



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

ANNUAL REPORT

APRIL 2019—MARCH 2020

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SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

A MESSAGE FROM THE CHAIR



I have been honoured to be Chair of the LEP since 2016. The South East is a varied region; the market towns, small cities, coastal communities and villages offer an exceptionally diverse choice of places to live and work across the local authority areas of East Sussex, Essex, Kent, Medway, Southend and Thurrock.

I am proud of what our partnership has achieved during the 2019-20 period. The ongoing COVID-19 pandemic delivered an unexpected shock and will have a significant impact on the way our economy and communities interact in the short term. It is still important to reflect on our achievements and the excellent basis on which we have built our networks and resources as a partnership. These achievements have given us the resilience needed to tackle this challenge together.

In 2019-20, after much hard work, dedication and commitment, the South East LEP (SELEP) became a company Limited by Guarantee, sealing its role as an independent partnership bringing together the public and private sectors. We have improved our diversity and representation to have strong voices at each level in our partnership. This process has also seen us welcome Sarah Dance as Deputy Chair for the LEP. I am delighted Sarah has joined me; her networks, knowledge and experience make her the ideal candidate for this role.

The new faces around the Board table bring fresh voices and perspectives. We are grateful to all past

Board members, some of whom had been members since our inception in 2011, for their expertise, hard work and willingness to raise challenges, and to share their views in professional and constructive ways. SELEP has grown into a strong partnership with a clear role in strengthening the economy of the South East. The drive and direction provided by Board members has been vital in securing this. We welcome our new members, and their ideas and approaches.

The past year has seen extensive engagement and development of an evidence base for SELEP's draft Local Industrial Strategy, which will help to set out the vision and priorities for the area. While this work was paused to allow us to focus on understanding and helping to mitigate the impacts of the COVID-19 pandemic, it means we are well-placed to reflect the changing economic circumstances of the crisis. This enabled the quick development of our Economic Response Statement, which sets out the most significant impacts and opportunities for our economy and outlines the support that SELEP is providing to protect and boost the economy in the short term.

We have achieved so much in this year; we are delighted to have been recognised by Government through our annual review process, to be rated as good for both Governance and Delivery and to have 'achieved' for our Strategy. We hold ourselves to the highest possible standards and it is great that the hard work of the partnership has been recognised this way.

As always, there is more to do. I want to thank all partners for their dedication and commitment to working together for the wider goal of growing our region's economy and ensuring the South East plays its fullest role possible.

Christian Brodie
Chair, South East LEP

A MESSAGE FROM THE CHIEF EXECUTIVE

While it is right that this Annual Report focuses on our achievements of 2019-20, we cannot ignore the significant impact that COVID-19 has had on our economies, communities and overall way of life. The South East business community – like so many others across the UK – is facing its most challenging time in many generations.

The South East LEP has been working closely with our Growth Hub partners, business intermediary bodies, local universities and Local Authorities to support the regional business community. Our region is home to a large number of businesses in the aviation, hospitality, destination and cultural sectors, all of which have been significantly affected by COVID-19. We have undertaken surveys to hear directly from businesses about their worries and priorities. These insights, together with data and intelligence, have informed our activity and our action planning.

It is clear that being digitally enabled is a critical component of future business success. This year we have launched our Digital Skills Partnership (DSP), which is helping to create a world leading digital economy that ensures the need for these vital skills is met across the South East. The DSP has already developed unique offerings for our area including The Digital Boost, a new, free volunteering platform to help businesses become more tech-savvy.

We have seen great progress in the area of skills, with our pioneering Tutor bursary scheme launching to provide bursaries for industry experts looking to become teachers, so that we can attract and retain top talent to teach the next generation. We put out a call for a £1.5m European Social Fund scheme, the Wheels to Work and Training Programme, to help unemployed or inactive residents who have no way of travelling to employment or training.

We continue to deliver our portfolio of projects through our Local Growth Fund (LGF) investments and our Growing Places Fund (GPF) revolving loan fund.

Our Sector Support Funding continues. These inimitable projects, of a pan-LEP nature, have a sector focus that help drive forward the work of our working groups and priority sectors. This year our creative, rural, clean growth and housing groups have benefitted from this funding pot to drive tourism to our coastal areas; bolster support for local growers; analyse our local energy and clean growth supply chains; and accelerate the delivery of high-quality development across the LEP.

Our sector-based working groups, made up of representatives who give their time on a voluntary basis, continue to deliver strongly. This year, we have seen the development of a Coastal Prospectus and a Social Enterprise Prospectus. The Thames Estuary Production Corridor and Creative Estuary projects have made great strides in creating the foundation for world-class cultural infrastructure and thousands of new jobs in the SELEP patch.

We will continue to play a leading role across our area to shape local economic priorities and to make the strongest possible case for investment, working together with a vast range of partners to drive forward those activities, to ensure an economic recovery that works for our businesses and our communities.



Adam Bryan
Chief Executive, South East LEP



LOCAL GROWTH FUND SPEND

Total value of Local Growth
Fund programme:

£579m

Total number of LGF projects:

110

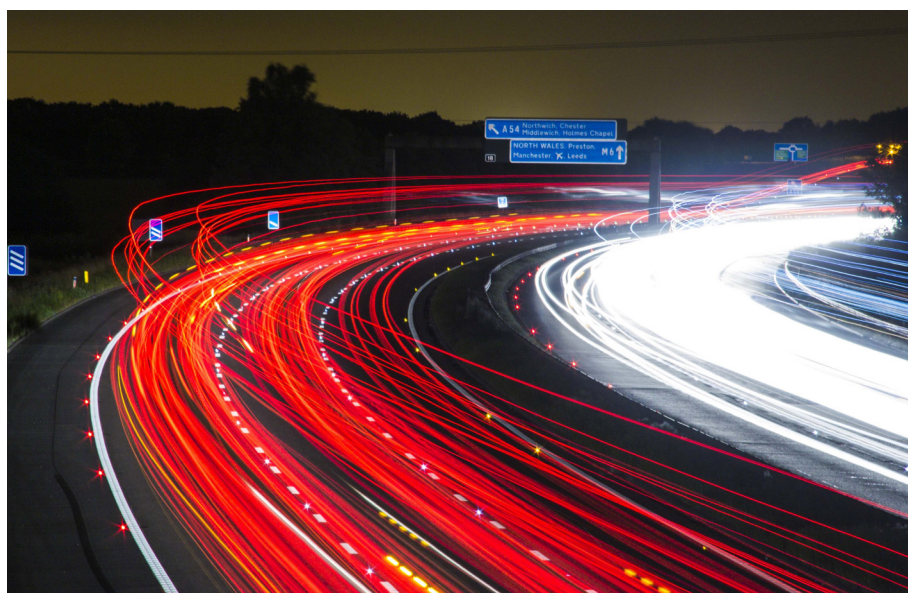
SPEND IN 2019/20*

£62.8m

LGF spend to date in 2019/20, excluding Department for Transport (DfT)
retained schemes

£96.4m

LGF spend to date in 2019/20, including DfT retained schemes



SPEND TO DATE
(2015/16–2019/20)*

£340.5m

LGF spend to date, excluding DfT
retained schemes

£409.2m

LGF spend to date, including DfT
retained schemes

Subject to outcome of internal audit

DELIVERY AND OUTCOMES

	2019/20	TOTAL TO DATE (2015/16–2019/20)
JOBS	9,013	15,596
HOUSES	10,136	20,630



M20 JUNCTION 10A

BACKGROUND

The M20 is an international route and is used by large volumes of heavy goods and holiday traffic. Long distance traffic from the M20, A20 and A2070 was conflicting with local traffic.

It was forecast that the existing M20 junction (Junction 10) would suffer from congestion and long delays in the future if additional capacity was not created.

The delivery of the new motorway junction was required to facilitate the future development of South Ashford.

BENEFITS

- Provision of the infrastructure required to support development in the Ashford area. Delivery of the new junction will unlock sites for development which are expected to deliver 31,000 new homes and 28,000 new jobs.
- Help separate long distance traffic from local traffic.
- Reduce congestion, improve journey time reliability and improve road safety.
- Improve noise and air quality for nearby properties.

KEY FACTS

LOCATION

Ashford, Kent

PROJECT COMPLETION

December 2019

LGF FUNDING

£19.7m

MATCHED FUNDING

£84.7m

PROJECT OUTPUTS

New motorway junction and associated infrastructure to support development in Ashford





CASE STUDY | LOCAL GROWTH FUND

COLCHESTER INSTITUTE STEM INNOVATION CAMPUS

KEY FACTS

LOCATION

Colchester, Essex

PROJECT COMPLETION

January 2020

LGF FUNDING

£2.5m

TOTAL COST

£12.5m

PROJECT OUTPUTS

To create a Centre of Advanced Technology, supporting an additional 325 new learners

BACKGROUND

STEM based industries have been identified as having significant skills shortages in both the SELEP and Essex Employment and Skills Board Evidence Base. Sectors including construction, engineering, digital, IT, health, logistics care and finance are lacking the skills required for growth.

An earlier phase of the project had already been delivered and was part funded through the SELEP's Skills Capital, this involved the conversion of the former sports hall at the campus to create a STEM Innovation Centre. Opening in 2017 it further strengthened links between the college and local employers. It is delivering training from levels 2 to 5 in advanced manufacturing, robotics and service engineering alongside brickwork, plumbing and electrical installations to help meet the rapidly growing local demand for construction skills.



The second phase of the project was completed in 2019, to create a Centre of Advanced Technology at the Braintree Campus to help address skills shortages across Essex.

BENEFITS

- Transform the campus from an FE College to a Technology Centre of Excellence;
 - Provide specific skills training aligned to the local employer need;
 - Provide an employer focussed model co-delivered by employers; and
- Deliver outcomes from the Essex Strategic Area Review – replacing poor quality accommodation with modern fit for purpose industry standard facilities.



CASE STUDY | LOCAL GROWTH FUND

CHELMSFORD STATION | STATION SQUARE | MILL YARD

BACKGROUND

A package of works to the rail and bus gateway at Chelmsford Station to improve customer experience and access to one of the busiest stations in the eastern region. The quality of the gateway from the railway station to Chelmsford city centre was critical to the image and prosperity of one of England's newest cities.

CHELMSFORD STATION

A new enlarged station frontage and ticket office enabling improved access to the London bound platform, allowing better flow of people, especially at peak times. Improved passenger facilities throughout the station.

STATION SQUARE

Improvements to the public realm around the station and bus interchange to provide a higher quality environment through:

- Improved public transport facilities;
- Wider footways and a reduction of road space;
- Higher quality paving and improved lighting;
- Improved access, from the station to bus stops, bus station, adjacent development and new cycle storage facilities; and
- An overall improvement to the vista at this gateway.

MILL YARD

The replacement of an existing tunnel (under a ramp to Mill Yard) with a bridge, to open up a walking and cycling route between the station building and the university quarter near the city centre.

KEY FACTS

LOCATION

Chelmsford, Essex

PROJECT COMPLETION

April 2019

LGF FUNDING

£3m

PROJECT OUTPUTS

**Improved access to Chelmsford
Railway Station**



GROWING PLACES FUND SPEND



1,777
JOBS CREATED

1,268
HOMES CONSTRUCTED



£49.2m

GPF WAS MADE
AVAILABLE TO SELEP
FOR INVESTMENT
AS A RECYCLABLE
LOAN SCHEME



DRAWN DOWN TO DATE

TOTAL VALUE OF PROJECTS SUPPORTED
THROUGH GPF INVESTMENT:

£49.2m

TOTAL NUMBER OF PROJECTS SUPPORTED
THROUGH GPF INVESTMENT:

20

GPF DRAWDOWN IN 2019/20:

£2,285,000

GPF DRAWDOWN TO DATE:

£46,171,042

GPF REPAID TO DATE:

£26,041,633

GPF REPAID IN 2019/20:

£8,669,200

DELIVERY AND OUTCOMES

	2019/20	TOTAL TO DATE (2015/16–2019/20)
JOBS	800	1,777
HOUSES	317	1,268

CASE STUDY | GROWING PLACES FUND

NO USE EMPTY COMMERCIAL

SUMMARY

The No Use Empty Commercial project was awarded £1m GPF in February 2018 to support the continued provision of loans to property owners to secure the return of long-term empty properties to productive use.

It was anticipated that the project would result in the creation of 706sq m of new floorspace, through the provision of 28 new homes and 8 new commercial units.

The project is progressing well and has delivered 17 new homes and has returned 9 commercial units to use. It is expected that the remaining properties will be completed by December 2020, with a further 7 new homes expected to be created. By bringing empty commercial properties back into use, No Use Empty Commercial is:

- supporting economic growth through new commercial activity: attracting new business rates, and creating and safeguarding jobs;
- increasing the number of new homes available as a result of mixed-use development: generating new council tax receipts and attracting Government New Homes Bonus;
- supporting wider regeneration, in particular assisting in the vitality and viability of existing commercial areas, improving the quality of the local environment, complementing wider regeneration activities and supporting community safety and cohesion.

Project to return long-term empty commercial properties in Kent to use for residential, alternative commercial or mixed-use purposes



CASE STUDY | GROWING PLACES FUND

Project to deliver new facilities to enhance the Charleston Museum's economic and cultural role

CHARLESTON CENTENARY

SUMMARY

The Charleston Centenary project was awarded £120,000 GPF in February 2018 to support the delivery of a new café-restaurant at the Charleston Museum site in Lewes, East Sussex.

It was anticipated that the new café-restaurant would support additional employment and improve Charleston Museum's capacity to host large events, group visits and school trips. The presence of the new café-restaurant was expected to enhance the visitor experience.

The creation of the café-restaurant was part of a wider £7.6m multi-year scheme, known as the Centenary Project, which aimed to transform the operations of the Charleston Museum. The project has delivered a new café-restaurant facility in the converted Threshing Barn, an auditorium, education space and new gallery spaces.

The completion of the Centenary Project has proved to be transformative with a number of festivals held during 2019/20, together with a concert programme, workshops and events for all ages and a gallery showing major exhibitions. These events all take place alongside the café-restaurant which is used by both visitors and the local community. Since 2017, the Charleston Museum has seen the number of visitors to the site more than double.





SOUTH EAST
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SECTOR SUPPORT FUND SPEND

TOTAL VALUE OF SSF

£1,500,000

TOTAL NUMBER OF SSF PROJECTS

12

SPEND IN 2019/20

£488,000

SPEND TO DATE

£889,266

CASE STUDY | SECTOR SUPPORT FUND

KENT MEDICAL CAMPUS ENTERPRISE ZONE

INNOVATION CENTRE DESIGN WORK

BACKGROUND The SSF bid was to support design stage costs for the development of an Innovation Centre at Kent Medical Campus in Maidstone. The project was also looking to secure a further circa £5m from European Regional Development Funding, which was successful. Total project costs are circa £11m. The initial works, funded by SSF and Maidstone Council commenced in early 2019, completing in February 2020 ready for the main build to commence.

The 2,787sq m (30,000 sq ft) Innovation Centre will offer SMEs focused on life sciences, healthcare and med-tech activities access to a combination of high-grade office accommodation and business support providing a nurturing environment for start-ups and growing businesses. It will address a significant under provision by the private sector. Also available will be meeting space to assist in the formation of a 'research hotel' where businesses, academics and medical professionals can collaborate to enable new ideas to be developed and introduce new products to the market.

BENEFITS As well as the delivery of 2,787sq m (30,000sq ft) of usable workspace, it will support around 270 jobs generating £120m for the economy over the next decade.

LOCATION Maidstone, Kent

PROJECT COMPLETION Initial works (SSF spend) March 2020; Build programme mid-2021

SSF AWARD £156,000

TOTAL PROJECT COST Circa £14m

PROJECT OUTPUTS Provide an environment focused on life sciences, healthcare and med-tech activities





OUR ECONOMY

GROSS VALUE ADDED (GVA)

OUR ANNUAL ECONOMIC OUTPUT:

**£87
BILLION**

THE LARGEST OF ANY LEP AREA
OUTSIDE OF LONDON

TOTAL POPULATION

2019:

4,264,000

2018:

4,233,800

+0.7%

2019:

173,315

2018:

169,930

+1.99%

BUSINESS COUNTS

UNEMPLOYED

2019:

75,100
(3.5%)

2018:

76,400
(3.6%)

ECONOMICALLY ACTIVE

2019:

2,155,700 (80.8%*)

2018:

2,112,100 (79.7%*)

*Proportion of population aged 16-64

HOUSING NUMBERS (2019-20)

HOUSING
STARTS:

12,240

HOUSING
COMPLETIONS:

11,260

WEEKLY EARNINGS (2019)

WORKPLACE BASED

£571

RESIDENCE BASED

£615

LEVEL 4 QUALIFICATIONS

2019:

879,400
(34.6%)

2018:

833,600
(33%)

LEVEL 2 QUALIFICATIONS

2019:

1,849,500
(72.7%)

2018:

1,815,000
(71.8%)

NO QUALIFICATIONS

2019:

201,400 (7.9%)

2018:

210,000 (8.3%)

Percentages are proportion of population aged 16-64

BUSINESS SUPPORT



Evidence suggests that entrepreneurs and business owners who get external help and support are more likely to have better performing, more successful businesses.

This is why the South East Business Hub focus during 2019-20 was to:

- **HELP BUSINESSES TO GROW** by providing the right support, access to finance and reducing regulatory burden.
- **DEVELOP AN ENVIRONMENT** where innovation can flourish and businesses can grow confidently.

EU TRANSITION

Business support is the foundation to achieving economic growth. Our Growth Hub continues to invest in offering information, advice, guidance and signposting businesses to the most appropriate and effective support available.

One of the highlights of 2019-20 was a successful delivery of the **Ready 2020** campaign. The campaign was created as a joint initiative by the South East LEP, London Economic Action Partnership (LEAP), Hertfordshire LEP and their respective Growth Hubs to support smaller companies across London, the South East and Hertfordshire as they faced wide-ranging changes in the business environment in relation to the UK's exit from the EU.

The campaign saw:

- **10,961** unique visits to the microsite
- **9,532** content views and downloads
- **91%** of events booking were driven by the Ready 2020 campaign activity
- **20,493** business engagements across the three LEPS

While the Ready 2020 campaign was very successful, outperforming all key KPIs, the final weeks saw the focus pivot to provide COVID-19 advice and guidance. The communications delivered on COVID-19 were incredibly well received. We ran three ads which drove 927 link clicks and a reach of 42,988.

SOUTH EAST BUSINESS HUB in numbers

IMPACT	Combined turnover of over £24m for high intensity*	Combined employee count of 6,074 for medium and high intensity*	Nearly 2,500 businesses received support from the Growth Hub	1,923 referrals were made to other provisions such as mentoring, skills and training, finance and funding support, and R&D and innovation
	*Businesses supported by the South East Business Hub			
SERVICE	93% medium and high rate professionalism as very good or good	87% medium and high rate understanding of their requirement as very good or good	86% satisfied with quality of service	85% medium and high intensity businesses increased confidence in achieving aspirations

FINANCIAL POSITION

SELEP FINANCIAL SUMMARY

Essex County Council (ECC) is the Accountable Body for SELEP; in this capacity it manages all financial transactions on behalf of SELEP, including receipt and payments of grants, overseeing contract management with suppliers and ensures that the Partnership has sufficient cash flow.

The SELEP Strategic Board agrees an annual operational spend each year which covers the running costs of the LEP's Executive Team and Boards, including staff salaries, office expenses, publicity and marketing, and professional fees.

The operational spend is funded through core funding from MHCLG, match funding contributions from partners and interest received on cash balances invested by the Accountable Body on behalf of SELEP. Any surplus or deficit held at the end of the financial year is managed through the operational reserve.

OPERATIONAL SPENDING

During 2019/20 £3.1m was spent on supporting the activities of SELEP and £3.7m of income was received, giving a surplus of £0.6m which was transferred to the general reserve.

OPERATIONAL INCOME AND EXPENDITURE 2019/20

SELEP OPERATIONAL INCOME 2019/20	£000's
REVENUE GRANT FUNDING	(2,570)
CONTRIBUTION FROM PARTNERS	(206)
INTEREST RECEIVABLE ON CAPITAL BALANCES	(875)
TOTAL INCOME	(3,651)
SELEP OPERATIONAL EXPENDITURE 2019/20	£000's
STAFFING	1,059
MEETINGS AND ADMIN COSTS	48
CHAIR'S ALLOWANCE	22
CONSULTANCY AND PROJECT WORK	455
LOCAL AREA SUPPORT GRANT	150
GRANTS TO THIRD PARTIES	1,339
TOTAL EXPENDITURE	3,073
NET INCOME TRANSFERRED TO THE OPERATIONAL RESERVE	(579)

Note: The SELEP Statement of Accounts for 2019/20 will be available on the website from November 2020

FINANCIAL POSITION

SPECIFIC GRANT BREAKDOWN

The following grants have been received from Government and are administered by ECC on behalf of SELEP, in accordance with the agreed decision making and governance arrangements of the LEP.

FUNDING SUMMARY AS AT 31st MARCH 2020

	OPENING BALANCE £000's	FUNDING RECEIVED IN YEAR £000's	FUNDING APPLIED IN YEAR £000's	CLOSING BALANCE £000's
LOCAL GROWTH FUND	44,086	54,915	(57,588)	41,413
LOCAL GROWTH FUND (RETAINED SCHEMES)	6,586	47,822	(27,758)	26,650
GROWING PLACES FUND (LOAN FUND) (SEE NOTE 2)	13,663	13,969	(2,285)	25,347
GROWING PLACES FUND / SECTOR SUPPORT FUND	2,065	0	(488)	1,577
GROWTH HUB	0	688	(688)	0
BREXIT READINESS FUNDING	0	186	(142)	44
SKILLS ADVISORY PANELS (SAP) GRANT	0	75	(31)	44
LOCAL DIGITAL SKILLS PARTNERSHIP CATALYST GRANT	75	75	(42)	108
DELIVERING SKILLS FOR THE FUTURE	0	167	(130)	37
CAREERS ENTERPRISE COMPANY (CEC)	35	73	(108)	0
ENERGY STRATEGY GRANT	49	0	(42)	7
SELEP CORE FUNDING	0	900	(900)	0
TOTAL GRANTS	66,559	118,869	(90,201)	95,227
SELEP CREDITORS	3,172	0	(3,103)	69
SELEP OPERATIONAL RESERVES	748	579	0	1,326
TOTAL FUNDING AT 31st MARCH 2020	70,479	119,448	(93,304)	96,622

Notes:

1. Further information of the programmes being delivered by the LGF, GPF and SSF investment programmes is available on the SELEP website.
2. The funding received in year for the GPF loan scheme includes the repayment of £5.3m in relation to the Discovery Park project that was cancelled following challenges arising in the delivery of the scheme.
3. Tables may not sum due to rounded values.

OUR FUTURE

A MESSAGE FROM THE DEPUTY CHAIR



Our economy has experienced a profound shock but, as we look ahead, there are good reasons to be positive.

Our partnership is stronger than it has ever been. Our Board is a great mix of business, local government and education leaders and it has been inspiring to see how they have come together to share their skills, knowledge

and experience to develop innovative ideas to drive forward our economy. Over the last year we have improved our equality and representation through our recruitment but this will remain a focus as we move forward, ensuring diversity in all its forms is embedded in our work and that we speak on behalf of all communities and stakeholders.

We have a formidable record of delivery and are well placed to go further. We have been heartened by the recent allocation of £85m Getting Building Funding from Government and we know it is imperative to deliver these projects at pace to ensure maximum impact. We will seek to influence future funding and investment from Government and other sources to support those sectors, businesses and communities which have been particularly hit by the pandemic.

It is vital that our future strategy is well informed and evidence-based so we are building a powerful

intelligence base gathering together local socio-economic data, comparisons with national data and consulting with businesses on an on-going basis. Our work to support recovery and growth over the longer term will also be shaped by the anticipated White Paper on Devolution and Local Recovery, expected in Autumn 2020.

Great partnerships are key to our success. We are building a powerful network, working closer than ever with neighbouring LEPs and with MPs, ministers and Government. We look forward to working ever closer with our extensive network of stakeholders and partners, using our collective scale to influence the future.

Throughout all of this, we retain our commitment to listen to businesses across the South East area and to act on their concerns. We will use all means available to gather insights on the issues facing local business communities, and to ensure that their needs are met, their challenges recognised and that they can take opportunities that will drive growth.

As SELEP Deputy Chair, and with our Chair and all SELEP Directors, we are committed to working in the open, to engaging widely and to shaping a South East economy that works for all stakeholders and communities. As we emerge from the first stages of the COVID-19 crisis, we hope you will work with us to enable a robust and sustainable recovery that will provide a platform for security, growth and future prosperity.

Sarah Dance
Deputy Chair, South East LEP



SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP

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