



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

# STRATEGIC BOARD AGENDA PACK

**Friday 10 December 2021**  
Zoom Video Conference



## Agenda

Item 1	10:00	<b>Welcome</b>	Chris Brodie	
Item 2	10:05	<b>Minutes from 1 October 2021 meeting</b> <b>Declarations of Interest</b> <b>Matters arising:</b> <b>Including:</b> <b>Outcome of electronic procedure</b>	Chris Brodie and Adam Bryan	Pg. 3
Item 3	10:20	<b>Moving to a New SELEP Model</b> <i>Update on LEP Review and changes to the Secretariat. Discussion of recommendations of specific areas of focus for Co-optes</i> <b>Decisions: agree no specific areas of focus for Co-opted Directors</b>	Adam Bryan	Pg. 7
Item 4	10:40	<b>Local Assurance Framework &amp; Policy Updates</b> <i>Following updates to the National Assurance Framework some minimal changes are required to our Local Assurance Framework and policies</i> <b>Decisions: agree changes to LAF, Strategic and Federated Board Recruitment Policy and Subsistence and Hospitality Policy</b>	Suzanne Bennett	Pg. 14
Item 5	10:50	<b>Board Succession Planning</b> <b>Decision: agree approach for the extension of terms for Chair and Deputy Chair</b>	Suzanne Bennett	Pg. 17
Item 6	11:05	<b>Transport East</b> <i>Presentation from Transport East and agreement on consultation response approach</i> <b>Decision: agree to delegate final approval of consultation response to Perry Glading</b>	Adam Bryan and Transport East Representative	Pg. 20
Item 7	11:25	<b>Capital Programme Update</b> <b>Decision: agree to extend spending period for 1 LGF project and 5 GBF projects</b>	Helen Dyer	Pg. 23
Item 8	11:35	<b>SECEN Statement of Intent</b> <i>Presentation from Director, who is also Chair of the SECEN, on the Statement</i> <b>Decision: endorse the SECEN Statement of Intent</b>	Sarah Dance	Pg. 34
Item 9	11:50	<b>Sector Support Fund Project Update</b> <i>Update on SSF projects</i> <b>Decision: endorse change request submitted by the Build Back Better project</b>	Adam Bryan	Pg. 37
	11:55	<b>AOB &amp; Close</b>		

### For information item:

Covid19 Recovery Funds Update  
Delivery Plan Update for Quarter 4

### Future Strategic Board meeting dates:

18 March 2022, 24 June 2022

# Minutes of Strategic Board: 1 Oct 2021

## Attendees

Chris Brodie	Chair
Sarah Dance	Deputy Chair
Adam Bryan	CEO
Aideen Sadler	Opportunity South Essex
Ana Christie	Team East Sussex
Angela O'Donoghue	Further Education Representative
Carol Ford	Kent and Medway Economic Partnership
Claire Lewis	Success Essex
Clive Soper	Team East Sussex
Cllr Graham Butland	Essex District/Borough/City Councils representative
Cllr Kevin Bentley	Essex County Council (voting member items 1-4)
Cllr Lesley Wagland	Essex County Council (voting member item 5 onwards)
Cllr Mark Coxshall	Thurrock Council
Cllr Rodney Chambers	Medway Council
Cllr Roger Gough	Kent County Council
Cllr Ron Woodley	Southend Borough Council
Cllr Rupert Simmons	East Sussex County Council
Cllr Trevor Bartlett	Kent District/Borough/City Councils representative
Geoff Miles	Kent and Medway Economic Partnership
Graham Peters	Team East Sussex
Jo James	Kent and Medway Economic Partnership
Liz Gibney	Kent and Medway Economic Partnership
Mark Curle	Opportunity South Essex
Matthew Arnold	Kent and Medway Economic Partnership
Miles Adcock	Success Essex
Penny Shimmin	Social Enterprise Representative
Prof Karen Cox	Higher Education Representative

Apologies: Cllr Keith Glazier (substituted by Cllr Rupert Simmons), Perry Glading (substituted by Mark Curle)

## Other attendees:

Alex Riley	SELEP Secretariat	Lisa Ricketts	Thurrock Council
Amy Bernardo	Essex County Council	Lorna Norris	Essex County Council
Amy Ferraro	SELEP Secretariat	Louise Aitken	SELEP Secretariat
Carole Barron	University of Kent	Michael Neumann	Essex County Council
Christopher Seamark	Kent County Council	Paul Chapman	Essex County Council
Dave Evans	East Sussex County Council	Richard Dawson	East Sussex County Council
Ellie Clow	SELEP Secretariat	Robert Singh	University of Essex
Emma Lindsell	Southend Borough Council	Robert Willis	Essex County Council
Helen Dyer	SELEP Secretariat	Sarah Nurden	KMEP
Howard Davies	SELEP Secretariat	Sharon Spicer	SELEP Secretariat
Ian Lewis	Opportunity South Essex	Stephanie Mitchener	Essex County Council (S151)
Iwona Bainbridge	SELEP Secretariat	Sunny Ee	Medway Council
Jim Wilkinson	SELEP Secretariat	Susan Moussa	Essex Legal Services



Jo Simmons	SELEP Secretariat	Suzanne Bennett	SELEP Secretariat
Laura Wallis	Essex County Council	Victoria Conheady	Hastings Borough Council

***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 meeting.
- 1.2. It was clarified that Cllr Kevin Bentley would be the voting member in attendance for ECC.
- 1.3. The Board members introduced themselves individually.

**Item 2: Minutes of last meeting, declarations of interest, matters arising (7'45" timestamp on video)**

- 2.1. The Board agreed the minutes of the last meeting.
- 2.2. The following interests were declared:
  - i) Angela O'Donoghue declared a pecuniary interest relating to Item 7 as South Essex College is involved in the Centre for Advanced Engineering GPF project. Angela O'Donoghue will be placed on hold for the duration of this item and will not be able to vote.
  - ii) Sarah Dance declared the following non-pecuniary interests:
    - Co-Chair of the Thames Estuary Production Corridor; and
    - Creative Workspace is a SECEN project, Sarah Dance is Co-Chair of SECEN and this project feeds into Creative Estuary work which she also chairs.
  - iii) Jo James declared a non-pecuniary interest in Item 8 as Kent Invicta deliver the Growth Hub in Kent and Medway.
- 2.3. Adam Bryan reminded the Board that the SELEP AGM and Conference is on 3 November.
- 2.4. Adam Bryan confirmed that the written resolution relating to the Power of Attorney was agreed by the Board.
- 2.5. Adam Bryan informed the Board that the CLGU Mid-Year Conversation has been scheduled for 6 November.

**Item 3: Evolution of SELEP for 2022/23 (11'40")**

- 3.1. Adam Bryan and Chris Brodie presented to the Board and summarised the content of the report. SELEP is expecting to hear more information from Government during November.
- 3.2. The Board expressed their support and thanks to the Secretariat during these difficult circumstances.
- 3.3. The Board agreed the priority areas of work for SELEP in 2022/23, noting that these will be reduced on previous years' plans to reflect the tighter financial envelope and reduced secretariat team.
- 3.4. The Board noted the current reduction of core funding, its ongoing impact on the SELEP Secretariat and its ability to perform against the Delivery Plan for 2021/22.
- 3.5. The Board endorsed the cancelling of any new Sector Support Fund (SSF) funding awards on the basis of the in-year reduction of revenue support to SELEP from Government and the knock-on impacts into next year. There is currently £126,736 of unallocated funding. SSF will be considered for reinstatement in the event of the receipt of the second tranche of core funding. Should the second tranche of core funding not be received, the remaining £126,736 should be diverted to support the SELEP operational budget in 2022/23, subject to Accountability Board approval.

- 3.6. The Board agreed to divert the uncommitted funding from the existing CV19 programme to support the SELEP operational budget in 2022/23, subject to Accountability Board approval. This is estimated to be circa £450,000.
- 3.7. The Board agreed that all investment decisions for projects NOT currently already on a pipeline should be put on hold until the next meeting of the Strategic Board in December 2021. Currently it is expected that further information regarding the future of LEPs will be published as part of the Levelling Up White Paper, which is understood to be aligned with the Autumn budget on 27 October. It is hoped that this additional information will allow for recommendations on future investments, including the ongoing function of the Growing Places Fund, the revolving infrastructure fund, to be better aligned with Government's direction of travel.

**Item 4: Board Succession Planning (1h6'00")**

- 4.1. Chris Brodie reminded the Board that his final term as Chair will be finishing at the end of this financial year.
- 4.2. Suzanne Bennett presented to the Board.
- 4.3. The Board indicated that they did not want to begin a recruitment process at this time given the uncertainty surrounding LEPs. Some Board members indicated that their preferred solution would be for the current Chair to extend his term and likewise for the Deputy Chair. The Secretariat were asked to establish whether this would be possible under the governance and Suzanne indicated that it was possible.
- 4.4. Revised recommendations will be brought to the December Board meeting.

**Cllr Kevin Bentley left the meeting; Cllr Lesley Wagland became the voting member for ECC from Item 5.**

**Item 5: SELEP Statement of Accounts 2020/21 and South East LEP Ltd Statement of Accounts 2020/21 (1h23'06")**

- 5.1. Lorna Norris presented to the Board.
- 5.2. The Board confirmed they had considered the SELEP Statements of Accounts 2020/21.
- 5.3. The Board approved the South East LEP Ltd Statement of Accounts 2020/21.

**Item 6: Capital Programme Update (1h31'21")**

- 6.1. Helen Dyer summarised the report to the Board.
- 6.2. Helen Dyer clarified that although the report indicates that the Innovation Park Medway project will be completed by November 2022, it is expected that their funding will be spent in full by March 2022.
- 6.3. Helen Dyer clarified that the funding for the Bexhill Enterprise Park North project cannot be released by East Sussex County Council yet as the required third-party grant agreement between East Sussex County Council and the delivery partner is not yet in place.
- 6.4. The Board agreed LGF spend beyond 30 September 2021 for the following projects:
  - i) New Construction Centre at Chelmsford College – expected completion February 2022
  - ii) Strood Town Centre Journey Time and Accessibility Enhancements project – expected completion December 2021
  - iii) Innovation Park Medway – Northern Site Extension – expected completion November 2022
  - iv) Bexhill Enterprise Park North – expected completion March 2022
  - v) Kent and Medway EDGE Hub – expected completion March 2022
  - vi) Mercury Rising, Essex – expected completion December 2021
  - vii) Southend Airport Business Park – expected completion March 2022

6.5. The Board agreed GBF spend beyond 31 March 2022 for the following two projects:

- i) UTC Maritime and Sustainable Technology Hub – expected completion September 2022
- ii) Riding Sunbeams – expected completion June

**Item 7: Growing Places Fund update (1h46'17")**

**The Board lost quorum during this item; all further decisions will follow via written resolution.**

- 7.1. Angela O'Donoghue was placed on hold during this item due to a pecuniary interest.
- 7.2. Helen Dyer presented the update to the Board.
- 7.3. General discussion regarding the project prioritisation order- Adam Bryan to circulate further clarification regarding the GPF pipeline to the Board after the meeting.
- 7.4. The Board members present did generally agree to the recommendations as written in the report however this was not quorate and will therefore be retaken via written resolution.

**Item 8: Growth Hub Update (2h5'10")**

- 8.1. Suzanne Bennett presented the update to the Board.

**Item 9: Sector Support Fund Project Update (2h10'26")**

- 9.1. Adam Bryan presented the update to the Board.
- 9.2. Decision to follow via written resolution.

**Item 10: AOB & Close (2h11'40")**

- 10.1. Chris Brodie closed the meeting.

## Item 3: Moving to a new SELEP model

### Executive Summary

#### 1. Overview

- 1.1. Board Directors will be aware that the ongoing uncertainty caused by the LEP Review has necessitated changes to the operation of SELEP which will see a reduced team and commensurately concentrated suite of activities from 1 April 2022.
- 1.2. The SELEP Chief Executive Officer (CEO) has been working with the Chief Operating Officer (COO) and others to ensure that the team is able to operate within the *agreed* funding envelope for next year, making no assumptions around any further incoming funding. The budget set for 2022/23 has been set based on funds that are already held and therefore that funding is secure for the year.
- 1.3. It is worth noting that SELEP has the opportunity to refresh and recharge its strategic agenda for the coming year, and we will be working hard to make the very best of what could be the final year of the partnership in its recognisable form. We continue to await the outcome of the LEP Review within the Levelling Up White Paper and, as is currently reported, should see this in December. This will inform the approach we take to finalising the Delivery Plan for agreement in March 2022.
- 1.4. This report sets out a framework for the work underway ahead of 1 April 2022 and sets out the rationale for the proposed guidance for the nomination of the Co-opted Board Members for 2022/23.

#### 2. Decisions: Board is recommended to:

- 2.1. Note the work underway to move SELEP to an effective operating model for the 2022/23 financial year and note that a more detailed Delivery Plan will be provided to the Board for its consideration at the March 2022 meeting.
- 2.2. Note the summary line to take for conversations with partner organisations as follows:

*SELEP is currently working to refine its strategic focus for the 2022/23 financial year and to build on its strong record of delivery while proactively responding to the requirements of the area's economy and the direction offered from Government post the resolution of the LEP Review.*

*There is an active process underway to streamline the operation of SELEP within a tighter funding envelope and to maximise its impact across a smaller and more regionally focused sets of activities. Please contact the SELEP CEO, Adam Bryan, if you wish to discuss the next step in the evolution of SELEP.*

- 2.3. **Agree** that there are no specific areas of focus for financial year 2022/23 to be considered by the organisations and groups nominating the co-opted Board members for the year and those groups should be asked to put forward their nominations now.

#### 3. Rationale for Decisions

- 3.1. The partnership will have to operate within a much tighter funding envelope and, as such, should

take the opportunity to review and evaluate its current operation to enable a transition to a smaller organisation which maximises its strategic impact in a very different operating environment.

- 3.2. Given that SELEP will utilise all its operational reserve funding to support its 2022/23 activities, we will be able to build our strategic focus with no specific restrictions on spend. This enables the SELEP CEO to implement the changes according to the priorities previously considered by the Strategic Board in October without being encumbered by any stipulations or grant conditions.
- 3.3. This period of change gives us the opportunity to provide a stronger framework around the decision-making processes of the Board. Following a very constructive meeting on Equality and Diversity with a number of local stakeholders and interested parties, and upon further review of the guiding principles in the *Recovery and Renewal Strategy*, it should be our intention to find a tangible way of applying these principles to future decisions taken by the Board.
- 3.4. The update for the Board in section 4 falls into five distinct categories:
  - a. Government's position;
  - b. Changes to the team in preparation for 2022/23;
  - c. Changes to the operation of the Board from 2022/23;
  - d. Our working agenda for 2022/23;
  - e. Lines to take with partners on 2022/23 plans
- 3.5. As the Board are aware, there are five Directors who are appointed on a co-opted basis for a period of 12 months. The SELEP Assurance Framework sets out the process for appointing the co-opts in each year. Given the delays in the publication of the Levelling Up White Paper it has not been possible to produce a Delivery Plan for the forthcoming year at this point. Therefore, it is proposed that the information in this report is used to set any guidance to be given to the nominating organisations and groups.
- 3.6. Given the high levels of uncertainty about the longer term role of LEPs, the Secretariat recommends that there are no specific areas of focus that those organisations and groups need to consider in making nominations and therefore the nominations should be invited to come forward.
- 3.7. The Higher Education co-opted member will be nominated by the U9 working group, the Further Education co-opted member will be nominated by the Skills Working Group and the Social Enterprise co-opted member will be nominated by the Social Enterprise Working Group. There is nothing to prevent those working groups nominating the current Directors for a further 12 month term.
- 3.8. There are two local authority co-opted Board positions. It was agreed at the meeting of Strategic Board in December 2020 that East Sussex would be invited to put forward a local authority co-opt for financial year 2022/23. It is proposed that Essex also be invited to put forward a local authority co-opt for financial year 2022/23 and then, should co-opts be required in financial year 2023/24, Kent and East Sussex will be invited to put forward co-opts.



## 4. Background

### *Government's position*

- 4.1. In correspondence from a number of Ministers, and in lieu of any mention of LEPs in the recent Autumn Budget, it has been confirmed to us that the outcome of the LEP Review will be published alongside the Levelling Up White Paper. This White Paper is now expected before Christmas 2021.
- 4.2. Speculation over the contents of the White Paper, as it relates to LEPs, has been rife for a number of months and has directly contributed to the unease felt by members of the Secretariat. On 22<sup>nd</sup> November, the Municipal Journal ran a story with the headline 'LEPs look to be scrapped' where it provided a fragment of a quote from the Secretary of State for Department for Levelling Up, Homes and Communities (DLUHC) made earlier that day. This quote provided Mr Gove's preference 'that powers, including economic development powers, are best exercised alongside other powers that rest in the hands of democratically elected, accountable Leaders'. Although officials were very quick to assure the LEP Network that no decisions have yet been made on the LEP Review, we must be alive to the possibility of a gradual abolition of the policy that supports us.
- 4.3. Given the prudent financial planning to date, strongly supported by Accountable Body colleagues, we should be clear that SELEP *will* operate in revised form through to March 2023 whether we are supported by Government funding or not. Accountability Board approved a balanced budget for the operational costs of the Secretariat in 2022/23 financial year at their meeting on 19 November. We will be ready to equally respond to an extension to our agenda, to any responsibilities around a transition to new arrangements or to any requirement to gradually close down operations and wind up the partnership on 31 March 2023.
- 4.4. In the week immediately prior to the Accountability Board, we received notification of the ability to apply for the second tranche of core revenue funding for this financial year. At the time of writing the outcome of this application is unknown, but we will report accordingly to the Board should it become known prior to the December meeting.
- 4.5. We will continue to make the strong case for the way of working which is unique to our LEP – which supports business-led prioritisation, through the Strategic Board, and carefully balances this with democratic oversight of transfer of funding through the mechanisms around the Accountability Board. Our governance model provides an assurance which is uniquely strong across the 38 LEPs and we should have every confidence in communicating its value to Government Ministers and officials.

### *Changes to the team in preparation for 2022/23*

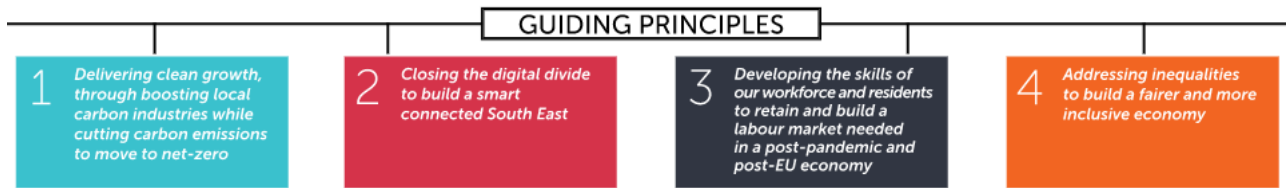
- 4.6. Board members will be aware that the secretariat team has undergone a formal redundancy consultation process which completed on 1 December. Following the implementation of the new structure as detailed in that consultation, the Secretariat have 45% fewer posts than were established in April 2021. This reduction has been managed mainly through natural attrition but unfortunately it will be necessary to make some posts redundant from April 2022.
- 4.7. A significant risk remains around the increased likelihood of members of the team to seek more secure employment elsewhere. In the weeks prior to the consultation, three members of the team departed their positions and they have not been replaced. During the consultation period, the Chief Operating Officer has submitted her resignation in addition. It is likely that this trend will continue and managing the risks that a reducing resource pool creates will be a key determinant

of success for the year or so to come. Finalising a contingency plan at an early stage, to take account for any given departures across the team, is a business-critical activity for Quarter 4 2021/22.

- 4.8. This activity planning for Quarter 4 2021/22 is currently underway. A significant feature of our activities for the period from January to March 2022 will be communications around ceasing some of our activities and arrangements for handover where there is the capacity in partner organisations to take forward our work. More details can be found in the Delivery Plan Update in your 'For Information' pack.

***Changes to the operation of the Board from 2022/23***

- 4.9. We are working with the Federated Board lead officers to establish as clear a picture as possible around renewing Board Directors as we approach the end of the second year of SELEP Ltd. As set out in agenda item 5 it is proposed that flexibility on appointment terms for private sector Directors be afforded. There is a risk that Federated Boards will be unable to put forward nominations for Private Sector Board Directors as the influence of the LEP decreases. Federated Board nominated Private sector Directors give up their own time, with no remuneration, for SELEP activities. The reducing scope and impact of the LEP may give these Directors cause to consider their future with the LEP.
- 4.10. If a clearer picture regarding the future role and funding of LEPs is contained within the Levelling Up White Paper then it may be necessary to consider whether the current structure and make up of the Board is fit for purpose. A full review of the Board would be undertaken at that time and the outputs of the Board Effectiveness Survey that ran over the Summer would be used to inform that review.
- 4.11. It is also time to establish nominations for the five co-opted Board positions. The Higher Education, Further Education and Social Enterprise representatives have remained constant for both the 2020/21 and 2021/22 years of SELEP Ltd and we will work with the nominating groups to establish where, if any, change is needed.
- 4.12. In terms of the representation of borough/district/city level local authorities (two seats), we have previously offered advice around the upcoming agenda of the LEP in an effort to ensure that Members from the areas most aligned with that agenda take their seats around the table. Given the uncertainties around the LEP review, we are not in the position to offer a strategic steer, but Board Directors will recognise that it is East Sussex's turn to nominate at least one of the two borough/district/City authority co-opts given that Kent and Essex provided representatives in each of the last two years. The proposal is that East Sussex and Essex provide representatives in 2022/23 and, should co-opts be required in 2023/24, Kent and East Sussex will provide representatives in that year.
- 4.13. Building on a recent very constructive inaugural meeting of the Diversity Working Group, we are looking to enshrine 'value-based decision making' as part of the Strategic Board's modus operandi. During that discussion it became very apparent that any approach which could be viewed as tokenistic would not be the right way forward (such as the appointment of a 'Champion' or a one-off event) and that affecting the decision-making of the Board for the better would be a much more meaningful way of making the LEP's activities as inclusive as possible.
- 4.14. The Recovery and Renewal Strategy provides guiding principles for the delivery of the strategy, which provides a helpful foundation:



4.15. It is our intention to explore these at a future Board meeting, to both establish where we can make worthwhile changes to our decision-making processes; and where we can apply these to good effect. Much will depend upon the tools we have at our disposal after the LEP Review.

***Our working agenda for 2022/23***

4.16. Whilst the working priorities of the secretariat team will be offered to the Board for consideration in March, when we are fully cognisant of the LEP Review outcome and the potential impact of the White Paper, it is important to establish a handful of key principles now.

4.17. It is our intention to take full advantage of the **flexibility that our funding arrangement provides** – we are masters of our own agenda and are able to formulate a refined suite of activities in a completely unencumbered way. With areas such as the Major Projects Group, we should feel empowered to take a steer from the private sector and focus on what can be created collaboratively, rather than become swamped in reporting requirements.

4.18. We should also have the **confidence to say ‘no’**. We will very clearly be resourcing less activity – effectively supporting a more strategic or regional level agenda across a narrower set of thematic areas. This may result in less engagement with activities driven on a smaller spatial scale than SELEP, and more focus on those areas where a deliberately regional approach will have most impact.

4.19. In this respect, our **offer will need to be clear**, will need to be unique and easily differentiate from activities undertaken at, say, a county level – and importantly we should be able to articulate and clearly quantify where the LEP adds value. Being an intelligent collaborator and convenor – using data to inform our approach – will give us both credibility and a licence to act.

4.20. Central to our new way of working is the **‘strategy network’** approach which has been developed over the past six months. The Strategy Network will see us move away from our previous method of supporting the administration of working groups as a matter of course and move to a mix of managed engagement across a broader church of groups as representatives of SELEP. We consider that this method is less resource intensive yet broadens our influence.

4.21. This could range from spatial groups where a specific challenge requires our input; Policy Groups (e.g. Freeports); Public Sector (including APPGs); cross-LEP activities (including LEP Network driven activities); external bodies where our involvement brings direct benefit (e.g. Make UK); or sector groups in the area, including existing SELEP working groups, where it is determined that we can have a specific impact on a specific area. There are certain active groupings in areas that SELEP can no longer resource, such as the Skills Working Group and the Housing and Development Group at SELEP level which we are reviewing in the context of the strategy network approach.

4.22. The data-driven approach to managing our interventions, a more discerning approach to where we engage and an improved level of analysis internally will set this apart from what we have done in the past when providing the coordinative activities for existing working groups. This will also enable us to continue to build the case for intervention or investment in SELEP, including, for example, in relation to the specific priorities of particular communities or sectors.

- 4.23. Outside of our strategy work, SELEP has an important ongoing responsibility around the management and delivery of the capital programme and the ongoing monitoring and reporting of outputs and outcomes as required by Government. This activity, alongside the coordination and management of the Accountability Board, will remain important for SELEP to undertake during 2022/23. Furthermore, it will be important for us to resource these activities supporting SELEP's legacy beyond March 2023 and provision is made in the budget to do exactly that.
- 4.24. Clearly, there are important **areas of work which SELEP will no longer be able to support** and we are undertaking handover or winding down activities accordingly. The strategic housing agenda and the skills agenda are two areas where Government have seemingly moved away from engaging LEPs and we have taken the very difficult decision to halt resourcing work across both of those agendas. We are also forced into a position where we will have to significantly reduce our touchpoints with local activities and to a large extent this will affect our connection with Town Boards and with our own federated boards insofar as attendance at meetings is concerned.

***Lines to take with partners on 2022/23 plans***

- 4.25. It is important for members of the secretariat and Board Directors to be able to communicate a clear line to wider stakeholders on the impact of the LEP Review on SELEP. The lines below have been prepared and we would suggest that some of all could be used when communicating our position to partners:

*SELEP is currently working to refine its strategic focus for the 2022/23 financial year and to build on its strong record of delivery while proactively responding to the requirements of the area's economy and the direction offered from Government post the resolution of the LEP Review.*

*We are keen to keep engaged with you and will ensure that you know what this means for you and your area of interest as we look to reframe our working practices.*

*We are a successful super-network. We coalesce knowledge, expertise, data, intelligence and generate bigger hitting outcomes. This is the real value of SELEP and we will continue to invest in it. Our convening power, our independent perspective and our evidence-based approach will only become more important as the economy seeks to build back.*

*There is an active process underway to streamline the operation of SELEP within a tighter funding envelope and to maximise its impact across a smaller and more regionally focused sets of activities. Please contact the SELEP CEO, Adam Bryan, if you wish to discuss the next step in the evolution of SELEP or to understand more about how we could continue to act in support of your part of the economic growth agenda.*

## **5. Next Steps**

- 5.1. As currently planned, a Delivery Plan for 2022/23 will be presented to the March Strategic Board meeting, focusing on that smaller set of activities which will be taken forward and building on many of the themes in this paper.

- 5.2. Should Government publish the Levelling Up White Paper in advance of that meeting, the Secretariat will ensure that this is circulated to the Board Directors as soon as practicable. Please be assured that any timely release of this document will directly contribute to the Delivery Plan.

## **6. Comments from the Accountable Body**

- 6.1. The on-going operation of SELEP must be delivered within the annual budget agreed by the Accountability Board. Currently there has been no confirmation of new funding beyond the current financial year; the 2022/23 budget therefore assumes that the operational reserves will be the primary source of funding in this year.
- 6.2. The 2022/23 budget assumes full use of the operational reserves to fund the anticipated expenditure – on this basis, there would only be funding beyond March 2023 to support known financial and contractual commitments and risks, unless alternative funding opportunities become available. The overall position will continue to be monitored regularly and the budget will be revised, if required, during early 2022/23, should additional funding be awarded.

## **7. Appendices, Supporting Documents and Previous Decisions**

- 7.1. For further information please contact Adam Bryan – [adam.bryan@southeastlep.com](mailto:adam.bryan@southeastlep.com)

## Item 4: Local Assurance Framework and Policy Updates

### Executive Summary

#### 1. Overview

- 1.1. In September the Ministry of Housing, Communities and Local Government (MHCLG) as it was known at the time, issued notice that it had reviewed the National Assurance Framework (NAF) and updates had been made.
- 1.2. There are some changes required to update our policies in line with the NAF and to reflect the current uncertainty regarding the LEP Review.

#### 2. Decisions: Board is recommended to:

- 2.1.1. **Agree** the updated Local Assurance Framework (LAF) (Appendix C);
- 2.1.2. **Agree** the new Expenses Policy (Appendix D);
- 2.1.3. **Agree** the new Hospitality Policy (Appendix E);
- 2.1.4. **Agree** the updated Recruitment Policy (Appendix F);
- 2.1.5. **Agree** to the exemptions to policy regarding the appointment of private Directors. These exemptions will be in place for appointments made before 31 March 2022.

#### 3. Rationale for Decisions

- 3.1. An assessment of the changes to the NAF has been made and the changes that are required to the SELEP LAF are as follows:
  - 3.1.1. Update to reflect that the target for equal gender representation on the Strategic Board is specifically from the beginning of 2023 rather than 2023 generally;
  - 3.1.2. Clarify the timeline for the production of the Annual Report;
  - 3.1.3. List the Expenses and Hospitality Policies as two separate policies instead of the current combined policy; and
  - 3.1.4. Explain the assurance process which now officially includes the Mid-Year Review.
- 3.2. A table showing the updates to the National Assurance Framework and the requirements for changes in the SELEP Local Assurance Framework can be found at Appendix A.
- 3.3. In addition to the updates detailed above, MHCLG also issued a number of exemptions (Appendix B) to the NAF recognising the exceptional circumstances in which LEPs find themselves, including some exceptions regarding terms served by Board Members. This has highlighted that adding some flexibility to the minimum terms to be served by Board Members should be added as a permanent change to our governance.

### Further Information

#### 4. Decision 1: Agree the updated Local Assurance Framework

- 4.1. Please see Appendix A for a full summary of the changes to the National Assurance Framework



and the resultant proposed changes to the Local Assurance Framework (LAF).

- 4.2. There are no material changes required to the operations of the SELEP.
- 4.3. The revised LAF can be found at Appendix C. In line with the SELEP Framework Agreement, the proposed changes to the Local Assurance Framework have been consulted on with the SELEP Accountability Board and the Accountability Board had no comments on the changes.

## **5. Decision 2 and 3: Agree the new Expenses Policy and agree the new Hospitality Policy**

- 5.1. According to the updated NAF, our Hospitality and Expenses Policies and registers must be separated. It is therefore proposed that the current Subsistence and Hospitality Policy is divided into two, along with the corresponding registers.
- 5.2. There will be no material changes to the content of either policy. The new Expenses Policy can be found at Appendix D and the new Hospitality Policy can be found at Appendix E.

## **6. Decision 3: Agree the updated Recruitment Policy**

- 6.1. After reviewing the Recruitment Policy in light of the temporary exemptions to the NAF (Appendix B), it is suggested that a permanent change to the SELEP Recruitment Policy would allow for more flexibility going forward.
- 6.2. It is proposed that Strategic and Federated Board members be recruited on a term of **up to** two years, with a maximum total service of six years regardless of the number of terms.

## **7. Decision 4: Agree to the exemptions to policy regarding the appointment of private sector Directors**

- 7.1. The following temporary exemptions are proposed in relation to the appointment of private sector Directors due to uncertainties with the LEP Review (changes in italics):
  - 7.1.1. new Directors may be appointed by a vote of the relevant Members of the Company ***without an open recruitment process*** for a maximum term of ***12 months***;
  - 7.1.2. existing Directors may be appointed/extended on a term length ***up to*** 2 years (the total maximum of 6 years still applies).
  - 7.1.3. These exemptions will also apply to the appointment and extension of Federated Board members
- 7.2. If the updated recruitment policy (Appendix F) has been agreed, then 7.1.2. above is already included within that decision.
- 7.3. The application of these exemptions to policy are recommended due to the highly uncertain nature that SELEP finds itself in at this time and should be considered exceptional in nature. Should further clarification on the future role and funding of LEPs from HM Government it will be recommended that an expectation of full policy compliance be reinstated.
- 7.4. It is recommended that these exemptions remain in place for appointments made up to 31 March 2022. The National Assurance Framework exemptions are expected to expire at that date and the Board will need to consider whether local exemptions should be extended beyond this date and the implications of not complying with the National Assurance Framework. Should the Secretariat see a requirement for extension of local exemptions

beyond the end of this financial year, a further report will be brought for consideration at the March meeting of the Board.

- 7.5. If HM Government withdraws the exemptions to the National Assurance Framework, the Board will be asked to consider whether it is still appropriate for the local exemptions to remain in place.

## **8. Next Steps**

- 8.1. The updated LAF and relevant policies will be adopted in line with the decisions immediately following the meeting and published on the SELEP website in accordance with our governance requirements.
- 8.2. Private Sector Directors will be appointed or re-appointed, to attend their first meeting in March 2022.
- 8.3. Where exemptions have been utilised the Department of Levelling Up, Housing and Communities (as successor to MHCLG) will be informed in line with the requirements set out in Appendix B.

## **9. Comments from the Accountable Body**

- 9.1 The updates to the SELEP Local Assurance Framework (LAF) and associated policies which the Board are asked to agree in the report, are in accordance with the updates issued by MHCLG (as it was known at the time) to the National Assurance Framework (NAF). The Accountability Board has been consulted at their November meeting on the updates to the LAF in accordance with the Framework Agreement.
- 9.2 In previous years, the Section 151 Officer of the Accountable Body has been required to provide assurance to the Government that the SELEP Local Assurance Framework meets the minimum requirements of the NAF in order to release the core funding in the forthcoming year; should core funding continue to be allocated into 2022/23 (there is currently no confirmation of this), this assurance will remain a requirement.

## **10. Appendices, Supporting Documents and Previous Decisions**

- 10.1. Appendix A: Changes to the Assurance Framework
- 10.2. Appendix B: Exemptions to the NAF
- 10.3. Appendix C: Updated Local Assurance Framework (with tracked changes)
- 10.4. Appendix D: Updated Expenses Policy (with tracked changes)
- 10.5. Appendix E: Updated Hospitality Policy (with tracked changes)
- 10.6. Appendix F: Updated Recruitment Policy (with tracked changes)

For more information please contact [amy.ferraro@southeastlep.com](mailto:amy.ferraro@southeastlep.com).



## Item 5: Board Succession Planning

### Executive Summary

#### 1. Overview

- 1.1. The current terms of the Chair and Deputy Chair will end on the second anniversary of the incorporation of South East LEP Ltd (SELEP Ltd) on 1 March 2022. At the last meeting of the Strategic Board (the Board), Directors indicated that given the uncertainties facing LEPs the preferred approach would be that the Chair and Deputy Chair would serve for a further term.
- 1.2. The incumbent Chair and Deputy Chair have kindly indicated that they would be willing to serve in those roles for a further period of 12 months.
- 1.3. This report sets out the process and rationale for extending the terms for these roles.

#### 2. Decisions: Board is recommended to:

- 2.1. **Agree** that Christian Brodie should be appointed as Chair of SELEP Ltd for the period 1 March 2022 to 28 February 2023, pending a Special Resolution of the Membership of SELEP Ltd.
- 2.2. **Agree** that Sarah Dance should be appointed as Deputy Chair of SELEP Ltd for the period 1 March 2022 to 28 February 2023, pending a Special Resolution of the Membership of SELEP Ltd.
- 2.3. **Note** that both appointments would be on the same basis as current, including the payment of an allowance of £20,000 per annum for the Chair and £10,000 per annum for the Deputy Chair.

#### 3. Rationale for Decisions

- 3.1. For the partnership to function it is necessary for there to be a Chair and a Deputy Chair. As well as these roles being specified in the Assurance Framework, they also have key roles to play in heading the Strategic Board and Accountability Board respectively, as well as providing strategic leadership and support to the Secretariat.
- 3.2. A strong steer was given by Directors for the extension of terms for the current Chair and Deputy Chair during a discussion on potential options for succession planning at the last Board meeting.
- 3.3. Both the Chair and Deputy Chair have indicated that they would be minded to extend for a period of 12 months to offer stability to the partnership and team during a very uncertain time.
- 3.4. The Articles of Association require a Special Resolution of the Membership of SELEP Ltd to extend the terms of the Chair and Deputy Chair, who have both served a single two-year term as Chair and Deputy Chair of the company, which was incorporated on 1 March 2020. Should Board agree that terms are extended, the Special Resolution will be issued electronically to run during January 2022.
- 3.5. The Membership of SELEP Ltd is made up of those Federated Board members of the four federated boards who have selected to register as a Member. All Federated Board members are eligible to become a Member of SELEP Ltd.

## Further Information

### **4. Decision 1: Agree that Christian Brodie should be appointed as Chair of SELEP Ltd for the period 1 March 2022 to 28 February 2023, pending a Special Resolution of the Membership of SELEP Ltd**

- 4.1. It is a requirement of the Articles of Association of SELEP Ltd that the Company should have at all times an appointed chairperson and it is imperative that the Board and Secretariat have the leadership necessary to function through 2022/23. Whilst there is still much uncertainty about the future of LEPs, a balanced budget for financial year is in place and as detailed under agenda item 3, there is much that can be achieved in that period regardless of the longer term uncertainties.
- 4.2. As set out above, and in line with the strong steer from Board Directors at their last meeting in October it is proposed that the current Chair continue in his role for an additional period of 12 months to provide the necessary leadership required.
- 4.3. The continued uncertainty on the future role of LEPs has made it all but impossible to conduct an open recruitment at this time. HM Government has offered an exemption related to requirements around limited terms for LEP Chairs, Deputy Chairs and other Board members.
- 4.4. The extension of the term will require approval via a Special Resolution of the Membership of SELEP Ltd and this Special Resolution will be circulated to the Members via email as a written resolution during January 2022.
- 4.5. The current Chair has provided strong leadership during his six years working with the SELEP Partnership and played a pivotal role in the implementation of the changes required by the first LEP Review. The continuation of the role will offer much needed stability to the Secretariat and partners during a period of much uncertainty.
- 4.6. Should a clear role for LEPs in future, with associated funding, be announced during the year a review of the role of Chair will be undertaken, with a view to carrying out an open recruitment during the year.
- 4.7. An allowance of £20,000 will be paid for the year on a quarterly basis for the undertaking of the role. Should the full 12 months not be served, the allowance will be reduced on a pro-rata basis.

### **5. Decision 2: Agree that Sarah Dance should be appointed as Deputy Chair of SELEP Ltd for the period 1 March 2022 to 28 February 2023, pending a Special Resolution of the Membership of SELEP Ltd**

- 5.1. In addition to the requirement of a chairperson, the Articles of Association also require that the chairperson should have a deputy at all times. In addition, the Deputy Chair plays a very important role in chairing the Accountability Board, which will continue to have oversight of the capital programme delivery in 2022/23.
- 5.2. As before, and in line with the strong steer from Board Directors at their last meeting in October it is proposed that the current Deputy Chair continue in her role for an additional period of 12 months to support the Chair and lead the Accountability Board. The extension of the term of the Deputy Chair also requires a Special Resolution of the SELEP Ltd Membership and this will be completed in line with the process set out at 4.4. The Membership will be asked to consider both Resolutions simultaneously.

- 5.3. The Chair and Deputy Chair have a strong working relationship and the continuation of this role will additionally provide greater stability to the Secretariat and partners and the ongoing functioning of the Accountability Board.
- 5.4. An allowance of £10,000 will be paid on a quarterly basis for the undertaking of the role. Should the full 12 months not be served, the allowance will be reduced on a pro-rata basis.

## **6. Next Steps**

- 6.1. Should Board agree the extensions a Special Resolution of the Membership of SELEP Ltd will be circulated to the Members electronically to be taken as a written resolution and Board members will be informed of the outcome.
- 6.2. If the Resolution is successful, the Secretariat will work with the Accountable Body to produce the documentation to extend the terms for a period of 12 months.
- 6.3. If the Resolution is not successful a contingency arrangement will be recommended to Board members whereby two other Directors will be asked to act as Chair and Deputy Chair on an interim basis whilst other arrangements are developed.
- 6.4. Should further clarity on the roles of LEPs be made available before the next Strategic Board meeting in March an assessment on the impact of the role of the Chair and Deputy Chair will be provided at the March meeting.

## **7. Comments from the Accountable Body**

- 7.1. Agreement by the Board for the extension of the current Chair and Deputy Chair by a further 12 months to 28 February 2023 requires a Special Resolution of the Membership of SELEP Ltd to be undertaken as per the Articles of Association.
- 7.2. In the event that the Board does not agree to extend the term of the Chair and Deputy Chair, the Board will need to agree interim arrangements for the Chair and Deputy Chair of SELEP Ltd.
- 7.3. Following confirmation from Government regarding the roles of LEPs moving forward, a review of the roles of the Chair and Deputy Chair will be required and a recruitment process will be initiated for the roles as necessary.
- 7.4. This recruitment process of the Chair and Deputy Chair of SELEP Ltd must follow an open and transparent Succession Plan and the Board Recruitment Policy as per the Assurance Framework (from 31 March 2022).

## **8. Appendices, Supporting Documents and Previous Decisions**

- 8.1. For further information please contact Suzanne Bennett ([suzanne.bennett@southeastlep.com](mailto:suzanne.bennett@southeastlep.com))

## Item 6: Transport East

### Executive Summary

#### 1. Overview

- 1.1. The Transport East partnership covers the areas of Essex, Norfolk, Suffolk, Southend-on-Sea and Thurrock. It is one of two Strategic Transport Boards (STBs) in the SELEP area; the other being Transport for the South East (TfSE) which covers Kent, Medway and East Sussex as well as West Sussex, Surrey, Hampshire and Berkshire.
- 1.2. Transport East was launched in March 2018 as a new Sub-National Transport Body to act as one voice for the future of transport in the East of England. The partnership brings together local transport and planning authorities and business leaders with Government (including the Department for Transport, Network Rail and National Highways) to identify the transport investment needed to support quality of life, economic growth, and prosperity in the region.
- 1.3. This report provides a brief overview of the Transport East partnership, including the development of their draft Transport Strategy public consultation which has been launched very recently. A copy of the Transport Strategy can be found at Appendix A and full details of the consultation can be accessed via <https://www.transporteast.org.uk/public-consultation/>

#### 2. Decisions: Board is recommended to:

- 2.1. **Agree** that the Board should make a formal response to the Transport East Transport Strategy consultation
- 2.2. **Agree** to delegate authority to Perry Glading to approve the consultation response on behalf of SELEP Strategic Board to be submitted by the end of January 2022

#### 3. Rationale for Decisions

- 3.1. The purpose of this report is to provide the Board with an update on activities being led by Transport East. To drive this work, Transport East are in the process of finalising their first Transport Strategy (the Strategy) which will set out the priorities for the region.
- 3.2. Consultation on the Strategy has launched and will run until 30 January 2022. It is recommended that a formal response to the consultation is submitted on behalf of the SELEP Board.
- 3.3. Due to the timing of the consultation, it will not be possible to bring back a draft consultation response to the Board for agreement before the deadline at the end of January 2022. Therefore, it is recommended that a response is prepared by the SELEP Secretariat and that final approval is delegated to Perry Glading as the SELEP Board member representative on the Transport East partnership. Under South East LEP Ltd's Articles of Association, the Board may delegate to a Director to act on behalf of the Board, so the decision at 2.2 is in line with the company's Articles.
- 3.4. Board members are invited to feed in any comments on the draft Strategy to the SELEP Secretariat by the 10th January 2022 for consideration as part of SELEP's consultation response.

## 4. Further information:

- 4.1. A member of the Transport East team will make a presentation to the Board at the meeting on 10 December 2021 in relation to Transport East's activities and the Strategy consultation.
- 4.2. Cllr Bentley leads the Transport East Forum which comprises political representatives from Highways and Transportation Authorities and District Planning Authorities, as well as representatives from the two LEP Boards (SELEP and New Anglia LEP), the Chambers of Commerce, Highways England and Network Rail. Perry Glading is the nominated SELEP representative on the Forum. Other Board Members, including Cllr Ron Woodley, Cllr Mark Coxshall and Cllr Graham Butland also attend on behalf of their relevant authorities.
- 4.3. Andrew Summers, Strategic Director for Transport East, was appointed in April 2020 to manage the work of the partnership. It is also supported by a Transport East Senior Officers Group (TESOG) which includes representatives from the SELEP Secretariat and local authority transport leads.
- 4.4. Transport East have developed their draft Strategy with the support of TESOG and extensive engagement with partners across the region. It brings together a wide range of initiatives already being developed and implemented by government agencies through existing programmes such as the Roads Investment Strategy, and local authorities through their Local Transport Plans. It has also been developed in alignment with wider economic, growth, health and tourism strategies for the region.
- 4.5. The draft Strategy consultation has very recently launched and will close at the end of January 2022. Some of the headline points in the current draft of the Strategy are set out below and the full Strategy can be found at Appendix A.
- 4.6. The Strategy sets out a vision for *A thriving economy for the East, with fast, safe, reliable, and resilient transport infrastructure driving forward a future of inclusive and sustainable growth for decades to come.*
- 4.7. It identifies four strategic priorities for transport in the Transport East region:
  - 4.7.1. Decarbonisation to net-zero – working to achieve net zero carbon emissions from transport, building on our status as the UK's premier renewable energy region.
  - 4.7.2. Connecting growing towns and cities – enhanced links between our fastest growing places and business clusters. Improving access for people to jobs, supplies, services, and learning; enabling the area to function as a coherent economy and improving productivity
  - 4.7.3. Energising coastal and rural communities – a reinvented sustainable coast for the 21st century which powers the UK through energy generation. Supporting our productive rural communities and attracting visitors all year round.
  - 4.7.4. Unlocking international gateways – better connected ports and airports to help UK businesses thrive, boosting the nation's economy and helping to level up communities through better access to international markets and facilitating foreign direct investment.
- 4.8. It is recommended that SELEP provides a high-level response in support of the draft Strategy. It is anticipated that this would highlight:
  - 4.8.1. That the draft strategic priorities align well with the priorities set out in the SELEP

#### Economic Recovery and Renewal Strategy

- 4.8.2. That the Strategy must reflect the importance of key national policy areas
  - 4.8.3. That there is alignment where appropriate with the Transport for the South East Transport Strategy, particularly on key transport routes and infrastructure which impact across the SELEP area. It should be noted that SELEP responded to the Transport East Strategy consultation in January 2020.
  - 4.8.4. That the Strategy will play an important role in highlighting how future transport planning, particularly in relation to key priorities such as the Lower Thames Crossing, the Thames Estuary and our two Freeports, can help to bring value to the SELEP area and beyond.
- 4.9. It is expected that local authorities will provide individual responses to the consultation on the detail of the draft Strategy and to consider the implications for transport and land use planning at a local level. As such, it is not proposed that SELEP's consultation response should comment on these levels of detail but will be focused on the overall vision and goals of the strategy and how they will support the economy across the SELEP area.

### **5. Next steps**

- 5.1. A response will be drafted and approved, as set out in 4.8 above for submission by the deadline at the end of January 2022 (exact date to be confirmed).

### **6. Comments from the Accountable Body**

- 6.1. There are no comments from the Accountable Body.

### **7. Appendices, Supporting Documents and Previous Decisions**

- 7.1. Appendix A: A 30 Year Transport Strategy for the East
- 7.2. Full consultation details can be found at: <https://www.transporeast.org.uk/public-consultation/>

For further information contact Helen Russell/Sharon Spicer, SELEP Strategy and Intelligence Manager ([helen.russell@southeastlep.com](mailto:helen.russell@southeastlep.com)/[sharon.spicer@southeastlep.com](mailto:sharon.spicer@southeastlep.com))

## Item 7: Capital Programme Update

### 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 and where Getting Building Fund (GBF) spend is expected to extend beyond 31 March 2022. The report also provides an update on the overall position of the LGF and GBF programmes and high risk projects within both programmes.
- 1.2. The Board is asked to approve the spend of any LGF beyond 30 September 2021, and the spend of any GBF beyond 31 March 2022. One LGF project is brought forward for consideration by the Board with regard to LGF spend beyond September 2021 at this meeting, increasing the total number of projects due to spend LGF beyond 30 September 2021 to 26. Five GBF projects seeking retention of funding beyond 31 March 2022 are also brought forward for Board consideration, increasing the total number of project due to spend GBF beyond 31 March 2022 to seven.

#### 2. Decisions: Board is recommended to:

- 2.1. **Agree** LGF spend beyond 30 September 2021 for the Southend Central Area Action Plan project – expected completion December 2021
- 2.2. **Agree** GBF spend beyond 31 March 2022 for the following five projects:
  - 2.2.1. Jaywick Market and Commercial Space – expected completion September 2022
  - 2.2.2. Better Queensway – expected completion January 2033
  - 2.2.3. No Use Empty South Essex – expected completion of GBF spend September 2022
  - 2.2.4. Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas – expected completion March 2023
  - 2.2.5. Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas – expected completion March 2023
- 2.3. **Note** the cancellation of the Fast Track Business Solutions for the Hastings Manufacturing Sector Project from the GBF programme

#### 3. Rationale for Decisions

- 3.1. All the LGF funding, excluding funding allocated to Department for Transport (DfT) retained schemes, has effectively been distributed to local partners to support delivery of the LGF programme. When the Accountability Board agreed the transfer of the remaining unspent LGF funding allocated to the Southend Central Area Action Plan project, it was expected that the LGF funding would be fully spent by the end of September 2021, in accordance with the extended Growth Deal period previously agreed by the Board.
- 3.2. It has now been reported that LGF spend on the Southend Central Area Action Plan project will extend beyond September 2021 and therefore Board endorsement is required, in line with the conditions for extended LGF spend as previously agreed by the Accountability Board. The project



has been considered by the Accountability Board, who have agreed that LGF spend can continue beyond 30 September 2021 subject to Board endorsement.

- 3.3. If Board endorsement is not received, it will not be possible to action the decision by Accountability Board to allow LGF spend beyond 30 September 2021 for the Southend Central Area Action Plan project. As a result, it is likely that the return of some of the LGF funding allocated to the project will be required which will impact on project delivery.
- 3.4. At the outset of the GBF programme, there was a clear expectation from Central Government that the GBF funding would be spent in full by 31 March 2022. This expectation was a key factor when the Board considered the prioritisation of the GBF project submissions and led the Accountability Board to carefully consider any risks to project delivery when taking the final funding decisions.
- 3.5. Subsequently, it has been indicated by local partners that a number of GBF projects are no longer able to fully spend their GBF allocations by 31 March 2022 due to the occurrence of unforeseen complications or delays during project delivery. In July 2021, Accountability Board agreed that GBF funding could be retained against projects beyond 31 March 2022 in exceptional circumstances, subject to compliance with a number of conditions and criteria.
- 3.6. The five GBF projects outlined in this report were considered by Accountability Board in November 2021 and it was agreed that GBF funding could be retained against the projects beyond March 2022, subject to Board endorsement.
- 3.7. Accountability Board agreed that, as an exception, GBF funding could be retained against the Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas project and the Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas project for a maximum period of 12 months due to the delay in project delivery being caused entirely by the actions of a Central Government department. The other three projects outlined in this report were granted the maximum 6 month extension in line with the conditions and criteria previously agreed by the Accountability Board.
- 3.8. If Board endorsement is not provided, the projects will be removed from the GBF programme and the funding will be reallocated to alternative projects on the GBF prioritised project pipeline, as the projects are no longer able to deliver by 31 March 2022 as originally expected.

## Further Information

### 4. Decision 1: Agree LGF spend beyond 30 September 2021 for the Southend Central Area Action Plan project:

- 4.1. The Board has previously agreed that LGF spend on 25 projects can extend beyond 30 September 2021. There is one further project, the Southend Central Area Action Plan project, for which LGF spend is now forecast to extend beyond September 2021.

**Table 1: Summary of the Southend Central Area Action Plan project**

Summary of projects seeking approval for LGF spend beyond 30 September 2021 (£m)						
Project name	Total LGF allocation	LGF spend to end of 2020/21	LGF spend - Q1 and Q2 2021/22	LGF spend forecast - Q3 and Q4 2021/22	Expected completion date in Business Case	Updated expected completion date
Southend Central Area Action Plan	7.0000	5.1098	1.0000	0.8902	Mar-21	Dec-21



- 4.2. Delivery of the Southend Central Area Action Plan project has been delayed as a result of COVID-19 and Brexit impacts on the supply chain. The project has experienced lead-in times of up to 20 weeks when seeking to source materials and street furniture, which has impacted on the delivery programme. In addition, a major sink hole appeared in Victoria Circus (an area within the scope of the project) which needed to be stabilised and filled before work on the Project could recommence.
- 4.3. Much of the project has already been delivered and it is expected that the final works will be completed in December 2021.
- 4.4. More details on this project and the reasons for the delay to project delivery are outlined in Appendix A.

## **5. Decision 2: Agree GBF spend beyond 31 March 2022 for the five projects listed in 5.3 below:**

- 5.1. In July 2021, the Accountability Board agreed SELEP's position on the retention of GBF funding against projects beyond 31 March 2022. As outlined at the October Board meeting, the Accountability Board agreed that GBF funding could be retained against projects subject to certain criteria and conditions being satisfied.
- 5.2. The Board has previously agreed that GBF funding can be retained against 2 projects beyond 31 March 2022. There are a further five projects, for which GBF spend is now forecast to extend beyond March 2022.
- 5.3. The Board are asked to approve GBF spend beyond 31 March 2022 for the following five projects:
  - 5.3.1. Jaywick Market and Commercial Space
  - 5.3.2. Better Queensway
  - 5.3.3. No Use Empty South Essex
  - 5.3.4. Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas
  - 5.3.5. Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas.

**Table 2: Summary of projects seeking approval for GBF spend beyond 31 March 2022**

Summary of projects seeking approval for GBF spend beyond 31 March 2022 (£m)						
Project name	Total GBF allocation	GBF spend to end of 2020/21	GBF spend forecast - 2021/22	GBF spend forecast - 2022/23	Expected completion date in Business Case	Updated expected completion date
Jaywick Market and Commercial Space	1.972	-	0.590	1.382	Mar-22	Sep-22
Better Queensway	4.200	-	2.100	2.100	Jan-33	Jan-33
No Use Empty South Essex	1.200	-	0.300	0.900	Jan-22	Sep-22
Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas	0.680	-	-	0.680	Jun-21	Mar-23
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas	1.820	-	-	1.820	Dec-21	Mar-23
<b>Total</b>	<b>9.872</b>	<b>-</b>	<b>2.990</b>	<b>6.882</b>		

#### Jaywick Market and Commercial Space

- 5.4. Following concerns over the rising cost of materials and increasing volatility in the materials market, a review of the design for the Jaywick Market and Commercial Space project was undertaken with the aim of reducing costs where possible. This exercise took longer than anticipated and impacted upon the delivery programme. As a result, approval to retain the GBF funding against the Jaywick Market and Commercial Space project beyond 31 March 2022 for the maximum 6 month period allowed is sought.
- 5.5. There remains a risk that project costs could increase further as procurement of a lead building contractor is ongoing. The tender pack includes provision for value engineering and encourages prospective tenderers to promote design changes to secure cost savings, whilst not compromising the integrity of the consented scheme. If the tenders received do not fall within the available budget, options are available to secure additional funding to bridge the funding gap. However, if alternative funding is required to support project delivery this is likely to delay appointment of the lead building contractor and may mean that it is no longer possible for the GBF funding to be spent in full by the end of September 2022. In addition, consideration will need to be given to the impact on the value for money offered by the project if there is a further cost increase.

#### Better Queensway

- 5.6. A hybrid planning application for the full Better Queensway scheme was submitted to Southend-on-Sea Borough Council in September 2020. This application was subsequently considered by Planning Committee on 31 March 2021 and it was resolved that the Interim Director of Planning at Southend-on-Sea Borough Council be delegated to grant planning permission subject to the completion of a S106 agreement in relation to the development. The S106 agreement took longer to complete than anticipated, which delayed the formal award of hybrid planning consent until September 2021.
- 5.7. In addition, the Project has experienced delays to the procurement of the enabling works due to utility companies requiring longer than usual lead-in times. This is in part due to the impacts of the COVID-19 pandemic but is also related to other supply chain issues which are being experienced more generally across the construction industry. As a result, approval to retain the GBF funding against the Better Queensway project beyond 31 March 2022 for the maximum 6

month period allowed is sought.

- 5.8. Procurement has commenced with regard to the utilities and enabling works which will be supported by the GBF investment and it is expected that this procurement will be complete, and contractors appointed by the end of January 2022. It has, however, been noted that there is an identified risk within the construction industry supply chain which may lead to cost inflation. The delivery partner has indicated that the cost of delivering the wider project has increased, however, no information was available as to the scale of the cost increase or as to how the resulting funding gap would be bridged. It is therefore not possible at this time to confirm whether the project still offers High value for money.

#### No Use Empty South Essex

- 5.9. The launch of the No Use Empty South Essex scheme was initially delayed as a consequence of the COVID-19 restrictions, including lockdowns, which were implemented by Central Government. These restrictions meant that it wasn't possible to meet with property owners and developers or to conduct site visits to see potential properties. These issues were further compounded by resourcing issues which arose due to staff being seconded to support operational activities associated with the response to the COVID-19 pandemic.
- 5.10. The primary outstanding risk to delivery of the No Use Empty South Essex project relates to the uncertainty regarding the level of demand for the No Use Empty loans within South Essex as the initiative has not previously been implemented in this area. Anecdotal evidence suggests that there will be healthy demand for the loans but this will be closely monitored by Accountability Board as the project progresses.

#### Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas

- 5.11. The GBF funding was sought to both accelerate and extend the reach of the Superfast Essex Phase 4b rollout. In order to invest the funding awarded to support delivery of the Superfast Essex programme, it was necessary for Essex County Council to implement a change to the existing Phase 4 delivery contract with BT. This change had to be approved by Broadband Delivery UK (BDUK), the agency within the Department for Digital, Culture, Media and Sport (DCMS) which is overseeing the national rollout of broadband upgrades.
- 5.12. The required change request was prepared and submitted to BDUK for consideration in early December 2020, which would have allowed sufficient time for the Projects to be delivered in accordance with the requirements of the GBF. Due to a wider national disagreement between BDUK and BT on a value for money issue, which had minimal impact on the Essex County Council contract, the change request was rejected in March 2021.
- 5.13. Following the rejection of the change request, work was undertaken to seek agreement from BDUK that re-submission of the change request would be accepted. After a further 6 months of re-work and a series of high-level escalations with BDUK, the re-presented change request was approved by BDUK in October 2021. Due to the initial refusal of the change request, delivery of the two projects has been significantly delayed and approval for retention of GBF funding beyond March 2022 for a maximum period of 12 months (to 31 March 2023) is sought.
- 5.14. In July 2021 the Accountability Board agreed that the maximum period for which GBF funding could be retained against any project beyond March 2022 was 6 months. As a result, the two broadband projects do not fully satisfy the conditions and criteria agreed by Accountability Board. However, Accountability Board took the decision to allow the retention of GBF funding

against these 2 projects for a maximum period of 12 months, as an exception, due to the delay in project delivery being caused entirely by the actions of a Central Government department.

## **6. Additional information**

### Financial position – LGF and GBF

- 6.1. As the Board will recall, SELEP was required to provide confirmation to Central Government that all the LGF funding would be contractually committed and spent by 31 March 2021 to secure receipt of the final tranche of the LGF funding. In reality, it was not possible to spend the full remaining balance of the LGF on the approved projects in 2020/21 and therefore the Accountability Board agreed that SELEP should use the ‘freedoms and flexibilities’ afforded by Central Government to transfer the unspent LGF to local partners’ own capital programmes prior to the end of 2020/21. This would then allow partners to fund LGF projects in later years.
- 6.2. In accordance with this decision all the LGF funding, excluding funding allocated to DfT retained schemes, has been effectively distributed to local partners to support delivery of the LGF programme. Delivery of the ongoing LGF projects and spend of the funding transferred to local partners will continue to be monitored until all projects have reached completion.
- 6.3. Central Government awarded SELEP a GBF allocation of £85m - £42.5m of this was transferred to Essex County Council, as the Accountable Body for SELEP, in 2020/21 with the balance transferred in 2021/22. In accordance with Government requirements, the full £42.5m GBF allocation received in 2020/21 was transferred to local partners prior to the end of the last financial year. Delivery of the GBF projects has progressed more slowly than originally anticipated, and GBF spend on project delivery during 2020/21 totalled only £13.550m. A further £22.159m of the GBF funding was spent during Q1 and Q2 2021/22, leaving an unspent balance of £49.291m.
- 6.4. As at the end of Quarter 2 2021/22, the Accountable Body were still holding £25.521m of the GBF funding allocation. It is expected that the majority of the GBF projects will complete within the 2021/22 financial year as originally expected, with a number of projects seeking approval for retention of their GBF funding allocation beyond the end of March 2022 as set out in this report. The expectation is that any remaining unspent GBF funding will be transferred to local partners at the end of 2021/22 to support delivery of the GBF projects into 2022/23, similar to the approach adopted for the LGF programme, although this remains subject to a decision by Accountability Board which will be taken in February 2022. An update will be provided to the Board in March 2022.

### High risk projects – LGF and GBF

- 6.5. There are 8 projects within the LGF programme which have been identified as High Risk, with a risk score of 5 out of 5. This risk score has been based on an assessment of deliverability, financial position and reputational risk, in line with guidance from Central Government.
- 6.6. Projects with a risk score of 5 are listed in Table 3 below and an individual update is set out in Appendix A.

**Table 3: High Risk LGF projects**

Project Name	Scheme Promoter	Total LGF allocation (£m)	LGF spend to end 2020/21 (£m)	LGF spend - Q1 and Q2 2021/22 (£m)	LGF spend forecast - Q3 and Q4 2021/22 and beyond (£m)	Main project delivery constraint
Queensway Gateway Road	East Sussex	10.00	10.00	-	-	Land acquisition required for several parcels of land to enable completion of the project
Bexhill Enterprise Park North	East Sussex	1.94	-	-	1.94	Delay in completing required Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex (as delivery partner)
A127 Fairglen Junction Improvements, Essex	Essex	15.00	1.50	-	13.50	Awaiting DfT approval of the Business Case
A28 Chart Road, Kent	Kent	2.76	2.76	-	-	Awaiting release of S106 funding to enable the delivery of the project
Maidstone Integrated Transport Package	Kent	8.90	6.53	-	2.37	Complex programme of interventions with consent required for specific interventions within programme
A28 Sturry Link Road	Kent	5.90	1.109	-	4.791	Required land acquisition is ongoing
London Gateway/Stanford-le-Hope, Thurrock	Thurrock	7.50	7.50	-	-	Planning permission is outstanding for Phase 2. Increased costs and uncertainty regarding benefit realisation
A13 Widening, Thurrock	Thurrock	76.50	76.50	-	-	Project programme and costs have differed significantly from position set out in Business Case

- 6.7. The Bexhill Enterprise Park North project was identified as High Risk due to two main factors – the required Third Party Grant Agreement between East Sussex County Council and Sea Change Sussex (as delivery partner) had not been completed and the project did not meet the conditions for LGF spend beyond September 2021 as contractual commitments with a construction contractor were not in place at the end of September 2021 as required.
- 6.8. In September 2021, in light of this update the Accountability Board agreed that the Third Party Grant Agreement should be in place by 19 November 2021 and that contractual commitments with the construction contractor should be in place by 31 October 2021. If these conditions could not be met, the project would be removed from the LGF programme and the funding reallocated to alternative projects on the pipeline.
- 6.9. The Accountability Board were subsequently advised in November that the project had met both conditions attached to the funding at the September Board meeting and that therefore the project would progress to delivery. It is expected that the LGF funded enabling works will be complete by 31 March 2022. If the project progresses as planned, the level of risk attached to it will be reduced in future updates to the Board.
- 6.10. The Accountability Board continue to receive regular updates on all projects identified above.
- 6.11. There are 8 projects within the GBF programme which have been identified as High Risk, with a risk score of 5 out of 5. The same criteria have been used to calculate these risk scores as was applied to the LGF projects.
- 6.12. Projects with a risk score of 5 are listed in Table 4 below and an individual update is set out in Appendix B.

**Table 4: High Risk GBF projects**

Project Name	Scheme Promoter	Total GBF allocation (£m)	GBF spend to end 2020/21 (£m)	GBF spend forecast - 2021/22 (£m)	GBF spend forecast - 2022/23 (£m)	Main project delivery constraint
Fast Track Business Solutions for the Hastings Manufacturing Sector	East Sussex	3.500	-	1.880	1.620	Planning consent outstanding. Third party grant agreement not yet completed. <b>Project has now been removed from the GBF programme</b>
UTC Maritime and Sustainable Technology Hub	East Sussex	1.300	-	0.294	1.006	Project is unable to spend full GBF allocation by 31 March 2022. Work ongoing to resolve the complications encountered with securing the lease for the building
Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas	Essex	0.680	-	-	0.680	Project is unable to spend full GBF allocation by 31 March 2022
Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas	Essex	1.820	-	-	1.820	Project is unable to spend full GBF allocation by 31 March 2022
Jaywick Market and Commercial Space	Essex	1.972	-	0.590	1.382	Project is unable to spend full GBF allocation by 31 March 2022
Tendring Bikes and Cycle Infrastructure	Essex	2.300	-	2.300	-	Project delivery delayed due to last minute local objections to the route of the cycle path. As a result, the project is unable to spend the full GBF allocation by 31 March 2022
Better Queensway	Southend	4.200	-	2.100	2.100	Project is unable to spend full GBF allocation by 31 March 2022
No Use Empty South Essex	Southend	1.200	-	0.300	0.900	Project is unable to spend full GBF allocation by 31 March 2022

6.13. The challenges faced by the Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas, Extension of the full-fibre broadband rollout in Essex to reach rural or hard to reach areas, Jaywick Market and Commercial Space, Better Queensway and No Use Empty South Essex projects are already outlined within this report.

6.14. As outlined at the last Board meeting, the Fast Track Business Solutions for the Hastings Manufacturing Sector project faced two key risks. Firstly, the third party grant agreement between East Sussex County Council and the delivery partner remained outstanding and secondly, planning consent for the Project had not yet been granted. In September, the Accountability Board agreed that, if both these risks could not be fully mitigated by their meeting on 19 November, the Project should be removed from the GBF programme and the funding reallocated to alternative projects on the GBF prioritised project pipeline.

6.15. In November 2021, the Accountability Board were informed that planning consent for the project had not yet been granted and that, as a result, the third party grant agreement also remained outstanding. As a consequence, it was noted by the Accountability Board that the project would be removed from the GBF programme and that the funding would be reallocated to alternative projects on the GBF project pipeline. During the same meeting, the Accountability Board approved the award of £1.4m GBF (part of the £3.5m originally allocated to the Fast Track Business Solutions for the Hastings Manufacturing Sector project) to the Amelia Scott project in Tunbridge Wells. The award of the remaining £2.1m GBF will be considered at the February 2022 Accountability Board meeting. The Fast Track Business Solutions for the Hastings Manufacturing Sector project will not feature in future updates provided to the Board.



- 6.16. The delivery of the UTC Maritime and Sustainable Technology Hub project has been delayed as a result of complex and unforeseen land ownership matters which have taken longer than anticipated to resolve. Whilst the project has received approval for the retention of the GBF funding beyond March 2022 for a maximum period of 6 months, it continues to be classified as High Risk as the land ownership matters have not yet been fully resolved, although significant progress has been made. The Accountability Board will receive a further update on the project in February 2022 and if the land ownership matters have been resolved and the project remains on track for completion of GBF spend by September 2022, the level of risk attached to the project will be reduced.
- 6.17. The Tendring Bikes and Cycle Infrastructure project has been ranked as High Risk due to delays to project delivery which have resulted in an identified need for approval for retention of the GBF funding beyond 31 March 2022. The project was on track for delivery by March 2022, with work due to commence onsite to deliver the cycle infrastructure improvements which are to be funded through the GBF. However, last minute objections to the route of the cycle path were received and therefore construction has been delayed to allow time for the objections to be resolved. The scheme promoter is confident that the objections can be resolved and that the proposed works can still be delivered and it is therefore expected that a request for retention of the GBF funding against the project beyond March 2022 will be considered by the Accountability Board in February 2022.
- 6.18. The Accountability Board will continue to receive regular updates on all GBF projects identified as High Risk.

## **7. Next Steps**

- 7.1. Delivery of the ongoing LGF projects, including those set out within this report, and spend of the funding transferred to local partners at the end of 2020/21, will continue to be monitored until all projects have reached completion with regular updates provided to the Accountability Board.
- 7.2. For those GBF projects which have received approval for retention of funding beyond 31 March 2022, project updates will be provided at each Accountability Board meeting to ensure that the projects remain on track to complete GBF spend by 30 September 2022 (or 31 March 2023 in the case of the Acceleration of full-fibre broadband deployment in very rural or very hard to reach areas and Extension of the full-fibre broadband rollout in Essex to reach rural and hard to reach areas projects). If delivery of the projects is further delayed, an additional decision will be brought to the Accountability Board to consider the next steps with regard to the continued retention of funding against the projects.
- 7.3. At each Accountability Board meeting, an update is provided on the high-risk projects listed in Appendices A and B, with the Board often receiving individual update reports to note progress or to agree next steps.

## **8. Comments from the Accountable Body**

### **LGF**

- 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 was 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 31 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 choose not to endorse the spend of LGF beyond 30 September 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 LGF grant conditions do not include a requirement to provide monitoring and evaluation of project delivery. Monitoring and Evaluation of completed LGF projects is a requirement of the SELEP Local Assurance Framework. If this cannot be assured due to uncertainty over future funding this presents a reputational risk to the SELEP.

#### **GBF**

- 8.5. Essex County Council, as the Accountable Body, is responsible for ensuring that the GBF funding is utilised in accordance with the conditions set out by Government for use of the Grant.
- 8.6. GBF is allocated through a grant determination from MHCLG via section 31 of the Local Government Act 2003; this is subject to the following condition:
  - 8.6.1. The grant may be used only for the purposes that a capital receipt may be used for, in accordance with regulations made under section 11 of the Local Government Act 2003.
- 8.7. The grant conditions do not impose an end date for use of the funding, albeit that it was the expectation of Government that all funding is defrayed by 31 March 2022.
- 8.8. SELEP have discussed the proposed approach regarding the retention of GBF funding beyond March 2022 with Government and it was confirmed that no additional governance or approvals would be required from Government in this respect.
- 8.9. Should the Board choose not to endorse the spend of GBF beyond 31 March 2022 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 GBF programme and may include recovery of GBF spent to date, where conditions for funding can no longer be met.

## **9. Appendices, Supporting Documents and Previous Decisions**

- 9.1. Appendix A: LGF Projects spending beyond 30 September 2021 and a summary of high risk LGF projects
- 9.2. Appendix B: GBF Projects spending beyond 31 March 2022 and a summary of high risk GBF projects
- 9.3. Background documents
  - 9.3.1. Accountability Board Agenda Pack 02 July 2021





9.3.2. Accountability Board Agenda Pack 10 September 2021

9.3.3. Accountability Board Agenda Pack 19 November 2021

9.4. For further details contact: SELEP Capital Programme Manager, Helen Dyer  
([helen.dyer@southeastlep.com](mailto:helen.dyer@southeastlep.com))

## Item 8: SECEN Statement of Intent

### Executive Summary

#### 1. Overview

- 1.1. In April 2019, representatives of the South East Creative Economy Network (SECEN) were awarded Sector Support Fund (SSF) of £49,000 to deliver the ‘SELEP Creative Open Workspace Masterplan and Prospectus’ project.
- 1.2. The full SSF project to deliver the Creative Open Workspace Masterplan is still ongoing and expected to complete in March 2022. The first formal output of the project is the SECEN Statement of Intent<sup>1</sup>.
- 1.3. The SECEN Statement of Intent sets out a refreshed portfolio of creative sector-led pledges for initiatives that can be delivered in partnership across the SELEP area. The document outlines suggested actions and plans that will support growth, resilience, and new opportunities in the creative sector.

#### 2. Decision: Board is recommended to:

- 2.1. **Endorse** the SECEN Statement of Intent.

#### 3. Rationale for Decision

- 3.1. The creative sector is identified as a key sector across all strategic priority areas in the SELEP Recovery & Renewal Strategy, in particular within the Coastal Catalyst priority – where the stated commitment is to create a “smart creative coast as a catalyst for growth”.
- 3.2. The SECEN Statement of Intent builds upon the first SECEN prospectus published in 2016 and the work of SECEN which has been established as a coherent voice for the creative industry in the South East since 2012. It is intended that the SECEN Statement of Intent will inform major creative industry programmes and workstreams during a time of rapid change.
- 3.3. There is no ongoing SELEP budget associated with the activities outlined in the SECEN Statement of Intent beyond the scope of the SELEP Creative Open Workspace Masterplan and Prospectus SSF project. The activities associated with this work will be taken forward independently by SECEN.

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<sup>1</sup> The SECEN Statement of Intent delivers the ‘Prospectus’ element of the ‘SELEP Creative Open Workspace Masterplan and Prospectus’ Sector Support Fund project.

## Further Information

### 4. Decision 2.1: Endorse the SECEN Statement of Intent

- 4.1. The full SECEN Statement of Intent is attached in Appendix A.
- 4.2. The SECEN Statement of Intent outlines the significance of the South East region's Creative Industry assets, noting that it is a key sector within the SELEP region for economic growth opportunities, place making and wider social and well-being benefits. It is intended that the document further promotes this opportunity by informing future programmes and workstreams to be initiated by SECEN and raising the profile of the South East region's Creative Industry to a national audience.
- 4.3. Board endorsement of the SECEN Statement of Intent will further emphasise the importance of the South East Creative Industry to SELEP, building on the strategic priorities outlined in the SELEP Recovery & Renewal Strategy. It will mean that the document is considered part of SELEP's suite of strategic documents and raise the profile, as well as promote the wider use, of the document by the sector in the South East.
- 4.4. The SECEN Statement of Intent has been sent to each of the Federated Boards for consideration.

### 5. Next Steps

- 5.1. Work will continue on delivery the additional outputs of the Creative Open Workspace Masterplan and Prospectus SSF project with the project expected to complete in March 2022. The Board will be updated on final progress of this project at a future Board meeting via Sector Support Update standing item.
- 5.2. The Statement of Intent will be used to guide the work of SECEN and function as the primary source for background information on creative businesses in the South East and their contribution to the economy and growth. As well as outlining clear pledges that the group may prioritise as key partnership actions moving forward.
- 5.3. The SECEN Statement of Intent will help to inform the prioritisation of actions regarding the creative sector that may be taken forward to progress the strategic priorities and ambitions outlined in the SELEP Recovery & Renewal Strategy.

### 6. Comments from the Accountable Body

- 6.1. The Grant Agreement to enable the transfer of the £49,000 in respect of this project still needs to be completed and, as such, no funding has yet been transferred to East Sussex County Council (ESCC) as the lead authority for this project. This is expected to be resolved by the time of the March 2022 meeting.
- 6.2. The endorsement by SELEP of the Project Prospectus does not commit SELEP to allocate any resource or funding to support delivery of the aims set out in the SECEN Statement of Intent.
- 6.3. SECEN is a voluntary network of creative and cultural sector professionals. The Accountable body has been advised that no funding beyond the SSF is committed currently to support delivery of the pledges set out in the Statement of Intent; however, a key milestone of the Project application was to secure a finance vehicle to support a pipeline of projects - if an appropriate finance vehicle is not secured, this risks the ambitions set out in the SSF application not being realised in full (the SSF report, agenda item 9, currently flags benefits as 'amber' for this project).

The Board are advised to seek assurance in respect of delivery and realisation of the anticipated project benefits at its next update.

## **7. Appendices, Supporting Documents and Previous Decisions**

### 7.1. Appendix A – SECEN Statement of Intent

For more information contact Alexander Riley, Sector Engagement Lead  
[alexander.riley@southeastlep.com](mailto:alexander.riley@southeastlep.com)

## Item 9: Sector Support Fund Project Update

### Executive Summary

#### 1. Overview

- 1.1. At the October meeting of Strategic Board (the Board), it was agreed that further Sector Support Fund (SSF) investments would not be made unless the second tranche of 2021/22 Core Funding was made available by HM Government (HMG). HMG has invited LEPs to submit applications for the second tranche of funding and SELEP is in the process of applying at time of writing. However, until the grant has been received it will not be possible to confirm whether future SSF investments can be made. It is expected that an update will be provided for the March 2022 meeting of the Board.
- 1.2. A project change request has been received in relation to the Building Back Better project and the Board are asked to endorse an extension to the project delivery programme and some amendments to the project outputs and benefits.

#### 2. Decisions: Board is recommended to:

- 2.1. **Endorse** the change request for the Building Back Better project in Appendix B, which includes an extension to the project delivery programme, from March 2022 until February 2023 and a reduction to the planned benefits.

#### 3. Rationale for Decision

- 3.1. The Building Back Better project experienced several delays to the start of the project, following endorsement by the Board in December 2020.
- 3.2. East Sussex County Council, as the project lead authority, have submitted a change request to extend the project timeline and amend the original benefits. The project has provided a revised timeline for delivery and will commence early in the New Year, subject to endorsement by the Board, approval by the SELEP Chief Executive Officer and the completion of a variation agreement with East Sussex County Council.
- 3.3. Unavoidable resourcing issues at the outset of the project delayed the signing of the grant agreement until May 2021. This resulted in the original cash match funding, which had been time limited to financial year 2020/21, being lost. As a result, the budget was reworked and the match funding is now comprised entirely of in-kind match by all the delivery partners; Orbit, Social Enterprise Kent, Rebellion (East Sussex) and Social Enterprise East of England (Essex, Southend, and Thurrock). The in-kind match falls slightly below the original cash match and subsequently the project has been scaled back. This is set out in the change request and revised application, attached as Appendix B and C respectively.
- 3.4. Although some benefits have been removed, or amended, and the benefit cost ratio has reduced, the process followed by the independent technical evaluator (ITE) shows the project still offers value for money with a benefit cost ratio of 3.64:1. The ITE review is set out in Appendix A.

## Further information:

### 4. Decision 1: Project extension request

- 4.1. At the October Board meeting members were advised that the Building Back Better SSF project was experiencing delays to its delivery and that the Secretariat was liaising with the scheme promoter, who was preparing a change request.
- 4.2. The Building Back Better project aims to help Social Enterprises receive a consistent level of business support, bespoke to their individual needs.
- 4.3. In order to increase the role of Social Enterprises it is proposed to employ specialist 'navigators', who will be based within their respective organisations. The navigators will work closely with the Growth Hubs, to help support these new businesses and offer a high level of support across the LEP area for this sector.
- 4.4. The navigators will direct Social Enterprises to access funding, facilitate networking of Social Enterprises, help with training, and ensure information and data sharing is enabled.
- 4.5. The Board endorsed the SSF allocation of £192,000 in December 2020, contributing to a total project cost of £285,065.
- 4.6. A change request has been received to amend the following elements:
  - 4.6.1. An extension of the project completion date from March 2022 to February 2023
  - 4.6.2. The original match funding amounted to 32.6%, made up of £60,000 in cash and £33,065 of in-kind contributions. The match funding has reduced to 30% and is made up entirely of in-kind contributions from all partners.
  - 4.6.3. The total project cost has reduced from £285,065 to £274,554, resulting in a small reduction of benefits, set out in 4.8.
  - 4.6.4. The benefit cost ratio has reduced from 4.97:1 to 3.64:1.
- 4.7. The change request has been assessed by the independent technical evaluator (ITE) and it meets the criteria set out.
- 4.8. The reduction in total project costs as stated in 4.6.3 mean the following benefits have changed:
  - 4.8.1. Social Investments – working towards targeting 3 investments from social investors into local social enterprises, the value has reduced from £450,000 to £225,000; this will be realised after the project end due to the timescales needed for social investment.
  - 4.8.2. The number of jobs created via new enterprises set up, jobs saved or retained over the project has dropped from 30 to 20. The scheme promoter has stated that this is a more realistic target for a 12 month project.
  - 4.8.3. Volunteering opportunities have been removed, as the project aims to concentrate on social enterprise support.
  - 4.8.4. A consolidated database of Social Enterprises in SELEP region has been removed due to a similar database already in existence by Supply Chain, this would produce an unnecessary duplication

- 4.9. The revised BCR is estimated to be 3.64:1 from 4.97:1
- 4.10. To date, none of the SSF funding has been drawn down. An existing grant agreement is in place and if this change request is endorsed every effort will be made to expedite the further approvals and ensure that a variation agreement is in place at the earliest opportunity.
- 4.11. The Board is asked to endorse the change to the benefits and extend the delivery programme for this project to February 2023

## **5. Update on existing Projects**

- 5.1. All projects provide a quarterly update to the SELEP Secretariat in order to provide updates to the Board.
- 5.2. SSF projects continue to have some difficulty with delivery and realisation of benefits due to the aftermath of the Covid-19 pandemic, especially in the hospitality/food sectors. This has resulted in a couple of projects requesting extension, which have been approved by the SELEP Chief Executive Officer, to the end of the project by some months, in order to ensure that maximum benefits are realised.
- 5.3. Projects that have received extensions, of under 6 six months are:
  - 5.3.1. South East Export Development (SEED2)
  - 5.3.2. Gourmet Garden Trails (Extension)
- 5.4. Quarterly updates on progress and spend are set out in Appendix D.

## **6. Other Information:**

- 6.1. Full details of the criteria for SSF bids are available on the SELEP website, [Guidance Note](#). This guidance has been updated to reflect the criteria agreed by the Board in June 2020 to ensure projects support Brexit and/or COVID-19 economic recovery.
- 6.2. At the June 2020 meeting a further £1,000,000 was allocated to the SSF programme which was extended until 31 March 2022 or when the fund is exhausted, whichever is sooner; in October 2021, the Board endorsed the reallocation of the remaining £126,736 to support the SELEP budget due to the financial challenges experienced in the current and future years for the SELEP. This endorsement was subject to the caveat that should the remaining Core Funding be received in 2021/22, that this decision would be revisited. It is the role of the Accountability Board to approve the reallocation of the funding and this decision was made at the meeting on the 19<sup>th</sup> November 2021. The Government have now advised SELEP that it can apply for the second allocation of Core funding; the application has been made and confirmation of the funding is anticipated in mid-December. Should this funding be received, the funding position for the Fund is expected to be reconsidered by Accountability Board in February 2022.
- 6.3. To date the Board has endorsed 21 projects for SSF support to the value of £2,373,264. Details of the allocations made this financial year can be found below at Table 1. Summary information on the projects can be found at Appendix D.

**Table 1: Sector Support Fund Balance 2021/22**

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
<b>Total Contributions to SSF</b>	<b>1,000</b>	<b>500</b>	<b>1,000</b>		<b>2,500</b>
Funds c/f from prior year	-	302	207	127	
<b>Total SSF Available for allocation in year</b>	<b>1,000</b>	<b>802</b>	<b>1,207</b>	<b>127</b>	
<b>Total SSF Allocated to Projects</b>	<b>(698)</b>	<b>(595)</b>	<b>(1,080)</b>	<b>-</b>	<b>(2,373)</b>
<b>SSF transferred to Operational Reserve</b>				<b>(127)</b>	<b>(127)</b>
<b>Available Fund Balance</b>	<b>302</b>	<b>207</b>	<b>127</b>	<b>-</b>	<b>-</b>

## 7. Next steps

- 7.1. If the Board endorses the change request including an extension to the project delivery programme, from March 2022 until February 2023, and change to benefits for the Building Back Better project, the SELEP Chief Executive Officer will be asked to formally approve the change.
- 7.2. A variation to the original grant agreement will be put in place and finalised as soon as possible, following the Chief Executive Officer approval.
- 7.3. An update on the future award of SSF funding will be provided at the March Board pending confirmation of the second tranche of Core Funding and further clarity on the role of LEPs on the publication of the Levelling Up White Paper.

## 8. Comments from the Accountable Body

- 8.1. A total SSF fund balance of £126,729 was carried forward from 2020/21 for allocation in 2021/22. As this SSF has not been committed to new Projects, as endorsed by the Board in October 2021, this funding was reallocated to reserves by Accountability Board in November 2021 in response to the on-going funding challenges being experienced by the LEP.
- 8.2. The Building Back Better Project change request extends the delivery timelines to February 2023 alongside a reduction in match funding and benefits, however, the ITE continues to demonstrate a BCR of 3.64:1, which still represents high value for money.
- 8.3. A risk of the extension to this timeline is the opportunity to monitor the impact of the Project benefits into 2023/24 by the SELEP Secretariat due to the on-going funding challenges for the LEP; the SELEP Chief Executive Officer (CEO) is advised to take this into consideration in approving the change request for the Project and any other projects coming forward with similar requests.
- 8.4. Should the Board endorse the recommended SSF change request and the SELEP CEO formally



approves this, the grant will be transferred to East Sussex County Council (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, including the change request in this report.

- 8.5. For all Projects included in Appendix 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.

## **9. Appendices, Supporting Documents and Previous Decisions**

- 9.1. Appendix A - ITE Building Back Better evaluation
- 9.2. Appendix B – Building Back Better project, Change Request
- 9.3. Appendix C – Building Back Better revised application
- 9.4. Appendix D – Summary of SSF Projects with Board Endorsement including, delivery updates, spend and RAG ratings
- 9.5. Sector Support Fund Guidance Note, including eligibility criteria [LINK HERE](#)

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