



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# Strategic Board Meeting Agenda Pack

Thursday 25th October 2018, 10:00am – 12:00pm  
**High House Production Park**, Purfleet, RM19 1RJ



## Agenda

10.00	<b>1</b>	<b>Welcome</b> and introductions	Chris Brodie
10.10	<b>2</b>	<b>Minutes</b> and actions from 29 <sup>th</sup> June 2018 and 28 <sup>th</sup> September meetings <b>page 3</b> <b>Declarations of interest</b> <b>Matters arising</b> - Lower Thames Crossing Route Consultation	Chris Brodie
10.20	<b>3</b>	<b>LEP Review page 21</b> - <u>Decision</u> on governance/implementation plan response due to HMG on 31 <sup>st</sup> October	Chris Brodie & Adam Bryan
11.20	<b>4</b>	<b>Strategic Economic Plan page 36</b> - Introduction of the first draft - Discussion on approach to achieving sign-off - It's role vis-à-vis Local Industrial Strategy/ies	Ross Gill, SQW
12.00	<b>5</b>	<b>AOB &amp; Close</b>	Chris Brodie

### Future Strategic Board Meeting Dates

#### 7<sup>th</sup> December Strategic Board Meeting, 10am, HHPP

- LEP Review next steps
- Strategic Economic Plan Approval *decision*
- Energy Strategy approval *decision*
- Sector Support Fund approvals *decision*
- Lower Thames Crossing consultation *presentation from Lower Thames Crossing Team*
- Thames Estuary Production Corridor
- Local Industrial Strategy: Evidence base approach
- Capital Programme Update/LGF 3b
- Assurance Framework refresh
- SELEP Team Plan Q4 18/19 & 19/20 provisional
- Growth Hub future plans (deferred to March)
- Garden Communities #3 (deferred to March)

### Future Investment Panel Meeting Dates

7 <sup>th</sup> December (12:30 – 14:30)	LGF 3B prioritisation and pipeline development
--	--

**REVISED 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 & <b>Chairman of Wirebelt</b>	Kent – Business
Gavin Cleary <i>for Jo James</i>	Locate in Kent	Kent – Business
Douglas Horner	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 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. In supporting the federated model, Paul Carter suggested the need to focus on subsidiary wherever possible. If the government were to remove this option, the position statement might need to change.**

2.9. 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.**

2.10. Chris proposed that in response to this report, a letter for Secretaries of State for CLG 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***

- 2.11. 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***

- 2.12. 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 and local use of unspent levy, as while the legislation is great the concept of the apprenticeship levy (in ensuring they are employer led) is welcome, there are clearly some challenges and navigating the system creates difficulty. Louise noted the recent decline in apprenticeship numbers which is a concern. Exerting a collective pressure will help to make this a success. Louise confirmed that this is being taken forward and a meeting was planned with herself, Chris and the Head of Apprenticeships at the ESFA.
- 5.5. Members discussed the Careers Enterprise Company network which is clearly set out in the strategy and ambitions for increasing coverage of this. Currently the network is funded by local authorities and the LEP will work with partners and the CEC to establish LEP wide coverage. Louise confirmed this was already underway.
- 5.6. 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.
- 5.7. 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.
- 5.8. 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. Cllr Simon Cook asked if the underspend generated in local federated areas could be retained locally. Chris advised that during the Annual Conversation, Government clearly specified that all underspend must be reverted back to the main SELEP pot.
- 6.7. John Lamb suggested that the best use of the £8.3m would be to share it amongst the projects already agreed that have a funding gap.
- 6.8. 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.
- 6.9. 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.
- 6.10. 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 selecting one of three membership options outlined in the accompanying Board report.

Option 1 - Panel of 17	<b>2 votes</b>
Option 2 - Panel of 13	<b>11 votes</b>
Option 3 - Panel of 7	<b>10 votes</b>

- **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**

The Board were asked to adopt the following updated policies: (please see updated policies [here](#))

7.5.1. Assurance Framework 2018

7.5.2. Code of Conduct for LEP Board Members

7.5.3. Confidential Reporting of Complaints Policy

7.5.4. Public Questions Policy

7.5.5. Register of Interests Policy

7.5.6. Subsistence and Hospitality Policy

7.5.7. Whistleblowing Policy

7.5.8. 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.

7.5.9. The Board agreed that given the Strategic Board is a public meeting, it would be sensible to **include a Public Conduct Statement within the Public Questions Policy. Action: Adam to follow up**

7.5.10. 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.
- 9.4. **Supplementary information from report due to meeting time constraints: The Secretariat will lead a Task & Finish Group to work up costed options for the Board to consider at their meeting in December. (Lucy to check with Iwona how best to present this addition)**

## **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.

## Minutes of 28<sup>th</sup> September 2018 meeting

Attending	Company	Representing
Chris Brodie	Chair	
Kim Cole	Essex County Council	Accountable Body
Adam Bryan	Managing Director	
Graham Peters	Vice Chairman for East Sussex	East Sussex – Business
Clive Soper	FSB	East Sussex – Business
Cllr Keith Glazier	East Sussex County Council	East Sussex – Local Authority
Cllr David Tutt	Eastbourne Borough Council	East Sussex – Local Authority
Cllr Peter Chowney	Hastings Borough Council	East Sussex – Local Authority
George Kieffer	Vice Chairman for Essex & South Essex	Essex – Business
David Burch	Essex Chambers of Commerce	Essex – Business
David Rayner	Birkett Long	Essex – Business
Colette Bailey	Metal	South Essex – Business
Perry Glading	OSE/TBB	South Essex – Business
Cllr Mark Coxshall for Cllr Rob Gledhill	Thurrock Borough Council	South Essex – Local Authority
Cllr John Lamb	Southend on Sea Borough Council	South Essex – Local Authority
Cllr Tom Cunningham for Cllr Graham Butland	Braintree District Council	Essex – Local Authority
Cllr Kevin Bentley	Essex County Council	Essex – Local Authority
Geoff Miles	Chair of KMEP	Kent – Business
Jo James	Kent Invicta Chambers of Commerce	Kent – Business
Douglas Horner	KMEP	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 Alan Jarrett	Medway Council	Kent – Local Authority
Graham Razey	EKC Group	Further Education
Iain Martin for Anthony Forster	Anglian Ruskin University	Higher Education
Laura Jackson	MHCLG	

### Apologies received

Cllr Graham Butland, Ana Christie, Cllr Rob Gledhill, Penny Shimmin, Prof Anthony Forster

## 1. Welcome and Introductions

- 1.1. Chris Brodie welcomed board members and observers to the meeting including Laura Jackson and Ian Piper.
- 1.2. He reminded all present that the meeting was being recorded. All board members were asked to state their names before speaking.
- 1.3. He suggested reordering of the agenda, to bring forward item 9 to proceed with item 5. This was **AGREED**.

## 2. Minutes and Actions from 29th June 2018 meeting, Matters Arising and Declarations of Interest

### *Minutes*

- 2.1. Due to a series of amendments to draft minutes received a day prior the meeting, it was suggested that an amended version would be circulated via email. The minutes would be listed for approval at the special meeting of the Strategic Board on 25th October 2018. **This was AGREED.**

### *Declaration of Interest:*

- 2.2. David Burch – Item 4 Sector Support Fund, Good Food Growth Campaign. Essex Chamber likely to be involved if successful. This was **NOTED**.
- 2.3. George Kieffer - Item 4 Sector Support Fund, item relating to Haven Gateway as Chairman of the organisation. This was **NOTED**.

### *Matters Arising – Significant Events*

- 2.4. Chris Brodie highlighted all significant events that had recently taken place, including a very successful Skills Strategy Launch at the Folkestone College and the Inclusive Growth Event which was run in conjunction with Public Health England and hosted by the Harlow College.
- 2.5. He thanked Louise Aitken for her hard work in organising both of the events.
- 2.6. Chris Brodie also referred to the recently published [South East LEP the story so far](#), a document summarising what had been achieved to date and a tribute to the constructive way in which SELEP had worked. He recommended this document to the Board.

## 3. LEP Review

- 3.1 Chris Brodie provided the board members with an overview of the first stage of the LEP review. He explained that the government was dealing with the review in a staged way, firstly considering geography and secondly, governance. LEPs were expected to return responses to the government by the deadlines of 28 September 2018 for geography and 31 October 2018 for governance. Chris Brodie noted that whilst these were inextricably linked, the focus of today's discussion was to agree the position with regards to geography and submit the response to meet the first deadline.
- 3.2 In setting context for the discussion, Chris Brodie outlined his observations since becoming the Chair of SELEP and reflected that whilst he was initially puzzled on the chosen geography, he had later come to understand how SELEP worked and how the geography had supported its success. He also said that he had raised this point with Greg Clark MP, and included a few examples of SELEP's common issues such as ports and logistics, coastal and rural economy, SMEs, housing, proximity to London and land shortages. His view was to preserve the current way of working as much as possible and provide the government with a strong case for keeping the geography together.
- 3.3 Chris Brodie spoke about the governance and how the LEP currently works and hoped that the current way of working could also be preserved as much as possible.

- 3.4 Chris Brodie noted that he spoke to a number of officials and ministers and said that whilst the LEP review did not suggest break-up of large LEPs, ministers and officials informed him that there had been a lot of background noise which had been rather unhelpful and undermining the SELEP. He warned that if this continued, governance negotiations with the government would become more difficult to manage and asked all to be thoughtful in how they engaged in discussions going forward.
- 3.5 On a wider note, Chris Brodie mentioned that the review could for example provide opportunities to address the diversity of the Board and further independence of the secretariat.
- 3.6 With regard to moving towards an incorporated model, he expressed the need for considering the cost and time implications. He said that SELEP should work with the government constructively and collaboratively in order to incorporate and find a way in which the federated model could be retained and to provide an acceptable solution for all.

3.7 [A series of slides](#) were presented by Chris Brodie – these outlined the proposed response to the government:

NO CHANGE position based on the following principles

- SELEP would continue to operate a model rooted in the principle of subsidiarity
- Opportunity to seek further clarification from government on the size of LEP Boards (recommendation - 2/3 business representation), and
- that whilst a business majority for the Board was supported, a balanced partnership position had to be maintained
- 2 overlap areas to remain in SELEP geography – Lewes and Uttlesford (strong case to support this had been made)
- Projects in overlap areas – how these would be dealt with

- 3.8 Chris Brodie confirmed that he was in full support of the status quo. He mentioned that the number of LEPs might be reduced in the future from 38 to approximately 20 to 25. At this point he was not sure how alternative arrangements would work and whether the new groupings would be familiar with the federated way of working. He added that any break in current structure of the LEP would be very distracting, time consuming and not adding any value to what the LEP had been set up to do, i.e. delivering for its people.
- 3.9 Laura Jackson welcomed the comments so far and noted her appreciation of the unusual size, scope of the area and model of SELEP. She said that from the perspective of the Cities & Local Growth Unit (CLGU), there was an opportunity cost for not reforming the LEPs at this point. However, she noted that the government expected a step change in accountability, transparency and efficiency in order to maintain confidence of the treasury, ministers and the public and that this review could deliver that.
- 3.10 Laura Jackson advised that ministers would be receiving advice from her team following the Conservative Party Conference. She forewarned that she would be surprised if the ministers were not unequivocal in their position on Board size and composition (2/3 private and 1/3 public). She also noted that she was interested in the incorporated model which was not for this forum.
- 3.11 Finally, taking into account that there was cost associated with the LEP review, Laura Jackson made a reference to £200k that was available for LEPs to help them to manage the changes.
- 3.12 Board members discussed their position on the LEP review at length. There was a shared frustration around the process. The general consensus was that whilst the SELEP geography was originally imposed by the Government, and not universally welcomed at the time, partners had made great strides in creating a partnership with proven delivery and outcomes. Therefore it was thought that the federated model, which worked effectively and successfully so far, should remain as it was.

- 3.13 It was noted that whilst the LEP review required two separate responses, the first relating to the geography and the second to the governance, the Board were of the view that these were inextricably linked. It was thought that it was bizarre that things could be thrown up in the air where the LEP so far had been working extremely well.
- 3.14 The proposed size of the LEP Board was a shared concern. The board members were of the view that a smaller membership with a business majority would not necessarily result in the anticipated efficiencies and the suggestion for co-opting additional members on a yearly basis could result in a lack of continuity.
- 3.15 Board members agreed that geography should remain the same however the response to the government had been 'sugar coated' and should be a lot more direct.
- 3.16 In reference to the draft response previously circulated, Douglas Horner suggested that SELEP's message to the government should be much clearer and as such stating that the current governance model should be retained.
- 3.17 Cllr Kevin Bentley took the opportunity to ask Laura Jackson how her department would be advising ministers on the SELEP's position to retain the status quo.
- 3.18 Laura Jackson advised that she would reflect on what was said in the room today as well as the review note from July 2018. She noted that Board composition was part of a process of negotiation. She said that it was for the ministers to consider, in the context of Brexit, future and increased funding and accountability if this organisation would still work as expected.
- 3.19 Laura Jackson did explain that she wasn't in a position to provide a detailed answer.
- 3.20 Cllr Kevin Bentley suggested that if the ministers' answer was **NO** to retaining the status quo, and a decision to go ahead with the proposed Board composition, there needed to be a clear democratic mandate put in place to ensure public confidence. For example, if businesses had a majority vote and wanted to push forward a project which the County Council did not agree with and resulted in overspend; then Essex County Council would not be responsible for the consequential costs.
- 3.21 Cllr Paul Carter supported the position to retain the status quo, noting that the principles of subsidiarity had been enshrined both at Accountability and Strategic Board level; enabling local priorities to be set. He reiterated that this arrangement had worked well in the past and should be left as it was. However, should the LEP review require change in governance, Kent County Council would reserve its position because the principles of 2/3 business majority would be impossible to achieve in an area with nearly 40 Local Authorities.
- 3.22 He flagged that the government was missing a significant point on the role the local government had played in delivery of local projects and taking risks on substantial overspends. He further added that central government needed to realise that the local government good-will would evaporate fast.
- 3.23 As the Chair of the County Council Network, Paul Carter advised that these were fundamental principles held across the whole of the network and the District Council Network, and he had been tasked with writing a letter to the ministers to express these shared concerns.
- 3.24 Business representatives, David Burch and Jo James, took the view that these requirements were particularly unhelpful during this uncertain time of Brexit. David Burch suggested that the government should be providing a steer as to how this could be managed in order to enable SELEP to focus on supporting economic growth. Perry Glading suggested that the reasoning behind the proposed changes was unclear. He commented that a 2/3 business majority could result in individuals around the table with individual interests, whereas the current Board structure fairly represented the area it covered.

- 3.25 Board members continued to debate their concerns with regard to the LEP review. They were all in agreement and supported the proposed statement on geography however had very strong views on the government's proposed changes to the governance.
- 3.26 Chris Brodie reminded the Board that the governance element would need to be considered after the geography response had been submitted.
- 3.27 It was agreed that the draft should be reworked to retain a clear message in response only to the questions asked. Accordingly, Adam Bryan took the Board through the draft and removed the wider context, effectively with no change to geography and overlap issues. The response was **APPROVED**, subject to amendments.
- 3.28 Cllr Simon Cook asked if the response could clearly state that this was not just the view of the Strategic Board but of both the Local Authority and Business representatives. This was **AGREED**.
- 3.29 Further discussion was held around Plan B. It was felt that this had to be carefully considered.
- 3.30 Chris Brodie explained that should the answer be **NO** to the proposed geography; he would have to start a conversation with all involved.
- 3.31 Chris Brodie confirmed that a wider discussion regarding governance would be held at the Special Board Meeting on 25 October 2018. In the meantime, as proposed in the board paper, further negotiations with the government were to be mandated to Chair and Vice Chairs to take forward. This was **AGREED**.
- 3.32 Laura Jackson confirmed that the ministers would be back from the conference next week and responses from all LEPs would be expected.
- 3.33 Furthermore, Chris Brodie read aloud a letter drafted to the two Secretaries of State, Greg Clark and James Brokenshire, regarding the LEP review and SELEP geography, stating SELEP's position and concerns. Chris Brodie asked that all board members signed the letter. This was **AGREED**. All board members signed a single copy of the letter which in turn had been submitted to the government.

#### **4 Sector Support Fund Approvals**

- 4.1 Rhiannon Mort provided board members with background and context about the Sector Support Fund (SSF).
- 4.2 Rhiannon Mort advised that to date, the Board have endorsed three projects for SSF support to a maximum value of £371,000 of the £500,000 available in 2017/18. The report recommended that the Board agreed to make the £129,000 unallocated SSF from 2017/18 available in 2018/19, increasing the SSF available in 2018/19 to £629,000.
- 4.3 Rhiannon Mort outlined the process for awarding applications, which required endorsement of the Federated Board, the Strategic Board and with a final decision being made by the Managing Director under delegated authority. For each bid that was submitted, an independent assessment had been undertaken by the SELEP Accountable Body.
- 4.4 The four applications seeking endorsement were outlined:
- Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000)
  - Good Food Growth Campaign (£60,400)
  - Future Proof: Accelerating Delivery of High Quality Development across the LEP (£110,000)
  - Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000)
- 4.5 Rhiannon Mort provided a brief summary of each of the applications and noted that with regard to the Kent Medical Campus Enterprise Zone bid, where the assessment was flagged as not being pan-

LEP, further supplementary information had shown that the Med Tech Innovation programme would be delivered across the SELEP area with support from Anglia Ruskin University and other SELEP universities. She also noted that with regard to the Good Food Growth Campaign bid, KMEP had asked for further information to be provided to the next meeting before endorsement could be sought. The board members were advised that endorsement from the Board would be subject to KMEP endorsement.

- 4.6 In relation to the Kent Medical Campus bid, David Rayner asked if the dependence on ERDF meant it would be too early to request SSF monies. Rhiannon Mort advised that the ERDF bid had already been endorsed by ESIF with an expected final outcome in January 2019.
- 4.7 Graham Peters commended the two rural projects, which were truly pan-LEP and a good example of why this was a worthwhile approach.
- 4.8 Cllr John Lamb asked if Kent Medical Campus was dependent on planning and raised his concerns that without ERDF, there could be expensive abortive costs.
- 4.9 In response to this, Rhiannon Mort welcomed John Foster of Maidstone Borough Council to clarify the position. John Foster advised that the planning permission had already been put in place and he was confident on delivery of the project. Furthermore, John Foster advised that regardless of ERDF outcomes investment would not be lost, the Council was very committed to the project but could possibly be delayed.
- 4.10 Chris Brodie asked the Board to review the following recommendations:
- Agree to increase the SSF available in 2018/19 from £500,000 to £629,000 using the unallocated SSF from 2017/18.
  - Endorse the following four bids (note that further to the Board report, supplementary information from Kent Medical Campus meant that eligibility criteria was met):
    - Kent Medical Campus Enterprise Zone – Innovation Centre Design Work (£156,000)
    - Good Food Growth Campaign (£60,400) - subject to KMEP endorsement
    - Future Proof: Accelerating Delivery of High Quality Development across the LEP (£110,000)
    - Planning and prioritising future skills, training and business support needs for rural businesses across SELEP (£96,000).
  - Note the work currently undertaken by SELEP's working groups to develop future SSF projects for consideration by the Board

4.11 All recommendations were **AGREED**.

## **5 Housing Update (Reordered) & Garden Communities session #2 – Ebbsfleet**

- 5.1 As agreed the agenda was reordered so that this item also covered item 9, in order to bring forward the recommendation regarding the future garden communities.
- 5.2 Adam Bryan introduced the paper and provided some opening words on the breadth of work on the housing agenda.
- 5.3 As recommended in the board paper, Adam Bryan suggested that SELEP promote its role as a supportive partner by endorsing the future Garden Communities bids on the basis that these were supported by Local Authorities. He asked the Board to delegate responsibility of these endorsements to the SELEP Chair.
- 5.4 Douglas Horner asked how sensitively Garden Community proposals would be managed especially around the number.
- 5.5 Chris Brodie advised that he would take advice from the Federal Boards, so that any endorsements were consistent with what local communities wanted.



- 5.6 Board members **AGREED** to delegate the responsibility to the SELEP Chair.
- 5.7 Brian Horton provided the board members with an overview of the broader housing agenda.
- 5.8 He advised that there was a lot for SELEP to be proud of and the early ambition for SELEP to proactively promote the acceleration of homes had led to a unique partnership model, with developer groups in Essex, Kent and East Sussex, which provided a truly business led approach to working with public sector colleagues. This had also led to shared planning protocols and joining up to provide influence and unlock barriers to growth.
- 5.9 The outcomes of SELEP's commitment to the agenda could be evidenced in housing numbers. With a 54% rate of delivery and 62% year on year increase in housing starts, this work was making a difference, but there was no room for complacency, and it was important to continue to keep up the momentum and support Garden Communities and continue to be on message with government colleagues.
- 5.10 Brian Horton suggested that this update and the board paper provided a summary of this work and he would be keen to present at future meetings with Paul Thomas, Housing Board Champion, alongside his three Developer Forum Chairs, Nick Fenton, Derek Godfrey and Mark Curle. This was **AGREED**.
- 5.11 Chris Brodie thanked Brian Horton for his input and welcomed Ian Piper, Chief Executive of the Ebbsfleet Development Corporation, to 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 of lessons learned with SELEP Board partners.
- 5.12 Ian Piper provided some context into the establishment of Ebbsfleet Development Corporation (EDC) which unlike other locally led corporations, was directly accountable to the Secretary of State, who was then accountable to Parliament.
- 5.13 With regards to governance, the EDC Board was made up of private sector non executives with expertise in the area, as well as, three local authorities. This partnership was central in delivering the programme.
- 5.14 Ian explained that the area covered by EDC in Dartford was a central location however there were issues around congestion. He added that this was not only a unique area in its environment and landscape, but also a large regeneration project in an area that had a significant industrial legacy.
- 5.15 The scale of the ambition in 2015 was to develop the first Garden City for 100 years, with up to 15,000 homes and up to 30,000 jobs. The project was about a new settlement with green spaces, public transport networks, health and education including three small enterprise zones.
- 5.16 Ian Piper took the board members through the map included in the [presentation](#), and discussed the four main development areas, incorporating the Eastern Quarry housing area, central area, with higher density urban form (described as city centre), Swanscombe Peninsular, the proposed location for the London Resort and two Riverside Sites.
- 5.17 In terms of progress EDC had completed 1100 homes and would see a further 525 this financial year with further 700 next year and 1000 the following year. There was also a primary school opened last September, community centre, pub and hotel and further facilities opening soon. Ian Piper encouraged partners to visit the observatory to see progress so far.
- 5.18 Ian Piper reflected on the significant challenges faced by EDC, notably the stalling of the central area. This included the need to unlock allocated surface parking land for development and the delay of the proposed London Resort, which presented uncertainty in terms of access roads through the central area and the impact to the proportion of developable land. EDC were working with appropriate bodies across government to address these challenges.
- 5.19 With regard to joint working and shared lessons, Ian Piper welcomed partners to Ebbsfleet and noted that he would be keen to share experiences with the new proposed Garden Communities.

- 5.20 Chris Brodie thanked Ian Piper for his presentation and asked if there were any questions or observations from the board members.
- 5.21 Laura Jackson noted her interest in the development and asked Ian Piper how the local community feels in relation to this.
- 5.22 Ian Piper advised that generally residents were supportive of the corporation and he did not see any resistance to the development itself. He added that issues tend to be around health facilities so they formed a partnership with the Clinical Commissioning Group and NHS trusts and established a Healthy New Town status.
- 5.23 The community cohesion element was identified as a tricky issue as it usually was the case for regeneration projects. EDC was conscious of issues such as rising house prices had on existing communities. Ian Piper advised that it was often a number of smaller scale community engagement activities that brought communities together. He used the example of a healthy walks campaign as a route to community engagement.

## **6 Strategic Economic Plan**

- 6.1 Adam Bryan provided the Board with a brief update on the progress of the Strategic Economic Plan.
- 6.2 Following wide consultation, SELEP had undertaken a small commission which would build on work undertaken so far and facilitate final conversations with federal areas, in order to produce a draft for consideration by the Strategic Board on 25 October 2018.
- 6.3 Adam Bryan noted that the government had a clear requirement for SEPs. The SEP would be an enabling document for Local Industrial Strategies (LIS), and will ensure that the LEP can continue to play a helpful role as LIS are developed.

## **7 Tri-LEP Energy Strategy (brought forward)**

- 7.1 In Jo Simmons' absence, Adam Bryan provided a brief update on this piece of work which was being led by SELEP, in collaboration with Coast to Capital and Enterprise M3 LEPs.
- 7.2 Funded by BEIS, Siemens' had been commissioned to produce a strategy. Adam Bryan reflected on the conversation and suggestions at the previous Strategic Board meeting, which helped to shape its direction. Whilst not in a position to bring a draft to this meeting, it was intended that a draft would be available for all 3 LEPs to approve by the end of this year.
- 7.3 It was confirmed that the board members would be kept updated on the progress between the meetings.
- 7.4 It was also noted that BEIS set restrictions on what could be covered by the local energy strategies and if important areas such as nuclear were not to be incorporated, then SELEP would need to undertake a piece of work to ensure that the whole agenda was appropriately addressed.
- 7.5 Chris Brodie thanked Adam Bryan and asked if the board members had any questions.
- 7.6 Cllr Kevin Bentley asked for the current SEP running costs.
- 7.7 Adam Bryan advised that total SEP commission was approximately just under £30k however he was unable to provide an actual breakdown until the calculations were completed. **ACTION – Adam Bryan**
- 7.8 David Rayner suggested that he would be happy to be an ambassador to promote the Tri-LEP Strategy. He also asked how much Siemens' fees were for this piece of work.
- 7.9 Adam Bryan advised that he would need to come back formally on the costs and suggested that specifics on how the Siemens' contract had been managed would be taken back to the Strategic Board meeting. **ACTION – Adam Bryan**

## 8 Capital Programme Update

- 8.1 Chris Brodie stated that a motion had been received from Geoff Miles, Chair for KMEP, in relation to LGF 3b.
- 8.2 Kim Cole explained that the amendment received on behalf of KMEP was recommending that LGF existing schemes seeking a change in scope were prioritised ahead of the new expressions of interest in relation to LGF 3b funding in order to safeguard investment to date and prevent high abortive costs.
- 8.3 It was proposed that the board members should hear from Geoff Miles first, consider Rhiannon Mort's presentation and then take a vote on the amendment.
- 8.4 Geoff Miles explained that some projects deemed to be of high value previously might be lost if they were not considered for further funding and the Board would have to sign off high abortive cost.
- 8.5 Rhiannon Mort suggested that perhaps the board members should consider her presentation first and make an informed decision on the proposed amendment later in October 2018.
- 8.6 Cllr Keith Glazier raised a question around the delay in making the decision and what if any affect that would have on any projects within the next month.
- 8.7 Rhiannon Mort provided a background update on LGF 3b process. She reported that 99 applications and expressions of interest were received seeking in total £217 million of funding.
- 8.8 She explained that the Federated Boards had already considered the applications. She advised that the next stage was to develop a strategic outline business cases for these projects and take them forward to the Investment Panel on 7 December 2018 were a priority list would be developed.
- 8.9 The board members were asked to consider the inclusion of Higher Education and Further Education strategic board members on the investment panel.
- 8.10 A comment was made by Graham Razey that Further Education was not public sector but private sector.
- 8.11 Chris Brodie thanked Graham for the clarification and asked whether the board members were in agreement to include Higher Education and on the Investment Panel. This was **AGREED**.
- 8.12 Further Rhiannon Mort informed the Board that the Accountability Board met and awarded funding for two additional projects:
- Southend Airport Business Park (remaining £14.575m, increasing the total allocation to £23.090m)
  - Leigh Flood Storage Area (£2.349m)
- 8.13 With regards to Growing Places Fund, Rhiannon Mort advised the Board that payments for the additional 8 projects had been made.
- 8.14 She further advised that there had been a slippage to one of the projects; a delay in re-payment on the project. She explained that usually this sort of issue was for consideration by the Accountability Board. However, as previously decided any more than one slippage on the project would be referred to the Strategic Board for awareness and consideration of any implication for future projects.
- 8.15 Rhiannon Mort advised that the delay in repayment to GPF would create a gap in GPF available next year of approximately £427k.
- 8.16 She stated that one of the ways to manage the gap in funding was to borrow from local growth funds pods. The Accountability Board would be able to consider options at their next meeting. This was **NOTED** by the board members.
- 8.17 Chris Brodie confirmed that all updates were **NOTED**.

**9 AOB**

- 9.1 The board members were advised that the Special Strategic Board meeting had been scheduled for 25 October 2018 at 10am. The special meeting would cover the LEP review and SEP.
- 9.2 Furthermore, it was suggested that Capital Programme update should be moved up the agenda for all future meetings.
- 9.3 Adam Bryan confirmed that the LEP Review response on geography had been submitted to the Government.

**The meeting closed at 12:39pm.**

## LEP Review – Second Response (Governance and Structure)

### 1. Purpose

- 1.1 The purpose of this paper is to agree SELEP Strategic Board ('the Board')'s second response to the Government's LEP Review, particular to the future governance and structure of the South East Local Enterprise Partnership (SELEP).

### 2. Recommendations

- 2.1 To agree the second of the LEP's two submissions to the Government's LEP Review (**sent separately**)
- 2.2 Specifically, to agree :
- 2.2.1 that Essex County Council is asked to continue in its role as the Accountable Body for the SELEP;
  - 2.3.2 the proposed response to **Recommendation 1**;
  - 2.3.3 the proposed response to **Recommendation 2**;
  - 2.3.4 the proposed response to **Recommendation 3**;
  - 2.3.5 the proposed response to **Recommendation 4**;
  - 2.3.6 the proposed response to **Recommendation 5**;
  - 2.3.7 the proposed response to **Recommendation 6**;
  - 2.3.8 the proposed response to **Recommendation 7**;
  - 2.3.9 the proposed response to **Recommendation 8**;
  - 2.3.10 the proposed response to **Recommendation 9**;
  - 2.3.11 the proposed response to **Recommendation 10**;
  - 2.3.12 the proposed response to **Recommendation 11**.
- 2.3 The main body of the paper provides commentary for the Board which is not intended for submission to Government.

### 3 Background

- 3.3 Government published the 'Strengthened Local Enterprise Partnerships' document in late July. The document reaffirms the role of LEPs in national policy around growth and sets out Government's new expectations of LEPs – driven largely by the requirement for LEPs to be trusted recipients of significant new funding streams, such as the UK Shared Prosperity Fund (UK SPF) from March 2021.
- 3.4 Government has asked all LEPs to respond to the Review in two separate waves. Firstly, to provide a response on the geography of the LEP (by 28<sup>th</sup> September) and secondly, to respond with the LEP's wider transition plans covering the whole gamut of changes proposed (by 31<sup>st</sup> October).
- 3.5 SELEP's response on geography was made following the Strategic Board's meeting on 28<sup>th</sup> September and can be found at **Appendix A** for information.

- 3.6 Today's decision concerns the remaining recommendations on SELEP's future governance and structures. Government has categorised these recommendations into the following three groupings:
- Roles and responsibilities
  - Leadership and Organisational Capacity
  - Accountability and Performance
- 3.7 Since the Board's last meeting in September 2018, much work and many discussions have taken place with stakeholders and partners across SELEP. Surprise and disquiet at the breadth and depth of change recommended by the LEP Review at a time of great uncertainty nationally was shared almost unanimously. Whilst the Government's intention to bolster and strengthen the framework for LEPs is laudable, the broad-brush approach applied to all LEPs, even those working well, will inevitably result in already over-stretched resource being diverted from real business - ensuring that the South East continues to prosper following the UK's exit from the EU.
- 3.8 Some of the recommendations within this section of the review cannot be accepted and implemented as written. It is our belief that these recommendations will not deliver the output that Government desires; a framework of LEPs that are open and transparent with clear lines of accountability. Where this is the case, we have put forward our proposed solutions that are both palatable to all partners and will deliver the outcome that Government desires.
- 3.9 This paper will set out each recommendation that requires a response to Government, along with the proposed SELEP response, the rationale behind the proposal and a short description on the impact of any change versus today's operating model.

## **Roles and Responsibilities**

**Recommendation 1:** We expect all Local Enterprise Partnerships will follow best practice within the sector and produce an annual delivery plan and end of year report.

**Required for Response:** Within the implementation plan, the LEP should outline its plans to draft and publish an annual delivery plan by **April 2019** and an end of year report at the end of the **2019/20 financial year**.

Government will work with LEPs to develop qualitative and quantitative measures to report against. As you develop your Local Industrial Strategy, Government expects the delivery plan and end of year report to be linked to the progress of your Local Industrial Strategy. The implementation response should provide a commitment to adopt and report against agreed key performance indicators.

- 3.10 This recommendation should be accepted by the Board and a delivery plan for 2019/20 will be drafted by the Secretariat to be agreed by Strategic Board in advance of the financial year commencing. The delivery plan will be driven from the Strategic Economic Plan, the refreshed version of which is to be considered by Board in December. In addition, the requirements of the Local Growth Deal will be captured with the plan.
- 3.11 Progress against the delivery plan will be reported to each Strategic Board meeting and a full end of year report will be presented to June 2020 Strategic Board.

- 3.12 SELEP will commit to the production of Key Performance Indicators and will work Government to develop the correct measures for reporting that reflect the priorities for the South East and not just those areas that Government chooses to focus upon. The development of this set will also be mindful of the impact of the resource implications on not just the Secretariat but also on partners who are delivery projects on the ground, it is important that a reporting industry is not established.

### **Leadership and Organisational Capacity**

**Recommendation 2:** Government expects that each Local Enterprise Partnership consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair.

**Required for Response:** Within the implementation plan, you should outline your LEP's draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by 28 February 2019.

- 3.13 We understand that the purpose of this recommendation is to ensure that the widest pool of potential candidates for the Chair position can be established. It is our belief that the process used on the last occasion by SELEP for the appointment of its current Chair whereby an appointed executive recruitment expert acted on our behalf was robust and resulted in a strong pool of candidates. This process will be the starting point for devising a revision that will be presented to Board for consideration in advance of the 28 February 2019 deadline.
- 3.14 It is intended that an Appointment Panel of Board members would be formed to carry out interviews of short-listed candidates as before and the final decision will of course remain with the Board itself.

**Recommendation 3:** In line with best practice in the private sector, Local Enterprise Partnerships will want to introduce defined term limits for Chairs and Deputy Chairs where these are not currently in place.

**Required for Response:** Within the implementation plan, you should outline how your LEP plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by 28 February 2019. LEPs should also plan to have a Deputy Chair in place by 28 February 2019.

- 3.15 The Board agreed to limit the terms of ALL business representatives at its meeting in June 2018. The process as laid out in that paper (included at Appendix C for information) will remain but the process for extensions to terms has been refined and laid out in detail for full transparency.
- 3.16 The proposed process is as follows: each business representative will serve a fixed two year term. However at the end of two years, the term can be extended for a further two years following a full review by the appropriate Federated Board, Federated Board approval via a decision at an open and minuted meeting and ratification by the Board.
- 3.17 At the end of the second two-year period, a further extension of two years can be granted following the consideration and approvals as above being applied. At the end of this final extension period (i.e. six year tenure) the post MUST be filled via an open recruitment via the agreed process.

3.18 SELEP is well served by the current arrangement of Vice Chairs, but should work to ensure that advisory arrangements to the chairman are wholly underpinned by the business-led Federated Boards. The Chairman may decide to iterate the approach over time, ensuring that it is supportive of the federal model and of amplifying local priority.

3.19 Other Chairmanships, such as that which relates to the Accountability Board, shall remain.

**Recommendation 4:** Government's aspiration is that Local Enterprise Partnerships work towards strengthening the representation from the private sector, increasing representatives from the private sector<sup>1</sup> so that they form at least two thirds of the board, to ensure that each Local Enterprise Partnership can truly be said to be business-led. In order to maintain focused board direction and input, Government will work with Local Enterprise Partnerships to establish a maximum permanent board of 20 people, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.

**Required Response:** LEPs must be accountable to their area and representative of the communities they serve. Therefore, within the implementation plan, your LEP should outline any changes you plan to make to the composition of the board to meet the review recommendations. As part of this you should outline:

- **how your LEP plans to increase the private sector board membership to 2/3 private sector.**
- **how your LEP will ensure that the board does not exceed a maximum of 20 persons.**
- **arrangements for co-opted members (if applicable).**

You should outline how your LEP plans to achieve this board composition over time, for example, in phases. LEPs should plan to have implemented any changes needed to board composition by the end of the 2019-2020 financial year.

3.20 It is clear from conversations with a number of stakeholders and partners that there is a view that this recommendation is ill-thought through. The application of arbitrary limits and quotas will not necessarily deliver Government's stated outcome of a truly business-led LEP. Additionally, there is no evidence presented by Government that Board with more than 20 members would not have focus nor direction and the delivery record of the 28 member board is testament to that.

3.21 Local Authority partners have played a pivotal role in the success of LEPs to date and the potential reduction of their representation on the Board to one third of members may not only undermine the democratic mandate of an organisation allocating large values of public funding but also damage the relationship between LEPs and Local Authorities.

3.22 This has a disproportionately large impact in the South East given the nature of our business stock. The stock is almost entirely SME and at the vast majority of businesses sit at the smaller end of the

---

<sup>1</sup> Any private sector board member must fit the definition of 'private sector' as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts. The National Accounts Sector Classification defines Higher Education as private sector and Further Education as public sector



spectrum. With limited numbers of large businesses, the economic growth agenda in the region has necessarily been led by our larger Local Authorities and in many cases they are also project delivery partners, alongside the further education sector whose representative is also likely to be impacted as another public sector member.

- 3.23 However, conversations with officials within Government have made clear that a 20 permanent member Board with two-thirds business representation is a red-line for ministers and any deviation from that is unlikely to garner much favour centrally. It has also been flagged that the additional £200,000 of revenue funding that is being offered by Government to support the costs of implementing the LEP Review is contingent on full compliance with all recommendations, therefore selecting a non-compliant option may endanger the securing of this funding.
- 3.24 Partners are clear that maintaining the current board size, after all the hard work to make it fully representative of the area in recent years, is the only substantive response that SELEP can offer. For completeness, the current board is indicated below:

<b>South East LEP: Board composition</b>		
	<b>Private/other</b>	<b>Public</b>
Chair	1	
Business reps: EBB & OSE	5	
Local Government reps: EBB & OSE		5
Business reps: KMEP	4	
Local Government reps: KMEP		4
Business reps: TES	3	
Local Government reps: TES		3
HE	1	
FE	1	
Social Enterprise	1	
<b>Totals</b>	<b>16</b>	<b>12</b>
<b>Percentage of board</b>	<b>57%</b>	<b>43%</b>

- 3.25 Recent conversations with officials have suggested that Government are more wedded to the principle of achieving a stronger business ratio than they are to pushing a limited board size. On that basis the board may wish to consider the notion of introducing two additional board members to the existing board of 28, perhaps on a co-opted basis according to the Government's original suggestion and linked to the agenda of the particular meeting. While this would put the board at 30 members, it would increase the non-public sector percentage of the board to 64%.

<b>South East LEP: Enlarged Board composition</b>		
	<b>Private/other</b>	<b>Public</b>
Chair	1	
Local business reps	12	
Local Government reps: EBB & OSE		5
Local Government reps: KMEP		4
Local Government reps: TES		3
HE	1	
FE	1	
Social Enterprise	1	
<i>2 additional businesses</i>	2	
<b>Totals</b>	<b>18</b>	<b>12</b>
<b>Percentage of board</b>	<b>64%</b>	<b>36%</b>

**Recommendation 5:** Government expects refreshed Local Enterprise Partnership boards to **improve their gender balance and representation of those with protected characteristics**. Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women’s representation on their boards by 2020.

**Required Response:** Within the implementation plan, your LEP should outline how you will demonstrate the work that you will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework.

All LEPs should aspire to achieve gender balanced boards. The implementation plan should include detail on plans to:

- **Take action to ensure that at least one third of the LEP’s appointed board members are women by the end of the 2019-2020 financial year.**
- **Take action to ensure equal representation of men and women on boards by the end of the 2022- 2023 financial year.**

3.26 The Board has previously discussed and agreed its desire to increase the diversity of the Board. In order to meet the requirements of one third *appointed* board members being female by March 2020 and equal representation by March 2023, a voluntary code of conduct will be adopted with regard to search criteria for more diverse representatives. This is in line with recommended best practice for FTSE 350 companies.

- 3.27 It is assumed that by appointed members this means those that do not hold Board membership by dint of public office. If the current Board membership model is continued this totals 15 members of the Board (business representatives plus the further education representative). Therefore five members of Board would need to be female by March 2020. Currently there are three female members.
- 3.28 Much work will be required to ensure equal representation by March 2023. It is assumed that this is across the entire Board, including Local Authority members. The current proportions are 89% male and 11% female.
- 3.29 In addition to the voluntary code of conduct, the Secretariat will offer more support to businesses to encourage and foster greater engagement from business representatives with protected characteristics, not just gender. By supporting engagement at the lowest level, this will hopefully increase supply and widen the pool of potential applicants as new Board positions become available.
- 3.30 The voluntary code of practice will be presented to Board for its consideration in February 2019 with intention for it to be adopted from April 2019.

**Recommendation 6:** Local Enterprise Partnerships will need to provide a secretariat independent of local government to support the Chair and board in decision making

**Required Response:** Within the implementation plan, you should outline how your LEP plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. You should outline the timeframe in which your LEP expects to have this secretariat in place.

- 3.31 Whilst the SELEP Secretariat is currently hosted by a local authority partner, it is our contention that the Secretariat is already demonstrably independent. The employment of staff is on a pay and rations basis and the Managing Director does not have a substantive post within the Essex County Council establishment and is accountable to the Chair and the Board for performance.
- 3.32 Whilst it is proposed that a legal personality is pursued for SELEP (see Recommendation 7) there is no intention to transfer the Secretariat staff to that new vehicle. The costs of TUPE transfer and the potential cost implications of obtaining Local Government Pension Scheme admitted body status for new organisation would not represent good value for the tax payer.
- 3.33 The Secretariat believes that it can and does provide independent advice free of influence from the hosting authority and will continue to do so. To encourage greater engagement across the geography the Secretariat will explore different options around space sharing with partners so that Secretariat can have a physical presence in different parts of the geography on a regular basis.
- 3.34 Government could allow for truly independent LEP Secretariats by providing sufficient funding for secretariats to operate without requiring additional funding from local authorities. Likewise, the requirement for local authority match funding for core funding from Government seems to be contradictory to a requirement for full independence.

**Recommendation 7:** Government will support all Local Enterprise Partnerships to have a legal personality.

**Response Required:** Within the implementation plan, you must outline your LEP's plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by April 2019. Government will provide further advice to LEPs on incorporation.

- 3.35 It is proposed that Board commits to the move from an incorporated partnership to the adoption of a legal personality. There are currently no restrictions on which model can be selected and therefore a model can be selected that encompasses our current ways of working, i.e. the retention of Accountability Board, Strategic Board, Investment Panel and Federated Boards.
- 3.36 However, current advice is that it is not possible to do this by April 2019. Whilst the establishment of legal entity is a straightforward and uncomplicated process within itself, ensuring that the correct model is selected following a robust consideration of all the options will necessarily take some time.
- 3.37 It is understood that grant funding will still flow via the Accountable Body and this adds a further level of complication as interactions and money flows between the three organisations (Central Government, the Accountable Body and the new SELEP organisation) will need to be carefully considered to ensure tax liabilities and risk exposure are kept to levels that are acceptable to all parties.
- 3.38 Whilst some early preliminary work can take place and the Secretariat is working closely with a work-stream constructed to support this change by the LEP Network, work cannot begin in earnest until a response has been given both on the original submission back to Government and this second submission. Therefore we cannot commit to a meaningful implementation date at this time. It is believed that the process of exploring the options, presenting a robust option appraisal for decision and all governance decisions being made (including those within local authorities if necessary) would take between six and nine months. If a response is made by Government before Christmas, a decision could be taken to Board at its meeting in October 2019.
- 3.39 Any further delay in the response from Government will put an October 2019 decision at high risk.

**Recommendation 8:** Local Enterprise Partnerships will want to identify a single Accountable Body within in each area that is responsible for all Local Enterprise Partnership funding.

**Response required:** Within the implementation plan, you must outline how your LEP plans to adopt a single Accountable Body within each area that is responsible for all Local Enterprise Partnership funding. You should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements. LEPs should have a single Accountable Body in place by Spring 2020.

- 3.40 SELEP already operates on a single Accountable Body basis. To date this has been Essex County Council. It is understood that Government will continue award funding via Accountable Bodies in future and not directly to any established legal entity.

- 3.41 Whilst any local authority could act as Accountable Body it strongly advised that a change in Accountable Body at this time would be likely to have a large detrimental effect on the operations of SELEP. With major changes in train to legal structures and governance structures, there is little to no resource available to undertake the novation of agreements to a new organisation and manage a transfer during this period of great change.
- 3.42 It is therefore recommended that Board requests Essex County Council to continue in its role as Accountable Body for at least until the LEP Review changes have all been fully implemented.
- 3.43 The potential role, scope and risk exposure for the Accountable Body could change due to the changes in legal personality required. The request for Essex County Council to continue in role is based upon the current arrangements. Any changes will be worked through with the Accountable Body and the Accountable Body will have to be satisfied with the final option or an alternative Accountable Body who is satisfied will have to be found.
- 3.44 It should be noted that whilst SELEP currently has a single Accountable Body, this may not be the case if there are in-flight projects or allocations in Uttlesford or Lewes and the overlap issue is resolved in SELEP's favour.
- 3.45 If this is the case, SELEP and the Accountable Body will work with the relevant Accountable Body(ies) for the overlap areas to plan for transfer of funding and novation of agreements so that a single Accountable Body status is maintained.

**Recommendation 9:** As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. **We will set an expectation that these are open to the public and businesses to attend and properly promoted.**

**Required for Response:** Within the implementation plan, your LEP must commit to hold an annual general meeting; open to the public to attend. Your LEP should hold its first/next public Annual General Meeting in the 2019-20 financial year.

To ensure that all businesses in an area have equal access to their Local Enterprise Partnership, we will not permit any Local Enterprise Partnership to operate on a paid-membership basis.

- 3.46 SELEP already exceeds the requirements for this recommendation. All Strategic Board and Accountability Board meetings are open to the public and businesses. SELEP conducts its business and makes its decisions with true openness and transparency.
- 3.47 SELEP has also held an annual general meeting in each of the four previous financial years. Annual general meetings will continue to be held, but the promotion of the AGM will be pushed wider and the event expanded accordingly to cater to a larger audience.

**Recommendation 10:** We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.

**Required for Response:** Within the implementation plan, you should outline how your LEP plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework. These arrangements should be put in place for the 2019-20 financial year.

- 3.48 SELEP already sets out clear responsibilities of the Chair, Board, Director and Accountable Body within its local Assurance Framework. A revised draft National Assurance Framework is due in the autumn of this year. Following the issue of this document from Government, SELEP will review and update its local Assurance Framework.
- 3.49 The review will include a consideration of the responsibilities of all roles with the SELEP governance framework. As these governance changes are implemented, consequent changes to roles and responsibilities will be reflected in the local Assurance Framework.

**Recommendation 11:** The Government will support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.

**Required for Response:** Within the implementation plan, you should outline how your LEP plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer. LEPs and S151 Officers should refer to forthcoming guidance from CIPFA on the role of the S151 Officer.

- 3.50 The SELEP Accountability Board decisions are currently subject to scrutiny and call-in by any of the constituent local authorities and SELEP believes that this offers the best of external and democratic scrutiny. SELEP has also been invited to attend scrutiny panels at a number of district councils and will continue to appear before such panels where invited to do so.
- 3.51 The future scrutiny arrangements will be dependent on the option selected for the legal personality, but SELEP will work closely with the Accountable Body to agree scrutiny and oversight procedures as that workstream develops.
- 3.52 It should be noted, decisions made by a private company board are final and therefore cannot be scrutinised by a local authority, therefore it may be difficult to find a solution that both places decisions within a private company and subjects those decisions to public scrutiny. It could be the case that an approach to scrutiny is written into the Articles of Association; we await Government's advice on this. It is also the case that public sector members of the LEP will be subject to their own authorities' decision making processes, which would be subject to call-in. Overall, this strengthened area of governance will be a key area to address in the revised Assurance Framework.

#### **4. Risks**

- 4.1 The expectation from Government of a step change in the way that LEPs operate is clear. However, the timescales in which Government expect these major changes to be implemented present a significant risk to the operation of the LEP.
- 4.2 Not only is there a risk that the full implementation cannot be completed in the timescales expected, which is highly likely to occur; there is also a risk that short timelines mean that decisions are not made following a robust and considered process.
- 4.3 This risk is exacerbated if there is any delay in a response from Government on both the geography submission and this submission. Much of the work cannot begin until we clear as to what the parameters for future operation are.
- 4.4 Government has made available additional funding for the remainder of this financial year but it is unlikely that this funding can be fully utilised in the short period remaining for the year.

## **5. Accountable Body Comments**

- 5.1 The full implications of implementing the proposals arising from the LEP review remain unclear due to the outstanding questions to Government with regards to confirming the future geography of the LEP and the full operational and governance requirements that are expected to be set out in the, as yet unpublished, revised National Assurance Framework.
- 5.2 The Accountable Body is therefore only able to consider its response to this report and any proposed future changes arising, especially with regard to the impact of SELEP incorporation, on the assumption that the requirements from Government will not increase the Council's exposure to risk in its role as the Accountable Body.
- 5.3 The Government require the continuation of the Accountable Body role with LEPs to support both its funding arrangement and the underpinning governance arrangements, however, there is no requirement to retain Essex County Council in this role, an alternative local authority could be chosen by the Board instead.
- 5.4 Essex County Council has effective processes in place for supporting the LEP in its role as the Accountable Body, and seeks to ensure that the requirements of the Assurance Framework are fulfilled in undertaking this role; not least with regard to provision of appropriate legal and financial arrangements to ensure that all funding allocated to the LEP is properly accounted for, and all contracts and grant and loan agreements etc. are in place to support the business of the LEP.
- 5.5 The Secretariat have recommended to the Board for the role of the Accountable Body to be retained by Essex County Council, at least until the LEP Review changes have been fully implemented. If the board chose to approve this recommendation then this will be acceptable to the Accountable Body provided that any additional costs arising from the processes are fully funded, as appropriate, and the Authority's exposure to risk is not unduly increased.
- 5.6 The timescales proposed by Government for full incorporation of the SELEP are not considered to be sufficient to enable a full transition to the new arrangements; whilst it is noted, and welcomed, that Government are making funding available to support this process, an adequate amount of time is also required to ensure that the requirements of the current and anticipated National Assurance

Framework can be adhered to with regards to ensuring effective Governance and Transparency in the LEP moving forward.

- 5.7 In addition, sufficient time is required to ensure that by implementing the recommendations of the LEP review, the associated tax and operational issues are addressed to minimise, as far as possible, the additional costs associated with operating as an incorporated body.

Author: Adam Bryan  
Position: Managing Director  
Contact: [adam.bryan@southeastlep.com](mailto:adam.bryan@southeastlep.com); 07884 475191  
Date: 25<sup>th</sup> October 2018



## Appendix A: Geography response

**LEP Name:** South East

Please outline the LEP's plans to address the geography recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

Proposals should be submitted to [LEPpolicy@communities.gsi.gov.uk](mailto:LEPpolicy@communities.gsi.gov.uk) **no later than 28 September 2018**, copying in your Area Lead.

### Geography

#### Recommendation:

As Local Enterprise Partnerships are central to future economic growth, Government will ask Local Enterprise Partnership Chairs and local stakeholders to come forward with considered **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.** ...These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

#### Information required in geography proposal:

All LEPs should outline their response to the Government's recommendations on geography no later than **28 September 2018.**

Those LEPs proposing geography changes should provide detail of the proposed changes. In your response you should outline why these changes would be suitable for your local area. These proposals should include timescales for the transition to different geographies. LEPs should work with the LEP Network and neighbouring LEPs to ensure a shared understanding of the geography changes being proposed exists.

For LEPs who are proposing no changes you should respond briefly outlining why no change is required. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. All LEPs should aim to have revised geographies (if required), by **spring 2020.**

#### LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The South East Local Enterprise Partnership (SELEP) proposes NO CHANGE to its current geographical borders, which encompass the local authority areas of Essex County Council, Thurrock Council, Southend-on-Sea Borough Council, Medway Council, Kent County Council and East Sussex County Council.

There are currently two areas of overlap within the SELEP geography. Uttlesford District Council is also within the Cambridgeshire and Peterborough CA area and Lewes District Council is also within the Coast to Capital LEP. SELEP's Strategic Board and partners agree that these two areas should become the sole responsibility of SELEP in terms of the LEP agenda and the future operation of UK SPF.

It is our clear understanding that **Uttlesford DC**, previously shared with Greater Cambridge Greater Peterborough (GCGP) LEP, will default to Essex and therefore SELEP, as the former LEP in Cambridge will be aligning to the MCA area as per the recommendation in the LEP Review. Local conversations support this assertion.

In respect of the **Lewes DC** area, SELEP Strategic Board strongly supports the inclusion of the area within our border and encourages Government to respect the county boundaries. SELEP will continue to support the initiatives for growth that Coast to Capital LEP has so ably put into place over the last eight years, including the same level of support for the Newhaven Enterprise Zone. The previous arrangement has, in particular, served Newhaven well, with both SELEP and Coast to Capital having invested funding into the area. Newhaven is a key target for improving life outcomes, employment opportunities and wider regeneration which supports not only the town but surrounding communities. This was recognised by the Enterprise Zone designation for Newhaven – which has acted as a further catalyst for wider regeneration projects and additional investment.

SELEP are clear that in seeking to remove geographical overlaps and given the needs in Newhaven particularly around skills and infrastructure, it should remain wholly in SELEP. The review makes reference to respecting county boundaries, which is also pertinent here, as is the need for strong alignment and partnership between the Local Transport Authority, Local Education Authority and the recently merged East Sussex College Group.

While Coast to Capital LEP is seeking to retain Lewes within its area, our working relationship with Coast to Capital LEP, underpinned by joint work across a range of areas, is very positive. To that end, both LEPs are committed to working constructively with Government and with each other whatever the outcome of resolving the overlap.

### Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Following agreement by Government, SELEP will need to agree a cut over for responsibilities and projects that are currently in flight in the overlap areas but led by the Cambridgeshire Peterborough CA and Coast 2 Capital LEP. These will be bi-lateral agreements made between SELEP and each of the other two LEPs that work best for the projects and responsibilities in each area. Transfer of responsibilities will be complete by 31 March 2020.

### Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The main risk that would prevent achieving the approach set out by SELEP would be a lack of a decisive response on the overlap issue, in particular if there is no resolution of border between SELEP and Coast to Capital LEP. SELEP will continue its dialogue with Coast to Capital LEP and push to expedite issues locally wherever possible, but ultimately Government will need to make a final decision.

## Strategic Economic Plan

### 1. Purpose

- 1.1 The purpose of this paper is to provide the Strategic Board (the Board) with the context and next steps around the first complete draft of the refreshed Strategic Economic Plan (SEP), provided with a working title of SELEP's 'Economic Strategy Statement' (the Strategy).
- 1.2 The first draft of the document will be presented to the Board at the meeting and sent electronically shortly afterwards. The timetable later in the document indicates the process for feeding in comments leading to approval of the final draft in December.

### 2. Recommendations

- 2.1 The Board is asked to note the substance of the first full draft of the refreshed SEP and agree to set a trajectory for the consideration of the final draft at the 7<sup>th</sup> December Strategic Board meeting, as set out in section 4.

### 3. Background

- 3.1 The Board has discussed the refresh of the Strategic Economic Plan on previous occasions, have agreed the broad structure of the document and have 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 Following the very brief update at the September 2018 Board, Ross Gill from SQW Ltd will be present to take Board members through the document as it currently stands.
- 3.3 The work which Ross has undertaken across 15 days over the past 8 weeks 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.
- 3.4 A concise and accessible document at around 30 pages, the new Strategy:
  - Puts the LEP in a strong position to secure future Government investment. To see this through, we will need to establish a clear line of sight between the evidence base, the Industrial Strategy, and the area's economic priorities.
  - Focuses 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 and prioritised; but not offer a pipeline of investments.
- 3.5 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 UKSPF by January 2021). As well as providing us with a barometer of strategic fit for our ongoing coordination of LGF, strategic fit for our ongoing coordination of LGF and ESIF, and a plan of action for the SELEP team, the document should provide a bridge towards the production of Local Industrial Strategy/ies.

- 3.6 Government officials have recently indicated an expectation for the production of evidence bases for Local Industrial Strategies by early 2019. With other material recently published (such as the Skills Strategy and its supporting information), this work provides a significant step in the right direction.
- 3.7 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 have proposed the alternative title for the document ‘Economic Strategy Statement’ to illustrate its different role. The document will still serve the purpose of instructing on strategic fit for LEP projects.
- 3.8 Having the Strategy 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 Strategy 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.

#### 4. Next steps

- 4.1 The following final timetable is proposed to the Board:

Date	Step
25 <sup>th</sup> October	Circulate electronic version of the draft to Strategic Board members for their consideration. Publication of the draft on the meeting pages of <a href="http://www.southeastlep.com">www.southeastlep.com</a>
9 <sup>th</sup> November	Deadline for suggested material adjustments and amendments to <a href="mailto:hello@southeastlep.com">hello@southeastlep.com</a>
During November	Consideration of updated version at federated board meetings
w/c 27 <sup>th</sup> November	Document design finalised
7 <sup>th</sup> December	Proposed approval of final draft by the Strategic Board
Mid-December onwards	Soft publication of SEP and launch through digital platforms
January 2019	Start work on Local Industrial Strategy evidence base
March 2019	Agreement of SELEP Delivery Plan as per LEP Review recommendation
April 2019	Possible SELEP business event

## 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.
- 5.2 The outcome of the LEP review, as set out in the Strengthened Local Enterprise Partnerships, published in July 2018, set out a commitment from Government to support LEPs to “Develop a strong local evidence base of economic strengths, weaknesses and comparative advantages within a national and international context. This will be supported by robust evaluation of individual projects and interventions.”
- 5.3 The board is advised to consider that, in developing and maintaining such an evidence base, the priorities of the SELEP, as expressed through the Strategy and any future Local Industrial Strategy, can be subject to future revision or review, but must also be fit for purpose to support the prioritisation of projects and the associated investment pipeline.

Author: Adam Bryan  
Position: Managing Director  
Contact details: [adam.bryan@southeastlep.com](mailto:adam.bryan@southeastlep.com); 07884 475191  
Date: 25<sup>th</sup> October 2018