



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 31st January 2020

High House Production Park, Purfleet, RM19 1RJ



Agenda

Item 1	10:00	Welcome and introductions	Chris Brodie	
Item 2	10:05	Minutes and actions from 6 th December 2019 meeting Declarations of Interest Matters arising	Chris Brodie	Pg. 4
Item 3	10:10	Local Industrial Strategy <ul style="list-style-type: none"> Decision to agree the next steps for development of the LIS 	Helen Russell and Sharon Spicer	Pg. 18
Item 4	10:55	Communications Strategy <ul style="list-style-type: none"> Decision to adopt the Communications Strategy and Protocols 	Zoe Gordon	Pg. 22
Item 5	11:05	Local Growth Fund Spend Beyond 31 March 2021 <ul style="list-style-type: none"> Decision to endorse LGF spend beyond 31 March 2021 for the following five projects, on a case by case basis: <ul style="list-style-type: none"> A127 Fairglen Interchange Junction Improvements and New Link Road Thanet Parkway A28 Sturry Link Road Exceat Bridge Innovation Park Medway 	Rhiannon Mort	Pg. 24
Item 6	11:20	SELEP Local Assurance Framework 2020/21 <ul style="list-style-type: none"> Decision to adopt the refreshed Assurance Framework on incorporation Decision to adopt the refreshed Board Recruitment Policy on incorporation 	Suzanne Bennett	Pg. 38
Item 7	11:35	Chair Term Extension <ul style="list-style-type: none"> Discussion on whether to extend the current Chair's term for a further two years (the Chair will not be present for this item) 	Adam Bryan	Pg. 42
Item 8	11:40	Deputy Chair Recruitment <ul style="list-style-type: none"> Selection Panel report on preferred candidate for approval (this item will be held in private) <p>(THIS PAPER WILL BE TABLED AT THE MEETING TO ENSURE CONFIDENTIALITY)</p>	Chris Brodie	
Item 9	11:50	Board Membership <ul style="list-style-type: none"> Update on changes to Board membership 	Chris Brodie	Pg. 45
Item 10	11:55	AOB and close		
	12:00	Lunch to be provided		

Information Items

No information items for this additional meeting

Provisional agenda items for March 2020 Strategic Board Meeting:

- Governance for new Board
- Delivery Plan 2020/21
- Local Industrial Strategy
- Coastal Prospectus
- Lower Thames Crossing consultation response
- Chelmsford City Council presentation

Future Strategic Board meeting dates:

- 20th March 2020;
- 12th June;
- (24th June AGM);
- 2nd October;
- 11th December;
- 19th March 2021.

Item 1: Welcome and introduction

- 1.1. Chris Brodie welcomed a new Board member, Miles Adcock, the Chair of the Success Essex Federated Board, to the meeting.
- 1.2. Chris Brodie noted that this was Douglas Horner's final meeting and that Douglas would be stepping down from his SELEP role on the close of the meeting. Chris Brodie thanked Douglas for his contribution to SELEP during his time on the Board.

Item 2: Minutes of last meeting, declarations of interest and matters arising

- 2.1. The following interests were declared:
 - a) Graham Peters declared an interest relating to Item 5 as the interim chair of the Newhaven Enterprise Zone.
 - b) Carole Barron declared an interest relating to Item 6 due to the mention of the Kent Medical School.
 - c) Cllr Keith Glazier declared an interest relating to Item 8 as Chair of Transport for the South East.
- 2.2. The minutes of the previous meeting were **agreed** subject to the following amendments:
 - a) Paul Thomas requested a change at 5.34 to clarify that the legal advice related to the documents rather than personal legal advice.
 - b) Mike Whiting asked to clarify the diversity target at 5.3c which would be corrected.
- 2.3. Chris Brodie updated the Board regarding a meeting of LEP Network Chairs and CEOs that he recently attended. He explained that diversity was high on the agenda, and that there was an analysis of the gender balance of all the Southern LEPs, of which the SELEP had the lowest. He reminded the Board that there is a clear obligation to get to 33% by the end of the financial year, and he encouraged that this is kept in mind when appointing new Board members.
- 2.4. Douglas Horner asked whether there would be any liability during the nomination process if the Board positively discriminated towards women who were less qualified than a better qualified man, and that suitability to this Board would vary from person to person.
- 2.5. Chris Brodie expressed that it would be inconceivable to not find sufficient diverse candidates.
- 2.6. David Rayner emphasised the importance of sharing the diversity requirements across both the public and private sector Board Members, which Chris Brodie agreed with and he asked the Local Authority members to consider this.

Item 3: LEP Review

- 3.1. Adam Bryan reminded the Board that Government is watching very carefully, and that, now that the main Board composition decisions had been made, this meeting was an important opportunity

to move along the legal personality aspect of the LEP review. He added that good progress had already been made, however it would be essential to be incorporated by the 1st of March 2020, and the new SELEP Ltd Board will meet on the 20th of March 2020.

- 3.2. David Rayner introduced an update to the legal personality workstream as Chair of the subgroup. He apologised for the late reports, but explained that the initial drafting arrived 2 months late, and that there was also a summary of counsel's opinion within the meeting pack. He added that the Articles of Association and Framework Agreement were virtually in a final form, with final touches required to make them internally consistent.
- 3.3. David Rayner explained that the purpose of this item was to approve the current Articles and the principles behind them, then to follow with an electronic vote after the final amendments. Chris Brodie clarified that the Electronic Procedure would be necessary due to the lead times for Local Authority decisions.
- 3.4. David Rayner said that there were two main subjects that the subgroup discussed at length; the responsibility for the public funding from business perspective, and that the new Board would be business lead and therefore less control from a Local Authority perspective, but with the Accountability Board still in place.
- 3.5. Douglas Horner responded that he had had difficulty with the documents, and stated that the documents were quite different from the set of draft documents that were discussed by the subgroup.
- 3.6. David Rayner explained that the documents presented at this meeting were different from those presented at the subgroup as they now incorporated the points raised at the subgroup meeting.
- 3.7. Douglas Horner raised a variety of points:
 - a) questions were asked to Essex Legal Services which have not been responded to, for example regarding the powers of the company, as it was decided at the subgroup that the membership should have no power;
 - b) other issues that Essex Legal Services have taken a view on within the documents which had not been decided by the subgroup;
 - c) there should be quite significant development of these documents before they can be agreed by the Board;
 - d) the acronym SELEP is used in different ways, both referring to the whole partnership and also referring to the Strategic Board;
 - e) the Articles contain cross references to the Assurance Framework which make it difficult to read. He added that he understands this was in order to facilitate any changes as it would be easier to amend the Assurance Framework than the Articles of Association, however if the Directors are able to alter the terms in the Assurance Framework, and therefore the Articles, this should be said in the Articles.

- 3.8. David Rayner responded to the point at e) above by stating that it is standard procedure to refer out, as he had sought advice around this. He added that it would avoid a laborious process of changing the articles, and that this had already been discussed at length in the subgroup, and therefore is not appropriate to be repeated in this meeting.
- 3.9. Douglas Horner disagreed with David Rayner, and stated that he had also spoken with legal specialists who regarded this as highly unusual.
- 3.10. Douglas Horner continued to explain another issue he had found, which is regarding the choice of membership and the powers of that membership. He stated that when discussed in the subgroup, the decision was to have a big membership but then not to allow that big group to take decisions, however he could not see that these powers had been excluded in the articles. He also raised a concern about the membership not necessarily reflecting the balance on the Board, and whether a resolution by the membership would be able to bind the Board; if not he stated that this must be explicit in the Articles, not just the Assurance Framework.
- 3.11. Douglas Horner added that there were elements missing from the Articles, such as a quorum for a members' meeting or notice for a members' meeting amongst other similar issues. He also stated that the corresponding report was not consistent with the Articles at 5.2.
- 3.12. Douglas Horner also raised concerns regarding the advice from counsel not including liability around the prioritisation of projects.
- 3.13. George Kieffer commented that governance arrangements, although important, had taken up a lot of time. He was clear that the Directors of a company had to act in the interests of the company, SELEP Ltd, and that the Board had not delegated any powers to the subgroup, therefore these are proposals to the Board. He summarised that there is some drafting to be done, then it could be re-presented with these addressed.
- 3.14. Chris Brodie enthusiastically endorsed George Kieffer's comments, and clarified that many of the elements not covered (3.11) by the Articles were covered by the Companies Act 2006.
- 3.15. Paul Thomas stated that there needed to be an independent legal report that clearly confirms that we comply with government guidance, to get rid of ambiguity of the members and how the documents tie together, and whether the Board is taking responsibility for the decisions of the Accountability Board where this Board has no say over these decisions.
- 3.16. David Rayner expressed confusion as these points had already been previously discussed and would be covered by covered by company law.
- 3.17. Paul Thomas said that the documents have different terminologies, and that the legal advice needs to be on behalf of the Board to protect future Board members, rather than advice for individuals.
- 3.18. David Rayner explained that the summary document does use phrases interchangeably to explain the changes between the old and new systems and that there would be some drafting tweaks needed, however Essex Legal Services specifically went to a barrister to get his opinion about the liabilities of the directors.

- 3.19. Paul Thomas asked why a barrister was not asked about the documents, which Chris Brodie clarified was because this was not requested by the Board.
- 3.20. There was a general discussion regarding whether the barrister would need the final versions of the documents in order to give a proper opinion, and David Rayner clarified that the barrister had had enough, including background information, draft and current documents.
- 3.21. Chris Brodie stated that the summary of the advice was included in the Board pack, and that the report is very clear on what the liabilities are, and that minimal liabilities can be covered by insurance.
- 3.22. Peter Fleming added that not all of the Directors will sit on the Accountability Board that will be making decisions that bind the Directors.
- 3.23. David Rayner clarified that the subgroup had lengthy discussions about this. He explained that it is necessary that the ultimate decision on the funding has to be taken by the Accountability Board, for whom it would be exceptionally difficult to not follow the decisions of the Directors.
- 3.24. Peter Fleming asked how difficult it would be for the Accountability Board not to follow the decisions of the Directors. Following on from that there was a general discussion regarding the powers of the Accountability Board. It was stated that this was a theoretical question as this is how the LEP works currently and has had no issues.
- 3.25. Geoff Miles said that the Accountability Board provides scrutiny, and if there were changes to a decision then it would be referred back to the Strategic Board. The Directors cannot technically influence the Accountability Board.
- 3.26. David Finch added that this discussion appeared to be regarding matters of detail for members around the table, but the relationship with the Accountability Board is stable. He recommended to the Board to accept the recommendations and deal with individual details outside of this meeting, and suggested that more training may be useful.
- 3.27. Perry Glading suggested that this should be included within the induction sessions, and Chris Brodie agreed with this.
- 3.28. Geoff Miles added that there are some fundamental questions for lawyers in the room, and that he heard that Kent County Council's legal team were concerned whether the Articles conform with government requirements.
- 3.29. David Rayner said that his understanding was that changes were made as a result of comments from Kent County Council's legal team, and that their monitoring officers were now satisfied.
- 3.30. Mike Whiting commented that he would like to ensure that those KCC legal team specific points were fully addressed in redrafting.
- 3.31. David Rayner explained that none of the monitoring officers raised significant issues, and that Kent County Council's legal team's issues had all been resolved.

- 3.32. The Board **agreed** that a company limited by guarantee without share capital called South East LEP Limited (SELEP Ltd) should be incorporated with Companies House, subject to governance of the Upper Tier Authorities.
- 3.33. The Board **agreed** the recommendation from the sub-group that the Articles of Association should not stipulate that the Chair of each Federated Board should be one the directors for that area but allow for Federated Boards to select which members should be the SELEP representatives, amending the decision of the Board in October 2019.
- 3.34. The Board **agreed** that the members of the reconstituted Strategic Board commencing March 2020 should be the Directors of SELEP Ltd, pending approvals from their own organisations where applicable.
- 3.35. The Board **agreed** that the Articles of Association at Appendix A should be the Articles of Association of SELEP Ltd subject to final drafting and approval of the amended version by Electronic Procedure.
- 3.36. The Board **agreed** that all Directors of the Board would attend an induction session before the first meeting of the Board in March 2020.
- 3.37. The Board **agreed** the requirement for Federated Boards/Local Authorities to provide names of intended Directors by 15 January, with Local Authorities to be informed immediately.
- 3.38. The Board **noted** the draft Framework Agreement, setting out the arrangements between SELEP Ltd and the members of the Accountability Board.

Item 4: Succession Planning and Deputy Chair

- 4.1. Chris Brodie provided the Board an update on recruitment for the Deputy Chair position, and that the recruitment company had already identified 100 candidates. He encouraged the private sector members of the Board to share this opportunity within their networks.
- 4.2. Adam Bryan summarised the information provided in the report regarding succession planning, adding that there should be no surprises for the Board. The Local Authority co-opted positions were decided at the last meeting to be Kent and Essex for the first year, which will need to be decided by the respective county-based forums for local authority leaders. He explained that the Assurance Framework will be refreshed for the January Board meeting to include the agreed approach to succession planning.
- 4.3. Douglas Horner suggested that half of the Board members should begin on a 1-year term to allow for a rolling membership, and Chris Brodie agreed that this would be a good idea.
- 4.4. The Board **noted** the update on the recruitment of a Deputy Chair.
- 4.5. The Board **agreed** the proposed approach to succession planning for the co-opted Board members as detailed in the report.

- 4.6. The Board **noted** the intention to draw together the approaches for the purposes of the refreshed Assurance Framework.

Item 5: Sector Support Fund

- 5.1. Adam Bryan presented to the Board.



- 5.2. Carole Barron commented that the report refers to alignment with the Strategic Economic Statement, but this should also include the LIS.
- 5.3. Colette Bailey asked what the approach would be to the funding that is still remaining.
- 5.4. Adam Bryan explained that the working groups would have the opportunity to get support, and that all projects that arrive at this stage should have been endorsed by the working group and at least one Federated Board. He added that unallocated funding would roll over to the next financial year, and that the SELEP has independent control over this funding.
- 5.5. Perry Glading asked how this process was controlled.
- 5.6. Adam Bryan explained that this would sit within his delegated authority, but would not act without a Strategic Board recommendation.
- 5.7. The Board **endorsed** the “Accelerating Opportunities within the Newhaven Enterprise Zone” project for £115,000 of funding through the 2019-20 SSF allocation.
- 5.8. The Board **noted** the update on the delivery of the SSF programme.

Item 6: Capital Programme Report

- 6.1. Rhiannon Mort, Capital Programme Manager, presented to the Board.



- 6.2. Paul Thomas commented that some of the projects involve third party agencies, and that losing their funding would have a huge impact.
- 6.3. Rhiannon Mort responded that the SELEP Accountability Board would be writing to Network Rail and that all projects would be considered on an individual basis.
- 6.4. Graham Peters asked to clarify whether the extra allocation in relation to the A13 widening project was from the Department for Transport, which Rhiannon Mort confirmed.

- 6.5. Mike Whiting provided the Board with an update regarding the Discovery Park project, and explained that there was an offer of GPF funding to a housing developer who had decided not to take up the loan, however this should not detract from the project as a whole.
- 6.6. Chris Brodie encouraged the Board to visit the site.
- 6.7. David Finch added that he noticed that the A13 Widening project is noted as high risk but recommends that the Board agree the additional funding allocation to the project. He continued that it would be helpful to have a report from Rob Gledhill providing assurance around the safeguards for this project.
- 6.8. Perry Glading commented that he believes the Board was reassured regarding this project by the Section 151 Officer from Thurrock at the previous meeting.
- 6.9. Geoff Miles added his support to the A13 Widening project.
- 6.10. Douglas Horner enquired about paragraph 6.2 and the methodology of reaching those figures, and also regarding 7.8, he suggested it would be helpful if Rhiannon Mort could produce a report about the lessons learnt and the types of projects that the Board should pursue. In particular, further information was sought about the amount of time required for the prioritisation and funding award to projects.
- 6.11. Rhiannon Mort responded (regarding 6.2) that commercial space estimates were used, and that it is difficult and resource intensive for Local Authorities to find out how many jobs have been created , hence why there may be underreporting. She continued that (regarding 7.8) she would be happy to bring a report to the Board, adding that the LIS and TfSE Transport Strategy will be an important influence in determining future investment decisions.
- 6.12. The Board **noted** the update on the delivery of the LGF and GPF programmes.
- 6.13. The Board **agreed** to increase the additional LGF allocation to the A13 Widening project, with further reassurance to be obtained from Thurrock.
- 6.14. The Board **endorsed** the revised repayment schedule for the North Queensway GPF project.
- 6.15. The Board **noted** an increase to the estimated amount of GPF available for reinvestment through GPF Round 3 from £20.724m to £25.228m.
- 6.16. Perry Glading thanked Rhiannon Mort and team for a really clear report.

Item 7: Social Enterprise Prospectus

- 7.1. Chris Brodie declared a strong personal interest through his family business (the Wates Group) who try to include Social Enterprise as much as possible in supply chains and funding scholarships in universities.

- 7.2. Penny Shimmin explained that the SELEP had previously stated that it would become the capital of Social Enterprise, and that prospectus is the result. She presented to the Board.



7- Social Enterprise
Prospectus - Strateg

- 7.3. Mike Whiting stated that Kent County Council is supportive of this work and pointed out that the prospectus features a company that won an award from Kent. He added that the communication and marketing around this report would be enormously important, and that Kent County Council would be happy to endorse this.
- 7.4. George Kieffer expressed his support for this, and thanked Penny Shimmin for highlighting this important topic.
- 7.5. Carole Barron added her endorsement to the prospectus, adding that Higher Education is seeing increasing numbers of students wanting to set up Social Enterprises. Carole Barron agreed with Penny Shimmin that a joined-up approach with Higher Education would be a good idea.
- 7.6. Chris Brodie commented that he recently attended the Turner Prize ceremony, where it was expressed that they would be keen to be involved with the Kent Medical school due to the connection between healthcare and art.
- 7.7. Douglas Horner added his endorsement but highlighted a small correction where the phrase “Royal British Legion” is used in reference to the RBLI, and Penny Shimmin confirmed that this would be corrected.
- 7.8. The Board **noted and formally endorsed** the Social Enterprise Prospectus.

Item 8: Transport for the South East

- 8.1. Keith Glazer introduced the item and expressed thanks towards Adam Bryan and Rhiannon Mort for being so helpful in supporting the activities of Transport for the South East
- 8.2. Rob Dickin, Transport Manager for Transport for the South East, presented to the Board.



TfSE Board
Presentation 191206

- 8.3. Paul Thomas asked about the impact of home delivery on the highways and whether there are any mobility solutions planned for the future.
- 8.4. Graham Butland added that it will be important for the SELEP to also keep an eye on Transport East, as Transport for the South East does not cover the entire SELEP area.

- 8.5. Ron Woodley commented that the Thames-London-Heathrow barrier is a worry, with particular concerns about M25 blockages, and that another crossing would be needed by 2050, necessitating collaboration between the Transport Bodies.
- 8.6. Keith Glazier explained that the 7 subnational Transport Bodies are working together, and that there are similar M25 issues for the south coast.
- 8.7. Ana Christie asked if the strategy takes into account the changes after Brexit with freight adding pressure to certain area.
- 8.8. Rob Dickin responded that there was a piece of work on Brexit, and that there will be a further piece of work when we know what is happening with Brexit.
- 8.9. Peter Fleming added that scale is also important, as much of what has been discussed during this item would be irrelevant to some communities, particularly those without bus services. He continued that many of the 80% quoted journeys that remain in the South East would be to a railway station, and that he is still waiting for problems at Blackfriars to be resolved. He also commented that he believes the geography to be too wide, and it must cover the LEP area to be useful.
- 8.10. Keith Glazier responded that more engagement may help with the issues that Peter Fleming has stated. He reassured the Board that there is good collaboration with Transport East, that Government have dictated the areas and added that it is not the duty of transport bodies to run local transport schemes. He added that a single strong voice is helpful, similar to Transport for the North who has received more funding as they were the first to be incorporated and have one voice.
- 8.11. Carole Barron thanked Rob Dickin for the engagement with the universities, and emphasised the importance of collaborating regarding research and development.
- 8.12. Mike Whiting expressed his support for Keith Glazier's points, and agreed that collaboration will be important, particularly with Transport for London and strengthening orbital connections.
- 8.13. The Board **agreed** to delegate authority for the SELEP Chair to approve the final version of the consultation response to be submitted by the 10th January 2020.
- 8.14. The Board **agreed** to provide any further comments on the Strategy to SELEP Secretariat by 3rd January 2020 to be considered as part of SELEPs consultation response.

Item 9: SELEP Statement of Accounts 2018-19

- 9.1. Lorna Norris, Senior Finance Business Partner at Essex County Council, summarised the report to the Board, and explained that the accounts are quite technical as they have been produced on the basis of Local Authority accounts.
- 9.2. Douglas Horner expressed his concern with the usage of the word SELEP, as mentioned earlier in the meeting at 3.7d.

- 9.3. Lorna Norris explained that the LEP is currently unincorporated, and that the Accountable Body holds the funding on the behalf of the SELEP, which they then expect to be managed under the requirements of the Assurance Framework.
- 9.4. Rodney Chambers enquired about a figure of £150,000 for local area support, as at the last Accountability Board this was not included in next year's budget.
- 9.5. Adam Bryan responded that this had been agreed at the last Accountability Board and that it is necessary for the LEP to demonstrate a cash match from the Local Authorities to get the core funding from government. He explained that the amounts have stayed the same (£200,000 across 6 authorities), and that previously there has been enough revenue money remaining to offer some of the money back. He added that this has not been included as Government have not clarified how much money the LEP will be receiving for next year and that the interest receipts from unspent LGF will dramatically reduce in line with reduced balances.
- 9.6. Rodney Chambers requested more clarification, and Adam Bryan explained that the LEP is not yet in a position to reduce this ask, and that the LEP itself has taken the approach to return money to recognise local working, but at the moment it is necessary to demonstrate this cash match as the commitment from Government for next year has not yet been received.
- 9.7. Rodney Chambers asked whether the expectations to assist the LEP have changed.
- 9.8. Adam Bryan explained that if there is any flexibility in the budget then as much support will be given as possible.
- 9.9. Rodney Chambers stated that he has serious concerns and would need to have further discussions about this.
- 9.10. Mike Whiting expressed his concern also, and asked if the budget could be reconsidered at the February Accountability Board.
- 9.11. Lorna Norris clarified that the position would not have changed by February, and it was agreed by Chris Brodie that Accountability Board would discuss this at an appropriate time.
- 9.12. Rodney Chambers stated that he would need a response regarding this in an email from Adam Bryan, which Adam Bryan agreed to provide.
- 9.13. The Board **confirmed** that they have considered the Statements of Accounts 2018/19.

Item 10: Energy Hub Decision

- 10.1. Jo Simmons, Business Development Manager, explained to the Board that this item has been in evolution for 18 months, and that the Energy Hub began as a BEIS initiative to consolidate local

energy strategies. She reminded the Board that the LEP produced a Tri-LEP Energy Strategy earlier this year.

- 10.2. Jo Simmons continued that BEIS have been clear that they want the Energy Hub Board to be a decision-making Board, with Cambridge and Peterborough as Accountable Body. The LEP will need to formally sign up to the Memorandum of Understanding.
- 10.3. Paul Thomas raised a point regarding 3.2 in the report that communication with working groups is important.
- 10.4. Jo Simmons agreed that this communication will be important. She explained that the hub is a team of energy experts who scrutinise local energy projects and assess against set criteria, and she acknowledged that work needs to be done to make sure that working group projects are made to be known to the hub. She added that there is a new Clean growth working group to make sure that all the good work already going on is captured.
- 10.5. Mike Whiting asked if the Chairman of the SELEP Energy Group could attend the hub meetings and report back directly.
- 10.6. Jo Simmons responded that the Chair of the Clean Growth and Energy Working Groups will be supporting Adam Bryan, and that communication will be important.
- 10.7. The Board **agreed** to SELEP becoming a member of the GSEEH.
- 10.8. The Board **agreed** to delegate responsibility for final agreement of the legal documentation to the Chief Executive in conjunction with the Accountable Body.
- 10.9. The Board **noted** that approval of the agreement would not enable the Chief Executive Officer to make decisions as part of the GSEEH that would create, or have the potential to create, a financial liability for either SELEP Ltd (once formed) or the Accountable Body without appropriate approvals having been sought in advance.
- 10.10. The Board **agreed** that the representation of SELEP on the GSEEH Board should be delegated to the CEO and he should represent SELEP as set out in the report at 4.3.

Item 11: ERDF Legacy Funding- SEEDA areas only

- 11.1. Jo Simmons explained that this is legacy funding that was left over from the previous ESIF programme from 2007-2013, which is now available to old Development Agency areas.
- 11.2. Ron Woodley asked if it would be possible for the funding to be matched for Essex from the GPF funding.
- 11.3. Adam Bryan explained that GPF has a separate ongoing process, is restricted to loan finance, and that the funding cannot just be released, but that it would be a good idea to double check if there is any other funding available.

- 11.4. Peter Fleming commented that Essex would have had the money originally, but have already spent it.
- 11.5. The Board **noted** that the potential funding could only be invested in East Sussex, Kent and Medway and could not be applied in Essex, Southend or Thurrock.
- 11.6. The Board **agreed** to the potential investment being proposed by MHCLG in principle.
- 11.7. The Board **noted** that the Accountable Body would need to consent to the acceptance of funding following further information being available on the terms and conditions of the funding.
- 11.8. The Board **noted** the intention to bring back to the Board a proposition on how the funds will be invested in the SELEP area once terms and conditions and values are known.
- 11.9. George Kieffer updated the Board regarding the ESIF sub-committee, explaining that they met recently to consider a lot of applications, and were oversubscribed on ERDF. He added that all the money has now been allocated, and that the Board may wish to consider nominating a new chair for the sub-committee when he steps down from the Board.

Item 12: LIS Discussion

- 12.1. Chris Brodie opened this item by reminding the Board of the importance of the Local Industrial Strategy.
- 12.2. Ciaran Gunne-Jones, Senior Director, Head of Economics at Lichfields



12- LIS Board
Presentation FINAL (

- 12.3. Sharon Spicer, Strategy and Intelligence Manager, explained that this is the current stage of the LIS, and that they are seeking a collective mandate to continue to develop this detail.
- 12.4. Peter Fleming expressed concern regarding the table of contents, as there is one section that is looking outside the area, and he was expecting to see the three stories from the Federated Boards front and centre.
- 12.5. Sharon Spicer explained that the Government want a single set of coherent objectives.
- 12.6. Peter Fleming responded that SELEP has been based around the fact that the different areas are coming together, with rich differences between the areas, and that he thought the Federated Boards were producing separate narratives, rather than being merged into one.
- 12.7. Helen Russell, Strategy and Intelligence Manager, explained that the structure is set through the National Industrial Strategy, and that a lot of the content from the Federated Boards has been incorporated into the LIS, however it must be represented to match Government expectations.

- 12.8. Mike Whiting commented that he would rather that “Skills” was a set activity rather than a potential activity, and should be further up the agenda.
- 12.9. David Finch expressed the importance of being ambitious and strong in this document, and that some of the wording could be strengthened. He suggested that more exact numbers and more ambitious statements would help with this, and gave the example of Manchester as a LEP with a more passionate tagline.
- 12.10. Chris Brodie agreed with David Finch, adding that he doesn’t feel that the passion is coming through.
- 12.11. Ana Christie added her agreement to increasing the passion, and also raised the point of a possible climate emergency in the future which would necessitate careful communication.
- 12.12. Miles Adcock commented that the impact of more people working in London may actually have a greater impact than some other points identified.
- 12.13. Penny Shimmin stated that she would like to see more regarding inclusivity, and commented that there is a risk of insensitivity to other housing developers when the garden communities are being discussed.
- 12.14. Geoff Miles added that the new minister is also responsible for the Northern Powerhouse, so the SELEP will have to work harder to be on top.
- 12.15. Ron Woodley commented that there needs to be more detail regarding skills, and that the skills agenda will be pivotal in facilitating other aspects.
- 12.16. Douglas Horner agreed with Miles Adcock’s point, and asked why proximity to London is not a strategic opportunity.
- 12.17. Helen Russell explained that the “Global Gateway” as a wider aim plays to a wider London and SELEP interest, and that there is not enough to make proximity to London an opportunity in itself.
- 12.18. Miles Adcock suggested that a good starting point could be to work out how much income tax comes from London.
- 12.19. Angela O’Donoghue commented that there could be more added to the skills section, and suggested stronger statements such as “we will eliminate our skills shortages by doing X”.
- 12.20. Graham Peters suggested adding an additional skillset to the team to create a more “catchy” message. Colette Bailey added her agreement to this.
- 12.21. Carole Barron added her agreement to the comments so far, and said that it could make more of having the biggest cluster of universities outside London. She continued that the examples of the testbeds and Living Labs are too small scale, and that a bigger research and development facility is needed. She summarised that in general she feels the ambition should be bigger and that the Coastal header seems like a catch-all.

- 12.22. Chris Brodie emphasised that the important aspect for this meeting is to give the team the mandate to continue.
- 12.23. The Board **noted** that feedback from Board members would be incorporated into the drafting of the LIS document, to be presented to the Strategic Board on 31st January 2020.
- 12.24. The Board **noted** that the draft SE LIS would be presented to the Board on 31st January 2020 for approval to submit to Government.
- 12.25. Adam Bryan explained that there would be workshops in early January to test what had been produced, and confirmed that these dates would be sent out as soon as possible.

Item 13: AOB

- 13.1. Chris Brodie informed the Board that the South East College Corporate Board is currently advertising a vacancy.

Chris Brodie closed the meeting at 1:30pm.

Item 3: Draft Local Industrial Strategy

1. Purpose

- 1.1. The purpose of this paper is to present the Strategic Board (the Board) with the working draft of the SELEP Local Industrial Strategy (LIS) for discussion and to agree next steps.

2. Recommendations

- 2.1. The Board is asked to note the progress made in drafting the LIS following feedback from the Board meeting on 6 December
- 2.2. The Board is asked to consider the document as a working draft, to support ongoing development and future discussion with Government through the co-design phase
- 2.3. The Board is asked to agree the next steps for development of the LIS

3. Background

- 3.1. The SELEP team have been working to develop the LIS and supporting evidence base since June 2019. This work builds on the Smarter, Faster, Together economic statement, existing plans and emerging strategies developed by the federated areas and SELEP working groups, and is based on the parameters set out in the Government's National Industrial Strategy.
- 3.2. The National Industrial Strategy set the scene of Government's approach to growth and productivity. This is set around five foundations – Ideas, People, Place, Infrastructure and Business Environment and four grand challenges – Ageing Society, Clean Growth, Future of Mobility and Artificial Intelligence and Data. The National Industrial Strategy, and Government's requirement for each Local Enterprise Partnership to have in place a Local Industrial Strategy (LIS) remains unchanged.
- 3.3. The work of recent months has therefore been focused on producing a LIS that builds on SELEP's distinctive strengths, challenges and opportunities in providing a local response to the national strategy. The LIS should articulate a small number of key overarching propositions and then a wider narrative, priorities and opportunities, set out under the five foundations.
- 3.4. In developing the LIS, the SELEP team have continued to engage interest groups and individuals throughout the process, with the federated boards and SELEP working groups engaged continuously, including through regular Stakeholder Group and Core Group meetings. Information is also being provided to a wider audience through the SELEP newsletter and website, as well as five dedicated engagement events that took place during October and November 2019. The high level propositions that emerged from this activity were presented for discussion at the SELEP Strategic Board meeting on 6th December 2019.

4. The Draft LIS

- 4.1. On 6th December 2019, the SELEP Strategic Board discussed the proposed approach to the LIS, which focused on three strategic opportunities:
 - 4.1.1. UK's Global Gateway
 - 4.1.2. Communities for the Future
 - 4.1.3. Coastal Catalyst
- 4.2. While the overall approach to the LIS was endorsed by the Strategic Board, specific issues were highlighted which Board members felt required further development. These included:



- 4.2.1. A stronger overarching ambition for the SELEP LIS
- 4.2.2. An increased focus on the economic opportunities relating to our relationship with London
- 4.2.3. A greater articulation of the importance of improving skills and addressing the climate emergency
- 4.3. The drafting of the LIS has taken these points into consideration and Board members are encouraged to review the draft document which is attached as an appendix.
- 4.4. The draft LIS articulates a strong ambition for SELEP as below:
 - 4.4.1. **The South East is the UK’s global gateway; powering trade and prosperity throughout the UK, generating £90billion a year for the economy.**
 - 4.4.2. **We will accelerate our role as a global region to drive sustainable and innovative growth. Through targeted investment in our people and places and progressing our partnership with London, we will enhance the economic vitality of UK plc by increasing productivity across the SELEP area, delivering £28 billion additional Gross Value Added by 2030.**
- 4.5. It also sets out how our ambition, and our distinctive strategic opportunities, will be supported by a specific focus on:
 - 4.5.1. increasing our region’s innovation activity and R&D performance, working in partnership with industry and the further and higher education sectors;
 - 4.5.2. sustaining a workforce and business base that is fully equipped to respond to new technologies and a changing economy and skills needs; and
 - 4.5.3. embedding clean growth principles to secure the shift to a net zero carbon economy, and investing to help our region address and mitigate the impacts of climate change.
- 4.6. In addition, the draft LIS provides a comprehensive account of the priorities and opportunities across each of the five foundations; Government; and our commitments to work with London and the Greater South East to address shared challenges and secure investment in the region. Further detail relating to local commitments and asks of Government that are required for SELEP to meet the ambitions of the LIS will be developed following feedback from the Strategic Board and discussions with Government.
- 4.7. On 14th January 2020 a meeting was held with SELEP Strategic Board members to consider the emerging draft and to seek additional views and feedback. Seven board members were able to attend the meeting, and those present agreed that positive progress has continued to be made, which helps to address the issues raised at the SELEP Strategic Board meeting on 6th December 2019. Additional comments and discussion also highlighted the following issues – elements of which have been reflected in the attached draft LIS document, with others to be incorporated into future phases of the work:
 - 4.7.1. The LIS needs to highlight the important role that SELEP has as a global gateway and the contribution that this makes, and must continue to make in order to support the UK economy
 - 4.7.2. The document should go further in demonstrating quantifiable outcomes, supported by evidence of what SELEP has already delivered



- 4.7.3. On the climate emergency, the LIS needs to go further in articulating the impact that this will have on all areas, including the investment required to deal with the impact of climate change
- 4.7.4. There is a recognition that the Government LIS template will not resonate with all audiences so, once agreed, SELEP should also look to develop alternative ways of communicating this to businesses and other stakeholders.

5. Engagement with Government

- 5.1. The SELEP team is in regular dialogue with the Cities and Local Growth Unit (CLGU), who will also facilitate engagement with Whitehall departments on specific elements of the LIS as the process develops. On the 15th January 2020, the team met with the Department for Business, Energy and Industrial Strategy (BEIS) analyst who is assigned to work with SELEP in preparation for Government scrutiny of the evidence base and logic chains that will take place via the Local Industrial Strategy Analytical (LISA) panel.
- 5.2. Feedback on the LIS evidence base and the proposed content for the LIS was very positive. Both CLGU and the BEIS analyst commented that they are pleased with SELEP's progress and that the information presented provides a clear articulation of the evidence and data, as well as a strong sense of place in terms of the economic geography that is covered by SELEP. The evidence base is now scheduled to be reviewed by the LISA panel on 11th February 2020.
- 5.3. While the SELEP team have continued to have an effective dialogue with Government colleagues, it should be noted the recent political challenges within Whitehall have had implications for the timing of this work. Engagement activities with Whitehall departments have been largely on hold in recent months, and the schedule of sign off for LISs nationally has been impacted. We have therefore been advised that the process for SELEP is likely to extend beyond 31 March 2020. However, as said, the requirements for each LEP to agree a LIS with Government remains unchanged.
- 5.4. We are therefore asking the Board to discuss this as a working draft, noting that development work is ongoing and that discussions and feedback from Government on the SELEP LIS have been more limited than originally anticipated. We ask the Board to agree next steps in the development of the LIS, which are that we will continue to work to develop the LIS based on the outcomes of discussions at the Strategic Board meeting on 31st January 2020, and negotiation with Whitehall departments as soon as we are able to do so. We will continue to communicate to key stakeholders as the LIS progresses and provide an update on the status and timescales for the SELEP LIS at the next Strategic Board meeting on 20th March 2020.

6. Accountable Body Comments

- 6.1. It is a requirement of the National Assurance Framework that LEPs implement a LIS, which can be published on the website, that considers the following activities:
 - **Strategy** - Developing an evidence-based Local Industrial Strategy that identifies local strengths and challenges, future opportunities and the action needed to boost productivity, earning power and competitiveness across their area;
 - **Allocation of funds:** Identifying and developing investment opportunities; prioritising the award of local growth funding; and monitoring and evaluating the impacts of its activities to improve productivity across the local economy;

- **Co-ordination:** Using their convening power, for example to co-ordinate responses to economic shocks; and bringing together partners from the private, public and third sectors; and
- **Advocacy:** Collaborating with a wide-range of local partners to act as an informed and independent voice for their area.”

6.2. The progress on the development of the LIS was an area identified by Government as ‘requiring improvement’ by SELEP following the Annual Performance Review in January 2019. Following this assessment, an improvement plan was agreed with the Cities and Local Growth Unit; this was presented to Accountability Board on the 7th June 2019. Progress on delivery of the LIS is expected to be re-assessed as part of the next Annual Performance Review of SELEP in January 2020.

6.3. To support delivery of the LIS and the on-going monitoring and evaluation requirements, SELEP will need to ensure that it can prioritise sufficient budget to this activity moving forward; it may wish to consider seeking greater certainty from Government with regard to future funding arrangements of the SELEP to support the ambitions of the LIS.

7. Appendices

7.1. Appendix A: LIS Working Draft

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Item 4: Draft Communications Strategy and Protocols

1. Purpose

- 1.1. This paper presents a draft communications strategy and protocols for agreement by the SELEP Strategic Board.

2. Recommendations

- 2.1. The Board is asked to:
- agree the adoption of the communications strategy and protocols;
 - note the communications narrative and key messages set out in the communications strategy and protocols; and
 - note the responsibilities of SELEP Members and partners when communicating the work of SELEP and its projects.

3. Background

- 3.1. The draft communications strategy and protocols is a key document for SELEP. SELEP has a duty to be open and transparent in its activities – particularly in its decision making and in its role in administering public funding. Government has made clear that the agreement of a Communication strategy will be necessary if SELEP is to satisfy conditions set out in the assurance framework.
- 3.2. The draft strategy and protocols sets out SELEP’s core communication objectives and the results we intend to achieve through our communication activities. The plan supports the continued evolution of SELEP’s approach to communication. It reflects the Economic Strategy Statement (agreed in December 2018) and builds on our current communications programme. This will be a working document which will continue to evolve as the Local Industrial Strategy is developed and agreed, and as the we move to establish SELEP Ltd.
- 3.3. The draft strategy and protocols includes a narrative for both SELEP and the South East economy. It identifies SELEP’s core messages, the audiences towards whom these messages will be targeted and the channels through they will be delivered. The key messages will evolve with the development of the Local Industrial Strategy and SELEP Ltd.
- 3.4. Crucially, the communications strategy and protocol sets out guidance for partners and makes clear the roles and responsibilities of SELEP member organisations when communicating publicly about SELEP, the work of the partnership and about specific projects where SELEP provides funding or support. This includes the responsibilities around transparency.
- 3.5. The Communications strategy has been shaped by engagement with Senior Officers and each of SELEP’s federated boards.

4. Accountable Body Comments

There are no comments from the Accountable Body

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Item 5: Local Growth Fund (LGF) spend beyond 31 March 2021

1. Purpose

- 1.1. The purpose of this report is for the Strategic Board (the Board) to consider the forecast Local Growth Fund (LGF) spend beyond the Growth Deal period, which is expected to end on 31 March 2021.

2. Recommendations

- 2.1. The Board is asked to consider and **endorse** LGF spend beyond 31 March 2021 for the following five projects, on a case by case basis:

- 2.1.1. A127 Fairglen Interchange Junction Improvements and New Link Road

- 2.1.2. Thanet Parkway

- 2.1.3. A28 Sturry Link Road

- 2.1.4. Exceat Bridge

- 2.1.5. Innovation Park Medway

The approval of LGF spend beyond 31 March 2021 will require agreement from the Accountability Board that the conditions, set out in section 5.2 of this report, have been satisfied. This includes Strategic Board endorsement having been secured.

- 2.2. The Board is asked to **note** that a further 10 projects have been identified as having a risk of LGF spend beyond 31 March 2021. *Further updates will be provided to the Strategic Board prior to LGF spend being agreed by the Accountability Board beyond 31 March 2021 for any of these 10 projects.*
- 2.3. The Board is asked to **note** that if the expected project completion date is delayed by more than six months, prior to the construction contract being awarded and relative to the updated expected completion dates set out in Appendix 1, the Board will be asked to confirm its continued support for LGF spend beyond 31 March 2021.

3. Executive Summary

- 3.1. The current forecast LGF spend by the end of the Growth Deal period in March 2021, totals £558.5m, relative to the £579m LGF made available to SELEP through the Growth Deal. The remaining £20.5m is forecast to be spent across the two subsequent financial years (£12.5m in 2021/22 and £8m in 2022/23).
- 3.2. As LGF spend remains a key performance indicator which Central Government departments use to assess SELEP's performance in delivering on its Growth Deal, it is important that SELEP maximises all opportunities to spend LGF by 31 March 2021, whilst ensuring that investment of LGF continues to present high value for money.
- 3.3. The SELEP Accountability Board has previously agreed the principle of approving some LGF spend beyond 31 March 2021 on an exception's basis (as per the criteria set out in section 5.2 below) and where this decision is supported by the Strategic Board.
- 3.4. In this report, the Board is asked to endorse the spend of LGF beyond the Growth Deal period for the following five projects:
 - 3.4.1. A127 Fairglen Interchange Junction Improvements and New Link Road, Essex



- 3.4.2. Thanet Parkway, Kent
- 3.4.3. A28 Sturry Link Road, Kent
- 3.4.4. Exceat Bridge, East Sussex
- 3.4.5. Innovation Park Medway
- 3.5. Subject to endorsement by the Board, the five projects will be considered by the Accountability Board to agree the spend of LGF beyond the Growth Deal projects for these projects.
- 3.6. There is also a risk of LGF slippage beyond 31 March 2021 for a further 10 projects, as follows:
 - 3.6.1. Bexhill Enterprise Park North, East Sussex
 - 3.6.2. Hailsham/Polegate/Eastbourne Movement and Access Package
 - 3.6.3. Hastings and Bexhill Movement and Access Package
 - 3.6.4. Eastbourne Town Centre Phase 2
 - 3.6.5. Basildon Innovation Warehouse, Essex
 - 3.6.6. University of Essex Parkside 3, Essex
 - 3.6.7. Maidstone Integrated Transport Package, Kent
 - 3.6.8. Stanford Le Hope, Thurrock
 - 3.6.9. Grays South, Thurrock
 - 3.6.10. A13 widening, Thurrock

4. Background

- 4.1. The Growth Deal, agreed between SELEP and Central Government, provides a mechanism through which LEPs drive economic growth through local capital infrastructure. SELEP has been awarded a total of £579m LGF, across 2015/16 to 2020/21, as a means to unlock the delivery of jobs and houses within SELEP's geography. In receiving this funding award from Central Government, SELEP provided a commitment to deliver a total of 78,000 jobs and 29,000 houses by 31 March 2021.
- 4.2. LGF is transferred to SELEP on an annual basis, subject to a successful outcome of the Annual Performance Review by Central Government in January/February each year.
- 4.3. In the early years of the LGF programme, allocations were received by SELEP with messages from Central Government that future year LGF allocations would be dependent on the outcome of the annual performance review. One of the main areas for assessing SELEP's performance is based on LGF spend to date and project delivery progress. As a result, SELEP has always worked on the understanding that if unsatisfactory LGF spend and/or delivery progress is demonstrated, the future year LGF allocations may be reduced. Efforts have therefore been made by SELEP and local partners to maximise LGF spend within each financial year and by 31 March 2021.
- 4.4. Whilst capital funding streams beyond the current Growth Deal are unclear, the 2018 LEP Review was undertaken by Central Government with the intention of strengthening LEPs to act as custodians of future funding streams, such as the Shared Prosperity Fund. The criteria for awarding this future funding is currently unknown, but LEP performance and record of delivery is likely to be a consideration.

5. LGF spend beyond 31 March 2021

- 5.1. The issue of slippage beyond the Growth Deal has been raised with Central Government on several occasions. The Ministry of Housing, Communities and Local Government (MHCLG) has been unable to formally confirm its position in relation to the impact of LGF being spent beyond the Growth Deal period. However, in February 2019, MHCLG informally advised that government would potential have concerns about LGF spend beyond the Growth Deal, where the project is not already underway. However, if SELEP has a strong justification for why it's supporting spend beyond 31 March 2021 then there is nothing in the conditions of the grant to prohibit this.
- 5.2. Considering this informal advice, on 15 February 2019 the Accountability Board agreed that LGF spend could be agreed beyond 31 March 2021 for certain projects, on an exceptional basis, subject to the following five conditions being satisfied:
 - 1) A clear delivery plan with specific delivery milestones and completion date to be agreed by the Accountability Board; and
 - 2) A direct link to the delivery of jobs, houses or improved skills levels within the SELEP area; and
 - 3) All funding sources identified to enable the delivery of the project. Written commitments will be sought from the respective project delivery partner to confirm that the funding sources are in place to deliver the project beyond the Growth Deal; and
 - 4) Endorsement from the SELEP Strategic Board that the funding should be retained against the project beyond 31 March 2021; and
 - 5) Contractual commitments being in place with the construction contractors by 31 March 2021 for the delivery of the project.
- 5.3. As per condition four, the Strategic Board is asked to endorse LGF spend beyond 31 March 2021 for the following five projects:
 - 5.3.1. A127 Fairglen Interchange New Link Road
 - 5.3.2. Thanet Parkway
 - 5.3.3. A28 Sturry Link Road
 - 5.3.4. Exceat Bridge
 - 5.3.5. Innovation Park Medway
- 5.4. Further detail is set out about each of these five projects in sections five to nine below. Table 1 below also provides further information about the benefits/ issues with agreeing LGF spend beyond 31 March 2021.
- 5.5. Subject to endorsement by the Strategic Board, the five projects will be reviewed by the Accountability Board to consider the spend of LGF beyond the Growth Deal for these projects and whether the five conditions listed in 4.2 have been satisfied.
- 5.6. To date, LGF spend beyond 31 March 2021 has only been agreed for one project, namely Beaulieu Park Railway Station; this project has been awarded £12.0m LGF, of which £9.270m will be spent beyond 31 March 2021 based on the overwhelming strategic case for investment in the project.

Table 1 Impact of agreeing LGF spend beyond the Growth Deal period

Positives	Negatives
It supports the realisation of the benefits of existing LGF projects that have previously been identified by the Strategic Board and/or Investment Panel as a funding priority; the four projects listed in 2.1 are expected to have a direct impact on future job creation and housing delivery	The hold of LGF allocations against specific projects for spend in future years will prevent the delivery of alternative projects which have been identified through the LGF3b pipeline development process and which may be able to deliver project benefits at a faster pace
<p>There is limited time available to bring forward alternative projects that can spend before 31 March 2021.</p> <p>Projects which could be brought forward to spend the LGF by 31 March 2021 are likely to be smaller scale interventions and therefore may not offer the high levels of outputs and outcomes that existing projects offer</p>	<p>The consequences of slipping LGF spend beyond the Growth Deal period on future funding allocations from Central Government is not entirely clear</p> <p>If SELEP stills holds a substantial amount of LGF underspend in 2021/22, 2022/23 and beyond, this will highly likely impact SELEP’s reputation and weaken the case for further funding investment in the area</p>
	If it is agreed that several LGF projects can spend beyond 31 March 2021, this may reduce the pressure on local partners to make progress in delivering the expected outputs and outcomes during the final year of the Growth Deal period

6. A127 Fairglen Interchange Junction Improvements and New Link Road (Essex)

- 6.1. This project is predominately being funded through two funding streams via SELEP; a £6.235m LGF award for the delivery of the new link road and and a £15m grant which has been allocated by the Department of Transport (DfT) for improvements to the junction itself, but which has not yet been approved by the DfT. Local Authority contributions amount to £5.6m as well as £1.857m already spent through design development to bid stage. This totals £28.692m.
- 6.2. The interchange, which is located halfway along the A127 between Southend on Sea and the M25, carries over 100,000 vehicles in a 12-hour period and sees significant congestion and journey time delays during peak periods.
- 6.3. The new link road aspect of the project, which SELEP is investing £6.235m LGF involves the addition of a new link road from the southbound A130 on to the A1245 southbound and a dedicated slip road from the A1245 southbound on to the A127 eastbound.
- 6.4. In addition, the £15m DfT investment will support the delivery of:
 - 6.4.1. Improvements slip roads on most of the arms of the Fairglen Roundabout;
 - 6.4.2. Lengthening off slip lanes on both A127 on-slip roads, where possible;

- 6.4.3. Improvements at the Rayleigh Spur Roundabout, including new traffic lights at two arms of the junction and an additional lane on the roundabout itself; and
- 6.4.4. A new bridge for pedestrians and cyclists, linking to existing routes alongside the A127 (Subject to land negotiations).
- 6.5. The project will help alleviate traffic flows at Fairglen and will reduce demand at the main interchange by negating the need for vehicles travelling from Chelmsford, southwards down the A130, to complete two sides of the 'Fairglen triangle' south of the A127 to access the A127 heading eastbound towards Southend. Travel distance (approximately 1km) will also be saved.
- 6.6. As well as improving capacity on the route, the upgrades will help support planned growth. Up to 9,569 new homes will be enabled by this scheme and in addition it will be a catalyst for the housing need identified in the South Essex Strategic Housing Market Assessment which identifies an "objectively assessed need" for Basildon, Castle Point, Rochford and Southend as being 2,350 to 2,770 dwellings per annum, resulting in around 12,800 new homes.
- 6.7. Planning permission for the scheme was granted in December 2019 and works are expected to commence onsite in September 2020, subject to a successful funding award by DfT. However, due to the scale of the project, the LGF spend will extend beyond the Growth Deal period.
- 6.8. The DfT has requested that their contributions are spent in advance of the SELEP LGF contribution. As such it is forecast that £3.862m LGF will be spent in 2021/22. The DfT have encouraged Essex County Council to spend their contributions towards the end of the project to support the expected completion of the project in April 2022.

7. Thanet Parkway (Kent)

- 7.1. Thanet Parkway project will deliver a new two platform railway station in Thanet, Kent, to provide improved accessibility to key employment sites, whilst also unlocking new economic development and residential opportunities in the Thanet area.
- 7.2. It is estimated that the delivery of the project will lead to the creation of an additional 400 to 800 jobs over a 30-year period from station opening, as well as development of 1,600 to 3,200 additional homes over the same period. These outcomes will be driven by improved accessibility both to existing key employment sites and to potential housing and commercial development sites, as well as more desirable commuting times to London.
- 7.3. The intended benefits of the project include:
- Accelerating the pace of housing delivery in Thanet;
 - Positively contributing to economic growth by attracting higher skilled workers to the area;
 - Stimulating the creation of additional jobs by encouraging business location and expansion decisions based on the existence of the new station and journey times to London of around 1 hour;
 - Generating over 50,000 new rail journeys from first full operational year reducing reliance on less sustainable modes of travel;
 - Provision of improved rail access from Thanet to London, offering a reduced travel time of approximately one hour; and
 - Providing commuters with alternative access to the area of journeys that might otherwise be made on the local and strategic highway network, thereby contributing to a reduction in congestion.

- 7.4. The project has been provisionally allocated £14m LGF but is required to demonstrate that the full funding package is in place to deliver the project. This confirmation must be provided by the date of the next Accountability Board meeting on the 14th February 2020.
- 7.5. The planning application for the project was submitted at the end of November 2019 but has not yet been determined. Land purchases are also still under negotiation.
- 7.6. Works are expected to commence on site in mid-2020 but will depend on the full funding package being secured, planning consent being granted, and the necessary land being acquired.
- 7.7. Due to station timetable amendments, it will only be fully open in December 2022 or May 2023 at the earliest. As such, the LGF spend will extend beyond 31 March 2021. It is currently forecast that £9.275m LGF will be spent by 31 March 2021 and £4.725m in 2021/22.

8. A28 Sturry Link Road

- 8.1. The project is for the delivery of a new link road between the A291 and A28, to the south west of Sturry, Canterbury, Kent. The LGF will contribute to the cost of constructing a bridge over a railway line and the Great Stour River, to enable traffic to avoid the Sturry level crossing and the congested road network in the area.
- 8.2. To connect the project to the existing highway, the developers will be delivering a spine road through the new development site to connect the bridge with the A291 to the North East of the residential and commercial development. This connection is essential to enable traffic to use the new bridge funded as part of the LGF Project.
- 8.3. The overall objective of the Project is to tackle the existing congestion problem which currently exists at the Sturry level crossing and at the A28/ A291 junction. Queuing traffic affects adjacent junctions and can extend 1km in peak periods. The A28 road currently carries 20,000 vehicles per day, but with 6 trains passing per hour, the level crossing is closed for up to 20 minutes/hour during peak times, causing severe congestion to trips along the A28. This level of congestion is a major constraint on development to the north east of Canterbury.
- 8.4. Through tackling this congestion pinch point and increasing the capacity of this part of the network, the project will unlock new development sites to the North East of Canterbury, delivering 4,220 new homes and 1,700 jobs.
- 8.5. The project was awarded £5.9m LGF in June 2016. LGF spend on the project has been placed on hold until the developer contributions have been confirmed to complete the full funding package. To ensure that satisfactory progress is being made towards the delivery of the project, by the next Accountability Board meeting on the 14th February 2020, Kent County Council are required to confirm that:
 - 8.5.1. planning consent has been secured for the delivery of the project; and
 - 8.5.2. planning consent has been secured for the two main development sites due to financially contribute towards the delivery of the project.
- 8.6. If planning consent is secured, as set out in 7.5 above, it is expected that the contract for the delivery of the project will be awarded in Spring 2020. However, the construction phase for the project will extend beyond the Growth Deal period. It is currently forecast that £760,000 LGF will be spent beyond 31 March 2021.

9. Exceat Bridge (East Sussex)

- 9.1. The Exceat Bridge is part of the A259, one of the principal road networks in East Sussex which serves two of the County's growth areas for housing and employment; Newhaven and Eastbourne/South Wealden. The A259 is a critical route for economic connectivity from the East of the county, along the East Sussex coast to Brighton and through to West Sussex, including linkage to a key port at Newhaven. The A259 was put forward by Transport for the South East for inclusion in the DfT's Major Road Network (MRN) of economically important Local Authority A class roads.
- 9.2. The bridge is coming to the end of its serviceable life and has several structural defects and layout issues.
- 9.3. The project will address current constraints including:
 - the bridge being a major congestion spot due to constrained traffic flow/capacity issues, the impact of which is long queues of traffic in both directions from the bridge
 - poor access for pedestrians
 - pollution and health inequalities
 - network resilience issues
- 9.4. This project will support the delivery of the Local Plan Core Strategy proposing 6,900 homes in the district. The delivery of the project itself will create 23 jobs in construction.
- 9.5. The project has been allocated an initial £1.5m LGF. A further £610,579 Tranche 2 LGF is requested through the LGF project pipeline. If sufficient unallocated LGF becomes available to support LGF3b pipeline projects, the LGF allocation to the project may increase by £610,579 LGF to £2.111m LGF.
- 9.6. It is currently expected that construction works will start on site in March 2021. The LGF will be spent in advance of other funding contributions to maximise LGF spend by 31 March 2021. It is currently estimated that £461,421m LGF will be spent beyond the Growth Deal period. This figure will increase to £1.072m LGF spend beyond 31 March 2021, if the Tranche 2 funding is also secured.
- 9.7. The business case for the project is due to be considered by the Accountability Board in May 2020. The funding decision has been delayed to date due to a project funding gap. An application has been submitted to DfT's Maintenance Challenge Fund to bridge the funding gap for the project. The outcome of this bid is expected to be confirmed in April 2020. East Sussex County Council will be required to demonstrate that a full funding package is in place to deliver the project prior to a funding decision by the Accountability Board.

10. Innovation Park Medway Phase 2

- 10.1. The Innovation Park Medway project includes three phases. Construction works are currently underway for the first phase of the project, which reconfigures Rochester Airport to unlock the Innovation Park site for commercial development.
- 10.2. Phase 2 and 3 are due to provide site enabling works including a spine road and utility works.
- 10.3. Phase 2 was awarded £3.7m LGF in February 2019, whilst the funding in relation to Phase 3 is due to be considered by the Accountability Board in February 2020.

- 10.4. The Innovation Park Medway site is due to create 3,000 jobs at the site through high value employment opportunity. However, the project has not been able to progress to the expected timescales due to a series of planning issues arising, the latest of which relates to concerns that have been raised by Highways England about the impact of the development on M2 Junction 3. Until Highways England concerns have been addressed, it is not possible to adopt the Local Development Order (LDO) for the development of the site.
- 10.5. According to Medway Council's delivery schedule for the project, there is a nine month construction programme for the project. As such, if the LDO can be approved by July 2021, this will enable the project to complete in April 2021 and an estimated £350,000 LGF spend would slip beyond 31 March 2021. If the LDO is not approved by July 2020, the amount of LGF spend beyond the Growth Deal period is expected to increase.
- 10.6. A full update on the deliverability of the project will be provided to the Accountability Board at its next meeting in February 2020 to further consider the deliverability of the project.

11. Options for the Board to consider

- 11.1. Each of these five projects considered in sections six to ten above are at different stages with varying levels of risk associated around the delivery of each of the projects. The five projects will need to demonstrate to the Accountability Board that they are able to meet all of the conditions set out in 5.2, which may prove challenging for certain projects where there remain substantial risks to the project's delivery.
- 11.2. As such, it is recommended that the five projects should be considered by the Board on a case by case basis to ensure that the project remains a priority for SELEP investment. When considering each of the projects, the Board may wish to reflect on the expected benefits of the project, the project risks and the delay to the project benefit realisation to beyond the Growth Deal period. Summary information is provided in Appendix 1.
- 11.3. The following three projects were awarded funding or additional funding through the LGF3b pipeline development process;
- 11.3.1. Exceat Bridge
 - 11.3.2. Thanet Parkway; and
 - 11.3.3. Innovation Park Medway.
- 11.4. The LGF3b process was intended to reallocate funding to projects which could demonstrate LGF spend by the end of the Growth Deal period and to support projects with high levels of deliverability. The eligibility criteria for the LGF3b process specifically required projects to provide evidence of the ability to spend the LGF allocation by 31 March 2021. Projects which were unable to meet this criteria were excluded from the LGF3b process. The Board may wish to reflect on this point when considering whether these projects should remain a priority for LGF investment.
- 11.5. If the LGF spend beyond 31 March 2021 is not supported by the Strategic and Accountability Board, it is expected that the projects would either have to be reduced in scale or placed on hold until an alternative funding source is identified to enable the delivery of the projects. This would also result in a delay to the realisation of the project benefits, as summarised in Appendix A.
- 11.6. If the Board chose not to endorse the LGF spend beyond the Growth Deal period for one or more of the projects listed in 2.1, recommendations will be made to the Accountability Board that this funding should be reallocated to an alternative project on the LGF pipeline. However, at this stage

of the programme it may prove challenging to identify projects which are able to spend the LGF allocation by 31 March 2021.

12. Risk of additional LGF slippage beyond 31 March 2021 being identified

12.1. Through the final year of the Growth Deal period, 2020/21, additional LGF slippage may be identified. A risk of LGF slippage beyond 31 March 2021 has currently been identified for the following ten projects:

12.1.1. Bexhill Enterprise Park North, East Sussex

12.1.2. Hailsham/Polegate/Eastbourne Movement and Access Package

12.1.3. Hastings and Bexhill Movement and Access Package

12.1.4. Eastbourne Town Centre Phase 2

12.1.5. Basildon Innovation Warehouse, Essex

12.1.6. University of Essex Parkside 3, Essex

12.1.7. Maidstone Integrated Transport Package, Kent

12.1.8. Stanford Le Hope, Thurrock

12.1.9. Grays South, Thurrock

12.1.10. A13 widening

12.2. A total of £118.207m LGF is allocated to these ten projects, of which £54.478m is due to be spent in 2020/21. Given the substantial amount of funding due to be spent across these ten projects in 2020/21, further slippage of LGF spend beyond 31 March 2021 may be identified which would adversely impact SELEP's overall spend and delivery position by the end of the Growth Deal.

Table 2 – Current LGF spend profile for projects expected, or at risk, of spending LGF beyond 31 March 2021

Project	LGF spend to end of 2019/20 (£m)	2020/21 (£m)	2021/22 (£m)	2022/23 (£m)	Beyond 2022/23 (£m)	Total (£m)
Projects expected to spend beyond 31 March 2021						
Beaulieu Park Railway Station (previously agreed by Strategic Board)	0.000	2.730	1.310	7.960	0.000	12.000
A127 Fairglen Interchange New Link Road (excluding DfT retained scheme funding)	2.373	0.000	3.862	0.000	0.000	6.235
Thanet Parkway	1.609	7.666	4.725	0.000	0.000	14.000
Exceat Bridge	0.000	0.000	1.500	0.000	0.000	1.500
Sturry Link Road	1.461	3.679	0.760	0.000	0.000	5.900
Innovation Park Medway (Phase 2)	0.317	2.833	0.350	0.000	0.000	3.500
Sub-total	5.760	16.908	12.507	7.960	0.000	43.135
Projects at risk of slipping beyond 31 March 2021						
Bexhill Enterprise Park North	0.000	1.940	0.000	0.000	0.000	1.940
Hailsham/Polegate/Eastbourne Movement and Access Package	1.391	0.709	0.000	0.000	0.000	2.100
Hastings and Bexhill Movement and Access Package	2.617	6.383	0.000	0.000	0.000	9.000
Eastbourne Town Centre Phase 2	5.545	2.455	0.000	0.000	0.000	8.000
Basildon Innovation Warehouse	0.000	0.870	0.000	0.000	0.000	0.870
University of Essex Parkside	0.000	3.000	0.000	0.000	0.000	3.000
Maidstone Integrated Transport Package	3.878	5.022	0.000	0.000	0.000	8.900
Stanford le Hope	6.416	1.084	0.000	0.000	0.000	7.500
Grays South	3.700	7.140	0.000	0.000	0.000	10.840
A13 widening	57.090	8.967	0.000	0.000	0.000	66.057
Sub-total	80.637	37.570	0.000	0.000	0.000	118.207
Total	86.397	54.478	12.507	7.960	0.000	161.342

13. Accountable Body Comments

- 13.1 LGF is transferred to Essex County Council, as the Accountable Body of the SELEP, for allocation to delivery partners to support delivery of projects within the Growth Deal. All funding allocations must meet the requirements of the SELEP Assurance Framework.
- 13.2 LGF is allocated through a grant determination from MHCLG via section 31 of the Local Government Act 2003; this is subject to the following condition:
- 13.2.1 The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.
- 13.3 The Accountable Body is ensuring that the grant is spent in line with the Grant Determination letter condition, which does not impose an end date for use.
- 13.4 Alongside the annual grant determination letter, Government has written to SELEP and the Accountable Body, emphasising the requirement for the grant to be spent on the Growth Deal (which has a lifetime of April 2015 to March 2021) and that future funding allocations remain subject to the outcome of future annual conversations and compliance with the National Local Growth Assurance Framework.
- 13.5 SELEP have raised the issue of the application of the LGF grant beyond the end of the growth deal period with Central Government and whilst a formal response has not been provided, in February 2019, MHCLG informally advised that Government would potentially have concerns about LGF spend beyond the Growth Deal, where the project is not already underway. However, if SELEP has strong justification for why it's supporting spend beyond 31 March

2021 then there is nothing in the conditions of the grant to prohibit this.

- 13.6 Should approval by the Accountability Board of LGF spend beyond 31 March 2021 be agreed for the five projects specified in this paper, the Accountable Body will work with the SELEP to establish project specific grant agreements which reflect updated grant conditions on a case by case basis.

Appendices

- 13.1. Appendix A: Summary of projects forecast to spend beyond 31 March 2021.
- 13.2. Appendix B: Changes to LGF spend profiles for projects forecast to spend LGF beyond 31 March 2021.

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Appendix A – Projects expected to spend beyond 31 March 2021

Project	Benefits	Issues/ Risks	Expected completion date (at point of funding decision)	Updated expected completion date	Variance
A127 Fairglan Interchange New Link Road, Kent	Improved capacity on the route, enablement of planned growth.	Complex project, with demanding programme. DfT contributions to be spent in advance of SELEP contributions.	September 2022 (Expected completion date at point of Accountability Board approval).	April 2022 (completion of new link road)	No change to programme
Thanet Parkway, Kent	Accelerate pace of housebuilding, improve rail access to and from London. Increase job numbers	Substantial funding gap. Planning consent not secured.	December 2021 (Expected completion date at point of Outline Business Case being approved by the Accountability Board)	December 2022	12 months
A28 Sturry Link Road, Kent	Tackles congestion issues, currently a pinch point. Will help unlock new developments to delivery new houses and jobs.	Complex Project involving funding from 3 developers. Developer contributions have not yet been secured. Compulsory Purchase Order may be required. Planning consent has not yet been obtained.	October 21 (Expected completion date at point of Accountability Board approval).	December 2022	14 months
Exceat Bridge, East Sussex	Unlock a pinch point on the major road network. Current bridge near end of serviceable life. Will help deliver new homes	No planning consents. Project funding gap	July 2021 Expected completion date at point of Investment Panel prioritisation.	July 2022	12 months

Project	Benefits	Issues/ Risks	Expected completion date (at point of funding decision)	Updated expected completion date	Variance
Innovation Park Medway	Will deliver commercial workspace totaling approximately 38,500m ² (gross external area). Due to create over 3,000 jobs.	Local Development Order has not been approved due to concerns raised by Highways England and Natural England.	December 20	March 2021	3 months

Appendix B - Changes to the LGF spend forecast for the five projects forecasting LGF spend beyond 31st March 2021 seeking endorsement from Strategic Board

Project	LGF spend forecast	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Total	Main reason for variance
A127 Fairglen Interchange New Link Road	At point of funding approval by Accountability Board				0.673	5.562		6.235	LGF spend was accelerated on the project in 2018/19. However the DfT has requested that their funding contributions are spent in advance of the LGF. As such, the LGF spend will slip into 2021/22.
	Updated forecast			1.700	0.673		3.862	6.235	
	Variance			1.700	0.000	-5.562	3.862	0.000	
Thanet Parkway	At point of funding approval by Accountability Board				4.000	10.000		14.000	An increase to the total project cost and funding gap has lead to a further slippage of LGF spend.
	Updated forecast				1.609	7.666	4.725	14.000	
	Variance				-2.391	-2.334	4.725	0.000	
Exceat Bridge	At point of prioritisation by the Investment Panel					1.500		1.500	There is currently a funding gap for the project and the project is awaiting confirmation of the Tranche 2 funding which is identified in the SELEP LGF3b pipeline before the project can progress for Accountability Board funding
	Updated forecast						1.500	1.500	
	Variance					-1.500	1.500	0.000	
Sturry Link Road	At point of funding approval by Accountability Board	1.000	2.450	2.450				5.900	Awaiting confirmation of the developer contributions to the delivery of the project and planning consent for the link road itself.
	Updated forecast	0.401	0.385	0.285	0.390	3.679	0.760	5.900	
	Variance	-0.599	-2.065	-2.165	0.390	3.679	0.760	0.000	
Innovation Park Medway Phase 2	At point of funding approval by Accountability Board			0.210	2.180	1.310		3.700	Concerns have been raised by Highways England, as a statutory consultee, about the impact of the project on the strategic road network. The project cannot progress until the LDO has been approved for the site.
	Updated forecast			0.099	0.218	3.033	0.350	3.700	
	Variance			-0.111	-1.962	1.723	0.350	0.000	

Item 6: SELEP Assurance Framework and Board Recruitment Policy 2020/21

1. Purpose

- 1.1. The purpose of this report is to present to the Strategic Board (the Board) with revised versions of the Assurance Framework and Board Recruitment Policy. These documents have been updated to reflect the changes in governance that are necessary under the LEP Review, in particular the establishment of SELEP Ltd. and these changes have been discussed with the Board at length. Should the Board choose to agree the changes, the new governance documentation will be formally adopted from the date of incorporation of SELEP Ltd, currently planned to be 28 February 2020. Until that time the current documentation will apply.
- 1.2. This report provides details on the changes made to the documents, which are principally formatting and updating to reflect the incorporation of the SELEP Ltd.
- 1.3. The Board is also asked to consider the Terms of Reference for the revised Strategic Board. This is provided for information as a decision to adopt these will be made at the first meeting of the revised Strategic Board at their meeting on 20 March 2020.

2. Recommendations

- 2.1. The Board is asked:
 - 2.1.1. to agree the SELEP Assurance Framework 2020/21, to be formally adopted on incorporation of SELEP Ltd;
 - 2.1.2. to agree the revised Board Recruitment Policy, to be formally adopted on incorporation of SELEP Ltd; and
 - 2.1.3. to note the revised Strategic Board Terms of Reference, which will be considered by the Board of Directors of SELEP Ltd at their first meeting on 20 March 2020

3. Background

- 3.1. In January 2019, the Government published an updated National Assurance Framework which sets out guidance on how LEP's should develop their own Assurance Framework. Government have confirmed that there are no further revisions to the National Assurance Framework in this (2019/20) financial year.
- 3.2. The National Assurance Framework incorporates the requirements of the LEP Review in to Local Enterprise Partnership Governance and Transparency and the National Review into LEP's Strengthening Local Enterprise Partnerships.
- 3.3. LEP's are required to comply, in full, with the requirements of the National Assurance Framework in order to receive funding from Central Government. For SELEP, the main new requirements are moving to incorporated status and amendments to the Board composition and membership, including the requirement for:
 - 3.3.1. The LEP to explain how they will ensure representation at Board and sub Board level which is reflective of their local business committee (including geographies, gender and protected characteristics);
 - 3.3.2. The LEP Board members to have at least one third female membership of appointed members by March 2020;



- 3.3.3. The LEP Board membership to have at least two-thirds representation from the private sector by 28th February 2020; and
- 3.3.4. The LEP Board membership to have a maximum of 20 people, (with the option to co-opt an additional 5 Board members), by 28th February 2020.
- 3.4. The Board has considered the requirements of the LEP Review at great length over the last 18 months. Decisions on the changes that were necessary to comply with the LEP Review and the National Assurance Framework January 2019 have already been made by Board. These changes to the governance of the Partnership have now been reflected in the governance documentation. There are no material changes to the governance documentation that the Board has not previously considered.
- 3.5. The governance documentation therefore needs to be updated to reflect the changes to the LEP, and the Board are being asked to agree the key policies at this stage. All other policies will be adopted at the first meeting of the SELEP Ltd,

4. The Documentation

- 4.1. These policies have been written as though the SELEP Ltd is already incorporated as they will not be adopted until the SELEP Ltd is incorporated. The Assurance Framework and Board Recruitment Policy, if agreed, will come into force upon incorporation at the end of February. The Terms of Reference will be formally adopted at the first meeting of the SELEP Ltd.
- 4.2. The previous Board Recruitment Policy, Chair Recruitment Policy and Deputy Chair Recruitment Policy have been combined into a new Board Recruitment Policy. No changes are proposed regarding this process, although wording has been made clearer and duplication with other policies has been reduced.
- 4.3. The main changes to the Board Recruitment Policy are:
 - 4.3.1. the addition of information around the Chair and Deputy Chair;
 - 4.3.2. information around Succession Planning has been added
 - 4.3.3. details around substitutions have been removed as these are now contained within the Terms of Reference.
- 4.4. The Terms of Reference has been updated to reflect the new incorporated status of SELEP Ltd. It is important to note that much of the information previously in the Terms of Reference is now encapsulated in the Articles of Association and Assurance Framework, and that some text has been deleted where it is duplicated elsewhere. A guide around where to find information will be developed for the Induction Training. The Articles have been included at Appendix D for your reference.
- 4.5. The main changes to the Terms of Reference are:
 - 4.5.1. information has been removed that is duplicated in other policies (for example the Working Groups section which is now in the Assurance Framework);
 - 4.5.2. the wording has been updated to reflect the new incorporated nature of the SELEP;
 - 4.5.3. the composition of the Board has been updated to reflect the new Board.
- 4.6. The structure of the Assurance Framework has been updated to make the information more accessible. It is now divided into clearer sections to make it easier to find information, and there is also now an index to increase efficiency.

4.7. The content of the Assurance Framework has been updated to reflect the new incorporated SELEP Ltd and improved to reduce the amount of duplication with other policies.

4.8. The main changes to the Assurance Framework are:

4.8.1. the composition of the Board has been updated to reflect the new Board;

4.8.2. the wording has been updated to reflect the new incorporated nature of the SELEP;

4.8.3. an index has been added to the end of the document.

4.9. Tracked changes version of the documents are available as background information.

5. Accountable Body Comments

5.1. It is a requirement of Government that the SELEP agrees and implements an assurance framework that meets the revised standards set out in the LEP National Assurance Framework.

5.2. The purpose of the Assurance Framework is to ensure that SELEP has in place the necessary systems and processes to manage delegated funding from central Government budgets effectively.

5.3. The S151 Officer of the Accountable Body is required, by the revised Assurance Framework, to ensure that their oversight of the proper administration of financial affairs within SELEP continues throughout the year.

5.4. In addition, the S151 Officer is required to provide an assurance statement as part of the Annual Performance Review and, by 28 February each year, they are required to submit a letter to the MHCLG's Accounting Officer. This must include:

- Details of the checks that the S151 Officer (or deputies) has taken to assure themselves that the SELEP has in place the processes that ensure proper administration of financial affairs in the SELEP;
- A statement outlining whether, having considered all the relevant information, the S151 Officer is of the opinion that the financial affairs of the SELEP are being properly administered (including consistently with the National Local Growth Assurance Framework and SELEP's local Assurance Framework); and if not
- Information about the main concerns and recommendations about the arrangements which need to be implemented in order for the SELEP to be properly administered.

5.5. At this time there are no specific issues of concern to be raised on governance or transparency. There are areas identified in the LEP review that are now included in the Assurance Framework which SELEP is currently implementing, as follows:

5.5.1 Board Diversity - SELEP Ltd commits to diversity and representing the local business community, including a gender balance within the Directors of at least one third female directors, with a view to equal representation by 2023;

5.5.2 Board Member Induction and Training - Induction sessions will be run by SELEP Secretariat prior to the first Board meeting of the new SELEP Ltd in March 2020. The training should ensure full understanding of the requirements of the SELEP Assurance Framework and the respective new Corporate Governance policies, in particular, how these apply to decision making, and the responsibilities of Directors of a Limited company who have certain duties under law;

5.5.3 Incorporation - The Government's requirement for incorporation by the SELEP partnership is underway and a company limited by guarantee without share capital will be registered at Companies House on 28 February 2020.

6. Appendices

- 6.1. Appendix A: Assurance Framework
- 6.2. Appendix B: Terms of Reference
- 6.3. Appendix C: Board Recruitment Policy
- 6.4. Appendix D: Articles of Association

7. Background Information

- 7.1. Background information 1: Assurance Framework with tracked changes
- 7.2. Background information 2: Terms of Reference with tracked changes
- 7.3. Background information 3: Board Recruitment Policy with tracked changes

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Item 7: Chair Term Extension

1. Purpose

- 1.1. The purpose of this report is to provide the Strategic Board (the Board) with details of the Chair's term of office and to allow the Board to consider whether they would wish to extend the Chair's tenure for a final two years.

2. Recommendations

- 2.1. The Board is asked to agree one of the following two options:

- 2.1.1. Option 1: to extend the term of the current Chair, Christian Brodie, by a further two years to 21st March 2022 or by a period of up to two years, to be determined by the Board.

- The Board is asked to note that a two year extension would take the term served to a full six years which is the maximum term for the position, after which an open and transparent recruitment in line with the agreed process as set out in the Board Recruitment Policy would be required.

- 2.1.2. Option 2: to not extend the term of the current Chair, Christian Brodie, noting the requirements to agree interim arrangements in advance of the establishment of SELEP Ltd and to undertake a recruitment of a new Chair in line with the Board Recruitment Policy.

- The Board is asked to note that under this option, a report setting out the proposals for the interim arrangements will be presented to the Board via Electronic Procedure, in advance of the Company being established on the 28th February 2020.

3. Background

- 3.1. The current Chair was appointed in March 2016 and the Board agreed to extend his term by a further two years in March 2018. As set out in the Board Recruitment policy, the Chair's term is for two years with the Board being able to extend for two years and a further two years, bringing a total term that can be served to six years.
- 3.2. Christian Brodie has indicated that he wishes to continue as Chair of SELEP beyond the current end date of his term of 21 March 2020. At this point the term served would be four years and therefore the Board could choose to extend his term by up to a further two years until 21 March 2022. The Board could extend for shorter period of time or chose not to extend the term.
- 3.3. If the Board declines to extend the term further, the current term would end on 21 March 2020. A full recruitment process will be required in line with the Board Recruitment policy.
- 3.4. The recruitment process can be expected to take at least nine months so interim arrangements would be needed to cover the period from 21 March 2020 to the appointment of a new Chair.

4. Option 1 (Recommended Option) - Extension of Term

- 4.1. If the Board is content with the performance of the current Chair, they can extend his term by up to a further two years. The extension is not required to be a full two years, the Board could select a shorter term if minded. This would be on the same basis as current arrangements, including an allowance of £20,000 per annum; the allowance would be pro-rated in accordance with the

agreed period.

- 4.2. If the Board does agree to extend the term, the Secretariat will work with the Accountable Body (Essex County Council) to ensure that contractual arrangements which are compliant with HMRC requirements are put into place. These arrangements may differ from earlier arrangements as the Chair will be required to be a Director of SELEP Ltd which may have implications regarding taxation/National Insurance.
- 4.3. No further extensions of term can be made so, at least nine months in advance of the end of any extension offered, a recruitment process must begin for the identification and selection of a new Chair. A longer period of time may be required if the Board wants to make changes to the job profile or person specification. Therefore, it is proposed that the process should be instigated at the meeting of the Board in June 2021 if a full two-year term extension is offered or an earlier meeting, as appropriate, for a shorter extension.

5. Option 2 - No Extension

- 5.1. If the Board selects not to extend the term, the current Chair's term will finish on 21 March 2020. The final Board meeting of his term will be on 20 March 2020, however SELEP Ltd will be in place by this time and the meeting of 20 March 2020 will be a meeting of the Board Directors.
- 5.2. If the term is not extended, the Board and Mr Brodie may not consider it appropriate for Mr Brodie to become a Director and Chair of the company for such a short period, ending 21 March; in this circumstance, the Board will need to consider the options for interim arrangements in accordance with the Board Recruitment Policy; a report setting out the options will be presented to the Board via Electronic Procedure, in advance of the Company being established on the 28 February 2020. These options would need to consider the following:
 - 5.2.1. Whether the Board would wish to invite Mr Brodie to attend and Chair the meeting of 20 March 2020 as a non-voting member should it be agreed that he will not become a Director of SELEP Ltd for the short period between incorporation and 21 March;
 - 5.2.2. whether the Board would want to ask the newly appointed Deputy Chair to act as Interim Chair;
 - 5.2.3. if not or if the Deputy Chair would be unwilling or unable to do so, how would an Interim Chair be selected;
 - 5.2.4. if more than one Board Members expresses an interest in becoming Interim Chair, what process would be used to select the preferred member or if the post could be shared;
 - 5.2.5. if no Board Members express an interest, what would the backstop arrangement be;
 - 5.2.6. whether the Interim Chair(s) should be eligible for an allowance; and
 - 5.2.7. clear timelines for term of the post, with a realistic assessment of recruitment of a new Chair and any handover that would be necessary

6. Accountable Body Comments

- 6.1 Agreement by the Board for the extension of the current Chair by a further 2 years to 20 March 2022 is in line with an amendment to the Chair tenure following the LEP review, extending from 2+2 years to 2+2+2 years. This would be the final term for Mr Brodie.

- 6.2 In the event that the Board does not agree to extend the term of Mr Brodie, the Board will need to agree the interim arrangements for the Chair of SELEP Ltd and initiate a recruitment process for the Chair.
- 6.3 The recruitment process of the Chair of SELEP Ltd must follow an open and transparent Succession Plan and the Board Recruitment Policy as per the Assurance Framework.

7. Appendices

- 7.1. None

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Item 9: Board Membership

1. Purpose

- 1.1. The purpose of this item is for the Chief Executive Officer (CEO) and the Chair to provide an update on the membership of the SELEP Strategic Board (the Board). At the time of publication there are ongoing selection processes by Federated Board therefore an updated list of membership will be provided on the day of the meeting.

2. Recommendations

- 2.1. The Board is asked to:
 - 2.1.1. note the updated list of membership to be shared at the meeting; and
 - 2.1.2. note those Board Members who have left the Board, or are soon to do so, and their contribution to the Board and the wider partnership.

3. Background

- 3.1. As the Board is aware, SELEP has been through a significant change in governance structure over the last 12 months following the publication of the LEP Review recommendations. The meeting on 31 January 2020 is the final meeting of the unincorporated partnership and the current 28 member Board. SELEP Ltd is due to be incorporated on 28 February 2020. The new Board of Directors for SELEP Ltd will be meeting shortly after incorporation on 20 March 2020.
- 3.2. In order to meet the requirements of the LEP Review the Federated Boards have also considered their own memberships. Team East Sussex had a full refresh and recruitment in September 2018 and were fully compliant with the LEP Review at the start of this financial year. However, the other three Federated Boards have been through processes more recently to renew their membership.
- 3.3. The Essex Business Board went through a refresh over the summer of 2019 and relaunched as Success Essex. The Kent and Medway Economic Partnership (KMPEP) and Opportunity South Essex (OSE) are currently in the process of refreshing their membership through an open recruitment at the time of publication of this report.
- 3.4. The changes to Federated Board membership and the changes to the SELEP Strategic Board structure means that a number of Board members are, or will shortly be, stepping down and new members will be coming forward. The CEO and Chair would like to use this opportunity to update the Board on potential new members and to thank those departing members for their service.

4. New Members

- 4.1. The structure of the new Board was agreed in October 2019 and the governance arrangements for the new company were agreed in December 2019 and early January 2020. Following these decisions, it is now necessary for Federated Boards and other partner organisations to inform SELEP Secretariat of the names of those individuals who will be taking the seats on the Strategic Board. In some cases, there are governance processes to be completed so names provided to date are indicative.
- 4.2. An up to date table showing the name for each seat will be provided at the 31 January 2020 meeting.

5. Members Stepping Down

- 5.1. Following the changes to Strategic Board and Federated Boards a number of Board members have either stepped down or will be stepping down at the end of today's meeting. A full list of departing members will be provided at the meeting and the CEO and Chair will take some time to reflect on the contributions of those Board members and thank them for their efforts.

6. Accountable Body Comments

- 6.1. The Accountable Body has no comments to add.

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