

Minutes of the meeting of the SELEP Accountability Board, held online on Friday, 12 February 2021

Present:

Sarah Dance	Chair
Cllr David Finch	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Rupert Simmons	East Sussex County Council
Cllr Ron Woodley	Southend Borough Council
Cllr Rob Gledhill	Thurrock Council
Rosemary Nunn	Higher Education representative
Simon Cook	Further Education/Skills representative

Marwa Al-Qadi	East Sussex County Council
Roshna Ahmad	Member of the public
Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
Stephen Bishop	Steer
Bernard Brown	RAUDIN
Chris Brodie	SELEP Chair
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Matthew Brown	Colchester Borough Council
Joanne Cable	Medway Council
Edmund Cassidy	Steer
Paul Chapman	Essex County Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Amy Ferraro	SELEP
Alison Fogg	Colchester Amphora Trading Ltd
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
Piers Meyler	Essex Live
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)

Charlotte Moody	Essex County Council (Legal representative for the Accountable Body)
Rhiannon Mort	SELEP
Lorna Norris	Essex County Council
Sarah Nurden	KMEP
Vivien Prigg	Essex County Council
Sarah Read	Essex County Council
Tim Rignall	Southend Borough Council
Alex Riley	SELEP
Christopher Seamark	Kent County Council
Peter Shakespear	Essex County Council
Lisa Siggins	Essex County Council
Stephen Taylor	Thurrock Council
Luke Wastell	GT Comms Ltd
Katherine Wyatt	SELEP

1 Welcome and Apologies for Absence

An apology was received Cllr Keith Glazier substituted by Cllr Rupert Simmons. The Chair informed the Board that Chris Brodie, the Chair of the Strategic Board was present at today's meeting as a visible presence but would not have any voting rights.

2 Minutes 20.11.20

The minutes of the meeting held on Friday 20th November were agreed as an accurate record.

3 Declarations of Interest

Councillor Rupert Simmons declared a code interest in respect of agenda item 5 (Local Growth Fund Capital Programme Update which included Bexhill Enterprise Park North LGF funding decision) as he is a Director of Sea Change Sussex, the company who will manage the delivery of the project.

In light of this non-pecuniary code interest, Cllr Simmons remained in the room during agenda item 5 but did not vote on this agenda item.

4 Public Questions

There were no public questions raised for the meeting. The Chair commented that correspondence had been received in relation to the Queenway Gateway

Road project. The Chair requested that a detailed update report be received from East Sussex County Council on the delivery of the project at the next meeting of the Accountability Board on 12 March 2021.

5 Local Growth Fund Capital Programme Update

The Accountability Board (the Board) received a report from Rhiannon Mort, Capital Programme Manager, the purpose of which was for the Board to consider the overall position of the Local Growth Fund (LGF) capital programme, as part of SELEP's Growth Deal with Government.

The Board were advised that it is currently forecast that £94.388m LGF will remain unspent at the end of 2020/21. This figure includes £77.418m LGF from Ministry of Housing Communities and Local Government (MHCLG) and £16.970m LGF from the Department for Transport (DfT).

With regards to Bexhill Enterprise Park North, the Board were advised that the planning appeal had been heard and the outcome was now awaited. An update will be given at the March Board meeting. Councillor Simmons stated that he was optimistic that the appeal would be successful.

The Board proceeded to discuss the risks involved if the funding was not able to be reallocated by the end of the current financial year. The discussion also included the timings of LGF reallocation of funding that will be taken at the March Board meeting and the pipeline of projects currently in place. It was acknowledged that there were logistical issues with the timings involved.

In response to a request from Chris Brodie regarding assurances regarding the advanced payment of the grant funding. , Clarification was provided by Stephanie Mitchener as delegated S151 Officer for the Accountable Body as to the roles and responsibilities of the S151 Officers within partner authorities in relation to the funding.

A final discussion was then had regarding the reputational risks associated with failed projects. Rhiannon Mort provided some clarification, including the need for clear rationale and the need for a lessons learnt report to be presented back to the Board in 2021/22.

Simon Cook requested that a lessons learned document be prepared and presented to outlining the range of different reasons for projects to be cancelled or delayed so there is a strong evidence base to put to Government that shows that project delays are not always within the LEP or local partner's own control.

Resolved:

1. **To Agree** the updated total planned LGF spend in 2020/21 of £50.189m excluding Department for Transport (DfT) retained schemes and increasing to £73.183m including DfT retained schemes, as set out in Table 1 and Appendix A. of the report.

2. **To Agree** the spend of LGF beyond 30 September 2021 and the revised completion date for the 18 projects listed in appendix C. of the report.

3. **To Agree** that the Bexhill Enterprise Park North project should remain on hold and no LGF will be transferred, over and above the £0.440m LGF currently held by East Sussex County Council, until the outcome of the planning appeal is considered by the Accountability Board on 12 March 2021.

4. **To Agree** the cancellation of the Basildon Innovation Warehouse project from the LGF programme

5. **To Note** the £870,000 LGF allocation from the cancellation of the Basildon Innovation Warehouse project is reallocated to the next project on the LGF programme; namely the Kent Engineering, Design, Growth and Enterprise (EDGE) hub.

6 **A127/A130 Fairglen Interchange**

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was to present information to the Board to allow them to consider the award of £13.5m Department for Transport (DfT) Retained Local Growth Fund (LGF) to the A127/A130 Fairglen Interchange Project (the Project) as detailed at Appendix A. of the report.

Resolved:

To Approve the award of £13,500,000 of DfT Retained LGF to the Project which has been assessed, by the Independent Technical Evaluator (ITE), as offering high value for money with a high certainty of being achieved. This approval is subject to final approval of the Project by the Secretary of State for Transport.

7 **Colchester Grow-on Space Funding Decision**

The Board received a report from Howard Davies, SELEP Capital Programme Officer, and a presentation from Steer, the purpose of which was to allow the Board to consider the award of £3,777,451 Local Growth Fund (LGF) to contribute towards the delivery of the Colchester Grow-on Space project (the Project).

Resolved:

1. **To Approve** the award of £3,777,451 LGF to support the delivery of the Project identified in the Business Case and which has been assessed as presenting high value for money with medium certainty of achieving this, subject to:

- planning permission having been confirmed by Colchester Borough Council Planning Committee on 4 March 2021; and
- approval of spend beyond the Growth Deal by SELEP Ltd on 19th March 2021.

2. **To Agree** that if full planning consents aren't awarded at the meeting of the Colchester Borough Council Planning Committee on 4 March 2021 the funding

will revert to the LGF pipeline.

3. **To Note** that under agenda item 15 the Board were asked to agree that the £3.777m LGF is transferred to Essex County Council, as Lead Authority by 31 March 2021. No funding can be drawn down by Essex County Council until the conditions set out above has been satisfied.

8 LGF COVID-19 Fund Report

The Board received a report from Katherine Wyatt, Capital Programme Officer and details of the assessment by Steer, the purpose of which was for the Board to consider the award of £3,802,000 Local Growth Fund (LGF) to the seven projects set out below and detailed at Appendix B. These projects were included on the LGF pipeline agreed by Strategic Board at their meeting on 11 December 2020.

Resolved:

To agree the award of an additional £3,802,000 to the following seven projects which have been assessed as presenting high value for money with high certainty:

1. Kent and Medway Medical School (£1,000,000).
2. Flightpath Phase 2, Essex (£560,000).
3. Dover TAP, as part of Kent Strategic Congestion Management Programme (£100,000).
4. A127 Essential Maintenance/ The Bell, Southend (£207,000).
5. East Malling NIAB, Kent (£315,000).
6. Southend Town Centre (£125,000).
7. Skills and business support for rural businesses post Brexit project (£1,495,000).

9 Eastbourne Fisherman's Quay

The Board received a report from Helen Dyer, SELEP Capital Programme Officer and a presentation from Steer, the purpose of which was for the Board to consider a proposed change of scope to the Eastbourne Fisherman's Quay LGF project (the Project).

Resolved:

1. **To Agree** that the proposed change of project scope, as set out in Section 5 of the report, can be implemented.
2. **To Agree** the award of an additional £360,000 LGF funding to support the delivery of the Project, which has been assessed as presenting High value for money with Low/Medium certainty of achieving this;
3. **To Note** that, subject to agreement in relation to 1. and 2. above, that a full funding package is in place to deliver the Project; and
4. **To Note** that under Agenda Item 15, the Board were asked to agree that the full £1.44m LGF allocation should be transferred to East Sussex County Council by 31st March 2021.

10 A28 Sturry Link Road Project Update

The Board received a report (Appendix A was considered under Exempt items) from Rhiannon Mort, the purpose of which was for the Board to receive an update on the delivery of the A28 Sturry Link Road project (the Project), Canterbury, Kent.

The Chair advised that additional information had been received and circulated to Board members.

Rhiannon informed the Board that planning consent for the residential development had been approved by Canterbury City Council and that a further update would be provided at the March Board meeting.

Councillor Gough stressed the importance of the project to the Board and explained the wider impact should funding be revoked. He urged the Board to support Option 1 as set out in the report.

Resolved:

1. **To Note** that planning consent has been secured for the Broad Oak Farm and Sturry developments;
2. **To Note** the requirement for planning consent to be secured from Kent County Council for the Project itself by the 12th March 2021. If the planning consent is not secured by this date, the remaining £4.791m LGF will be automatically reallocated away from the Project; and
3. **To Note** the requirement for Kent County Council to provide written confirmation that the full funding package is in place by 12th March 2021 to enable the remaining £4.791m LGF to be transferred by the end of 2020/21, as set out in section 8.3 of the report, subject to Board agreement under agenda item 15. If written confirmation is not provided by this date, the remaining £4.791m LGF will be automatically reallocated away from the Project.

11 Maidstone Integrated Transport Package Project Update

The Board received a report from Rhiannon Mort, the purpose of which was for the Board to receive an update on the delivery of the Maidstone Integrated Transport Package (MITP (the Project)).

Councillor Gough spoke in support of the project, pointing out that there are clear timelines in place, with good progress having been made. He believed that the planning position was favourable.

The Board proceeded to discuss the timings of this and other projects, and whether the same were realistic and deliverable. It was suggested that the issue of prioritising of funding be taken to Strategic Board to allow sufficient time for a dedicated discussion.

Resolved:

1. **To Note** the risk to Project delivery as a result of the outstanding planning applications and internal approvals set out within the report;
2. **To Agree** that the £8.9m LGF funding should remain allocated to the Project; and
3. **To Note** that under agenda item 15, the Board were asked to agree that the remaining £4.1m unspent LGF should be transferred to Kent County Council by 31st March 2021. The transfer of the £4.1m LGF will be on the condition that the planning consents required in relation to Phase 1 and 3 of the Project are in place by 1 September 2021.
4. **To Note** that if all the required approvals are not in place by 1st September 2021, a further project update will be presented to the Board on 10th September 2021.

12 Beaulieu Station Project Update

The Board received a report from Howard Davies, the purpose of which was to provide the Board with an update on the Beaulieu Park Station (the Project) and the ongoing delivery risks associated with the Project.

Councillor Finch advised that he had attended a meeting with Local MPs prior to today's Board meeting. He informed the Board that considerable progress had been made with regards to the funding gap and that Essex County Council were now in a position of confidence.

Resolved:

1. **To Agree** that the full allocation of £12m LGF should remain allocated to the Project; and
2. **To Agree** that if Essex County Council and Homes England are unable to agree the conditions of the GDA by the deadline for completion set out by HMG, the allocation will be removed and reallocated by Strategic Board.
3. **To Note** that under agenda item 15, the Board were asked to agree that the £12m LGF will be transferred to Essex County Council by 31 March 2021 ahead of full funding being confirmed; and
4. **To Note** that the following specific condition will be attached to the transfer of the funding:
If agreement between Essex County Council and Homes England cannot be reached on the conditions of the GDA before the deadline set out by HMG, the LGF funds will be returned to SELEP for reinvestment following the reallocation of funding by Strategic Board.

13 LGF Update Report M2 Junction 5

The Board received a report from Howard Davies, the purpose of which was for the Board to receive an update on M2 Junction 5 project (the Project) in Kent.

The Board were advised that approval from the Secretary of State was still awaited.

Councillor Gough advised the Board that this issue was somewhat out of the control of Kent County Council and that in every other aspect, the project is proceeding on target. He stressed its importance to the local and surrounding areas.

Resolved:

1. **To Agree** that the £1.6m LGF should remain allocated to the Project and remove the condition for Secretary of State approval of the project needing to be in place prior to the funding being transferred to Kent County Council; and
2. **To Note** that under agenda item 15, the Board were asked to agree that the £1.6m LGF should be transferred to Kent County Council by 31 March 2021; and
3. **To Note** that if the Secretary of State does not approve the Project by 31 March 2022, the £1.6m LGF must be returned to SELEP for alternative investment. The Board is asked to agree this condition on the transfer of LGF under agenda item 15.

14 Update on LGF projects with funding conditions

The Board received a report from Howard Davies, the purpose of which was for the Board to receive an update for the following three Local Growth Fund (LGF) projects:

1. University of Essex, Parkside 3
2. M11 Junction 8
3. Innovation Park Medway (Phases 2 and 3)

With regards to Innovation Park Medway, Councillor Chambers stressed that as with M2 Junction 5, there are delays due to outside agencies which in this case is Highways England. He pointed out that the Government did not apply enough pressure on its own agencies to provide cooperation.

The Chair stressed that pressure should continue to be applied by SELEP on Government agencies.

Resolved:

1. **To Agree** that the University of Essex, Parkside 3 project continue. This follows confirmation that previous planning and funding conditions issues have now been resolved.
2. **To Note** that under agenda item 5, the Board were asked to agree that the £5m LGF grant of be transferred to Essex County Council for the delivery of the University of Essex Parkside Phase 3 beyond 31 March 2021.
3. **To Agree** that sufficient assurance has been provided by Essex County Council (ECC) that the M11 Junction 8 project funding gap will be addressed and the £0.495m LGF should remain allocated to the Project. A further update

will be brought to the Board in March 2021

4. **To Note** that all the funding conditions have now been satisfied for the Innovation Park Medway Phases 2 and 3.

5. **To Note** that under agenda item 15, the Board will be asked to agree that the remaining £4.0m unspent LGF allocated to the Innovation Park Medway Phases 2 and 3 will be transferred to Medway Council for spend beyond 31 March 2021. The transfer of this funding will be subject to the Local Development Order having been approved by Tonbridge and Malling Borough Council on 16 February 2021.

15 Transfer of remaining LGF by end of 2020/21

The Board received a report from Rhiannon Mort the purpose of which was for Board (the Board) to approve the value of the Local Growth Fund (LGF) to be transferred to partner authorities before the 31 March 2021.

Chris Brodie pointed out the need for a clear audit trail regarding the transfer of funding. A discussion followed which included the timing involved and the need for a report to be provided to Strategic Board.

In response to a question regarding SLAs, Rhiannon explained the provisions therein that provided sufficient protection.

Resolved:

1. **To Agree** that a variation to the Service Level Agreements (SLAs) be made to enable the unspent LGF, held by local authorities at the end of 31 March 2021, to either:

1.1. be invested as an 'Option 4 capital swap' within local authorities' own capital programmes (as defined in 3.4 of the report); or

1.2. for the funding to be held by local authorities as a ringfenced grant.

2. **To Note** that the value of the unspent LGF is expected to total £77.418m at the end of 2020/21, excluding Department for Transport retained scheme funding, as set out in Table 1 of the report.

3. **To Agree** that the remaining unspent LGF is transferred to local authorities by 31 March 2021:

3.1. subject to the funding conditions for the individual projects listed in Table 2 of the report having been satisfied; and

3.2. with specific funding conditions being attached to the transfer of funding for Beaulieu Park, Maidstone Integrated Transport Package and M2 Junction 5, as set out in Table 3 of the report.

4. **To Agree** that the unspent LGF held by local authorities at the end of 2020/21 must either be spent within their own local authority capital programme by the 31 March 2021, as an option 4 capital swap, or held by the local authority as a ringfenced grant.

5. **To Agree** that where LGF that has already been transferred to the local authorities and remains unspent at the end of 2020/21, due to unplanned slippage of LGF from 2020/21 to 2021/22, this should be added to the value of the option 4 capital swap or held by the local authority as a ringfenced grant.

6. **To Note** that if the delivery of a Project for which LGF has been transferred is delayed by more than six months, relative to the completion date set out in the original business case, or the revised completion date subsequently agreed by the Board through a change request, a further decision will be brought back to the Board to consider the Project change. This will include consideration for the potential clawback of funding.

16 GBF Transfer to Local Authorities in 2020/21

The Board received a report from Rhiannon Mort the purpose of which was to provide an update to the Board on the expected Getting Building Fund (GBF) spend by 31 March 2021 and the transfer of GBF to local authorities by the end of 2020/21.

Resolved:

1. **To Agree** that a variation to the Service Level Agreements (SLAs) be made to enable the unspent GBF, held by local authorities at the end of 31 March 2021, to either:

1.1. be invested as an Option 4 capital swap within local authorities' own capital programmes: or

1.2. for the funding to be held by local authorities as a ringfenced grant.

2. **To Agree** the updated GBF spend forecast for 2020/21 of £20.423m on GBF projects, as set out in appendix A of the report.

3. **To Agree** to the transfer the advance payment of £9.490m GBF to local authorities in 2020/21. This is in addition to the £33.010m GBF agreed in November 2020.

4. **To Agree** that the unspent GBF held by local authorities at the end of 2020/21 must either be spent within their own local authority capital programme by the 31 March 2021, as an option 4 capital swap, or held by the local authority as ringfenced grant.

5. **To Agree** that any unspent GBF held by local authorities at the end of 2020/21, due to further slippage of GBF from 2020/21 to 2021/22, should be

added to the value of the option 4 capital swap or held by the local authority as a ringfenced grant.

17 Growing Places Fund Update

The Board received a report from Helen Dyer, SELEP Capital Programme Officer, the purpose of which was to update the Board on the latest position of the Growing Places Fund (GPF) Capital Programme.

In response to a question from Councillor Gough regarding the position concerns the next projects in line for funding, Helen Dyer provided clarification of the timings involved.

Resolved:

1. **To Note** the updated position on the GPF programme;
2. **To Note** the decision by Strategic Board to amend the GPF project pipeline to allow the available GPF funding to be invested in projects which can progress now, whilst retaining the Leigh Port Quay Wall project on the pipeline for future GPF investment;
3. **To Note** the decision by Strategic Board to agree that if a project cannot proceed within 6 months that it remains on the GPF project pipeline, but that the Board can award funding to the next project on the pipeline in order to facilitate swift investment of the GPF funding;
4. **To Agree** the removal of the Barnhorn Green Commercial and Health Development (Phase 2) project from the GPF project pipeline;
5. **To Approve** the revised repayment schedule for the Javelin Way project and agree that, despite repayments not being made in line with the original repayment schedule, no interest will be charged on the loan; and
6. **To Note** the identified risk to the repayment schedule for the Centre for Advanced Engineering project.

18 Award of Growing Places Fund Funding

The Board received a report from Helen Dyer, SELEP Capital Programme Officer, the purpose of which was to allow the Board to consider the award of £3,750,000 Growing Places Fund (GPF) funding to the two projects (the Projects) detailed at Appendix B. These Projects were included in the GPF project pipeline agreed by Strategic Board on 12th June 2020.

Resolved:

To approve the award of:

1. £1,750,000 GPF by way of a loan to support the delivery of the Barnhorn

Green Commercial and Health Development project (phase 1), as set out in Appendix C of the report, which has been assessed as presenting High value for money with High certainty of achieving this. Noting that if planning consent is not granted that the project will be removed from the GPF programme, requiring immediate repayment of any funding already drawn down against the project to facilitate reallocation of the funding through the GPF project pipeline; and

2. £2,000,000 GPF by way of a loan to support the delivery of the No Use Empty Commercial Phase II project, as set out in Appendix D of the report, which has been assessed as presenting High value for money with High certainty of achieving this.

19 Update on SELEP Revenue Forecast 2020/21

The Board received a report from Lorna Norris, Senior Finance Business Partner, the purpose was for the Board to consider the latest financial forecast position for the SELEP revenue budget for 2020/21.

Councillor Woodley raised the issue of the funding responsibilities of Member Authorities and felt that the funding contributions made by the local authorities should be proportionate to the grant funding that they have received from SELEP.

Lorna Norris advised that there was an intention to review this in July 2021 following the Budget and alternative funding options would be presented to the Board at that time.

Resolved:

To Note the updated forecast revenue outturn position for 2020/21 of a net underspend of £141,000.

20 SELEP Operations Update

The Board received a report from Suzanne Bennett, Chief Operating Officer, the purpose of which was for the Board to be updated on the operational activities within the Secretariat to support both this Board and the Strategic Board. The report included an update on the risk register and information on compliance of the Assurance Framework.

The Board discussed the risk that was created when Hadlow College went into Education Administration, with clarification of the amount involved being provided by Stephanie Mitchener.

Resolved:

1. **To Note** the update on Assurance Framework compliance monitoring at Appendix A and Governance KPIs at Appendix B of the report; and
2. **To Note** the changes to the Risk Register at Appendix C of the report.

21 Date of Next Meeting

The Chair offered her thanks to everyone for the huge amount of work involved in producing the reports for today's meeting.

The Board noted that the next meeting will take place on Friday March 2021, which is likely to be held online.

There being no urgent business the meeting closed at 12.52pm

22 Exclusion of the Public

That the press and public be excluded from the meeting during consideration of the remaining items of business on the grounds that they involve the likely disclosure of exempt information as specified in paragraph 3 of Schedule 12A of the Local Government Act 1972.

23 A28 Sturry Link Road CONFIDENTIAL APPENDIX A

The Board noted A28 Sturry Link Road CONFIDENTIAL APPENDIX A

Chair