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**Minutes of the meeting of the SELEP Investment Panel, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 8th March 2019**

**Present:**

Chris Brodie	Chairman
Cllr Paul Carter	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr John Lamb	Southend-on-Sea Borough Council
Cllr Gagan Mohindra	Essex County Council
Cllr Mark Coxshall	Thurrock Council
Perry Glading	Opportunity South Essex
Jo James	Kent Chambers of Commerce
Geoff Miles	Maidstone Studios (Kent and Medway)
Graham Peters	Team East Sussex
David Rayner	Birkett Long (Essex)
Graham Razey	East Kent College (Further Education)
Stewart Drew	East Sussex Business (De La Warr Pavillion)

**ALSO PRESENT**

Steven Bishop	Steer
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Chris Burr	Southend-on-Sea Borough Council
Edmund Cassidy	Steer
Kim Cole	Essex County Council (legal representative for the Accountable Body)
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Robert Fox	Essex County Council
Cllr Anthony Hedley	Basildon Borough Council
Jessica Jagpal	Medway Council
Sunny Ee	Medway Council
Joel John	Essex County Council
Paul Martin	SELEP
Stephanie Mitchener	Essex County Council (s151 representative for the Accountable Body)
Rhiannon Mort	SELEP
Lorna Norris	Essex County Council
Sarah Nurden	Kent and Medway Economic Partnership
Dawn Redpath	Essex County Council

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Paul Rogers	Thurrock Council
Katy Thomas	East Sussex County Council
Jon Wheeler	East Sussex County Council

### **1 Welcome and Apologies for Absence**

The following apologies were received:

Councillor Kevin Bentley, Essex County Council (substituted by Councillor Gagan Mohindra)

Professor Anthony Forster, University of Essex

Councillor Rob Gledhill, Thurrock Council (substituted by Cllr Mark Coxshall)

The Chairman conducted the welcome and confirmed the meeting is held in private session.

### **2 Declarations of Interest**

No declarations of interest were recorded.

### **3 Terms of Reference**

The Chairman reminded the Investment Panel (the Panel) that it was established as a sub-committee of the SELEP Strategic Board to enable a more focussed discussion around investment priorities; and that this was the first time the system and process had been operated under the terms of reference agreed in June 2018 and subsequently updated in September 2018. Future governance arrangements, including size and composition of the Panel, will be reviewed as part of the wider decision around the SELEP Strategic Board.

The Chairman confirmed that all members of the Panel have a vote and are encouraged to participate in discussion.

Councillor Carter questioned how this Panel sits with the federated governance arrangements of SELEP? He further stated the arrangements should reflect on how SELEP has previously operated.

In response, the Chairman stated it would be virtually impossible to Chair SELEP if it did not operate in a federated model. Central government has set the requirement that SELEP prioritises projects based upon merit with the technical assessment being advisory. Therefore, the overall responsibility for the prioritisation of projects sits with the Panel. Where partners are recommending changes to the ranked list which differ from the recommendations of the Independent Technical Evaluation, these will need to be supported by robust evidence and the proof of burden sits with the respective Panel member. The Panel needs to be cognisant that robust evidence is needed for all projects as the government is able to reject them; and this could also call into question the decisions made about all the other projects. To this end all projects should be considered on merit with due regard to the independent technical evaluations.

A KMEP prioritised list had been circulated following an urgent extraordinary KMEP meeting on 27 February 2019. KMEP have re-affirmed that that they are not seeking competitive advantage through the circulation of their priorities in advance

of the meeting; rather this list was circulated for information only.

#### **4 Single Pipeline Development and the process of developing a single pipeline**

The Chairman reminded the Panel that this process started back in June 2018 when the SELEP Strategic Board agreed the process and criteria for the assessment of projects. Following the SELEP 'Deep Dive' there was a recommendation that, "SELEP should take steps to satisfy themselves that any underspend at a federated level is reallocated to the most promising and best value for money projects. This should be based on the strongest projects, regardless of the area they are in. As outlined in the Annual Conversation letter, the 'Investment Panel' should prioritise pipeline projects to ensure that underspends are redistributed in the most effective way possible".

In response to the findings of the Deep Dive, on 16 March 2018, the Strategic Board agreed to implement the recommendations of the review. This included a decision to, "agree to establish and maintain a single pipeline of priority projects which will be used to identify the projects which utilise underspends in the event that it becomes available".

The Chairman stated that there has been an overwhelming response to this call for projects and a considerable amount of work has been undertaken by local areas in developing project proposals. He reaffirmed his aspiration that this meeting ensures the process is fair and based fully on technical merit, with the strongest projects supported so that investment of this public sector funding yields maximum return, impacting positively on jobs, housing and skills, as demanded by central government. The outcomes of this meeting would be publicly available Rhiannon Mort explained.

Paul Carter stated he would support an allocation of £20m; however, Gagan Mohindra responded that Essex County Council, as Accountable Body, would not be willing to go beyond the £15.448m available as it would not wish to be liable for funding which may, or may not, at this stage become available from central government or further underspends. The Chairman stated if further funds were to become available a future meeting of the Panel would consider these. This would likely be in June 2019. Therefore, it was confirmed this meeting would allocate £15.448m of funding. If the Accountability Board does not support the projects put forward through the prioritisation, then that money would come back to the Investment Panel.

#### **5. Outcome of Independent Technical Assessment**

Steven Bishop from Steer, as the Independent Technical Evaluator, informed the Panel there were 99 expressions of interest for funding submitted to Federated Areas with many new partners and new schemes included. Of these, 60 projects were submitted to SELEP following the sifting of projects by Federated Boards, which incorporated local knowledge with an ask of £145m requested in total. All the schemes were aligned with the LEPs Strategic Economic Plan. The schemes which will utilise all funding by March 2021 were prioritised. Each project was challenged by Steer with regard to alternative funding sources being available.

Steer presented two potential lists of projects and discussion ensued on which list the Panel considered. The Panel came to a consensus to consider projects in Presentation List B.

## 6. Recommendations

The Chairman conducted the consideration and it was agreed that the following were confirmed, from the top of the list, as federated area priorities:

- Bexhill Enterprise Park North (East Sussex)
- Digital Technologies Campus (OSE)
- Colchester Institute (Essex)
- Skills for Rural Business (East Sussex)
- USP College CEDTIL (OSE)

However, KMEP informed the Chairman that the Coachworks had been moved down their own priority list with Thanet Parkway now considered top with substantially reduced journey times into London and the increase in house building this would affect. Paul Carter confirmed that Kent County Council would add £4.5m of funding towards the project; and Thanet Borough Council £2m in addition to the LEP funding; which would no mean there would be no funding gap. Steer highlighted the risks and challenges of the project; and there is also the challenge of working with Network Rail; however, Paul Carter stated the concerns over the lack of housing at the Manston Airport site have now been recast due to housing growth across a much wider area. He also stated he would not wish to see the Junction 5 improvements on the M2, or the Medway Innovation Park projects drop off the list of funded projects. Following robust conversation it was agreed the reprioritisation of the KMEP projects.

KMEP representatives confirmed they would reduce the funding required for the Medway Innovation Park project and confirmed delivery would be complete by March 2021.

East Sussex representatives argued that the Bexhill Creative Workspace required funding immediately, whereas the Junction 5 of the M2 improvements do not require funding until February 2020; therefore, the Bexhill Creative Workspace project should be prioritised.

Some concern was raised about reprioritisation, in particular in regard to the technical assessments, in terms of equitability. Following discussion it was agreed the next meeting of the Panel discuss priority lists further as some monies may have been returned; when the learnings from this inaugural meeting can be assessed. The Accountability Board will have to agree the award of funding for all projects which the Investment Panel prioritise.

Keith Glazier moved a proposal to the Panel that if the Medway Innovation Park project can creditably address the deliverability concerns raised by the Independent Technical Evaluator then the project could be considered by the Accountability Board for a funding award.

The Chairman put this proposal to the Panel with six in favour and five against. Therefore, he stated KMEP would have to overcome the burden of proof in lifting the technical evaluation, in relation to the deliverability of the Medway Innovation Park project and be subject to approval by the Accountability Board. To that end, he further stated that if the Panel goes against technical assessments the burden of proof will be on those who wish to change any priorities, in future. Local influence should also be brought in at an earlier stage going forward. Government needs to be satisfied that the projects funded are the best schemes based upon technical advice, with local buy-in.

It was **Resolved to Approve** the award of £15.448m of Pipeline Funding to the following projects, on the basis that the burden of proof be proven by KMEP on the reprioritisation and all projects are brought forward for approval by the Accountability Board:

Project	Area	LGF allocation
Bexhill Enterprise Park North	East Sussex	£ 1,940,000
Digital Technologies Campus	OSE	£ 2,150,000
Colchester Institute	Greater Essex	£ 100,000
Skills For Rural Businesses Post-Brexit	East Sussex	£ 2,918,000
USP College CEDTIL	OSE	£ 900,000
Thanet Parkway	KMEP	£ 4,000,000
Flightpath Phase 2	Greater Essex	£ 1,421,500
Sidney Little Road Business Incubator Hub	East Sussex	£ 500,000
Innovation Park Medway (northern site) – Enabling infrastructure*	KMEP	£ 1,518,500
<b>Total</b>		<b>£ 15,448,000</b>

\*The project was prioritised subject to the SELEP Accountability Board being satisfied that the deliverability concerns raised by the Independent Technical Evaluator can be addressed by Medway Council.

## 7 Meeting Close

A further meeting of the Investment Panel will take place on the 28<sup>th</sup> June 2019. There being no further business the meeting closed at 12.05 p.m.

**Chairman**