

Essex Business Board

Monday 18th March 2019

Agenda Item – SELEP Update - Strategic Board Briefing

Summary: To provide an overview to Essex Business Board of key Agenda Items that may be of interest for the forthcoming SELEP Strategic Board on Friday 22nd March 2019. Further detail can be found in Strategic Board Agenda Pack to be circulated separately.

Strategic Board Agenda

- Item 1 – Welcome and Introductions
- Item 2 – Minutes and actions from last meeting
- Item 3 – LEP Review Implementation
- Item 4 – Assurance Framework 2019
- Item 5 – Delivery Plan 2019/20
- Item 6 – Local Industrial Strategy
- Item 7 – Sector Support Fund
- Item 8 – Digital Skills Partnership
- Item 9 – Lower Thames Crossing – Skills Strategy
- Item 10 – Garden Communities Session Three
- Item 11 – Thames Estuary Production Corridor

Agenda Item 3 - LEP Review Implementation

This item is one of 2 substantial items for discussion at the Strategic Board meeting. The Board will be asked to:

- Ratify decision by Electronic Procedure on board composition which approved move to a 20 member plus 5 co-opts model
- Decide on the commission of an Independent Review of the Board to produce recommendations on the future composition of the Board
- Decide on inclusion of recommendations to improve diversity of the Board as part of the Independent Review
- Decide on approach and timelines for fulfilling LEP Review recommendations
- Decide on principle of 'Nil Return' company for incorporation

This item will focus on the delivery of commitments made in the LEP Review response and full implementation of all recommendations. Recent discussions with Government have highlighted the importance of SELEP complying with the LEP Review by March 2020 however, no definitive position has been put forward by SELEP. The proposal here to members is that the Board commission an Independent Review to establish how it will best reach the requirements from government.

Conversations with officers and SELEP secretariat, which are ongoing, are suggesting that the board paper needs to set the independent review out within an options paper (one other option being that a sub-group of the board undertake internal consideration and report back) and that there needs to be more detail at an earlier stage of the scope of that review. There is also some concern that, should the Independent Review be considered at the September board meeting (as is proposed) and board members are not comfortable with the proposals, then the process would be delayed, and the government deadline could not be met. Officer opinion is that federated boards

need to be fully engaged in whatever process is agreed at the earliest stage so that all appropriate options for the model are considered. EBB may want to consider how it consults with its members on how it will contribute to the discussion in the coming weeks.

Though there will be a requirement for a 2/3 majority of Private sector members of the SELEP Board, the emerging view suggests that as long as there is a Private Sector majority on Sub-Boards, there will be no requirement for a 2/3 Private sector composition of Federated Boards. Furthermore, Federated Board representation on Strategic Board and the practicalities of this are unknown at this stage and are also expected to be within the scope of the Independent Review to be commissioned.

As EBB is currently refreshing its membership as part of a wider business board review, the requirement from government (which is stated in the National Assurance Framework and is reflected in the Local Assurance Framework) is to ensure that Strategic Board Members are recruited through an Open and Transparent recruitment process. Whilst there is not yet clarity on how this works within a federated model, clear guidance from the SELEP secretariat has been that federated boards should be undertaking recruitment in this way and therefore new business board being formed will embed this requirement.

There will also be discussion on Incorporation for SELEP with initial legal advice pointing to potential issues arising from VAT charges liable to the company should funding be channelled through it, as well as costs associated with the TUPE transfer of staff to the company and potential State Aid issues. Early indications are that VAT charges which could increase operation costs, could be circumvented if funding continues to be channelled through the SELEP's Accountability Body, Essex County Council. The suggested route would be to set up a 'Nil Return' Limited Company. It is thought that the Ministry of Housing, Communities and Local Government (MHCLG) would be satisfied with this model of operation with financial transactions sitting within the Accountable Body provided that governance remains within the Limited Company.

At the moment, it is not clear how members from Federated Boards might be appointed to the Strategic Board but it should be highlighted to members that, should they wish to be put forward as a Federated board representative for the Strategic Board then they would be expected to do so as a Company Director once the board has Incorporated as a Limited Company.

Agenda Item 4 – Assurance Framework 2019

At the time of writing, papers for this agenda item are yet to be released, however it is anticipated that there will be minor changes to elements of the Assurance Framework. Conversations with officers and SELEP secretariat have highlighted that there is expected to be greater clarity on the Federated Board requirements to be private-sector led as well as removing any uncertainty around Federated Board role in prioritisation projects as part of SELEP single pipeline process.

Agenda Item 6 – Local Industrial Strategy

At the time of writing, papers for this agenda item are yet to be released, however it is anticipated that the paper will seek a decision from the board to agree the planned approach as well as updating the Board on progress to date and planned next steps.

SELEP is part of the third wave of regions to publish a Local Industrial Strategy and is required to do so by March 2020. Indications from Government are that in reality these will need to be completed by December 2019 to allow for government to endorse these by March 2020. The Local Industrial Strategy is expected to be linked to funding to be made available through the forthcoming UK Shared Prosperity Fund. SELEP is expected to undertake economic baselining as well as reviewing the potential metrics and indicators to be used ahead of publication of this evidence in June this year. Furthermore, it is anticipated that there will be some agreement of some of the key 'building blocks' or themes that will guide the Local Industrial Strategy by the Summer with further detail to follow as well as more information on how Partners and Stakeholders will be engaged.

As part of the preparation to deliver a Local Industrial Strategy, Local Areas are beginning to develop their own articulation of a Local Industrial Strategy for this to be incorporated in the SELEP-wide strategy. Opportunity South Essex have appointed a Project Manager to coordinate the delivery of a Productivity Strategy with a first draft to be developed by the end of July 2019. The development of this Strategy will be overseen by the Association of South Essex Local Authorities.

For the rest of Essex, aspirations are to collate a corridor articulation of priorities, aggregating key themes to be agreed as well exploring the datasets and metrics that are expected to sit behind this which will feed into the SELEP-wide Local Industrial Strategy. Discussions continue with how this will be developed including engagement with key stakeholders with updates on this process expected in due course.