

Monday 28 January 2019, 5.00-7.00pm

Village Hotel, Forstal Road, Maidstone, ME14 3AQ

AGENDA

	Approx time	Page
1. Welcome, introductions and apologies for absence	5.00	-
2. Declaration of Interests	5.05	-
3. Minutes of previous meeting, matters arising & action tracker.	5.10	3 & 13
4. LEP Review & Annual Conversation Update <i>Presentation by Chris Brodie providing the latest update on negotiations about LEP governance (including the outcome of his meeting with Jake Berry MP that took place on 14th January. The annual conversation is taking place on 21st January 2019).</i>	5.15	Presentation
5. Transport for the South East <i>Presentation by Rupert Clubb (Lead Director for TfSE & East Sussex CC's Director of Communities, Transport and Environment).</i>	5.45	Presentation
6. Network Update by Highways England & Operation Brock <i>Presentation by Chris Welby-Everard, Highway England's Regional Delivery Director for the Regional Investment Programme. His team looks after the delivery of the majority of the projects on the M20 and the M2. Also attending is John Kerner, Highway England's Special Projects Director for the Regional Investment Programme; he is leading the implementation of Operation Brock.</i>	6.00	Short presentation followed by Q&A
7. Skills presentation, covering: <ul style="list-style-type: none"> • Expansion of the Enterprise Adviser Network: <i>Paul Winter will provide a 5 minute update on the expansion of the E.A. Network in Kent & Medway.</i> • The apprenticeship levy: <i>Presentation by Simon Cook (of Mid-Kent College) on ideas from the Kent Colleges on how they could expand the delivery of apprenticeships if KMEP were to lobby for the unspent levy to remain in Kent and Medway.</i> 	6.30	Presentation
8. Forthcoming decisions on the Local Growth Fund to be taken by SELEP	6.55	16
9. AOB	7.00	

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ITEM 3A

Subject: DRAFT MINUTES of the Kent & Medway Economic Partnership (KMEP) meeting held at the Village Hotel, Maidstone on Monday 26 November 2018.

Attendees:

KMEP Board Members

Geoff Miles (Chair | The Maidstone Studios)
Bob Bayford (Thanet District Council)
James Beatton (Cripps LLP)
Andrew Bowles (Swale Borough Council)
Paul Carter (Kent County Council)
Rodney Chambers (Medway Council)
Miranda Chapman (Pillory Barn Design Ltd),
Gavin Cleary (Locate in Kent)
Simon Cook (Mid Kent College)
Martin Cox (Maidstone Borough Council)
Sarah Dance (Sarah Dance Associates)
Richard Finn (Richard Finn Ltd)

Peter Fleming (Sevenoaks District Council)
Nicolas Heslop (Tonbridge & Malling Borough Council)
Douglas Horner (Kent Ambassador)
David Jukes (Tonbridge Wells Borough Council)
Keith Morris (Dover District Council)
Prof. Rama Thirunamachandran (Canterbury Christ Church University)
Paul Thomas (Dev. Land Services Ltd)
David Turner (Gravesham Borough Council)
Paul Winter (Wire Belt Company Limited)

Observers & Presenters in attendance

Allan Baillie (KCC), Kevin Burbridge (GBC), Prof. Mario Caccamo (NIAB EMR), David Candlin (TWBC), Nicholas Churchill (CCC), William Cornall (MBC), Barbara Cooper (KCC), John Farmer (KCC), John Foster (MBC), Sarah Gardner (Highways England), Ross Gill (SQW), Katharine Harvey (FHDC), Richard Hicks (MC), Alan Hodson (Hodson Developments), Dave Hughes (KCC), Tim Ingleton (DDC), Tracey Kerly (ABC), David Manning (Highways England), Matthew Norwell (TGKP), Sarah Nurden (KMEP), Andrew Osborne (ABC), Karla Philips (KCC), Joe Ratcliffe (KCC), David Smith (KCC), Bartholomew Wren (TMBC), Mike Whiting (KCC), Emma Wiggins (SBC).

Apologies:

KMEP Board Members

Gerry Clarkson (Ashford Borough Council), Simon Cook (Canterbury City Council), Nick Fenton (Hodson Developments & Kent Developers' Group), Jo James (Kent Invicta Chamber of Commerce), Jeremy Kite (Dartford Borough Council), Andrew Metcalf (Maxim PR), David Monk (Folkestone & Hythe District Council), Jane Ollis (IOD), Jon Reagan (Hugh Lowe Farms Ltd & Weald Granary Ltd).

Item 1 – Welcome, introduction and apologies.

1.1 Mr Geoff Miles (the KMEP Chairman) welcomed attendees to the meeting, and accepted the apologies as listed above.

Item 2 – Declarations of interest

2.1 The following declarations of interests were received:

- Prof. Rama Thirunamachandran declared an interest: Canterbury Christ Church University has submitted a joint bid with the University of Kent seeking LGF funding for the Kent and Medway Medical School. This is covered under the LGF3b agenda item.
- Simon Cook of Mid-Kent College declared an interest: MKC Training Services Limited (MKCTS), a subsidiary of MidKent College, is seeking LGF investment to expand the provision of scaffolding apprenticeships in the SELEP region. This is covered under LGF3b agenda item.
- Miranda Chapman declared that her company provides website support services to SELEP.

Item 3 – Minutes of previous meeting, matters arising and action tracker

3.1 The minutes were accepted as an accurate record of the discussion.

3.2 Under matters arising, Paul Thomas raised concern over the delayed introduction of the new Thameslink train service between Cambridge and Maidstone East, via the London Thameslink termini. Peter Fleming echoed the need to lobby for the Thameslink services which have not been delivered yet. These train services are:

- Sevenoaks to Welwyn Garden City – Due to commence in May 2019.
- Maidstone East to Cambridge – Due to commence in December 2019.

3.3 Paul Carter confirmed that he had written recently to the Transport Secretary on this matter. Also, Sarah Nurden had spoken with the Network Rail Route Director, John Halsall, at an event on 23 November. He confirmed that introducing these Thameslink Services was a priority for Network Rail, and he was aware of the significant passenger demand for these services, however conflicting messages had been received from the DfT. John Halsall has agreed to come and present to a future KMEP meeting.

3.4 Geoff Miles referred to the meeting that he had with Govia Thameslink Railway (GTR) in January 2018. In this meeting, GTR described their significant investment in the depot facilities and staff recruitment, which showed their commitment to rolling out the new train services.

Item 4 – Lower Thames Crossing

4.1 The KMEP Chairman welcomed David Manning (Lower Thames Crossing Project Development Director at Highways England) to the meeting.

4.2 David Manning gave a presentation about the Lower Thames Crossing (LTC) Project. Comments he made included:

- The LTC consultation is live currently. It closes on 20 December and can be accessed at: <https://highwaysengland.citizenspace.com/ltc/consultation/> A strong message on the need for the LTC would be welcomed. There is committed funding for the LTC project only until the Development Consent Order is submitted.
- Unacceptable levels of congestion at the Dartford Crossing occur regularly, causing tailbacks across the region. Most days the Dartford Crossing is performing in excess of its design capacity of 135,000 vehicles. On Friday nights in school holiday periods, Highways England has counted 190,000 vehicles using the crossing.

- Highways England undertook a survey between September 2016 and 2017. The survey showed that there were 1,500 accidents per annum which caused at least one lane to be closed in the tunnel, on the bridge, or on the approach to the Dartford Crossing.
- Highway England's proposed solution is the construction of a new Lower Thames Crossing, which will be a 14.5 mile motorway, with 3 lanes in both directions, and a 70mph speed limit.
- When constructed, the LTC will be UK's longest road tunnel and largest bored tunnel.
- The LTC is designed to accommodate the free-flow of freight traffic and fuel tankers. The Dartford Tunnel is not: road vehicles must stop at the red lights every 15 minutes or so, while fuel tankers are escorted through the Dartford Tunnel.
- Highway England has modelled traffic movements up to 2051.
- Highways England listened to concerns raised during the original consultation. In Kent, they have removed the proposed junction with the A226, extended the length of the tunnel, lowered the tunnel to better manage noise and air issues, and increased the size of the tunnel so there are 3 lanes in each direction.
- The new LTC should reduce traffic at Dartford by 22%, and importantly should increase the reliability of journey times.
- Highways England is mindful that the LTC will have an impact on journeys across the wider Kent and Essex network. LTC ought to be the starting point for a conversation about a major investment programme in that network. Highways England is committed to looking at the wider network, and would welcome stakeholders giving their opinions in the consultation about future investment priorities.
- The LTC will increase traffic on the M2, and is expected to increase traffic on Bluebell Hill by 3-5%. However, Bluebell Hill is expected to increase in traffic by 10% before the LTC opens.
- Environmental mitigation is a key priority for Highways England.
- The LTC will require a significant workforce (circa 3,000 - 5,000 people). Highways England has already started talking to universities and schools about apprenticeships.
- The Development Consent Order could be granted in early 2021, and the LTC could be completed by 2027.

4.3 The Chairman thanked David Manning for his presentation, and invited questions and comments from the KMEP board members. These included:

- Andrew Bowles stressed the importance of investment along the M2/A2 corridor, and in particular at junction 5 of the M2 (with the A249). Without additional investment in the wider highway network, he reserved his right to withdraw his support for the project, and asked his fellow board members for their views.
- Paul Thomas echoed the need for infrastructure investments along the two highway corridors of the M2 and M20. He would like to see SELEP prioritise LGF3b funding to projects that were necessary for the LTC to be a success. He also wishes to see the LTC designed so that other modes of transport (e.g. light railway, cycle, etc) could use any spare headroom in the tunnel.
- Nicolas Heslop urged Highways England (HE) to look at Bluebell Hill and Junction 4 of the M20. New roads attract new traffic, as users change their travel patterns. Appropriate mitigation ought to be put in place to ensure Bluebell Hill and Junction 4 of the M20 continue to flow freely and residents are not disadvantaged. A request was made for greater collective responsibility by Highways England, with all HE teams working holistically across the network to plan and respond to traffic movements. An example was given which showed a lack of co-ordination by the different HE teams working on the M2 and M20.

- Keith Morris urged HE to at least dual the A2 carriageway by Lydden. This is an existing pinch point under current traffic conditions, and it will become a greater constraint as traffic volumes increase along the M2/A2.
- David Jukes asked about the use of spoil produced by boring the tunnel. David Manning said HE will try to reuse as much of the spoil on site as possible in tasks such as road construction, building noise barriers, landscaping, etc. HE is also in contact with local developers who may wish to use it on their local building sites.
- Douglas Horner referred to the previous traffic models used in the original HE consultation. He had been told that this data understated the impact of the changes in behavioural use of vehicles. David Manning explained that previous traffic models had used M25 traffic flow data and road side interviews, however the latest traffic model is based on mobile phone data supplied by the DfT resulting in more accurate forecasting. The traffic model takes into consideration the behavioural shift of users, for example the growing number of users of electric vehicles. The expansion plans of the local ports and the local housing plans for the next 10 years are all factored into the models as well.
- In response to Douglas Horner's question about further uses for the headroom of the tunnel, David Manning confirmed that the headroom will be used for the ventilation system. HE is also talking to third parties (e.g. private tram provider, utility companies), etc) about their potential use of surplus space in the tunnel.
- David Manning said HE wants to hear stakeholders' views on the investment priorities across the wider Kent and Medway highway network, alongside showing their support for the LTC. The LTC could act as a stepping stone for whole corridor upgrade.
- David Turner explained that Gravesham Borough Council had been in close dialogue with HE, and HE had been very responsive and co-operative in mitigating the impact of the LTC. David Turner explained that there were four concerns remaining: Firstly, in the interest of balance, the marketing materials should point out that traffic will increase in Gravesham, not only mention the decrease in congestion in Dartford. Secondly, the design of the LTC junction with the M2 is similar to spaghetti junction; David Turner would welcome HE refining the junction to make it less complex. Thirdly, David Turner was concerned about the impact on the A228 and A227; these are local roads that should not accommodate additional traffic generated by the LTC. David Turner would welcome hearing from LTC which solutions it can implement to prevent through-traffic (rather than local residents) using these roads. Fourthly, Gravesham Borough Council would like to work alongside HE as it develops environmental mitigation solutions. In response to David Turner's third point, David Manning explained HE is investigating intelligent systems that will inform motorists on the appropriate routes to use.
- Andrew Bowles commented that a further investment priority is for improvements to be made at Medway Services.
- Peter Fleming commented on the support from local communities and businesses located near the M25 for the LTC development. The LTC will reduce the volume of traffic on M25 that queues routinely for Dartford Crossing. The economy will benefit, as new markets and supply chains are opened. Sevenoaks District Council is supportive of the LTC.
- Richard Finn commented on the business community's desire for the LTC to be delivered in the shortest possible timeframe. The two-year delay until the Development Consent Order is submitted is less than ideal.
- Rodney Chambers said he appreciated the changes that HE had made to the original design, and welcomed HE listening to local stakeholders about the pressures on junction 3 of the M2/A2 corridor. Medway Council is supportive of the LTC.
- Paul Carter explained that Kent County Council had consistently campaigned for a new crossing, and warmly welcomed the decision to construct a new LTC. He appreciated that the LTC is not a fait accompli, and that there is a need to continue to lobby for the Crossing so that its construction can proceed. Kent County Council's position is that the

LTC cannot be viewed in isolation: In addition to campaigning for the LTC, stakeholders need to campaign for future rounds of investment across the wider Kent highway network.

- Sarah Nurden showed the KMEP board members the following slide of investment priorities and asked them to confirm if these were correct:

KMEP urges Highways England and the Government to deliver a package of funded investments concurrently to the construction of the LTC, so congestion is not pushed to the next weakest part of the network. The investment locations identified by KMEP are:

Linkage between M20 and M2

- *KMEP requests that a pragmatic and affordable proposal is created and funded to **upgrade the A229 and A249, accompanied by improvements to junctions 3 and 5 on the M2, and junctions 4 to 7 on the M20** to allow free flow between the two motorways without impeding local traffic.*
- *Adequate measures are put in place to prevent traffic using the A228 and A227 inappropriately. These roads are designed to serve the local community and residents.*

Improvements to the M2 / A2 corridor

- *Upgrading **M2 Junction 7 at Brenley Corner** to improve flows between the A2 and M2. Junction 7 marks the end of the M2. Traffic wishing to continue on the A2 towards Dover must exist on the slip road, navigate a roundabout which connects with the local traffic network serving the businesses and residents of Faversham. It is a location that is well-known for its congestion, particularly at peak times.*
- *Dualling the single carriageway on the **A2 north of Dover along Jubilee Way to Whitfield and near Lydden**. Near Dover, parts of the A2 revert back to single carriageway. Highways England's modelling says 7 million vehicles would use a new crossing at Gravesend. If a sizeable proportion of these were to continue to Dover on the M2/A2 without any upgrade or investment, this will cause significant congestion in Dover district.*
- *In addition to dualling sections of the A2, Highways England should consider upgrading the **A260** route from Lydden on the A2 to Hawkinge, which can therefore act as the most easterly rung in the ladder between the M20/A20 and M2/A2.*
- *The M2 is still only two-lanes for much of its length; consideration should be given to expanding this motorway. In particular, junctions 4 to 7 of the M2 ought to be widened.*
- *Improvements are required at the Medway Services, and lorry parking facilities are needed.*

- It was agreed that these appeared to be broadly correct, although some refinement may be required. Sarah Nurden was asked to send the list to KMEP board members and to invite their comments on the LTC. A KMEP consultation response could then be drafted using the comments received.
- Nicolas Heslop spoke of his support for the LTC scheme. He was aware of the very strong support from the local business and education community for the Crossing.
- With regard to the provisional KMEP response, Nicolas Heslop thought it should reference that HE needs to take a strategic approach looking across the whole network, rather than selecting schemes in isolation. His strong preference was for the infrastructure investment across the network to come before rather than after the opening of the LTC, and would appreciate this being emphasised in the consultation response.
- Douglas Horner said the LTC is one of the most crucial elements of infrastructure for the local business community. While the LTC is a large part of the solution, Douglas Horner suggested making clear the necessity of getting it right further down the line.

- The KMEP Chairman concluded the debate by expressing his opinion that he warmly welcomed the opportunity for LTC, and sought to encourage the LTC to deliver it in the shortest practical timeframe for the greater good. Alongside this, he felt KMEP should campaign for the additional investment across the network that is required.

4.4 The opinion of KMEP board members was canvassed. The overwhelming majority of KMEP board members strongly supported the LTC, and, in particular, the business community were ardent advocates for the LTC. One local authority member reserved his right to withdraw support if additional investment was not forthcoming for the wider road network.

Item 5 – SELEP’s Economic Strategy Statement

5.1 Ross Gill (SQW consultancy) attended KMEP to present the draft SELEP Economic Strategy Statement. His key comments included:

- The aim of the draft statement is to present a compelling case to Government for greater investment in the South East.
- The draft statement concisely sets out the shared priorities across the South East LEP, recognising each local area will have their own unique priorities and reflections.
- Much consultation and engagement with local stakeholders took place in 2017 and 2018.
- The policy landscape is changing with the *Local Industrial Strategy Green Paper* published last year; this was reinforced by the *Local Industrial Strategies: Policy Prospectus* produced two months ago.
- Within the policy prospectus, there is an emerging definition of what a Local Industrial Strategy (LIS) should be, with much emphasis placed on it being a heavily evidence-led document. All LEPs are expected to produce a LIS by 2020, which should align with the priorities in the national industrial strategy.
- The draft SELEP Economic Strategy Statement is intended to act as a bridge between the 2014 Strategic Economic Plan (which has become outdated in parts) and the future LIS.
- The Economic Strategy Statement (ESS) is written at a time of extraordinary housing growth; Forecasts predict that housing in the SELEP area will be built out at a faster rate than the national average over the next 25 years. Also, it is a time of relatively weak productivity in the SELEP region compared to national average.
- The draft ESS has been sent to all SELEP and federated board members for comment. The comments received in response have been broadly supportive. They include requests to: strengthened the language and have a stronger focus on business voice; to comment on improving the skills of the existing workforce; to focus more on digital infrastructure; to make the link between economic growth and benefits to the wider community; and to clarify more the asks of government.
- These comments have been incorporated into the draft ESS. Subject to any further comments that KMEP make, the draft ESS be taken to the SELEP Strategic Board meeting for final approval on 7 December.

5.2 The Chairman thanked Ross Gill for his presentation, and invited questions and comments from KMEP board members. These included:

- Gavin Cleary requested an additional reference to the changes in working patterns, particularly in the creative and the digital sector.
- Douglas Horner said there was a numerical error in paragraphs 1.1 and 2.9. He would welcome greater emphasis in the document on the innovative work that universities and further education colleges are undertaking. Shortage in commercial workspace should also be referenced, along with the need to increase the uptake of apprenticeships.
- Richard Finn welcomed the helpful document but felt it could be more assertive. He requested a reference be added on leadership quality, which is one of the three pillars of

productivity (alongside infrastructure and product quality). The ESS should also say that a critical part of growth is understanding supply chains.

- Paul Carter spoke of the need for infrastructure investment in skills and physical assets. While businesses create growth, the government can create the conditions conducive to growth through infrastructure. He welcomed the indications that the skills agenda may be devolved to LEPs rather than held centrally.
- There was a discussion of the Oliver Letwin's recommendation regarding land value capture measures, with contrasting opinions expressed on its appropriateness. While a unanimous opinion was not given, it was agreed by all that more assertive solutions for funding infrastructure are needed, because infrastructure should be built out with developments, and housing delivery should be accelerated. A fundamental review of the CPO powers and costs associated would be welcomed. Developer need to build out the land with planning permissions.
- Miranda Chapman encouraged SELEP to include case studies of previous place-making success stories, such as the regeneration of Margate and Folkestone.
- Paul Thomas echoed the need to reform the apprenticeship levy system, given the drop in applications.
- Simon Cook of Mid-Kent College said colleges have built up their leadership over time and are now working in collaboration not competition. The Colleges have reached a point where they have specific asks and solutions that can resolve those issues that are frustrating businesses.
- Paul Winter would welcome peer-to-peer activity to tackle skills issues in the sectors.
- Sarah Dance referred to the changing habits of consumers, driving the need for technological solutions in business. She echoed the concerns about the apprenticeship levy: Research by ScreenSkills (the industry-led skills body for UK screen, creative and cultural skills) shows that it is unlikely creative industry companies will spend more than 27% of the £75m apprenticeship levy contribution even once the new apprenticeship system is fully embedded.

5.3 It was agreed that the points above would be incorporated into the draft Economic Strategy Statement, which will be taken to the SELEP Strategic Board on 7th December for approval. Details of the launch event will be circulated to KMEP members once they're available.

Item 6 – A28 Chart Road

6.1 Sarah Nurden (KMEP Strategic Programme Manager) presented the report on the A28 Chart Road. She explained that Local Growth Funding (LGF) of £10.2m had been secured for the project, which would see the A28 being expanded from a single to a dual carriageway between the 'Tank' and 'Matalan' roundabout in Ashford. This road widening is essential to relieve existing congestion, and to allow the Chilmington Green development (of over 5,000 homes) to be built out.

6.2 A developer contribution is required alongside the LGF allocation to fund the scheme's development and construction work. The agreed funding arrangement with the Developer is that Kent County Council forward fund their contribution to the Project which is then paid back to KCC by the Developer over a ten-year period. To safeguard Kent County Council of any risk of non-payment and to recover interest charges, the agreement included a provision for the Developer to provide a security bond (the Bond) prior to awarding the construction contract.

6.3 A clause is included within the Section 106 agreement, restricting the Developer from occupying more than 400 dwellings until the Bond or appropriate security is provided.

- 6.4 The 6-week security bond notice was issued to the Developer on 14 December 2017, requiring the bond to be provided by 26 January 2018. Discussions have been continuing since that date, but no bond or adequate security has been forthcoming.
- 6.5 Sarah Nurden explained that the South East LEP is seeking the view of the local federated board on how to progress with the project, given that LGF must be spent by March 2021.
- 6.6 The preference of Ashford Borough Council was for the A28 Chart Road project to be put on hold but the LGF to remain allocated to the Project until 15th February 2019. If, at this time, no bond or adequate security has been forthcoming, then the LGF should be reallocated through the LGF3b process, and the A28 Chart Road Project should be prioritised for future funding opportunities, such as the UK Shared Prosperity Fund. This proposal was put to the KMEP Board for their consideration.
- 6.7 Tracey Kerly commented on the discussions that had taken place to date with Home England. She felt that Home England could be a helpful partner in coming forward with a solution. She explained that Alan Hodson (the developer, who was present for the KMEP discussion) is on site at Chilmington, building out the first batch of houses. His second reserve matters application is now submitted. The other two developers' applications are pending as well. The A28 Chart Road infrastructure will need to be in place after the 400th occupation, and it looks like that will not happen until after the LGF funding period comes to an end.
- 6.8 Paul Carter and Barbara Cooper recapped on the work that had been undertaken with the Developer and Home England to try and find a solution.
- 6.9 Douglas Horner asked the developer for the cost of obtaining the bond. Alan Hodson replied this would depend on the market.
- 6.10 Paul Thomas proposed that the LGF should remain allocated to the Project until 31st January 2019, not 15th February 2019.
- 6.11 The KMEP Board voted and decided its preference to submit to SELEP is:
"The A28 Chart Road project to be put on hold but the LGF to remain allocated to the Project until 31st January 2019. If, at this time, no bond or adequate security has been forthcoming, then the LGF should be reallocated through the LGF3b process, and the A28 Chart Road Project should be prioritised for future funding opportunities, such as the UK Shared Prosperity Fund."

Item 7 - Local Growth Fund (LGF) 3b Process

- 7.1 Sarah Nurden (KMEP Strategic Programme Manager) presented an item on the LGF3b process. The 'LGF 3b process' relates to the SELEP Strategic Board's decision to reallocate local growth funding (which cannot be spent by March 2021) to new projects.
- 7.2 Sarah Nurden reiterated the LGF3b timeline and steps which had been set by the SELEP Strategic Board:
- Applicants wishing to bid for capital grant funding were asked to complete the expression of interest template by **31st August 2018**.
 - KMEP sifted the expressions of interest at its board meeting on Monday **24th September 2018**.
 - For projects endorsed by KMEP, applicants were asked to complete a Strategic Outline Business Case by **26th October 2018**. This business case was sent to SELEP for assessment by its independent technical experts (ITE).

- The SELEP Investment Panel was due to meet on **7th December 2018** to receive the ITE's feedback and to then create the ranked pipeline of projects.

- 7.3 Sarah Nurden explained that the KMEP Chairman had been provided with the draft ITE feedback on 23rd November 2018. Due to the high volume of business cases received in a short period of time, it was felt by the KMEP Chairman and officers that the ITE had only been given enough time to conduct a high-level desktop assessment, not an in-depth review. Clarification with each project promoter of any issues had not been undertaken due to the time constraints. An example of an inconsistency within the report was provided. Given the concerns about the quality of the information provided, and that KMEP has always taken very seriously the need to ensure that taxpayers' money is invested wisely, Sarah Nurden explained that the KMEP Chairman wished to propose to SELEP that the SELEP Investment Panel was deferred from 7th December to allow the ITE sufficient time to review each business case.
- 7.4 Andrew Bowles agreed that the SELEP Investment Panel ought to be deferred. He raised his great concern that projects, such as the M2 Junction 5 (which has been a KMEP priority for several years), were not appropriately assessed as important. This junction improvement is required: it is a known accident hot-spot with a high death rate; there is a time-limited opportunity to ensure that Highways England deliver the junction improvement in RIS1; and there is a high level of match funding which could be removed if the scheme does not proceed. Crucially, no house building can take place until 2022 across the borough of Swale until this junction is improved: There is a holding objection on every single site. The ITE ought to speak to the project promoters to understand the implications of each scheme.
- 7.5 The KMEP Chairman was concerned about expectation management and pre-emptive decision making. The original LGF3b process would result in the prioritised list being agreed prior to the value of the funding pot being known. This may result in project applicants raising their hopes that funding will be allocated, only for them to be dashed later.
- 7.6 Paul Thomas said businesses need to be confident that they have been provided with correct information before making a decision.
- 7.7 Nicolas Heslop noticed that the RAG rating colours did not match the RAG rating description in some instances. This suggested the information had been pulled together in a short time period.
- 7.8 Peter Fleming asked how the project promoters' information will be communicated to the members of the SELEP Investment Panel. The LGF3b decision concerns millions of pounds of investment; it is imperative that the SELEP Investment Panel have detailed knowledge of the schemes they are making decisions about – a one-page summary of each scheme is inadequate.
- 7.9 Bob Bayford asked how the schemes were assessed, as the ITE information regarding Thanet Parkway was incorrect.
- 7.10 Paul Carter commented on the reliance of some existing LGF schemes on government agencies provide timely information. For example, the GRIP 4 costs for the Thanet Parkway scheme will be known in March, but once this information is known, it is expected that the project will be able to spend its LGF. Paul Carter expressed his desire for the cut-off date for existing LGF schemes to be pushed back to March 2019.

- 7.12 The role of the ITE was mentioned. The ITE are asked to undertake an independent technical assessment of each scheme (in accordance with the Government's Green Book rules), and provide an overall RAG rating per project with an explanation as to how this had been derived. It was felt that the role of the ITE was not to prioritise the list, rather this fell into SELEP's remit.
- 7.13 The Chairman sought the agreement of the KMEP Board to ask SELEP to postpone the SELEP Investment Panel, and ask the ITE to review each project and seek local clarifications; this agreement was given.

Item 8 - Local Growth Fund 1, 2 & 3: Delivery Progress Report

- 8.1 Sarah Nurden (KMEP Strategic Programme Manager) presented the LGF Delivery Progress Report. She explained that £1.597m of GPF loan funding was awarded to the Javelin Way Project at the last SELEP Accountability Board. The business cases for Thanet Parkway, A2 Wincheap off-slip, Rochester Airport, and Kent Sustainable Interventions Programme will be presented to the next SELEP Accountability Board on 15 February 2019.

Any Other Business

- 9.1 Peter Fleming requested that Highway England's plans for after Brexit are brought to a future KMEP board meeting. He requested that the Local Highway Authorities share the Brexit contingency plans for the roads with KMEP partners as soon as they are known. The KMEP Chairman reiterated that all board members are encouraged to propose future agenda items, and to email Sarah Nurden with any suggestions.
- 9.2 Sarah Nurden drew board members' attention to the new 2019 meeting dates for KMEP and SELEP, which could be found on last page of the board information pack.
- 9.3 The meeting drew to a close and the KMEP Chairman wished everyone a very Merry Christmas and a Happy New Year.

ITEM 3B

Date: 28 January 2019

Subject: Action Tracker and Progress Update

The table below provides a brief update on matters previously discussed by the Board, central government policy and consultation announcements, and give notices about forthcoming events.

Topic	Update
Network Rail	Mike Smith, Network Rail’s Head of Strategic Planning, South East Route, has confirmed that he will attend the next KMEP meeting on 25 March.
Lower Thames Crossing	As per KMEP’s request, a consultation response was sent to Highway England’s LTC consultation. The call for a package of associated highway improvements was echoed in the response sent by the Kent and Medway MPs.
Honours List	Congratulations to Paul Barrett for receiving a MBE in the 2019 New Year Honours List ‘for services to fundraising and the community in Canterbury, Kent’.
LGF3b	Technical discussions have been organised between Steer, as SELEP’s Independent Technical Evaluator, and the Kent and Medway project promoters for 23 rd and 25 th January 2019. The SELEP Investment Panel will take place on 8 March 2019. (See LGF paper for more details).
Recent Government Announcements that could be of interest:	Five areas (including the Thames Estuary) to share £20 million to unleash creativity across the nation (18/1/19): https://www.gov.uk/government/news/five-areas-to-share-20-million-to-unleash-creativity-across-the-nation Jobseekers across the UK are set to benefit from mentoring support designed to help them into work (17/1/19): https://www.gov.uk/government/news/national-mentoring-initiative-to-tackle-employment-inequality-across-uk Dstl’s (Defence Science and Technology Laboratory) latest apprenticeship opportunities are now open (17/1/19): https://www.gov.uk/government/news/dstls-latest-apprenticeship-opportunities-are-now-open New specialists appointed to Homes England Framework (17/1/19): https://www.gov.uk/government/news/new-specialists-appointed-to-homes-england-framework New Apprenticeship Campaign 'Fire It Up' launches (17/1/19):

<https://www.gov.uk/government/news/new-apprenticeship-campaign-fire-it-up-launches>

Further education providers across the country are being invited to apply to be the first to deliver the next wave of **T Levels** to be taught from 2021 (17/1/19)

<https://www.gov.uk/government/news/further-education-providers-invited-to-deliver-new-t-levels>

Government publishes '**No deal**' **EU exit advice** on travel changes for protected animals and plants (16/1/19):

<https://www.gov.uk/government/news/government-publishes-no-deal-eu-exit-advice-on-travel-changes-for-protected-animals-and-plants>

Consultation explores **opportunities for flood and coastal erosion management** at a local level (16/1/19):

<https://www.gov.uk/government/news/consultation-explores-opportunities-for-flood-and-coastal-erosion-management-at-a-local-level>

Housing Minister confirms funding for councils to crack down on **rogue landlords** (14/1/19):

<https://www.gov.uk/government/news/housing-minister-confirms-funding-for-councils-to-crack-down-on-rogue-landlords>

New taskforce to tackle **economic crime** (14/1/19):

<https://www.gov.uk/government/news/new-taskforce-to-tackle-economic-crime>

New podcast series to explore **why exporting is GREAT** for business (14/1/19):

<https://www.gov.uk/government/news/new-podcast-series-to-explore-why-exporting-is-great-for-business>

Government launches world leading plan to tackle **air pollution** (14/1/19):

<https://www.gov.uk/government/news/government-launches-world-leading-plan-to-tackle-air-pollution>

ONS trade statistics: **Exports rise by £14 billion** (14/1/19):

<https://www.gov.uk/government/news/ons-trade-statistics-exports-rise-by-14-billion>

Chief Secretary (The Rt Hon Elizabeth Truss MP) **visits local businesses in Kent** and urges them to take advantage of exporting opportunities (11/1/19):

<https://www.gov.uk/government/news/uk-business-on-the-menu-the-south-east-set-for-a-record-year-says-liz-truss>

Preparing for EU exit - BEIS update (11/1/19):

<https://www.gov.uk/government/news/preparing-for-eu-exit-beis-update>

UK's **Creative Industries** thrive in Japan (8/1/19):

<https://www.gov.uk/government/news/uks-creative-industries-thrive-in-japan>

Commuting by bike is set to become easier in 2019 as **new facilities are set up at rail stations** across the country (29/12/18):

<https://www.gov.uk/government/news/commuting-by-bike-to-become-easier-in-new-year-following-funding-boost>

Grants of up to £2,500 available for SMEs looking to export (21/12/18):

<https://www.gov.uk/government/news/grants-available-for-smes-looking-to-export>

Plans to speed up new homes held up with **new developer contribution rules** (20/12/18)

<https://www.gov.uk/government/news/plans-to-speed-up-new-homes-held-up-with-new-developer-contribution-rules>

Home Secretary announces **new skills-based immigration system** (19/12/18):

<https://www.gov.uk/government/news/home-secretary-announces-new-skills-based-immigration-system>

James Brokenshire announces **£5m for new network of rough sleeping hubs** (18/12/18):

<https://www.gov.uk/government/news/james-brokenshire-announces-5m-for-new-network-of-rough-sleeping-hubs>

Better Broadband Scheme extended to 2019 (18/12/18):
<https://www.gov.uk/government/news/better-broadband-scheme-extended-to-2019>

Largest upgrade in a generation to **workplace rights** - getting work right for British workers and businesses (17/12/18):
<https://www.gov.uk/government/news/largest-upgrade-in-a-generation-to-workplace-rights-getting-work-right-for-british-workers-and-businesses>

James Brokenshire sets out **funding measures for councils** (13/12/18):
<https://www.gov.uk/government/news/james-brokenshire-sets-out-funding-measures-for-councils>

Employment Minister welcomes **new UK employment record** (11/12/18):
<https://www.gov.uk/government/news/employment-minister-welcomes-new-uk-employment-record>

Crossrail update (10/12/18):
<https://www.gov.uk/government/speeches/crossrail-update-10-december-2018>

The **Industrial Strategy**: forging our future: Speech by Rt. Hon. Greg Clark MP. (7/12/18):
<https://www.gov.uk/government/speeches/the-industrial-strategy-forging-our-future>

The Rail Sector Deal (6/12/18):
<https://www.gov.uk/government/speeches/rail-sector-deal>

Rail Review moves forward as call for evidence launches (6/12/2018):
<https://www.gov.uk/government/news/rail-review-moves-forward-as-call-for-evidence-launches>

Rail update: **Govia Thameslink Railway** (4/12/18):
<https://www.gov.uk/government/speeches/rail-update-govia-thameslink-railway>

The government is consulting on **mandating biodiversity net gain in development** to ensure habitats are protected and enhanced for the future (2/12/18):
<https://www.gov.uk/government/news/gove-sets-out-proposals-for-greener-developments>

55 years on, **Dartford Crossing** looks to the future (28/11/18):
<https://www.gov.uk/government/news/55-years-on-dartford-crossing-looks-to-the-future>

ITEM 8

Date: 28 January 2019

Subject: Forthcoming decisions on the Local Growth Fund to be taken by SELEP

Report authors: Lee Burchill, LGF Programme Manager, Kent County Council
Jessica Jagpal, LGF Programme Co-ordinator, Medway Council

Summary:

This report provides an update on funding decisions in relation to the delivery of Kent and Medway's Local Growth Fund (LGF) programme.

Recommendation:

The Board is recommended to:

- Note that the Fort Halstead scheme will not come forward within the timescales of the Growth Deal, and thus agree to propose to the SELEP Accountability Board that the project be removed from the Kent and Medway LGF programme.
 - Note the latest decisions by SELEP relating to LGF project delivery
 - Note the forward plan of LGF decisions to be taken by SELEP
 - Note the revised timescales in relation to the LGF3B process.
-

1. Introduction

- 1.1 £187 million has been allocated from the Local Growth Fund (LGF) round 1, 2 and 3 to capital projects – primarily transport schemes - in Kent and Medway.
- 1.2 Project funding is only secured following the completion of a full project Business Case, its appraisal by the Local Enterprise Partnership's (LEP) Independent Technical Evaluator (ITE) (currently Steer) and approval by SELEP Accountability Board.

2. Projects yet to bring a business case to SELEP

- 2.1 The SELEP Strategic Board agreed at the meeting on 12th December 2018 that all Local Growth Fund (LGF) projects with outstanding allocations must bring a business case to the SELEP Accountability Board by no later than 12th April 2019 for approval. If a project's business case is not approved by 12th April 2019, then the Local Growth Funding (LGF) currently allocated to the project will be redistributed to new projects (identified through the LGF3b process).
- 2.2 A business case is yet to be taken for approval to the SELEP Accountability Board for the projects in the table below:

Project	Location	SELEP Accountability Board meeting when a funding decision is scheduled to be taken.
A127/130 Fairglen Interchange new link road	Southend-on-Sea	15 th February 2019
A22/A27	Eastbourne, East Sussex	15 th February 2019
Beaulieu Park Railway Station	Chelmsford, Essex	15 th February 2019
Fort Halsted	Sevenoaks, Kent	15 th February 2019
Grays South	Thurrock	15 th February 2019
Innovation Park Medway / Rochester Airport Phase 2	Medway	15 th February 2019
A2 off-slip Wincheap	Canterbury, Kent	12 th April 2019
Chelmsford Flood Alleviation	Chelmsford, Essex	12 th April 2019
Thanet Parkway	Thanet, Kent	12 th April 2019

3. Fort Halsted

- 3.1 The Fort Halsted scheme was granted an allocation of £1.53m in the third tranche of LGF funding. The scheme would enable the purchase and development of an ex-MOD site in Sevenoaks to open up housing, employment and commercial development in an area where availability of such sites is extremely low.
- 3.2 There has been a reprogramming of the Defence Science & Technology Laboratory (DSTL) relocation from Fort Halstead to Porton Down to December 2020, which has prevented Sevenoaks District Council being able to demonstrate the delivery of the scheme and spend of the LGF allocation before March 2021. A business case has therefore not come forward for the Fort Halstead scheme before the SELEP deadline of 16th November 2018.
- 3.3 The Merseyside Pension Fund (who took over ownership earlier in 2017 of the long leasehold interest in the site) are continuing to review their future strategy for this key employment led redevelopment site and, as part of that work, Sevenoaks District Council are continuing discussions with them. The Project will continue to be developed and should remain a priority for future funding opportunities (such as UK Shared Prosperity Funding).
- 3.4 As the scheme at Fort Halstead is not going to be progressed within the timescales of the Growth Deal, the existing £1.53m LGF allocation will not be drawn down from SELEP. KMEP is asked to propose to the SELEP Accountability Board that the project be removed from the Kent and Medway LGF programme. A formal decision can then be taken at the SELEP Accountability Board meeting on 15th February 2019.

4. Projects approved by the Accountability Board showing a spend risk

- 4.1 In December 2018, the SELEP Strategic Board agreed that all LGF projects, which are deemed at high risk of not spending their LGF allocation within the growth deal period must come back to the SELEP Accountability Board by 7th June 2019 to confirm a delivery solution has been identified to progress the project.
- 4.2 The projects currently identified by SELEP as having a spend risk are:

Project	Location	LGF allocation	The date of the SELEP Accountability Board when the project will be discussed (if decided yet)
A131 Braintree to Sudbury	Essex	£4.4m	15 th February 2019
A28 Chart Road	Ashford	£10.2m	15 th February 2019
A28 Sturry Link Road	Canterbury	£5.8m	TBC
A289 Four Elms Roundabout to Medway Tunnel	Medway	£11.1m	13 th September 2019
A414 Harlow to Chelmsford	Essex	£6.235m	15 th February 2019
Basildon Integrated Transport Package	Basildon, Essex	£8m	15 th February 2019
East Peckham Flood Alleviation scheme	Tonbridge and Malling, Kent	£2.287m	TBC
Innovation Park Medway / Rochester Airport Phase 1	Medway	£4.4m	TBC
Maidstone Integrated Transport Package	Maidstone, Kent	£8.9m	12 th April 2019
Medway City Estate Connectivity Improvement Measures	Medway	£2m	7 th June 2019

4.3 It should be noted that schemes which provide further delivery confidence as part of the reporting to the SELEP Programme Consideration Meetings will not be susceptible to the 7th June 2019 deadline. An update on each of these Kent and Medway projects can be found in Appendix A.

4.4 If a solution cannot be found within the next 6 months to progress with the delivery of these 'spend risk' projects, then the SELEP Strategic Board has agreed that the Federated Board should consider the appropriate option (from those listed below) and a decision must be brought to the next SELEP Accountability Board meeting:

- Option 1 – Cancellation of the project, and the money is reallocated through the LGF3b process.
- Option 2 – The Project is put on hold but LGF remains allocated to the project.
- Option 3 - The Project is put on hold and the LGF is reallocated through the LGF3b process, but the Project is prioritised for future funding opportunities (such as UK Shared Prosperity Funding).

5. LGF3b Process (Identifying new projects to receive LGF funding)

5.1 KMEP identified twenty-one new projects in September 2018, which it would like SELEP to fund. The projects are shown in the table below:

Project name (in alphabetical not priority order)	Organisation/Promoter	Amount of LGF3b requested
A2/A251	Kent County Council	£2,200,000
Betteshanger Sustainable Parks Preventative Health Enterprise Incubation Hub	Hadlow Group	£2,000,000
Calverley Square	Tunbridge Wells BC	£5,000,000
Columbus Avenue Extension	Kent County Council	£7,880,000
Flood Control Across the South East (FloCASE)	Kent County Council	£2,327,500
Gillingham – Britton Farm redevelopment	Medway Council	£1,890,000
Innovating, Creative & Enterprising Lab (iceLab)	University of Kent	£5,290,586
Innovation Park Medway (northern site) – Enabling infrastructure	Medway Council	£2,300,000
Kent and Medway Medical School	University of Kent & Canterbury Christ Church University	£8,000,000
M2 J5 Improvements	Kent County Council	£1,600,000
Maidstone East - Expansion of Station redevelopment	Kent County Council	£641,000
Maidstone East Urban Civic Quarter	Maidstone Borough Council & Kent County Council	£8,000,000
MKC Training services - Scaffolding Training Centre	MKC Training Services Ltd	£375,000
Romney Marsh Employment Hub	Folkestone & Hythe District Council	£2,570,737
Sevenoaks Business Hub	Sevenoaks Town Council	£265,400
State-of-art plant growing facility for modern horticulture	NIAB EMR	£1,840,000
Sturry Link Road	Kent County Council	£4,500,000
Thameside Fire Training Ground	North Kent College	£400,000
Thanet Parkway	Kent County Council	£5,000,000 - £8,000,000
The Coachworks	Ashford Borough Council	£910,800
Wincheap off-slip	Canterbury City Council	£2,000,000
Total value of projects sent by KMEP to SELEP to assess		£64.99m to £67.99m

5.2 The consultancy Steer (which acts as SELEP’s independent technical evaluator) has been tasked with producing a technical assessment of each project’s Strategic Outline Business Case. These findings would assist the SELEP Investment Panel in coming to a decision.

5.3 Meetings have been arranged between each project promoter and the Steer consultants to ensure that the consultants have a robust understanding of each project and its merits. These meetings will have taken place on 23rd and 25th January 2019.

5.4 There is also the opportunity for written comments to be fed into the process in response to the technical assessment. SELEP would welcome receipt of any comments to the SELEP inbox (hello@southeastlep.com) by the 1st February 2019, to enable these comments to be considered as Steer finalise the outcome of their independent technical assessment.

5.5 The SELEP Investment Panel is due to meet on 8th March 2019 to consider this technical assessment and agree the prioritised order for the LGF3b projects. The membership of the SELEP Investment Panel is as follows:

- SELEP Chairman (1)
- The 3 SELEP Vice-Chairmen (3)
- The 6 Upper-tier/Unitary Council Leaders (6)
- A private sector member from Team East Sussex (1)
- A private sector member from KMEP (1)
- A private sector member from either Essex's federated board or Opportunity South Essex's federated board. (1)

In addition, there will be a non-voting representation from the HE and FE sectors.

6. Recommendation

6.1 The KMEP Board is recommended to:

- Note that the Fort Halstead scheme will not come forward within the timescales of the Growth Deal, and thus agree to propose to the SELEP Accountability Board that the project be removed from the Kent and Medway LGF programme.
- Note the latest decisions by SELEP relating to LGF project delivery
- Note the forward plan of LGF decisions to be taken by SELEP
- Note the revised timescales in relation to the LGF3B process.

Appendix A – Information about projects with high spend risk

Scheme	Description	Budget	RAG Rating
A28 Chart Road	Carriageway dualling, junction improvements & NR bridge widening.	£32.77m (£10.2m LGF, £22.57m S106)	
<p><u>Issue</u></p> <ul style="list-style-type: none"> • Kent County Council is unable to progress the project and award the construction contract until the security bond is provided by the Developer. • KMEP (at its last meeting on 28 November) and the SELEP Strategic Board (in December 2018) agreed that ‘the LGF remains allocated to the Project until 31st January 2019. If, at this time, no bond or adequate security has been forthcoming, then the LGF should be reallocated through the LGF3b process, and the A28 Chart Road Project should be prioritised for future funding opportunities, such as the UK Shared Prosperity Fund’. <p><u>Progress</u></p> <ul style="list-style-type: none"> • A further meeting is being held between Homes England, MHCLG and BEIS to address several specific points in relation to the funding for this project considering the time extension to 31st January 2019. <p>If the required funding and guarantees (resulting in the loss of the SELEP funds) are not provided, KCC will revert to the terms of the S106 agreement dated 27 February 2017, requiring Hodson Developments to provide a bond for the total scheme cost prior to occupation of 400 dwellings on the Chilmington Green development.</p>			

Scheme	Description	Budget	RAG Rating
A28 Sturry Link Road	New link road connecting A28 Sturry Road to A291 Sturry Hill - requires a crossing of both railway & river. Start of works planned for Spring 2019.	£29.60m (£5.90m LGF £23.70m match)	
<p><u>Issue</u></p> <ul style="list-style-type: none"> There has been delays to the KCC planning application, due to issues with additional Air Quality and Ecology work that is required for the EIA. <p><u>Progress</u></p> <ul style="list-style-type: none"> The planning application is likely to be submitted in January 2019 and will go to KCC Planning committee. The delay has allowed work to be carried out in parallel with the other planning application from the developers, so all submissions can be consistent. There are still timing issues with the remaining match funding coming forward as this is dependent on the developers achieving planning approval and sufficient S106 contributions coming forward before the end of the Growth Deal. 			

Scheme	Description	Budget	RAG Rating
A289 Four Elms Roundabout to Medway Tunnel	Highway capacity improvements to provide journey time savings and reduced congestion.	£11.564m (£11.1m LGF, £0.464m Private Sector)	

Progress:

- Work on the RIBA stage 3 design is now complete and work has commenced on the RIBA stage 4 design.
- RIBA 4 detail design is expected to be complete February 2019, with accompanying costings.
- Utility diversions have been identified and pricing of works are being finalised with providers.
- Work has begun to progress the planning and land acquisition work-streams.
- Consultants have identified land acquisition requirements and are refining valuations to ascertain likely land acquisition costs.
- A revised Business Case will be submitted by 5th July for approval at 13th September 2019 Accountability Board.

Issue:

- A289 Four Elms Roundabout to Medway Tunnel has been identified by SELEP as having a high spend risk in the 16th January 2019 Programme Consideration Group meeting.
- Medway Council have submitted a HIF bid which, if successful, will provide the infrastructure required to support the emerging Local Plan. The HIF bid was successful at the first stage of the assessment process and is therefore currently undergoing further development. The proposals which form part of the HIF bid will interact with the LGF works and as a result discussions are ongoing to identify how best to optimise the benefits offered by both projects, with integration of the two projects a primary consideration. We await a response to a letter to government requesting a two-year extension to the LGF project, to best optimise the potential HIF opportunity.
- There is uncertainty regarding the level of land take required and the length of time required for land acquisition

Mitigation:

- The A289 is not considered by the project team to be of high-spend risk. Land negotiations have already begun and if swiftly concluded, significant spend will be incurred this quarter. Once the Business Case has been approved, work on site can commence therefore, significant capital spend is expected next financial year.
- The programme will be reviewed as the land acquisition process progresses, and related opportunities to accelerate spend will be sought

Scheme	Description	Budget	RAG Rating
East Peckham Flood Alleviation scheme	Scheme to reduce the risk of flooding	Phase 2 budget of £2.2875m which forms part of overall £4.636m LGF funding available	
<p><u>Issue</u></p> <ul style="list-style-type: none"> A decision is still required on how the remaining phase 2 allocation (£2.2875m) will come forward for approval to SELEP, and whether a scheme at East Peckham can be fully funded and deliver the high value for money criteria required. <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> Discussions are being held with the Environment Agency and further clarification has been sought from Central Government to ask for flexibility with regards to spend of the LGF allocation after the Growth Deal period. 			

Scheme	Description	Budget	RAG Rating
Innovation Park Medway – Phase 1	Development of Rochester Airport Technology Park.	£4.4m LGF	
<p><u>Progress:</u></p> <ul style="list-style-type: none"> • A change to project outputs was approved at the Accountability Board meeting on 15th June 2018. • Planning permission was granted on 19th December 2018 for the relocation of the helistands. The control tower and hub have also been granted planning permission subject to the removal of the holding objection from Highways England (HE). HE has verbally agreed to remove the objection but we await their written confirmation. • The procurement exercise to appoint a contractor to deliver the works is now live. Medway Council's Procurement Board will meet on 20th February 2019 to consider tenders received and a contractor will be appointed by end of the month. <p><u>Issue:</u></p> <ul style="list-style-type: none"> • Innovation Park Medway Phase 1 has been identified by SELEP as having a high spend risk in the 16th January 2019 Programme Consideration Group meeting. • On site works cannot begin until planning permission is fully secured. • There is a risk to the project due to ongoing opposition to the proposals from a small group of objectors. <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> • The IPM is not considered a high spend risk by the project team, as once the delay in planning has been resolved (expected imminently), work on site will commence, as we have twin tracked the procurement of a contractor whilst planning issues are being addressed. Site mobilisation is expected in March/April 2019. To accommodate LGF timescales we are focussing on a modular build of the control tower and hub to ensure a quick delivery. • Continued engagement with the airport operator to progress project as quickly as possible, as well as continued liaison with statutory stakeholders. 			

Scheme	Description	Budget	RAG Rating
Maidstone Integrated Transport Programme	Package of transport improvements	£11.85m (£8.9m LGF £2.95m match)	
<ul style="list-style-type: none"> • The first phase of the Maidstone ITP, for junction improvements at either end of Wilmington Street, was awarded £1.3m LGF funding in February 2016. • A further phase 2, for the delivery of the Coldharbour scheme, was awarded £2.7m in June 2018. • A business case submission to cover the revised proposal for Phase 1 and the Phase 3 schemes is currently being developed and a decision will be sought from the Accountability Board in April 2019. 			

Scheme	Description	Budget	Rag Rating
Medway City Estate connectivity improvement measures	An integrated package of infrastructure measures aimed at addressing the existing barriers to movement to and from and within the Medway City Estate.	£2.094m (£2m LGF, £0.094 Local Authority)	
<p><u>Progress:</u></p> <ul style="list-style-type: none"> ● Phase 1 of the project is complete, with indications of the anticipated improvement in journey times for vehicles leaving the Medway City Estate being realised. ● The new traffic signals (at the entrance to the westbound tunnel bore) are now operational and testing has identified the most effective signal timing to offer the most benefit to users of Medway City Estate whilst causing minimal disruption on the remainder of the road network. ● Options for the use of the funding assigned to phase 2 of the project are currently being developed. ● A revised Business Case will be produced and submitted to SELEP on 29th March for consideration at 7th June Accountability Board. Delivery expectations remain within 2019/20 Financial Year. <p><u>Issue:</u></p> <ul style="list-style-type: none"> ● ‘Medway City Estate connectivity improvement measures’ has been identified by SELEP as having a high spend risk in the 16th January 2019 Programme Consideration Group meeting. ● A consultation exercise has been undertaken with business owners and employees on the Medway City Estate, to garner wide-ranging views with regard to the modal shift which underpins Phase 2 proposals. Consultation outcomes indicate low levels of support for the river taxi that was proposed in the Business Case as the primary measure for encouraging modal shift. Low levels of support were seen for other improvements to promote sustainable modes of travel, however, it is considered that the level of support offered is likely to be insufficient for the project to fully deliver the modal shift outcomes specified in the Business Case. Due to the significant change in project scope and objectives a new Business Case will be required before work progresses on Phase 2 of the project. <p><u>Mitigation:</u></p> <ul style="list-style-type: none"> ● Medway City Estate is not considered a high spend risk by the project team as once the Business Case is approved, construction will commence which represents the majority of the spend. Spend to date on Phase 2 of the project has only included sustainable transport design works and a small element of Project Management costs, as the Business Case is not yet approved. Delivery expectations remain within 2019/20 Financial Year. ● Officers are now considering a range of interventions to form Phase 2 of the project which reflect the expectations of businesses and users of the Medway City Estate. Proposals will include the retention of elements to encourage modal shift, but accepting that the river taxi will not be an output, focus more on cycling and pedestrian interventions, and the likely inclusion of public realm enhancements as a catalyst for change. Additional support for journey time improvements for drivers entering/exiting the estate (a key factor in the survey responses) will also be considered. ● Further interventions have now been identified and are being progressed to a level commensurate with a revised Business Case submission. Design proposals and initial costings are expected mid-January 2019. ● Consultants have been engaged to develop the economic Business Case. The full Business Case will be submitted for consideration by SELEP on 29th March for approval at 7th June Accountability Board. 			

FOR INFORMATION ITEM A

Subject: Future Meeting Dates for KMEP and SELEP

KMEP Board Meeting Dates

The next Kent & Medway Economic Partnership meeting date is:

- Mon 25 March 2019 – Village Hotel, Maidstone
- Tuesday 25 June 2019 – Venue TBC
- Tuesday 24 September 2019 – Venue TBC
- Tuesday 26 November 2019 – Venue TBC
- Tuesday 28 January 2020 – Venue TBC
- Tuesday 17 March 2020 – Venue TBC

Each meeting starts at 5pm and finishes at 7pm.

SELEP Strategic Board Meeting Dates

The SELEP Strategic Board meeting dates are:

- Friday 22 March 2019
- Friday 28 June 2019
- Friday 4 October 2019
- Friday 6 December 2019
- Friday 20 March 2020

All meetings will be held at High House Production Park and start at 10am.

SELEP Accountability Board Meeting Dates

The future SELEP Accountable Board meeting dates are:

- Friday 15 February 2019
- Friday 12 April 2019
- Friday 7 June 2019
- Friday 13 September 2019
- Friday 15 November 2019
- Friday 14 February 2020

All meetings will be held at High House Production Park and start at 10am.

FOR INFORMATION ITEM B

Date: 28 January 2019

Subject: Revised National Assurance Framework

Report author: Samantha Grant, South East LEP's Governance Officer

Summary:

This report provides information on the recently published **National (Local Growth) Assurance Framework** by Central Government and the likely implications of this for the South East Local Enterprise Partnership (SELEP) Local Assurance Framework.

Recommendations:

The KMEP Board is asked to:

- Note the new requirements in the National Local Growth Assurance Framework.
 - Note that the SELEP Local Assurance Framework will be updated based on these requirements of the National Assurance Framework and Ministry for Housing Communities and Local Government (MHCLG) Deep Dive recommendations, for agreement by the SELEP Strategic Board on the 22nd March 2019.
-

1. Introduction

- 1.1 The revised National Local Growth Assurance Framework (NAF) was published by MHCLG on 9th January 2019 and is available at:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/768356/National_Local_Growth_Assurance_Framework.pdf
- 1.1 The NAF sets out Government guidance and details how a Local Enterprise Partnership is required to manage the funding it receives from Government.
- 1.2 It is necessary to ensure that all NAF requirements are fully implemented to secure receipt of future year core revenue funding, Local Growth Fund allocations, and any other grants awarded by Government.
- 1.3 As KMEP is aware, the Government instigated a large scale review of LEPs (the LEP Review) to ensure that LEPs have sufficiently robust governance to enable them to undertake a key role in the management of the UK Shared Prosperity Fund (UKSPF); the successor to both EU structural funding and Local Growth Funding.

1.4 The revisions and new mandatory areas within this are consistent with the LEP Review recommendations (published in July 2018).

2. New requirements within the revised National Assurance Framework (NAF)

2.1 Requirements from the revised NAF (which are not in the SELEP's current Local Assurance Framework) are noted in Annex 1.

2.2 It is noted that the revised NAF has many elements remaining the same as in the current National Assurance Framework (published November 2016). As such, substantial changes to SELEP's way of working are not anticipated. Rather, SELEP will be looking to include updates and revisions to its existing Local Assurance Framework.

3. Timescales

3.1 SELEP's Local Assurance Framework (LAF), reflecting the mandatory areas of the NAF, needs to be agreed and in place for the beginning of 2019/20, with a majority of the new requirements implemented by the 1st April 2019.

3.2 Though there are some of the new requirements within the NAF which have later implementation dates than 1st April 2019. These include for example having two-thirds private sector membership of the LEP Board by 28 February 2020.

3.3 To meet the requirements for the LAF to be in place by the 2019/20, the updated version of the LAF will be considered by the Strategic Board at its meeting on the 22nd March 2019.

4. Recommendations

4.1 The KMEP Board is asked to:

- Note the new requirements in the National Local Growth Assurance Framework.
- Note that the SELEP Local Assurance Framework will be updated based on these requirements of the National Assurance Framework and Ministry for Housing Communities and Local Government (MHCLG) Deep Dive recommendations, for agreement by the SELEP Strategic Board on the 22nd March 2019.

Annex 1 – Additional requirements of the new National Local Growth Assurance Framework

Governance and Decision Making
Incorporation outline how working towards / effective from April 2020
<p>Membership of the Board (tbc)</p> <p>At least two thirds to be representatives from private sector (by 28/2/2020).</p> <p>In places where not all local authorities represented directly on LEP Board, important their representative given a mandate through arrangements which enable collective engagement with all local authority leaders. Need to state what these are (once agreed).</p> <p>Maximum of 20 people, with option to co-opt an additional 5 Board members (to be compliant by 28/2/2020).</p>
Make sure expenditure, 'expenses' policy is clear.
LEP to produce an annual report and delivery plan , to be published at the beginning of the financial year
Note that SELEP has to state how it ensures open recruitment processes. (Policy for Board and Federated Boards).
<p>Outline or refer to appointment process for Board members (public and private sector), should include advertising openly.</p> <p>Note that the LEP (will) publish details of how the LEP ensures an open recruitment process.</p> <p>Note LEP will consult widely and transparently with business community before appointing a Chair.</p> <p>Note that the LEP (will) have succession planning and arrangements for the resignation of Board members.</p>
<p>Note that all Board members and LEP officers can access an induction and training programme. These arrangements will be published.</p> <p>Note that full induction to be undertaken within first quarter of being in post.</p> <p>Note that when the LEP identifies training needs that it thinks would be beneficial to the LEP Network as a whole, to raise these with the LEP Network (who will liaise with Cities and Local Growth Unit).</p>
Note that there are defined 3-year terms of Chair and Deputy Chair , with an optional extension of 3 years. (Note already a requirement for Chair to be from the private sector).
Noting “.... LEP sub-Boards must work within these agreed governance structures....” – if working groups are formal groups then they are required to follow NAF as termed a sub-Board of LEP.
To include the revised responsibilities of the s151 officer .
Note that CEO reports exclusively to the LEP and is under the direction of the LEP Board.
Note how / outline how independent secretariat functions . (Note: Job Description of CEO should reflect their role as an independent and impartial advisor working under the direction of the LEP Board).
LEP to state commitment to working within LEP Network .
LEP to outline dependencies or relationships with other LEPs as appropriate. (E.g. include Tri-LEP Energy work)

An updated **diversity statement**; how LEP will ensure representation at Board and sub-Board level which is reflective of local business community; set out how will monitor diversity at Board level; steps to ensure diversity in engagement with local communities and businesses.

Note: Requirement for all board members to sign a **code of conduct** statement (add to code of conduct policy).

Transparent Decision Making

Set out the LEP's **approach to risk**, including individual postholder responsible for and process for Board to oversee risk.

Set out / update decision making processes; and implicit in this – need to **publish forward plan and decisions**.

LEP to state that it **will publish timescales for agendas and minutes** on website.

Note in ROI guidance: CEO to confirm receipt of **ROI** (as now), though no longer a requirement for S151 signature to acknowledge receipt of.

Signatures to be redacted before publication. Update ROI guidance.

LEP to note / outline how ensure ongoing engagement, including **engaging stakeholders to inform key decisions**, feedback to the public about future LEP strategy development and progress.

LEP to set out **engagement plans**, including how it will **evidence** effective engagement.

LEP to **hold and openly advertise an AGM** that is open to the public.

Accountable Decision Making

Update postholder/s responsible for providing **final sign off (per funding stream)**. Noting in most cases this is the Accountability Board.

Note (will) have a link to the **Schemes of Delegation** on website.

Note that LEP and Accountable Body agree an **internal audit plan** for the year.

State, an **open offer to attend Local Authority (LA) Scrutiny Cttees in the area when requested**.

OR

Could agree to create a **joint Scrutiny Cttee** which comprises all LAs within SELEP and 'relevant reps that can provide scrutiny from a business perspective...'

Note LEP will record publicly attendance at LA scrutiny committees and ensure details of the outcome are put on website (e.g. publishing or linking to available reports or minutes).

FOR INFORMATION ITEM C

Date: 28 January 2019

Subject: SELEP Skills Update

Report author: Louise Aitken, Skills Lead, South East Local Enterprise Partnership

Summary:

This paper is to provide an update on various areas of skills related work including:

1. Skills Advisory Panels being set up nationally
2. Next steps for the SELEP Skills Strategy
3. A successful bid to become a Digital Skills Partnership LEP area
4. Remaining European Social Funding (ESF)
5. A successful bid to establish a tutor recruitment bursary and campaign

Recommendation:

The KMEP Board is asked to note the update and raise any questions arising from the information provided.

1. Introduction

1.1 Following the Skills Strategy approval and launch, the government have announced that Skills Advisory Panels will be set up nationally. This paper therefore provides an update on the establishment of these and related work.

2. Skills Advisory Panels (SAPs)

2.1 In 2018, the government announced that SAPs would be established in all LEP areas by October 2019. These are not intended to duplicate existing local structures and will broadly follow the same format as Employment and Skills Boards, with the intention of bringing employers and skills providers together.

2.2 SELEP had been working to prepare for the SAPs, prior to the government announcement. The existing LEP Skills Advisory Group includes relevant members as per the guidance (colleges, universities, local authorities, providers). Employer representatives will need to be added, to build on existing regular meetings and phone-calls taking place between the Chairs of the Kent & Medway, Essex and East Sussex Skills Boards. SELEP will work with the three local skills boards to agree local employer representation and to ensure priority sectors (such as construction and logistics) are well represented.

- 2.3 In the short-term, the Department for Education have requested the return of a Memorandum of Understanding (by 25th January 2019). This includes some key areas of information including analytical capability to develop robust analysis, governance and the format for the SAP locally.
- 2.4 The Memorandum of Understanding also requires an overview of utilisation of £75,000 funding to support setting up the SAP and completing the analysis required. This is a one-off pot of funding available to LEPs.
- 2.5 The establishment of SAPs is being led by the Department for Education's (DfE) Skills Advisory panels programme team. Further information on the role and governance of SAPs is available at <https://www.gov.uk/government/publications/skills-advisory-panels-saps-role-and-governance>. Further information on the analytical toolkit is available at <https://www.gov.uk/government/publications/skills-advisory-panels-analytical-toolkit>

3. Next steps for the Skills Strategy 2018-2023

- 3.1 The Skills Strategy was launched on 21st September 2018 at Folkestone College (part of EKC Group) and took place in their new (part SELEP-funded) construction facility which was officially opened by Damian Collins MP. The launch included demonstrations of virtual reality software produced for the logistics sector and a presentation from Folkestone construction company Jenner Contractors. The launch event featured in local press, including KMTV. Further information about the launch is at <https://www.southeastlep.com/selep-launches-plans-to-build-skills-for-future-growth/>
- 3.2 The strategy and evidence-base form a useful background and direction for the new Skills Advisory Panel. The evidence base will be updated regularly and to align with the requirements of the SAPs. Both the strategy and evidence base are available at <https://www.southeastlep.com/our-strategy/skills/>
- 3.3 Key performance indicators are being finalised along with a dashboard to measure progress against the strategy and to provide reporting for the SAP. These have been discussed with local skills boards and include measures such as skills levels, apprenticeship numbers through skills capital and ESF and people supported into work. It will also capture the Careers Enterprise Company work and numbers of schools and employers worked with across the LEP.

4. A successful bid to become a Digital Skills Partnership area

- 4.1 In October 2018, SELEP submitted an Expression of Interest to the Department for Digital, Culture, Media and Sport (DCMS) to become a Digital Skills Partnership area, a cross-governmental initiative to increase digital skills. On 21st December 2018, DCMS confirmed that this bid was successful.
- 4.2 DCMS confirmed that they had received a significant number of EoIs and just three LEP areas nationally were successful. Evaluation involved cross-Government input and the shortlist was supported by the Minister for Digital and Creative Industries, Margot James. This secures £75,000 to recruit a Regional Co-ordinator to lead on this work and establish a local Digital Skills Partnership for the SELEP area. It will also facilitate introductions to and joint working with a number of corporates including Google, IBM, Microsoft and Intel.

4.3 The short-term actions will be to recruit a Regional Co-ordinator, establish the SELEP Digital Skills Partnership and set a date for a launch event. This will of course be taken forward in partnership with local skills boards and the LEP Board.

5. Remaining European Social Funding (ESF)

5.1 The ESFA provided match-funding for some of the remaining ESF, and calls were issued in summer 2018. ESFA are undertaking evaluation, with awarded contracts to be confirmed and these will start delivering from April 2019. These will include supporting people into employment, supporting people in employment to upskill and a community grants programme. Further information will be provided as it becomes available.

5.2 The Big Lottery is currently confirming extensions and growth for existing 'Building Better Opportunities' (BBO) Big Lottery projects already underway including in Kent and Medway. SELEP has given commitment to providing 50% match funding to any growth / extension.

5.3 A direct (unmatched) ESF call was issued in October 2018 to support online learning and virtual reality (to offer learning and raise the profile of key sectors locally). Bids are now being evaluated by DWP. Further information about the call is available at <https://www.southeastlep.com/opportunities/esf-call-for-online-learning-and-vr/>.

5.4 Remaining ESF calls will be issued this year (with DWP to confirm exact time-frames). Local skills boards and partners have fed into priorities. There is approximately £15m remaining, pending confirmation on amounts required for extensions. Focus for remaining calls will include transport to work and learning, supporting apprenticeships, supporting people in entry level jobs to progress, internships, industry work placements for tutors and teachers and leadership and management. The Digital Skills Partnership work will also enable discussions about alternative and additional match funding with different government departments.

6. Successful bid to establish a tutor recruitment bursary and campaign

6.1 The Skills Advisory Group submitted a proposal to the SELEP Sector Support fund called '*Delivering skills of the future through teaching: teaching for growth*'. This intends to raise the profile of teaching opportunities in FE, to overcome the shortages of tutors particularly in sectors such as construction, logistics, engineering, health, care and digital.

6.2 At the December LEP Strategic Board, this was approved and will enable a high-profile marketing campaign and bursary to support teacher training costs.

6.3 SELEP will require project management for this project and will commence the process to secure this shortly. It is likely a working group will be set up to oversee the project also.

7. Finally, in addition to the areas of work outlined above:

- SELEP worked in partnership with the Learning & Work Institute to provide apprenticeship training in November 2018 which colleagues from Kent and Medway also attended.
- SELEP worked with DWP and Public Health England to deliver an inclusive growth event on 27th September. Speakers included Dame Carol Black, Robert Halfon MP and Alicia Moyles (Kent Supported Employment Service) and Laura Napper of Kent company 'Twilight Cleaning and Facilities Management'. Feedback will inform future ESF and delivery against the Skills Strategy.

- SELEP will meet with Infrastructure Matters in January (working on behalf of Highways England) on skills aspects arising from the Lower Thames Crossing including the possibility for a large skills event, for local partners.
- SELEP sent a letter and press release as part of National College Week and to highlight the need for continued funding of FE. Further information is at <https://www.southeastlep.com/national-college-week-selep-calls-for-continued-funding-for-further-education-in-letter-to-government/>

8. Recommendations

- 8.1 The KMEP Board is asked to note the update and raise any questions arising from the information provided.