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**Minutes of the meeting of the SELEP Accountability Board, held in High House Production Park Vellacott Close, Purfleet, Essex, RM19 1RJ on Friday, 15 November 2019**

**Present:**

Geoff Miles	Chair
Cllr David Finch	Essex County Council
Cllr Roger Gough	Kent County Council
Cllr Rodney Chambers	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Ron Woodley	Southend Borough Council
Cllr Rob Gledhill	Thurrock Council
Graham Razey	Further Education/Skills representative
Lucy Druesne	Higher Education representative.

**ALSO PRESENT****Having signed the attendance book**

Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
Steven Bishop	Steer
Adam Bryan	SELEP
Lee Burchill	Kent County Council
Kerry Clarke	Kent County Council
Ellie Clow	SELEP
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Sunny EE	Medway Council
Rebecca Ellsmore	Thurrock
Amy Ferraro	SELEP
Jessica Jagpal	Medway Council
Ian Lewis	Opportunity South Essex
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

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Neil Muldoon	Thurrock Council
Lorna Norris	Essex County Council
Dawn Redpath	Essex County Council
Paul Shakespear	Essex County Council
John Shaw	Sea Change Sussex
Lisa Siggins	Essex County Council
David Smith	Kent County Council
Stephen Taylor	Thurrock Council
Simon Thomas	Canterbury City Council
Rob Willis	Essex County Council
Ceri Williams	Canterbury City Council

### **1 Welcome and apologies for absence**

No apologies were received

The Chair welcomed Cllr Roger Gough to his first Board meeting.

### **2 Minutes**

The minutes of the meeting held on Friday 13th September were agreed as an accurate record and signed by the Chair.

### **3 Declarations of interest**

As a private businessman, Geoff Miles declared a disclosable pecuniary interest in respect of agenda item 12 (Growing Places Fund Update).

He advised of his intention to step out of the room whilst agenda item 12 was discussed and it was confirmed that Lucy Druesne would chair this item.

As a representative of the University of Kent, Lucy Druesne declared a potential disclosable pecuniary interest in respect of agenda item 5 (Kent and Medway Medical School Phase 1 LGF Funding Decision).

She advised of her intention to step out of the room whilst agenda item 5 was discussed.

### **4 Questions from the public**

There were none.

### **5 Kent and Medway Medical School Phase 1 LGF Funding Decision**

Lucy Druesne left the room due to her previously made declaration of interest

The Accountability Board (the Board) received a report from Howard Davies, SELEP Capital Programme Officer which was presented by Rhiannon Mort SELEP Capital Programme Manager, and a presentation from Steer the

purpose which was for the Board to consider the award of £4m Local Growth Fund (LGF) to the delivery of the Kent and Medway Medical School (the Project).

Councillors Gough and Gledhill spoke in support of the project, stressing its importance to both the local and the surrounding areas.

Councillor Finch raised an issue regarding the contract with the University of Kent and stated that he hoped that this was suitably robust.

**Resolved:**

1. **To Agree** the award of £4m 'Tranche 1' 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 high certainty of achieving this.
2. **To Note:** A further £4m LGF 'Tranche 2' is sought towards the delivery of the Project should additional LGF become available. This second tranche of funding is identified within the LGF3b pipeline should additional LGF underspend become available.

**6 Grays South LGF Funding Decision**

The Board received a report from Howard Davies, SELEP Capital Programme Officer, which was presented by Rhiannon Mort SELEP Capital Programme Manager the purpose which was for the Board to consider the award of £7.1m Local Growth Fund (LGF) to the Grays South project (the Project).

Councillor Gledhill explained that the delays encountered are due to difficulties encountered with Network Rail and stressed that it was imperative to finalise the funding for this project.

In response to a question regarding the implication of the delays, Rebecca Ellsmore from Thurrock Council provided the Board with a detailed explanation.

The Board proceeded to discuss their concerns regarding the delays due to Network Rail. It was requested that a letter be sent from the Board to Network Rail in this regard.

In response to a question from Graham Razey, Councillor Gledhill confirmed that Thurrock Council were aware of their financial responsibilities should this project fail.

**Resolved:**

1. **To Note** that there remain a number of risks associated with this Project, as detailed in the report.
2. **To Note** that if the total Project cost increases through the delivery of the Project, Thurrock Council are responsible for meeting any increase in costs. A S151 letter has been provided to confirm that Thurrock Council is aware of its responsibility to meet any increase in project costs.

3. **To Note** that the LGF is due to be spent in full by the end of the growth deal period. If this cannot be achieved, the Project may not be able to satisfy all the conditions for spend of LGF beyond 31st March 2021.

4. **To Approve** the award of £7.1m LGF to the delivery of the Project which has been assessed as presenting high value for money but with medium to low certainty.

## 7 **Southend Town Centre - LGF funding decision**

The Board received a report from Helen Dyer, and a presentation from Steer, the purpose of which was for the Board to consider the award of £867,708 LGF to the delivery of the Southend Town Centre Interventions project (the Project). This project has been identified by the Investment Panel as a priority through the LGF3b pipeline development process.

### **Resolved:**

**To Agree** the award of £867,708 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 high certainty of achieving this.

## 8 **Innovation Park Medway Update**

The Board received a report from Rhiannon Mort SELEP Capital Programme Manager and Jessica Jagpal Medway Council Senior LGF Programme Co-ordinator the purpose of which was to provide the Board with an update on the delivery of the Innovation Park Medway project (the Project).

Rhiannon advised the Board that there had been recent discussions with Highways England.

Councillor Glazier encouraged the Board to support Option 2 and explained the difficulties encountered with Highways England (HE) He advised that a meeting had been held with HE on 12<sup>th</sup> November, with a subsequent letter provided by them which was very positive in its content. He also advised that support had been offered from the Kent and Medway Economic Group.

### **Resolved:**

1. **To Note** the update on the delivery of the Project;
2. **To Note** the risk to Medway Council of abortive LGF spend on the Phase 2 project, if the LDO is not approved to enable the delivery of the Project. If LGF spend on the project becomes an abortive revenue cost, this must be repaid to SELEP by Medway Council under the terms of the Service Level Agreement with the SELEP Accountable Body.
3. **To Agree** that a further update report must be provided to the Board in

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February 2020, to either consider the award of funding to the Project or consider reallocation of the £1.519m LGF through the LGF3b process.

### 9 **Thanet Parkway LGF Project Update**

The Board received a report from Rhiannon Mort the purpose of which was to provide the Board with an update on the delivery of Thanet Parkway project (the Project) following the receipt of a revised cost estimate from Network Rail at the end of the single option development design stage.

Councillor Gough advised that this project will be an item on the Cabinet agenda on 2<sup>nd</sup> December, and that KCC remain extremely committed to the project.

#### **Resolved:**

1. **To Note** the update report on the delivery of the Project
2. **To Note** the increase in Project cost and the updated funding package which is proposed, within section 6 of the report, to meet the increased Project cost.
3. **To Note** the intention for a full business case to be considered by the ITE to confirm that the Project continues to present value for money and that the full funding package is in place for the delivery of the Project.
4. **To Agree** that if the full funding package required to meet the increased total project cost cannot be confirmed by the 14th February 2020, the current £14m LGF allocation to the Project may be reallocated to Projects included on the LGF3b single pipeline.

### 10 **A13 Widening Update**

The Board received a report from Paul Rogers, Thurrock Council which was presented by Rhiannon Mort, the purpose of which was to provide the Board with an update on the A13 widening project (the Project).

Councillor Gledhill spoke in support of the project and confirmed that progress was being made.

Councillor Finch stated that it would be helpful for the Board to have sight of the audit report and of any overspend that occurs.

#### **Resolved:**

**To Note** the update report on the A13 widening Project.

### 11 **Local Growth Fund Capital Programme Update**

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

#### **Resolved:**

1. **To Agree** the changes to 2019/20 LGF spend forecast, as set out in Appendix 2.
2. **To Note** the deliverability and risk assessment, as set out in Appendix 3.
3. **To Agree** that the funding conditions in relation to Beaulieu Park have been satisfied, to enable a grant agreement to be put in place for the transfer of the £12m LGF award to the project.

## 12 **Growing Places Fund Update**

Geoff Miles left the room due to his previously made declaration of interest. This item was chaired by Lucy Druesne as the Vice Chair.

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

### **Resolved:**

**To Note** the updated position on the GPF programme.

## 13 **SELEP Operations and Assurance Framework 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 risk management and updates on items of governance. The financial update was included in a separate report.

In response to a question from Graham Razey, Adam Bryan gave the Board an update regarding representations that are being made across the LEP network to Central Government in order to obtain a clear directive for the future.

### **Resolved:**

1. **To Note** the risk register at Appendix A and the update included in the report; and
2. **To Note** the update on the LEP Review and Assurance Framework

## 14 **SELEP Finance Update**

The Board received a report from Lorna Norris, Senior Finance Business Partner, and Suzanne Bennett the purpose of which was for the Board to consider the latest financial forecast position for the SELEP Revenue budget for 2019/20. In addition, an outline budget for 2020/21 has been produced based on current best knowledge of funding streams in 2020/21.

The Board expressed some concerns regarding the 2020/21 finances and the low level of reserves forecast by the end of 2020/21. In order to provide

assurance, Suzanne offered to carry out an assessment at the end of the current financial year and to report this back to the Board.

**Resolved:**

- 1 **To Note** the half year forecast revenue outturn position for 2019/20 of an under spend of £294,000;
- 2 **To Approve** the outline revenue budget for 2020/21 set out in Table 4 of the report;
- 3 **To Confirm** that Local Authority partners will continue to provide revenue support and match for core funding in 2020/21 as set out in 4.4 of the report; and
- 4 **To Note** the planned level of reserves held by the end of 2020/21 are proposed to be £165,000 which is the minimum recommended level.

**15 A28 Sturry Link Road Update**

The Board received a report (Appendix 1 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.

**Resolved:**

1. **To Note** the latest position on the delivery of the Project;
2. **To Agree** that LGF spend on in delivery of the Project will remain on hold until the Board is satisfied that the Project risks have been sufficiently mitigated and a full funding package is in place to deliver the Project; and
3. **To Agree** that if satisfactory progress has not been made towards securing the full funding package by its next meeting, as set out in section 7 of the report, the Board will be asked to consider the reallocation of LGF at its next meeting on the 14th February 2020.

**16 Discovery Park Growing Places Fund update**

The Board received a report (Appendix 1 was considered under Exempt items) from David Smith, Kent County Council (KCC) the purpose of which was to provide the Board with an update on the delivery of the Discovery Park project (the Project)

**Resolved:**

1. **To Agree** that interest is charged on the £5.3m GPF loan. The exact interest rate will be determined by KCC in accordance with the methodology set out in the attached confidential appendix.

2. **To Agree** that the rate of interest will be confirmed to the SELEP Accountable Body prior to the legal agreement being signed between KCC and the Midos Group, and the interest will be repaid to Essex County Council (ECC), the SELEP Accountable Body, to be reinvested in SELEP projects.

3. **To Agree** an extension of the deadline for the legal agreement to be entered into between KCC and the Midos Group from 31st January 2020 to 31st March 2020. If the legal agreement between KCC and the Midos Group has not been entered into by 31st March 2020, the GPF must be returned in Q1 2020/21 to ECC, as the Accountable Body for SELEP, for investment in new GPF pipeline projects

4. **To Note** KCC's intention to charge an additional 5% administration fee (£265,000) to cover the activities described in section 6 of the report.

5. **To Note** KCC's intention to write to the Midos Group to provide notification to the applicant of the intention to charge market rate interest and for an administration fee to apply. A deadline of the 1st December 2019 will be set for the developers to confirm whether the Midos Group wish to proceed with the loan.

6. **To Agree** that if confirmation is not received from the Midos Group by the 1st December 2019, as set out in 2.1.5 of the report, the Project will be removed from the GPF programme and funding must be returned to ECC, as the SELEP Accountable Body, by 31st January 2020.

7. **To Note** that a Variation to the Credit Agreement between KCC and ECC, as SELEP Accountable Body, is required to incorporate the changes set out in this report.

## 17 **Date of next meeting**

The Board noted that the next meeting will take place on Friday 14th February 2020 at High House Production Park.

There being no urgent business the meeting closed at 12.10 pm

The Chair offered his thanks to Graham Razey who will be stepping down as a member of the Board.

He further advised that due to the restructuring of the chairmanship this may be his last or penultimate Board meeting. He wished to offer his thanks to the Board for its support.

Cllr David Finch, on behalf of the Board offered his thanks to Geoff Miles for his Chairmanship.

## 18 **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.

**19 A28 Sturry Link Road CONFIDENTIAL APPENDIX 1**

The Board considered A28 Sturry Link Road CONFIDENTIAL APPENDIX 1 (minute 15 above refers)

**20 Discovery Park Growing Places Fund update CONFIDENTIAL APPENDIX**

The Board considered Discovery Park Growing Places Fund update CONFIDENTIAL APPENDIX 1 (minute 16 above refers)

**Chair**