
Minutes of the meeting of the SELEP Accountability Board, held online on Friday, 16 October 2020

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-on Sea Borough Council
Cllr Mark Coxshall	Thurrock Council
Rosemary Nunn	Higher Education representative
Simon Cook	Further Education/Skills representative

Also Present:

Marwa Al-Qadi	East Sussex County Council
Suzanne Bennett	SELEP
Amy Bernardo	Essex County Council
Stephen Bishop	Steer
Adam Bryan	SELEP
Chris Broome	Sea Change Sussex
Lee Burchill	Kent County Council
Joanne Cable	Medway Council
Howard Davies	SELEP
Richard Dawson	East Sussex County Council
Helen Dyer	SELEP
Vimbai Foroma	SELEP
Amy Ferraro	SELEP
James Harris	East Sussex County Council
Ian Lewis	Opportunity South Essex
Gary MacDonnell	Essex County Council
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	SELEP
Tim Rignall	Southend Borough Council
Alex Riley	SELEP
Christopher Seamark	Kent County Council
Peter Shakespear	Essex County Council
Jo Simmons	SELEP
Lisa Siggins	Essex County Council
Jess Steele	White Rock Neighbourhood Ventures
Stephen Taylor	Thurrock Council
Laura Willis	Essex County Council
Katherine Wyatt	SELEP

1 Welcome and apologies for absence

The following apologies were received.

- Cllr Rob Gledhill substituted by Cllr Mark Coxshall
- Cllr Keith Glazier substituted by Cllr Rupert Simmons

2 Minutes 18.09.20

The minutes of the meeting held on Friday 18th September were agreed as an accurate record.

3 Declarations of interest

Councillor Rupert Simmons declared a non-pecuniary interest in relation to the Fast Track Business Solutions for the Hastings Manufacturing Sector project which was considered under agenda item 5. He did not speak to the project or vote on the agenda item.

4 Questions from the public

Submitted by Andrea Needham, a local resident:

“In December 2012, SELEP issued a press release in which it said that the North Queensway Innovation Park in Hastings had 'the potential of creating 865 jobs'.

“In Sept 2015, Seachange Sussex claimed on their website that the site would provide 'space for up to 300 employees in total'.

“So far, no jobs have been created. However, SELEP is now planning to award Seachange Sussex a further £3.5m for the site, which according to documents to be presented to the accountability board meeting on 16 October is now expected to create 75 jobs.

“Given that Seachange was given a £1.5m loan (£0.5m of which remains outstanding) for the project some eight years ago, with a view to creating 865 jobs, but has created none at all, how can SELEP justify giving the company a further £3.5m of public money for the same project?”

Response:

A £1.5m GPF loan was awarded to East Sussex County Council for the North Queensway project. The funding was awarded to bring forward site access and enabling infrastructure. The indirect jobs that could be created once the site was fully developed were estimated to be 865. The works funded by the GPF loan have been completed but there have been delays to the development of the site due to unforeseen problems with drainage and consequent planning issues. This Board has been informed that Sea Change are taking steps to address these issues and the full development of the site is still expected to happen and that development is still expected to deliver the 865 indirect jobs.

The £3.5m GBF investment brings forward part of the development of the site. Whilst it is still anticipated that private investment will deliver the development of the site, the GBF investment is expected to bring forward a proportion of the 865 jobs more quickly. The GBF investment was identified due to a pressing need for modern manufacturing space in the area and to assist with COVID19 recovery. The award of the funding from SELEP is being made to East Sussex County Council.

“Secondly, what comeback will there be if Seachange, having taking £4m of public money for the project (£3.5m from the Getting Building Fund plus £0.5m which may never be repaid from the previous loan) fails to create even the latest prediction of 75 jobs? Will Seachange be required to repay the money?”

Response:

All funding issued by Essex County Council on behalf of SELEP is done so under a legal agreement with the recipient. Getting Building Fund legal agreements have not yet been finalised and therefore we cannot comment on the provisions therein at this time.

For all capital investment schemes, there is a requirement to develop a Benefits Realisation Plan which is embedded within the business case submission. The Benefits Realisation Plan monitors the impacts of the project for up to a 5 year period post-completion. This will include monitoring of the number of jobs created. All of this information is reported back quarterly to the South East Local Enterprise Partnership Accountability Board and Strategic Board.

5 Award of Getting Building Fund funding

The Board received a report (Appendix D was considered under Exempt items) from Helen Dyer, SELEP Capital Programme Officer, the purpose of which was to allow the Accountability Board (the Board) to consider the award of £13.803m Getting Building Fund (GBF) to the seven projects (the Projects)

detailed at Appendix B of the report. The Projects are included in the £85m package of 34 projects agreed with Government in July 2020.

Steven Bishop, Independent Technical Evaluator, gave the Board details regarding the business case assessments for each of the seven projects.

The Board were advised that a further 26 projects would be brought before the Board for consideration at the November Board meeting.

Councillor Chambers spoke in support of Britton Farm Redevelopment: Learning, Skills and Employment Hub project, stating that it was an innovative scheme and was more important than ever at the current time.

Councillor Simmons stated that he was in favour of all the projects but also spoke in support of Restoring the Glory of the Winter Garden project. He advised that this was of enormous advantage to Eastbourne and the surrounding areas.

Simon Cook questioned why all GBF projects were not being considered at the same time, and whether there was a risk to the second tranche funding due to be received by SELEP in 2021/22..

Rhiannon advised that the remaining projects are still undergoing the required assessments of the Independent Technical Evaluator. With regards to the risk to funding, Rhiannon acknowledged that funding had been allocated but not actually confirmed. It was however felt that the associated risk was relatively low and Local Growth Fund has previously been awarded on a similar basis.

In response to a Member question, Steven Bishop, as the Independent Technical Evaluator gave the Board some clarification regarding the Winter Garden project, with confirmation given that it was in fact a flexible space and the investment was expected to achieve value for money.

Councillor Gough raised a query in respect of the Growing Places Fund (GPF) funding in connect with The Observer Building, Hastings (Phase 1b). Helen Dyer confirmed that the second GPF funding will still be sought for different phases of the project.

Resolved:

1. **To Approve** the award of:

1.1 £680,000 GBF to support the delivery of the Acceleration of full-fibre broadband deployment in very rural or very hard to reach premises project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.2 £1,990,000 GBF to support the delivery of the Britton Farm Redevelopment: Learning, Skills and Employment Hub project as set out in Appendix C of the report, which has been assessed as offering High value for

money with High certainty of achieving this.

1.3 £1,820,000 GBF to support the delivery of the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach premises project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.4 £3,500,000 GBF to support the delivery of the Fast Track Business Solutions for the Hastings Manufacturing Sector project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.5 £1,600,000 GBF to support the delivery of the Restoring the Glory of the Winter Garden project as set out in Appendix C of the report, which has been assessed as offering High value for money with High/Medium certainty of achieving this.

1.6 £1,713,000 GBF to support the delivery of The Observer Building, Hastings (Phase 1b) project as set out in Appendix C of the report, which has been assessed as offering High value for money with High certainty of achieving this.

1.7 £2,500,000 GBF to support the delivery of the Extension of the existing ASELA LFFN project as set out in Appendix C of the report, which has been assessed as offering High value for money with Low certainty of achieving this.

2. **To Note** that the award of GBF funding to the above projects is subject to sufficient GBF being received by SELEP from Central Government.

6 **Beaulieu Station Project Update**

The Board received a report (Appendix A was considered under Exempt items) from Howard Davies, Capital Programme Officer, the purpose of which was for the Board to receive an update on the delivery of the Beaulieu Station project (the Project), Chelmsford, Essex.

Howard Davies and Gary MacDonnell, Essex County Council (ECC), outlined the difficulties encountered. The Board were advised that there were operational risks that ECC were uncomfortable with taking responsibility for.

Councillor Finch advised that this was a major project and that there was an issue in terms of expectation. He explained that negotiations were taking place with Network Rail and Department for Transport, he stressed that he had every confidence that the project would be delivered on time and within budget.

Resolved:

1. **To Note** the latest position on the delivery of the Project

2. **To Agree** a further update report should be presented to Board in February 2021

7 **Reallocation of LGF Funding**

The Board received a report from Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the reallocation of Local Growth Fund (LGF) from the following two projects to the LGF project pipeline;

- Tilbury Riverside
- Southend Forum 2

Councillor Woodley spoke in relation to Southend Forum 2 project, stating that this was an unfortunate effect of Covid-19, but that the return of the funding would provide opportunities for others.

With regards to Tilbury Riverside, Councillor Coxshall advised that this was the result of budget constraints and he apologised that the funding was not able to be reallocated sooner.

The Chair added her thanks for the honesty of all those involved in the two projects.

Resolved:

1. **To Agree** the reallocation of the total award of LGF to the Tilbury Riverside project of £2,360,000 be returned to the LGF project pipeline
2. **To Agree** that the £52,595 LGF already transferred to Thurrock Council to date in relation to the Tilbury Riverside projects must be returned to the SELEP Accountable Body.
3. **To Agree** the reallocation of the total award of LGF to the Southend Forum 2 project of £6,000,000 be returned to the LGF project pipeline.
- 4 **To Agree** that the £2,106,652 LGF already transferred to Southend on Sea Borough Council to date in relation to the Forum 2 projects must be returned to the SELEP Accountable Body.
- 5 **To Agree** that the LGF funds in recommendations 2 and 4 above are to be returned to the SELEP Accountable Body, in advance of the end of this calendar year in order that potential pipeline projects can be advanced.

8 **SELEP COVID-19 Business Support Fund**

The Board received a report from Jo Simmons, SELEP Business Development Manager, the purpose of was to allow the Board to agree to award £2.4m to the COVID-19 Business Support Programme (the Programme) and to delegate decision making authority to the SELEP Chief Executive Officer in respect of delivery of the Programme.

Councillor Gough raised concerns that the timescales set out in the report did not address the concerns raised by the Strategic Board. This was clarified by Jo Simmons, with reference to balancing feedback received and a 4-week bidding window incorporated into the process.

Simon Cook asked for clarification that there would not be any duplication in respect of other Government funding being offered. Jo Simmons advised that there was confidence that there was a clear case for funding for the visitor economy and that analysis has been done to align with other areas of funding.

Resolved:

1. **To Agree** the award of £2.4m to the Programme, based on the case for investment set out in section 4 of the report
2. **To Agree** the proposed procurement approach for the delivery of £2.365m through a new single tender framework comprising three individual Lots
3. **To Agree** to £35,000 of the £2.4m funding pot to be used for project management resource
- 4 **To Agree** to delegate authority to the SELEP Chief Executive Officer, to sign off the award of contracts for each project within the Programme
- 5 **To Agree** to delegate authority to the SELEP Chief Executive Officer to amend the value of funding identified for each project within the Programme by up to £100,000 if so required, subject to:
 - 5.1 The total value of investment remaining within the total £2.365m budget allocated to the Programme;
 - 5.2 The minimum project benefits, set out in Table 1 of the report, still being achieved; and
 - 5.3 Ensuring the maximum value of any project 'package' included in the Programme does not exceed £1m
- 6 **To Note** that the procurement of the projects included within the Programme will be completed in accordance with Essex County Council procurement advice and regulations.

9 Date of next meeting

The Board noted that the next meeting will take place on Friday 20th November 2020 online.

There being no urgent business the meeting closed at 11.18 am

10 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.

11 Award of Getting Building Fund funding CONFIDENTIAL APPENDIX D

The Board noted Award of Getting Building Fund funding CONFIDENTIAL APPENDIX D.

12 Beaulieu Station CONFIDENTIAL APPENDIX A

The Board noted Beaulieu Station CONFIDENTIAL APPENDIX A.

Chair