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**Minutes of the meeting of the SELEP Accountability Board, held in Castalia Room, The Nucleus, Brunel Way, Dartford, Kent, DA1 5GA on Friday, 27 May 2022**

**Present:**

Sarah Dance	Chair
Cllr Roger Gough	Kent County Council
Cllr Adrian Gulvin	Medway Council
Cllr Keith Glazier	East Sussex County Council
Cllr Stephen George (virtual attendance)	Southend-on-Sea City Council
Cllr Rob Gledhill	Thurrock Council
Rosemary Nunn (virtual attendance)	Higher Education representative
Simon Cook	Further Education/Skills representative

**Also Present:**

Richard Bartlett	Bartletts SEAT Ltd
Amy Bernardo	Essex County Council
Christopher Broome	Sea Change Sussex
Bernard Brown	Member of the public
Adam Bryan	SELEP
Kerry Clarke	Kent County Council
Alex Colbran	East Sussex County Council
Howard Davies	SELEP
Helen Dyer	SELEP
Sunny Ee	Medway Council
Amy Ferraro	SELEP
Henry Kennedy-Skipton	Thurrock Council
Chris MacDonald	Morgan Sindall
Susan Moussa	Essex County Council (Legal representative for the Accountable Body)
Stephanie Mitchener	Essex County Council (as delegated S151 Officer for the Accountable Body)
Kevin Munnelly	Thurrock Council
Michael Neumann	Essex County Council
Lorna Norris	Essex County Council
Sarah Nurden	Kent County Council

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Hugh Oxburgh	Local Democracy Reporting Service
Vivien Prigg	Essex County Council
Lisa Siggins	Essex County Council
Sharon Spicer	SELEP
Stephen Turner	Essex County Council
Clare Marten White	Riding Sunbeams Apollo Ltd
Andrew Willett	Southend on Sea City Council

## **1 Welcome and Apologies for Absence**

- Cllr Kevin Bentley
- Cllr Rodney Chambers substituted by Cllr Adrian Gulvin
- Cllr Mark Coxshall substituted by Cllr Rob Gledhill

The Chair confirmed that Board members attending virtually were able to contribute to the meeting but were not allowed to vote.

## **2 Minutes 11.02.22**

The minutes of the meeting held on Friday 11th February 2022 were agreed as an accurate record.

## **3 Declarations of Interest**

There were none.

## **4 Questions from the public**

One public question was received in relation to the Queensway Gateway Road project and therefore it was agreed that the question would be addressed later in the agenda alongside the Queensway Gateway Road update report (Agenda Item 11).

## **5 Getting Building Fund update**

Prior to discussion on this item Adam Bryan, SELEP Chief Executive Officer, provided the Board with an update on the outcome of SELEP's recent annual performance review with Government. It was confirmed that the Cities and Local Growth Unit had rated SELEP as having met the requirements for Governance and for Strategic Impact, but that concerns were identified with respect to Delivery due to the level of Getting Building Fund (GBF) funding forecast for spend after March 2022.

Government will be reviewing the Q4 2021/22 quarterly monitoring return in the coming weeks and this will inform a further meeting with Government where it is hoped that it will be possible for SELEP to give every assurance that all

available measures were implemented to ensure that all GBF requirements were met.

Councillor Gledhill enquired as to how SELEP compared to other LEP's across the country and Adam confirmed that he believed that SELEP compared quite favourably. Many LEPs received a similar message with regard to Delivery and therefore SELEP is not an outlier in having this Annual Performance Review result. Adam noted that SELEP received a very large amount of GBF funding compared to other areas and that a lot of this funding had been spent.

The Board received a report and an addendum from Helen Dyer, SELEP Capital Programme Manager, the purpose of which was for the Accountability Board (the Board) to consider the overall position of the Getting Building Fund (GBF) capital programme. The report included a request for the retention of GBF funding against one project beyond 31 March 2022 and provided an update on GBF spend to date.

Councillor Glazier expressed his disappointment regarding the cancellation of the Riding Sunbeams project and stressed that lots of work had been undertaken to try to make the project work. He acknowledged that the project presented a unique opportunity to do something different and that it was disappointing that the technical difficulties could not be overcome. He expressed his thanks to everyone involved in the project.

In response to a question from Councillor Gough regarding the ability of SELEP to reallocate the GBF funding due to be returned given that the GBF programme had now officially ended, Helen Dyer explained that advice had been sought from Government but that their position had not yet been fully confirmed. However, under the terms of the Grant Agreement with Government, the only condition attached to the funding is that it should be spent on capital works and therefore it was considered that the funding could be reallocated, but that confirmation was required as to whether there was any need for Government approval. Stephanie Mitchener, delegated S151 Officer for the Accountable Body, confirmed that the Grant Agreement with Government did not set a time limit on spend of the GBF funding.

Simon Cook expressed his concern regarding SELEP's reputational risk given that the GBF projects were meant to be "shovel-ready" at the outset of the programme. Adam Bryan acknowledged this risk and indicated that a quick, open, and transparent process would be undertaken to reallocate the funding in order to mitigate this risk.

#### **Resolved:**

1. **To Note** the current reported spend across the GBF programme for the 2021/22 financial year of £50.716m, as set out in Table 2 of the report.

2. **To agree** the retention of GBF funding against the Swan Modular Housing Factory beyond March 2022 for a maximum period of 6 months, subject to Strategic Board endorsement at the June 2022 meeting.

3. **To Note** the deliverability and risk assessment, as set out in Appendix C of the report.

4. **To Agree** the removal of the Riding Sunbeams project from the GBF programme. The £2.5275m GBF issued to East Sussex County Council should be returned to Essex County Council, as Accountable Body for SELEP, within 4 weeks of this Board meeting for reallocation to alternative projects.

## 6 Review of ongoing GBF projects

The Board received a report from Helen Dyer, the purpose of which was for the Board to consider how to most effectively manage the ongoing Getting Building Fund (GBF) projects which have GBF spend forecast for after March 2022. The report also provided an update on those projects which are subject to funding conditions, or which had conditions applied to the release of the remaining GBF funding as agreed by the Board in February 2022.

Councillor Glazier stressed that East Sussex County Council are continuing to push for completion of those projects in which they are involved.

Councillor Gledhill gave an update on the projects within Thurrock.

Simon Cook raised his concern regarding projects that had not yet commenced spend of their GBF funding allocation. Helen Dyer confirmed that these were being closely monitored and that regular updates would be provided to the Board.

The Chair sought confirmation from the Accountable Body that the proposed changes to the SELEP Assurance Framework remained in line with the National Assurance Framework. Lorna Norris, Senior Finance Business Partner, confirmed that this was the case.

### Resolved:

In respect of **UTC Maritime and Sustainable Technology Hub project (decisions 1 to 3)**:

1. **To Agree** to extend the deadline for acquisition of the lease to 15 July 2022 (the next Board meeting); and

2. **To Agree** that GBF spend on the project should be placed on hold until the increase in total project cost can be confirmed and it can be demonstrated that the project continues to offer High value for money; and

3. **To Note** that a Project Change request which confirms the total project cost increase and the Value for Money offered by the project will be presented to the Board in July 2022.

4. **To Note** that a full funding package has been secured to enable delivery of the Jaywick Market and Commercial Space project and that, following consideration by the ITE, the project has been assessed as offering High value

for money with a High certainty of achieving this.

5. **To Approve** the increase in total project cost for the Jaywick Market and Commercial Space project from £2.13m to £4.45m, as required under the terms of the Assurance Framework.

6. **To Agree** that, despite the project not meeting the condition attached to the release of the remaining GBF funding, the £0.79m GBF funding awarded should remain allocated to the Laindon Place project. Noting that the condition attached to the release of the funding has now been met with the planning application being determined 6 days after the deadline agreed by the Board.

7. As planning consent has now been granted for the Techfort, Dover project **To Note** that the conditions attached to the award of funding to the project have now been met.

8. **To Agree** that confirmation that the Better Queensway project will proceed as planned must be provided at the July 2022 Board meeting.

9. **To Agree** the application of the requirements set out in Section 5.13 of the report as a mechanism for ensuring timely completion of the projects which are forecasting GBF spend beyond March 2022. Noting that there is still an expectation for projects to complete GBF spend by the date agreed by the Board under the terms of that project's extension.

## 7 Local Growth Fund programme update

The Board received a report from Helen Dyer which was presented by Howard Davies, SELEP Capital Programme Officer, the purpose of which was for the Board to consider the overall position of the Local Growth Fund (LGF) capital programme, as part of SELEP's Growth Deal with Government. Councillor Glazier spoke in support of the Hastings and Bexhill Movement and Access Package and the proposed approach to progressing the project.

### **Resolved:**

1. **To Agree** the reported LGF spend on project delivery in 2021/22 of £45.158m excluding DfT retained schemes and increasing to £48.032m including DfT retained schemes, as set out in Table 1 and Appendix A of the report.

2. **To Note** the updated 2020/21 year end position, as set out in Table 3 of the report.

3. **To Agree** the removal of £0.207m LGF from the A127 Essential Maintenance project. Noting that this is additional LGF funding awarded through the LGF project pipeline and does not form part of the DfT retained funding allocation.

4. **To Note** the deliverability and risk assessment, as set out in Appendix D of the report.

5. **To Agree** the updated completion date for the Hastings and Bexhill

Movement and Access Package which has experienced a delay of more than 6 months - project completion delayed from December 2022 to Summer 2025.

## 8 LGF high risk project update

The Board received a report from Howard Davies, the purpose of which was for the Board to receive an update on the delivery of the following Local Growth Fund (LGF) projects which are currently ranked as high risk: A13 Widening and A28 Sturry Link Road and Maidstone Integrated Transport Package.

Councillor Gledhill gave a further update on the A13 Widening project.

### **Resolved:**

#### A13 Widening

1. **To Note** the update on the project.
2. **To Note** that a further update will be brought to the July 2022 Board meeting.

#### A28 Sturry Link Road

1. **To Note** the update on the project.
2. **To Note** that a further update will be brought to the July 2022 Board meeting.

#### Maidstone Integrated Transport Package

1. **To Note** the update on the project.
2. **To Note** that listed building consent to relocate the ragstone wall at Mote Park has been granted.
3. **To Note** that a further update will be brought to the July 2022 Board meeting.

## 9 Grays South LGF project update

The Board received a report from Helen Dyer, the purpose of which was for the Board to receive an update on the delivery of the Grays South Local Growth Fund (LGF) project (the Project) which has been identified as being high risk. The report also provided an update on the revised Value for Money assessment submitted in relation to the Project and set out the outcome of the Independent Technical Evaluator (ITE) review.

Councillor Gledhill gave an update to the Board on project delivery and reiterated the importance of the project to Grays town centre.

### **Resolved:**

1. **To Note** the update on project delivery.
2. **To Note** that, following submission of an updated Value for Money assessment, the Project has been assessed as offering High value for money with Medium certainty of achieving this.
3. **To Approve** the increase in total project cost for the Project from £28.7m to £37.9m, as required under the terms of the Assurance Framework.

4. **To Agree** that LGF spend on the Project should recommence following receipt of confirmation that the Project continues to offer High value for money.

5. **To Note** that a further update on project delivery will be provided at the July 2022 Board meeting.

## 10 London Gateway & Stanford le Hope Update Report

The Board received a report from Keith Rumsey, Interim Assistant Director – Regeneration and Place Delivery, Thurrock Council and Howard Davies, the purpose of which was to provide an update to the Board on the delivery of the London Gateway/Stanford le Hope project (the Project). Kevin Munnelly, Thurrock Council provided a verbal update to the Board.

### **Resolved:**

1. **To Note** the update on delivery of the project.

2. **To Note** that the updated Business Case required to demonstrate that the Project continues to be deliverable and that it continues to offer High value for money was not submitted in time for consideration at this meeting as previously agreed by the Board. Noting that this means the conditions attached to the agreement of the requested Project extension to July 2024 have not been satisfied and therefore the extension has not been granted.

3. **To Note** that the updated Business Case will now be considered at the July 2022 Board meeting. If the Business Case is not submitted in time for completion of the ITE review in advance of the July Board meeting, the Board will be asked to consider whether the LGF funding should remain allocated to the project.

## 11 Queensway Gateway Road LGF Project Update

As agreed earlier, the Public Question submitted by Mr Bernard Brown who was unable to attend in person was considered and was read to the Board by Adam Bryan.

**My question.** *What steps can and will the Accountability Board take to ensure East Sussex County Council are held to account to fulfil their function under the SLA in order to start presenting meaningful and accurate reports to the Accountability Board. Will the Board seek an acknowledgement from East Sussex County Council of both their failure of delivery of the project and also of their repeatedly reporting inaccurate and misleading update reports since at least November 2019. Will they seek an undertaking that these failures stop now?*

### **Response:**

*There are steps that the Accountability Board could take to test the robustness of the update reports provided by East Sussex County Council with respect to the Queensway Gateway Road project, including:*

- *ongoing monitoring of the project, including continued provision of update reports to each Board meeting. If desired, the Board could request a greater focus on certain elements of the report such as delivery risks or progress towards realisation of expected project benefits.*

*If the Accountability Board consider that the final connection with the A21 cannot be delivered in accordance with the approved Business Case resulting in the full outputs of the scheme not being realised, then steps may be taken to recover the £10m LGF allocation to the project from East Sussex County Council under the terms of the Service Level Agreement which is in place.*

*It is acknowledged that historically some of the updates on the Queensway Gateway Road project provided to the Accountability Board by East Sussex County Council were limited in detail and some key milestone dependencies and risks could have been set out more transparently within the reports. This has meant that there has been on-going slippage in reported delivery timelines. More recently, efforts have been made by East Sussex County Council to provide more complete update reports, which take into account all key milestones and which seek to be clear where there are dependencies in the delivery programme. Work is ongoing by East Sussex County Council to continue to strengthen the updates on the Queensway Gateway Road project provided to the Accountability Board.*

*The Queensway Gateway Road update report provided to the Accountability Board by East Sussex County Council in July 2022 will set out the steps that are being taken by the Council to ensure that the updates provided by Sea Change Sussex on project delivery are robust and complete. In addition, the report will set out how East Sussex County Council are holding Sea Change Sussex to account with regard to delivery of the project in accordance with the agreed Business Case and in accordance with the back-to-back agreement in place between the two organisations.*

The Board received a report from Richard Dawson, Head of Service - Economic Development, Skills and Infrastructure, East Sussex County Council and Helen Dyer, the purpose of which was for the Board to receive a further update on the delivery of the Queensway Gateway Road project (the Project).

Councillor Glazier gave the Board an update on the latest position regarding the project and provided assurances that all parties involved are working hard to bring the project to fruition.

The Chair thanked Councillor Glazier for his update and requested that an officer be present at the next Board meeting in case clarification is needed on any project details.

**Resolved:**

1. **To Note** the latest position in the delivery of the Project and the steps that will be taken to secure completion.

2. **To Agree** that the Board will be provided with a further update on the Project, which updates the project delivery plan and associated milestones, at its meeting on 15 July 2022.

## 12 LGF Additional Funding Awards

The Board received a report from Howard Davies, the purpose of which was for the Board to consider the reallocation of Local Growth Fund (LGF) funding, currently allocated to a completed project, to a project on the pipeline. The report also considers the removal of a project from the LGF prioritised project pipeline.

### **Resolved:**

1. **To Agree** the award of an additional £0.207m LGF to the Southend Airport Business Park project (Part A).
2. **To Agree** the removal of the A127 Essential Maintenance/The Bell Part B project from the LGF project pipeline.

## 13 Growing Places Fund Update

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

Councillor Gough spoke in support of the Herne Relief Road project, stressing its significant importance to the local area.

### **Resolved:**

1. **To Note** the updated position on the GPF programme.
2. **To Agree** that the conditions applied to the release of the Tranche 2 funding for the Herne Relief Road – Bullockstone Road Improvement Scheme project have been met and that the remaining £1.4m can be released to Kent County Council upon completion of a variation to the existing GPF loan agreement.
3. **To Agree** the removal of the Leigh Port Quay Wall (Cockle Wharf) project from the GPF project pipeline.
4. **To Note** that East Sussex County Council did not receive their full loan repayment from the Eastbourne Fisherman's Under 10m Community Interest Company (CIC) in respect of the Eastbourne Fisherman's Quayside and Infrastructure Development project in 2021/22 and as a consequence defaulted on the agreed repayment schedule for the Project, repaying £0.1m of the agreed £0.25m to the Accountable Body. A revised repayment schedule for the Project will be presented at the September 2022 Board meeting.
5. **To Note** that in line with the Eastbourne Fisherman's Quayside and Infrastructure Development project credit agreement between Essex County Council (as Accountable Body for SELEP) and East Sussex County Council (as

the Borrower), interest will be charged at a rate of 1.99% per day on the balance of the loan being £0.825m, from the point of default 1 April 2022, to the date whereby a revision to the repayment schedule is agreed by the Board or repayment is made by the Borrower (should this occur first). East Sussex County Council have advised that GPF repayment and any default interest charges will be made by the Eastbourne Fisherman's Under 10m CIC as per the back to back loan agreement with East Sussex County Council.

#### 14 SELEP Finance Update

The Board received a report from Lorna Norris, Senior Finance Business Partner, the purpose of which was for the Board to consider the provisional outturn position for the SELEP Revenue budget for 2021/22 and the impact for the 2022/23 budget.

Adam Bryan set out the position with regard to the future role of SELEP and outlined the importance of the match funding contributions from partners for the 2022/23 financial year in supporting the work of the LEP.

The Chair offered her thanks to all those involved.

Rosemary Nunn offered any help that she, the University of Greenwich or any other universities in the SELEP area could offer.

Simon Cook raised the issue of project slippage on the COVID-19 support programmes which was clarified by Lorna Norris and Adam Bryan.

#### **Resolved:**

1. **To Note** the provisional net cost of services for 2021/22 of £687,000.
2. **To Approve** the provisional outturn position for the SELEP revenue budget for 2021/22 in Table 1 of the report, including the net contribution to the Operational Reserve of £329,437.
3. **To Approve** the movement in reserves set out in Table 5 of the report.
4. **To Approve** that the uncommitted balance of £22,672 on the Sector Support Fund is appropriated to the Operational Reserve as the Fund is closed to new applications.
5. **To Note** the risk to the Growing Places Fund (GPF) of the default loan repayment in respect of the Eastbourne Fisherman's Quayside and Infrastructure Development Project.
6. **To Approve** the match funding contributions for 2022/23 set out in Table 6 of the report to support the SELEP delivery plan in 2022/23 and to enable release of Core Funding anticipated from Government in 2022/23.
7. **To Approve** a reduction in the budgeted contribution from the Operational Reserve in 2022/23 equal to the total value of the agreed match funding

contribution from Partners, noting that an updated budget position will be brought to the July 2022 meeting to reflect the agreed changes to the Delivery Plan for 2022/23.

## 15 Operations Update

The Board received a report from Amy Ferraro, SELEP Governance Officer which was presented by Adam Bryan, Chief Executive Officer SELEP, the purpose of which was for the Board to be updated on the operational activities carried out by the Secretariat to support both this Board and the Strategic Board. The report includes an update on the Annual Performance Review, risk management, compliance with the Assurance Framework and performance against governance KPIs.

Adam drew the Board's attention to some key issues including the high number of Freedom of Information (FOI) Act requests. Whilst these are an important part of transparent governance, the increased workload continues to have an impact on both the Secretariat and Accountable Body resource.

Simon Cook raised the issue of the actual volume of information required to respond to the FOIs and not just the number of requests received. In response to his request, Adam confirmed that information regarding this could be provided to the Board.

The Chair offered her thanks to all the staff involved.

With regards to the Assurance Framework, the Chair stressed the importance of Board members keeping their register of interests up to date and mentioned the need for agendas and minutes of the Federated Boards to be shared with SELEP in a timely manner to ensure publication in line with agreed timescales.

### **Resolved:**

1. **To Note** the proposed changes to the Assurance Framework as described in section 4 of the report.
2. **To Note** the update on Assurance Framework compliance monitoring and Governance KPIs at Appendices B and C of the report.
3. **To Note** the changes to the Risk Register at Appendix D of the report.

## 16 Date of Next Meeting

The Board noted that the next meeting will take place on Friday 15th July 2022, venue to be confirmed.

There being no further business, the meeting closed at 11.48 am.