiling in 2019/20 has reduced by £7.437m, from £13.428m to £5.991m, through requests by local partners to amend the spend profile for LGF projects. There is also

currently a planned slippage of £33.474m LGF grant between 2018/19 to 2019/20 to help mitigate the cash flow risk in 2019/20.

- 6.6. As such, the LGF spend forecast is now much more closely aligned with the LGF available in 2019/20, as set out in Figure 1 and Table 5 overleaf.
- 6.7. When the Investment Panel meet to consider the development of SELEP’s pipeline to the end of the Growth Deal period, consideration will be given to the timing of LGF underspend being available.
- 6.8. Based the current spend position, it is expected that a majority of the LGF available for allocation to LGF3B project will be available in 2020/21. Efforts will be made, through the prioritisation exercise, to ensure that any re-allocation of LGF which follows the refresh of SELEPs short term investment pipeline does not exacerbate the risk of a funding gap in 2019/20.
- 6.9. Given the slippage to LGF spend which has occurred between financial years through the delivery of the LGF programme to date, the £5.991m over-profiling does not present a substantial programme risk. It is expected that the over-profiling will be mitigated through a further slippage of LGF spend from to 2019/20 to 2020/21. However, if slippage of LGF from 2019/20 to 2020/21 does not materialise then the availability of funding in 2019/20 for projects to draw down will be impacted. Discussions will be held with local partners to understand where there are opportunities to amend the project spend profiles, such as through spend of local funding contributions to projects in advance of LGF spend. An update will be presented at the next meeting of the Board.
- 6.10. If the potential to mitigate the cash flow risk cannot be mitigated through voluntary changes to project spend profiles then the Board will be presented with a set of proposed criteria, to agree which projects should be prioritised for their 2019/20 funding allocation. This will include a recommendation that those projects which are already in train will be prioritised for funding.

Figure 1 LGF spend forecast relative to LGF available

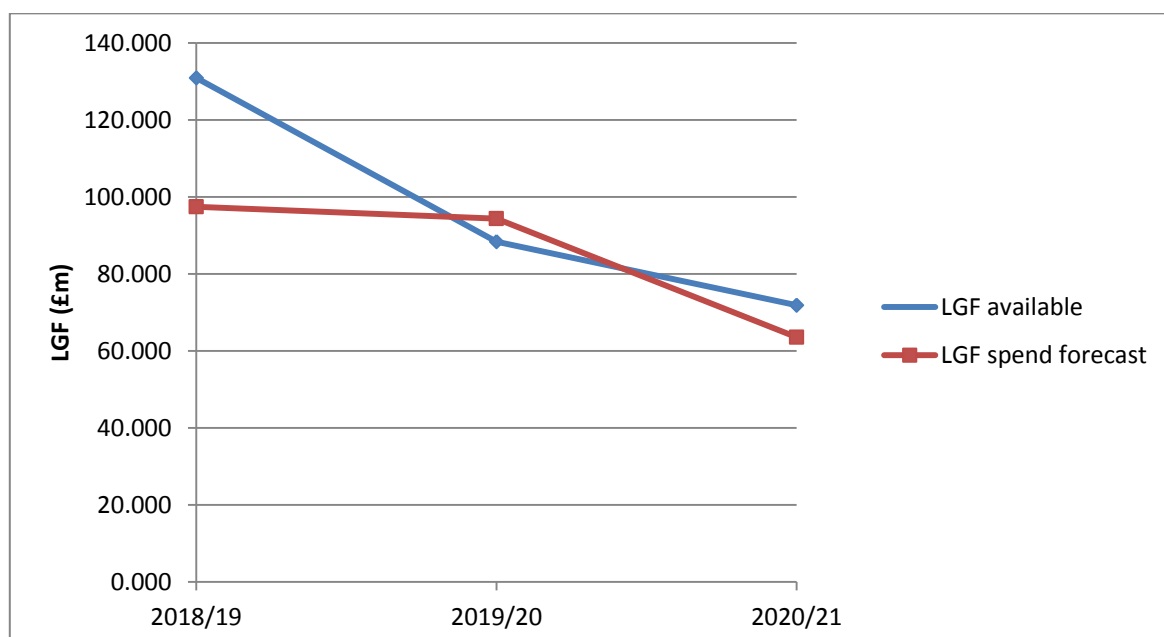


Table 5 LGF spend forecast relative to LGF available

£m	2015/15	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Actual spend or current spend forecast	55.562	69.730	79.332	97.450	94.380	63.551	460.005
LGF allocation as per CLG	69.450	82.270	92.088	91.739	54.915	77.873	468.335
LGF allocation b/fwd from earlier years		13.888	26.428	39.185	33.474	-5.991	
Total grant funding in year	69.450	96.158	118.516	130.923	88.389	71.882	468.335
Over/(under) allocation		26.428	39.185	33.474	-5.991	8.330	

7. 2018/19 spend forecast update

- 7.1. The planned LGF spend in 2018/19 has been updated to take account of the additional slippage of LGF from 2017/18 to 2018/19, which have been confirmed through the end of year declarations. In addition, changes to the LGF spend profiles have been reported for projects in 2018/19, detailed in Table 6 below.
- 7.2. The expected LGF spend in 2018/19 now totals £97.450m, excluding DfT retained schemes. This is relative to £103.923m available through the £91.739m allocation from the Ministry for Housing, Communities and Local Government (MHCLG) and the £39.185m carried forward from 2017/18.
- 7.3. When the DfT retained scheme funding is taken into consideration, for projects such as the A13 widening, the forecast LGF spend increases to £116.459m including retained schemes.
- 7.4. The updated LGF spend reported by Partners in August 2018 is lower than the planned spend as agreed by the Board in March 2018/19. Adjustments have been made to the planned spend to take account of the additional LGF slippage/ acceleration of spend in 2018/19 which have been agreed by the Accountability Board.

Table 6 LGF spend forecast in 2018/19

LGF (£m)	Updated planned spend in 2018/19 (as stated in March 2018 and 2017/18 slippage identified since end of the financial year)	Total forecast spend in 2018/19 (as reported in August 2018)	Variance*	Reasons for Variance	
				Additional spend/slippage identified for 2018/19 **	Slippage previous agreed by the Board **
East Sussex	16.650	15.663	-0.988	-0.988	0.000
Essex	18.654	18.506	-0.148	0.866	-1.014
Kent	24.867	21.978	-2.889	0.357	-3.245
Medway	16.755	12.840	-3.915	-0.427	-3.488
Southend	17.573	6.121	-11.452	-7.825	-3.627
Thurrock	13.647	10.942	-2.705	0.000	-2.705
Skills	0.000	0.000	0.000	0.000	0.000
M20 Junction 10a	11.400	11.400	0.000	0.000	0.000
LGF Sub-Total	119.546	97.450	-22.096	-8.017	-14.079
Retained	35.454	19.010	-16.444	0.000	-16.444
Total Spend Forecast	154.999	116.459	-38.540	-8.017	-14.079

*Variance between the total planned spend in 2018/19 as reported in March 2018 and the total forecast LGF spend in 2018/19 as it currently stands.

** The slippage is shown as a negative value, whilst additional LGF spend is shown as a positive value.

8. Deliverability and Risk

- 8.1. Appendix 1 sets out a delivery update and risk assessment for all projects included in the LGF programme, as summarised in Table 7 below. A score of 5 represents high risk whereas a score of 1 represents low risk.
- 8.2. The risk assessment has been conducted in accordance with the Ministry for Housing and Local Government (MHCLG) guidance for the assessment of LGF projects based on:
- 8.2.1. Delivery – considers project delays and any delays to the delivery of project outputs/outcomes
 - 8.2.2. Finances – considers changes to project spend profiles and project budget
 - 8.2.3. Reputation – considers the reputational risk for the delivery partner, local authority and LEP

Table 7 LGF project delivery, financials and reputational risk (5 high risk, 1 low risk)



LGF (£m)				Reasons for Variance	
	Updated planned spend in 2018/19 (as stated in March 2018 and 2017/18 slippage identified since end of the financial year)	Total forecast spend in 2018/19 (as reported in August 2018)	Variance*	Additional spend/slippage identified for 2018/19 **	Slippage previous agreed by the Board **
East Sussex	16.650	15.663	-0.988	-0.988	0.000
Essex	18.654	18.506	-0.148	0.866	-1.014
Kent	24.867	21.978	-2.889	0.357	-3.245
Medway	16.755	12.840	-3.915	-0.427	-3.488
Southend	17.573	6.121	-11.452	-7.825	-3.627
Thurrock	13.647	10.942	-2.705	0.000	-2.705
Skills	0.000	0.000	0.000	0.000	0.000
M20 Junction 10a	11.400	11.400	0.000	0.000	0.000
LGF Sub-Total	119.546	97.450	-22.096	-8.017	-14.079
Retained	35.454	19.010	-16.444	0.000	-16.444
Total Spend Forecast	154.999	116.459	-38.540	-8.017	-14.079

8.3. Further detail is provided for the four projects which are identified as having a high overall project risk (overall risk score of 5)

- Beaulieu Park Railway Station

The project is currently categorised as high risk owing to the current substantial gap in funding to deliver the project. The project has passed to the next stage of assessment to secure funding through MHCLG Housing Infrastructure Funding (HIF), but a Business Case and further assessment is required before the HIF can be secured. In addition, there is a risk that the full £12m LGF allocation will not be spent within the Growth Deal period.

A Business Case is due to be submitted for consideration by the Board in advance of the end of the financial year and work is underway to understand the amount of LGF which can be spent by the end of the Growth Deal period.

- A28 Chart Road

The delivery of the A28 Chart Road scheme in Ashford is currently on hold following the failure of the developer to provide the security bond required for Kent County Council to forward fund the delivery of the scheme. The vegetation clearance work has now been put on hold and the LGF spend forecast for the project in 2018/19 has been reduced.

Meetings have been held between Kent County Council, Homes England, Ashford Borough Council and the developers to establish what can be done to secure the additional investment required to enable the project to be delivered, in the absence of a security bond being provided by the developers. However, no alternative solution has been forthcoming to date.

Kent County Council is currently reviewing alternative delivery options for the scheme. Following further local consideration of the Project, including a senior officer meeting scheduled for the 14th September involving Kent County Council, Homes England and Ashford Borough Council, a decision will be brought to the Accountability Board on the 16th November 2018. If a solution cannot be identified to deliver the project then it is likely that the £2.756m LGF expenditure on the project to date will become an abortive cost, which will need to be returned to SELEP.

- Maidstone Integrated Transport Package (ITP)

The first phase of the Maidstone ITP, for junction improvements at either end of Wilmington Street, was awarded £1.3m LGF funding in February 2016. There are also developer contributions which completes the funding package. However, the Phase 1 project is currently on hold pending further local consideration of the proposed scheme.

Despite the funding decision having been made in early 2016, and the Business Case stating an expected completion date of March 2017, the Phase 1 project has not yet progressed to a delivery phase. Following further local consideration, a decision will be sought from the Accountability Board at the next meeting on the 16th November 2018. This decision is likely to involve a change to the project's scope. When this decision is brought to the Accountability Board, any abortive project costs will need to be considered.

Phase 2 of the Maidstone ITP scheme was awarded £2.7m LGF for M20 Junction 5 Coldharbour at the June 2018 meeting of the Accountability Board and will now progress towards delivery.

- Thanet Parkway

In total, Thanet Parkway project is allocated £10m LGF. At the outset of 2018/19 financial year the LGF spend profile was adjusted to re-profile the LGF spend towards the end of the LGF programme. The project is rated as high risk owing to the substantial funding gap for the project of around £15m. Discussions with potential third party investors are ongoing but have not been successful to date. Whilst Kent County Council has now started on Network Rail GRIP Stage 4, no LGF has been approved by the Board to date until the funding package is in place to deliver the project.

9. LGF3B Short Term Pipeline Development

9.1. At the last meeting of the Board in June 2018 an approach was agreed to the development of a new short term pipeline to the end of the Growth Deal period. This process is in response to calls from the MHCLG to ensure that all LGF underspends are invested in the most effective way.

9.2. The Board agreed a three stage process for this open call for projects:

- **Stage 1 – Expressions of Interest (Eoi)**
- **Stage 2 – Scheme Prioritisation**
- **Stage 3 – SELEP Accountability Board funding decision**

9.3. Stage 1 – Expression of Interest (Eoi)

9.3.1. Since the June Board meeting, the LGF3B opportunity has been widely publicised by SELEP and its Federated boards.

9.3.2. A total of 99 applications were received with a combined LGF ask of £217.480 million, as set out in Table 8 below. It is expected that between £8.3m and £47.2m could be available through LGF3B.

Table 8 Summary of Eoi submitted at Stage 1



Federated Area	Number of Bids	Total LGF ask (£m)
Essex Business Board	13	34.824
Opportunity South Essex	21	39.268
Kent and Medway Economic Partnership	45	112.662
Team East Sussex	20	30.726
Total	99	217.480

- 9.3.3. As per the processes agreed by the Board, to date Federated Areas have lead on the work in sifting LGF3B Expressions of Interest against the eligibility criteria, which focuses predominantly on the deliverability of the project during the Growth Deal period, whilst ensuring that the project proposals will deliver Value for Money for the investment of public funds.
- 9.3.4. Owing to the substantial number of applications which have been received for this funding opportunity, the SELEP Secretariat has advised the SELEP Senior Officer Group (SOG) that Federated Areas may wish to the categorise projects, as set out in Table 8 below. This process is to help inform the decision making by the Federated Boards as to which projects to endorse for progression to Stage 2.

Table 9 Advice to support Federated Board with their sifting of projects

Eligibility	Banding	Description	Next steps
Pass	Strong	Green RAG against all the assessment criteria No Amber or Red RAG has been identified.	Project should progress to Strategic Outline Business Case development for Stage 2 assessment.
	Good	Green against a majority of the assessment criteria, but with up to two Amber RAG ratings. No Red RAG.	Project eligible to progress to Strategic Outline Business Case development for Stage 2 assessment, but work is required to strengthen the bid.
	Borderline	Projects which meet the eligibility criteria but with one or more Red RAG or where there is a risk to meeting the eligibility criteria.	Eligible to progress with Strategic Outline Business Case development if it is felt that the outstanding issues can be addressed but the scheme promoter may wish to consider alternative funding sources.
Fail	Have not passed eligibility criteria	Project has not met the eligibility criteria	Not eligible to progress to Stage 2.

9.3.5. Board members are reminded that each Federated Board can submit LGF projects to a maximum LGF ask of £47.2m and only projects which meet the eligibility criteria should progress to the next stage of assessment. Given the substantial number of strong applications which have been received for this funding opportunity relative to the amount of funding available then Federated Boards may decide to only support progression to stage 2 to the most promising applications.

9.4. Stage 2 – Scheme Prioritisation

9.4.1. It is now expected that the schemes supported by Federated Boards will be developed to Strategic Outline Business Case stage for submission to SELEP on the **26th October 2018**.

9.4.2. An independent review of all SOBC will then be completed by SELEPs Independent Technical Evaluator (ITE), based on the prioritisation criteria agreed by the Board in June 2018 and will be used to help inform the decision making by the Investment Panel.

9.4.3. Consideration will be given through the prioritisation of projects to the availability of LGF; mindful of the gap in LGF available in 2018/19, as set out in Section 6 above. In addition, projects will be prioritised on the basis that all LGF must be spent within the Growth Deal period.

9.5. Investment Panel (the Panel)

9.5.1. As required by MHCLG Deep Dive report, “the ‘Investment Panel’ should prioritise pipeline projects to ensure that underspends are redistributed in the most effective way possible”. As such the Investment Panel will be convened on the 7th December 2018 to prioritise the projects which have been submitted to Stage 2.



- 9.5.2. In June 2018, the Board agreed the composition of the Panel as ‘Option 2’. Option 2 set out the membership as the Strategic Board Chair, 6 County/Unitary Authority leaders and 6 private sector business representatives.
- 9.5.3. During the meeting then views were expressed about the presentation of Higher Education and Further Education representatives on the Panel. Recent clarification by the LEP network has confirmed that Higher Education is now classified as private sector, rather than public sector. As such, whilst Further Education is still classified as public sector, then it is feasible for Further Education and Higher Education to be represented on the Panel, whilst maintaining a private sector majority on the Panel.
- 9.5.4. Based on this clarification, the Board are asked to consider the inclusion of Further Education and Higher Education on the Panel, increasing the total number of Board Members on the Panel to 15, as set out below. Alternatively, Board members may wish to defer the decision until the October Board meeting, to enable the structure of the Panel to be considered in the context of the LEP Review and SELEPs wider governance arrangements.
- 9.5.5. The voting quorum for the Panel will remain as previously stated:
- Three County / Unitary Authority Board Members;
 - Three Business Representative Board Members; and
 - Strategic Board Chair or substitute Vice – Chair.

Members, as agreed in June 2018	Count
Strategic Board Chair	1
County Council/ Unitary Authorities	6
Private Sector representatives from TES	2
Private Sector representatives from KMEP	2
Private Sector representatives from across OSE and EBB	2
Potential Additional Members	
Higher Education (private)	1
Further Education (public)	1
Total	15

9.6. Stage 3 – SELEP Accountability Board funding decisions

9.6.1. As LGF underspend becomes available and based on the prioritisation of projects by the Investment Panel, all final funding awards will be brought to the Accountability Board for a decision.

10. Growing Places Fund Context

- 10.1. In total, £49.210m GPF was made available to SELEP for investment as a recyclable loan scheme. To date, GFP has either been invested or is allocated for investment in a total of 20 capital infrastructure projects, as detailed in Appendix 2 and 3.
- 10.2. The loan repayment schedule for each GPF project is agreed within the credit agreement in place between Essex County Council, as Accountable Body, and the lead County/ Unitary Authority for each project. A copy of the expected repayment schedule is set out in Appendix 2.
- 10.3. Repayments are now being made on the initial GPF Round 1 investments, with £7,405,033 having been repaid to date. A further £2,754,000 is due to be repaid during 2018/19.

- 10.4. To utilise these GPF repayments, during 2018/19 the Board agreed a pipeline of 8 new GPF ‘Round 2’ projects.
- 10.5. The allocation of GPF to the new projects within GPF Round 2 is on the condition that funding will only be awarded to these projects by the Accountability Board or transferred to the lead authority if sufficient GPF is available through the repayments of GPF loans from Round 1 projects. As such, on a quarterly basis, updates are provided to the Board on the latest position for GPF projects in terms of delivery progress and any risks to the repayments of GPF loans.
- 10.6. In the last quarter, SELEP has been informed of delayed repayments for the Priory Quarter project in East Sussex, as detailed in section 11 below.

11. Priory Quarter Phase 3 project

- 11.1. In March 2017, the Accountability Board were made aware of delays to the repayment of GPF for the Priory Quarter Phase 3 project in East Sussex. This project was awarded £7m GPF through the earlier rounds of GPF, now referred to GPF Round 1, for the delivery of new office and industrial space in Hastings.
- 11.2. Whilst the commercial space has been delivered, the take up of tenancies at the site has been slower than anticipated. As such, the Accountability Board were informed of the challenges in meeting the original repayment schedule and the Accountability Board agreed to the amendment of the repayment schedule.
- 11.3. At the point of the amended repayment schedule being agreed it was anticipated that contract negotiations for the occupation of the site would enable the remaining GPF to be paid in full by the end of 2019/20.
- 11.4. Through the latest project update report, the new tenants have signed a fifteen year agreement for occupation of the site. The agreement includes a ‘soft start’, resulting in below market value rental receipts for the first five year period. This will create challenges in the amended GPF repayment schedule (agreed in March 2017) being met.
- 11.5. The loan recipient, Sea Change Sussex Ltd, is therefore seeking Board approval for a further variation to the GPF repayment schedule for the Project. This is set out in Table 10 below.

Table 10 Priory Quarter Repayment Schedule (£000)

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
Schedule in Loan Agreement	400	400	400	400	5,400	7,000
Amended schedule, agreed in March 2017	65	65	735	735	5,400	7,000
Proposed updated repayment Schedule, September 2018	65	65	211	211	6,448	7,000
Movement between March 2017 and September 2018 profile	0	0	-525	-524	1,048	0

- 11.6. In March 2018, the Strategic Board agreed that, “Where delays are identified to a project’s GPF repayment schedule on more than one occasion, this should be brought to the attention of the Strategic Board prior to a recommendation being made to the Accountability Board for approval of any further slippage”. As such, the Board is asked to note the change to the repayment schedule.

11.7. The delayed GPF repayment for the Priory Quarter Phase 3 project will create gap in 2019/20 between the amount of funding sought for GPF Round 2 projects and the expected GPF repayments of £425,691, as set out in Table 11 below. This risk will be exacerbated by any further slippages to the expected GPF repayments in 2018/19 which are identified.

11.8. Options to mitigate this risk are currently being considered, working with local partners and the Accountability Board; Strategic Board will be updated on this risk and the proposed mitigation through quarterly GPF update reports.

Table 11 GPF Cash Flow Position

£	2018/19	2019/20
GPF available at the outset of year	6,747,602	4,021,309
GPF Round 1 planned investments	363,000	1,200,000
GPF Round 2 planned investments	4,697,000	3,247,000
Position before GPF repayments are made	1,687,602	-425,691
GPF repayments expected	2,333,707	10,175,309
Carry Forward	4,021,309	9,749,618

12. Growing Places Fund Project Delivery to Date – GPF Round 1 Projects

12.1. Eight GPF Round 1 projects have now been completed, with the benefits of this infrastructure investment starting to be realised. It is reported that 1,697 jobs have been delivered through investment in commercial space and new business premises, as set out in Table 12 below.

Table 12 Monitoring of GPF Round 1 project outputs

Name of Project	Outputs defined in Business Case		Outputs delivered to date	
	Jobs	Houses	Jobs	Houses
Priory Quarter Phase 3	440	0	74	0
North Queensway	865	0	0	0
Rochester Riverside	402	450	402	489
Chatham Waterfront	211	115	211	115
Bexhill Business Mall	125	0	150	0
Parkside Office Village	169	0	135	0
Chelmsford Urban Expansion	2,105	0	365	0
Grays Magistrates Court	200	0	89	0
Sovereign Harbour	299	0	180	0

Name of Project	Outputs defined in Business Case		Outputs delivered to date	
	Jobs	Houses	Jobs	Houses
Workspace Kent	198	0	91	0
Harlow West Essex	4,000	1,200	0	0
Discovery Park	130	250	0	0
Live Margate	0	66	0	3
Totals	9,144	2,081	1,697	118

- 12.2. Whilst there have been delays to the repayment schedule for the Priory Quarter Phase 3 development, the site is now fully occupied with new tenants having signed a fifteen year lease. As such, the number of jobs located at the site now includes 74 new jobs and a further 200 jobs have been safeguarded.
- 12.3. In addition, progress is being reported on projects such as the No Use Empty scheme with to return long-term empty commercial properties to use, for residential, alternative commercial or mixed-use purposes. In particular, it will focus on town centres, where secondary retail and other commercial areas have been significantly impacted by changing consumer demand and have often been neglected as a result of larger regeneration schemes.
- 12.4. Following the approval of the project by the Accountability Board in February 2018 for the No Use Empty scheme, contracts are now in place for the delivery of three projects, in Dover, Margate and Folkestone, which will provide 5 commercial units and 16 residential units when delivered. The renovation and re-financing of these properties will enable the GPF loan to be repaid by March 2022.

13. Accountable Body Comments

Local Growth Fund (LGF)

- 13.1. Any funding agreed by the Accountability Board is dependent on the Accountable Body receiving sufficient funding from HM Government. Funding allocations for 2018/19 have been confirmed, however, funding for future years remains indicative. It should be noted that further governance requirements, to secure the future funding allocations, may be necessary following the anticipated updates to the National Assurance Framework in autumn 2018. Government is likely to make any future funding allocations contingent on full compliance with the updated National Assurance Framework.
- 13.2. There is a high level of slippage within the overall programme which totalled £39.185 by the end of 2017/18; this presents a programme delivery risk due to the increased proportion of projects now due to be delivered in the final years of the programme; and it presents a reputational risk for SELEP regarding securing future funding from Government where demonstrable delivery of the LGF Programme is not aligned to the funding profile. This risk, however, is offset in part by the recognition that the profile of the LGF allocations did not consider the required spend profile when determined by HM Government.
- 13.3. This misalignment of the funding profile has created a further risk, in 2019/20; whilst there is sufficient funding for all LGF projects across the duration of the programme, in 2019/20 there is

currently a funding gap of £5.991m (including the requirements of this project).

- 13.4. It is noted that this risk is being carefully monitored by the SELEP Capital Programme Manager with potential options for mitigation being considered with partners. Potential options include: reviewing options to advance alternative funding sources ahead of LGF spend; and delaying delivery of projects into 2020/21 where the funding is available. In reviewing the options across the whole programme, minimising the risk to delivery and assuring value for money should be key considerations.
- 13.5. The further allocation of funding through the LGF3b call for projects must include a full consideration of potential profile of drawdown of LGF funding to ensure that any new allocations do not have an adverse effect on the gap. Whilst it is paramount that the gap is managed, SELEP must also ensure that agreed spending profiles for new projects are deliverable in the timeframes available.
- 13.6. The future funding profile continues to present a risk to the programme. The large value of funding at the back-end of the programme will inevitably create a delivery risk as more activity is slipped into the final year to match the funding. If any of this activity slips further then it will fall beyond the agreed parameters of the programme.
- 13.7. Central Government departments have thus far, been unable to offer any assurances about LGF activity that falls beyond March 2021. It is recommended that SELEP devises an approach to address this high likelihood risk and present it to Government for approval.

Growing Places Fund (GPF)

- 13.8. The current cashflow forecast position for the GPF loan scheme in 2019/20 indicates that there is a risk of insufficient funding being available to meet the agreed investments due to a potential mismatch of payments and repayments in that year; requests for changes to repayment profiles, such as that proposed for the Priory Quarter Phase 3 Project, increases this risk. The options for mitigating this risk in 2019/20 are expected to be considered by the Accountability Board at the November 2018 meeting. It should be noted that if cash is not available due to expected loan repayments not being made, this could delay the payment of allocations to Projects planned in 2019/20.
- 13.9. Although non-repayment of the majority of loans has been identified as low risk, it should be noted that any repayments not made in line with their approved profile will put at risk the funding required for the GPF programme to be maintained as an effective recyclable loan scheme. As such, it is recommended that all GPF repayment risks continue to be monitored as part of the regular GPF updates reported to the Board.
- 13.10. It is noted that actual delivery of jobs and homes is not in line with the expected levels identified in the business cases for many projects; where this is the case, it is recommended that evaluation of why this is the case should form part of the on-going monitoring and, where appropriate, be used to inform future business case estimations of growth.

14. Appendices

- 14.1. Appendix 1 – LGF Project Update
- 14.2. Appendix 2 – GPF Repayment Schedule
- 14.3. Appendix 3 – GPF Project deliverability and risk update

15. Background reports

15.1. Accountability Board Agenda Pack 14th September 2018

Author: Rhiannon Mort
Position: SELEP Capital Programme Manager
Contact details: Rhiannon.Mort@southeastlep.com, 07917 650933
Date: 19 September 2018

Tri-LEP Energy Strategy: South2East Local Energy Strategy and Action Plan

1. Purpose

1.1 The purpose of this paper and accompanying presentation is to update Board members on the progress of the South2East Local Energy Strategy and Action Plan project.

2. Recommendations

2.1. The Board is asked to note the progress of the project, and the proposed plan for consultation and endorsement within the South2East tri-LEP region.

3. Progress to date

3.1. The Board was briefed on the background to the project via the Agenda Pack for the last meeting on 29 June 2018. The Board also received a presentation at the meeting outlining the approach being taken to produce the Local Energy Strategy and Action Plan, and high level findings to date.

3.2. The Board was pleased to see the strategy in progress, but expressed concern that they remained unsighted on potential innovations, programmes or recommendations that would inform a project pipeline and action plan demonstrating value to the locality. Feedback included the need for the project to reflect local opportunities, application of existing best practice and intelligence, and the need for a separation between supply and demand.

3.3. Since the June meeting, the project has been presented to, and received similar feedback from, the Essex Business Board, the Kent and Medway Economic Partnership, Opportunity South Essex and Team East Sussex.

3.4. Substantial progress has now been made to develop a rounded Local Energy Strategy and detailed Action Plan that has application across the whole tri-LEP geography. The project intends to circulate a draft for consultation to Coast to Capital, Enterprise M3 and South East LEP Strategic Board members, and SELEP Federated Area Board members, during October.

4. Presentation and Discussion Session

4.1. Board Members will receive a presentation describing the format of the Local Energy Strategy and Action Plan including vision, commitments and outcomes, and the proposed project models and associated actions and governance required to drive these forward.

4.2. A timeline for consultation will also be presented, with a view to seeking endorsement from all three LEP Strategic Boards from November through to January 2019 and finalise the project in line with BEIS expectations.

5. Accountable Body Comments

5.1. Essex County Council as the Accountable Body for the SELEP received a grant of £120,000 from BEIS to support the delivery of an Energy Strategy across the South2East initiative by the tri-LEP collaboration.

The use of the grant is being overseen by a Steering Board with representatives across the tri-LEP area; primarily the grant will be used to meet the costs of the contract with Siemens, who are delivering the Energy Strategy, plus additional resource to support and provide oversight to the Steering Board.

5.2. The Accountable Body is acting as the contracting authority for the contract with Siemens to deliver the Energy Strategy and action plan as identified in paragraph 3.1 above.



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Tri-LEP Energy Strategy
Agenda Item: 8
Pages:1
For information

Author: Jo Simmons
Position: ERDF Technical Facilitator
Contact details: jo.simmons@eastsussex.gov.uk
Date: 17 September 2018

Housing Update

1. Purpose

1.1 The purpose of this paper is to:

- 1.1.1 Update Board members on SE LEP housing activity and
- 1.1.2 Set out plans for the endorsement of bids for Government's latest incentives under the Garden Communities Programme

2. Recommendations

2.1 The Board is asked to:

- 2.1.1 **NOTE** the positive progress of activity to date;
- 2.1.2 **ACKNOWLEDGE** SELEP's role in the endorsement of locally managed proposals;
- 2.1.3 **AGREE** to delegate the endorsement of the Garden Communities Bids to the SELEP Chair

3. Introduction

- 3.1 SELEP has seen Housing Completions rise from 7,990 in 2012/13 to 12,330 in 2017/18, an increase of 54% in the rate of delivery. More than any other LEP area outside of London. The collective work of both private and public sector developers is making a demonstrable difference, with Housing Starts growing from 6,620 in 2012/13 to 10,720 in 2017/18, an increase of 62%.
- 3.2 With the support of Paul Thomas, Strategic Board Housing Champion, Developer Group Chairs, Nick Fenton (Kent & Medway), Mark Curle (Greater Essex) and Derek Godfrey (East Sussex) and the Housing & Developers' Working Group; SELEP has proactively promoted the acceleration of home building and acted as a useful partner to help unlock barriers to housing growth in the South East.
- 3.3 This short paper provides Strategic Board Members with a brief overview of recent activity and successes in preparation for fuller discussion in the New Year. It also sets out proposals for an approach to endorsement for the bidding of new Garden Communities.

4. Housing & Development Working Group

- 4.1 Building on successes to date, SELEP has formalised its working group arrangements and has established a new extended Housing & Development Working Group, this business led forum is uniquely placed to promote opportunities to boost housing and commercial development.
- 4.2 SELEP supported existing developer groups and pioneered the introduction of new ones, this has helped in widening opportunity for joint working with business through new Developers forums in East Sussex and Essex based on the successful Kent Developers Group. The Chairs now meet each other regularly, facilitated by SELEP, to exchange ideas and information and share best practice, through the Housing & Development Working Group.
- 4.3 SELEP is also working with partners including Haven Gateway on I-Construct, a business-led project expected to launch in January 2019 (funding is to be confirmed in Autumn 2018), which will aim to drive change in the construction industry to bring innovative new approaches to the sector, tackle the skills shortage it is experiencing, promote the benefits of new offsite methods of construction and

encourage smaller builders to grow their housing output. The Housing & Development Working Group has accepted invitation from I-Construct to act as its stakeholder consultative forum.

- 4.4 Most recently, the Group on 11th September 2018 welcomed colleagues from the Environment Agency for a discussion regarding aspirations and the necessary tidal flood risk management infrastructure in the SELEP Thames Gateway area. Next steps following the meeting are to connect colleagues with our Strategic Planning Group and Developer Group partners in Essex and Kent and to continue to maintain a long term working relationship between the Environment Agency and SELEP.

5. Facilitation Role

- 5.1 SELEP has worked with colleagues to establish and align Developers', Housing Officer and Planning Officer Forums across our area. The SELEP has worked alongside a number of partners to help create an environment in which developers can get on with the important business of getting spades in the ground and delivering the new homes that are essential to the region's growth and economic prospects.
- 5.2 We have facilitated the implementation of Countywide planning protocols to promote collaborative working and dialogue between Developers and the planning community and continue to build on best practice models across our region
- 5.3 We continue to have strong dialogue with Government and Local Authorities and other partners to assist and support key strategic developments including Garden Settlements and maximise access to key funding, evidenced by recent successful allocations through the Governments Housing Infrastructure Fund (HIF), which saw £1 in every £10 proposed to be invested within the SELEP geography.

6. Garden Communities

- 6.1 The SELEP area is at the forefront of the Government's Garden Communities programme, with five sites in our area. The SELEP area has 96,500 homes (nearly half) of the 200,000 homes identified by Government as new garden settlements.
- 6.2 Under the Garden Communities programme, SELEP have the largest number of planned homes officially recognised by Government and a proven ambition to plan holistically and support new communities with the necessary infrastructure. These projects are about place-making, creating employment, skills and a quality of environment to serve a growing population.
- 6.3 The recently published (August 2018) Garden Communities Prospectus, invites bids from Local Authorities (LAs) for ambitious, locally supported proposals for new Garden Communities by November 2018. LEP endorsement will clearly enhance any bids from our region and the SELEP team intends to work directly with LAs to provide written letters of support, to help maximise our ambitions to accelerate housing completions and support the wider benefits of Garden Communities programme.

7. Next steps

- 7.1 Garden Communities Bids: It is suggested that SELEP promotes its role as a supportive partner and that a blanket approach to endorsement of bids is taken forward (on the basis that these are supported by our Local Authority partners'). The Board is asked to delegate this endorsement to the SELEP Chair and

the Board will be informed of the applications which are being promoted by local partners at its meeting on the 25th October 2018.

7.2 Following the launch of the Strategic Economic Plan, the Housing & Development Working Group will set out its mandate on how it will take forward the aspirations outlined. It is suggested that an item is presented to the Strategic Board in 2019, to outline these activities in more detail and engage Board Members in a wider discussion.

8. Accountable Body Comments

8.1 As set out in the SELEP Assurance Framework, it forms part of the role of the Board to endorse local areas' efforts to advance projects for economic growth which may not be directly linked to the LEP, such as those in relation to the Garden Community Bids referenced in this report.

Author: Lucy Spencer-Lawrence
Position: SELEP, Programme Manager
Contact details: lucy.spencer-lawrence@southeastlep.com
Date: 13 September 2018