



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

STRATEGIC BOARD AGENDA PACK

Friday 19th March 2021
Zoom Video Conference



Agenda

Item 1	10:00	Welcome	Chris Brodie	
Item 2	10:05	Minutes from 29 January meeting Declarations of Interest Matters arising: including evolution of LEPs	Chris Brodie and Adam Bryan	Pg. 3
Item 3	10:15	Appointment of Directors and Confirmation Statement Resolution: to appoint one new permanent Director and four Co-opted Directors and agree the Confirmation Statement	Suzanne Bennett	Pg. 4
Item 4	10:20	Recovery and Renewal Strategy Decision: to agree to adopt the Recovery and Renewal Strategy	Helen Russell and Sharon Spicer	Pg. 7
Item 5	10:50	South East LEP Skills Report Decision: to approve the SELEP Skills Report for submission to DfE	Louise Aitken	Pg. 10
Item 6	11:05	Getting Building Fund Pipeline Decision: to agree a prioritised pipeline of projects for the Getting Building Fund	Rhiannon Mort	Pg. 13
Item 7	11:15	LGF Update and Spend beyond the Growth Deal Period Decision: to agree spend beyond the Growth Deal Period for two projects	Rhiannon Mort	Pg. 17
Item 8	11:25	SSF Endorsements Endorse: to endorse investment in one project	Adam Bryan	Pg. 22
Item 9	11:35	Delivery Plan and Update Decision: to agree to adopt the Delivery Plan for 2021/22	Suzanne Bennett	Pg. 25
Item 10	11:45	SLA with Accountable Body Decision: to agree to enter into the SLA for 2021/22	Suzanne Bennett	Pg. 30
	12:00	AOB & Close		

For information item:

SME Internationalisation Support in Kent – SIE Project Update

Future Strategic Board meeting dates:

25 June, 1 October, 10 December, 18 March 2022



Minutes of Strategic Board: 29th January 2020

This meeting was held as video conference and a recording can be found [by clicking here](#); the timestamp of the start of the discussion for each item is indicated in brackets.

Item 1: Welcome and introduction

- 1.1. Chris Brodie welcomed the Board to the virtual meeting.

Item 2: Minutes of last meeting, declarations of interest, matters arising (1'25" timestamp on video)

- 2.1. The Board agreed the minutes of the last meeting.
- 2.2. The following interests were declared:
 - i) Perry Glading declared in advance of the meeting a pecuniary interest in the Port of Dover; he has decided therefore to not participate in the meeting;
 - ii) Angela O'Donoghue declared a non-pecuniary interest in the Thames Freeport Bid;
 - iii) Carol Barron declared a non-pecuniary interest in the Port of Dover and Eurotunnel proposal;
 - iv) Cllr Coxshall declared a non-pecuniary interest in the Thames Freeport Bid;
 - v) Cllr Monk declared a non-pecuniary interest in the Port of Dover and Eurotunnel proposal; and
 - vi) Cllr Gough declared a non-pecuniary interest in the Port of Dover and Eurotunnel proposal.

Item 3: Freeport Bid Endorsement (3'30" timestamp on video)

- 3.1. Alex Riley presented the report to the Board.
- 3.2. The Board endorsed the Freeport East bid as detailed in Appendix A of the report, noting that this will supplement principal endorsement of the bid by New Anglia LEP expected on 27 January 2021.
- 3.3. The Board endorsed the Thames Freeport bid as detailed in Appendix B of the report.
- 3.4. The Board endorsed the approach of the Port of Dover and Eurotunnel to develop a submission for a Global Trade and Innovation (GTI) Zone - with the Board to consider endorsement of a finalised submission at an appropriate future meeting of the Strategic Board.
- 3.5. Cllr Coxshall raised the importance of collaboration across LEPs during the bidding process.

Item 4: AOB and Close (12'20" timestamp on video)

- 4.1. Chris Brodie closed the meeting.



Item 3: Appointment of Directors and Confirmation Statement

Executive Summary

1. Overview

- 1.1. South East LEP Ltd was registered with Companies House on 28 February 2020 (confirmed on 2 March) and in line with the Articles of Association adopted at that time, it is necessary for the South East LEP Ltd Board of Directors to take a resolution to appoint Co-Opted Directors every year.
- 1.2. The South East LEP Ltd granted a Power of Attorney to the Chief Executive and Chief Operating Officers of the LEP; it was agreed that the decisions made under this agreement shall be reported back to the Board at every meeting. This log can be found at Appendix A.

2. Decisions: Board is recommended to:

- 2.1. The Board is asked to resolve:
 - 2.1.1. that Cllr Ron Woodley be appointed as a permanent Director of South East LEP Ltd;
 - 2.1.2. that Cllr Trevor Bartlett be appointed as a Director of South East LEP Ltd for the period of 12 months from 1 April 2021;
 - 2.1.3. that Professor Karen Cox should continue as a Director of South East LEP Ltd for another 12 months from 1 April 2021;
 - 2.1.4. that Angela O'Donoghue should continue as a Director of South East LEP Ltd for another 12 months from 1 April 2021; and
 - 2.1.5. that Penny Shimmin should continue as a Director of South East LEP Ltd for another 12 months from 1 April 2021.
- 2.2. The Board is asked to approve the filing of the Confirmation Statement in Appendix B to the Registrar of Companies House.
- 2.3. The Board is asked to note the resignation of Cllr Ian Gilbert, effective 1st February 2021.
- 2.4. The Board will also be asked to appoint the City/Borough/District representative for the Essex Local Authority area; this nomination was not received by the deadline or in time for inclusion in this report and will therefore follow as an addendum.

3. Rationale for Decisions

- 3.1. It was agreed at the October 2019 meeting of the Board that five Directors would be appointed on an annual basis, for a period of 12 months. These Directors would represent the following sectors:
 - 3.1.1. City/Borough/District Local Authority
 - 3.1.2. City/Borough/District Local Authority
 - 3.1.3. Social Enterprise



3.1.4. Further Education

3.1.5. Higher Education

- 3.2. It was agreed that the 12-month period served would align with the financial and planning year which runs from April to March. Those parties who are responsible for nominating Co-opted Directors have now submitted their nominations for consideration by the Board.

Further Information

4. Decision 1: Resolutions to appoint Directors

- 4.1. Cllr Ian Gilbert representing Southend Borough Council has resigned from the South East LEP Ltd creating a vacancy for a permanent Director; the Council has nominated Cllr Ron Woodley to fill this vacancy.
- 4.2. Nominations have been received for four of the five Co-opted Directors as below:
- 4.2.1. **City/Borough/District Local Authority Co-Opted Director:** it was agreed that this representative would be from Kent for the 2021/22 period. The Kent authorities have nominated Cllr Trevor Bartlett from Dover District Council to be the Co-Opted Director;
- 4.2.2. **Social Enterprise Co-Opted Director:** the Social Enterprise working group has confirmed that they wish Penny Shimmin to continue to represent Social Enterprise as a Co-Opted Director;
- 4.2.3. **Higher Education Co-Opted Director:** the U9 working group made up of the nine universities have confirmed they wish Professor Karen Cox to continue to represent Higher Education as a Co-Opted Director; and
- 4.2.4. **Further Education Co-Opted Director:** the Skills Advisory Group has confirmed they wish Angela O'Donoghue to continue to represent Further Education as a Co-Opted Director.
- 4.3. Confirmation of the nomination of the City/Borough/District Local Authority Co-Opted Director for Essex is now due to be received after the publication of this report. An addendum to the report will be issued once the nomination is received and in advance of the meeting.

5. Decision 2: Agree the Confirmation Statement

- 5.1. The South East LEP Ltd is required to deliver a statement to Companies House to confirm that the company information is up to date in relation to the confirmation period ending on 1 March 2021. This is known as a Confirmation Statement and is required to be delivered at least once a year.
- 5.2. Appendix C sets out the relevant details of the Company from 2 March 2020 to 1 March 2021, which the Confirmation Statement is based on. Since the Company was incorporated on 2 March 2020, there have been no changes to the principal business activities of the Company, which remains as 'other business support service activities not elsewhere classified'. The registered address remains the same. While there have been changes to the directors of the Company over the confirmation period, the Companies House file is up to date.
- 5.3. If the recommendation at 2.2. is approved, the Confirmation Statement (Appendix A) for the period ending on 1 March 2021 will be filed at Companies House to confirm that the information that is held by Companies House is up to date.



6. Next Steps

- 6.1. Cllr Ron Woodley becomes a permanent Director and voting member of the Board as soon as the resolution is taken during the March 2021 meeting.
- 6.2. The Co-Opted Directors will either continue to attend or, in the case of the new Co-Opted Directors, will join their first meeting in June 2021. Co-Opted Directors that were not re-nominated will attend the March 2021 meeting as their last meeting.
- 6.3. The Confirmation Statement will be filed with Companies House along with the required payment of £13 filing fee.

7. Comments from the Accountable Body

- 7.1. The recommendations are appropriate and are in line with the Assurance Framework and the decisions previously agreed by the Board.

Legal implications

- 7.2. The Company will comply with company law requirements in filing the relevant information at Companies House in order to give effect to the recommendations set out in this report. Appointment of directors will be notified to Companies House within 14 days of appointment and the Confirmation Statement will be filed by 12 April 2021.

8. Appendices, Supporting Documents and Previous Decisions

- 8.1. Appendix A: Log of Power of Attorney decisions
- 8.2. Appendix B: Confirmation Statement
- 8.3. Appendix C: Confirmation Statement Information
- 8.4. October 2019 meeting <https://www.southeastlep.com/meetings/selep-strategic-board-meeting-4th-october-2019/>



Item 4: SELEP Economic Recovery and Renewal Strategy

Executive Summary

1. Overview

- 1.1. In December 2020 the Strategic Board (the Board) agreed the framework for the SELEP Economic Recovery and Renewal Strategy, including the priorities and objectives set out within that framework.
- 1.2. The strategy that is now being presented to the Board in this paper has been developed in line with that framework, incorporating the feedback received at the Board meeting on 11 December 2020, as well as additional feedback received from partners through other routes.
- 1.3. An update on the content of the strategy is headlined in this report and the full document is provided in Appendix A.

2. Decisions: Board is recommended to:

- 2.1. **Agree** to adopt the SELEP Economic Recovery and Renewal Strategy (Appendix A) as the overarching strategy for SELEP. If adopted, this strategy will supersede the existing Economic Strategy Statement and will set the LEP's strategic direction and focus and be used as the basis for all future prioritisations of funding allocations.

3. Rationale for Decision

- 3.1. Adopting the Economic Recovery and Renewal Strategy will support the Board in effective and informed decision-making according to local priorities. It will enable the Board to continue to influence Government and stakeholders regarding the most critical issues within the SELEP economy and would support engagement with Catalyst South around clear messaging across the wider region.

Further Information

4. Decision 1: to agree to adopt the SELEP Economic Recovery and Renewal Strategy

- 4.1. The Board is asked to agree to adopt the SELEP Economic Recovery and Renewal Strategy (the Strategy) as set out in appendix A.
- 4.2. The Strategy builds on the draft Local Industrial Strategy and robust evidence base presented to the Board in January 2020, in addition to ongoing economic intelligence on the impact of COVID-19 and recovery planning activities undertaken in each of the four Federated Areas. **It sets out SELEP's priorities for supporting a path to recovery and renewal, including how SELEP will work with partners to understand the impacts of the recent economic crisis, and will be used to direct future decisions and funding investments made by SELEP.**
- 4.3. In January 2021, SELEP also published a Statement of Intent, South East Economy 2021 – Road to Recovery, which sets out the LEP's areas of focus for the year ahead and beyond and references the priorities set out in the Economic Recovery and Renewal Strategy.
- 4.4. There are currently no guidelines set out by Government regarding development of a framework



for economic recovery strategies. This Strategy has therefore been developed based on discussions with Board members, wider stakeholders and our understanding of the approach being taken by other LEPs. It will focus on how SELEP partners can collectively deliver activities and attract and direct resources over the next few years to support the economic recovery and drive future growth.

- 4.5. It has already been agreed by the Board on 11th December 2020 that the strategic framework and priorities on which this Strategy is built would supersede those set out in the Economic Strategy Statement for the purposes of future prioritisation. Therefore, adoption of the Strategy would provide a single agreed document that provides focus for SELEP's activity and actions, for the prioritisation of projects for funding allocations and for any future negotiations with Government. If the Strategy is not agreed at this meeting it is proposed that the previously agreed framework and priorities continue to be used for the purposes of prioritisation until a new strategy is in place. This will not affect any funding allocations for which prioritisation has already commenced.
- 4.6. The Board should note that beyond SELEP's operational activities in 2021/22, SELEP has not currently identified funding to deliver any interventions or investments that may be agreed as part of the new Strategy. All potential funding and investment opportunities will therefore be considered as part of the delivery of the Strategy.
- 4.7. The Strategy is structured around four strategic priorities:
 - 4.7.1. Business Resilience and Growth;
 - 4.7.2. UK's Global Gateway;
 - 4.7.3. Communities for the Future; and
 - 4.7.4. Coastal Catalyst.
- 4.8. In addition, there are seven objectives which underpin the four priority areas, and which are reflected throughout the Strategy. Within these objectives, the importance of specific issues has been highlighted throughout the development of the Strategy, and so the document also provides a strong **focus on addressing inequalities, putting clean growth and climate change at the heart of what we do, improving digital connectivity and developing a skilled workforce**. The Strategy is set out in full in Appendix A.
- 4.9. Pending agreement from the Board and recognising that achieving the ambitions of the Strategy will require direct action and investment as well as influence and collaboration, the Board may also wish to consider the ways in which SELEP could work with Government and stakeholders to implement the Strategy, as well as how the Strategy can most effectively be used to attract and secure funding. It should be noted that there is currently no confirmed funding to support delivery post 2021/22 and that the final £42.5million of GBF funding is also still to be confirmed. However, the Strategy has been developed in line with the emerging thinking on the new role for LEPs and there will be opportunity to refine these plans as more becomes known about the funding and policy landscape post 2021/22 and as more detailed delivery plans are developed.
- 4.10. Colleagues from Cities and Local Growth Unit have advised that Government is not currently planning to refresh the National Industrial Strategy and has instead published 'Build Back Better: Our Plan for Growth' in March 2021. The three pillars of infrastructure, innovation and skills align well with the content of the Strategy, as do the Government's commitments to:
 - 4.10.1. Level up the whole of the UK;



4.10.2. Support the transition to net zero; and

4.10.3. Support our Vision for Global Britain.

5. Next Steps

- 5.1. If agreed, the Secretariat will finalise the Economic Recovery and Renewal Strategy, providing a shorter version of the agreed content which will appeal to a wider audience. This final version will be published on the SELEP website and shared with partners and the Cities and Local Growth Unit. The document will be used to inform any future decision making, investments and discussions with Government. Delivery plans will be produced over coming months, building on the content agreed by the Board and dependent on emerging policy and funding developments. Further updates on the development of these plans will be provided to the Strategic Board in June.

6. Comments from the Accountable Body

- 6.1. As set out in the Assurance Framework, the SELEP is required to develop, maintain and deliver an Economic Strategy Statement (ESS). The implementation and delivery of the Recovery and Renewal Strategy in 2021/22 which will replace the existing ESS, will be subject to receipt of additional funding from Government to support this work. At this time this funding is not confirmed.
- 6.2. The Recovery and Renewal Strategy references the Getting Building Fund (GBF) to deliver many key capital projects by March 2022. At this time the second tranche of GBF funding is not confirmed which places delivery of these projects at risk. This funding is conditional on the outcome of the Annual Performance Review, the outcome of which is expected in May 2021.
- 6.3. The Accountable Body supports the proposed lessons learned exercise to assess the performance of the LGF programme and to understand further the reasons for delays in projects, as covered in Agenda item X, Spend beyond the Growth Deal period. The outcome is relevant to the risk for Getting Building Fund projects and the impact to the success of the Delivery Plan. A factor which has been repeatedly highlighted by the Accountable Body, is in relation to the way in which Local Growth Funding and Getting Building Funding has been allocated to SELEP by Government; in particular with respect to the following factors:
- 6.3.1. allocation of funding not in alignment with local spend profiles, but Government placing a contingency of spend on award of funding in the subsequent year;
 - 6.3.2. award of Capital funding on an annual basis, which has built increased risk and delay into the process; and
 - 6.3.3. insufficient advance notice with regards to the availability of new funding streams; this builds risk to effective delivery and discourages re-prioritisation of funding awards where there isn't a clear investment pathway from Government.
- 6.4. The value in undertaking a cross-SELEP lessons learnt exercise will be in providing a clear evidence base to support investment decisions and effective delivery, to underpin the recovery across the SELEP geography.

7. Appendices, Supporting Documents and Previous Decisions

- 7.1. Appendix A: SELEP Recovery and Renewal Strategy
- 7.2. For further details contact: Sharon Spicer and Helen Russell – Strategy and Intelligence Managers.
Sharon.spicer@southeastlep.com / helen.russell@southeastlep.com



Item 5: South East LEP Skills Report

Executive Summary

1. Overview

- 1.1. The SELEP Skills Strategy was agreed by Strategic Board (the Board) and launched in 2018. The national policy of the establishment of Skills Advisory Panels was introduced in 2019 and the SELEP Skills Advisory Panel (SAP) was launched in the October of that year.
- 1.2. The role of the SAP is to strengthen the link between public and private sector employers, local authorities, colleges, training providers and universities and to pool knowledge on labour market needs. The Department for Education (DfE) provides funding for the SAP via revenue grant.
- 1.3. In 2020, the DfE confirmed that all Panels would be required to produce a Skills Report by the end of March 2021. The intention of these reports is to bring together local skills needs, strategies and plans into one document.
- 1.4. The Department for Education provided feedback on the report in February indicating areas needing clarification or expanding, which has been incorporated.

2. Decisions: Board is recommended to:

- 2.1. Note the update on the Skills activities of the LEP and progress against the Skills Strategy and **approve** the SELEP SAP Skills Report for submission to the Department for Education (DfE) by the 31st March 2021 deadline.

3. Rationale for Decisions

- 3.1. There has been significant activity to deliver the priorities of the Skills Strategy (the Strategy) since its launch in 2018. Progress against the Strategy was due to be reported to Strategic Board during 2020 but prioritisation of Covid19 response work has meant this update was delayed. The drafting of the Skills Report has offered an opportunity to provide a detailed update for the Board and to set out next steps, including closer links between the SAP and the Board.
- 3.2. The deadline for the Skills Report to be submitted to the DfE is 31st March 2021. Therefore, approval is required to meet this deadline.

Further Information

4. Decision 1: Approve the SELEP SAP Skills Report

- 4.1. Local Skills Reports build on existing evidence bases and flag local skills priorities to the national-level Skills and Productivity Board, who will use them to support assessing the nation's skills challenges. They will also provide a basis for new Skills Improvement Plans, set out in the government's 'Skills for Jobs' White Paper.
- 4.2. The SELEP Skills Report (the Report) includes an introduction to the SAP, information on the skills strengths and needs, information on the Strategy and associated action plans, an assessment of progress against the Strategy and next steps. It also includes some case studies and positive impact stories. SAP members have received a draft of the report and endorsed this.
- 4.3. The Report sets out the challenges for the South East, including skills levels that are lower than

the national average at all levels. It also provides information on the opportunities and growth areas and the increasing requirement for a skilled workforce to deliver these investments.

- 4.4. The Report provides details on how skills are a key enabler across national and local policies, including Freeports, Institutes of Technology and Towns Funds and how SELEP and the SAP is engaging with these policies.
- 4.5. An assessment of the relevance of the priorities of the Skills Strategy was made during the year and the Report sets out the findings. It also includes an update on progress against the action plan that was put into place to deliver the Strategy.
- 4.6. The Skills Report is an opportunity to set out useful data across the SELEP (which will be broken down at district level where possible). This includes tables showing that skills levels have generally improved since the Skills Strategy was produced, but level 4 (degree) level skills are still below the national average. Data also shows that sectors showing the most jobs growth are care, health, teaching and managerial roles and 25% of vacancies are hard to fill due to skills shortages. Data sets include GVA, employment, earnings, benefits, skills and apprenticeship information.
- 4.7. Further information on Skills Advisory Panels and the Skills Reports is available at <https://www.gov.uk/government/publications/skills-advisory-panels>. Comments and feedback from the Skills Advisory Panel and Skills Working Group have been also been incorporated.

5. Next Steps

- 5.1. If approved, the Skills Report will be submitted to the DfE by 31st March. The published version will be shared with the Board and posted on the South East Skills and SELEP websites. The Board will be informed as to progress against the Report action plan and there will also be a refresh in November 2021.
- 5.2. During 2021/22 links between the SAP and the Board will be strengthened and more frequent reporting on progress to the Skills Strategy will be made. Alignment between the priorities of the Skills Strategy and the Recovery and Renewal Strategy will also be a key consideration for the development of activities in the forthcoming year.

6. Comments from the Accountable Body

- 6.1. The skills report includes an extensive action plan that is expected to be supported primarily through a Skills Advisory Panel grant from the Department for Education (DfE) of £75,000, plus resources from the wider SELEP budget and potentially from the wider skills community involved in the SAP.
- 6.2. Formal confirmation from the DfE of the continuation of the grant to support SAPs into 2021/22 has yet to be confirmed by Government; delivery of some of the action plan included in the report will be impacted if this funding isn't secured. Should the SAP grant not be received, it is expected that the Action Plan will be reviewed to determine the priority activities that can be delivered in 2021/22 with the available resources. This will need to form part of the wider review of the SELEP budget planned in early 2021/22 to understand the impact of specific grant allocations following their confirmation, or otherwise, by Government. This is another example of where the delay in confirmation of grants by Government is impacting on the effectual operation of the LEP.



7. Appendices, Supporting Documents and Previous Decisions

- 7.1. The Skills Report is included as Appendix A. Annex A of the Skills Report includes information and data provided by the DfE and Annex B enables the inclusion of additional information, such as skills forecasts being gathered from the major projects across SELEP and vacancy information.
- 7.2. The Board approval for the original SELEP Skills Strategy 2018-2023 is as per the Board papers and minutes at <https://www.southeastlep.com/meetings/selep-strategic-board-meeting-june-29th-2018/>
- 7.3. For further details contact: SELEP Skills Lead, Louise Aitken (louise.aitken@southeastlep.com)



Item 6: Getting Building Fund Pipeline

Executive Summary

1. Overview

- 1.1. The Strategic Board (the Board) is asked to consider and agree a ranked project pipeline for the Getting Building Fund (GBF). A draft pipeline of projects has been developed in accordance with the process agreed by the Board in December 2020, including consideration by Federated Boards.
- 1.2. The pipeline includes projects which were previously endorsed by the Board and included in the submission to Central Government in June 2020 but were unsuccessful in securing funding.
- 1.3. The Board is asked to agree how the £1.019m GBF which is currently unallocated should be prioritised and to agree a ranked pipeline of projects should further GBF become available for alternative investment, through the cancellation of an existing GBF project.

2. Decisions: Board is recommended to:

- 2.1. **Agree** a prioritised Getting Building Fund (GBF) project pipeline (a recommended pipeline is set out in Table 1).

3. Rationale for Decisions

- 3.1. There is currently an unallocated GBF balance of £1.019 million. This has increased from the £1.009 million available at the time of the last Board meeting, due to the amount of GBF sought for the Laindon Place project having reduced from £800,000 to £790,000.
- 3.2. There are also three projects included within the programme with outstanding funding conditions to be met prior to the project being able to proceed. The funding conditions for the Swan Modular Housing Factory are due to be addressed at the Accountability Board meeting on 12 March 2021 and a verbal update will be provided at the Strategic Board meeting. If planning consent is not secured for the Jaywick Market and Commercial Space project or the Better Queensway project, a further £6.172m GBF may be returned for alternative investment.
- 3.3. All projects are required to spend the GBF by 31 March 2022 and as such the prioritisation of projects for the GBF pipeline has focused on deliverability.
- 3.4. Each federated area was asked to identify their highest priority few projects from the original GBF project list sent to Government totalling £500m, for inclusion in the GBF pipeline. Federated areas were asked to follow an approach proportionate to the limited amount of GBF currently available for reinvestment. Table 1 sets out a **draft** recommended ranked pipeline for consideration by the Board.



Further Information

4. Decision 1: Agree a prioritised GBF project pipeline

- 4.1. In December 2020, the Board agreed a process for the prioritisation of GBF projects. This focused on an initial sifting of projects against seven pass/fail questions. The pass/fail eligibility questions are as follows:
 - 4.1.1. Does the project meet the objectives set by Government for the funding stream?
 - 4.1.2. Will the project be able to spend their full GBF allocation by March 2022?
 - 4.1.3. Has the full funding package (bar any additional GBF ask) been confirmed?
 - 4.1.4. Do you expect the project have a BCR of 2:1 or greater or meet VfM Exemption 1 of the Assurance Framework?
 - 4.1.5. Has planning permission been granted, if required?
 - 4.1.6. Are there any outstanding decisions that need to be made by either the scheme promoter or other external partner organisations?
 - 4.1.7. If the project is at the top of the priority list, are the scheme promoters happy to develop a business case at risk of not receiving funding?
- 4.2. Of the 10 projects brought forward by Federated Areas, two projects were found not to be eligible for this funding opportunity: namely Loughton Library and Purford Green. This is due to planning consent being required for Loughton Library and Purford Green. The Loughton Library project is also unable to spend the GBF in full before 31 March 2022.
- 4.3. The eight projects which were successful in meeting the pass/fail questions have been scored based on the agreed prioritisation criteria. Each project has received a 1-5 score (where '1' represents best performance and '5' the worst) against the following criteria:
 - 4.3.1. fit with SELEP priorities and objectives;
 - 4.3.2. expected project completion date;
 - 4.3.3. pace of benefit realisation;
 - 4.3.4. date the construction contract is due to be awarded;
 - 4.3.5. Federated Board ranking.
- 4.4. Where there has been a tie in the scoring of projects, they have been further differentiated by the scale of benefits. Further information on the scoring is set out in Appendix A.
- 4.5. Given the requirement to spend the GBF in full by 31 March 2022, the criteria for prioritising the projects has focused heavily on deliverability and, as such, the project list predominantly consists of smaller scale 'quick-wins'.
- 4.6. An initial draft list of projects is set out in Table 1 below, for consideration by the Board.
- 4.7. Based on the scoring of the project against the criteria in 4.3, the Charleston Access Road and Princess Alexandra Hospital project have achieved a lower (better) score with 8, relative to the Innovation Park Medway, with a score of 9. This is due to the benefits of the Innovation Park Medway taking two years to be delivered, whilst the Charleston Access Road and Princess Alexandra Hospital will start to deliver benefits within one year. However, the scale of benefits for

the Innovation Park Medway, at 315 jobs, by far exceeds the employment benefits associated with the next two projects on the pipeline.

- 4.8. As the primary aim of the GBF investment is “to stimulate jobs and support economic recovery” it is suggested that the Board may want to support the Innovation Park Medway ahead of the Princess Alexandra Hospital project, which has not identified any jobs outcomes through the GBF investment.
- 4.9. The remaining five projects will form a project pipeline, to proceed should additional GBF become available for investment, through the cancellation of existing GBF projects from the programme.

Table 1 – Draft ranked GBF list

Project	Federated Area	GBF allocation (£)	Jobs created	Other benefits	Federated Area Ranking	Overall score	Cumulative total funding ask (£)
Project to be supported with initial £1.019m available for investment							
Innovation Park Medway - Sustainable City of Business	KMEP	778,323	315	3640sqm commercial floorspace 0.46km of new roads/cycle paths	1	9	778,323
Charleston's access road: removing the barrier to growth	East Sussex	240,677	11	1km road resurfaced New cycle route connection	1	8	1,019,000
GBF pipeline projects (to be supported if additional GBF becomes available)							
Princess Alexandra Hospital - Relocation of post graduate medical centre	Essex	500,000	0	50 jobs safeguarded 600sqm Commercial floorspace 600sqm new learning floorspace 7250 new learners assisted	1	8	1,519,000
The Amelia Scott	KMEP	1,400,000	309.6	100 safeguarded jobs 643.7sqm commercial floorspace 4068.9sqm learning floorspace 4233 new learners assisted	3	10	2,919,000
TechFort	KMEP	1,009,000	47	2000sqm commercial floorspace 100 businesses assisted 1km new road/cycle path 1990sqm new learning floorspace 1000 new learners assisted 50 super/ultrafast broadband connections	2	10	3,928,000
Seven Sister Country Park Visitor Infrastructure Uplift	East Sussex	200,000	7	2.9 safeguarded jobs 37sqm commercial floorspace 4 businesses assisted 0.1km new road/cycle path 197sqm learning floorspace 3500 new learners assisted 4523kg/co2 emissions	2	10	4,128,000
Food Street	East Sussex	225,000	40	465sqm commercial floorspace	3	14	4,353,000
Station Approach Braintree Station Access	Essex	2,000,000	500	Improvements to enhance access to/from rail station Provide appropriate facilities for non-motorised users/residents One way system to minimise conflict for road users Additional non-motorised user access i.e. contraflow cycle lane Enhanced urban environment including new pedestrianised area and new bus stop facilities	4	17	8,744,145
Projects haven't met the eligibility criteria for inclusion on the GBF pipeline							
Loughton Library	Essex	932,800	108	27 housing units unlocked 27 housing units delivered	2	15	5,285,800
Purford Green	Essex	1,458,345	124	35 housing units unlocked 35 housing units delivered	3	16	6,744,145



5. Next Steps

- 5.1. Projects identified for investment utilising the unallocated GBF funding, are required to develop a business case. This business case will be considered through the Independent Technical Evaluation process before the project is considered for a funding award by the Accountability Board. The next opportunity for the funding award to be considered by the Accountability Board will be 2 July 2021.
- 5.2. The inclusion of the projects in the GBF programme will also require approval by the Cities and Local Growth Unit in Central Government. Approval from Central Government will be sought in parallel to the business case development for the new projects to be included in the GBF pipeline. The approval will need to be in place from Central Government before the funding decision is made by the Accountability Board in July 2021. As the projects were previously included on the GBF pipeline, considered by MHCLG in Summer 2020, we expect the approval will be given by officers in Central Government, rather than requiring ministerial approval.

6. Comments from the Accountable Body

- 6.1. Of the £85m GBF awarded to SELEP, the Accountable Body has received half of this allocation, to support delivery in 2020/21; the remaining £42.5m is an indicative allocation only and remains subject to confirmation by the MHCLG.
- 6.2. All funding allocations approved, therefore, remain subject to receipt of the outstanding £42.5m, which is expected in May 2021.
- 6.3. It is not currently clear if the allocation of the remaining £42.5m will be subject to any additional grant conditions, however, it is anticipated that assurance of spend of the grant by 31st March 2022 will be required, in addition to the commitment to realise the stated benefits and outcomes.
- 6.4. MHCLG require that any changes to the agreed list of GBF projects must be confirmed in writing with MHCLG via the change request process. This includes the addition of new projects to the GBF programme.
- 6.5. Any GBF allocations remain subject to approval from the SELEP Accountability Board, in line with the requirements of the Assurance Framework. Following approval, the funding will be transferred to the lead authority through the grant agreement in place with SELEP Ltd and the Accountable Body.

7. Appendices, Supporting Documents and Previous Decisions

- 7.1. Appendix A: Assessment of projects
- 7.2. Appendix B: Full list of eligible GBF projects, as considered by SELEP Ltd in June 2020
- 7.3. For further information please contact Katherine Wyatt, Capital Programme Officer (Katherine.Wyatt@southeastlep.com)



Item 7: LGF update and Spend beyond the Growth Deal Period

Executive Summary

1. Overview

- 1.1. This report provides the Strategic Board (the Board) with details of projects where Local Growth Fund (LGF) spend is expected to extend beyond the Growth Deal period. The report also provides an update on the overall position of the programme and high-risk projects within the programme.
- 1.2. The Board is asked to approve the spend of any LGF beyond the 30 September 2021. There are two projects brought forward for consideration by the Board for LGF spend beyond this date at this meeting. This increases the total number of projects due to spend LGF beyond 30 September 2021 to 18.

2. Decisions: Board is recommended to:

- 2.1. **Agree** LGF spend beyond 30 September 2021 for the following two projects:
 - 2.1.1. Grays South, Thurrock
 - 2.1.2. Colchester Grow on Space, Essex
- 2.2. **Note** the cancellation of the Basildon Innovation Warehouse Project from the LGF programme

3. Rationale for Decisions

- 3.1. In total, 83.7% of SELEP's £578.935 million LGF programme has been spent to date, leaving £94.388 million LGF to be spent beyond 31 March 2021. This presents a programme and reputational risk for SELEP as a commitment has been provided to Central Government that all LGF funding will be spent by 31 March 2021.
- 3.2. The Board has previously agreed that where a project is reporting LGF spend beyond 31 March 2021, LGF will be transferred to the respective local authority by the end of the financial year. Local authorities can then either hold the LGF as a ringfenced grant or spend the LGF across their wider capital programme as a capital swap. Where LGF has been applied as a capital swap, during the subsequent financial years, local authorities will use their own capital programme to fund spend on the LGF project.
- 3.3. The total LGF allocation to the project remains the same, but this approach can be used to demonstrate that the LGF has been spent in full by the end of 2020/21, whilst still complying with the grant determination letters and enabling the LGF project to proceed beyond 31 March 2021. This mechanism is referred to, through the remainder of this report, as an "Option 4 capital swap".
- 3.4. Following the Accountability Board's agreement on 12 February 2021, the remaining LGF payments are underway where the funding conditions have been satisfied.
- 3.5. For any project spending LGF beyond the 6-month extension (i.e. beyond 30 September 2021) Strategic Board endorsement is required, alongside the approval from the Accountability Board. The transfer of £3.777 million LGF to the Colchester Grow-on-Space project and the remaining

transfer of £5.0 million to Grays South project is therefore subject to Strategic Board endorsement at this meeting.

Further Information

4. Decision 1: Agree LGF spend beyond the 30 September 2021 for the following two projects, listed in 4.2 below:

- 4.1. The Board has previously agreed the extension for 16 projects. There are a further two projects, for which LGF spend has been reported as forecast beyond 30 September 2021.
- 4.2. The Board is asked to approve LGF spend beyond 30 September 2021 for the following two projects:
 - 4.2.1. Grays South; and
 - 4.2.2. Colchester Grow-on-Space

Table 1 Summary of projects seeking approval for LGF spend beyond 30 September 2021

Summary of projects seeking approval of LGF spend beyond 30 September 2021 (£m)							
Project name	Total LGF allocation	LGF spend to end of 2019/20	LGF spend forecast 2020/21	LGF spend forecast 2021/22	LGF spend forecast in 2022/23	Expected completion date in business case	Updated expected completion date
Grays South	10.840	3.659	1.300	5.881	0.000	Feb-24	Jun-24
Colchester Grow-on-Space	3.777	0.000	0.000	2.984	0.793	Jul-22	Jul-22
Total	14.618	3.659	1.300	8.865	0.793		

- 4.3. The delays to the delivery of the Grays South project is due to three main reasons: contract issues, delays to land acquisition and Covid-19 disrupting working practices. These issues and the mitigations are set out within Appendix A.
- 4.4. The spend of LGF beyond the 30 September 2021 for the Colchester Grow-on -Space project is primary due to the projects position on the LGF pipeline. The funding for this project only became available in November 2020. A business case was prepared for the project and was approved by the Accountability Board on 12 February 2021, subject to the Strategic Board approving the spend of LGF beyond the 30 September 2021 and planning consent being secured for the delivery of the project on 4 March 2021. Colchester Borough Council have now confirmed that planning consent has been secured for the Grow-on Space project.

5. Additional information on high risk projects

- 5.1. Based on the latest updates provided by local authority partners, it is now forecast that £94.388 million LGF will be spent beyond 31 March 2021. This includes the forecast spend of £21.581 million on projects which are identified as high risk.
- 5.2. In total there are 7 projects, included within the LGF programme, with a risk score of 5 on a 1 to 5 scale. This risk score has been based on an assessment of deliverability, financial position and reputational risk, in line with the guidance from Central Government.
- 5.3. Projects with a risk score of 5 are listed in Table 2 below and an individual update is set out in Appendix A.

Table 2 High-risk projects

High-risk project summary							
Project Name	Promoter	LGF spend to 2019/20 (£m)	Forecast LGF spend in 2020/21 (£m)	Forecast LGF spend beyond 2021/22 (£m)	All years (£m)	LGF spend beyond 31 March 2021	Main project delivery constraint
Beaulieu Park	Essex	0.000	0.000	12.000	12.000	Yes	Agreement of Housing Infrastructure Fund (HIF)
Maidstone Integrated Transport Package	Kent	3.564	2.966	2.370	8.900	Yes	Complex package of projects. Delays to agreeing scope of project and securing necessary consents.
A28 Sturry Link Road	Kent	1.109	0.680	4.111	5.900	Yes	Confirmation of planning consent and land acquisition
M2 Junction 5	Kent	0.000	0.000	1.600	1.600	Yes	Approval of the project by Central Government
A28 Chart Road	Kent	2.756	0.000	0.000	2.756	No	Confirmation of funding package
Bexhill Enterprise Park North	East Sussex	0.000	0.440	1.500	1.940	Yes	Planning consent
Queensway Gateway Road	East Sussex	9.496	0.504	0.000	10.000	No	Land acquisition
Total		16.926	4.590	21.581	43.096		

- 5.4. At the last Accountability Board meeting, the Basildon Innovation Warehouse was removed from the LGF programme. The project was due to provide a flexible commercial workspace, however, the changing working patterns has created uncertainty over future demand for the workspace. Basildon Borough Council have therefore decided not to proceed with the project at this time. The £870,000 LGF returned from this project has been reallocated to the next project on the LGF pipeline, namely the Kent and Medway Engineering, Design, Growth and Enterprise (EDGE) Hub. The Accountability Board are considering the award of the additional funding to the EDGE hub project at the next meeting on 12 March 2021.
- 5.5. The Innovation Park Medway project (phases 2 and 3) has been removed from the list of high risk projects as the Local Development Order has now been approved by Medway Council and Tonbridge and Malling Borough Council to enable the project to proceed to delivery.
- 5.6. The University of Essex Parkside Phase 3 project has also been removed from the list of high-risk projects as the full funding package for the project has now been confirmed by the University.

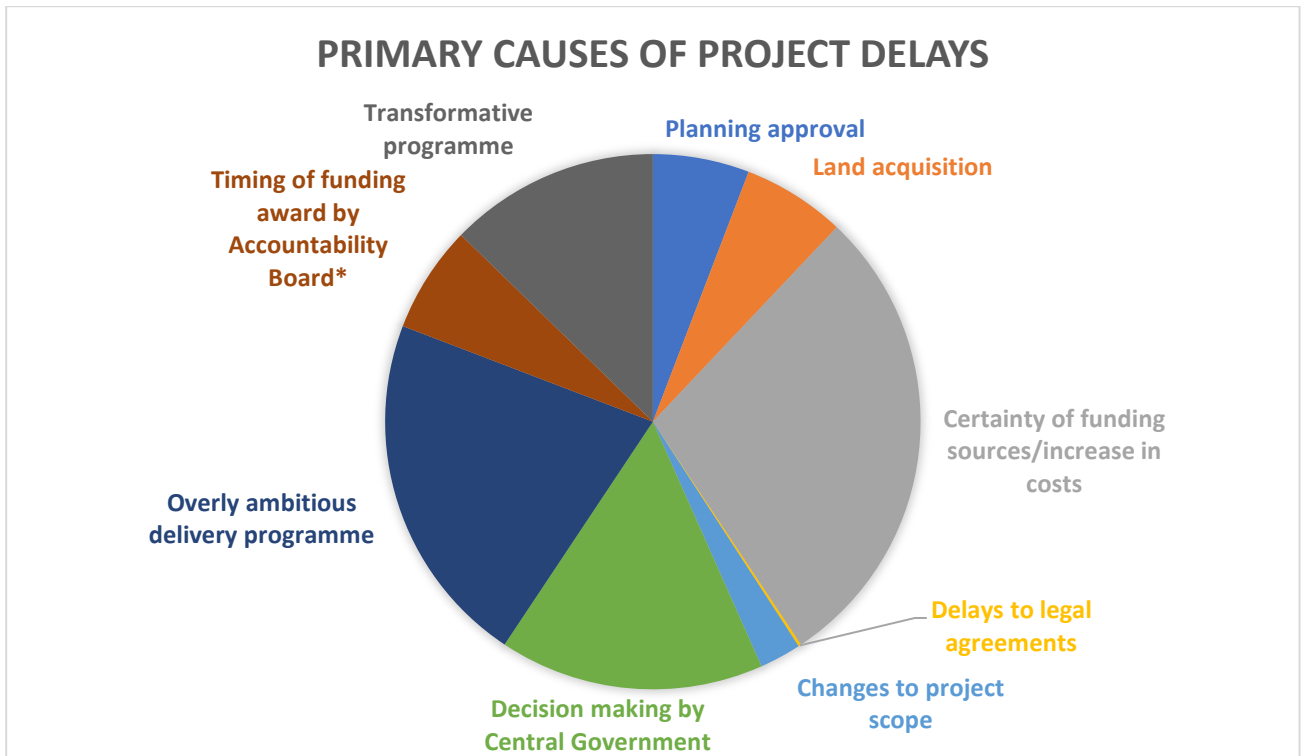
6. Causes of project delays

- 6.1. In Q1 2021, SELEP has committed to undertake a 'lessons learned' exercise to assess the performance of the LGF programme and consider any learning that can be applied to future SELEP investment programmes, such as the Getting Building Fund.
- 6.2. In advance of this more rigorous assessment, an initial desktop exercise has been completed to consider the primary causes of project delays which has resulted in the spend of £94.388 million LGF beyond the 31 March 2021. The chart below summarises the output from this early analysis and looks at the main causes of project delays for all projects spending LGF beyond 31 March 2021. This indicated that the main causes of project delays are:
- 6.2.1. Uncertainty over the full funding package for the project;
 - 6.2.2. An overly ambitious programme at the outset of the project; and

6.2.3. Delays in receiving project approval from Central Government departments

- 6.3. The next stage of work will look more closely at the issues and make recommendations on how more realistic delivery programmes can be achieved.

Table 3 – Primary causes of project delays, for those projects spending LGF beyond 31 March 2021



* Some projects have remained on the LGF project pipeline for over 18 months before funding has become available and the project has been able to progress for funding approved by the Accountability Board. Earlier reallocation of LGF away from high-risk projects would have enabled alternative pipeline projects to proceed earlier in the programme and therefore reduce the amount of LGF which will be spent beyond 31 March 2021.

7. Next Steps

- 7.1. At each Accountability Board meeting, an update is provided on the high-risk projects listed in Appendix A, with the Board often receiving individual update reports to note progress or to agree next steps.
- 7.2. On 12 March 2021, the Accountability Board will again, be asked to focus on the high-risk projects. The Accountability Board will be asked to agree whether the conditions have been met to enable the transfer of LGF to the respective local authority by the end of the financial year or consider whether there are projects from which LGF should be reallocated to the next project on the LGF pipeline, agreed by SELEP Ltd in December 2021.
- 7.3. Whilst it is expected that all LGF will be transferred across to local partners by the end of the financial year, regular updates will continue to be presented to the Accountability Board and Strategic Board on the delivery of the LGF programme.
- 7.4. The future reporting to the Strategic Board will also be provide an update on the delivery of the Getting Building Fund.



8. Comments from the Accountable Body

- 8.1. To secure the remaining third of the 2020/21 allocation of LGF, the Accountable Body and SELEP confirmed to Government in June 2020, that plans were in place to spend the LGF grant in full by 31 March 2021. This commitment is planned to be met through the transfer the remaining funding to the respective lead local authority responsible for delivering the Projects under the terms of the SLA or grant agreements in place.
- 8.2. Where LGF is required to be spent beyond 31st March 2021, the agreement enables the Local authorities to either hold the LGF as a ringfenced grant or spend the LGF across their wider capital programme as a capital swap. Where LGF has been applied as a capital swap, during the subsequent financial years, local authorities will use their own capital programme to fund spend on the LGF project.
- 8.3. Should the Board chose not to endorse the spend of LGF beyond September 30th 2021 for the recommended Projects, a decision will need to be made by Accountability Board on the future position of the projects, which may include cancellation; any such decisions will be managed through the SLAs in place with the respective partner Authorities to support the LGF programme and may include recovery of LGF spent to date, where conditions for funding can no longer be met.
- 8.4. The Accountable Body supports the proposed lessons learned exercise to assess the performance of the LGF programme and to understand further the reasons for delays in projects. A factor which has been repeatedly highlighted by the Accountable Body, is in relation to the way in which Local Growth Funding and Getting Building Funding has been allocated to SELEP by Government; in particular with respect to the following factors:
 - 8.4.1. Allocation of funding not in alignment with local spend profiles, but Government placing a contingency of spend on award of funding in the subsequent year;
 - 8.4.2. Award of Capital funding on an annual basis, which has built increased risk and delay into the process; and
 - 8.4.3. Insufficient advance notice with regards to the availability of new funding streams; this builds risk to effective delivery and discourages re-prioritisation of funding awards where there isn't a clear investment pathway from Government.
- 8.5. The value in undertaking a cross-SELEP lessons learnt exercise will be in providing a clear evidence base to support investment decisions and effective delivery, to underpin the recovery across the SELEP geography.

9. Appendices, Supporting Documents and Previous Decisions

- 9.1. Appendix A – Projects spending beyond 30 September 2021 and high-risk projects
- 9.2. Appendix B – High level review of causes of LGF spend beyond Growth Deal
- 9.3. Background Documents

Accountability Board Agenda Pack 12 February 2021

Accountability Board Agenda Pack 12 March 2021

Item 8: Sector Support Fund Project Endorsement

Executive Summary

1. Overview

- 1.1. The purpose of this report is to seek endorsement from the Strategic Board (the Board) for the award of a revenue grant to one Sector Support Fund (SSF) project.
- 1.2. The application has passed the Independent Technical Review (ITR) (detailed in Appendix A) and meets the criteria for funding.
- 1.3. Currently there is £261,729 of SSF available to allocate. Should the Board endorse this bid and the Chief Executive Officer (CEO) approve the funding allocation then £126,729 of funds will remain for future projects.

2. Decisions: Board is recommended to:

- 2.1. **Endorse** investment in the Accelerating Nature-Based Climate Solutions (£135,000) Project as detailed in section 4.

3. Rationale for Decisions

- 3.1. SSF projects are clearly focussed revenue projects which deliver their objectives over a fixed 12-month timeline, securing funding swiftly is critical in order that projects can engage with the issue as quickly as possible and deliver their benefits.
- 3.2. An independent technical review of the project submission has been undertaken by officers from the Accountable Body, based on the criteria agreed by the Board. The project in section 2.1 has met the criteria in this assessment. Further details, including assessment criteria can be found at Appendix A.
- 3.3. The SSF application totals £135,000; Table 1 overleaf confirms that there is sufficient funding to support the bid should the Board choose to endorse. This would leave a balance of £126,729 available to support future SSF projects.

4. Decision 1: Endorse investment in the Accelerating Nature-Based Climate Solutions Project

- 4.1. The Project focusses on carbon sequestration (the removal of carbon dioxide from the atmosphere), where there is significant demand but fragmented supply.
- 4.2. The project seeks to provide an understanding of the demand for nature-based projects from local authority climate emergency plans and local businesses seeking to invest in local carbon offsetting.
- 4.3. The project will assess the readiness of nature-based organisations to develop and deliver nature-based products for carbon sequestration and identify gaps in skills, knowledge and capacity that stands in their way.
- 4.4. A framework will be developed for a SELEP-wide 'brokerage hub' that can bring together buyers and sellers to co-develop nature-based carbon sequestration projects. More information is available in Appendix B.

- 4.5. £135,000 of SSF is being sought with £63,000 of match funding and in-kind support. The breakdown of funding is shown in Appendix B.
- 4.6. The key risks to the project are highlighted in Appendix B.
- 4.7. The project is sponsored and has been endorsed by East Sussex County Council (ESCC).

5. Other Information:

- 5.1. Full details of the criteria for SSF bids are available on the SELEP website, This guidance has been updated to reflect the additional criteria agreed by the Board in June 2020; to ensure projects act to support the COVID-19 economic recovery and/or support the economy in the face of Brexit.
- 5.2. At the June 2020 meeting a further £1 million was allocated to the SSF programme and it was extended until 31 March 2022 or when the fund is exhausted, whichever is sooner.
- 5.3. To date the Board has endorsed 20 projects for SSF support to a value of £2,238,271. Details of the allocations made this financial year can be found below at Table 1. Summary information on the projects can be found at Appendices C and D.

Table 1: SSF approvals in 2020/21

Funding	2020/21 £
Covid-19 Recovery Fund	1,000,000
c/f 2019/20	206,500
Total 2020/21 funding	1,206,500
Approved Projects 2020/21	
BuyLocal South East	69,510
Skills Working Group	76,000
Visitor Economy	200,000
Building Back Better	192,000
SEED	91,500
Carbon Pathways	99,061
Catalyst for Culture	181,700
GGT (Extension)	35,000
	944,771
Projects seeking endorsement & approval March 2021	135,000
Balance SSF remaining for Investment	126,729

6. Next Steps

- 6.1. If Board chooses to endorse the project for SSF funding, the Secretariat and Accountable Body will work to put into place funding agreements, pending a final decision from the CEO to allocate the funds.
- 6.2. All projects will provide quarterly updates to the SELEP Secretariat in order to provide updates to the Board.
- 6.3. Quarterly updates on progress and spend are set out in Appendix C and D



7. Comments from the Accountable Body

- 7.1. A total SSF fund of £1,206,500 was established for 2020/21; of this, successful funding applications of £944,771 have been awarded in year to date and should the projects in this report be endorsed and subsequently approved the balance of SSF funding available for investment will be £126,729.
- 7.2. The Independent Technical Review has confirmed that the criteria for funding has been met for this project.
- 7.3. This grant is a fixed maximum contribution to the Project; any Project over spends incurred will be required to be addressed by the Project delivery partner.
- 7.4. Should the Board endorse the recommended SSF applications and the CEO approves the award of funding, the grants will be transferred to ESCC as lead authority via a grant agreement with the Accountable Body and SELEP Ltd; the grant agreement will include a requirement for claw back of the funding if it is not fully expended or not expended in line with the Project Bid Document.
- 7.5. For all Projects included in appendices C and D, where a grant agreement is not yet in place, the funding will not be able to be transferred to the respective Lead Authority until the agreement has been finalised. The Accountable Body is supporting the Secretariat to get the outstanding agreements in place.

8. Appendices, Supporting Documents and Previous Decisions

- 8.1. Appendix A – ITR Assessment for projects submitted
- 8.2. Appendix B – Accelerating Climate-Based Solutions Background Information
- 8.3. Appendix C – Summary of SSF Projects with Board Endorsement
- 8.4. Appendix D – Delivery Updates and RAG rating for current projects
- 8.5. A link to the Application Form can be viewed [HERE](#)
- 8.6. Sector Support Fund Guidance Note, including eligibility criteria [LINK HERE](#)
- 8.7. For further information contact Howard Davies, SELEP Capital Programme Officer (howard.davies@southeastlep.com)



Item 9: SELEP Delivery and Operations

Executive Summary

1. Overview

- 1.1. The purpose of this report is to present the proposed Delivery Plan for financial year 2021/22 and provide an update on performance against the current year's Delivery Plan for quarter three (ending 31 December 2020).
- 1.2. The report also includes updated Key Performance Indicator (KPI) where new information is available.

2. Decisions: Board is recommended to:

- 2.1. **Agree** to adopt the Delivery Plan 2021/22, as at Appendix A, for the forthcoming financial year.

3. Rationale for Decisions

- 3.1. The Delivery Plan sets out the operational plans for the Secretariat for the year and ensures that resource is correctly focussed on priorities. It is also a requirement of the National Assurance Framework that all LEPs have Delivery Plans in place.
- 3.2. The Delivery Plan will be augmented with the production of action plans for activities directly connected to the Recovery and Renewal Strategy. These action plans will be developed in the early part of next financial year.
- 3.3. The activities within the Delivery Plan are expected to be delivered within the operational budget for 2021/22 as approved by Accountability Board in November 2020. However, it should be noted that at the time of writing, Core Funding from HM Government has yet to be confirmed. This confirmation is not expected until the Annual Performance Review process is complete in May 2021. There are sufficient funds in reserves to bridge this period.
- 3.4. If Core Funding is not received then a large scale revision of the work planned for the year would be needed and only a much reduced plan could be delivered.
- 3.5. Details on the risks to the operational delivery are presented within the Plan. There continues to be a workload pressure on the Secretariat and the uncertain future of LEPs presents issues in planning for activities beyond March 2022.

Further Information

4. Decision 1: agree to adopt the Delivery Plan 2021/22

- 4.1. The draft Delivery Plan 2021/22 can be found at Appendix A. The key priorities for next year include:
 - 4.1.1. the delivery of the activities within the action plans associated with the Recovery and Renewal Strategy
 - 4.1.2. supporting key national priorities such as the introduction of Freeports, Towns Boards and major projects planned for the region
 - 4.1.3. the continued delivery of the capital programme, including supporting projects with



Local Growth Fund (LGF) allocations that are spending beyond the Growth Deal period; the final year of the Getting Building Fund programme; the continuation of the Growing Places Fund

- 4.1.4. a 'Lessons Learned' review of the LGF programme
- 4.1.5. the continued delivery of the revenue interventions programme, including the Covid-19 Recovery Funds and the Sector Support Fund
- 4.1.6. further strengthening the Skills Advisory Panel and the Digital Skills Partnerships and delivery of the Skills Strategy
- 4.1.7. a review of business support, ensuring alignment with the national Business Support Reform and supporting the ongoing delivery of the Growth Hub
- 4.2. Reporting on progress against the Delivery Plan will be made at each ordinary meeting of the Strategic Board. Oversight of the operational budget and operational risk register will remain with the Accountability Board. Key risks will be flagged to the Strategic Board in its quarterly report.

5. Other Information: Delivery in Quarter 3 2020/21

- 5.1. The revised Delivery Plan for 2020/21 was agreed by Board in October 2020. The plan of activities for the quarter can be found at Appendix B with an update on progress.
- 5.2. In the main, activities were delivered as planned but there has been some slippage. In some cases this is due to dependencies on outside organisations, such as the issue of the Getting Building Fund (GBF) grant determination being much later than expected but in other cases it has been due to the large workload for the Secretariat. These delays are not expected to adversely affect delivery of priorities.
- 5.3. An update on Key Performance Indicators (KPIs) can be found at Appendix C. Main changes data since October to flag to the Board are as follows:

Macro-Economic KPIs

- 5.4. Unemployment has risen 2.5% from March 2020 to September 2020, it is expected that this figure has been suppressed by the on-going support from HM Government such as the furlough scheme.
- 5.5. Conversely the number of vacancies reported has increased by 18.33% between July 2020 and January 2021, following significant reductions during Q2, suggesting some businesses continue recover or to invest in an increasing workforce.
- 5.6. There is a significant lag on these KPIs being updated and the impact of the secondary effects of the lockdowns is expected to be seen as data points for 2020 are published.

Wider Programme

- 5.7. Information on the European Social Fund (ESF) has been requested but not yet provided by the Department of Work and Pensions.
- 5.8. The SELEP notional ERDF award is now 79% allocated and 7 projects within the South East region have been supported by the Greater South East Energy Hub.

Investment Programme

- 5.9. Work continues with partners to validate outcomes and outputs of the investment programme. This includes a better understanding of the impact on the pandemic on the

benefit realisation of projects.

5.10. Getting Building Fund outputs and outcomes will be included from Quarter 1 of 2021/22.

Internal KPIs

5.11. Despite a reduction in target of attendees due to the pandemic, the light touch AGM in October actually had more attendees than the previous year's, demonstrating that virtual events can be easier to access, although their effectiveness may be decreased. A mixture of virtual and in-person events are expected in the future.

5.12. There has been continued improvement in social media reach as demonstrated by increased numbers of twitter impressions and re-tweets.

Risks

5.13. Oversight of the SELEP Operational Risk Register remains a function of Accountability Board and quarterly reports are made. There are currently 8 risks rated as 'High' on the risk register. These risks can be grouped as follows:

5.13.1. **Risks related to the Secretariat/Service Delivery** (2 red rated risks) – these risks are the business continuity risk created by the ongoing pandemic and workload risk

5.13.2. **Risks Related to the Outputs/Outcomes of Programmes** (3 red rated risks) – the secondary economic impacts of the pandemic have created a risk that projects won't be able to deliver the benefits in business cases that were developed pre pandemic. There is also a specific risk on the Getting Building Fund (GBF) programme given the timelines for delivery are very restricted and delivery may not be possible. This risk is heightened by the lack of confirmation from HMG of the second tranche of GBF which is already creating delays in delivery. The third risk is that grant funds awarded to Hadlow College, that subsequently went into Education Administration, may not now realise the outputs and outcomes that were to be delivered by the funding.

5.13.3. **Financial and Funding Risks** (2 red rated risks) – there are two risks that are related to the uncertainty of the future funding of LEPs. The first is that a lack of capital/investment funding will restrict ability to deliver strategies and priorities in future years. This includes the immediate risk relating to non-payment of the second tranche of Getting Building Fund (GBF). If the second tranche is not paid, the GBF programme would have to be radically reduced. The second is the funding of the Secretariat beyond March 2022.

5.13.4. **Reputational Risk** (1 red rated risk) – with ongoing uncertainty on the future LEPs, there is a risk that SELEP cannot or may be seen to be unable to meet the expectations of new policy

5.14. More details on these risks and their mitigations can be found at Appendix D.

6. Next Steps

6.1. If the Delivery Plan is agreed to be adopted, it will be published on the website and used to prioritise the allocation of resources during 2021/22.

6.2. Progress against Delivery Plans and reporting on KPIs will continue to be made at each ordinary meeting of the Board.



7. Comments from the Accountable Body

- 7.1. It is a requirement of the National Local Growth Assurance Framework (NAF) that LEPs publish an annual report and delivery plan as part of the assurance monitoring process. The delivery plan and annual report are expected to set out a well-developed understanding of the local economic evidence base to identify opportunities and obstacles to inclusive growth, prosperity and improved productivity. These will be considered as part of the annual assurance process in future.
- 7.2. The NAF confirms that delivery plans and annual reports are required to be published at the beginning of each financial year.
- 7.3. The adoption of the Delivery Plan 2021/22 presented in this report must be delivered within the annual operational budget.
- 7.4. Formal confirmation of the Core funding grant for 2021/22 has yet to be confirmed by Government; the Delivery plan included in the report will be impacted if this funding isn't secured. Should the Core funding grant not be received, it is expected that the Delivery Plan will be reviewed to determine the priority activities that can be delivered in 2021/22 with the available resources. This will need to form part of the wider review of the SELEP budget planned in early 2021/22 to understand the impact of specific grant allocations following their confirmation, or otherwise, by Government. The Delivery Plan references the Getting Building Fund (GBF) to deliver many key capital projects by March 2022. At this time the second tranche of GBF funding is not confirmed which places delivery of these projects at risk. This funding is conditional on the outcome of the Annual Performance Review, the outcome of which is expected in May 2021.
- 7.5. The Accountable Body supports the proposed lessons learned exercise to assess the performance of the LGF programme and to understand further the reasons for delays in projects, as covered in Agenda item 7, Spend beyond the Growth Deal period. The outcome is relevant to the risk for Getting Building Fund projects and the impact to the success of the Delivery Plan. A factor which has been repeatedly highlighted by the Accountable Body, is in relation to the way in which Local Growth Funding and Getting Building Funding has been allocated to SELEP by Government; in particular with respect to the following factors:
 - 7.5.1. Allocation of funding not in alignment with local spend profiles, but Government placing a contingency of spend on award of funding in the subsequent year;
 - 7.5.2. Award of Capital funding on an annual basis, which has built increased risk and delay into the process; and
 - 7.5.3. Insufficient advance notice with regards to the availability of new funding streams; this builds risk to effective delivery and discourages re-prioritisation of funding awards where there isn't a clear investment pathway from Government.
- 7.6. The value in undertaking a cross-SELEP lessons learned exercise will be in providing a clear evidence base to support investment decisions and effective delivery, to underpin the recovery across the SELEP geography.

8. Appendices, Supporting Documents and Previous Decisions

- 8.1. Appendix A – Delivery Plan 2021/22
- 8.2. Appendix B – Delivery Plan 2020/21 Quarter Three Activity Update
- 8.3. Appendix C – Key Performance Indicators



- 8.4. Appendix D – Extract from the Risk Register
- 8.5. For more information contact Suzanne Bennett, Chief Operating Officer
suzanne.bennett@southeastlep.com



Item 10: Service Level Agreement with Accountable Body

Executive Summary

1. Overview

- 1.1. Under the National Assurance Framework, every Local Enterprise Partnership (LEP) is required to have a local authority to act as its Accountable Body. This local authority is responsible for overseeing the proper administration of financial affairs within the LEP when these affairs relate to public funds.
- 1.2. The Accountable Body is expected by Government to provide a finance function, an oversight function and a support function. Essex County Council has acted as the Accountable Body for SELEP since inception. The Framework Agreement and Local Assurance Framework set out the roles for all parties involved in the partnership but in previous years there has only been an informal arrangement covering the operational provision of services from the Accountable Body. This has now been rectified and a proposed Service Level Agreement (SLA) has been drafted for approval (Appendix A).

2. Decisions: Board is recommended to:

- 2.1. **Agree** to enter into the Service Level Agreement at Appendix A with Essex County Council for the provision of the Accountable Body services.

3. Rationale for Decisions

- 3.1. As set out above, it is necessary for all LEPs to have an Accountable Body and Essex County Council (ECC) has carried out this role for many years. The relationship between the Secretariat and the Accountable Body is strong and this relationship is a key enabler of SELEP ensuring that all governance requirements are met or exceeded.
- 3.2. The proposed SLA formalises what is already in place, there is no proposal to change the nature of services provided or otherwise vary the relationship that is already in place. The introduction of an SLA has been recommended by the Internal Audit function of ECC.
- 3.3. A change of Accountable Body would be hugely disruptive and likely to include additional costs as grants agreements, loan agreements and other legal documents would have to be novated to the new Accountable Body.

Further Information

4. Decision 1: enter into Service Level Agreement

- 4.1. The SLA at Appendix A sets out the services to be provided by ECC to SELEP Ltd as the Accountable Body. It clearly sets out the roles and responsibilities of both parties. This has been reviewed by the Secretariat and is a fair representation of the services received under the informal arrangement.
- 4.2. SELEP Board agreed in 2019 that all financial transactions would remain within the Accountable Body and the Accountable Body would continue to employ the Secretariat on behalf of the partnership. Therefore there is a wide range of services provided by the Accountable Body

beyond the basic level set out in the National Assurance Framework.

- 4.3. Should the SLA be adopted it would be in place from 1 April 2021 until 31 March 2022, for a 12 month period, in order to allow the parties to review and agree arrangements on an annual basis. The SLA includes a schedule of charges for the forthcoming financial year and this charge is included in the operational budget for that year. These charges are made on a cost recovery basis.
- 4.4. It should be noted that these charges do not include the provision of services by Essex Legal Services (ELS) that are charged separately on a chargeable rate basis. The SLA also includes provision to extend the services provided, if required, for which additional charges may be applicable; in these circumstances, the SLA indicates the process for agreeing the additional charges.
- 4.5. The charge for the work of the Accountable Body is paid from the Secretariat budget and not by SELEP Ltd directly and therefore there is no financial consideration for the company with regard to the agreement.
- 4.6. The SLA has been reviewed by a legal representative on behalf of SELEP Ltd and they have confirmed that the provisions are reasonable, and no issues have been flagged as warranting the attention of the Board.
- 4.7. The SLA requires both parties to have sufficient insurances in place. The insurances from SELEP Ltd have recently been renewed and confirmation has previously been provided by the Accountable Body that the level of cover is sufficient. The only change from last year's policies is the inclusion of a Communicable Disease Exclusion in the Public Liability Policy, which was expected given the previous policy was put in place just ahead of the pandemic.
- 4.8. The Board is recommended to agree to enter into the SLA with ECC.

5. Next Steps

- 5.1. Should Board agree to enter into the agreement, the document will be executed by the Chief Executive and Chief Operating Officer on behalf of SELEP Ltd under the Power of Attorney provisions.
- 5.2. The Secretariat will continue to work closely with the Accountable Body and any significant changes required to the provisions in the agreement will be brought back to Board for approval. Changes may be necessary should the functions of the LEP change significantly in 2022/23 onwards.

6. Comments from the Accountable Body

- 6.1. The Service Level Agreement sets out the support services to be provided to SELEP Ltd. It is a non-binding arrangement, setting out the roles and responsibilities of the Accountable Body and SELEP Ltd, however if agreed, the parties have agreed that their intention is to honour the obligations under the agreement. If the recommendation in this report is approved, the agreement will be signed on behalf of each party.
- 6.2. The charges set out within the SLA are calculated on a full cost recovery basis and are in line with the budgeted position for 2021/22 that was agreed by Accountability Board in November 2020. The charges are the same as those applied for 2020/21, however, when inflation is taken into account, this reflects a small reduction in the planned service to be applied in real terms. Should, however, additional support be required through 2021/22, the cost implications will be assessed and agreed in advance, in line with the terms of the SLA.



7. Appendices, Supporting Documents and Previous Decisions

- 7.1. Appendix A – Service Level Agreement for the provision of Accountable Body services
- 7.2. For further information please contact Suzanne.bennett@southeastlep.com